FEDERAL RESERVE BULLETIN

ISSUED BY THE

FEDERAL RESERVE BOARD

AT WASHINGTON

MARCH, 1920

WASHINGTON
GOVERNMENT PRINTING OFFICE
1920

FEDERAL RESERVE BOARD.

EX OFFICIO MEMBERS.

DAVID F. HOUSTON,
Secretary of the Treasury, Chairman.

JOHN SKELTON WILLIAMS,
Comptroller of the Currency.

W. P. G. HARDING, *Governor.*

ALBERT STRAUSS, *Vice Governor.*

ADOLPH C. MILLER.

CHARLES S. HAMLIN.

HENRY A. MOEHLENPAH.

GEORGE L. HARRISON, *General Counsel.*

W. T. CHAPMAN, *Secretary.*

R. G. EMERSON, *Assistant Secretary.*

W. M. IMLAY, *Fiscal Agent.*

W. W. PADDOCK,
Chief, Division of Operations and Examination.

W. W. HOXTON, *Executive Secretary.*

H. PARKER WILLIS,
Director, Division of Analysis and Research.

M. JACOBSON, *Statistician.*

J. E. CRANE,
Acting Director, Division of Foreign Exchange.

OFFICERS OF FEDERAL RESERVE BANKS.

Federal Reserve Bank of—	Chairman.	Governor.	Deputy governor.	Cashier.
Boston	Frederic H. Curtiss	Chas. A. Morss	Chas. E. Spencer, jr. C. C. Bullen	W. Willett.
New York	Pierre Jay	Benj. Strong, jr.[1]	J. H. Case[2] L. F. Sailer[3]	L. H. Hendricks.[3] E. R. Kenzel.[3] J. D. Higgins.[3] Channing Rudd.[3] A. W. Gilbart.[3]
Philadelphia	R. L. Austin		Wm. H. Hutt, jr.	W. A. Dyer.
Cleveland	D. C. Wills	E. R. Fancher	M. J. Fleming[4] Frank J. Zurlinden[4]	H. G. Davis.
Richmond	Caldwell Hardy	George J. Seay	C. A. Peple R. H. Broaddus	Geo. H. Keesee.
Atlanta	Joseph A. McCord	M. B. Wellborn	L. C. Adelson	M. W. Bell.
Chicago	Wm. A. Heath	J. B. McDougal	C. R. McKay B. G. McCloud[4]	S. B. Cramer.
St. Louis	Wm. McC. Martin	D. C. Biggs	O. M. Attebery	J. W. White.
Minneapolis	John H. Rich	R. A. Young		S. S. Cook.
Kansas City	Asa E. Ramsay	J. Z. Miller, jr.	C. A. Worthington	J. W. Helm.
Dallas	Wm. F. Ramsey	R. L. Van Zandt	Lynn P. Talley	Sam R. Lawder.
San Francisco	John Perrin	J. U. Calkins	Wm. A. Day Ira Clerk.[5] C. H. Stewart.[5]	W. N. Ambrose.

[1] On leave of absence. [2] Acting governor. [3] Controller. [4] Assistant to governor. [5] Assistant deputy governor.

MANAGERS OF BRANCHES OF FEDERAL RESERVE BANKS.

Federal Reserve Bank of—	Manager.	Federal Reserve Bank of—	Manager.
New York:		St. Louis:	
Buffalo branch	Ray M. Gidney.	Louisville branch	W. P. Kincheloe.
		Memphis branch	J. J. Heflin.
Cleveland:		Little Rock branch	A. F. Bailey.
Cincinnati branch	L. W. Manning.		
Pittsburgh branch	Geo. De Camp.	Kansas City:	
		Omaha branch	O. T. Eastman.
Richmond:		Denver branch	C. A. Burkhardt.
Baltimore branch	Morton M. Prentis.		
		Dallas:	
Atlanta:		El Paso branch	R. R. Gilbert.
New Orleans branch	Marcus Walker.	Houston branch	E. F. Gossett.
Jacksonville branch	Geo. R. De Saussure.		
Birmingham branch	A. E. Walker.	San Francisco:	
Nashville branch	Bradley Curry.	Los Angeles branch	Ira Clerk (acting).
		Portland branch	C. L. Lamping.
Chicago:		Salt Lake City branch	C. H. Stewart (acting).
Detroit branch	R. B. Locke.	Seattle branch	C. J. Shepherd.
		Spokane branch	C. A. McLean.

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. Member banks desiring to have the Bulletin supplied to their officers and directors may have it sent to not less than 10 names at a subscription price of $1 per annum.

No complete sets of the Bulletin for 1915, 1916, or 1917 are available.

TABLE OF CONTENTS.

FEDERAL RESERVE BULLETIN

VOL. 6 MARCH, 1920. No. 3

REVIEW OF THE MONTH.

Treasury finance.

The most marked feature of financial developments during the month of February in their public aspects has been the progressive withdrawal of the Treasury Department from the domestic credit market. Total receipts of the month, exclusive of transactions in the public debt, aggregated $229,527,341, of which amount $49,276,050 represents receipts on account of income and profits taxes, while expenditures on the same basis aggregated $295,457,434, leaving a net current deficit for the month of $65,930,093.

Comparative statements of the public debt on August 30, 1919, when the debt reached its peak, and February 29, 1920, on the basis of daily Treasury statements, show a decrease, principally from salvage and taxes, in the floating debt of about $900,000,000 and in the total debt of about $1,192,000,000 in the last six months.

The last issue of the Treasury's loan certificates of indebtedness matured on February 16 and was accordingly redeemed. The retirement of these certificates left the Treasury with no floating debt represented by outstanding short-term certificates requiring to be refunded. Tax certificates, anticipating income and excess profits returns to the extent of $2,935,949,500, are still outstanding, about $850,000,000 of these issues falling due on March 15. The remaining certificates, however, mature on installment dates for the payment of income and profits taxes, and the amounts of the various maturities in no instance exceed the estimated amounts of the taxes payable on the installment dates. The tax installments which have thus been anticipated and which are due during the calendar year 1920 are payable in respect to the income and profits of the calendar year 1919, and consequently would not be adversely affected should any recession of business take place during the year 1920. Secretary of the Treasury Houston, in commenting upon this situation, noted in a statement issued on February 3 that "although the Treasury will of course be obliged to borrow from time to time to meet the current deficit [which in February amounted to less than $66,000,000], the fact that the Treasury has no uncovered maturities is of immense importance."

The Treasury and the Board.

The reason why the Treasury's position with reference to the certificate situation is of so much importance from the credit standpoint is found in the fact that so long as large volumes of certificates were maturing on dates when it could meet them only by fresh borrowing, the department might at any time have found difficulty in refunding. In such circumstances, it was of course unavoidable that discount rates should be largely controlled by rates established primarily with a view to public borrowing. Secretary Houston, in this connection, points out that as a result of the conditions thus referred to "it was consequently impossible for the Federal Reserve Board to exert any effective control over credit." A similar situation was recently described in the address by the Right Hon. R. McKenna before the shareholders of the London City and Midland Bank. In discussing the relationship between the Government and the banking system, Mr. McKenna then said:

"The Government has been a heavy borrower, and still may be, whatever the bank rate. Raising the rate depreciates all existing Government securities, which makes it difficult to borrow from the public. As a result the Government is driven to the Bank of England. We know the consequences; the total of deposits and bank cash is increased, prices go up, and the currency is further inflated. The purpose of raising the bank rate is to prevent borrowing by making it too expensive, and by this means to restrict deposits and the issue of currency; but when the borrower is a Government which may have to borrow, no matter what the price, and which has the power to compel the Bank of England to lend, raising the rate not merely fails to achieve its intended purpose, but actually operates in the opposite way. Until the Government has ceased to borrow, the bank rate can not have its normal effect. It must be observed, moreover, that these considerations apply with equal force when the borrowing by the Government from the Bank of England is not to raise new money, but to pay off maturing debt held by the public or the banks, and not renewed by them."

What has happened in the United States with reference to bank rates and the control of credit as noted by the Secretary of the Treasury is thus parallel to the situation which has existed in Great Britain. The improvement which has taken place in our own finances opens the way to a more effective use of the rediscount rate as a means of credit regulation.

From the standpoint of the general investing public, the fact that the Treasury of the United States is no longer in the position of a borrower is of importance for the general welfare of the country but incidentally, as well, to the holders of Liberty bonds and Victory notes, since the danger of the Treasury's being obliged to borrow large sums to meet maturing certificates upon disadvantageous terms has been eliminated. The position of the Treasury to-day and the future of the market for the outstanding issues of Liberty bonds and Victory notes is very bright. The whole color of the picture would, of course, be changed if Congress should embark upon new expenditures on a large scale. The problem to-day is that of giving the people time and will to save capital sufficient to enable them to absorb that part of the war issues which is still owned or loaned upon by banks as well as the securities which are being pressed upon our markets from foreign sources in consequence of the extreme depression in European exchanges.

Foreign credit situation.

The public credit situation in foreign countries has not shown the same improvement which has been noted in the United States. While some progress has been made in the direction of restoring budgetary equilibrium in certain of the belligerent countries, and while there has been a distinct improvement in the production and exportation of staples, the gradual withdrawal of the credit which has been extended by the United States in such large measure places upon the European countries in an increasing degree the responsibility for the readjustment of their own affairs. European Governments have maintained, since the cessation of hostilities, embargoes upon the export of gold. The rectification of the exchanges now adverse to Europe lies primarily in the hands of European Governments. The normal method of meeting an adverse international balance is to ship gold. A refusal to ship gold prevents the rectification or stabilization of an adverse exchange. The need of gold embargoes for these countries lies in the expanded currency and credit structure of Europe. Relief would be found in disarmament, resumption of industrial life and activity, the imposition of adequate taxes, and the issue of adequate domestic loans. It is probably not generally realized that during the past year in various ways the Government of the United States has made available to European countries something like $4,000,000,000, or since the armistice considerably more than that. The amounts thus extended have been officially computed as follows:

Direct advances	$2,380,891,179.65
Funds made available to those Governments through the purchase of their currencies to cover our expenditures in Europe	736,481,586.76
Army and other governmental supplies sold on credit (approximately)	685,000,000.00
Relief (approximately)	100,000,000.00
Unpaid accrued interest up to Jan. 1, 1920, on allied government obligations	324,211,922.00
Total	4,226,584,688.41

Secretary Glass, in commenting upon the condition abroad in a statement made public on January 28 as a letter addressed to Homer L. Ferguson, president of the Chamber of Commerce of the United States, says with reference to the policy of our own Government that—

"It can not undertake to finance the requirements of Europe because it can not shape the fiscal policies of the Governments of Europe. The Government of the United States can not tax the American people to meet the deficiencies arising from the failure of the Governments of Europe to balance their budgets, nor can the Government of the United States tax the American people to subsidize the business of our exporters. It can not do so by direct measures of taxation nor can it look with composure upon the manufacture of bank credit to finance our exports when the requirements of Europe are for working capital rather than for bank credit."

The position of the Treasury Department under Secretary Houston, as has already been made plain, is identical with that adopted by Mr. Glass. It is further of much interest to note that following closely upon the latest announcements of the attitude of the Government of the United States, expressions have been made public by British authorities, both in the United States and in London, to the effect that British governmental policy is opposed to obtaining further loans in the United States and is favorable to the restoration of a normal balance of trade as rapidly as conditions will allow.

Extension of relief.

These views as to the further increase of governmental international indebtedness for the future in in no way alter the announced policy of the Government with respect to the two branches of credit extension to which assent has already been given—the proposed arrangement for funding the interest upon already existing debt and the extension of direct relief to the peoples of Europe who are in a condition of want or destitution. With reference to the first phase of the problem, testimony was furnished by Assistant Secretary of the Treasury Davis on Friday, February 13, before the committee of the House of Representatives which has had under advisement a bill to provide for definitely funding the interest obligations of the European countries. The plan before the committee contemplates the issuance of further bonds to represent the recurring interest payments, such bonds to be accepted in lieu of the interest for a period of three years, and further a release of the foreign countries from the interest upon the bonds thus given in lieu of interest settlements for a period of years. This is in line with the program developed by Secretary Glass in discussion with the representatives of foreign nations during the summer, and by him brought to the committee of Congress at the opening of the present session, as indicated in his annual report in which he said that—

"The Treasury is considering with representatives of the Governments of the Allies the funding of the demand obligations which the United States holds into long-time obligations and at the same time the funding during the reconstruction period or, say, for a period of two or three years, of the interest on the obligations of foreign Governments acquired by the United States under the Liberty loan acts."

The progress of the second phase of the plan suggested by the Treasury Department for the relief of European nations—the appropriation of a sum of $150,000,000 for the actual furnishing of necessities—has been slow. A bill to authorize the use of funds for this purpose is still under advisement, but the expectation is, however, that definite action on this side of the relief proposal will be obtained in the near future—action which would result in rendering it possible to carry out the suggestions made by Mr. Herbert Hoover in the statement made public by him on January 6, in which he formulated the problem as that of helping out with the bread supply of about 5 per cent of the population of Europe through the shipment of foodstuffs and other necessities to the distressed districts.

Collapse of exchange.

The carrying out of the program for dealing with the European situation thus outlined necessarily involves some suffering. Not the least difficult element in the change of attitude which is necessitated by the new point of view is of a psychological nature. As Mr. Hoover has expressed it, "the world needs to get away from the notion of governmental help, both internally and externally, and get back to work and business." It has not, however, been able to accomplish this desirable object thus far, and it is the recognition that such a transition must be made at an early date which has brought about renewed demoralization of exchange conditions during the past few weeks. The decline in exchanges, upon which comment has already been offered in the December and January issues of the BULLETIN, has continued during the month of February, demand sterling having reached a record low point of $3.18 early in the month, while other European exchanges were, relatively speaking, even weaker. The following tabular statement of exchange conditions continues that already furnished in previous issues of the BULLETIN and indicates the extreme disorganization which set in early in the month, as a result of lack of further credit to finance exports of goods and recognition on the part of the public that even present obligations incurred by European debtors in ordinary trade would not be easy to provide for.

Foreign exchange rates.

	Feb. 7.		Feb. 14.	
	High.	Low.	High.	Low.
England	3.49¼	3.19	3.43	3.35¼
France	13.44	15.15	13.92	14.55
Italy	16.08	19.72	17.62	18.77
Spain	17.95	17.00	17.60	17.45
Argentina	43.12½	43.00	43.25	43.12½
Hongkong	99.50	97.00	106.25	102.00
China (Shanghai)	163.00	161.00	167.00	159.00
Japan	48.75	48.00	48.62½	48.25

	Feb. 21.		Feb. 28.	
	High.	Low.	High.	Low.
England	3.47½	3.35¼	3.41¼	3.35½
France	13.22	14.38	14.12	14.34
Italy	17.65	18.30	18.14	18.38
Spain	17.52	17.20	17.40	17.30
Argentina	43.25	43.125	43.75	43.50
Hongkong	98.50	97.00	97.00	96.00
China (Shanghai)	149.00	147.00	147.00	143.00
Japan	48.125	48.00	48.00	47.75

The very great reduction in the buying power of the European currencies which has thus brought some of them almost to the vanishing point in international trade, marks being worth at their low point little more than a cent each, with Austrian crowns still lower, has been due not merely to the adverse balance of trade but to bad banking and currency conditions abroad. Were it the result solely of unfavorable trade balances it would have made itself manifest only in connection with international business. The foreign currencies would, in other words, have retained in large measure their original buying power at home. This, however, has not been the case, but there has been a continued depreciation of paper currency in most of the European countries as compared with gold from the domestic standpoint. The situation is well illustrated in the gold premium which has been found to exist in London. That premium reduced to a basis of percentages may be stated as varying from 50 per cent on January 31 to 43.9 per cent at the end of February. Another way of testing the actual situation abroad is furnished by the course of prices in those countries. This price development may be illustrated for a few of the principal nations by a tabulation of index numbers as follows:

Index numbers of wholesale prices.

(1913=100.)

	United Kingdom (Statist).	France (Bulletin de la Statistique Générale).	Italy (Prof. Bachi).
1919.			
January	224	348	328
February	220	340	323
March	217	337	326
April	217	332	330
May	229	325	337
June	235	329	355
July	243	349	359
August	250	347	367
September	253	360	369
October	264	382	387
November	272	405	435
December	276	417	455
1920.			
January	288	487	....

Check to American exports.

From our own standpoint the arrival of a turn in the tide of trade between this country and Europe has been indicated by the long expected decline in the movement of goods abroad. Figures reported by the Department of Commerce for our export trade, it is true, show for January an advance of $49,000,000 over December. The real situation is not, however, reflected in these gross figures for the period ending with January, but is, in the opinion of exporters and importers, undergoing a rapid change. In several important lines, such as meat products, the falling off is already authoritatively noted. The decline in shipments of merchandise thus indicated has had its direct effect in a reduced activity of, and demand for, ocean tonnage. This reduction in activity has led to some curtailment in freight charges, while there has also been a beginning of transference of tonnage from the Atlantic to the Pacific coast and from the east and west Atlantic line to some of the routes between the United States and South America. Coupled with this change in export movements and tonnage conditions has been a certain congestion of goods in warehouse or storage, owners determining not to continue shipments abroad in view of the unfavorable quotations of foreign currency and the difficulty of financing the products which they had been in the habit of shipping. A natural consequence of this tendency to retain goods at home has been a curtailment of certain classes of prices. The reduction is thus far only sporadic, but unmistakable symptoms of it have already been noted in various commodities. Such reductions have been aided by the fear on the part of some that embargoes would be established in Great Britain and perhaps in other countries against the importation of American goods with a view to restricting the further growth of unfavorable exchange quotations.

Reduction of export credits.

Quite as powerful as the influence of unfavorable exchange quotations, and directly associated with the latter, has been the tendency of American banks and banking houses during the month of February to limit the accommodation which they had been lending in financing the movement of goods to other countries. In several different ways this growing disinclination on the part of the banks to become responsible for export conditions has been exhibited. Early in February various banks in New York and elsewhere indicated to customers an indisposition to discount bills drawn in dollars and growing out of trade with Europe. Up to that time there had been a fairly responsive attitude on the part of American banks in taking on business which involved the carrying of exchange risks by foreign banks, but with the decline of exchanges came an increasing recognition that foreign bankers might easily get into a position in which they would find it difficult or impossible to meet the obligations incurred by them, should our export movement continue heavy. This refusal to discount bills, even when stated in dollars, except in unusual circumstances, has naturally tended to curtail the support rendered by the banks in the foreign trade. A further step which has been markedly influential has been seen in the fact that business houses, which had been accumulating large balances abroad and which had been accommodated by American banks to the extent of a substantial proportion of the current exchange value of such balances, have found it much more difficult to obtain accommodation upon this sort of security. Bankers have recognized that the continued large extensions of such a kind would inevitably result in a situation in which the collateral might become inadequate, while the borrower would be in no position either to take it up or to furnish additional protection. Finally, the attitude of the banking community has been increasingly adverse to loans secured by products stored in foreign countries and awaiting sale. Immediately after the armistice there was a considerable exportation of goods on consignment account to various foreign points because of the belief that the great shortage of goods in Europe would create a profitable market for whatever we might be able to export and that those who could actually offer the goods when wanted would be able to control the trade. In view of the fact that Europe's buying power was much less vigorous than had been predicted by many it has been necessary to carry considerable quantities of these goods for periods of some length and they have been in many cases financed by American banks. A disposition to discontinue this type of financing necessarily tends not only to bring about the sale of these goods abroad and hence to forestall further exportations from the United States but is also proving a very discouraging factor in connection with exportations from this country which might otherwise have occurred.

Foreign banking situation.

An essential element in the rectification of these conditions will be found in the reform or modification of the foreign banking situation. There is thus far but too little reason to look forward to an immediate improvement. Reserves at the Bank of England have shown some improvement, although it has been sporadic and uncertain. The following figures illustrate the gradual development of conditions in leading foreign countries, reserves being contrasted with the amounts of deposits in central banks and total notes outstanding:

Central bank deposits, total note circulation, and gold reserves in Great Britain, France, and Italy.

[In millions of dollars.]

End of month.	Great Britain.			Bank of France.			Italy.		
	Deposits.[1]	Notes.[2]	Reserves.[3]	Deposits.[4]	Notes.	Reserves.[5]	Deposits.[6]	Notes.[7]	Reserves.[8]
1919.									
January	721	1,834	532	518	6,173	730	420	2,628	257
February	706	1,874	536	521	6,314	745	434	2,613	256
March	717	1,955	549	592	6,441	748	414	2,684	256
April	714	2,071	556	602	6,558	749	461	2,799	256
May	694	2,051	558	686	6,574	748	454	2,749	256
June	768	2,047	566	664	6,647	748	453	2,809	254
July	654	2,035	569	575	6,760	751	424	2,925	254
August	575	[9] 1,999	568	592	6,772	751	465	2,987	254
September	569	[9] 2,009	568	554	6,907	750	484	3,157	254
October	676	[9] 2,040	568	613	7,136	750	....	....	...
November	585	[9] 2,057	567	608	7,223	749	....	....	...
December	973	[9] 2,168	584	620	7,194	747	....	....	...
1920.									
January	756	[9] 2,014	625	615	7,253	744	....	....	...

[1] Public and other deposits.
[2] Currency and Bank of England notes.
[3] Including $138,695,000 held by the exchequer.
[4] Includes Government and other deposits.
[5] Exclusive of gold held abroad.
[6] Includes deposits of the three banks of issue, viz: The Bank of Italy, the Bank of Naples, and the Bank of Sicily.
[7] Includes notes of the three banks of issue, and of the Treasury.
[8] Includes reserves of the three banks of issue, and of the Treasury.
[9] Exclusive of Bank of England notes held by the exchequer as reserve against currency notes outstanding.

Proposals put forward in France during the past few weeks for the increase of taxation in that country afford encouragement with reference to the development of French economic policy in its application to banking, while those in process of development in Italy are still more positive. Coincident with the development of these proposals has been the reply by the authorities of the British exchequer to the international exchange memorial filed with it by influential men who presented the memorial to the British Government at the same time that it was handed to our own Treasury authorities. The policy of the exchequer as outlined in this answer points strongly to the systematic pursuit of sound methods of finance, the continued assessment of taxation, and the reduction of public indebtedness as rapidly as possible. The difficulties of the situation, however, are great, and it will evidently be some time before genuine improvement can be assured. Meanwhile, a disquieting factor in the situation is the steady increase of prices abroad, to which reference has already been made in another connection, and which seems to indicate the growth of inflation.

Progress of economic recovery.

One criterion of the progress of economic recovery in foreign countries is seen in their relationships with one another. Of these perhaps the most available tests are furnished by the figures showing exporting power and exchange quotations. In the following brief comparison is presented data showing the capacity of Great Britain, France, and Italy to export, as tested by their aggregate shipments abroad.

Exports of United Kingdom, France, and Italy during 1919.

[In millions of dollars at gold parity.]

1919	United Kingdom.	France.	Italy.
January	253	58	44
February	253	56	51
March	302	79	60
April	350	68	59
May	369	83	57
June	372	92	79
July	375	119	72
August	438	....	88
September	400	134	110
October	480	139	124
November	523	134	....
December	570	....	....

NOTE.—Figures for United Kingdom include domestic and foreign products. Figures for France and Italy include domestic products only. Figures for Italy include silver bullion. Money conversions are made at normal parity.

Foreign exchange relationships between these countries may be best studied by considering the variation of the pound sterling from normal in the French and Italian markets and of the franc and lira in the British market.

Exchange rates on United Kingdom, France, and Italy.

End of month.[1]	London on Paris.	London on Italy.	Paris on London.	Italy on London.
	Francs per £.	*Liras per £.*	*Francs per £.*	*Liras per £.*
1919.				
January	25.98½	30.31¼	25.98½	30.31¼
February	25.98	30.31¼	25.97¾	30.31¼
March	27.40	37.00	27.62½	33.50
April	28.22	34.75	28.37½	35.20
May	29.85	39.50	29.40	37.95
June	29.85	36.80	29.71½	36.87½
July	31.02	37.65	31.42½	37.69½
August	33.87½	40.85	33.97½	40.75
September	35.45	41.10	34.70	41.20
October	36.22½	43.37½	36.05	43.07½
November	39.35	49.00	39.26	49.00
December	40.05	49.12½	40.02½	49.37½
1920.				
January	46.25	54.75	46.32½	54.05
February[2]	49.90	67.15	49.90	67.15

[1] London quotations are cable averages for Thursday of last week of the month as quoted by the London Economist. Foreign quotations on London are averages for date quoted by the Economist for the last week of the month. Paris quotations are for checks, Italian sight.

[2] February quotations furnished by Guaranty Trust Co., New York City.

Our one-sided export trade.

The one-sided character of our export trade is illustrated by the difference in the exchange situation growing out of our relations to Europe on the one hand and our relations to the Orient and South America on the other. This difference in situation may best be illustrated by the following brief table furnishing a review of the position of selected countries during 1919, those which have a net export balance in our favor being indicated by the minus sign, while those which have shipped us more goods than we have sent them and with which our export balance is therefore unfavorable being indicated by the plus sign.

United States trade balance, 1919.

[In millions of dollars.]

With European countries:	
United Kingdom	−1,970
France	− 770
Italy	− 384
Netherlands	− 180
With oriental countries:	
British East Indies	+ 241
Japan	+ 43
China	+ 49
With South American countries:	
Argentina	+ 43
Brazil	+ 119

With the showing as to merchandise there may also to advantage be compared the figures showing the movement of gold which have been presented in a separate column:

United States movement of gold, 1919.

[In millions of dollars.]

European countries:	
United Kingdom and Canada	+40.7
France	− 4.1
Oriental countries:	
British India	−34.3
Japan	−94.1
China	−39.1
Hongkong	−30.1
South American countries:	
Argentina	−56.5
Venezuela	−11.7
Mexico	− 5.9

The latest returns covering the month of January seem to indicate a continuance of the tendencies thus exhibited by the complete figures for the year 1919. It is not to be expected that the volume of our gold exports should correspond to the trade balance between ourselves and any given country, even if the "invisible balance" be left out of account. This invisible balance representing services, interest payments, and the like, is itself an important factor in the situation. The lack of correspondence in exports and imports is a frequent phenomenon in foreign exchange, and grows out of the fact that a third country may be in debt to the nation to which we are sending gold and may have drawn upon us under credits established here for the purpose of paying its debts through gold exportations. Conditions of this kind are especially likely to occur under present circumstances, due to the fact that the United States being practically the only free gold market in the world, many transfers and shifts of balances and cash are often made for the purpose of effecting international settlements, while the United States and its banks are employed as a base for these operations. A conspicuous example of the kind is seen in the rapid reduction of the balances carried by foreign banks with American institutions. These balances had grown during the war to very large proportions, but since the armistice they have in many cases declined sharply, funds being used for the purpose of settlement of obligations and of purchasing commodities here, but partly also for the adjustment of obligations in other countries which had become pressing. There are thus factors growing out of the international situation to-day which are not solely due to the one-sided character of our balance of trade, although that affords the basis for it. The continuance of a condition in which we export substantially, even if not enormously, to Europe, but receive little from her, while we draw our imports from other countries, yet are not able to pay for them in goods, must necessarily lead to a continuous drain on our stock of accumulated gold.

In an analysis of the gold situation recently issued by a New York banking institution, it is pointed out that "aside from the obvious geographical distribution of the countries [receiving gold from us]—all, except Spain, either in the Orient or in South America—it is clear at the first glance that all these nations are essentially providers of raw materials for the remainder of the world. If we consider our trade balances with these countries during 1919, so far as they have come to hand, we find that in most cases there was a considerable excess of imports into the United States over our exports to them."

It is also noted that "our net exports of silver during 1919, meanwhile, were unimportant, save to four nations. In these cases the figures, in millions, were: British India, 109.2; China, 77.6; England, 15.6; Hongkong, 10.2."

Reserve percentages.

Notwithstanding the restoration of more normal conditions in some lines of industry, there has been but little change in the banking outlook. The reserve percentages of the Federal Reserve System as a whole have shown a distinct tendency toward decrease. This is exhibited as follows:

Jan. 23	44.8
Jan. 30	44.5
Feb. 6	44.1
Feb. 13	43.2
Feb. 20	42.7
Feb. 27	42.5

This decrease is only partly due to continued maintenance of the demand for credit and must be partly ascribed to the continuous demand for gold for export. On this subject the Board in its annual report, issued on February 23, says:

The combined reserves of the 12 Federal Reserve Banks on January 3, 1919, amounted to 51.3 per cent of their liability for deposits and note issues. Due partly to the gold embargo, this percentage was well maintained during all the period of uncertainty which preceded the flotation of the Victory loan and for some time thereafter, for not until July 9, after the gold embargo had been removed, did the reserves fall even fractionally below 50 per cent. On September 26 the reserves stood at 51 per cent, after which date they show a steady and continuous decline to 44.8 per cent on December 26.

Although the period of war financing did not terminate with the year 1918 and the Federal Reserve System was consequently under the continued strain of war finance, that strain had to be met without the aid of war restrictions. The safeguards afforded by these restrictions were removed, for it was impracticable to continue them in time of peace. There is no longer an embargo on exports of gold nor any regulation or control of foreign exchange, with the trifling exceptions already noted; the controls set up over exports and imports, production and consumption, with a view of conserving the national resources and reducing waste, have practically disappeared. As a result the problems of the Federal Reserve System have been greatly increased, more particularly the problem of controlling credit.

The following figures, in continuation of those furnished in the last issue of the BULLETIN, render possible a study of the development of the portfolios of the member banks and hence make it feasible to draw some conclusions concerning the actual working of present methods of credit limitation as independent of the gold export situation.

[In millions of dollars.]

Date.	Number of banks reporting.	Loans (including rediscounts) and investments (including U. S. securities).	Rediscounts and bills payable with Federal Reserve Banks.	Net demand deposits.
1920.				
Jan. 2	798	16,753	1,870	11,609
Jan. 9	802	16,868	1,729	11,549
Jan. 16	803	16,852	1,757	11,740
Jan. 23	804	16,841	1,824	11,536
Jan. 30	804	16,762	1,834	11,477
Feb. 6	804	16,758	1,895	11,478
Feb. 13	805	16,826	1,988	11,604
Feb. 20	806	16,762	2,057	11,417
Feb. 27	805	16,849	2,143	11,457

Gold and silver movements.

During the month ending February 10 the net outward movement of gold was $38,117,000, as compared with a net outward movement of $26,553,000 for the month ending January 10. Net imports of gold since August 1, 1914, were $727,402,000, as may be seen from the following exhibit:

[In thousands of dollars.]

	Imports.	Exports.	Excess of imports over exports.
Aug. 1 to Dec. 31, 1914	23,253	104,972	[1] 81,719
Jan. 1 to Dec. 31, 1915	451,955	31,426	420,529
Jan. 1 to Dec. 31, 1916	685,745	155,793	529,952
Jan. 1 to Dec. 31, 1917	553,713	372,171	181,542
Jan. 1 to Dec. 31, 1918	61,950	40,848	21,102
Jan. 1 to Dec. 31, 1919	76,534	368,185	[1] 291,651
Jan. 1 to Feb. 10, 1920	12,304	64,657	[1] 52,353
Total	1,865,454	1,138,052	727,402

[1] Excess of exports over imports.

Over 93 per cent of the $11,812,000 of gold imported during the monthly period ending February 10 was received from Canada; Mexico and New Zealand furnishing most of the remainder. Of the gold exports, amounting to $49,929,000, over one-half, or $25,050,000, was consigned to Argentina, $8,811,000 to Hongkong, $3,367,000 to China, and $4,000,000 to Mexico, the remainder going principally to the Straits Settlements, Japan, Dutch East Indies, and Uruguay. Since the removal of the gold embargo on June 7, 1919, total gold exports have amounted to approximately $418,450,000. Of this total, about $99,820,000 were shipped to Japan, $81,610,000 to Argentina, $51,354,000 to Hongkong, $48,412,000 to China, $35,506,000 to British India, and $29,778,000 to Spain, the remainder being shipped principally to Mexico, Uruguay, Dutch East Indies, the Straits Settlements, and Venezuela.

During the same monthly period the net outward movement of silver was $14,632,000, as compared with a net outward movement of $8,138,000 for the month ending January 10. Net exports of silver since August 1, 1914, were $447,374,000, as may be seen from the following exhibit:

[In thousands of dollars.]

	Imports.	Exports.	Excess of exports over imports.
Aug. 1 to Dec. 31, 1914	12,129	22,182	10,053
Jan. 1 to Dec. 31, 1915	34,484	53,599	19,115
Jan. 1 to Dec. 31, 1916	32,263	70,595	38,332
Jan. 1 to Dec. 31, 1917	53,340	84,131	30,791
Jan. 1 to Dec. 31, 1918	71,376	252,846	181,470
Jan. 1 to Dec. 31, 1919	89,410	239,021	149,611
Jan. 1 to Feb. 10, 1920	12,124	30,126	18,002
Total	305,126	752,500	447,374

Mexico furnished almost three-fourths of the $7,788,000 of silver imported during the monthly period ending February 10, while most of the remainder came from Peru and Canada. Of the silver exports, amounting to $22,420,000, $16,745,000 were consigned to China, $2,551,000 to Hongkong, and $2,321,000 to Canada, the remainder going to Mexico, Panama, England, and Honduras.

Reduction of volume of credit.

The effects of the higher discount rates applied by the Federal Reserve System have not yet had opportunity to make themselves fully felt. In some parts of the country very direct results are recorded as having been experienced, while in other parts of the country the situation is not so obvious. The Federal Reserve Bank of New York, in analyzing the situation, says:

The contraction of bank credit which has taken place in this district, particularly in New York City, has not had its counterpart in the country as a whole. In the four weeks ended February 13, the 71 banks in New York City which report weekly to the Federal Reserve Board reduced their loans $178,000,000. The 733 reporting banks elsewhere in the United States, however, increased their loans in the same four weeks' period $67,000,000, thereby partially offsetting the decrease made in New York City. The reduction of loans on stocks and bonds in so far as any has been made has taken place in this district. Thus, while New York City banks were reducing such loans $130,000,000, banks elsewhere kept them on the average almost stationary from a month ago.

Bank deposits in this district declined rapidly, thereby continuing the movement, unusual for this time of year, observed a month ago. The deposits of New York City banks were $285,000,000 lower than on January 16. Of that reduction $136,000,000 was in the single item of Government deposits, which have been withdrawn rapidly during the period. Elsewhere in the country, despite the increase in loans, deposits have declined $217,000,000, of which more than half was because of the withdrawal of Government deposits. The following table gives the important figures:

[In millions.]

Date.	71 reporting banks in New York City.		805 reporting banks, all districts.[1]	
	Total loans and investments.	Total deposits.	Total loans and investments.	Total deposits.
Feb. 13, 1920	$5,341	$5,017	$15,715	$14,108
Feb. 6, 1920	5,424	5,065	15,814	14,178
Jan. 30, 1920	5,479	5,117	15,844	14,258
Jan. 23, 1920	5,487	5,147	15,866	14,326
Jan. 16, 1920	5,519	5,292	15,826	14,600
Jan. 2, 1920	5,595	5,401	15,792	14,572
Oct. 10, 1919	5,850	5,397	15,476	13,699
Jan. 3, 1919	5,153	4,763	13,697	12,071

[1] The number of reporting banks throughout the country increased from 757 on Jan. 3, 1919, to 805 on Feb. 13, 1920. In the same time the eporting banks in this district increased from 65 to 71.

The banking situation.

Largely as the result of considerable redemptions of Treasury loan certificates, aggregate holdings of Government war securities reported by over 800 member banks in leading cities show a decrease of about 162 millions between January 16 and February 13. During the same period the amount of war paper carried by these banks (less rediscounts) fell off about 80 millions. There is also shown substantial contraction of loans secured by stocks and bonds, though liquidation under this head is practically limited to New York banks. On the other hand, all other loans and investments, exclusive of rediscounts, composed mainly of ordinary commercial loans, increased during the period by about 187.2 millions. The net result of these changes is seen in a decrease of 191.8 millions in total loans and investments (less rediscounts). During the same period collateral loans of reporting banks held by Federal Reserve Banks increased 164.2 millions, so that the margin between the loans and investments of the reporting banks and their borrowings from the Federal Reserve Banks shows a decrease of 356 millions. Government, as well as other demand deposits (net), show considerable declines, the former by 266.3 millions and the latter by 189.3 millions, these reductions apparently accounting largely for the decline of 75.6 millions in the banks' reserve balances with the Federal Reserve Banks.

Data for the Federal Reserve Banks covering the period between January 23 and February 20 indicate considerable increases in loan and note issue operations. Holdings of paper secured by Treasury certificates show an increase for the period of over 60 millions, notwithstanding the considerable reduction in the volume of outstanding certificates effected during the period. Holdings of paper secured by Liberty bonds and Victory notes increased 78.7 millions following the restoration of a differential of one-half per cent in favor of this class of paper as against ordinary commercial paper, the holdings of which increased by 66.2 millions.

For the four weeks under review the total discounts of the Federal Reserve Banks are thus seen to have increased by about 205 millions, totaling on the closing date of the period 2,358.5 millions, of which about 65 per cent was war paper. Apparently as the result of the differential treatment of war paper the average maturity of bills held by the Federal Reserve Banks shows a considerable decrease through a substantial decline of 90-day paper on the one hand and a more than corresponding gain in the holdings of 15 and 60 day paper. Following the adoption by the Federal Reserve Banks of a special 5 per cent discount rate the holdings of acceptances purchased in open market declined from 575.8 to 531.7 millions. During the same period the New York and Philadelphia banks increased their rediscounts with other Federal Reserve Banks from 75.4 to 93.9 millions. On the other hand, holdings by other Federal Reserve Banks of acceptances sold by the New York and Boston Reserve Banks declined from 48.7 to 30.4 millions.

As the result of moderate decreases in both members' reserve and Government deposits, the Federal Reserve Banks' deposit liabilities show a decline from 1,817.8 to 1,785.8 millions. On the other hand, Federal Reserve note circulation expanded during the period from 2,844.2 to 2,977.1 millions, or at an average weekly rate of 33.2 millions, while gold reserves, mainly in consequence of export withdrawals, show a further reduction of 56.8 millions. The combined result of these changes is seen in the continuous decline of the banks' reserve ratio from 44.8 to 42.7 per cent.

Change in investment conditions.

Very low price levels for investment securities have been noted during the month. Rates for call money have, however, owing to lack of demand, continued during most of the month on a decidedly more reasonable level than at any time in the recent past, both the call and renewal rate being during a part of the time in the neighborhood of 6 per cent, although subject to considerable fluctuation from time to time. It has been inevitable that depression in unquestionably good investment securities should occur as one consequence of the changes through which the financial community has been passing. A phase of this change in the investment outlook has been commented upon by the Secretary of the Treasury as follows:

"The depression in high-grade investment securities in this country at the present time is to a very important extent the result of heavy selling of such securities in our markets from foreign sources * * *. By absorbing these high-grade investment securities, the American people are furnishing capital to Europe at a time of Europe's need and are giving this help in just the way that Europe helped America in the period of America's growth and of her own monetary troubles. In the days of the infancy of the Republic, in the days of our Civil War, and of the period of reconstruction after the Civil War, of the monetary panics which we suffered at frequent intervals until the establishment of our Federal Reserve System, America suffered greatly for lack of capital and credit and because of her depreciated currency, and, later, her inelastic currency. In those days Europe came to America's aid, not by Government loans, not with any comprehensive plan, but by the investment of private capital upon attractive terms in American enterprises and in the purchase of American securities at bargain prices. Europe profited enormously by these investments and America profited too, because she obtained the capital she needed at the price that the capital was worth to her. Honest and energetic business men in both countries went to work in their own way and solved the problem on business terms."

Brief mention has already been made of the report of the Federal Reserve Board which was issued to the public on February 23. In the report the Board has restated its policy with respect to discount rates and credit along lines already made familiar in the BULLETIN, but which may be briefly reviewed as follows:

The normal and traditional method of credit control has been the discount rate; its efficacy however, presupposes normal conditions. An advance in rate operates under normal conditions not only to diminish the demand for credit by making certain activities unprofitable but as well to increase the supply of credit by attracting it from other centers or countries. The conditions that make this traditional control effective do not all exist at the present time. The United States stands almost alone as an important free gold market. Other countries are seeking and have obtained large credits in the United States, as is evidenced by the fact that our exports exceeded imports during the year by about four billions of dollars and we have paid our adverse balances in gold. It should be recognized that credits extended to Europe create a demand for commodities that competes with the domestic demand and this competition is one of the potent causes of high prices. * * * The expansion of credit set in motion by the war must be checked. Credit must be brought under effective control and its flow be once more regulated and governed with careful regard to the economic welfare of the country and the needs of its producing industries. Deflation, however, merely for the sake of deflation and a speedy return to "normal"—deflation merely for the sake of restoring security values and commodity prices to their prewar levels without regard to other consequences, would be an insensate proceeding in the existing posture of national and world affairs.

Meeting of Advisory Council.

All these factors were brought to the attention of the meeting of the Federal Advisory Council at its stated session on February 17. The Council, after considering the general credit outlook, made recommendations as to some particular phases of it, to which brief reference may be made. The view of the Council with respect to the matter of rates on open-market acceptances is thus stated: "The policy to be pursued by Federal Reserve Banks should be to leave the control of the open market for such acceptances in the hands of member banks and discount houses, so long as the former use the special rediscount rate legitimately and do not abuse it. The Federal Reserve Banks should not therefore normally buy acceptances in the open market below the current rates at which the member banks and discount houses are buying them. Should it become urgently necessary to curtail rediscounts at the Federal Reserve Banks, rates can be raised, and should it be found that the preferred rate for bankers' acceptances is being abused such discrimination in their favor should be discontinued." With reference to rates of interest in general, the Council found that the action already taken by the clearing-house banks in limiting the rate of interest to be paid on bank balances to $2\frac{1}{4}$ per cent enables the Federal Reserve Banks to increase their discount rates without reference to existing clearing-house rules regulating the payment of interest. No further steps are necessary or advisable looking to the regulation of the rates of interest to be paid on deposits. As to whether the present 6 per cent rate for the rediscount of ninety-day paper is sufficiently high, the Council holds that experience has thus far been insufficient for conclusive opinion.

BUSINESS, INDUSTRY, AND FINANCE DURING FEBRUARY, 1920.

While Federal Reserve agents in their reports as to business conditions and the outlook for trade forecast the continuance of an active demand for products, the situation in some districts is such as to raise questions and to lead to predictions of possible reduction in business activity and in prosperity. There is in many sections of the country indication of some alteration in outlook and a disposition on the part of the consumer to use more care and judgment in his purchases. No increase in labor unrest is observable, but in some districts a continuation of underproduction or limitation of production is encountered.

In district No. 1 (Boston) the Federal Reserve agent reports that "it seems clear not only that commodities are finding their way to the counters of the retail merchant with increasing facility, but that the shelves of the latter are, in general, being stocked to capacity, and merchants are buying more and more cautiously from month to month, willing to take chances which they would not risk a few months ago on deliveries; and though they may not yet have actually observed any appreciable falling off in the purchasing activities of the public, they are becoming increasingly conscious that the inevitable time of forced retrenchment is approaching nearer and nearer." In district No. 2 (New York) "shares on the stock market have persistently declined and a further contraction in the volume of trading as compared with recent months has taken place. There has been evidence also of waning speculation in commodities. A further and sensational fall in foreign exchanges brought almost all the principal quotations to new low levels, from which they have somewhat recovered." From district No. 3 (Philadelphia) it is reported that there is a brisk demand for manufactures of all kinds but that the danger of further price advances is well recognized. "There can not be any long continuation of price advances combined with increased purchasing, unless production can at the same time be made larger," says the report. Foreign trade conditions are making themselves felt in a practical way, sundry prices weakening as a result of the decline in sterling. In district No. 4 (Cleveland) the Federal Reserve agent, while calling attention to the restriction of output as a general evil, and while fearing the continuation of high prices as the result of underproduction, states that there is a beginning on the part of employees to recognize that the volume of production is a vital question. The opinion is expressed that extravagant purchasing will continue for some time, although the reports of dealers indicate an opposite view. No ground for actual pessimism is to be noted. In district No. 5 (Richmond) "the new year has opened prosperously, with no indications of any general business curtailment." There is, however, a distrust of future prices and retailers are showing a conservative tendency. In district No. 6 (Atlanta) observations similar to those reported from the Cleveland district are presented. The need of increased production is recognized, and it is stated that "the betterment of prevailing conditions rests largely with the general public and especially with labor." The outlook for agricultural development is good. In district No. 7 (Chicago) "it is not surprising that the tone of replies to inquiries concerning business conditions in the Middle West should reflect more or less apprehension of a period of business depression." This is said to be particularly noticeable in the advices received from producing centers. In district No. 8 (St. Louis) active business in practically every line is reported, although "during the past few weeks several disturbing factors have tended to lessen its volume from the high level of January." Possible price reductions are foreseen and buyers are limiting their purchases, yet there is "a feeling of optimism" among most business men. The buying power of the public shows "little diminution," In district No. 9 (Minneapolis) unfavorable transportation conditions have tended to limit the activity of business, but the agricultural outlook is good and sales of farm implements are active. Collections are satisfactory. In district No. 10 (Kansas City) "the volume of mercantile trade in the month of January was about 40 per cent greater in amount of money than that of January, 1919, and about the same in quantity of merchandise." Some lines of business have declined in activity, but building operations have enormously increased and there is an effort to pay off war indebtedness. In district No. 11 (Dallas) January business conditions "reflect a moderate net gain as contrasted with the situation a year ago. Agricultural prospects are favorable, and the volume of mercantile trade was slightly better than that of January, 1919. In district No. 12 (San Francisco) planting conditions are not as good as they should be. There is much activity in business, unemployment is nominal, strikes are at a minimum, and the prospects are good in spite of somewhat unfavorable agricultural conditions.

Throughout practically all the reports runs a recognition of the existence of an overstrained condition of credit and of some continued tendency toward speculative operations, while high living costs and the upward movement of prices have apparently not been checked, notwithstanding the decrease in prices of some classes of goods and a tendency toward restricted trade in specified lines. Interest rates are high and rising in most places, while banks are exercising a greater degree of discrimination and judgment in complying with the demands of their customers. February has witnessed a beginning of active preparations for the coming agricultural season, particularly in the South and Southwest and on the Pacific coast. In district No. 6 (Atlanta) preparation for the new crops has been somewhat retarded by weather conditions and cotton acreage can not as yet be forecast with accuracy, although it will probably be reduced as compared with last year. Small grain has been somewhat damaged by wet weather along the Atlantic coast. The fruit and vegetable crop gathered during the past few months has been very satisfactory, although prices for some classes of fruit have been disappointing. In district No. 11 (Dallas) little winter plowing has been done and preparation for the staple crops is three or four weeks behind. The south Texas rice crop, which has just been completed, is the most profitable ever grown. Truck products are moving to market in large volume and at good prices. In district No. 10 (Kansas City) conditions have been ideal for work out-of-doors. The ground has been in excellent condition for plowing and the weather was favorable for winter grain crops. The corn acreage will be largely in excess of last year. In district No. 9 (Minneapolis) the season is still too early to forecast conditions. On the Pacific coast the germination of grains has been slow, although in Oregon and Washington autumn wheat is wintering well. While the information is not yet sufficiently complete or the season sufficiently far advanced to furnish conclusive facts, the prospects are evidently regarded as entirely favorable. Practically throughout the country the problem of agricultural labor, both as to amount and cost, is regarded as one of unprecedented difficulty. The high wages offered in the cities have attracted many farm workers from the land, and as a result decreased production in various sections can scarcely be avoided.

Farm animals in most parts of the country are reported as wintering in exceptionally good condition. In Texas there was an increase of 836,000 head of live stock from 1918 to 1919. The sheep industry in west Texas has the best prospects ever known. In district No. 10 (Kansas City) live stock has been reported in thriving condition with less disease among animals than for some time. There is a problem in the northwest section of the district in restocking the ranges, but prospects are good for a large crop during the current year. On farms there has been a decrease in the number of animals available, amounting to about 7.1 per cent since January, 1919. Some falling off in sheep has occurred in Colorado and Wyoming, but in the eastern part of the district sheep have increased from 2 to 10 per cent, the increase being especially noticeable in Kansas. Declines are reported in the holdings of hogs. On the Pacific coast, in spite of hay shortage and high prices for feed, cattle are wintering well, and the quantity of live stock on farms in the district is approximately the same as on January 1, 1919. Receipts of cattle and calves at 15 primary markets during January were reported as 1,400,031 head, corresponding to an index number of 139, as compared with 1,650,315 head during December and 1,656,046 head during January, 1919, the respective index numbers being 164 and 164. Receipts of sheep during January were 1,035,591 head, as compared with 1,079,377 head a year earlier and 1,589,237 head during December, 1919, the respective index numbers being 76, 79, and 116. Receipts of hogs show a change from 3,912,449 head, corresponding to an index number of 178 during January, 1920, to 4,603,335 head, corresponding to an index number of 209, during January, 1919, as compared with 3,785,870 head, corresponding to an index number of 172, during December. From Kansas City it is reported that January receipts of cattle, hogs, and sheep at the six markets in that district were 523,742 head, 1,053,719 head, and 539,385 head, respectively. Stated in another way, arrivals at the six markets in district No. 10 (Kansas City) in January were 37,006 cars, as compared with 37,694 cars in December and 44,134 cars in January, 1919. There was a decline of 12.7 per cent in cattle receipts as compared with the December record and of 14.9 per cent as compared with the receipts in January of last year, while 12.7 per cent more hogs arrived in January than in December, but the January total fell 30 per cent short of the receipts in January, 1919. Fewer sheep came to the markets in January than in December, but the January total was 14.4 per cent larger than a year ago. In district No. 7 (Chicago) it has been found that receipts of live stock at the principal markets during January show a decrease of 19 per cent as compared with the corresponding month of last year. Prices for cattle, beef, and mutton declined compared with a year ago, while sheep and young lamb increased in price. There was a falling off of 15 per cent in hog receipts and a decrease in the price of live hogs. In Kansas City steers were about $1.50 lower than a year ago, while feeder cattle were $1.50 to $2.50 lower. Lambs and calves maintained fairly high prices. Both in district No. 10 (Kansas City) and district No. 7 (Chicago) it is noted that meat packing operations have been materially slowed down on account of the export situation.

Arrivals of wheat have been smaller both in district No. 10 (Kansas City) and district No. 9 (Minneapolis), as well as in district No. 7 (Chicago). This has been partly due to difficulties of transportation. Inability to ship accumulated stocks from the elevators in the Northwest has prevented grain from moving. In district No. 10 (Kansas City), although such difficulties have been smaller, the arrivals of wheat at principal markets were about 15 per cent less than in December, but about three times as great as in January, 1919. Much grain is now being held on the farms for higher prices. Activity at the principal flour milling centers has declined in district No. 10 (Kansas City) on account of the car shortage, while the same is true in district No. 9 (Minneapolis) and elsewhere. Wheat flour production in January, 1920, was, however, 13,005,000 barrels, as against 10,593,000 barrels a year earlier. This continues the upward movement in the output of flour already noted in the February issue of the BULLETIN.

The demand for iron and steel continues to be vigorous and many mills are sold up far ahead. In district No. 4 (Cleveland) it is reported that pig iron buying during the past four or five weeks has been in "tremendous volume," and it is estimated by trade authorities that total sales during that period exceeded 1,000,000 tons. Consumers have bought ahead up to January 1, 1921. The advance in pig iron prices has ranged from $3 to $6 a ton. The Lake Superior iron ore market for the season 1920 has opened at an advance of $1 a ton. Predictions are now being made of a season's movement of 60,000,000 tons. The unfilled orders of the United States Steel Corporation for January were 9,285,441, corresponding to an index number of 176, while for January, 1919, they were 6,684,268, corresponding to an index number of 127. Pig iron production was 3,015,181 tons for January, as against 3,302,260 tons for January, 1919, the corresponding index numbers being 130 and 143, respectively. In district No. 3 (Philadelphia) demand for iron and steel has been exceptionally heavy and manufacturers were recently operating to capacity. Weather difficulties have lately retarded their production and fuel shortage has been troublesome. Eastern Pennsylvania No. 2x pig iron a year ago was $36.15 a ton, but is now $45.35 a ton. All derived products of steel, including sheets, tin plate, bars, pipe, tubes, etc., have advanced very greatly in price. The demand for chain has been especially heavy, but prices have not advanced as rapidly as elsewhere. Sheet steel for use in automobile manufacturing has been in strong demand and the prices show an increase of $21 per ton as compared with a year ago. In district No. 6 (Atlanta) th re is great activity in the iron and steel industry and pig iron is selling from $40 to $43 per ton, with no accumulation of stocks. The production for January, 1920, was slightly larger than for December, 1919.

Coal production is reported by district No. 3 (Philadelphia) to have been 86,200,000 tons of anthracite in 1919, as compared with 98,826,084 tons in 1918. In January shipments for the nine anthracite-carrying roads were 5,713,319 tons, as compared with 5,638,383 tons in January, 1919. The latter part of January and the first few weeks in February have been characterized by weather which has restricted production and the movement of cars. Shippers of coal have been embarrassed by having their money tied up in coal that has been confiscated. The bituminous output for January, 1920, is reported as 49,419,000 tons, corresponding to an index number of 133, as compared with 41,485,000 tons, or an index number of 112, in January, 1919. The index number for coke for January was 76, shipments being 1,982,000 tons, while for January, 1919, the index number was 92, with shipments 2,401,967 tons. In district No. 4 (Cleveland) it is reported that coal is going forward from the upper lake ports as fast as the railroads can handle it, and stocks will be low all around at the opening of the shipping season.

Petroleum production in the Kansas and Oklahoma fields for January was somewhat over 10,000,000 barrels, or about the same as for December. This was a gain of 96 per cent over January, 1919. In Wyoming and Colorado current monthly figures are not obtainable, but reports indicate a good January output. The Wyoming production for 1919 averaged 1,147,750 barrels per month. There has been a decrease in stored stocks of petroleum, while a slight increase in the monthly production has taken place. A tendency to substitute oil for coal throughout the country is proceeding and increasingly severe drafts are being made upon the accumulated stocks of the product.

General manufacturing is very active all over the country, but in textiles there has been some decline as compared with December. In district No. 3 (Philadelphia) the demand for raw cotton has fallen off because mills are well supplied. A conservative policy as to purchases of raw material is being pursued. Cotton-yarn manufacturers are well sold ahead and are bringing their mill production nearer to capacity, although there has been a slight falling off in the past 30 days. Prices are higher to-day than they were a year ago by about 100 per cent in some cases. In district No. 1 (Boston) there is a disinclination on the part of mills to lay in raw material. The domestic yarn market is quiet and there is an "abundant tendency to caution." Cotton fabrics, including the fine grades, have lately been in less demand. There is a conviction that "prices have at last attained their maximum." Cotton-goods manufacturers are running at capacity and export demand is fairly strong, while opinion as to prices is divided, some manufacturers believing that the peak has been reached.

Raw wool supplies of the finer grades are insufficient and little is being offered in the market. Woolen-yarn manufacturers report an excellent demand and are operating their plants to capacity when they can get the labor. Finished goods manufacturers in district No. 3 (Philadelphia) find their products so much in demand that they are obliged to allot the output among their customers. Good business is expected. In district No. 1 (Boston) woolen mills are running to their full capacity and claim to have no surplus of manufactured goods. Deliveries are being made promptly and there is some overproduction of overcoatings. The dress goods market is quiet.

Wholesale trade conditions are reported prosperous almost throughout the country. Wholesale dry-goods houses in St. Louis say that their sales in January, 1920, were in many instances larger by 100 per cent than in January, 1919. Their business was also larger than in December. The retail stocks are reported to be depleted. In Chicago, mercantile stocks are at a low ebb and wholesalers state that the decline in foreign trade has apparently not affected them much. Some jobbers report the largest bookings in the history of their business. They do not anticipate any decline in orders. Similar conditions obtain in many other parts of the country. In shoe manufacturing producers have received heavy orders, but there is a dullness in the leather market, while the reduction of exports is believed likely to forecast a cut in prices to consumers. The demand for good grades of shoes, regardless of price, seems to continue. In the leather field sole leather continues dull and weak, while prices are not much changed. Declining quotations for hides have brought no corresponding movement in leather. Shoe price lists for the new season are higher than ever.

In spite of exceedingly high costs of building material, the intense shortage of accommodations is causing a great growth in building operations in many parts of the country. On the Pacific coast an increase of nearly 30 per cent is noted as compared with December, while as compared with January of last year permits issued are nearly four times as great. In the Southwest an even larger ratio of increase has been noted. On the basis of incomplete statistics district No. 10 (Kansas City) reports a relative increase of 467 per cent during the past year, while district No. 11 (Dallas) reports 839 per cent. Great building expansion in 1920 in the southwestern part of the country is accordingly anticipated. In the Middle West permits issued have been far in excess of the corresponding month last year. In the East and Northeast, where the movement toward increased building started perhaps earlier than it did in other parts of the country, the growth is not always so noticeable, relatively speaking, but the activity is still considerably on the increase. Difficulty in obtaining deliveries of building materials have been severe. Scarcity of cars has prevented the movement of lumber and heavy building materials and the effect of this situation will be to restrict the early spring progress in construction.

Labor conditions are quite generally reported throughout the country as being in fairly stable position. The most unfavorable aspect of the labor outlook is the tendency reported from various districts toward restriction of output. Even in those cases, however, where this tendency is noted, the opinion is occasionally expressed that the effect of the restrictive policy in injuring those who practice it is beginning to be better understood. Scarcity of labor is noted in many districts, particularly in the agricultural regions, and as a result reduction in the acreage of farms and the output in some manufacturing lines is foreseen. An especially acute situation in farm labor is reported from the Southwest. In the eastern manufacturing districts notable increases in the proportion of men employed and in the advance of factories toward capacity production have occurred. In some specialized industries, however, either strikes or shortage of raw material have led to restriction of output, although such interferences have not been extensive. Many plants which during the war were not able to bring more than a substantial percentage of their machinery into active operation have succeeded in getting much closer to total activity. It is noted, however, that even those plants which are running at full capacity are in some instances unable to turn out as much as in prewar days. From Cleveland it is reported that one large employer of labor finds that while the numerical strength of his staff has increased 11 per cent, the augmented force is producing 14 per cent less than the old force. On the Pacific coast labor has been fully enployed and unemployment during the winter months has been purely nominal. A fairly extensive telephone strike recently occurred, but apparently has not enlisted the support of a very large proportion of those subject to it.

During the month of February there was a continuation of the heavy demand for funds which had been characteristic throughout the country for more than 90 days. Advances in rates of interest, both for call and time money and for commercial paper, carried the general cost of loan funds up to a figure probably in advance of any that had been recognized in the United States for some years past. Coincident with these advances in the cost of loan funds was a decline in the quotation of the best investment securities, while on the whole a shrinkage or contraction in the volume of trading in all classes of securities throughout the country was observed. In the opinion of some districts there were also indications of a reduction in the volume of speculation in commodities. The effects of the increase in rediscount rates at Federal Reserve Banks made themselves evident in a more conservative attitude on the part of banks in general with respect to industrial expansion and in the cutting of commitments on speculative account. From district No. 2 (New York) it is reported that during the past 30 days there has been "a gradual reduction in bank loans, more than two-thirds of which has been in the decline of loans secured by stocks and bonds. Since last October, when bank loans at this district were at their highest point, they have declined 10 per cent." This contraction of bank credit was not, however, general throughout the country, but the reduction in New York was partially offset by an increase in other districts. A decline in bank deposits, both in the financial centers and throughout the country generally, has occurred, a part of it being due to the withdrawal of Government funds. Very great difficulty in placing both commercial paper in satisfactory quantity and conservative investment securities is reported by dealers. Some evidences of the transference of demand which would naturally be exhibited through investment institutions to commercial banks is also noted, and member banks have quite generally increased the scope of their demands upon Federal Reserve Banks. In the West and Middle West "money is in strong demand both in the country and in the city," while the movement of credit continues to indicate great activity. In district No. 4 (Cleveland) there has been little activity in the acceptance market, dealers are purchasing as few bills as possible, and credit accommodations are limited, although there is abundant money for "legitimate uses." On the Pacific coast, bank clearings have fallen slightly as compared with December, but are still far ahead of January, 1919. Interest and discount rates are firmer and the demand for funds is strong. In the South and Southwest borrowing is active, although a temporary check has been caused by advances in discount rates. This temporary setback is not expected to continue long, spring requirements necessitating a renewal of sharp demand for accommodation. There is evidence that financial and banking authorities all over the country are looking more seriously to the general situation in credit and are beginning to urge the adoption of conservative policies. Foreign exchange has suffered a collapse which carried rates down to the lowest level thus far recorded early in the month, after which recovery took place. Predicted reduction of exports has not been borne out by the Government figures for January, which show an advance over December amounting to about $50,000,000. A material cut in the amount of credit available for the support of exportation is taking place.

The general prospects at the close of February are favorable to an active, prosperous spring season in the principal manufacturing, wholesaling, and retailing lines. Wages continue very high and labor in strong demand. Agricultural prospects are good and the curtailment in exports due to foreign exchange conditions, while undoubtedly beginning to make themselves felt, is believed by many to be beneficial to the consumer rather than injurious. A tendency to resist the advance in prices and some increase in care in purchasing are regarded as favorable symptoms. The credit and money situation continues strained and there is a scarcity of funds both for long and short term use.

SPECIAL REPORTS.

MONEY AND EXCHANGE.[1]

The conditions which prevailed in the money market during the preceding month were continued into the period just past with increasing acuteness. High rates for call and time money, and the inability of bill dealers and commercial paper distributing houses to attract any wide demand despite advanced offering rates, are in sharp contrast with the state of things normally existent at this season. Government withdrawals from the banks in unusually large amounts were accompanied by fluctuations in call money quotations ranging as high as 25 per cent, with renewals for a considerable part of the period quoted between 10 and 17 per cent. The redemption of a maturing issue of certificates of indebtedness early in February afforded no apparent relief to the money market. Time loans continued practically unobtainable, though borrowers bid 9½ and 10 per cent for money on industrial collateral. Latterly, the situation has become easier, largely as a result of the liquidation which has occurred in the stock market, and call loans were made and renewed at 6 per cent; but time money continues scarce, with rates nominally at 8½ and 9 per cent.

Commercial paper rates have continued on the upward trend, and prime names are offered at 6½ and 6¾ per cent, with a small proportion of sales reported at 7 per cent. New York banks are practically out of the market, but a scattered distribution outside has been sufficient to absorb the smaller volume of paper which is coming out. The bill market at this center continues inactive, and sales out of town are only in limited amounts. Dealers early in the period advanced their rates to 5½-5¾ for prime member bills, while the purchase rates of the Federal Reserve Bank ruled from 5¼ to 5½ per cent.

The stock market.—Heavy liquidation has been in progress on the stock exchanges, and many large declines have been recorded. The decline in stock prices which had proceeded in an orderly manner since the beginning of the year in a market characterized generally by professional operations was rapidly accelerated during the past 30 days, and stocks at times were pressed upon the market in a manner apparently regardless of price. The increased tension in the money situation and conditions bordering upon demoralization in the foreign exchanges were in part responsible for the decline, and in addition to domestic selling there were evidences of a considerable volume of liquidation for foreign account, which appeared particularly among the better class of rail stocks. Average of daily sales for a considerable time well exceeded the million mark. Recently the market has displayed a steadier tone. Some of the more speculative issues have shown losses from the high point of last November running to 40 per cent or more. A representative list of 20 industrials declined from 119 on November 3 to 79 on February 5, an average of 34 per cent. Rails have held to about the record low levels established in December, although there was a spasmodic recovery in the last week. Railroad issues average about 10 points (or 12½ per cent) below a year ago, while industrials are still about the same degree above February of 1919. Falling prices were attended by decreasing sales, the total of January transactions on

[1] From report of district No. 2 (New York).

the New York Stock Exchange reaching 19,600,000 shares. This was a decline of 4,600 million shares as compared with the heavy trading of December, but 8 million shares above January of 1919.

The bond market.—The general level of bond prices has further declined since the report in January, and the average of 40 listed issues reached the lowest level on record on February 13, being 7.82 points below the average at the beginning of 1919. Sales from January 1 to date aggregate approximately $578,000,000, which is about 28 per cent greater than during the corresponding period of 1919, but sales have not been as heavy as during December.

Liberty bonds were under heavy pressure during the last week in January, and the first week in February, when the money market was experiencing the greatest strain of the year and foreign exchanges had developed extreme weakness. After reaching their lowest price level during the first week in February, a decline of about 2½ points since the 1st of January, Libertys have held somewhat firmer, in sympathy with easier money and firmer foreign exchanges, while other bonds have continued to decline.

At the close of January, State and municipal bonds were selling at practically the lowest prices reached any time during the war period. Sales of such securities during January amounted to $68,000,000, as against $81,000,000 in December.

Increased activity in the selling of foreign securities is reported both with respect to American securities formerly held abroad and issues of foreign Governments, municipalities, and corporations. Both the French and Belgian Governments are offering in this market, through banking houses acting as agents, their new internal 5 per cent premium loans. These bonds present unusual features in governmental securities. They are redeemable in semiannual drawings at 150 per cent, i. e., 750 francs for each 500-franc bond. At the present rate of exchange these securities offer an extremely high rate of interest to purchasers in this country, still further to be increased, in variable amounts, by the periodical redemption at 50 per cent premium over the nominal amount of the bond.

Foreign exchange.—The first week of the period showed the most complete demoralization of the exchange market known in this generation. Sterling fell to a record figure of 3.18, French francs went to 15.15, and Italian lire to 19.72. There was later a considerable recovery, especially in sterling, which rose on February 13 to 3.43, a total gain of 25 points. There was likewise a reversal in the movement of Japanese exchanges which have in general been favorable to that country, but have this month fallen below the point of normal parity. There was concurrently a further fall in Canadian exchange; our dollar rose to a premium of as high as 17½ per cent.

Foreign trade.—The continued and unprecedented fall in exchange has brought renewed apprehension of a sharp contraction in our large volume of foreign trade, with a consequent disturbance of the general business of the country. It should be remembered, however, that our foreign trade, even at the present large volume, has nothing like the importance which foreign trade possesses, for example, in a country like England. In the latter, in normal times foreign business probably exceeds a quarter of the entire trade of the nation. In this country it can hardly exceed 8 or 10 per cent; most estimates are, indeed, considerably lower than this. Nor has the actual expansion during the war period been anything like as large as is popularly supposed. In physical volume it probably does not much exceed 40 per cent for export and very little for import; allowing for five years of normal trade growth, the present proportions measured in tons, bales, and barrels are less than one-quarter greater than before the war. In other words, if it was 7 or 8 per cent then, it is not much over 10 per cent now. Moreover, our exports have been largely of indispensables, commodities in which this country has relatively small competition. Our principal export staple is still cotton, and even here, although measured in dollars the amount is very large, the actual volume of shipments in the last 12 months has been below prewar years. England's cotton industry seems remarkably prosperous, but Germany's textile mills, formerly our second largest buyers, are not yet functioning to any considerable extent. There has been an enormous expansion in our shipments of meat and other food products; and this has been larger in the last year than in any year of the war. This was obviously abnormal and represented a considerable stocking up of depleted supplies. On February 16 the meat packers' institute issued a bulletin stating that meat exports had practically ceased; that England has now large supplies on hand. The same was true of other neutral countries, and sales to Germany under existing conditions were not feasible. On the other hand, the expansion in our foreign shipments of iron and steel manufactures has been almost as great as that of the meat trade; and on latest reports this shows no signs of diminution; quite the reverse. Copper shipments remain remarkably low, and must inevitably expand with the revival of industry in Europe. Here Germany was formerly our largest customer and it is now buying very little. Especially notable is the relative decline in our imports from Europe and the great expansion of those from South America and Asia, with relatively little expansion in our exports to these countries. In other words, we have been selling heavily to Europe and buying from Europe relatively little. The reverse has been true of our trade to South America and to the Orient.

The gold premium and depreciated currencies.—In the main the fall in European exchanges, which has, of course, been general and not confined to relations with the United States, represents largely an endeavor to adjust our currency and that of other nations to the inflated and correspondingly depreciated currencies of Europe. This is revealed by the rise in the gold premium in London step by step with the fall in sterling. There normally exists between all countries which have extended trade with each other a certain balance between the price level, the state of currency, and the rate of exchange. Thus, for example, in Great Britain, prices since the war began have risen at least one-third more than in the United States, which roughly corresponds to the fall in exchange and the amount of the prevailing gold premium. In terms of gold, then, the general price balance between the two countries remains in about the same correspondence as before. Moreover, the actual quantity of American products seriously affected by present exchange rates is relatively small. So far as the great proportion of our exports is concerned, they must be taken at the prices obtainable, forcing a corresponding price in the depreciated currencies of Europe.

There is a widely prevalent idea that the post-war needs of Europe have enormously increased our exports to that continent, and that it is this which has created the present disturbing situation. This has little justification in fact. On the whole, with Germany, Austria, and Russia out of the market, the proportion of our exports to Europe has not sensibly changed. It was 60 per cent in 1913. It was 63 per cent last year. That of England, France, and Italy has somewhat augmented, but even here the gain is relatively small.

THE EFFECTS OF CAR SHORTAGE.

Acute car shortages, resulting in curtailment of production and hampering the delivery of finished goods, are very generally commented upon in the reports of the Federal Reserve agents.

In district No. 4 (Cleveland) the situation is serious in the iron and steel industry. It is said that "in a number of cases producers of iron and steel have been forced to scale down their operations either because of a lack of essential materials, such as coal, or because they had stocked about all the tonnage of finished rolled steel which their yards could accommodate. The Carnegie Steel Co. at one time had in its yards from 150,000 to 160,000 tons of finished steel which it could not ship to its customers because the cars were not available. Independent companies in the Pittsburgh and Youngstown districts, particularly, were affected to a corresponding degree. Some customers who are running close on steel supplies in turn were affected adversely in their activities by the failure of material to arrive promptly. At the same time it sent them into the market in search of early tonnage and this has tended further to bid up prices."

"The shortage of coal is causing widespread alarm throughout the district and it is believed that unless relief comes soon there may be enforced periods of idleness in many shops and factories."

Reports indicate that the car supply at the mines has seldom been above 50 or 60 per cent since the strike, and that it has averaged as low as 30 per cent at some periods. In many places miners have been able to work but two or three days during the week and remain idle until another lot of cars arrives.

"The production of coke has fallen off for the same reason. At the close of the first week in February, the Connellsville region reports indicate a lower average output of coke than for some months past, though the first few days of the second week indicate that some improvement is probable."

The brick industry has also, "despite a veritable flood of orders for fire clay and silica brick," been reported to be "running at about 50 per cent of capacity, whereas the volume of business would warrant full capacity except for a shortage of cars. One building-brick concern reports they are 250 cars behind ordinary allotment."

Car movements in the Cleveland district during the month of January were as follows:

	1919		1920	
	Cars.	Tons.	Cars.	Tons.
Received	27,647	959,913	34,985	1,191,277
Forwarded	17,747	499,778	18,408	472,159
Total	45,394	1,459,691	53,393	1,663,436

In district No. 5 (Richmond) "coal producers are running below capacity because of car shortage," and "demands for empty cars exceed the supply in every line of business reported."

In district No. 6 (Atlanta) the car shortage is especially serious for the coal operators. "Reports from the Birmingham district and in Tennessee are to the effect that the coal production is greatly reduced by the car shortage, from which there is no indication of immediate relief. There is a heavy demand for coal of all grades, however. With the continued warm weather, the supply of domestic coal has been sufficient to meet the demands without any serious suffering on the part of the public. The stocks of all grades on hand are at a minimum, and the demand for steam, coking, and gas coal is reported extraordinary."

Testimony from other districts of the Middle West emphasizes the evidence given in the Cleveland report. District No. 7 (Chicago) says that insufficient production is the feature of the steel market. "The steel companies are sold up far in advance, and production has been seriously retarded by fuel and transportation shortage." Coke still remains very scarce owing to the inadequate car supply, and the grain movement is slower than usual at this time of the year. In the case of automobile factories "plant capacity can not be reached owing to the shortage of material, fuel, and labor, while the inadequate supply of freight cars is also holding up shipments."

District No. 8 (St. Louis) also refers to frequent complaints of slow deliveries, due in part to inadequate transportation facilities, while district No. 9 (Minneapolis) regards the unfavorable transportation situation as the outstanding feature of present conditions. "Approximately 60,000 cars are needed to move what is left of last season's crop in the grain-growing portion of the ninth district, of which one-half are needed to move wheat. Stocks still in the hands of the farmers represent about 11,000,000 bushels of wheat, and an equal quantity of other grains and corn. Country elevators contain 18,000,000 bushels of wheat, and Minneapolis and Duluth terminals something in excess of 11,000,000 bushels. The car supply at Minneapolis terminals averaged 527 cars a day for the first 10 days of January and 240 cars a day the first 10 days of February. The falling off for the 30-day period terminating at the middle of the month was approximately 3,000 cars. Four hundred country elevators in the States of Minnesota, North Dakota, and South Dakota are closed to the famers, because of the inability to move accumulated stocks. No substantial relief is in sight. Recent tabulations of freight movements for Minneapolis show a falling off of practically 3,000 cars as compared with the same month a year ago."

District No. 10 (Kansas City) characterizes the car shortage as a positive menace, and says that "while there are many complaints that the car shortage is retarding the free movement of grain from the States of this district, it must also be understood that the effect of the shortage is also keenly felt in the moving of products of the mines in this part of the country, and in the bringing in of supplies of merchandise, lumber, and materials for building and construction."

"A report of the Nebraska State Railroad Commission calls attention to a preponderance of foreign cars operating on the railroads in that State. It was shown by a check in Nebraska that of 29,157 box cars operated by one railroad, only 2,406 cars owned by that railroad were in use in that State, the remaining 26,751 being foreign cars. Railroads are reluctant to spend large sums of money repairing cars belonging to other lines, and since the return of company cars to owning roads is very slow, no improvement in the situation can be expected."

"As the present available supply of cars is wholly inadequate to move the wheat and corn offered from the farms and interior elevators, the approach of March 1, with prospective inability of farmers to realize on their grain by that date, is a matter of grave apprehension to the farmers, the banks, and other institutions, according to the view of the Nebraska commission."

"Activity at the principal milling centers in district No. 10 has declined slightly in the past three weeks, largely on account of the shortage of cars and the element of uncertainty in the export flour trade."

"Transportation disability was likewise responsible for an average of 7.4 per cent weekly loss of activity in coal mining operations in Kansas, 6 per cent in Oklahoma, 4 per cent in Missouri, and 3.7 per cent in Colorado."

The large stocks of zinc ores purchased during the last nine months also present a difficult problem to transport agencies. "This accumulation is estimated at from 60,000 to 80,000 tons, and it is only within the last month that the shipments have approximately equaled the purchases and production, and this was accomplished only by the herculean efforts of every organization connected with the industry. Whether it will be possible to move this accumulation of ores during the next three months and thus relieve the shipping situation remains to be seen, but the history of the past nine months is not very encouraging in this respect."

District No. 11 (Dallas) refers to the car shortage as "the principal disturbing element in the present situation." There are no immediate prospects of relief and meantime a number of lumber mills are not operating because of lack of stocks (bad weather being in this case a contributory factor).

In district No. 12 (San Francisco) much of the 1919 grain crop of Oregon is still held in interior warehouses. "In Washington approximately 1,500,000 bushels of wheat were moved during January, but of this amount only about 10 per cent was carried outside of the State. About 90 per cent of the wheat received in Seattle in 1919 is still held in that city as manufactured flour, as flour in process of manufacture, or as wheat held in storage by millers."

"Car shortage continues to restrict operations in the lumber industry. In the Pacific Northwest lumber mills are receiving only 30 per cent of the cars required, and lumber manufacturers report production as equaling only 87 per cent of plant capacity and orders accepted as only 50 per cent of business offered."

CONTRACTION OF BANK CREDIT.

According to the report from district No. 2 (New York), "the effect of the increase in the Federal Reserve discount rates, announced on January 21, is evident in a generally conservative attitude of banks and business men toward industrial expansion at this time, and in a substantial liquidation of speculative commitments. * * * In the four weeks ended February 13, the 71 banks in New York City which report weekly to the Federal Reserve Board reduced their loans $178,000,000." It is pointed out, however, that this contraction of loans is not reflected in the reports of the Federal Reserve Bank. "The total earning assets of the Federal Reserve Bank of New York on February 20 were $1,100,000,000, not much below the maximum for this bank reached early in January when the Treasury required special accommodation. The withdrawal from the banks of Government deposits, until they are now at a minimum, accounts to a considerable degree for the increase in the loans of this bank."

Despite some expansion in the loans of the banks in other districts, which make reports to the Federal Reserve Board, there is considerable testimony to the effect that credit accommodation is being extended with greater discrimination and that efforts to restrict speculative loans have not been without result.

In district No. 4 (Cleveland), for example, it is affirmed that "the wisdom of the action of the Federal Reserve Bank in raising the discount rate is reflected in a more careful scrutiny by bankers of applications for loans to determine the purposes for which they are to be used. Bankers generally report that plenty of money is available for legitimate uses but none to be had for speculative purposes. Bankers feel that with the expansion of present business and the advent of new industries which are sure to come, they can employ their money more profitably than in speculation."

"The supply and variety of bills in the open market is good, but in spite of this the market has remained dull due to the lack of available funds for any form of investment. An encouraging feature since the first of the year has been the number of new purchasers, who have found the higher return on acceptance investments an incentive to enter the market, but still the demand remains small due to the liquidation of credits, and is insufficient to bring about the desired balance in the market."

"Previously low money rates were indicative of an increased demand, but in spite of the comparatively low money rates of the past week there has been no change in the general condition of the market. Dealers are purchasing as few bills as possible, and are quite reticent in bidding on future deliveries, due to lack of credit accommodations and the fear that the open market rates may again increase in order to stimulate an essential demand."

District No. 5 (Richmond) says: "Borrowing is being limited to necessary purposes and efforts to restrict loans for speculation are being pressed." Elsewhere in the report it is stated that "money is in demand at full rates, but the needs of the district are being amply provided for. While deposits have shown some shrinkage, many banks, when deposits were at high water, invested in outside high-grade commercial paper. They are therefore fortified to some extent to meet a normal shrinkage in deposits and partially supply the demands for pitching this year's crops."

In district No. 6 (Atlanta) "there is an upward tendency of interest and discount rates and a prevailing disposition to restrict credit."

In district No. 8 (St. Louis) "bankers report that there is a strong demand for money but that they are now choosing their loans with a view to placing their funds where they will serve the best industrial and commercial purposes. Loans and investments in 35 reporting banks in this district show an aggregate decrease from January 9 to February 13 of $3,625,000 and the time and demand deposits show an aggregate decrease of $10,407,000."

Many small dealers in district No. 8 are having difficulty in financing their business "which has developed beyond normal and at prices which are extremely high."

District No. 10 (Kansas City) says that "the report of the Federal Reserve Bank as of February 13, 1920, shows that some progress is being made toward contraction of the use of the credit facilities of the bank for other than purely business financing."

Moreover, "76 member banks selected from scattered localities over the district reduced their holdings of United States securities $20,399,000 and also cut down loans secured by Government war obligations $1,505,000 in the four weeks between January 9 and February 6 of this year. At the same time these same banks increased their Federal Reserve balances $6,757,000 and also added $1,009,000 to demand deposits on which the reserve is computed. Time deposits were $88,242,000 on February 6, 1920, against $67,117,000 one year ago, an increase in the year of 31.4 per cent."

However, the check to loan expansion in district No. 10 which followed advances in discount rates "is not expected to continue after the seasonal demands set in early in the spring. In fact, there is already noticeable a slightly increasing demand, which will probably necessitate further increases in rates."

"It is anticipated that March 1 settlements on land contracts will create an abnormal demand in certain sections and since an element of speculation has entered into land dealings in the last year, some difficulties are expected in the financing of settlements. Bankers are cautioned that speculative loans should be eliminated, in order that funds may be conserved to care for the legitimate seasonal demands which will soon be upon us."

In some cases it seems that the liquidation of loans is hampered or prevented by special circumstances over which the banks have little or no control. In district No. 3 (Philadelphia), for example, it is said that "shippers of coal are much embarassed by the large amount of money tied up by the confiscation of coal and its delivery to other than the original consignees. Much delay arises in determining the price of such coal, and the collection of the accounts, during which time the shippers must get very unusual bank credits to carry themselves. This makes a serious situation for the shippers and absorbs a large amount of bank credit."

In district No. 9 (Minneapolis) car shortage has been a controlling factor in preventing loan contraction. "As a consequence of the slowing down of transportation which has continued since the beginning of the crop movement, normal fall liquidation is nearly five months delayed, and the Federal Reserve Banks and all commercial banks are still carrying large loans, which can not be liquidated until farm products are moved. The strain on credit is severe, and promises to become heavier if liquidation can not be forced during the next six weeks and a substantial reduction of loans effected before the beginning of spring farm operations due about that time. The planting season will create heavy demands upon the banks because of the scarcity and high prices of seed wheat and because of high rates of farm labor."

"Bankers reporting from 35 points in the district show loans almost 50 per cent greater than totals shown six months ago. Farmers and dealers generally have been forced to borrow for various purposes, including, no doubt, sums to settle old obligations. With elevators all over the district filled to overflowing with last year's crop and no apparent improvement in car conditions, there is every reason to believe that bankers will be called on to stretch their already heavy loans to meet the needs of farmers during the planting and growing season." Serious drouths in certain sections of district No. 9 have also helped to retard the liquidation of loans.

In district No. 7 (Chicago) it is also true that car shortage has resulted in hampering loan contraction along certain lines, as it is stated that "loans to the grain and milling trade are still at the peak," grain not having moved as freely as usual, owing to car shortage.

In district No. 11 (Dallas) preparations are being made for seasonal increases in loans.

"The district has now passed the peak season of its surplus funds, and the banks report the beginning of a strong demand from their customers for financing their needs during the coming season."

On the basis of the evidence presented above, with due allowance for the unfortunate consequences entailed by the partial breakdown of transport facilities, and for normal seasonal increases in loans, it would appear that prospects are good for further progress in the direction of credit contraction and for increasingly rigid scrutiny of the character of loans.

RETAIL TRADE.

In the tables following is given a summary of the results obtained during the past few months in districts Nos. 1, 2, and 12 on the regular retail trade index forms from representative department stores. The composite figures for the cities and districts are simple averages. In districts Nos. 1 and 12 the data were received in (and averages computed from) actual amounts (dollars). In district No. 2 the material was received in the form of percentages. However, the stores reporting in this district are of relatively the same size, so that it is felt that the error involved in computing averages from the percentages is comparatively small. For the month of January, 12 stores reported in district No. 1, 5 in district No. 2, and 27 in district No. 12. For the earlier months the number of stores varied somewhat, due to the inclusion of new stores from time to time in the reporting list.

Condition of retail trade in Federal Reserve districts Nos. 1, 2, and 12.

[Percentage of increase.]

	Comparison of net sales with those of corresponding period previous year.										
	1919					January, 1920.	July 1, 1919, to close of—				
	August.	September.	October.	November.	December.		August.	September.	October.	November.	December.
District No. 1:											
Boston	22.4	30.9	52.0	....	42.3	33.2	19.4	30.8	33.0	....	36.3
Outside	....	....	....	....	41.9	43.5	....	....	....	....	38.5
Total	....	....	....	....	42.1	34.8	....	....	....	....	37.2
District No. 12:											
Los Angeles	48.8	68.3	110.6	88.7	77.3	83.8	58.3	52.9	69.9	77.2	77.3
San Francisco	31.3	40.9	92.3	45.2	54.6	53.5	30.0	33.1	46.5	46.3	47.1
Oakland	20.7	25.1	68.5	30.3	29.8	41.4	20.1	22.4	32.3	31.9	31.9
Sacramento	16.7	32.5	69.2	36.6	50.7	54.2	15.4	22.4	35.7	35.7	39.5
Seattle	23.7	27.6	50.6	21.0	28.6	23.9	24.4	28.3	31.6	29.5	29.3
Spokane	....	....	176.0	46.4	77.1	36.2	....	....	99.9	70.4	72.0
Salt Lake City	23.2	33.4	44.8	42.7	32.3	23.8	23.9	25.8	24.8	32.0	29.2
Total	30.3	40.6	82.0	46.1	50.7	51.7	31.0	34.4	46.9	47.5	47.0
District No. 2:											
New York City and Brooklyn	49.0	43.4	....	....	49.2	54.6	44.0	43.6	....	....	49.7

	Stocks at end of month compared with—											
	Same month previous year.											
	August, 1919.	September, 1919.	October, 1919.	November, 1919.	December, 1919.	January, 1920.	August, 1919.	September, 1919.	October, 1919.	November, 1919.	December, 1919.	January, 1920.
District No. 1:												
Boston	6.4	11.4	4.9	....	25.4	29.7	[1]6.3	5.3	7.5	....	[1]0.9	[1]5.2
Outside	....	....	....	....	24.9	28.4	....	....	....	....	[1]13.8	[1]3.7
Total	....	....	....	....	25.2	29.6	....	....	....	....	[1]6.1	[1]5.1
District No. 12:												
Los Angeles	6.3	[1].6	13.9	19.5	31.0	44.0	5.5	4.2	5.6	[1]0.7	[1]10.9	9.7
San Francisco	[1].5	10.6	15.5	26.5	32.7	45.9	15.6	13.2	9.7	2.2	[1]11.1	4.7
Oakland	[1]7.5	[1].5	1.4	4.9	9.2	10.6	6.3	12.6	5.4	.2	[1]9.7	[1]8.4
Sacramento	[1]20.3	[1]10.7	[1]4.6	.3	....	....	18.7	4.8	3.7	[1]6.1	....	....
Seattle	7.2	17.8	15.2	15.3	31.4	44.5	22.7	13.2	6.5	[1]2.9	[1]18.9	[1]2.0
Spokane	....	....	....	13.8	13.2	25.4	....	....	....	3.4	[1]15.6	9.4
Total	.9	7.0	11.9	17.5	28.5	38.0	12.6	10.3	6.5	[1].3	[1]13.3	2.6
District No. 2:												
New York City and Brooklyn	7.1	12.9	....	....	36.4	44.0	.1	15.2	....	....	[1]10.4	11.9

	Percentage of average stocks at end of each month to average monthly sales for same period.						Percentage of outstanding orders at end of month to total purchases during previous calendar year.					
	July 1, 1919, to end of—					Jan. 1, 1920, to end of Jan., 1920.						
	Aug., 1919.	Sept., 1919.	Oct., 1919.	Nov., 1919.	Dec., 1919.		Aug., 1919.	Sept., 1919.	Oct., 1919.	Nov., 1919.	Dec., 1919.	Jan., 1920.
District No. 1:												
Boston	277.0	461.9	367.4	....	360.7	320.8	21.5	18.1	19.4	....	24.8	26.5
Outside	....	....	....	....	413.9	229.8	....	....	....	....	13.7	16.7
Total	....	....	....	....	382.1	306.0	....	....	....	....	23.1	24.0
District No. 12:												
Los Angeles	481.7	459.5	495.6	485.6	424.3	422.7	27.9	32.7	45.1	53.5	48.1	33.3
San Francisco	418.6	460.5	442.8	453.0	403.1	405.2	34.1	28.1	25.8	29.5	28.1	18.2
Oakland	547.1	564.7	558.3	559.1	600.2	490.6	....	....	....	....	....	....
Sacramento	468.2	400.7	355.9	339.3	....	....	....	....	....	....	....	....
Seattle	411.6	459.0	422.3	432.0	378.0	427.1	29.2	28.3	25.1	22.1	32.2	18.4
Spokane	....	....	....	462.4	411.5	508.8	....	....	....	20.0	34.5	37.2
Salt Lake City	....	....	....	....	....	....	46.5	....	16.8	11.4	8.2	....
Total	422.4	470.7	459.3	463.1	422.6	429.0	34.3	29.1	29.6	29.2	32.3	28.0
District No. 2:												
New York City and Brooklyn	573.4	504.6	....	....	343.4	336.9	32.8	26.4	....	....	36.3	22.8

[1] Decrease.

In district No. 5 reports from representative department stores throughout the district give the following averages. These averages are made from percentages and are unweighted.

Percentage of increase in net sales for January, 1920, over those for January, 1919 (9 stores reporting)	8.9
Percentage of increase in stocks on hand at the end of January, 1920, over those on hand at the end of January, 1919 (8 stores reporting)	33.1
Percentage of increase in stocks on hand at the end of January, 1920, over those on hand at the end of December, 1919 (7 stores reporting)	16.3

In district No. 6 reports from representative department stores throughout the district give the following averages. These averages are made from percentages and are unweighted.

Percentage of increase in net sales for January, 1920, over those for January, 1919 (8 stores reporting)	29.6
Percentage of increase in stocks on hand at the end of January, 1920, over those on hand at the end of January, 1919 (7 stores reporting)	24.7
Percentage of increase in stocks on hand at the end of January, 1920, over those on hand at the end of December, 1919 (7 stores reporting)	12.6
Percentage of outstanding orders at the end of January to total purchases during calendar year 1919 (7 stores reporting)	16.3

In districts Nos. 10 and 11 inquiries made of several stores in a number of lines brought the following average results:

DISTRICT NO. 10.

Percentage increase in net sales, January, 1920, over net sales, January, 1919:	
Dry goods (13 stores reporting)	27.8
Furniture (4 stores reporting)	96.2
Hardware (4 stores reporting)	24.5
Millinery (2 stores reporting)	57.5
Groceries (7 stores reporting)	36.5
Percentage increase in average stocks at close of January, 1920, over stocks at close of same month last year	12.7
Percentage outstanding orders for stocks (cost price) at close of January, 1920, to total purchases during the calendar year 1919:	
Cotton goods	20.7
Woolen goods	38.9
Silk piece goods	19.9
Hosiery and knit underwear	51.7
Men's and boy's clothing	43.4
Men's and women's shoes	23.6
Women's ready-to-wear	18.9
All classes of merchandise	31.9

DISTRICT NO. 11.

January, 1920, retail trade compared with December, 1919.

[+=increase; −=decrease.]

Reporting lines.	Firms reporting.	Sales.	Selling price.	Stocks at end of month.	Unfilled wholesale orders at end of month.
		Per cent.	*Per cent.*	*Per cent.*	*Per cent.*
Groceries	3	−46	....	−2	(1)
Furniture	2	−26	+12	+3	+6
Dry goods	3	−48	+10	−10	−10
Clothing	4	−27	+10	+15	+15
Shoes	2	−28	+10	−10	....
Hardware	2	+26	+5	+7	+15
Farm implements	2	+52	....	−10	+25
Jewelry	1	−60	....	+70	....

1 No record.

January, 1920, retail trade compared with January, 1919.

[+=increase; −=decrease.]

Reporting lines.	Firms reporting.	Sales.	Selling price.	Stocks at end of month.	Unfilled wholesale orders at end of month.
		Per cent.	*Per cent.*	*Per cent.*	*Per cent.*
Groceries	3	+1	+25	−7	(1)
Furniture	2	+118	+45	+46	+6
Dry goods	3	+38	+30	+12	+20
Clothing	4	+25	+25	+17	+20
Shoes	2	+10	+20	−10	....
Hardware	2	+75	+31	+20	+15
Farm implements	2	+195	+10	−10	+25
Jewelry	1	+30	+25	+75	....

1 No record.

Discount Policy and Credit Control.

[Extract from the Sixth Annual Report of the Federal Reserve Board to Congress. Reprinted owing to exhaustion of advance edition of the annual report.]

The experience of the past three years has demonstrated the expansive power of the Federal Reserve System. It should be understood, however, that an elastic system of reserve credit and note issue implies capacity to control and the ability to curtail credit. The ability of the system to check expansion under present circumstances and to induce healthy liquidation is now to be tested.

Owing to the abnormal ease of money throughout the year 1915 and during the greater part of the year 1916, the Board had little opportunity to test the efficiency of what it conceived to be the correct discount policy. The principle had been adhered to consistently that the Federal Reserve Banks should not encourage rediscounting by members for the sake of profit, but that their own resources should be kept liquid and their reserve position strong.

Although section 5202 of the Revised Statutes, which provides that no national banking association shall at any time be in anyway liable for borrowed money to an amount exceeding the amount of its capital stock, had been amended by excepting liabilities incurred under the provisions of the Federal Reserve Act, it was not contemplated by the Board that the member banks would, except to meet seasonal requirements or emergencies, avail themselves of this amendment in order to extend their rediscount lines beyond the original limitations. It was the Board's view also that as a rule the discount rates of the Federal Reserve Banks should be higher than current market rates, thus offering no incentive to member banks to rediscount for the sake of making a profit in the transaction.

Because of this policy and of the conditions which prevailed up to the time when it began to appear than the United States would be drawn into the war, the reserve position of the Federal Reserve Banks was so strong as to suggest an analogy between the system and a safe-deposit vault.

In his address to Congress, urging the declaration of a state of war with Germany, the President pledged all the resources of the Nation—which, of course, include its man-power, money, credit, and goods—to the successful conduct of the war. By an overwhelming vote the Congress of the United States carried out the recommendations of the President, thus committing the country to the principles and policies outlined in his address.

Normal policies had to be subordinated, just as private business was subordinated, to Government business, and discount rates were of necessity fixed with the primary object of assisting the Treasury operations. How effective this policy was is now a matter of history. As has already been pointed out, the Federal Reserve Banks became great bond-distributing organizations; firms and corporations, large and small, men and women in every walk of life, were urged to subscribe for bonds, and the credit facilities of the Federal Reserve Banks were placed at the disposal of member and nonmember banks in order that they might lend freely on bonds for which the subscribers were unable to pay. The public was urged to borrow and buy, and it was found after the close of the Victory loan in May, 1919, that more than 20,000,000 subscriptions had been received in response to this appeal.

But in addition to the appeal to borrow and buy there was also added the injunction to save and pay. To assist this process, during the 18 months when the war was in progress, there was established a rigid control of such credits as were not essential, directly or indirectly, to the prosecution of the war, and the American people proved their ability to economize and to cooperate in the nation-wide policy of conservation. As a result of this control of nonessential credits, and of the cooperation of the banks and the public, the Treasury was able to float within a period of two years $25,000,000,000 of interest-bearing obligations without reducing the reserves of the Federal Reserve Banks below a point which in normal prewar times would have been regarded as a very strong reserve for a central bank.

The combined reserves of the 12 Federal Reserve Banks on January 3, 1919, amounted to 51.3 per cent of their liability for deposits and note issues. Due partly to the gold embargo, this percentage was well maintained during all the period of uncertainty which preceded the flotation of the Victory loan and for some time thereafter, for not until July 9, after the gold embargo had been removed, did the reserves fall even fractionally below 50 per cent. On September 26 the reserves stood at 51 per cent, after which date they show a steady and continuous decline to 44.8 per cent on December 26.

Although the period of war financing did not terminate with the year 1918 and the Federal Reserve System was consequently under the continued strain of war finance, that strain had to be met without the aid of war restrictions. The safeguards afforded by these restrictions were removed, for it was impracticable to continue them in time of peace. There is no longer an embargo on exports of gold nor any regulation or control of foreign exchange, with the trifling exceptions already noted; the controls set up over exports and imports, production and consumption, with a view of conserving the national resources and reducing waste, have practically disappeared. As a result the problems of the Federal Reserve System have been greatly increased, more particularly the problem of controlling credit.

The Federal Reserve System has met the requirements of war and readjustment by expanding without, however, encroaching upon its legal reserves; it is capable, if need be, of expanding still further without having recourse to the emergency provisions of the act, and very much further by availing itself of those provisions. But the time has come for it to demonstrate its power to move in the opposite direction, and to prove its ability to do so without shock and with a minimum disturbance of business and industry.

Fortunately the condition of the Treasury is such that the Board can now feel free to inaugurate discount policies adjusted to peacetime conditions and needs. The large volume of Government bonds looking for permanent ownership during the year was, however, an important factor in the situation and retarded the adoption of a normal discount policy. Until the absorption of Liberty bonds is fairly complete the Federal Reserve System will be in a transition stage and normal banking policies can not be made entirely effective. The absorption by investors of Government bonds, as indicated by the figures cited earlier in this report, is a gratifying step in this direction. It should, however, be repeated that the time has come for the system, in the interest of commerce and business, to exercise its power to regulate and control the credit situation.

The normal and traditional method of credit control has been the discount rate; its efficacy, however, presupposes normal conditions. An advance in rate operates under normal conditions not only to diminish the demand for credit by making certain activities unprofitable but as well to increase the supply of credit by attracting it from other centers or countries. The conditions that make this traditional control effective do not all exist at the present time. The United States stands almost alone as an important free gold market. Other countries are seeking and have obtained large credits in the United States, as is evidenced by the fact that our exports exceeded imports during the year by about four billions of dollars, and we have paid our adverse balances in gold. It should be recognized that credits extended to Europe create a demand for commodities that competes with the domestic demand and this competition is one of the potent causes of high prices. The demand for commodities from domestic as well as foreign sources is so far in excess of the supply that the increased cost of credit due to an advance in rates is absorbed in the price, and speculation, anticipating large profits, is not checked by any reasonable advance in rates of interest. These conditions are all adverse to an easy and effective operation of credit control by means of discount rates.

Nevertheless, the discount rate is an indispensable factor in the regulation and control of credit. When there are legal limitations on the rates member banks may charge, a high reserve bank rate has a restraining influence upon them and upon their customers.

Although there are no specific limitations imposed upon the amount of borrowings by member banks at the Federal Reserve Banks there is a potential limitation provided for in the act. In that part of section 4 which relates to the duties of the board of directors of a Federal Reserve Bank there is the following: "Said board shall administer the affairs of said bank fairly and impartially and without discrimination in favor of or against any member bank or banks and shall, subject to the provisions of law and the orders of the Federal Reserve Board, extend to each member bank such discounts, advancements, and accommodations as may be safely and reasonably made with due regard for the claims of other member banks."

Should all the member banks of a Federal Reserve Bank be borrowers, and should all ask for accommodations proportionate to those which may have been advanced to a few, the Federal Reserve Bank would not be able out of its own resources to meet the demand. Therefore it is possible to determine theoretically what a fair line of accommodation for any member bank would be; that is, what amount of accommodation can be granted "safely and reasonably * * * with due regard for the claims of other member banks."

Any attempt, however, to control credit by the application of this rule is subject to serious administrative difficulties. If the paper offered is eligible and good, it would be better for a reserve bank to grant accommodation at a price rather than to refuse it entirely, but the act, subdivision (d), section 14, provides that a Federal Reserve Bank shall have power to establish from time to time, subject to review and determination of the Federal Reserve Board, rates of discount to be charged by the Federal Reserve Bank for each class of paper, which shall be fixed with a view of accommodating commerce and business. There is no authority, however, for establishing graduated rates based upon the total borrowings of a member bank, and consequently when it becomes necessary to advance the discount rate in order to curb the demands of those banks rediscounting with the Federal Reserve Banks in very large amounts the same rate would have to apply to the moderate requirements of other member banks who may rediscount with the Federal Reserve Banks infrequently and never excessively. Thus the application of rate advances as a corrective or deterrent to certain banks tends to raise the level of current rates to all.

The Board, therefore, recommends to Congress that an additional power be granted it, by adding to subdivision (d), section 14, a proviso that each Federal Reserve Bank may, with the approval of the Federal Reserve Board, determine by uniform rule, applicable to all its member banks alike, the normal maximum rediscount line of each member bank and that it may submit for the review and determination of the Federal Reserve Board graduated rates on an ascending scale to apply equally and ratably to all its member banks rediscounting amounts in excess of the normal line so determined. In this way, in the opinion of the Board, it would be possible to reduce excessive borrowings of member banks and to induce them to hold their own large borrowers in check without raising the basic rate. The Federal Reserve Banks would thus be provided with an effective method of dealing with credit expansion more nearly at the source than is now practicable and without unnecessary hardship to banks and borrowers who are conducting their affairs within the bounds of moderation.

The expansion of credit set in motion by the war must be checked. Credit must be brought under effective control and its flow be once more regulated and governed with careful regard to the economic welfare of the country and the needs of its producing industries.

Deflation, however, merely for the sake of deflation and a speedy return to "normal"—deflation merely for the sake of restoring security values and commodity prices to their prewar levels without regard to other consequences, would be an insensate proceeding in the existing posture of national and world affairs.

It must never be forgotten that productive industry is profoundly affected by credit conditions. Modern business is done on credit. One of its life-giving principles is credit. The mood and temper of the business community are deeply affected by the state of credit and may easily be disturbed by ill-considered or precipitate action. A system of credit control must always be judged by what it does to maintain a healthy condition of mind on the part of all sections and classes of the producing community. The ultimate test of the functioning of a credit system must be found in what it does to promote and increase the production of goods. True in general, the truth of this observation deserves to be particularly emphasized in the present deranged state of world industry and world trade when production is the crying need of the hour everywhere.

Too rapid or too drastic deflation would defeat the very purpose of a well-regulated credit system by the needless unsettlement of mind it would produce and the disastrous reaction that such unsettlement would have upon productive industry.

Radical and drastic deflation is not, therefore, in contemplation, nor is a policy of further expansion. Either course would in the end lead only to disaster and must not be permitted to develop. The credit situation in the United States is at bottom sound and safe. Our economic and financial position is essentially strong. There need be no occasion for apprehension as to our ability to effect the transition from war-time to peace-time conditions if reasonable safeguards against the abuse of credit are respected. There is, however, no need for precipitate action or extreme measures. Extremes must be avoided, the process of adjusting the volume of credit to normal basis should be effected in an orderly manner, and its rapidity must be governed by conditions and circumstances as they develop. Much will depend upon the cooperation of the business and general community. Indeed without such cooperation progress can be neither rapid nor substantial. Much will depend also upon the rapidity with which the unabsorbed portion of the outstanding issues of war securities passes into the hands of permanent holders. As the national debt is thus absorbed and as it is reduced through the operation of the sinking fund, the loan accounts of the banks should be reduced correspondingly until the proper balance between the volume of credit and the volume of concrete things, which credit helps to produce and which are the normal basis of credit, is restored. This equilibrium, it can not be too frequently or too emphatically stated, can be restored only by speeding up the processes of production, by the orderly distribution of goods, by the avoidance of wasteful consumption, and by the increased accumulation of savings. These are the fundamental economic processes upon which the proper functioning of the Federal Reserve Banks must depend. The Federal Reserve System can do much to assist these processes, but it can not of itself and alone compel them. Efficacious action along these lines involves the intelligent and earnest cooperation of the business and general community. While the Federal Reserve Board will always be mindful of the interdependence of credit and industry and of the influence exerted on prices by the general volume of credit, the Board nevertheless can not assume to be an arbiter of industry or prices. Its primary duty, as the guardian of the Nation's ultimate banking reserve, is to see that the banks under its supervision function effectively and properly as reserve banks.

FEBRUARY 2, 1920.

The Present Situation as to Price Control in England, France, and Italy.

PRICE MOVEMENT, 1913–1919.

The following table represents the movement of wholesale prices annually in the United States, England, France, and Italy during the years 1913–1919, according to index numbers published elsewhere in greater detail in this BULLETIN:

Index numbers of wholesale prices (all commodities), 1913–1919.

(1913=100.)

	United States; Bureau of Labor Statistics.	United Kingdom; Statist.	France; Statistique Generale.	Italy; Prof. Bachi.
1913	100	100	100	100
1914	100	101	102	95
1915	101	126	140	133
1916	124	159	187	202
1917	174	206	262	299
1918	197	226	339	413
1919	215	242	356	[1] 348

[1] Average for first 10 months of the year.

A study of the table shows that prices in each of these countries rose considerably less markedly in 1919 than during any year of the war. In the United States the greatest advance took place during 1917; in England during 1917; in France both 1917 and 1918 saw spectacular increases, while the same years marked the greatest increases in Italy. Although prices have risen at a less rapid rate during 1919 than during the years of the war in the United States, England, and France, in Italy alone have they actually declined from the 1918 level.

The causes for the fluctuations are too complicated and diverse to make possible a general or authoritative statement as to the effect of war financing, Government purchases, submarine warfare, scarcity, etc., on the wholesale price level. The extent to which Governments have released prices and industries from war-time control, however, can be sketched in a general sort of way,[1] and certain conclusions reached as to the effect of control on prices. No consideration will be given to the influence of price control upon production and business activity nor will the fiscal aspects of the problem be gone into.

ISSUES INVOLVED IN ABROGATION OF CONTROL.

The first and most striking thing to note in a comparative study of Government control is the difference in the length and completeness of control. In the United States, for instance, price control may be said to have commenced in August, 1917, and to have ended in respect to most commodities on December 30, 1918, i. e., some 18 months later. The control extended to the wholesale marketing of goods exclusively, the retail prices being practically uncontrolled. In England, on the other hand, price control may be said to have begun as early as the middle of 1915 and is still effective (February, 1920) in the case of leading food products and coal. Prices were fixed in the case of these two types of commodities both at wholesale and retail and a strict system of rationing was enforced. In France and Italy also stringent control of industries began in early 1916 and in the case of many commodities is still effective.

Two factors have been of primary importance in their bearing upon the release of industry from control, (1) the extent to which the Government has become involved in the purchase and sale of goods, (2) the probable effect of the release upon the price of goods which are important for personal consumption. England has been especially involved as regards the first point, due to her large purchases of wheat, wool, meats, and hides from abroad and the long term of her contracts for commodities bought in Australia and New Zealand. All the European countries have been so eager to avoid any

[1] Sources: Journal of the Board of Trade, Journal of the Board of Agriculture, economic and trade journals, for England; Journal Officiel de la République française, Bulletin de Statistique et de Legislation comparée, economic and trade journals for France; Gazetta Ufficiale del Regno d'Italia for Italy.

further advance in the cost of living that the prices and distribution of food and fuel are still for the most part under Government supervision. Commodities which are used for business purposes, such as construction and building materials, have for the most part been released from control more quickly than other commodities. Exceptions to this are found, however, in the case of France, where it was necessary to continue the control of certain types of timber and glass to insure a supply for reconstruction purposes.

The abrogation of regulations as to imports and exports has varied from country to country in accordance with the specific problems of the respective countries. In England during the transitional period between complete control of imports and the release of control (September 1, 1919) commodities having their origin within the Empire were allowed free importation, also raw materials and semimanufactured materials necessary for industry. Manufactured articles, except those which were needed for personal consumption, were restricted. On September 1 all import regulations were removed. Exports were, of course, encouraged to nonblockaded countries except in the case of materials needed at home for military, personal, or industrial consumption, and in the case of goods benefited by subsidy or purchase by the Government. The latter regulation has been felt especially by individuals engaged in such reexport trades as those in wool and hides. In France, relaxation of the restrictions on imports began in January, 1919, and continued until July, when the only commodities of importance still controlled were frozen meats, cereals, news print, and ammunition. These were being imported under Government purchase. Export control, according to the most recent information available here, continues in many important lines, especially foodstuffs, coal, iron ore, and certain chemicals.

ENGLAND.

Food control.—The ministry of food in England, established in December, 1916, exercised extreme control over the supply, distribution, consumption, and price of foods during the war. It is stated that 90 per cent of the articles commonly consumed in England came under its control. The system of rationing necessitated by the war was for the most part lifted during 1919; price control, both wholesale and retail, however, has continued to date, and dealers in many lines are still under license.

Although the Government is still a large owner of cereals and imported meats and the prices of these commodities are under control, their distribution takes place through ordinary trade channels, and personal consumption is free. The Government is making every effort, so far as we can judge, to avoid further purchases on a large scale. The Australian contract regarding the purchase of wheat and live stock will expire during 1920, and no agreement has been reported regarding a domestic cereal guarantee for 1920. According to the terms of the 1919 contract, a price was guaranteed the British farmers for their wheat, barley, and oats. The price obtained on each individual lot sold by the farmer, however, was not a fixed price but one arrived at by ordinary market methods. The difference between this price and the guaranteed price was to be met by the Treasury.

In order to avoid a serious increase in the price of bread to the consumer, wheat and wheat products have been subsidized by the Government, the difference between the buying price and the selling price being a charge on the Treasury. No date has been mentioned for the removal of this subsidy.

Imported commodities in the meat and dairy products groups are still under Government control. Large stocks of Australian and Argentine beef are owned by the Government; and the ministry of food is still purchasing bacon, ham, and lard abroad and allocating them to ordinary trade channels for distribution. Home-killed beef is still controlled and a price guaranteed to the producer. In spite of this control, it has been necessary to advance wholesale prices of meats on several occasions during the past year. It has been announced that price control will continue as regards meats and live stock until June 30, 1920.

Foreign butter and cheese are likewise still being purchased by the food ministry and allocated to the trade at fixed prices. Retail prices of imported butter are fixed but not those for homemade butter. When control was lifted in the latter case, the retail price advanced from 2s. 8d. to 5s. per pound in one day. Control of milk, home-produced cheese and butter, and cream was removed on January 31, 1920.

Sugar is one of the few commodities still rationed. In fact, due to the shortage in the Government supply, it was necessary to decrease the ration on January 15, 1920. Sugar is being imported both by the Government and by individual dealers, the latter apparently supplying the manufacturing establishments at a "reasonable" price and the former supplying the distributive trades. The price of the Government, although recently advanced, is still under present world prices. Restrictions regarding both the supply and the price of tea were removed in March, 1919, constituting probably the first important abrogation of control in the food group.

Hide and leather and wool control.—War-time control of cotton, jute, and hemp was speedily removed after the armistice. The control of wool and of hides and leather had been so far-reaching during the war, on the other hand, that the Government is still involved in their transaction.

Wool control began in 1916 with the purchase of the domestic clip and that of Australia and New Zealand by the Government. Since that time all wool produced at home and in these dominions has been taken by the Government, the Australian wool at 55 per cent above prices in 1913–14, the English at a rate varying from 35 per cent over the prices of July, 1914 (for the 1916 clip), to 60 per cent (for the 1918 clip). The 1919 domestic clip was not purchased, but the Australian contract is effective until June 30, 1920. During the war, prices of yarns and fabrics were not controlled. The only effort made on behalf of the consumer occurred late in the war in the form of the encouragement by the Government of standardized clothing for men at fixed prices. Immediately after the armistice the wool council was formed, consisting of representatives of the employers and workers and of the Government. This council has advised the board of trade on all matters of policy since that time. Summed up, the developments of 1919 may be stated in the following fashion: Until March 31, 1919, wool was allocated at the prices fixed in England during the last year of the war. These prices were considerably under world prices. In April, although a certain amount of wool continued to be rationed by the Government at prices 7½ per cent lower than those prevailing until then, the bulk of the supply was sold at auction at whatever price the wool would bring. It was thought that the price would fall with the increase in supply, but instead it continued to rise very strikingly, especially as regards the finer grades. September 1 the auctions were open to foreign buyers, whose demand, added to an abnormal domestic demand, kept prices from declining. At the present time the British Government is not only auctioning wool in London but also in the United States. Presumably this policy will be pursued until the Government stocks are appreciably reduced.

It should be noted that, although the Government has been deeply involved in the wool business throughout 1919, since April 1 the market has been practically free.

The intensive control of the hide and leather industry began in 1916, and by the time of the armistice prices had been established for raw hides and leather and in certain cases, such as shoes, for leather products. At the beginning of 1919 the fixed prices for domestic heavy hides and calfskins were decidedly below world markets, and the East Indian supply of kips, obtained by the Government at an exceedingly favorable price, was released at lower prices than during the war. As was the case with wool, the fact that the world price of hides was far above that fixed for heavy domestic hides in England made it possible for the Government to profit very materially by advancing the selling price of the hides. At the same time, the public was obtaining the hides far cheaper than they could be imported. According to the most recent information available here, prices of domestic hides and calfskins are still controlled. Imports are free, but there is no stimulus for importation, because of the cheapness of domestic hides. As regards leather, this branch of the industry was freed from control in June, 1919.

Coal control.—British coal control is so involved in the question of nationalization of industry that it can not be classed with the other strictly war-time controls. At the present time the price both at the pit head and at retail is fixed, and the household consumption of coal is limited. Wages in the industry are fixed by law, and for the year ending March 31, 1920, profits are likewise guaranteed.

The price of coal to the domestic consumer is subsidized by the returns from the export trade, where, due to a world shortage of coal, very high prices have prevailed. The system of limited prices which applied to the coal exported to Italy and France during the war was removed in May, 1919. The foreign demand was so great that it became necessary in November, 1919, to limit the amount of coal which could be exported; at the same time the returns were such as to make possible a 10-shilling reduction in the price of domestic and household coal. Prices of bunker coal used in the coastwise trade were reduced to the level of prices of industrial coal. The 6-shilling increase in the pit-head price which occurred in July, 1919, was not otherwise affected in December revision of prices.

Other controls.—Control of prices in the iron and steel industry ceased on April 30, 1919, with the removal of the Government subsidy. Due to the shortage of iron and the large home demand, license control of the export trade continued until November 21. Since that time the industry has been entirely free. The lumber trade is likewise entirely uncontrolled at the present time; also the cotton, paper, and rubber industries. The nonferrous metal industries, on the other hand, are apparently still subject to license.

FRANCE.

Food control.—Following the principle of supplying the population with cheap bread, the price of bread was subsidized by the Government during the war. The process of subsidizing applied to all stages in the making of bread. The price of domestic and foreign wheat was kept far under the cost price, the price of flour to the baker was similarly regulated, and finally the price of bread to the consumer was set at a point materially under cost. For instance, during 1919 the Government buying price for native wheat was 73 francs, for foreign wheat approximately 120 francs, whereas the sale price was 43 francs. Beginning with March 1, 1920, the Government subsidy is removed except in the case of foreign wheat. Seventy-three francs will be the average price to the native farmer, 76 francs the price to the miller, the difference to cover the cost to the Government for handling the transaction. Flour prices are to be increased from an average of 63.5 francs per 100 kilos to 93 francs, and bread prices will likewise be fixed so as to cover cost. The French Government is thus relieved of a heavy fiscal charge and the people are obtaining bread at approximately cost price. A special provision has been made for providing cheaper bread to families with two or more children, to the old and infirm, and to war veterans with 50 per cent disability.

The same general method of control prevailed with regard to sugar during the war. Beginning with December 21, 1919, however, the price of sugar was raised so as to cover the cost to the Government. Unlike the case of bread, the consumption of sugar is still subject to control.

Other foods which are controlled are rye, rye flour, and meslin in the cereal group, coffee, milk, butter, and cheese. Meats and edible oils, on the other hand, have been freed from control.

Coal prices controlled.—Price fixing and rationing of coal continues in effect and in addition freight rates for fuel carried on French boats are regulated between England and France. Although the actual importation of coal is handled by the trade it is subject to the supervision of the National Bureau for Coal.

Abrogation of controls.—Otherwise French industry is apparently free from control. The consortiums created for the purpose of Government purchase and control during the war and immediately after had practically disappeared by the middle of 1919. As regards iron and steel, centralized importation of pig iron ceased on April 1, 1919, and at the present time the industry appears to be free from control. The importation and allocation of cotton continued under Government supervision until October 30, 1919. Operations on the Havre Bourse were freed from control on June 20, 1919. Between June, 1919, and January, 1920, contract prices for cotton more than doubled. The Government sold its stocks of wool at auction in February, 1919, and since that time wool has been imported on private account either from England or South America.

ITALY.

The only information available in this country regarding price control in Italy is in the form of official decrees or their abrogation. It is possible that in actual practice the rules laid down in the decrees have been modified. Unless these modifications have been embodied in later decrees, we have no knowledge of them.

Food control.—Although general price control had been authorized in April, 1916, it was not until January, 1918, that extensive powers were given to the "Commissario Generale per gli approvigionamenti e i consumi alimentari." On the latter date, authorization was given for the requisition of foodstuffs and for the control of their consumption. Between January, 1918, and August, 1919, decrees were passed authorizing the control of various food products; in August, 1919, the following classes of foods were still under control: (1) Cereals and their by-products and leguminous plants, (2) sugar, (3) meats, (4) milk and its products, (5) oil, (6) preserved fish. Maximum prices were fixed for the 1919 crop of wheat, corn, oats, barley, and rye. Dealings in these commodities were apparently otherwise uncontrolled. Prices of sugar are likewise fixed, as well as prices of milk, cheese, and butter. Fish prices continue fixed, but trading in and prices for meats are apparently free.

Other commodities.—Aside from foods, the most important group of commodities still subject to control are textiles. In September, 1919, the Minister of Industry, Commerce and Labor was given power to determine the prices of textiles as well as the quantity of woolen and cotton goods to be put at the disposal of the ministry for sale to the less well-to-do classes.

Although the shortage of coal is extreme, there is, so far as we can discover, no Government supervision of the price or allocation of the supplies. Until May, 1919, British coal was sold to Italy at a limited price, but since that time no preferential rate has been accorded her.

CONCLUSIONS.

By reference to the table at the beginning of this article, it may be observed that prices in England in 1919 averaged 140 per cent above those in 1913, whereas prices in France and Italy averaged over 250 per cent above those in 1913. The marked difference between conditions in England and those in the other two countries may be accounted for in part by the fact that England controlled large supplies of important commodities which she was able to sell during the war and since at less than the current price. Her coal was sold much cheaper at home than abroad, hides could be obtained at less than current world market prices, wool was cheap until recently, and certain foodstuffs were likewise comparatively cheap. Italy and France, on the other hand, having neither ships nor priority in some of the leading raw materials markets, were forced to pay considerably higher prices. Where these prices were subsidized by the Government, the cost eventually will be passed on to the public in the form of increased taxes.

Bank Deposits, Prices, and Currency.

Following is a part of an address delivered by Right Hon. R. McKenna before the general meeting of the shareholders of the London Joint City and Midland Bank, Limited, held in London on January 29, 1920:

THE RISE IN PRICES.

Nothing gives so much concern to the public at the present time as the great rise in prices. Masses of people find almost insuperable difficulty in bringing their expenditure within the limits of their income, and they clamor for a remedy. So far as I have seen, the most popular proposal for reducing prices is to fix a limit to the currency note issue. It is supposed that if the currency were strictly limited in amount, and at the same time had a proper proportion of gold backing, prices would not only cease to rise, but would begin a downward movement toward their former level. In this view the increase in currency is regarded as the cause of high prices. But is this really the case? May it not be that the great increase in currency notes is itself only an effect of another cause, a mere link in the chain which ends in high prices? What is the relation between the increase of currency and high prices? What has caused the increase of currency? What has caused high prices? This is the problem I am going to ask you to consider to-day.

MAIN CAUSES OF THE RISE IN PRICES.

In examining this question I should like to guard myself at once from misunderstanding. It is an accepted doctrine that there are three factors governing the price of commodities—demand, supply, and cost of production. Although to-day I propose to deal with only one of these factors—demand—I do not mean to imply that the others have not their due weight. The supply of commodities is less to-day than it was in 1914, and in consequence, if the other factors had remained constant, some rise in prices would inevitably have occurred from this cause alone. Again, chiefly owing to higher wages, cost of production has risen greatly, but in the sequence of events it has generally followed, not preceded, the higher prices. Whatever share, however, these two factors may have had in raising prices there can be no question of the importance of the third.

SUPPLY AND DEMAND.

Demand, measured by the purchasing power of the public, has increased enormously. It does not, of course, necessarily follow that a man spends more because he has more money in his pocket or a larger bank balance than usual; yet if we take the community as a whole we may be quite sure that as spending power grows, the demand for goods grows with it, and as demand grows, prices rise. Here, then, is the first step we must take to solve our problem; we must find the cause of this increase of spending power.

COMPARISON OF PRESENT AND PREWAR CURRENCY FIGURES, PRICES, ETC.

Before proceeding further it will be well to recall the estimated figures of currency, bank deposits, and prices of commodities, as they stand to-day compared with 1914.

First of all I will take the figures of currency. It is estimated that in 1914 the total amount of currency in circulation, i. e., gold, silver, copper coin, and bank notes, was £128,000,000. This figure represents the total amount of currency held by the public, but does not include currency held by the banks. To-day the corresponding figure is estimated at £393,000,000, an increase of £265,000,000, or 207 per cent.

As I am giving these figures I may as well state here that the estimated amount of currency held by the banks in 1914 was £75,000,000 and in 1919, £191,000,000, an increase of £116,000,000, or 154 per cent.

BANK DEPOSITS, PREWAR AND PRESENT TIME.

Next I will give the figures of bank deposits, but in doing so I should explain that they do not include Bank of England deposits. Before the war, the total deposits of the banks of the United Kingdom, including under the name deposits—and this is important to note—money held on current account as well as on deposit account amounted to £1,070,000,000. The corresponding figure last month was about £2,300,000,000, an increase of £1,230,000,000, or 115 per cent.

PUBLIC SPENDING POWER COMPARED.

The actual spending power of the public is gauged by the total amount of currency in circulation added to the total amount of bank deposits. In 1914 the public spending power was £1,198,000,000; to-day it is £2,693,000,000, an increase of £1,495,000,000, or 125 per cent.

THE PRICE OF COMMODITIES.

I turn now to a comparison of the prices of commodities of everyday use or consumption before the war and at the present time. The figures are based upon the return issued by the ministry of labor, and are expressed in the form of percentage increases over the corresponding prices of 1914. If we take 100 to represent the cost of living in 1914, the corresponding figure to-day would be about 225, or an increase of 125 per cent. In estimating the cost of living we have included all ordinary expenses, and we have taken the commodities forming part of our everyday consumption in such quantities as we consumed in 1914. Thus we see a marked increase in currency, in bank deposits, and in the price of commodities. The spending power of the public and the cost of living show the same percentage increase of 125.

THE GROWTH IN SPENDING POWER AND ITS CAUSES.

We can proceed now to examine the immediate question before us. What is the cause of the increase in spending power, or in other words, of the increase in currency and bank deposits? I will ask you to consider the growth of bank deposits first. Bank deposits are derived from two sources, and from two sources only. The first and most obvious source is by payments of currency into a bank. Anyone who takes notes out of his note case and pays them into his bank creates a deposit. The second source from which deposits are derived can not be described with equal simplicity. Stated in comprehensive terms which I will explain directly, deposits arise from payments by a bank which are neither charged against an existing deposit nor used for the repayment of an existing debt to a bank. I am speaking now of bank deposits in the aggregate, with which alone we are dealing, and not of deposits in any individual bank. Payments by a bank which are not charged against an existing deposit consist chiefly of bank loans or advances. But they include also all bank investments and all purchases and payments made by the bank for itself and charged against its own resources. It will simplify the discussion if we treat bank investments, as we are entitled to do, as loans of a more permanent nature than the ordinary loan or advance. Similarly the purchase or discounting of bills may also be regarded as a bank loan.

BANK DEPOSITS AND THE MAIN SOURCE OF THEIR INCREASE.

The aggregate, then, of bank deposits is increased by payments into banks of currency, by bank loans, and by payments by banks on their own account to meet their own expenses, as for salaries or to buy new premises. In making a comparison between bank deposits at two different dates, we may reasonably leave this last source of increase out of account. Just as payments on a bank's own account augment deposits, so receipts on a bank's own account diminish them. Payments and receipts have both grown considerably since 1914, but they have both grown at the same pace, and comparing one year with another, we may fairly set off the total of the payments against the total of receipts.

BANK DEPOSITS INCREASED BY BANK LOANS.

We have now reached the point at which we may say that payments into banks of currency and bank loans, giving to the word "loan" the widest meaning, are the only sources of increase of the aggregate of bank deposits which we need consider. At the risk of wearying you with a discussion of a process with which you are probably already thoroughly familiar, let me give a brief illustration of how bank deposits are increased by bank loans. When a bank makes a loan to a customer or allows him an overdraft, in the ordinary course the loan will be drawn upon, or the overdraft will be made, by a check upon the bank drawn by the customer and paid into someone's credit at the same or another bank. The drawer of the check will not have reduced any deposit already in existence because we are supposing a case in which he has been given a loan or allowed an overdraft. The receiver of the check, however, when he pays it into his own account, will be credited with its value, and thereby a new deposit will be created. The only case when a bank loan does not lead to a new deposit is when the check drawn against the loan is used by the receiver to pay off a loan which he had himself at his own bank. In the same way, when a bank buys or discounts a bill, the proceeds of the sale are paid into the credit of the seller's account and increase the total of bank deposits; and in the same way also, when a bank buys war loan or makes any other investment, the purchase money goes to the credit of somebody's account in some bank and increases the total of deposits.

COMPARISONS AND REASONS FOR PRESENT INCREASE.

Let us look now at the increase of bank deposits since 1914 and see to what extent this increase is due, respectively, to payments in of additional currency and to bank loans. In June, 1914, the banks held £75,000,000 of currency. Last month this figure stood at £191,000,000. The banks, therefore, held more currency to the amount of £116,000,000, and to this extent the increase in the aggregate of bank deposits is accounted for by payments in of currency, but it is estimated that since June, 1914, bank deposits have risen by £1,230,000,000. If £116,000,000 of this amount are accounted for by payments of currency into the banks, there remain £1,114,000,000,[1] which, if the previous analysis be accepted as correct, we must attribute to bank loans.

Let me guard myself, however, by saying that I do not give these figures as absolutely exact, as the total figures of deposits given by the banks include not only customer's deposits, but what the banks term "other accounts." But the error due to this omission in making a comparison between any two years is small, and I think we may accept as sufficiently accurate the estimate that in round figures bank deposits have increased by £1,100,000,000 since 1914 in consequence of bank loans.

RELATION BETWEEN INCREASE IN DEPOSITS AND RISE IN PRICES.

Now that we have cleared so much ground, we must not forget the real object of our search. We are seeking the relation between the increase of bank deposits, the increase of currency, and high prices; and we have got so far as to see that bank loans are the main source of the growth of bank deposits. As an increase of deposits means an addition to our purchasing power, we should expect such an increase to be followed by a rise in prices. But we must guard ourselves here from a generalization which may be too broad. If money is borrowed by manufacturers and traders for the purpose of the production or movement of commodities, the increase of purchasing power consequent upon the loans is followed in due course by an increase in the amount of commodities available, and the rise in prices which might be expected from a greater demand is corected by a greater supply. Let us for a moment examine what takes place when a bank makes loans or advances in the ordinary way of trade. Suppose the case of a loan or advance to a manufacturer who uses the money to pay for raw material or wages, or some other expenses in the course of his business. When the goods are manufactured and sold to the merchant, it is expected that the proceeds of the sale will be used to pay off the bank loan. The merchant in his turn may have borrowed from his bank to pay the manufacturer, and there may be a whole series of loans from banks, each paid off in its turn as the goods pass from their primitive state of raw material to their final destination as finished goods in the hands of the consumer; but when the consumer has paid cash for the goods, all the series of loans will in the ordinary course be liquidated, and there will have been an increase in bank deposits only so long as the goods were not finally disposed of. In this view of bank transactions, loans by banks, and therefore deposits, would only increase in total amount as the total of commodities increased. There would be a greater purchasing power for the time being, but there would also be a greater supply in process of production.

[1] A part of this total equal to the increase in the balances of the banks at the Bank of England has been created not by borrowings from the banks, but by borrowing from the Bank of England.

EFFECTS OF THE TRADE LOANS.

It will be observed that the first effect of a trade loan is to increase deposits, and as the aggregate of such loans, and consequently of deposits and purchasing power, may be steadily growing in amount, it may be argued that loans of this kind may also drive up prices. To a limited extent this is true.

RISE IN PRICES ONLY PARTIALLY ATTRIBUTABLE TO BANK LOANS.

In periods of active trade we know that bank loans increase and prices rise; but the rise in prices attributable to this cause can never go very far. Traders sometimes assume that banks have an unlimited power of making advances. They forget that every advance made by a bank comes out of the bank's cash resources. It is true the advances return to the banks in the form of fresh deposits and thus restore the bank's cash resources to their former level, but the result is to leave them finally with additional liabilities to their depositors without any addition to their bank cash.

BRITISH BANKS' SOUND POLICY.

Happily in this country banks are careful to keep a proper proportion between their cash resources and their liabilities, though the misguided practice known as "window dressing," which is sometimes indulged in at the end of the year, might of itself throw a shade of doubt on what is in truth the very real virtue of our banks.

The moment this proportion reaches a point below which the management think it should not go, if the strength and credit of the bank are to remain unimpaired, the bank will decline to extend its total of credits. We shall see later how the cash resources of the banks can be increased, but without such an increase any great expansion of trade advances can not occur. It may be said that bank loans to traders influence prices to no greater extent than the ordinary market fluctuations.

LOANS FOR INCREASED PRODUCTION.

Even when a bank loan is made for the purpose of acquiring plant the same is true in the long run as in the case just described. The loan would be outstanding for a greater length of time and deposits would be increased until the profit made out of the use of the plant was sufficient to pay off the loan, but in due course, owing to the additional output from the new plant, commodities would be increased in quantity and there would be no permanent rise in prices. On the other hand, loans by banks which lead to no increase of commodities tend to raise prices, but banks do not look upon these loans with favor, and while they should be ready to assist the country's trade and production by such advances as their customers' capital and growth of business warrant, they should be and are careful to limit the amount of their advances for the purpose of capital outlay and still more for mere accommodation.

SUMMARY OF CAUSES.

Let me now sum up the case so far as we have gone. We have seen that during the last six years bank deposits have increased by £1,230,000,000. Of this amount we find that payments of additional currency into the banks account for £116,000,000. We have seen that any other cause of an increase in deposits except bank loans is not large, and we have concluded that bank loans have been responsible for an increase of £1,100,000,000 in bank deposits. We have seen further that if these loans had been made to manufacturers and traders in the ordinary course of their business the increase in deposits, and consequently in purchasing power, would not of itself have caused a permanent rise in prices, as the additional deposits would have been followed by an additional supply of commodities. To whom, then, have these loans been made?

THE GOVERNMENT THE LARGEST BORROWER.

It is impossible to give precise figures, but the best estimate I can form is that of the total of £1,100,000,000, £800,000,000, including treasury bills, have been lent to the State and £300,000,000 to trade. The Government, under the overwhelming necessity of war effort, has been the great borrower from the banks. The loans to the State have led to an immense increase of deposits, and as they have remained outstanding long after the commodities they were raised to pay for have been consumed they have been an inevitable cause of a rise in prices.

THE THREE SOURCES OF GOVERNMENT BORROWING.

In order to get a full understanding of the case it is necessary now to examine the different effect upon prices of the different kinds of borrowing by the Government. The Government may borrow from three sources. They may borrow from the public, they may borrow from the banks, or they may borrow—and I put this in a category by itself—they may borrow from the Bank of England. If anything contributed to a national loan by the public were saved by them from their ordinary expenditure there would be no increase in prices. The additional expenditure of the Government would be counterbalanced by the reduced expenditure of the community.

EFFECT OF PUBLIC SUBSCRIPTION TO GOVERNMENT LOANS.

But when the public subscribe to Government loans out of their own resources they always subscribe more than they save by curtailing their normal consumption. They subscribe in addition what they would ordinarily save and invest in any case, and their investment would in one way or another usually take the form of capital employed in the production of commodities. The money which would be so invested is spent by the Government, and consequently to that extent increases the demand for goods without any increase of supply either actual or prospective, except in so far as the Government may themselves have spent the money on the erection of plant useful for peace production. With this partial limitation direct loans by the public to the Government through subscription to war loans have no effect upon prices. They do not add to the total of bank deposits. The public must first draw upon their deposits with the banks in order to subscribe to the loans, and when the Government spends the proceeds of the loans the money only fills up the gap in the deposits caused by the previous withdrawals.

EFFECT OF BANK LOANS TO THE GOVERNMENT.

But quite different effects follow when the Government borrows direct from the banks or indirectly from the banks through members of the public who obtain bank advances to enable them to take up loans. In each case the banks subscribe by drawing on their balances with the Bank of England. The money received by the Government is paid out in due course to meet liabilities to contractors, by whom again it is paid to the credit of their accounts with the banks. The customers' deposits are thus increased, and as the banks in their turn pay the money into their accounts at the Bank of England, the previous withdrawals from that bank are made good. Thus the net effect of the whole proceeding is to increase the total amount of bank deposits by the exact amount which the banks have lent to the Government directly or indirectly, and the whole weight of the additional spending power is thrown upon prices.

EFFECT OF GOVERNMENT BORROWING FROM BANK OF ENGLAND.

The third case of Government borrowing which we have to consider is that of borrowing direct from the Bank of England. In that case a credit is given by the Bank of England to the Government, who draw upon it and pay out the amount to contractors. In due course the contractors pay the money they have received into their accounts with their own banks, and deposits are thereby increased. The banks now hold more money, which in their turn they pay into their accounts at the Bank of England, and so increase their cash balance. There was no previous withdrawal in this case from bank balances at the Bank of England and there is consequently an increase in these balances exactly equal to the amount of the Bank of England's loan to the Government. Here we see both an increase in customers' deposits and an increase in the balances of the banks at the Bank of England. These balances are the basis upon which the banks found their advances, and an increase in them will necessarily be followed by additional advances whether to their customers or to the Government, with a consequent further increase in deposits.

We conclude from this analysis, therefore, that loans by the Bank of England to the Government have a much greater effect in raising prices than any other form of Government loan, as they not only immediately raise the total of bank deposits and consequently of spending power by the public, but they also increase the power of the banks to make further advances, which in due course lead to still more deposits and still greater purchasing power.

SUPPLY AND DEMAND SINCE 1914.

Now that we have examined the different methods of Government borrowing and have considered the effect of each in increasing bank deposits, it remains for us to look at the course of events as they have actually occurred since 1914 in forcing a rise in prices. At the outbreak of the war, throughout its course, and right down to the present moment, the Government have been large buyers of commodities, greatly in excess of their normal demands. The first consequence of the immense Government purchases was to stimulate production. Machinery was used to its full capacity; the number of people employed was greatly increased; women took the place of men, and there was a very considerable addition to the total national output. But enlarge the output as we would, it could not keep pace with the Nation's requirements. Demand outstripped supply, and just as it happens when a period of comparative trade depression is succeeded by a trade boom, there was a natural rise in prices.

DEMAND CAUSES MORE CURRENCY.

At once more currency was needed, partly to pay the wages of the larger number of workpeople employed, partly because with higher prices shopkeepers keep more money in their tills. To the extent that more currency was issued the spending power of the community was increased. But up to this point the increase was not great. A new condition had to be introduced before any considerable rise could take place. There must be not merely an increase in currency, the total of which in any case only represents a small part of the public spending power; but, far more important, there must be a serious addition to bank deposits. It was not long before this new condition arose. To meet the daily growing expenditure the Government had to borrow freely from the public, from the banks, and from the Bank of England. It is unnecessary to recapitulate the effects of this borrowing.

RESULT OF INCREASED BORROWINGS.

Bank deposits increased enormously. There was no proportionate increase in the supply of goods and the usual consequences followed. Prices began to rise rapidly. The rise in prices was next followed by general demands for increased wages. As these now rose the cost of production rose too, and another turn was given to the screw on which prices were steadily mounting. But higher wages and higher prices mean a greater demand for currency. The weekly wages have got to be paid in legal tender money. In the course of the week the bulk of the money paid out in wages comes back through the shops to the banks, and is paid out by them again to meet the next week's requirements. But, as prices and wages rise, not all of it comes back, and each week a larger amount is retained in the pockets of the people, in the tills of shopkeepers, and in the tills and reserves of the banks.

LIMITATION OF CURRENCY IMPOSSIBLE AT THIS TIME.

We may stop here to ask, Is there any stage in this process at which it would have been proper to limit the issue of currency? The main demand for currency is to meet the weekly wages bill. If wages increase, whether because more workpeople are employed, or because rates are higher, additional currency must be brought each week into circulation. If the supply were cut off, a substitute would have to be found. At the outbreak of the war there was not enough legal tender money to satisfy our additional requirements and at once postal orders and even postage stamps were used to make good the deficiency. If men and women are to be employed and paid, means of paying them must be found, and an arbitrary limitation of currency would merely inflict intolerable inconvenience upon the public.

Although, as I venture to think, the increase in currency is not the cause of high prices, yet I believe the public has shown a right instinct in fastening upon this increase as a matter for anxiety and even alarm. Though not the rainstorm itself, it is the gauge which measures the rainfall. The figures are easily apprehended, and the weekly records can be readily followed. Those who study them with care see that every advance by the Bank of England to the Government is followed by a fresh issue of currency notes. Once the nation can free itself from the need for these advances, the rise of prices, so far as it is due to an increased demand, will cease, and the currency in circulation will no longer expand. When the advances are paid off prices will tend to go down, and the currency in circulation will diminish.

THE DROP IN PRICES.

When we look to the future we naturally ask, shall we ever get back to pre-war prices and pre-war currency and bank deposits? If I might hazard an opinion, it would be that prices will remain permanently on a far higher level than in 1914. The rise that has taken place is not local. It is not even European or American. It covers the whole world. The cost of living in Japan has risen quite as much as in this country. In India and China, where human wants are much less than with us and where custom plays a far stronger part in fixing prices, even there the cost of living is much above the pre-war standard. Increased production will bring down prices to a certain extent, but the purchasing power of the world measured in money can not be materially diminished. Deflation is bound to be very slow. Any attempt, indeed, to bring it about rapidly would cause widespread ruin among manufacturers and traders. The greatest caution will be necessary in handling our financial machinery and many of our prewar ideas must be modified in view of the fundamental change in our conditions.

THE BANK RATE.

In illustration of what I mean, let us take the bank rate and consider its operation to-day as compared with pre-war times. In the conditions we then enjoyed raising the bank rate was an admirable means of checking excessive borrowing, restoring our exchange, and restricting the demand for currency. To-day we can not be certain that it will achieve any of these purposes. It is conceivable, indeed, that it may have the opposite effect.

The Government has been a heavy borrower, and still may be, whatever the bank rate. Raising the rate depreciates all existing Government securities, which makes it difficult to borrow from the public. As a result the Government is driven to the Bank of England. We know the consequences: The total of deposits and bank cash is increased, prices go up, and the currency is further inflated. The purpose of raising the bank rate is to prevent borrowing by making it too expensive, and by this means to restrict deposits and the issue of currency; but when the borrower is a Government which may have to borrow, no matter what the price, and which has the power to compel the Bank of England to lend, raising the rate not merely fails to achieve its intended purpose but actually operates in the opposite way. Until the Government has ceased to borrow, the bank rate can not have its normal effect. It must be observed, moreover, that these considerations apply with equal force when the borrowing by the Government from the Bank of England is not to raise new money, but to pay off maturing debt held by the public or the banks and not renewed by them.

EFFECT OF RAISED BANK RATE ON FOREIGN EXCHANGE.

Again, with regard to the exchanges, before the war, raising the bank rate was bound to send up the value of the pound sterling in foreign exchange. The balance of trade, including invisible exports and imports, was in our favor, and if for the moment the pound sterling had depreciated, it was only because we had lent too much money abroad. Raising the bank rate made it unprofitable for the foreigner to borrow in this market, and left our excess of exports free to assert its natural effect. To-day, the balance of trade is against us, and while the bank rate should be at such a level as not to encourage the discounting of foreign trade bills in our market, to raise it above this point may in existing circumstances injure rather than benefit our exchange, for dear money adds to the cost of production and every addition to cost hampers our export to those foreign markets in which we have to meet serious competition. But it is precisely these markets in which sales are for prompt payment. We can no doubt sell all the goods we wish in countries in which sale is possible only on terms of very extended credit, but exports to such countries do no good to our exchange. Raising the cost of production at home in any degree has a tendency to drive our exports out of the cash markets into the credit markets, and to that extent our exchange is injured.

DISADVANTAGES OF DEAR MONEY AT PRESENT.

I can not help thinking that the advocates of dear money are premature in their policy. They do not take sufficiently into account the actual circumstances of the moment. They wish to stop the continual rise in prices with its concomitant social dangers, and rightly recognizing that the high prices are in a large measure due to the immense increase in purchasing power consequent upon the growth of bank credit, they hope to restrict further bank advances by raising the bank rate. But they overlook the fact that much the greater part of the inflated credit is due to borrowing by the Government. Bank advances to industry, though heavy in the aggregate, are not greater than industry requires having regard to the amount of money sunk in the high-priced stock which a trader has to carry. Dear money is an additional expense in production and has the effect in itself of raising prices, but the counterbalancing influence which it might be expected to exercise by the restriction of credit is neutralized by the repeated outpourings of bank cash due to borrowing by the Government from the Bank of England.

The only condition on which we shall be able to check the rise in prices is that our annual expenditure is brought within the compass of our revenue. In State as in domestic finance we must learn to make both ends meet, and the case is not in the least bettered if we only balance our accounts by selling out capital stock and placing the proceeds to the credit of our revenue account. The expenditure of the Government is tantamount to the consumption of the quantity of commodities which the money would buy, and this must not exceed the amount of commodities the consumption of which the community are compelled to deny themselves by reason of the taxes they have to pay. If it does, we run the risk, as is indeed now the fact, that our consumption may exceed our production. This is not a plea for additional taxation. Far from it. Our existing taxation, which is, I believe, higher than in any other country in the world, is already dangerously near the point at which thrift, business enterprise, and needful capital development become seriously impaired. But it is a plea for economy in expenditure. It is a plea for such ruthless cutting down or postponement of all financial outlay by the State as will reduce our expenditure to a figure less than our tax revenue, for by this method alone can we hope to restrict the issue of currency, check the rise in prices, restore our foreign exchange, and reestablish London in her old position as the financial center and free gold market of the world.

Currency Reform in India.

The committee on Indian exchange and currency, appointed on May 30, 1919, to advise with regard to a future policy for India, examining both the effect of the war on the situation there and the policy which should be followed in the future as regards the question of the monetary standard, has reported to the secretary of state for India, and, on February 2, 1920, the following announcement was made by the India office:

INDIA COUNCIL DRAFTS AND IMPORT OF GOLD INTO INDIA.

"The acquisition rate for gold imported under license into India, which has hitherto been subject to variation notified from time to time, has now, in accordance with the secretary of state for India's separate announcement relating to the recommendations of the Indian currency committee, been fixed, and the following fixed rates will apply to transactions on and after February 2, viz:

"Rs. 10 for each sovereign tendered for import, or

"Re. 1 for 11.30016 grains of fine gold.

"Council drafts will continue to be offered at the secretary of state's discretion for weekly sale at the Bank of England by competitive tender. The rate for deferred telegraphic transfers and bills will, until further notice rank for allotment with tenders at 1s. 16d. higher for immediate telegraphic transfers. No announcement will be made of the minimum rate at which tenders will be accepted, and the secretary of state in council reserves the right of rejecting the whole or any part of any tender. In accordance with the committee's recommendations the Government of India will when occasion requires, offer for sale stated weekly amounts of sterling reverse drafts on the secretary of state (including immediate telegraphic transfers). The rate for immediate telegraphic transfers on London will be announced on each occasion by the Government of India and will be based on the sterling equivalent of the price of 11.30016 grains of fine gold as measured by the prevailing sterling dollar exchange, less a deduction representing the charges of remitting gold. The rate for deferred drafts on London will, until further notice, be 1s. 16d. higher than the immediate rate as at present."

The report of the commission may be summarized under three heads—relating to the situation as it existed before the war, the effect of the war upon the currency, and recommendations for the future.

PREWAR CONDITIONS.

Just before the war the Indian currency consisted of British gold coins, silver rupees, subsidiary coins of silver, nickel, and bronze, and currency notes. The British sovereign and half-sovereign were unlimited legal tender for 15 and 7½ rupees, respectively. The currency notes were in denominations of 5 rupees and upwards. India possessed a favorable trade balance which was adjusted partly by the importation of the precious metals and partly by the sale of council drafts on the Government of India. The sale of these drafts had the effect of releasing currency in India against the payment of sterling in London. There was a standing offer to sell bills without limit at 1s. 4⅛d. per rupee, a price which corresponded to the theoretical gold export point. When the war broke out there was general dislocation of trade and business, exchange grew weaker, and there was a run on Indian gold stocks. Savings-bank deposits were withdrawn and there was some lack of confidence in the Indian note issue.

WAR MEASURES AS TO MONEY AND EXCHANGE.

The first of the innovations made in the prewar situation related to the control of exchange. After exchange had recovered from the temporary dislocation consequent upon the outbreak of war, the demand for council drafts continued about normal until October, 1916. During November the amount of the weekly sales increased rapidly. In order to avoid drawing too heavily upon the rupee holdings of the paper currency reserve, council drafts were limited in volume and the amount available was fixed from time to time on a basis of the rupee resources of the Government. This continued until the close of the war, but after September 18, 1919, drafts were sold by open competitive tender subject to a minimum rate and subject to the conditions that no applicant may apply for more than 20 per cent of the total offered each week. A second measure that was resorted to was the raising of the rate for the sale of council drafts. This was not done to reduce demand but because of the higher cost of silver. A series of changes was made in the rate of exchange, dating from August 28, 1917, when the rate for immediate telegraphic transfers was raised from 1s. 4¼d. to 1s. 5d. Subsequent changes took place until the rate reached 2s. 4d. on December 12, 1919. The secretary of state further announced that he would sell reverse immediate telegraphic transfers at the rate of 2s. 3 29/32d. in case of demand. A third measure resorted to was the purchase of silver. Special measures had to be taken to increase the supply of the currency.

In February, 1916, the necessity for rupee coinage became so apparent that the secretary of state began to purchase silver. In order to facilitate his operations, the importation of silver into India on private account was prohibited September 3, 1917. Eventually, in order to get more silver an arrangement was made with the United States Government, which proceeded under authority of the act of April 23, 1918, the so-called Pittman Act, authorizing the sale to other Governments of silver to be obtained from the melting of not exceeding 350,000,000 silver dollars. Of this amount the Government of India acquired 200,000,000 fine ounces at 101½ cents per fine ounce. In all, the total purchased from 1915 to November 30, 1919, was 538,005,000 standard ounces. To conserve the silver which had thus been acquired it was endeavored to protect the currency against depletion by export or melting. Accordingly, from June 29, 1917, the use of silver or gold for purposes other than currency was made illegal and from September 3, 1917, the export of silver coin and bullion was prohibited except under license. Small notes of 2½ rupees and 1 rupee were also issued in order to economize silver. Further, in view of the shortage of silver it was desired to make the Government stock of gold as large as possible. Accordingly, on June 29, 1917, all gold imported into India was required to be sold to the Government at a price which, being based on the sterling exchange value of the rupee, took no account of the premium in India on gold as compared with sterling. The gold thus obtained was placed in the paper-currency reserve as a backing against the issue of additional notes. A premium on gold gradually made its appearance shortly after the outbreak of the war and precluded its use as currency except in emergencies.

During the war the amount of gold which could be obtained by India was limited by the restrictions on its export from belligerent countries. The removal of the embargo on the export of gold by the United States on June 9, 1919, and the freeing of the market for South African and Australian gold made it possible to obtain a larger supply. From August 22, 1919, onward a limited amount of immediate telegraphic transfers on India were offered weekly by competitive tender in New York, and the proceeds were remitted to India in gold. Toward the end of October the demand for these transfers fell off and the sales were discontinued. Arrangements had also been made for the direct purchase of gold in London, the United States, and Australia, and by November 30, 1919, about 2,485,000 fine ounces had been purchased. On September 15, 1919, the rate paid by the Indian Government for gold was fixed so as to include the premium on gold over sterling as measured by the dollar-sterling exchange, and has been varied from time to time accordingly. In order to make the gold thus obtained available for the public, the Government of India announced at the end of August, 1919, that sales of gold would be held fortnightly until further notice and that in each of the first three months not less than the equivalent of the gold content of 1,000,000 sovereigns would be offered for sale. Up to November 30, 1919, the equivalent of the gold content of 3,439,000 sovereigns had been sold.

In order to get an adequate circulating medium, arrangements were early made to enlarge the fiduciary portion of the note issue. From the beginning of November, 1915, onward, the legal limit of the invested portion of the reserve fund was modified nine times, while the gross circulation of notes increased threefold and the percentage of metallic backing became reduced by one-half. The issue of small notes of 2½ rupees and 1 rupee also stimulated the use of paper currency. In order to prevent undue cashing of notes and prevent runs for redemption possibly leading to inconvertibility, the facilities for the cashing of the notes at district treasuries were largely withdrawn. The conveyance of specie by rail and river steamer was prohibited, and an embargo was placed on its transmission by post. The result of these restrictions was the substitution of notes for rupees as the common circulating medium. During the war, moreover, ordinary expenditure and capital expenditure were kept as low as possible, while from 1916–17 onward additional taxation was imposed. There was also extensive Indian government borrowing, and these measures continued to assist in meeting the heavy demand for Indian remittances.

PROPOSED CHANGES.

The committee finds that the gold exchange standard has worked well and was beneficial to India, preventing the fall in the value of the rupee below 1s. 4d., but it finds that the system

is not proof against a great rise in the value of silver. The present advance in silver has made it difficult or impossible to get the silver required for Indian currency, and as a result the convertibility of the note issue has been endangered. The committee recognizes that a stable level of exchange furnishes the most healthy condition for production and trade and that large changes in exchange are an evil. It further thinks that it may be preferable to establish stability at the new level of exchange rather than to try to work back to the old level. As suggested modifications of the present system are listed the following:

(1) Issue of a new rupee with a lower silver content than the present one. The evidence is said to be against this plan.

(2) The issue of pieces of 2 or 3 rupees of lower proportional silver content, these to circulate side by side with the existing rupee issues, coinage of which would be temporarily suspended. This plan is said to be subject to many of the objections previously cited with regard to (1).

(3) Issuance of a nickel rupee. This is found objectionable on the same grounds as before.

(4) Stabilization of exchange at a rate which would insure continuance of the rupee as a token coin and creation of an inconvertible paper currency, the Secretary of State being prepared to authorize the suspension of the purchase of silver, should an advance in the price of silver continue. As to this the committee holds that the maintenance of convertibility is vital.

With reference to the future price of silver, the committee finds grave differences of opinion. No positive conclusion can be safely formed as to the maximum price. In consequence, it is believed that a high level of exchange will be essential for the establishment of a sound monetary system, although it recognizes that the acceptance of this view will have certain important influences both on the level of prices in India, on India's foreign trade, her industrial development, and other important factors. The general conclusion, however, arrived at by the committee is that material interests in India will not on the whole suffer from the fixing of a high rate of exchange for the rupee. This brings up the question how the rate of exchange should be fixed.

The first question in relation to the fixing of the rate of exchange is whether the rupee should be established in relation to gold or to sterling, sterling being at the present time seriously depreciated as compared with gold. As to this the unanimous conclusion is arrived at that the stable relation to be established should be with gold and not with sterling. Such a conclusion is supported by the fact that great inconvenience is attached to a currency which is already depreciated and may depreciate still further. The need of stabilizing the rupee at an early date is urgent. The value which it would be necessary to fix in sterling at the present time, in order that the rupee might have an exchange value exceeding that of its silver content, would be a high one. If the relation of the rupee to sterling is fixed, while sterling varies in relation to gold, the gold value of the rupee will also vary. Free movement of gold into and out of India is found very desirable, but this can not be attained unless the rupee has a fixed relation to gold.

In view of these factors definite recommendations as to the course to be pursued can be made.

(1) The first problem relates to the question of remittances to and from India, and it is suggested that as long as existing difficulties in India and England prevail, it will be advisable to adhere to the system at present in force according to which the actual amounts of council drafts sold weekly are fixed with reference to the Secretary of State's requirements and the capacity of the Government of India to meet them. So long as sterling is divorced from gold it is not possible to announce a fixed rate for sales, but the Government of India should be prepared to quote the appropriate figure as soon as the demand for remittance from India is ascertained.

(2) It is believed that the gold import act should be repealed as soon after a stable ratio for the rupee has been established, thus allowing free import and export of gold.

(3) The use of actual gold as currency and the furnishing of it by the Government of India when demanded by the public should be restored.

(4) Facilities for minting sovereigns in India and for refining gold should be provided, and the holders of sovereigns and Indian gold coins should be protected against changes in value.

(5) The free movement of silver into and out of India should be restored as soon as convenient and the import duty on silver should be eliminated. However, with regard to the export of silver, the prohibition should be maintained for the present, pending the time when conditions are more stable, and meantime, in the event that the purchase by the Government of silver minted in India becomes unnecessary, producers should be allowed free license to export.

(6) The custom of Indians in using coins for hoarding should be gradually discouraged by an extension of banking facilities, so far as practicable, and better opportunities for the investment of savings in Government loans should be furnished.

(7) It is recommended that the constitution of the paper currency reserve which protects the note issue of India should be altered, recognizing, however, the special need for caution in a country like India. The views of the Chamberlain Commission (1913–14) on this subject are indorsed. That commission recommended that the fiduciary portion of the paper currency reserve be increased and be for the future fixed at a maximum of the amount of notes held by the Government in the reserve treasuries, plus one-third of the net circulation outstanding. It is recommended that the statutory minimum for the metallic portion of the reserve should be 40 per cent of the gross circulation, but it would be desirable to maintain as large a surplus margin in the metallic reserve as practicable. As to the fiduciary portion of the reserve, it is recommended that the amount held in Indian Government securities be limited to the present maximum under the temporary legislation, the balance being held in securities of other governments comprised within the British Empire. It is noted that the change in the gold equivalent of the rupee would involve the revaluation downward of the sterling investments and gold now held in the reserve.

(8) The location of the paper currency reserve should for the greater part be in India where the notes have to be met, although a part of the securities held in the reserve might be kept in Great Britain.

SUMMARY OF CONCLUSIONS.

The commission in closing its lengthy and exhaustive report summarizes the main conclusions at which it has arrived, and the principal of which have already been set forth in the foregoing pages, as follows:

(1) It is desirable to restore stability to the rupee and to reestablish the automatic working of the Indian currency system.

(2) The reduction of the fineness or weight of the rupee, the issue of 2 or 3 rupee coins of lower proportional silver content than the present rupee, or the issue of a nickel rupee, are expedients that can not be recommended.

If the legal tender limit of one rupee for the 8-anna nickel coin should prove an obstacle to its free circulation, the question of raising the limit to rupees 5 or rupees 10 should be considered.

(3) The maintenance of the convertibility of the note issue is essential and proposals that do not adequately protect the Indian paper currency from the risk of becoming inconvertible can not be entertained.

(4) The rise in exchange, in so far as it has checked and mitigated the rise in Indian prices, has been to the advantage of the country as a whole, and it is desirable to secure the continuance of this benefit.

(5) Indian trade is not likely to suffer any permanent injury from the fixing of exchange at a high level.

If, contrary to expectation, a great and rapid fall in world prices were to take place, and if the costs of production in India fail to adjust themselves with equal rapidity to the lower level of prices, then it might be necessary to consider the problem afresh.

(6) The development of Indian industry would not be seriously hampered by a high rate of exchange.

(7) The gain to India of a high rate of exchange for meeting the home charges is an incidental advantage that must be taken into consideration.

(8) To postpone fixing a stable rate of exchange would be open to serious criticism and entail prolongation of Government control.

(9) The balance of advantage is decidedly on the side of fixing the exchange value of the rupee in terms of gold rather than in terms of sterling.

(10) The stable relation to be established between the rupee and gold should be at the rate of rupees 10 to one sovereign, or, in other words, at the rate of one rupee for 11.30016 grains of fine gold, both for foreign exchange and for internal circulation.

(11) If silver rises for more than a brief period above the parity of 2s. (gold), the situation should be met by all other available means rather than by impairing the convertibility of the note issue. Such measures might be (*a*) reduction of sale of council bills; (*b*) abstention from purchase of silver; (*c*) use of gold to meet demands for metallic currency. If it should be absolutely necessary to purchase silver, the Government should be prepared to purchase even at a price such that rupees would be coined at a loss.

(12) Council drafts are primarily sold not for the convenience of trade but to provide for the home charges in the widest sense of the term. There is no obligation to sell drafts to meet all trade demands; but if, without inconvenience

or with advantage, the secretary of state is in a position to sell drafts in excess of his immediate needs, when a trade demand for them exists, there is no objection to his doing so, subject to due regard being paid to the principles governing the location of the reserves.

Council drafts should be sold as now by open tender at competitive rates, a minimum rate being fixed from time to time on the basis of the sterling cost of shipping gold to India. At present this rate will vary; but when sterling is again equivalent to gold it will remain uniform.

(13) The Government of India should be authorized to announce, without previous reference to the secretary of state on each occasion, their readiness to sell weekly a stated amount of reverse councils (including telegraphic transfers) during periods of exchange weakness at a price based on the cost of shipping gold from India to the United Kingdom.

(14) The quantity of gold taken by India for all purposes in the period before the war was not disproportionately large having regard to her social customs and economic position; but more productive methods for employing wealth should be encouraged.

(15) The import and export of gold to and from India should be free from Government control.

(16) The Government should continue to aim at giving the people the form of currency which they demand, whether rupees, notes, or gold; but gold can be employed to the best advantage in the Government reserves, where it is available for meeting the demand for foreign remittance.

It would not be to India's advantage actively to encourage the increased use of gold in the internal circulation, but it may for some time be difficult to meet all demands for metallic currency in rupees, and a more extensive use of gold may be necessary. In order that confidence may not be disturbed by exceptional issues, the issue of gold coin in moderate quantities should be one of the normal methods of meeting demands for currency.

(17) The Bombay branch of the royal mint should be reopened for the coinage of sovereigns and half sovereigns, and facilities should be afforded to the public for the coinage of gold bullion and for the refining of gold.

(18) The obligation of the Government to give rupees for sovereigns should be withdrawn.

(19) Opportunities should be afforded to the public to exchange sovereigns in their possession at the rate of 15 rupees per sovereign at the time of the introduction of the new ratio. Similar opportunities should be given to holders of the gold mohur, which should eventually be demonetized.

(20) The prohibition on the import of silver should be removed as soon as is convenient.

(21) When the prohibition on the import of silver is removed, the import duty should also be removed, unless the fiscal position demands its retention.

(22) The prohibition on the export of silver should be retained for the present with a view to the protection of the silver currency from depletion by export.

If the silver mined in India should cease to be purchased by the Government, its export should be permitted under license.

(23) Improved banking facilities and increased opportunities for the investment of savings should be afforded.

(24) No recommendation is made for modifying the present practice regulating the purchase of silver for coinage.

(25) The statutory minimum for the metallic portion of the paper currency reserve should be 40 per cent of the gross circulation.

As regards the fiduciary portion of the reserve, the holding of securities issued by the Government of India should be limited to 20 crores (200 millions). The balance should be held in securities of other Governments comprised within the British Empire, and of the amount so held not more than 10 crores (100 millions) should have more than one year's maturity, and all should be redeemable at a fixed date. The balance of the invested portion above these 30 crores (300 millions) should be held in short-dated securities, with not more than one year's maturity, issued by Governments within the British Empire.

The existing permissive maximum of 120 crores (1,200 millions) should be retained for a limited period.

The sterling investments and gold in the paper currency reserve should be revalued at 2s. to the rupee. The depreciation which will result from this revaluation can not be made good at once, but any savings resulting from the rise in exchange will afford a suitable means for discharging this liability in a limited number of years.

(26) With a view to meeting the seasonal demand for additional currency, provision should be made for the issue of notes up to 5 crores (50 millions) over and above the normal fiduciary issue as loans to the presidency banks on the security of export bills of exchange.

(27) The silver and gold in the paper currency reserve should be held in India except for transitory purposes.

(28) As soon as circumstances permit, free facilities for the encashment of notes should be given, and the restrictions imposed during the war should be withdrawn. The Government should have the option of redeeming its notes in full legal tender gold or silver coin.

(29) No limit can yet be fixed to the amount up to which the gold standard reserve should be accumulated and when profits again accrue on the coinage of rupees they should be credited in their entirety to the reserve.

(30) Under present conditions Government should hold such gold as they obtain in the paper currency reserve rather than in the gold standard reserve. The gold standard reserve should when practicable contain a considerable proportion of gold; but the most satisfactory course at present lies in keeping the reserve as liquid as possible by the holding of securities with early dates of maturity.

The amount of securities in the reserve with a maturity exceeding three years should not be increased, and the aim should be to hold all the invested portion of the reserve in securities issued by Governments within the British Empire (other than the Government of India) and having a fixed date of maturity of not more than 12 months.

(31) A portion of the gold in the gold standard reserve, not exceeding one-half, should be held in India; the sterling investments should continue to be held in London.

TERMS OF SALE.

The following is the third of a series of articles giving data as to current practice and recent history of terms of sale in the principal industries. Acknowledgment is due various branches of the Government and the many business houses, individuals, trade periodicals, and trade associations who have courteously furnished the information.

AUTOMOBILES.

Passenger automobiles and trucks are ordinarily distributed by manufacturers through branch houses or distributors, who control a specified territory, and make arrangements with dealers in that territory, but who also retail cars locally.

The manufacturer receives cash payment, usually through use of a sight draft with bill of lading attached in the case of shipments, or payment before the car is driven away. In many cases the practice is to draw upon the distributor, who in turn draws upon the dealer, but in the case of financially strong dealers the manufacturer draws direct upon the latter. In general a cash deposit is required, either repayable at the expiration of the contract between manufacturer and distributor or applicable in specified amounts toward the purchase price of each car or truck. While sometimes a flat amount is stipulated, this is generally calculated roughly at so much per car contracted for, but the amounts vary considerably, according to the manufacturer. Distributors in turn largely require deposits from dealers in their territory; in general the manufacturer is not a party to the arrangement, but in one instance at least the distributor is required to forward to the manufacturer all deposits taken from dealers.

In order to assist distributors and dealers in purchasing their passenger cars during the winter months, several plans have been devised by some of the larger manufacturers in connection with carload shipments. A cash payment per car is required, also certain additional payments for miscellaneous expenses. To the draft and bill of lading is attached a separate trust receipt and note for each car. The draft is drawn on the dealer direct in case of direct shipment to him. Notes are interest bearing and mature in from five to three months, a graded scale according to date of shipment being arranged, the earlier shipments carrying more time. Maturities range from April to June. Payment is required before the machine is disposed of. This plan calls for placing the car on the distributor's or dealer's floor. Instead, it may be placed in warehouse, in which event no trust receipt is used, but instead, a warehouse receipt is attached to the note representing the machine in question. The great majority of manufacturers, however, extend no assistance to the distributor and dealer, but leave the latter to obtain accommodation from his bank or from one of the finance companies which have specialized in this field. Distributors in certain cases have devised more or less similar plans for financing dealers, both in connection with sales of passenger cars and of trucks.

Distributors and dealers in certain cases sell a considerable number of passenger cars on time, the partial payment plan being employed. While certain makers of higher priced cars report little use of such terms in connection with their product, some makers of popular-priced cars estimate that over one-half of their product is sold on time. The size of the initial cash payment to the distributor or dealer varies, being stated variously as generally 25, 33⅓, and 50 per cent. The balance is paid in monthly installments, the maximum time limit being given as 7 to 12 months. Security is afforded by the use of chattel mortgage, conditional sale, or lease agreement. In one-crop agricultural sections, such as the Northwest and South, it is stated that the farmer's note is at times taken for the entire purchase price of the car, being made payable at the time of marketing the crop.

While cash payment to the manufacturer is practically universal in the case of passenger cars, a certain proportion of trucks are sold on time by manufacturers. This is by no means the case with all manufacturers, however, as a considerable number require cash payment. When sales are made on time an initial cash payment of 25 to 33⅓ per cent is generally specified, the balance being payable in general in 12 equal monthly payments, although one maker has in addition a plan calling for 4 and another for 18 payments, another specifies instead 7 payments, and another 4 payments, the last of which is due in five months. Security is afforded by the use of chattel mortgage, conditional sale, or lease agreement. In practical operation, plans such as these will approximate those indicated in connection with winter purchases of passenger cars, the manufacturer drawing on the purchaser, releasing the truck under trust receipt (inasmuch as it is placed on the floor, and not in warehouse), and receiving the series of notes, in place of the one note. Trade acceptances are used in certain cases in place of notes. One manufacturer gives a discount of 3 per cent for payment on delivery, instead of making notes interest-bearing. One maker of electric trucks sells on terms of net 30 days, and bills the trucks direct to the large manufacturing companies to which they are mostly sold.

Trucks are more largely sold on time by distributors and dealers than are passenger cars. Estimates in general agree that 70 per cent is so sold. The initial cash payment to the distributor or dealer is usually 25 or sometimes 33⅓ per cent, and the balance is generally divided into 12 equal monthly payments. The period, however, may vary from 90 days to 18 months. Interest-bearing notes are used. Security is afforded by the same three devices indicated above in connection with passenger cars. It is stated that there is a larger proportion of cash sales in the East than in the Middle West or on the Pacific coast, and that the duration of notes covering a sale in general will be for a longer period in the latter two territories.

One of the leading companies has created a special corporation to assist in financing distributors and dealers. Three plans have been devised, two in connection with wholesale and one in connection with retail sales. The plans are substantially similar to those indicated above, with the exception that the corporation finances the sales, instead of leaving the purchaser and seller to make their own arrangements. In the case of sales by producing companies to distributors and direct dealers, notes are given by the latter to the corporation, maturing in not over six months in the case of both passenger cars and trucks. The time varies according to the season and the territory. Where a trust receipt, covering the cars in question, is used, and cars are stored on the distributor's floor, a cash payment of at least 15 per cent is required; in the case of the warehouse plan, at least 10 per cent, a sight draft being drawn for this amount. "Drive-away" shipments, to be stored on the distributor's floor, likewise require 15 per cent. In the case of sales by distributor or direct dealer to subdealer, a trade acceptance is used, the distributor drawing on the subdealer and indorsing the acceptance to the order of the corporation, which again pays the distributor or direct dealer in cash. Maturity, margins, and other details are the same, the option being given of either floor or warehouse storage or drive-away shipments. From the dealer's point of view, the use of either of the wholesale plans instead of the retail plan to be described depends upon the season of the year, the retail plan, for example, being more largely used in summer, when the dealer does not find it necessary to place cars in storage. In the case of retail sales, the purchaser gives the dealer an interest-bearing note for the amount, which calls for regular monthly payments, the time not exceeding 10 months in the case of passenger cars and 12 months in the case of trucks. The minimum initial payment is fixed at 30 per cent, and security is afforded in the usual manner, by chattel mortgage, conditional sale, or lease agreement, according to the law of the particular State in which the sale is made. The dealer indorses this note, ordering payment to be made to the corporation. The details of the plan vary according to the individual case. Thus the size of the initial payment depends both upon the number of payments specified and their frequency. Depreciation on the car is estimated and the user's equity considered. In case only several payments are made, at intervals of several months, the initial amount would be larger than if monthly payments were specified. Farmers alone are permitted to make an initial payment of not less than 40 per cent, with payment of one-half the remainder at the close of four months, and the final payment at the close of eight months, or with the deferred balance payable in three equal installments at intervals of three months. An alternate plan is also provided whereby the farmer may make instead an initial payment of at least 50 per cent and pay the balance in one payment within seven months. The corporation resells directly to banks and investors notes and acceptances arising from transactions under either of the wholesale plans, and collateral gold notes are issued against obligations arising from sales under the retail plan, and at times against notes and acceptances.

Repair parts are generally sold by manufacturers on monthly settlement, due dates ranging from the 10th to the 20th, and no cash discount is allowed. In certain cases net 30 days is given, in one instance with a cash discount of 2 per cent for payment within 10 days. Cash on delivery is also specified in certain cases.

RUBBER GOODS.

Among the various classes of rubber goods, automobile tires and tubes are by far the most important. Aside from sales to automobile manufacturers, these are largely sold by the manufacturers, the larger of whom have branch houses located in important centers, direct to the retailer or dealer. The proportion so sold varies, of course, with the individual manufacturer. Some in fact sell through jobbers only, and others largely through jobbers, but on the other hand the majority estimate that from two-thirds to three-fourths of the output is sold direct to dealers. It should be noted that under the head of jobbers are included, in addition to special automobile accessory and hardware jobbers, also mercantile houses, wholesale grocers, farm implement wholesalers, etc. Certain manufacturers place the proportion handled by hardware jobbers at not over 25 per cent of the output passing through the hands of jobbers, although in the case of some manufacturers as many as 65 per cent of their jobbers are hardware jobbers. Jobbers have complained for several years of a lack of profit in the distribution of tires. In 1916 objection was raised to the practice among manufacturers of consigning tires to retailers, which was stated to be prevalent, but present advices are that the practice has been almost entirely eliminated. The larger retailers located usually in the larger cities also sell to some extent to small dealers in neighboring towns. Retailers or dealers may be either specialized or handle also other lines, such as hardware, or conduct garages or vulcanizing shops. Solid tires are sold to some extent direct to the consumer by the manufacturer.

The regular manufacturers' terms on tires are 5 per cent 10th proximo. In certain cases net terms are 30 days, although frequently no net terms are specified. One of the larger manufacturers extends net terms only to automobile manufacturers. On Pacific coast shipments some manufacturers give 5 per cent 10th proximo of the second month on direct shipments to the dealer, which terms also obtain in some cases in other territories where the distance to the branch or distributing point is great. Estimates of leading companies agree that from 75 to 85 per cent of the accounts are paid by the 10th proximo, though this figure, of course, varies with the several manufacturers. Some companies place the percentage of discounters as high as 96, while one company estimates that 95 per cent of jobbers and 65 per cent of dealers discount. In general no marked difference is reported in promptness with which collections are made from the different types of purchaser, although several manufacturers refer to the small garage dealer either as slowest pay or as presenting the greatest credit risk. One of the larger companies, although it has not analyzed its accounts, judges that the strictly automobile accessory house should be the best discounter, as its stock moves more quickly and a larger turnover of capital is obtained, while another states that the general merchandise jobber pays most promptly. It may be stated in this connection that the larger manufacturers have an elaborate system of reports from branches to show the status of collections, including in one manner or another the proportion of accounts not discounted, those one month and two months old, etc. In recent years a dating for tires shipped during the winter months, namely, from November 1, December 1, or January 1 to March 1 or April 1, or in one case from September 1 to January 1, has been introduced. This varies somewhat with the individual manufacturer, and the same manufacturer may vary his terms from year to year, both as to period of shipping and dates of payment. April 1 (and thus due date of May 10th) is most common, although due date of April 10 is sometimes specified. The three-payment plan is used in certain cases, one-third of February shipments, for example, being due March 10, one-third April 10, and one-third May 10, and at times the due dates for shipments during these months are April 10, May 10, and June 10 or May 10, June 10, and July 10. Some manufacturers permit the buyer at his option to pay on either single or three-payment plan. Anticipation is permitted, in certain cases at the rate of 1 per cent per month, in others at the rate of 6 or 8 per cent per annum. An increasing use of the trade acceptance is indicated, in particular, in connection with shipments bearing the spring due date. One manufacturer allows a discount of 2 per cent for a 30-day acceptance dated 10th proximo and 1 per cent for a 60-day acceptance, while another states that most distributors who are granted second 10th proximo terms give a 30-day acceptance on the 10th proximo. Bicycle tires, during the winter months, carry a dating somewhat similar to automobile tires. In the case of consignments, a special contract is drawn up and an inventory of the consigned stock taken on the first of each month. The dealer pays for the tires which have been sold during the month, in some cases making weekly reports of sales. While certain manufacturers note a tendency to shorten terms, or rather to make prompter collections, during the past decade, others report no change in this regard.

While a considerable number of companies confine their activities entirely to the manufacture of tires, others make to a greater or lesser extent the various other classes of rubber goods. It is stated to be the tendency for the larger companies to enlarge their products beyond tires and tubes, although some companies have commenced with other lines. The large companies manufacture practically all lines. Certain of these products, such as druggists' sundries and mechanical goods, will be distributed largely through jobbers, although one large manufacturer sells only 30 per cent of his output of mechanical goods to jobbers, as against 70 per cent to consumers. On the other hand, rubber footwear is sold in large part direct to retailers. Mechanical goods as a whole are largely sold on terms of 2 per cent 10 days, net 30 days, or net 60 days. Occasionally large accounts receive 2 per cent second 10th proximo, with no net terms. Jobbers of thresher belts in some cases receive a dating, May shipments bearing a 2 per cent discount if paid November 10. Shipments of garden hose from about November 1 to April 1, bear a spring dating of May 1 or in some cases April 1. Fire hose, which is sold largely to municipalities, bears terms of net 4 months, or net 12 months, interest being added at the rate of 6 per cent per annum in the latter case for the additional time taken. Insulated wire is sold on terms of 1 per cent 10 days, net 30 days. Druggists' sundries bear terms of 2 per cent 10 days, net 60 days, no special dating being given. Rubber footwear datings differ. April 1 to November 1 shipments are due December 15 net. November and December "fill-in" shipments in one case carry terms of net 30 days; in another due dates of January 15 and February 15. The manufacturer employing the former terms provides that January 1 to April 1 shipments are due net May 1. Shipments of tennis shoes, etc., from January 1 to May 31 are due net July 1, and shipments during all other months are due net on the 15th of the second month following. Soles and heels carry terms of 2 per cent 10th proximo, or 5 per cent 10th proximo. Rubber clothing carries a discount of 2 per cent. January to March shipments are due April 10. April and May shipments are due May 10 and June 10, respectively, while shipments from June to September, inclusive, are due October 10 and shipments in the three following months have due dates of November 10, December 10, and January 10, respectively. All datings are subject to anticipation, although the rate may vary according to the product in question. Thus 12 per cent may be specified in the case of footwear and only 6 per cent in the case of clothing. On all these products proximo terms are employed to some extent in addition to the cases mentioned. As would be expected, the percentage of discounters on mechanical goods, druggists' sundries, and insulated wire is stated to be considerably less than on tires. One manufacturer states that buyers of mechanical goods in general do not discount, as the average purchase is small and the discount not large enough to be an incentive. More than half of footwear customers are reported to anticipate.

AUTOMOBILE ACCESSORIES.

At the present time there is little uniformity in marketing methods, and the latter are in a state of change, due both to the rapid growth of the industry, to the variety of products included under this head, and to the large number of manufacturers. A larger proportion of sales are made by manufacturers direct to retailers than is usual in other lines, although the proportion varies greatly for the different products. If figures are to be given, it may be said that 10 per cent of the output of manufacturers of automobile accessories goes to manufacturers of automobiles, 25 per cent to jobbers, and 65 per cent to dealers.

Terms of sale of manufacturers in general are 2 per cent 10 days, net 30 days, to both wholesalers and retailers. Proximo terms, usually the 10th but in some instances the 15th or 20th, are permitted in certain cases to the larger purchasers, such as automobile manufacturers and those having a number of shipments during the month. In this connection, some manufacturers discriminate between small and large purchasers, giving the former 2 per cent 10th proximo and the latter 2 per cent 25th proximo, often requiring a contract in such cases. Some manufacturers allow or request their customers to use a 30, 60, or even 90 day trade acceptance with varying or no discount. On lines other than tires, dating is not a general practice, but some manufacturers give datings on large orders, often requiring a long-run trade acceptance to accompany this.

The exceptions to the regular terms which are found are not as a rule confined to particular products which become conspicuous as bearing other than the regular terms. Rims, however, bear the same terms as do tires, being quoted 5 per cent 10th proximo by the manufacturer and 5 per cent 10 days, net 30 days, by jobbers. Automobile upholstery and leather goods are generally sold on terms of 2 per cent 10 days, net 60 days, net terms of 30 days being the exception. Little uniformity of terms on bearings is noted, both net 30 days, and 5 per cent 10 days, net 30 days, being noted in addition to the regular accessory terms of 2 per cent 10 days, net 30 days. Automobile bodies are sold on a contract basis, 25 per cent cash with order and balance sight draft bill of lading attached being, for example, specified.

Jobbers of automobile accessories are of several types. Distinction is made between legitimate jobbers and semijobbers, the latter of whom are not financially able to take their discount, and who do some retail selling. Development during the past few years has been twofold; in the first place, a class of accessory jobbers has become segregated from allied lines and has specialized in the field with increasing financial strength; on the other hand, an increasing interest has been shown by the hardware jobber in the automobile accessory business. Retailers are of three types—specialty dealers, garage men, and hardware retailers. The former two as a rule are poor credit risks. In addition, the specialty retailers have a tremendous overhead, business being very, though increasingly less, slack in the winter months, and for this reason manufacturers of accessories have been anxious that the retailers of hardware should handle accessories. The garage man will naturally be the largest buyer of products which require installing, while the specialty retailer and hardware retailer will carry the balance. In 1915 it was estimated that about 25 per cent of the automobile accessories went through the regular hardware market. The retailer of hardware and the garage and car dealer do most of the accessory business in the South and West, while in the East a large proportion of it is done by the specialty retailers.

Terms of specialized accessory jobbers in general are the same as manufacturers' terms. While they themselves in large measure take the discount, their customers take the net 30-day terms, although terms to garage men are often C. O. D. Hardware jobbers, however, in general apply the regular hardware terms of 2 per cent 10 days, net 60 days, also to the automobile accessories they handle, other than tires, for which jobbers' terms are almost universally the same as those of the manufacturers. Proximo terms are employed in some cases. Some business is done on a 30-day trade acceptance basis without interest. The only exception to the general terms is found in the case of heavier shop equipment to garage men where sale is made on contract covered by deed or title, notes being taken and equal payments over 6 to 8 months specified. An alternative method where less time is required is to use the trade acceptance, splitting the payment by taking acceptances for 30, 60, and 90 days.

ELECTRICAL PRODUCTS.

Considerable variety is found both in terms of sale and in marketing methods of electrical products. Net terms granted by manufacturers are either 30 days or 60 days, while the discounts for cash vary on different articles, at the two extremes being articles bearing no discount and those on which 5 per cent is given. Proximo terms are given in certain cases. On the average, on commodities handled through jobbers, terms are 2 per cent 10 days, net 60 days, to jobbers and retailers and 2 per cent 10 days, net 30 days, to consumers. Very large orders and orders of bulky apparatus, whether or not handled through middlemen, are sold largely on a contract basis. Datings are rare, but in certain cases provision may be made for a series of trade acceptances, each for one-third the amount, and maturing in 30, 60, and 90 days, respectively.

Turning to marketing methods, it is estimated that in general 65 per cent of the output of manufacturers is sold to jobbers, 25 per cent to dealers, and 10 per cent to consumers, and about 75 per cent of the jobbers' sales are to dealers as against 25 per cent to consumers. There are many small manufacturers who sell directly to the consumer. Distributive methods vary greatly with the individual products. Considering wires and cables, 50 per cent of the output of electrical iron wire is sold direct from the manufacturer to the consumer and 50 per cent through the jobbers, the article never being sold by retailers. Consumers are principally railroads and telephone companies. Seventy-five per cent of weatherproof wire is sold by manufacturers to consumers, who are central stations and street railways, and 25 per cent goes to jobbers, who sell to the same trade. The article is never sold to retailers. Rubber covered wire is used in building. Twenty per cent goes direct from the manufacturer to the consumer, 20 per cent to the contractors, and 60 per cent to the jobber. The contractors, who are in this case the retailers, in turn buy 80 per cent of their rubber-covered wire from the jobbers, getting the remainder of their supply from the manufacturers. Electrical wiring devices in general are largely sold to jobbers, who in turn dispose of half of their product to retailers, who in this case are the contractors, and the other half to consumers, in the form of central stations, large industrials, etc. This distribution will vary for individual products, such as fuses and switches, of the output of which manufacturers sell 70 per cent to jobbers, 10 per cent to retailers, and 20 per cent to consumers. Approximately half the retailers of such products handle also lines other than electrical supplies.

Lighting fixtures are becoming more standardized. In the past there were few jobbers, the product in this line going formerly direct from manufacturers to the contractors, due to the fact that there was such a variety of models. The jobber is now becoming a factor, so that at present from 20 to 40 per cent of the manufacturer's sales are to the jobber, an equal volume to the retailer, and 40 per cent to the consumer. Approximately 70 per cent of the retailers of these products handle also lines other than electrical supplies. Manufacturers of incandescent lamps sell upward of 25 per cent of their product to consumers, who in this case are the central stations, and the latter do some reselling. Fifty to 75 per cent is sold to jobbers, who in turn sell one-half their products to consumers and one-half to retailers. It is to be noted that the jobber sells to a different type of consumer than does the retailer.

The bulk of switchboards, especially the larger units, are sold directly by manufacturers to consumers, who in this case are central stations, and large industrials (possibly 2 per cent of the manufacturer's output being sold to jobbers) and 5 per cent to retailers, who resell to industrials only. Telephones and telegraphs are sold direct by the manufacturers to consumers.

Eighty per cent of the output of insulating material is sold by the manufacturer to the consumer, only 20 per cent being sold to jobbers and none to retailers.

Large transformers are sold direct by the manufacturer to the consumer. The smaller transformers are rarely sold direct to retailers, and only from 10 to 30 per cent of the output is sold to jobbers. Central stations selling power do not supply their customers with transformers; these buyers, therefore, buy from contract dealers.

Manufacturers of electrical measuring instruments sell 5 per cent of their product to jobbers, from 5 to 20 per cent to retailers, and from 75 to 90 per cent to consumers, who are lighting stations, street railways, and automobile manufacturers. The bulk of the electrical measuring instruments going to the first two classes are sold with switchboards. Automobile manufacturers are buyers of 50 per cent of the electrical measuring instruments figured in numbers and 10 per cent, if figured according to price. The electrical measuring instruments handled by retailers will be for replacement purposes on automobiles only.

Thirty to 60 per cent of the output of storage batteries is sold by manufacturers to manufacturers of automobiles, 20 per cent to jobbers, and 30 per cent to retailers, which 30 per cent is used by the consumer, the automobile owner, for replacement purposes only. Twenty-five per cent of the total output of storage batteries is sold to central stations, and 15 per cent to manufacturers of electrical trucks. Dry-cell batteries are sold practically exclusively by manufacturers to jobbers, who in turn sell half to dealers and half to consumers.

Manufacturers of ignition equipment sell 90 per cent of their product to manufacturers of automobiles, trucks, motorcycles, stationary engines, etc., and about 8 per cent to jobbers.

Large motors and generators are sold direct by manufacturers to consumers. There is generally but one middleman engaged in the distribution of the smaller motor types (under 250 horsepower); up to 10 per cent is sold to jobbers (who if they do handle them, act as the retailer); up to 18 per cent is sold to retailers, and the balance to the consumer. About 70 per cent of the sales of motors under 50 horsepower to consumers are handled through dealers acting as agents of the manufacturer.

Rotary converters are sold direct by the manufacturer to the consumer. Rectifiers are almost exclusively sold to jobbers, who in turn dispose of half their product to retailers and half to consumers.

Electrical appliances are never sold direct to the consumer, all of them sooner or later going through the retailer. Central stations still do, though to an increasingly smaller extent, a very considerable retail business in their appliances. From 60 to 80 per cent of these products are first sold by manufacturers to jobbers.

Turning now to the terms of sale of the individual products, jobbers in general give to their customers the same cash discounts as they receive from the manufacturers, but they may vary the net terms. The jobbers' regular net terms are 30 days, while he may be quoted net 60 days, net 30 days, or no net from the manufacturer. At the present time manufacturers are having considerable difficulty in keeping jobbers supplied, and consequently have considerable power in making their own terms, while, on the other hand, competition among jobbers still remains keen enough to make them inclined to give concessions to their customers. It is understood that these customers in many cases run beyond the nominal net period. Offsetting the strategic position of the manufacturer is the rapid growth of the industry and the greater number of specialty devices than in older lines, which make the service of the jobber not only of greater value but peculiarly essential to the successful introduction of these products. In the jobbing of specialties it is stated that the jobber has been particularly favored due to the absence of reputable retail dealers, and the result has been that the jobber, receiving regular jobbing price quotations, has done the retailing himself. However, this practice is on the decline due to the development of a class of reputable retail dealers.

The products of the industry may be classified into the following five groups, according to the cash discount allowed. These discounts are quoted both by manufacturers and by jobbers to all their customers.

1. No cash discount, net 30 days.
   - Telephone lead covered cable.
   - Poles.
   - Power motors and fans.
   - Transformers.
   - Railway supplies.
   - Telephone apparatus.
   - Testing instruments.
   - Meters.
   - High-tension insulators.
   - Washing machines.
   - Sewing machines.
   - Vacuum cleaners.
   - Dishwashers.
   - Arc lamps.
2. One-half per cent, 10 days.
   - Annunciator wire.
   - Bare copper wire.
   - Magnet wire.
   - Damp-proof office wire.
   - Weatherproof wire.
3. One per cent, 10 days.
   - Cross arms.
   - Lamp cord.
   - Rubber covered wire.
   - Lead covered wire.
   - Line hardware.
4. Two per cent, 10 days.
   - Heating material.
   - Condulets.
   - Dry batteries.
   - Storage batteries.
   - General supplies.
   - Porcelain (except high tension).
   - Sockets and receptacles.
   - Snap and push switches.
   - Klaxon horns.
   - Hughes ranges.
   - Ironing machines.
   - Incandescent lamps.
5. Five per cent, 10 days.
   - Condulet outlet boxes and covers.
   - Flexible metallic conduit conductors and fittings.
   - Rigid iron conduit.

Certain variations from these cash discounts exist. Manufacturers' sales of small transformers and small motors sometimes carry 2 per cent, while very large jobbers of motors at times receive 5 per cent discount for payment within 10 days. In the special cases of selling motors through the manufacturer's own agent, the following terms obtain: 5 per cent 60 days if the agent's credit is undisputed or 5 per cent 30 days, net 60 days, if his credit standing is uncertain. Some electrical measuring instrument manufacturers quote 2 per cent 10 days, and some incandescent lamp manufacturers quote 1 per cent discount for cash on delivery. In addition, net terms only are sometimes given on rectifiers, insulating material, and ignition equipment. The last named in certain cases also bears 1 per cent 10 days, and two to three years ago 2 per cent was given on sales by certain manufacturers. Porcelain material about two years ago carried a discount of 5 per cent 10 days.

Turning to the net terms of the manufacturers to jobbers, retailers, and consumers, respectively, which, as has been pointed out, are in general net 60 days, net 60 days, and net 30 days. There are some regular deviations. Electrical wiring devices (including switches, fuses, wall switches, sockets, plugs, etc.), batteries (storage and dry), small motors, and electrical appliances, all of which are not sold directly to consumers, are regularly quoted net 60 days to jobbers and net 30 days to retailers.

The following exceptions to the regular net terms were noted: Some manufacturers of rubber-covered wire quote net 30 days to all three classes of purchasers, while some manufacturers of lighting fixtures give net 30-day terms to the jobber, net 60 days to the retailer, and net 30 days to the consumer, and similarly with rectifiers. Insulating material and measuring instruments are sometimes quoted, respectively, net 60 days, net 30 days, net 30 days, while these products may also be sold on net 30-day terms to all three classes of purchasers. Small transformers are sometimes sold net 60 days to jobber, net 30 days to retailer, and net 30 days to consumer. Some small motor manufacturers sell on terms of net 30 days to jobbers and retailers. Instances of terms of net 60 days as well as net 30 days to all three classes of purchasers are found on snap and push switches, fuses, and circuit breakers. Small switchboards are sometimes quoted net 30 days to all classes of purchasers.

The balance of the products are sold on a contract basis. This applies to rotaries, large motors, and generators, large transformers, and large switchboards; that is, products which are usually sold direct to consumers, involving more or less installation work. Contracts are also used in the case of large orders of any of the previously mentioned products. Standard contracts call for 50 per cent cash, sight draft, bill of lading attached, 40 per cent in 30 days, and 10 per cent in 60 days. Another form requires 60 per cent on shipment, 20 per cent in 30 days, and 20 per cent in 60 days. These terms, however, are varied in accordance with the credit standing of the customer as well as the progress of the installation work, the last payment in the latter case being so arranged as to fall due when the work is completed. Selling goods on consignment is an exception, but some large manufacturers of fan motors sell their product on this basis. Some manufacturers grant 10th proximo terms to approved customers or to those settling regularly on a monthly basis. In certain cases semimonthly settlement, for example, on the 10th and 25th, is provided. On large orders of electrical wiring devices the standard contract terms are one-third on delivery, one-third in 30 days, and one-third in 60 days.

The regular net terms of jobbers are 30 days, while the discounts granted are those already indicated. Interest is generally at the rate of 6 per cent after the due date is passed, and overdue bills are subject to sight draft without notice. The trade acceptance is used more by jobbers in this line than by manufacturers and as a matter of fact is quite generally used. Thirty-day acceptances are most common, which are mailed with the statement on an average 15 days after the sale, so that the settlement occurs in 45 days, which corresponds to the current collection period on open accounts. Some very favored customers may have a 60-day trade acceptance provided, instead of the 30-day. Jobbers may allow their large customers to settle on the 10th proximo.

COAL AND COKE.

Anthracite coal is generally sold by the railroad coal companies through sales agents direct to manufacturing plants and to dealers. While several of the independent producers sell to retailers direct,[1] the greater number market their coal through "jobbers" on a commission basis, and a few sell outright to jobbers and retailers, disposing of their product from week to week to the highest bidders. A considerable amount of coal is consigned by producers to local wholesalers or retailers. Jobbing, in the restricted sense of sale by carload or barge load without physical handling but with outright purchase of the coal, thus excluding sales agencies, is on the whole relatively small in the case of anthracite, but a considerable proportion of bituminous coal is handled through jobbers. The methods of transacting the business are less rigid and definitely fixed in the case of bituminous coal, in particular with regard to retail dealers who handle the same. Jobbers in large part, however, do not rigidly confine themselves to handling only either anthracite

[1] The data relative to anthracite coal contained in this paragraph have been taken from the Report of the Federal Trade Commission on Anthracite and Bituminous Coal, June 20, 1917.

or bituminous. With respect to anthracite there is a considerable overlapping between the two classes of jobbers. The greater number of jobbers supply the local trade only, although a few maintain branch offices at various points. In certain centers, for example, Buffalo, Detroit, and Chicago, there exist also local wholesale trestle and dock companies, who in some cases do also a retail business.

In certain sections of the country, the movement of coal is distinctly seasonal, whereas in other sections there is storage of coal to a greater or lesser extent. The territory beyond the head of the Great Lakes is very largely supplied by shipments up the lakes during the summer, which are stored on the docks and shipped out during the fall and winter months as needed. Some all-rail coal from Illinois and Indiana fields, however, goes to the Northwest during the winter. To a certain extent winter supplies of coal are moved into New England during the summer, although both rail and water line coal also move in during the winter. There is some storage of coal in northern New York. Bituminous coal is stored to some extent during the summer by business houses, but over the remainder of the United States the movement of coal is largely seasonal. As is well known, storage is more difficult in the case of bituminous coal than in the case of anthracite, both because of the deterioration of the softer bituminous and because of danger of spontaneous combustion when the coal is not properly stored.

Distinction should be made in the methods of conducting business between the territory, roughly, east of a line north and south through Erie and Pittsburgh, and the territory west thereof extending to the Rocky Mountains. In the East the tonnage is larger, the qualities of coal differ, and methods of merchandising are entirely different from those in the West. In the East supply and demand are more nearly equal, whereas in the western section a buyer's market almost uniformly prevails. There is a corresponding difference in the degree to which business terms may be insisted upon.

Producers' terms on anthracite are practically universally net 30 days. In certain cases proximo terms, for example, the 15th, are provided. Provision is made for the requirement of payment in advance for further shipments if the credit of the customer is impaired, or cancellation of the contract at the seller's option in case the amount is unpaid. In certain cases anticipation at the rate of 6 per cent per annum is provided, or one-half per cent is given for payment within 10 days. The same rate of interest is charged on overdue accounts. The coal which is purchased outright by dock companies at the head of the Great Lakes, rather than handled on consignment, generally bears terms of net 60 days from date of bill of lading.

Bituminous coal is generally sold by producers on proximo terms, the 15th being perhaps most frequent, although dates range from the 10th to the 25th. In some cases settlement twice a month, for example, by the 5th and 20th, is required. While proximo terms are customary in the case of contract business, in some cases net 30 days is specified, and it is largely used for spot or open market sales. Longer terms, such as 60 days, are given in some cases. although producers in many cases use the uniform sales contract containing a clause similar to that contained in the anthracite producers' contract providing for cancellation of the contract at the seller's option in case the account is unpaid, or the credit of the purchaser is impaired, also that accounts 10 days overdue are subject to sight draft with interest from time of maturity. This by no means implies, however, that settlement is prompt in all cases.[1] From certain sections it is stated that purchasers largely run beyond the due date, one producer stating that payments in general are effected from 15 to 45 days thereafter, and that although it is endeavored to collect interest for the extra time taken, it is next to impossible to do so. In one field it is reported that an account is rarely considered old until 60 days past due date. From certain fields it is stated that few purchasers make payments until the coal reaches its destination, and some only on the 10th proximo thereafter. Payment is thus made on the basis of coal received rather than on coal shipped. The railroads are stated often to take up to 90 days, while in certain cases longer terms are given them than are given other purchasers. Thus in one field payment by them is specified from the 15th to the 25th proximo, whereas other purchasers are required to effect payment by the 10th proximo, and in another field terms to the railroads call for payment at the close of the month for shipments during the previous month. In several western fields large steam users receive up to 60 days, whereas 30-day terms are specified for ordinary consumers and dealers. Lake

[1] Operators at times may receive payment in less than the customary 30 days, in order to encourage shipments or to assist in financing them.

and tide water shipments, on account of longer time between date of shipment and actual consumption of the coal, bear longer terms than do ordinary shipments, net 30 or 60 days from date of loading at the port being frequent, although in some cases interest at the rate of 6 per cent per annum is charged for time beyond 30 days. When this extra time is given, the purchaser is stated to usually sign an acceptance. Discounts for cash are very rare. In some cases anticipation is allowed at the rate of 6 per cent per annum, in other cases ½ per cent 10 days is given, while in one of the southern fields cash discounts up to 2 per cent are reported.

Coke, in particular by-product coke, is produced by certain of the large consumers themselves, or by plants which they control. All coke is generally sold on terms calling for payment by the 20th proximo, but in some cases the 10th, 15th, or 25th is specified. Certain purchasers are stated to elect to make settlement twice a month instead. While sight draft with bill of lading attached, as in other industries, is generally used only in the case of poor credit risks, one southern producer allows a cash discount of 1 per cent where this method is employed in place of the regular proximo terms. Furnace coke is largely sold to steel producers, but there are many small foundries which purchase foundry coke, and at times the financial responsibility of some foundries is somewhat impaired, but ordinarily little difficulty is found in making collections. In very rare cases, a note is accepted for foundry or domestic coke that is put into stock for future use. There have been no general changes in terms in the coal and coke industry for 15 years or more.

Wholesalers' terms on both anthracite and bituminous in large measure parallel operators'. Proximo terms are largely employed, such as the 10th and 15th. Anticipation is permitted in certain cases, such as for tidewater coal at New York, at the rate of 6 per cent per annum, corresponding to a cash basis of 1 per cent. Spot sales on anthracite at New York bear the same terms as contract sales, namely, 15th proximo (formerly the 25th), although sales are often made for cash, and a slightly lesser price, such as 5 cents per ton, is quoted in such cases. The average purchaser of bituminous is said to be less prompt than the average retailer of anthracite, and accounts, e. g., at New York and Boston, often run to 90 or 120 days. A closer check on credits during the last two years is reported from Kansas City. When business is normal it is stated from Boston that anthracite wholesalers often extend considerably longer than 30 days, but in times of shortage the prompt collections made by retailers enable prompter payment of wholesalers. It is stated in a recent study[1] that the extension of credit has some influence upon the choice of coal handled by the local dealer, and practical and exclusive connections are made when he is carried by the wholesaler.

PETROLEUM.

The commercial organization of the petroleum industry at the present time is exceedingly complex.[2] Whereas in the earlier days of the industry there was a rather well-defined division of the field into production, transportation, refining and marketing (though the latter two were often combined), there is now considerable combination of all four classes of business. There is an increasing tendency for the larger units to sell to consumers, and the systems of service and filling stations are being steadily extended, as well as the tank-wagon service. In the remote sections there is, of course, the greatest dependence upon the local dealer.

The method of marketing varies with the type of product. Crude oil is purchased by refiners to some extent, although the larger companies obtain a considerable supply from their own wells or those of affiliated companies. Refiners to some extent sell the various petroleum products to one another. Aside from such sales, the lighter products, such as gasoline and kerosene, as well as lubricating oil, are sold by refiners to jobbers and retailers, and direct to large consumers. Fuel oil (including also gas oil and road oil), on the other hand, while often sold to jobbers, is usually sold direct to consumers, estimates placing the amount so sold at upwards of 80 to 90 per cent of the output. In certain cases refiners dispose only of their surplus products, for example, fuel oil to jobbers, while selling the other products direct to retailers and consumers. In the Middle Western States a large number of relatively small refiners have grown up, who depend to a great extent upon separate jobbers for the marketing of their products, which, however, include relatively little lubricating oil. Jobbers' customers are stated by some to be considerably smaller than customers of refiners. Middle Western refiners' sales to jobbers vary in amount from 1 to 1,000 tank cars, and sales of from 100 to 200 cars

[1] Ibid.
[2] Certain of the data on this subject have been taken from the studies of the Federal Trade Commission, in particular the Report on the Price of Gasoline in 1915. April 11, 1917.

are very common. Sales from jobbers to dealers and consumers range in amount from 5 to 1,000 gallons, delivery usually being made from tank wagon, except in the case of lubricating oil, which is usually shipped in drums of 50 gallons.

Judging from the data available, there appears to have been little attempt to obtain absolute uniformity of terms in the industry during the past decade. Only one instance has come to notice of formal adoption of terms. In 1913 a Middle Western association representing independent marketing interests adopted a set of regulations to govern trading in petroleum. These regulations were concerned more particularly with questions such as the fixing of standards for the various petroleum products and thus avoidance of disputes over the specific gravity or viscosity of oils, what constitutes a good delivery, etc. The regulations contained a section dealing with terms, and were revised in 1915. Regular terms, however, are generally recognized for each of the principal classes of petroleum products. A basis for an understanding of the differences in terms as between the various products is afforded by the differences in marketing methods outlined above. During the last several years there has been a shortening of terms on the refined products, in particular about 1918. The trade acceptance has also come into some use. It is estimated by a large Eastern refiner that collections in the industry in general average about 45 days. Garages on the whole are slowest pay.

Turning to the individual products, crude oil is sold on strictly net terms. Settlement is required either once or twice a month. The dates are stated generally to be the 10th and 25th in the midcontinent field. In some sections considerable variation is noted, different California refiners, for example, placing the figure variously at the 10th, 20th, and the 15th to the 25th.

The shortening of terms in the industry is well illustrated in the case of the lighter refined products, such as gasoline and kerosene. These now bear terms of net 30 days. Proximo terms may be specified in certain cases, for example the 15th. A discount of 1 per cent for payment within 10 days prevails in some sections, in particular the midcontinent field, and such, in fact, are the adopted terms on these products mentioned above. These products are stated to be generally considered as cash products in that field, and it is said that the customer who takes 30 days' time is frequently regarded as undesirable, almost all firms discounting their bills. A sight draft is reported to have largely succeeded the use of the adopted terms for all the classes of refined petroleum products. Prior to December 1, 1918, a cash discount of 2 per cent 10 days had been allowed in California in many cases, although one of the leading companies had as its terms 2 per cent 10 days, net 60 days, when contained in cases, drums, and iron barrels, and 1 per cent 10 days, net 60 days, under special contract at special prices. Prior to about 1918 the net period was largely 60 days in many sections. Distinction is made by certain refiners between carload shipments on the one hand and less-than-carload shipments and deliveries in bulk from stations and out of tank wagons on the other hand, corresponding in considerable measure to a difference in type of purchaser. Oil jobbers having bulk storage purchase in carload lots, which they barrel or can and ship to factories, garages, and storekeepers. Gasoline is sold by refiners, in addition, to tractor and automobile manufacturers and to large garages. Whereas the carload shipments bear the regular terms given above, less-than-carload shipments bear considerably shorter terms. In particular, for tank-wagon deliveries and filling station sales net cash is largely required. Weekly or 10-day settlement is now specified in certain cases, whereas formerly monthly settlement was largely permitted and is still to some extent. These terms apply in general to other refined products also. A sight draft is used by one refiner in the case of garages purchasing car load lots, unless they are "gilt-edged." A southwestern refiner requires cash on delivery or net 10 days for carload shipments, but in some cases a discount of 1 per cent 10 days is allowed.

Branded automobile oils are sold in carload lots by only a small number of the larger companies, the purchasers being garages and automobile-accessory jobbers. Terms on both carload and less-than-carload business are largely 1 per cent 10 days, net 30 days. In the case of lubricating oils and greases and wax, carload lots are sold more particularly to jobbers such as mentioned above. One refiner applies the regular net 30-day terms to carload business but grants a discount of 1 per cent 10 days on less-than-carload shipments and bulk deliveries from stations and out of tank wagons. In the latter sphere competition is experienced, not only with the limited number of refiners doing a carload business, but also with those refiners doing a less-than-carload business and the jobbers who do practically nothing but a less-than-carload business. In California the discount was eliminated December 1, 1918, and terms are now net 30 days or net 60 days, proximo terms, such as the 10th, being employed in some cases, whereas formerly a 2 per cent discount had been largely given. A leading refiner selling largely to railways has terms of net 60 days. The product in general, however, still largely carries a cash discount. In the midcontinent field terms are either 2 per cent 10 days, net 60 days, or 1 per cent 10 days, net 30 days. The former are also the terms adopted by the association mentioned above, but prior to 1915 the net period was only 30 days. Each of the two sets of terms prevalent in the mid-continent field is now used by some of the larger refiners in other sections, and no absolute uniformity of practice prevails. A more or less general tendency, however, appears to be evident toward terms of 1 per cent 10 days, net 30 days. Some refiners whose terms formerly were 2 per cent 10 days, net 60 days, have recently made this change. One large eastern refiner gives terms of 1 per cent 10 days, net 30 days, to consumers, and almost entirely omits the discount on sales to jobbers, quoting them net 30 days. In the Southwest terms of 2 per cent 10 days, net 30 days, are stated to be largely in use. It has been suggested that the generally longer terms and cash discount prevalent on lubricating products are due to the fact that they are more of a specialty and consequently of a less rapid turnover as compared with other products, such as gasoline.

Terms on fuel oil (including gas oil and road oil) are almost uniformly net 30 days. In certain cases proximo terms are employed, such as the 10th. A Middle Western jobber, however, reports that he receives a cash discount of 1 per cent 10 days from refiners on this product, and a large refiner states that such terms were occasionally given up to about a year and a half ago. In the Southwest cash on delivery is largely specified. These terms obtain also on bunker deliveries. In certain case up to 90 days is given to contractors in the case of sales of road oil, while terms of a leading refiner are net 60 days to roofing manufacturers. Purchasers of all three products as a rule pay more promptly than do purchasers of the other two principal classes of products. Municipalities are stated to be the slowest paying type of purchaser of this class of product. In certain southwestern districts, in particular in rice-growing sections, fuel distillate is delivered to farmers on contract in the spring and summer, with October 1 or November 1 due date.

It is stated rather often in the industry that jobbers' terms are longer than refiners' on similar products. In the case of the lighter oils, less than carload shipments in general bear terms of 1 per cent 10 days, net 30 days, and lubricating oil bears instead a discount of 2 per cent. In some cases, Middle Western jobbers' terms are given as net 30 days on gasoline and net 60 days on lubricating oil. Certain jobbers, however, state that, while their terms from refiners on the several products differ as indicated above, they endeavor to make their terms uniformly 1 per cent 10 days, net 30 days, on all products. The net period on lubricating oil some years ago was 60 days. In some cases one-half per cent 10 days, net 30 days, is quoted on refined oil and gasoline and 1 per cent 10 days, net 30 days, on lubricating products. While these are the nominal terms, purchasers are stated in certain cases to take longer time. It is reported that from 60 days to 6 months is frequently extended by Middle Western jobbers. Tank-wagon deliveries of gasoline and kerosene, however, are usually on a net cash basis, as in the case of similar sales by refiners. In some cases the time has been reduced from 15 to 30 days since about 1917.

Practice of Handling Bills of Exchange in Foreign Countries.

[American Vice Consul, Charles G. Winslow, Auckland, New Zealand.]

NEW ZEALAND.

Banking conditions in New Zealand are greatly influenced by London banks, since practically all drafts drawn on firms in the United States by New Zealand exporters pass through London banks.

The following is a list of the six banks in New Zealand, all of which do a foreign exchange business:

National Bank of New Zealand (American agents, Canadian Bank of Commerce and Bank of British North America, New York City).

Union Bank of Australia (American agents, Canadian Bank of Commerce, International Banking Corporation, and Brown Bros. & Co., New York City).

Commercial Bank of Australia (American agents, Irving National Bank and National City Bank of New York, New York City).

Bank of New Zealand (American agents, Canadian Bank of Commerce, J. P. Morgan & Co., and Bank of British North America, New York City).

Bank of New South Wales (American agents, Standard Bank of South Africa (Ltd.), New York City).

Bank of Australasia (American agent, International Banking Corporation, New York City).

EXPORT TRADE.

From 75 to 80 per cent of the exports to the United States are financed by drafts drawn under letters of credit from American banks. The New Zealand exporter draws a draft which he sells to the New Zealand bank at a fixed rate of discount. The other 20 or 25 per cent of exports to the United States are financed by drafts (at present usually sight, with documents attached) drawn on firms who have not established credit, in cases when the local firm is so well established that the bank is willing to accept the draft. In both cases the local bank forwards the draft with documents attached to their agent in the United States, who collects the amount of the draft from the receiver of the goods and the proceeds are usually forwarded to London.

Credit in practically every case is lodged with New York banks, but in some cases credit is established with banks in San Francisco, Chicago, New Orleans, etc. The terms on which credit is opened are determined by the American firm establishing the credit.

About 2 per cent of the bills on banks in New York and other American cities are drawn in dollars, the other 98 per cent being drawn in pounds sterling. As the bills are usually remitted to London for clearance through branch New Zealand banks it is more convenient for the local bank to issue drafts in pounds sterling. The current rate of exchange makes the drawing of drafts in dollars less practicable as the exchange might fall during the transmission of the draft, and thus to protect itself the New Zealand bank is compelled to charge a very high commission. All the banks doing business in New Zealand have branches in London, through which American drafts are cleared.

In regard to usance of bills, sight drafts are the standard at the present time, although there is an equal number of time drafts, most of which are 30-day drafts, although some firms still give 60, 90, and 120 days. Prior to the war 60, 90, and 120-day drafts were more prevalent than either sight or 30-day drafts, and this condition will probably return when Germany again enters this market and other competition becomes keen. It must be remembered that usance is governed by the period of credit established by the American bank.

All drafts are negotiated through local banks, no brokers being employed in New Zealand. It is quite possible that some bills pass through the hands of London or New York brokers.

The six banks in New Zealand have an agreement by which they quote the same exchange rates, so there is no competition between the banks. The present agreement came into force in 1916 and is subject to change on a week's notice. According to the agreement previous to 1916 about ¼ per cent less on each item was charged. The present rates at which banks buy drafts on London and cities in the United States are as follows: Sight, 1 per cent; 30 days, 1⅜ per cent; 60 days, 1¾ per cent; 90 days, 2¼ per cent; 120 days, 2¾ per cent. These commissions are charged from the day mail leaves for the United States or England. Should an exporter desire to draw money a week or two before the mail departs he must pay interest to the date of sailing. Of course the banks sometimes waive this interest charge to good clients. On sight and demand drafts a stamp duty or poundage of 2d. (4 cents) for every £50 ($243) is collected by the Government.

About 66 per cent of the drafts drawn on American banks are domiciled in London in pounds sterling and the remainder in the United States, mostly in pounds sterling, except for about 2 per cent drawn in dollars. In export trade this is governed by the credit established.

Mail service with American ports is about as frequent as the service with London, although there are few vessels running direct to London, via Panama and Suez Canals, that do not carry mail to the United States. All the mail steamers for American ports carry mail for England. Mail for London requires one or two weeks longer than mail for New York. Naturally mail to San Francisco arrives a few days in advance of mail for New York. Usually letters for both the United States and England leave the country within a week or so after mailing by either the Auckland-Vancouver or Wellington-San Francisco routes, but on account of the war, shipping strikes, etc., there are occasional times when mail does not leave for three or four weeks. At present there are no scheduled mail sailings, owing to unsettled shipping conditions existing.

United States discount and exchange rates are quoted every second day when the market is active, but when stationary weekly reports are received. This information is distributed from the head offices of the banks, which are principally situated at Wellington, who receive the information by cable from the London branch or American representatives. Occasionally the rate is forwarded by Australian banks.

The London branches usually forward the rates of exchange in the principal financial centers of the world, and conversion rates on oriental centers are received about once a month or when occasions arise.

Exchange tables (dollars into pounds sterling) are not published in New Zealand, but a few firms have tables as low as $4.50 to the pound sterling obtained from the United States.

Local banks do not receive regular quotations of discount rates for New York or other American banks, except for the rates of exchange mentioned above, as drafts are not discounted in this sense, and only a commission as given in the above table is charged.

"Forward" rates of New York discount are not quoted. There is no profit on commercial bills except the regular exchange rate quoted above on the prevailing rate of exchange. New York or other American discount rates are not taken as a basis for purchasing time bills on a member bank of the Federal Reserve System.

New Zealand banks issue drafts on London whenever possible, rather than sell drafts on banks in the United States. The reason for this is that the Dominion banks desire to place business in the hands of their branches in London.

IMPORT TRADE.

The commission for collecting documentary or clean items (without documents) in New Zealand is ⅜ per cent, which is a standard rate between the six banks operating in this country. Of this commission ⅛ per cent is returned to the bank that sends in the business, thus the Auckland bank in reality only receives ¼ per cent.

The total cost of collecting clean and documentary items on New York is the ⅜ per cent commission, plus exchange of ½ per cent for sight drafts on New York and San Francisco (¼ per cent additional on Chicago) and stamp duties. A charge of 1s. (24 cents) commission is usually made for obtaining acceptance if bill is not to be left with the Auckland bank for collection. These cases are very few.

The New Zealand Government stamp fees for clean and documentary items are as follows: Sight (demand [1]) 2d. (4 cents); usance 1s. (24 cents) per £50 ($243) or part thereof.

The drawee pays exchange, commission, stamps, etc., on about one-half of the bills negotiated, and the American bank is debited with these charges on the rest of the bills. This, however, is governed by instructions from banks in the United States. In case of no instructions the amount is deducted from the remittance to the banks in the United States.

A Government poundage (stamp tax) of 4d. (8 cents), 2d. (4 cents) on the original and 2d. (4 cents) on the duplicate is made on sight drafts remitted to America. On sight drafts there is a charge of 6d. (12 cents) for £25 ($121.66), 1s. (24 cents) per £50 ($243) or part thereof.

[1] Sight draft means demand draft in New Zealand and the customary three days of grace given in the United States on a sight draft are not allowed in New Zealand.

The charges in regard to noting and protesting are the same for the six banks in New Zealand. If a bill is noted only the charge is 5s. ($1.21), but if a full protest is taken out the charge is £1 1s. ($5.11).

Whenever a draft is drawn after protest New Zealand banks use every endeavor to collect protest charges and protest fees from the drawees, and this is insisted upon unless the drawee of the bill can show that the dishonor of the bill was caused through no fault of his.

The New Zealand laws governing protest of items are very simple. When a bill is refused by the drawee it is the custom of the bank to obtain his written answer on the reverse side of the bill. In absence of instructions to the contrary it is then usual to note the bill for nonacceptance or nonpayment as the case may be, unless the bank is instructed definitely to take out full protest. The law provides that if a bill is noted (cost 5s.—$1.21) the protest can always be taken out at a subsequent date. The reason, therefore, of noting only in the first place is on account of the small charge being incurred, as in many cases the drafts are ultimately accepted or paid by the drawee, and thus the extra expense of protesting is dispensed with. In the event of a bill being noted and the draft held awaiting further instructions from the drawer it is the custom to present the draft again to the drawee on the notarial due date.

Payment of the collection and banking charges on bills drawn upon local merchants is governed by instructions from American banks. Commission and stamp charges are as cited above. These charges are usually governed by the contract between buyer and seller. The banks do not meet with many cases where reasonable charges are refused. Clients object to pay additional charges unless arrangements have been made. During the war much dissatisfaction was brought about by additional charges, some of which seemed to be absurd charges which should have been paid by the exporter.

Local banks only guarantee the payment of drafts under a letter of credit, no matter what may be the integrity or financial standing of the firm.

Local banks do not receive goods on consignment, and when shipping documents are received they are turned over to the consignee or the acceptor of the drafts. Usually the bank only sees the shipping documents.

The local banks receive parcels which are delivered to the consignee against payment or acceptance of draft, but take no responsibility. Commission, stamps, etc., are charged as above.

The New Zealand law requires that goods shall enter the customs within 21 days after arrival, but this law is not strictly enforced, and the customs allow the goods to lie on the wharf a reasonable time, after which the consignee or shipping company is required to place the goods in bond. After lying on the wharf one clear day the Auckland Harbor Board charges storage on the goods at a flat rate of 6d. (12 cents) per ton per night.

No fine is imposed by the customs department for failure to make prompt entry, but the harbor board charges storage at the rate cited above. When harbor board storage charges are incurred it is customary for the consignee to pay these charges.

In the event of dishonor of drafts the local banks arrange for the warehousing and insuring of goods on arrival and thus protect the interest of the United States bankers. The usual rate of cartage to the warehouse is 10s. ($2.43) an hour, or 5s. ($1.21) a ton, and the storage 8s. ($1.93) per ton per week. The banks also arrange for insurance in the warehouses, which is usually 5s. ($1.21) for a month or less, and 8s. ($1.93) for three months, etc., on £100 ($487). The consignee usually pays the above drayage and storage charges.

When goods arrive before shipping documents a letter of indemnity (or bond) is usually taken out in order to obtain the goods from the customs. Letters of indemnity cost 5s. ($1.21) for a letter covering an amount up to £100 ($487), and 10s. 6d. ($2.55) for any amount over £100 ($487). These letters are issued only to good clients of the banks, and securities are required in case of doubtful customers.

No consular invoice is required for shipments from the United States to New Zealand, but under a war measure commodities from neutral countries must be covered by a consular certificate. The only documents required in connection with shipments from the United States are bill of lading and invoice.

It is not customary to permit examination of goods by drawee without permission by cable or letter from the drawer or American bank.

When bills of lading are made "to order" or "to order of the consignee" and have not come to hand, consignees are not given possession of the goods unless they have a letter of indemnity indorsed by the bank.

It is very important that bills of lading should be made out "to order of the shipper" and indorsed "to ———." They should never be made out "to order of the consignee," for in the event of the dishonor of the draft it is often difficult to obtain a discharge of the bill of lading.

In case goods are not accepted by the consignee and the bank is directed to sell at the best market price, such goods are usually sold by a reliable local auctioneering firm, when a member of the bank attends the sale and looks after the interests of the consignor. However, the bank assumes no responsibility in this connection.

When the bank is instructed to return American goods to the shipper the first step is to secure release of the goods from the warehouse, then obtain space on a vessel by the best route to the original port of shipment, secure a full set of shipping documents, including returned American goods invoice, bill of lading, insurance and war-risk policies, all of which are attached to the draft for charges. Returned goods must have a "transshipment entry" which involves no duty.

The customary phrase to be included in drafts drawn in United States currency or pounds sterling on New Zealand banks in order to enable the local banks to remit the American banks the face amount without deduction is as follows: "Please collect sufficient amount from the drawee so that you may remit to us a draft in dollars for the face amount of the bill."

The customary phrase to be included in drafts drawn on New Zealand banks in dollars or pounds in order to enable the local banks to remit the face amount of the bill plus collection charges, is "Please collect sufficient amount from the drawee so that you may remit to us a draft in dollars for the face amount of the bill plus collection charges in terms of enfacements of the bill."

The customary phrase to be included in drafts drawn on New Zealand banks in United States dollars or pounds sterling in order to enable local banks to remit the American banks the face amount of such bills plus the collection charges and interest on American banks, is as follows: "Please collect sufficient amount from the drawee so that you may remit to us a draft in dollars for the face amount of the bill plus collection charges in terms of enfacements of the bill, together with interest at ...... rate covering ...... period."

Where local banks are asked to remit in United States currency it is the custom of the banks to do so, but in the event of a further fall in the rate of exchange the loss falls upon the banks in New Zealand.

When bills are drawn on New Zealand in other than local currency it is not customary for the drawee to pay such bills by a draft purchased by another bank in New Zealand.

When drafts are drawn in pounds sterling local banks agree upon a standard rate of exchange which is applied to all bills of exchange. This rate of exchange is the rate current on the date of payment of bill. There is no law in regard to the rate of exchange. In case of term bills local banks take a form of acceptance as follows:

"Sighted ....
"Accepted payable at..................................

"Converted into sterling at the rate current in New Zealand at date of maturity.
"....................................."

The rate of interest generally allowed acceptors for retiring drafts before maturity is 3 per cent, on fixed deposits 3½ per cent. There is no law fixing the above rate of interest, which is determined from time to time by agreement between the New Zealand banks.

Generally there are no other charges beyond the protest fees as mentioned above in connection with the return to American bankers of dishonored bills. In the event of a draft being ultimately paid or proceeds coming into the hands of the local banks, it is usual for the banks to deduct the charges when remitting proceeds to the United States. When this is not done it is usual to ask the American banks to remit the amount of the charges to London.

Foreign Branches.

There is given below a list of foreign branches of national banks and of banks doing business under agreement with the Federal Reserve Board, which were open for business on February 18, 1920:

NATIONAL BANKS.

National City Bank, New York City:
- Buenos Aires, Argentina.
- Plaza Once, Buenos Aires, Argentina.
- Rosario, Argentina.
- Brussels, Belguim.
- Antwerp, Belgium.
- Bahia, Brazil.
- Pernambuco, Brazil.
- Porto Alegre, Brazil.
- Rio de Janeiro, Brazil.
- Santos, Brazil.
- Sao Paulo, Brazil.
- Barranquilla, Colombia.
- Bogota, Colombia.
- Medellin, Colombia.
- Santiago, Chile.
- Valparaiso, Chile.
- Artemisa, Cuba.
- Bayamo, Cuba.
- Caibarien, Cuba.
- Camaguey, Cuba.
- Cardenas, Cuba.
- Ciego de Avila, Cuba.
- Cienfuegos, Cuba.
- Colon, Cuba.
- Cruces, Cuba.
- Cuatro Caminos, Havana, Cuba.
- Galiano, Havana, Cuba.
- Guantanamo, Cuba.
- Havana, Cuba.
- Manzanillo, Cuba.
- Matanzas, Cuba.

National City Bank, New York City—Continued.
- Pinar del Rio, Cuba.
- Placetas del Norte, Cuba.
- Remedios, Cuba.
- Sagua la Grande, Cuba.
- Sancti Spiritus, Cuba.
- Santa Clara, Cuba.
- Santiago, Cuba.
- Union de Reyes, Cuba.
- Yaguajay, Cuba.
- Genoa, Italy.
- San Juan, Porto Rico.
- Ponce, Porto Rico.
- Vladivostok, Siberia.
- Barcelona, Spain.
- Cape Town, South Africa.
- Port of Spain, Trinidad.
- Calle Rondeau, Montevideo, Uruguay.
- Montevideo, Uruguay.
- Caracas, Venezuela.
- Maracaibo, Venezuela.
- Temporarily closed—
  - Moscow, Russia.
  - Petrograd, Russia.

First National Bank, Boston, Mass.:
- Buenos Aires, Argentina.

BANKS DOING BUSINESS UNDER AGREEMENT WITH THE FEDERAL RESERVE BOARD.

American Foreign Banking Corporation, New York City:
- Brussels, Belgium.
- Cali, Colombia.
- Cristobal, Canal Zone.
- Harbin, Manchuria.
- Havana, Cuba.
- Manila, P. I.
- Panama, Republic of Panama.
- Port au Prince, Haiti.
- Rio de Janeiro, Brazil.
- San Pedro Sula, Honduras.

Mercantile Bank of the Americas, Inc., New York City:
- Paris, France.
- Barcelona, Spain.
- Madrid, Spain.
- Affiliated Institutions—
  - Banco Mercantil Americano de Colombia—
    - Bogota, Barranquilla, Cartagena, Medellin, Cali, Girardot, Manizales, Honda, Armenia, Bucaramanga, and Cucuta, Colombia.
  - Banco Mercantil Americano del Peru—
    - Lima, Arequipa, Chiclayo, Callao, and Trujillo, Peru.
  - Banco Mercantil Americano de Caracas—
    - Caracas, La Guayra, Maracaibo, and Puerto Cabello, Venezuela.
  - American Mercantile Bank of Brazil—
    - Para and Pernambuco, Brazil.
  - National Bank of Nicaragua—
    - Managua, Bluefields, Leon, and Granada, Nicaragua.
  - Banco Mercantil Americano de Cuba—
    - Havana, Cuba.
  - Banco Mercantil de Costa Rica—
    - San Jose, Costa Rica.
  - (A branch office is also maintained by the Mercantile Bank of the Americas, Inc., in New Orleans, La.)

Asia Banking Corporation, New York City:
- Canton, China.
- Changsha, China.
- Hankow, China.

Asia Banking Corporation, New York City—Continued.
- Hongkong, China.
- Manila, P. I.
- Peking, China.
- Shanghai, China.
- Tientsin, China.

International Banking Corporation, New York City:
- Batavia, Java.
- Bombay, India.
- Calcutta, India.
- Canton, China.
- Cebu, Philippines.
- Colon, Republic of Panama.
- Hankow, China.
- Harbin, China.
- Hongkong, China.
- Kobe, Japan.
- London, England.
- Lyons, France.
- Manila, P. I.
- Panama, Republic of Panama.
- Puerto Plata, Dominican Republic.
- Peking, China.
- Rangoon, India.
- Santo Domingo, Dominican Republic.
- Sanchez, Dominican Republic.
- San Pedro de Macoris, Dominican Republic.
- Santiago, Dominican Republic.
- Shanghai, China.
- Singapore, Straits Settlements.
- Soerabaya, Java.
- Tientsin, China.
- Tsingtao, China.
- Yokohama, Japan.
- (A branch office is also maintained by the International Banking Corporation in San Francisco, Calif.)

Park-Union Foreign Banking Corporation, New York City:
- Paris, France.
- Shanghai, China.
- Yokohama, Japan.
- Tokyo, Japan.
- (Branch offices are also maintained in San Francisco, Calif., and Seattle, Wash., by the Park-Union Banking Corporation.)

The First National Corporation, Boston, Mass., has opened no foreign branches. A branch office of this corporation is maintained at 14 Wall Street, New York City.

The Shawmut Corporation of Boston, Mass., has opened no foreign branches. A branch office of this corporation is maintained at 65 Broadway, New York.

The French American Banking Corporation of New York City and the Foreign Credit Corporation of New York City have opened no foreign or domestic branches.

State Banks and Trust Companies.

The following list shows the State banks and trust companies which have been admitted to membership in the Federal Reserve System during the month of February.

One thousand two hundred and forty-one State institutions are now members of the system, having a total capital of $436,570,766, total surplus of $458,359,566, and total resources of $9,778,717,231.

	Capital.	Surplus.	Total resources.
District No. 2.			
Bank of Hasbrouck Heights, Hasbrouck Heights, N. J.	$50,000	$10,000	$65,000
Marine Trust Co. of Buffalo, Buffalo, N. Y.	7,500,000	7,500,000	92,791,454
Bank of Coney Island, Coney Island, New York City	200,000	100,000	3,081,778
The Peoples Trust Co., Malone, N. Y.	300,000	100,000	529,500
The State Bank of Shortsville, Shortsville, N. Y.	30,000	6,000	36,000
Industrial Bank of New York, New York City	1,000,000	500,000	4,225,613
District No. 4.			
Merchants State Bank, New Philadelphia, Ohio	$100,000	$50,000	$808,659
Commercial Banking & Trust Co., Wooster, Ohio	150,000	31,000	1,030,621
Guaranty Safe Deposit & Trust Co., Butler, Pa.	250,000	250,000	3,722,042
Real Estate Trust Co., Washington, Pa.	200,000	300,000	2,619,255
District No. 5.			
Farmers Banking & Trust Co., Tarboro, N. C.	100,000	50,000	1,232,171
Peoples Bank of Floyd County, Floyd, Va.	35,000	25,000	279,160
District No. 6.			
Bank & Trust Co. of Talladega, Talladega, Ala.	100,000	16,000	598,203
Farmers & Merchants Bank, Chipley, Ga.	25,000	12,500	228,647
District No. 7.			
Morton Park State Bank, Cicero, Ill.	100,000	12,500	968,415
First State Bank, Divernon, Ill.	50,000	....	50,000
Leon Savings Bank, Leon, Iowa	25,000	....	102,189
Security Trust & Savings Bank, Storm Lake, Iowa	75,000	2,648	596,749
Marysville Savings Bank, Marysville, Mich.	100,000	50,000	469,189
Farmers State Bank, Montague, Mich.	25,000	5,000	371,812
District No. 8.			
Peoples State Bank, Cabot, Ark.	25,000	2,500	27,500
Tower Grove Bank, St. Louis, Mo.	200,000	50,000	3,268,121
District No. 9.			
The Manistique Bank, Manistique, Mich.	50,000	30,000	862,480
District No. 10.			
The Security Bank, Meadow Grove, Nebr.	25,000	....	267,682
Guaranty State Bank, Ardmore, Okla.	200,000	60,000	3,450,228
First State Bank, Oklahoma City, Okla.	200,000	14,400	2,250,963
District No. 11.			
First State Bank, George West, Tex.	50,000	13,000	255,386
District No. 12.			
Union Bank & Trust Co. of Los Angeles, Los Angeles, Calif.	750,000	114,500	5,559,555
D. W. Standrod & Co., Blackfoot, Idaho.	100,000	70,000	2,545,426
Bank of Hansen, Hansen, Idaho	25,000	5,000	337,358
First Bank of Homedale, Homedale, Idaho	25,000	....	27,500
Farmers & Merchants Bank, Rupert, Idaho	35,000	....	42,237
First State Bank, Gresham, Oreg.	30,000	25,000	630,243
Lake County Loan & Savings Bank, Lakeview, Oreg.	40,000	10,000	328,023
Fillmore Commercial & Savings Bank, Fillmore, Utah	50,000	10,000	60,000
Buena State Bank, Buena, Wash.	25,000	....	190,556
Citizens State Bank, Puyallup, Wash.	50,000	10,000	1,069,651

WITHDRAWAL.

The Pierce Trust & Savings Bank, Sycamore, Ill., has withdrawn from membership.

CONVERSION.

The Illinois State Bank, East St. Louis, Ill., has converted into the First National Bank in East St. Louis.

CHANGE OF NAME.

The Dime Deposit Bank, Wilkes-Barre, Pa., has changed its name to "Dime Bank Title & Trust Co."

New National Bank Charters.

The Comptroller of the Currency reports the following increases and reductions in the number and capital of national banks during the period from January 31 to February 27, 1920, inclusive:

	Banks.	
New charters issued to	33	
With capital of		$1,815,000
Increase of capital approved for	55	
With new capital of		6,545,000
Aggregate number of new charters and banks increasing capital	88	
With aggregate of new capital authorized		8,360,000
Number of banks liquidating (other than those consolidating with other national banks under the act of June 3, 1864)	7	
Capital of same banks		425,000
Number of banks reducing capital	0	
Reduction of capital		0
Total number of banks going into liquidation or reducing capital (other than those consolidating with other national banks under the act of June 3, 1864)	7	
Aggregate capital reduction		425,000
Consolidation of national banks under the act of Nov. 7, 1918	2	
Capital		1,190,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was		8,360,000
Against this there was a reduction of capital owing to liquidation (other than for consolidation with other national banks under the act of June 3, 1864), and reductions of capital of		425,000
Net increases		7,935,000

Commercial Failures Reported.

Notwithstanding the fact that the country's business mortality at this period last year was relatively moderate, this year's insolvency returns disclose continued reduction, commercial failures reported to R. G. Dun & Co. during three weeks of February numbering 367, against 446 in the same weeks of 1919. Moreover, the statement for January, the latest month for which complete figures are available, reveals only 569 defaults for $7,240,032 of liabilities, as contrasted with 673 reverses, involving $10,736,398 in January, 1919. Comparing with the 2,848 reverses of January, 1915, the high point for the month, a numerical decrease of 80 per cent appears. Separated according to Federal Reserve districts, the January statistics show more failures than last year in the first, third, fifth, tenth, and twelfth districts, but the increases are slight, and are more than offset by the declines in the seven other districts. An even more favorable exhibit is made by the January liabilities, which are smaller than those of that month of 1919 in every Federal Reserve district except the seventh, tenth, and twelfth districts.

Failures during January.

Districts.	Number.		Liabilities.	
	1920	1919	1920	1919
First	74	66	$632,814	$850,345
Second	103	134	1,212,644	3,258,200
Third	39	35	828,805	976,464
Fourth	39	58	327,743	1,103,950
Fifth	35	34	284,943	617,155
Sixth	37	43	235,357	376,517
Seventh	57	74	1,179,910	988,347
Eighth	34	60	168,764	654,396
Ninth	15	25	132,265	203,589
Tenth	32	26	367,433	320,331
Eleventh	33	48	284,096	695,082
Twelfth	71	70	1,585,258	692,022
Total	569	673	7,240,032	10,736,398

Fiduciary Powers Granted to National Banks.

The applications of the following banks for permission to act under section 11-k of the Federal Reserve Act have been approved by the Federal Reserve Board during the month of February, 1920.

DISTRICT NO. 2.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
- City National Bank, Perth Amboy, N. J.
- Farmers National Bank, Adams, N. Y.
- National Bank of Fredonia, Fredonia, N. Y.
- Lackawanna National Bank, Lackawanna, N. Y.
- Second National Bank, Oswego, N. Y.

DISTRICT NO. 4.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
- First National Bank, Pittsburgh, Pa.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, receiver, and committee of estates of lunatics:
- Traders National Bank, Mt. Sterling, Ky.
- Newport National Bank, Newport, Ky.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, and receiver:
- Bank of Athens, N. B. A., Athens, Ohio.
- National Bank of Commerce, Lorain, Ohio.

DISTRICT No. 6.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
  Georgia National Bank, Athens, Ga.

DISTRICT No. 7.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
  National Bank of the Republic, Chicago, Ill.
  Peoples National Bank, Jackson, Mich.

Guardian of estates, assignee, receiver, and committee of estates of lunatics:
  First National Bank, Logansport, Ind.
  Second National Bank, Saginaw, Mich.

DISTRICT No. 9.

Executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
  First National Bank, Vermillion, S. Dak.

DISTRICT No. 10.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
  Trinidad National Bank, Trinidad, Colo.
  First National Bank, Columbus, Nebr.
  American National Bank, Enid, Okla.

DISTRICT No. 12.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
  Yakima National Bank, Yakima, Wash.

RULINGS OF THE FEDERAL RESERVE BOARD.

Below are published rulings made by the Federal Reserve Board which are believed to be of interest to Federal Reserve Banks and member banks:

Warehouse acceptances covering goods under contract for sale and delivery at a remote period.

Although a national bank may accept drafts drawn upon it having not more than six months' sight to run which are secured at the time of acceptance by a warehouse receipt conveying or securing title covering readily marketable staples, nevertheless, such an acceptance must not be made subject to any renewals.

[See opinion of General Counsel in Law Department.]

Limitation upon the aggregate rediscounts of the paper of one borrower made for different member banks.

A Federal Reserve Bank may properly decline to discount for a member bank the paper of any one borrower on the ground that the Federal Reserve Bank has theretofore discounted for other member banks what it deems to be a sufficient amount of that particular borrower's paper.

[See opinion of General Counsel in Law Department.]

Collection of maturing items for the account of another Federal Reserve Bank.

The Federal Reserve Board has been asked to rule upon the question whether a Federal Reserve Bank may receive for collection maturing notes and bills drawn by or upon firms, individuals, or corporations (not member banks) located within its own district if such notes and bills are forwarded to it for collection by a member bank in another district for the account of the Federal Reserve Bank of that other district.

In a ruling printed on page 467 of the May, 1919, Federal Reserve Bulletin it was stated that although a Federal Reserve Bank may properly collect such notes and bills for another Federal Reserve Bank, nevertheless this service can not be rendered directly for any member bank located outside of its own district. As stated in that ruling the only collection service which a Federal Reserve Bank may perform directly for any member bank located outside of its district is that of collecting checks and drafts drawn upon member banks located within its district.

The question now under consideration is whether a Federal Reserve Bank may collect maturing notes and bills drawn upon firms, individuals, or corporations which are located within its district but which are not member banks when such notes and bills are forwarded to it for collection by a member bank of another district for the account of the Federal Reserve Bank of that other district.

The Board is of the opinion that this service may be performed by a Federal Reserve Bank at its own option whenever it has received satisfactory advice that the Federal Reserve Bank for whose account the collection is being made has authorized its member bank to act as its agent in forwarding maturing items of this character for collection and credit to its account. It is immaterial whether the authority to act as agent is specific as to the particular member bank or whether it is general as to all member banks of the Federal Reserve Bank for whose account the collection is being made.

It is believed that the development of this practice may be found to be an advisable extension of the collection facilities of the various Federal Reserve Banks. If adopted it will no doubt permit of a considerable saving of time and expense which otherwise would result as an incident to the indirect routing of maturing items.

LAW DEPARTMENT.

The following opinions of General Counsel have been authorized for publication by the Board since the last edition of the BULLETIN:

Warehouse acceptances covering goods under contract for sale and delivery at a remote period.

Although a national bank may accept drafts drawn upon it having not more than six months' sight to run which are secured at the time of acceptance by a warehouse receipt conveying or securing title covering readily marketable staples, nevertheless, such an acceptance must not be made subject to any renewals.

This office has been asked for an opinion on the question whether a national bank may, under the following circumstances, accept a draft secured at the time of acceptance by warehouse receipts or other such documents conveying or securing title covering readily marketable, nonperishable staples.

The facts presented for consideration indicate that the drawer owns certain readily marketable, nonperishable staples which are under contract for sale upon terms calling for payment upon delivery. In some instances the deliveries are to be made in the immediate future, but others are to be made over a period of eight months. In order to carry the goods pending delivery to and payment by the buyers the owner of the goods desires to draw 90-day drafts secured by warehouse receipts and other such documents covering the goods to be sold. It is contemplated that a small portion of the acceptances shall be renewed for 90 days and that a still smaller portion shall be renewed for an additional 60 days.

Under the terms of section 13 a member bank may accept drafts drawn upon it having not more than six months' sight to run which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples. The Federal Reserve Board in a ruling published on page 858 of the September (1919) BULLETIN has expressed the opinion that no draft secured by a warehouse receipt should be eligible for acceptance under the terms of this section unless the goods covered by the warehouse receipt are being held in storage pending a reasonably immediate sale, shipment, or distribution into the process of manufacture. Any draft, therefore, which is drawn to carry goods for speculative purposes, or for any indefinite period of time without the purpose of sale, shipment, or manufacture within a reasonable time, should not be considered eligible. It would be merely a cloak to evade the restrictions of section 5200, Revised Statutes.

While there can be no element of speculation in the present case, since the sale price is predetermined by existing contracts, nevertheless it is not believed that any draft secured by warehouse receipts should be accepted subject to an agreement by the accepting bank to make renewals. Congress, in expressly permitting the acceptance of drafts for the purpose of carrying readily marketable staples in storage, apparently contemplated that a six months' period would cover all reasonable contingencies requiring a banker's acceptance credit for that purpose; that is, the orderly marketing of staples which, by hypothesis, must be readily marketable.

If the borrower needs funds for a period longer than six months he may properly borrow upon his direct note secured by the readily marketable staples, subject to the limitations of section 5200, Revised Statutes, but the facilities afforded by Congress, under the provisions of section 13 of the Federal Reserve Act, to provide a liquid credit to carry readily marketable goods temporarily in storage pending a reasonably immediate sale, shipment, or distribution into the process of manufacture, should not be abused for the purpose of procuring funds for any other purpose.

The fact that the goods are under contract for sale and delivery eight months hence, even though eliminating the element of speculation, is not a reason which is sufficient to controvert the principle defined above, for, if so, all of the many seasonal or annual contracts for future deliveries by installments might conceivably be financed by warehouse acceptances It could not have been contemplated by Congress that accumulated stock on hand to be disposed of at any such remote, though definite period, should be financed by warehouse acceptances subject to renewals. To permit the seller to finance the holding of the goods pending delivery at such a remote period would not in substance be different from permitting the purchaser himself to hold the goods in storage an indefinite time pending either resale or distribution into the process of manufacture. The Board has heretofore ruled that the purchaser of goods can not properly finance the holding of those goods in storage by renewal acceptances pending any such remote use. [See opinion, page 66 of the January, 1920, FEDERAL RESERVE BULLETIN.] The same principle is applicable to the case under consideration.

If, however, a borrower wishes to procure an acceptance credit for the purpose of carrying goods in warehouse pending a sale which is reasonably contemplated within three months, he may, of course, procure a bankers' acceptance for that period, and in the event that for some unforeseen reason the sale does not materialize within that time another new acceptance may be procured, but this second acceptance must not have been contracted for in advance as a renewal of the original acceptance and should not be granted unless it conforms to the terms and conditions applicable to an original acceptance.

Limitation upon the aggregate rediscounts of the paper of one borrower made for different member banks.

A Federal Reserve Bank may properly decline to discount for a member bank the paper of any one borrower on the ground that the Federal Reserve Bank has theretofore discounted for other member banks what it deems to be a sufficient amount of that particular borrower's paper.

The opinion of this office has been asked on the question whether a Federal Reserve Bank may properly decline to discount for a member bank the paper of any one borrower on the ground that the Federal Reserve Bank has theretofore discounted for other member banks what it deems to be a sufficient amount of that particular borrower's paper.

There does not seem to be any question that both the letter and the spirit of the law give to the Federal Reserve Bank discretion in the matter of its discounts, and even admitting that a reserve bank is not a commercial bank in the ordinary sense, it is both lawful and proper for it to place an aggregate limit on the amount of paper for any one borrower which it will discount for all of its member banks. The sole fact that the Federal Reserve Bank may have discounted for one or more of its member banks some of the paper of a particular borrower should not, and can not, bind it to rediscount all of the paper of that borrower that may in the future be presented by the same or other member banks.

Section 4 of the Federal Reserve Act provides in part that the board of directors of each Federal Reserve Bank—

> shall administer the affairs of said bank fairly and impartially and without discrimination in favor of or against any member bank or banks, and shall, subject to the provisions of law and the orders of the Federal Reserve Board, extend to each member bank such discounts, advancements, and accommodations as *may be safely and reasonably* made with due regard for the claims and demands of other member banks.

Although this section provides that the Federal Reserve Bank shall not discriminate against any member bank, it can not be supposed that a general policy of declining to receive more than a certain proportion of the paper of a borrower is of itself a discrimination. It is a general and conservative policy applicable to all member banks alike.

Furthermore, the latter part of the clause quoted imposes upon the Federal Reserve Bank an obligation to make only those discounts which "may be safely and reasonably made." The length of the line of any one particular borrower appears to be a pertinent consideration in determining both the safety and reasonableness of a discount.

WHOLESALE PRICES ABROAD.

Tables are presented below showing the monthly index numbers of wholesale prices of some of the leading countries of the world computed on the basis of prices in 1913=100. In all cases except that of the United States the original basis upon which the index number has been computed has been shifted to the 1913 base. The monthly and yearly index numbers are therefore only approximate. These index numbers are constructed by the various foreign statistical offices according to methods described in the January BULLETIN. The January figures are subject to correction.

The latest figures show that prices continued to rise in January in all countries for which we have index numbers for that month. The rate of increase was more rapid both in the United States and England than during the preceding month. The January index number for France, received by cable, if correct, shows the enormous advance of 60 points in the course of the one month. In Japan and Canada prices likewise continued to rise. The index numbers for May to August, 1919, for Sweden confirm the statement made in the last BULLETIN that prices there appeared to be on the decline. Italian prices increased considerably during November and December,

In England the most striking advance occurred in the mineral group, considerable increases occurring in the price of export coal, tin, and iron; increases were likewise felt in sugar and in textiles, the rise in the price of silk being especially marked. In Canada food products, with the exception of dairy products, advanced in price. Commodities used for clothing as well as those in the construction group likewise advanced.

In France the rise in prices is apparently mainly due to the increasing scarcity of such raw materials as silk, cotton, and pig iron, and the alarming shortage of coal. The unfavorable exchange situation is likewise of primary importance in this connection. During January the rate of exchange on London, New York, Holland, Norway, Sweden, Switzerland, and Spain was increasingly unfavorable.

The coal shortage has resulted from the difficulty of obtaining coal from Belgium, reduced imports from England, the lack of shipments from Germany, strikes of sailors, and of dock hands at Rouen, and the scarcity of freight cars. Minerals other than coal have likewise increased in price during the month and considerable advances were made in steel prices.

The most striking advance in food prices occurred in sugar, where the Government subsidy was removed toward the end of December. New prices are over 50 per cent higher than the subsidized price.

Index numbers of wholesale prices (all commodities).

[1913=100.]

	United States; Bureau of Labor Statistics (328 quotations).	United Kingdom; Statist (45 commodities).	France; Bulletin de la Statistique Generale (45 commodities).	Italy; Prof. Bachi (40 commodities).	Sweden, official.	Japan; Bank of Japan for Tokyo (56 commodities).	Australia; Commonwealth Bureau Census and Statistics (92 commodities).	Canada; Department of Labor (272 quotations).
1913	100	100	100	100	100	100	100	100
1914	100	101	102	95	116	95	106	101
1915	101	126	140	133	145	97	147	110
1916	124	159	187	202	185	117	138	135
1917	174	206	262	299	244	149	153	177
1918	197	226	339	413	339	197	178	206
1919.								
January	203	224	348	328	369	214	[1] 177	212
February	197	220	340	323	358	213	....	207
March	201	217	337	326	354	206	....	205
April	203	217	332	330	339	207	....	206
May	207	229	325	337	333	215	....	210
June	207	235	329	355	324	228	....	210
July	219	243	349	359	320	247	....	218
August	226	250	347	367	321	251	....	223
September	221	253	360	369	......	257	....	223
October	223	264	382	387	......	271	....	222
November	230	272	405	435	......	280	....	227
December	238	276	417	455	......	288	....	240
1920.								
January	248	288	487	......	......	301	....	248

[1] Quarter.

Group index numbers—United States Bureau of Labor Statistics.

[1913=100.]

Date.	Farm products.	Food, etc.	Cloths and clothings.	Fuel and lighting.	Metals and metal products.	Lumber and building materials.	Chemicals and drugs.	House furnishing goods.	Miscellaneous.
1913	100	100	100	100	100	100	100	100	100
1914	103	102	98	96	88	98	101	99	98
1915	106	105	99	92	94	94	109	99	99
1916	119	124	123	114	142	100	157	115	117
1917	189	178	181	175	208	124	198	145	153
1918	219	191	240	163	181	152	221	195	192
1919.									
January	222	209	234	170	172	161	191	218	212
February	218	197	223	169	168	163	185	218	208
March	228	205	216	168	162	165	183	218	217
April	235	212	217	167	152	162	178	217	216
May	240	216	227	167	152	164	179	217	213
June	231	206	258	170	154	175	174	233	212
July	246	218	282	171	158	186	171	245	221
August	243	228	303	175	161	209	172	259	225
September	226	212	306	181	160	229	173	262	217
October	230	211	313	181	161	231	174	264	220
November	240	219	325	179	164	236	176	299	220
December	244	234	335	181	169	253	179	303	220
1920.									
January	246	253	350	184	177	268	189	324	227

Group index numbers—United Kingdom Statist.

[1913=100.]

Date.	Vegetable foods.	Animal foods.	Sugar, coffee, tea.	Foodstuffs.	Minerals.	Textiles.	Sundries.	Materials.
1913	100	100	100	100	100	100	100	100
1914	110	100	107	105	90	97	105	98
1915	155	125	130	137	109	111	131	119
1916	193	152	161	169	140	152	163	153
1917	252	192	212	218	153	228	213	198
1918	248	210	238	229	167	265	243	225
1919.								
January	249	226	221	234	159	246	246	218
February	250	226	221	235	156	242	235	212
March	240	205	238	224	154	235	246	213
April	243	206	228	224	154	239	243	213
May	244	208	236	226	177	253	258	230
June	246	208	243	229	182	258	271	239
July	244	208	275	231	202	256	284	250
August	254	208	318	242	206	272	283	254
September	258	208	327	244	206	286	279	257
October	260	226	322	253	222	305	284	270
November	266	226	331	258	226	325	292	280
December	269	228	335	260	234	334	296	286
1920.								
January	274	230	356	265	256	343	312	302

Group index numbers—France and Italy.

Date.	France, Bulletin de la Statistique Generale. [1913=100.]		Italy,[1] Prof. Bachi. [1913=100.]				
	Foods (20).	Materials (25).	Cereals and meats.	Other food-stuffs.	Textiles.	Minerals and metals.	Other goods.
1913	100	100	100	100	100	100	100
1914	104	101	102	84	96	100	96
1915	131	145	132	93	113	207	133
1916	167	206	156	135	184	380	197
1917	225	291	215	171	326	596	266
1918	281	387	....	....	....	....	....
1919.							
January	313	376	304	300	330	306	422
February	316	360	300	307	328	306	384
March	337	337	292	312	331	355	362
April	336	330	294	330	333	358	349
May	319	330	293	336	375	366	340
June	313	344	320	343	381	419	336
July	338	358	334	331	401	420	342
August	323	367	332	351	423	421	341
September	334	381	319	354	430	446	342
October	353	405	326	364	500	465	341
November	369	435	328	371	634	568	351
December	375	458	338	373	658	584	405
1920.							
January	440	525	....	....	....	....	....

[1] Group index numbers January-September, 1918, not available in this country.

Group index numbers—Sweden, official.

[1913=100.]

Date.	Vegetable food.	Animal food.	Raw materials for agriculture.	Coal.	Metals.	Building material.	Paper pulp.	Hides and leather.
1913-14	100	100	100	100	100	100	100	100
1914[1]	136	101	114	123	109	104	....	118
1915	151	140	161	177	166	118	116	158
1916	152	182	180	266	272	165	233	229
1917	181	205	198	551	405	215	267	206
1918	221	419	304	856	398	275	300	195
1919.								
January	276	483	356	810	373	293	323	208
February	276	448	356	784	341	293	323	208
March	276	438	356	814	317	288	323	174
April	276	423	367	769	287	288	323	172

[1] Average for the six months ending Dec. 31, 1914.

Group index numbers—Canadian Department of Labor.[1]

Date.	Grains and fodder.	Animals and meats.	Dairy products.	Fruits and vegetables.	Other foods.	Textiles.	Hides, leather, etc.	Metals.	Implements.	Building materials, lumber.	Fuel and lighting.	Drugs and chemicals.
1913	100	100	100	100	100	100	100	100	100	100	100	100
1914	114	107	100	99	104	102	105	96	101	100	94	106
1915	136	104	105	93	121	114	110	128	106	97	92	160
1916	142	121	119	130	136	148	143	167	128	100	113	222
1917	206	160	149	233	180	201	168	217	174	118	163	236
1918	231	195	168	214	213	273	169	229	213	147	188	250
1919.												
January	198	191	191	206	223	293	171	204	229	154	209	240
February	192	191	178	188	218	281	162	189	229	155	202	233
March	199	196	171	189	219	282	162	172	229	156	199	212
April	217	209	184	198	213	284	166	162	223	153	206	210
May	231	213	181	209	213	277	202	162	223	153	192	208
June	238	213	179	221	215	274	211	161	226	158	194	197
July	240	216	186	200	218	278	235	166	226	168	194	195
August	243	215	189	210	224	277	260	171	228	170	199	196
September	232	201	193	195	227	282	256	171	231	183	200	197
October	232	180	204	178	228	289	252	165	225	188	201	198
November	240	175	221	240	230	298	252	171	232	194	201	181
December	251	182	230	240	232	306	231	181	232	224	209	190
1920.												
January	268	195	228	265	245	316	237	191	235	232	212	191

[1] Unimportant groups omitted.

WHOLESALE PRICES IN THE UNITED STATES.

In continuation of figures shown in the February BULLETIN there are presented below monthly index numbers of wholesale prices for the period July, 1919, to January, 1920, compared with like figures for January of previous years; also for July, 1914, the month immediately preceding the outbreak of the great war. The general index number is that of the United States Bureau of Labor Statistics. In addition there are presented separate numbers for certain particular classes of commodities in accordance with plans announced in previous issues of the BULLETIN.

Quotations for eastern spruce have been omitted. On the other hand, quotations for worsted yarns (2–32s, crossbred), butter (prime firsts, San Francisco), bananas (Jamaica 8s, New York), ginghams (Lancaster, 6.50 yards to pound), and starch (laundry, New York), which had been dropped temporarily, have been secured for the months of December and January, and the commodities were again included in the calculation of the index numbers for the latter month. Several substitutions have been made, namely, of gun metal, plain toe, single sole, kid lace, McKay sewed, for button shoes of otherwise similar description, and likewise with similar Goodyear welt shoes, of Bigelow ¾ Axminster for Lowell Axminster carpet, and of quartered oak rockers with wooden seat for plain oak rockers. For bar silver, the average asked price is now used, and in the case of the Portland quotation of wheat flour the discount of ½ per cent is deducted. Index numbers for January are provisional, due to the fact that certain data were not received in time to render them available for use in the calculations.

A further increase in wholesale prices is noted for the month of January. The general index number of the Bureau of Labor Statistics advanced from 238 for December to the new record figure of 248. Increase occurred in the index numbers for each of the three principal groups of commodities, and each again establishes a new record for the group. The increase is again greatest in the case of producers' goods, namely, 7.4 per cent, from 228 to 245. Decrease in price occurred only for a small number of the commodities included in the group, among which may be mentioned harness oak and sole hemlock leather, linseed oil, jute, rubber, and oleo oil. These decreases by no means offset increases in price for an extended list of commodities, including cotton and worsted yarns, and cotton thread, various metal products, such as bar iron, steel billets, plates and rails, nails, copper wire, lead pipe, and cast-iron pipe, resin, turpentine, shingles, lime, cement, brick, carbonate of lead, and glass, lubricating oil and gasoline, various chemicals, in particular grain and wood alcohol, glycerin and soda ash, and bran, tallow, and sugar (96° centrifugal).

Least among the increases in the index numbers for the three principal groups of commodities is that shown by the number for the group of raw materials, namely, 2.4 per cent, from 233 to 239. The index number for each of the subgroups included under this head has likewise increased. The number for the forest products subgroup now stands at 273, an increase of 14 points or 5.3 per cent over the previous record of the month of December, due to increases in the prices of Douglas fir, hemlock, maple, white oak, and poplar. No commodities included in the subgroup decreased in price. An increase of 2.4 per cent, from 186 to 190, occurred in the index number for the mineral products subgroup. Decreases in the prices of various classes of bituminous coal and coke were more than offset by increases in the prices of copper, lead, tin and zinc, pig iron, and crude petroleum. The number for the animal products subgroup increased from 209 to 214, or 2.3 per cent. Decreases in the prices of steers and packer hides did not offset increases in the prices of hogs, sheep and poultry, calfskins, silk and wool. The increase was least for the farm products subgroup, from 288 to the new record figure of 290, or 1 per cent. Decreases in the prices of barley, cotton (New York quotation), and spring wheat were more than offset by increases in the prices of cotton as quoted at New Orleans, corn, oats, rye and winter wheat, flax, timothy, and alfalfa.

The index number for the group of consumers' goods now stands at 258, an increase of 13 points, or 5.3 per cent, over the figure for the month of December. Decrease in price occurred in the case of butter, eggs, lemons, prunes and oranges, corn meal, fresh beef, bacon, mess beef and pork, oleomargarine and rice, but were more than offset by increases in the prices of flour, hams, lard, lamb, mutton and poultry, coffee, molasses, olive oil, peanuts, potatoes, sugar, onions and cottonseed oil, various classes of shoes, denims, drillings, ginghams, hosiery, print cloths, sheetings, shirtings and underwear, French serge, carpet, housefurnishings, and wrapping paper.

Index numbers of wholesale prices in the United States for principal classes of commodities.

[Average price for 1913=100.]

Year and month.	Raw materials.					Producers' goods.	Consumers' goods.	All commodities (Bureau of Labor Statisticsindex number).
	Farm products.	Animal products.	Forest products.	Mineral products.	Total raw materials.			
July, 1914	102	106	97	91	99	93	103	100
January, 1915	108	97	94	90	98	95	102	99
January, 1916	116	102	95	112	107	120	111	111
January, 1917	163	136	99	181	148	170	147	151
January, 1918	242	176	130	172	184	181	193	185
January, 1919	234	208	147	179	196	196	216	203
July, 1919	261	233	166	177	214	202	230	219
August, 1919	251	235	193	180	218	212	241	226
September, 1919	240	215	227	184	216	212	226	221
October, 1919	254	212	234	184	220	211	228	222
November, 1919	276	212	239	183	226	216	236	230
December, 1919	288	209	259	186	233	228	245	238
January, 1920	290	214	273	190	239	245	258	248

In order to give a more concrete illustration of actual price movements there are also presented in the following table monthly actual and relative figures for certain commodities of a basic character, covering the period July, 1919, to January, 1920, compared with like figures for January of previous years; also for July, 1914, the month immediately preceding the outbreak of the great war. The actual average monthly prices shown in the table have been abstracted from the records of the United States Bureau of Labor Statistics.

Average monthly wholesale prices of commodities.

[Average price for 1913=100.]

Year and month.	Corn, No. 3, Chicago.		Cotton, middling, New Orleans.		Wheat, No. 1, northern spring, Minneapolis.		Wheat, No. 2, red winter, Chicago.		Cattle, steers, good to choice, Chicago.		Hides, packers', heavy native steers, Chicago.	
	Average price per bushel.	Relative price.	Average price per pound.	Relative price.	Average price per bushel.	Relative price.	Average price per bushel.	Relative price.	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.
July, 1914	$0.7044	114	$0.1331	105	$0.8971	103	$0.8210	83	$9.2188	108	$0.1938	105
January, 1915	.7056	115	.0783	62	1.3527	155	1.3910	141	8.5333	100	.2300	125
January, 1916	.7356	120	.1205	95	1.2894	148	1.2896	131	8.6650	102	.2300	125
January, 1917	.9753	158	.1735	137	1.9166	219	1.9024	193	10.5300	124	.3350	182
January, 1918	1.6850	274	.3105	244	2.1700	248	2.1700	220	13.1125	154	.3280	178
January, 1919	1.3750	223	.2850	224	2.2225	254	2.3788	241	18.4125	216	.2800	152
July, 1919	1.9075	310	.3377	266	2.6800	307	2.2580	229	16.8688	198	.4860	264
August, 1919	1.9213	312	.3125	246	2.5250	289	2.2394	227	17.6375	207	.5200	283
September, 1919	1.5410	250	.3078	242	2.5350	290	2.2385	227	16.8050	198	.4638	252
October, 1919	1.3888	226	.3538	279	2.6250	301	2.2394	227	17.5938	207	.4820	262
November, 1919	1.4875	242	.3963	312	2.8250	323	2.2881	232	17.5000	206	.4688	255
December, 1919	1.4485	235	.3990	314	3.0300	347	2.4490	248	17.0750	201	.4100	223
January, 1920	1.4750	240	.4035	318	2.9313	336	2.6338	267	15.9375	187	.4000	218

Year and month.	Hogs, light, Chicago.		Wool, Ohio, ¼–⅜ grades, scoured.		Hemlock, New York.		Yellow pine, flooring, New York.		Coal, anthracite, stove, New York, tidewater.		Coal, bituminous, run of mine, Cincinnati.	
	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.	Average price per M feet.	Relative price.	Average price per M feet.	Relative price.	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.
July, 1914	$8.7563	104	$0.4444	94	$24.5000	101	$42.0000	94	$4.9726	98	$2.2000	100
January, 1915	6.9875	83	.5143	109	24.2500	100	41.0000	92	5.1767	102	2.2000	100
January, 1916	7.1400	84	.6429	136	22.2500	92	39.5000	89	5.2639	104	2.2000	100
January, 1917	10.6050	125	.8143	173	24.5000	101	41.5000	93	5.6899	112	4.5000	205
January, 1918	16.2125	192	1.4545	309	30.5000	126	57.0000	128	6.5000	128	3.6000	164
January, 1919	17.4125	206	1.1200	255	36.0000	149	63.0000	141	7.9500	157	4.1000	186
July, 1919	22.3875	265	1.2364	263	41.0000	169	73.0000	164	8.1881	162	4.0000	182
August, 1919	21.6125	256	1.2364	263	....	....	78.0000	175	8.3145	164	4.0000	182
September, 1919	18.2100	215	1.2182	259	43.0000	177	95.0000	213	8.4020	166	4.5000	205
October, 1919	14.7250	174	1.2634	268	44.0000	182	100.0000	224	8.4135	166	4.5000	205
November, 1919	14.1438	167	1.2545	266	44.0000	182	100.0000	224	8.4273	167	4.1000	186
December, 1919	13.6800	162	1.2545	266	48.0000	198	112.0000	251	8.4098	166	4.1000	186
January, 1920	15.1250	179	1.2364	263	53.0000	219	112.0000	251	8.4291	167	4.1000	186

Year and month.	Coal, Pocahontas, Norfolk.		Coke, Connellsville.		Copper, ingot, electrolytic, New York.		Lead, pig, desilverized, New York.		Petroleum, crude, Pennsylvania, at wells.		Pig iron, basic.	
	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per long ton.	Relative price.
July, 1914	$3.0000	100	$1.8750	77	$0.1340	85	$0.0390	89	$1.7500	71	$13.0000	88
January, 1915	2.8500	95	1.6250	67	.1300	83	.0380	86	1.4500	59	12.5000	85
January, 1916	3.0000	100	2.8750	118	.2288	145	.0550	125	2.2500	92	17.8100	121
January, 1917	6.0000	200	7.2500	297	.2950	188	.0750	170	2.8500	116	30.0000	204
January, 1918	4.4120	147	6.0000	246	.2350	149	.0684	155	3.7500	153	33.0000	224
January, 1919	4.6320	154	5.7813	237	.2038	130	.0558	127	4.0000	163	30.0000	204
July, 1919	5.1400	171	4.0950	168	.2150	137	.0561	128	4.0000	163	25.7500	175
August, 1919	....	....	4.2188	173	.2281	145	.0579	132	4.0000	163	25.7500	175
September, 1919	....	....	4.5920	188	.2220	141	.0609	138	4.2500	173	25.7500	175
October, 1919	5.1400	171	4.8250	198	.2172	138	.0643	146	4.2500	173	25.7500	175
November, 1919	4.6320	154	5.9375	243	.2038	130	.0676	154	4.4375	181	28.3125	193
December, 1919	4.6320	154	6.0500	248	.1873	119	.0718	163	4.6000	188	34.6000	235
January, 1920	4.6320	154	6.0000	246	.1931	123	.0872	198	5.0625	207	37.7500	257

Average monthly wholesale prices of commodities—Continued.

Year and month.	Cotton yarns, northern cones, 10/1.		Leather, sole, hemlock No. 1.		Steel billets, Bessemer, Pittsburgh.		Steel plates, tank, Pittsburgh.		Steel rails, open hearth, Pittsburgh.		Worsted yarns, 2-32's crossbred.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per long ton.	Relative price.	Average price per pound.	Relative price.	Average price per long ton.	Relative price.	Average price per pound.	Relative price.
July, 1914	$0.2150	97	$0.3050	108	$19.0000	74	$0.0113	76	$30.0000	100	$0.6500	84
January, 1915	.1650	75	....	....	19.2500	75	.0110	74	30.0000	100	.6200	80
January, 1916	.2100	95	.3250	115	32.0000	124	.0208	141	30.0000	100	.8800	115
January, 1917	.3400	154	.5700	203	63.0000	244	.0430	291	40.0000	133	1.2500	161
January, 1918	.5363	242	.4900	174	47.5000	184	.0325	220	46.8000	156	2.0000	257
January, 1919	.5000	226	.4900	174	43.5000	169	.0300	203	57.0000	190	1.7500	225
July, 1919	.5912	267	.5300	188	38.5000	149	.0265	179	47.0000	157	1.6000	206
August, 1919	.6130	277	.5700	202	38.5000	149	.0265	179	47.0000	157	1.6242	209
September, 1919	.5903	267	.5700	202	38.5000	149	.0253	171	47.0000	157	1,7500	225
October, 1919	.6111	276	.5700	202	38.5000	149	.0261	176	47.0000	157	1.7500	225
November, 1919	.6648	300	.5700	202	41.3750	160	.0265	179	47.0000	157	2.2000	283
December, 1919	.6986	316	.5700	202	46.4000	180	.0265	179	47.0000	157	2.2000	283
January, 1920	.7271	329	.5600	199	48.0000	186	.0274	185	50.7500	169	2.2500	290

Year and month.	Beef, carcass, good native steers, Chicago.		Coffee, Rio No. 7.		Flour, wheat, standard patents, 1914-1917, 1919; standard war, 1918, Minneapolis.		Hams, smoked, Chicago.		Illuminating oil, 150° fire test, New York.		Sugar, granulated, New York.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per pound.	Relative price.	Average price per gallon.	Relative price.	Average price per pound.	Relative price.
July, 1914	$0.1350	104	$0.0882	79	$4.5938	100	$0.1769	106	$0.1200	97	$0.0420	98
January, 1915	.1300	100	.0725	65	6.8563	150	.1538	93	.1200	97	.0488	114
January, 1916	.1375	106	.0763	69	6.6438	145	.1588	96	.1300	105	.0573	134
January, 1917	.1375	106	.0975	88	9.2105	201	.1945	117	.1200	97	.0662	155
January, 1918	.1750	135	.0853	77	10.0850	220	.2950	177	.1600	130	.0744	174
January, 1919	.2450	189	.1547	139	10.2750	224	.3494	210	.1750	142	.0882	207
July, 1919	.2075	160	.2303	207	12.1550	265	.3835	230	.2050	166	.0882	207
August, 1919	.2350	181	.2150	193	12.0063	262	.3838	231	.2180	177	.0882	207
September, 1919	.2275	176	.1663	149	11.6200	254	.3480	209	.2200	178	.0882	207
October, 1919	.2290	177	.1650	148	12.0313	262	.2900	174	.2200	178	.0882	207
November, 1919	.2350	181	.1697	152	12.9500	283	.2859	172	.2200	178	.0882	207
December, 1919	.2350	181	.1518	136	14.0250	306	.2888	174	.2200	178	.1085	254
January, 1920	.2320	179	.1628	146	14.4438	315	.2944	177	.2240	182	.1537	360

DISCOUNT AND INTEREST RATES.

In the following tables are presented actual discount and interest rates prevailing in the various cities in which the several Federal Reserve Banks and their branches are located during the periods ending January 15 and February 15, 1920. A complete description of the several types of paper for which quotations are given will be found in the September, 1918, and October, 1918, FEDERAL RESERVE BULLETINS. Quotations for new types of paper will be added from time to time as deemed of interest.

During the period under review, the pronounced upward movement in interest rates noted for some months past has continued in almost all centers. The increase is noted for practically all types of paper. Decreases in rates are very rare, and occur almost without exception in high or low rates. While remarked equally in high, low, and customary rates for interbank loans and bankers' acceptances, the increase is found more particularly in low rates in the case of customers' commercial paper and of loans secured by prime stock exchange or other current collateral, in both high and low rates for commercial paper purchased in the open market, and in both low and customary rates for paper secured by Liberty bonds and certificates of indebtedness. Comparison with rates prevailing during the period ending February 15, 1919, reveals the fact that present rates are higher in practically all centers and for practically all types of paper. The increase is found in the greatest number of centers in the case of paper secured by Liberty bonds and certificates of indebtedness, although noted almost as frequently for collateral loans and for commercial paper purchased in the open market. The increase occurs almost equally in the case of high, low, and customary rates, although for customers commercial paper it is most frequently found in the low rates. Instances of decrease in rates are very rare, and are confined largely to the low rates.

Discount and interest rates prevailing in various centers.

DURING 30-DAY PERIOD ENDING JAN. 15, 1920.

District.	City.	Prime commercial paper. Customers. 30 to 90 days.			Customers. 4 to 6 months.			Open market. 30 to 90 days.			Open market. 4 to 6 months.		
		H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.
No. 1	Boston	6	5¾	6	7	6	6	6	5¾	6	7	6	6
No. 2	New York [1]	6	5½	6	6	5¼	6	6	6	6	6	5	6
	Buffalo	6	5	6	6	5	6	6	5	6	6	5	6
No. 3	Philadelphia	6	5¾	5¾	6	5¾	5¾	6	6	6	6	6	6
No. 4	Cleveland	6	6	6	6	6	6	6	6	6	6	6	6
	Pittsburgh	6	5	6	6	5½	6	6	6	6	6	5¾	6
	Cincinnati	6	5½	6	6	5½	6	6	5½	6	6	6	6
No. 5	Richmond	6	5	6	6	6	6	6	6	6	...	...	...
	Baltimore	6	5½	6	6	5½	6	...	...	...	...	...	...
No. 6	Atlanta	7	5¼	6	6	5¼	6	6	5½	6	6	5½	6
	Birmingham	8	6	6	8	6	6	8	5¾	6	8	5¾	6
	Jacksonville	8	6	7	8	6	7	6	5½	6	6	5½	6
	New Orleans	7	5	6–6½	7	5	6	6	5	6	6	5	6
	Nashville	6	5½	6	6	6	6	...	...	...	...	...	...
No. 7	Chicago	6	5	5½–6	6	5¾		6	6	6	6	5¾	6
	Detroit	6	5	6	6	5	6	...	...	...	...	...	...
No. 8	St. Louis	6	5¼	6	6	5½	6	6	6	6	6	6	6
	Louisville	6	5½	6	6	5½	6	6	6	6	6	6	6
	Memphis	6	5½	6	6	5½	6	6	5½	6	6	5½	6
	Little Rock	7	6		8	6	6–7	6	5½	6	6	6	6
No. 9	Minneapolis	6	5½	6	6	6	6	6	6	6	6½	6	6
No. 10	Kansas City	7	5	6	7	5	6	5½	5¼	5½	5½	5¼	5½
	Omaha	7	5¾	6	7	5¾	6	6	6	6	6	6	6
	Denver	8	5½	6	8	5½	6	6	5¼	6	6	5¼	6
No. 11	Dallas	8	6	6	8	6	6	5½	5¼	5½	5½	5¼	5½
	El Paso	8	6	8	8	6	8	6	6	6	6	6	6
	Houston	7	5	6	7	6	6	8	6	7	8	6	7
No. 12	San Francisco	6	5½	6	6	5	6	6	5¼	5½	6	5¼	6
	Portland	7	6	6	7	6	6	6	5	5½	6	5	6
	Seattle	8	6	7	8	6	7	6¼	5¼	6	6¼	5¼	6
	Spokane	8	5½	7	8	6	7	6	5½	5¾	6	5½	5¾
	Salt Lake City	8	7	7	8	7	7	6	6	6	6	6	6

District.	City.	Interbank loans.			Bankers' acceptances, 60 to 90 days. Indorsed.			Unindorsed.			Collateral loans—stock exchange or other current. Demand.		
		H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.
No. 1	Boston	6	5½	5½	5½	5	5¼	5½	5	5¼	10	6	8
No. 2	New York [1]	6	5	5–5½	6	4¾	4¾–5½	6	4 11/16	5–5⅜	25	5½	6
	Buffalo	6	5	6	6	5½	6	6	5½	6	6	5	6
No. 3	Philadelphia	5¾	5½	5½	5⅜	4⅞	5¼	5⅝	5	5⅜	6	4	6
No. 4	Cleveland	6	5½	6	5⅛	5⅛		5½	5 1/16		6	6	6
	Pittsburgh	6	5½	6	5⅜	4⅞	5	5½	5	5⅜	6	5	6
	Cincinnati	6	5½	6	5	4½	4½	5	4½	5	6	6	6
No. 5	Richmond	6	5	5½	4¾	4⅜	4½	4¾	4¾	4¾	6	5½	6
	Baltimore	6	5½	5¾	6	6	6	...	...	...	6	6	6
No. 6	Atlanta	6	5½	6	6	5½	6	6	5½	6	8	5½	6
	Birmingham	8	6	6	...	...	...	...	...	...	8	6	6
	Jacksonville	6	6	6	6	6	6	7	6	7	8	6	7
	New Orleans	6	5	6	6	5	6	6	5½	6	7	5	6–6½
	Nashville	6	5½	5¾	...	...	...	...	...	...	...	...	...
No. 7	Chicago	6	5½		5¼	4⅞		5¼	4⅞		6½	5¼	5½–6
	Detroit	6	5	5½	5⅜	4⅞	5⅜	5 3/16	5 3/16	5 3/16	6	5	6
No. 8	St. Louis	6	5½	6	5	4½	4¾	5¼	4¾	5	6	5½	6
	Louisville	5	5	5	5⅜	5¼	5⅜	...	...	...	6	5½	6
	Memphis	6	5½	6	...	...	...	...	...	...	6	5½	6
	Little Rock	6	6	6	...	...	...	...	...	...	8	6	7
No. 9	Minneapolis	6	5½	6	5⅛	4⅞	5	5¾	5⅛	5½	7	6	6
No. 10	Kansas City	7	5	6	...	...	...	...	...	...	6	5	6
	Omaha	7	6	6	...	...	...	...	...	...	6	5½	6
	Denver	7	6	6	...	...	...	...	...	...	8	6	6
No. 11	Dallas	6	6	6	...	...	...	...	...	...	6	6	6
	El Paso	8	6	8	...	...	...	...	...	...	8	6	8
	Houston	6	5	6	...	...	...	...	...	...	7	6	7
No. 12	San Francisco	5½	5½	5½	6	5		5½	4⅞	5	6	5½	6
	Portland	6	6	6	6	4¼	4¼–5	...	...	...	7	6	6
	Seattle	8	6	6	7	5¼	6	6	6	6	8	6	7
	Spokane	6	6	6	...	...	...	...	...	...	8	6	7
	Salt Lake City	7	6	7	...	...	...	...	...	...	8	7	7

District.	City.	Collateral loans. 3 months.			3 to 6 months.			Cattle loans.			Secured by warehouse receipts, etc.			Ordinary loans to customers secured by Liberty bonds and certificates of indebtedness.		
		H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.
No. 1	Boston	6	6	6	6	6	6	...	...	...	...	...	...	6	4¾	5½
No. 2	New York [1]	6	5½	6	6	5½	6	...	...	...	...	...	...	6	5	5–6
	Buffalo	6	5	6	6	5	6	...	...	...	...	...	...	6	5	6
No. 3	Philadelphia	6	5½	6	6	5½	6	...	...	...	...	...	...	6	5	5½
No. 4	Cleveland	6	6	6	6	6	6	...	...	...	...	...	...	6	6	6
	Pittsburgh	6	5½	6	6	6	6	...	...	...	6	6	6	6	5	5½
	Cincinnati	6	6	6	6	6	6	...	...	...	6	6	6	6	5½	6
No. 5	Richmond	6	5½	6	6	5½	6	...	...	...	6	5½	6	6	4¾	5½
	Baltimore	6	6	6	6	6	6	...	...	...	...	...	...	6	5½	5¾
No. 6	Atlanta	8	5½	6	8	5½	6	...	...	...	8	5½	6	8	5	6
	Birmingham	8	6	6	8	6	6	...	...	...	8	6	6	6	4¾	6
	Jacksonville	8	6	6	8	6	7	...	...	...	8	6	6	7	6	6
	New Orleans	7	5	6–6½	7	5	6–6½	...	...	...	8	5½	6–7	6	4¼	5–6
	Nashville	...	...	...	...	...	...	...	...	...	6	6	6	6	5½	5¾
No. 7	Chicago	6½	5½	6	6½	5¾	6	6	6	6	6	5¾	6	6	5½	
	Detroit	6	5	6	6½	5	6	...	...	...	...	...	...	6	5	6
No. 8	St. Louis	6	5½	6	6	5½	6	...	...	...	...	...	...	6	4¾	6
	Louisville	6	5½	6	6	5½	6	...	...	...	6	5½	6	6	5	6
	Memphis	6	5½	6	6	5½	6	...	...	...	6	6	6	6	5	6
	Little Rock	8	6	7	8	6	7	...	...	...	...	...	...	7	6	
No. 9	Minneapolis	8	6	7	8	7	8	...	...	...	7	6	6	6	5	5½
No. 10	Kansas City	8	5	6	8	5	6	8	6	6–7	8	5½	6	6	4¼	6
	Omaha	7	5¾	6	7	5¾	6	7	6	6	...	...	...	6	5½	6
	Denver	8	6	6	8	6	6	8	6	6	...	...	...	8	4¾	6
No. 11	Dallas	6	6	6	6	6	6	10	6	8	8	6	8	8	6	6
	El Paso	8	6	8	8	6	8	8	8	8	...	...	...	8	6	8
	Houston	8	6	7	8	6	7	...	...	...	8	6	7	8	5	8
No. 12	San Francisco	6	5	6	6	5½	6	...	...	...	...	...	...	6	5½	6
	Portland	7	6	6	7	6	6	...	...	...	...	...	...	7	6	6
	Seattle	8	6	7	8	6	6	...	...	...	...	...	...	8	5	7
	Spokane	8	6	7	8	6	8	...	...	...	...	...	...	8	4½	6
	Salt Lake City	8	7	7	8	7	7	...	...	...	...	...	...	7	6	7

[1] Rates for demand paper secured by prime bankers' acceptances, high 6, low 4, customary 4–5⅝.

DURING 30-DAY PERIOD ENDING FEB. 15, 1920.

District.	City.	Prime commercial paper.												Interbank loans.		
		Customers.						Open market.								
		30 to 90 days.			4 to 6 months.			30 to 90 days.			4 to 6 months.					
		H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.
No. 1....	Boston........	7	6	6½	7	6	6½	6½	6	6¼	6½	6	6½	6	5	5½
No. 2....	New York [1]...	6	5½	6	6	5½	6	6¼	6	6	6¼	5¾	6	6	5¼	5½–6
	Buffalo........	6	5½	6	6	5½	6	6	5½	6	6	5½	6	6	6	6
No. 3....	Philadelphia..	6	5½	6	6	5½	6	6½	6	6	6½	6	6¼	6	5½	
No. 4....	Cleveland......	7	6	6	7	6	6	...	...	...	...	...	...	6	5½	6
	Pittsburgh....	6	5	6	6	6	6	6½	6	6	6½	6	6	6	6	6
	Cincinnati.....	7	6	6	7	6	6–6½	7	6	6	7	6		7	6	6
No. 5....	Richmond....	6	6	6	6	6	6	6½	6	6¼	6½	6	6¼	6	5½	6
	Baltimore.....	6	6	6	6	6	6	...	...	...	...	...	...	6	6	6
No. 6....	Atlanta.......	8	5½	6	8	5½	6	...	...	...	...	...	...	6	5½	6
	Birmingham..	8	5	6	8	6	6	8	6	6	8	6	6	8	6	6
	Jacksonville...	8	6	7	8	6	7	6	6	6	7	6	6	7	5½	6
	New Orleans..	8	5½	6–7	8	5½	6½–7	7	6	6–6½	7	6	6–6½	7	5½	6–6½
	Nashville.....	6	6	6	6	6	6	...	...	...	...	...	...	6	6	6
No. 7....	Chicago.......	6	5½		6	5½		6½	6	6	6½	6	6	6	5½	
	Detroit........	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
No. 8....	St. Louis......	6½	5½	6	6½	5½	6	...	...	...	...	...	...	6	5½	6
	Louisville.....	6	6	6	6	6	6	6	6	6	6¼	6	6	6	5	6
	Memphis......	6	6	6	6	6	6	...	...	...	...	...	...	6	6	6
	Little Rock...	7	6	6–6½	8	6	6–7	6½	6	6½	6½	6	6½	6	6	6
No. 9....	Minneapolis...	6½	6	6½	7	6½	6½	6½	6¼	6½	6½	6½	6½	6½	6	6½
No. 10...	Kansas City...	7	5	6	7	5	6	6	5½	6	6	5½	6	7	5	6
	Omaha........	7	6	6	7	6	6½	...	...	...	6½	6	6	7	6	6½
	Denver........	8	6	6	8	6	6	6½	5	6	6½	5	6	7	6	6
No. 11...	Dallas.........	8	6	6	8	6	6	5½	5¼	5½	5½	5¼	5½	6	6	6
	El Paso.......	8	6	8	8	6	8	6	6	6	6	6	6	8	6	8
	Houston......	8	5½	6	7	6	6	6¼	6¼	6¼	6¼	6¼	6¼	6	5½	5½
No 12...	San Francisco.	6	5½	6	6	5½	6	6	5½	6	6	5½	6	6	5½	6
	Portland......	8	5½	6	7	5½	6	6½	5½	6	6½	5½	6	7	5½	6
	Seattle........	8	5¼	7	8	5¾	7	6½	5¼	6	6½	5¼	6	6	6	6
	Spokane......	8	6	7	8	6	7	6½	6	6	6¼	6	6	6	6	6
	Salt Lake City.	8	7	8	8	7	8	6	6	6	6	6	6	8	7	8

District.	City.	Bankers' acceptances, 60 to 90 days.						Collateral loans—stock exchange or other current.								
		Indorsed.			Unindorsed.			Demand.			3 months.			3 to 6 months.		
		H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.
No. 1....	Boston........	5½	5⅜	5⅜	5¾	5½	5½	10	8	8	7	6	6½	8½	6	7
No. 2....	New York [1]...	6	4⅞	5¼–5¾	6	4⅞	5½–6	25	5½	6	8	5½	6	6	5½	6
	Buffalo........	...	...	...	...	...	...	7	5	6	6	5	6	6	5	6
No. 3....	Philadelphia..	5¾	5½	5⅝	6	5¾	5⅞	6	5½	6	6	5	6	6	5	6
No. 4....	Cleveland......	...	...	...	5⅞	5¾		7	6	6	7	6	6	7	6	6
	Pittsburgh....	5⅝	5⅜	5½	5¾	5½	5½	6	5	6	6	6	6	6	6	6
	Cincinnati.....	5½	5	5½	6	5¼	5½–5¾	7	7	7	7	7	7	7	7	7
No. 5....	Richmond....	5½	5½	5½	5½	5½	5½	6	5½	6	6	5½	6	6	6	6
	Baltimore.....	6	6	6	...	...	...	6	6	6	6	6	6	6	6	6
No. 6....	Atlanta.......	...	...	...	6½	6½	6½	8	6	6	8	6	6	8	6	6
	Birmingham..	...	...	...	...	...	...	8	6	6	8	6	6	8	6	6
	Jacksonville...	7	6	7	7	6	7	8	6	6	8	6	6	8	6	6
	New Orleans..	7	5½	5½–6½	7	6	6–6½	8	6	6–7	8	6	6–7	8	6	6½–7
	Nashville.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
No. 7....	Chicago.......	5⅝	5½		6¼	5½	5½–5⅝	6½	5½	6	6½	5½	6	6½	5½	6
	Detroit........	...	...	...	...	...	...	6½	6	6	6½	6	6	6½	6	6
No. 8....	St. Louis......	5¼	5	5	5½	5¼	5¼	7	6	6½	7	6	6½	7	6	6½
	Louisville.....	5½	5⅜	5½	...	...	...	6	6	6	6	6	6	6	6	6
	Memphis......	...	...	...	...	...	...	6	6	6	6	6	6	...	...	...
	Little Rock...	...	...	...	...	...	...	8	6	7	8	6	7	8	6	7
No. 9....	Minneapolis...	5⅝	5½	5⅝	6⅛	5⅞	6	8	6½	7	8	6½	7	8	7	7
No. 10...	Kansas City...	...	...	...	...	...	...	8	5	6–7	8	5	6–7	8	5	6–7
	Omaha........	...	...	...	...	...	...	7	6	6½	7	6	6½	7	6	6½
	Denver........	...	...	...	...	...	...	8	5½	6	8	5½	6	8	5½	6
No. 11...	Dallas.........	...	...	...	...	...	...	6	6	6	6	6	6	6	6	6
	El Paso.......	...	...	...	...	...	...	8	6	8	8	6	8	8	6	8
	Houston......	6½	6½	6½	...	...	...	6½	6	6½	8	6	6½	8	6	6½
No 12...	San Francisco.	6	5½	5½	6	5½	5½	6	5½	6	6	5½	6	6	6	6
	Portland......	5¼	5	5¼	...	...	...	7	5½	6	8	6	6	8	6	6
	Seattle........	7	5⅛	6	7	5⅛	6	8	6	7	8	6	7	8	6	7
	Spokane......	...	...	...	...	...	...	8	6	7	8	6	7	8	6	8
	Salt Lake City.	...	...	...	...	...	...	8	7	8	8	7	8	8	7	8

District.	City.	Cattle loans.			Secured by warehouse receipts, etc.			Ordinary loans to customers secured by Liberty bonds and certificates of indebtedness.		
		H.	L.	C.	H.	L.	C.	H.	L.	C.
No. 1....	Boston........	...	...	...	...	...	...	6½	5½	6
No. 2....	New York [1]...	...	...	...	...	...	...	6	5	6
	Buffalo........	...	...	...	...	...	...	6	5	6
No. 3....	Philadelphia..	...	...	...	...	...	...	6	5¼	6
No. 4....	Cleveland......	...	...	...	...	...	...	7	6	6
	Pittsburgh....	...	...	...	6	6	6	6	5½	6
	Cincinnati.....	...	...	...	7	6	7	6	6	6
No. 5....	Richmond....	...	...	...	6	6	6	6	4¾	6
	Baltimore.....	...	...	...	...	...	...	6	6	6
No. 6....	Atlanta.......	...	...	...	8	6	6	8	4¾	6
	Birmingham..	...	...	...	8	6	6–7	8	5¼	6
	Jacksonville...	...	...	...	8	7	7	7	6	6
	New Orleans..	...	...	...	8	6	6–7	7	4¼	5–6½
	Nashville.....	...	...	...	6	6	6	6	6	6
No. 7....	Chicago.......	6½	6		6½	6	6	6½	6	6
	Detroit........	...	...	...	...	...	...	6	6	6
No. 8....	St. Louis......	...	...	...	...	...	...	6	4¾	6
	Louisville.....	...	...	...	6	6	6	6	5	6
	Memphis......	...	...	...	6	6	6	6	6	6
	Little Rock...	...	...	...	...	...	...	8	6	6½–7
No. 9....	Minneapolis...	...	...	...	6½	6¼	6½	6	6	6
No. 10...	Kansas City...	8	6	6–7	8	6	6–7	8	6	6–7
	Omaha........	8	6	7	...	...	...	8	6	7
	Denver........	8	6	6	...	...	...	8	5	6
No. 11...	Dallas.........	10	6	8	8	6	8	8	6	6
	El Paso.......	8	8	8	...	...	...	8	6	8
	Houston......	...	...	...	8	6	6½	8	5½	8
No 12...	San Francisco.	...	...	...	...	...	...	6	6	6
	Portland......	...	...	...	...	...	...	8	6	6
	Seattle........	...	...	...	...	...	...	8	5	7
	Spokane......	...	...	...	...	...	...	8	6	7
	Salt Lake City.	...	...	...	...	...	...	7½	7	7½

[1] Rates for demand paper secured by prime bankers' acceptances, high 6, low 5¼.

PHYSICAL VOLUME OF TRADE.

In continuation of tables in the February FEDERAL RESERVE BULLETIN there are presented in the following tables certain data relative to the physical volume of trade. The January, 1919, issue contains a description of the methods employed in the compilation of the data and the construction of the accompanying index numbers. Additional material will be presented from time to time as reliable figures are obtained.

Live-stock movements.

[Bureau of Markets.]

	Receipts.					Shipments.				
	Cattle and calves, 60 markets.	Hogs, 60 markets.	Sheep, 60 markets.	Horses and mules, 44 markets.	Total, all kinds.	Cattle and calves, 54 markets.	Hogs, 54 markets.	Sheep, 54 markets.	Horses and mules, 44 markets.	Total, all kinds.
1919.	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*
January	2,113,460	5,879,525	1,571,823	108,471	9,673,279	763,068	1,565,451	612,029	109,304	3,049,852
July	2,007,266	2,998,836	2,177,942	48,691	7,232,735	706,843	963,662	997,338	43,738	2,711,581
August	2,019,139	2,103,609	3,211,331	81,917	7,415,996	894,816	690,821	2,014,267	74,268	3,674,172
September	2,377,054	2,401,677	3,810,441	140,848	8,730,020	1,150,183	860,614	2,466,937	135,724	4,613,458
October	2,989,090	3,144,831	3,605,198	124,497	9,863,616	1,532,297	1,103,837	2,159,531	125,701	4,921,366
November	2,680,042	3,775,589	2,751,421	140,192	9,347,244	1,374,452	1,308,095	1,597,007	134,679	4,414,233
December	2,169,631	5,024,650	2,393,632	86,666	9,674,579	967,348	1,608,292	2,409,482	86,534	5,071,656
1920.										
January	1,868,723	5,275,412	1,560,051	138,541	8,842,727	753,113	1,665,324	669,850	138,145	3,226,432

Receipts and shipments of live stock at 15 western markets.

[Chicago, Kansas City, Oklahoma City, Omaha, St. Louis, St. Joseph, St. Paul, Sioux City, Cincinnati, Cleveland, Denver, Fort Worth, Indianapolis, Louisville, Wichita.]

RECEIPTS.

[Monthly average, 1911-1913=100.]

	Cattle and calves.		Hogs.		Sheep.		Horses and mules.		Total, all kinds.	
	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.
1919.										
January	1,656,046	164	4,603,335	209	1,079,377	79	56,631	123	7,395,419	160
July	1,527,881	152	2,411,539	110	1,558,767	114	37,866	82	5,536,053	120
August	1,541,133	153	1,595,759	73	2,220,229	162	57,206	124	5,414,327	117
September	1,871,042	186	1,704,944	78	2,890,831	212	88,283	192	6,555,100	142
October	2,317,487	230	2,160,079	98	2,405,511	176	79,240	172	6,962,317	151
November	2,046,664	203	2,715,955	124	1,743,189	128	84,018	183	6,589,826	143
December	1,650,315	164	3,785,870	172	1,589,237	116	53,453	116	7,078,875	153
1920.										
January	1.400,031	139	3,912,449	178	1,035,591	76	90,662	197	6,438,733	139

SHIPMENTS.

1919.										
January	589,362	145	988,035	204	357,386	71	56,282	137	1,991,065	139
July	515,071	127	691,283	143	694,942	138	32,836	80	1,934,132	135
August	650,252	160	455,705	94	1,352,252	269	49,996	122	2,508,205	175
September	872,043	214	501,856	104	1,849,958	367	83,264	203	3,307,121	230
October	1,154,995	284	654,755	135	1,382,419	275	80,828	197	3,272,997	228
November	993,148	244	788,107	163	945,992	188	78,889	192	2,806,136	195
December	686,325	169	1,003,682	207	682,439	136	55,831	136	2,428,277	169
1920.										
January	548,841	135	1,026,763	212	403,382	80	90,630	221	2,069,616	144

Exports of certain meat products.

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Beef, canned.		Beef, fresh.		Beef, pickled, and other cured.		Bacon.		Hams and shoulders, cured.		Lard.		Pickled pork.	
	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.
1919.														
January	12,636,060	1,907	17,436,495	1,406	6,030,937	226	101,000,122	603	54,846,433	367	37,850,338	86	2,273,683	51
July	5,392,104	814	8,680,524	700	3,320,564	124	117,679,193	703	47,452,834	318	68,163,734	155	2,392,515	54
August	2,894,361	437	8,075,366	651	2,494,113	93	84,150,778	502	40,147,727	269	48,968,628	111	2,117,796	48
September	1,213,709	183	7,285,951	587	3,523,887	132	57,179,511	341	18,209,239	122	36,960,364	84	2,792,439	63
October	1,793,784	271	31,178,216	2,513	3,402,422	127	56,462,312	337	13,090,972	88	41,016,518	93	3,804,290	86
November	1,393,238	210	15,694,002	1,265	2,997,652	112	65,288,694	390	16,844,285	113	42,106,339	96	4,934,696	111
December	1,886,835	285	6,061,769	489	3,135,069	117	58,982,754	352	15,688,297	105	63,645,722	145	4,125,550	93
1920.														
January	1,081,643	163	22,872,223	1,844	1,670,500	63	77,501,002	463	13,905,923	93	38,823,902	88	4,251,187	96

Receipts of grain and flour at 17 interior centers.

[Chicago, Cleveland, Detroit, Duluth, Indianapolis, Kansas City, Little Rock, Louisville, Memphis, Milwaukee, Minneapolis, Omaha, Peoria St. Louis, Spokane, Toledo, Wichita: receipts of flour not available for Cleveland, Detroit, Indianapolis, Louisville, Omaha, Spokane, Toledo, and Wichita.]

[Compiled from reports of trade organizations at these cities.]

[Monthly average, 1911-1913=100.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour.[1]	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1919.																
January	24,652,641	91	28,731,387	128	22,945,659	114	5,615,054	507	8,943,782	125	90,888,523	117	1,396,888	71	97,174,519	112
July	49,612,115	184	12,549,219	56	25,233,109	125	3,105,486	281	8,627,091	120	99,127,020	127	1,572,420	80	106,202,910	122
August	80,714,559	299	8,503,282	38	29,774,582	147	3,824,263	345	6,638,871	93	129,455,557	166	2,283,145	117	131,738,702	152
Sept'ber	69,953,295	260	16,267,145	72	26,721,030	132	5,446,371	492	5,294,256	74	123,682,097	159	3,073,034	157	137,510,750	159
October	51,006,164	189	12,490,107	56	24,323,974	120	4,472,397	404	4,369,326	61	96,661,968	124	3,468,787	177	112,271,510	129
Nov'ber	35,729,832	133	14,606,137	65	17,699,925	88	2,579,579	233	3,582,873	50	74,198,346	95	3,541,957	181	90,137,153	104
Dec'ber	30,582,779	113	23,983,657	107	15,592,282	77	2,876,636	260	3,769,859	53	76,805,213	99	2,371,262	121	87,475,892	101
1920.																
January	25,074,624	93	24,139,094	108	20,925,941	104	4,378,610	396	3,298,544	46	77,816,813	100	2,298,692	117	88,160,927	102

[1] Flour reduced to its equivalent in wheat on basis of 4½ bushels to barrel.

Shipments of grain and flour at 14 interior centers.

[Chicago, Cleveland, Detroit, Duluth, Kansas City, Little Rock, Louisville, Milwaukee, Minneapolis, Omaha, Peoria, St. Louis, Toledo, Wichita; shipments of flour not available for Cleveland, Detroit, Louisville, Omaha, Toledo, and Wichita.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour.[1]	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1919.																
January	9,934,531	64	13,488,569	95	19,769,237	130	794,028	112	4,718,631	121	48,704,996	99	2,796,463	83	61,289,080	95
July	12,423,422	81	8,102,275	57	15,628,503	103	1,546,100	218	9,133,000	234	46,833,304	95	2,589,176	76	58,484,596	90
August	36,986,491	240	5,135,459	36	17,919,623	118	1,436,377	203	5,028,674	129	66,506,624	135	3,805,273	112	83,630,353	129
Sept'ber	37,730,048	245	6,622,779	47	16,651,580	110	2,317,740	327	2,943,167	75	66,265,314	134	4,787,300	141	87,808,164	136
October	25,813,130	167	7,116,502	50	16,705,015	110	1,426,528	202	3,087,951	79	54,149,126	110	5,975,261	176	81,037,801	125
Nov'ber	20,877,718	135	6,609,629	47	15,582,081	103	3,110,541	439	2,827,956	73	49,007,925	99	5,604,616	165	74,228,697	115
Dec'ber	17,383,075	113	11,509,719	81	12,433,716	82	2,255,139	319	2,624,376	67	46,206,025	93	4,470,122	132	66,321,574	103
1920.																
January	17,514,087	114	12,326,051	87	15,822,099	104	3,685,914	52	2,007,718	51	51,355,869	104	4,140,314	122	69,987,282	108

[1] Flour reduced to its equivalent in wheat on basis of 4½ bushels to barrel.

Receipts of grain and flour at nine seaboard centers.

[Boston, New York, Philadelphia, Baltimore, New Orleans, San Francisco, Portland (Oreg.), Seattle, Tacoma; receipts of flour not available for Seattle and Tacoma.]

[Compiled from reports of trade organizations at these cities.]

[Monthly average, 1911-1913=100.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour.[1]	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1919.																
January..	9,768,801	78	1,411,366	40	9,275,187	195	566,191	398	1,738,326	105	22,759,871	100	2,026,246	194	31,877,978	116
July......	5,806,227	46	901,842	25	6,959,186	146	1,479,951	1,042	9,723,852	586	24,871,058	110	1,514,135	145	31,684,666	116
August...	26,902,757	214	815,132	23	5,676,984	119	64,510	45	4,993,395	301	38,452,778	169	1,385,762	133	44,688,707	163
Sept'ber..	28,010,858	222	512,072	14	5,345,464	113	535,701	377	2,171,521	131	36,575,616	161	2,306,213	221	46,953,575	171
October..	14,755,827	117	507,065	14	4,335,038	91	1,718,701	1,210	796,839	48	22,113,470	97	2,521,329	241	33,459,451	122
Nov'ber..	9,152,534	73	438,147	12	3,998,525	84	1,391,024	98	851,651	51	15,831,881	70	1,552,796	149	22,819,463	83

[1] Flour reduced to its equivalent in wheat on basis of 4½ bushels to barrel.

Stocks of grain at eight seaboard centers at close of month.

[Boston, New York, Philadelphia, Baltimore, New Orleans, Newport News, Galveston, San Francisco.]

[Compiled from reports of trade organizations at these cities.]

[Bushels.]

	Wheat.	Corn.	Oats.	Rye.	Barley.	Total grain.
1919.						
January	15,365,491	645,317	5,495,937	1,972,696	3,047,346	26,526,787
July	5,557,644	265,196	3,760,063	867,491	5,528,176	15,978,570
August	17,396,269	155,491	2,216,989	578,250	5,414,183	25,761,182
September	21,171,440	172,254	1,901,510	516,142	4,061,830	27,823,176
October	25,322,242	82,240	1,898,271	483,270	3,079,360	30,865,383
November	18,728,730	155,490	2,504,833	1,264,494	2,351,012	25,004,559
December	....	....	....	....	....	....
1920.						
January	....	....	....	....	....	....

NOTE.—Figures for San Francisco include also stocks at Port Costa and Stockton.

Cotton.

[New Orleans Cotton Exchange.]

[Crop years 1911-1913=100.]

	Sight receipts.		Port receipts.		Overland movement.		American spinners' takings.		Stocks at ports and interior towns at close of month.	
	Bales.	Relative.	Bales.	Relative.	Bales.	Relative.	Bales.	Relative.	Bales.	Relative.
1919-20.										
August	313,301	25	238,271	26	49,630	47	302,238	67	1,412,048	120
September	584,776	47	260,698	28	26,138	25	300,001	66	1,501,805	127
October	1,779,927	142	1,029,331	112	110,202	105	621,784	137	2,340,881	199
November	2,369,177	189	1,178,443	128	245,237	233	1,155,324	254	2,616,383	222
December	2,147,365	171	1,069,693	116	242,940	231	1,214,337	267	2,765,040	235
January	1,460,074	116	982,030	107	138,685	132	802,841	177	2,470,496	210

California shipments of citrus and deciduous fruits.

	Oranges.		Lemons.		Total citrus fruits.		Total deciduous fruits.
	Carloads.	Relative.	Carloads.	Relative.	Carloads.	Relative.	Carloads.
1919.							
January	3,120	128	531	131	3,651	128	109
July	2,568	105	1,038	256	3,606	127	4,199
August	1,785	73	436	108	2,221	78	6,601
September	1,840	75	414	102	2,254	79	6,781
October	2,706	111	572	141	3,278	115	5,529
November	3,257	133	442	109	3,699	130	2,141
December	3,592	147	271	67	3,863	136	197
1920.							
January	2,457	100	630	156	3,087	108	123

Sugar.

[Data of International Sugar Committee for ports of Boston, New York, Philadelphia, Savannah, New Orleans, Galveston, San Francisco.]

[Tons of 2,240 pounds.]

	Receipts.	Meltings.	Raw stocks at close of month.		Receipts.	Meltings.	Raw stocks at close of month.
1919.				**1919.**			
January	243,806	197,145	66,189	November	183,084	180,425	55,073
July	394,557	435,247	115,341	December	73,504	113,917	14,587
August	333,686	356,048	85,650				
September	352,345	385,618	55,644	**1920.**			
October	279,962	279,348	55,333	January	243,201	221,984	36,055

[Data for ports of New York, Boston, Philadelphia.]

[Weekly Statistical Sugar Trade Journal.]

[Tons of 2,240 pounds. Monthly average 1911-1913=100.]

	Receipts.		Meltings.		Raw stocks at close of month.			Receipts.		Meltings.		Raw stocks at close of month.	
	Tons.	Relative.	Tons.	Relative.	Tons.	Relative.		Tons.	Relative.	Tons.	Relative.	Tons.	Relative.
1919.							**1919.**						
January	172,054	93	147,000	80	36,544	21	November	154,674	84	177,000	96	40,855	24
July	264,782	144	292,000	159	57,975	34	December	96,342	52	126,765	69	10,432	6
August	246,419	134	229,000	125	75,394	44							
September	262,137	142	292,000	159	45,531	26	**1920.**						
October	233,650	127	216,000	118	63,181	37	January	208,554	113	181,000	99	37,986	22

Naval stores.

[Data for Savannah, Jacksonville, and Pensacola.]

[In barrels.]

[Compiled from reports of trade organizations at these cities.]

	Spirits of turpentine.		Rosin.			Spirits of turpentine.		Rosin.	
	Receipts.	Stocks at close of month.	Receipts.	Stocks at close of month.		Receipts.	Stocks at close of month.	Receipts.	Stocks at close of month.
1919.					**1919.**				
January	7,645	125,541	34,835	285,808	November	18,757	28,741	77,125	204,281
July	27,747	30,656	77,062	235,707	December	17,252	30,924	77,221	200,333
August	21,013	24,756	74,402	203,812					
September	21,574	27,021	72,616	190,580	**1920.**				
October	19,367	27,389	67,080	186,231	January	8,300	24,910	47,874	165,927

Lumber.

[From reports of manufacturers' associations.]

[M feet.]

	Southern pine.			Western pine.			Douglas fir.			Eastern white pine.			North Carolina pine.		
	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.
1919.															
January	200	330,137	325,241	21,49	40,354	68,910	122	225,688	227,129	13	7,565	15,172	40	28,629	23,896
July	206	401,939	466,786	48	148,533	140,680	114	268,634	301,050	9	27,382	22,470	35	22,326	34,191
August	204	417,036	423,002	48	152,748	140,236	118	416,422	397,290	11	20,247	26,839	36	27,177	30,159
September	202	416,640	372,727	51	154,102	138,537	126	332,905	261,797	12	16,913	22,574	35	33,146	35,468
October	201	421,025	356,124	52	156,828	143,252	124	419,108	339,321	10	12,888	18,139	26	24,055	22,079
November	202	391,347	344,717	51	110,525	117,472	126	324,511	241,301	11	2,786	21,596	31	24,925	26,926
December	198	353,923	363,176	51	65,989	93,377	129	227,331	176,935	11	4,776	17,840	27	19,048	26,241
1920.															
January	202	386,481	404,706	53	69,895	144,180	128	327,568	344,568	21	38,007	63,614	......	24,678	26,283

RECEIPTS AND SHIPMENTS OF LUMBER AT CHICAGO.

[Chicago Board of Trade.]

[Monthly average, 1911-1913=100.]

	Receipts.		Shipments.	
	M feet.	Relative.	M feet.	Relative.
1919.				
January	134,604	63	47,922	62
July	200,148	94	90,134	118
August	170,385	80	87,953	115
September	205,909	97	93,120	121
October	208,638	98	95,674	125
November	176,972	83	70,175	92
December	226,617	107	79,553	104
1920.				
January	208,145	98	71,233	93

Coal and coke.

[Bituminous coal and coke, U. S. Geological Survey; Anthracite coal, Anthracite Bureau of Information.]

[Monthly average, 1911-1913=100.]

	Bituminous coal, estimated monthly production.		Anthracite coal, shipments over 9 roads.		Beehive coke, estimated monthly production.	
	Short tons.	Relative.	Long tons.	Relative.	Short tons.	Relative.
1919.						
January	41,485,000	112	5,934,241	105	2,401,567	92
July	42,754,000	115	6,052,334	108	1,512,178	58
August	42,880,000	116	6,144,144	109	1,733,971	66
September	47,403,000	128	5,687,401	101	1,790,466	68
October	54,579,000	147	6,560,150	117	1,551,980	59
November	20,303,000	55	5,971,671	106	1,680,775	64
December	36,612,000	99	6,138,460	109	1,721,000	66
1920.						
January	49,419,000	133	5,713,319	102	1,982,000	76

Movement of crude petroleum in United States.

[U. S. Geological Survey.]

[Barrels of 42 gallons each.]

	Marketed.		Stocks at end of month (barrels).
	Barrels.	Relative.	
1919.			
January	30,196,000	158	127,777,000
July	33,894,000	177	140,093,000
August	33,862,000	177	136,467,000
September	33,667,000	176	137,131,000
October	33,319,000	174	135,461,000
November	32,114,000	168	131,601,000
December	32,508,000	170	129,022,000
1920.			
January	33,980,000	177	127,164,000

Total output of oil refineries in United States.

[Bureau of Mines.]

	Crude oil run (barrels).	Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).
1918.					
December	26,958,157	291,744,465	161,742,713	587,873,987	64,987,842
1919.					
January	26,967,332	303,710,556	158,501,260	589,630,056	68,304,613
February	25,232,876	283,518,194	164,181,787	553,853,753	62,503,072
March	27,866,775	311,306,755	170,290,930	574,774,156	67,063,995
April	27,775,217	319,807,838	183,453,728	588,808,408	70,954,128
May	30,267,227	354,472,377	190,345,026	652,166,738	76,442,252
June	28,920,764	338,336,985	178,974,224	632,205,805	64,636,153
July	31,202,522	342,491,757	205,727,289	638,185,469	67,037,414
August	32,362,057	326,846,167	219,502,888	685,702,461	72,920,214
September	32,601,044	339,582,564	199,244,293	683,409,674	70,236,692
October	33,682,968	363,456,747	227,104,346	680,158,446	78,658,410
November	32,213,754	338,667,570	214,829,925	663,309,514	75,962,212
December	32,427,617	335,659,587	229,476,468	685,084,086	72,040,862

STOCKS AT CLOSE OF MONTH.

1918.					
Dec. 31	15,749,771	297,326,983	380,117,829	659,001,357	138,853,574
1919.					
Jan. 31	15,380,185	383,212,692	332,393,181	646,411,414	158,370,431
Feb. 28	14,820,601	458,449,187	303,062,436	692,816,000	152,297,163
Mar. 31	15,106,361	546,062,429	294,677,623	749,067,806	165,495,254
Apr. 30	15,184,844	593,616,170	276,356,837	807,895,498	170,122,088
May 31	16,372,314	594,035,688	244,635,631	788,740,572	173,754,109
June 30	16,775,723	593,896,610	252,542,434	811,790,637	175,384,775
July 31	15,304,915	514,919,358	279,855,061	817,809,519	173,884,303
Aug. 31	15,131,549	434,531,446	296,065,646	830,329,785	170,572,819
Sept. 30	13,925,441	371,125,419	311,843,057	862,135,385	158,967,070
Oct. 31	14,091,945	354,160,071	329,160,795	828,574,452	152,536,736
Nov. 30	13,983,716	378,133,185	347,076,560	791,052,991	149,193,143
Dec. 31	13,143,285	446,793,431	339,319,690	714,124,455	137,318,934

Iron and steel.

[Great Lakes iron-ore movements, Marine Review; pig-iron production, Iron Age; steel-ingot production, American Iron and Steel Institute.

[Monthly average, 1911-1913=100; iron ore, monthly average, May-November, 1911-1913=100.]

	Iron-ore shipments from the upper Lakes.		Pig-iron production.		Steel-ingot production.		Unfilled orders U. S. Steel Corporation at close of month.	
	Gross tons.	Relative.	Gross tons.	Relative.	Gross tons.	Relative.	Gross tons.	Relative.
1919.								
January			3,302,260	143	3,107,778	130	6,684,268	127
July	9,173,429	151	2,428,541	105	2,508,176	104	5,578,661	106
August	4,423,133	73	2,743,388	118	2,746,081	114	6,109,103	116
September	8,178,483	135	2,487,965	107			6,284,638	119
October	6,201,883	102	1,863,558	80			6,472,668	123
November	3,152,319	52	2,392,350	103			7,128,330	135
December			2,633,268	114			8,265,366	157
1920.								
January			3,015,181	130	2,966,662	123	9,285,441	176

Imports of pig tin.

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Pounds.	Relative.		Pounds.	Relative.
1919.			**1919.**		
January	8,461,444	93	November	15,233,671	168
July	113,120	1	December	12,940,125	142
August	9,872,459	109			
September	11,087,403	122	**1920.**		
October	16,210,512	178	January	8,772,953	97

Raw stocks of hides and skins.

[Bureau of Markets.]

[In pieces.]

	Cattle hides.	Calfskins.	Kipskins.	Goat.	Kid.	Cabretta.	Sheep and lamb.
1919.							
Jan. 31	5,922,514	1,294,949	515,523	4,239,381	245,815	601,686	6,844,680
July 31	4,966,081	2,389,368	554,516	15,589,944	1,964,828	2,767,694	6,815,160
Aug. 31	5,498,844	2,145,320	585,269	18,263,446	880,276	2,348,769	7,126,885
Sept. 30	6,158,289	2,055,084	947,546	16,749,664	823,740	2,736,802	8,661,215
Oct. 31	6,436,765	2,007,208	1,097,039	15,302,942	2,239,604	2,574,499	10,122,930
Nov. 30	6,918,534	1,844,737	1,083,173	14,248,671	331,389	2,684,084	9,398,712
Dec. 31	7,349,146	2,117,442	1,122,156	15,984,179	752,055	2,092,425	9,296,812
1920.							
Jan. 31	6,549,550	1,570,718	965,336	12,849,532	926,677	1,887,026	8,763,643

NOTE.— Figures for Jan. 31 are provisional.

Textiles.

[Silk, Department of Commerce; cotton, Bureau of the Census; wool, Bureau of Markets; idle machinery, January-September, 1918, inclusive, National Association of Wool Manufacturers.]

[Cotton, monthly average crop, years 1912-1914=100; silk, monthly average 1911-1913=100.]

	Cotton consumption.		Cotton spindles active during month.	Wool consumption (pounds).	Percentage of idle woolen machinery on first of month to total reported.						Imports of raw silk.	
					Looms.		Sets of cards.	Combs.	Spinning spindles.			
	Bales.	Relative.			Wider than 50-inch reed space.	Under 50-inch reed space.			Woolen.	Worsted.	Pounds.	Relative.
1919.												
January	556,883	124	33,866,228	32,573,970	40.3	32.6	32.2	30.7	36.5	37.5	1,461,827	71
July	509,793	113	34,184,407	54,973,093	22.0	26.0	9.7	7.6	8.9	13.5	5,202,407	254
August	502,536	112	34,187,310	48,938,476	22.1	24.9	9.4	6.5	8.9	10.9	3,802,500	186
September	491,313	109	34,216,662	52,985,961	19.9	22.8	8.1	5.5	7.9	12.8	6,755,271	330
October	555,344	123	34,307,367	60,018,415	16.0	20.7	8.2	5.9	7.7	7.2	3,955,845	193
November	490,698	109	34,483,775	52,428,854	14.8	18.2	7.6	5.3	6.7	6.7	4,841,407	237
December	511,585	114	34,594,214	55,566,253	13.9	19.1	10.5	5.3	8.4	6.2	3,576,585	175
1920.												
January	591,725	132	34,739,071	72,700,000	14.5	18.5	8.8	7.2	9.1	10.2	4,855,989	237
February					12.2	17.6	7.6	6.9	7.1	7.9		

Production of wood pulp and paper.

[Federal Trade Commission.]

[Net tons.]

	Wood pulp.	News-print.	Book.	Paper board.	Wrap-ping.	Fine.
1919.						
January	283,270	116,154	70,443	140,859	50,490	27,675
July	260,685	113,929	75,613	169,593	63,769	30,036
August	260,987	113,413	82,737	189,782	64,861	33,122
September	266,915	111,434	81,024	184,897	63,353	31,923
October	308,710	125,216	89,440	202,524	67,110	34,808
1919.						
November	147,672	116,603	84,085	182,940	63,394	32,468
December	306,617	122,781	88,779	174,649	62,288	31,014
1920.						
January	302,541	129,663	96,419	211,934	70,109	32,886

Sale of revenue stamps for manufactures of tobacco in the United States (excluding Porto Rico and Philippine Islands).

[Commissioner of Internal Revenue.]

	Cigars.		Cigarettes.	Manufactured tobacco.
	Large.	Small.	Small.	
	Number.	*Number.*	*Number.*	*Pounds.*
1918.				
December	527,586,098	59,139,250	2,788,379,210	25,276,695
1919.				
January	518,706,482	72,458,974	3,079,212,253	29,308,616
February	476.329,947	60,138,630	3,126,274,662	27,472,269
March	549,098,351	84,493,873	3,845,079,275	29,227,678
April	510,357,494	73,314,273	2,650,182,742	29,883,710
May	551,659,749	57,611,547	2,767,699,400	33,340,102
June	576,976,572	48,855,070	3,140,393,217	31,312,150
July	569,908,339	47,500,287	3,585,030,983	33,838,667
August	533,227,393	54,953,647	3,918,403,687	35,568,246
September	575,777,829	53,735,960	4,283,247,387	36,623,005
October	677,622,154	64,170,793	5,028,875,337	39,335,546
November	655,421,893	56,080,813	4,768,598,203	32,965,088
December	662,046,997	45,491,540	4,578,641,450	29,409,443

Output of locomotives and cars.

[Locomotives, United States Railroad Administration; cars, Railway Car Manufacturers' Association.]

	Locomotives.		Output of cars.				Locomotives.		Output of cars.		
	Domestic shipped.	Foreign completed.	Domestic.	Foreign.	Total.		Domestic shipped.	Foreign completed.	Domestic.	Foreign.	Total.
1919.	*Number.*	*Number.*	*Number.*	*Number.*	*Number.*	1919.	*Number.*	*Number.*	*Number.*	*Number.*	*Number.*
January	282	84	8,172	3,635	11,807	November	39	23	8,967	2,622	11,589
July	121	73	2,777	6,936	9,713	December	103	42	4,506	2,428	6,934
August	160	173	18,509	5,015	23,524						
September	111	51	19,980	4,302	24,282	1920.					
October	89	55	10,445	3,715	14,160	January	48	22	4,650	1,914	6,564

Vessels built in United States, including those for foreign nations, and officially numbered by the Bureau of Navigation.

[Monthly average, 1911-1913=100.]

	Number.	Gross tonnage.	Relative.		Number.	Gross tonnage.	Relative.
1919.				1919.			
January	132	264,346	1,094	November	143	347,051	1,436
July	245	397,628	1,645	December	149	294,064	1,217
August	238	455,338	1,884				
September	202	378,858	1,568	1920.			
October	210	357,519	1,479	January	115	253,680	1,049

Tonnage of vessels cleared in the foreign trade.

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Net tonnage.				Percentage of American to total.	Relative.		Net tonnage.				Percentage of American to total.	Relative.
	American.	Foreign.	Total.	Relative.				American.	Foreign.	Total.	Relative.		
1919.							1919.						
January	1,166,391	1,896,123	3,062,514	78	38.1	151	November	2,251,871	1,910,489	4,162,360	107	54.1	214
July	2,362,571	2,920,247	5,282,818	136	44.7	177	December	2,043,675	1,733,923	3,777,598	97	54.1	214
August	2,957,249	2,797,818	5,755,067	148	51.4	203							
September	2,627,480	2,481,676	5,109,156	131	51.4	203	1920.						
October	2,645,778	2,073,560	4,719,338	121	56.1	222	January	1,933,385	1,949,798	3,883,183	100	49.8	197

Net ton-miles, revenue and nonrevenue.

[United States Railroad Administration.]

1919.		1919.	
January	30,355,765,000	November	32,539,248,000
July	34,914,294,000	December	33,462,298,000
August	36,361,653,000		
September	38,860,311,000	1920.	
October	40,343,750,000	January	34,769,722,000

BANK TRANSACTIONS DURING JANUARY-FEBRUARY.

In the tables below are shown debits to individual account for the four weeks ending February 18 of the present year, and for the corresponding weeks in 1919, as reported to the Board by over 150 of the country's more important clearing houses. A recapitulation, by Federal Reserve districts, combines figures for 150 centers, for which uniform reports are available for each of the eight weeks under review.

Considerable fluctuations in the weekly total, both in 1919 and in the present year, are shown, the high figures in both years applying to the week covering end-of-January transactions, while the low figures are shown for the weeks ending February 12, 1919, and February 18 of the present year, containing Lincoln's Birthday, observed as a holiday by most of the clearing-house centers. On the whole the volume of bank transactions for the four weeks under review, while nearly 10 per cent less than for the preceding four weeks, shows a degree of recession but slightly larger than the corresponding volume a year ago. For the New York Clearing House banks, however, undoubtedly as the result of the decided shrinkage during the month in the volume of stock-exchange dealings, the decrease in bank transactions as compared with the total for the immediately preceding four weeks was about 13 per cent, as compared with 10 per cent the year before.

Aggregate debits to individual account reported for New York City for the four weeks under review show a 28 per cent increase over the corresponding 1919 figures, or slightly less than the rate of increase that is shown by all the other reporting centers. For the four-week period immediately preceding the volume of like debits of New York City banks shows an increase of about 32 per cent, compared with an increase of 25 per cent only for other reporting centers.

Debits to individual account at clearing-house banks.

[In thousands of dollars.]

Federal Reserve district.	1920				1919			
	Week ending—				Week ending—			
	Jan. 28.	Feb. 4.	Feb. 11.	Feb. 18.	Jan. 29.	Feb. 5.	Feb. 12.	Feb. 19.
No. 1—Boston:								
Bangor	2,972	3,022	3,035	3,018	2,131	3,105	2,245	2,730
Boston	306,189	333,020	294,845	300,648	229,283	272,062	220,036	226,339
Fall River	9.519	13,105	8,326	9,472	6,220	7,218	6,166	5,325
Hartford	20,603	28,036	18,335	27,058	16,227	19,497	13,744	18,181
Holyoke	4,927	4,889	4,438	4,997	2,663	3,168	2,304	3,009
Lowell	4,994	5,255	4,922	5,713	5,336	5,278	4,240	4,799
New Bedford	8,059	7,813	7,948	10,769	5,714	6,172	5,573	6,591
New Haven	20,227	19,529	17,601	16,762	18,946	17,011	11,067	16,540
Portland	6,867	8,450	6,892	6,934	....	....	....	....
Providence	40,248	42,248	34,325	41,060	29,166	27,942	25,736	28,365
Springfield	16,648	19,458	16,709	12,647	8,451	9,972	8,911	9,456
Waterbury	7,601	7,262	6,664	9,893	5,691	6,981	4,606	7,164
Worcester	16,509	19,978	15,483	17,949	12,843	14,736	11,900	13,468
No. 2—New York:								
Albany	22,781	20,627	19,516	20,095	20,858	14,353	17,923	14,976
Binghamton	3,830	4,449	3,914	3,944	2,960	3,236	2,193	2,968
Buffalo	62,684	76,259	61,283	58,764	53,456	59,034	37,725	62,840
New York	4,616,856	5,427,761	4,918,894	4,075,180	3,736,138	4,302,842	2,901,788	3,881,924
Passaic	4,948	5,562	4,663	5,511	2,917	3,554	3,202	3,241
Rochester	30,160	29,819	27,016	30,197	21,618	27,324	18,614	26,581
Syracuse	13,255	15,235	15,738	14,960	12,438	18,588	9,956	12,306
No. 3—Philadelphia:								
Altoona	3,370	2,877	2,470	3,101	2,230	2,471	1,802	2,528
Chester	4,363	4,705	4,110	4,775	5,503	5,228	3,684	4,980
Harrisburg	5,134	2,330	2,300	2,720	4,905	4,826	4,383	5,937
Johnstown	2,810	3,194	3,104	3,626	2,299	3,162	1,822	2,916
Lancaster	5,111	5,539	4,651	5,341	3,564	4,222	2,721	4,329
Philadelphia	343,180	401,683	319,216	331,070	268,552	306,129	222,493	302,813
Reading	4,475	4,710	4,464	5,711	3,428	3,613	3,029	4,641
Scranton	15.703	12,111	15,460	12,068	12,589	11,545	10,286	10,798
Trenton	10,410	10,720	10,117	11,188	7,774	10,014	7,744	12,796
Wilkes-Barre	8,187	6,659	7,352	8,722	4,444	6,366	5,261	6,729
Williamsport	3,961	3,552	3,285	3,805	2,981	2,802	2,415	2,846
Wilmington	10,102	15,661	12,663	9,356	8,920	10,673	6,641	8,926
York	3,509	4,208	3,146	4,094	2,611	3,006	2,639	3,090

Debits to individual account at clearing-house banks—Continued.

[In thousands of dollars.]

Federal Reserve district.	1920 Week ending— Jan. 28.	1920 Feb. 4.	1920 Feb. 11.	1920 Feb. 18.	1919 Week ending— Jan. 29.	1919 Feb. 5.	1919 Feb. 12.	1919 Feb. 19.
No. 4—Cleveland:								
Akron	18,632	28,068	27,991	27,471	16,045	17,123	16,086	16,955
Cincinnati	61,402	66,159	58,974	60,866	52,211	57,547	49,168	50,494
Cleveland	164,194	164,560	148,918	152,174	125,878	125,756	103,922	119,997
Columbus	27,228	28,202	27,678	34,562	21,525	25,220	21,812	22,240
Dayton	11,753	12,614	11,468	13,135	10,545	11,176	10,877	10,103
Erie	6,259	7,118	6,304	6,621	6,524	6,863	5,858	6,198
Greensburg	4,822	5,704	4,029	4,432	3,537	2,765	2,760	2,308
Lexington	11,708	11,311	11,550	12,063	9,716	10,510	8,951	10,872
Oil City	2,315	2,571	1,865	2,699	1,756	2,432	1,984	2,741
Pittsburg	181,501	177,270	173,188	184,823	175,877	167,172	154,406	154,753
Springfield	3,012	3,883	3,135	3,526	3,157	2,372	2,717	2,749
Toledo	29,432	23,052	23,477	34,031	21,351	21,406	21,449	22,461
Wheeling	9,855	9,164	7,223	9,919	10,716	10,888	6,481	7,561
Youngstown	17,659	13,327	16,050	12,273	14,287	12,835	12,550	9,695
No. 5—Richmond:								
Baltimore	99,710	113,103	97,203	98,784	72,921	81,360	69,191	74,982
Charleston	11,648	11,473	10,228	9,706	6,690	7,704	6,376	6,378
Charlotte	9,259	8,900	11,223	11,567	6,300	5,600	5,111	5,500
Columbia	9,587	9,657	8,019	7,656	5,824	6,488	9,215	6,857
Norfolk	20,114	19,320	16,893	18,819	19,449	17,494	18,970	16,498
Raleigh	5,500	5,300	5,800	4,900	5,319	5,570	3,565	5,900
Richmond	27,691	34,644	30,489	30,290	24,196	30,846	25,080	22,177
No. 6—Atlanta:								
Atlanta	33,067	33,127	32,753	33,999	23,548	26,024	27,835	23,027
Augusta	12,923	11,475	10,500	8,756	6,446	6,687	5,682	5,707
Birmingham	15,393	17,352	16,100	16,326	9,685	14,291	13,451	11,004
Chattanooga	12,343	13,734	10,994	13,764	7,591	10,040	7,208	9,012
Jacksonville	16,562	14,582	13,955	13,651	10,563	10,910	9,944	9,903
Knoxville	6,659	7,109	6,754	7,971	4,758	6,180	5,335	5,769
Macon	10,019	7,963	7,264	8,163	4,944	5,360	4,535	4,495
Mobile	9,793	10,035	9,752	9,089	6,413	6,977	6,501	6,527
Montgomery	6,236	6,150	5,843	6,200	4,145	4,370	3,703	5,839
Nashville	27,915	27,148	26,281	26,475	18,964	19,061	17,190	18,855
New Orleans	83,504	98,564	88,944	73,298	69,239	71,910	62,285	65,198
Pensacola	2,197	2,579	2,915	2,342	2,071	2,154	1,861	2,266
Savannah	19,747	21,284	18,666	14,971	12,301	12,416	11,737	11,722
Tampa	6,378	7,244	6,668	6,663	4,594	4,327	4,346	4,707
Vicksburg	2,190	2,102	2,116	1,735	1,874	2,142	1,945	1,604
No. 7.—Chicago:								
Bay City	4,048	2,865	3,366	3,098	2,848	2,374	2,440	3,076
Bloomington	2,521	3,120	2,571	3,377	2,227	2,340	1,831	2,388
Cedar Rapids	9,691	8,888	8,167	9,120	4,440	5,432	5,050	3,495
Chicago	676,679	739,189	670,098	679,408	544,374	623,177	436,154	614,073
Davenport	6,978	9,450	6,146	8,368	5,931	8,454	6,202	8,421
Decatur	3,664	4,234	3,618	3,683	2,884	3,125	2,229	2,917
Des Moines	21,412	18,484	21,621	19,781	16,020	18,233	15,205	18,172
Detroit	127,715	150,484	108,855	176,308	93,136	107,015	68,400	130,534
Dubuque	3,088	4,000	3,125	3,641	1,800	2,300	1,700	2,021
Flint	10,000	11,000	8,000	7,000	4,293	5,163	3,900	3,725
Fort Wayne	6,128	6,575	7,636	6,710	4,569	5,154	3,919	4,671
Grand Rapids	20,521	21,443	20,989	23,637	16,602	14,777	14,742	13,890
Indianapolis	33,817	37,800	34,539	40,454	26,693	24,670	22,635	32,674
Jackson	4,868	4,960	4,177	4,864	....	....	....	....
Kalamazoo	4,312	4,759	4,713	4,563	2,644	3,250	2,239	3,338
Lansing	5,160	4,956	5,147	5,657	3,125	3,476	2,904	4,307
Milwaukee	55,689	69,198	66,223	63,682	49,411	59,628	50,728	48,654
Peoria	9,540	10,740	8,440	12,101	10,362	11,637	10,090	12,590
Rockford	4,886	6,475	6,171	5,823	4,033	4,822	3,595	4,979
Sioux City	15,902	15,219	16,810	16,936	16,765	14,747	16,609	15,273
South Bend	3,119	4,187	4,432	4,375	500	3,803	2,332	3,167
Springfield	3,333	5,022	4,753	4,959	2,851	2,662	2,792	2,918
Waterloo	2,793	3,632	3,660	3,484	2,854	3,263	2,391	2,925
No. 8.—St. Louis:								
Evansville	5,325	5,772	5,582	6,275	4,252	2,605	2,279	3,300
Little Rock	9,865	9,896	10,009	10,262	7,689	7,695	6,839	7,263
Louisville	35,750	39,432	32,083	47,859	41,643	40,924	41,959	50,130
Memphis	45,969	43,598	43,747	49,674	28,703	29,220	25,301	26,161
St. Louis	146,440	163,296	148,099	166,879	129,907	154,953	124,323	128,110
No. 9.—Minneapolis:								
Aberdeen	3,829	1,484	1,382	2,149	1,130	1,257	992	1,284
Billings	2,133	2,079	2,393	2,601	1,649	1,763	1,431	2,066
Duluth	16,502	15,976	18,372	16,007	29,534	25,525	15,533	14,082
Fargo	2,549	2,804	2,848	2,797	1,763	2,537	1,732	1,541
Grand Forks	1,432	1,566	1,548	1,488	1,062	1,197	1,187	1,180
Great Falls	2,675	2,864	2,611	2,113	2,925	3,249	2,981	3,126
Helena	2,615	2,438	2,604	1,986	2,352	2,016	2,113	2,281
Minneapolis	81,537	80,900	83,534	76,348	64,792	67,776	42,993	62,127
St. Paul	36,032	37,687	38,850	36,578	34,833	38,196	29,106	36,793
Sioux Falls	6,800	6,212	5,013	6,752	....	....	....	....
Superior	1,687	1,856	1,610	1,741	1,300	1,422	1,811	1,830
Winona	911	1,337	2,165	1,045	901	1,217	978	950

Debits to individual account at clearing house banks—Continued.

[In thousands of dollars.]

Federal Reserve district.	1920				1919			
	Week ending—				Week ending—			
	Jan. 28.	Feb. 4.	Feb. 11.	Feb. 18.	Jan. 29.	Feb. 5.	Feb. 12.	Feb. 19.
No. 10.—Kansas City:								
Atchison	563	575	639	673	...	...	...	...
Bartlesville	3,010	4,255	3,355	3,550	1,733	2,585	2,066	2,351
Cheyenne	1,641	2,117	2,413	1,946	...	...	...	...
Colorado Springs	3,155	3,245	3,517	2,946	1,809	2,210	1,691	2,111
Denver	44,879	60,228	60,408	43,635	27,515	31,785	23,144	26,138
Joplin	3,467	3,542	4,264	4,691	2,767	3,243	3,145	2,888
Kansas City, Kans.	3,915	4,128	3,936	4,249	3,065	3,120	3,221	3,249
Kansas City, Mo.	94,162	94,222	86,129	89,261	78,456	85,428	82,612	84,119
Muskogee	5,567	6,332	5,877	6,074	2,604	3,133	3,291	3,074
Oklahoma City	17,762	19,678	18,509	19,099	12,895	12,939	11,049	12,791
Omaha	60,831	55,488	57,927	55,914	59,454	64,564	45,106	63,486
Pueblo	4,819	3,819	3,732	4,658	3,199	4,505	3,216	4,121
St. Joseph	21,265	19,819	13,025	17,517	22,059	21,226	18,516	16,729
Topeka	5,067	5,909	5,969	5,624	3,718	5,631	3,803	5,195
Tulsa	25,706	27,059	26,106	30,408	18,790	17,421	18,552	18,223
Wichita	11,818	14,347	11,975	12,379	7,866	9,822	9,750	7,055
No. 11.—Dallas:								
Albuquerque	1,892	2,070	1,904	1,796	1,191	1,686	1,313	1,331
Austin	3,409	4,182	4,086	3,714	3,542	3,841	2,703	4,470
Beaumont	4,480	4,330	5,852	4,979	3,685	4,582	3,769	4,691
Dallas	44,220	45,517	40,673	46,929	28,901	29,749	24,340	36,988
El Paso	9,119	10,036	8,064	9,041	5,919	6,659	5,649	7,121
Fort Worth	23,356	22,943	19,010	22,751	17,281	19,146	16,336	17,300
Galveston	8,002	10,864	8,394	6,704	6,303	6,288	5,667	5,421
Houston	37,603	38,225	33,032	38,872	24,271	25,091	18,679	27,918
San Antonio	8,290	9,014	9,062	8,388	...	...	...	...
Shreveport	8,294	10,489	8,605	8,859	5,222	3,694	3,828	4,789
Texarkana	1,664	2,363	2,139	2,912	997	1,681	1,259	1,844
Tucson	1,432	1,575	1,514	1,344	1,678	1,933	1,867	1,579
Waco	3,866	6,155	4,980	5,640	3,063	3,055	2,485	3,823
No. 12.—San Francisco:								
Berkeley	3,743	2,935	2,392	2,865	...	...	...	...
Boise	3,830	3,534	3,619	3,279	2,365	2,472	2,018	1,845
Fresno	8,799	9,494	7,556	17,136	5,156	5,845	5,170	5,913
Long Beach	5,426	6,132	4,664	6,132	2,322	2,652	2,083	2,782
Los Angeles	92,346	102,845	96,180	97,207	54,512	62,125	46,217	68,820
Oakland	19,944	19,861	20,799	19,419	10,614	13,133	11,749	11,141
Ogden	3,972	3,183	3,919	4,061	3,690	3,298	3,570	3,713
Pasadena	5,253	5,725	4,724	5,248	2,744	2,767	2,097	3,445
Portland	37,503	45,510	41,091	45,526	36,571	36,018	26,622	42,418
Reno	2,605	3,085	2,890	2,001	1,508	1,695	1,345	2,218
Sacramento	12,001	15,884	10,993	14,217	11,366	15,336	9,288	11,610
Salt Lake City	17,383	18,452	13,243	20,176	13,343	14,633	11,673	14,651
San Diego	6,893	8,364	7,741	7,812	4,654	5,768	4,156	5,571
San Francisco	193,137	218,282	182,952	189,384	128,852	171,171	115,922	167,053
San Jose	4,981	5,584	5,651	5,881	...	...	...	...
Seattle	45,937	50,571	44,944	43,630	42,249	43,949	27,368	42,199
Spokane	12,259	13,083	11,659	12,978	7,238	8,804	6,625	8,854
Stockton	5,404	5,708	4,860	6,683	4,139	3,500	3,174	4,940
Tacoma	9,948	9,711	10,323	11,360	9,432	9,214	8,107	10,342
Yakima	2,436	3,270	3,082	2,973	1,523	1,908	1,570	2,008

Recapitulation by Federal Reserve districts.

[In thousands of dollars.]

Federal Reserve District.	Number of centers included.	1920 Week ending—				1919 Week ending—			
		Jan. 28.	Feb. 4.	Feb. 11.	Feb. 18.	Jan. 29.	Feb. 5.	Feb. 12.	Feb. 19.
Boston	12	458,496	503,615	432,631	459,986	342,671	393,142	316,528	341,967
New York	7	4,754,514	5,579,712	5,051,024	4,208,651	3,850,385	4,428,931	2,991,401	4,004,836
Philadelphia	13	420,315	477,949	392,338	405,577	329,800	374,057	274,920	373,329
Cleveland	14	549,772	553,003	521,850	558,595	473,125	474,065	419,021	439,127
Richmond	7	183,509	202,397	179,855	181,722	140,699	155,062	137,508	138,292
Atlanta	15	264,926	280,448	259,505	243,403	187,136	202,849	183,558	185,635
Chicago	22	1,030,996	1,141,720	1,019,080	1,106,165	818,362	929,502	678,087	938,208
St. Louis	5	243,349	261,994	*239,520	280,949	212,194	235,397	200,701	214,964
Minneapolis	11	151,902	150,991	157,917	144,853	142,241	146,155	100,857	127,260
Kansas City	14	305,423	322,071	304,729	300,005	245,930	267,612	229,162	251,530
Dallas	12	147,337	158,749	138,253	153,541	102,053	107,405	87,895	117,275
San Francisco	18	485,076	542,694	475,239	509,222	342,278	404,288	288,754	409,523
Total	150	8,995,615	10,175,343	9,171,941	8,552,669	7,186,874	8,118,465	5,908,392	7,541,946

GOLD SETTLEMENT FUND.

Substantial increases in the number of banks on the par list, accompanied by a continued increase in the use of the facilities of the Federal Reserve Banks in effecting telegraphic transfers of funds between Federal Reserve districts for the account of member banks, together with the heavy movement of funds between the interior and New York in connection with loans in the stock market, are largely responsible for the further increase in the volume of clearings effected through the gold settlement fund during the 3-month period ending February 19, 1920. Total clearings aggregated $20,586,346,000, marking an increase of 7 per cent over the previous record total of $19,230,644,000 reported for the 3 months ending November 20, 1919.

In addition to the amounts cleared through the fund, the Board effected transfers of funds between the Federal Reserve Banks, mainly in connection with rediscount transactions and for Government account, aggregating $1,616,126,000, compared with $1,754,351,000 during the 3 preceding months. The decrease in the amount of Government expenditures during recent months and consequently the lessening demand upon the facilities of the Federal Reserve Banks for the purpose of shifting funds from the interior to New York account for the slight falling off in the aggregate amount of transfers effected. Transfers were heaviest during the week following December 15, when the June 3 and July 1, 1919, issues of tax certificates matured and the final installment of 1919 income and excess profits taxes were payable.

Operations of the New York bank through the fund resulted in a net loss through settlements of $431,575,638 and a net gain through transfers of $348,393,683, thus indicating a net movement of funds away from New York amounting to $83,181,955. The continued movement of funds to the San Francisco bank, as evidenced by net gains through settlements and transfers of $47,708,000, $115,173,000, and $78,158,774, respectively, reported for the 3-month period ending August 22 and November 20, 1919, and February 19, 1920, is due in part to the heavy demands for gold for shipment to Japan, China, Hongkong, and other Far Eastern countries. Substantial increases in ownership of gold (net gains through settlements and transfers) are also shown for the Cleveland and Philadelphia banks, while Chicago and Richmond report a considerable movement of funds to other districts.

During the period under review the banks deposited $99,145,045 net of gold in the fund and transferred $161,309,500 to the Federal Reserve agents. This resulted in a decrease in the banks' balances in the fund from $449,782,413 on November 20 to $387,617,958 on February 19, 1920. The agents' fund was credited with the amounts transferred from the banks ($161,309,500) and charged with net withdrawals aggregating $200,000,000. On February 19, 1920, the aggregate balances in the two funds stood at $1,182,379,818, or $100,854,955 less than on November 20, 1919.

Below are given figures showing operations of the two funds for the period from November 21, 1919, to February 19, 1920, inclusive:

Amounts of clearings and transfers through the gold settlement fund by Federal Reserve Banks, from Nov. 21, 1919, to Feb. 19, 1920, both inclusive.

Settlements of—	Total clearings.	Transfers.
Nov. 21-26	$1,409,957,138.02	$48,753,980.11
Nov. 27-Dec. 4	1,783,514,418.53	94,022,608.38
Dec. 5-11	1,478,042,381.83	75,347,604.25
Dec. 12-18	1,704,301,576.55	51,116,717.83
Dec. 19-24	1,452,209,366.51	244,638,898.94
Dec. 26-31	1,481,085,333.03	135,760,964.44
Jan. 2-8	1,859,179,029.79	175,869,107.22
Jan. 9-15	1,602,250,242.28	201,745,851.94
Jan. 16-22	1,735,829,277.49	149,680,968.67
Jan. 23-29	1,610,741,529.52	86,756,326.83
Jan. 30-Feb. 5	1,546,781,824.92	147,774,240.45
Feb. 6-11	1,156,246,402.96	76,515,894.54
Feb. 13-19	1,766,207,752.74	128,143,008.21
Total	20,586,346,274.17	1,616,126,171.81
Total since Jan. 1, 1920	11,277,236,059.70	966,485,397.86
Total for 1919	66,053,394,214.47	7,930,857,773.95
Total for 1918	45,439,487,000.00	4,812,105,000.00
Total for 1917	24,319,200,000.00	2,835,504,000.00

Clearings and Transfers.

Total for 1920 to date	$12,243,721,457.56
Total for 1919	73,984,251,988.42
Total for 1918	50,251,592,000.00
Total for 1917	27,154,704,000.00
Total for 1916	5,533,966,000.00
Total for 1915	1,052,649,000.00
Total clearings and transfers from May 20, 1915, to Feb. 19, 1920	170,220,884,445.89

Changes in ownership of gold.

Federal Reserve Bank.	Total to Nov. 20, 1919.		From Nov. 21, 1919, to Feb. 19, 1920, inclusive.				Total changes from May 20, 1915, to Feb. 19, 1920.	
	Decrease.	Increase.	Balance to credit Nov. 20, plus net deposits of gold since that date.	Balance Feb. 19, 1920.	Decrease.	Increase.	Decrease.	Increase.
Boston		$14,160,000.00	$31,817,714.57	$39,394,274.39		$7,576,559.82		$21,736,559.82
New York	$737,738,000.00		123,172,592.42	39,990,637.24	$83,181,955.18		$820,919,955.18	
Philadelphia		5,890,000.00	10,362,287.00	30,090,504.07		19,728,217.07		25,618,217.07
Cleveland		98,555,000.00	7,224,042.37	36,724,758.93		29,500,716.56		128,055,716.56
Richmond		48,957,000.00	46,957,023.84	30,565,744.66	16,391,279.18			32,565,720.82
Atlanta		57,481,000.00	12,820,604.93	20,772,407.49		7,951,802.56		65,432,802.56
Chicago		102,889,000.00	116,001,247.13	75,216,620.87	40,784,626.26			62,104,373.74
St. Louis		82,404,000.00	16,253,459.89	12,240,818.01	4,012,641.88			78,391,358.12
Minneapolis		8,357,000.00	19,167,230.12	17,860,023.04	1,307,207.08			7,049,792.92
Kansas City		44,404,000.00	43,914,236.42	37,983,817.93	5,930,418.49			38,473,581.51
Dallas		38,530,000.00	5,964,646.42	14,656,704.08		8,692,057.66		47,222,057.66
San Francisco		236,111,000.00	[1]46,037,127.01	32,121,647.39		78,158,774.40		314,269,774.40
Total	737,738,000.00	737,738,000.00	387,617,958.10	387,617,958.10	151,608,128.07	151,608,128.07	820,919,955.18	820,919,955.18

[1] Excess of withdrawals over balance Nov. 20, 1919, and deposits since that date.

Combined statement from Nov. 21, 1919, to Feb. 19, 1920, inclusive.

GOLD SETTLEMENT FUND.

Federal Reserve Bank of—	Balance last statement, Nov. 20, 1919.	Gold withdrawals.	Gold deposits.	Aggregate withdrawals and transfers to agent's fund.	Aggregate deposits and transfers from agent's fund.	Transfers.	
						Debits.	Credits.
Boston	$32,877,714.57	$60,000.00	$21,000,000.00	$22,060,000.00	$21,000,000.00	$136,643,206.28	$90,390,730.11
New York	118,304,592.42	85,132,000.00	125,000,000.00	140,132,000.00	145,000,000.00	164,957,676.07	513,351,358.98
Philadelphia	30,025,787.00		14,336,500.00	39,000,000.00	19,336,500.00	274,579,612.86	324,426,274.13
Cleveland	25,731,519.87	4,000,000.00	5,492,522.50	24,000,000.00	5,492,522.50	126,729,354.26	41,884,074.15
Richmond	33,671,208.84	2,543,185.00	25,829,000.00	12,543,185.00	25,829,000.00	73,770,752.54	63,911,213.85
Atlanta	16,631,827.43	298,900.00	20,487,677.50	32,298,900.00	28,487,677.50	83,539,169.62	41,702,950.56
Chicago	64,167,247.13	260,000.00	37,094,000.00	40,260,000.00	92,094,000.00	318,138,940.94	240,373,307.67
St. Louis	16,403,294.89	7,749,835.00	23,600,000.00	64,749,835.00	64,600,000.00	54,894,410.04	27,712,787.89
Minneapolis	17,397,230.12	200,000.00	3,470,000.00	2,200,000.00	3,970,000.00	21,371,860.55	19,717,544.51
Kansas City	42,570,826.42	120,000.00	1,463,410.00	120,000.00	1,463,410.00	97,062,484.33	64,949,000.36
Dallas	20,773,791.42	7,912,775.00	1,103,630.00	15,912,775.00	1,103,630.00	178,632,282.39	140,699,589.23
San Francisco	31,227,372.99	92,255,000.00	20,800,000.00	170,255,000.00	92,990,500.00	85,806,421.93	47,007,340.37
Total	449,782,413.10	200,531,695.00	299,676,740.00	563,531,695.00	501,367,240.00	1,616,126,171.81	1,616,126,171.81

Federal Reserve Bank of—	Settlements from Nov. 21, 1919, to Feb. 19, 1920, both inclusive.				Balance in fund at close of business, Feb. 19, 1920.
	Net debits.	Total debits.	Total credits.	Net credits.	
Boston		$1,630,628,780.70	$1,684,457,816.69	$53,829,035.99	$39,394,274.39
New York	$431,575,638.09	5,823,871,433.54	5,392,295,795.45		39,990,637.24
Philadelphia	30,118,444.20	1,915,708,071.66	1,885,589,627.46		30,090,504.07
Cleveland		1,510,483,554.55	1,624,829,551.22	114,345,996.67	36,724,758.93
Richmond	6,531,740.49	1,948,220,536.71	1,941,688,796.22		30,565,744.66
Atlanta		651,341,938.26	701,129,959.88	49,788,021.62	20,772,407.49
Chicago		2,608,150,917.16	2,645,131,924.17	36,981,007.01	75,216,620.87
St. Louis		1,593,407,459.99	1,616,576,440.26	23,168,980.27	12,240,818.01
Minneapolis		443,223,834.43	443,570,943.39	347,108.96	17,860,023.04
Kansas City		1,127,440,294.48	1,153,623,359.96	26,183,065.48	37,983,817.93
Dallas		729,194,953.78	775,819,704.60	46,624,750.82	14,656,704.08
San Francisco		604,674,498.91	721,632,354.87	116,957,855.96	32,121,647.39
Total	468,225,822.78	20,586,346,274.17	20,586,346,274.17	468,225,822.78	387,617,958.10

Combined statement from Nov. 21, 1919, to Feb. 19, 1920, both inclusive.

FEDERAL RESERVE AGENTS' FUND.

Federal Reserve agent at—	Balance last statement, Nov. 20, 1919.	Gold withdrawals.	Gold deposits.	Withdrawals for transfers to bank.	Deposits through transfers from bank.	Total withdrawals.	Total deposits.	Balance at close of business Feb. 19, 1920.
Boston	$52,000,000	$34,000,000	$20,000,000		$22,000,000	$34,000,000	$42,000,000	$60,000,000
New York	85,000,000	15,000,000		$20,000,000	55,000,000	35,000,000	55,000,000	105,000,000
Philadelphia	65,389,260	40,000,000	8,500,000	5,000,000	39,000,000	45,000,000	47,500,000	67,889,260
Cleveland	70,000,000	10,000,000			20,000,000	10,000,000	20,000,000	80,000,000
Richmond	48,000,000	25,000,000			10,000,000	25,000,000	10,000,000	33,000,000
Atlanta	48,000,000	22,000,000		8,000,000	32,000,000	30,000,000	32,000,000	50,000,000
Chicago	245,144,500	76,000,000	46,000,000	55,000,000	40,000,000	131,000,000	86,000,000	200,144,500
St. Louis	63,930,600	28,000,000		41,000,000	57,000,000	69,000,000	57,000,000	51,930,600
Minneapolis	19,800,000	2,000,000		500,000	2,000,000	2,500,000	2,000,000	19,300,000
Kansas City	36,860,000	18,000,000	15,000,000			18,000,000	15,000,000	33,860,000
Dallas	11,484,000	9,000,000	7,000,000		8,000,000	9,000,000	15,000,000	17,484,000
San Francisco	87,844,000	17,500,000		72,190,500	78,000,000	89,690,500	78,000,000	76,153,500
Total	833,452,360	296,500,000	96,500,000	201,690,500	363,000,000	498,190,500	459,500,000	794,761,860

DISCOUNT AND OPEN MARKET OPERATIONS OF THE FEDERAL RESERVE BANKS DURING JANUARY, 1920.

Discount operations of the Federal Reserve Banks during the first month of the present year totaled $6,241,271,489, compared with $7,290,872,591 in December, 1919, and $5,994,382,265 in January of the past year. These totals are exclusive of amounts of bills discounted for other Federal Reserve Banks, which totaled 270 millions in the month under review, 117 millions in December, 1919, and about 105 millions in January, 1919.

Reduction in the volume of outstanding Treasury certificates, followed by a decrease in the total volume of war paper discounted, also the prevalence during the month of uniform rates, irrespective of maturity, on paper secured by Liberty bonds and Victory notes, as well as on ordinary commercial paper, largely account for the considerable shrinkage in total discounts shown, as may be seen from a comparison of the volumes of war paper and 15-day paper discounted by the Federal Reserve Banks during January and the months immediately preceding. War paper discounted during January totaled 5,456.3 millions, compared with 6,202.2 millions in December and 6,761.8 millions in November, 1919, while the volume of 15-day paper discounted in January was 5,609.3 millions, as against 6,746.3 millions in December and 6,860.8 millions in November of the past year.

Discount operations were on a substantially smaller scale than the month before at all the banks, except at Atlanta, where the decrease was nominal, and at St. Louis and Dallas, where January operations show considerable increases over the figures of the previous month.

War paper constituted 87.4 per cent of the total paper discounted during the month, as against 85 per cent for December and about 90 per cent for January, 1919. At the New York bank the share of war paper in the total discount operations for the month was nearly 90 per cent, as against 87 per cent the month before. Discounts of trade acceptances totaled $16,611,090, compared with $23,560,893 for December and $10,904,212 for January of last year. Of the most recent monthly total all but $346,446 represented bills based upon domestic trade transactions. Discounts of bankers' acceptances declined from $62,145,690 in December, 1919, to $17,223,362 during the month under review. Discounts of ordinary commercial paper show a reduction to $736,600,589 from $982,387,419 in December, 1919.

About 90 per cent of the month's discounts, as against 92 per cent in December, 1919, was made up of 15-day paper, i. e., bills maturing within 15 days from date of discount or rediscount with the Federal Reserve Banks. On the other hand, the share of 90-day paper shows an increase for the same period from 3.7 to 5.8 per cent. Six-month paper, composed of agricultural and live-stock paper, totaled $11,333,378, compared with $12,380,465 the month before. As a result, the average maturity of all the paper discounted during the month works out at 13.21 days, compared with 11.52 days for December and 10.34 days for January of the past year. For the New York bank the average maturity of the paper discounted works out at 9.63 days, compared with 7.40 days for December and 7.20 days for January, 1919.

About 81 per cent of the January discounts took the 4¾ per cent rate and over 11 per cent the 5½ per cent rate, while the average rate of discount charged by all Federal Reserve Banks works out at 4.90 per cent, as compared with 4.67 per cent the month before and 4.18 per cent for January of last year. For the New York bank the average calculated rate of discount charged during the month was 4.86 per cent, compared with 4.63 per cent for December and 4.07 per cent for January, 1919.

Holdings of discounted paper on the last Friday of the month totaled $2,174,357,000, compared with $2,194,878,000 held on the last Friday in December and $1,601,128,000 at the end of January last year. About 67 per cent of the paper held about the end of the month under review was made up of war paper, compared with about 69 per cent about the close of December and 85 per cent about the close of January of last year. Discounted trade acceptances held on the last Friday in January totaled $24,886,000, compared with $33,697,000 held on the last Friday in December, the decrease shown following the abolition by all the Federal Reserve Banks of differential rates in favor of trade acceptances as against one-name paper. Holdings of agricultural paper totaled $23,212,000, compared with $24,825,000 about the end of December, 1919, and $30,291,000 on the corresponding date the year before, while holdings of live-stock paper totaled $33,693,000, compared with $26,243,000 a month and

$28,710,000 about a year previous. Of the total agricultural paper held, about 75 per cent constituted the combined shares of the Chicago and Kansas City banks, while live-stock paper holdings are practically limited to the Minneapolis, Kansas City, Dallas, and San Francisco banks.

During the month under review the membership of the system increased from 9,069 to 9,112 institutions, while the number of member banks accommodated through discount of paper decreased from 3,659 in December, 1919, to 3,461 in January. In the following exhibit is presented the number of member banks in each Federal Reserve district at the end of December, 1919, and January, also the number of member banks in each district accommodated during each of these two months.

Federal reserve bank.	Number of member banks in district.		Number of member banks accommodated.	
	Jan. 31.	Dec. 31.	Jan. 31.	Dec. 31.
Boston	431	432	307	277
New York	757	753	375	434
Philadelphia	682	678	393	405
Cleveland	845	843	238	276
Richmond	586	584	264	255
Atlanta	429	427	159	173
Chicago	1,377	1,375	530	586
St. Louis	542	536	204	205
Minneapolis	928	921	228	270
Kansas City	1,042	1,039	297	365
Dallas	762	758	210	200
San Francisco	731	723	256	213
Total	9,112	9,069	3,461	3,659

Bills purchased in open market during January totaled $302,452,384, compared with $400,708,093 purchased in December, 1919, and $201,491,706 in January of last year. Of the total bills purchased during the month under review $296,964,682 were bankers' acceptances, and of these about 81 per cent were based upon foreign trade transactions. Purchases of trade acceptances during the month reported by three banks totaled $2,706,602, compared with $5,080,924 for December and $3,031,723 for January of 1919. About 90 per cent of the January total was drawn in the foreign trade.

About 37 per cent of the paper bought in open market was composed of paper of more than 60 days' maturity at the time of purchase by the Federal Reserve Banks, the average maturity of all the paper bought during January being 47.05 days, compared with 57.11 days for December and 55.51 days for January of last year. About 29 per cent of the bills were purchased at the $4\frac{3}{4}$ per cent rate, over 23 per cent took the 5 per cent rate, and about 21 per cent the $5\frac{1}{2}$ per cent rate. The average rate of discount at which the bills were purchased works out at 5.10 per cent, compared with 4.84 per cent for December and 4.28 per cent for January of the past year. Average maturities of the paper purchased by the New York and Boston banks are considerably shorter, viz, 34.07 and 36.18 days, while the average rates of discount charged work out at 5.11 and 5.23 per cent.

On the last of January the Federal Reserve Banks held a total of $562,010,000 of purchased bills, compared with $574,103,000 held at the close of December and $281,293,000 at the close of January, 1919. Of the most recent total all but $6,448,000 were bankers' acceptances, of which $383,549,000, or nearly 70 per cent, were bills accepted by member institutions, $74,620,000, or 13.3 per cent, bills accepted by nonmember State banks and trust companies, $60,999,000 bills accepted by private banks, and $36,394,000 bills accepted by foreign banks and their agencies. Of the $6,448,000 of purchased trade acceptances held at the close of the month $4,558,000 were bills drawn in the foreign trade and $1,890,000 bills drawn in the domestic trade. The former are larger bills drawn by exporters in the Far East or American import houses and are reported largely by the New York and San Francisco banks.

Total discount and open-market operations of each Federal Reserve Bank during the months of January, 1920 and 1919.

Federal Reserve Bank.	Bills discounted for member banks.	Bills bought in open market.	United States bonds.	United States certificates of indebtedness.	Total United States securities.	Total.	
						Jan., 1920.	Jan., 1919.
Boston	$363,305,053	$18,686,390	....	$23,792,500	$23,792,500	$405,783,943	$403,009,318
New York	3,454,051,259	153,066,373	[1] $200,100	156,216,500	156,416,600	3,763,534,232	4,259,725,220
Philadelphia	647,658,480	3,723,290	....	5,238,500	5,238,500	656,620,270	686,466,138
Cleveland	243,778,877	28,926,235	....	85,077,000	85,077,000	357,782,112	252,229,449
Richmond	304,887,359	4,356,500	....	14,000,000	14,000,000	323,243,859	302,853,721
Atlanta	150,421,233	6,636,248	....	889,000	889,000	157,946,481	175,091,730
Chicago	408,576,637	24,486,006	....	306,624,500	306,624,500	739,687,143	330,839,363
St. Louis	195,389,925	4,820,000	....	3,390,000	3,390,000	203,599,925	149,900,925
Minneapolis	61,182,911	450,000	....	13,080,500	13,080,500	74,713,411	36,764,059
Kansas City	118,779,298	100,000	....	29,534,000	29,534,000	148,413,298	104,945,378
Dallas	83,529,010	417,085	....	1,000	1,000	83,947,095	92,871,920
San Francisco	209,711,447	56,784,257	....	4,532,000	4,532,000	271,027,704	230,638,925
Total, January, 1920	6,241,271,489	302,452,384	200,100	642,375,500	642,575,600	7,186,299,473	....
Total, January, 1919	5,994,382,265	201,491,706	1,014,175	828,447,000	829,461,175	....	[2] 7,025,336,146

[1] 4 per cent Liberty bonds.

[2] Includes $1,000 of municipal warrants.

Average amount of earning assets held by each Federal Reserve Bank during January, 1920, earnings from each class of earning assets, and annual rate of earnings on basis of January, 1920, returns.

Federal Reserve Bank.	Average daily holdings of the several classes of earning assets.			
	Discounted bills.	Purchased bills.	United States securities.	Total.
Boston	$158,891,007	$32,169,904	$23,249,122	$214,310,033
New York	769,898,611	201,265,952	74,703,590	1,045,868,153
Philadelphia	200,181,794	6,672,551	32,430,013	239,284,358
Cleveland	143,939,161	64,168,486	27,722,263	235,829,910
Richmond	102,045,194	11,781,856	14,204,278	128,031,328
Atlanta	95,344,068	11,461,699	16,099,253	122,905,020
Chicago	282,589,931	85,059,733	56,588,052	424,237,716
St. Louis	87,465,641	18,602,493	18,546,126	124,614,260
Minneapolis	67,067,032	8,921,161	9,147,065	85,135,258
Kansas City	90,496,099	13,209,588	25,336,753	129,042,440
Dallas	57,878,279	5,838,979	12,611,516	76,328,774
San Francisco	86,990,783	116,474,390	14,862,256	218,327,429
Total, January, 1920	2,142,787,600	575,626,792	325,500,287	3,043,914,679
Total, January, 1919	1,768,745,862	378,035,734	126,788,514	2,273,570,110

Federal Reserve Bank.	Earnings from—				Calculated annual rate of earnings from—			
	Discounted bills.	Purchased bills.	United States securities.	Total.	Discounted bills.	Purchased bills.	United States securities.	Total.
					Per cent.	Per cent.	Per cent.	Per cent.
Boston	$604,537	$131,804	$39,664	$776,005	4.52	4.84	2.01	4.30
New York	3,006,175	818,300	148,355	3,972,830	4.65	4.80	2.34	4.49
Philadelphia	802,787	26,541	58,405	887,733	4.72	4.68	2.12	4.36
Cleveland	582,963	264,313	49,191	896,467	4.77	4.85	2.09	4.48
Richmond	409,945	47,422	24,184	481,551	4.73	4.74	2.01	4.43
Atlanta	383,522	45,498	27,562	456,582	4.75	4.69	2.02	4.39
Chicago	1,139,770	340,938	100,720	1,581,428	4.76	4.73	2.10	4.40
St. Louis	352,033	73,657	32,862	458,552	4.74	4.66	2.09	4.33
Minneapolis	278,564	35,318	15,634	329,516	4.90	4.67	2.02	4.57
Kansas City	399,736	52,650	53,086	505,472	5.22	4.71	2.47	4.62
Dallas	241,070	23,329	23,268	287,667	4.90	4.64	2.17	4.43
San Francisco	353,298	476,039	28,548	857,885	4.80	4.83	2.27	4.64
Total, January, 1920	8,554,400	2,335,809	601,479	11,491,688	4.71	4.79	2.18	4.46
Total, January, 1919	6,206,988	1,355,558	259,049	7,821,595	4.27	4.36	2.49	4.06

Bills discounted during the month of January, 1920, distributed by classes; also average rates and maturities of bills discounted by each Federal Reserve Bank.

Federal Reserve Bank.	Customers' paper secured by Government war obligations.	Member banks' collateral notes.		Trade acceptances.	Bankers' acceptances.	All other discounts.	Total.	Average maturity in days.	Average rate (365-day basis).
		Secured by Government war obligations.	Otherwise secured.						
									Per cent.
Boston	$29,701,927	$314,253,000	$66,413	$583,254	$1,553,669	$17,146,790	$363,305,053	12.59	4.89
New York	85,903,335	2,980,142,704	....	6,337,199	10,698,752	370,969,269	3,454,051,259	9.63	4.86
Philadelphia	60,973,765	533,770,593	73,000	286,258	....	52,554,864	647,658,480	14.87	4.83
Cleveland	6,869,675	203,644,390	150,000	1,756,801	....	31,358,011	243,778,877	17.20	4.92
Richmond	6,587,903	282,797,790	2,375,000	557,354	....	12,569,312	304,887,359	10.93	4.96
Atlanta	1,825,306	126,212,660	610,000	754,975	270,767	20,747,525	150,421,233	20.80	4.92
Chicago	5,198,766	300,363,250	84,000	1,265,682	2,413,266	99,251,673	408,576,637	25.14	4.86
St. Louis	7,948,918	139,558,543	....	1,601,563	321,000	45,959,901	195,389,925	19.44	4.88
Minneapolis	2,478,487	42,596,200	597,037	165,141	....	15,346,046	61,182,911	27.82	5.05
Kansas City	2,068,226	82,285,120	9,586,521	391,794	....	24,447,637	118,779,298	28.02	5.52
Dallas	97,750	76,852,869	460,000	157,242	....	5,961,149	83,529,010	18.29	4.78
San Francisco	1,565,124	162,606,300	531,876	[1] 2,753,827	1,965,908	40,288,412	209,711,447	17.57	4.81
Total, January, 1920	211,219,182	5,245,083,419	14,533,847	16,611,090	17,223,362	736,600,589	6,241,271,489	13.21	4.90
Total, January, 1919	192,231,173	5,521,671,646	17,474,004	10,904,212	1,577,514	250,523,716	5,994,382,265	10.34	4.18

[1] Includes $346,446 in the foreign trade.

Bankers' and trade acceptances in the foreign and domestic trade and dollar exchange purchased during the month of January, 1920; also average rates and maturities of total bills purchased by each Federal Reserve Bank.

Federal Reserve Bank.	Bankers' acceptances.			Trade acceptances.			Dollar exchange.	Total bills purchased.	Average maturity in days.	Average rate (365-day basis).
	In the domestic trade.	In the foreign trade.	Total.	In the domestic trade.	In the foreign trade.	Total.				
										Per cent.
Boston	$4,801,721	$13,884,669	$18,686,390	....	....	....	....	$18,686,390	36.18	5.23
New York	22,570,541	127,457,729	150,028,270	$251,590	$1,280,413	$1,532,003	$1,506,100	153,066,373	34.07	5.11
Philadelphia	1,210,813	2,312,477	3,523,290	....	....	....	200,000	3,723,290	64.60	4.93
Cleveland	5,333,421	23,143,934	28,477,355	50,731	48,149	98,880	350,000	28,926,235	61.51	5.13
Richmond	1,745,500	2,611,000	4,356,500	....	....	....	....	4,356,500	63.31	5.00
Atlanta	4,220,580	2,415,668	6,636,248	....	....	....	....	6,636,248	58.61	5.00
Chicago	5,556,293	18,379,713	23,936,006	....	....	....	550,000	24,486,006	69.65	5.11
St. Louis	1,120,000	3,700,000	4,820,000	....	....	....	....	4,820,000	58.48	5.06
Minneapolis	450,000	....	450,000	....	....	....	....	450,000	54.77	4.89
Kansas City	100,000	....	100,000	....	....	....	....	100,000	75.96	5.07
Dallas	114,052	303,033	417,085	....	....	....	....	417,085	47.24	5.09
San Francisco	9,382,790	46,150,748	55,533,538	....	1,075,719	1,075,719	175,000	56,784,257	63.71	5.08
Total, Jan., 1920	56,605,711	240,358,971	296,964,682	302,321	2,404,281	2,706,602	2,781,100	302,452,384	47.05	5.10
Total, Jan., 1919	96,180,827	100,580,386	196,761,213	1,096,578	1,935,145	3,031,723	1,698,770	201,491,706	55.51	4.28

Discounted bills, including member banks' collateral notes, held by each Federal Reserve Bank on the last Friday in January, 1920, distributed by classes.

[In thousands of dollars.]

Federal Reserve Bank.	Agricultural paper.	Live-stock paper.	Customers' paper secured by Government war obligations.	Member banks' collateral notes.		Trade acceptances.	Bankers' acceptances.	All other discounts.	Total.
				Secured by Government war obligations.	Otherwise secured.				
Boston	46	...	63,065	49,868	...	2,465	4,806	40,768	161,018
New York	287	...	122,207	473,288	...	7,214	10,988	148,143	762,127
Philadelphia	173	4	81,336	77,936	...	768	50	34,873	195,140
Cleveland	111	79	10,811	86,129	150	2,762	...	43,453	143,495
Richmond	362	7	11,605	64,700	770	1,962	...	20,354	99,760
Atlanta	608	85	3,583	60,166	125	984	271	32,611	98,433
Chicago	11,603	...	7,641	146,001	4	1,712	...	147,953	314,914
St. Louis	52	243	6,967	41,333	438	2,354	1,983	39,992	93,362
Minneapolis	1,563	7,940	4,279	19,604	355	145	...	31,230	65,116
Kansas City	5,826	16,052	3,589	29,217	4,163	542	5	28,553	87,947
Dallas	987	3,650	193	45,283	316	...	...	12,082	62,511
San Francisco	1,594	5,633	2,412	46,679	106	3,978	1,861	28,271	90,534
Total, January, 1920	23,212	33,693	317,688	1,140,204	6,427	24,886	19,964	608,283	2,174,357
Total, January, 1919	30,291	28,710	266,758	1,090,813	13,532	13,924	...	157,100	1,601,128
Per cent, January, 1920	1.0	1.6	14.6	52.4	.3	1.2	.9	28.0	100.0
Per cent, January, 1919	1.9	1.8	16.7	68.1	.8	.9	...	9.8	100.0

Acceptances purchased by each Federal Reserve Bank, and held on Jan. 31, 1920, distributed by classes of accepting institutions.

[In thousands of dollars.]

Federal Reserve Bank.	Bank acceptances.						Trade acceptances.			Grand total.
	Member banks.	Non-member trust companies.	Non-member State banks.	Private banks.	Foreign bank branches and agencies.	Total.	Domestic.	Foreign.	Total.	
Boston	38,997	561	3,406	6,909	1,106	50,979	57	...	57	51,036
New York	106,518	2,907	37,894	25,717	13,159	186,195	1,764	3,256	5,020	191,215
Philadelphia	7,171	...	323	306	107	7,907	...	20	20	7,927
Cleveland	49,526	336	9,692	8,687	6,179	74,420	27	48	75	74,495
Richmond	10,853	...	...	...	...	10,853	...	...	...	10,853
Atlanta	10,449	650	...	...	...	11,099	...	...	...	11,099
Chicago	66,833	1,000	108	2,501	365	70,807	...	...	...	70,807
St. Louis	10,184	...	258	419	...	10,861	...	...	...	10,861
Minneapolis	5,591	...	100	...	...	5,691	...	...	...	5,691
Kansas City	6,105	8	214	995	588	7,910	...	...	...	7,910
Dallas	1,037	...	...	...	...	1,037	...	...	...	1,037
San Francisco	70,111	672	16,597	15,684	14,699	117,763	45	1,271	1,316	119,079
Total:										
Jan. 31, 1920	383,375	6,134	68,592	61,218	36,103	555,522	1,893	4,595	6,488	562,010
Dec. 31, 1919	405,339	5,121	60,213	55,537	40,159	566,369	2,540	5,194	7,734	574,103
Nov. 30, 1919	347,852	6,446	48,798	55,876	36,358	495,330	1,646	4,934	6,580	501,910
Jan. 31, 1919	224,237	2,178	11,986	22,163	15,119	275,683	1,871	3,739	5,610	281,293
Jan. 31, 1918	240,259	5,547	3,522	22,099	6,947	278,374	...	...	6,363	284,737

OPERATION OF THE FEDERAL RESERVE CLEARING SYSTEM, JAN. 16 TO FEB. 14, 1920.

[Amounts in thousands of dollars.]

Federal Reserve Bank or branch.	Items drawn on banks in own district.				Items drawn on Treasurer of United States.		Total.			
	Located in Federal Reserve and Federal Reserve branch cities.		Located outside Federal Reserve and Federal Reserve branch cities.				Number.		Amount.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.	1920	1919	1920	1919
Boston	623,524	651,408	2,364,271	376,861	78,551	27,566	3,066,346	2,675,840	1,055,835	935,915
New York	741,001	2,143,890	3,093,155	1,857,062	726,774	247,122	4,560,930	5,576,154	4,248,074	3,989,824
Buffalo	125,990	83,903	261,209	40,472	6,772	1,076	393,971	....	125,451	....
Philadelphia	1,209,312	808,239	1,501,803	202,464	137,280	41,930	2,848,395	1,773,600	1,052,633	935,981
Cleveland	210,066	217,173	854,527	150,696	21,573	9,697	1,086,166	737,663	377,566	357,540
Cincinnati	124,940	141,612	586,701	89,038	27,875	4,169	739,516	529,355	234,819	187,540
Pittsburgh	263,514	267,652	655,724	87,274	22,082	8,611	941,320	593,456	363,537	327,787
Richmond	[1] 76,276	[1] 197,515	1,059,822	247,228	30,162	6,443	1,166,260	892,431	451,186	403,402
Baltimore	163,742	156,725	474,879	57,695	36,670	8,721	675,291	373,209	223,141	157,387
Atlanta	87,741	78,177	358,550	81,060	20,359	8,455	466,650	525,480	167,692	189,846
Birmingham	37,572	23,237	149,586	15,996	13,278	3,690	200,436	118,534	42,923	26,936
Jacksonville	36,243	21,565	126,174	16,146	10,644	640	173,061	108,335	38,351	28,868
Nashville	51,720	37,048	169,086	22,986	9,846	1,913	230,652	....	61,947	....
New Orleans	49,220	63,195	125,834	20,004	16,369	2,982	191,423	150,176	86,181	69,268
Chicago	709,438	721,870	2,757,925	342,875	137,861	24,265	3,605,224	2,040,440	1,089,010	960,319
Detroit	145,611	119,683	115,977	17,794	12,056	5,443	273,644	108,648	142,920	77,039
St. Louis	221,434	278,060	1,064,041	109,321	76,587	7,815	1,362,062	868,431	395,196	305,746
Little Rock	39,724	28,578	188,836	19,256	5,284	1,579	233,844	73,319	49,413	18,901
Louisville	66,519	76,811	265,447	24,555	19,267	4,251	351,233	183,135	105,617	86,265
Memphis	61,624	52,968	159,945	17,687	8,361	1,437	229,930	95,258	72,092	33,270
Minneapolis	212,890	129,722	887,986	71,175	14,014	4,887	1,114,890	658,781	205,784	177,033
Kansas City	266,264	350,407	1,999,754	264,013	60,255	7,401	2,326,273	1,251,622	621,821	481,669
Denver	62,751	52,193	274,725	22,204	12,399	2,605	349,875	215,516	77,002	49,329
Omaha	82,511	66,129	439,635	39,866	12,305	1,714	534,451	269,938	107,709	93,732
Dallas	89,299	138,538	1,373,088	389,599	21,727	2,511	1,484,114	632,840	530,648	233,770
El Paso	29,081	12,757	123,427	14,196	16,040	1,842	168,548	115,128	28,795	20,117
Houston	59,409	38,396	292,712	32,885	51,370	1,331	403,491	....	72,612	....
San Francisco	94,416	84,839	274,636	22,914	34,583	105,626	403,635	234,908	213,379	485,660
Los Angeles	59,222	48,705	268,351	26,536	13,272	4,040	340,845	....	79,281	....
Portland	43,204	29,260	107,181	8,474	11,905	3,063	162,290	120,297	40,797	48,237
Salt Lake City	38,764	33,644	363,381	36,606	7,963	1,412	410,108	304,857	71,662	51,201
Seattle	53,927	38,953	129,517	12,282	18,563	6,280	202,007	147,118	57,515	84,052
Spokane	24,573	17,783	130,774	10,816	5,043	539	160,390	118,652	29,138	18,880
Total: Jan. 16–Feb. 14, 1920	6,161,522	7,210,635	22,998,659	4,748,036	1,697,090	561,056	30,857,271	21,493,121	12,519,727	10,835,514
Dec. 16, 1919–Jan. 15, 1920	6,667,004	8,083,973	24,545,481	5,214,411	1,990,362	745,086	33,202,847	....	....	14,043,470

[1] Includes 1,609 items amounting to $5,869,000, forwarded directly to banks in Baltimore.

Operation of the Federal Reserve clearing system, Jan. 16 to Feb. 14, 1920—Continued.

[Amounts in thousands of dollars.]

Federal Reserve Bank or branch.	Number of business days in month.		Items forwarded to other Federal Reserve Banks and their branches.		Items forwarded to parent bank or to branch in same district.	
	1920	1919	Number.	Amount.	Number.	Amount.
Boston	26	27	386,944	358,407	....	....
New York	25	26	834,009	520,225	25,840	8,527
Buffalo	25	....	120,481	28,714	26,937	17,750
Philadelphia	25	26	673,832	216,851	....	....
Cleveland	25	27	28,237	21,126	36,962	16,960
Cincinnati	25	27	11,361	6,248	7,710	4,479
Pittsburgh	25	26	53,181	39,923	22,088	6,228
Richmond	25	26	85,494	64,285	2,153	1,602
Baltimore	26	27	143,739	110,210	8,404	10,870
Atlanta	25	26	19,608	26,717	66,124	16,699
Birmingham	25	26	15,099	12,244	27,768	49,180
Jacksonville	25	26	38,977	4,361	6,940	986
Nashville	24	....	17,172	7,955	10,804	2,333
New Orleans	26	27	39,291	19,482	7,572	1,679
Chicago	25	26	209,814	37,379	7,358	13,428
Detroit	25	24	3,117	1,663	6,692	2,409
St. Louis	26	27	19,716	9,968	14,813	3,397
Little Rock	25	26	4,079	1,245	17,411	3,115
Louisville	25	26	5,951	1,735	1,283	502
Memphis	24	26	1,679	719	1,730	793
Minneapolis	25	26	121,841	69,476	....	....
Kansas City	26	27	224,191	88,204	88,842	17,349
Denver	25	26	61,069	14,976	38,419	17,946
Omaha	25	24	28,864	8,873	17,288	8,653
Dallas	25	26	153,826	24,017	75,019	4,961
El Paso	25	26	37,432	12,835	18,399	5,051
Houston	25	....	25,839	27,631	18,329	6,973
San Francisco	25	26	16,435	7,332	83,868	21,393
Los Angeles	25	....	15,676	8,978	11,069	5,111
Portland	25	26	2,432	1,153	18,721	3,805
Salt Lake City	25	26	4,642	22,738	7,642	14,725
Seattle	25	26	9,102	4,227	24,482	4,084
Spokane	25	26	3,265	3,651	15,291	6,889
Total: Jan. 16–Feb. 14, 1920	....	....	[1] 3,416,395	[1] 1,783,548	715,958	277,877
Dec. 16, 1919–Jan. 15, 1920	....	....	3,837,934	2,016,665	763,149	322,700

Federal Reserve Bank.	Number of member banks in district.		Number of nonmember banks on par list.		Number of incorporated banks other than mutual savings banks not on par list.	
	1920	1919	1920	1919	1920	1919
Boston	431	424	248	244	....	....
New York	761	722	326	321	....	....
Philadelphia	682	666	416	322	....	83
Cleveland	846	819	1,084	778	....	261
Richmond	591	568	568	312	933	1,195
Atlanta	431	422	470	289	1,104	1,290
Chicago	1,374	1,338	3,899	2,500	295	1,660
St. Louis	543	511	2,540	1,184	138	1,402
Minneapolis	926	871	2,361	1,207	575	1,631
Kansas City	1,050	994	3,350	2,161	....	1,023
Dallas	762	735	1,229	249	....	1,184
San Francisco	743	655	938	920	103	148
Total: Feb. 14, 1920	9,140	8,725	17,429	10,487	3,148	9,877
Jan. 15, 1920	9,089	8,702	16,985	10,246	3,566	9,833

[1] Includes 5,215 items, amounting to $2,015,000, forwarded direct to member banks in other Federal Reserve districts.

GROWTH OF THE FEDERAL RESERVE PAR COLLECTION SYSTEM, 1917–1920.

Some idea of the growth of the Federal Reserve Banks' clearing and check-collection system for the past three years may be had from the following table and accompanying diagrams showing the average number and amounts of items handled by all Federal Reserve Banks during each month between March 16, 1917, and January 15, 1920, also changes in the number of member and nonmember banks remitting at par each month during the period under review.

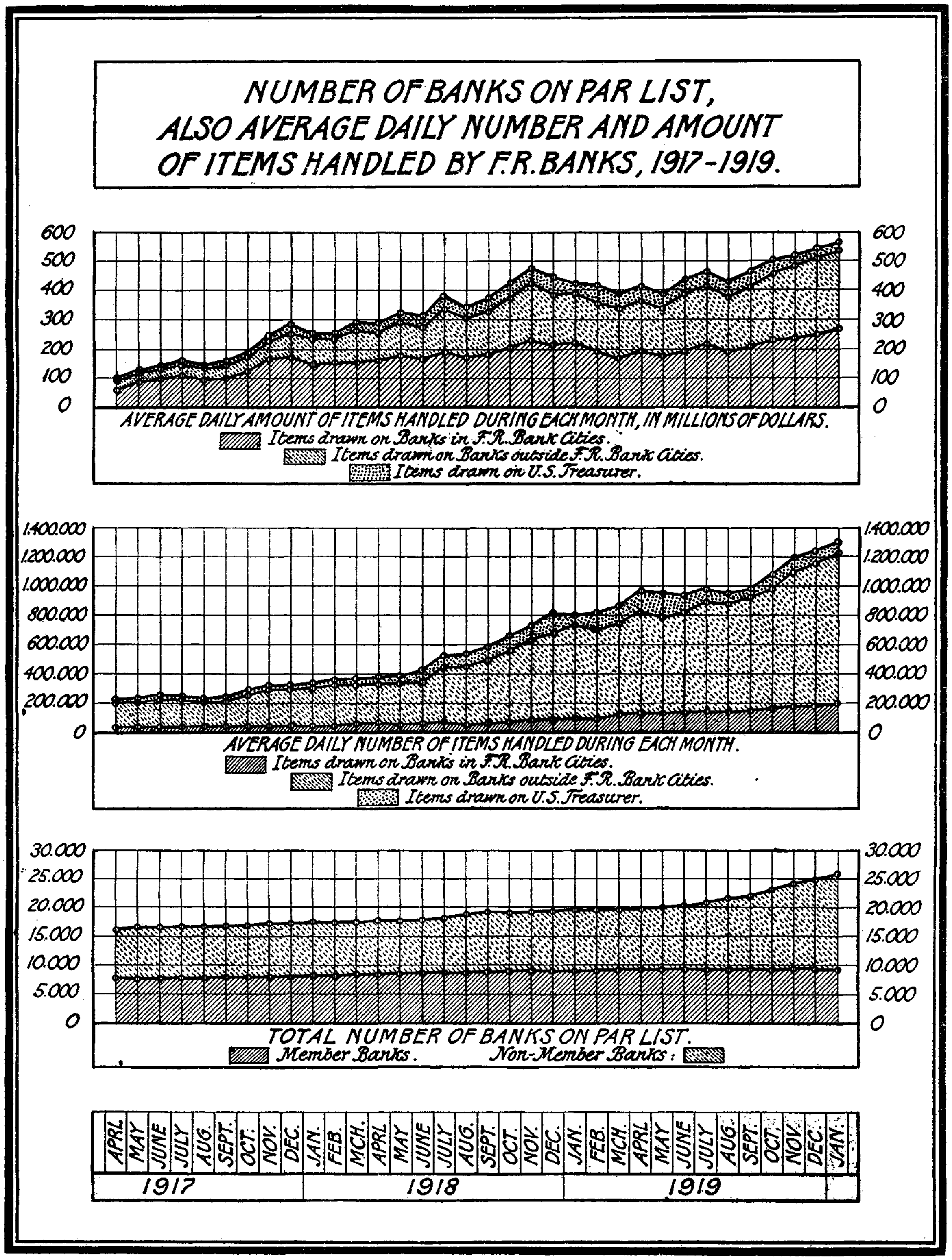
Segregation of the number and amount of items has been made uniformly during the period under review under three heads, viz:

1. Items drawn on banks in the Federal Reserve city.
2. Items drawn on banks in the district of each Federal Reserve bank outside the Federal Reserve bank city.
3. On the Treasurer of the United States.

In order to avoid duplication no account was taken of items forwarded for collection by a Federal Reserve Bank to another Federal Reserve Bank or branch. Comparison of both the number and amount of items handled during each month since March 16, 1917, shows a practically steady growth of the collection system, as the result of the fuller use made of the collection facilities of the system by the member banks. These facilities are constantly enlarging with the growth in the number of banks from which par collections are effected. For the period under review the number of member banks shows a growth from 7,625 to 9,089, or of nearly 20 per cent, while the number of nonmember banks on the par list has increased from 8,607 to 16,986, or about 100 per cent. The Federal Reserve par collection service embraces at present about 26,000 banks, or about 90 per cent of all the banks in the United States, other than mutual savings banks, which as a rule do not carry checking accounts. It may be noted that while the number and amount of items collected has increased about sixfold, the amount of items collected from banks in the Federal Reserve cities shows a relatively smaller increase, while the amount of items drawn on banks outside the Federal Reserve cities and on the Treasurer of the United States shows a proportionately larger increase.

Growth of the Federal Reserve clearing system, by monthly periods, from Apr. 15, 1917, to Jan. 15, 1920, inclusive.

	Average daily number of items handled.				Average daily amount of items handled.				Number of member banks in district.	Number of non-member banks on par list.
	Drawn on—			Total.	Drawn on—			Total.		
	Banks in Federal Reserve city.	Banks in district outside Federal Reserve city.	Treasurer of United States.		Banks in Federal Reserve city.	Banks in district outside Federal Reserve city.	Treasurer of United States.			
1917.										
Apr. 15	31,162	168,607	12,582	212,351	$60,288,002	$32,666,959	$2,643,408	$95,598,369	7,625	8,607
May 15	33,767	171,093	15,925	220,785	87,370,859	36,473,163	3,597,865	127,441,887	7,634	8,926
June 15	37,898	179,193	16,344	233,435	97,322,883	38,599,461	4,414,508	140,336,852	7,651	8,789
July 15	38,476	182,622	19,100	240,198	109,722,256	41,004,720	11,637,899	162,364,875	7,666	8,805
Aug. 15	36,727	175,625	19,533	231,885	98,075,919	40,353,278	9,701,569	148,130,766	7,683	8,837
Sept. 15	36,306	182,191	23,492	241,989	100,331,694	41,323,621	11,006,515	152,661,830	7,718	9,934
Oct. 15	40,591	212,935	26,797	280,323	128,271,466	47,476,204	13,518,566	189,266,236	7,747	9,052
Nov. 15	47,574	232,723	30,426	310,723	166,552,773	64,296,210	17,496,974	248,345,957	7,826	9,210
Dec. 15	47,678	240,756	33,806	322,240	171,723,439	84,441,761	27,179,053	283,343,253	7,823	9,321
1918.										
Jan. 15	48,549	253,458	38,130	340,137	148,033,108	89,065,135	21,116,293	258,214,536	7,909	9,268
Feb. 15	46,207	227,312	48,224	321,743	153,847,568	80,248,466	21,316,033	255,412,067	7,972	9,319
Mar. 15	51,408	259,531	58,991	369,930	153,701,375	113,134,162	25,827,757	292,663,294	8,013	9,425
Apr. 15	55,034	271,506	59,228	385,768	159,441,188	98,201,962	31,563,675	289,206,825	8,059	9,450
May 15	49,569	287,061	60,771	397,401	178,372,385	114,099,520	30,928,185	323,400,090	8,113	9,475
June 15	51,055	295,056	77,750	423,861	164,539,000	113,407,619	39,054,003	317,000,622	8,165	9,710
July 15	63,549	391,264	82,536	537,349	192,220,658	143,751,620	47,181,467	383,153,745	8,212	9,761
Aug. 15	50,229	406,330	81,323	537,882	172,600,132	131,047,263	41,063,646	344,711,041	8,294	10,206
Sept. 15	55,123	441,979	87,213	584,315	182,321,867	145,374,804	45,695,643	373,392,314	8,428	10,549
Oct. 15	64,931	495,441	106,539	666,911	208,639,006	169,025,374	51,048,149	428,712,529	8,510	10,318
Nov. 15	82,434	550,484	98,168	731,086	231,014,467	191,310,103	52,790,232	475,114,802	8,584	10,219
Dec. 14	85,174	590,685	135,173	811,032	219,162,199	167,471,893	60,766,938	447,401,030	8,612	10,409
1919.										
Jan. 15	98,584	632,118	77,282	807,984	224,904,918	162,371,765	37,753,800	425,030,483	8,692	10,595
Feb. 15	90,944	599,951	126,051	816,946	198,935,424	156,360,759	63,221,002	418,517,185	8,717	10,622
Mar. 15	109,083	640,346	114,563	863,992	168,567,377	171,714,589	46,746,505	387,028,471	8,729	10,885
Apr. 15	138,817	686,512	137,228	962,557	197,456,121	167,142,262	49,329,926	413,928,309	8,758	11,060
May 15	129,378	665,641	157,820	952,839	176,737,129	163,067,746	45,278,441	385,083,316	8,788	11,261
June 15	132,688	696,457	118,248	947,393	196,594,573	191,330,944	48,316,599	436,242,116	8,825	11,782
July 15	149,902	737,007	95,986	982,895	218,737,336	194,300,102	49,869,067	462,906,505	8,848	12,071
Aug. 15	139,678	731,680	83,659	955,017	194,733,618	176,612,134	57,868,769	429,214,521	8,894	12,578
Sept. 15	149,460	761,680	77,201	988,341	208,529,081	202,812,209	51,935,604	463,276,894	8,920	12,962
Oct. 15	164,761	824,862	93,437	1,083,060	235,072,612	223,417,562	45,272,641	503,762,815	8,955	13,852
Nov. 15	177,569	915,794	107,551	1,200,914	236,521,957	246,055,511	37,355,291	519,932,759	9,008	14,860
Dec. 15	182,347	975,095	88,071	1,245,513	251,531,229	254,594,746	36,506,264	542,632,239	9,055	15,851
1920.										
Jan. 15	197,562	1,028,259	78,160	1,303,981	270,143,956	264,521,801	29,612,240	564,277,997	9,089	16,986


NUMBER OF BANKS ON PAR LIST, ALSO AVERAGE DAILY NUMBER AND AMOUNT OF ITEMS HANDLED BY F.R. BANKS, 1917-1919.
600
500
400
300
200
100
0
AVERAGE DAILY AMOUNT OF ITEMS HANDLED DURING EACH MONTH, IN MILLIONS OF DOLLARS.
Items drawn on Banks in F.R. Bank Cities.
Items drawn on Banks outside F.R. Bank Cities.
Items drawn on U.S. Treasurer.
1.400.000
1.200.000
1.000.000
800.000
600.000
400.000
200.000
0
AVERAGE DAILY NUMBER OF ITEMS HANDLED DURING EACH MONTH.
Items drawn on Banks in F.R. Bank Cities.
Items drawn on Banks outside F.R. Bank Cities.
Items drawn on U.S. Treasurer.
30.000
25.000
20.000
15.000
10.000
5.000
0
TOTAL NUMBER OF BANKS ON PAR LIST.
Member Banks.
Non-Member Banks:
APRL MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC. JAN. FEB. MCH. APRL MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC. JAN. FEB. MCH. APRL MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC. JAN.
1917
1918
1919

OPERATIONS OF THE FEDERAL RESERVE BANKS.

Substantial increases in the volume of discount and note issue operations accompanied by further declines in gold and cash reserves are some of the salient features of the development of Federal Reserve banking during the four-week period between January 23 and February 20.

Fiscal operations of the Treasury included the redemption on February 2 and 16 of balances of outstanding loan certificate series issued at the beginning of September and December of the past year and the issue on February 2 of about 305 millions of tax certificates maturing on March 15, the date of the first installment of income and excess profits tax payments. Notwithstanding a net reduction in the amount of outstanding Treasury certificates, the Federal Reserve Bank holdings of paper secured by such certificates show an increase for the period of over 60 millions. Following the restoration of the differential in favor of paper secured by Liberty notes and Victory notes, as against ordinary commercial paper, the Federal Reserve Bank holdings of war paper thus secured increased 78.7 millions while holdings of ordinary commercial paper, subject at present to a practically uniform 6 per cent discount rate, show an increase of 66.2 millions. At the closing date of the period total discounts held by the Federal Reserve Banks, 2,358.5 millions, were 205.1 millions in excess of the corresponding total reported four weeks before. Of the total discounts held on the two dates, about 65 per cent was war paper. On the more recent date, of a total of 1,525.2 millions of such paper held 706.9 millions, or 46.3 per cent, was secured by Liberty bonds, 244.8 millions, or 16.1 per cent, by Victory notes, and 573.5 millions, or 37.6 per cent, by Treasury certificates, as against 45.4, 17.6, and 37 per cent of a total of 1,386.3 millions of war paper reported four weeks earlier.

For the period under review the average maturity of the discounted paper held by the Federal Reserve Banks shows a considerable decrease, largely through increases in the amounts of 15-day and 60-day paper by 182.1 and 126.5 millions, and a decrease in the amount of 90-day paper by nearly 160 millions. Holdings of acceptances purchased in the open market show a slow but continuous decline from 575.8 to 531.7 millions, apparently as the result of the higher Federal Reserve rates recently adopted. Differences in the amounts of Treasury certificate holdings represent largely amounts of temporary special certificates held by the Federal Reserve Banks to cover advances to the Government pending collection of funds from depositary institutions.

Discounted paper held by the several banks include amounts held under discount for other Federal Reserve Banks. During the period under review the Federal Reserve Banks of Richmond and Kansas City redeemed their rediscounted paper, while the New York and Philadelphia banks increased their rediscounts from 75.4 to 93.9 millions, distributed among the Cleveland, Atlanta, Chicago, Minneapolis, Kansas City, and Dallas banks. In the meantime the holdings of bankers' acceptances purchased from the New York and Boston banks show a further decline from 48.7 to 30.4 millions, the smaller amount being distributed among the Boston, Cleveland, Atlanta, Chicago, Kansas City, and San Francisco banks.

Members' reserve deposits as well as Government deposits show moderate declines for the period, resulting in a decrease of net deposits from 1,817.8 to 1,785.8 millions. Federal Reserve note circulation expanded during the period from 2,844.2 to 2,977.1 millions, or at an average weekly rate of 33.2 millions, while the banks' liabilities on Federal Reserve bank note circulation declined from 254.8 to 240.9 millions.

Further export withdrawals, sales of gold held abroad and apparently also some exchange of gold for other reserve cash, account for a reduction of 56.8 millions in gold reserves as against a gain of 4.4 millions in other cash reserves. The result of the considerable note expansion and the simultaneous decline in reserves is seen in the continuous decline of the banks' reserve ratio from 44.8 to 42.7 per cent.

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Jan. 30 to Feb. 20, 1920.

RESOURCES.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Gold and gold certificates:													
Jan. 30	9,239	136,008	1,190	14,067	2,521	8,523	24,278	2,891	7,294	302	6,948	11,895	225,156
Feb. 6	9,544	115,488	1,151	14,119	2,369	8,601	24,415	2,937	7,306	317	6,815	12,331	205,393
Feb. 13	9,556	113,966	942	10,190	2,289	8,574	24,349	2,895	7,248	361	6,525	15,530	202,425
Feb. 20	9,788	112,668	952	13,314	2,319	8,552	24,296	2,796	7,275	353	7,012	11,648	200,973
Gold settlement fund, Federal Reserve Board:													
Jan. 30	32,176	77,954	30,218	41,116	24,241	15,979	97,947	20,273	20,378	40,637	14,117	24,488	439,524
Feb. 6	20,455	70,049	28,850	40,120	36,357	21,579	88,924	19,652	21,797	46,734	13,574	26,069	434,160
Feb. 13	22,204	74,882	29,701	40,431	29,365	16,287	88,152	21,076	15,778	38,156	15,232	33,568	424,832
Feb. 20	48,897	43,078	27,283	41,044	28,356	21,581	73,988	13,309	20,253	31,865	16,044	30,440	396,138
Gold with foreign agencies:													
Jan. 30	8,345	41,956	9,146	9,374	5,602	4,116	13,604	5,373	3,087	5,487	2,972	5,259	114,321
Feb. 6	8,346	41,956	9,145	9,374	5,602	4,116	13,604	5,373	3,087	5,487	2,972	5,259	114,321
Feb. 13	8,236	41,406	9,026	9,252	5,528	4,061	13,426	5,303	3,046	5,415	2,933	5,190	112,822
Feb. 20	8,236	41,406	9,026	9,252	5,528	4,061	13,426	5,303	3,046	5,415	2,933	5,190	112,822
Gold with Federal Reserve Agents:													
Jan. 30	72,129	281,778	81,721	122,298	39,204	59,938	217,271	57,703	33,755	39,430	32,369	81,830	1,119,426
Feb. 6	71,806	290,732	81,321	122,306	36,913	57,988	209,293	57,517	34,070	37,813	31,443	85,225	1,116,427
Feb. 13	73,713	299,877	84,168	123,439	35,004	56,464	204,398	59,184	34,342	38,420	31,655	80,911	1,121,757
Feb 20	88,895	304,712	84,252	123,859	33,380	55,643	208,537	58,463	33,668	38,825	31,057	89,507	1,150,798
Gold redemption fund:													
Jan. 30	22,601	25,088	8,592	1,150	10,962	7,125	14,347	6,197	1,059	3,714	2,585	10,809	114,229
Feb. 6	25,647	25,191	10,665	434	7,011	5,542	20,782	5,025	416	5,276	3,487	11,783	121,259
Feb. 13	27,450	24,986	12,072	1,990	8,437	5,207	23,550	5,170	88	4,535	3,186	9,873	126,544
Feb. 20	13,992	24,918	12,451	1,103	9,721	5,417	17,443	4,768	142	3,993	3,679	11,456	109,083
Total gold reserves:													
Jan. 30	144,490	562,784	130,867	188,005	82,530	95,681	367,447	92,437	65,573	89,570	58,991	134,281	2,012,656
Feb. 6	135,798	543,416	131,132	186,353	88,252	97,826	357,018	90,504	66,676	95,627	58,291	140,667	1,991,560
Feb. 13	141,159	555,117	135,909	185,302	80,623	90,775	353,875	93,628	60,502	86,887	59,531	145,072	1,988,380
Feb. 20	169,808	526,782	133,964	188,572	79,304	95,254	337,690	84,639	64,384	80,451	60,725	148,241	1,969,814
Legal-tender notes, silver, etc.:													
Jan. 30	4,836	46,171	236	967	204	1,199	1,935	3,211	81	446	1,719	272	61,277
Feb. 6	6,568	46,387	66	806	227	1,170	2,262	3,283	54	503	1,613	157	63,096
Feb. 13	6,530	47,851	184	575	263	1,332	1,743	3,343	74	540	1,504	194	64,133
Feb. 20	6,035	48,620	149	802	309	1,725	2,478	3,511	62	645	1,096	194	65,626
Total cash reserves:													
Jan. 30	149,326	608,955	131,103	188,972	82,734	96,880	369,382	95,648	65,654	90,016	60,710	134,553	2,073,933
Feb. 6	142,366	589,803	131,198	187,159	88,479	98,996	359,280	93,787	66,730	96,130	59,904	140,824	2,054,656
Feb. 13	147,689	602,968	136,093	185,877	80,886	92,107	355,618	96,971	60,576	87,427	61,035	145,266	2,052,513
Feb. 20	175,843	575,402	134,113	189,374	79,613	96,979	340,168	88,150	64,446	81,096	61,821	148,435	2,035,440
Bills discounted:													
Secured by Government war obligations [1] —													
Jan. 30	112,933	595,495	159,272	96,940	76,305	63,749	153,642	48,300	23,883	32,806	45,476	49,091	1,457,892
Feb. 6	116,703	581,479	154,695	90,401	73,033	62,143	167,142	51,046	24,813	30,745	47,925	51,432	1,451,557
Feb. 13	106,651	591,022	154,385	100,866	75,594	61,619	165,571	50,405	29,144	32,636	49,246	52,423	1,469,562
Feb. 20	100,581	616,710	154,329	112,845	78,271	61,081	175,515	49,686	28,473	45,838	50,523	51,351	1,525,203
All other—													
Jan. 30	48,085	166,632	35,868	46,555	23,455	34,684	161,272	45,062	41,233	55,141	17,035	41,443	716,465
Feb. 6	52,180	170,873	42,068	49,459	24,655	35,034	166,735	48,056	44,924	57,140	16,275	44,583	751,982
Feb. 13	81,880	206,544	45,914	49,120	24,914	35,645	175,464	45,667	42,470	54,328	15,750	46,177	823,873
Feb. 20	77,417	202,684	45,454	49,635	26,036	38,157	178,654	52,595	41,699	54,663	17,304	49,023	833,321
Bills bought in open market: [2]													
Jan. 30	51,511	191,215	7,825	73,355	10,748	11,098	70,807	10,860	5,691	7,910	1,037	119,256	561,313
Feb. 6	48,877	196,876	7,861	73,955	9,917	12,648	70,086	9,466	4,933	7,246	1,072	111,813	554,750
Feb. 13	22,984	204,561	7,194	76,182	10,117	17,599	73,636	9,798	4,537	11,851	1,818	102,323	542,600
Feb. 20	16,417	217,314	7,094	69,611	9,738	17,449	75,088	9,802	3,012	10,315	1,768	94,095	531,703
United States Government bonds:													
Jan. 30	539	1,457	1,385	833	1,235	375	4,477	1,153	116	8,868	3,966	2,632	27,036
Feb. 6	539	1,457	1,385	833	1,235	114	4,477	1,153	116	8,868	3,966	2,633	26,776
Feb. 13	539	1,457	1,385	833	1,235	114	4,477	1,153	116	8,868	3,966	2,632	26,775
Feb. 20	539	1,457	1,385	833	1,235	114	4,477	1,153	116	8,868	3,966	2,632	26,775
United States Victory notes:													
Jan. 30	....	50	....	10	....	4	....	....	....	....	....	....	64
Feb. 6	....	50	....	10	....	3	....	....	....	....	....	....	63
Feb. 13	....	50	....	10	....	3	....	....	....	....	....	....	63
Feb. 20	....	50	....	10	....	3	....	....	....	....	....	....	63
United States certificates of indebtedness:													
Jan. 30	21,896	69,240	31,261	23,571	12,260	15,665	40,500	17,560	8,480	15,323	8,300	12,365	276,421
Feb. 6	21,842	68,202	31,013	24,012	12,260	15,665	40,474	17,162	8,480	17,240	8,300	11,414	276,064
Feb. 13	23,627	66,482	36,938	23,421	15,260	15,665	41,328	17,291	8,480	19,169	9,300	13,356	290,317
Feb. 20	21,584	62,171	30,921	23,436	12,260	15,665	40,328	17,479	8,480	16,411	8,300	11,575	268,610
Total earning assets:													
Jan. 30	234,964	1,024,089	235,611	241,264	124,003	125,575	430,698	122,935	79,403	120,048	75,814	224,787	3,039,191
Feb. 6	240,141	1,018,937	237,022	238,670	121,100	125,607	448,914	126,883	83,266	121,239	77,538	221,875	3,061,192
Feb. 13	235,681	1,070,116	245,816	250,432	127,120	130,645	460,476	124,314	84,747	126,852	80,080	216,911	3,153,190
Feb. 20	216,538	1,100,386	239,183	256,370	127,540	132,469	474,062	130,715	81,780	136,095	81,861	208,676	3,185,675

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Jan. 30, to Feb. 20, 1920—Continued.

RESOURCES—Continued.

[In thousands of dollars.]

	Boston.	New York.	Phila-delphia.	Cleve-land.	Rich-mond.	At-lanta.	Chi-cago.	St. Louis.	Minne-apolis.	Kansas City.	Dallas.	San Fran-cisco.	Total.
Bank premises:													
Jan. 30	1,106	3,094	500	640	553	480	2,116	356	515	462	506	231	10,559
Feb. 6	1,110	3,094	500	640	553	503	2,116	356	515	462	506	231	10,586
Feb. 13	1,113	3,094	500	641	553	506	2,116	866	515	462	506	231	11,103
Feb. 20	1,117	3,094	500	641	563	506	2,116	866	515	462	533	231	11,144
Uncollected items and other deductions from gross deposits:													
Jan. 30	64,644	211,926	76,407	74,597	81,640	37,701	116,389	66,196	19,696	77,363	51,608	54,961	933,128
Feb. 6	58,303	204,014	69,626	73,947	66,533	39,044	115,782	66,638	20,530	73,831	55,795	52,928	896,971
Feb. 13	94,014	234,838	87,732	85,491	87,496	47,032	121,409	81,341	20,328	84,601	53,915	54,136	1,052,333
Feb. 20	79,175	234,058	92,312	87,794	70,459	42,806	129,046	73,675	21,184	83,590	58,704	56,850	1,029,653
Five per cent redemption fund against Federal Reserve bank notes:													
Jan. 30	1,072	2,729	1,475	1,155	435	782	1,660	336	406	977	568	665	12,260
Feb. 6	1,072	2,668	1,475	1,059	715	843	1,483	237	482	971	562	665	12,232
Feb. 13	1,072	2,681	1,475	1,124	331	827	1,799	317	290	971	562	665	12,114
Feb. 20	1,072	2,556	1,475	1,095	503	855	2,079	322	570	970	562	665	12,724
All other resources:													
Jan. 30	348	1,103	569	465	569	294	535	279	129	517	233	300	5,341
Feb. 6	489	921	353	309	693	131	820	283	95	396	195	363	5,048
Feb. 13	282	1,008	448	279	285	130	568	241	59	336	162	324	4,122
Feb. 20	339	948	256	299	356	138	575	284	63	238	131	224	3,851
Total resources:													
Jan. 30	451,460	1,851,896	445,665	507,093	289,934	261,712	920,780	285,750	165,803	289,383	189,439	415,497	6,074,412
Feb. 6	443,481	1,819,437	440,174	501,784	278,073	265,124	928,395	288,184	171,618	293,029	194,500	416,886	6,040,685
Feb. 13	479,851	1,914,705	472,064	523,844	296,671	271,247	941,986	304,050	166,515	300,649	196,260	417,533	6,285,375
Feb. 20	474,084	1,916,444	467,839	535,573	279,034	273,753	948,046	294,012	168,558	302,451	203,612	415,081	6,278,487
[1] Includes bills discounted for other Federal Reserve Banks:													
Jan. 30	....	....	....	8,900	....	15,000	48,940	....	....	....	14,950	....	87,790
Feb. 6	....	....	....	8,600	....	14,040	54,200	....	....	....	19,341	....	96,181
Feb. 13	....	....	....	8,500	....	15,000	42,195	....	5,000	5,000	21,935	....	97,680
Feb. 20	....	....	....	4,915	....	11,500	40,890	....	4,274	9,950	22,390	....	93,919
[2] Includes bankers' acceptances bought from other Federal Reserve Banks:													
With their indorsement—													
Jan. 30	....	....	....	....	....	....	2,978	1,622	....	....	....	....	4,600
Feb. 6	....	....	....	....	....	....	545	950	....	....	....	....	1,495
Feb. 13	....	....	....	5,036	....	5,087	5,090	....	....	5,050	....	....	20,263
Feb. 20	....	....	....	5,036	....	5,087	5,090	....	....	5,050	....	....	20,263
Without their indorsement—													
Jan. 30	3,579	....	....	18,621	....	....	....	41	....	....	....	3,408	25,649
Feb. 6	3,250	....	....	15,619	....	....	....	....	....	....	....	3,408	22,277
Feb. 13	3,250	....	....	11,996	....	....	....	....	....	....	....	3,408	18,654
Feb. 20	3,250	....	....	3,455	....	....	....	....	....	....	....	3,408	10,113

LIABILITIES.

	Boston.	New York.	Phila-delphia.	Cleve-land.	Rich-mond.	At-lanta.	Chi-cago.	St. Louis.	Minne-apolis.	Kansas City.	Dallas.	San Fran-cisco.	Total.
Capital paid in:													
Jan. 30	7,198	22,399	7,899	9,535	4,397	3,469	12,525	4,081	3,112	4,021	3,419	5,837	87,892
Feb. 6	7,210	23,453	7,900	9,537	4,398	3,485	12,541	4,083	3,123	4,031	3,484	5,874	89,119
Feb. 13	7,210	23,804	7,900	9,532	4,401	3,493	12,617	4,094	3,127	4,046	3,482	5,968	89,674
Feb. 20	7,210	23,796	8,190	9,894	4,540	3,504	12,637	4,122	3,133	4,047	3,484	5,974	90,531
Surplus fund:													
Jan. 30	8,359	45,082	8,805	9,089	5,820	4,695	14,292	3,724	3,569	6,116	3,030	7,539	120,120
Feb. 6	8,359	45,082	8,805	9,089	5,820	4,695	14,292	3,724	3,569	6,116	3,030	7,539	120,120
Feb. 13	8,359	45,082	8,805	9,089	5,820	4,695	14,292	3,724	3,569	6,116	3,030	7,539	120,120
Feb. 20	8,359	45,082	8,805	9,089	5,820	4,695	14,292	3,724	3,569	6,116	3,030	7,539	120,120
Government deposits:													
Jan. 30	4,777	31,510	4,969	3,205	4,121	2,527	4,284	4,268	1,467	3,629	2,856	5,361	72,974
Feb. 6	3,762	4,602	4,009	1,479	....	2,521	7,747	3,711	3,575	2,719	2,514	5,807	42,446
Feb. 13	851	7,942	1,454	3,282	699	327	1,490	1,733	368	1,740	1,232	3,100	24,218
Feb. 20	2,718	38,035	2,614	6,968	1,516	2,799	4,254	3,192	1,685	3,208	2,920	6,578	75,587
Due to members—reserve account:													
Jan. 30	113,721	729,545	97,575	135,788	60,863	56,250	269,728	68,427	51,366	86,714	63,079	117,656	1,850,712
Feb. 6	109,653	734,709	100,971	131,921	62,070	56,937	272,792	69,513	53,175	93,723	65,055	118,919	1,869,438
Feb. 13	118,967	730,617	92,946	131,754	61,687	56,625	253,585	72,270	50,096	88,719	62,461	118,138	1,837,865
Feb. 20	115,353	707,113	91,309	139,438	60,297	58,952	259,363	69,403	50,072	91,613	67,171	118,807	1,828,891
Deferred availability items:													
Jan. 30	54,992	150,124	67,665	63,915	67,797	34,044	86,132	50,897	13,638	64,840	32,709	33,767	720,520
Feb. 6	41,364	120,666	55,980	62,663	58,538	34,757	79,180	52,894	15,432	62,260	34,134	36,867	654,735
Feb. 13	67,960	191,979	84,987	68,602	77,343	43,372	112,232	65,621	16,036	75,745	39,376	37,198	880,451
Feb. 20	59,440	179,458	83,115	71,473	60,906	38,945	104,099	56,872	17,158	72,261	38,452	33,427	815,606

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Jan. 30 to Feb. 20, 1920—Continued.

LIABILITIES—Continued.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Other deposits, including foreign Government credits:													
Jan. 30	6,486	42,394	6,493	6,022	3,654	2,652	9,965	3,859	2,261	4,011	2,171	5,450	95,418
Feb. 6	9,427	40,045	6,928	6,236	3,720	2,674	10,072	3,767	2,314	3,890	2,070	4,733	95,876
Feb. 13	5,510	42,713	7,612	6,065	3,624	2,663	9,978	4,009	2,184	3,693	2,036	6,957	97,044
Feb. 20	5,497	42,165	6,796	6,116	3,620	2,766	9,741	3,831	2,234	3,665	2,131	6,804	95,366
Total gross deposits:													
Jan. 30	179,976	953,573	176,702	208,930	136,435	95,473	370,109	127,451	68,732	159,194	100,815	162,234	2,739,624
Feb. 6	164,206	900,022	167,888	202,299	124,328	96,889	369,791	129,885	74,496	162,592	103,773	166,326	2,662,495
Feb. 13	193,288	973,251	186,999	209,703	143,353	102,987	377,285	143,633	68,684	169,897	105,105	165,393	2,839,578
Feb. 20	183,008	966,771	183,834	223,995	126,339	103,462	377,457	133,298	71,149	170,747	109,774	165,616	2,815,450
Federal Reserve notes in actual circulation:													
Jan. 20	234,991	769,170	222,802	256,556	130,777	142,090	481,109	134,209	81,635	99,565	71,677	226,363	2,850,944
Feb. 6	242,256	788,121	225,836	257,936	130,906	143,916	488,999	134,455	81,645	100,259	73,868	223,578	2,891,775
Feb. 13	249,453	809,254	238,871	272,544	130,529	144,173	495,197	136,668	82,386	100,539	74,499	224,974	2,959,087
Feb. 20	254,247	817,411	238,059	270,050	129,632	146,262	501,228	137,133	82,141	101,563	76,782	222,616	2,977,124
Federal Reserve bank notes in circulation—net liability:													
Jan. 30	19,369	50,853	27,567	21,439	11,794	15,278	39,790	15,359	8,070	19,471	9,860	11,680	250,530
Feb. 6	19,649	51,090	27,607	21,116	11,780	15,220	39,210	14,976	7,995	18,902	9,628	11,607	248,780
Feb. 13	19,460	50,467	27,233	20,965	11,678	14,860	38,633	14,778	7,899	18,847	9,398	11,592	245,810
Feb. 20	19,096	49,098	26,402	20,289	11,645	14,698	37,908	14,515	7,692	18,684	9,727	11,104	240,858
All other liabilities:													
Jan. 30	1,567	10,819	1,890	1,544	711	707	2,955	926	685	1,016	638	1,844	25,302
Feb. 6	1,801	11,669	2,138	1,807	841	919	3,562	1,061	790	1,129	717	1,962	28,396
Feb. 13	2,081	12,847	2,256	2,011	890	1,039	3,962	1,153	850	1,204	746	2,067	31,106
Feb. 20	2,164	14,286	2,549	2,256	1,058	1,132	4,524	1,220	874	1,294	815	2,232	34,404
Total liabilities:													
Jan. 30	451,460	1,851,896	445,665	507,093	289,934	261,712	920,780	285,750	165,803	289,383	189,439	415,497	6,074,412
Feb. 6	443,481	1,819,437	440,174	501,784	278,073	265,124	928,395	288,184	171,618	293,029	194,500	416,886	6,040,685
Feb. 13	479,851	1,914,705	472,064	523,844	296,671	271,247	941,986	304,050	166,515	300,649	196,260	417,533	6,285,375
Feb. 20	474,084	1,916,444	467,839	535,573	279,034	273,753	948,046	294,012	168,558	302,451	203,612	415,081	6,278,487
MEMORANDA.													
Contingent liability as indorser on:													
Discounted paper rediscounted with other Federal Reserve Banks—													
Jan. 30		50,000	32,790		5,000								87,790
Feb. 6		49,800	41,381		5,000								96,181
Feb. 13		49,735	47,945										97,680
Feb. 20		48,100	45,819										93,919
Bankers' acceptances sold to other Federal Reserve Banks—													
Jan. 30	4,600												4,600
Feb. 6	1,495												1,495
Feb. 13	20,263												20,263
Feb. 20	20,263												20,263

Maturities of bills discounted and bought, also of Treasury certificates of indebtedness.

[In thousands of dollars.]

	Within 15 days.	16 to 30 days.	31 to 60 days.	61 to 90 days.	Over 90 days.	Total.
Bills discounted:						
Jan. 30	1,385,117	206,267	309,576	255,093	18,304	2,174,357
Feb. 6	1,432,954	172,123	320,861	261,197	16,404	2,203,539
Feb. 13	1,457,971	223,771	357,350	239,269	15,074	2,293,435
Feb. 20	1,511,016	219,421	425,383	188,067	14,637	2,358,524
Bills bought:						
Jan. 30	115,267	127,669	249,208	69,169		561,313
Feb. 6	123,716	136,158	222,786	72,090		554,750
Feb. 13	137,611	127,339	207,592	70,058		542,600
Feb. 20	139,153	117,033	197,367	78,150		531,703
United States certificates of indebtedness:						
Jan. 30	13,061	4,586	28,524	46,152	184,098	276,421
Feb. 6	14,472	4,500	11,179	6,000	239,913	276,064
Feb. 13	24,053	6,000	10,853	5,500	243,911	290,317
Feb. 20	5,772	11,570	19,337	4,000	227,931	268,610

FEDERAL RESERVE NOTES.

Federal Reserve note account of each Federal Reserve Bank at close of business on Fridays, Jan. 30 to Feb. 20, 1920.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Federal Reserve notes:													
Received from agents—													
Jan 30	246,496	898,612	232,709	268,746	135,555	146,338	512,616	153,298	83,511	106,247	75,691	270,964	3,130,783
Feb. 6	248,173	890,621	237,728	271,834	134,463	148,438	520,938	152,812	83,426	106,320	76,940	267,959	3,139,652
Feb. 13	254,900	907,429	251,076	283,447	135,154	148,816	523,363	152,779	83,348	106,647	77,270	263,745	3,187,974
Feb. 20	262,182	910,635	249,499	283,846	134,780	151,858	540,602	154,278	83,274	107,952	79,622	263,261	3,221,789
Held by banks—													
Jan. 30	11,505	129,442	9,907	12,190	4,778	4,248	31,507	19,089	1,876	6,682	4,014	44,601	279,839
Feb. 6	5,917	102,500	11,892	13,898	3,557	4,522	31,939	18,357	1,781	6,061	3,072	44,381	247,877
Feb. 13	5,447	98,175	12,205	10,903	4,625	4,643	28,166	16,111	962	6,108	2,771	38,771	228,887
Feb. 20	7,935	93,224	11,440	13,796	5,148	5,596	39,374	17,145	1,133	6,389	2,840	40,645	244,665
In actual circulation—													
Jan. 30	234,991	769,170	222,802	256,556	130,777	142,090	481,109	134,209	81,635	99,565	71,677	226,363	2,850,944
Feb. 6	242,256	788,121	225,836	257,936	130,906	143,816	488,999	134,455	81,645	100,259	73,868	223,578	2,891,775
Feb. 13	249,453	809,254	238,871	272,544	130,529	144,173	495,197	136,668	82,386	100,539	74,499	224,974	2,959,087
Feb. 20	254,247	817,411	238,059	270,050	129,632	146,262	501,228	137,133	82,141	101,563	76,782	222,616	2,977,124
Gold deposited with or to credit of Federal Reserve agent:													
Jan. 30	72,129	281,778	81,721	122,298	39,204	59,938	217,271	57,703	33,755	39,430	32,369	81,830	1,119,426
Feb. 6	71,806	290,732	81,321	122,306	36,913	57,988	209,293	57,517	34,070	37,813	31,443	85,225	1,116,427
Feb. 13	73,713	299,877	84,168	123,439	35,004	56,646	204,398	59,184	34,342	38,420	31,655	80,911	1,121,757
Feb. 20	88,895	304,712	84,252	123,859	33,380	55,643	208,537	58,463	33,668	38,825	31,057	89,507	1,150,798
Paper delivered to Federal Reserve agents:													
Jan. 30	212,529	951,245	155,901	210,819	101,972	108,953	385,610	104,222	60,075	95,847	63,548	197,226	2,647,947
Feb. 6	217,760	946,763	171,789	204,533	102,972	105,773	403,867	108,568	66,549	95,131	65,272	201,284	2,690,261
Feb. 13	211,515	1,000,085	169,852	219,989	104,072	114,335	414,584	105,823	65,944	98,549	66,814	189,614	2,761,176
Feb. 20	194,415	1,034,865	181,469	229,750	110,787	115,654	429,163	112,083	62,493	110,792	69,595	183,092	2,834,158

Federal Reserve note account of each Federal Reserve agent at close of business on Fridays, Jan. 30 to Feb. 20, 1920.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Federal Reserve notes:													
Received from Comptroller—													
Jan. 30	483,600	2,008,720	510,780	489,200	305,860	302,000	860,120	299,600	154,080	207,300	145,980	419,880	6,187,120
Feb. 6	487,600	2,024,440	510,780	491,340	305,860	305,000	868,520	299,900	154,080	207,300	146,980	420,480	6,222,280
Feb. 13	498,520	2,046,240	528,780	505,140	305,860	306,600	878,600	300,900	154,080	207,820	146,980	420,480	6,300,000
Feb. 20	511,960	2,052,940	538,380	513,840	308,360	311,000	896,440	302,800	155,080	210,320	149,780	422,000	6,372,900
Returned to Comptroller—													
Jan. 30	205,284	1,001,388	256,771	190,534	140,562	103,542	320,954	125,302	60,669	93,393	52,504	138,966	2,689,869
Feb. 6	208,607	1,012,819	260,172	193,526	142,854	105,492	328,932	127,488	61,354	95,010	53,430	142,571	2,732,255
Feb. 13	210,700	1,019,811	263,324	196,393	144,762	106,834	333,827	129,821	62,732	96,403	54,655	146,855	2,766,147
Feb. 20	212,518	1,023,305	265,741	198,974	146,386	107,837	339,688	131,542	63,406	97,998	55,253	149,289	2,791,937
Chargeable to Federal Reserve agent—													
Jan. 30	278,316	1,007,332	254,009	298,666	165,298	198,458	539,166	174,298	93,411	113,907	93,476	280,914	3,497,251
Feb. 6	278,993	1,011,621	250,608	297,814	163,006	199,508	539,588	172,412	92,726	112,290	93,550	277,909	3,490,025
Feb. 13	287,820	1,026,429	265,456	308,747	161,098	199,766	544,773	171,079	91,348	111,417	92,325	273,595	3,533,853
Feb. 20	299,442	1,029,635	272,639	314,866	161,974	203,163	556,752	171,258	91,674	112,322	94,527	272,711	3,580,963
In hands of Federal Reserve agent—													
Jan. 30	31,820	108,720	21,300	29,920	29,743	52,120	26,550	21,000	9,900	7,660	17,785	9,950	366,468
Feb. 6	30,820	121,000	12,880	25,980	28,543	51,070	18,650	19,600	9,300	5,970	16,610	9,950	350,373
Feb. 13	32,920	119,000	14,380	25,300	25,944	50,950	21,410	18,300	8,000	4,770	15,055	9,850	345,879
Feb. 20	37,260	119,000	23,140	31,020	27,194	51,305	16,150	16,980	8,400	4,370	14,905	9,450	359,174
Issued to Federal Reserve Bank less amount returned to Federal Reserve agent for redemption—													
Jan. 30	246,496	898,612	232,709	268,746	135,555	146,338	512,616	153,298	83,511	106,247	75,691	270,964	3,130,783
Feb. 6	248,173	890,621	237,728	271,834	134,463	148,438	520,938	152,812	83,426	106,320	76,940	267,959	3,139,652
Feb. 13	254,900	907,429	251,076	283,447	135,154	148,816	523,363	152,779	83,348	106,647	77,270	263,745	3,187,974
Feb. 20	262,182	910,635	249,499	283,846	134,780	151,858	540,602	154,278	83,274	107,952	79,622	263,261	3,221,789
Collateral held as security for outstanding notes:													
Gold and gold certificates—													
Jan. 30	....	183,740	....	28,025	....	2,500	....	4,000	13,052	....	8,831	....	240,148
Feb. 6	....	183,740	....	28,025	....	2,500	....	4,000	13,052	....	8,831	....	240,148
Feb. 13	....	183,740	....	32,025	....	2,500	....	4,000	13,052	....	8,831	....	244,148
Feb. 20	....	183,740	....	29,025	....	2,500	....	4,000	13,052	....	8,831	....	241,148

Federal Reserve note account of each Federal Reserve agent at close of business on Fridays, Jan. 30 to Feb. 20, 1920—Contd.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Collateral held as security for outstanding notes—Contd.													
Gold redemption fund—													
Jan. 30	16,129	8,038	14,332	14,273	2,204	2,438	9,126	3,773	1,403	3,570	5,554	12,327	93,167
Feb. 6	14,806	16,992	10,932	14,281	3,913	3,488	9,149	3,587	1,718	1,953	4,628	17,295	102,742
Feb. 13	13,713	16,137	12,779	11,414	2,004	4,146	9,254	3,254	1,990	2,560	5,340	14,988	97,579
Feb. 20	14,895	15,972	15,363	14,834	3,380	3,143	9,393	3,533	1,316	2,965	4,742	13,354	102,890
Gold settlement fund, Federal Reserve Board—													
Jan. 30	56,000	90,000	67,389	80,000	37,000	55,000	208,145	49,930	19,300	35,860	17,984	69,503	786,111
Feb. 6	57,000	90,000	70,389	80,000	33,000	52,000	200,144	49,930	19,300	35,860	17,984	67,930	773,537
Feb. 13	60,000	100,000	71,389	80,000	33,000	50,000	195,144	51,930	19,300	35,860	17,484	65,923	780,030
Feb. 20	74,000	105,000	68,889	80,000	30,000	50,000	199,144	50,930	19,300	35,860	17,484	76,153	806,760
Eligible paper, minimum required [1]—													
Jan. 30	174,367	616,834	150,988	146,448	96,351	86,400	295,345	95,595	49,756	66,817	43,322	189,134	2,011,357
Feb. 6	176,367	599,889	156,407	149,528	97,550	90,450	311,645	95,295	49,356	68,507	45,497	182,734	2,023,225
Feb. 13	181,187	607,552	166,908	160,008	100,150	92,170	318,965	93,595	49,006	68,227	45,615	182,834	2,066,217
Feb. 20	173,287	605,923	165,247	159,987	101,400	96,215	332,065	95,815	49,606	69,127	48,565	173,754	2,070,991

[1] For actual amounts see "Paper delivered to Federal Reserve agent," on p. 317.

CONDITION OF MEMBER BANKS IN SELECTED CITIES.

For the period between January 16 and February 13 reports from over 800 member banks in leading cities indicate a continuous decline, totaling about 162 millions, in United States securities held. United States bonds, including Liberty bonds but exclusive of circulation bonds, show a decline during the period from 622.6 to 594.5 millions, Victory notes, a decline from 226.1 to 212.1 millions, and Treasury certificates, largely as the result of redemptions by the Government on or before maturity, a decline from 815.9 to 695.9 millions. Loans secured by Government war obligations (less rediscounts) show a decrease from 1,002.2 to 922.4 millions. Of the total amount of these loans held at the more recent date, 639.0 millions, or 69.3 per cent, was secured by Liberty bonds, 264.2 millions, or 28.6 per cent, by Victory notes, and 19.2 millions, or 2.1 per cent, by Treasury certificates, compared with 692.9 millions of paper secured by Liberty bonds, 292.4 millions of paper secured by Victory notes, and 16.9 millions of paper secured by Treasury certificates held four weeks previous.

Loans secured by stocks and bonds show continuous reduction from 3,370.1 to 3,232.4 millions, though it should be noted that liquidation of these loans is limited almost entirely to New York City. As against the considerable reduction in these loans and in loans secured by United States securities, all other loans and investments (exclusive of rediscounts with Federal Reserve Banks) show a steady and fairly uniform increase from 9,589.7 to 9,776.9 millions.

War paper rediscounted with and held by Federal Reserve Banks for reporting member banks declined from 299.8 to 280.5 millions, while Federal Reserve Bank holdings of other paper rediscounted by reporting members increased from 656.3 to 736.9 millions. In addition, the Federal Reserve Banks show an increase from 801.3 millions to 965.5 millions in the total of collateral notes held under discount for reporting member banks. Of the latter total, all but 3.5 millions was war paper. During the same period the total amount of war paper held by Federal Reserve Banks under discount for reporting member banks increased from 1,095.5 to 1,242.5 millions. These amounts represent about 81 and 85 per cent of the total amounts of war paper held on the respective dates by the Federal Reserve Banks. The amount of other paper held under discount for reporting member banks by the Federal Reserve Banks went up from 661.9 to 740.4 millions, or from 88 to 90 per cent of the total paper of this class held. The total amount of paper held under discount for reporting members shows an increase for the four weeks from 1,757.4 to 1,982.9 millions, or from 83.7 to 86.5 per cent of the total discounts held by the Federal Reserve Banks on the respective dates.

Total loans and investments, exclusive of rediscounts with the Federal Reserve Banks, show a falling off for the period of 191.8 millions, and an even larger decrease for the member banks in New York City. This decrease is, however, more than fully offset by an increase in bills discounted and rediscounted with Federal Reserve Banks.

Redemption of Treasury certificates and Government expenses considerably in excess of revenues account for the net withdrawal during the period of 266.3 millions of Government deposits, the amount of 156.8 millions being the lowest Friday night balance carried with reporting banks by the Government since the beginning of last year. Other demand deposits (net), in keeping with the reduction in the banks' loan accounts, show a decline of 189.3 millions, a larger reduction at the banks in Federal Reserve Bank and branch cities being offset in part by the increase shown for country banks located outside Federal Reserve Bank and branch centers. Gains of time deposits aggregated 34.6 millions, notwithstanding a loss of 20.7 millions under this head shown for the banks in New York City.

Reserve balances with the Federal Reserve Banks, largely as the result of large withdrawals of Government deposits, declined 75.6 millions, while cash in vault shows an increase of about 6 millions.

Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve branch cities, as at close of business on Fridays from Jan. 23 to Feb. 13, 1920.

1. ALL REPORTING MEMBER BANKS.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Number of reporting banks:													
Jan. 23	46	112	56	92	82	47	107	35	35	83	44	65	804
Jan. 30	46	112	56	92	82	47	107	35	35	83	44	65	804
Feb. 6	46	112	56	92	82	47	107	35	35	83	44	65	804
Feb. 13	46	112	56	92	82	47	107	35	35	83	44	65	804
United States bonds to secure circulation:													
Jan. 23	13,011	48,887	11,097	41,841	26,296	14,015	20,877	17,178	7,120	14,464	19,573	34,605	268,964
Jan. 30	13,061	48,887	11,097	41,841	26,296	14,015	20,926	17,178	7,120	14,564	19.573	34,605	269,163
Feb. 6	13,011	48,887	11,097	41,841	26,296	14,015	20,927	17,177	7,170	14,664	19,573	34,605	269,263
Feb. 13	13,011	48,637	11,097	41,842	26,551	14,015	20,929	17,177	7,170	14,627	19,573	34,605	269,234
Other United States bonds, including Liberty bonds:													
Jan. 23	14,231	254,771	29,542	61,069	36,148	28,347	58,978	14,324	10,651	25,301	18,445	61,736	613,543
Jan. 30	14,377	247,721	27,817	61,467	35,063	25,734	60,009	14,729	10,549	22,356	18,604	62,164	600,590
Feb. 6	14,399	242,467	27,697	60,879	35,126	30,021	58,999	14,497	10,760	22,122	18,237	62,738	597,942
Feb. 13	14,606	239.734	27,311	62,185	35,109	28,915	59,108	14,250	10,566	22,152	18,335	62,248	594,519
United States Victory notes:													
Jan. 23	7,715	85,508	12,265	24,077	10,778	7,529	43,031	4,548	2,512	6,756	3,734	13,387	221,840
Jan. 30	7,664	81,677	11,936	23,979	10,379	9,334	41,294	4,488	2,467	6,398	3,565	13,223	216,404
Feb. 6	7,706	82,147	11,895	23,697	10,052	7,582	40,391	4,287	2,454	5,647	3,924	12,535	212,317
Feb. 13	7,855	83,282	11,511	23,262	10,032	7,337	39,956	4,146	2,446	5,310	4,081	12,839	212,057
United States certificates of indebtedness:													
Jan. 23	40,829	297,800	55,538	57,421	26,542	34,714	118,111	22,622	15,879	15,536	29,967	56,528	771,487
Jan. 30	40,234	290,829	52,974	57,780	25,748	33,789	118,710	21,928	15,752	15,912	29,981	54,856	758,493
Feb. 6	33,354	305,754	51,545	55,078	22,428	31,679	106,674	21,407	14,818	11,236	31,084	46,011	731,068
Feb. 13	31,766	289,283	49,900	54,128	21,338	26,986	106,169	19,801	13,222	10,779	29,541	42,982	695,895
Total United States securities owned:													
Jan. 23	75,786	686,966	108,442	184,408	99,764	84,605	240,997	58,672	36,162	62,057	71,719	166,256	1,875,834
Jan. 30	75,336	669,114	103,824	185,067	97,486	82,872	240,939	58,323	35,888	59.230	71,723	164,848	1,844,650
Feb. 6	68,470	679,255	102,234	181,495	93,902	83,297	226,991	57,368	35,202	53,669	72,818	155,889	1,810,590
Feb. 13	67,238	660,936	99,819	181,417	93,030	77,253	226,162	55,374	33,404	52,868	71,530	152,674	1,771,705
Loans secured by United States bonds, Victory notes, and certificates:													
Jan. 23	47,935	518,079	85,857	87,213	35,798	23,556	97,210	30,572	15,217	20,782	6,928	32,016	1,001,163
Jan. 30	39,753	498,252	84,580	85,388	34,769	22,771	96,310	31,486	15,382	19,769	7,508	31,639	967,607
Feb. 6	39,553	476,307	80,542	84,494	34,236	22,116	97,399	30,023	14,985	19,720	7,953	31,449	938,777
Feb. 13	39,941	462,764	79,818	84,659	33,199	22,103	97,464	29,396	15,100	19,559	7,088	31,324	922,415
Loans secured by stocks and bonds other than United States securities:													
Jan. 23	201,755	1,505,992	205,603	347,641	110,649	59,424	481,639	160,102	29,610	75,454	34,075	140,885	3,352,829
Jan. 30	198,040	1,475,350	202,115	343,161	107,665	59,334	499,306	159,921	29,921	75,217	33,972	141.220	3,325,222
Feb. 6	201,956	1,437,478	207,048	344,347	107,302	63,172	499,951	160,024	29,334	76,122	34,139	141,106	3,301,979
Feb. 13	196,263	1,377,313	206,222	345,771	106,505	59,700	498,593	160,838	28,404	76,246	34,846	141,697	3,232,398
All other loans and investments:													
Jan. 23	683,057	3,367,708	512,977	814,233	350,545	363,057	1,411,722	322,143	254,671	469,170	222,590	832,178	9,604,051
Jan. 30	669,094	3,419,985	518,787	818,520	350,510	372,940	1,413,467	331,525	252,112	471,878	223,699	828,487	9,671,004
Feb. 6	685,974	3,403,952	526,705	823,363	350,308	362,176	1,440,168	329,370	256,820	472,891	227,058	836,963	9,715,748
Feb. 13	669,812	3,425,604	538,424	833,376	349,736	366,021	1,462,460	330,824	256,783	478,249	229,337	836,319	9,776,945
Total loans and investments:													
Jan. 23	1,008,533	6,078,745	912,879	1,433,495	596,756	530,642	2,231,568	571,489	335,660	627,463	335,312	1,171,335	15,833,877
Jan. 30	982,223	6,062,701	909,306	1,432,136	590,430	537,917	2,250,022	581,255	333,303	626,094	336,902	1,166,194	15,808,483
Feb. 6	995,953	5,996,992	916,529	1,433,699	585,748	530,761	2,264,509	576,785	336,341	622,402	341,968	1,165,407	15,767,094
Feb. 13	973,254	5,926,617	924,283	1,445,223	582,470	525,077	2,284,679	576,432	333,691	626,922	342,801	1,162,014	15,703,463
Reserve balances with Federal Reserve Bank:													
Jan. 23	79,010	668,284	70,439	93,108	38,076	35,135	202,590	48,516	23,763	56,834	29,674	79,361	1,424,790
Jan. 30	79,066	673,982	62,062	93,475	36,919	35,399	199,124	43,198	23,338	47,440	35,643	76,850	1,406,496
Feb. 6	76,002	679,469	65,659	89,711	39,205	35,475	204,055	44,400	23,853	55,373	27,023	76,934	1,417,159
Feb. 13	81,279	665,422	59,838	90,228	39,727	35,938	199,469	48,060	23,025	49,324	27,206	78,855	1,398,371
Cash in vault:													
Jan. 23	23,176	125,940	15,929	33,380	17,623	13,867	66,797	10,660	9,171	15,248	10,649	30,371	372,811
Jan. 30	19,262	120,505	15,644	31,148	16,349	13,083	66,703	10,087	8,859	15,480	11,423	28,966	357,509
Feb. 6	20,395	112,188	15,358	31,824	16,873	12,884	65,905	10,242	8,092	15,419	9,966	28,072	347,218
Feb. 13	25,152	129,046	17,916	32,516	17,065	13,105	70,521	11,021	8,616	15,284	11,747	31,290	383,279
Net demand deposits on which reserve is computed:													
Jan. 23	799,974	5,123,217	664,272	858,398	365,678	320,287	1,432,187	373,566	239,904	469,745	255,037	634,787	11,537,052
Jan. 30	786,060	5,118,606	654,286	855,135	362,001	311,624	1,446,756	368,850	235,710	464,821	250,688	622,816	11,477,353
Feb. 6	789,577	5,110,832	659,392	850,068	365,043	313,048	1,451,457	365,597	234,632	469,811	254,087	614,291	11,477,835
Feb. 13	795,641	5,112,686	665,604	864,758	367,859	312,228	1,472,176	375,477	233,171	472,119	255,177	624,181	11,551,077

Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve branch cities, as at close of business on Fridays from Jan. 23 to Feb. 13, 1920—Contd.

1. ALL REPORTING MEMBER BANKS—Continued.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Time deposits:													
Jan. 23	131,938	409,085	26,043	335,671	99,671	125,581	574,716	116,313	60,956	89,137	40,954	467,489	2,477,554
Jan. 30	132,505	392,078	26,034	337,095	99,974	126,382	578,577	117,768	61,354	88,481	41,925	469,396	2,471,569
Feb. 6	133,595	395,310	25,720	343,195	98,514	129,733	583,957	118,458	62,091	91,564	42,086	470,689	2,494,912
Feb. 13	133,275	384,902	26,070	354,884	99,382	130,434	585,611	118,705	62,034	92,763	42,878	469,924	2,500,862
Government deposits:													
Jan. 23	30,448	173,055	28,393	23,569	6,450	7,661	41,233	10,450	4,727	3,248	2,444	12,032	343,710
Jan. 30	27,757	155,787	25,550	21,126	5,776	7,096	37,095	9,360	4,255	2,709	2,239	10,073	308,823
Feb. 6	12,099	99,266	9,485	19,756	3,464	6,324	25,484	5,456	1,155	3,552	5,490	13,637	205,168
Feb. 13	7,882	72,482	5,899	15,329	3,314	3,817	24,356	3,880	587	3,056	4,790	11,422	156,814
Bills payable with Federal Reserve Bank:													
Secured by United States war obligations—													
Jan. 23	24,263	365,255	67,601	66,566	48,829	47,408	103,620	26,930	13,211	25,386	23,977	32,046	845,092
Jan. 30	34,372	433,238	70,678	59,424	42,370	44,991	102,234	30,282	13,246	20,455	25,088	34,919	911,297
Feb. 6	40,541	428,815	79,615	66,479	43,864	43,409	112,589	31,705	15,487	19,481	23,680	38,397	944,032
Feb. 13	31,797	440,912	85,246	75,085	39,871	41,918	121,141	31,451	15,166	17,040	22,570	39,788	961,985
All other—													
Jan. 23					300	160				3,706	62	100	4,328
Jan. 30				150	750	125			150	3,950	300	100	5,525
Feb. 6				150	730	125			100	4,509		85	5,699
Feb. 13					500	125			150	2,675		85	3,535
Bills rediscounted with Federal Reserve Bank:													
Secured by United States war obligations—													
Jan. 23	51,515	115,407	80,304	10,099	9,714	2,718	6,373	7,242	6,506	2,669	43	1,870	294,460
Jan. 30	49,746	116,886	77,921	8,934	8,925	3,137	6,791	6,304	2,610	2,917	73	1,825	286,069
Feb. 6	48,473	115,648	76,028	7,597	7,759	3,522	7,373	8,077	2,870	3,063	47	1,479	281,936
Feb. 13	47,567	111,951	76,738	8,226	7,170	3,506	10,020	8,507	2,634	2,825	40	1,322	280,506
All other—													
Jan. 23	36,191	269,234	36,427	36,244	16,278	15,091	113,412	40,544	37,845	43,721	6,847	28,355	680,189
Jan. 30	42,983	208,596	32,623	37,174	16,701	21,564	116,064	38,705	37,081	41,331	6,154	32,313	631,289
Feb. 6	46,375	207,688	39,304	40,514	18,639	22,325	122,498	42,149	39,922	42,728	5,868	35,038	663,048
Feb. 13	76,167	243,690	43,191	38,035	19,160	23,036	131,813	40,710	37,259	41,841	5,472	36,514	736,888

2. MEMBER BANKS IN FEDERAL RESERVE BANK CITIES.

Number of reporting banks:													
Jan. 23	22	71	41	12	9	8	50	13	9	20	6	15	276
Jan. 30	22	71	41	12	9	8	50	13	9	20	6	15	276
Feb. 6	22	71	41	12	9	8	50	13	9	20	6	15	276
Feb. 13	22	71	41	12	9	8	50	13	9	20	6	15	276
United States bonds to secure circulation:													
Jan. 23	3,081	39,190	7,087	3,631	2,832	3,100	1,439	10,548	2,791	4,850	4,560	18,500	101,609
Jan. 30	3,081	39,190	7,087	3,631	2,832	3,100	1,438	10,548	2,791	4,850	4,560	18,500	101,608
Feb. 6	3,031	39,190	7,087	3,631	2,832	3,100	1,438	10,547	2,791	4,850	4,560	18,500	101,557
Feb. 13	3,031	38,940	7,087	3,631	2,832	3,100	1,438	10,547	2,791	4,813	4,560	18,500	101,270
Other United States bonds, including Liberty bonds:													
Jan. 23	6,061	224,106	22,180	8,378	5,595	1,445	25,286	5,396	1,782	10,299	3,198	37,204	350,930
Jan. 30	6,006	217,023	20,562	8,387	5,041	1,518	25,456	5,603	1,841	7,507	3,365	36,975	339,284
Feb. 6	5,968	211,549	20,450	8,345	4,914	1,526	24,767	5,489	1,840	7,586	3,354	37,084	332,872
Feb. 13	6,218	208,731	20,143	8,403	4,960	1,548	24,945	5,243	1,698	7,449	3,279	36,874	329,491
United States Victory notes:													
Jan. 23	965	75,298	8,901	4,606	493	558	18,311	1,532	235	4,043	1,023	4,736	120,701
Jan. 30	928	71,611	8,623	4,583	463	553	16,352	1,584	235	3,649	902	4,772	114,255
Feb. 6	880	72,075	8,664	4,317	303	550	15,772	1,493	228	2,961	948	4,108	112,299
Feb. 13	870	72,823	8,363	4,363	328	547	15,361	1,305	229	2,828	1,143	4,485	112,645
United States certificates of indebtedness:													
Jan. 23	26,918	280,142	52,114	8,838	2,024	9,636	49,055	19,227	6,991	4,215	19,057	26,403	504,620
Jan. 30	26,053	273,503	49,556	10,616	1,982	9,443	48,264	18,728	6,971	4,223	18,950	24,972	493,261
Feb. 6	20,426	290,494	48,238	10,988	2,089	7,790	41,475	18,245	6,787	2,683	18,689	21,435	489,339
Feb. 13	20,025	274,921	46,572	11,518	2,079	5,158	38,705	16,857	6,624	2,680	17,711	20,165	463,015
Total United States securities owned:													
Jan. 23	37,025	618,736	90,282	25,453	10,944	14,739	94,091	36,703	11,799	23,407	27,838	86,843	1,077,860
Jan. 30	36,068	601,327	85,828	27,217	10,318	14,614	91,510	36,463	11,838	20,229	27,777	85,219	1,048,408
Feb. 6	30,305	613,308	84,439	27,281	10,138	12,966	83,452	35,774	11,646	18,080	27,551	81,127	1,036,067
Feb. 13	30,144	595,415	82,165	27,915	10,199	10,353	80,449	33,952	11,342	17,770	26,693	80,024	1,006,421

Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve branch cities, as at close of business on Fridays from Jan. 23 to Feb. 13, 1920—Contd.

2. MEMBER BANKS IN FEDERAL RESERVE BANK CITIES—Continued.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Loans secured by United States bonds, Victory notes, and certificates:													
Jan. 23	33,459	489,099	81,254	22,220	11,784	5,959	67,836	22,129	8,027	6,830	1,651	16,688	766,936
Jan. 30	28,352	470,308	80,015	22,006	11,577	5,638	66,728	22,857	8,193	6,844	2,242	16,700	741,460
Feb. 6	28,288	448,714	76,549	21,372	11,364	5,147	67,545	21,330	7,934	6,919	1,849	16,658	713,669
Feb. 13	29,195	435,582	75,938	21,549	10,766	5,046	66,886	21,108	7,815	6,691	1,827	15,843	698,246
Loans secured by stocks and bonds, other than United States securities:													
Jan. 23	155,316	1,348,102	186,331	125,686	14,841	6,868	381,021	125,031	14,140	33,114	10,464	65,561	2,466,475
Jan. 30	153,830	1,321,378	182,757	120,671	14,896	7,034	386,777	124,234	14,121	32,935	10,605	64,910	2,434,148
Feb. 6	155,661	1,281,081	187,579	123,515	15,039	7,077	386,731	124,349	14,345	33,125	10,570	64,649	2,403,721
Feb. 13	150,454	1,223,737	186,591	124,129	15,265	7,151	385,112	125,134	13,700	33,221	11,490	65,058	2,341,042
All other loans and investments:													
Jan. 23	473,925	2,998,489	446,897	229,994	66,656	55,817	817,430	198,920	113,394	161,076	58,588	386,851	6,008,037
Jan. 30	457,290	3,050,837	452,438	233,805	65,887	56,657	823,266	206,884	111,426	161,817	58,407	381,201	6,059,915
Feb. 6	476,228	3,034,370	459,638	234,567	64,783	58,891	835,785	205,859	111,622	159,179	59,417	389,870	6,090,209
Feb. 13	458,989	3,054,484	470,533	231,710	66,439	58,640	850,880	205,466	112,926	163,963	57,792	387,502	6,119,324
Total loans and investments:													
Jan. 23	699,725	5,454,426	804,764	403,353	104,225	83,383	1,360,378	382,783	147,360	224,427	98,541	555,943	10,319,308
Jan. 30	675,540	5,443,850	801,038	403,699	102,678	83,943	1,368,281	390,438	145,578	221,825	99,031	548,030	10,283,931
Feb. 6	690,482	5,377,473	808,205	406,735	101,324	84,081	1,373,513	387,312	145,547	217,303	99,387	552,304	10,243,666
Feb. 13	668,782	5,309,218	815,227	405,303	102,669	81,190	1,383,327	385,660	145,783	221,645	97,802	548,427	10,165,033
Reserve balances with Federal Reserve Bank:													
Jan. 23	62,970	628,730	63,995	26,346	6,885	6,108	143,932	34,653	11,674	21,482	9,796	35,021	1,051,592
Jan. 30	64,065	633,935	55,704	27,971	5,942	5,372	138,949	30,331	11,427	11,770	7,125	32,809	1,025,400
Feb. 6	61,061	639,901	58,866	23,903	6,603	5,771	145,557	31,915	12,144	18,823	7,290	32,896	1,044,730
Feb. 13	64,590	626,485	52,779	25,044	8,038	6,542	138,845	35,258	10,871	15,355	7,202	35,652	1,026,661
Cash in vault:													
Jan. 23	14,111	113,097	12,429	8,385	2,094	2,516	38,210	5,792	2,930	4,051	1,976	10,557	216,148
Jan. 30	10,841	107,881	12,315	8,039	1,797	2,114	37,828	5,355	2,848	4,363	1,999	10,305	205,685
Feb. 6	14,213	110,235	11,866	7,961	1,929	2,167	37,510	5,176	2,495	4,190	1,907	9,827	209,476
Feb. 13	15,750	115,177	14,282	8,549	1,786	1,972	38,097	5,493	2,860	4,031	2,295	9,874	220,166
Net demand deposits on which reserve is computed:													
Jan. 23	610,634	4,660,903	576,908	218,872	63,563	50,479	986,319	256,632	106,934	167,776	77,658	287,462	8,064,140
Jan. 30	601,635	4,665,394	566,919	217,288	62,925	50,017	987,676	254,243	103,353	163,559	74,685	277,028	8,024,722
Feb. 6	602,631	4,663,058	571,390	214,436	62,879	51,557	986,529	250,144	105,214	164,079	74,491	272,162	8,018,570
Feb. 13	609,190	4,647,471	576,235	219,198	62,751	51,329	985,018	257,468	102,791	165,261	73,111	272,474	8,022,297
Time deposits:													
Jan. 23	42,735	319,187	16,492	163,203	20,512	19,781	262,372	70,732	22,187	12,094	3,842	209,146	1,162,283
Jan. 30	43,496	301,906	16,365	163,662	20,429	19,764	264,453	71,290	22,419	12,057	3,885	209,727	1,149,453
Feb. 6	42,872	304,811	16,486	167,792	20,422	20,080	266,952	71,761	22,435	11,759	3,903	210,411	1,159,684
Feb. 13	42,058	298,216	16,795	167,398	20,669	20,095	267,156	71,855	22,381	12,719	3,922	210,101	1,153,365
Government deposits:													
Jan. 23	25,693	166,825	26,710	5,467	1,316	731	22,210	8,410	2,310	2,194	1,095	7,691	270,652
Jan. 30	23,473	150,180	24,035	5,059	1,177	659	19,989	7,557	2,078	1,741	986	6,888	243,822
Feb. 6	9,985	96,830	7,982	3,811	969	749	12,692	4,492	535	2,294	2,454	10,924	153,717
Feb. 13	6,439	70,831	4,707	2,690	1,606	601	12,121	3,210	266	1,973	2,191	9,027	115,662
Bills payable with Federal Reserve Bank:													
Secured by United States war obligations—													
Jan. 23	20,129	329,243	63,418	10,925	6,169	4,374	46,293	20,592	5,205	12,583	16,367	17,621	552,919
Jan. 30	30,048	394,164	66,075	13,405	5,409	3,227	46,617	23,519	5,270	9,288	16,567	20,325	633,914
Feb. 6	35,189	389,302	75,301	12,700	5,965	3,352	53,450	24,931	5,901	7,703	16,000	21,751	651,545
Feb. 13	26,055	401,394	79,050	19,898	5,950	1,687	56,154	24,496	6,226	7,230	16,000	23,717	667,857
All other—													
Jan. 23	....	....	....	....	....	....	....	....	....	285	....	....	285
Jan. 30	....	....	....	....	....	....	....	....	....	285	....	....	285
Feb. 6	....	....	....	....	....	....	....	....	....	500	....	....	500
Feb. 13	....	....	....	....	....	....	....	....	....	500	....	....	500
Bills rediscounted with Federal Reserve Bank:													
Secured by United States war obligations—													
Jan. 23	45,149	111,229	79,959	5,643	2,547	485	2,560	4,061	6,131	982	43	895	259,684
Jan. 30	43,523	112,162	77,576	5,208	2,317	678	3,191	3,349	2,245	922	43	807	252,021
Feb. 6	42,395	110,131	75,364	4,517	2,133	426	3,615	5,452	2,525	1,147	32	530	248,267
Feb. 13	42,171	106,911	76,074	4,449	1,983	404	6,085	5,595	2,309	1,045	26	449	247,501
All other—													
Jan. 23	33,918	258,925	35,398	26,265	2,373	2,137	91,863	27,415	30,165	19,401	811	18,692	547,363
Jan. 30	41,164	198,247	32,038	26,542	2,797	2,678	94,788	26,035	29,803	19,360	825	21,555	495,832
Feb. 6	44,923	198,313	38,388	27,152	3,371	2,594	101,563	29,788	30,015	20,655	673	23,471	520,906
Feb. 13	74,763	235,091	42,298	25,246	3,309	2,461	109,480	29,038	27,534	19,020	638	24,692	593,570

Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve branch cities, as at close of business on Fridays from Jan. 23 to Feb. 13, 1920—Contd.

3. MEMBER BANKS IN FEDERAL RESERVE BRANCH CITIES.

[In thousands of dollars.]

	New York district.[1]	Cleveland district.[2]	Richmond district.[3]	Atlanta district.[4]	Chicago district.[5]	St. Louis district.[6]	Kansas City district.[7]	Dallas district.[8]	San Francisco district.[9]	Total.
Number of reporting banks:										
Jan. 23	9	40	19	24	12	18	18	11	42	193
Jan. 30	9	40	19	24	12	18	18	11	42	193
Feb. 6	9	40	19	24	12	18	18	11	42	193
Feb. 13	9	40	19	24	12	18	18	11	42	193
United States bonds to secure circulation:										
Jan. 23	1,599	24,897	5,608	6,915	1,905	5,280	4,187	7,108	13,305	70,804
Jan. 30	1,599	24,897	5,608	6,915	1,905	5,280	4,187	7,108	13,305	70,804
Feb. 6	1,599	24,897	5,608	6,915	1,905	5,280	4,187	7,108	13,305	70,804
Feb. 13	1,599	24,897	5,608	6,915	1,905	5,280	4,187	7,108	13,305	70,804
Other United States bonds, including Liberty bonds:										
Jan. 23	7,736	41,334	9,084	23,271	15,672	8,077	6,070	7,553	21,146	139,943
Jan. 30	7,779	41,564	8,960	20,438	15,708	8,211	5,947	7,627	21,804	138,038
Feb. 6	7,765	41,175	8,963	23,944	15,784	8,105	5,923	7,621	22,464	141,744
Feb. 13	8,002	42,383	9,022	23,573	15,805	8,091	6,136	7,630	22,179	142,821
United States Victory notes:										
Jan. 23	3,315	15,571	3,605	5,366	14,588	2,876	644	1,364	7,998	55,327
Jan. 30	3,164	15,615	3,546	7,155	14,567	2,772	671	1,374	7,813	56,677
Feb. 6	3,107	15,520	3,478	5,494	14,532	2,670	653	1,461	7,799	54,714
Feb. 13	2,715	15,099	3,422	5,204	14,502	2,720	494	1,442	7,726	53,324
United States certificates of indebtedness:										
Jan. 23	7,857	38,911	11,350	19,738	54,662	3,314	5,012	5,396	27,831	174,071
Jan. 30	7,664	37,571	10,719	19,399	54,827	3,109	5,227	5,499	27,593	171,608
Feb. 6	6,045	34,362	8,342	18,933	49,964	3,022	3,736	6,403	22,187	152,994
Feb. 13	5,920	33,999	7,099	17,177	52,642	2,789	3,378	5,853	20,423	149,280
Total United States securities owned:										
Jan. 23	20,507	120,713	29,647	55,290	86,827	19,547	15,913	21,421	70,280	440,145
Jan. 30	20,206	119,647	28,833	53,907	87,007	19,372	16,032	21,608	70,515	437,127
Feb. 6	18,516	115,954	26,391	55,286	82,185	19,077	14,499	22,593	65,755	420,256
Feb. 13	18,236	116,378	25,151	52,869	84,854	18,880	14,195	22,033	63,633	416,229
Loans secured by United States bonds, Victory notes, and certificates:										
Jan. 23	6,746	53,492	9,922	12,260	12,836	7,368	9,705	1,745	14,457	128,531
Jan. 30	6,726	51,751	9,301	12,082	12,793	7,542	8,776	1,889	13,942	124,802
Feb. 6	6,788	51,618	9,024	11,948	12,606	7,605	8,593	1,861	13,931	123,974
Feb. 13	6,571	51,459	9,230	11,854	13,785	7,240	8,688	1,858	14,616	125,301
Loans secured by stocks and bonds, other than United States securities:										
Jan. 23	40,589	161,743	33,828	40,100	53,336	32,255	21,646	14,979	69,547	468,023
Jan. 30	40,838	161,121	33,501	39,834	56,390	32,861	21,349	14,819	70,506	471,219
Feb. 6	45,522	159,964	32,689	42,423	57,736	32,860	21,918	14,575	70,579	478,266
Feb. 13	45,558	159,786	32,579	38,965	57,405	32,950	21,941	14,727	71,146	475,057
All other loans and investments:										
Jan. 23	127,084	428,109	102,029	225,574	289,490	107,157	150,205	66,661	415,311	1,911,620
Jan. 30	125,638	427,809	104,369	233,835	293,885	109,036	151,630	68,748	417,206	1,932,156
Feb. 6	123,969	431,616	102,583	223,972	299,851	107,694	153,364	68,923	415,873	1,927,845
Feb. 13	122,945	444,489	103,333	227,217	302,763	109,330	154,416	71,705	416,796	1,952,994
Total loans and investments:										
Jan. 23	194,926	764,057	175,426	333,224	442,489	166,327	197,469	104,806	569,595	2,948,319
Jan. 30	193,408	760,328	176,004	339,658	450,075	168,811	197,787	107,064	572,169	2,965,304
Feb. 6	194,795	759,152	170,687	333,629	452,378	167,236	198,374	107,952	566,138	2,950,341
Feb. 13	193,310	772,112	170,293	330,905	458,807	168,400	199,240	110,323	566,191	2,969,581
Reserve balances with Federal Reserve Banks:										
Jan. 23	11,216	49,801	12,193	22,922	29,057	13,030	16,942	7,992	40,828	203,981
Jan. 30	11,763	48,807	12,283	23,094	29,307	11,803	17,355	8,452	40,783	203,647
Feb. 6	12,975	48,709	13,273	22,695	28,754	11,725	16,819	8,575	40,579	204,104
Feb. 13	12,205	47,733	12,732	21,971	29,312	11,867	15,192	8,303	39,540	198,855
Cash in vault:										
Jan. 23	2,701	15,078	4,957	7,577	14,360	4,079	5,360	2,783	17,872	74,767
Jan. 30	2,575	13,996	4,907	7,331	14,052	4,003	5,240	3,099	16,834	72,037
Feb. 6	2,723	14,590	4,314	7,149	13,800	4,260	5,379	2,694	16,435	71,344
Feb. 13	3,034	14,307	4,802	7,120	16,416	4,817	5,320	3,224	19,105	78,145
Net demand deposits on which reserve is computed:										
Jan. 23	127,198	465,642	111,056	209,792	204,623	106,541	134,894	72,139	316,456	1,748,341
Jan. 30	126,715	465,070	110,409	204,446	212,281	103,844	133,583	71,756	315,172	1,743,276
Feb. 6	127,194	461,807	109,701	205,022	211,391	104,643	139,057	72,296	312,240	1,743,351
Feb. 13	129,983	463,103	112,060	202,558	226,053	106,837	139,185	73,519	319,007	1,772,305
Time deposits:										
Jan. 23	35,066	100,652	19,799	69,367	201,894	36,962	45,100	19,226	246,665	774,731
Jan. 30	35,137	101,152	19,473	69,850	203,655	37,811	44,925	20,064	247,117	779,184
Feb. 6	35,095	102,540	17,353	72,344	205,848	38,054	46,501	20,018	247,611	785,364
Feb. 13	34,234	113,392	17,958	72,790	207,010	38,251	46,320	20,613	247,416	797,984
Government deposits:										
Jan. 23	2,494	15,093	477	6,119	12,101	1,998	667	577	3,433	42,959
Jan. 30	2,244	13,523	418	5,707	10,891	1,765	601	558	3,088	38,795
Feb. 6	822	14,254	148	5,433	7,654	960	278	2,226	1,690	33,465
Feb. 13	490	11,452	111	3,167	7,382	670	204	1,902	1,485	26,863

Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve branch cities, as at close of business on Fridays from Jan. 23 to Feb. 13, 1920—Contd.

3. MEMBER BANKS IN FEDERAL RESERVE BRANCH CITIES—Continued.

[In thousands of dollars.]

	New York district.[1]	Cleveland district.[2]	Richmond district.[3]	Atlanta district.[4]	Chicago district.[5]	St. Louis district.[6]	Kansas City district.[7]	Dallas district.[8]	San Francisco district.[9]	Total.
Bills payable with Federal Reserve Bank:										
Secured by United States war obligations—										
Jan. 23	16,046	51,787	21,061	35,548	40,595	5,886	8,214	4,660	12,711	196,508
Jan. 30	17,242	42,218	16,348	33,967	38,270	6,381	6,838	5,616	12,965	179,845
Feb. 6	16,752	48,403	17,441	32,461	42,985	6,262	7,704	5,050	15,077	192,135
Feb. 13	16,464	50,186	14,006	32,722	47,867	6,393	6,351	4,615	14,392	192,996
All other—										
Jan. 23	....	....	300	10	....	....	3,421	62	100	3,893
Jan. 30	....	....	300	....	....	....	3,665	300	100	4,365
Feb. 6	....	....	280	....	....	....	4,009	....	85	4,374
Feb. 13	....	....	....	....	....	....	2,175	....	85	2,260
Bills rediscounted with Federal Reserve Bank:										
Secured by United States war obligations—										
Jan. 23	1,711	3,479	5,106	1,717	1,328	2,480	1,017	....	935	17,773
Jan. 30	2,017	2,887	4,912	1,872	1,317	2,269	1,393	30	978	17,675
Feb. 6	2,873	2,681	4,114	2,405	1,313	1,968	1,245	15	909	17,523
Feb. 13	2,448	2,674	3,304	2,489	1,213	2,331	1,154	14	830	16,457
All other—										
Jan. 23	2,492	5,889	8,084	11,654	7,647	12,295	18,164	5,233	7,837	79,295
Jan. 30	2,016	6,949	8,304	14,305	6,677	11,806	16,223	4,426	8,787	79,493
Feb. 6	1,915	8,749	9,339	15,085	7,926	11,642	16,332	4,325	9,332	84,645
Feb. 13	1,926	8,062	9,748	16,790	7,925	10,892	16,970	3,969	9,803	86,085

[1] Buffalo.
[2] Pittsburgh and Cincinnati.
[3] Baltimore.
[4] New Orleans, Birmingham, Jacksonville, and Nashville.
[5] Detroit.
[6] Louisville, Memphis, and Little Rock.
[7] Omaha and Denver.
[8] El Paso and Houston.
[9] Spokane, Portland, Seattle, Salt Lake City, and Los Angeles.

IMPORTS AND EXPORTS OF GOLD AND SILVER.

Gold imports into and exports from the United States, distributed by countries.

	Imports.					Exports.				
	During 10 days ending Jan. 20, 1920.	During 11 days ending Jan. 31, 1920.	During 10 days ending Feb. 10, 1920.	From Jan. 1 to Feb. 10, 1920.	From Jan. 1 to Feb. 10, 1919.	During 10 days ending Jan. 20, 1920.	During 11 days ending Jan. 31, 1920.	During 10 days ending Feb. 10, 1920.	From Jan. 1 to Feb. 10, 1920.	From Jan. 1 to Feb. 10, 1919.
France			$19,576	$19,576						
Italy								$68,954	$136,598	
Netherlands	$1,238			1,238						
United Kingdom—England			942	942		$5,000	$2,087		9,155	
Total Europe	1,238		20,518	21,756		5,000	2,087	68,954	145,753	
Canada	10,467,932	$528,694	99,769	11,298,269	$1,007,161	230,110	215,548	143,519	655,146	$1,486
Costa Rica			3,578	3,578	51,922					
Honduras	207		1,925	4,511	46,147		1,000		1,000	
Nicaragua	15,207	11,552	24,929	87,902	280,345					
Panama			30,000	30,000						
Salvador		2,956		53,267	71,020					
Mexico	163,168	86,371	40,108	415,060	647,320	1,026,402	1,695,788	1,284,380	4,632,002	1,405,141
British West Indies					1,608					
Cuba	848			1,777	1,323					
Dominican Republic						16,000			16,000	
Total North and Central America	10,647,362	629,573	200,309	11,894,364	2,106,846	1,272,512	1,912,336	1,427,899	5,304,148	1,406,627
Argentina						5,600,000	7,950,000	11,500,000	25,050,000	
Bolivia		227	1,188	1,415						
Brazil							100,000		100,000	
Chile	324	10,826	3,857	15,007	4,938		200,000		200,000	
Colombia	5,496		52	5,548	218,348	180,000	60,000	200,000	500,000	1,853,000
Ecuador					28,808					
British Guiana	18,445			18,445	40,470					
Dutch Guiana					6,500					
Peru	7,472	23,605	22,550	128,487	126,356					135,339
Uruguay						1,100,000			1,100,000	
Venezuela					42,152	50,000			50,000	1,195,670
Total South America	31,737	34,658	27,647	168,902	467,572	6,930,000	8,310,000	11,700,000	27,000,000	3,184,009
China							1,555,234	1,812,636	9,302,109	
British India						654,000	202,000	40,000	1,205,020	
Straits Settlements						1,250,000	560,000	305,000	3,615,000	
Dutch East Indies						1,110,000			1,110,000	
Hongkong						143,600	7,182,756	1,485,311	11,268,342	
Japan							2,000,000		5,706,301	
Total Asia						3,157,600	11,499,990	3,642,947	32,206,772	
New Zealand		150,614		150,614						
Philippine Islands		30,389		30,389	61,192					
Portuguese Africa			37,727	37,727						
Total, all countries	10,680,337	845,234	286,201	[1] 12,303,752	2,635,610	11,365,112	21,724,413	16,839,800	[2] 64,656,673	4,590,636

[1] Includes: Ore and base bullion, $1,863,000; bullion refined, $440,000; United States coin, $1,000; foreign coin, $10,000,000.
[2] Includes: Domestic exports—United States mint or assay office bars, $9,196,000; bullion refined, $155,000; coin, $55,291,000 Foreign exports—Coin, $15,000.

Excess of gold exports over imports since Jan. 1, 1920, $52,353,000. Excess of gold imports over exports since Aug. 1, 1914, $727,402,000. Excess of gold exports over imports since June 10, 1919, $373,617,000.

Silver imports into and exports from the United States, distributed by countries.

	Imports.					Exports.				
	During 10 days ending Jan. 20, 1920.	During 11 days ending Jan. 31, 1920.	During 10 days ending Feb. 10, 1920.	From Jan. 1 to Feb. 10, 1920.	From Jan. 1 to Feb. 10, 1919.	During 10 days ending Jan. 20, 1920.	During 11 days ending Jan. 31, 1920.	During 10 days ending Feb. 10, 1920.	From Jan. 1 to Feb. 10, 1920.	From Jan. 1 to Feb. 10, 1919.
Denmark										$66,183
France			$7,664	$7,664	$3,823					1,401,456
Netherlands	$234			234						
Norway										255,805
Sweden										48,675
United Kingdom—England			3,655	3,655	7,362		$10,000	$42,841	$52,841	4,041,787
Total Europe	234		11,319	11,553	11,185		10,000	42,841	52,841	5,813,906
British Honduras	225	$7,545		7,770	16,698					
Canada	128,862	205,198	263,316	710,635	553,055	$1,960,701	268,589	91,430	2,362,756	356,655
Costa Rica			645	645	732					
Guatemala			3,480	17,480						
Honduras	1,489		1,403	344,592	455,047	21,500	32,300	10,000	89,800	
Nicaragua	3,358	17,761	12,719	85,220	157,501					
Panama	16,340			16,340	44,038			50,000	400,000	
Salvador	28,136	10,025	189,467	917,697	41,566					
Mexico	1,370,237	2,072,758	2,226,456	7,826,614	5,595,612	259,809	211,697	135,317	659,913	97,850
British West Indies									1,800	2,100
Cuba	31	5,873		19,613	20,688		9,000	5,000	14,000	
Dominican Republic						13,000			43,000	
Total North and Central America	1,548,678	2,319,160	2,697,486	9,946,606	6,884,937	2,255,010	521,586	291,747	3,571,269	456,605
Bolivia		113,584	7,106	120,690						
Chile	16,060	87,404	102,311	209,930	10,797					
Colombia	15,561		649	20,481	14,408					
Dutch Guiana										250
Ecuador					343					
Peru	137,511	274,570	437,080	1,795,236	1,237,108					
Venezuela					201					
Total South America	169,132	475,558	547,146	2,146,337	1,262,857					250
British India										21,366,456
China		11,974		11,974		1,075,218	11,691,270	3,978,226	21,421,702	
Hongkong		1,650		1,650			1,365,523	1,185,902	5,077,502	2,212,424
Total Asia		13,624		13,624		1,075,218	13,056,793	5,164,128	26,499,204	23,578,880
New Zealand		283		283						
Philippine Islands		799		799	976					
British West Africa							3,080		3,080	
Portuguese Africa			4,785	4,785						
Total all countries	1,718,044	2,809,424	3,260,736	[1] 12,123,987	8,159,955	3,330,228	13,591,459	5,498,716	[2] 30,126,394	29,849,641

[1] Includes: Ore and base bullion, $10,276,000; United States mint or assay office bars, $3,000; bullion refined, $604,000; United States coin, $73,000; foreign coin, $1,168,000.

[2] Includes: Domestic exports—United States mine or assay office bars, $1,277,000; bullion refined, $17,615,000; coin, $8,201,000; Foreign exports—Bullion refined, $2,810,000; coin, $223,000.

Excess of silver exports over imports since Jan. 1, 1920, $18,002,000. Excess of silver exports over imports since Aug. 1, 1914, $447,374,000.

Estimated general stock of money, money held by the Treasury and by the Federal Reserve System, and all other money in the United States, Feb. 1, 1920.

	General stock of money in the United States.	Held in the United States Treasury as assets of the Government.[1]	Held by or for Federal Reserve Banks and agents.	Held outside United States Treasury and Federal Reserve System.	Amount per capita outside United States Treasury and Federal Reserve System.
Gold coin (including bullion in Treasury)[2]	$2,762,905,481	$365,779,472	$1,336,624,859	$421,143,060	
Gold certificates			353,330,870	286,027,220	
Standard silver dollars	285,221,775	57,514,086		88,670,337	
Silver certificates			5,232,043	132,111,784	
Subsidiary silver	232,784,726	5,263,797	[3] 4,700,960	222,819,969	
Treasury notes of 1890				1,693,525	
United States notes	346,681,016	25,953,688	[4] 51,046,187	269,681,141	
Federal Reserve notes	3,125,885,275	35,641,195	245,353,675	2,844,890,405	
Federal Reserve Bank notes	258,182,800	56,959,135	9,550,341	191,673,324	
National-bank notes	733,108,190	78,031,376	3,813,053	651,263,761	
Total:					
Feb. 1, 1920	7,744,769,263	625,142,749	2,009,651,988	5,109,974,526	$47.88
Jan. 1, 1920	7,961,320,139	604,888,833	2,044,422,303	5,312,009,003	49.81
Oct. 1, 1919	7,662,898,238	616,213,318	2,087,709,369	4,958,975,551	46.61
July 1, 1919	7,588,473,771	578,848,043	2,167,280,313	4,842,345,415	45.00
Apr. 1, 1919	7,586,752,855	550,628,454	2,195,151,766	4,840,972,635	45.17
Jan. 1, 1919	7,780,793,606	454,948,160	2,220,705,767	5,105,139,679	47.83
July 1, 1918	6,742,225,784	356,124,750	2,018,361,825	4,367,739,209	41.31
Jan. 1, 1918	6,256,198,271	277,043,358	1,723,570,291	4,255,584,622	40.53
July 1, 1917	5,480,009,884	253,671,614	1,280,880,714	3,945,457,556	37.88

[1] Includes reserve funds against issues of United States notes and Treasury notes of 1890 and redemption funds held against issues of national-bank notes, Federal Reserve notes, and Federal Reserve Bank notes.
[2] Includes balances in gold settlement fund standing to the credit of the Federal Reserve Banks and agents.
[3] Includes standard silver dollars.
[4] Includes Treasury notes of 1890.

FEDERAL RESERVE BANK DISCOUNT RATES.

Rates on paper discounted for member banks approved by the Federal Reserve Board up to Feb. 28, 1920.

Federal Reserve Bank.	Discounted bills maturing within 90 days (including member banks' 15-day collateral notes) secured by—		Bankers' acceptances maturing within 3 months.	Trade acceptances maturing within 90 days.	Discounted bills secured otherwise than by Government war obligations, also unsecured, maturing within—	
	Treasury certificates of indebtedness.	Liberty bonds and Victory notes.			90 days (including member banks' 15-day collateral notes).	91 to 180 days (agricultural and live-stock paper).
Boston	5	$5\frac{1}{2}$	5	6	6	6
New York	5	$5\frac{1}{2}$	5	6	6	6
Philadelphia	5	$5\frac{1}{2}$	5	6	6	6
Cleveland	5	$5\frac{1}{2}$	5	6	6	6
Richmond	5	$5\frac{1}{2}$	5	6	6	6
Atlanta	5	$5\frac{1}{2}$	5	6	6	6
Chicago	5	$5\frac{1}{2}$	$5\frac{1}{4}$	6	6	6
St. Louis	$4\frac{3}{4}$	$5\frac{1}{2}$	5	6	6	6
Minneapolis	$4\frac{3}{4}$	$5\frac{1}{2}$	5	$5\frac{1}{2}$	6	6
Kansas City	5	$5\frac{1}{2}$	5	6	6	6
Dallas	5	$5\frac{1}{2}$	5	6	6	6
San Francisco	$4\frac{3}{4}$	$5\frac{1}{2}$	5	6	6	6

NOTE.—Rate on paper secured by War Finance Corporation bonds 1 per cent higher than rate on commercial paper shown in column 5.

CONDITION OF MEMBER BANKS.

Abstract of condition reports of State bank and trust company members in each Federal Reserve district on Nov. 17, 1919.

[In thousands of dollars.]

	District No. 1 (36 banks).	District No. 2 (117 banks).	District No. 3 (38 banks).	District No. 4 (93 banks).	District No. 5 (44 banks).	District No. 6 (63 banks).	District No. 7 (321 banks).	District No. 8 (66 banks).	District No. 9 (82 banks).	District No. 10 (42 banks).	District No. 11 (113 banks).	District No. 12 (120 banks).	Total United States (1,135 banks).
RESOURCES.													
Loans and discounts	406,978	2,141,756	166,232	399,651	99,556	196,236	949,315	216,823	67,531	64,691	50,221	287,950	5,046,940
Overdrafts	138	590	103	397	181	1,433	571	563	200	214	476	961	5,827
Customers' liability under letters of credit	......	965	......	......	40	......	157	......	......	......	......	31	1,193
Customers' liability account of acceptances	15,452	125,702	757	7,567	1,007	10,883	23,862	9,148	......	......	......	1,712	196,090
Liberty bonds (exclusive of Liberty bonds borrowed)	14,240	156,460	14,786	24,642	5,223	11,948	51,658	11,456	2,831	5,564	3,953	27,039	329,800
Other United States bonds (exclusive of United States bonds borrowed)	246	128	15	294	24	123	1,322	103	263	5	39	3,392	5,954
United States Victory notes	7,336	56,076	5,492	13,648	3,144	5,898	44,147	4,856	644	1,724	689	7,255	150,909
United States certificates of indebtedness	16,855	130,508	9,741	30,330	1,285	9,376	60,733	9,492	2,957	1,606	3,411	16,923	293,217
War savings and thrift stamps actually owned	96	158	23	93	23	60	342	77	37	160	80	105	1,254
Stock of Federal Reserve Bank	1,887	9,115	2,045	2,907	525	1,081	4,588	1,322	281	235	291	1,107	25,384
Other bonds, stocks, etc. (exclusive of securities borrowed)	98,832	515,841	104,267	163,088	13,245	24,025	223,024	43,580	7,312	9,461	766	65,447	1,268,888
Banking house	9,209	52,117	7,382	15,656	2,294	7,416	17,406	6,650	1,033	700	1,139	8,152	129,154
Furniture and fixtures	801	1,024	461	1,277	178	968	2,613	860	350	208	460	1,424	10,624
Other real estate owned	250	8,322	2,518	4,867	629	2,656	1,681	958	257	193	209	2,579	25,119
Lawful reserve with Federal Reserve Bank	37,092	302,346	19,833	32,656	6,165	16,665	91,048	20,503	4,284	4,499	4,683	23,039	562,813
Items with Federal Reserve Bank in process of collection	16,190	52,940	3,528	6,780	1,634	6,181	15,072	11,756	742	2,283	839	3,065	121,010
Due from banks and bankers	32,305	252,223	11,360	32,063	17,920	46,679	105,801	35,260	9,570	11,555	16,069	39,234	610,039
Gold coin and certificates	1,675	8,823	473	222	141	679	3,818	295	275	163	95	1,343	18,002
All other cash in vault	14,430	44,444	5,498	11,992	3,179	5,990	33,147	5,468	1,350	1,351	1,883	6,947	135,679
Exchanges for clearing house, also checks on banks in same place	15,305	286,001	2,818	6,020	1,049	12,740	32,676	7,432	810	2,648	764	5,853	374,116
Outside checks and other cash items	1,423	20,107	329	3,535	398	4,421	14,904	3,266	640	442	653	6,443	56,561
Approximate interest earned but not collected	584	12,687	636	948	283	381	2,093	806	198	85	23	1,911	20,635
Other assets	996	25,473	1,021	2,026	763	992	1,324	594	36	122	453	1,305	35,105
Total	692,320	4,203,806	359,318	760,659	158,886	366,831	1,681,302	391,268	101,601	107,909	87,196	513,217	9,424,313
LIABILITIES.													
Capital stock paid in	30,475	138,473	23,225	35,188	10,993	21,191	82,868	24,300	7,783	5,410	7,183	25,780	412,869
Surplus fund	33,758	168,101	47,103	62,142	7,094	13,338	70,969	19,786	2,304	2,524	2,596	11,549	441,264
Undivided profits, less expenses and taxes paid	11,488	53,341	10,076	14,917	3,333	4,134	21,089	5,561	1,406	1,309	1,243	7,561	135,458
Approximate interest and discount collected but not earned	1,517	6,862	79	609	340	572	1,943	981	107	212	42	396	13,660
Amount reserved for taxes accrued	1,427	10,266	807	1,199	123	342	3,658	234	120	74	47	397	18,694
Amount reserved for interest accrued	1,106	11,617	459	880	403	957	3,205	463	114	203	28	1,430	20,865
Due to Federal Reserve Bank	987	181	......	31	24	145	771	......	......	......	19	9	2,167
Due to banks and bankers	19,906	391,808	7,796	18,332	17,937	61,443	88,588	53,435	12,637	16,740	7,209	26,787	722,618
Certified and cashiers' or treasurers' checks outstanding	13,916	223,358	984	5,167	1,887	3,635	14,111	3,300	1,380	1,910	1,007	5,688	276,343
Demand deposits	434,985	2,393,786	197,130	259,567	64,577	153,235	640,714	152,770	31,182	51,577	57,515	155,232	4,592,270
Time deposits	103,657	357,685	36,741	300,913	40,338	69,407	666,717	88,075	40,810	23,733	5,657	262,672	1,996,405
United States deposits	9,637	61,771	7,081	11,093	1,367	2,137	17,750	3,639	380	1,143	484	1,495	117,977
Bills payable with Federal Reserve Bank	12,270	209,103	25,348	40,238	8,791	20,186	41,184	19,605	2,298	2,882	3,386	10,126	395,417
Bills payable other than with Federal Reserve Bank	486	451	750	1,193	503	3,040	1,694	4,568	1,032	129	771	887	15,504
Cash letters of credit and travelers' checks outstanding	......	6,943	......	5	......	......	134	4	......	1	5	29	7,121
Acceptances	16,102	135,219	757	7,662	1,007	11,093	23,842	9,102	......	......	......	1,783	206,567
Other liabilities	603	34,841	982	1,523	169	1,976	2,065	5,445	48	62	4	1,396	49,114
Total	692,320	4,203,806	359,318	760,659	158,886	366,831	1,681,302	391,268	101,601	107,909	87,196	513,217	9,424,313
Liability for rediscounts, including those with Federal Reserve Bank	37,529	130,669	15,175	6,527	3,195	29,388	24,415	14,511	1,093	3,188	1,284	3,360	270,334

Abstract of condition reports of State bank and trust company members of the Federal Reserve System on Nov. 17, 1919, arranged by classes.

[In thousands of dollars.]

	Central reserve city banks.				Other reserve city banks (162 banks).	Country banks (919 banks).	Total United States (1,135 banks), Nov. 17, 1919.	Total United States (1,042 banks), June 30, 1919.
	New York (33 banks).	Chicago (12 banks).	St. Louis (9 banks).	Total (54 banks).				
RESOURCES.								
Loans and discounts	1,773,562	409,479	106,953	2,289,994	1,628,097	1,128,849	5,046,940	4,318,722
Overdrafts	471	53	19	543	2,511	2,773	5,827	3,944
Customers' liability under letters of credit	854	121	....	975	182	36	1,193	11,768
Customers' liability account of acceptances	123,101	23,246	6,911	153,258	38,894	3,938	196,090	179,925
Liberty bonds (exclusive of Liberty bonds borrowed)	123,545	10,883	4,041	138,469	100,867	90,464	329,800	293,548
Other United States bonds (exclusive of United States bonds borrowed)	14	275	....	289	4,841	824	5,954	15,897
United States Victory notes	38,440	11,289	1,431	51,160	56,438	43,311	150,909	191,633
United States certificates of indebtedness	100,537	14,139	5,546	120,222	105,605	67,390	293,217	360,286
War savings and thrift stamps actually owned	59	18	4	81	515	658	1,254	975
Stock of Federal Reserve Bank	7,479	2,247	769	10,495	9,328	5,561	25,384	23,661
Other bonds, stocks, etc. (exclusive of securities borrowed)	365,085	76,516	26,429	468,030	496,117	304,741	1,268,888	1,131,988
Banking house	39,095	2,725	2,342	44,162	51,956	33,036	129,154	115,219
Furniture and fixtures	144	105	551	800	4,142	5,682	10,624	9,263
Other real estate owned	6,041	42	207	6,290	13,532	5,297	25,119	22,937
Lawful reserve with Federal Reserve Bank	269,041	45,039	12,316	326,396	152,230	84,187	562,813	514,805
Items with Federal Reserve Bank in process of collection	42,642	9,780	6,330	58,752	46,652	15,606	121,010	82,197
Due from banks and bankers	223,329	41,760	8,695	273,784	196,185	140,070	610,039	545,838
Gold coin and certificates	8,306	1,831	63	10,200	3,760	4,042	18,002	18,955
All other cash in vault	31,372	10,121	1,906	43,399	49,047	43,233	135,679	116,780
Exchanges for clearing house, also checks on banks in same place	279,668	15,154	3,105	297,927	62,488	13,701	374,116	364,918
Outside checks and other cash items	18,531	7,709	1,399	27,639	21,316	7,606	56,561	36,152
Approximate interest earned but not collected	10,451	1,192	498	12,141	5,280	3,214	20,635	21,169
Other assets	23,441	530	118	24,089	6,446	4,570	35,105	72,002
Total	3,485,208	684,254	189,633	4,359,095	3,056,429	2,008,789	9,424,313	8,452,582
LIABILITIES.								
Capital stock paid in	103,800	34,500	11,600	149,900	144,050	118,919	412,869	371,979
Surplus fund	145,667	40,400	14,058	200,125	171,345	69,794	441,264	420,934
Undivided profits less expenses and taxes paid	40,669	8,126	3,219	52,014	46,373	37,071	135,458	110,351
Approximate interest and discount collected but not earned	5,859	1,426	645	7,930	3,867	1,863	13,660	11,191
Amount reserved for taxes accrued	9,621	2,919	149	12,689	4,510	1,495	18,694	19,569
Amount reserved for interest accrued	8,829	1,238	246	10,313	6,099	4,453	20,865	10,512
Due to Federal Reserve Bank	....	597	....	597	847	723	2,167	964
Due to banks and bankers	366,052	53,019	12,484	431,555	216,549	74,514	722,618	676,852
Certified and cashiers' or treasurers' checks outstanding	219,253	7,872	1,248	228,373	35,040	12,930	276,343	222,423
Demand deposits	2,016,138	307,207	81,533	2,404,878	1,292,409	894,983	4,592,270	4,092,480
Time deposits	191,188	179,656	45,357	416,201	897,062	683,142	1,996,405	1,558,941
United States deposits	56,783	11,982	2,798	71,563	32,544	13,870	117,977	337,432
Bills payable with Federal Reserve Bank	148,091	11,124	9,369	168,584	145,177	81,656	395,417	376,995
Bills payable other than with Federal Reserve Bank	....	....	....	....	8,532	6,972	15,504	9,852
Cash letters of credit and travelers' checks outstanding	6,870	129	4	7,003	107	11	7,121	7,824
Acceptances	132,563	23,227	6,865	162,655	39,965	3,947	206,567	194,551
Other liabilities	33,825	832	58	34,715	11,953	2,446	49,114	29,732
Total	3,485,208	684,254	189,633	4,359,095	3,056,429	2,008,789	9,424,313	8,452,582
Liability for rediscounts, including those with Federal Reserve Bank	**120,061**	**16,078**	**3,115**	**139,254**	**96,736**	**34,344**	**270,334**	**175,934**
Ratio of reserve with Federal Reserve Bank to net deposit liability (per cent)	**12.6**	**12.7**	**13.3**	**12.6**	**9.5**	**6.9**	**10.4**	**10.8**

Abstract of condition reports of all member banks in each Federal Reserve district on Nov. 17, 1919 (including 7,860 national banks and 1,135 State banks and trust companies).

[In thousands of dollars.]

	District No. 1 (430 banks).	District No. 2 (746 banks).	District No. 3 (676 banks).	District No. 4 (840 banks).	District No. 5 (580 banks).	District No. 6 (427 banks).	District No. 7 (1,369 banks).	District No. 8 (534 banks).	District No. 9 (912 banks).	District No. 10 (1,029 banks).	District No. 11 (752 banks).	District No. 12 (700 banks).	Total United States (8,995 banks).
RESOURCES.													
Loans and discounts	1,197,256	5,131,976	973,502	1,371,484	790,374	610,482	2,464,296	683,791	700,262	913,272	600,462	1,166,806	16,603,963
Overdrafts	517	5,499	364	1,332	1,737	2,895	2,704	2,250	2,085	3,012	3,450	3,094	28,939
Customers' liability under letters of credit	19	4,931	39	20	48	54	300	4	....	61	53	587	6,116
Customers' liability account of acceptances	72,993	269,629	18,505	26,807	17,178	18,611	53,199	15,478	10,945	949	11,133	23,670	539,097
United States Government securities owned [1]	186,890	1,110,244	298,868	358,822	195,070	159,555	512,189	134,109	126,435	161,241	148,998	268,522	3,660,943
Stock of Federal Reserve Bank	7,102	22,449	7,850	9,450	4,352	3,446	12,262	4,041	3,059	3,962	3,399	5,438	86,810
Other bonds, stocks, and securities	251,499	1,072,945	399,112	444,829	98,315	58,277	414,271	105,379	68,026	81,492	15,091	181,036	3,190,272
Banking house	32,457	96,769	32,342	56,269	26,366	20,477	53,363	18,247	17,228	19,772	18,163	33,542	424,995
Furniture and fixtures	2,489	4,385	3,576	4,627	2,967	3,375	7,462	2,552	3,353	3,833	3,877	7,104	49,600
Other real estate owned	1,776	12,306	5,929	10,909	3,019	5,397	7,025	5,514	3,245	3,342	4,354	8,643	71,459
Lawful reserve with Federal Reserve Bank	112,546	731,162	105,145	129,511	65,357	51,378	251,760	69,287	53,426	81,132	60,372	114,076	1,825,152
Items with Federal Reserve Bank in process of collection	46,914	154,102	58,730	55,593	44,796	22,859	63,334	44,137	5,685	42,722	39,994	18,519	597,385
Due from banks and bankers	121,730	436,066	95,610	172,700	145,563	151,824	400,561	131,800	133,156	296,232	189,273	300,841	2,575,356
Cash in vault	50,395	154,652	42,592	60,914	33,252	25,188	102,993	21,428	20,080	28,834	22,401	40,263	602,992
Exchanges for clearing house, also checks on banks in same place	54,545	897,276	40,715	29,189	22,040	27,127	98,089	20,733	15,034	30,986	15,193	43,116	1,294,043
Outside checks and other cash items	5,831	38,090	3,875	6,735	6,332	9,308	22,251	5,603	6,612	7,305	9,623	12,814	134,379
Redemption fund and due from United States Treasurer	2,579	5,733	3,465	5,328	2,879	1,968	4,818	2,044	1,773	2,410	2,454	3,238	38,689
Approximate interest earned but not collected	3,328	23,719	3,646	5,336	1,787	1,313	8,449	2,615	5,659	3,352	2,041	6,285	67,530
Other assets	6,036	42,391	1,152	2,159	1,000	1,134	4,180	1,229	283	348	686	2,190	62,788
Total	2,156,902	10,214,324	2,095,017	2,752,014	1,462,432	1,174,668	4,483,506	1,270,241	1,176,346	1,684,257	1,151,017	2,239,784	31,860,508
LIABILITIES.													
Capital stock paid in	123,796	342,152	103,841	158,365	87,646	69,379	242,192	86,574	68,105	87,240	73,562	123,019	1,565,871
Surplus fund	114,836	406,679	160,771	157,915	58,410	44,482	169,667	48,802	35,047	46,363	40,903	59,809	1,343,684
Undivided profits less expenses and taxes paid	49,569	177,761	44,339	62,915	25,228	17,120	67,340	21,059	21,535	25,620	20,887	39,309	572,682
Approximate interest and discount collected but not earned	7 248	23 135	4,959	5,139	4,707	2,654	10,054	3,875	2,701	4,584	2,918	2,508	74,482
Amount reserved for taxes accrued	3,225	34,443	3,293	3,980	1,229	1,137	9,802	969	2,148	1,507	1,186	1,762	64,681
Amount reserved for interest accrued	1,582	16,415	2,368	3,001	1,980	1,776	5,509	1,115	1,757	1,663	410	2,834	40,410
Due to Federal Reserve Bank	1,794	4,584	212	786	5,489	365	1,306	....	143	1,336	349	71	16,435
Due to banks and bankers	142,916	1,470,632	167,841	226,265	191,734	165,196	558,856	219,681	148,449	332,466	186,986	267,593	4,078,615
Certified and cashiers' or treasurers' checks outstanding	32,892	582,293	14,903	16,250	10,471	7,872	37,441	7,372	14,303	20,961	15,689	28,588	789,035
Demand deposits	1,190,859	5,039,591	976,672	1,176,281	602,752	518,807	1,877,428	549,158	456,657	815,550	619,878	1,025,370	14,849,003
Time deposits	269,329	816,349	330,709	653,510	291,462	202,467	1,136,803	205,296	338,246	219,643	70,099	515,580	5,049,493
United States deposits	28,539	176,016	25,826	27,227	18,784	7,963	42,517	8,284	9,582	11,660	14,106	15,805	386,309
Bills payable with Federal Reserve Bank	50,517	608,171	152,425	111,930	70,799	65,115	148,416	36,471	27,398	48,975	29,098	52,058	1,401,373
Bills payable other than with Federal Reserve Bank	3,294	3,067	2,804	5,093	8,859	5,782	6,615	9,038	4,346	7,777	9,690	5,338	71,703
Cash letters of credit and travelers' checks outstanding	302	11,063	68	142	36	57	1,319	25	35	217	110	389	13,763
Acceptances	78,378	287,411	19,485	27,121	17,292	19,031	53,944	15,409	10,945	949	11,310	24,401	565,676
National-bank notes outstanding	48,880	84,782	54,254	90,057	54,014	38,661	79,535	41,582	30,894	48,136	46,657	62,892	680,344
United States Government securities borrowed	4,757	67,682	24,620	20,417	7,846	2,633	10,398	7,476	2,879	6,156	5,933	6,431	167,228
Other bonds borrowed	247	1,784	11	1,491	661	365	331	142	6	768	217	309	6,332
Securities (other than United States or other bonds) borrowed	....	....	....	....	....	....	63	7	....	23	4	....	97
Other liabilities	3,942	60,314	5,616	4,129	3,033	3,806	23,970	7,906	1,170	2,663	1,025	5,718	123,292
Total	2,156,902	10,214,324	2,095,017	2,752,014	1,462,432	1,174,668	4,483,506	1,270,241	1,176,346	1,684,257	1,151,017	2,239,784	31,860,508
Liability for rediscounts, including those with Federal Reserve Bank	135,083	321,708	92,560	42,864	34,268	49,920	96,381	29,898	26,703	55,823	20,155	45,447	950,810

[1] Includes Liberty loan bonds, Victory notes, United States certificates of indebtedness, but excludes securities borrowed by State bank; and trust company members.

Abstract of condition reports of all member banks of the Federal Reserve System on Nov. 17, 1919, arranged by classes (including 7,860 national banks and 1,135 State banks and trust companies).

[In thousands of dollars.]

	Central Reserve city banks.				Other reserve city banks (530 banks).	Country banks (8,366 banks).	Total United States (8,995 banks) Nov. 17, 1919.	Total United States (8,822 banks) June 30, 1919.
	New York (64 banks).	Chicago (21 banks).	St. Louis (14 banks).	Total (99 banks).				
RESOURCES.								
Loans and discounts	4,143,016	967,814	276,289	5,387,119	5,144,765	6,072,079	16,603,963	14,890,471
Overdrafts	5,079	289	144	5,512	5,890	17,537	28,939	17,993
Customers' liability under letters of credit	4,767	209	....	4,976	917	223	6,116	14,789
Customers' liability account of acceptances	264,250	46,680	11,620	322,550	195,369	21,178	539,097	440,411
United States Government securities owned [1]	822,096	103,411	36,116	961,623	1,034,722	1,664,598	3,660,943	4,036,899
Stock of Federal Reserve Bank	17,105	4,823	1,782	23,710	26,884	36,216	86,810	82,729
Other bonds, stocks, and securities	669,095	117,149	44,279	830,523	922,964	1,436,785	3,190,272	2,947,967
Banking house	66,933	11,025	6,574	84,532	148,640	191,823	424,995	402,726
Furniture and fixtures	644	122	751	1,517	10,400	37,683	49,600	45,402
Other real estate owned	7,025	198	3,794	11,017	26,671	33,771	71,459	68,775
Lawful reserve with Federal Reserve Bank	634,907	124,114	35,532	794,553	524,962	505,637	1,825,152	1,723,774
Items with Federal Reserve Bank in process of collection	122,698	40,417	30,990	194,105	348,449	54,831	597,385	369,612
Due from banks and bankers	328,738	176,143	46,819	551,700	952,163	1,071,493	2,575,356	2,125,074
Cash in vault	109,992	37,164	5,339	152,495	169,052	281,445	602,992	559,433
Exchanges for clearing house, also checks on banks in same place	882,408	61,790	11,957	956,155	267,631	70,257	1,294,043	1,188,101
Outside checks and other cash items	33,183	9,370	2,366	44,919	51,483	37,977	134,379	109,046
Redemption fund and due from United States Treasurer	3,256	460	559	4,275	10,855	23,559	38,689	38,484
Approximate interest earned but not collected	18,717	1,868	799	21,384	15,402	30,744	67,530	67,362
Other assets	39,820	2,354	162	42,336	12,047	8,405	62,788	114,681
Total	8,173,729	1,705,400	515,872	10,395,001	9,869,266	11,596,241	31,860,508	29,243,729
LIABILITIES.								
Capital stock paid in	238,150	82,850	36,300	357,300	471,075	737,496	1,565,871	1,489,792
Surplus fund	329,717	78,050	23,133	430,900	433,487	479,297	1,343,684	1,292,716
Undivided profits, less expenses and taxes paid	132,727	20,620	7,755	161,102	151,054	260,526	572,682	482,889
Approximate interest and discount collected but not earned	19,051	6,200	1,862	27,113	24,397	22,972	74,482	66,306
Amount reserved for taxes accrued	32,946	7,670	217	40,833	16,866	6,982	64,681	60,227
Amount reserved for interest accrued	11,669	1,300	451	13,420	11,232	15,758	40,410	24,302
Due to Federal Reserve Bank	....	597	....	597	5,519	10,319	16,435	11,876
Due to banks and bankers	1,389,357	362,285	111,941	1,863,583	1,695,216	519,816	4,078,615	3,650,502
Certified and cashiers' or treasurers' checks outstanding	571,104	21,862	3,599	596,565	118,817	73,653	789,035	704,349
Demand deposits	4,012,720	791,959	215,549	5,020,228	4,396,678	5,432,097	14,849,003	13,195,072
Time deposits	338,621	194,610	69,504	602,735	1,423,269	3,023,489	5,049,493	4,343,382
United States deposits	161,215	23,877	5,265	190,357	118,045	77,907	386,309	902,339
Bills payable with Federal Reserve Bank	490,199	55,789	11,997	557,985	508,848	334,540	1,401,373	1,368,112
Bills payable other than with Federal Reserve Bank	5	300	....	305	19,635	51,763	71,703	68,136
Cash letters of credit and travelers' checks outstanding	10,966	951	19	11,936	1,295	532	13,763	24,875
Acceptances	281,976	47,426	11,574	340,976	202,867	21,833	565,676	466,586
National bank notes outstanding	37,585	347	10,723	48,655	170,895	460,794	680,344	676,657
United States Government securities borrowed	65,029	....	4,716	69,745	64,842	32,641	167,228	233,638
Other bonds borrowed	1,590	....	....	1,590	2,285	2,457	6,332	6,697
Securities (other than United States or other bonds) borrowed	....	....	....	....	....	97	97	....
Other liabilities	49,102	8,707	1,267	59,076	32,944	31,272	123,292	175,276
Total	8,173,729	1,705,400	515,872	10,395,001	9,869,266	11,596,241	31,860,508	29,243,729
Liability for rediscounts, including those with Federal Reserve Bank	289,013	56,161	7,010	352,184	440,909	157,717	950,810	612,505
Ratio of reserve with Federal Reserve Bank to net deposit liability (per cent)	13.3	13.0	13.5	13.3	10.0	7.4	10.1	10.6

[1] Includes Liberty loans, Victory notes, United States certificates of indebtedness, but excludes securities borrowed by State bank and trust company members.

Classification of loans and discounts of State bank and trust company members of the Federal Reserve System, as shown by their condition reports for Nov. 17, 1919.

[In thousands of dollars.]

	District No. 1 (36 banks).	District No. 2 (117 banks).	District No. 3 (38 banks).	District No. 4 (93 banks).	District No. 5 (44 banks).	District No. 6 (63 banks).	District No. 7 (321 banks).	District No. 8 (66 banks).	District No. 9 (82 banks).	District No. 10 (42 banks).	District No. 11 (113 banks).	District No. 12 (120 banks).	Total United States (1,135 banks).
On demand:													
Not secured by collateral	28,185	98,013	4,657	19,941	2,348	8,180	27,695	9,567	3,194	3,091	2,670	12,403	219,944
Secured by Liberty bonds, Victory notes, and United States Treasury certificates of indebtedness	2,187	31,807	6,432	6,250	843	1,519	11,505	1,952	250	53	242	1,576	64,616
Secured by other collateral	72,466	620,753	80,935	94,047	21,842	57,360	140,665	40,189	2,376	7,233	3,291	18,514	1,159,671
On time:													
Not secured by collateral	211,904	673,326	36,546	95,589	45,592	78,904	366,728	80,291	29,239	24,527	12,956	89,138	1,744,740
Secured by Liberty bonds, Victory notes, and United States Treasury certificates of indebtedness	39,696	316,753	28,872	25,576	5,465	8,930	34,400	9,441	916	2,425	1,070	5,504	479,048
Secured by other collateral	59,384	427,485	18,253	72,588	19,448	51,199	202,669	58,567	18,406	23,733	27,102	47,991	1,026,825
Secured by real-estate mortgages or other real-estate liens or deeds	38,333	50,944	5,394	91,166	6,775	10,210	181,865	22,810	14,004	6,813	2,964	114,190	545,468
Acceptances of other banks discounted	9,370	94,127	368	3,101	....	180	19,638	2,773	22	4	....	1,426	131,009
Acceptances of this bank purchased or discounted	2,098	31,135	200	305	438	10,457	2,436	900	221	....	....	366	48,556
Loans and discounts not classified	....	....	....	....	....	....	263	6,323	....	....	1,210	208	8,004
Total loans and discounts	463,623	2,344,343	181,657	408,563	102,751	226,939	987,864	232,813	68,628	67,879	51,505	291,316	5,427,881

CONDITION OF PRINCIPAL EUROPEAN BANKS OF ISSUE, 1913–1919.

BANK OF ENGLAND.

[Combined data for issue and banking departments.]

[From the London Economist and weekly statements of the Bank of England.]

[In thousands of dollars.]

	Dec. 31, 1913.	Dec. 30, 1914.	Dec. 29, 1915.	Dec. 27, 1916.	Dec. 26, 1917.	Dec. 25, 1918.	Dec. 31, 1919.
ASSETS.							
Gold and silver	170,245	338,191	250,510	264,275	283,899	384,994	444,516
Government securities:							
Held by issue department	89,787	89,787	89,787	89,787	89,787	89,787	89,787
Held by banking department	64,233	72,061	159,816	278,304	283,732	346,037	450,000
Other securities	253,729	516,998	545,416	518,094	461,776	448,399	519,635
Total	577,994	1,017,037	1,045,529	1,150,460	1,119,194	1,269,217	1,503,938
LIABILITIES.							
Proprietor's capital	70,822	70,822	70,822	70,822	70,822	70,822	70,822
Rest (surplus)	15,827	15,978	16,118	16,111	16,065	15,850	15,923
Public deposits	49,913	131,067	241,755	253,624	204,439	115,059	93,500
Other deposits	297,280	623,182	544,914	616,715	604,232	725,287	879,075
Seven-day and other bills	66	116	87	107	50	50	63
Notes in circulation	144,086	175,872	171,833	193,081	223,586	342,149	444,555
Total	577,994	1,017,037	1,045,529	1,150,460	1,119,194	1,269,217	1,503,938
Ratio of metallic reserve to deposit and note liabilities combined—per cent	34.65	36.35	26.13	24.85	27.50	32.55	31.36

BANK OF FRANCE.

[From weekly statements of the Bank of France.]

[In thousands of dollars.]

	Dec. 26, 1913.	Dec. 10, 1914.[1]	Dec. 30, 1915.	Dec. 28, 1916.	Dec. 27, 1917.	Dec. 26, 1918.	Dec. 26, 1919.
ASSETS.							
Gold in vault	678,857	799,359	967,950	652,885	639,682	664,009	694,847
Other metallic reserve	123,532	67,750	67,953	56,910	47,798	61,441	51,731
Total vault reserve	802,389	867,109	1,035,903	709,795	687,480	725,450	746,578
Gold held abroad	...	...	...	326,766	393,162	393,162	381,808
Foreign credits	...	...	203,962	159,380	150,231	450,939	250,247
Government securities:							
Permanent investments	57,900	57,900	57,900	57,900	57,900	57,900	57,900
Advances to the Government since outbreak of war	...	694,800	965,000	1,428,200	2,412,500	3,309,950	4,921,500
Treasury bills discounted (advances to foreign Governments)	...	...	121,590	347,400	621,460	680,518	724,715
Other Government securities	22,766	...	21,882	21,742	21,805	21,757	21,792
Loans and discounts	294,607	41,165	82,859	119,599	176,009	203,101	248,268
Bills matured and extended	...	702,040	354,002	258,395	221,395	198,513	120,903
Advances on bullion, specie, securities, etc	149,074	[2] 150,686	222,320	254,326	236,386	234,633	282,616
Bank premises	8,536	...	9,702	8,895	8,935	8,960	9,121
Sundry assets	61,761	...	70,104	97,024	121,111	299,202	371,942
Total	1,397,033	...	3,145,224	3,789,422	5,108,374	6,584,085	8,137,390
LIABILITIES.							
Capital	35,223	35,223	35,223	35,223	35,223	35,223	35,223
Surplus, including special reserves	8,206	...	8,292	8,292	8,292	8,292	8,294
Dividends unpaid	309	...	4,211	4,853	4,985	973	1,003
Government deposits	77,848	34,075	33,562	2,897	48,609	21,555	14,764
Other deposits	111,038	515,687	407,970	436,223	562,352	456,676	603,530
Bank notes in circulation	1,102,715	1,927,306	2,568,801	3,219,012	4,311,002	5,838,172	7,193,986
Sundry liabilities	61,694	...	87,165	82,922	137,911	223,194	280,590
Total	1,397,033	...	3,145,224	3,789,422	5,108,374	6,584,085	8,137,390
Ratio of metallic reserve to deposit and note liabilities combined—per cent	62.10	35.00	34.36	19.37	13.95	11.48	9.55

[1] No data available as at end of 1914. Incomplete data for Dec. 10, 1914 taken from the report of the minister of finance.
[2] Advances on securities only.

Condition of principal European banks of issue, 1913–1919—Continued.

GERMAN REICHSBANK.

[From the Deutscher Reichsanzeiger and the Deutscher Oekonomist.]

[In thousands of dollars.[1]]

	Dec. 31, 1913.	Dec. 31, 1914.	Dec. 31, 1915.	Dec. 31, 1916.	Dec. 31, 1917.	Dec. 31, 1918.	Dec. 31, 1919.
ASSETS.							
Gold	278,453	498,089	581,954	599,873	572,768	538,808	259,519
Other metallic reserve	65,886	8,774	7,633	3,884	43,161	4,764	4,888
Total metallic reserve	344,339	506,863	589,587	603,757	615,929	543,572	264,407
Imperial Treasury and Loan Bank certificates	10,996	208,250	306,512	100,457	312,920	1,254,599	2,626,217
Notes of other banks	3,038	1,264	745	332	160	715	470
Bills, checks, and discounted treasury bills	354,798	936,903	1,381,189	2,287,124	3,473,873	6,530,491	9,943,548
Advances on collateral	22,485	5,443	3,079	2,322	1,217	1,429	2,368
Securities	96,012	8,086	12,227	19,932	21,220	37,159	39,061
Sundry assets	53,582	51,173	64,791	186,622	497,752	569,060	585,876
Total	885,250	1,717,982	2,358,130	3,200,546	4,923,071	8,937,025	13,461,947
LIABILITIES.							
Capital paid in	42,840	42,840	42,840	42,840	42,840	42,876	42,876
Surplus	16,671	17,726	19,171	20,342	21,453	22,629	23,700
Notes in circulation	617,240	1,200,924	1,646,465	1,917,007	2,729,324	5,285,182	8,503,352
Other liabilities payable on demand	188,763	418,144	561,445	1,086,281	1,915,993	3,291,924	4,066,517
Sundry liabilities	19,736	38,348	88,209	134,076	213,461	294,414	825,502
Total	885,250	1,717,982	2,358,130	3,200,546	4,923,071	8,937,025	13,461,947
Ratio of metallic reserve to deposit and note liabilities combined—per cent	42.72	31.30	26.70	20.10	13.25	6.33	2.10

BANK OF SPAIN.

[From weekly statements of the Bank of Spain and España Económica y Financiera.]

[In thousands of dollars.]

	Dec. 27, 1913.	Dec. 26, 1914.	Dec. 31, 1915.	Dec. 30, 1916.	Dec. 29, 1917.	Dec. 28, 1918.	Dec. 27, 1919.
ASSETS.							
Gold	92,490	110,446	167,375	241,423	379,595	430,072	472,041
Silver	138,282	136,455	145,310	143,021	137,134	123,936	121,686
Total vault reserve	230,772	246,901	312,685	384,444	516,729	554,008	593,727
Credits abroad	37,374	28,474	19,917	17,403	17,253	16,881	12,819
Loans, discounts, and advances	151,588	154,820	128,801	129,515	141,166	220,999	312,939
Government securities:							
Charter 1891	28,950	28,950	28,950	28,950	28,950	28,950	28,950
Charter 1899	19,300	19,300	19,300	19,300	19,300	19,300	19,300
Other	66,476	66,476	66,476	66,476	66,476	66,484	66,484
Sundry assets	18,844	29,144	31,331	25,200	16,591	43,704	8,753
Total	553,304	574,065	607,460	671,288	806,465	950,326	1,042,972
LIABILITIES.							
Capital	28,950	28,950	28,950	28,950	28,950	28,950	28,950
Surplus	3,860	3,860	4,632	5,018	5,018	11,194	11,580
Government deposits	30,052	21,855	8,661	8,656	12,112	11,933	25,113
Other deposits	92,029	117,832	137,176	146,846	185,233	225,032	199,770
Notes in circulation	371,385	379,258	405,334	455,496	537,088	640,030	744,266
Sundry liabilities	27,028	22,310	22,707	26,322	38,064	33,187	33,293
Total	553,304	574,065	607,460	671,288	806,465	950,326	1,042,972
Ratio of metallic reserve to deposit and note liabilities combined—per cent	46.76	47.57	56.73	62.92	70.35	63.17	61.26

[1] Figures from 1913 to 1917, inclusive, converted at the rate of $0.238; for 1918 and 1919 at the rate of $0.2382.

Condition of principal European banks of issue, 1913-1919—Continued.

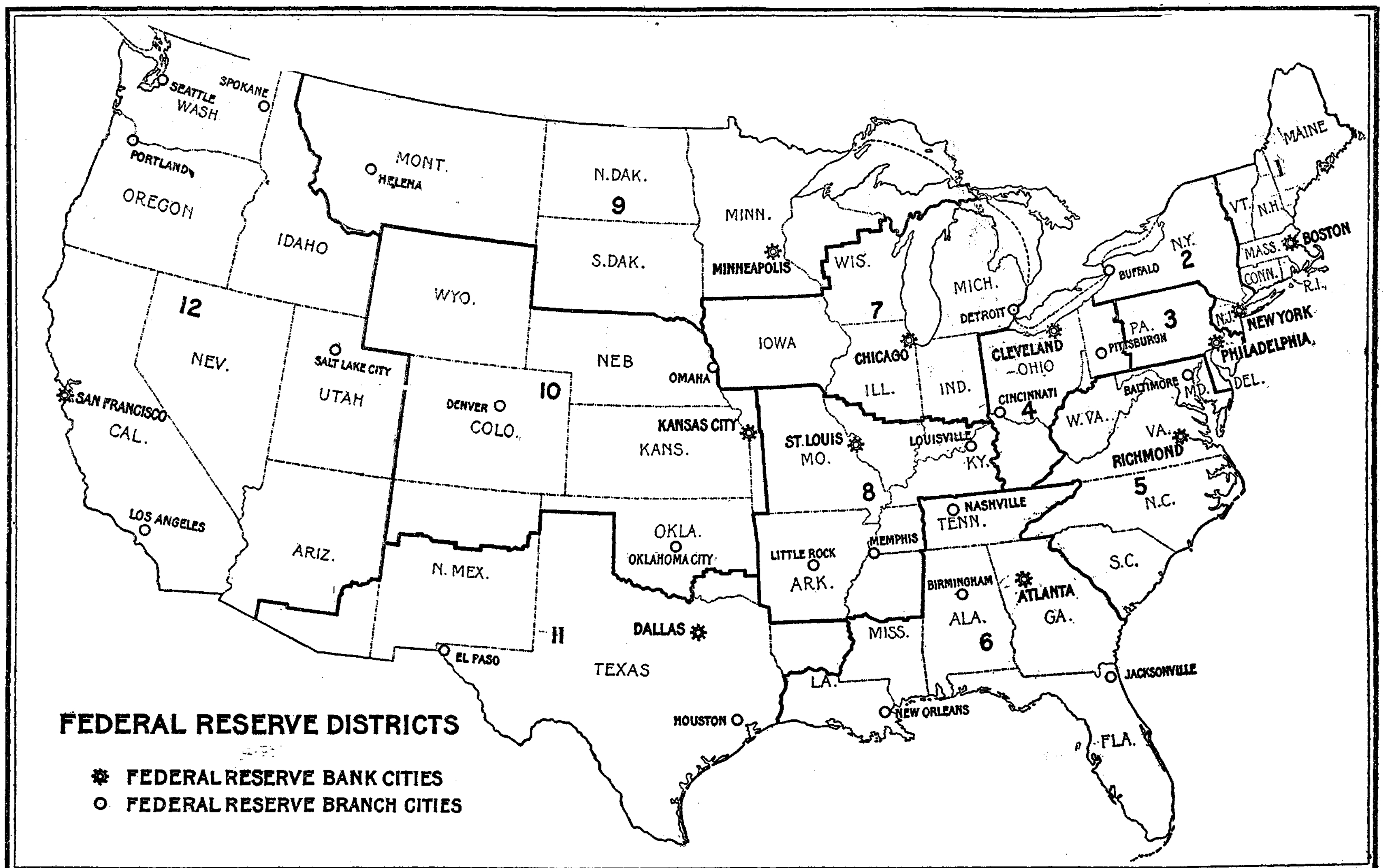
BANK OF THE NETHERLANDS.

[From annual reports and weekly statements of the Bank of the Netherlands.]

[In thousands of dollars.]

	Mar. 31, 1914.	Mar. 31, 1915.	Dec. 31, 1915.	Dec. 30, 1916.	Dec. 29, 1917.	Dec. 28, 1918.	Dec. 27, 1919.
ASSETS.							
Gold coin and bullion	64,346	116,097	172,531	236,216	280,690	277,155	256,204
Silver	3,866	751	2,491	2,808	2,825	3,435	2,453
Total vault reserve	68,212	116,848	175,022	239,024	283,515	280,590	258,657
Loans and discounts	22,348	28,791	30,692	26,807	32,891	97,964	67,883
Foreign bills	7,657	3	1,007	3,225	3,232	3,590	19,438
Advances	38,151	81,503	37,619	34,373	43,194	56,085	100,547
Government securities	50	368		4,654		1,499	4,921
Other securities	3,619	3,334	3,588	3,657	3,649	3,560	3,399
Bank premises	723	643	643	563	589	712	1,331
Sundry assets	638	3,674	9,974	28,577	26,256	35,821	16,344
Total	141,398	235,164	258,545	340,880	393,326	479,821	472,520
LIABILITIES.							
Capital	8,040	8,040	8,040	8,040	8,040	8,040	8,040
Surplus	2,011	2,010	2,010	2,072	2,104	2,042	2,010
Notes in circulation	125,768	189,916	231,976	304,868	357,890	429,717	415,158
Interest-bearing certificates	750	695	1,395	1,503	1,434	824	700
Government deposits			2,204		8,677		
Other deposits	3,613	33,282	9,764	21,940	12,883	35,568	41,142
Sundry liabilities	1,216	1,221	3,156	2,457	2,298	3,630	5,470
Total	141,398	235,164	258,545	340,880	393,326	479,821	472,520
Ratio of metallic reserve to deposit and note liabilities combined—per cent	52.41	52.18	71.33	72.80	74.43	60.19	56.59

INDEX.



The branches at Helena, Mont., and Oklahoma City, Okla., have been authorized by the Federal Reserve Board but are not yet open for business.