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The FEDERAL RESERVE BULLETIN is the Board's medium of communication with member banks of the Federal Reserve System and is the only official organ or periodical publication of the Board. It is printed in two editions, of which the first contains the regular official announcements, the national review of business conditions, and other general matter, and is distributed without charge to the member banks of the Federal Reserve System. Additional copies may be had at a subscription price of $1.50 per annum.

The second edition contains detailed analyses of business conditions, special articles, review of foreign banking, and complete statistics showing the condition of Federal Reserve Banks. For this second edition the Board has fixed a subscription price of $4 per annum to cover the cost of paper and printing. Single copies will be sold at 40 cents. Foreign postage should be added when it will be required. Remittances should be made to the Federal Reserve Board.

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

TABLE OF CONTENTS.

FEDERAL RESERVE BULLETIN

VOL. 6 NOVEMBER, 1920. No. 11

REVIEW OF THE MONTH.

Treasury finance.

The situation in public finance during October has shown no striking developments. For the month as a whole total ordinary receipts were $220,034,805, while total ordinary disbursements were $426,497,372, the deficit on ordinary account being thus $206,462,567. On October 18 it was announced that the total amount of subscriptions received for the issue of Treasury certificates of indebtedness dated October 15 and maturing March 15 next was $185,076,500, the total amount of subscriptions allotted under this offering being $124,252,500. Ten of the Federal Reserve districts oversubscribed their quota. An important survey of the present situation in connection with the public debt was given by the Secretary of the Treasury in an address before the American Bankers' Association on October 20, in which he said:

"On the basis of daily Treasury statements, the gross debt of the United States on August 31, 1919, was slightly over 26½ billion dollars, of which nearly 4 billions represented loan and tax certificates maturing within the year. On September 30, 1920, the gross debt was $24,087,000,000, a reduction of over 2½ billions, while the floating debt was $2,347,000,000, or approximately $1,600,000,000 less than on August 31, 1919. These reductions were effected chiefly by the application of the proceeds of taxation and salvage and were made possible to some extent by the reductions of Treasury balances effected as a result of reduced expenditure and the retirement of large amounts of loan certificates. The Treasury expects that further reductions in both gross and floating debt will be shown at the end of the current month and that by the close of the current quarter there will be a much more substantial decrease. * * * Sound fiscal policy dictates that the receipts from taxes and salvage be kept sufficiently high not only to meet current bills, including interest and sinking-fund charges, but also to retire the floating indebtedness and a considerable part of the Victory notes before the close of the fiscal year 1923. Earlier plans and expectations were disarranged by the unexpectedly large burdens placed upon the Treasury by the transportation act. According to the estimates there will be paid on account of the railroads during the current fiscal year probably a billion dollars, of which one-quarter billion has already been called for and paid. It is obvious that these payments will limit the progress which the Government had expected to make in the retirement of the floating debt. It is expected, however, that perhaps the heaviest payments on this account will have been completed by the spring of next year, and then for the remaining months of the fiscal year the Treasury looks forward to a more rapid reduction of the floating debt. By the end of the fiscal year, in the absence of unforeseen contingencies, it will probably be reduced below two billions and it may be brought as low as a billion and a half. The balance should be retired during the fiscal year 1922. By the end of that year the Victory loan should have been reduced by perhaps a half billion dollars as a result of sinking-fund operations. The remainder, say, 3¾ billions, will then have become substantially a floating debt, as it will mature during the following fiscal year. Provision should be made, therefore, under proper Treasury regulations, for the acceptance of Victory notes during the fiscal year 1923, before maturity, in payment of income and profits taxes. In this way and through sinking-fund operations it should be possible to reduce the Victory loan so that at maturity it would stand at approximately three billions of dollars."

Condition of Reserve System.

During the past few weeks the Federal Reserve Board has held its usual autumn conferences with the Federal Advisory Council and the chairmen and governors of Federal Reserve Banks. The Federal Advisory Council met in Washington on September 20–21, while conferences with Federal Reserve agents and governors of Federal Reserve Banks took place on

October 13–15. At this series of conferences much attention was devoted to credit conditions throughout the country, the reports made to the Board showing that the process of converting relatively nonliquid credit secured by Government obligations into liquid credit was proceeding satisfactorily. During the period from July 2 to October 15 the following changes have occurred in some of the principal items of Federal Reserve Banks.

[Amounts in thousands of dollars.]

[Increase or decrease indicated by + or − sign.]

District.	Advances secured by Government obligations.	Other bills discounted and purchased.
No. 1	−31,718	+20,235
No. 2	−31,379	+48,163
No. 3	−21,514	+41,168
No. 4	−43,507	+86,459
No. 5	− 2,988	+13,510
No. 6	+10,289	− 834
No. 7	+27,768	+ 4,850
No. 8	− 8,829	+13,711
No. 9	+ 1,736	+ 3,768
No. 10	+ 289	− 3,878
No. 11	− 5,568	+ 7,131
No. 12	+ 3,339	+25,910

On the other hand, the following changes have occurred during the period from July 2 to October 8 in the condition of the member banks in 100 selected cities which report weekly to the Board:

[Amounts in thousands of dollars.]

[Increase or decrease indicated by + or − sign.]

District.	Loans and investments, including rediscounts with Federal Reserve Banks.	Net demand deposits.	Bills payable and bills rediscounted with Federal Reserve Banks.	Loans secured by bonds, stocks, etc. (exclusive of loans secured by United States war obligations).
No. 1	+ 17,182	− 11,352	− 8,550	+ 2,487
No. 2	+119,233	−270,047	+151,437	−23,114
No. 3	− 5,405	+ 15,358	− 34,650	+11,692
No. 4	+ 39,874	+ 55,370	− 39,479	−10,904
No. 5	+ 16,307	+ 7,219	+ 2,335	+ 3,499
No. 6	+ 23,476	− 14,411	+ 31,594	+ 1,608
No. 7	− 4,572	− 23,287	+ 16,432	−16,891
No. 8	+ 1,429	− 5,427	+ 12,592	− 1,729
No. 9	+ 4,490	− 19,920	+ 9,621	+ 238
No. 10	+ 14,122	− 25,787	+ 17,025	+ 1,467
No. 11	+ 21,205	+ 5,152	+ 14,779	+ 1,230
No. 12	+ 16,201	+ 13,171	+ 20,146	+ 2,102

The credit situation.

During the past month the Federal Reserve Board has heard statements from representatives of farmers' organizations relative to the general condition of credit and the volume of it available for the moving of crops. After canvassing the whole situation thoroughly the Board on October 16 issued a statement to the press, in which it stated the situation as follows:

In view of the representations which have recently been made to the Board as to the unavailability of credit in agricultural sections, the Board requested information concerning credit conditions throughout the country from the chairmen and governors of Federal Reserve Banks at their usual autumn conference here this week. The Board is advised that credit has been steadily available for the successive seasonal requirements of agriculture, as well as for the needs of commerce and industry, and that there is no ground for expecting that its availability for these purposes will not continue. The present improved credit situation is due in part to the timely steps taken last spring, following conferences between the Board and governors and directors of Federal Reserve Banks to provide credit for crop-moving requirements, and in part to the subsequent improvement in transportation reported from all districts, except in a few localities.

Between January 2 and October 1 of the present year about 800 leading member banks from all sections of the country, which report their condition to the Board weekly and which represent approximately 70 per cent of member bank resources, have increased their loans for agricultural, industrial, and commercial purposes by an amount exceeding $1,800,000,000. This great increase in the credit extended to their customers has in the main been made possible by the accommodation extended member banks by the Federal Reserve Banks.

During the same period the twelve Federal Reserve Banks have increased their holdings of agricultural and commercial paper by more than $500,000,000, and from January 23 to October 1, 1920, increased their issues of Federal Reserve notes by over $460,000,000. At the same time Federal Reserve Banks having surplus funds have extended accommodation to Federal Reserve Banks in agricultural and livestock districts by means of discounts, aggregating on October 1 over $225,000,000.

The disturbances in price and demand which have recently manifested themselves in markets for various agricultural and other commodities, not only in the United States but in other countries as well, are inevitable and unavoidable consequences of the economic derangements occasioned by the World War. The United States continues to have a heavy volume of exports, although foreign demand for certain agricultural staples has somewhat decreased. But the chief market for our raw and manufactured products is at home, and our present huge crops of immense value may be expected gradually and in regular course to move from producers to consumers. The recent census, reckoning our population at 105,000,000, emphasizes anew our own capacity as consumers, irrespective of the demands of other countries.

American Bankers Association.

An important feature of the meeting of the American Bankers Association, which occurred in Washington on October 19–25, was the statement contained in the address of the Secretary of the Treasury already referred to, in which he outlined the general position assumed by the department in conjunction with the Federal Reserve Board with reference to the extension of credit for the accommodation of various branches of industry. On this subject the Secretary said:

"The Treasury has no money to lend and no money to deposit except for Government purposes. It is not in the banking business and should not be. It is borrowing money periodically to meet current obligations in the intervals between large tax payments, at a cost of about 6 per cent. On several occasions before the Federal Reserve System was instituted the Secretary of the Treasury, at a time when the Treasury had a surplus, did deposit small sums of money in banks in various sections of the country to meet emergencies; but this necessity is obviated by reason of the existence and practices of the Federal Reserve System, and it is interesting to note that at this time Reserve Banks in certain sections of the country are rediscounting for banks in crop-moving sections approximately six times as much as was ever deposited for crop-moving purposes by the Secretary of the Treasury. * * * From the member and nonmember banks of the Nation, aided by the wise action of the Federal Reserve Banks, must relief be sought and furnished. The Federal Reserve Board can not furnish it. It has no lending power and no money to lend. It is a supervisory body and not a bank. The Federal Reserve Banks have no money to lend to individuals, but can assist in the creation of credit through the rediscount of eligible paper from banks. Neither the Board nor the Reserve Bank has any discretion as to the loans which member or nonmenber banks may make or decline to make, or the rates at which they extend their accommodation to customers. * * * All the authorities of the Federal Reserve System, including the member banks, have a keen and sympathetic appreciation of the difficult problem. They will, in my judgment, do everything in their power to promote the orderly distribution of products, and I believe that they will succeed, although not to the satisfaction of every individual. Facts widely published and well known to you evidence this disposition and they refute the assertion that there has been a contraction of credits."

Production and trade.

The substantial agricultural yields which had been forecast at the opening of October have been in process of realization in most parts of the country. Business in most sections has continued upon a fairly active basis, although there has been in some parts of the country and in sundry lines of manufacturing industry a sporadic shrinkage or change in the volume of production. The Board's production statistics for the month show the following results:

	Aug., 1920.		Sept., 1920.		Sept., 1919.	
	Total.	Relative.	Total.	Relative.	Total.	Relative.
Receipts of live stock at 15 western markets (in thousands of head)	5,022	76.6	5,266	80.3	6,555	100
Receipts of grain at 17 interior centers (in thousands of bushels)	89,807	72.6	110,111	89.0	123,682	100
Sight receipts of cotton (in thousands of bales)	305	48.2	762	120.4	633	100
Shipments of lumber reported by 3 associations (in millions of feet)	784	101.4	716	92.6	773	100
Bituminous coal production (in thousands of short tons)	48,389	102.1	51,093	107.8	47,402	100
Anthracite coal production (in thousands of short tons)	7,332	100.0	5,125	69.9	7,333	100
Crude petroleum production (in thousands of barrels)	39,397	117.0	37,845	112.4	33,667	100
Pig iron production (in thousands of long tons)	3,147	126.5	3,129	125.8	2,488	100
Steel ingot production (in thousands of long tons)	3,000	....	3,000	....	....	......
Cotton consumption (in thousands of bales)	483	98.4	458	93.3	491	100
Wool consumption (in thousands of pounds)	32,850	62.0	30,928	58.4	52,986	100

With respect to retail trade conditions, the monthly tabulations, published elsewhere in this issue, show that demand has been tolerably maintained. This reflects the large production of primary wealth growing out of the heavy crop yield in nearly all parts of the country. While it is true that in some parts of the country there has been a retardation of the movement of crops to market, partly due to the continuation of rather unsatisfactory transportation conditions and partly to the disposition on the part of some groups of producers to hold back their goods in the hope of higher prices, these influences have been sporadic and do not represent any general check of the movement of goods to market. On the contrary, as already noted, the transportation outlook has shown very decided improvement, taking the country as a whole, and the congestion of agricultural products in warehouses at distributing points has in some measure at least been reduced.

The business situation.

Business conditions during the month continued to exhibit a transitional aspect. Changes in the direction of production have already been referred to. The employment index of the Bureau of Labor shows a shifting of men between industries, which indicates a redistribution of demand and leaves the net situation somewhat in doubt. In the steel trade, despite some decline in unfilled orders, industrial leaders look forward to prosperous conditions and predict only a wholesome and reasonable readjustment. In other lines of trade there is some uncertainty and maladjustment of demand and supply. This situation is seen in particular in the textile industry, where some mills have either closed down or are working on part-time schedule. In the agricultural regions, on the other hand, the large crop yields have served to emphasize the problem of marketing and have taken a position by the side of the industrial situation in the public mind. This process of industrial and commercial readjustment is reflected in the relative decline of exportation. Coupled with the comparative falling off in exports there has also come a somewhat lessened necessity for transportation. On a number of railroads there has been a reported decline in the number of men employed, partly due to rearrangements and economies of staff but partly also to a rather lower intensity of transportation demand. This situation has, however, tended to further the process of securing a better movement of freight and a reduction of congestion on railways. Goods have been shipped more steadily and in much larger volume to points of destination, and there is less accumulation of goods awaiting shipment at the primary points of distribution. All of these factors have combined to produce a better balance between production and consumption and a more effective distribution of output both geographically and between the varying branches of trade and industry.

The factors which have made in an important way for progress in readjustment during the month of October have been seen in the investment market in a growing and considerably more active investment demand for securities of all descriptions. One effect of this demand has already been that of materially advancing the quotations of Liberty bonds by an average of about 1½ points during the month. In corporate bonds the tendency toward advancing prices has been even more marked, owing to the considerably larger demand for them by individuals with savings which they desire to place. Especially noteworthy has been the advance in the price of railroad bonds, some issues which previously sold upon an exceptionally low basis of value being in special request for investment purposes. Until recently there was also to be included among the factors which have been tending to work toward more normal conditions the approach to a more normal relationship between the home and foreign trade and the equalization of exports and imports in this country, coupled with the growth of exporting power in other countries. The British coal strike inaugurated on October 18 and the troubles preceding it constitute a notable movement of reaction against the tendency toward improvement in export power abroad and had the strike continued long would have gone far toward neutralizing the improvement already gained.

The decline in the prices of building materials, which has been in evidence in most parts of the country and in many lines of production, should tend to stimulate the resumption of building operations upon a larger scale. Thus far, however, the actual issue of building permits has not shown the effects of this influence.

Readjustment of prices.

The price movement during the month of October has been of exceptional interest. On the whole, while the price movement in the United States has continued downward, it would seem that in some foreign countries the tendency toward reduction which had gained ground during recent months had been checked. The following table of index numbers continues that previously furnished in the issue of August for some of the principal countries.

Wholesale price indexes.

[Average prices 1913=100.]

	Sept., 1919.	Apr., 1920.	May, 1920.	Aug., 1920.	Sept., 1920.
United States, Federal Reserve Board index	211	263	264	234	226
United Kingdom, Statist index	252	313	305	298	292
France	360	584	550	501	526
Italy	370	679	659	632	660
Sweden	319	354	361	365	362
Canada	223	261	263	244	241
Japan	257	300	272	235	230
India	200	200	210	209	208
Australia	185	217	225	236	230

For September the Board's price index shows a decline of 3.4 per cent, while that of Sauerbeck indicates a fall in British prices of 2 per cent, that of the Economist pointing to a reduction of 1.3 per cent.

In studying agricultural prices it should be noted that they show the effects of exceptionally large production or output in various lines and that this exercises a special influence in their case, which is hardly to be given the same amount or kind of weight in dealing with retail or wholesale prices of manufactured or prepared goods. On the whole, however, the price level has apparently approached a relatively greater degree of stability than it had possessed during September, and to that extent indicates a further progress toward a condition of readjustment. The problem of complete financial readjustment now centers around the placing of goods and accumulated stocks upon a banking basis corresponding to the new level of prices which has been established. It may be expected that, as older accumulations are disposed of and new goods at the revised price levels take their places, a more normal situation will gradually develop.

Foreign trade situation.

During the month of August the favorable trade balance of the United States fell to $65,000,000. By some observers it was believed that this reduction indicated a distinct turn of the tide toward a more evenly balanced relationship between export and import. September figures made public on October 26 now show that this expectation has been disappointed. The exports in September amounted to $605,000,000, against $579,000,000 in August of this year and $595,000,000 in September of last year. For the nine months' period ended with September, 1920, the exports were $6,081,000,000, as compared with $5,867,000,000 for last year. The September imports amounted to $364,000,000 against $514,000,000 in August, 1920, and $435,000,000 in September, 1919. The pronounced drop of over $150,000,000 in the imports of September of this year as compared with August is accounted for to the extent of only about one-tenth by diminished importations from Europe; it is mainly accounted for by diminished importations from North America, Cuba, and Asia, sugar alone accounting for almost five-tenths of the total decline noted, and rubber, coffee, silk, and hides and skins for two-tenths. The excess of merchandise exports over imports for September, 1920, was $242,000,000, as against $65,000,000 for August, 1920, and $160,000,000 for September, 1919. For the nine months' period ended with September of this year the imports were $4,358,000,000, against $2,697,000,000 during the corresponding period last year. The imports of gold in September amounted to $39,000,000 and exceeded those for August by $24,000,000. For the nine months ended September of this year the imports of gold amounted to $199,000,00,0 compared with $56,000,000 in the same period of last year. Exports of gold during September totaled $17,000,000, while gold exports for the nine months ending September were $259,000,000, leaving a net balance of $60,000,000 exported during the period. Since the publication of the Board's estimate in September that there was a favorable unfunded balance growing out of our post-armistice trade with the world at large, and amounting to $3,000,000,000 or upward, other investigators have pursued studies relating to the same subject. Data for the precise determination of the balance are, as was explained in the BULLETIN at the time, not likely to be fully available in the near future. This is due to the unavoidable presence of conjectural elements in any such trade balance. It is, therefore, of interest to note that the other compilations to which reference has just been made have afforded an even larger figure than that which was put forward in the September issue. A recent estimate has placed the balance due to the United States from the European countries alone at not less than $3,500,000,000 and probably nearly $300,000,000 more than that.

The development of trade since these figures and those of the Board previously published were prepared has shown a further growth in the unfunded balance due to the United States from Europe, owing to the renewed exportation of our agricultural and other staple products. The rate of this growth, until recently, was smaller than at any time since the armistice, due to the larger volume of importations. This does not alter the fact that a great body of obligations due to the United States is being carried upon the books of foreign banks and business houses and that as a result the exchange situation will necessarily continue for a good while to come to be a subject of interest, while fluctuations in the exchanges may at any time be severe because of the large unfunded balance of indebtedness which overhangs the market. The influence of this condition of affairs has been clearly seen in the sensitiveness of exchange during the past month or two, it being evident at times that an upward movement of quotations could not long maintain itself because of the disposition of owners of foreign balances to dispose of them whenever improved conditions seem to offer a prospect of a better return. As a result sterling exchange has fluctuated during the month within comparatively narrow limits and has shown little ability to gain ground, while the Continental currencies have been almost continuously weak. The following table presents the situation of the principal exchange quotations during the period in question:

	Week ending—			
	Oct. 2, 1920.		Oct. 9, 1920.	
	High.	Low.	High.	Low.
England	3.50¼	3.46⅛	3.51⅜	3.48
France	6.74½	6.63½	6.70	6.64
Italy	4.20½	4.15½	4.12½	3.89½
Spain	14.72	14.64	14.65	14.64
Argentina	37.50	36.00	36.625	36.25
China (Hongkong)	76.00	75.50	75.00	72.75
China (Shanghai)	107.00	106.00	104.00	100.00
Japan (Yokohama)	51.125	51.125	51.125	51.00
Germany	1.65	1.63	1.65	1.59
Switzerland	16.07	15.97	16.02	16.00
Sweden (Stockholm)	20.20	19.80	20.00	19.85
Holland	31.125	30.9375	31.05	31.00
Belgium	7.09½	7.03	7.08	7.01½

	Week ending—					
	Oct. 16, 1920.		Oct. 23, 1920.		Oct. 30, 1920.	
	High.	Low.	High.	Low.	High.	Low.
England	3.49⅞	3.46	3.45¾	3.40¼	3.48⅜	3.43¼
France	6.60½	6.48½	6.51	6.40	6.46½	6.30
Italy	4.00½	3.91	3.85½	3.75½	3.77⅝	3.69½
Spain	14.50	14.36	14.24	14.10	14.08	13.65
Argentina	36.50	36.25	35.50	34.75	35.125	35.00
China (Hongkong)	73.50	72.00	71.00	69.00	70.00	69.50
China (Shanghai)	101.00	97.00	96.00	94.00	94.00	94.00
Japan (Yokohama)	51.125	51.00	51.125	51.00	51.00	50.875
Germany	1.55	1.44	1.46	1.42½	1.44	1.30½
Switzerland	15.94	15.87	15.79	15.74	15.88	15.64
Sweden (Stockholm)	19.65	19.55	19.80	19.55	19.42	19.30
Holland	30.875	30.85	30.875	30.65	30.65	30.36
Belgium	6.95½	6.84	6.84	6.81½	6.84	6.67

In the oriental field the important influence of the month has been the decline in the price of silver, which has undoubtedly operated powerfully to unsettle Eastern exchange quotations. As shown by the Eastern currencies which are cited in the foregoing table, the falling off has been practically continuous throughout the month. With these quotations, however, may to advantage be compared the price of silver on corresponding dates during October, which may be presented as follows:

Silver in New York.

Week ending—	High.	Low.
	Cents.	*Cents.*
October 2	93	91½
October 9	90⅛	85¾
October 16	87	82⅜
October 23	80½	76¼
October 30	80⅞	79⅞

The Anglo-French maturities.

In connection with the exchange situation, attention has been largely concentrated upon the settlement of the Anglo-French loan, amounting to $500,000,000, which fell due on October 15. This large settlement had apparently no direct effect upon the money market of the month, because of the elaborate preparations which had been carefully made for many weeks preceding on behalf both of the British and of the French Governments. In preparation for the settlement of the bonds the French Government placed in the New York market a loan of $100,000,000, while there had been imported and deposited in the Federal Reserve Bank during the preceding weeks considerable quantities of gold. There remains of the $500,000,000 which was due a substantial sum which had to be provided for by the accumulation of dollar balances through purchase of exchange or by the sale of securities in the American market. It is around the latter point that much of the interest involved in this transaction centers. When analyzed it appears that the operation amounted largely to a mere shifting of credits. American investors who previously held bonds of the Anglo-French loan surrendered these bonds and received in exchange new bonds issued by the French Government or else were paid in cash realized by the debtor Governments under the loan, or from the sales in our market of stocks and bonds of American corporations which had hitherto been held by their nationals. The rearrangement of obligations resulting from this method of settlement amounted in one sense to a "cancellation" of debt directly owed by the British and French Governments to American citizens through the medium of a change in ownership which resulted in canceling the debt owed by American citizens and American enterprises to English and French investors. The absorption of these obligations by American investors, however, amounted to a demand upon this market for an equivalent amount of capital which would have been rendered available here had the loan been paid in some other form. The payment of the loan by means of such a redistribution of claims was thus to be viewed as an indirect or potential draft upon our supply of liquid capital. It was an international clearing of obligations which, except in so far as actual gold moved from one country to another, left matters as they were before. In the opinion of not a few capable students of the situation it was much to be desired that this process of substitution or mutual cancellation of credits might have been brought about in a degree sufficient to avoid any movement of specie. Be this as it may, it is undoubtedly true that the preparation for meeting the maturity of these bonds had an important influence in preventing an advance in sterling and francs in the New York market which otherwise might have occurred. The demand for dollars which originated with the British and French Governments in order to provide funds for making the adjustment tended to further the fall in the value of the pound sterling which had brought that currency down to a point but little higher than $3.40.

The Brussels conference.

The financial conference, including representatives of some forty nations, which convened at Brussels on September 22 and the following days, and which continued its activity with intervals up to October 9, resulted in a thorough canvassing of the general financial and banking situation as it exists in the principal countries of Europe at the present time. The work of the conference clearly showed that there is no general remedy which can be applied to the solution of foreign exchange problems at the present moment, but that, as has been believed by most persons, the eventual adjustment of existing conditions will be attained only through the slow process of saving and reinvesting capital. It probably accomplished all that could reasonably be expected, since it made a beginning of harmonious discussion and cooperation between the nations concerned. As concrete suggestions, however, the conference recommended consideration of the pooling of the gold and credit resources of the participating countries in a general fund whose resources shall be used in effecting the exchanges upon some common basis or unit of interchange, while valuable detailed suggestions are made as to uniformity in bills of exchange, reciprocity of treatment in regard to branch banks in different countries, and a variety of others. So far as immediate action is concerned, the conference thus results chiefly in the recommendation that as soon as possible a body of competent business men shall be convened to discuss on behalf of the participating nations the conditions under which the suggested plan of central organization or "pooling" may be put into operation. What could be done with reference to such a suggestion would doubtless depend in no small degree on the form in which it might be presented and the character of the details with which it was worked out. Although the Brussels conference has thus laid the foundation for future discussion, it has apparently done little more than that. The United States was not officially represented at the conference, but it was in touch with the work undertaken there through an unofficial representative, Mr. Roland W. Boyden, who presented the views of the United States at one or two sessions. In so doing Mr. Boyden called attention to the principles laid down in the letter which Secretary of the Treasury Glass issued in February, 1919, outlining the policy of the United States with respect to further advances to European countries.

In closing, the conference adopted a resolution which, as reported by cable, sketches the general credit situation and recommends the adoption of a plan for the extension on an international basis of a system guaranteeing credits for exports. This was in accord with the recommendation of the committee on credits. The committee also favored plans whereby raw materials in process of being worked up into completed products would serve as security for advances either by the banker or exporter, the proceeds of the sale of the manufactured article going first to the repayment of the credit.

"Realization of this system," says the resolution, "has met with serious obstacles in many countries by reason of the absence of legislation adequately protecting the exporter during the stages of import, manufacture, reexport, and sale. The committee recommends that the council of the league draw attention of the various governments to this question and that it intrust to a committee of legal and business experts the task of proposing legislative measures suitable for attaining the end in view in each of the countries interested." The committee on international credits also states that "the outstanding financial questions resulting from the war must be made the subject of definite settlement and put into execution. Finances can be restored, but the revival of credits requires these primary conditions—the restoration of order in public finances, purging of. currencies, and freedom of commercial transactions."

Proposals before conference.

The conference, however, has been of very considerable interest as affording a forum of discussion and thus as tending to analyze and rectify the ideas of those in attendance. Of the many and various proposals brought before the organization four general groups stand out prominently. Of these the first is represented and characterized by the proposal of M. Delacroix, Belgian Prime Minister and Minister of Finance, for the establishment of an international bank. Such a bank would be designed to promote the international development of credit. On presenting it, M. Delacroix said:

"* * * it is urgent, indeed essential, to set up an international bank of issue, in which all States, without distinction, would be represented, and which would be managed by a committee consisting of a number of delegates. The objects of this bank would be to issue interest-bearing gold bonds in exchange for genuine securities. The committee of this bank would decide in each case whether the securities offered were satisfactory; only after thorough investigation of the proposed guarantees would it consent to issue to any State requesting a loan, bonds to the value of these securities. The guarantees would involve, in certain cases, a direct control over the yield obtained from the securities.

"The situation is so critical in certain parts of Europe that common humanity calls for intervention and for loans to prevent the populations dying of want. Yet these countries in nearly every case still possess resources which they can not immediately make use of.

"The bank of issue would give them the means of using these assets, during a period to be defined, and would permit them to obtain at once the funds necessary to buy essential supplies.

"There are some States, especially in Europe, whose financial resources are at an end, but who, nevertheless, possess considerable natural wealth. The international bank, by means of the financial control which it would introduce, would be the means of saving them from ruin."

Regulation of credit.

A second group of plans before the conference had for object the establishment of a steady flow of capital and business credit into the European nations most seriously embarrassed and injured by the war. Of these probably the best representative was the plan of Herr Meinl, put forward especially for the purpose of restoring business in Austria, although the same machinery would hold good for other nations if desired. This plan contemplated the organization of an international syndicate for the purpose of building up trade.

"The business of the syndicate would be confined to that of investigating, organizing, and controlling the transactions entered into by the participants. It would be empowered by the participants to act as security holder in much the same way as a local agent or banker acted formerly, only in this case it would represent the joint and several interests of all the participants. The latter might either take the initiative themselves in entering into transactions or leave it to the syndicate to make proposals and recommendations.

"The object of combining the representation of these interests into one agency is (1) to secure greater authority in negotiating with the various Governments and business groups in Austria; (2) to insure the cooperation of prewar creditors with the new interests. This is most important, and satisfactory arrangements for the settlement of these debts would be an essential preliminary to any new business.

"The participants in the syndicate will be free to accept or refuse any proposed business, and if they accept they may do so on any lines they choose and not only on those recommended by the syndicate, but in order to secure for the syndicate the necessary authority in conducting negotiations, it would be desirable that participants should intrust the syndicate with the widest possible powers to act on their behalf.

"The participants would make their own financial arrangements, as it is not proposed that the syndicate should have a large capital such as would be required for the giving of credits. The capital of the syndicate would be limited to what is required for the expenses of management.

"The economic revival of the countries of the former dual monarchy is only possible if economic union and free traffic between the succession States are reestablished, and this can only be brought about by a powerful combine which can hold out the bait of a certain supply of raw materials, on the condition that all restrictions which might prejudice the successful working of the business be removed."

Control of exchange.

Third among the general groups of plans offered are to be classed the various schemes for an international control and organization of exchange. One of the representative examples of such a plan for exchange control is seen in the proposal for an "International Valuta Association" put forward by the Swiss League for Free Economy. According to this the chief elements in the plan for a uniform standard of value would be as follows:

(1) Countries desiring to join the International Currency Stabilization Association (International Valuta Association "Iva"), adopt the "Iva" unit of currency standard.

(2) The monetary systems of the Iva countries remain national, but are based on unified principles, valid in all circumstances and for all stages of development.

(3) This unified national currency policy removes the chief cause of disturbances in the balance of trade and of the resulting fluctuations of the exchanges.

(4) Small disturbances in the balance of trade, caused, for instance, by the varying yield of harvests, are still possible.

(5) To eliminate completely the effect of these disturbances upon the exchanges, a special international note is issued, guaranteed by all the Iva States, which is imported and exported without hindrance by all the countries of the Association and is recognized by them as legal tender at par with the national currency.

(6) This international note is issued at a center—the Iva Office at Berne—to the countries of the Association and under their supervision. The notes are issued free of cost, except for the expense of printing and administration.

(7) The quantity of Iva notes is determined solely by their regulating effect upon the exchanges, about 20 per cent of the national issues being required for this purpose.

Guaranteed loans.

Finally, there was before the conference a group of proposals based on the idea of a guaranteed international loan. The suggestion of M. TerMeulen, of Holland, was possibly the most interesting of the proposals in this group.

M. TerMeulen recommended that any government whose citizens have found themselves unable, because of disturbed economic conditions, to get raw material on personal credit may segregate certain assets or revenues and that against these such a government may issue bonds. These bonds would then be given to the citizens who had put up the security for use as collateral in obtaining credit for importation of goods. Such transactions would be required to meet the approval of the government concerned, while all such transactions would be approved by a central commission acting under the direction of the League of Nations.

Foreign financial situation.

One set of facts developed at the Brussels conference which has thrown valuable light upon the problem of financial reconstruction in Europe is seen in the statements filed by the various countries with respect to their financial position. The bulk of the information furnished was already common property, although the Brussels conference succeeded in developing some information which is relatively new. What chiefly stands out as a result of the compilation of these data, however, is the depressed financial prospect and the condition of inflation of currency and credit which prevails approximately throughout Europe to-day. It would appear from the figures made available at the conference that expenditures for military and naval purposes are still on a high level and that in some countries at least the development of a system of taxation which is adequate to take care of the present volume of expenditures has not proceeded very far. In these circumstances it seems doubtful whether the immediate future of European finance and banking is likely to result in very decided progress, least of all in the development of a condition of affairs that will permit the early settlement or adjustment, much less cancellation, of any considerable fraction of the indebtedness now outstanding. The plan to have Great Britain cancel its claims upon France, while the United States in turn cancels an equal amount of claims upon Great Britain and accepts in lieu thereof a share in the German indemnity, was not officially proposed but evidently reappeared as an element in the discussions, at least unofficially. In this aspect the Brussels conference has merely resulted in a new demonstration that far greater effort to equalize budgets and to develop a system of taxation that will provide for meeting expenditures will be essential as a condition of financial settlement prior to the adoption of any international plan either of currency issue or of refunding. It is worthy of note, also, that the conference was greatly handicapped from the very start by the fact that there had been no earlier attempt to fix the amount and terms of the German indemnity. There was on the whole throughout the Brussels conference a more general recognition than might have been expected of the fact that the United States can not finance the whole world and that the various countries must first of all help themselves.

Gold and silver movements.

During the month ending October 10 the net inward movement of gold was \$56,503,000, as compared with a net outward movement of \$9,342,000 for the month ending September 10. Net imports of gold since August 1, 1914, were \$753,710,000, 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 Oct. 10, 1920	238,715	264,760	[1] 26,045
Total	2,091,865	1,338,155	753,710

[1] Excess of exports over imports.

England furnished \$51,161,000, or over 70 per cent, and France \$14,843,000 of the \$72,981,000 of gold imported during the monthly period ending October 10; Argentina, Russia in Europe, Canada, and Colombia furnishing most of the remainder. Of the gold exports, amounting to \$16,478,000, over one-half, or \$8,398,000, was consigned to Japan, \$5,000,000 to China, \$1,439,000 to Hongkong, and the remainder principally to Mexico and Canada. Since the removal of the gold embargo on June 9, 1919, total gold exports have amounted to approximately $618,556,000. Of this total, $146,555,000 was consigned to Argentina, $146,465,000 to Japan, $68,728,000 to Hongkong, $64,396,000 to China, $40,804,000 to British India, $29,778,000 to Spain, and the remainder principally to Mexico, Uruguay, the Dutch East Indies, the Straits Settlements, Canada, and Venezuela.

During the same monthly period the net inward movement of silver was $1,308,000, as compared with a net outward movement of $1,765,000 for the month ending September 10. Net exports of silver since August 1, 1914, were $454,289,000, 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 Oct. 10, 1920	75,211	100,128	24,917
Total	368,213	822,502	454,289

Mexico furnished $4,395,000, or about 68 per cent, of the $6,477,000 of silver imported during the monthly period ending October 10, most of the remainder coming from Peru, Chile, Canada, and Honduras. Of the silver exports, amounting to $5,169,000, about two-thirds, or $3,434,000, was consigned to China, and the remainder principally to Hongkong, Japan, Cuba, Canada, and Mexico.

The banking situation.

Continued loan expansion, accompanied by a more than commensurate increase in borrowings from the Federal Reserve Banks, is indicated by the weekly condition statements of about 820 member banks in leading cities.

Holdings of United States bonds and Victory notes show but nominal changes, while those of Treasury certificates declined by about 54 millions between September 17 and October 15, notwithstanding the considerable increase in this item shown on the latter date. A notable development during the period is the increase by 123 millions in loans supported by corporate securities—apparently the result of the calling of street loans in anticipation of the redemption of the Anglo-French bonds by the fiscal agents of the respective Governments and the assumption of a large portion of these loans by reporting members in Boston and New York City. Loans secured by Government war obligations declined by about 32 millions, while other loans and investments, composed largely of commercial loans and discounts, show an increase of 191 millions. In consequence of the above changes, loans and investments of all reporting institutions on October 15 were 226 millions larger than four weeks before, the corresponding increase for the New York City member banks being 92 millions. Accommodation of reporting member banks at the Federal Reserve Banks shows an increase for the period from 1,972 millions to 2,249 millions, representing 11.6 and 13 per cent, respectively, of the banks' total loans and investments. For the member banks in New York City an increase in this ratio from 11.7 to 14.6 per cent is noted.

For the four weeks between September 24 and October 22 the Federal Reserve Banks report a decrease of over 21 millions in their holdings of bills secured by United States war obligations and Treasury certificates (so-called war paper) and an increase of 66 millions in the holdings of other discounted paper, the share of war paper in the total discounts held showing, in consequence, a further decline to less than 44 per cent. Holdings of acceptances purchased in open market declined by 7 millions, while Treasury certificates on hand show an increase from 271 millions on September 24 to 302 millions on October 15, when six of the Federal Reserve Banks held 26 millions of special certificates to cover temporary advances to the Government. By the following Friday the amount of such special certificates had declined to 10 millions held by four Federal Reserve Banks, while the total amount of Treasury certificates held by the Federal Reserve Banks had declined to 281 millions.

Interbank discounting shows further growth in volume, the total of paper held under discount for other Federal Reserve Banks showing an increase from 226.9 to 243.1 millions, reported by the Boston, Philadelphia, and Cleveland banks. The latter bank on October

22 reports a total of 137.9 millions of paper discounted for other Federal Reserve Banks, compared with 79.3 millions of paper held under discount for its own members, while over 40 per cent of the Boston bank's discounts carried on the same date was for other Federal Reserve Banks. At the close of the period under review the list of accommodated Federal Reserve Banks includes, besides the seven banks in the South and Middle West shown the month before, also the New York bank. Interbank accommodation through the purchase of acceptances is reported by the Boston, Philadelphia, and San Francisco banks, their aggregate holdings of such paper on October 22 being 24.3 millions, all acquired from the New York bank.

Net deposits increased from 1,658 millions on September 24 to 1,710 millions on October 8, but declined to 1,624 millions during the following two weeks. Federal Reserve note circulation shows a further expansion during the four weeks from 3,280 millions to 3,356 millions, or at an average weekly rate of over 19 millions, substantial increases in the circulation reported by the New York and Atlanta banks being due partly to shipments to Cuba of newly issued notes.

The amount of gold held with foreign agencies shows a decline for the period from 111.5 to 80.4 millions, as a result of physical transfer to the Federal Reserve Banks of part of the gold held earmarked for them by the Bank of England since September of last year. Total gold reserves show a gain for the period of 4.8 millions, while total cash reserves show a slightly larger gain of 5.7 millions.

The banks' reserve ratio declined almost continuously, from 43.6 per cent on September 24 to 42.7 per cent on October 15. On the following Friday, largely because of the liquidation in some volume of bills and Treasury certificates and a corresponding reduction in deposit liabilities, the ratio shows a rise to 43.3 per cent.

Personnel.

The Federal Reserve Board, on October 14, made the following announcement of changes in its staff: Mr. W. T. Chapman, secretary, has resigned, effective November 1, 1920. Mr. W. W. Hoxton, executive secretary of the Board, has been appointed secretary, effective November 1, 1920, and has been designated acting secretary for the period October 16 to November 1. Mr. R. G. Emerson, assistant secretary of the Board, has been appointed assistant to the governor, effective October 16, 1920. Mr. Walter L. Eddy has been appointed assistant secretary of the Board, effective October 16, 1920. Mr. James F. Herson, chief Federal reserve examiner of the Board, has been appointed chief of the Division of Examination, succeeding Mr. W. W. Paddock, resigned. Mr. Herson will have the dual titles of chief Federal reserve examiner and chief of the Division of Examination.

BUSINESS, INDUSTRY, AND FINANCE, OCTOBER, 1920.

October has been a month of continued transition in business. Economic and business readjustment, which has been much in evidence in recent months, is still in process. The factors involved in the present readjustment process are essentially the same as those which have been observed and noted in the past in periods of acute transition, and include, conspicuously, price changes, uncertainty regarding future market conditions, and slackening or suspension of activity in important lines of industry. In a national survey of conditions, however, it may fairly be said that the economic and business situation in the United States is showing much inherent strength and an ability to attain a position of relative stability through an orderly transition. Considering the industrial dislocations, the commercial disorganization, and the financial derangements occasioned by the Great War everywhere throughout the world in one degree or another, recovery and restoration are proceeding apace in the United States, and the natural forces in evidence which make for stabilization carry assurance for the future.

Price revisions in textile lines and in other branches of wearing apparel, as well as in numerous staple commodities, have been the outstanding elements in the situation, just as during the preceding month. Caution in buying, due to a belief that price readjustment is not yet complete, has been a noteworthy factor, and in some quarters has tended to slow down the activity of retail trade, although more apparent in wholesale trade. Crop yields have on the whole justified the expectations expressed at the opening of the month. Banking reserves have held their own during the month and there has been a steady improvement in the liquidity of paper. Labor is less fully employed. Notwithstanding some sporadic cuts in wages here and there the general position is about as good as it has been so far as actual payments or rates of wages are concerned.

In district No. 1 (Boston) there is some curtailment of production due to the uncertainty of prices, mills in various cases maintaining their lessened schedule of hours. Nevertheless there is a general undercurrent of conviction that present conditions are temporary.

District No. 2 (New York) reports improvement in investment outlook, enlargement of savings deposits, advance in Liberty bond prices, a broader bill market, better new financing, slow expansion in demand for stocks, decline in many exports, lower prices, and a tendency to recession in employment.

District No. 3 (Philadelphia) states that there is a diminution in demand for goods and that little new business is being booked. Fluctuation of prices has interfered with the restoration of stable business conditions.

District No. 5 (Richmond) states that the price recession movement has broadened and that, due to this situation and its extension to farm products, there has been some hesitation in business.

In district No. 6 (Atlanta) there is active retail trade, but the crop outlook has become less favorable for certain products, while variation in lumber prices has been reduced to a minimum and coal and iron are somewhat harassed by strike conditions.

In district No. 7 (Chicago) the business situation is still confused by countercurrents of opinion, with buying somewhat restricted and price readjustments presenting some problems to be overcome by producers and traders.

District No. 8 (St. Louis) finds fundamental conditions satisfactory, but in all lines there is hesitancy in purchasing goods for future requirements. Uncertainty as to future prices is the chief obstacle in the way of recovery.

In district No. 9 (Minneapolis) crops are large, grain is moving steadily to market and railroad efficiency has improved, but there have been declines in copper and iron production, in building permits, and in lumber output. Crop-moving needs have required large note issues.

In district No. 10 (Kansas City) price recessions and readjustments have been steady but without serious disarrangements, while retail trade and consumption are proceeding quietly and the labor outlook is favorable. The coal supply is somewhat larger.

In district No. 11 (Dallas) abundant confidence in underlying conditions and in the future of trade are expressed, while the seasonal peak of credit has been passed. There has been some shrinkage in wholesale trade, but retail trade is larger, transportation is better, and the labor outlook improved.

In district No. 12 (San Francisco) business conditions indicate a period of transition. Retail trade is stable, despite a waiting attitude among the public. Good crops have been grown, but in the wool and cotton regions there is dissatisfaction with prices, while lumber is in less demand than heretofore. Grain markets have been sluggish and declining.

The agricultural situation may be characterized as one of large yields and falling prices for the principal crops, accompanied by a spirit of dissatisfaction among a large part of the farming community, with a disposition in many cases to hold crops rather than to sell them at prevailing levels. The Government estimate of corn production has been further increased as of October 1 to 3,216,000,000 bushels, which is the largest crop on record. Some increase in the yield of oats is indicated, the estimate now being 1,444,000,000 bushels, but a decrease in the case of spring wheat from the September 1 estimate brought the figure to 751,000,000 bushels, which is below the 1919 estimate. Threshing is in progress, and seeding is well under way.

District No. 9 (Minneapolis) "has produced the largest corn crop in its history," estimated at over 260,000,000 bushels, and the forecast of the oats crop, 28,000,000 bushels, is also large, the combined crops thus being "a more important factor in the agricultural prosperity of the West than the total wheat crop," which is estimated at only 148,000,000 bushels. Conditions in general are reported as favorable for fall plowing and seeding. In district No. 10 (Kansas City) most of the corn was mature enough to escape any great damage from the early frosts during the last week of September. Seeding of winter wheat has progressed rapidly under favorable weather and soil conditions. Threshing of this year's winter wheat from the stack is progressing slowly, while harvesting of spring wheat was generally completed in Colorado and Wyoming, and threshing is in progress. In district No. 7 (Chicago) "production has been stimulated by the seasonable weather that has prevailed everywhere, except in southern Michigan." In district No. 4 (Cleveland) "the agricultural year has been very favorable," wheat being the only principal crop below the average, but "there is rather a strong undertone of dissatisfaction among farmers at the present time over the price situation." "Preliminary forecasts of good crops" in district No. 12 (San Francisco) "have been justified by the harvest, which is now practically complete." Farmers have been holding grain for better prices, while buyers have been slow to accumulate stocks.

A decrease of 75,000,000 pounds from the September 1 figure brings the October 1 estimate of tobacco production to 1,479,000,000 pounds. Prospects for the crop in district No. 8 (St. Louis) are reported "fair" and "there is less apprehension relative to yield than to marketing conditions." The tobacco crop in district No. 5 (Richmond) is estimated at 22 to 36 per cent larger than last year's yield. Low prices at the opening of the markets caused many farmers to show a strong tendency to hold their crops, but prices advanced steadily during September and early October. It is stated that the best tobacco is being purchased freely, but low grades are not in demand.

The Government forecast on October 1 of the yield of cotton for the country as a whole was 12,123,000 bales, as compared with a September 1 forecast of 12,783,000 bales. The deterioration is stated to have been largely the result of the activity of weevils and worms, following "an unusually wet growing season," although in certain sections, such as Florida, it is ascribed more largely to the adverse weather conditions. In many sections there is practically no top crop. Nevertheless, it is reported from district No. 11 (Dallas) that the "most of the new crop is much superior in quality to last year's crop." Fifty-seven of 76 Texas counties from which data were obtained, representing 40 per cent of the estimated total production for the State, report marked improvement in the quality of the 1920 crop. Very little of the early ginnings were withheld from the market, but during October the decline in the price of the staple gave "a distinct check to the marketing movement." A goodly portion of the South Texas crop was sold before the heavy decline in the market. Picking has been practically completed in the southern tier of counties in the district and in the central zone half has been gathered, but in the northern tier the crop is about 30 days late, and picking has only "just fairly started." Little shortage of pickers is reported. Picking is proceeding well in most sections of districts Nos. 6 and 8 (Atlanta and St. Louis). In Mississippi "ginning is slow and farmers generally are holding for better prices." In district No. 8 the crop "has moved slowly to date and at a sharp reduction in prices." September cotton on 18 markets in North and South Carolina brought about 7 cents less than four weeks previously, but cotton seed brought an average of $40 a ton as against $30 a month ago.

In connection with agricultural products, however, interest at this season of the year now centers more largely in the movement of crops to market and the prices realized. Grain in district No. 9 (Minneapolis) is "moving to market more rapidly." It is estimated that 38½ per cent of the new wheat crop in South Dakota, 22 per cent in Montana; 21 per cent in Minnesota, and 20 per cent in North Dakota had moved from the farms by October 1, and shipments from country elevators increased because of better railroad conditions. "The movement of grain from the Northwest," says the Minneapolis report, "may best be measured by combined grain receipts at Minneapolis and Duluth. During September these were 37,-

336,975 bushels, or double those of August and of September, 1919. These figures indicate that there has been a very satisfactory movement of grain from the Northwest in the month of September, and considering the fact that a very large part of the Minneapolis receipts in August and September, 1919, were made up of southwestern winter wheat, the comparative showing for the Northwestern States in the total movement for the season since August 1 is exceptionally favorable. The wheat receipts at Duluth from August 1 to September 30 included 7,564,084 bushels of durum, 2,150,606 bushels of spring wheat, and only 125,720 bushels of winter wheat. It is estimated that between 70 and 90 per cent of the durum wheat produced in this country is exported to Europe. In view of this fact, it is plain that the European demand has fixed the durum price, and through the European demand for durum wheat the price of spring wheat has also been influenced. The continuous demand of the European market for our products is one of the most important factors for us to consider now in connection with the agricultural and business situation in the Northwest. As Europe is still buying very largely with credit, the sale of wheat will inevitably be affected by the degree of success attending the purchase of European securities in this country."

"The large production of all crops, the increased volume of grain receipts, and the difficulties attending the financing of European credits in this country have all had their effect in depressing the price of the grains. Price changes for the month in grains and flour were uniformly downward, as is shown in the following table:

	September daily closing prices.			Sept. 30.
	Aug. 31.	High.	Low.	
Cash wheat, No. 1 dark northern	\$2.47 -\$2.57	\$2.68½-\$2.75½	\$2.35½-\$2.45½	\$2.35½-\$2.45½
Cash corn, No. 3 yellow	1.40 - 1.42	1.36 - 1.40	1.02 - 1.03	1.02 - 1.03
Cash oats, No. 2 white	.61¼- .63¼	.61⅛- .62⅝	.52½- .53½	.52⅝- .53⅝
Flour, Washburn Crosby's Gold Medal, 98-pound cotton sacks	13.00	13.50	12.15	12.15

The grain markets in district No. 10 (Kansas City) during September were "erratic and unsettled because of wide sweeps in prices, in which wheat, corn, and oats declined to the lowest levels since the war." Due principally to a disposition on the part of farmers, as a result of the declines, to hold wheat, September wheat receipts at markets in the district were 10 per cent below August and 25 per cent below September, 1919. "Declines in corn prices were no less remarkable than the decline in wheat prices." In district No. 11 (Dallas) September showed a heavy increased wheat movement, and it was estimated that by October 1, 71 per cent of the crop had been marketed. Slow movement of crops is reported in most of the States of district No. 7 (Chicago). Very little small grain has been moved in Iowa, while in Indiana restricted transportation facilities and declining markets are retarding the movement.

Flour production in district No. 9 (Minneapolis) during the four weeks ending September 25 was the same as during the four weeks ending August 28, although only two-thirds of the output a year ago. In district No. 10 (Kansas City) production during the same period was likewise less than a year ago, although the decline was only 25.9 per cent. The latter district ascribes the slowing down of milling operations "largely to the general decline of the wheat market late in September and at the beginning of October." Short patents made from hard winter wheat were quoted on October 5 at Kansas City at \$10.90 to \$11.10 per barrel, as against \$12.60 to \$12.75 on September 7.

Live-stock movements are well under the heavy figures of last year, which were swelled by the drought conditions then existing. Receipts of cattle at 15 western markets during September were 1,736,009 head, as compared with 1,459,565 head during August and 1,871,042 head during September, 1919, the respective index numbers being 172, 145, and 186. Receipts of sheep at the markets during September were 1,893,312 head, corresponding to an index number of 139, as compared with 1,688,719 head during August, corresponding to an index number of 124, and 2,890,831 head during September, 1919, corresponding to an index number of 212. Receipts of hogs during September amounted to 1,597,622 head, as compared with 1,818,245 head during August and 1,704,944 head during September, 1919, the respective index numbers being 73, 83, and 78. "A seasonal increase in the movement of grass cattle and continued relative scarcity of corn feds" are reported from Kansas City. Grass-fed cattle were anywhere from \$1.50 to \$3 lower at Kansas City than at the close of August. The movement of stockers and feeders to the country was the heaviest of the year, and materially greater than a year ago. The light receipt of hogs during September is attributed by stock men in the district to the large corn crop. Declines in cattle prices, as well as in sheep and lambs, were reported during September. In district No. 11 (Dallas) there was a notable increase in the supply of hogs. The cattle market was "weak and listless." Hogs and sheep were in brisk demand, but at the close of the month the prices of the former declined as a result of the drop in the corn market. During September "there were heavy runs of grass cattle of mediocre quality," at St. Paul, stockers and feeders moved to the country in large numbers early in the month but later decreased, and prices as compared with August "exhibited mixed tendencies." Range and pasture conditions in district No. 10 (Kansas City) "are generally excellent for this season of the year," and all live stock is reported in favorable condition. There has, however, been some deterioration in range conditions in certain parts of district No. 11 (Dallas) due to continued dry weather, but on the whole stock men in the district "are well equipped to carry their cattle through the winter, having, as a rule, an adequate supply of stock water and an abundance of feed." Live-stock men in district No. 12 (San Francisco) "have experienced an unsatisfactory year," and there has been a tendency to decrease the supply of stockers, but "some movement in the opposite direction is now evident, with cheaper feed in prospect."

In the lumber industry cancellation of orders continues and there have been further price reductions. On October 1, 135 mills reporting to the Southern Pine Association stated orders to be 44,480,224 feet, shipments 63,735,239 feet, and production 62,769,563 feet. Normal production of these same mills was given at 87,674,183 feet. In district No. 11 (Dallas) the 28 mills belonging to the Southern Pine Association located in that district report production about equal to that of August. Shipments increased as a result of an improvement in transportation. Unfilled orders of these mills amounted to only 58,448,655 feet on October 1 as compared with 75,778,485 (August 27). It should be said, however, that four additional mills are represented in the larger total. Excepting the California redwood mills, there was a heavy falling off in amount of new business taken on by the mills in district No. 12 (San Francisco) during the week ending October 2. "The market is reported to remain generally dull, and several mills are preparing to cease operations." For the four weeks ending September 25, 32 mills belonging to the Western Pine Manufacturers' Association report orders at the close of the period of only 33,075,000 feet, against a cut of 102,763,000 feet. Corresponding figures for the West Coast Lumbermen's Association (123 mills) are orders, 202,008,000 feet, and cut, 286,440,000 feet, while the California Redwood Association (10 mills) shows orders amounting to 19,388,000 feet, and a cut of 26,029,000 feet. District No. 9 (Minneapolis) states that returns from a selected list of eight lumber manufacturers show September shipments and sales about three-fourths those of August and only slightly more than one-half those of September a year ago. Reduced building activity and lessening of demand in agricultural regions are the causes most frequently assigned for the falling off in demand.

Production of crude oil in Kansas and Oklahoma in September was estimated to be 12,023,250 barrels, an increase of 30.5 per cent as compared with September, 1919. Production in the Rocky Mountain fields, amounting to about 1,600,000 barrels, showed a slight increase. The total production of the Mid-Continent field for the first nine months in 1920 amounted to 104,980,717 barrels, an increase of 22,870,471 barrels, or 27.8 per cent over the output for the same period in 1919. Fewer wells were completed in September in the Kansas, Oklahoma, and Wyoming fields than in the same month last year; nevertheless there was an increase in new production of 83,917 barrels, as against 75,296 in September, 1919. Crude oil prices remained virtually stationary in the district. In district No. 11 (Dallas) there was a decrease in production as compared with August, the September total amounting to 11,489,510 barrels, which was 854,376 barrels less than the August total. The Central West Texas field made the best showing. The output of the Texas Coastal field was affected by the falling off in output of one of the largest wells, whose yield dropped from 20,000 to 7,000 barrels per day. Also, fewer completions of new wells were recorded, and the output was less in the district as compared with August. A total of 636 wells were completed, 435 of which proved to be producers having an output of 80,587 barrels. In August there were 441 new producers, with an output of 103,205 barrels. Rainy weather, unfavorable to drilling operations, is reported to be responsible for the decline. Crude oil prices remained steady in the district. In district No. 12 (San Francisco) a record production of petroleum is reported from California, the daily output amounting to 304,340 barrels. The highest previous figure was recorded in June, 1914, when the daily average was 302,400 barrels. The increase resulted from new production in the Elk Hills. The following figures were furnished by the Standard Oil Co. of California:

	September, 1920.	August, 1920.	September, 1919.
Production, daily average, barrels.	304,340	290,590	279,169
Shipments, daily average...do....	313,533	321,955	310,271
Stored stocks, end of month.do....	23,158,657	23,434,464	24,406,753
New wells opened................	55	56	51
With initial daily production...............barrels..	21,775	20,550	21,330
Wells abandoned................	5	5	6

Production of anthracite coal is now being accelerated with the return of the miners to work, and, with a speeding up of transport activities, the movement of coal is becoming more satisfactory. The output during September, was 5,125,000 tons, as compared with 7,332,000 tons during August and 7,333,000 tons during September, 1919, the respective index numbers being 69, 99, and 99. The report from district No. 2 (New York) says that the Lehigh Valley Railroad, a heavy anthracite carrier, reports an increase of 37 per cent in coal movement in the first 15 days of October over the first 15 days of September. and 6.3 per cent over the same period last year. The production of bituminous coal for September was 51,093,000 tons, as compared with 48,389,000 tons during August, and 47,402,000 tons during September, 1919, the respective index numbers being 138, 131, and 128. The output of bituminous coal in September was the largest for any month since October, 1919, and while prices remain high, slight decreases are reported. According to the report of district No. 3 (Philadelphia), highest grade coals are selling at about $11 to $12 and lower grades at $8.50 to $9 per ton f. o. b. at the mines. Bituminous coal receipts at lake ports in district No. 4 (Cleveland) were promising, amounting to 4,138,533 tons loaded into vessels as compared with 2,505,827 tons in September, 1919. But the movement for the season is still behind that for 1919, being only 15,469,783 tons as compared with 18,514,130 tons in 1919. Commercial distribution within the district, however. is stated to be far from satisfactory, reasons alleged being priority orders for lake shipments and for public utilities and lack of cars. District No. 5 (Richmond) reports better output, freer car movements, and fewer labor troubles.

In district No. 6 (Atlanta), however, mining is interfered with by the continuance of the strike called September 8 in the Alabama district. In district No. 7 (Chicago) production is increasing with improved car supply and the same is true in district No. 8 (St. Louis). There was an increase of 2,262 cars of coal moved through St. Louis in September, 1920, over September, 1919. District No. 10 (Kansas City) also reports increase in efficiency of distribution. Notwithstanding the speeding up of lake shipments, coal receipts at Lake Michigan ports are not only below 1919 totals, but the percentage of the total going to Lake Superior ports is less than last year, according to the report from district No. 9 (Minneapolis), which says that the average tonnage received per day at Duluth-Superior Harbor during September, 1920, was 39,243 tons. To equal the tonnage received during 1919 would require an average of 60,639 tons per day, and to equal the average for the 5-year period would require daily receipts of 76,642 tons. Moreover, stocks were heavier at the beginning of 1919 than 1920. In district No. 10 (Kansas City) weekly reports show that mines in Missouri and Oklahoma operated in September at about 75 per cent of full capacity, while the Kansas mines operated at 55.5 per cent. Transportation difficulties and mine disability are the reasons given for the greater part of time lost, and in addition labor shortage, which was more pronounced in the Kansas field than elsewhere. The retail price of coal has advanced generally throughout the district, prices of bituminous coal reaching $10 to $11.50 for best grades of lump in Kansas City during the first week in October. From district No. 11 (Dallas) come reports of a fuel shortage of a serious nature in western Texas, the Interstate Commerce Commission having been petitioned to assign rolling stock to the Colorado mines in order to supply the needed coal for winter.

Increased shipments from the Joplin district in September somewhat reduced surplus stocks of zinc and lead ores in district No. 10 (Kansas City), but severe drops in the prices of both metals are recorded, leading to further curtailment of production. During the month zinc-ore prices ranged from $50 as a maximum base to $40 as a minimum. Base prices for calamine ores were $30 to $35. Lead ores fell in price from $110 at the beginning of the month to $80 at the close, the drop being attributed to importations of lead ore from Australia and Mexico. In district No. 9 (Minneapolis) copper production fell below the August figures and was less than that for September, 1919. Reports from companies producing about 75 per cent of the district output were as follows:

Pounds of refined copper.

	September, 1920.	August, 1920.	Per cent, September of August.	September, 1919.	Per cent, 1920 of 1919.
Michigan...........	9,522,837	9,581,645	99.5	13,050,802	72.9
Montana...........	12,166,115	12,786,515	95.2	14,005,975	86.8
All copper....	21,688,952	22,368,160	97.2	27,056,777	80.0

New business in the iron and steel industry has decreased, and "for the first time in many months the market now shows some of the mills in earnest quest of orders." A decrease, first remarked in the demand from the automobile industry, has been reflected in "a generally growing conservatism" on the part of purchasers. From district No. 4 (Cleveland) it is stated that "efforts are now being concentrated by the consumers on the reduction of inventories. Cancellations and holding back of specifications, as well as the decrease in new purchasing, have resulted in a material curtailment of production by some steel companies. At the same time there has been a decided improvement in the movement of iron and steel products." Prices have reflected this general situation and have also been influenced by the drop in the price of coke. A tendency exists toward easing of prices by certain independent producers in the heavier lines, such as plates, structural shapes, large bars, etc. Some purchasers, in particular automobile manufacturers, have obtained a revision of prices on existing contracts, but it is stated from district No. 3 (Philadelphia) that "in the main the producers are insisting upon the completion of the contracts." In district No. 4 (Cleveland) "the market still shows a condition of large demand and sustained prices in some other lines, notably those of a lighter character." As a result of improved transportation conditions in district No. 6 (Atlanta), "there have been heavy movements of pig iron, cast-iron pipe, iron and steel products out of the district." The unfilled orders of the United States Steel Corporation at the close of September had declined to 10,374,804 tons, corresponding to an index number of 197, as compared with 10,805,038 tons at the close of August, corresponding to an index number of 205. Pig-iron production during September was 3,129,323 tons, as compared with 3,147,402 tons during August, the respective index numbers being 135 and 136, but daily average production in September was in excess of August. Steel-ingot production during September was 2,999,551 tons, as compared with 3,000,432 tons during August, the index number for both months being 124.

Cotton mills continue to operate on part-time schedules due to lack of orders, and while there are not many complete shutdowns, the percentage of operating capacity in the industry is low. District No. 1 (Boston) reports that Lowell cotton mills are operating at about 60 per cent of capacity. Some mills in the district are said to be manufacturing for stock in the absence of orders. Census figures show that, with the exception of Rhode Island, the consumption of cotton by New England mills was less in September than in August, dropping from 168,167 bales to 148,442 bales for the district. The active spindleage fell from 17,447,879 in August to 17,056,046 in September, while the cotton held in the mills declined from 610,311 bales in August to 531,453 in September. District No. 5 (Richmond) reports no change in the textile situation in September. The mills were then working on back orders and finding it very difficult to get new ones even at the much lower quotations prevailing. Data secured from 33 firms belonging to the National Association of Finishers of Cotton Fabrics, which represent about 70 per cent of the white goods industry, 60 per cent of dyed goods, and 30 per cent of printed goods, show an average percentage of capacity operated amounting to 41 per cent for all districts, the percentages for district No. 1 (Boston) being 36 per cent and for No. 2 (New York) 33 per cent. The average number of days of work ahead at the end of September for all districts was 6.9 days—5.3 days in district No. 1 (Boston) and 8 days in district No. 2 (New York). In district No. 1 (Boston) woolen manufacturers are said to be "in a state of waiting." Uncertainty prevails as to when mills which have partially closed will be able to resume on a full-time basis. At present very few orders have been received and price reductions have failed to stimulate buying for the 1921 spring season. The effect of the absence of buying demand is found in the market for raw wool, representative dealers agreeing that prices for standard grades have declined since May 1 about 35 per cent to 40 per cent. District No. 3 (Philadelphia) reports that woolen yarn spinners are receiving practically no orders, although September and October are usually the busiest months. Mills in the district are variously reported to be operating at from 10 per cent to 80 per cent of capacity, those more fully employed running on back orders. One factory, working at 30 per cent of its capacity, stated that from 30 per cent to 40 per cent of the work was being done for stock. Mills engaged in the manufacture of underwear in district No. 3 (Philadelphia) are also either shutdown or running at a small fraction of capacity.

Twenty-eight representative mills reporting to the Association of Knit Goods Manufacturers of America state that unfilled orders, which amounted to 882,880 dozen on August 1, had dropped to 493,006 dozen by September 1. New orders during the months of August and September were 28,378 dozen and 19,648 dozen, respectively. Shipments amounted to 401,225 dozen in August, while production was 322,417 dozen. In September shipments totaled 307,145 dozen, production 318,128 dozen. Cancellations rose from 35,598 dozen during August to 44,617 dozen during September. Thirty-three mills state their production in September to have been 352,385 dozen, or 69.9 per cent of normal production.

In the shoe and leather industry, as in textiles, reports bring news of curtailed operations, and in some cases complete shutdowns have occurred. Data from 15 representative boot and shoe manufacturers in district No. 1 (Boston) indicate that operations are at from 40 per cent to 60 per cent of normal capacity with little spring business placed. In Auburn, Me., the shoe factories have been running full time, employing one-half to two-thirds the usual force. In district No. 8 (St. Louis) there are increases both in shipments and in current business in boot and shoe lines, but marked falling off in future orders has reduced manufacturing activity. Plants within the district are estimated to be operating at from 55 per cent to 65 per cent capacity, the larger plants being more active than the smaller ones. Manufacturers are buying little leather, with consequent reductions in the prices of both upper and sole leathers. Tanneries have still further reduced the scale of operations or have closed down during the month. District No. 8 (St. Louis) reports that wet salted hides which sold in St. Louis at 41 cents per pound October 15, 1919, were being quoted at 9 cents on the same date this year. District No. 3 (Philadelphia) says: "Tanners report an absence of demand for their product, which, following the ever-increasing lack of interest of the last few months, is now at its lowest ebb. Both sales of finished stock for immediate use and orders for future delivery are decreasing and all concessions in price fail to stimulate the trade."

Reports from 8 of the 12 Federal Reserve districts, giving changes in the monthly volume of net sales for several important wholesale lines, show somewhat divergent tendencies, but in wholesale dry goods and in boots and shoes the statistics fairly well reveal the lack of demand which has been responsible for the inactivity in allied manufacturing lines. In dry goods the tendency has been downward, comparing sales with the previous month in the 4 reporting districts—No. 5 (Richmond), No. 6 (Atlanta), No. 11 (Dallas), and No. 12 (San Francisco). As compared with a year ago, sales show reductions in 3 reporting districts, namely, districts No. 5, No. 6, and No. 11. But in district No. 12 an increase of 14.3 per cent is estimated to have occurred on the basis of statistics compiled from the returns made by 12 firms. In district No. 7 (Chicago) sales showed a negligible increase. Reductions in sales of wholesale shoe houses have taken place, ranging from 17.6 per cent in district No. 12 (San Francisco), 15 firms reporting, to 43.2 per cent in district No. 5 (Richmond), 6 firms reporting. District averages, based on returns from 135 wholesale grocery firms, indicate increases in 6 out of 8 reporting districts as compared with September, 1919, excepting district No. 6 (Atlanta), 7 firms reporting, and district No. 11 (Dallas), with 5 reporting establishments. Generally speaking, there have been considerable increases in wholesale hardware sales over September a year ago. In district No. 11 (Dallas), with 3 reporting firms, sales show a decline. Obviously price changes, especially in lines in which pronounced reductions have been experienced, make it impossible to estimate changes in the physical volume of business done by the reporting groups of wholesalers.

The retail trade situation shows a moderate increase of net sales over the same period last year, but it does not show the usual fall activity. The unseasonable weather conditions throughout the country have had an appreciable effect upon the buying of certain articles, such as men's clothing. Accompanying this relatively light demand is a tendency on the part of the retailer in many cases to reduce prices in order to stimulate buying. This, it is reported in certain districts, has had some effect. On the whole, however, "the consumer is not buying very actively." In some of the agricultural sections the unsettled price situation relative to the principal crops, as well as the tendency often found to hold instead of marketing, has helped retard fall purchasing. Reports from almost all districts state that the retailer is purchasing very conservatively, outstanding orders being very small, in spite of the fact that at this time of the year "many fall and winter goods are ordinarily received."

Information received from the several Federal Reserve districts brings evidence of further recessions in building activity for the country taken as a whole. In district No. 12 (San Francisco), however, the situation is exceptional, in that local reports show that, both in number and in value of permits issued, September was ahead of August, and for the 19 principal cities the total valuation of permits was 50 per cent greater than in September a year ago. But the Northwest is not sharing in these increases, both Portland and Seattle showing marked reductions in the value of permits as compared with a year ago, amounting to 41.7 per cent and 35.4 per cent, respectively. On the other hand, Los Angeles registered a 195.5 per cent increase and San Francisco 62.1 per cent. In the other districts, with the possible exception of district No. 6 (Atlanta), however, there is fairly universal testimony to a general decline in both number and in value of building permits as compared with September, 1919.

Although there is an increase in building activity in district No. 6 (Atlanta) as compared with a year ago, in a majority of the 18 cities from which reports are received it is noticeable that three large cities—New Orleans, Atlanta, and Nashville—report decreases in value of permits. In district No. 1 (Boston) the value of permits for new construction amounted to only $2,580,313 in September, 1920, against $5,673,930 in September, 1919, for the same cities. Boston showed a decline from $1,273,157 to $592,115 in new construction, but there was an increase in other permits over the same month of the preceding year, the respective totals being $1,455,270 and $637,767. For the rest of the district the totals for other construction remained almost the same.

In district No. 2 (New York) little change in the building situation is reported. Building projects in contemplation decreased in number and value, although the value of contracts awarded rose largely because of expenditures for public works and public utilities. The estimated cost of permits issued in district No. 3 (Philadelphia) in September, 1919, was $8,633,827, while the total was $4,936,379 in September, 1920. The number of permits likewise declined from 2,268 to 1,943. There is also less building in progress in district No. 4 (Cleveland), although labor is more plentiful and the transportation situation is improved. In 12 leading cities of the district, with the exception of Columbus, declines are recorded both in number and in value of permits issued. In Cincinnati and Toledo slight increases in value of permits for alterations are more than offset by reductions in value of projected new construction. In district No. 5 (Richmond) the decrease in the value of building permits in 23 cities amounted to 13.5 per cent as compared with September of the preceding year, the total figures being $1,000,599 less than the total for September, 1919. There was likewise a decrease in number of permits issued both for new buildings and for alterations and repairs. The decline in valuation of permits from the preceding month—23.4 per cent—was in part due to seasonal factors. District No. 7 (Chicago) also reports little building in progress, and in the five leading cities of district No. 8 (St. Louis) a shrinkage occurred in number and value of permits as compared with September a year ago. The heaviest decreases took place in St. Louis, where new construction permits in September, 1920, amounted to only $519,010, as compared with $2,662,430 in September, 1919. In district No. 9 (Minneapolis) all important cities show a decline in the valuation of permits, except Fargo and Grand Forks. As compared with a year ago, the decline in valuation amounted to 44.3 per cent, and there was a reduction of 31.3 per cent from the preceding month. District No. 10 (Kansas City) reports severe declines in the value of building permits as compared with September, 1919, the reduction being 53.4 per cent.

On the other hand, building operations for the first nine months of 1920 were ahead of those for the corresponding months of last year in district No. 11 (Dallas). Although Shreveport, Beaumont, and El Paso show an increase in the value of building permits as compared with September a year ago, six other cities from which reports are received record declines, especially marked in the case of Fort Worth and Houston. The opinion most generally advanced as to the causes of hesitancy in undertaking new construction in the face of the prevailing need is, first, uncertainty regarding the prices of building materials; secondly, existing high labor costs; and finally, difficulty in securing capital for financing new projects and the prevailing high interest rates.

Financially the month has shown comparatively few outstanding developments. There has been an upward tendency in the prices of bonds, including both the Liberty issues and corporate securities. Discount rates have continued practically unaffected in most parts of the country. Movements of gold into the United States have been accelerated through the action of the Federal Reserve System in bringing home deposits which have been held "earmarked" abroad. Some inward shipments of gold have occurred as a result of the operations connected with the Anglo-French maturities. One or two small foreign government offerings have been successfully made in the New York market, but the cost has continued around 8 per cent. There has been a somewhat broader demand for prime acceptances by outside banks and a rather better distribution of commercial paper. Corporate financing has somewhat revived, but the stock market has been during most of the month in a rather depressed condition. Call-money rates have been steady, most of the time around 7 per cent, but during the latter part of the month have at times risen to 9 per cent and 10 per cent. Foreign exchange has been not far from stable, but rather depressed, with a declining tendency, which is attributed to the large outstanding balance of unfunded indebtedness, which gives rise to offerings on the New York market from time to time whenever quotations show improvement.

SPECIAL REPORTS ON BUSINESS CONDITIONS.

CONDITION OF WHOLESALE TRADE.

Percentage of increase (or decrease) in net sales in September, 1920, as compared with the preceding month.

District.	Groceries.	Number of firms.	Dry goods.	Number of firms.	Hardware.	Number of firms.	Boots and shoes.	Number of firms.
No. 3	+14.1	48			−0.4	21		
No. 4								
No. 5	+13.3	8	−29.2	6	+1.6	9	−37.7	6
No. 6	+ 1.9	7	−22.9	8	+1.4	9	+ 4.6	6
No. 7								
No. 10	+ 7.0	2			−3.6	4		
No. 11	− 1.1	5	−22.2	5	−2.7	3		
No. 12	− 0.9	29	− 7.7	12	+7.3	22	+ 7.0	15

District.	Furniture.	Number of firms.	Drugs.	Number of firms.	Auto supplies.	Number of firms.	Stationery.	Number of firms.	Farm implements.	Number of firms.
No. 3										
No. 4										
No. 5	−17.0	4								
No. 6										
No. 7										
No. 10	−13.7	4								
No. 11			+9.3	5	−3.6	2				
No. 12	+26.4	15	−5.3	7			+13.3	17		

Percentage of increase (or decrease) in net sales in September, 1920, as compared with September, 1919.

District.	Groceries.	Number of firms.	Dry goods.	Number of firms.	Hardware.	Number of firms.	Shoes.	Number of firms.	Furniture.	Number of firms.
No. 3	+ 5.6	48			+22.4	21				
No. 4	+23.8	12			+12.4	7				
No. 5	+23.3	8	−16.9	6	+26.6	9	−43.2	6	−11.9	4
No. 6	− 5.9	7	− 9.4	8	+ 0.9	9	−15.9	6		
No. 7	+19.1	24	+ 0.7	13			−20.9	8		
No. 10	+ 3.5	2			+17.4	4			+ 3.9	4
No. 11	−10.7	5	− 1.2	5	−20.0	3				
No. 12	+30.9	29	+14.3	12	+22.5	22	−17.6	15	+19.9	15

District.	Drugs.	Number of firms.	Auto supplies.	Number of firms.	Stationery.	Number of firms.	Farm implements.	Number of firms.	Auto tires.	Number of firms.
No. 3										
No. 4	+31.1	4								
No. 5										
No. 6										
No. 7										
No. 10										
No. 11	+21.3	5	−11.2	2						
No. 12	+26.5	7			+31.6	17			−23.5	14

In district No. 3 (Philadelphia) "general conditions in the grocery trade during September show some improvement, with the business fast recovering from the setback brought on by the break in sugar. Buying was slightly better than in the preceding month, although it is still very conservative. There is an unwillingness to anticipate future needs and a tendency to purchase in moderate quantities not ahead of actual and pressing requirements. The natural consumptive demand is the main support of the market."

Reporting wholesale grocery firms state that accounts outstanding at the end of September were 2.6 per cent greater than at the end of the preceding month and 9.2 per cent above the amounts outstanding a year ago. The ratio of the accounts outstanding at the end of the month to net sales during the month was 88.1 per cent.

Reporting wholesale hardware firms announce an increase of 3.1 per cent in accounts outstanding at the end of September as compared with the previous month and 27.9 per cent as compared with a year ago. The ratio of outstandings at the end of the month to net sales during the month was 151.9.

The reports from district No. 6 (Atlanta) are based upon individual returns showing wide variations according to the location of reporting establishments. In dry goods all reporting firms irrespective of location show a decrease as compared with the previous month, but in other lines reported decreases from firms located in one part of the district are frequently more or less offset by increases elsewhere.

District No. 10 (Kansas City) states that "wholesale dealers report purchases of dry goods and kindred lines slow and below the volume of last year. Early orders for fall shipments have been completed and there are practically no unfilled orders and no advance orders yet taken for spring delivery. Wholesalers are not buying on account of unsettled condition of manufacturing prices. They report that retailers are buying from hand to mouth, but do not hesitate to buy for current wants, which in the aggregate exceed sales for the same period last year. Reductions of about 20 per cent have been made on prices of well-known brands of staple cotton goods. As foreign demand for manufactured goods is somewhat reduced during recent months, there is no fear among buyers regarding scarcity of goods in the future."

District No. 11 (Dallas) comments as follows: "Measured in dollar amounts, the September sales of nearly all lines of wholesale trade reporting to the Federal Reserve Bank of Dallas showed a diminished volume of trade both as compared with August, 1920, and September, 1919. Reduced prices, of course, had something to do with the showing made by groceries and dry goods, as these lines bore the brunt of the price-cutting wave which set in about the 1st of September. Our reports almost unanimously agree that the retailers are still restricting orders to present necessities, postponing the matter of their future needs until the probable demands and buying power of their customers take more definite form.

"Collections made by the wholesale trade during the month of September showed varied progress, the reports varying with different lines of merchandise and with geographical districts. On the whole, payments were slower than usual for the month, as evidenced by an unusual number of requests for extensions of account.

"The disturbed condition of business, reflected in the reports reaching us from wholesale houses, is attributed by them largely to the discouraging outlook now confronting the district's cotton producers as a result of the recent decline in the price of that staple. To meet the situation wholesale merchants have resolutely set themselves to overcome the inertia of the demand. A number of them have tried special sales and price reductions with varying degrees of success. In most instances these measures have effectively stimulated sales, while in some cases they are said to have had the opposite effect by creating the belief among buyers that further reductions were imminent.

"Wholesale dry-goods firms report a shrinkage in sales and a heavy reduction in prices during the past month. Large stocks are generally held by wholesalers in this line, who are frank to admit that in order to turn some of the goods they purchased before prices started downward they will be compelled to absorb a loss. It is significant of the general strength of their condition, however, that they seem, as a rule, determined to use replacement values if necessary instead of cost values as a basis of their future selling prices, even though it means a loss. Apparently they are both able and willing to shoulder their share of the trade's price-adjustment burdens in order to hasten the arrival of a stabilized situation.

"In contrast with other lines of wholesale activity, the drug trade reported an increased volume of transactions for the month of September. Following a rather quiet trade during August, buying took an upward turn, and the average sales for September showed an increase of 9.3 per cent over August, 1920, and 21.3 per cent over September, 1919. Retail buying in this line manifested a spirit of increased confidence on the part of the merchants. Price trends are reported to be downward on drugs and chemicals, but on drug sundries the quotations generally have ruled firm and unchanged to higher."

In district No. 12 (San Francisco) "reports from 131 wholesale firms show a general increase in volume of trade during September over the same month last year, except in the wholesale shoe and automobile tire business, which showed a decrease of 17.6 per cent and 23.5 per cent, respectively.

"Collections during September show little change over last month, the majority of firms still reporting collections good. Reports are unanimous that the tendency of the trade is to buy cautiously and only for current consumption. An increasing number reported an even greater preference than has recently prevailed for staples as against fancy goods.

"Demand in general is reported weak, buyers tending to hold off in anticipation of further price reductions. This tendency is most noticeable among dealers in hardware, dry goods, groceries, and rubber goods, while furniture and stationery dealers notice it only to a limited extent.

"General improvement in transportation conditions is noted by nearly all firms, only a few reporting any delays in shipments during the past month.

"Prices are reported as steady during September by hardware dealers, while wholesale furniture and stationery firms report a slight increase in prices over last year. Reductions in prices are generally reported by dealers in shoes, dry goods, and groceries."

The detailed report for district No. 12 (San Francisco) is given as follows:

Percentage of increase or decrease in net sales for September, 1920, over September, 1919.

	Los Angeles.	San Francisco.	Portland.	Seattle.	District.
B. Wholesale hardware	29.9	23.0	35.7	12.2	22.5
C. Wholesale dry goods	....	3.5	31.0	11.4	14.3
D. Wholesale groceries	35.9	50.6	26.1	....	30.9
E. Wholesale drugs	....	42.3	10.9	....	26.5
F. Wholesale shoes	....	−19.9	−29.1	....	−17.6
G. Wholesale stationery	30.8	35.8	12.9	45.2	31.6
H. Wholesale furniture	4.6	18.1	33.4	27.6	19.9
I. Wholesale auto tires	−20.8	−14.9	....	−24.1	−23.5

Percentage of increase or decrease in net sales Jan. 1-Sept. 30, 1920, over same period last year.

	Los Angeles.	San Francisco.	Portland.	Seattle.	District.
B. Wholesale hardware	50.9	45.7	32.1	22.0	34.8
C. Wholesale dry goods		37.8	29.4	48.1	39.6
D. Wholesale groceries	30.6	30.7	24.6		27.0
E. Wholesale drugs		25.6			30.1
F. Wholesale shoes		9.2	-14.8		5.9
G. Wholesale stationery	47.8	44.9	36.8	24.8	42.5
H. Wholesale furniture	53.6	60.9	51.3	18.5	46.6
I. Wholesale auto tires	-9.2	7.8		-11.8	-2.6

Percentage of increase or decrease in net sales for September, 1920, over August, 1920.

	Los Angeles.	San Francisco.	Portland.	Seattle.	District.
B. Wholesale hardware	21.4	- 2.0	15.2	- 9.5	7.3
C. Wholesale dry goods		-14.4	45.3	-14.6	-7.7
D. Wholesale groceries	31.7	- 1.6	14.3		-0.9
E. Wholesale drugs		5.1	-6.1		-5.3
F. Wholesale shoes		- 4.2	38.6		7.0
G. Wholesale stationery	21.4	- 6.1	32.1	- 9.1	13.3
H. Wholesale furniture	28.5	28.9	74.5	21.3	26.4
I. Wholesale auto tires					

PRODUCTION REPORT OF THE KNIT GOODS MANUFACTURERS OF AMERICA.

Total production of winter and summer underwear for the six months ending Sept. 30, 1920.

	Number of mills reporting.	Actual production (dozens).	Per cent of normal.
April	65	781,315	82.1
May	48	678,287	82.2
June	54	560,034	80.3
July	57	583,190	73.4
August	64	585,071	67.3
September	63	606,257	74.2

Order and production report for month ending Sept. 30, 1920.

Number of mills reporting	33
Unfilled orders first of month (dozens)	512,504
New orders received during month (dozens)	22,804
Total (A) (dozens)	535,308
Shipments during month (dozens)	344,496
Cancellations during month (dozens)	44,815
Total (B) (dozens)	389,311
Balance orders on hand October 1 (A minus B)	145,997

Order and production report for month ending Sept. 30, 1920.—Continued.

[33 mills.]

	Dozens.	Per cent of actual production.
Orders	22,804	4.5
Shipments	344,496	68.4
Cancellations	44,815	8.8
Production	352,385	
Normal production of these mills	503,579	

Twenty-eight representative mills reporting for August and September furnished the data for the following table:

[In dozens.]

	August.	September.	Loss.	Gain.
Unfilled orders first of month	882,880	493,006	389,874	
New orders	28,378	19,648	8,730	
Shipments	401,225	307,145	94,080	
Cancellations	35,598	44,617		9,019
Production	322,417	318,128	4,289	

FINISHED COTTON FABRICS.

The National Association of Finishers of Cotton Fabrics, at the request of the Federal Reserve Board, have arranged for a monthly survey within the industry. The results of the inquiries are herewith presented in tabular form. Mr. H. E. Danner, secretary of the association, makes the following statement concerning the tabulation:

The accompanying figures are compiled from statistics furnished by 33 out of 59 members of the National Association of Finishers of Cotton Fabrics.

It is probably fair to state that in the absence of having specific detail at hand, but according to our best estimate, it is probably well within the fact that the figures given for the various classes of work would cover approximately the following percentages of the entire industry: White goods, 70 per cent; dyed goods, 60 per cent; printed goods, 30 per cent. The figures given represent reports from exactly the same finishers for the two months, both for the totals and for the subdivisions, and therefore are strictly comparable.

Production and shipments of finished cotton fabrics, by Federal Reserve districts.

	August, 1920.				September, 1920.			
	White goods.	Dyed goods.	Printed goods.	Total.	White goods.	Dyed goods.	Printed goods.	Total.
Total finished yards billed during month:								
District 1	12,214,013	11,786,048	13,715,598	40,432,552	10,384,678	11,624,175	9,690,103	33,813,789
2	1,832,736	704,841	184,553	6,738,033	2,081,937	787,792	551,127	6,573,892
3	5,232,545	5,425,519		10,658,064	6,035,052	3,864,570		9,899,622
5	4,758,048	145,878		4,903,926	4,767,537	94,582		4,862,119
6	114,495	571,434		685,929	37,665	986,093		1,023,758
8				2,005,667				1,614,872
Total	24,151,837	18,633,720	13,900,151	65,424,171	23,306,869	17,357,212	10,241,230	57,788,052
Total finishing charges billed during month:								
District 1	$270,571	$457,829	$863,918	$1,904,683	$224,537	$497,744	$650,320	$1,558,885
2	37,213	24,437	8,545	189,833	41,812	26,746	25,104	192,546
3	204,447	210,979		431,962	234,695	164,313		414,980
5	98,295	3,238		101,533	98,185	1,835		100,020
6	3,096	22,866		25,962	749	37,813		38,562
8				33,235				27,693
Total	613,622	719,349	872,463	2,687,208	599,978	728,451	675,424	2,332,686
Total average percentage of capacity operated:								
District 1	54	43	57	48	46	34	31	36
2	69	25	40	41	41	19	47	33
3	63	54		56	82	30		53
5	69			69	74			74
6				44				59
8				86				72
Average for all districts	59	42	54	50	57	31	34	41
Total gray yardage of finishing orders received:								
District 1	8,400,959	10,161,679	4,904,721	25,450,350	8,819,825	7,771,112	3,743,385	21,688,638
2	1,627,409	581,851	1,210,785	5,340,236	2,398,403	903,225	1,564,039	5,802,899
3	6,581,337	4,470,523		11,647,630	6,518,929	2,963,242		9,991,674
5	2,431,348	97,653		2,529,001	3,658,050	47,251		3,705,301
6	23,113	497,606		520,719	31,895	256,330		288,225
8				2,615,080				2,291,351
Total	19,064,166	15,809,312	6,115,506	48,103,016	21,427,102	11,941,160	5,307,424	43,768,088
Number of cases of finished goods shipped to customers (case equal approximately 3,000 yards):								
District 1	4,514	3,229	2,797	22,205	2,989	2,731	1,436	16,141
2	427			2,650	1,066			2,940
3	527	215		4,941	486	144		4,299
5	1,429			2,579	1,729			2,588
6								
8				427				236
Total	6,897	3,444	2,797	32,802	6,270	2,875	1,436	26,204
Number of cases of finished goods held in storage at end of month:								
District 1	4,160	4,214	2,910	26,586	4,253	4,089	2,565	29,495
2	1,078			4,264	1,106			4,128
3	330	331		5,678	451	349		5,812
5	513			1,913	544			1,980
6								
8				443				664
Total	6,081	4,545	2,910	38,884	6,354	4,438	2,565	42,079
Total average work ahead at end of month, expressed in days:								
District 1	7.9	4.6	9.2	6.7	6.2	4.1	6.9	5.3
2	15.3	3.0	15.9	7.8	15.2	2.9	19.0	8.0
3	17.5	9.0		12.4	13.9	7.0		9.9
5	16.8			16.8	10.9			10.9
6				14.0				2.6
8				21.0				16.0
Average for all districts	11.7	5.2	10.2	8.6	9.4	4.5	8.7	6.9

NOTE.—Many plants were unable to give details under the respective headings of white goods, dyed goods, and printed goods, and reported their totals only; therefore the column headed "Total" does not always represent the total of the subdivisions but is a correct total for the district

Report of the Gold Committee of the American Bankers' Association.

Herewith is reprinted the report of the gold committee of the American Bankers' Association upon the so-called McFadden gold bill (H. R. 13201), introduced in the last session of Congress, "to provide for the protection of the monetary gold reserve by the maintenance of the normal gold production of the United States to satisfy the requirements of the arts and trades, by imposing an excise upon all gold used for other than monetary purposes, and the payment of a premium to the producers of newly mined gold, and providing penalties for the violation thereof."

The membership of the committee consisted of Lawrence E. Sands, A. Barton Hepburn, and George M. Reynolds, chairman.

The McFadden bill, so called, provides for a tax of 50 cents per pennyweight of fine gold for all gold manufactured, used, or sold for other than coinage or monetary purposes, including jewelry and other purposes of ornamentation and dentistry (with some exceptions for children and charity cases). From such funds thus collected and "any other funds in the Treasury of the United States not used for specified purposes" there shall be paid a bonus to the producers of new gold in the United States of $10 per fine ounce down to May 1, 1925, and that thereafter both the tax and the premium shall be readjusted annually by certain Government officers in accordance with the commodity price index number, as determined by the Bureau of Labor Statistics. The tax and the premium are both to rise or fall after May 1, 1925, according as the index number rises or falls. In behalf of the bill it is argued that the general increase in prices and wages in the United States has raised the cost of gold production, while the price of gold is fixed at $1 for every 23.22 grains of fine gold; that as a consequence of the fixed price and rising costs the profits of gold production are cut, and the mines where low-grade ore is worked are in some cases being forced to close, with the result that gold production in the United States, which stood at about $89,000,000 in 1913, was cut to $58,488,000 in 1919—a reduction of around $30,000,000—whereas the industrial consumption of gold which stood at about $45,000,000 in 1913, increased to over $80,000,000 in 1919. The result is that whereas we had a large surplus for monetary purposes in 1913, we were obliged to draw on our monetary stock of gold for industrial purposes in 1919 to the extent of about $22,000,000. It is urged that this consumption of gold money for industrial purposes, cutting into our gold reserve, constitutes a national emergency, and that a measure both to reduce the industrial consumption of gold (by taxation) and to increase the production of gold (by a bonus) is called for. It is further argued that if relief is not given to gold miners by some such measure some gold mines will be abandoned permanently, particularly the deep mines which will fill with water and other mines where timbering will deteriorate to such an extent that the mines will become unsafe for operation.

CREDIT DEFLATION THE CURE.

It can hardly be contended that the loss of $22,000,000 of gold per year from our monetary stock of around $3,000,000,000 constitutes a national emergency. When the gold embargo was removed the United States had the largest gold supply of any country in the world's history, a supply so abnormally great that every banker and economist knew that it could not be permanently held, and practically all students were agreed that it was desirable that a substantial part of it should leave the country. Its presence made possible an overexpansion of credit in the United States and the outflow which has since taken place of three or four hundred millions has actually made our situation far safer than it was, by imposing a check upon credit expansion. The best banking opinion of the country looks forward to a progressive and far-reaching contraction of our credit fabric and regards it as the only alternative to such a disastrous disruption of the credit system as Japan has recently seen. The proper course to take is not by artificial methods to seek to expand the gold basis of our credit system, but rather to contract the superstructure of credit to a point where it can be safely maintained under conditions of a normal distribution of the world's gold supply. The problem of gold production is an international and not a national problem. Our national stock of gold is dependent not upon the difference between gold production and gold consumption in the United States, amounting to a few tens of millions, but rather upon the world-wide consumption and production of gold, and upon the course of international trade. If at any time the banking situation calls for more gold in the United States, we can purchase it in the international gold markets far more cheaply than we can obtain it by the doubtful method of an expensive bonus on new gold produced in the United States, which could at best make a difference of only two or three tens of millions per annum. Gold imports and exports of the United States in the first four months of 1920, running between two and three hundred million dollars, were far more significant than any difference that could be made by the gold bonus plan in our stock of gold would amount to in several years.

The increased industrial consumption of gold, following the armistice, was partly temporary, a phenomenon growing out of the relaxation of war-time economies. Our people who had repressed their desire for luxuries during the war, turned suddenly extravagant and bought jewelry of all kinds lavishly. This tendency may be undesirable, and probably is. Extravagance of all kinds should be suppressed. The policy of a general tax on luxuries may be commended, and a tax on jewelry, as part of such a general tax, may well be advisable, but a differential tax on gold as a raw material of production is a different matter, and one which no national emergency calls for.

The essential elements of the gold standard are: (1) The instant convertibility of all forms of representative money in gold on demand; (2) the free coinage of gold bullion; (3) the unrestricted melting down of gold coin into bullion; (4) the uninterrupted flow of gold from money into the arts, and the uninterrupted flow of gold from the arts into money; (5) the free export and import of gold. A tax of this kind, interfering with the free flow of gold into the arts, thus violates one of the basic elements of the gold standard.

From the outbreak of the great war in Europe our industrial system has been under an increasing strain. Our markets have been drained increasingly of goods and supplies for Europe. The one-sided flow of commodities to Europe has been financed from the beginning, in considerable part, by expanding bank credit in the United States; the resultant shortages of goods, together with expanding bank credit, have raised prices high, and as a consequence costs of production of all kinds have risen. These conditions were intensified by our own entry into the war. Our Government spent many billions of dollars, raised by taxes, bond issues, and borrowing from banks, resulting in increased shortages of goods and increased prices, which increased the strain on our industrial system. During the war 4,000,000 or 5,000,000 able-bodied men were withdrawn from the ranks of industry and entered the military and naval service of the United States, while many more millions were diverted from the production of ordinary goods to the production of war-time materials and supplies. A labor shortage necessarily resulted, with a material increase in wages.

While some industries, owing to the rise in war-time prices, have made very large profits, many others have suffered. Among these were the gold mines producing low-grade ore. A number of these, because of the increased cost of production and labor shortage, were obliged to suspend. This was true, however, of copper and iron as well as gold. The well-known Treadwell mine, possessing a large volume of low-grade ore, was obliged to suspend. Others very likely suspended production from the same cause. Some continued, hoping for a change in conditions. But gold miners are not the only ones who have suffered. Traction companies, for example, having a stipulated fare, usually a nickel, have suffered severely. The different States have refused to make it possible for the traction companies to earn expenses by allowing them increased compensation for their service, somewhat in proportion to the general advance in costs. The steam railways have a just claim upon the public for increased compensation in order to enable them to maintain efficiency and to render the public good service. Universities and charitable instutions, with income derived largely from bonds, have found themselves in many cases in desperate plight as a consequence of the rise in prices, with no increase in income. Widows and orphans, trust funds, public officers and in general all recipients of fixed incomes have suffered.

A large body of other industries whose costs have risen faster than their prices have similarly suffered.

Recognizing that no national emergency exists calling for special treatment of the gold-mining industry, it is difficult to make a case for singling out the gold-mining industry for special relief from the Government. That it has suffered is unfortunate, but it is one of the costs of the war. It is one among a large class of those which the war has injured.

Gold mining, however, though suffering under present conditions, enjoys a peculiar advantage which few other industries enjoy. As a consequence of the fact that gold is the standard of value, the price of gold in terms of gold money is necessarily fixed. The demand for gold, however, is always unlimited. The gold miner can always sell at a fixed price as much gold as he can possibly produce. He finds his costs rising in periods of boom and prosperity, and he suffers as a consequence. On the other hand, periods of adversity, depression, and falling prices bring to the gold miner, as to no one else, increased profits. He has an unlimited market in the worst depression, and the more severe the depression the lower his costs of production tend to be. He is at present suffering in an intensified form from the upswing of prices and costs. He has in the past, however, enjoyed periods of prosperity when the rest of the community was suffering, and in the natural course of things he may look forward to the recurrence of similar situations.

In reality, the propaganda in favor of doing something for gold is exactly on a par with the propaganda in favor of doing something for silver, about which we heard so much a generation ago. It has no more stable foundation than did the silver propaganda. There is nothing to justify Government interference in behalf of this industry, or to justify a Government bounty upon the production of virgin gold. Per contra, there is very much to be said against such action on the part of the Government.

ARGUMENTS AGAINST BONUS.

We may pass briefly over the difficulties of administration of such an act; the danger that frauds would be practiced upon the Government; the difficulty of distinguishing virgin from old gold melted down. Gold which differs from other gold merely in having a special history, and which, by virtue of that special history rather than its intrinsic qualities, commands a high premium, presents an anomaly inconsistent with the normal functioning of a free gold market and the normal functioning of the gold standard. The temptation to manufacture history instead of mining gold would be very great.

Again, the provisions in the McFadden bill introducing the index number of commodity prices as a basis for fixing the rate of taxes on gold manufacture and of premium on gold mining constitutes an opening wedge for the general introduction of the index number as a standard of value in the United States, in accordance with Prof. Irving Fisher's plan for "Stabilizing the dollar." It is beyond the province of this paper to deal with that plan in extenso. Your committee believes in the gold standard and does not believe in tampering with it or interfering with it in the present critical condition of the world's monetary affairs. There is, moreover, another committee of the American Bankers' Association, which is to make a detailed report upon the project. We shall content ourselves, for the present, with pointing out that if this index number standard is to be adopted it should be considered on its own merit, and not introduced "by the back door" as a feature of the McFadden bill.

The greatest objection of all, however, lies in the danger which this measure would involve in the gold standard itself. Nearly all of the European States are on a paper basis. Only a few of the smaller countries of Europe are even approximately maintaining the gold standard. The United States, par excellence, and Japan as well, stand out conspicuously as nations maintaining the gold standard. All the world believes that our dollars are as good as gold. All the other nations of the world are struggling and hoping to get back to the gold standard. We enjoy a proud preeminence in this respect, and it should be zealously guarded and maintained. The belief which obtains in the world to-day that our dollars are as good as gold must be maintained. The whole world must be convinced that money can be deposited in this country at any time and withdrawn at any time in any form which the depositor may elect.

Offering to pay a premium for the production of gold in this country instead of strengthening our position would weaken it. Instead of assuring the world that the gold standard would be maintained by the United States, it would raise a doubt. Public sentiment throughout the world would at once assume that our position is weak, that we are in danger of going on a paper basis, and that in order to guard against this we regard it as expedient to pay a premium on the production of gold. Great Britain, with far greater difficulties than we are facing, has resolutely refused to do anything of the sort in reply to the petition of her South African gold miners. Unable to maintain the gold standard in its integrity, she has frankly permitted an open gold market in which the depreciation of her paper money could be measured. The so-called "premium" on gold in London represents not a real premium on gold bullion in standard gold coin, but rather merely a "discount" on British paper money. Action of the kind proposed by the United States would be a red flag to the commercial world. The passage of the McFadden bill instead of strengthening confidence in the position of the United States would weaken it. It would be considered as a confession of weakness. The McFadden bill should be opposed by every well-wisher of this country's credit and commercial and financial prosperity.

The present situation of high costs of production is abnormal and temporary. When our wholly abnormal balance of trade is reduced, leaving $300,000,000 or $400,000,000 worth of goods per month for our domestic markets to absorb, which they have not been absorbing; when labor gets over its illusion that prosperity can be maintained by the shortening of hours and by reduced efficiency, accompanied by higher wages; and when the strain in our money market is relaxed through reduced extravagance and increased savings on the part of our people and their Government, most of the present derangements in our industrial system will disappear.

Increase of gold mining will return with normal conditions. It must not be forgotten, however, that part of the automatic working of the gold standard depends upon an increase in gold production when prices are low and upon a decrease in gold production when prices are high. Increased gold production in a period of low prices and low costs makes it easier for prices to rise again, while diminished gold production in periods of high prices and high costs tends to reduce prices and costs again.

Moreover, the industrial consumption of gold tends to increase in a period of high prices, since the price of gold does not rise as other prices rise, while in a period of low prices the prices of gold manufactures are relatively high, and purchasers of gold manufactures consequently tend to diminish. Variations in the consumption of gold thus also work toward diminishing the supply of free gold when prices are too high and toward increasing the supply when prices are too low, thus tending to correct both the rise and the fall of prices. In this feature of gold production and consumption we have one of the stabilizing factors in the gold standard. The McFadden bill proposes to strike at this automatic regulator and corrective. It would aggravate the very conditions which it seeks to remedy.

TERMS OF SALE.

The following is the eighth and last 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 the various branches of the Government and the business houses, individuals, and trade associations who have courteously furnished the information.

AGRICULTURAL IMPLEMENTS.[1]

The ordinary method of distribution in the industry is from manufacturer to branch house, to retail dealer, to farmer, and the great bulk of farm implements is marketed in this manner. Smaller manufacturers, however, frequently sell to jobbers, who in turn sell to the retail dealers. These jobbers in certain cases act as agents instead of purchasing the implements outright. Many manufacturers distribute a comparatively large amount of their implements through other manufacturers' branch houses, in sections remote from the former's central offices, or where the sales are too small to support their own branch houses. At the same time, the system of thus jobbing noncompeting lines has the advantage of giving the manufacturers' branch houses a complete line of implements. In some centers, e. g., Dallas, it is stated that this has largely disappeared, while there is little handling of such business in certain sections, e. g., California. The branch house system is found especially in the upper Mississippi Valley. A recent study[2] shows that one-half the branch houses of 27 leading manufacturers, having 282 branch houses and selling to 140 jobbers, are located in nine States—Ohio, Indiana, Illinois, Michigan, Wis-

[1] In the preparation of this statement, extensive use has been made of the following reports: Report of the Commissioner of Corporations on The International Harvester Co., Mar. 3, 1913. Report of the Commissioner of Corporations on Farm-Machinery Trade Associations, Mar. 15, 1915. Report of the Federal Trade Commission on the Causes of High Prices of Farm Implements, May 4, 1920. These have been supplemented by the reports of the terms committee and the proceedings of the National Implement and Vehicle Association, and by inquiry of some leading manufacturers and of jobbers in the various sections of the country.

[2] The 1920 report of the Federal Trade Commission.

consin, Minnesota, Iowa, Nebraska, and Missouri. In these States sales are made to only 28 jobbing houses. Jobbing houses are mostly located in the far Western and Southern States. The above study shows that eight States, namely, Oregon, California, Texas, Louisiana, Arkansas, Kentucky, Georgia, and Virginia, have 59 jobbing houses and only 47 branch houses. It is stated that "perhaps more tractors are sold through independent jobbers or distributors than any other class of farm machinery." One authority states that west of the Mississippi River there is a tendency for the manufacturer to do business through branch houses, whereas east of the river he is more likely to handle his goods direct from factory to dealer or through transfer arrangements at convenient shipping points. As a result of the shortening of terms which will be considered below, as well as the fear of possible price declines, it is stated that dealers do not place as large initial stock orders as formerly, and direct shipments from factories to dealers have decreased, so that manufacturers are required to carry larger stocks at distributing points. The two outstanding changes in distributive methods during recent years have been the decrease in the consignment of goods and the increase in the number of branch houses, especially in the territories such as California, where formerly they were less frequent.

In order to simplify the discussion, the principal kinds of agricultural implements, the terms on which will be considered below, may be conveniently classified as follows: Farm wagons; seeding machinery, including planters, grain drills, etc.; harvesting and haying machinery, including binders, mowers, hay rakes and hay loaders; tillage implements, including plows, harrows, and cultivators; and thrashing machinery and tractors.

The history of terms in the industry may be divided into two periods, the line of division being the year 1916. Since that time the standards of terms in the industry are represented by the set of terms prepared annually by a committee of the National Implement and Vehicle Association, which was appointed in October, 1915. The terms on which implements are sold were a favorite competitive device with manufacturers in the past, additional credit being granted as a means of increasing the volume of business. Machines have been sold to the farmer on credit through retail dealers, who act as local agents for the manufacturer. The farmer usually paid part cash at the close of the harvesting season and gave a promissory note in payment for the remainder in one or two annual installments. With the change from a commission to a sale basis, dealers give their own notes to the manufacturer, whereas formerly a large amount of farmers' notes were taken by the latter. Long terms have been most prominent in the case of harvesting machinery, and are stated to have been established early in the fifties on reaping machines. In 1902 it was stated that the usual harvesting machine terms were one-third in the fall of the year when purchased (called cash), one-third the fall of the following season, and one-third the fall of the second season. Excessive competition, however, frequently extended the time to three years, while it also resulted in the grant of one year's extra time without interest when crop conditions were unfavorable. Machines were also sold at the close of the harvest on what was called "next year's time" without interest, the first payment then only being due the following fall. Plows and special tools were, however, sold on short time or cash, while twine was sold principally for cash in the fall of the year when sold. About 1905 price differentials were quoted as between payment in cash and in two or three installments, while interest was added on the notes, but subsequently only time prices were quoted, subject to specified cash discounts for prior payment. Terms prevailing in 1911 for several leading types of implements are shown in the following table:

	Payments limited to—	Notes to mature not later than—	Notes to bear interest from (or from date of delivery of the machinery)	Agent's cash discount date.
Grain binders	Three	Nov. 1, 1911-12-13.	Sept. 1, 1911	Oct. 1, 1911
Corn binders.	...do..	.....do..........	Oct. 1, 1911	Nov. 1, 1911
Reapers......	Two .	Nov. 1, 1911-12....	Sept. 1, 1911	Oct. 1, 1911
Mowers......	...do..	.....do..........	.....do.......	Do.

The system of long credits is stated to have been extended to products other than harvesting machinery, such as manure spreaders and wagons. The increase in the percentage which credit sales are of total sales in the domestic business of the International Harvester Co. during the period 1904-1911 is as follows:

Year.	Percentage of sales for cash.	Percentage of sales for notes and accounts.
1904 [1]	70.9	31.1
1905	74.4	25.6
1906	70.3	29.7
1907	67.3	32.7
1908	69.4	30.6
1909	68.9	31.1
1910	66.4	33.6
1911	64.2	35.8

Percentages as in original statement; do not equal 100.

The data in the following table, giving the percentage each year of the total amount of notes which matured the first year, second year, etc., also bear on this matter. It is seen that, while notes for the longer terms have shown an almost uninterrupted decline, notes maturing the first year have decreased slightly, and those maturing the second year show a great increase.

Year.	Percentage maturing first year.	Percentage maturing second year.	Percentage maturing third year.	Percentage maturing fourth year.	Percentage maturing fifth year.
1904	34.7	48.0	14.4	2.9	
1905	36.0	50.4	12.2	1.4	
1906	30.5	58.3	10.2	.9	0.1
1907	29.6	63.0	7.0	.4	
1908	26.9	66.3	6.4	.4	
1909	26.5	66.7	6.2	.6	
1910	25.9	67.7	6.0	.4	
1911	28.9	64.2	6.5	.4	

The efforts of the committee of the national association have been along the line of more uniform and shorter terms. A leading purpose has been to reduce the amount of capital invested in relation to the volume of business done; that is, to increase the rate of turnover. The terms represent maximum terms only, and it is stated in the committee's reports that "it is recommended that shorter terms should be adopted in many instances, especially where States are divided by trade centers." In the construction of these terms, the country since 1916 has been divided into four zones—the central, northern (all that portion of the United States lying north of the southern boundary lines of Oregon, Idaho, Wyoming, South Dakota, Minnesota, Wisconsin, Michigan, and New York), southern (the States of North Carolina, South Carolina, Tennessee, Arkansas, Louisiana, Mississippi, Alabama, Georgia, and Florida), and the Texas. The time granted differs in the various zones, according to the type of implement, the conditions of use in the particular zone, and the time when crop returns are received. There has been a gradual restriction of the use of the "carry clause," granting additional time on the portion of the original order or shipments during the season unsold at the close of the selling season for the implement in question.

In 1916 and 1917 the committee also provided "standard net terms" to apply to all goods for all territories except the southern zone. These were substantially on the basis of 2 per cent 10 days, net 60 days, with certain datings, as follows: Shipments between December 1 and March 1, 2 per cent March 10, net May 1. Shipments between March 1 and June 1, 2 per cent 10 days, net 60 days from date of shipment. Shipments in June, 2 per cent July 10, net September 1. Shipments between July 1 and December 1, 2 per cent 10 days, net 60 days from date of shipment. For payment within 10 days after discount or net due date, an extra 5 per cent trade discount was permitted on first orders, understood to be dated prior to dated ahead dates, and 3 per cent on second orders. For certain types of implements the dates were changed somewhat, and in the northern zone were 30 days later throughout.

The terms reports thus are exceedingly complex. It will be possible to select here only a small number of implements representative of the various classes.

Wagons.—Until recent years farm wagons were manufactured largely by firms producing this product only, and where manufacturers have extended their efforts to other lines, this has generally been in connection with motor vehicles. In 1913 usual terms were "about six months except in straight car-load lots, which could be carried for a period of nine months or a year," while some manufacturers required one-half the amount in four months and the other half in six months, or 5 per cent 30 days, with an April 1 dating on shipments made during earlier months. In some cases 5 per cent 60 days was granted on the second carload. Long terms were customary in the South prior to 1916. One manufacturer stated terms as "in extreme cases in carload lots to good customers, 5 per cent off for cash in six months or nine months net; and in addition to this, sometimes about the first of March we begin giving October 1 dating." These long terms caused much dissatisfaction, and in 1915 certain southern manufacturers attempted to reduce terms to 5 per cent 30 days to 4 months, net 4 to 8 months, the longer periods, both for cash discount and net terms, applying on larger quantity shipments. At a joint conference meeting of the wagon department of the National Implement and Vehicle Association and the Southern Wagon Manufacturers' Association in October, 1916, it was stated that "it was evident that terms are being shortened," due largely to the cash terms then in force on articles purchased by the manufacturers, and the latter's narrow margin of profit.

In November, 1916, the National Implement and Vehicle Association recommended terms on local shipments of 5 per cent 30 days, net 4 months, with datings on car, half car, and mixed shipments of 5 per cent June 1, net September 1, 5 per cent one-half September 1, one-half October 1, net December 1, 5 per cent December 1, net February 1, on shipments in December–March, April–August, and September–November, respectively, except in cotton territory, where the months bearing net due date of December 1 were from February to August, and the months bearing net due date of September 1 were only December–January. As an alternative, the use of terms of 5 per cent 30 days, net 4 months, with April 1 dating on December–March shipments and the same datings as in cotton territory, was provided. In 1916, replies to a question indicated that the recommendation of the terms committee were being followed, "practically, without exception." Subsequent discussions were had relative to further shortening of terms, and in 1918 the question was referred to a special committee of the wagon department, but practically no changes in terms were made from those recommended the previous year, and the reports for 1919–20 and 1920–21 made no change from those for 1918–19. The less than carload terms now recommended are 5 per cent 30 days, net 4 months, with terms on car, half car, or mixed car shipments of 5 per cent June 1, net September 1, 5 per cent September 15, net November 15, and 5 per cent December 1, net February 1, on December–March, April–July, and August–November shipments, respectively, in the central zone, or the shorter terms of the wagon department of 5 per cent 30 days, net 4 months, on car-load quantities, and 5 per cent 15 days, net 60 days, on less than car-load lots, December–March shipments taking April 1 dating.

Seeding machinery.—In March, 1916, the following terms were recommended for grain drills and bar seeders for the central zone: Spring terms—Net September 1, 5 per cent cash discount May 1, 4 per cent June 1. Fall terms—Shipments after June 1 net December 15, 5 per cent cash discount October 1. Twenty five per cent of original spring purchases on hand May 1 to be carried over to fall terms. In such territories as have no fall trade, there apply the following spring terms securing note settlement. Twenty-five per cent of original fall purchase remaining on hand October 1, note due same maturity and discount dates following year.

Discount dates were extended 30 days in the northern zone and in the cotton States. Some dissatisfaction was expressed by certain manufacturers in view of the earlier net due dates and the absence of a carry clause on plows and tillage implements. Certain changes were made in subsequent years. The terms recommended in 1920 vary from zone to zone. Spring terms are as follows: Central—5 per cent May 1, net September 1. Northern—5 per cent June 1, net November 1, for shipments after November 1. Southern and Texas—5 per cent April 1, net July 1. Fall terms are as follows: Central—5 per cent October 1, net December 1 for shipments after May 1. Northern—5 per cent October 15, net December 1 for shipments after June 1. Southern—5 per cent, November 1, net January 1, for shipments after May 1. Texas—5 per cent October 1, net January 1, for shipments after April 1.

The carry clause, applying to all zones, provides that "any portion of original spring drill orders if on hand May 1, may be settled by note on fall terms in such territories as have both spring and fall drill trade," except that in the northern zone the date is June 1 instead.

Harvesting and haying machinery.—Little change has occured in the terms noted on this class of implements. The terms recommended by the association vary somewhat between the different zones. Thus, while grain binders and reapers in the central and southern zones bore terms in 1917 of 5 per cent September 1, net November 1, with a carry clause covering 25 per cent of the original order unsold on September 1, which might be settled for by note due November 1 of the following year, less 5 per cent on September 1, in the Texas zone the dates were one month earlier, namely, August 1 and October 1, and in the northern zone one month later, namely, October 1 and December 1. The only changes in the 1920 report related to the carry clause, which now covers 25 per cent of shipments during the season in all zones other than the northern, where it applies to 50 per cent of the original order. Terms and carry clauses on mowers in 1916 were similar, with the exception of a July 1 discount date in the Texas zone. In the 1920 report the net date in the northern zone had been changed to November 1, and the carry clause applied to 25 per cent of the season's shipments unsold on October 1.

Terms on hay tools (sulky rakes, sweep rakes, stackers, loaders, and side-delivery rakes) also vary somewhat between the different zones. While in 1917 in the central zone they were 5 per cent July 1, net September 1, in the northern zone for shipments after November 1 and in the southern zone they were one month later or 5 per cent August 1, net October 1, and in the Texas zone 5 per cent July 1, net October 1. No carry over was permitted. In the 1920 report two exceptions were introduced covering loaders and side-delivery rakes used in peanut crop territory in the southern zone and hay tools in the Texas zone shipped after June 1.

Tillage implements.—In this class of implements relatively slight changes have occurred in the recommended terms, and a recent report states that they "appear to be receiving the substantial support of members of the plow and tillage implement department," and that "it appears that even shorter terms are favored." These terms for three types of implement in 1917 were as follows:

Steel and chilled walking plows: Central—Spring, shipments after November 1, 5 per cent April 1, 4 per cent May 1, net July 1; fall, shipments after May 1, 5 per cent September 1, net November 1. Northern—Spring, shipments after November 1, 5 per cent May 1, 4 per cent June 1, net September 1; fall, shipments after June 1, 5 per cent October 1, net December 1. Southern—Spring, shipments after October 1, February 1 dating 5 per cent 30 days, net 4 months; fall, shipments June 1–September 30, September 1 dating 5 per cent 30 days, net 4 months. Texas—Spring, shipments after October 1, January 1 dating 5 per cent 30 days, net 4 months; fall, shipments after April 1, September 1 dating 5 per cent 30 days, net 4 months. In 1920 the only change was the elimination of the 4 per cent discount in the central and northern zones.

Lever and disk harrows: Central—Spring, shipments after November 1, 5 per cent May 1, net July 1; fall, shipments after May 1, 5 per cent September 1, net November 1. Northern—Spring, shipments after November 1, 5 per cent June 1, net September 1; fall, shipments after June 1, 5 per cent October 1, net December 1. Southern and Texas—Same as for plows above. There was no change in 1920.

Wheel cultivators: Central—5 per cent June 1, 4 per cent July 1, net September 1. Northern—5 per cent July 1, 4 per cent August 1, net October 1. Southern—March 1 dating 5 per cent 30 days, net 4 months. Texas—February 1 dating 5 per cent 30 days, net 4 months. In 1920 the only changes were the employment in the northern zone (other than in New York and New England) of discount dates one month earlier, and the addition in all zones of a clause covering alfalfa wheel cultivators for fall trade.

Thrashing machinery and tractors.—The manufacture of thrashers was developed by a few large firms, which gradually extended "their business into other lines, particularly into tractors and portable engines." Thrashing outfits, including engine and separator with an attachment for stacking straw and chaff, have been usually sold to thrashermen, who thrash grain on contract. Due to the expense of the outfits, credit sales have been required, assignment of earnings being taken as security. The manufacturers early were interested in the credit problem, and it was the principal problem considered at their first meeting in 1884. In November 1909, a resolution was passed by the Thrasher Manufacturers' Association limiting the cash discount for the year 1911 to 6 per cent, and on single sales fixing a maximum discount to agents of 5 per cent 30 days. No cash discount was to be allowed after 90 days from delivery, and the date for the agent's cashing all his season's business was to be fixed in the contract. In November, 1910, the maximum cash discount date was fixed at October 1, the maximum agent's cashing date at December 1, and his cash discount at not over 6 per cent plus interest from October 1. In 1912, it was reported that more complaints had been received than ever before about selling on extremely long terms, and in the following year "resolutions were adopted recommending that members endeavor to increase cash payments and bring about shorter terms. In 1917 the National Implement and Vehicle Association established a tractor and thrasher department, and terms have been regularly considered by a committee. In 1919 the committee again recommended the terms adopted in 1918 for the year 1919, but inasmuch as two members had modified them, recommended that the modified terms be made known to all the members, and that the adopted terms be changed to meet these modifications. It was also recommended that one week's notice to the committee of adoption of more liberal terms by any member be required. The present recommended terms are as follows:

Class I (of specified power, or costing not over $1,500 to dealer).—To consumers: Cash on delivery or one-half on delivery and one-half in 6 months. Deferred maturity December 1. Future dating shipments after November 1 and before April 1 bear April 1 (northern zone May 1).

To dealers: Class I.—Shipments after April 1, cash deposit of $50 on first tractor and $25 on each additional one. Note for balance due October 1 or earlier. Small separators—if necessary, 25 per cent on delivery, balance in fall of that or next year.

Class II ($1,500–$2,500).—Not over two falls. Class III ($2,500 and over).—Not over three falls. Deposit required on all orders in Class I sold for cash on delivery, of $50 on first and $25 on each additional tractor. Discounts for cash on delivery, or on first fall, not over 6 per cent; or by dealer during first fall, not over 10 per cent, for payment by the following dates: In southern zone, September 1; central, October 1; northern and Texas, November 1. Reports from various sources state that tractors are now sold largely on a cash basis.

Inasmuch as long terms have prevailed in the implement industry, the usual practice has been to take a promissory note to cover the net period, rather than to have it run on open account. These notes have varied in length from a few months to three or four years. During the last few years there has been a strong advocacy of the trade acceptance by the National Association. In 1916 a recommendation of the National Association of Credit Men was indorsed "that sellers send notes or acceptances for purchaser's signature with all invoices." There has also been an advocacy in some quarters of the elimination of the cash discount. In February, 1918, the wagon department recommended to the terms committee that it "work along the lines of the elimination of the cash discount, with the wider use of the trade acceptance." Accompanying these efforts has been an attempt to have the retail dealer in turn obtain paper, either note or trade acceptance, from the farmer, rather than to permit the account to run along on open account. It has been stated from Dallas that branch houses are reported to make very little use of the trade acceptance, employing notes instead, while jobbers use notes for the more expensive implements and to a growing extent trade acceptances in the case of "net goods" (small implements, tools, etc.), "amounting to from 20 to 25 per cent of the total business." Although the acceptance is used only to a limited extent, reports recently received indicate that the users are generally satisfied with it.

During the last few years greater uniformity of terms and lessening of the credit period has existed. The financing burden has been shifted "from the manufacturer to the retail dealer and the local country bank." This change is reflected in the greater rapidity of turnover of capital invested by manufacturers, as is shown by the following table covering 22 companies:

Year.	Total investment in implement business.	Total net sales.	Period required for one turnover (months).
1913	$355,782,398	$215,684,945	20
1914	390,351,286	195,647,453	24
1915	395,722,107	181,700,918	26
1916	383,526,911	200,848,125	23
1917	367,525,626	261,509,319	17
1918	386,408,735	326,636,666	14

The reduction of the length of the credit period not only increased the rate of turnover, but also decreased the amount of bills and accounts receivable, as well as the amount of capital required to carry on a given volume of business. This is illustrated in the following table, showing the annual amount of notes and bills receivable in the case of the above manufacturers:

Year.	Bills receivable.	Accounts receivable.	Total.
1913	$95,947,970	$64,549,983	$160,497,953
1914	96,180,296	68,627,542	164,807,838
1915	83,165,828	51,397,723	134,563,551
1916	60,755,297	45,525,797	106,281,094
1917	46,419,128	44,744,801	91,163,929
1918	42,538,712	44,512,811	87,051,523

It will be observed that from 1913 to 1918 the receivables have decreased almost 50 per cent, notwithstanding the increased prices of implements and the fact that gross sales of these companies increased during the period from $229,000,000 to $339,000,000. The decrease, it has been suggested, may be due partly also to improved business conditions, which make it possible for farmers and retail dealers to pay cash for larger amounts of their goods. The achievements of some concerns are indicated in the following statement of a leading authority: "For a period of 20 years prior to 1915 it was not an unusual thing for large branch houses here to have outstanding at the close of their fiscal year accounts and notes receivable equivalent to 60 per cent of their sales for the year. During the last few years it has not been an unusual thing for branch houses to close their year's business with the total amount of accounts and notes receivable not exceeding 20 per cent of the sales for the year, and some of us closed with less than 10 per cent outstanding. Prior to 1915 only about 50 per cent of our total sales were discounted; during the last few years more than 80 per cent of our sales to dealers were discounted."

The data which have been received relative to jobbers' operations indicate that in this, as in other industries, the jobber purchases largely on a cash basis, while selling on credit to a considerable extent. Terms are cited as frequently sight draft with bill of lading attached, but on larger sized orders sale may be made on time instead. While in a considerable number of cases it was stated that there is no difference in terms made by manufacturers to jobbers and to manufacturers' branch houses, it is stated from a number of sources that there is some difference. While in a majority of cases no specific information on this point was obtained, from Richmond it was stated that "terms to jobbers are usually shorter than those given to manufacturers' branch houses." Jobbers' terms to dealers are stated generally to follow closely those made by manufacturers, the latter providing the standard. In certain cases it was stated, however, that jobbers' terms frequently were more liberal than were manufacturers' terms, although from Portland, Oreg., it was stated that manufacturers' branch houses in some cases gave very long terms on tractors and thrashing machines, which the independent jobbers were unable to do because of their smaller financial ability.

DRUGS AND MEDICINES.

Manufacture and import.—The drug business as a whole may be generally divided into four classes: (1) Drugs and chemicals; (2) proprietary articles; (3) druggists' sundries, and (4) druggists' and hospital supplies and utensils. The first class may be subdivided into the following groups: (1) Pharmaceutical, including pills, tablets, fluid extracts, etc.; (2) biological, including vaccines, bacterins, antitoxines, etc.; (3) medicinal and technical chemicals; and (4) crude drugs and essential oils. Perfumes, rubber goods, soaps, soda fountain supplies, cosmetics, brushes, combs, etc., are included in the general classification of sundries. Surgical dressings, plasters, bottles, corks, funnels, filters, mortars, pestles, scales, balances, bones, etc., properly belong to the classification of druggists' and hospital supplies and utensils. Proprietary articles include generally speaking all so-called patent medicines advertised and sold under trademarks. The method of distributing the greater proportion of all these classes of goods is from the first hands, either manufacturer or importer, to the wholesale druggist, who in turn sells them to the retail druggist.

Crude drugs and essential oils are assembled in the main by houses importing them as well as distributing domestic goods of this character. Terms on crude drugs, medicinal and technical chemicals and essential oils are almost without exception 1 per cent 10 days, net 30 days.

The same terms apply generally in the surgical dressing field, although the maturity date is frequently extended to 60 days on shipments to the far southwest and to the Pacific coast and Rocky Mountain territory.

While a large part of the general pharmaceutical line goes direct to the retail druggist from the manufacturer, there are some manufacturers who market their entire line exclusively through the wholesale druggist. Of the total volume of the drug business to-day, the pharmaceutical branch, including pharmaceutical specialties (semiproprietary and noncompetitive in character), aggregates not more than from 15 to 20 per cent. The larger proportion, probably 85 per cent, of pharmaceutical specialties is sold to the retail druggist through the wholesaler, while about 25 per cent of the general pharmaceutical line goes through the wholesaler, the balance going direct from the manufacturer to the retailer. The following are the results of a survey made in 1917:

	Net terms.		Discounts.
	Wholesaler.	Retailer.	
30 days	17	12	1 per cent 10 days (by all 30-day houses except two, which give 2 per cent 10 days).
60 days	4	7	2 per cent 10 days (by all 60-day houses).
10 days	1	....	
4 months	1	....	

Private formula business, that is, the manufacture of specialties under formulas owned by others, carried instead 1 per cent 10 days, net 30 days, except for two houses giving net terms of 60 days. As a small number of the larger houses, however, extend terms of 2 per cent 10 days, net 60 days, some of the firms having 30-day terms occasionally extend 60 days when insisted upon. It is estimated, however, that 90 per cent of the number of wholesalers discount their bills, while in the case of retailers from 40 to 50 per cent discount, although one of the largest manufacturers shows 75 per cent. One authority states that the percentage of retailers discounting varies with the season of the year, the percentage for his house during the first six months averaging a little over 40 per cent, falling to almost 25 per cent during the summer months, and then increasing during the latter part of the year to almost 50 per cent. Due to the frequency and small size of purchases, the trade acceptance is not employed by the majority of manufacturers.

Sales of proprietary medicines are made by manufacturers to wholesalers and to retailers, the individual manufacturer usually confining his entire business to one of the two methods. Sales to wholesalers, it is stated, in genera, carry a cash discount of 2 per cent 10 daysl although a limited number grant 1 per cent, some 3 per cent, and quite a number 5 per cent. Sales to retailers carry the same net terms as those to wholesalers, maturity usually being in 30, 60, and 90 days, with a discount for cash varying from 1 to 5 per cent if invoice is paid within 10, 20, or 30 days. In the case of seasonable preparations, longer time to the retailer is required in off seasons, and up to 4, 6, and 9 months may be given at times. The general average for the industry has been estimated at 45 days.

Sales of druggists' sundries are made by manufacturers to both wholesalers and retailers. Terms for some years have been largely 2 per cent 10 days, net 30 days, from date of invoice, but Pacific coast customers may be given 2 per cent 30 days, net 60 days. Several leading manufacturers report that from 50 to 70 per cent of their customers discount their bills. It is stated that the trade acceptance is not employed in the industry.

Wholesale.—Since January 1, 1905, recommended terms of the National Wholesale Druggists Association, to apply to mixed invoices, have been 1 per cent 10 days, net 30 days. These terms prevail practically over the entire country, with the exception of the entire State of Texas and a narrow belt running east from Texas to the Atlantic coast and including parts of Arkansas, Tennessee, Alabama, and Georgia, where, with a few exceptions, the cash discount is 2 per cent, although net terms are 30 days. It is stated, however, that in these territories the discount is gradually being changed to a universal 1 per cent. An increasing tendency toward proximo terms was reported some years ago and found in particular in the East and Southwest. In 1915 data obtained from 135 houses of dates for the discounting of city bills showed 88 houses which specified the 10th, 26 the 15th, 6 the 5th, and 1 the 20th, while 2 required settlement any time during the following month, 10 twice a month and 2 four times a month.

In a few lines, when sales are large enough to be billed separately, 2 per cent 10 days, net 30 days, is allowed. On druggists' sundries the cash discount now ranges from 1 per cent to 2 per cent. There has been a movement in various sections to include the item in the general terms of 1 per cent 10 days, net 30 days, which is meeting with some success. New England and the Middle States in 1914 already showed quite uniformly 1 per cent 10 days, net 30 days, while on the Pacific coast all houses have for the last three or four years employed these terms. In 1916 data obtained from 130 houses were as follows:

Discount.						Time.	
Per cent.	Total.	New England and Middle States.	Middle West.	Southern States.	Pacific States.	Days.	Number.
Net	1	1				30	81
1	50	23	11	10	6	60	48
2	54	4	26	23	1	90	1
3	3		1		2		
5	3		1	2			
6	18		18				
8	1						

This is not representative, however, of present conditions, as terms have been shortened as indicated in the preceding paragraph and the discount reduced. The figures given in the tables herewith, showing the increase in the percentage of accounts taking the cash discount and the decrease of the average number of days' business outstanding, are of interest in this connection. This change in terms reflects the movement for the abolition of separate billing of different classes of items, and 80 per cent of the replies in the recent survey of the credits and collections committee of the National Wholesale Druggists' Association favored uniformity.

In connection with this item, difficulty is experienced with competition from jobbers of stationery and school supplies who also carry druggists' sundries. The situation in this regard appears substantially as follows: The retailer has expanded his business to include side lines handled by other retailers also, and a similar change is noted in the wholesaler's business. The latter, however, in this development comes to handle certain lines which are distributed only to a small extent through the drug trade, and thus reaches out to sell these items to exclusive retailers as well as to retailers of drugs. In consequence, a measure of diversity is introduced into the terms on which merchandise is purchased by the wholesale druggist, which is reflected as well in the terms on which he sells. He therefore has undertaken, as in the case of stationery, to induce the members of the other industries to employ the regular drug terms of 1 per cent 10 days, net 30 days. In pursuance of this policy, a committee was appointed in 1915, and reported in 1916 that since January first of that year many leading stationery houses had reduced their cash discount from 5 or 6 per cent to 2 per cent. Terms favored were 1 per cent 10 days, net 30 days, on the item, with the exception that where competition from wholesale grocers, book, stationery and school supply houses did not permit, 2 per cent might be granted. In 1917 employment of the regular terms was recommended on sundries ordered in the regular course of business, leaving it to the discretion of those who employed special salesmen to make the cash discount 2 per cent instead.

As the retail drug trade is overcrowded, and there is a lack of financial responsibility on the part of its members, the enforcement of terms by wholesalers is rendered more difficult. It has recently been stated that 44.5 per cent of the 50,000 retail druggists in the country have either no capital rating or one of not over $2,000, 23.5 per cent a rating of from $2,000 to $5,000, and 14 per cent a rating of from $5,000 to $10,000. Ninety-two per cent of those in the first-mentioned class have a second or third grade credit rating or no capital and credit rating at all, while two-thirds of those in the second class have a second or third grade credit rating. In 1919 it was estimated that, of annual sales of $420,000,000, wholesalers carried past due accounts of about $20,000,000. The practice of charging interest on past due balances, or the use of interest bearing notes, has been consistently advocated, and all Pacific coast jobbers are now doing so. The practice also prevails in Texas, Virginia, and in isolated parts of other southern States, although not all collect the full interest charged. One house reports that it collects all interest on past due accounts by adding it to the invoice. Interesting in this connection also are the following figures showing percentage loss by bad debts.

	1909	1914	1919
New England and Middle States	0.37	0.33	0.172
Middle Western States	.314	.35	.219
Southern States	.56	.713	.248
Pacific Coast States	.38	.382	.16
General average	.40	.442	.2

While all sections show a considerable decrease, that for the South is particularly pronounced. As would be expected, the percentage of cash discounters has been in the past relatively small, the average in 1916 being reported as approximately 20 per cent, but there has been a substantial increase since that time. An indication of the change in the actual length of terms employed is afforded by the following figures of number of days' sales outstanding:

States.	1909	1914	1919
New England and Middle States	55	53.7	39.3
Middle Western States	43	48.0	37.8
Southern States	67	68.0	42.6
Pacific coast	52	56.0	40.5
General average	54	55.2	40.0

The greatest decrease is again evident in the case of the southern States.

In view of the interest expressed by a few members, the National Wholesale Druggists Association appointed a special committee which carefully considered the trade acceptance. A referendum vote was later held which, however, "clearly demonstrated that the trade in general does not look with favor upon the use of the trade acceptance in the industry."

CHEMICALS.

For the present purpose, the most satisfactory classification of chemicals will be into "heavy" chemicals and organic chemicals. The latter include drugs and pharmaceuticals (which were considered above), and dyestuffs and intermediates. The great majority of chemicals are sold by manufacturers direct to industrial consumers. It is estimated that on the basis of money value about 60 per cent of all the dyes of domestic manufacture are sold direct by manufacturers to consumers, while perhaps 15 per cent are sold to dealers for resale, and the remaining 25 per cent are sold for export. Prior to the war about 90 per cent of the dyestuffs sold in America were sold by importers. As a result of the shortage during the war, dealers received little consideration, as producers, it is stated, felt themselves obligated to supply their established consuming trade. Several leading producers of alcohol report approximately one-half their output sold to wholesalers, all or a majority of the remainder going to industrial consumers. In the case of heavy chemicals, the situation varies with the particular chemical in question. Thus it is stated that the output of sulphuric acid is sold almost entirely direct to the consumer, whereas probably one-half the production of caustic soda, soda ash, etc., is sold through jobbers. A considerable amount of heavy chemicals is imported, and distributed by the importing house. Jobbers in many cases handle also apparatus and laboratory supplies.

The general terms in the several branches of the chemical industry are 1 per cent 10 days, net 30 days. Most manufacturers report that there has been no general change in terms during the past decade, but several leading manufacturers report previous use, in one case prior to about the opening of the present year and in the other case prior to 1914, of a cash discount of 2 per cent, the former with net terms of 60 days. It is stated from one source that sellers since about August have been quoting cash terms, even to responsible purchasers. This is ascribed to present financial conditions, merchandise being sold under cost, "merely to convert inventory into cash." Longer terms are granted in certain cases on shipments to a distance. Thus while proximo terms are at times granted by one manufacturer on such shipments, 1 per cent 30 days, net 60 days, is granted by another manufacturer to Pacific coast purchasers. In some sections of the country, states a leading manufacturer, "local conditions have brought about a situation where the terms are standard on practically all chemicals in the form of net cash 30 days, no discount."

For certain chemicals, different terms are employed. Thus one manufacturer quotes a discount of only one-half per cent on potash, as against 1 per cent on the other products. While denatured alcohol carries the regular terms, ethyl or tax-paid alcohol is sold on cash terms, specified as net cash 3 days or spot cash (within 10 days). Some manufacturers and dealers in dyes are stated to have allowed a 2 per cent discount as a concession to draw trade.

but the majority have employed the regular terms.

Little use of trade acceptances in general is reported in the industry. From one source, however, they are reported to have become popular in certain quarters about two years ago, but were gradually abandoned until recently, when they have again been employed. Last spring the majority of manufacturers from whom data were obtained reported collections prompt, with the majority of accounts taking the cash discount. It was recently estimated that normally perhaps two-thirds of the total sales of dyestuffs to consumers in the country are discounted, many purchasers, however, running 2 or 3 days over the 10-day period. At the present time it is estimated that "two-thirds of the invoices for dyestuffs sold to consumers or dealers are not discounted, and perhaps one-third of the total invoices run beyond the 30-day period, some of them to 60 days or more."

Terms of jobbers handling also apparatus and supplies vary somewhat. While certain houses employ the regular chemical terms of 1 per cent 10 days, net 30 days, others either omit the cash discount entirely, or else quote it only to a small number of accounts. Special terms may be granted to educational institutions, ranging in one case from 30 days to 12 months, and averaging 90 days. While several houses report no change in terms during the past decade, one notes a decrease in the cash discount on laboratory apparatus from 2 per cent to 1 per cent, and a tendency to closer collections. Very little use of the trade acceptance is reported. One house, selling a considerable amount of goods to retail druggists, estimates that 15 per cent of accounts are discounted, 50 per cent paid promptly, 25 per cent paid slowly, 9 per cent paid extremely slowly, and 1 per cent losses or collections requiring legal aid. A middle western house practically granting no cash discount and selling largely to educational institutions reports one-third of receivables under one month old, 23 per cent under two months, 12½ per cent under three months, 11 per cent under four months, and the remainder under eight months old, being distributed in point of age between the intervening months.

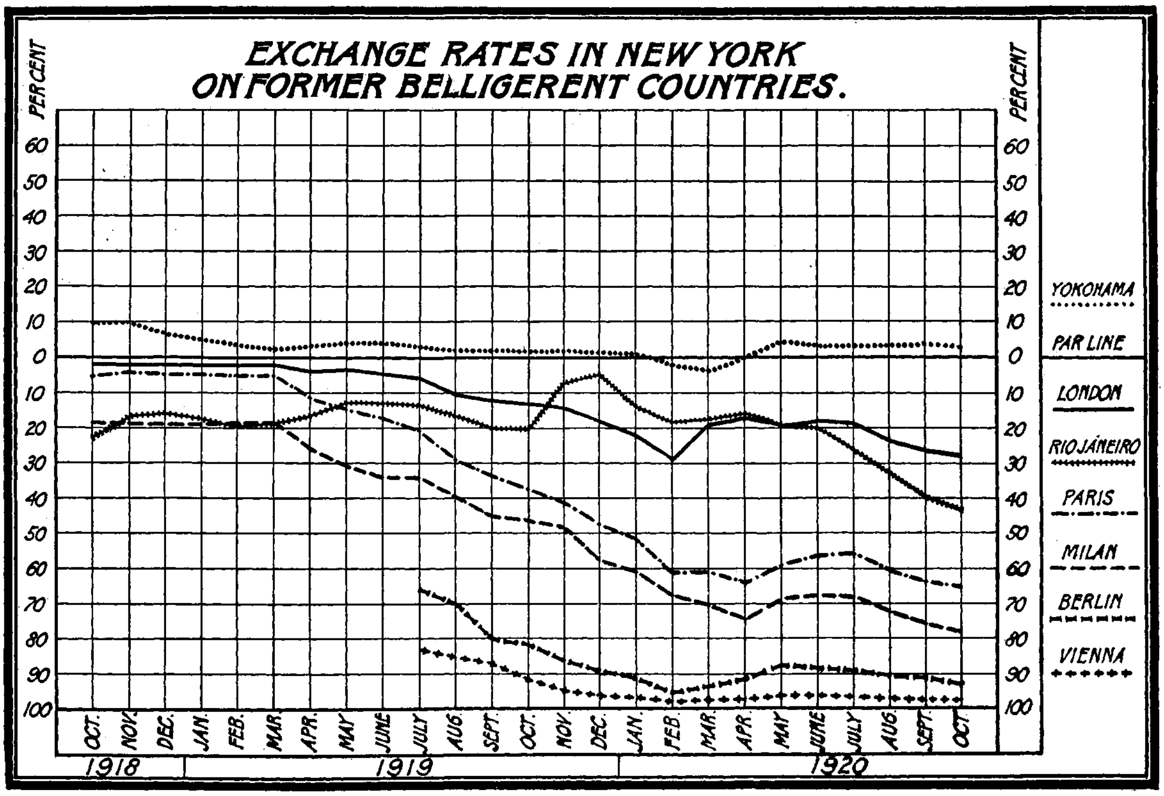
Foreign Exchange Rates.

In the following tables and charts are shown the movements of monthly exchange rates in New York on (1) principal former belligerent countries (rates on London, Paris, Milan, Yokohama, Rio de Janeiro, Berlin, and Vienna), (2) the principal centers in neutral countries (Amsterdam, Copenhagen, Stockholm, Zurich, Madrid, Buenos Aires, and Valparaiso), and (3) the principal centers in countries having a silver standard (Bombay, Hongkong, and Shanghai); also the average New York price of silver per fine ounce. In the tables actual rates and percentages of par are shown, while the curves are plotted on the bases of percentages of premium or discount at which the currencies of the different countries were quoted in the New York market.

Similar information is shown for the period from the beginning of the war to the summer of 1918 in the FEDERAL RESERVE BULLETIN for September, 1918, pages 837 et seq., and for the calendar years 1918 and 1919 in the FEDERAL RESERVE BULLETIN for January, 1920, pages 49 et seq. Explanations as to the bases of calculations made in the earliest study apply to the present table and charts which cover the two-year period from October, 1918, to October, 1920. Attention is called to the fact that only the highest quotations for each month are shown, and that in the case of many of the currencies the low quotations for the month are considerably below those given in the tables.

As is well known, the quotations on sterling, francs, and lire began to decline when in March, 1919, the respective Governments discontinued their support of exchange. In the case of sterling, the high rate dropped from 4.758 in March, 1919, to 3.4525 in February, 1920; in the case of francs, from 18.30 in March, 1919, to 6.93 in April, 1920; and in the case of lire, from 15.72 in March, 1919, to 4.91 in April of the current year. All the three currencies rallied somewhat in the spring and early summer of 1920, but declined again in the most recent months, the latest high quotations of sterling being only slightly above the February, 1920, level, and those of francs and lire having fallen below the low points reached last spring. Japanese exchange showed a general downward tendency, falling from 54.75 in November, 1918, to 48 in March, 1920; by May it had improved to 52, but declined again to 51.25 in October. Brazilian exchange fluctuated considerably during the period under review, rising from 25 in October, 1918, to 30.875 in December of the following year, but declining to 18.375 in October of the current year.

German marks were quoted in New York at 8 cents in July, 1919, when dealings in German currency were resumed; since that time the quotations declined, the lowest figure of 1.14 being shown for last February; in October marks were quoted as high as 1.65 cents. Austrian crowns, worth 20.26 cents at par and quoted at 3.5 cents in July, 1919, declined to 0.44 cent in October.

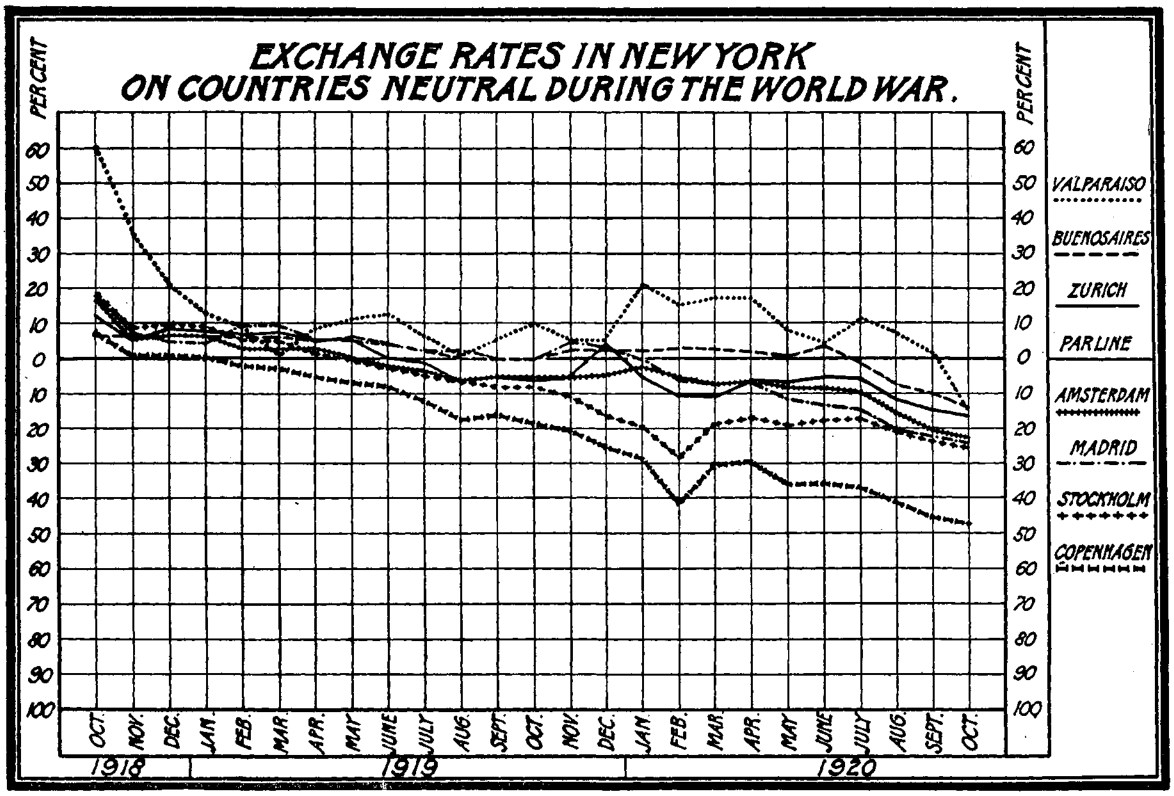


Movement of exchange rates (highest rates for sight drafts during month) in New York on principal financial center during period from October, 1918, to October, 1920.

I. RATES ON MARKETS IN FORMER BELLIGERENT COUNTRIES.

[Sterling quotations are in dollars and cents; all other currencies are quoted in cents.]

	London (4.8665=100).		Paris (19.3=100).		Milan (19.3=100).		Yokohama (49.85=100).		Rio de Janeiro (32.444=100).		Berlin (23.82=100).		Vienna (20.26=100).	
1918		*Per ct.*		*Per ct.*		*Per ct.*		*Per ct.*		*Per ct.*		*Per ct.*		*Per ct.*
October	4.755	97.71	18.29	94.77	15.75	81.61	54.63	109.59	25.0	77.05	....	....	....	....
November	4.7575	97.76	18.55	96.11	15.75	81.61	54.75	109.83	27.0	83.22	....	....	....	....
December	4.7585	97.78	18.34	95.03	15.75	81.61	53.25	106.82	27.20	83.84	....	....	....	....
1919														
January	4.7585	97.78	18.33	94.97	15.71	81.40	52.25	104.81	26.75	82.45	....	....	....	....
February	4.7585	97.78	18.32	94.92	15.72	81.45	51.50	103.31	26.10	80.45	....	....	....	....
March	4.758	97.77	18.30	94.82	15.72	81.45	51.00	102.31	26.375	81.29	....	....	....	....
April	4.6725	96.01	17.01	88.13	14.25	73.83	51.375	103.06	27.00	83.22	....	....	....	....
May	4.6925	96.42	16.47	85.34	13.33	69.07	51.75	103.81	28.25	87.07	....	....	....	....
June	4.6350	95.24	15.95	82.64	12.74	66.01	51.75	103.81	28.25	87.07	....	....	....	....
July	4.57	93.91	15.40	79.79	12.71	65.85	51.25	102.81	28.00	86.30	8.00	33.59	3.50	17.27
August	4.3525	89.44	13.70	70.98	11.60	60.10	50.75	101.81	27.00	83.21	6.25	30.44	3.00	14.80
September	4.2625	87.59	12.79	66.27	10.56	54.72	50.75	101.81	25.875	79.75	4.60	19.31	2.625	12.95
October	4.3225	86.97	11.93	62.14	10.26	53.16	50.75	101.81	25.875	79.75	4.375	18.37	1.65	8.14
November	4.1625	85.53	11.31	58.60	9.94	51.50	50.75	101.81	30.00	92.46	3.25	13.64	1.00	4.93
December	3.9875	81.94	10.08	52.23	8.10	41.97	50.50	101.30	30.875	95.16	2.60	10.92	.73	3.60
1920														
January	3.7875	77.83	9.28	48.08	7.55	39.12	50.375	101.05	27.875	85.92	2.05	8.61	.65	3.21
February	3.4525	70.94	7.48	38.76	6.20	32.12	48.75	97.79	26.50	81.68	1.14	4.79	.40	1.97
March	3.9525	81.22	7.56	39.17	5.74	29.74	48.00	96.29	26.75	82.45	1.57	6.59	.55	2.71
April	4.0175	82.55	6.93	35.91	4.91	25.44	49.75	99.80	27.25	83.99	1.95	8.19	.55	2.71
May	3.9150	80.45	7.95	41.19	6.04	31.30	52.00	104.31	26.375	81.29	2.94	12.34	.76	3.75
June	3.9875	81.94	8.39	43.47	6.21	32.18	51.30	102.91	26.00	80.14	2.75	11.54	.80	3.94
July	3.95125	81.19	8.54	44.25	6.15	31.87	51.375	103.06	23.875	73.59	2.65	11.13	.72	3.55
August	3.7075	76.18	7.61	39.43	5.29	27.41	51.50	103.31	21.75	67.04	2.29	9.61	.61	3.01
September	3.5625	73.20	7.01	36.32	4.69	24.30	51.50	103.31	19.625	60.49	2.03	8.52	.47	2.31
October	3.5075	72.07	6.75	34.97	4.18	21.66	51.25	102.81	18.375	56.64	1.65	6.93	.44	2.17

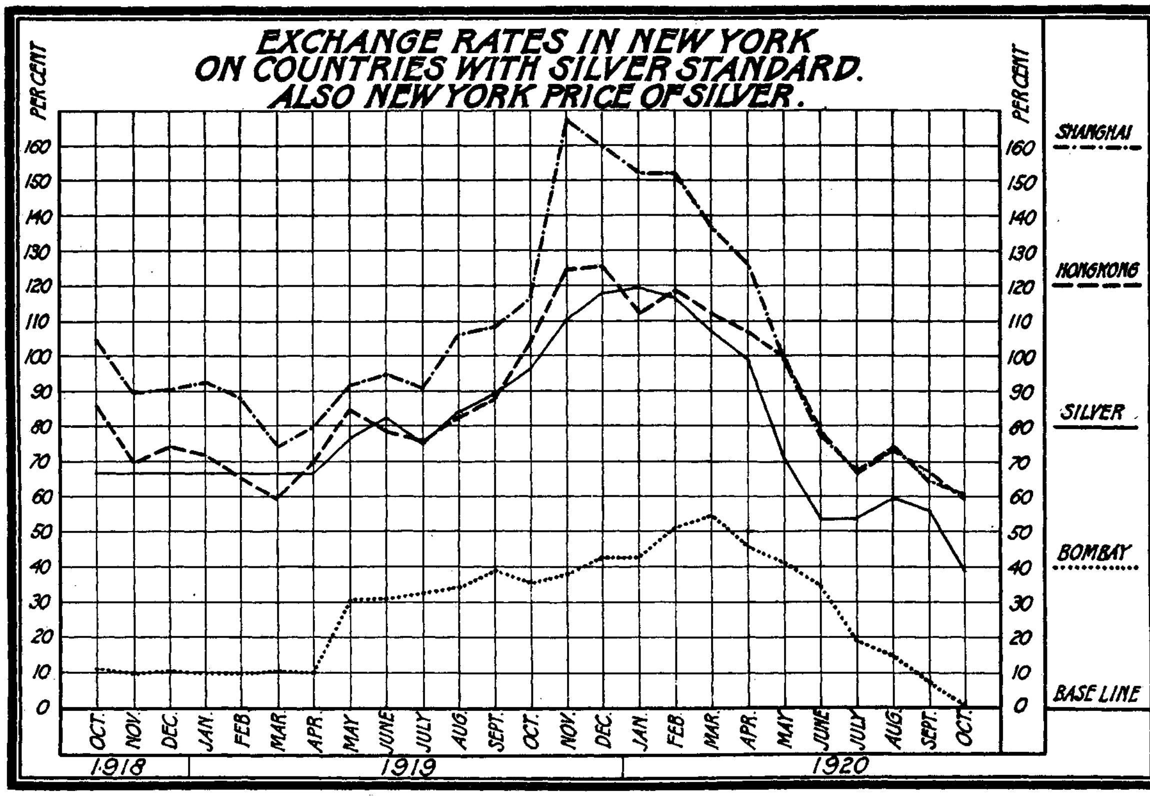


Movement of exchange rates (highest rates for sight drafts during month) in New York on principal financial centers during period from October, 1918, to October, 1920—Continued.

II. RATES ON MARKETS IN COUNTRIES REMAINING NEUTRAL DURING THE WAR.

[All currency quotations are in cents.]

	Amsterdam (40.2=100).		Copenhagen (26.8=100).		Stockholm (26.8=100).		Zurich (19.3=100).		Madrid (19.3=100).		Buenos Aires (96.48=100).		Valparaiso (18.80=100).	
1918		*Per ct.*		*Per ct.*		*Per ct.*		*Per ct.*		*Per ct.*		*Per ct.*		*Per ct.*
October	46.75	116.29	28.75	107.28	31.8	118.66	21.65	112.18	22.65	117.36	103.00	106.76	30.17	160.48
November	42.25	105.10	27.00	100.75	29.0	108.21	20.32	105.28	20.70	107.25	102.85	106.60	25.51	135.69
December	42.75	106.34	27.00	100.75	29.45	109.89	20.92	108.39	20.20	104.66	102.75	106.50	22.78	121.17
1919														
January	42.75	106.34	26.80	100.00	29.10	108.58	20.75	107.51	20.14	104.35	102.75	106.50	21.19	112.71
February	41.25	102.61	26.125	97.48	28.15	105.04	20.60	106.74	21.10	109.33	102.45	106.19	20.45	108.78
March	41.125	102.30	26.00	97.01	28.15	105.04	20.70	107.25	21.10	109.33	102.375	106.11	18.97	100.90
April	41.25	102.61	25.375	94.68	27.125	101.21	20.33	105.34	20.375	105.57	101.15	104.84	20.33	108.14
May	40.25	100.12	24.90	92.91	26.70	99.63	20.33	105.34	20.25	104.92	102.25	105.98	20.92	111.28
June	39.25	97.64	24.625	91.88	26.25	97.95	19.31	100.05	20.06	103.94	100.375	104.04	21.10	112.23
July	38.75	96.39	23.50	87.69	25.50	95.15	19.08	98.86	19.72	102.18	98.50	102.09	20.00	106.38
August	37.5625	93.44	22.05	82.28	24.90	92.91	17.92	92.85	19.75	102.33	96.625	100.15	19.00	101.06
September	38.125	94.84	22.40	83.58	24.60	91.79	18.28	94.72	19.25	99.74	96.75	100.28	19.75	105.05
October	38.0625	94.68	21.75	81.16	24.60	91.79	17.99	93.21	19.28	99.90	96.48	100.00	20.625	109.71
November	38.00	94.53	21.20	79.10	23.85	88.99	18.18	94.20	20.10	104.15	98.50	102.09	19.75	105.05
December	38.25	95.15	19.90	74.25	22.30	83.21	20.08	104.04	19.90	103.11	98.52	102.11	19.75	105.05
1920														
January	39.125	97.33	19.10	71.27	21.55	80.41	18.28	94.72	19.20	99.48	98.295	101.88	22.75	121.01
February	37.875	94.22	15.65	58.40	19.15	71.46	17.33	89.79	18.00	93.26	99.15	102.77	21.625	115.03
March	37.125	92.35	18.65	69.59	21.70	80.97	17.18	89.02	17.90	92.75	98.75	102.35	22.00	117.02
April	37.50	93.28	18.80	70.15	22.20	82.84	18.12	93.89	17.90	92.75	98.30	101.89	22.00	117.02
May	36.70	91.29	17.05	63.62	21.65	80.78	17.90	92.75	16.97	87.93	97.16	100.70	20.25	107.71
June	36.625	91.23	17.15	63.99	22.00	82.09	18.25	94.56	16.70	86.53	100.12	103.77	19.625	104.39
July	36.30	90.30	16.73	62.43	22.10	82.46	18.14	93.99	16.52	85.60	94.886	98.35	20.875	111.04
August	33.875	84.27	15.70	58.58	21.00	78.36	16.95	87.82	15.27	79.12	89.25	92.51	20.125	107.05
September	31.90	79.35	14.55	54.29	20.40	76.12	16.45	85.23	14.95	77.46	86.647	89.81	19.125	101.73
October	31.06	77.26	14.05	52.43	19.90	74.25	16.07	83.26	14.66	75.96	82.75	85.77	16.00	85.11



Movement of exchange rates (highest rates for sight drafts during month) in New York on principal financial centers during period from October, 1918, to October, 1920—Continued.

III. RATES ON MARKETS IN SILVER COUNTRIES.

[All currency quotations are in cents.]

	Bombay (32.44=100).		Hongkong (47.16=100).		Shanghai (65.49=100).		Average New York price of silver.	
							Price per fine ounce.	Per cent of average price for 1913 ($0.60641).
1918.		*Per cent.*		*Per cent.*		*Per cent.*		
October	36.00	110.97	87.75	186.07	134.00	204.61	$1.0113	166.77
November	35.65	109.90	80.00	169.64	124.00	189.34	1.0113	166.77
December	35.875	110.59	82.00	173.88	125.00	190.87	1.0113	166.77
1919.								
January	35.65	109.90	81.00	171.76	126.00	192.40	1.01125	166.76
February	35.65	109.90	78.00	165.39	123.00	187.81	1.01125	166.76
March	35.875	110.59	75.25	159.56	114.00	174.07	1.01125	166.76
April	35.65	109.90	80.25	170.17	117.75	179.80	1.01125	166.76
May	42.50	131.01	87.00	184.48	125.50	191.63	1.07111	176.63
June	42.50	131.01	84.00	178.12	127.50	194.69	1.10430	182.10
July	43.00	132.55	83.00	176.00	125.00	190.87	1.06394	175.45
August	43.50	134.09	86.00	182.36	135.00	206.14	1.11398	183.70
September	45.00	138.72	88.50	187.66	136.50	208.43	1.14652	189.07
October	44.00	135.64	96.00	203.56	142.00	216.83	1.19154	196.49
November	44.75	137.95	106.00	224.77	175.00	267.22	1.27609	210.43
December	46.25	142.57	106.50	225.83	170.00	259.58	1.31976	217.64
1920.								
January	46.25	142.57	100.00	212.04	165.00	251.95	1.32875	219.12
February	49.00	151.05	103.00	218.41	165.00	251.95	1.31273	216.48
March	50.00	154.13	100.00	212.04	155.00	236.68	1.25551	207.04
April	47.25	145.65	97.50	206.74	148.00	225.99	1.20576	198.84
May	45.75	141.03	94.00	199.32	130.00	198.50	1.03495	170.67
June	43.50	134.09	84.00	178.12	116.00	177.13	[a] .92789	153.01
July	38.50	118.68	78.50	166.45	109.50	167.20	[a] .92935	153.25
August	37.25	114.83	81.50	172.82	114.00	174.07	[a] .96948	159.87
September	34.75	107.12	78.75	166.98	107.50	164.15	[a] .94510	155.85
October	32.50	100.19	75.00	159.03	105.00	160.33	[a] .84187	138.83

[a] Price of domestic silver 99.535 cents per fine ounce.

Exchange rates on neutral countries were all above par at the beginning of the period under review, and all, except the rate on Valparaiso began to decline at about the time when the artificial link between the dollar and the pound sterling was removed in the spring of 1919; in October of this year all of the currencies in this group were quoted at considerable discounts. This is true of the European as well as of the South American currencies. Argentine pesos, which were quoted at about par a year ago, declined in value to about 86 per cent of par in October, while Chilean pesos declined from 20.6 cents a year ago to 16 cents in October last.

Exchange rates on silver standard countries moved in substantial accord with changes in the price of silver, which in January of this year reached $1.32875 per ounce, or about 219 per cent of its average price in 1913. It may be noted that the widest fluctuations occur in the value of the Shanghai tael, which is a silver unit whose market value is not influenced by governmental action; in the case of the Hongkong dollar, and, to a much larger extent, of the Indian rupee regulations and actions by the British Government have narrowed the range of fluctuations in value.

ECONOMIC AND FINANCIAL CONDITIONS IN CUBA.

Recent developments in Cuba, particularly the banking crisis, resulting in the proclamation of a fifty-day moratorium, make a brief study of Cuba's economic resources, her place in the world's sugar market, and the effect of the World War on Cuba's commerce, industry, and finance appropriate at the present time.

Sugar is the basis of Cuba's prosperity. The soil of the island is so fertile that sugar cane needs to be planted only once in every 7 to 12 years, and the land needs cultivation only once in a decade. Furthermore, the cane also supplies the fodder for the oxen which do the field work, and after the sugar has been pressed out of the cane the dry stalks supply a part of the fuel for the operation of sugar mills. These conditions place Cuba, with its three millions of population, in a position to supply a large part of the world's sugar requirements.

As a consequence of Cuba's concentration on this one crop, with tobacco as a secondary but much less important resource, economic and financial conditions on the island are extremely responsive to the price of sugar. During the war a falling off in the beet-sugar production in Europe, where large sugar-producing areas were in the zone of military operations, together with the constantly growing demand for sugar in the United States, which normally consumes by far the larger portion of Cuba's production, resulted in a large increase in sugar acreage and production in Cuba. From about 2½ million tons before the war Cuba's production increased to nearly 4 million tons for the season 1918–19, and nearly 3¾ millions for the most recent season. The price of sugar, while the war lasted, was kept within reasonable limits by the action of the United States Government through the Food Administration and later through the Sugar Equalization Board, which in 1917–18 purchased the entire Cuban crop at 5½ cents per pound, allotting about one-third of the amount to Great Britain. In 1918–19 the United States did not accept the offer of the sugar producers to sell the year's crop at 6½ cents, and consequently the price began to respond directly to world conditions. Europe continued to be short of sugar and was clamoring for the surplus product of the American tropics. Prohibition in the United States increased the consumption of soft drinks and candy, both of which require large quantities of sugar, and these conditions resulted in a runaway market for sugar in Cuba. General prosperity, accompanied by much extravagance, and speculation in real estate were the chief features in Cuba during the past year. In the middle of the past summer the tide turned and the price of sugar, which had been lifted not only by market conditions but also by speculators in Cuba and abroad, began to decline, the collapse of the speculative boom in this country and Cuba and the decline of the purchasing power of European countries being among the important causes.

The wholesale price of raw sugar in New York by months is shown below for the period January, 1914, to October, 1920:

Average monthly price of raw sugar (96° centrifugal), spot or prompt, duty paid, in cargo lots at New York.

[Cents per pound.]

Months.	1914	1915	1916	1917	1918	1919	1920
January	3.32	4.05	4.65	5.24	6.01	7.28	12.99
February	3.44	4.68	4.91	5.17	6.01	7.28	11.38
March	2.98	4.82	5.64	5.48	6.01	7.28	11.85
April	2.98	4.80	6.15	6.21	6.01	7.28	17.65
May	3.26	4.84	6.43	6.08	6.01	7.28	20.93
June	3.34	4.91	6.32	6.04	6.02	7.28	19.66
July	3.28	4.85	6.30	6.62	6.06	7.28	17.56
August	5.70	4.75	5.58	7.27	6.06	7.28	13.36
September	5.88	4.27	5.55	6.96	6.97	7.28	10.67
October	4.46	4.11	6.26	6.90	7.28	7.28	8.33
November	3.91	4.75	6.21	6.90	7.28	7.28	......
December	3.96	4.92	5.31	6.34	7.28	10.29	......

Falling sugar prices resulted in a heavy shrinkage of the value of sugar lands, bank loans based on these lands, or on the sugar itself, became somewhat doubtful, the credit situation became strained and was aggravated by the congestion in Havana harbor where vast quantities of goods were tied up thus preventing the liquidation of commercial bills. These developments brought about a financial crisis which caused the President to declare on October 10 a moratorium for 50 days. According to the terms of this moratorium, the full text of which is printed on page 1165, notes, bills of exchange, orders and other documents of credit which are due or may become due up to December 1 will not be collectible until that date. Mortgage credits or deeds of trust are also extended to that date. Only 10 per cent on checking accounts and 12 per cent on fixed deposits below $2,000 can be drawn by depositors. However, sums necessary to pay customs duties or taxes may be drawn against the creditor's current account. This action gives the banks time to rearrange their affairs, and it is expected that some of the inflated values will now be deflated and that Cuba will settle down to the sober business of producing sugar, which under present world conditions can be marketed at a price sufficient to make sugar growing profitable.

SUGAR PRODUCTION AND EXPORTS.

The following table shows the world production of sugar and Cuba's share in it for the past five years and indicates the importance of the island in the sugar markets of the world.

Sugar production of the world, exclusive of India.

[In thousands of long tons.]

Year.	Total world (exclusive of India).	America.			Europe.	All other countries.
		Cuba.	United States.[1]	Other countries.		
1913-14	16,458	2,598	2,025	981	8,253	2,601
1914-15	16,072	2,593	1,995	1,199	7,591	2,694
1915-16	13,909	3,008	2,197	894	5,084	2,726
1916-17	14,260	3,024	2,239	929	5,010	3,058
1917-18	14,022	3,446	2,100	857	4,293	3,326
1918-19	13,974	3,972	1,974	1,238	3,643	3,147
1919-20	....	3,729	....	....	2,678	....

[1] Including production of United States, Porto Rico, and Hawaiian Islands, also exports from Philippine Islands.

The importance of Cuban sugar in international commerce is even greater than production figures alone would indicate, because Cuba with her small population can export nearly all the sugar she produces, while much of the sugar produced in other countries is retained for domestic consumption. The United States consumes about one-fourth of the world's sugar and produces on the mainland and its outlying possessions about one-half of its own requirements, the other half being supplied by Cuba and affording a market for the larger part of Cuba's output. Note the great decline in sugar production in Europe, which, however, is expected to recover to 3,870,000 tons in the year 1920-21.

The table below shows the value of merchandise exports from Cuba and the value of sugar and tobacco exports for the years 1914 to 1918:

Cuba's exports of merchandise, 1914-1918.

[In thousands of dollars.]

Year.	Total.	Sugar and other cane products.	Tobacco and tobacco products.	All other merchandise.
1914	174,041	133,363	27,487	13,191
1915	236,229	197,521	24,414	14,294
1916	321,790	274,705	25,888	21,197
1917	356,429	305,341	29,397	21,691
1918	407,283	347,881	36,838	22,564

Sugar, together with other cane products, such as molasses and candy, constitutes about 85 per cent of Cuba's total merchandise exports, and tobacco, with its products, about 8 or 9 per cent more, so that all but a small fraction of the foreign trade of the island consists of these two products. It is not surprising, therefore, that variations in sugar prices are immediately reflected in Cuba's economic condition. Cuban soil and climate are well adapted to the production of many other important crops, such as sisal and fruits, and also to the raising of cattle, but up to date the other industries have been subordinated to the two principal staples of the island. Whether the present financial crisis will tend to induce the Cubans to diversify their production in order not to be too much dependent on the market for one or two products remains to be seen.

A table is also presented showing Cuba's exports to and imports from the different foreign countries. It will be noted that the United States, which enjoys preferential customs treatment of 20 to 40 per cent on all merchandise imported from this country into Cuba and grants reciprocal concessions of 20 per cent on the duties on sugar, tobacco, and other imports from Cuba, receives about three-fourths of Cuba's exports and supplies about the same proportion of her imports. Exports to Great Britain show a large increase, as Cuban sugar took the place of sugar previously imported from Germany, Austria, and Russia. Cuba's total exports consistently exceed her imports, thus giving the island a favorable balance of merchandise trade. In 1919 exports aggregated 573 millions, and imports 358 millions, leaving a balance in favor of Cuba of about 215 millions.

Cuba's trade balance with principal foreign countries for the years 1914–1918.

[In 1,000 pesos.]

Countries.	1914	1915	1916	1917	1918
United States:					
Imports	68,623	90,462	153,020	189,875	219,272
Exports	145,881	195,286	242,638	255,275	289,090
Other American countries:					
Imports	7,982	8,020	12,249	17,920	20,257
Exports	3,180	3,357	3,676	8,389	9,412
Germany:					
Imports	5,034	800	26	1	....
Exports	2,354	....	....	....	....
Spain:					
Imports	9,939	10,817	14,409	15,642	10,393
Exports	1,645	872	3,025	5,390	6,355
France:					
Imports	4,632	4,897	5,931	6,289	7,044
Exports	2,398	1,135	12,971	11,617	5,657
United Kingdom:					
Imports	12,379	15,288	19,231	15,377	9,155
Exports	15,842	33,033	52,776	73,564	95,149
Other European countries:					
Imports	6,852	6,203	4,144	3,426	2,362
Exports	1,087	1,865	5,690	1,335	495
Other countries:					
Imports	2,761	4,397	6,952	7,555	26,149
Exports	1,654	681	1,014	858	1,125
Total:					
Imports	118,202	140,884	215,962	256,085	294,632
Exports	174,041	236,229	321,790	356,428	407,283

MONETARY SYSTEM.

Before the American occupation, the monetary circulation of Cuba was composed largely of Spanish gold and of various silver coins; there was no paper money. As Cuba's industries developed, the need for a more modern currency became urgent, and on October 29, 1914, a monetary law was enacted by which the Cuban gold peso, equal to the American dollar in weight and fineness, was made the standard, and all owners of the then existing currencies were required to turn them in at the National Bank of Cuba to be shipped abroad. The total amount so shipped during the years 1914 to 1917 was about 64 million dollars. The portion shipped to America was melted and recoined into the new Cuban currency at the United States mint and about 31.2 millions of the new money was sent to Cuba. The composition of the currency so shipped was as follows: Gold coins, 23.8 millions; silver coins, 6.7 millions; nickel coins, 0.7 million. Recently Cuba has ordered another 2½ millions in silver and nickel coins. In addition to this circulation of hard money Cuba uses American paper currency, largely Federal Reserve notes, which are supplied to it by American banks. It was estimated that at the end of last year there were about 60 millions of American paper money in Cuba; during the current year up to the middle of June about 43 millions more were shipped, and shipments of about 50 millions were made during the most recent weeks. There is no record of the amount of this currency returned to the United States, but it may be estimated that the total amount in circulation in Cuba is approximately 150 million dollars. The gold, of which there is about 24 millions, is held largely by the treasury and in the banks, while the active circulation consists of paper money and silver and nickel coins.

BANKS.

Cuba has no official or semiofficial banks, although the National Bank of Cuba, which has an associated institution in New York City under the name of the Bank of Cuba in New York, acts as Government depositary and fiscal agent. This bank was organized in 1901 with a capital of $1,000,000, increased to $3,000,000 in 1904 and to $5,000,000 in 1905. In addition, the bank had in June of the current year a surplus and reserve fund of $9,000,000. The rapid growth of the bank's loans and discounts and of its deposits is notable, especially for the period between December, 1919, and June of the present year.

The big banks in Cuba follow a system of branch banking and have branches scattered throughout the island. The banks' chief functions consist of financing sugar and tobacco production and exports, of handling foreign exchange, and of distributing currency throughout the island, as well as of extending credit to other commercial and industrial interests. Balance sheets of some of the important banks for the past few years are shown in the attached tables. Of the domestic banks the Banco Español is next in importance to the National Bank of Cuba. The great increase in the volume of business of this bank is seen from the attached statement. Attention is also called to the fact that among the assets of that bank about $19,000,000 are in stocks and bonds, indicating that in addition to commercial banking this institution is a participant in many Cuban enterprises. The Banco Internacional, organized about three years ago, has over a hundred branches, with a comparatively small capital, and has been the hardest hit by the recent financial crisis, being obliged to suspend payments. The banking houses of H. Uppman & Co. and N. Gelats & Co. are the most important private banks which have been operating in Cuba for many years and have close connections with the sugar and tobacco interests.

In recent years foreign banks have opened branches in Cuba, the most important being the Royal Bank of Canada and the Bank of Nova Scotia among the Canadian banks, and the National City Bank, the Mercantile Bank of the Americas, and the American Foreign Banking Corporation among American institutions. The National City Bank has about 25 branches in Cuba; the Mercantile two branches, and the American Foreign Banking Corporation one branch.

These banks, although primarily engaged in financing exports from and imports into Cuba, have also participated to a large extent in the domestic affairs of the island. The increasing need of credit and shortage of capital in Canada and the United States during the last year have doubtless caused a more conservative credit policy on the part of these institutions and thus contributed to the financial stringency in the island. During the recent expansion of sugar production American capital has been invested in Cuba, largely in sugar machinery, to an amount estimated at about 350 millions, the American banks being the intermediaries in these transactions. In view of the fact that American money is legal tender in Cuba and is supplied to Cuba through the Federal Reserve Banks, American banks are intimately connected with the financial structure of the island and American capital is largely represented in the island's industries.

The very close connection between the United States and Cuba in economic and financial affairs is apparent. During the recent crisis Cuba turned to the United States for assistance. Conferences were held in New York and Washington, and plans for arranging a loan of 50 to 100 millions by a group of American banks to the Cuban Government or for extending credits directly to Cuban mill owners were discussed. The Cuban banks are expected to form a clearing house association for the purpose of handling the proposed American loan. Cuban producers are organized into a general committee which seeks to stabilize the sugar market. A plan is on foot in Cuba for the organization of a bank of issue and rediscount along the lines of the Federal Reserve Banks, but so far no legislative action in that direction has been taken.

PUBLIC FINANCE.

Revenues of the Cuban Government in 1912–13 amounted to about 37.9 million dollars and rose to 64.5 million dollars in 1918–19, the expenditures each year being below the revenues. A large part of the revenue, about 37 millions, is derived from customs duties, about 15 millions from taxes on land, other sources of revenue being the national lottery, the special loan tax, telegraphs and post offices, consular dues and harbor dues.

Cuba has a foreign debt amounting to about 51 million dollars floated through the banking houses of Speyer and Morgan in the United States and held largely in this country. In addition, it has a domestic debt of about 39 million dollars.[1] Cuba's revenues are amply adequate to take care of her interest and amortization payments, and her international and domestic credit is in good condition. Cuban municipalities impose taxes on trade and industry, on purchases, on commercial establishments, and on arts and crafts. Taxes are comparatively light, and municipal expenditures are not considerable.

SOURCES.

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- Diario de la Marina, Daily, Habana.
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- Morales, William, Money and Banking in Cuba, the Pan American Magazine, January, 1919.
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- Report on Business Conditions, June, 1920, N. Y. Federal Reserve Agent's Report.
- Showalter, William Joseph, Cuba—the Sugar Mill of the Antilles, the National Geographic Magazine, July, 1920.
- Weekly Market Letters of the Czarnikow-Rionda Co.

FULL TEXT OF CUBAN MORATORIUM DECREE.

The following is the official decree as printed in the Official Gazette:

Considering that important banking institutions of this city, represented by their directors and managers, have called on this presidency to explain the extraordianary and critical situation in which they find themselves with deposits on current accounts amounting to over $400,000,000 and with an actual capital represented by cash, bonds, stocks, valuables, sugar, properties and credits amounting to $1,000,000,000, although the present price of sugar is lower, all of which demonstrates the solvency of these institutions and their financial capacity to guarantee depositors; and,

"Considering that an unexpected situation of alarm from the exaggerated rumors about the banking situation has arisen in the past few days, said alarm being due largely, as stated, to the large amount of business transacted and adverse action regarding credit by foreign bankers and the drop in the price of sugar; and,

"Considering that it is a well-known fact that depositors of current accounts and creditors have rushed the demand for their funds, urged by the exaggerated rumors, in the belief that their interests were endangered, and a situation was created that could not be withstood by any banking institution, and that is enough reason in any country to force a temporary suspension of banking operations; and

"Considering that, although the price of sugar has dropped, it is a fact that nine out of ten portions of the sugar crop sold at high prices, and the movement of exports of all other products of the country show an era of considerable prosperity, present difficulties being transitory and merely a question of circulation and without any reflection on the vitality of the country, therefore the appeal from banking institutions has been taken into consideration; and

"Considering that such an exceptional measure in connection with the handling of public moneys is only justified whenever social interests of superior order, such as when the organization and operation of public and private credit transactions are endangered, since a panic of this nature would lead to a great business crisis, and as such would undoubtedly be the case should the Government fail to adopt a rapid and energetic disposition that will serve to safeguard all interests; and

"Considering that it is generally recognized that great prosperity favors our agriculture, industry, and commerce, to the extent that Cuba ranks first in the list of countries exporting to the United States and third among those importing from the same place, therefore the measures sug-

[1] Mensaje del Presidente, Nov. 3, 1919, pp. 30–35.

gested and accepted by this Government will not endanger any legitimate interest.

"Having heard the statements at the cabinet meeting held in extraordinary session, I resolve

"1. That letters of exchange, drafts, notes, obligations, orders and other credit documents due or that may be due up to the 1st of December, next, will not be paid until that date.

"2. Mortgage credits, transferable or simply deed binding, due and that may be due within the term referred to in above paragraph will not be paid and are extended until the 1st of next December.

"3. The auctions specified in court or administrative proceedings are hereby suspended and may be fixed after the 1st of December, next, until after which date neither auctions or compulsory sale of any kind can be made.

"4. Within the term stated, from the date this decree is issued, depositors with banks or bankers in the republic can draw only 10 per cent on current accounts and 12 per cent on savings accounts below $2,000, unless the commission appointed as per paragraph 6 of this decree will grant extension of that percentage in accordance with the stated accounts.

"5. This moratorium does not affect the obligations of the National Bank of Cuba as fiscal agent and depositary of government funds, as per contract, or the current account of the Lottery Department.

"6. A commission composed of the secretaries of the interior, finance, agriculture, commerce and labor will have charge of inspection and supervision of banks for the proper execution and fulfillment of this decree and will, to that effect, practice suitable measures, undertaking examination of values of deposits, inventory of safes and realization of the current accounts.

"7. Creditors of current accounts may draw against their accounts the necessary sums for the payment of customs duties, taxes, fiscal revenues, and other taxations from the Province or muncipality, in the names of the respective collectors of customs, fiscal zones, and other authorities concerned thereby.

"Said checks will be cashed by public officials within 24 hours of their issuance.

"8. The Government reserves the right to waive this concession should public convenience so demand.

"Signed in the President's Palace, this 10th day of October, 1920.

M. G. MENOCAL,
"*President.*

"E. SANCHEZ AGRAMONTE,
"*Secretary of Agriculture, Commerce and Labor.*"

Assets and liabilities of Banco Nacional de Cuba on June 30 and Dec. 31, 1914–1920.

[In 1,000 pesos.]

	1914		1915		1916		1917		1918		1919		1920
	June.	December.	June.	December.	June.	December.	June.	December.	June.	December.	June.	December.	June.
ASSETS.													
Cash, including checks on banks and transit items	15,615	8,292	19,027	16,926	35,668	20,280	37,891	24,410	35,409	29,969	55,535	40,857	90,976
Stocks and bonds	4,079	4,056	4,056	3,762	3,839	4,382	4,313	4,543	4,601	3,712	4,005	4,085	4,082
Discounts and loans	16,652	18,492	20,520	22,724	27,510	37,468	37,256	49,325	54,973	59,833	62,599	77,215	113,902
Real estate	1,526	1,447	1,487	1,507	1,488	1,497	1,444	1,556	1,563	1,706	1,806	1,935	2,094
Various accounts	167	277	135	170	34	11	287	290	753	693	352	742	392
Guaranties, acceptances, and letters of credit	....	....	....	....	....	....	145	879	4,174	4,654	5,176	5,023	6,960
Other assets	210	89	....	....	1	....	2	....	1	10	....	70	....
Total	38,229	32,653	45,225	45,089	68,540	63,638	81,338	81,005	101,474	100,577	129,473	129,927	218,406
LIABILITIES.													
Capital paid in	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Surplus and reserves	1,300	1,500	1,500	2,000	2,300	2,800	3,000	4,000	5,000	6,000	7,000	8,000	9,000
Profits, undivided	416	360	624	548	648	551	854	716	730	931	1,077	1,077	1,447
Deposits	29,314	23,714	37,539	36,145	60,039	54,843	71,574	67,750	80,486	76,748	107,019	106,533	194,507
Credits in current account	2,199	2,079	562	320	555	404	715	2,599	6,014	7,154	4,110	4,194	1,382
Guaranties, acceptances, and letters of credit	....	....	....	....	....	....	145	879	4,174	4,664	5,176	5,023	6,960
Other liabilities	....	....	....	1,076	....	40	50	60	70	80	91	100	110
Total	38,229	32,653	45,225	45,089	68,540	63,638	81,338	81,005	101,474	100,577	129,473	129,927	218,406

Assets and liabilities of Banco Español de la Isla de Cuba on June 30 and Dec. 31, 1914–1920.

[In 1,000 pesos.]

	1914		1915		1916		1917		1918		1919		1920
	June.	December.	June.	December.	June.	December.	June.	December.	June.	December.	June.	December.	June.
ASSETS.													
Cash, including transit items and checks on other banks	12,153	9,636	9,779	9,767	14,949	12,322	17,481	16,683	22,304	19,211	29,806	28,191	51,479
Stocks and bonds	4,255	4,356	4,472	6,727	7,707	7,504	8,078	8,921	9,684	11,799	14,147	15,833	18,942
Loans and discounts	15,249	16,134	14,510	16,617	18,671	24,514	26,472	36,717	40,133	42,308	39,488	48,577	53,393
Loan to Habana	123	123	118	122	111	111	112	112	111	113	111	110	110
Various accounts	1,008	879	979	700	737	683	601	752	577	669	652	670	576
Real estate	475	476	476	462	421	438	425	437	425	545	861	895	968
Furnishings	192	193	192	230	218	243	261	265	301	318	340	375	436
Other assets	....	....	....	....	....	10	....	1	2	1	....	4	....
Total	33,455	31,797	30,526	34,625	42,814	45,824	53,430	63,888	73,537	74,964	85,405	94,655	125,904
LIABILITIES.													
Capital paid in	7,273	7,273	7,273	7,273	7,273	7,273	7,273	7,273	7,273	7,273	7,273	7,273	7,273
Surplus and reserves	450	500	500	600	545	654	645	700	1,150	1,900	2,700	4,000	5,500
Profits, undivided	323	240	309	329	364	330	365	355	371	354	302	325	513
Deposits	22,085	20,135	21,010	24,320	34,580	36,382	44,562	53,519	62,374	60,915	73,961	78,115	112,127
Due to banks and bankers	2,597	2,922	707	1,375	51	1,185	583	2,041	2,369	4,522	1,169	4,942	487
Other liabilities	727	727	727	728	1	....	2	....	....	....	....	....	4
Total	33,455	31,797	30,526	64,625	42,814	45,824	53,430	63,888	73,537	74,964	85,405	94,655	125,904

Condition of branches of National City Bank in Cuba, June 30, 1916–1920.

[In thousands of dollars.]

	Total for all branches.					Havana branch.				
	1916 (2 branches).	1917 (2 branches).	1918 (2 branches).	1919 (12 branches).	1920 (22 branches).	1916	1917	1918	1919	1920
ASSETS.										
Loans and discounts, including overdrafts	1,883	5,272	7,497	26,213	56,060	1,771	4,534	7,086	15,711	41,271
Bonds	19	18	6	7	7	19	18	6	7	7
Due from home office	1,714	1,153				1,714	1,133			
Due from branches				6,512	7,614				6,512	3,815
Due from other banks	319	373	400	464	1,521	317	373	112	344	1,315
Checks and cash items	118	219	452	980	1,585	118	183	419	798	1,434
Cash	470	824	763	2,377	3,924	440	567	603	1,092	2,131
Letters of credit and acceptances	186	11	40	161	846	186		40	155	732
Other assets	1	95	14	377	2,009	1	94	12	288	1,719
Total	4,710	7,965	9,112	37,081	73,566	4,566	6,922	8,278	24,907	52,424
LIABILITIES.										
Capital	1,000	1,000	1,000	1,001	1,000	1,000	1,000	1,000	1,000	1,000
Profit	39	80	168	295	642	39	69	165	245	475
Due to branches		8	176	5,688	4,891			176		
Due to home office			850	14,336	33,714			850	14,336	33,714
Due to other banks	195	1,296	135	2,629	1,974	195	1,296	135	2,345	1,500
Individual deposits	3,342	5,543	6,670	12,348	29,351	3,200	4,536	5,845	6,687	13,861
Bills payable					789					789
Letters of credit and acceptances	121	27	66	263	1,190	120	10	62	253	1,070
Other liabilities	13	11	47	51	15	12	11	45	41	15
Total	4,710	7,965	9,112	37,081	73,566	4,566	6,922	8,278	24,907	52,424

Assets and liabilities of Banco Internacional on June 30 1919 and 1920, and Dec. 31, 1918 and 1919.

[In 1,000 pesos.]

	1918	1919		1920
	December.	June.	December.	June.
ASSETS.				
Cash, including checks on other banks and transit items	2,852	6,843	7,954	19,186
Debits in current account	414		731	23
Stocks and bonds	106	597	1,181	1,306
Loans and discounts	4,621	8,585	14,573	22,121
Real estate	350	552	846	666
Due from stockholders	4,000	2,281		
Acceptances and guaranties	389	715	1,616	3,536
Other assets	38	65		357
Total	12,770	19,638	26,901	47,195
LIABILITIES.				
Capital paid in	5,000	5,000	5,000	5,000
Deposits	6,624	12,657	18,941	36,716
Credits in current account	437	931	839	1,311
Accepted bills, guaranties, and letters of credit	389	715	1,613	3,536
Profits and loss	215	278	377	435
Other liabilities	105	57	131	197
Total	12,770	19,638	26,901	47,195

American foreign banking corporation—Havana branch.

[Authorized Feb. 25, 1918; opened for business Jan. 2, 1919.]

	June 30, 1919.	Dec. 30, 1919.	June 30, 1920.
ASSETS.			
Loans and discounts:			
Secured	$1,332,320.59	$1,870,926.48	$2,754,220.37
Unsecured	282,762.00	165,178.00	228,977.00
Cash:			
Gold and silver	762.23	405.77	890.56
Local currency	2,640.00	4,349.00	12,433.92
Reserve balances (foreign)	361,905.38	193,309.90	1,504,784.71
Due from banks (local)	615,262.77	925,598.18	1,657,584.83
Office fixtures	5,059.37	5,008.83	12,221.77
Customers liability for letters of credit	65,608.49	22,512.33	
Total	2,666,330.83	3,187,288.49	6,171,113.16
LIABILITIES.			
Deposits (all demand)	1,607,191.67	942,342.08	1,351,133.74
Due to banks	108,192.31	137,026.23	2,445,981.67
Due to head office	777,146.51	1,959,887.47	2,008,485.43
Drafts payable	8,825.29	18,077.62	
Interest on acceptance reserve	83,331.63	51,246.79	
Undivided profits	16,034.93	61,907.21	355,900.83
Letters of credit	65,608.49		
Suspense		16,801.09	
Interest reserved			9,611.49
Total	2,666,330.83	3,187,288.49	6,171,113.16

Banco Mercantil Americano de Cuba—Havana branch.

[Date of incorporation, Oct. 22, 1918.]

	June 30, 1919.	Dec. 31, 1919.
ASSETS.		
Loans and discounts:		
Secured	$5,443,097.20	$16,679,057.43
Unsecured	873,365.52	977,352.77
Trade bills discounted	641,085.69	
Cash on hand	62,794.69	870,220.34
Due from banks (local)	823,263.23	464,971.76
Furniture and fixtures	22,092.59	2.00
Installation expenses	33,701.36	
Interest paid in advance		97,302.44
Accrued interest received	65,467.54	
United States Liberty bonds	100,000.00	100,000.00
Sundry accounts received	3,004.14	27,477.78
Due from foreign branches		96,827.68
Customers' liability for letters of credit		544,670.35
Total	8,067,871.96	19,857,882.55
LIABILITIES.		
Capital	2,000,000.00	2,000,000.00
Surplus	500,000.00	500,000.00
Undivided profits	112.56	106,671.35
Due to Mercantile Bank of America	3,860,977.90	12,441,187.49
Other foreign banks and bankers	402,941.35	744,960.28
Deposits (in local currency)	1,185,798.38	2,346,992.79
Accrued interest received	118,041.77	271,910.51
Acceptances outstanding		12,740.67
Due to other local banks		846,318.33
Letters of credit issued		544,670.35
Sundry accounts payable		6,430.78
Reserved for taxes		36,000.00
Total	8,067,871.96	19,857,882.55

The Investment Trust as a Channel for Investment Abroad.

By means of the amendment to section 25 of the Federal Reserve Act (sec. 25A, Public Act 106, 66th Cong., approved Dec. 24, 1919), there is provided the machinery for the profitable and secure investment abroad of the surplus capital of the United States. This amendment, familiarly known as the Edge Act, vests in the Federal Reserve Board the administration of its provisions.

European countries have long been familiar with the process of issuing domestic securities against a well-selected assortment of foreign securities as one of the safest forms of profitable investment in foreign public utilities, mineral, and agricultural enterprises, and shipping, commercial, and industrial establishments. A survey of the methods and experience of the European countries in which this form of investment has been most commonly and successfully used will not, therefore, be lacking in interest. It is based upon a collection of material assembled for the use of the Secretary General of the United States Section of the Inter-American High Commission in the Treasury Department. The facts were gathered in connection with the Second Pan American Financial Conference, in which it was expected that considerable discussion of the volume, conditions, and general attractiveness of Latin-American investment would take place.[1]

The investment trust company is an organization issuing its own long-term debentures against dependable securities of governments, public utilities, mining, agricultural, shipping, banking, commercial, and industrial establishments, domestic or foreign. The fundamental principle of the investment trust is the distribution of risk by the investment of funds in the securities and bonds of a great number of enterprises, investments in any one security usually being limited to a fraction of the capital, say, 10 per cent. Such distribution of risk seems to be one of the most practical forms yet devised of affording the investor a secure channel for profitable investment. The security offered is usually a 20 per cent margin, such as banks require of gilt-edge paper.

The investment trust enjoys many advantages not usually available to the individual investor. A company formed for the purpose of investment is in a position to investigate the financial condition of undertakings in which funds may profitably be invested. The officers of such a company develop the habit of forming dependable judgments of economic conditions in foreign countries and the conditions of the investment market. Moreover, a company enjoys the advantage of having available a large amount of funds for investment purposes, while the individual investor usually deals only with small amounts.

It goes without saying that no investment trust company can be successful except under the most careful management and with the assurance of expert reports on all its holdings. On the other hand, the margin of return can not be counted upon as great enough to support too large an organization; so that the most successful type of investment trust will get along with relatively small technical and clerical staff, all, however, necessarily being of unusual caliber as to judgment and accuracy, and having a background of wide knowledge of international financial conditions.

The field of investment depends upon the purpose for which the investment trust company is formed. Some companies restrict their business to foreign countries, while others are practically unlimited as to field; some companies restrict their business to particular kinds of enterprises in which they invest their funds, for instance, exclusively to railways or electrical enterprises or mining enterprises. The same considerations are a guide in each

[1] The statutes, by-laws, and annual reports of the various European investment trusts have been turned over to the Board and are now on deposit in the office of its counsel. The study was prepared by T. H. Thiesing, formerly legal research assistant of the Commission and now practicing law in New York.

case, namely, that the investments must be safe and that ample returns from investments must be assured.

The institution of an investment trust has found extended application in England, Scotland, and on the Continent, varying to some degree according to the requirements of the local investors. The investment trust companies in England and Scotland are largely purely investment trusts—that is, the company may not invest more than a certain percentage of its capital in any one security—while the continental investment trust companies are of a more speculative character and are also holding and financial companies—that is, they acquire large quantities of stock in a few corporations so as to exercise control over their affairs, create subsidiaries, and finance new enterprises.

It is the purpose of the following survey to show briefly the development of the idea of the investment trust in Europe, to point out the differences in the character of investment trusts in different countries, and also to indicate the success attained by them in recent years.

GREAT BRITAIN.

The principle of substitution of domestic for foreign securities was first applied in Great Britain. Institutions contemplating the acquisition of a variety of securities and the distributions of risks were created in Scotland about 1860. They were formed because at that time British Government bonds paid only a little over 3 per cent interest. By investing in obligations of foreign Governments and particularly in various obligations of railroads, an interest of 5 per cent or 6 per cent or even a higher rate could be secured, involving, of course, greater risk. While a capitalist was able to reduce this risk by appropriate distribution of his investments, small investors were not in a position to make such distribution of their investments. The latter began, therefore, to form associations and to combine their capital.

The object of practically every one of these new associations at the time of formation was to provide trustworthy means whereby British investors could lend their surplus funds for purposes of investment and at the same time feel assured both that the principal would be safe and that an attractive rate of interest would be maintained. These companies thus invested the funds intrusted to them, collected the interest and premiums paid thereon, and after making the necessary deductions for reserve and sinking funds, distributed the balances as dividends.

The legal form which was adopted by such companies was the institution of the old English trust. A few persons were appointed as trustees, to whom a certain amount of capital was entrusted for the purpose of acquiring securities. Individual members received shares in proportion to their investment, and a fixed percentage of interest, about 5 or 6 per cent per annum, was paid on such shares. Any surplus profit, effected by the sale of obligations, was used for the amortization of the stock certificates. It was provided that after a period of 15 or 20 years such trust would be liquidated. The trustees were, as a rule, restricted to buying only particular kinds of securities. Furthermore, not more than one-tenth of the capital could be invested in any one type of security. There was also a limit to the capitalization of the trust. If the authorized capital were oversubscribed, a second trust under the same name, management, and by-laws would frequently be created, separate, however, from the first trust. Thus, for example, we find that there exists of the Foreign Colonial Trust a first, second, third, and fourth trust, and of the Scottish American Trust a first, second, and third.

From the very start, it was realized that since the directors of a trust and the trustees had the power to acquire and to sell securities, there presented itself a great opportunity for speculation, with the restriction merely to keep within the prescribed limit of investing not more than the fixed percentage of the capital in any one type of security.

Gradually the class of investment securities was enlarged. While the first trusts which were created possessed only about 18 different Government obligations, trusts subsequently formed acquired the obligations of cable, shipping, mining, and railroad companies. The range of investments is perhaps fairly shown by the following list of foreign and colonial companies and corporations, whose securities are at present among the holdings of English and Scottish investment trusts:

Abitibi Power & Paper Co.; Advance Rumely Co.; Alabama, New Orleans, Texas & Pacific Junction Railway Co.; Alaska Steamship Co.; American Association (Inc.); American Cities Co.; American Ice Co.; American Writing Paper Co.; Anglo-Argentine Tramways Co.; Argentine Tramways & Power Co.; Arizona Copper Co.; Assets Realization Co.; Associated Drygoods Corporation; Augusta-Aiken Railway & Electric Corporation; Australian Mercantile Land & Finance Co.; Bahia Tramway Light & Power Co.; Barcelona Traction, Light & Power Co.; Bitter Root Valley Irrigation Co.; Bolivar Railway Co.; British Canadian Lumber Corporation; Buenos Aires Central Railway; Buenos Aires Lacrose Tramways Co.; Buenos Aires Western Railway; Buffalo & Lake Erie Traction Co.; Cambria Fuel Co.; Canada Cement Co.; Cape Town & District Gas, Light & Coke Co.; Central Argentine Railway Co.; Chattanooga Gas & Coal Products Co.; Chicago, Duluth & Georgian Bay Transit Co.; Chicago

Elevated Railways; Chicago Great Western Railway Co.; Chicago, Rock Island & Pacific Railway Co.; City of Chicago (bonds); Coast & Lakes Contracting Corporation; Colorado Power Co.; Consolidated Gas Co. of New York; Consumers Co.; Cordoba Central Railway Co.; Cordoba Light, Power & Traction Co.; Corn Products Refining Co.; Credit Foncier of Mauritius; Cuba Co.; Cuba Submarine Telegraph Co.; Denver United Breweries; Dominion Iron & Steel Co.; Durham Coal & Iron Co.; Eastern Pennsylvania Railway Co.; Emerald Rubber & Cocoanut Co.; Erie Railway Co.; Fayette County Coal Co.; Federal Light & Traction Co.; Gage Park Realty Trust of Chicago; Georgia Coast & Piedmont Railway Co.; Great Northern Railway Co.; General Southern of Spain Railway Co.; Gulf States Steel Co.; Guantanamo Sugar Co.; Guayaquil & Quito Railway Co.; Havana Cigar & Tobacco Factories; H. B. Claflin Co.; Holly Manufacturing Co.; Houston Oil Co. of Texas; Hudson & Manhattan Railway Co.; Illinois Car & Equipment Co.; Indianapolis Breweries; Interborough Metropolitan Co.; International Railways of Central America; International Traction Co. of Buffalo; Interoceanic Railway of Mexico; Kansas City, Memphis & Birmingham Railway; Kentucky Union Co.; Kesner Realty Trust; Lake Superior Paper Co.; Madison & Wabash Realty Trust; Majuli Tea Co.; Manaos Improvements Co.; Manila Railway Co.; Mason City & Fort Dodge Railway; Mexican Central Railway; Mexican Electric Light Co.; Mexican Light & Power Co.; Mexico North-Western Railway Co.; Mexican Tramways Co.; Middle West Utilities Co.; Milwaukee & Chicago Breweries Co.; Minneapolis, St. Paul & Sault Ste. Marie Railway; Minnesota & Ontario Power Co.; Missouri, Kansas & Texas Railway Co.; Missouri Pacific Railway Co.; Montevideo Gas Co.; National Bank of Australia; National Railway Co. of Mexico; New England Breweries Co.; New Mexico Railway & Coal Co.; New Mexico & Arizona Land Co.; New York Breweries Co.; New Zealand Loan & Mercantile Agency Co.; Nicaragua Government (bonds); Norfolk Southern Railway Co.; Northern Pacific Railway Co.; North-Western Pennsylvania Railway Co.; Otis Steel Co. (Ohio); Pacific Coast Co.; Pacific Oilfields Co.; Panhandle Lumber Co.; Para Electric Railways & Lighting Co.; Paraguay Central Railway Co.; Paris & Mount Pleasant Railway Co.; Peninsular Power Co.; Pennsylvania Water & Power Co.; Philadelphia & Western Railway Co.; Philippine Railway Co.; Pittsburgh & Shawmut Railway Co.; Pittsburg, Shawmut & Northern Railway Co.; Placerville Gold Mining Co.; Platte Land Co.; Portland Railway, Light & Power Co.; Primitiva Gas Co. of Buenos Aires; Puerto Cabello & Valencia Railway; Railway Storage Battery Co.; Randolph-Macon Coal Co.; Rhodesia-Katanga Junction Railway & Mineral Co.; Rio de Janeiro City Improvements Co.; Rubber Plantations Investment Trust; St. Louis-San Francisco Railway Co.; St. Louis Southwestern Railway Co.; St. Louis Transit Co.; Savannah River Lumber Co.; Seaboard Air Line Railway; South African & General Investment Trust Co.; South Barracas (Buenos Ayres) Gas & Coke Co.; Southern Pacific Railway Co.; Southern Railway Development & General Mortgage Bonds; Superior Rolling Stock Co.; Tampa & Jacksonville Railway Co.; Tennessee Power Co.; Tennessee Railway, Light & Power Co.; Toledo, St. Louis & Western Railway Co.; Union Pacific Railway Co.; United British Oilfields of Trinidad; United Electric Tramways Co. of Caracas; United Railways Investment Co.; Victor American Fuel Co.; Victoria Falls & Transvaal Power Co.; Virginia Land Co.; Wabash Railway Co.; Western Canada Flour Mills Co.; Western Dry Dock & Shipbuilding Co.; Western Light & Power Co.; Wichita Falls & North-Western Railway Co.

A considerable increase in the number of investment trusts is noticeable after 1870. In 1886 there were only 12 investment trust companies, with a capital of £6,500,000, entered at the London Stock Exchange. But it may be assumed that a far greater number existed, and that not all of them were listed at the exchange. At that time the character of investment trusts was somewhat changed. They acquired more and more a speculative character. The directors could easily find the assent of the stockholders to change the securities and to realize a great profit with a rising market.

The general characteristics of investment trust companies do not essentially differ either in respect to constitution or methods

The scope of business carried on by these companies may best be illustrated by a brief outline of the purposes of a typical company, the British Investment Trust (Ltd.), of Edinburgh. This company was organized in 1889 under the Companies Acts of 1862 and 1886, and has been successful from the start.

I. *Objects.*—In the memorandum of association are set forth the following objects:

(1) To raise money by share capital, on such terms and conditions as may be thought desirable, and to invest the amount thereof in or upon, or otherwise acquire and hold, any of the securities or investments following, videlicit, the shares and stocks, whether preference, ordinary or deferred, and whether fully paid or not, bonds, obligations, debentures, debenture stock, scrip, and securities of any company, corporation, or trust carrying on, or formed to carry on, business in the United Kingdom, or the colonies, or in any foreign country or State, or in the stocks, bonds, debentures, scrip, or securities of any British, colonial, or foreign Government, or authority—supreme, municipal, local, or otherwise: *Provided always,* That no investment imposing unlimited liability on the company shall be made.

(2) To borrow or raise money by the issue or sale of any bonds, mortgages, debentures, or debenture stock of the company, whether perpetual or otherwise, or in any other manner, and to invest any money so raised in any such securities or investments as aforesaid: *Provided,* That the total amount outstanding at any one time on the company's debentures, or debenture stock, shall not in the aggregate exceed a sum equal to the nominal amount of the share capital of the company, for the time being issued and subscribed.

(3) To acquire any such securities or investments by original subscription, tender, participation in syndicates or like negotiations, or otherwise, and to make payments thereon as called up or in advance of calls, or otherwise to acquire such securities or investments in excess of the monies for the time being proposed to be invested, and to sell or otherwise dispose of any excess thereof; and generally to sell, exchange, or otherwise to dispose of, deal with, or turn to account, any of the assets of the company, or any securities or investments of the company, and to invest in or acquire by repurchase or otherwise any securities or investments of the kinds before enumerated, and to vary the securities and investments of the company from time to time.

(4) To make advances upon, hold in trust, buy, sell, and dispose of on commission or otherwise, any such securities or investments as aforesaid, and upon the securities of landed property, buildings, and hereditaments, in any British, colonial, or foreign country or State, and to act as agents or trustees for any of these purposes.

Then follow the ordinary, essential provisions for transacting the business of the company, for increasing its capital from time to time, if desired, etc.

II. *Share capital.*—In the articles of association the nominal capital of the company is £1,000,000 in 100,000 shares of £10 each, and the first issue of the shares was £600,000 in 60,000 shares of £10 each, and the directors were empowered to make, from time to time, any additional issue of share capital beyond the first issue until the whole original share capital of £1,000,000 had been issued. It was provided that the shares of the company when and as fully paid up should be converted into preferred stock and deferred stock, in the proportions of three-fifths preferred stock and two-fifths deferred stock; the preferred stock to be entitled to a preferential charge as to capital, and to receive a cumulative preferential dividend at the minimum rate of 4 per cent per annum, and also to receive one-half of the surplus profits that might be divided after the deferred stock had received a dividend of 8 per cent, the deferred stock receiving the other half; but the preferred stock should in no event receive more than 5 per cent (being 1 per cent, contingent on the profits of each year and noncumulative, in addition to the aforesaid 4 per cent which is cumulative), the deferred stock receiving any further surplus profits that might be divided.

III. *Debenture capital.*—The directors were authorized to raise debenture capital by the issue of debentures or debenture stock, at such price and on such terms and conditions as they might think fit, but no debenture stock could be raised or issued by the directors to bear interest at a rate exceeding 4 per cent per annum. The debenture capital was made a charge upon the whole undertaking and property of the company. All amounts received by the company in respect to such debenture capital were required to be invested in some of the securities or investments authorized by the memorandum of association. It is a fundamental principle of the constitution of the company that the total amount of debenture capital outstanding at any one time shall not exceed the amount of share capital for the time being issued; and this provision is not capable of being altered.

IV. *Powers of directors.*—Far-reaching authority in the management of the company is vested in the directors. There is little qualification or limitation of their general powers. They (*a*) commence, conduct, and manage all or any of the business of the company mentioned in the memorandum of association, as they from time to time think expedient, and in particular carry on and settle, at their discretion, all the details of the business of the several concerns for the time being carried on by the company, and obtain all powers, and make all agreements and arrangements incidental or conducive thereto; (*b*) allot and issue the shares of the company, and exercise their discretion as to the registration of or refusal to register, transfers of shares, and all other discretions having reference to the shares of the company; (*c*) make calls on shares not fully paid, accept payment in advance of calls, determine the terms of such acceptance, issue shares as fully or partially paid up, credit shares with moneys as if paid up, and make and issue share warrants; (*d*) settle and determine upon the investment of the company's capital, whether share or debenture, in the securities or investments authorized by the memorandum of association, and purchase and pay for the same; (*e*) appoint and remove, and determine the duties, and fix the salaries and other remuneration of the secretary, clerks, agents, and other officers and servants of the company; (*f*) institute, conduct, defend, take part in, compromise, refer, or abandon legal proceedings by or against the company; (*g*) do and carry on all such acts and things as the company is by the memorandum of association authorized to do and carry on, except any requiring, under the statutes, the sanction of a special resolution; (*h*) acquire, upon any terms the directors think fit, any rights, privileges, or property which the company can under the memorandum of association acquire or become possessed of, and use the same for the purposes of the company, and, in particular, have transferred into or registered in the names of the company or of the directors, or of any two or more of them, any shares or stock in any company purchased, acquired on behalf of, or for the purposes of, the company; (*i*) enter into, rescind, vary, and carry into execution any agreements, arrangements, or compromises for the purposes of the company, and enforce the performance of the same; (*j*) make and give receipts, releases, and other discharges for moneys and debts payable to the company, and for the claims and demands of the company, and compound for the same; (*k*) form a reserve fund out of the moneys of the company, and manage, appropriate, and dispose of such reserve, and declare the amount of the profit of the company; (*l*) refer any claims and demands of and against the company to arbitration, and perform and observe the awards thereon; (*m*) from time to time provide for the management of the affairs of the company abroad in such manner as they think fit, and in particular appoint any persons to be attorneys or agents of the company, with such powers and upon such terms as may be thought fit; (*n*) do all things requisite for compliance with the requirements of the statutes; (*o*) execute in the name of the company, in favor of any director or other person who may incur, or be about to incur, any personal liability, whether as principal or surety, for the benefit of the company, when required by such director, sufficient bonds of indemnity, mortgages of or charges on the company's property; (*p*) negotiate and make arrangements for and carry into effect any lawful amalgamation or combination of the interest of the company with any other company, corporation, or persons, but not so as to amount to a complete amalgamation of the company, except with the sanction of a special resolution.

V. *The placing of money.*—The directors are required to invest or otherwise deal with the moneys of the company in accordance with the memorandum of association: *Provided*, That no purchase or acquisition of any particular security, other than Government stocks, public funds, or securities of the United Kingdom, shall be made, by which, at the current market value at the time of such purchase or acquisition, the holding of the company in such security would exceed in value one-twentieth of the issued share and debenture capital of the company for the time being. No investment shall be made in shares of companies upon which there is unlimited liability and not more than one-twentieth of the capital in all shall at any time be invested in shares of companies with limited and uncalled liability, and then only with the unanimous consent of the directors.

The directors must, on making any change of investment or other financial transaction of the company, maintain as strictly as possible the relative rights of separation between capital moneys and income and deal with the same accordingly and have power to make all apportionments necessary in that behalf.

VI. *Dividends.*—The profits made during the financial year are applicable to payment of dividends: *Provided*, That if any new shares or capital are issued with any preference, priority, or guaranty, regard must be had thereto in the distribution of the net income. Before recommending any dividend, the directors shall set apart such sums or sum as in their judgment may be necessary to meet any claims or contingent liabilities against the company or which they may think it expedient to set apart for any purpose of the reserve fund, or other purpose, or they may retain any part of the profits of the company as an undivided balance of revenue account without specially setting the same apart. The company in general meeting may declare a dividend to be paid to the members or any class thereof, according to their respective rights and interests; but no larger dividend shall be declared than is recommended by the directors. The declaration of the directors as to the amount of the profit shall be conclusive. When in the opinion of the directors the income of the company, as shown by a balance sheet made out to the end of the half year, permits half-yearly payments on account of dividend, such interim dividends may be declared and paid by the directors for such half year, and may be so paid on both the preferred and deferred stock of the company; and if the net income for the whole year shall in such case prove insufficient to pay the full minimum dividend of 4 per cent for such year on the preferred stock, the holders of such preferred stock shall be entitled to have such deficiency made up out of subsequent profits up to the rate of 4 per cent for such year.

VII. *Expenses of management.*—A sum equal to one-half per cent upon the first £500,000 of the share capital and debenture capital of the company subscribed, and one-quarter per cent upon all such capital subscribed beyond £500,000 during any financial year shall be set aside and received by the directors out of the revenue of the company for ordinary expenses of management. This sum includes the remuneration of the directors. This remuneration is divided among the directors as they may think fit. The ordinary expenses of management shall not be deemed to include law costs, nor expenses of the issue of the share and debenture capital, nor the expenses and charges connected with the purchase or sale of securities.

VIII. *Growth of the company and character of holdings.*—In February, 1890, there was a new issue of 30,000 shares of £10 each. In March, 1900, the then capital of the company was increased to £1,500,000 by the creation of 50,000 shares of £10 each. In December, 1907, the share capital was increased to £2,000,000 by the creation of 50,000 new shares of £10 each. The report of the directors for the year ended December 31, 1918, showed that the number of the company's investments was 274, and they were distributed as follows:

	£	s.	d.	£	s.	d.
Bonds of United States railways				1,093,447	0	5
Guaranteed and preference shares of United States railways				293,179	1	1
Common shares of United States railways				161,098	5	5
Bonds, debenture stocks, and guaranteed and preference shares of railways other than in United States				889,351	15	3
Ordinary shares of railways other than in the United States				57,359	0	0
Total in railways, including street railways				2,494,435	2	2
Bonds and debentures of other companies	919,928	15	4			
Stocks and shares of other companies	812,234	7	11			
Foreign, State, and city loans	83,776	18	8			
British Government securities	1,100,080	13	6			
				2,916,020	15	5
Investments as per balance sheet				5,410,455	17	7

The company paid dividends in that year of 5 per cent on £1,200,000 preferred stock and 14 per cent on £800,000 deferred stock. Since 1898, when the dividend on deferred stock was 5 per cent, till 1912, when the present rate of 14 per cent was reached, there were only two years when the dividend was not increased. In 1919 the valuation of the capital showed a rise of about 4 per cent. There was a market depreciation of £473,250 against which the company has the reserve and carry forward, amounting in all to £1,206,369. The revenue for the year, after providing for interest on temporary loans, income tax, expenses of management, etc., was £187,752 3s. 3d. Deducting therefrom interest on debenture stock and debentures for the year (£55,425 8s. 10d.) there remained a balance of £132,326 14s. 5d., which, added to the balance brought forward from the preceding year (£66,593 4s. 4d.) makes the amount carried forward to next year £76,369 18s. 9d.

The powers granted to the trust just reviewed are apparently as broad as could be desired for such an organization. There are, however, additional powers exercised by other companies, e. g., to establish and carry on the business of a bank, to negotiate loans for Governments, to promote companies, etc. In the case of one organization the articles of association provide for an advisory board in North America, and the powers of that board shall be cited in full in order to indicate the exact relation of its members to the home organization:

ART. 119. A body called in these presents the advisory board is constituted in the manner and for the purposes herein mentioned.

ART. 120. The advisory board shall consist of not more than seven members or less than three. The qualification of any member of the advisory board shall be the same as that of a director. Any member of the advisory board shall be entitled to be present and speak, but not to vote at all meetings of the board held whilst such member shall be in England, and also, upon giving to the secretary an address for service in the United Kingdom, to have sent by post to him at such address notice of all board meetings in the same manner as if he were a director. A director may be a member of the advisory board.

ART. 121. The advisory board shall superintend and assist in the conduct of the company's business by any managing director or manager or agent or agents in North America, and no investment shall be made by such managing director or manager, or agent or agents unless the same shall have been previously approved by resolution of the advisory board, evidenced in writing under the hand of the secretary and of the chairman of the meeting at which such resolution was passed.

ART. 122. The advisory board shall in all respects observe and conform to such directors as may from time to time be given to it by the board, who may from time to time and at any time intrust to and confer upon the advisory board such of the powers exercisable under these presents by the board as it may think fit, and may confer such powers for such time and upon such terms and conditions and with such restrictions as it thinks expedient, and it may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the board in that behalf, and may from time to time revoke, withdraw, alter, or vary all or any such powers.

ART. 123. The advisory board at any time may act, notwithstanding any vacancy in its body.

ART. 124. Except where otherwise expressly provided all the provisions of these presents, with reference to the rotation of directors and proceedings of the board, shall mutatis mutandis apply to the rotation and proceedings of the members of the advisory board, except that the members of the advisory board shall in no case be elected by the company, but every vacancy on such board shall be filled by the appointment thereto of such person as the continuing members for the time being of the advisory board may nominate with the previous approval of the board.

Two members of the advisory board, other than the managing director or manager, present in person, shall form a quorum.

ART. 126. The advisory board may from time to time appoint any person to be its secretary, and subject to the terms of such appointment may from time to time remove such secretary and appoint another in his place, or otherwise act in relation to such secretary, as the advisory board in its discretion may think fit. The remuneration of such secretary shall be from time to time fixed by the board.

A variation in the organization of investment trusts is to be found in another company. Its revenue is derived from three sources: First, interest and dividends from investments. These, after deducting interest on money borrowed and loaned during the year, aggregated £47,061. Secondly, trusteeships, registrarships, and secretaryships. The company is now acting as trustee for sums involving £64,292,107, as well as registrar for securities and shares having a total nominal value of £10,880,380. The revenue during the year derived from these sources amounted to £10,383. Thirdly, carrying on the business of an industrial branch, arranging and financing industrial undertakings, underwriting, issuing new capital.

This company says that of its investments at the end of a recent financial year over 61 per cent were in railways, electric railways, electric light, and gas or water power companies, and over 60 per cent were quoted on the London Stock Exchange. The scope of this company is restricted to that of an investment trust company, but in normal times a large and profitable general financial business in which privacy is an essential element is carried on.

In their annual reports some of the trusts give full lists of their holdings of securities, which show widespread and varied dealings. As a rule, however, the companies do not publish this detailed information, which, of course, is useful only to holders of shares or debenture stock or to intending investors. The directors of these corporations are somewhat proud, and rightly so, of their success in the past, in a department of finance requiring accurate knowledge of conditions abroad, a nicely balanced scheme not only attractive to investors but also affording ample security to share and debenture holders, and a certain subtlety in working out the averaging process and in providing and utilizing to the best advantage the reserve fund.

* * * * *

It must not be understood from the foregoing survey that all investment trusts had uniformly good results from their investments. During the years of the war, particularly, investment trust companies in Great Britain have passed through critical times, owing to the serious fall in values. The degree of seriousness depended, of course, upon the kind of securities and the particular country in which a company was interested. An organization dealing mostly in Russian securities, for example, has had a very interesting and sad history to relate in progressive degree during the war. The company was organized November 1, 1909, and devoted most of its attention to investments in Russia. In 1912 the investments at middle market prices had an aggregate value, as stated in the assets, of £1,482,000. In the year 1913 the assets had increased to some £2,000,000. In May of 1913, in conjunction with a powerful syndicate, this trust issued Russian-South Eastern Railway Co.'s government guaranteed bonds to the amount of £3,096,300. For the period January to June, 1914, the trust had earned substantial profits, a large part of which was absorbed in the second half of the year by losses caused by the war. The directors recognized that the war would lead to reduced revenues, necessitating drastic reduction in the trust's expenditures, but such reduction could only be made gradually. The assets in the balance sheet of 1915 were carried at middle market prices of December 31, 1913, and those subsequently acquired were carried at cost, making a total amount of investment of over £2,000,000. The directors were able to report an increase in the trust investments in 1916, owing to the liquidation of syndicates which had in the previous year been included in the list of debtors, but the gradual falling off in revenue and the non-interest paying investments of the trust were affected generally by the war conditions. The latter reports of the trust do not enter into any of the peculiar conditions of the turmoil in Russia, but continue the statement of investment in the trust owned debenture stock at costs, while the other investments are taken at middle market prices at the 31st of December, 1913.

The prewar position enjoyed by investment trust companies in Great Britain was to a large extent retrieved during 1919 by the substantial rise which took place in prices. One effect of the war on the business of these companies is, however, noticeable. Prior to the war there was available in Great Britain every year a large surplus of funds for foreign investment. Owing to the tremendous expense to which the country has been put in connection with the prosecution of the war, which has brought the national debt up to $40,000,000,000 and has obliged the British Government to avail itself of every possible expedient not only to keep money in the country and to attract it into Government coffers, but to obtain money and credit from abroad as well, the surplus funds available for foreign investment have dwindled, and the directors of these investment trusts have been forced to reverse their former methods of business and to endeavor to push the sale of British securities abroad. In this endeavor, however, they have met with considerable difficulty on account of the present British income taxes.

State Banks and Trust Companies Admitted.

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 October, 1920.

One thousand four hundred and forty-six State institutions are now members of the system, having a total capital of $506,068,000, total surplus of $499,149,680, and total resources of $10,129,881,264.

	Capital.	Surplus.	Total resources.
District No. 2.			
Lewis County Trust Co., Lowville, N. Y.	$100,000	$50,000	$950,400
District No. 3.			
Dime Trust & Safe Deposit Co., Shamokin, Pa.	125,000	125,000	1,461,025
The Mill Hall State Bank, Mill Hall, Pa.	35,000	15,000	323,698
District No. 6.			
Bank of Commerce, Clayton, Ala.	50,000	4,000	213,109
Exchange Bank of Valdosta, Ga.	100,000	14,800	368,845
District No. 7.			
Madison County State Bank, Winterset, Iowa	125,000	125,000	1,348,455
District No. 9.			
Citizens State Bank of St. Peter, St. Peter, Minn.	50,000	20,000	770,763
First State Bank, Walnut Grove, Minn.	50,000	2,500	400,627
Clarks Fork Valley Bank, Fromberg, Mont.	25,000	1,000	210,756
Farmers & Merchants State Bank of Saco, Saco, Mont.	25,000	1,000	223,469
First State Bank, Golden Valley, N. Dak.	25,000	2,500	220,789
Citizens Bank & Trust Co., Rapid City, S. Dak.	50,000	10,000	636,930
District No. 10.			
Midwest Reserve Trust Co., Kansas City, Mo.	2,000,000	200,000	23,886,704
District No. 11.			
Kilgore State Bank, Kilgore, Tex.	25,000	12,500	198,551
District No. 12.			
Aurora State Bank, Aurora, Oreg.	25,000	13,000	369,217
Central Point State Bank, Central Point, Oreg.	25,000	5,000	328,866
Bank of Iron County, Parowan, Utah	35,000	21,000	324,656
State Bank of Payson, Payson, Utah	50,000	10,000	425,253

WITHDRAWALS.

Elizabeth State Bank, Elizabeth, Ill.
Oyster Bay Bank, Oyster Bay, N. Y.

CHANGE OF NAME.

Farmers Savings Bank, Walla Walla, Wash., to The Farmers and Merchants Bank of Walla Walla.

CONVERSION.

The Marine Bank of Seattle, Seattle, Wash., to The Marine National Bank of Seattle.

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 Board during the month of October, 1920:

DISTRICT NO. 1.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics:
The Third National Bank of Springfield, Springfield, Mass.
The New Haven Bank, N. B. A., New Haven, Conn.

DISTRICT NO. 2.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics:
The Peoples National Bank of Hudson Falls, Hudson Falls, N. Y.
The Wyoming County National Bank of Warsaw, Warsaw, N. Y.
The First National Bank of Garfield, Garfield, N. J.

DISTRICT NO. 3.

Guardian of estates, assignee, receiver, committee of estates of lunatics:
The First National Bank of Lansdale, Lansdale, Pa.
The Southwark National Bank, Philadelphia, Pa.
Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics:
The First National Bank of Port Allegany, Port Allegany, Pa.
The Chelsea National Bank of Atlantic City, Atlantic City, N. J.
The First National Bank of Camden, Camden, N. J.
The Ephrata National Bank, Ephrata, Pa.

DISTRICT NO. 4.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics:
Brotherhood of Locomotive Engineers Cooperative National Bank of Cleveland, Ohio.

DISTRICT NO. 5.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics:
The Huntington National Bank, Huntington, W. Va.

DISTRICT NO. 6.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics:
The Whitney-Central National Bank of New Orleans, New Orleans, La.

DISTRICT NO. 7.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics:
The Manufacturers National Bank of Racine, Racine, Wis.
The First National Bank of Ripon, Ripon, Wis.
Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver:
The First National Bank of Paulina, Paulina, Iowa.

DISTRICT NO. 9.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics:
The First National Bank of Windom, Windom, Minn.

DISTRICT NO. 10.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics:
The Southwest National Bank of Oklahoma City, Oklahoma City, Okla.

DISTRICT NO. 11.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics:
Dallas National Bank, Dallas, Tex.
The Citizens National Bank of Waxahachie, Waxahachie, Tex.
The State National Bank of El Paso, El Paso, Tex.
Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver:
The First National Bank of Brenham, Brenham, Tex.

Foreign Branches.

A branch of the National City Bank, New York City, was opened at London, England, on October 1, 1920.

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 September 25 to October 29, 1920, inclusive:

	Banks.	
New charters issued to	21	
With capital of		$2,660,000
Increase of capital approved for	26	
With new capital of [1]		2,975,000
Aggregate number of new charters and banks increasing capital	47	
With aggregate of new capital authorized		5,635,000
Number of banks liquidating (other than those consolidating with other national banks under the act of June 3, 1864)	4	
Capital of same banks		775,000
Number of banks reducing capital	1	
Reduction of capital		75,000
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)	5	
Aggregate capital reduction		850,000
Consolidation of national banks under the act of Nov. 7, 1918	1	
Capital		1,000,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was		5,635,000
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		850,000
Net increasse		4,785,000

[1] Includes an increase in capital of $100,000 incident to a consolidation under act of Nov. 7, 1918.

Dollar Exchange.

Under the provisions of section 13 of the Federal Reserve Act, which provides that member banks, with the approval of the Federal Reserve Board, may accept drafts for the purpose of furnishing dollar exchange, drawn upon them by banks or bankers located in foreign countries or dependencies or insular possessions of the United States in which it is determined that the usages of trade require such acceptance facilities, the Board has designated as such the following countries and insular possessions: Argentina, Bolivia, Brazil, British Guiana, British Honduras, Chile, Colombia, Costa Rica, Cuba, Dutch Guiana, Ecuador, French Guiana, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Porto Rico, San Salvador, Santo Domingo, Trinidad, Uruguay, and Venezuela.

Commercial Failures Reported.

Continuance of the increase in the country's business mortality is reflected in the 576 commercial failures reported to R. G. Dun & Co. during three weeks of October, as against only 297 in the corresponding period of 1919. The returns for September, the latest month for which complete statistics are available, disclose 677 defaults for $29,554,288 of liabilities, whereas in September of last year there were but 473 insolvencies, involving $8,791,319 of indebtedness. Excepting the 681 reverses of July of the present year, the September failures exceed in number those of any month since December, 1918, and the liabilities, owing to an unusual number of large defaults, are the heaviest of any month, excepting June of this year, back to April of 1915. When separated according to Federal Reserve districts, the September statement reveals more failures than in that month of 1919 in each of the 12 districts, aside from the third district, and only in the fourth and sixth districts is there any reduction in the indebtedness. In several instances, notably in the second and seventh districts, the September liabilities are very much above those of that month of last year.

Failures during September.

District.	Number.		Liabilities.	
	1920	1919	1920	1919
First	73	52	$1,360,762	$1,037,546
Second	145	92	14,551,283	2,335,120
Third	25	29	1,417,524	816,230
Fourth	65	48	1,348,681	1,559,307
Fifth	54	42	1,646,417	704,352
Sixth	44	40	500,371	771,880
Seventh	67	48	5,679,728	661,371
Eighth	35	18	352,873	210,616
Ninth	16	9	99,730	90,282
Tenth	26	20	466,451	152,458
Eleventh	36	7	864,924	48,883
Twelfth	91	68	1,265,544	403,274
Total	677	473	29,554,288	8,791,319

Acceptances to 100 Per Cent.

Since the issuance of the October BULLETIN the following banks have been authorized by the Federal Reserve Board to accept drafts and bills of exchange up to 100 per cent of their capital and surplus:

National Bank of Commerce, Detroit, Mich.
Manufacturers & Traders National Bank, Buffalo, N. Y.
Citizens Commercial Trust Co., Buffalo, N. Y.
First National Bank, Greensburg, Pa.

November Forecast of Corn Production.

November crop reports do not differ from October forecasts for any of the principal crops, with the exception of corn. Figures of corn production issued by the Bureau of Crop Estimates as of November 1 are shown by Federal Reserve districts in the table below. Although the corn crop is expected to be about 17,000,000 bushels below the October forecast, yet it is the largest crop ever produced. November forecasts are lower than those of the previous month for all the important corn-producing districts, except the Chicago district, where an expected increase of 25,000,000 bushels is shown. The corn crop of the Chicago district in the statement reaches 965,000,000 bushels, a larger total than the crop raised in the entire United States in any year prior to 1870.

Production of corn by Federal Reserve districts.

[Forecasts of the Bureau of Crop Estimates.]

[In thousands of bushels.]

Federal Reserve district.	Nov. 1 forecast for 1920.	Oct. 1 forecast for 1920.	Sept. 1 forecast for 1920.	Estimate for 1919.
Boston	8,101	8,166	7,692	10,276
New York	38,533	39,171	37,866	41,089
Philadelphia	63,423	62,563	61,769	66,444
Cleveland	206,932	211,282	212,077	212,297
Richmond	199,037	199,349	202,334	188,994
Atlanta	251,145	259,043	259,295	240,315
Chicago	964,830	939,972	896,181	927,852
St. Louis	456,070	468,004	464,938	380,722
Minneapolis	250,088	260,030	234,226	242,363
Kansas City	554,258	561,543	548,679	372,870
Dallas	197,541	197,680	196,997	225,743
San Francisco	9,168	9,389	9,295	8,485
Total	3,199,126	3,216,192	3,131,349	2,917,450

RULINGS OF THE FEDERAL RESERVE BOARD.

Eligibility of paper incident to cotton factorage business.

On page 1054 of the FEDERAL RESERVE BULLETIN for November, 1919, the Federal Reserve Board published a ruling to the effect that the note of a cotton factor, the proceeds of which are used by the cotton factor, to lend to a third party, is finance paper rather than commercial or agricultural paper and is, therefore, ineligible for rediscount, even though the third party to whom such loan is made may use the proceeds for a commercial or agricultural purpose. The Federal Reserve Board has recently been requested to reconsider this ruling.

This ruling has, in effect, been incorporated in the regulations of the Board, Series of 1920, which have just been issued. Section A, Paragraph II of Regulation A provides in part as follows:

> The Federal Reserve Board, exercising its statutory right to define the character of a note, draft, or bill of exchange eligible for rediscount at a Federal Reserve Bank, has determined that—
>
> (a) It must be a note, draft, or bill of exchange which has been issued or drawn, or the proceeds of which have been used or are to be used *in the first instance*, in producing, purchasing, carrying, or marketing goods in one or more of the steps of the process of production, manufacture, or distribution, or for the purpose of carrying or trading in bonds or notes of the United States.

The words "in the first instance" did not appear in the Board's previous regulations and were inserted in Regulation A of the series of 1920 for the express purpose of making it clear that the making of loans to third parties is a finance rather than a commercial or agricultural purpose, even though it appears that the third parties are to use the funds for commercial or agricultural purposes.

After a very full and careful review of the facts which have been presented to the Board, and of the questions of law involved, the Federal Reserve Board is of the opinion that the ruling as published and as in effect incorporated in the Board's regulations is correct in principle, and that under the terms of the Federal Reserve Act as it now stands a contrary ruling is not possible. It is urged that since the loans made by a cotton factor to his customers are merely incidental to the main business of the factor which is the marketing of cotton, and since the marketing of cotton is a commercial business, a cotton factor's note should be considered eligible commercial paper even though the proceeds are loaned to the factor's customers. Under the terms of section 13 of the Federal Reserve Act, however, the test of eligibility is not the character of the business of the borrower, but is the use of the proceeds of the particular instrument. Inasmuch as the loaning of money is in itself a finance rather than a commercial operation, a note, the proceeds of which are loaned by the borrower to a third party, is ineligible for rediscount, irrespective of the general character of the borrower's business.

The Board desires to call attention to the fact that the ruling does not preclude cotton factors' notes from being eligible under some circumstances. In the first paragraph of the ruling it was said:

> * * * In view of the fact that it is apparent from all the evidence on hand that the circumstances and conditions under which so-called cotton factors' paper is issued vary so much in different cases, it is impossible to give any categorical answer to the question presented, or to make any general ruling that cotton factors' paper, as such, is eligible or ineligible for rediscount.

In reiteration of this statement the Board points out again that the fact that a cotton factor is the maker of a note does not of itself determine the eligibility or ineligibility of the note for rediscount. The test of the eligibility of paper is whether it complies with the terms of the Federal Reserve Act and the Board's regulations, and this in turn involves the question of the use of the proceeds. In last analysis this is a question of fact, and it is the function of the Federal Reserve Banks, rather than of the Federal Reserve Board, to determine questions of fact in the light of the circumstances of particular cases. As was said in the last paragraph of the ruling in question:

> In order to ascertain the necessary facts it may be proper for a Federal Reserve Bank to require statements or affidavits from the maker of the note as to the exact nature of the transaction out of which it arises. With these principles as a guide, the Federal Reserve Bank must determine the eligibility of any particular paper in the light of the circumstances in which it was issued, and its proceeds disposed of.

In connection with the request made to the Federal Reserve Board that it reconsider its previous ruling, the argument was made that section 13 of the Federal Reserve Act makes notes of cotton factors eligible for rediscount when secured by cotton, irrespective of whether or not the proceeds have been, or are to be, used for commercial or agricultural purposes. It was urged that this is the effect of that part of section 13 which immediately follows the definition of eligible commercial and agricultural paper and which provides that—

Nothing in this act contained shall be construed to prohibit *such* notes, drafts, and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for *such* discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States.

The Board is of the opinion that the word "such," qualifying notes, drafts, and bills of exchange, in the sentence quoted must necessarily be construed as referring to notes, drafts, and bills of exchange defined above—that is, notes, drafts, and bills of exchange which are eligible by reason of the fact that the proceeds have been or are to be used for agricultural, industrial, or commercial purposes. The Board is of the opinion, therefore, that the provision quoted is merely a declaration that paper which is eligible for rediscount by reason of the use of the proceeds is not made ineligible by reason of being secured, and that the provision can not be construed, as the Board was urged to construe it, to make eligible for rediscount paper which is secured in the manner specified but which is not eligible commercial or agricultural paper as defined in the preceding part of the section.

This being so, the precise meaning of the phrase "covering merely investments" is of no importance in the case under consideration. The clause in which this phrase appears provides in effect that "notes, drafts, and bills covering merely investments" shall under no circumstances be eligible. This can not, of course, be construed as an affirmative enactment making eligible all paper other than that "covering merely investments." The clause merely adds another condition with which paper must comply in order to be eligible for rediscount. Since the Board has determined that paper the proceeds of which have been used to lend to a third party does not meet the requirement as to the use of the proceeds for a commercial or agricultural purpose, such paper is ineligible irrespective of whether or not it is paper "covering merely investments."

The Federal Reserve Board has frequently suggested that if the cotton factor's loans to customers were evidenced by the customers' notes, these notes could be indorsed and discounted by the factor and might then be eligible for rediscount by Federal Reserve Banks upon satisfactory evidence that the proceeds of the loans represented by the notes have been, or are to be, used for agricultural or commercial purposes. The Board has also had occasion to rule recently that drafts drawn by cotton growers, accepted by a cooperative marketing association organized for the purpose of marketing the cotton delivered by the growers, and discounted by the growers at their banks, may be eligible for rediscount by Federal Reserve Banks when it is shown that the proceeds of the accepted drafts have been, or are to be, used by the growers for agricultural purposes. The principle of this ruling is, of course, applicable to cotton factors as well as to cooperative marketing associations, so that under it drafts of cotton producers or owners drawn upon and accepted by the cotton factors may be eligible for rediscount by Federal Reserve Banks when discounted by the drawers. This would not be true, however, if the factor should retain the drafts after acceptance and should discount them at his bank. In that case the factor and not the producer would be the borrower in the first instance and the use of the proceeds by the factor would determine the eligibility of the drafts.

The Board understands that it has always been the practice in the cotton factorage business for the factor's loans to his customers to be evidenced merely by open accounts, and it has been said that it is not possible to change that practice, established by long custom, so as to require customers to give their notes to evidence these loans. The Federal Reserve Board can not help but feel that this difficulty will not prove as great as is feared. This is not the first time that the plea has been made that business usage does not permit of compliance with requirements which those administering the Federal Reserve System consider mandatory as a matter of law or essential as a matter of banking prudence, and in many instances, notably with respect to the requirement of borrowers' statements, what has at first seemed impossible has proved by experience to be both practicable and beneficial.

Another suggestion has been made by one of the Federal Reserve Banks which may be of assistance to the cotton factors. When the factor sells cotton on credit terms which are customary and which are not unnecessarily or unreasonably long, if the purchaser gives a note, or accepts a draft drawn on him by the factor, for the amount of the purchaser's obligation, that note or accepted draft will have been "issued or drawn" for a commercial purpose within the meaning of section 13 of the Federal Reserve Act and will be eligible for rediscount by Federal Reserve Banks if it complies in other respects with the law and the Board's regulations.

Member banks required to vote for Federal Reserve Bank directors.

The Federal Reserve Board has designated Tuesday, November 16, 1920, as the date for the opening of the polls for the coming election of Class A and Class B directors to succeed the directors whose terms will expire on December 31, 1920. Heretofore comparatively few ballots have been cast in such elections, and in order that each member bank belonging to a group which is to elect a Class A or Class B director will participate in the coming election of such directors the Federal Reserve Board desires to point out that the terms of the Federal Reserve Act are mandatory with respect to the authorization by member banks of officers to cast the votes of member banks and with respect to the casting of proper ballots by the officers so authorized.

Under the terms of section 4 of the Federal Reserve Act as amended September 26, 1918, each member bank is permitted to nominate to the chairman of the board of directors of the Federal Reserve Bank of the district one candidate for director of Class A and one candidate for director of Class B, and the candidate so nominated shall be listed by the chairman indicating by whom nominated, and a copy of said list shall, within 15 days after its completion, be furnished by the chairman to each member bank. Section 4 then provides that—

Each member bank by a resolution of the board or by an amendment to its by-laws shall authorize its president, cashier, or some other officer to cast the vote of the member bank in the elections of Class A and Class B directors.

Within 15 days after the receipt of the list of candidates the duly authorized officer of a member bank shall certify to the chairman his first, second, and other choices for director of Class A and Class B, respectively, upon a preferential ballot upon a form furnished by the chairman of the board of directors of the Federal Reserve Bank of the district. Each such officer shall make a cross opposite the name of the first, second, and other choices for a director of Class A and for a director of Class B, but shall not vote more than one choice for any one candidate. * * *

Any candidate having a majority of all votes cast in the column of first choice shall be declared elected. If no candidate have a majority of all the votes in the first column, then there shall be added together the votes cast by the electors for such candidates in the second column and the votes cast for the several candidates in the first column. If any candidate then have a majority of the electors voting, by adding together the first and second choices, he shall be declared elected. If no candidate have a majority of electors voting when the first and second choices shall have been added, then the votes cast in the third column for other choices shall be added together in like manner, and the candidate then having the highest number of votes shall be declared elected.

While it is optional with member banks whether or not they shall nominate candidates for Class A or Class B directors, under the terms of the provisions just quoted it is mandatory upon each member bank to authorize, by a resolution of the board of directors or by an amendment to its by-laws, some officer to cast a vote in behalf of the bank, in the election of such directors, and upon the officer so authorized to certify to the chairman of the Federal Reserve Bank his first, second, and third choices for such directors. Inasmuch as each Class A or Class B director is elected by one group of member banks, nominations may be made and ballots shall be cast only by those member banks which belong to the group which is to participate in the particular election.

The law also makes it mandatory upon the officer casting the ballot to designate his first, second, and other choices, and provides that under some circumstances votes for second and third choices may determine the election. The Federal Reserve Board has heretofore ruled that when there are three or more nominees no ballot is valid unless the first, second, and third choices are designated thereon.

REGULATIONS OF THE FEDERAL RESERVE BOARD.

WASHINGTON, *October 6, 1920.*

The Federal Reserve Board transmits herewith a new issue of all of its regulations of 1917 applicable to member banks. Regulation L, relating to "Interlocking bank directorates under the Clayton Act," is entirely new. Regulation F of the new series supersedes Regulation F, Series of 1919, and Regulation K of the new series supersedes Regulation K, Series of 1920, issued in March of the present year. The other regulations of the new series supersede the corresponding regulations of the 1917 series.

Regulations A, B, and I have been materially amended. Regulation C has been amended only by the insertion of two sentences in the first paragraph with reference to the question of when trust receipts and bills of lading drafts may be considered "actual security" within the meaning of section 13 of the Federal Reserve Act. There have been no amendments to Regulation D with the exception of two changes intended to make clear that in the case of "time deposits, open accounts," the 30 days' written notice of withdrawal must be actually required by the bank, whereas in the case of "savings accounts" and "time certificates of deposit" the requirement of notice will be complied with if the bank reserves the right to demand 30 days' written notice of withdrawals. The only substantial change in Regulation K is an amendment to the paragraph entitled "Acceptances," which permits corporations organized under the provisions of section 25a of the Federal Reserve Act to accept, subject to substantially the same conditions as are imposed by law upon member banks, drafts drawn by banks or bankers located in foreign countries, or dependencies or insular possessions of the United States, for the purpose of furnishing dollar exchange as required by the usages of trade in those countries, dependencies, or possessions. There have been no substantial changes in Regulations F and H, and Regulations E and G are identically the same as in the 1917 series.

Regulation J, relating to "Check clearing and collection," has not been changed in substance except that certain provisions have been struck out which are no longer applicable. Nothing has been added to this regulation and it contains only very general provisions. At the present time conditions vary so much in the different districts that it is impracticable to formulate detailed regulations on this subject to be applied in all districts. The Federal Reserve Board will consider a revision of this regulation if and when future developments make it seem practicable and advisable to issue a more comprehensive regulation.

Instructions which concern only Federal Reserve Agents or Federal Reserve Banks will be covered in separate letters or regulations, as in the past.

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

W. T. CHAPMAN, *Secretary.*

REGULATION A, SERIES OF 1920.

(Superseding Regulation A of 1917.)

REDISCOUNTS UNDER SECTION 13.

A. NOTES, DRAFTS, AND BILLS OF EXCHANGE.

I. *General statutory provisions.*

Any Federal Reserve Bank may discount for any of its member banks any note, draft, or bill of exchange, provided—

(*a*) It has a maturity at the time of discount of not more than 90 days, exclusive of days of grace; but if drawn or issued for agricultural purposes or based on live stock, it may have a maturity at the time of discount of not more than six months, exclusive of days of grace.

(*b*) It arose out of actual commercial trasactions; that is, it must be a note, draft, or bill of exchange which has been issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used or are to be used for such purposes.

(*c*) It was not issued for carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States.

(*d*) The aggregate of notes, drafts, and bills bearing the signature or indorsement of any one borrower, whether a person, company, firm, or corporation, rediscounted for any one member bank, whether State or National, shall at no time exceed 10 per cent [1] of the unimpaired capital and surplus of such bank; but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actually existing values.

(*e*) It is indorsed by a member bank.

(*f*) It conforms to all applicable provisions of this regulation.

No Federal Reserve Bank may discount for any member State bank or trust company any of the notes, drafts, or bills of any one borrower who is liable for borrowed money to such State bank or trust company in an amount greater than 10 per cent [2] of the capital and surplus of that State bank or trust company, but in determining the amount of money borrowed from such State bank or trust company the discount of bills of exchange drawn in good faith against actually existing value and the discount of commercial or business paper actually owned by the person negotiating the same shall not be included.

Any Federal Reserve Bank may make advances to its member banks on their promissory notes for a period not exceeding 15 days, provided that they are secured by notes, drafts, bills of exchange, or bankers' acceptances which are eligible for rediscount or for purchase by Federal Reserve Banks, or by the deposit or pledge of bonds or notes of the United States, or bonds of the War Finance Corporation.

II. *General character of notes, drafts, and bills of exchange eligible.*

The Federal Reserve Board, exercising its statutory right to define the character of a note, draft, or bill of exchange eligible for rediscount at a Federal Reserve Bank, has determined that—

(*a*) It must be a note, draft, or bill of exchange which has been issued or drawn, or the proceeds of which have been used or are to be used, in the first instance, in producing, purchasing, carrying, or marketing goods [3] in one or

[1] Under the terms of section 11 (*m*) as amended by the act of Mar. 3, 1919, a Federal Reserve Bank may, until Dec. 31, 1920, rediscount for any member bank, whether State or National, notes, drafts, and bills bearing the signature or indorsement of any one borrower in an amount not to exceed 20 per cent of the member bank's capital and surplus, provided that the excess over and above 10 per cent be secured by not less than a like face amount of bonds or notes of the United States issued since Apr. 24, 1917, or certificates of indebtedness of the United States.

[2] Under the terms of section 11 (*m*) as amended by the act of Mar. 3, 1919, a Federal Reserve Bank may, until Dec. 31, 1920, rediscount for a member State bank or trust company paper of any one borrower secured by not less than a like face amount of bonds or notes of the United States issued since Apr. 24, 1917, or certificates of indebtedness of the United States, even though such State bank or trust company may already have loaned to the borrower under his regular line of credit in excess of the 10 per cent limit defined above. If, however, the member State bank or trust company has loaned to one borrower in excess of that 10 per cent limit under his regular line of credit the Federal Reserve Bank can not rediscount for that State bank or trust company any of the paper of that borrower taken under that regular line of credit, but may rediscount any paper so secured by Government obligations of the kinds specified up to an amount not in access of 20 per cent of the capital and surplus of such State bank or trust company.

[3] When used in this regulation, the word "goods" shall be construed to include goods, wares, merchandise, or agricultural products, including live stock.

more of the steps of the process of production, manufacture, or distribution, or for the purpose of carrying or trading in bonds or notes of the United States.

(*b*) It must not be a note, draft, or bill of exchange the proceeds of which have been used or are to be used for permanent or fixed investments of any kind, such as land, buildings, or machinery, or for any other capital purpose.

(*c*) It must not be a note, draft, or bill of exchange the proceeds of which have been used or are to be used for investments of a purely speculative character or for the purpose of lending to some other borrower.

(*d*) It may be secured by the pledge of goods or collateral of any nature, including paper, which is ineligible for rediscount, provided it (the note, draft, or bill of exchange) is otherwise eligible.

III. *Applications for rediscount.*

All applications for the rediscount of notes, drafts, or bills of exchange must contain a certificate of the member bank, in form to be prescribed by the Federal Reserve Bank, that, to the best of its knowledge and belief, such notes, drafts, or bills of exchange have been issued for one or more of the purposes mentioned in II (*a*), and, in the case of a member State bank or trust company, all applications must contain a certificate or guaranty to the effect that the borrower is not liable, and will not be permitted to become liable during the time his paper is held by the Federal Reserve Bank, to such bank or trust company for borrowed money in an amount greater than that specified in I above.

IV. *Promissory notes.*

(a) **Definition.**—A promissory note, within the meaning of this regulation, is defined as an unconditional promise, in writing, signed by the maker, to pay, in the United States, at a fixed or determinable future time, a sum certain in dollars to order or to bearer.

(b) **Evidence of eligibility and requirement of statements.**—A Federal Reserve Bank must be satisfied by reference to the note or otherwise that it is eligible for rediscount. The member bank shall certify in its application whether the note offered for rediscount has been discounted for a depositor other than a bank or for a nondepositor and, if discounted for a bank, whether for a member or a nonmember bank. The member bank must also certify whether a financial statement of the borrower is on file with it.

A recent financial statement of the borrower must be on file with the member bank in all cases, except with respect to any note discounted by a member bank for a depositor other than a bank or another member bank if—

(1) It is secured by a warehouse, terminal, or other similar receipt covering goods in storage, or by bonds or notes of the United States; or

(2) The aggregate of obligations of the borrower rediscounted and offered for rediscount at the Federal Reserve Bank by the member bank is less than a sum equal to 10 per cent of the paid-in capital of the member bank and is less than $5,000.

The Federal Reserve Bank shall use its discretion in taking the steps necessary to satisfy itself as to eligibility. Compliance of a note with II (b) may be evidenced by a statement of the borrower showing a reasonable excess of quick assets over current liabilities. A Federal Reserve Bank may, in all cases, require the financial statement of the borrower to be filed with it.

V. *Drafts, bills of exchange, and trade acceptances.*

(a) **Definition.**—A draft or bill of exchange, within the meaning of this regulation, is defined as an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay in the United States at a fixed or determinable future time a sum certain in dollars to the order of a specified person; and a trade acceptance is defined as a draft or bill of exchange, drawn by the seller on the purchaser of goods sold,[1] and accepted by such purchaser.

(b) **Evidence of eligibility and requirement of statements.**—A Federal Reserve Bank shall take such steps as it deems necessary to satisfy itself as to the eligibility of the draft, bill, or trade acceptance offered for rediscount and may require a recent financial statement of one or more parties to the instrument. The draft, bill, or trade acceptance should be drawn so as to evidence the character of the underlying transaction, but if it is not so drawn evidence of eligibility may consist of a stamp or certificate affixed by the acceptor or drawer in a form satisfactory to the Federal Reserve Bank.

VI. *Six months' agricultural paper.*

(a) **Definition.**—Six months' agricultural paper, within the meaning of this regulation, is defined as a note, draft, bill of exchange, or trade acceptance drawn or issued for agricultural purposes, or based on live stock; that is, a note, draft, bill of exchange, or trade acceptance the proceeds of which have been used, or are to be used, for agricultural purposes, including the breeding, raising, fattening, or marketing of live stock, and which has a maturity at the time of discount of not more than six months, exclusive of days of grace.

(b) **Eligibility.**—To be eligible for rediscount, six months' agricultural paper, whether a note, draft, bill of exchange, or trade acceptance, must comply with the respective sections of this regulation which would apply to it if its maturity were 90 days or less.

B. BANKERS' ACCEPTANCES.

(a) **Definition.**—A banker's acceptance within the meaning of this regulation is defined as a draft or bill of exchange, whether payable in the United States or abroad and whether payable in dollars or some other money, of which the acceptor is a bank or trust company, or a firm, person, company, or corporation engaged generally in the business of granting bankers' acceptance credits.

(b) **Eligibility.**—A Federal Reserve Bank may rediscount any such bill having a maturity at time of discount of not more than three months, exclusive of days of grace, which has been drawn under a credit opened for the purpose of conducting or settling accounts resulting from a transaction or transactions involving any one of the following:

(1) The shipment of goods between the United States and any foreign country, or between the United States and any of its dependencies or insular possessions, or between foreign countries. While it is not necessary that shipping documents covering goods in the process of shipment be attached to drafts drawn for the purpose of financing the exportation or importation of goods, and while it is not essential, therefore, that each such draft cover specific goods actually in existence at the time of acceptance, nevertheless it is essential as a prerequisite to eligibility either (*a*) that shipping documents or a documentary export draft be attached at the time the draft is presented for acceptance, or (*b*) if the goods covered by the credit have not been actually shipped, that there be in existence a specific and bona fide contract providing for the exportation or importation of such goods at or within a specified and reasonable time and that the customer agree that the accepting bank will be furnished in due course with shipping documents covering such goods or with exchange arising out of the transaction being financed by the credit. A contract between principal and agent will not be considered a bona fide contract of the kind required above,

[1] A consignment of goods or a conditional sale of goods can not be considered "goods sold" within the meaning of this clause. The purchase price of goods plus the cost of labor in effecting their installation may be included in the amount for which the trade acceptance is drawn.

nor is it enough that there be a contract providing merely that the proceeds of the acceptance will be used only to finance the purchase or shipment of goods to be exported or imported.

(2) The shipment of goods within the United States, provided shipping documents conveying security title are attached at the time of acceptance, or

(3) The storage of readily marketable staples,[1] provided that the bill is secured at the time of acceptance by a warehouse, terminal, or other similar receipt, conveying security title to such staples, issued by a party independent of the customer, and provided further that the acceptor remains secured throughout the life of the acceptance. In the event that the goods must be withdrawn from storage prior to the maturity of the acceptance or the retirement of the credit, a trust receipt or other similar document covering the goods may be substituted in lieu of the original document, provided that such substitution is conditioned upon a reasonably prompt liquidation of the credit. In order to insure compliance with this condition, it should be required, when the original document is released, either (*a*) that the proceeds of the goods will be applied within a specified time toward a liquidation of the acceptance credit or (*b*) that a new document, similar to the original one, will be resubstituted within a specified time, and a Federal Reserve Bank may also rediscount any bill drawn by a bank or banker in a foreign country or dependency or insular possession of the United States for the purpose of furnishing dollar exchange, as provided in Regulation C, provided that it has a maturity at the time of discount of not more than three months, exclusive of days of grace.

(c) **General conditions.**—(*1*) *Acceptances in excess of 10 per cent.*—In order to be eligible, acceptances for any one customer in excess of 10 per cent of the capital and surplus of the accepting bank must remain actually secured throughout the life of the acceptance. In the case of acceptances of member banks this security must consist of shipping documents, warehouse receipts or other such documents, or some other actual security growing out of the same transaction as the acceptance, such as documentary drafts, trade acceptances, terminal receipts, or trust receipts which cover goods of such a character as to insure at all times a continuance of an effective and lawful lien in favor of the accepting bank. Other trust receipts are not security within the meaning of this paragraph if they permit the customer to have access to or control over the goods.

(*2*) *Maturity.*—Although a Federal Reserve Bank may legally rediscount an acceptance having a maturity at the time of discount of not more than three months, exclusive of days of grace, it may decline to rediscount any acceptance the maturity of which is in excess of the usual or customary period of credit required to finance the underlying transaction or which is in excess of that period reasonably necessary to finance such transaction. Since the purpose of permitting the acceptance of drafts secured by warehouse receipts or other such documents is to permit of the temporary holding of readily marketable staples in storage pending a reasonably prompt sale, shipment, or distribution, no such acceptance should have a maturity in excess of the time ordinarily necessary to effect a reasonably prompt sale, shipment, or distribution into the process of manufacture or consumption.

(*3*) *Renewals.*—While a national bank may properly enter into an agreement having more than six months to run by which it obligates itself to accept drafts of the kinds described in Regulation C, each individual draft accepted under the terms of that agreement must, in order to be eligible, conform in all respects to the provisions of the law and these regulations. Inasmuch as each individual acceptance must itself conform to the terms of the law, no renewal draft whether or not contracted for in advance, can be eligible if at the time of its acceptance the period required for the conclusion of the transaction out of which the original draft was drawn shall have elapsed. The question of the eligibility of renewal drafts, therefore, must necessarily depend upon the stage of the transaction at the time the renewal drafts are drawn.

(d) **Evidence of eligibility.**—A Federal Reserve Bank must be satisfied either by reference to the acceptance itself or otherwise that it is eligible for rediscount. The bill itself should be drawn so as to evidence the character of the underlying transaction, but if it is not so drawn evidence of eligibility may consist of a stamp or certificate affixed by the acceptor in form satisfactory to the Federal Reserve Bank.

[1] A readily marketable staple within the meaning of these regulations may be defined as an article of commerce, agriculture, or industry of such uses as to make it the subject of constant dealings in ready markets with such frequent quotations of price as to make (*a*) the price easily and definitely ascertainable and (*b*) the staple itself easy to realize upon by sale at any time.

REGULATION B, SERIES OF 1920.

(Superseding Regulation B of 1917.)

OPEN-MARKET PURCHASES OF BILLS OF EXCHANGE, TRADE ACCEPTANCES, AND BANKERS' ACCEPTANCES UNDER SECTION 14.

I. *General statutory provisions.*

Section 14 of the Federal Reserve Act provides that Federal Reserve Banks under rules and regulations to be prescribed by the Federal Reserve Board may purchase and sell in the open market, at home or abroad, from or to domestic or foreign banks, firms, corporations, or individuals, bankers' acceptances and bills of exchange of the kinds and maturities made eligible by the act for rediscount, with or without the indorsement of a member bank.

II. *General character of bills and acceptances eligible.*

The Federal Reserve Board, exercising its statutory right to regulate the purchase of bills of exchange and acceptances, has determined that a bill of exchange or acceptance to be eligible for purchase by Federal Reserve Banks under this provision of section 14—

(*a*) Must conform to the relative requirements of Regulation A, except that a banker's acceptance growing out of a transaction involving the storage within the United States of goods which have been actually sold, may be purchased, provided that the acceptor is secured by the pledge of such goods and, provided further, that the bill conforms in other respects to the relative requirements of Regulation A.

(*b*) Must have a maturity at the time of purchase of not more than 90 days, exclusive of days of grace, unless it is a bill drawn on a banker, when it may have a maturity of three months, exclusive of days of grace.

(*c*) Must have been accepted by the drawee prior to purchase by a Federal Reserve Bank unless it is either accompanied and secured by shipping documents or by a warehouse, terminal, or other similar receipt conveying security title or bears a satisfactory banking indorsement.

III. *Statements.*

A bill of exchange, unless indorsed by a member bank, is not eligible for purchase until a satisfactory statement has been furnished of the financial condition of one or more of the parties thereto.

A bankers' acceptance, unless accepted or indorsed by a member bank, is not eligible for purchase until the acceptor has furnished a satisfactory statement of its financial condition in form to be approved by the Federal Reserve Bank and has agreed in writing with a Federal Reserve Bank to inform it upon request concerning the transaction underlying the acceptance.

REGULATION C, SERIES OF 1920.

(Superseding Regulation C of 1917.)

ACCEPTANCE BY MEMBER BANKS OF DRAFTS AND BILLS OF EXCHANGE.

A. ACCEPTANCE OF DRAFTS OR BILLS OF EXCHANGE DRAWN AGAINST DOMESTIC OR FOREIGN SHIPMENTS OF GOODS OR SECURED BY WAREHOUSE RECEIPTS COVERING READILY MARKETABLE STAPLES.

I. *Statutory provisions.*

Under the provisions of the fifth paragraph of section 13 of the Federal Reserve Act, as amended by the acts of September 7, 1916, and June 21, 1917, any member bank may accept drafts or bills of exchange drawn upon it, having not more than six months' sight to run, exclusive of days of grace, which grow out of transactions involving the importation or exportation of goods; or which grow out of transactions involving the domestic shipment of goods, provided shipping documents conveying or securing title are attached at the time of acceptance; or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples.[1] This paragraph limits the amount which any bank shall accept for any one person, company, firm, or corporation, whether in a foreign or domestic transaction, to an amount not exceeding at any time, in the aggregate, more than 10 per centum of its paid-up and unimpaired capital stock and surplus. This limit, however, does not apply in any case where the accepting bank remains secured either by attached documents or by some other actual security growing out of the same transaction as the acceptance. A trust receipt which permits the customer to have access to or control over the goods will not be considered by Federal Reserve Banks to be "actual security" within the meaning of section 13. A bill of lading draft, however, is "actual security" even after the documents have been released, provided that the draft is accepted by the drawee upon or before the surrender of the documents. The law also provides that any bank may accept such bills up to an amount not exceeding at any time, in the aggregate, more than one-half of its paid-up and unimpaired capital stock and surplus; or, with the approval of the Federal Reserve Board, up to an amount not exceeding at any time, in the aggregate, more than 100 per centum of its paid-up and unimpaired capital stock and surplus. In no event, however, shall the aggregate amount of acceptances growing out of domestic transactions exceed 50 per centum of such capital stock and surplus.

II. *Regulations.*

1. Under the provisions of the law referred to above the Federal Reserve Board has determined that any member bank, having an unimpaired surplus equal to at least 20 per centum of its paid-up capital, which desires to accept drafts or bills of exchange drawn for the purposes described above, up to an amount not exceeding at any time, in the aggregate, 100 per centum of its paid-up and unimpaired capital stock and surplus, may file an application for that purpose with the Federal Reserve Board. Such application must be forwarded through the Federal Reserve Bank of the district in which the applying bank is located.
2. The Federal Reserve Bank shall report to the Federal Reserve Board upon the standing of the applying bank, stating whether the business and banking conditions prevailing in its district warrant the granting of such applications.
3. The approval of any such application may be rescinded upon 90 days' notice to the bank affected.

[1] A readily marketable staple within the meaning of these regulations may be defined as an article of commerce, agriculture, or industry of such uses as to make it the subject of constant dealings in ready markets with such frequent quotations of price as to make (a) the price easily and definitely ascertainable and (b) the staple itself easy to realize upon by sale at any time.

B. ACCEPTANCE OF DRAFTS OR BILLS OF EXCHANGE DRAWN FOR THE PURPOSE OF CREATING DOLLAR EXCHANGE.

I. *Statutory provisions.*

Section 13 of the Federal Reserve Act also provides that any member bank may accept drafts or bills of exchange drawn upon it having not more than three months' sight to run, exclusive of days of grace, drawn, under regulations to be prescribed by the Federal Reserve Board, by banks or bankers in foreign countries or dependencies or insular possessions of the United States for the purpose of furnishing dollar exchange as required by the usages of trade in the respective countries, dependencies, or insular possessions.

No member bank shall accept such drafts or bills of exchange for any one bank to an amount exceeding in the aggregate 10 per centum of the paid-up and unimpaired capital and surplus of the accepting bank unless the draft or bill of exchange is accompanied by documents conveying or securing title or by some other adequate security. No member bank shall accept such drafts or bills in an amount exceeding at any time in the aggregate one-half of its paid-up and unimpaired capital and surplus. This 50 per cent limit is seperate and distinct from and not included in the limits placed upon the acceptance of drafts and bills of exchange as described under section A of this regulation.

II. *Regulations.*

Any member bank desiring to accept drafts drawn by banks or bankers in foreign countries or dependencies or insular possessions of the United States for the purpose of furnishing dollar exchange shall first make an application to the Federal Reserve Board setting forth the usages of trade in the respective countries, dependencies, or insular possessions in which such banks or bankers are located.

If the Federal Reserve Board should determine that the usages of trade in such countries, dependencies, or possessions require the granting of the acceptance facilities applied for, it will notify the applying bank of its approval and will also publish in the Federal Reserve Bulletin the name or names of those countries, dependencies, or possessions in which banks or bankers are authorized to draw on member banks whose applications have been approved for the purpose of furnishing dollar exchange.

The Federal Reserve Board reserves the right to modify or on 90 days' notice to revoke its approval either as to any particular member bank or as to any foreign country or dependency or insular possession of the United States in which it has authorized banks or bankers to draw on member banks for the purpose of furnishing dollar exchange.

REGULATION D, SERIES OF 1920.

(Superseding Regulation D of 1917.)

TIME DEPOSITS AND SAVINGS ACCOUNTS.

Section 19 of the Federal Reserve Act provides, in part, as follows:

Demand deposits, within the meaning of this act, shall comprise all deposits payable within 30 days, and time deposits shall comprise all deposits payable after 30 days, and all savings accounts and certificates of deposit which are subject to not less than 30 days' notice before payment, and all postal savings deposits.

Time deposits, open accounts.

The term "time deposits, open accounts" shall be held to include all accounts, not evidenced by certificates of deposit or savings pass books, in respect to which a written contract is entered into with the depositor at the time the deposit is made that neither the whole nor any part of such deposit may be withdrawn by check or otherwise, except on a given date or on written notice which must be given by the depositor a certain specified number of days in advance, in no case less than 30 days.

Savings accounts.

The term "savings accounts" shall be held to include those accounts of the bank in respect to which, by its printed regulations, accepted by the depositor at the time the account is opened—

(a) The pass book, certificate, or other similar form of receipt must be presented to the bank whenever a deposit or withdrawal is made, and

(b) The depositor may at any time be required by the bank to give notice of an intended withdrawal not less than 30 days before a withdrawal is made.

Time certificates of deposit.

A "time certificate of deposit" is defined as an instrument evidencing the deposit with a bank, either with or without interest, of a certain sum specified on the face of the certificate payable in whole or in part to the depositor or on his order—

(a) On a certain date, specified on the certificate, not less than 30 days after the date of the deposit, or

(b) After the lapse of a certain specified time subsequent to the date of the certificate, in no case less than 30 days, or

(c) Upon written notice, which the bank may at its option require to be given a certain specified number of days, not less than 30 days, before the date of repayment, and

(d) In all cases only upon presentation of the certificate at each withdrawal for proper indorsement or surrender.

REGULATION E, SERIES OF 1920.

(Superseding Regulation E of 1917.)

PURCHASE OF WARRANTS.

Statutory requirements.

Section 14 of the Federal Reserve Act reads in part as follows:

Every Federal Reserve Bank shall have power—

(b) To buy and sell, at home or abroad, bonds and notes of the United States, and bills, notes, revenue bonds, and warrants with a maturity from date of purchase of not exceeding six months, issued in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues by any State, county, district, political subdivision, or municipality in the continental United States, including irrigation, drainage, and reclamation districts, such purchases to be made in accordance with rules and regulations prescribed by the Federal Reserve Board.

For brevity's sake, the term "warrant" when used in this regulation shall be construed to mean "bills, notes, revenue bonds, and warrants with a maturity from date of purchase of not exceeding six months," and the term "municipality" shall be construed to mean "State, county, district, political subdivision, or municipality in the continental United States, including irrigation, drainage, and reclamation districts."

Regulation.

I. Any Federal Reserve Bank may purchase warrants issued by a municipality in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues, provided—

(a) They are the general obligations of the entire municipality; it being intended to exclude as ineligible for purchase all such obligations as are payable from "local benefit" and "special assessment" taxes when the municipality at large is not directly or ultimately liable;

(b) They are issued in anticipation of taxes or revenues which are due and payable on or before the date of maturity of such warrants; but the Federal Reserve Board may waive this condition in specific cases. For the purposes of this regulation, taxes shall be considered as due and payable on the last day on which they may be paid without penalty;

(c) They are issued by a municipality—

(1) Which has been in existence [1] for a period of 10 years;

(2) Which for a period of 10 years previous to the purchase has not defaulted [1] for longer than 15 days in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it;

(3) Whose net funded indebtedness [1] does not exceed 10 per centum of the valuation of its taxable property, to be ascertained by the last preceding valuation of property for the assessment of taxes.

II. Except with the approval of the Federal Reserve Board, no Federal Reserve Bank shall purchase and hold an amount in excess of 25 per centum of the total amount of warrants outstanding at any time and issued in conformity with provisions of section 14 (b) above quoted, and actually sold by a municipality.

III. Except with the approval of the Federal Reserve Board, the aggregate amount invested by any Federal Reserve Bank in warrants of all kinds shall not exceed at the time of purchase a sum equal to 10 per centum of the deposits kept by its member banks with such Federal Reserve Bank.

IV. Except with the approval of the Federal Reserve Board, the maximum amount which may be invested at the time of purchase by any Federal Reserve Bank in warrants of any single municipality shall be limited to the following percentages of the deposits kept in such Federal Reserve Bank by its member banks:

Five per centum of such deposits in warrants of a municipality of 50,000 population or over;

Three per centum of such deposits in warrants of a municipality of over 30,000 population, but less than 50,000;

One per centum of such deposits in warrants of a municipality of over 10,000 population, but less than 30,000.

V. Warrants of a municipality of 10,000 population or less shall be purchased only with the special approval of the Board.

The population of a municipality shall be determined by the last Federal or State census. Where it can not be exactly determined the Board will make special rulings.

VI. Opinion of recognized counsel on municipal issues or of the regularly appointed counsel of the municipality as to the legality of the issue shall be secured and approved in each case by counsel for the Federal Reserve Bank.

VII. Any Federal Reserve Bank may purchase from any of its member banks warrants of any municipality, indorsed by such member bank, with waiver of demand, notice, and protest, up to an amount not to exceed 10 per centum of the aggregate capital and surplus of such member bank: *Provided, however*, That such warrants comply with provisions I and III of these regulations, except that where a period of 10 years is mentioned in I (c) hereof a period of 5 years shall be substituted for the purposes of this clause.

APPENDIX TO REGULATION E.

"Net funded indebtedness."

The term "net funded indebtedness" is hereby defined to mean the legal gross indebtedness of the municipality (including the amount of any school district or other bonds which depend for their redemption upon taxes levied upon property within the municipality) less the aggregate of the following items:

(1) The amount of outstanding bonds or other debt obligations made payable from current revenues;

(2) The amount of outstanding bonds issued for the purpose of providing the inhabitants of a municipality with public utilities, such as waterworks, docks, electric plants, transportation facilities, etc.: *Provided*, That evidence is submitted showing that the income from such utilities is sufficient for maintenance, for payment of interest on such

[1] See appendix to this regulation.

bonds, and for the accumulation of a sinking fund for their redemption;

(3) The amount of outstanding improvement bonds, issued under laws which provide for the levying of special assessments against abutting property in amounts sufficient to insure the payment of interest on the bonds and the redemption thereof: *Provided*, That such bonds are direct obligations of the municipality and included in the gross indebtedness of the municipality;

(4) The total of all sinking funds accumulated for the redemption of the gross indebtedness of the municipality, except sinking funds applicable to bonds just described in (1), (2), and (3) above.

"Existence" and "Nondefault."

Warrants will be construed to comply with that part of I (*c*) of Regulation E relative to term of existence and nondefault, under the following conditions:

(1) Warrants issued by or in behalf of any municipality which was, subsequent to the issuance of such warrants, consolidated with or merged into an existing political division which meets the requirements of these regulations, will be deemed to be the warrants of such political division: *Provided*, That such warrants were assumed by such political division under statutes and appropriate proceedings the effect of which is to make such warrants general obligations of such assuming political division and payable, either directly or ultimately, without limitation to a special fund from the proceeds of taxes levied upon all the taxable real and personal property within its territorial limits.

(2) Warrants issued by or in behalf of any municipality which was, subsequent to the issuance of such warrants, wholly succeeded by a newly organized political division whose term of existence, added to that of such original political division or of any other political division so succeeded, is equal to a period of 10 years, will be deemed to be warrants of such succeeding political division: *Provided*, That during such period none of such political divisions shall have defaulted for a period exceeding 15 days in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it: *And provided further*, That such warrants were assumed by such new political division under statutes and appropriate proceedings the effect of which is to make such warrants general obligations of such assuming political division and payable, either directly or ultimately, without limitation to a special fund from the proceeds of taxes levied upon all the taxable real and personal property within its territorial limits.

(3) Warrants issued by or in behalf of any municipality which, prior to such issuance, became the successor of one or more, or was formed by the consolidation or merger of two or more, preexisting political divisions, the term of existence of one or more of which, added to that of such succeeding or consolidated political division, is equal to a period of 10 years, will be deemed to be warrants of a political division which has been in existence for a period of 10 years: *Provided*, That during such period none of such original, succeeding, or consolidated political divisions shall have defaulted for a period exceeding 15 days in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it.

REGULATION F, SERIES OF 1920.

(Superseding Regulation F of 1919.)

TRUST POWERS OF NATIONAL BANKS.

I. *Statutory provisions.*

The Federal Reserve Act as amended by the act of September 26, 1918, provides in part:

SEC. 11. The Federal Reserve Board shall be authorized and empowered:

(k) To grant by special permit to national banks applying therefor, when not in contravention of State or local law, the right to act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State in which the national bank is located.

Whenever the laws of such State authorize or permit the exercise of any or all of the foregoing powers by State banks, trust companies, or other corporations which compete with national banks, the granting to and the exercise of such powers by national banks shall not be deemed to be in contravention of State or local law within the meaning of this act.

National banks exercising any or all of the powers enumerated in this subsection shall segregate all assets held in any fiduciary capacity from the general assets of the bank and shall keep a separate set of books and records showing in proper detail all transactions engaged in under authority of this subsection. Such books and records shall be open to inspection by the State authorities to the same extent as the books and records of corporations organized under State law which exercise fiduciary powers, but nothing in this act shall be construed as authorizing the State authorities to examine the books, records, and assets of the national bank which are not held in trust under authority of this subsection.

No national bank shall receive in its trust department deposits of current funds subject to check or the deposit of checks, drafts, bills of exchange, or other items for collection or exchange purposes. Funds deposited or held in trust by the bank awaiting investment shall be carried in a separate account and shall not be used by the bank in the conduct of its business unless it shall first set aside in the trust department United States bonds or other securities approved by the Federal Reserve Board.

In the event of the failure of such bank the owners of the funds held in trust for investment shall have a lien on the bonds or other securities so set apart in addition to their claim against the estate of the bank.

Whenever the laws of a State require corporations acting in a fiduciary capacity to deposit securities with the State authorities for the protection of private or court trusts, national banks so acting shall be required to make similar deposits and securities so deposited shall be held for the protection of private or court trusts, as provided by the State law.

National banks in such cases shall not be required to execute the bond usually required of individuals if State corporations under similar circumstances are exempt from this requirement.

National banks shall have power to execute such bond when so required by the laws of the State.

In any case in which the laws of a State require that a corporation acting as trustee, executor, administrator, or in any capacity specified in this section, shall take an oath or make an affidavit, the president, vice president, cashier, or trust officer of such national bank may take the necessary oath or execute the necessary affidavit.

It shall be unlawful for any national banking association to lend any officer, director, or employee any funds held in trust under the powers conferred by this section. Any officer, director, or employee making such loan, or to whom such loan is made, may be fined not more than $5,000 or imprisoned not more than five years, or may be both fined and imprisoned, in the discretion of the court.

In passing upon applications for permission to exercise the powers enumerated in this subsection, the Federal Reserve Board may take into consideration the amount of capital and surplus of the applying bank whether or not such capital and surplus is sufficient under the circumstances of the case, the needs of the community to be served, any and other facts and circumstances that seem to it proper, and may grant or refuse the application accordingly: *Provided*, That no permit shall be issued to any national banking association having a capital and surplus less than the capital and surplus required by State law of State banks, trust companies, and corporations exercising such powers.

II. *Applications.*

A national bank desiring to exercise any or all of the powers authorized by section 11 (k) of the Federal Reserve Act, as amended by the act of September 26, 1918, shall make application to the Federal Reserve Board, on a form approved by said Board, for a special permit authorizing it to exercise such powers. In the case of an original application—that is, where the applying bank has never been granted the right to exercise any of the powers authorized by section 11 (k)—the application should be made on F. R. B. Form 61. In the case of a supplemental application—that is, where the applying bank has already been granted the right to exercise one or more of the powers authorized by section 11 (k)—the application should be made on F. R. B. Form 61-b. Both forms are made a part of this regulation and may be obtained from the Federal Reserve Board or any Federal Reserve Bank.

III. *Separate departments.*

Every national bank permitted to act under this section shall establish a separate trust department, and shall place such department under the management of an officer or officers, whose duties shall be prescribed by the board of directors of the bank.

IV. *Custody of trust securities and investments.*

The securities and investments held in each trust shall be kept separate and distinct from the securities owned by the bank and separate and distinct one from another. Trust securities and investments shall be placed in the joint custody of two or more officers or other employees designated by the board of directors of the bank and all such officers and employees shall be bonded.

V. *Deposit of funds awaiting investment or distribution.*

Funds received or held in the trust department of a national bank awaiting investment or distribution may be deposited in the commercial department of the bank to the credit of the trust department, provided that the bank first delivers to the trust department, as collateral security, United States bonds, or other readily marketable securities owned by the bank, which collateral security shall at all times be equal in market value to the amount of the funds so deposited.

VI. *Investment of trust funds.*

(*a*) *Private trusts.*—Funds held in trust must be invested in strict accordance with the terms of the will, deed, or other instrument creating the trust. Where the instrument creating the trust contains provisions authorizing the bank, its officers, or its directors to exercise their discretion in the matter of investments, funds held in trust may be invested only in those classes of securities which are approved by the directors of the bank. Where the instrument creating the trust does not specify the character or class of investments to be made and does not expressly vest in the bank, its officers, or its directors a discretion in the matter of investments, funds held in trust shall be invested in any securities in which corporate or individual fiduciaries in the State in which the bank is located may lawfully invest.

(*b*) *Court trusts.*—Except as hereinafter provided, a national bank acting as executor, administrator, or in any other fiduciary capacity, under appointment by a court of competent jurisdiction, shall make all investments under an order of that court, and copies of all such orders shall be filed and preserved with the records of the trust department of the bank. If the court by general order vests a discretion in the national bank to invest funds held in trust, or if under the laws of the State in which the bank is located corporate fiduciaries appointed by the court are permitted to exercise such discretion, the national bank so appointed may invest such funds in any securities in which corporate or individual fiduciaries in the State in which the bank is located may lawfully invest.

VII. *Books and accounts.*

All books and records of the trust department shall be kept separate and distinct from other books and records of the bank. All accounts opened shall be so kept as to enable the national bank at any time to furnish information or reports required by the Federal or State authorities, and such books and records shall be open to the inspection of such authorities.

VIII. *Examinations.*

Examiners appointed by the Comptroller of the Currency or designated by the Federal Reserve Board will be instructed to make thorough and complete audits of the cash, securities, accounts, and investments of the trust department of the bank at the same time that examination is made of the banking department.

IX. *Conformity with State laws.*

Nothing in these regulations shall be construed to give a national bank exercising the powers permitted under the provisions of section 11 (k) of the Federal Reserve Act, as amended, any rights or privileges in contravention of the laws of the State in which the bank is located within the meaning of that act.

X. *Revocation of permits.*

The Federal Reserve Board reserves the right to revoke permits granted under the provisions of section 11 (k), as amended, in any case where in the opinion of the Board a bank has willfully violated the provisions of the Federal Reserve Act or of these regulations or the laws of any State relating to the operations of such bank when acting in any of the capacities permitted under the provisions of section 11 (k), as amended.

XI. *Changes in regulations.*

These regulations are subject to change by the Federal Reserve Board; provided, however, that no such change shall prejudice any obligation undertaken in good faith under regulations in effect at the time the obligation was assumed.

REGULATION G, SERIES OF 1920.

(Superseding Regulation G of 1917.)

Loans on Farm Land and Other Real Estate.

Section 24 of the Federal Reserve Act provides in part that—

> Any national banking association not situated in a central reserve city may make loans secured by improved and unencumbered farm land situated within its Federal reserve district or within a radius of one hundred miles of the place in which such bank is located, irrespective of district lines, and may also make loans secured by improved and unencumbered real estate located within one hundred miles of the place in which such bank is located, irrespective of district lines; but no loan made upon the security of such farm land shall be made for a longer time than five years, and no loan made upon the security of such real estate as distinguished from farm land shall be made for a longer time than one year nor shall the amount of any such loan, whether upon such farm land or upon such real estate, exceed fifty per centum of the actual value of the property offered as security. Any such bank may make such loans, whether secured by such farm land or such real estate, in an aggregate sum equal to twenty-five per centum of its capital and surplus or to one-third of its time deposits and such banks may continue hereafter as heretofore to receive time deposits and to pay interest on the same.

National banks not located in central reserve cities may, therefore, legally make loans secured by improved and unencumbered farm land or other real estate as provided by this section.

Certain conditions and restrictions must, however, be observed—

(*a*) There must be no prior lien on the land; that is, the lending bank must hold an absolute first mortgage or deed of trust.

(*b*) The amount of the loan must not exceed 50 per cent of the actual value of the land by which it is secured.

(*c*) The maximum amount of loans which a national bank may make on real estate, whether on farm land or on other real estate as distinguished from farm land, is limited under the terms of the act to an amount not in excess of one-third of its time deposits at the time of the making of the loan, and not in excess of one-third of its average time deposits during the preceding calendar year: *Provided, however*, That if one-third of such time deposits as of the date of making the loan or one-third of the average time deposits for the preceding calendar year is less than one-fourth of the capital and surplus of the bank as of the date of making the loan, the bank in such event shall have authority to make loans upon real estate under the terms of the act to the extent of one-fourth of the bank's capital and surplus as of that date.

(*d*) Farm land to be eligible as security for a loan by a national bank must be situated within the Federal reserve district in which such bank is located or within a radius of 100 miles of such bank irrespective of district lines.

(*e*) Real estate as distinguished from farm land to be eligible as security for a loan by a national bank must be located within a radius of 100 miles of such bank irrespective of district lines.

(*f*) The right of a national bank to "make loans" under section 24 includes the right to purchase or discount loans already made as well as the right to make such loans in the first instance: *Provided, however*, That no loan secured by farm land shall have a maturity of more than five years from the date on which it was purchased or made by the national bank and that no loan secured by other real estate shall have a maturity of more than one year from such date.

(*g*) Though no national bank is authorized under the provisions of section 24 to make a loan on the security of real estate, other than farm land, for a period exceeding one year, nevertheless, at the end of the year, it may properly make a new loan upon the same security for a period not exceeding one year. The maturing note must be canceled and a new note taken in its place, but in order to obviate the necessity of making a new mortgage or deed of trust for each renewal, the original mortgage or deed of trust may be so drawn in the first instance as to cover possible future renewals of the original note. Under no circumstances, however, must the bank obligate itself in advance to make such a renewal. It must, in all cases, preserve the right to require payment at the end of the year and to foreclose the mortgage should that action become necessary. The same principles apply to loans of longer maturities secured by farm lands.

(*h*) In order that real estate loans held by a bank may be readily classified, a statement signed by the officers making a loan and having knowledge of the facts upon which it is based must be attached to each note secured by a first mortgage on the land by which the loan is secured, certifying in detail as of the date of the loan that all of the requirements of law have been duly observed.

REGULATION H, SERIES OF 1920.

(Superseding Regulation H of 1917.)

MEMBERSHIP OF STATE BANKS AND TRUST COMPANIES.

I. *Statutory requirements.*

Section 9 of the Federal Reserve Act, as amended by the act approved June 21, 1917, which authorizes State banks and trust companies to become members of the Federal Reserve System, is quoted in the appendix to this regulation.

II. *Banks eligible for membership.*

A State bank or a trust company to be eligible for membership in a Federal Reserve Bank must comply with the following conditions:

1. It must have been incorporated under a special or general law of the State or district in which it is located.
2. It must have a minimum paid-up unimpaired capital stock as follows:

In cities or towns not exceeding 3,000 inhabitants, $25,000.

In cities or towns exceeding 3,000 but not exceeding 6,000 inhabitants, $50,000.

In cities or towns exceeding 6,000 but not exceeding 50,000 inhabitants, $100,000.

In cities exceeding 50,000 inhabitants, $200,000.

III. *Application for membership.*

Any eligible State bank or trust company may make application on F. R. B. Form 83a, made a part of this regulation, to the Federal Reserve Board for an amount of capital stock in the Federal Reserve Bank of its district equal to 6 per cent of the paid-up capital stock and surplus of such State bank or trust company. This application must be forwarded direct to the Federal Reserve Agent of the district in which the applying bank or trust company is located and must be accompanied by Exhibits I, II, and III, referred to on page 1 of the application blank.

IV. *Approval of application.*

In passing upon an application the Federal Reserve Board will consider especially—

1. The financial condition of the applying bank or trust company and the general character of its management.
2. Whether the corporate powers exercised by the applying bank or trust company are consistent with the purposes of the Federal Reserve Act.
3. Whether the laws of the State or district in which the applying bank or trust company is located contain provisions likely to prevent proper compliance with the provisions of the Federal Reserve Act and the regulations of the Federal Reserve Board made in conformity therewith.

If in the judgment of the Federal Reserve Board an applying bank or trust company conforms to all the requirements of the Federal Reserve Act and these regulations, and is otherwise qualified for membership, the Board will issue a certificate of approval subject to such conditions as it may deem necessary to insure compliance with the act and these regulations. When the conditions imposed by the Board have been accepted by the applying bank or trust company the Board will issue a certificate of approval, whereupon the applying bank or trust company shall make a payment to the Federal Reserve Bank of its district of one-half of the amount of its subscription, i. e., 3 per cent of the amount of its paid-up capital and surplus and upon receipt of this payment the appropriate certificate of stock will be issued by the Federal Reserve Bank. The remaining half of the subscription of the applying bank or trust company shall be subject to call when deemed necessary by the Federal Reserve Board.

V. *Powers and restrictions.*

Every State bank or trust company while a member of the Federal Reserve System—

1. Shall retain its full charter and statutory rights as a State bank or trust company, subject to the provisions of the Federal Reserve Act and to the regulations of the Federal Reserve Board, including any conditions embodied in the certificate of approval.
2. Shall maintain such improvements and changes in its banking practice as may have been specifically required of it by the Federal Reserve Board as a condition of its admission and shall not lower the standard of banking then required of it; and
3. Shall enjoy all the privileges and observe all those requirements of the Federal Reserve Act and of the regulations of the Federal Reserve Board made in conformity therewith which are applicable to State banks and trust companies which have become member banks.

VI. *Examinations and reports.*

Every State bank or trust company, while a member of the Federal Reserve System, shall be subject to examinations made by direction of the Federal Reserve Board or of the Federal Reserve Bank by examiners selected or approved by the Federal Reserve Board.

In order to avoid duplication, examinations of State banks and trust companies made by State authorities will be accepted in lieu of examinations by examiners selected or approved by the Board wherever these are satisfactory to the directors of the Federal Reserve Bank and where, in addition, satisfactory arrangements for cooperation in the matter of examination between the designated examiners of the Board and those of the States already exist or can be effected with State authorities. Examiners from the staff of the board or of the Federal Reserve Banks will, whenever desirable, be designated by the Board to act with the examination staff of the State in order that uniformity in the standard of examination may be assured.

Every State bank or trust company, while a member of the Federal Reserve System, shall be required to make in each year not less than three reports of condition on F. R. B. Form 105. Such reports shall be made to the Federal Reserve Bank of its district on call of such bank, on dates to be fixed by the Federal Reserve Board. They shall also make semiannual reports of earnings and dividends on F. R. B. Form 107. As dividends may be declared from time to time, each State bank or trust company member shall also furnish to the Federal Reserve Bank of its district a special notification of dividend declared on F. R. B. Form 107a. F. R. B. Forms 105, 107, and 107a are made a part of this regulation.

APPENDIX TO REGULATION H.

Section 9 of the Federal Reserve Act as amended by the act approved June 21, 1917, provides that:

Any bank incorporated by special law of any State, or organized under the general laws of any State, or of the United States, desiring to become a member of the Federal Reserve System, may make application to the Federal Reserve Board, under such rules and regulations as it may prescribe, for the right to subscribe to the stock of the Federal Reserve Bank organized within the district in which the applying bank is located. Such application shall be for the same amount of stock that the applying bank would be required to subscribe to as a national bank. The Federal Reserve Board, subject to such conditions as it may prescribe, may permit the applying bank to become a stockholder of such Federal Reserve Bank.

In acting upon such applications the Federal Reserve Board shall consider the financial condition of the applying bank, the general character of its management, and whether or not the corporate powers exercised are consistent with the purposes of this act.

Whenever the Federal Reserve Board shall permit the applying bank to become a stockholder in the Federal Reserve Bank of the district its stock subscription shall be payable on call of the Federal Reserve Board, and stock issued to it shall be held subject to the provisions of this act.

All banks admitted to membership under authority of this section shall be required to comply with the reserve and captial requirements of this act and to conform to those provisions of law imposed on national banks which prohibit such banks from lending on or purchasing their own stock, which relate to the withdrawal or impairment of their capital stock, and which relate to the payment of unearned dividends. Such banks and the officers, agents, and employees thereof shall also be subject to the provisions of and to the penalties prescribed by section fifty-two hundred and nine of the Revised Statutes, and shall be required to make reports of condition and of the payment of dividends to the Federal Reserve Bank of which they become a member. Not less than three of such reports shall be made annually on call of the Federal Reserve Bank on dates to be fixed by the Federal Reserve Board. Failure to make such reports within ten days after the date they are called for shall subject the offending bank to a penalty of $100 a day for each day that it fails to transmit such report: such penalty to be collected by the Federal Reserve Bank by suit or otherwise.

As a condition of membership such banks shall likewise be subject to examinations made by direction of the Federal Reserve Board or of the Federal Reserve Bank by examiners selected or approved by the Federal Reserve Board.

Whenever the directors of the Federal Reserve Bank shall approve the examinations made by the State authorities, such examinations and the reports thereof may be accepted in lieu of examinations made by examiners selected or approved by the Federal Reserve Board: *Provided, however,* That when it deems it necessary the board may order special examinations by examiners of its own selection and shall in all cases approve the form of report. The expenses of all examinations, other than those made by State authorities, shall be assessed against and paid by the banks examined.

If at any time it shall appear to the Federal Reserve Board that a member bank has failed to comply with the provisions of this section or the regulations of the Federal Reserve Board made pursuant thereto, it shall be within the power of the board after hearing to require such bank to surrender its stock in the Federal Reserve Bank and to forfeit all rights and privileges of membership. The Federal Reserve Board may restore membership upon due proof of compliance with the conditions imposed by this section.

Any State bank or trust company desiring to withdraw from membership in a Federal Reserve Bank may do so, after six months' written notice shall have been filed with the Federal Reserve Board, upon the surrender and cancellation of all of its holdings of capital stock in the Federal Reserve Bank: *Provided, however,* That no Federal Reserve Bank shall, except under express authority of the Federal Reserve Board, cancel within the same calendar year more than twenty-five per centum of its capital stock for the purpose of effecting voluntary withdrawals during that year. All such applications shall be dealt with in the order in which they are filed with the board.

Whenever a member bank shall surrender its stock holdings in a Federal Reserve Bank, or shall be ordered to do so by the Federal Reserve Board, under authority of law, all of its rights and privileges as a member bank shall thereupon cease and determine, and after due provision has been made for any indebtedness due or to become due to the Federal Reserve Bank it shall be entitled to a refund of its cash paid subscription with interest at the rate of one-half of one per centum per month from date of last dividend, if earned, the amount refunded in no event to exceed the book value of the stock at that time, and shall likewise be entitled to repayment of deposits and of any other balance due from the Federal Reserve Bank.

No applying bank shall be admitted to membership in a Federal Reserve Bank unless it possesses a paid-up unimpaired capital sufficient to entitle it to become a national banking association in the place where it is situated under the provisions of the national bank act.

Banks becoming members of the Federal Reserve System under authority of this section shall be subject to the provisions of this section and to those of this act which relate specifically to member banks, but shall not be subject to examination under the provisions of the first two paragraphs of section fifty-two hundred and forty of the Revised Statutes as amended by section twenty-one of this act. Subject to the provisions of this act and to the regulations of the board made pursuant thereto, any bank becoming a member of the Federal Reserve System shall retain its full charter and statutory rights as a State bank or trust company, and may continue to exercise all corporate powers granted it by the State in which it was created, and shall be entitled to all privileges of member banks: *Provided, however,* That no Federal Reserve Bank shall be permitted to discount for any State bank or trust company notes, drafts, or bills of exchange of any one borrower who is liable for borrowed money to such State bank or trust company in an amount greater than ten per centum of the capital and surplus of such State bank or trust company, but the discount of bills of exchange drawn against actually existing value and the discount of commercial or business paper actually owned by the person negotiating the same shall not be considered as borrowed money within the meaning of this section. The Federal Reserve Bank, as a condition of the discount of notes, drafts, and bills of exchange for such State bank or trust company, shall require a certificate or guaranty to the effect that the borrower is not liable to such bank in excess of the amount provided by this section, and will not be permitted to become liable in excess of this amount while such notes, drafts, or bills of exchange are under discount with the Federal Reserve Bank.

It shall be unlawful for any officer, clerk, or agent of any bank admitted to membership under authority of this section to certify any check drawn upon such bank unless the person or company drawing the check has on deposit therewith at the time such check is certified an amount of money equal to the amount specified in such check. Any check so certified by duly authorized officers shall be a good and valid obligation against such bank, but the act of any such officer, clerk, or agent in violation of this section may subject such bank to a forfeiture of its membership in the Federal Reserve System upon hearing by the Federal Reserve Board.

REGULATION I, SERIES OF 1920.

(Superseding Regulation I of 1917.)

Increase or Decrease of Capital Stock of Federal Reserve Banks and Cancellation of Old and Issue of New Stock Certificates.

I. *Increase of capital stock.*

1. *New national banks.*—Each newly organized national bank (including any nonmember State bank which shall have converted into a national bank)[1] shall file with the Federal Reserve Bank of its district an application on F. R. B. Form 30, made a part of this regulation, for an amount of capital stock of the Federal Reserve Bank of its district equal to 6 per cent of the paid-up capital stock and surplus of such national bank. When such application has been approved by the Federal Reserve agent and by the Federal Reserve Board, the applying national bank shall make a payment to the Federal Reserve Bank of its district of one-half of the amount of its subscription, i. e., 3 per cent of the amount of its paid-up capital and surplus, and upon receipt of this payment the appropriate certificate of stock shall be issued by the Federal Reserve Bank. The remaining half of the subscription of the applying bank shall be subject to call when deemed necessary by the Federal Reserve Board.

2. *State banks becoming members.*—Any State bank or trust company desiring to become a member of the Federal Reserve System shall make application as provided in Regulation H, and when such application has been approved by the Federal Reserve Board and all requirements of Regulation H have been complied with the Federal Reserve Bank shall issue an appropriate certificate of stock as provided in Regulation H.

[1] Whenever any State member bank is converted into a national bank under section 5154 of the Revised Statutes, as amended by section 8 of the Federal Reserve Act, it may continue to hold as a national bank its shares of Federal Reserve Bank stock previously held as a State bank, and need not file any application for Federal Reserve Bank stock, unless the aggregate amount of its capital and surplus is increased, in which event it should file an application for additional stock, as provided in paragraph III. The certificate of stock issued in the old name of the member bank, however, should be surrendered and canceled, and a new certificate should be issued in lieu thereof, in the new name of the member bank, as provided in the last paragraph of this regulation.

3. *Increase of capital or surplus by member banks.*—Whenever any member bank shall increase the aggregate amount of its paid-up capital stock and surplus, it shall file with the Federal Reserve Bank of which it is a member an application on F. R. B Form 56, made a part of this regulation, for an additional amount of the capital stock of the Federal Reserve Bank of its district equal to 6 per cent of such increase. After such application has been approved by the Federal Reserve agent and by the Federal Reserve Board, the applying member bank shall pay to the Federal Reserve Bank of its district one-half of the amount of its additional subscription, and when this amount has been paid the appropriate certificate of stock shall be issued by the Federal Reserve Bank. The remaining half of such additional subscription shall be subject to call when deemed necessary by the Federal Reserve Board.

4. *Consolidation of member banks.*—Whenever two or more member banks consolidate and such consolidation results in the consolidated bank acquiring by operation of law [2] the Federal Reserve Bank stock owned by the other consolidating bank or banks, and which also results in the consolidated bank having an aggregate capital and surplus in excess of the aggregate capital and surplus of the consolidating member banks, such consolidated bank shall file an application for additional stock, as provided in the preceding paragraph.

5. *Certifying increases of Federal Reserve Bank stock.*—Whenever the capital stock of any Federal Reserve Bank shall be increased the board of directors of such Federal Reserve Bank shall certify such increase to the Comptroller of the Currency on F. R. B. Form 58, which is made a part of this regulation. Such certifications shall be made quarterly as of the last days of December, March, June, and September of each year. A duplicate copy of each certificate shall be forwarded to the Federal Reserve Board.

II. *Decrease of capital stock.*

1. *Reduction of capital or surplus by member bank.*—Whenever a member bank reduces the aggregate amount of its paid-up capital stock and surplus and, in the case of reduction of the paid-up capital of a national bank, such reduction has been approved by the Comptroller of the Currency and by the Federal Reserve Board in accordance with the provisions of section 28 of the Federal Reserve Act, it shall file with the Federal Reserve Bank of which it is a member an application for the surrender and cancellation of stock on F. R. B. Form 60, which is made a part of this regulation. When this application has been approved by the Federal Reserve agent and the Federal Reserve Board, the Federal Reserve Bank shall accept and cancel the stock which the applying bank is entitled to surrender and shall refund to the member bank the proportionate amount due such bank on account of the stock canceled.

2. *Insolvency of member bank.*—Whenever a member bank shall be declared insolvent and a receiver appointed by the proper authorities, such receiver shall file with the Federal Reserve Bank of which the insolvent bank is a member an application on F. R. B. Form 87, which is made a part of this regulation, for the surrender and cancellation of the stock held by such insolvent member bank, and for the refund of all balances due to it. Upon approval of this application by the Federal Reserve agent and the Federal Reserve Board, the Federal Reserve Bank shall accept and cancel the stock surrendered, and shall adjust accounts between the member bank and the Federal Reserve Bank by applying to any indebtedness of the insolvent member bank to such Federal Reserve Bank all cash-paid subscriptions made by it on the stock canceled with one-half of 1 per centum per month from the period of last dividend, if earned, not to exceed the book value thereof, and the balance, if any, shall be paid to the duly authorized receiver of such insolvent member bank.

3. *Voluntary liquidation of member bank.*—Whenever a member bank goes into voluntary liquidation and a liquidating agent is appointed, such agent shall file with the Federal Reserve Bank of which it is a member an application on F. R. B. Form 86, which is made a part of this regulation, for the surrender and cancellation of the stock held by and for the refund of all balances due to such liquidating member bank. Upon approval of this application by the Federal Reserve agent and the Federal Reserve Board, the Federal Reserve Bank shall accept and cancel the stock surrendered, and shall adjust accounts between the liquidating member bank and the Federal Reserve Bank by applying to the indebtedness of the liquidating member bank to such Federal Reserve Bank all cash-paid subscriptions made by it on the stock canceled with one-half of 1 per centum per month from the period of last dividend, if earned, not to exceed the book value thereof, and the balance, if any, shall be paid to the duly authorized liquidating agent of such liquidating member bank.

4. *Consolidation of member bank.*—Whenever there is a consolidation of two or more member banks which results in the consolidated bank acquiring by operation of law (see note 2) the Federal Reserve Bank stock owned by the other consolidating banks, and which also results in the consolidated bank having a paid-up capital and surplus less than the aggregate paid-up capital and surplus of the consolidating member banks, the consolidated bank shall file with the Federal Reserve Bank of which it is a member an application for the surrender and cancellation of stock on F. R. B. Form 60a, which is made a part of this regulation. Upon the approval of this application by the Federal Reserve agent and the Federal Reserve Board, the Federal Reserve Bank shall accept and cancel the stock which the applying bank is entitled to surrender, and shall refund to the applying bank the proportionate amount due such bank on account of the stock canceled.

5. *Certifying reductions of Federal Reserve Bank stock.*—All reductions of the capital stock of a Federal Reserve Bank shall, in accordance with the provisions of section 6 of the Federal Reserve Act, be certified to the Comptroller of the Currency by the board of directors of such Federal Reserve Bank on F. R. B. Form 59, which is made a part of this regulation. Such certifications shall be made quarterly as of the last days of December, March, June, and September of each year. A duplicate copy of each certificate shall be forwarded to the Federal Reserve Board.

III. *Cancellation of old and issue of new stock certificates.*

Whenever a member bank changes its name or, by consolidation with another member bank acquires by operation of law (see note 2) the Federal Reserve Bank stock previously held by such other member bank, it shall surrender to the Federal Reserve Bank the certificate of Federal Reserve Bank stock which was issued to it under its old name, or which was issued to such other member.

[2] Section 5 of the Federal Reserve Act provides that "Shares of the capital stock of Federal Reserve Banks owned by member banks shall not be transferred or hypothecated." This provision prevents a transfer of Federal Reserve Bank stock by purchase, but does not prevent a transfer by operation of law. When there is a merger of member banks involving the liquidation of one of such banks and the purchasing of the assets of the liquidating bank by the bank continuing in existence, it is necessary for the liquidating bank to surrender its Federal Reserve Bank stock and for the purchasing bank to apply for new stock. On the other hand, if member banks consolidate under a statute which does not require the liquidation of any of the consolidating banks, and the consolidted bank continues the corporate identity of one of the consolidating banks, and the assets and obligations of the other consolidating banks are transferred to the consolidated bank by operation of law, the consolidated bank becomes the owner of the Federal Reserve Bank stock of the other consolidating banks as soon as the consolidation takes effect and such stock technically need not be surrendered. The certificates of stock issued in the names of the consolidating banks, however should be surrendered and canceled, and a new certificate should be issued in lieu thereof, in the new name of the consolidated bank, as provided in the last paragraph of this regulation. A consolidation of national banks under the act of Congress entitled "An act to provide for the consolidation of national banking associations," approved Nov. 7, 1918, meets all of these conditions.

bank. The certificate so surrendered shall be indorsed by the member bank surrendering it or by the member bank to which it was originally issued and shall be accompanied by proper proof of the change of name or consolidation. Upon receipt of such certificate of stock so indorsed, together with such proof, the Federal Reserve Bank shall cancel the certificate so surrendered and shall issue in lieu thereof to and in the name of the member bank surrendering it a new certificate for the number of shares represented by the certificate so surrendered, or if the member bank is entitled to surrender some of the stock which is represented by the surrendered certificate, and an application for the surrender and cancellation of such stock is at the same time made in accordance with this regulation, the new certificate shall be for the number of shares represented by the surrendered certificate less the number of shares canceled pursuant to such application. All cases where certificates of stock are surrendered and new certificates issued in lieu thereof and in a different name shall be reported to the Federal Reserve Board by the Federal Reserve agent.

REGULATION J, SERIES OF 1920.

(Superseding Regulation J of 1917.)

CHECK CLEARING AND COLLECTION.

Section 16 of the Federal Reserve Act authorizes the Federal Reserve Board to require each Federal Reserve Bank to exercise the function of a clearing house for its member banks, and section 13 of the Federal Reserve Act, as amended by the act approved June 21, 1917, authorizes each Federal Reserve Bank to receive from any nonmember bank or trust company, solely for the purposes of exchange or of collection, deposits of current funds in lawful money, national-bank notes, Federal Reserve notes, checks and drafts payable upon presentation, or maturing notes and bills, provided such nonmember bank or trust company maintains with its Federal Reserve Bank a balance sufficient to offset the items in transit held for its account by the Federal Reserve Bank.

In pursuance of the authority vested in it under these provisions of the law, the Federal Reserve Board, desiring to afford both to the public and to the various banks of the country a direct, expeditious, and economical system of check collection and settlement of balances, has arranged to have each Federal Reserve Bank exercise the functions of a clearing house for such of its member banks as desire to avail themselves of its privileges and for such nonmember State banks and trust companies as may maintain with the Federal Reserve Bank balances sufficient to qualify them under the provisions of section 13 to send items to Federal Reserve Banks for purposes of exchange or of collection. Such nonmember State banks and trust companies will hereinafter be referred to in this regulation as nonmember clearing banks.

Each Federal Reserve Bank shall exercise the functions of a clearing house under the following general terms and conditions:

(1) Each Federal Reserve Bank will receive at par from its member banks and from nonmember clearing banks in its district, checks[1] drawn on all member and nonmember clearing banks and on all other nonmember banks which agree to remit at par through the Federal Reserve Bank of their district.

(2) Each Federal Reserve Bank will receive at par from other Federal Reserve Banks, and from all member and nonmember clearing banks, regardless of their location, for the credit of their accounts with their respective Federal Reserve Banks, checks drawn upon all member and nonmember clearing banks of its district and upon all other nonmember banks of its district whose checks are collected at par by the Federal Reserve Bank.

(3) Immediate credit entry upon receipt subject to final payment will be made for all such items upon the books of the Federal Reserve Bank at full face value, but the proceeds will not be counted as part of the minimum reserve nor become available to meet checks drawn until such time as may be specified in the appropriate time schedule referred to in subdivision 7.

(4) Checks received by a Federal Reserve Bank on its member or nonmember clearing banks will be forwarded direct to such banks and will not be charged to their accounts until sufficient time has elapsed within which to receive advice of payment, as shown by the appropriate time schedule referred to in subdivision 7.

(5) Under this plan each Federal Reserve Bank will receive at par from its member and nonmember clearing banks checks on all member and nonmember clearing banks and on all other nonmember banks whose checks can be collected at par by any Federal Reserve Bank. Member and nonmember clearing banks will be required by the Federal Reserve Board to provide funds to cover at par all checks received from or for the account of their Federal Reserve Banks: *Provided, however*, That a member or nonmember clearing bank may ship currency or specie from its own vaults at the expense of its Federal Reserve Bank to cover any deficiency which may arise because of and only in the case of inability to provide items to offset checks received from or for the account of its Federal Reserve Bank.[1]

(6) Section 19 of the Federal Reserve Act provides that—

> The required balance carried by a member bank with a Federal Reserve Bank may, under the regulations and subject to such penalties as may be prescribed by the Federal Reserve Board, be checked against and withdrawn by such member bank for the purpose of meeting existing liabilities: *Provided, however*, That no bank shall at any time make new loans or shall pay any dividends unless and until the total balance required by law is fully restored.

Items can not be counted as part of the minimum reserve balance to be carried by a member bank with its Federal Reserve Bank until such time as may be specified in the appropriate time schedule referred to in subdivision 7. Therefore, should a member bank draw against items before such time, the draft would be charged against its reserve balance if such balance were sufficient in amount to pay it; but any resulting impairment of reserve balances would be subject to all the penalties provided by the act.

Inasmuch as it is essential that the law in respect to the maintenance by member banks of the required minimum reserve balance shall be strictly complied with, the Federal Reserve Board, under authority vested in it by section 19 of the act, has prescribed as the basic penalty for any deficiency in reserves a sum equivalent to an interest charge on the amount of the deficiency of 2 per cent per annum above ninety-day discount rate of the Federal Reserve Bank of the district in which the member bank is located, and has announced that it will prescribe for any Federal Reserve district, upon the application of the Federal Reserve Bank of that district, as an additional progressive penalty for any subsequent deficiency by the same member bank during the same calendar year a sum equivalent to an interest charge on the amount of the subsequent deficiency at a rate increasing one-half of 1 per cent for each such subsequent deficiency.

(7) Each Federal Reserve Bank will determine by analysis the amounts of uncollected funds appearing on its books to the credit of each member bank. Such analysis will show the true status of the reserve held by

[1] A check is generally defined as a draft or order upon a bank or banking house, purporting to be drawn upon a deposit of funds, for the payment at all events of a certain sum of money to a certain person therein named, or to him or his order, or to bearer, and payable instantly on demand.

[1] In accordance with instructions issued by the Federal Reserve Board on Apr. 24, 1917, the various Federal Reserve Banks have issued circulars setting forth the conditions under which their respective member banks may draw drafts on their Reserve Bank accounts payable with or through any other Federal Reserve Bank.

the Federal Reserve Bank for each member bank and will enable it to apply the penalty for impairment of reserve.

Each Federal Reserve Bank will publish time schedules showing the time at which any item sent to it will be counted as reserve and become available to meet any checks drawn.

(8) In handling items for member and nonmember clearing banks, a Federal Reserve Bank will act as agent only. The Board will require that each member and nonmember clearing bank authorize its Federal Reserve Bank to send checks for collection to banks on which checks are drawn, and, except for negligence, such Federal Reserve Bank will assume no liability. Any further requirements that the Board may deem necessary will be set forth by the Federal Reserve Banks in their letters of instruction to their member and nonmember clearing banks. Each Federal Reserve Bank will also promulgate rules and regulations governing the details of its operations as a clearing house, such rules and regulations to be binding upon all member and nonmember banks which are clearing through the Federal Reserve Bank.

REGULATION K, SERIES OF 1920.

(Superseding Regulation K of 1920, issued in March, 1920.)

BANKING CORPORATIONS AUTHORIZED TO DO FOREIGN BANKING BUSINESS UNDER THE TERMS OF SECTION 25 (a) OF THE FEDERAL RESERVE ACT.

I. *Organization.*

Any number of natural persons, not less in any case than five, may form a Corporation [1] under the provisions of section 25 (a) for the purpose of engaging in international or foreign banking or other international or foreign financial operations or in banking or other financial operations in a dependency or insular possession of the United States either directly or through the agency, ownership, or control of local institutions in foreign countries or in such dependencies or insular possessions.

II. *Articles of association.*

Any persons desiring to organize a corporation for any of the purposes defined in section 25 (a) shall enter into articles of association (see F. R. B. Form 151 which is suggested as a satisfactory form of articles of association) which shall specify in general terms the objects for which the Corporation is formed, and may contain any other provisions not inconsistent with law which the Corporation may see fit to adopt for the regulation of its business and the conduct of its affairs. The articles of association shall be signed by each person intending to participate in the organization of the Corporation and when signed shall be forwarded to the Federal Reserve Board in whose office they shall be filed.

III. *Organization certificate.*

All of the persons signing the articles of association shall under their hands make an organization certificate on F. R. B. Form 152, which is made a part of this regulation, and which shall state specifically:

First. The name assumed by the Corporation.

Second. The place or places where its operations are to be carried on.

Third. The place in the United States where its home office is to be located.

Fourth. The amount of its capital stock and the number of shares into which it shall be divided.

Fifth. The names and places of business or residences of persons executing the organization certificate and the number of shares to which each has subscribed.

Sixth. The fact that the certificate is made to enable the persons subscribing the same and all other persons, firms, companies, and corporations who or which may thereafter subscribe to or purchase shares of the capital stock of such Corporation to avail themselves of the advantages of this section.

The persons signing the organization certificate shall acknowledge the execution thereof before a judge of some court of record or notary public who shall certify thereto under the seal of such court or notary. Thereafter the certificate shall be forwarded to the Federal Reserve Board to be filed in its office.

IV. *Title.*

Inasmuch as the name of the Corporation is subject to the approval of the Federal Reserve Board, a preliminary application for that approval should be filed with the Federal Reserve Board on F. R. B. Form 150, which is made a part of this regulation. This application should state merely that the organization of a Corporation under the proposed name is contemplated and may request the approval of that name and its reservation for a period of 30 days. No Corporation which issues its own bonds, debentures, or other such obligations will be permitted to have the word "bank" as a part of its title. No Corporation which has the word "Federal" in its title will be permitted also to have the word "bank" as a part of its title. So far as possible the title of the Corporation should indicate the nature or reason of the business contemplated and should in no case resemble the name of any other corporation to the extent that it might result in misleading or deceiving the public as to its identity, purpose, connections, or affiliations.

V. *Authority to commence business.*

After the articles of association and organization certificate have been made and filed with the Federal Reserve Board, and after they have been approved by the Federal Reserve Board and a preliminary permit to begin business has been issued by the Federal Reserve Board, the association shall become and be a body corporate, but none of its powers except such as are incidental and preliminary to its organization shall be exercised until it has been formally authorized by the Federal Reserve Board by a final permit generally to commence business.

Before the Federal Reserve Board will issue its final permit to commence business, the president or cashier, together with at least three of the directors, must certify (*a*) that each director elected is a citizen of the United States; (*b*) that a majority of the shares of stock is owned by citizens of the United States, by corporations the controlling interest in which is owned by citizens of the United States, chartered under the laws of the United States, or by firms or companies the controlling interest in which is owned by citizens of the United States; and (*c*) that of the authorized capital stock specified in the articles of association at least 25 per cent has been paid in in cash and that each shareholder has individually paid in in cash at least 25 per cent of his stock subscription. Thereafter the cashier shall certify to the payment of the remaining installments as and when each is paid in in accordance with law.

VI. *Capital stock.*

No Corporation may be organized under the terms of section 25 (a) with a capital stock of less than $2,000,000. The par value of each share of stock shall be specified in the articles of association, and no Corporation will be permitted to issue stock of no par value. If there is more than one class of stock, the name and amount of each class and the obligations, rights, and privileges attaching thereto shall be set forth fully in the articles of association. Each class of stock shall be so named as to indicate to the in-

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[1] Whenever these regulations refer to a Corporation spelled with a capital C, they relate to a corporation organized under section 25 (a) of the Federal Reserve Act.

vestor as nearly as possible what is its character and to put him on notice of any unusual attributes.

VII. *Transfers of stock.*

Section 25 (a) provides in part that—

A majority of the shares of the capital stock of any such corporation shall at all times be held and owned by the citizens of the United States, by corporations the controlling interest in which is owned by citizens of the United States, chartered under the laws of the United States or of a State of the United States, or by firms or companies the controlling interest in which is owned by citizens of the United States.

In order to insure compliance at all times with the requirements of this provision after the organization of the Corporation, shares of stock shall be issuable and transferable only on the books of the Corporation. Every application for the issue or transfer of stock shall be accompanied by an affidavit of the party to whom it is desired to issue or transfer stock, or by his or its duly authorized agent, stating—

In the case of an individual.—(*a*) Whether he is or is not a citizen of the United States and if a citizen of the United States, whether he is a natural born citizen or a citizen by naturalization, and if naturalized, whether he remains for any purpose in the allegiance of any foreign sovereign or state; (*b*) whether there is or is not any arrangement under which he is to hold the shares or any of the shares which he desires to have issued or transferred to him, in trust for or in any way under the control of any foreign state or any foreigner, foreign corporation, or any corporation under foreign control, and if so, the nature thereof.

In the case of a corporation.—(*a*) Whether such corporation is or is not chartered under the laws of the United States or of a State of the United States. If it is not, no further declaration is necessary, but if it is, it must also be stated (*b*) whether the controlling interest in such corporation is or is not owned by citizens of the United States, and (*c*) whether there is or is not any arrangement under which such coropration will hold the shares or any of the shares if issued or transferred to such corporation, in trust for or in any way under the control of any foreign state or any foreigner or foreign corporation or any corporation under foreign control, and, if so, the nature thereof.

In the case of a firm or company.—(*a*) Whether the controlling interest in such firm or company is or is not owned by citizens of the United States and, if so, (*b*) whether there is or is not any arrangement under which such firm or company will hold the shares or any of the shares if issued or transferred to such firm or company in trust for or in any way under the control of any foreign state or any foreigner or foreign corporation or any corporation under foreign control, and, if so, the nature thereof.

The board of directors of the Corporation, whether acting directly or through an agent, may, before making any issue or transfer of stock, require such further evidence as in their discretion they may think necessary in order to determine whether or not the issue or transfer of the stock would result in a violation of the law. No issue or transfer of stock which would cause 50 per cent or more of the total amount of stock issued or outstanding to be held contrary to the provisions of the law or these regulations shall be made upon the books of the Corporation. The decision of the board of directors in each case shall be final and conclusive and not subject to any question by any person, firm, or corporation on any ground whatsoever.

If at any time by reason of the fact that the holder of any shares of the Corporation ceases to be a citizen of the United States, or, in the opinion of the board of directors, becomes subject to the control of any foreign state or foreigner or foreign corporation or corporation under foreign control, 50 per cent or more of the total amount of capital stock issued or outstanding is held contrary to the provisions of the law or these regulations, the board of directors may, when apprised of that fact, forthwith serve on the holder of the shares in question a notice in writing requiring such holder within two months to transfer such shares to a citizen of the United States, or to a firm, company, or corporation approved by the board of directors as an eligible stockholder. When such notice has been given by the board of directors the shares of stock so held shall cease to confer any vote until they have been transferred as required above and if on the expiration of two months after such notice the shares shall not have been so transferred, the shares shall be forfeited to the Corporation.

The board of directors shall prescribe in the by-laws of the Corporation appropriate regulations for the registration of the shares of stock in accordance with the terms of the law and these regulations. The by-laws must also provide that the certificates of stock issued by the Corporation shall contain provisions sufficient to put the holder on notice of the terms of the law and the regulations of the Federal Reserve Board defining the limitations upon the rights of transfer.

VIII. *Operations in the United States.*

No Corporation shall carry on any part of its business in the United States except such as shall be incidental to its international or foreign business. Agencies may be established in the United States with the approval of the Federal Reserve Board for specific purposes, but not generally to carry on the business of the Corporation.

IX. *Investments in the stock of other corporations.*

It is contemplated by the law that a Corporation shall conduct its business abroad either directly or indirectly through the ownership or control of corporations, and it is accordingly provided that a Corporation may invest in the stock, or other certificates of ownership, of any other corporation organized—

(*a*) Under the provisions of section 25 (a) of the Federal Reserve Act;

(*b*) Under the laws of any foreign country or a colony or dependency thereof;

(*c*) Under the laws of any State, dependency, or insular possession of the United States;

provided, first, that such other corporation is not engaged in the general business of buying or selling goods, wares, merchandise, or commodities in the United States; and second, that it is not transacting any business in the United States except such as is incidental to its international or foreign business.

Except with the approval of the Federal Reserve Board, no Corporation shall invest an amount in excess of 15 per cent of its capital and surplus in the stock of any corporation engaged in the business of banking, or an amount in excess of 10 per cent of its capital and surplus in the stock of any other kind of corporation.

No Corporation shall purchase any stock in any other corporation organized under the terms of section 25 (a) or under the laws of any State, which is in substantial competition therewith, or which holds stock or certificates of ownership in corporations which are in substantial competition with the purchasing Corporation. This restriction, however, does not apply to corporations organized under foreign laws.

X. *Branches.*

No Corporation shall establish any branches except with the approval of the Federal Reserve Board, and in no case shall any branch be established in the United States.

XI. *Issue of debentures, bonds, and promissory notes.*

Approval of the Federal Reserve Board.—No Corporation shall make any public or private issue of its debentures, bonds, notes, or other such obligations without the approval of the Federal Reserve Board, but this restriction shall not apply to notes issued by the Corporation in borrowing from banks or bankers for temporary purposes not to exceed one year. The approval of the Federal Reserve Board will be based solely upon the right of the Corporation to make the issue under the terms of this regulation and shall not be understood in any way to imply that the Federal Reserve Board has approved or passed upon the merits of such obligations as an investment. The Federal Reserve Board will consider the general character and scope of the business of the Corporation in determining the amount of debentures, bonds, notes, or other such obligations of the Corporation which may be issued by it.

Application.—Every application for the approval of any such issue by a Corporation shall be accompanied by (1) a statement of the condition of the Corporation in such form and as of such date as the Federal Reserve Board may require; (2) a detailed list of the securities by which it is proposed to secure such issue, stating their maturities, indorsements, guaranties, or collateral, if any, and in general terms the nature of the transaction or transactions upon which they were based; and (3) such other data as the Federal Reserve Board may from time to time require.

Advertisements.—No circular, letter, or other document advertising the issue of the obligations of a Corporation shall state or contain any reference to the fact that the Federal Reserve Board has granted its approval of the issue to which the advertisement relates. This requirement will be enforced strictly in order that there may be no possibility of the public's misconstruing such a reference to be an approval by the Federal Reserve Board of the merits or desirability of the obligations as an investment.

XII. *Sale of foreign securities.*

Approval of the Federal Reserve Board.—No Corporation shall offer for sale any foreign securities with its indorsement or guaranty, except with the approval of the Federal Reserve Board, but such approval will be based solely upon the right of the Corporation to make such a sale under the terms of this regulation and shall not be understood in any way to imply that the Federal Reserve Board has approved or passed upon the merits of such securities as an investment.

Application.—Every application for the approval of such sale shall be accompanied by a statement of the character and amount of the securities proposed to be sold, their indorsements, guaranties, or collateral, if any, and such other data as the Federal Reserve Board may from time to time require.

Advertisements.—No circular, letter, or other document advertising the sale of foreign securities by a Corporation with its indorsement or guaranty shall state or contain any reference to the fact that the Federal Reserve Board has granted its approval of the sale of the securities to which the advertisement relates.

XIII. *Acceptances.*

Kinds.—Any Corporation may accept (1) drafts and bills of exchange drawn upon it which grow out of transactions involving the importation or exportation of goods, and (2) drafts and bills of exchange which are drawn by banks or bankers located in foreign countries or dependencies or insular possessions of the United States for the purpose of furnishing dollar exchange as required by the usages of trade in such countries, dependencies, and possessions, provided, however, that, except with the approval of the Federal Reserve Board and subject to such limitations as it may prescribe, no Corporation shall exercise its power to accept drafts or bills of exchange if at the time such drafts or bills are presented for acceptance it has outstanding any debentures, bonds, notes, or other such obligations issued by it.

Maturity.—Except with the approval of the Federal Reserve Board, no Corporation shall accept any draft or bill of exchange which grows out of a transaction involving the importation or exportation of goods with a maturity in excess of six months, or shall accept any draft or bill of exchange drawn for the purpose of furnishing dollar exchange with a maturity in excess of three months.

Limitations.—(1) Individual drawers: No acceptances shall be made for the account of any one drawer in an amount aggregating at any time in excess of 10 per cent of the subscribed capital and surplus of the Corporation, unless the transaction be fully secured or represents an exportation or importation of commodities and is guaranteed by a bank or banker of undoubted solvency. (2) Aggregates: Whenever the aggregate of acceptances outstanding at any time (*a*) exceeds the amount of the subscribed capital and surplus, 50 per cent of all the acceptances in excess of the amount shall be fully secured; or (*b*) exceeds twice the amount of the subscribed capital and surplus, all the acceptances outstanding in excess of such amount shall be fully secured. (The Corporation shall elect whichever requirement (*a*) or (*b*) calls for the smaller amount of secured acceptances.) In no event shall any Corporation have outstanding at any one time acceptances drawn for the purpose of furnishing dollar exchange in an amount aggregating more than 50 per cent of its subscribed capital and surplus.

Reserves.—Against all acceptances outstanding which mature in 30 days or less a reserve of at least 15 per cent shall be maintained, and against all acceptances outstanding which mature in more than 30 days a reserve of at least 3 per cent shall be maintained. Reserves against acceptances must be in liquid assets of any or all of the following kinds: (1) cash; (2) balances with other banks; (3) bankers' acceptances; and (4) such securities as the Federal Reserve Board may from time to time permit.

XIV. *Deposits.*

In the United States.—No Corporation shall receive in the United States any deposits except as are incidental to or for the purpose of carrying out transactions in foreign countries or dependencies of the United States where the Corporation has established agencies, branches, correspondents, or where it operates through the ownership or control of subsidiary corporations. Deposits of this character may be made by individuals, firms, banks, or other corporations, whether foreign or domestic, and may be time deposits or on demand.

Outside the United States.—Outside the United States a Corporation may receive deposits of any kind from individuals, firms, banks, or other corporations: *Provided, however,* That if such Corporation has any of its bonds, debentures, or other such obligations outstanding it may receive abroad only such deposits as are incidental to the conduct of its exchange, discount, or loan operations.

Reserves.—Against all deposits received in the United States reserve of not less than 13 per cent must be maintained. This reserve may consist of cash in vault, a balance with the Federal Reserve Bank of the district in which the head office of the Corporation is located, or a balance with any member bank. Against all deposits received abroad the Corporation shall maintain such reserves as may be required by local laws and by the dictates of sound business judgment and banking principles.

XV. *General limitations and restrictions.*

Liabilities of one borrower.—The total liabilities to a Corporation of any person, company, firm, or corporation for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall at no time exceed 10 per cent of the amount of its subscribed capital and surplus, except with the approval of the Federal Reserve Board: *Provided, however,* That the discount of bills of exchange drawn in good faith against actually existing values and the discount of commercial or business paper actually owned by the person negotiating the same shall not be considered as money borrowed within the meaning of this paragraph. The liability of a customer on account of an acceptance made by the Corporation for his account is not a liability for money borrowed within the meaning of this paragraph unless and until he fails to place the Corporation in funds to cover the payment of the acceptance at maturity or unless the Corporation itself holds the acceptance.

Aggregate liabilities of the Corporation.—The aggregate of the Corporation's liabilities outstanding on account of acceptances, average domestic and foreign deposits, debentures, bonds, notes, guaranties, indorsements, and other such obligations shall not exceed at any one time ten times the amount of the Corporation's subscribed capital and surplus except with the approval of the Federal Reserve Board. In determining the amount of the libilities within the meaning of this paragraph, indorsements of bills of exchange having not more than six months to run, drawn, and accepted by others than the Corporation, shall not be included.

Operations abroad.—Except as otherwise provided in the law and these regulations, a Corporation may exercise abroad not only the powers specifically set forth in the law but also such incidental powers as may be usual in the determination of the Federal Reserve Board in connection with the transaction of the business of banking or other financial operations in the countries in which it shall transact business. In the exercise of any of these powers abroad a Corporation must be guided by the laws of the country in which it is operating and by sound business judgment and banking principles.

XVI. *Management.*

The directors, officers, or employees of a Corporation shall exercise their rights and perform their duties as directors, officers, or employees, with due regard to both the letter and the spirit of the law and these regulations. For the purpose of these regulations the Corporation shall, of course, be responsible for all acts of omission or commission of any of its directors, officers, employees, or representatives in the conduct of their official duties. The character of the management of a Corporation and its general attitude toward the purpose and spirit of the law and these regulations will be considered by the Federal Reserve Board in acting upon any application made under the terms of these regulations.

XVII. *Reports and examinations.*

Reports.—Each Corporation shall make at least two reports annually to the Federal Reserve Board at such times and in such form as it may require.

Examinations.—Each Corporation shall be examined at least once a year by examiners appointed by the Federal Reserve Board. The cost of examinations shall be paid by the Corporation examined.

XVIII. *Amendments to regulations.*

These regulations are subject to amendment by the Federal Reserve Board from time to time: *Provided, however,* That no such amendment shall prejudice obligations undertaken in good faith under regulations in effect at the time they were assumed.

REGULATION L, SERIES OF 1920.

Interlocking Bank Directorates Under the Clayton Act.

I. *Definitions.*

Within the meaning of this regulation—

The term "member bank" shall apply to any national bank and any State bank or trust company which is a member of the Federal Reserve System.

The term "national bank" shall be construed to apply not only to national banking associations, but also to all banks and trust companies doing business in the District of Columbia, regardless of the sources of their charter.

The term "resources" shall be construed to mean an amount equal to the sum of the deposits, capital, surplus, and undivided profits.

The term "State bank" shall include any bank, banking association, or trust company incorporated under State law.

The term "private banker" shall apply to any unincorporated individual engaging in one or more phases of the banking business as that term is generally understood and to any member of an unincorporated firm engaging in such business.

The term "Edge Act" shall mean section 25 (*a*) of the Federal Reserve Act, as amended December 24, 1919.

The term "Edge Corporation" shall mean any corporation organized under the provisions of the Edge Act.

The term "city of over 200,000 inhabitants" includes any city, incorporated town, or village of more than 200,000 inhabitants, as shown by the last preceding decennial census of the United States. Any bank located anywhere within the corporate limits of such city is located in a city of over 200,000 inhabitants within the meaning of the Clayton Act, even though it is located in a suburb or an outlying district at some distance from the principal part of the city.

II. *Prohibitions of Clayton Act.*

Under section 8 of the Clayton Antitrust Act—

(1) No person who is a director or other officer or employee of a national bank or Edge Corporation having resources aggregating more than $5,000,000 can legally serve at the same time as director, officer, or employee of any other national bank or Edge Corporation, regardless of its location.

(2) No person who is a director in a State bank or trust company having resources aggregating more than $5,000,000 or who is a private banker having resources aggregating more than $5,000,000 can legally serve at the same time as director of any national bank or Edge Corporation, regardless of its location.

(3) No person can legally be a director, officer, or employee of a national bank or Edge Corporation located in a city of more than 200,000 inhabitants who is at the same time a private banker in the same city or a director, officer, or employee of any other bank (State or national) located in the same city, regardless of the size of such bank.

The eligibility of a director, officer, or employee under the foregoing provisions is determined by the average amount of deposits, capital, surplus, and undivided profits as shown in the official statements of such bank, banking association, or trust company filed as provided by law during the fiscal year next preceding the date set for the annual election of directors, and when a director, officer, or employee has been elected or selected in accordance with the provisions of the Clayton Act it is lawful for him to continue as such for one year thereafter under said election or employment.

When any person elected or chosen as a director, officer, or employee of any bank is eligible at the time of his election or selection to act for such bank in such capacity his eligibility to act in such capacity is not affected by reason of any change in the affairs of such bank from whatsoever cause, until the expiration of one year from the date of his election or employment.

III. *Exceptions.*

The provisions of section 8 of the Clayton Act—

(1) Do not apply to mutual savings banks not having a capital stock represented by shares.

(2) Do not prohibit a person from being at the same time a director, officer, or employee of a national bank or Edge Corporation and not more than one other national bank, Edge Corporation, State bank, or trust company, where the

entire capital stock if one is owned by the stockholders of the other.

(3) Do not prohibit a person from being at the same time a class A director of a Federal Reserve Bank and also an officer or director, or both an officer and a director, in one member bank.

(4) Do not prohibit a person who is serving as director of a national bank, or Edge Corporation, even though it has resources aggregating over $5,000,000, from serving at the same time as director of any number of State banks and trust companies, provided such State institutions are not located in the same city of over 200,000 inhabitants as the national bank or Edge Corporation, and do not have resources aggregating in the case of any one bank more than $5,000,000.

(5) Do not prohibit a person from serving at the same time as director, officer, or employee of any number of national banks, provided no two of them are located in the same city of over 200,000 inhabitants and no one of them has resources aggregating over $5,000,000.

(6) Do not prohibit a person who is not a director, officer, or employee of any national bank or Edge Corporation from serving at the same time as officer, director, or employee of any number of State banks or trust companies, regardless of their locations and resources.

(7) Do not prohibit a person who is an officer or employee but not a director of a State bank from serving as director, officer, or employee of a national bank, or Edge Corporation, even though such State bank has resources aggregating over $5,000,000, provided both banks are not located in the same city of over 200,000 inhabitants.

(8) Do not prohibit a person who is an officer or employee but not a director of a national bank or Edge Corporation from serving at the same time as director, officer, or employee of a State bank, even though such State bank has resources aggregating over $5,000,000, provided both banks are not located in the same city of over 200,000 inhabitants.

(9) Do not apply to persons who have obtained the consent or approval of the Federal Reserve Board under the provisions of the Kern amendment, section 25 of the Federal Reserve Act, or the Edge Act, as hereinafter provided.

Exceptions cumulative.—The above exceptions are cumulative.

IV. *Permission of the Federal Reserve Board under Kern amendment.*

By the Kern amendment, approved May 15, 1916, as amended May 26, 1920, the Clayton Act was amended so as to authorize the Federal Reserve Board to permit any private banker or any officer, director, or employee of any member bank or class A director of a Federal Reserve Bank to serve as director, officer, or employee of not more than two other banks, banking associations, or trust companies coming within the prohibitions of the Clayton Act, provided such other banks are not in substantial competition with such private banker or member bank.

Substantial competition.—If the institutions involved are not in substantial competition, the Board is authorized, in its discretion, to grant, withhold, or revoke such consent; but if they are in substantial competition, the Board has no discretion in the matter and must refuse such consent.

When obtained.—Inasmuch as the Kern amendment excepts from the prohibitions of the Clayton Act only those "who shall first procure the consent of the Federal Reserve Board," it is a violation of the law to serve two or more institutions in the prohibited classes before such consent has been obtained. Such consent should be obtained, therefore, before becoming an officer, director, or employee of more than one bank in the prohibited classes. Such consent may be procured before the person applying therefor has been elected as a class A director of a Federal Reserve Bank or as a director of any member bank.

Applications for permission.—A person wishing to obtain the permission of the Federal Reserve Board to serve banks coming within the prohibitions of the Clayton Act should:

(1) Make formal application on F. R. B. Form 94, or, if a private banker, on F. R. B. Form 94d. Each of these forms is made a part of this regulation.

(2) Obtain from each of the banks involved a statement on F. R. B. Form 94a, which is made a part of this regulation, showing the character of its business, together with a copy of its last published statement of condition, and, if a private banker, make a statement on F. R. B. Form 94a showing the character of his or his firm's business.

(3) Forward all these papers to the Federal Reserve agent of his district, who will attach his recommendation on F. R. B. Form 94b, which is made a part of this regulation, and forward them in due course to the Federal Reserve Board.

Approval or disapproval.—As soon as an application is acted upon by the Board, the applicant will be advised of the action taken.

If the Board approves the application, a formal certificate of permission to serve on the banks involved will be issued to the applicant.

Rehearing.—If the Board decides that the banks are in substantial competition and that it can not approve the application, it will, upon petition of the applicant, reconsider its decision and afford him every opportunity to present any additional facts or arguments bearing on the subject.

Effect of permits.—Permission once granted is continuing until revoked, and need not be renewed.

Revocation.—All permits, however, are subject to revocation at any time in the discretion of the Federal Reserve Board. The issuance of a permit to any person shall have the effect of revoking any or all permits which may have been issued previously to that person.

V. *Permits under section 25 of the Federal Reserve Act.*

With the approval of the Federal Reserve Board, any director, officer, or employee of a member bank which has invested in the stock of any corporation principally engaged in international or foreign banking or financial operations or banking in a dependency or insular possession of the United States, under the provisions of section 25 of the Federal Reserve Act, may serve as director, officer, or employee of any such foreign bank or financial corporation.

Applications for approval.—The approval of the Federal Reserve Board for such interlocking directorates may be obtained through an informal application in the form of a letter addressed to the Federal Reserve Board either by the officer, director, or employee involved, or in his behalf by one of the banks which he is serving. Such application should be sent directly to the Federal Reserve Board.

VI. *Permits to serve Edge corporations.*

With the approval of the Federal Reserve Board—

(1) Any officer, director, or employee of any member bank may serve at the same time as director, officer, or employee of any Edge Corporation in whose capital stock the member bank shall have invested.

(2) Any officer, director, or employee of any Edge Corporation may serve at the same time as officer, director, or employee of any other corporation in whose capital stock such Edge Corporation shall have invested under the provisions of the Edge Act.

Applications for approval.—Such approval may be obtained through an informal application in the form of a letter addressed to the Federal Reserve Board either by the director, officer, or employee involved, or in his behalf by one of the banks or corporations involved. Such applications should be sent directly to the Federal Reserve Board.

RETAIL TRADE.

In the following tables is given a summary of the results obtained during the past few months in the 12 Federal Reserve districts on the regular retail trade index form from representative department stores. In districts Nos. 1, 5, 11, and 12 the data were received in (and averages computed from) actual amounts (dollars). In districts Nos. 2, 3, 4, 6, 7, 8, 9, and 10 the material was received in the form of percentages, the averages for the cities and districts computed from such percentages being weighted according to volume of business done during the calendar year 1919. For the month of September, the tables are based on reports from 24 stores in district No. 1, 14 in district No. 2, 35 in district No. 3, 19 in district No. 4, 24 in district No. 5, 10 in district No. 6, 6 in district No. 7, 8 in district No. 8, 5 in district No. 9, 13 in district No. 10, 16 in district No. 11, and 31 in district No. 12. The number of stores vary somewhat, due to the inclusion of new stores from time to time in the reporting list.

Condition of retail trade in the twelve Federal Reserve districts.

[Percentage of increase.]

District and city.	Comparison of net sales with those of corresponding period previous year.																
										Jan. 1, 1920, to close of—					July 1, 1920, to end of—		
	Jan., 1920.	Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.
District No. 1:																	
Boston	33.2	15.4	38.9	16.8	19.4	27.8	16.3	11.6	16.0	24.9	30.7	26.1	24.7	25.3	16.3	24.1	15.9
Outside	43.5	36.1	29.4	26.0	25.5	28.5	27.2	9.1	14.7	41.6	36.4	33.1	30.5	30.0	27.2	18.1	16.9
District	34.8	18.3	37.5	18.5	20.7	28.0	19.9	10.9	15.4	32.5	31.6	27.5	25.8	26.2	19.9	15.1	15.2
District No. 2:																	
N.Y. City and Brooklyn	54.6	29.9	66.6	15.0	41.1	26.4	22.4	10.9	[1] 3.2	39.8	59.3	35.0	35.3	32.7	22.4	13.0	3.6
Outside	......	......	50.4	22.4	22.8	32.3	26.9	26.4	16.9	......	38.1	33.6	30.1	31.7	26.9	27.1	23.4
District	......	......	64.8	15.8	35.4	28.4	24.4	15.9	3.6	......	57.0	34.9	33.7	33.8	24.4	17.5	10.2
District No. 3	22.2	17.6	37.5	12.4	50.7	34.3	23.8	22.6	15.2	20.3	26.2	20.5	30.9	31.0	23.8	24.9	19.6
District No. 4	......	28.6	45.5	18.4	31.3	31.5	29.9	25.7	24.6	36.0	38.2	33.6	32.1	34.6	29.9	27.3	25.9
District No. 5	......	14.2	23.1	.9	11.0	21.4	15.7	20.9	7.5	5.3	12.1	8.8	9.3	11.4	15.7	21.1	14.1
District No. 6	......	......	27.4	23.4	31.0	24.3	11.6	27.6	12.6	......	29.9	22.0	28.1	29.3	11.6	19.6	16.9
District No. 7	48.2	51.7	65.2	33.3	49.7	59.6	41.2	33.2	28.6	50.7	57.4	43.5	49.6	58.7	41.2	29.6	35.5
District No. 8	......	......	......	......	......	......	......	20.8	11.8	......	......	......	......	......	......	18.0	16.8
District No. 9	......	......	......	17.0	4.3	11.8	11.6	8.8	.3	......	......	19.8	5.6	12.0	11.6	......	......
District No. 10	......	......	24.6	19.6	10.9	12.9	14.1	9.9	7.8	......	26.9	24.9	21.2	17.9	14.1	14.2	11.1
District No. 11	......	......	......	......	......	......	25.9	25.6	12.4	......	......	......	......	......	25.9	25.2	20.9
District No. 12:																	
Los Angeles	83.8	51.6	58.4	43.6	38.2	39.0	35.1	48.9	29.1	68.3	61.2	56.1	52.2	49.8	35.1	42.4	37.9
San Francisco	53.5	26.9	35.4	28.5	40.9	23.6	21.0	18.6	10.4	58.9	39.7	36.6	37.6	35.3	21.0	19.6	17.3
Oakland	41.4	27.4	31.0	14.9	17.1	15.2	16.9	15.3	......	34.8	32.3	27.9	25.6	23.3	16.9	14.7	......
Sacramento	54.2	22.6	65.1	33.9	34.4	32.1	20.1	3.1	......	36.6	60.9	47.5	39.4	38.3	20.1	13.3	......
Seattle	23.9	22.4	19.2	4.3	6.3	11.1	.2	[1] 8.0	[1] 4.5	23.0	21.8	16.2	13.9	13.4	.2	[1] 4.4	[1] 4.2
Spokane	36.2	23.6	19.8	10.9	48.8	62.8	22.7	12.7	......	30.1	26.8	23.1	29.1	35.7	22.7	16.8	......
Salt Lake City	23.8	11.5	10.5	7.1	26.4	18.3	20.6	11.6	......	18.1	15.1	12.8	16.4	14.7	20.6	16.1	......
District	51.7	31.1	37.8	13.8	31.2	27.8	21.2	21.7	14.5	46.5	41.0	36.9	34.7	33.2	21.2	21.4	19.8

[1] Decrease.

Conditions of retail trade in the twelve Federal Reserve districts—Continued.

[Percentage of increase.]

District and city.	Stocks at end of month compared with—																	
	Same month previous year.									Previous month.								
	Jan., 1920.	Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Jan., 1920.	Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.
District No. 1:																		
Boston	29.7	38.1	42.3	45.2	44.5	43.8	32.1	26.3	20.7	[1] 5.2	7.4	9.9	4.0	[1] 3.4	[1] 5.6	[1] 7.0	4.9	9.5
Outside	28.4	37.5	44.9	43.2	43.8	36.3	30.4	26.4	21.7	[1] 3.7	9.7	11.9	2.8	[1] 1.8	[1] 5.1	.2	3.2	9.7
District	29.6	38.0	42.8	44.7	44.3	41.4	31.5	26.4	21.0	[1] 5.1	7.8	10.2	3.7	[1] 2.9	[1] 5.5	[1] 4.7	4.3	9.5
District No. 2:																		
New York City and Brooklyn	44.0	49.6	69.6	53.8	47.9	45.5	46.2	30.7	18.0	11.9	8.4	27.9	[1] .3	[1] 6.6	[1] 5.4	[1] 4.3	7.3	5.7
Outside			60.6	51.6	51.7	38.4	30.9	26.3	20.2			9.3	[1] 1.4	[1] 1.7	[1] 7.7	4.6	5.6	9.3
District			68.6	53.6	49.1	43.2	39.5	29.3	18.7			25.8	[1] .4	[1] 5.0	[1] 6.1	[1] .5	6.8	6.9
District No. 3	9.9	16.4	24.3	25.7	30.4	26.7	28.4	31.0	20.6	[1] 3.4	7.0	12.3	5.4	[1] 6.7	[1] 3.0	3.3	6.2	8.4
District No. 4		48.6	56.1	63.9	57.0	53.3	48.3	40.4	34.0		45.1	11.6	7.3	[1] .9	[1] 1.0	[1] 1.4	9.4	9.2
District No. 5		57.0	51.5	59.5	67.1	57.2	44.6	29.6	21.1		10.5	14.1	[1] .1	2.3	[1] 9.2	2.5	2.3	10.2
District No. 6			41.1	29.9	50.2	47.2	51.6	39.8	37.2			4.7	3.0	[1] .5	[1] 5.6	5.6	5.4	13.1
District No. 7	42.7	51.8	64.9	39.9	49.7	77.1	70.1	64.1	55.5	14.7	55.9	10.1	.0	2.1	.0	14.7	14.6	4.8
District No. 8								24.2	35.4								5.6	11.6
District No. 9				27.6	18.7	30.7	12.6	17.7	22.6				4.7	.8	3.1	[1] 4.7	2.9	6.9
District No. 10			38.9	43.3	40.7	39.6	43.6	39.1	29.1			7.8	3.1	[1] 6.1	[1] 8.8	8.9	9.8	4.6
District No. 11							69.5	59.5	52.8							8.3	22.3	6.6
District No. 12:																		
Los Angeles	44.0	42.1	58.3	64.9	65.0	62.9	47.5	31.2	33.4	9.7	12.1	7.8	3.7	[1] .5	[1] .4	[1] .8	[1] 2.5	13.7
San Francisco	45.9	59.4	62.2	60.7	54.9	58.5	43.1	27.1	16.2	4.7	12.7	6.1	2.4	[1] 6.5	[1] 5.2	[1] .5	1.4	7.4
Oakland	10.6	27.7	35.2	34.4	29.7	33.9	27.7	22.5		[1] 8.4	18.6	6.5	[1] .5	[1] .6	[1] 2.6	[1] 2.9	2.3	
Sacramento		37.1	61.8	29.4	34.1			11.4				3.7		[1] 1.5	.1		9.8	
Seattle	44.5	53.7	53.8	55.5	46.7	35.6	23.4	[1] 8.4	3.9	[1] 2.0	11.8	14.9		[1] 6.7	[1] 8.7	[1] 4.2	[1] .9	6.3
Spokane	25.4	35.0	63.3	39.0	59.6	57.3	45.8	45.5		9.4	10.9	27.9	[1] 40.2	[1] 5.7	[1] 4.4	[1] .8	9.1	
District	38.0	48.4	58.0	56.5	52.6	52.5	40.1	25.3	20.6	2.6	14.0	9.6		[1] 4.7	[1] 3.0	[1] .8	.7	4.9

District and city.	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.								
	Jan. 1, 1920, to end of—						July 1, 1920, to end of—											
	Jan., 1920.	Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Jan., 1920.	Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June. 1920.	July, 1920.	Aug., 1920.	Sept., 1920.
District No. 1:																		
Boston	320.8	382.2	509.5	389.8	348.4	339.2	419.2	447.1	412.7	26.5	19.6	18.8	15.8	15.4	15.4	18.5	13.7	11.4
Outside	229.8	402.5	320.5	464.7	442.5	431.7	436.4	472.1	485.9	16.7	19.7	18.6	15.5	7.5	10.0	9.1	14.2	14.7
District	306.0	385.5	389.9	405.2	366.5	358.0	425.1	455.1	433.5	24.0	19.6	18.7	15.7	12.7	12.3	12.0	14.0	13.1
District No. 2:																		
New York City and Brooklyn	336.9	405.6	384.7	403.1	392.4	379.9	390.0	489.3	613.7	22.8	22.9	18.8	17.6	15.5	16.8	15.7	16.8	14.7
Outside			372.3	392.8	415.7	349.5	485.8	506.3	492.1			20.3	21.8	13.9	17.7	18.9	14.3	12.0
District			383.4	402.0	399.4	369.9	440.1	496.7	573.9			19.0	18.2	14.8	17.2	17.4	15.9	13.6
District No. 3			380.0	347.0	382.6	357.5	399.8	471.2	500.3	21.0	27.9	24.8	23.5	17.6	19.3	19.8	14.2	10.1
District No. 4		386.3	369.1	439.0	362.8	362.3	403.6	412.7	468.8		18.6	19.4	34.8	13.2	16.2	18.9	17.0	13.3
District No. 5		456.8	423.8	422.2	421.5	407.0	505.9	560.7	512.9		20.4	16.9	12.1	9.9	9.7	16.1	14.8	8.4
District No. 6												20.9	20.1	20.6	17.0	17.4	15.6	11.0
District No. 7			298.6	332.5	305.8	328.3	432.7	427.9	410.7	18.1	29.7	31.4	31.2	31.9	19.5	19.3	23.2	15.7
District No. 8								432.6	377.0								17.2	9.2
District No. 9				189.4	31.8	109.0	107.9						9.6	19.5	20.0	13.7	9.1	
District No. 10			337.6	272.1	285.4	353.7	384.1	334.0	340.4			14.6	18.0	5.4	25.3	15.6	9.7	8.8
District No. 11								425.5	523.9							18.6	12.7	10.0
District No. 12:																		
Los Angeles	422.7	418.3	468.3	390.7	480.4	481.3	522.5	454.2	486.0	33.3	37.1	33.9	39.0	29.7	26.2	22.8	15.5	12.0
San Francisco	405.2	477.5	494.9	492.3	469.8	508.8	539.9	512.8	511.5	18.2	31.9	31.0	27.7	23.9	26.0	25.9	21.1	10.8
Oakland	490.6	581.6	610.7	585.2	589.5	573.8	625.1	598.3										
Sacramento					533.4	531.3		423.3										
Seattle	427.1	665.0	542.6	527.9	539.7	524.6	470.2	532.7	508.0	18.4	22.6	17.6	17.2	14.2	16.3	16.3	12.2	8.6
Spokane	508.8	755.9	605.8	528.8	605.4	579.4	652.6	675.5		37.2	40.6	34.7		31.1	25.1	29.9		
Salt Lake City																18.7		
District	429.0	534.7	515.3	456.0	508.0	516.0	536.5	489.6	504.0	28.0	31.7	27.2	21.6	23.2	23.1	22.3	14.2	9.5

[1] Decrease.

FOREIGN TRADE INDEX.

There is presented below a series of indexes designed to reflect movements in foreign trade of the United States, with fluctuations due to price changes eliminated. The commodities chosen for these indexes are those for which prices are compiled by the Federal Reserve Board in the preparation of its international price index. The list includes 25 of the most important imports, the value of which in 1913 formed 47.7 per cent of the total import values, and 29 of the most important exports, the value of which in 1913 formed 56.3 per cent of the total export values. The list of the commodities is given in the July BULLETIN.[1]

After their decline in August total exports, as measured in physical quantities of goods rather than in values, again showed a slight increase during September, though they were still considerably less than for July. The exports of producers' goods again showed a decrease, but this was more than compensated for by the increase in raw materials, due to the seasonal movements of agricultural products. Total imports showed a further decline, being the lowest point reached during the year 1920. A very large decrease is noticeable in every class of imports, though the largest decrease is shown in producers' goods.

Value of exports and imports of selected commodities at 1913 prices.

[In thousands of dollars; i. e., 000 omitted.]

[Monthly average values, 1913=equal 100.]

	Exports.								Imports.							
	Raw materials (12 commodities).		Producers' goods (10 commodities).		Consumers' goods (7 commodities).		Grand total exports (29 commodities).		Raw materials (10 commodities).		Producers' goods (12 commodities).		Consumers' goods (3 commodities).		Grand total imports (25 commodities).	
	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.
1913.																
January	100,027	116.8	11,762	101.4	30.715	100.9	142,504	111.6	61,347	121.9	40,107	108.3	14,219	108.0	115,673	115.1
February	71,074	83.0	12,266	105.8	30,790	101.2	114,130	89.4	55,332	110.0	41,060	110.9	14,335	108.9	110,727	110.1
March	61,681	72.0	11,836	102.1	28,698	94.3	102,215	80.1	55,555	110.4	45,753	123.6	13,378	101.6	114,686	114.1
April	71,446	83.0	14,128	121.8	28,708	94.3	114,282	89.5	52,271	103.9	42,346	114.4	10,896	82.7	105,513	104.9
May	68,856	80.4	11,661	100.6	29,923	98.3	110,440	86.5	50,089	99.5	38,409	103.7	7,718	58.6	96,216	95.7
June	46,963	54.8	11,612	100.1	28,242	92.8	86,817	68.0	40,822	81.1	38,606	104.3	8,382	63.7	87,810	87.3
July	51,325	59.9	11,109	95.8	27,686	91.0	90,120	70.6	40,298	80.1	35,990	97.2	9,698	73.6	85,986	85.4
August	74,869	87.4	11,547	99.5	29,370	96.5	115,786	90.7	42,470	84.4	37,385	101.0	11,078	84.1	90,933	90.4
September	103,614	120.9	10,622	91.6	32,190	105.8	146,426	114.7	52,659	104.6	41,184	111.2	15,883	120.6	109,726	109.2
October	137,772	160.9	12,608	108.7	34,612	113.8	184,992	144.9	44,407	88.2	22,721	61.4	15,929	121.0	83,057	82.6
November	126,836	148.1	9,987	86.1	31,246	102.7	168,069	131.6	48,107	95.6	28,788	77.8	15,059	114.4	91,954	91.5
December	113,326	132.3	10,053	86.7	33,089	108.7	156,468	122.5	60,904	121.0	31,929	86.2	21,446	162.9	114,279	113.7
Year	1,027.789	100.0	139,191	100.0	365,269	100.0	1,532,249	100.0	604,261	100.0	444,278	100.0	158,021	100.0	1,206,560	100.0
1919.																
January	84,066	98.2	18,444	159.0	56,748	186.4	159,258	124.7	44,552	88.5	53,071	143.3	14,434	108.1	112,057	111.4
February	58,488	68.3	14,598	125.9	53,338	175.2	126,424	99.0	47,774	94.9	66,708	180.2	14,230	109.6	128,712	128.0
March	57,659	67.3	16,161	139.3	61,585	202.3	135,405	106.1	54,947	109.2	82,546	223.0	25,223	191.6	162,716	161.8
April	65,112	76.0	19,356	166.9	80,639	264.9	165,107	129.3	63,385	125.9	88,017	237.7	18,869	143.3	170,271	169.3
May	67,595	78.9	15,972	137.7	58,731	192.9	142,298	111.4	81,274	161.4	89,782	242.5	24,861	188.8	195,917	194.9
June	98,335	114.8	28,618	247.1	96,088	315.1	223,041	174.7	86,256	171.4	61,886	167.2	18,512	140.6	166,654	165.7
July	71,917	84.0	17,150	147.9	52,553	172.7	141,620	110.9	86,443	171.7	77,448	209.2	29,492	224.0	193,383	192.3
August	81,250	94.9	19,574	168.8	49,194	161.6	150,018	117.5	85,571	169.9	42,128	113.8	20,953	159.1	148,652	147.8
September	70,209	82.0	19,365	167.0	43,108	141.6	132,682	103.9	123,456	245.3	70,033	189.2	25,240	191.7	218,729	217.5
October	70,240	82.0	16,844	145.2	45,983	151.1	133,067	104.2	99,127	196.9	74,730	201.9	20,386	154.8	194,243	193.2
November	99,589	116.3	15,740	135.7	46,473	152.7	161,802	126.7	98,690	196.1	79,198	213.9	21,254	161.4	199,142	198.1
December	89,585	104.6	13,208	113.9	43,563	143.1	146,356	114.6	79,965	158.9	71,886	194.2	21,521	163.4	173,372	172.4
Year	914,045	88.9	215,030	154.5	688,003	188.4	1,817,078	118.6	951,440	157.5	857,434	193.0	254,975	161.4	2,063,848	171.1
1920																
January	93,141	108.7	15,647	134.9	35,406	116.3	144,194	112.9	103,796	206.2	90,655	244.9	24,064	182 7	218,515	217.3
February	70,130	81.9	14,198	122.4	41,645	136.8	125,973	98.7	87,086	173.0	107,162	289.5	19,964	151.6	214,212	213.1
March	90,805	106.0	17,279	149.0	56,428	185.4	164,512	128.9	97,039	192.8	125,496	339.0	25,999	197.4	248,534	247.2
April	68,048	79.4	17,063	147.1	51,689	169.8	136,800	107.1	87,588	174.0	97,187	262.5	29,076	220.8	213,851	212.7
May	63,650	74.3	17,546	151.3	62,457	205.2	143,653	112.5	64,177	127.5	84,074	227.1	14,887	113.1	163,138	162.3
June	55,200	64.5	14,663	126.4	46,113	151.5	115,976	91.1	75,225	149.5	95,699	258.5	21,463	163.0	192,387	191.3
July	66,924	78.1	19,138	165.0	43,325	142.4	129,387	101.3	60,942	121.0	93,893	253.6	24,562	186.5	179,397	178.4
August	67,225	78.5	15,708	135.4	28,594	94.0	111,527	87.3	61,321	121.8	95,159	257.0	22,624	171.8	179,104	178.1
September	70,699	82.5	13,883	119.7	28,599	94.0	113,181	88.6	51,388	102.1	61,163	165.2	17,226	130.8	129,777	129.1

[1] An additional list of 11 commodities of imports is given in the October BULLETIN.

WHOLESALE PRICES ABROAD.[1]

Index numbers of wholesale prices (all commodities).

[1913=100.]

	United States; Federal Reserve Board (90 quotations).	United States; Bureau of Labor Statistics (328 quotations).	United Kingdom; Statist (45 commodities).	France; Bulletin de la Statistique Générale (45 commodities).	Italy; Prof. Bachi (40 commodities).	Sweden; Svensk Handelstidning (47 quotations).	Japan; Bank of Japan for Tokyo (56 commodities).	Australia; Commonwealth Bureau Census and Statistics (92 commodities).	Canada; Department of Labor (272 quotations).	Calcutta, India; Department of Statistics (75 commodities).
1913	100	100	100	100	100	[2] 100	100	....	100	....
1914	....	100	101	101	95	116	96	[3] 100	101	[4] 100
1915	....	101	126	137	133	145	97	141	110	....
1916	....	124	159	187	202	185	117	132	135	....
1917	....	174	206	262	299	244	149	[5] 155	177	....
1918	....	197	226	339	409	339	197	170	206	....
1919.										
September	211	221	252	360	370	319	257	185	223	200
October	212	223	264	382	388	307	271	200	222	....
November	219	230	271	405	436	308	280	199	227	....
December	226	238	276	423	455	317	288	197	240	....
1920.										
January	242	248	288	487	504	319	301	203	248	218
February	242	249	306	522	556	342	313	206	254	209
March	248	253	307	555	619	354	321	209	258	198
April	263	265	313	584	679	354	300	217	261	200
May	264	272	305	550	659	361	272	225	263	210
June	258	269	300	493	615	366	248	233	258	206
July	250	262	299	496	613	363	239	234	256	209
August	234	250	298	501	632	365	235	236	244	209
September	226	242	292	526	660	362	230	230	241	208

[1] The index numbers printed in this article are constructed by the various foreign statistical offices according to methods described in the BULLETIN for January, 1920. In all cases except that of the United States the original basis upon which the index numbers have been computed has been shifted to the 1913 base. The monthly and yearly index numbers are therefore only approximate. The latest figures are received by cable and are subject to correction.
[2] July 1, 1913, to June 30, 1914=100.
[3] July, 1914=100.
[4] End of July, 1914=100.
[5] Last six months of 1917.

Current price studies of foreign countries show that with the exception of Australia and India, the present level is in each case below that of last spring. In France and Italy, however, the decline which marked the summer months has been reversed, and prices are again rising. Japanese prices have fallen by almost one-third from the high point of March, but in the last two months the recessions have been less marked than in the period just previous. Although declines have occurred in prices in Canada, the United Kingdom, and Sweden, they have been less pronounced than in the United States.

ENGLAND.

The coal strike inaugurated on October 16 exceeds in importance any event of a strictly economic nature which has occurred in England since the armistice. Called originally for September 25, by a vote of 606,782 for and 238,865 against, it was temporarily avoided at that time by the suggestion of the Prime Minister that wages be fixed according to national output. The earlier proposal of the Government for an impartial tribunal to decide upon wages had been rejected by the miners' delegates. Wages fixed according to output apparently appealed to the mine leaders but there was some difficulty in deciding upon the "datum line"—i. e., the point of production above which wage increases would be made. However, after conferences between mine owners, the miners' delegates, and Government representatives, the "datum line" was decided upon, and the wage increases to be allowed for output above this point agreed to. Annual output of 240,000,000 tons, it was agreed, would allow for an increase of 1s. per day, 244,000,000 tons an increase of 1s. 6d. per day, and so on up to 256,000,000 tons, which would provide an increase of 3s. a day. This proposal was put to the miners but was rejected by them by a vote of 635,098 against, and 181,428 for. Meanwhile, some of the miners' leaders, such as Robert Smillie, had come out frankly in favor of accepting the proposal. In view of the fact that the vote was so strikingly against the suggestion of the Government, however, the strike was called October 16.

The strike continued until November 8, although the basis for adjustment was agreed upon on October 28. Delay in returning to work was caused by the fact that the terms of the agreement entered into by the mine owners and the miners' delegates had to be submitted by ballot to the miners themselves. The agreement provides for an immediate wage increase of 2s. a day. September output is made the basis or datum line of production; 6d. will be added to the daily wage if this output is exceeded, subtracted from it if output falls short of this figure. The 2s. increase is to be effective until January 1, when output will be under review again. For the future the rate of increase during a given month will be fixed according to output for the preceding month. The increase in wages is to be financed from export coal profits. To this extent the adjustment is along the lines suggested by the Prime Minister prior to the strike. New features which have been introduced are the arrangement for owners' profits to increase or decrease with output and for the creation of the national wages board. The latter can not begin functioning until the end of March, but after that time will handle all questions connected with the adjustment of wages. If output falls below the datum line, owners' profits will be reduced as well as miners' wages. In this way a stimulus is given to all factors in the industry to increase production.

Financial conditions during September were substantially unchanged as compared with August. The ratio of reserves to deposit liabilities of the Bank of England declined from 14.3 per cent for the week ending August 25 to 11.07 per cent for the week ending September 29. Coin and bullion held by the bank and the treasury fluctuated somewhat above £151,000,000. Bank-note circulation increased approximately £2,500,000 during the month, but the currency note circulation was decreased by £2,200,000, leaving the issue with a margin of £14,000,000 under the limit fixed by law. With the increase in the sale of treasury bills, temporary advances by the bank to the Government were materially decreased. The total floating debt, however, was £32,000,000 higher at the end of September than a month earlier. Repayment of the Anglo-French loan accounts for the increase.

Failure of the funding operations initiated by the treasury in the spring has revived the old issue of how to handle the floating debt. Some appear to favor a forced loan. Press reports indicate the possibility of 4 per cent bonds with the income exempt from supertax. As was reported in the BULLETIN for September, powerful commercial interests oppose any action likely to decrease the floating debt at the risk of higher taxes, or tighter money.

Discount rates were slightly easier during the week ending September 24 than in the preceding weeks, 3-months' bank bills being quoted at $6\frac{11}{16}$, as compared with $6\frac{11}{16}$–$\frac{3}{4}$ during the week before. As the end of the quarter approached, however, money was very scarce and higher rates were obtainable.

A survey of the foreign-exchange situation and the trade of England with her former allies since the armistice discloses some interesting facts regarding the extent of the financial support which England has given the Continent during the past two years. It will be remembered that in making its final report in December, 1919, the committee on currency and the foreign exchanges after the war recommended that preference be given to exports to countries which could pay for them currently, since England herself would be expected to pay for her imports on the usual short-term basis. This view was not concurred in by all interests, however, and it seems clear that traders and bankers have done considerable long-time foreign financing.

1920	Deposit and note accounts.				Government floating debt.			Discount rates.	
	Bank notes.[1]	Currency notes and certificates outstanding.	Deposits, public and other.	Coin and bullion.[2]	Treasury bills.	Temporary advances.	Total floating debt.	3 months' bank bills.	6 months' trade bills.
End of—	*000's.*	*000's.*	*000's.*	*000's.*	*000's.*	*000's.*	*000's.*	*Per cent.*	*Per cent.*
January	£84,258	£329,554	£155,272	£128,434	£1,111,000	£208,000	£1,319,000	$5\frac{19}{32}$	$6\frac{3}{8}$
February	92,426	324,994	190,147	138,946	1,070,000	188,000	1,258,000	$5\frac{7}{8}$	$6\frac{3}{4}$
March	99,371	335,372	137,170	140,672	1,107,000	205,000	1,312,000	$5\frac{5}{8}$	$6\frac{3}{4}$
April	101,284	337,377	140,381	141,018	1,048,000	249,000	1,297,000	$6\frac{21}{32}$	$7\frac{1}{2}$
May	103,614	348,316	117,784	140,955	1,062,000	221,000	1,283,000	$6\frac{25}{32}$	$7\frac{1}{2}$
June	106,658	357,356	191,715	146,382	1,050,000	244,000	1,294,000	$6\frac{5}{8}$	$7\frac{5}{8}$
July	106,869	361,911	133,796	151,734	1,058,000	204,000	1,262,000	$6\frac{11}{16}$	$7\frac{1}{2}$
August	106,294	356,012	115,955	151,529	1,067,000	183,000	1,250,000	$6\frac{23}{32}$	$7\frac{1}{2}$
September	108,791	353,795	127,167	151,615	1,139,000	143,000	1,282,000	$6\frac{11}{16}$	$7\frac{1}{2}$

[1] Less notes in currency notes account.
[2] Held by the Bank of England and by the Treasury as note reserve.

In 1913, 12 per cent of the value of British exports went to France, Belgium, and Italy. In contrast with this small ratio for 1913, for the 18 months from January, 1919, to July

1920, 26 per cent of her export values went to these same countries. In other words, over one-fourth of British exports, when expressed in terms of money values, went to France, Belgium, and Italy in the 18 months following the close of the war.

Imports from these three countries into England did not figure largely in the prewar trade, amounting to only 10 per cent in 1913. In the 18 months following the armistice, however, when England was sending a comparatively large proportion of her goods to these countries, she was receiving only 6 per cent of her imports from them. In the table below are presented, on a quarterly basis, the value of the goods exported by the United Kingdom to each one of these countries between January, 1919, and July, 1920.

Value of exports from the United Kingdom to France, Belgium, and Italy, quarterly, January, 1919, to July, 1920.

[In millions of pounds sterling.]

Quarter ending—	France.	Belgium.	Italy.
Mar. 31, 1919	47.3	5.5	6.9
June 30	41.3	18.9	7.1
Sept. 30	45.8	19.2	8.1
Dec. 31	48.4	21.9	11.4
Mar. 31, 1920	56.8	21.6	12.6
June 30	47.4	18.6	12.5
Total exports	287.1	105.8	58.6
Imports from	89.6	34.0	25.3
Balance of exports	197.5	71.8	33.3

Exports to France have been made on a large scale ever since the armistice and show little sign of diminishing in later months. The total for the period amounts to £287,000,000, which gives England a so-called favorable balance of £197,500,000. It is impossible to state how this trade balance has been financed, but it undoubtedly has taken from England a large volume of current funds.

Belgium has received goods to the value of £105,800,000 from the United Kingdom, and has sent in return goods to the value of £34,000,000, leaving a balance to be credited to the United Kingdom of £71,800,000. Italy has taken a far smaller amount than France or Belgium, and her unfavorable balance with England is appreciably smaller, amounting to only £33,300,000.

Some light is thrown on England's prospect of repayment by the figures showing her imports from these countries by quarters. Imports from France and Belgium have increased steadily since the armistice. In the case of Italy, the same rate of increase has not been attained. On the other hand, Italy's debts to Great Britain are smaller than those of France.

Value of imports into the United Kingdom from France, Belgium, and Italy, quarterly, January, 1919, to July, 1920.

[In millions of pounds sterling.]

Quarter ending—	France.	Belgium.	Italy.
Mar. 31, 1919	8.7	0.2	3.4
June 30	11.2	0.5	3.3
Sept. 30	13.6	2.3	3.9
Dec. 31	15.3	6.3	4.1
Mar. 31, 1920	19.3	12.0	5.4
June 30	21.6	12.7	5.1
Total	89.6	34.0	25.3

While England has been accumulating a large favorable balance with her former allies on the Continent, amounting to something over £300,000,000 for the 18 months between January, 1919, and July, 1920, her unfavorable balance with the United States has been rapidly increased. Her total imports from the United States during the period were valued at £854,000,000, her exports to the United States at £146,000,000. Detailed quarterly figures are presented below.

Value of trade of the United Kingdom with the United States, quarterly, January, 1919, to July, 1920.

[In millions of pounds sterling.]

Quarter ending—	Imports.	Exports.
Mar. 31, 1919	137.2	7.4
June 30	112.4	10.8
Sept. 30	158.6	17.9
Dec. 31	134.8	29.3
Mar. 31, 1920	186.1	45.9
June 30	125.2	34.8
Total	854.4	146.1

As has been pointed out by practically all investigators of the foreign exchange situation since the war, the exchanges do not correctly reflect the trade balances between countries, but are greatly influenced by domestic credit expansion. Speculative buying of exchange likewise has been so prevalent in London and New York that certain exchanges have at times been maintained at a level higher than either the financial or trade position of the country justified. When such has been the case, however, the improvement caused by fictitious demand has usually been of short duration. With these facts in mind it may be worth while to review the fluctuations of francs, lire, and dollars in London. Pegging of the French, British, and Italian exchanges ceased toward the end of March, 1919. The pound sterling began to depreciate almost at once in the New York market, although various favorable factors partially supported it during the spring of the year. The movement was downward, with occasional reactions, until February, 1920, when it reached its lowest value. It began to improve following the announcement that the British would repay their share of the Anglo-French loan and under the influence of gold shipments from London. The upward movement continued until July, when another reaction set in, and since that time the movement has been generally downward. Although the seasonal demand for dollars had some influence in causing the reaction it was by no means entirely responsible for it.

With the removal of Government control in March, 1919, lire and francs depreciated in terms of the pound and the dollar, and continued their downward course until May, 1920. They improved again for two or three months following the conference at Lympne and prospects of the payment of the indemnity, but have been depreciating since then.

In view of the situation as disclosed by the trade figures for France, Italy, and Belgium, it has become increasingly important to London that conditions on the Continent should improve. The financing which is being done for other European countries in less favorable circumstances makes the problem even more difficult.

Date.	Statist index number of wholesale prices (1913=100).								Foreign exchange rates,[1] London on—						
	Vegetable foods.	Animal foods.	Sugar, coffee, tea.	Foodstuffs.	Minerals.	Textiles.	Sundries.	Materials.	New York.	Paris.	Italy.	Berlin.	Buenos Aires.	Stockholm.	Calcutta.
1913	100	100	100	100	100	100	100	100	[2]4.8665	25.2250	25.2250	20.430	47.580	18.159	24
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	213	218	152	228	212	198	....	....	....	....	....	....	....
1918	248	210	238	229	167	265	243	225	....	....	....	....	....	....	....
1919:															
September	258	208	328	245	206	287	278	257	4.1629	35.7287	40.8125	101.937	55.500	17.050	22
October	260	226	322	253	222	305	284	270	4.1934	35.5900	41.6000	106.500	55.125	17.265	24 11/32
November	266	226	332	258	226	325	292	280	4.1142	38.2450	47.7937	156.375	56.750	17.676	24 9/16
December	270	228	336	260	234	334	296	286	3.8646	41.4566	49.6166	183.333	61.110	17.784	27 3/4
1920:															
January	274	230	356	265	256	343	312	302	3.6904	42.9375	51.2375	239.375	63.390	17.804	28 1/8
February	297	237	415	286	267	362	329	318	3.4612	48.2125	60.3812	327.750	69.660	18.208	32 1/8
March	345	237	393	300	263	360	318	312	3.6907	52.3375	70.4700	304.100	64.660	18.244	29 3/8
April	346	265	392	315	263	354	321	311	3.9181	63.2937	88.0000	239.500	60.125	17.935	28 15/16
May	351	244	473	318	273	308	311	298	3.8462	56.7125	76.3120	183.870	60.220	18.208	26 3/16
June	359	244	496	325	269	308	282	285	3.9421	48.9200	66.9550	154.700	58.190	18.081	23 1/2
July	343	278	425	325	276	298	277	283	3.8256	47.0425	66.1875	150.813	56.700	17.716	22 3/8
August	317	295	404	319	281	298	278	285	3.6294	50.3375	73.6875	171.250	57.310	17.120	22 25/32
September	319	291	334	308	283	286	279	282	3.5053	52.3650	80.6190	202.875	57.773	17.391	22 7/16

[1] Average of weekly quotations from London Times. [2] Par.

The English commodity price situation contrasts with the American in that, although in many ways trade conditions are similar in the two countries, price reduction has gone further on this side of the Atlantic than in England. According to the Statist index number, the decline from the peak of April amounts to 7 per cent in England; the Board's index for the United States shows a decline of 14 per cent since May. Cable advices from England seem to show, however, that price reductions have been widespread there during October, so it is possible that in industries where a deadlock existed during earlier months concessions have been made which will lead to lower prices and more active trade. The coal strike intervening, however, may lead to a retardation in the fall of prices.

Price trends during September were largely in the same direction as in August. Those industries which were most depressed and in which prices appear to have been weakest are cotton and wool. In the latter, free auction sales have again been begun in Australia after a period of five years of Government control. Prices for certain grades of wool have declined in England from 33⅓ to 50 per cent from the high levels of last spring, and inactivity prevails in many branches of the industry. Some sections of the fine wool trade are apparently still working full capacity, reports from the west of England stating that most of the firms in that section have orders to occupy their mills for from 4 to 12 months. The spinning and weaving trade as a whole, however, reports considerable inactivity. Conditions in the cotton trade are equally depressed, and the Cotton Spinners' Association has recommended a limitation in output, to be made effective by short-time work on Saturday and Monday for a month following October 23. Prices for Egyptian as well as American cotton have declined radically from former high levels. The boot and shoe industry is, on the whole, doing little, although reports from some regions show a certain amount of trading.

With the exception of sugar, coffee, and tea, September food prices were not strikingly different from August prices. Vegetable foods, according to the Statist index, increased slightly and animal foods declined. British sugar prices are now at approximately world levels, having declined from the somewhat higher levels of last spring. Due to the fact that sugar had been bought by the Government before the boom in prices occurred, the exorbitant American level was never reached there.

As a result of the decline in the price of tea, the Indian Tea Association is recommending that the crop for next year be no greater than 90 per cent of the average crops 1915–1919 or as an alternative that proprietors cease plucking on November 15, 1920. A scheme for the restriction of rubber production is likewise receiving the support of growers' associations in London and the east.

Stocks of coal throughout England were reported reasonably ample at the time the strike was called. Nevertheless, the Government gave out orders for decreased personal consumption of coal, exports were prohibited, and lighting restrictions which were effective during the war were reestablished. No statistics are available showing the extent of coal supplies held by metal industries and the railroads. On these depend the future activity in these lines. A press report of October 19 states that the iron and steel trades of the country will be closed by the end of the week. On October 17 another press report stated that the majority of textile mills held less than two weeks' coal supply.

In striking contrast with the situation in the United States, where tonnage under construction has been steadily decreasing, in the United Kingdom there was an increase of 153,000 tons in the shipping under construction between June and September.

Foreign trade figures for September were only reasonably favorable. Imports were slightly less than for August and exports slightly more. The trade balance was more favorable than that of any month of the year with the exception of July. Comparing exports for September, 1920, with those for the same month last year, it is found that in spite of the inactivity complained of by the textile trades, exports of cotton yarns and manufactures were over twice as large in terms of money this year as last. Exports of woolen and worsted yarns and manufactures were 50 per cent greater, and an increase of almost 100 per cent had been made in the exports of iron and steel and manufactures thereof during the same period. Exports of these three groups of commodities and of rubber manufactures were more important in the September returns than were coal exports. The value of the coal exported was £6,600,000 for the month, the value of iron and steel, etc., £10,900,000; cotton yarns and manufactures, £37,900,000; woolen yarns, etc., £10,900,000, and rubber manufactures, £7,800,000.

Date.	Value of foreign trade.			Production (metric tons).			Ship tonnage under construction (gross tons).
	Imports.	Exports.	Reexports.	Coal.	Pig iron.	Steel ingots and castings.	
	000's.	*000's.*	*000's.*	*000's.*	*000's.*	*000's.*	
Monthly average, 1913	£[illegible],061	£43,771	£9,131	24,336	869	649	[1] 2,002,699
1920.							
January	183,498	105,880	25,464	[2] 22,657	676	766	....
February	170,514	85,964	22,604	19,435	656	811	....
March	176,648	103,699	27,031	19,505	710	854	3,394,425
April	167,154	106,252	20,407	17,131	655	779	....
May	166,816	119,319	20,260	[2] 22,131	738	848	....
June	170,491	116,352	20,124	19,048	726	745	3,578,000
July	163,342	137,452	17,848	[2] 22,926	750	800	....
August	153,255	114,903	13,368	16,970	752	709	....
September	152,692	117,456	13,351	18,885	....	....	3,731,000

[1] Average of four quarterly estimates. Figures following are estimates taken at the end of each quarter.
[2] Five weeks in the month.

The index number of the cost of living compiled by the ministry of labor increased three points in September as compared with six points in August. An increase in the price of bread, resulting from the removal of the Government subsidy, occurred in October.

Trade union unemployment shows a rather pronounced increase during the month of September, but even so does not give an accurate picture of total labor unemployment, since it covers only something over a million and a half workers. It represents full-time unemployment only, whereas much idleness has been caused in the textile and mining industries by part-time employment. The miners' strike forced something like a million men out of work in the coal industry alone, and probably caused a reduction in employment in many other lines in which production had not already been curtailed. Three hundred forty-four thousand men and women were registered with the employment exchanges of the labor ministry on September 24.

	Average percentage increase in cost of living,[1] base, July, 1914.	Per cent of trade-union members unemployed (membership 1,636,012 at end of September).
1920.		
January	125	2.9
February	130	1.6
March	130	1.1
April	132	.9
May	141	1.1
June	150	1.2
July	152	1.4
August	155	1.6
September	161	2.2
October	164	....

[1] Food, rent, clothing, fuel, light, etc.

Figures applying to increase in cost of living are for the beginning of the month and those for trade-union unemployment are for end of month.

FRANCE.

Prices continued to fluctuate in France during September, but the general trend was again upward. Purchasers who had refused to buy during the summer were obliged to do so, and they found stocks lower than had been anticipated. This fact brought about more competition and higher prices, although there were few markets where trading was really active. Just after the 1st of October, however, the coal controller announced decreased prices for metallurgical coke and some grades of coal. This reduction was immediately followed by the announcements of some of the most important iron and steel manufacturers in France reducing prices of their products from 140 to 250 francs a ton. If price decreases are maintained in this basic industry they will ultimately have a very important effect upon prices in general in France.

There was a distinct change in the position of the Bank of France during September. Gold holdings of the bank declined steadily throughout the month, and note circulation steadily increased. The decline in the gold reserve, representing a net decrease of 81,000,000 francs, was due to shipments to the United States to meet the Anglo-French loan which matured in October. Weekly figures on holdings of gold and on note circulation are as follows:

Bank of France.

[In millions of francs.]

	Gold reserves.	Note circulation.
Sept. 2, 1920	3,612	38,333
Sept. 9, 1920	3,592	38,622
Sept. 16, 1920	3,542	38,666
Sept. 23, 1920	3,533	38,690
Sept. 30, 1920	3,531	39,208

The following table presents the financial situation of the Bank of France and the French Government in 1920.

French financial situation.

[In francs.]

	Bank of France.					Situation of the Government.		
	Gold reserves (000,000's)	Silver reserves (000,000's)	Deposits [1] (000,000's)	Circulation (000,000's)	Advances to the Government for purposes of the war [2] (000,000's)	Government [3] revenue (000,000's)	Public debt (000,000's)	Price of 3 per cent perpetual rente.
1913, average	3,343	629	830	5,665	....	320	35,000	86.773
1920, end of—								
January	[4] 3,602	255	3,172	37,583	25,300	885	[5] 206,616	58.75
February	[4] 3,603	251	3,277	37,889	25,800	794	....	57.60
March	[4] 3,606	247	4,039	37,569	26,300	859	....	58.82
April	[4] 3,608	244	3,469	37,688	25,300	1,057	....	57.40
May	[4] 3,609	240	3,751	37,915	26,050	857	....	59.35
June	[4] 3,610	241	3,653	37,544	26,000	908	....	57.25
July	[4] 3,611	248	3,416	37,696	25,550	1,109	[6] 233,729	58.90
August	[4] 3,612	255	3,267	37,905	25,800	882	....	56.30
September	[4] 3,531	256	3,307	39,208	26,600	1,120	....	54.15

[1] Includes Treasury and individual deposits.
[2] Under the laws of Aug. 5 and Dec. 26, 1914, July 10, 1915, and Feb. 16, 1917.
[3] From indirect taxation and Government monopolies.
[4] Not including about 1,978 million francs held abroad.
[5] As of Dec. 31, 1919.
[6] Foreign debt calculated at par.

As the table indicates, returns from indirect taxation and Government monopolies were smaller in August than in July, in spite of the newly enacted taxes which went into effect July 1st. The August returns were, however, 203,000,000 francs greater than the budget estimate for that month. Receipts for September exceed those for August by 238,000,000 francs, but they fall 322,000,000 francs below the budget estimate for September. This difference is due to the fact that the new tax on total business turnover brought in only 292,791,000 francs during September instead of the estimated monthly yield of 700,000,000 francs. As this tax has only been in force three months it seems probable that receipts will increase when it is fully understood and thoroughly enforced. Receipts from the registration tax and from some of the Government monopolies exceeded expectations and partly made up for the small returns from the tax on total business turnover.

The discussion of the 1921 budget is now under way. The original estimates for 1921 expenditure total 50,000,000,000 francs, but the finance minister, M. Francois Marsal, and the rest of the cabinet are at work on a reduction of the estimates. The French Parliament will meet in the middle of November to vote upon the budget.

Meanwhile subscriptions are being received for the 1920 6 per cent internal loan, although they are not regularly open until October 20. The treasury offered to pay interest on subscriptions sent in after August 25 at the rate of 5.75 per cent a year until November 30, 1920 (the date when subscriptions close). This offer resulted, it is said, in the immediate payment of several billion francs to the treasury. The offering of this latest issue of bonds at 6 per cent has depressed the price of 3 per cent rentes (which are not convertible into the new loan) during September, and they were quoted as low as 53 francs 15 on the 28th of the month.

French exchange fluctuated slightly throughout September, with the general level on the last Thursday of the month slightly less favorable to France than on the last Thursday of the month previous.

From the point of view of the French consumer, the most serious of the price increases which took place in France during September were those of foodstuffs. Government control of sugar was removed September 1, and prices rose, although it was hoped that the price would not continue excessive because of the large beet-sugar crop this season. (The Government still sells a limited amount of sugar at lower prices for the use of aged persons, children, and invalids.) The Government also transferred part of the bread subsidy to the shoulders of the public on September 1. There is a distinct shortage of meats in France this fall, and meat prices are very high. The Government is urging the people to reduce meat consumption and is also arranging for a large importation of frozen meats and for increased consumption of fish. The sale of veal has been prohibited in order to increase the beef supply next year. By the middle of October the food situation in France was becoming so serious that exports of fish, milk, butter, cheese, and potatoes were prohibited by cabinet order.

The following table shows the index numbers of the Statistique Générale:

Group index numbers—France.

[Bulletin de la Statistique Générale.]

[1913=100.]

Date.	Animal food.	Vegetable foods.	Sugar, coffee, and cocoa.	Foods (20).	Minerals.	Textiles.	Sundries.	Raw materials (25).
1913	100	100	100	100	100	100	100	100
1914	103	103	106	104	98	109	99	101
1915	126	126	151	131	164	132	145	145
1916	162	170	164	167	232	180	199	206
1917	215	243	201	225	271	303	302	291
1918	286	298	231	281	283	460	420	387
1919, end of—								
September	387	308	264	334	279	476	402	381
October	402	337	268	353	295	554	403	405
November	424	351	271	369	323	620	415	435
December	432	380	278	375	357	649	419	454
1920:								
January	452	432	419	440	413	787	465	525
February	484	474	436	474	444	828	503	561
March	500	516	439	498	460	884	548	600
April	522	511	429	506	498	953	587	646
May	480	480	424	472	459	841	601	614
June	482	400	392	434	428	734	517	540
July	501	370	405	432	469	746	500	548
August	515	359	399	432	475	737	524	558
September	531	412	544	487	468	715	540	558

All coal prices in France are still controlled by the Government, and different rates are charged to different classes of consumers. Coal for domestic purposes is sold at the lowest price, coal for central heating plants, small shops and factories, and for hygienic or food services at a somewhat higher price, and coal for other purposes at higher rates still. The price paid by French consumers for German coal and coke is fixed by the Government. The purchaser of French, Saar, or Belgian coal has to pay, beside the original purchase price, a surtax to the Government, which varies from 75 to 125 per cent of the price, according to the grade of coal. The buyer of English or American coal, of the other hand, receives a drawback on each ton of the coal he purchases. The drawback on English coal is 100 francs a ton, but that on American coal has recently been increased to 150 francs. In this way the price paid for coal from all sources is made as nearly equal as possible. In the case of special industries, however, the Government fixes coal prices at slightly lower rates. The grapegrowers of southern France who ferment their own wine have just received such a reduction, and a decree of the last of September decreases the price of metallurgical coke from 245 francs a ton to 175 francs. At the same time the price of "boulets" and of lignite briquettes was reduced for family use, and the price of all grades of coal for use by central heating plants, small shops and factories, and hygiene and food services was decreased 60 francs a ton.

These reductions were possible because on October 1, France was better supplied with coal than at any other time since the beginning of the war. At the July conference it was agreed that Germany should deliver to the allies 2,000,000 tons of coal a month for the ensuing six months. She is, according to the terms of the Versailles Treaty, to be credited for this coal by the Reparations Commission at the rate of the prevailing market price in Germany. It was arranged at this conference, however, that the allied countries were to receive the kinds and qualities of coal which they should specify, and in return were to pay a premium of 5 gold marks per ton of coal. This premium is invested in food for the German miners. The allies also declared their willingness to make advances to Germany equal in amount to the difference between the market price of coal in Germany and the export price of coal in German ports, or in English ports, whichever should be higher. If the total deliveries from Germany to the allies for August, September, and October have not reached 6,000,000 tons by November 15, the allies announced at this same conference that they would proceed to occupy the Ruhr, or some other portion of German territory. This arrangement seems to have brought about the desired results. The Reparations Commission announces that during August 1,975,000 tons of coal, coke, and lignite briquettes were delivered by Germany to the allies and during September 1,936,865 [1] tons. Of these amounts France received about 1,555,000 tons in August, and about 1,478,000 [1] tons in September. In addition to the increased deliveries of coal from Germany, France is receiving more from her own mines. Reconstruction is proceeding satisfactorily in the departments of the Nord and Pas de Calais. The first delivery of coal from one of the rebuilt pits in Lens was made in September, and an output of from 30 to 40 tons a day is expected from it before long. It will probably take three or four years, however, to bring the mines back to their prewar level of production.

M. Le Troquer, French Minister of Public Works, has recently announced that stocks of coal carried by the railroads have risen from 180,000 tons in January to 800,000 tons in September and that other stocks have increased proportionately.

The most recent statistics on coal (not including coke or lignite) available in France follow:

Coal available in France.	Tons.
1913, monthly average	4,541,750
1920:	
January	3,991,486
February	3,954,301
March	3,781,544
April	3,603,602
May	3,352,177
June	4,392,217
July	4,238,132
August	4,295,515
September 1–20	2,808,154

Complete figures on French foreign trade for September have not yet reached this country. Cabled figures on total imports and exports for the month show a slight decrease as compared with the previous month.

[1] Subject to revision.

Foreign trade of France.[1]

[In thousands of francs.]

	Imports.				Exports.				
	Food.	Raw materials.	Manufactured articles.	Total.	Food.	Raw materials.	Manufactured articles.	Parcels post.	Total.
1913 average [2]	151,465	412,144	138,169	701,778	69,908	154,841	301,420	47,182	573,351
1919 average [3]	719,122	1,101,811	660,610	2,481,543	80,805	161,401	440,314	43,577	726,097
1920:									
January	538,365	985,410	478,408	2,002,183	84,561	187,626	415,007	35,204	722,398
February	653,630	1,336,987	651,299	2,641,916	150,060	347,480	767,423	58,866	1,323,829
March	871,857	1,478,987	772,007	3,122,851	114,223	349,521	834,031	39,884	1,337,659
April	665,799	1,398,592	813,216	2,887,607	125,678	353,344	844,901	52,987	1,376,910
May	547,825	1,193,960	644,911	2,386,696	103,355	348,361	726,654	31,658	1,210,028
June [4]	558,951	1,302,867	726,856	2,588,674	216,849	421,735	1,100,931	69,862	1,809,377
July [5]									
August [6]	723,749	1,171,091	905,613	2,800,453	210,888	440,482	1,631,883	116,255	2,399,508
September				2,627,805					2,150,862

[1] Not including gold, silver, or the reexport trade.
[2] Calculated in 1913 value units.
[3] Calculated in 1918 value units.
[4] January–June, 1920, figures are calculated in 1918 value units. French foreign trade figures are originally recorded in quantity units only, and the value of the trade is calculated by applying official value units to the quantities imported and exported. Normally the monthly statements of trade appear computed at the rates of the year previous, and only at the end of the year is the trade evaluated at the prices prevailing during that year. Because of the disturbed price conditions in France this year, however, it was not until July that the 1919 price units were decided upon and applied.
[5] Monthly French foreign trade figures are published only in cumulative form, and as the value rates used were changed in July it is impossible to give separate figures for that month.
[6] Calculated in 1919 value units.

GERMANY.

There is no index number by which price fluctuations in Germany may be traced for the period of the war or the period since the armistice, nor has it been easy since 1914 to find complete series of price quotations. There is, however, some interesting material available on the prices which have been fixed by the German Government since the beginning of the war. The most valuable sources available on this subject are articles on "Laws affecting the Economic Situation" by Johannes Müller, and other articles in the Jahrbücher für Nationalökonomie und Statistik, articles in the Frankfurter Zeitung, and decrees published in the Reichsanzeiger. Unfortunately, however, the files of these periodicals are incomplete for 1916 and 1917 and there are gaps which it is impossible to fill.

Price fixing in Germany began with a law of August 4, 1914, which authorized the Government to fix maximum prices for articles of daily necessity, especially food and fodder of all kinds, as well as for raw materials, and materials for heat and light. Violators of the price regulations were made subject to a fine of 3,000 marks or to 6 months' imprisonment. (The penalties were later increased.) Maximum prices were first set for the cereal crops, then for other agricultural products, and for metals. By the end of March, 1915, maximum prices were fixed for wheat, oats, rye, barley, bran, potatoes, sugar, wool and wool products, ammonia, aluminum, aluminum products, antimony, old bronze, copper, copper products, old brass, brass products, nickel, nickel products, bronze, and tin. Price regulations increased from that time on, and maximum prices were also fixed for butter and margarine, oil seeds and vegetables (peas, beans, lentils, cabbages, carrots, and so on), for meats, flour, macaroni, marmalade, fats, news print paper, matches, fertilizer, chemicals, cement, coal, and iron and steel products.

The Government tried in all cases to fix prices in relation to production costs. German writers on the subject, in criticizing the system of maximum prices, say that in some cases the set price was dictated from Berlin without proper consultation with experts in the industry concerned. In theory, however, the fixed price was based upon a "just price" submitted by the producers of the article in question. This "just price" was calculated as follows: The cost of production (including purchase of raw materials, management expenses, general charges, interest on capital, compensation for risk, and wages of management) was subtracted from the proposed price, and if the difference (the net profit) did not exceed what was considered fair and suitable profit in the business before the war, the price was considered just. German business men have pointed out that interest on capital invested, the compensation for risk, and the wages of management are very difficult to define. In the case of commodities where it seemed impractical to set a maximum price, merchants were often required to prove their profits "just" before the courts upon the basis just explained. The care with which such prices were controlled is illustrated by a decree of January 25, 1917, which states that charges for shoe repairing may only be high enough to yield, in consideration of the costs, a suitable profit, and that excessive charges may be redressed by an appeal to the courts.

Of the prices fixed by the Government, those first and most thoroughly applied were the prices for the cereal crops. On November 6, 1914, the Bundesrat fixed prices for oats for 32 different cities, the price for different regions of the country to be that of the nearest city of the 32. In December prices for wheat, rye, and barley were also fixed by the same method. Prices for the region of Berlin have been as follows:

Wholesale cereal prices—Germany.

[In marks per ton.]

[Region of Berlin.]

	Average,[1] 1913.	Government prices.						
		Dec. 24-31, 1914.	For the crops of—					
			1915	1916	1917	1918	1919	1920[2]
Rye	164	220	220	220	270	305	405	1,400
Wheat	199	260	260	260	290	325	455	1,540
Oats	162	214	300	300	270	300	405	1,350
Barley	156	220	300	300	270	300	405	1,350

[1] Statistisches Jahrbuch für das Deutsche Reich.
[2] Minimum price.

Prices for the 1920 crop were originally fixed at 1,100 marks per ton for wheat, and at 1,000 marks for other grains, with the promise that an index number for costs of production should be calculated and prices revised, if increased costs warranted it. The index number was made, taking costs in January, 1920, as 100. It rose to 169.24 as of June 1, and the Government accordingly fixed the prices indicated in the above table.

Price regulations for agricultural products were as a rule enforced by "war committees" appointed for the purpose. Prices for industrial products were sometimes regulated simply by committees, but as the war progressed, manufacturers were often forced to unite in associations regulated by "control committees" responsible to the Government. The earliest of these associations were established in the coal industry. In July, 1915, the State authorities were authorized to unite in associations the owners of hard or brown coal mines, either according to districts or kinds of coal produced. These associations regulated the output of the mines and marketed their product. Coal syndicates were formed for the Rhenish-Westphalian district, for lower Saxony, Saxony, Silesia, and central and east Germany. "Just selling prices" for coal were decided at meetings of these associations, and the Goverment fixed prices in accordance with their recommendations. The trend of the "just prices" of the Rhenish-Westphalian Syndicate has been as follows:

Coal prices (Rhenish-Westphalian Syndicate[1]).

[In marks per ton.]

	January, 1914.	April, 1918.	April, 1920.
Bituminous coal (nut I and II)	14.25-15.00	27.60-29.40	230.90-232.70
Coking coal	12.25-13.00	25.50-27.30	196.10-198.70
Anthracite (nut I)	20.50-22.00	35.40-37.20	254.60-277.30
Foundry coke	15.00-17.00	32.40-34.80	278.60-280.20

[1] Frankfurter Zeitung and Deutscher Reichsanzeiger.

The completeness with which "essential" industries were regulated is illustrated by the forced associations in the shoe industry. In March, 1917, the Imperial Chancellor was authorized to unite manufacturers of every kind of shoe material in associations (with or without their consent) for the purpose of regulating the manufacture and sale of shoes, according to the raw materials available and the needs of the people. A decree of March 24, 1917, established 11 of these associations and appointed a "control committee" for the purpose of giving detailed instructions as to production, sale, and selling prices. This committee was required to divide the available raw materials among the members of the association and adjust the apportionment of army and navy contracts. It could also demand that one member of the association give up stocks of raw materials, half-manufactured products, and finished products, as well as machinery, to another member. If necessary, it could confiscate property. In July, 1917, the chancellor was authorized to unite retail dealers in new shoes of all kinds into associations for the purpose of apportioning the stocks placed at their disposal by the "Shoe Manufacturing and Selling Association." The members of this second association were required to take, pay for, and sell the stocks allotted to them according to the directions of the "main apportionment committee."

The effect of such forced associations upon German industry will not soon disappear. The Government has been authorized to "socialize" both the coal and potash industries. In the iron and steel industry the "Steel Works Union" has been succeeded by the "Eisenwirtschaftsbund," which is to regulate the production and marketing of iron and steel products through a committee consisting of 22 representatives of the producers (both the employers and employees), 8 of trade, and 14 of the consumers. In case the committee can not come to an agreement on any question, the Minister of Industry may decide the matter.

Government control of agricultural products is gradually being relaxed because of the urgent demands of the public. It is hard to say whether it ever was very successful. A writer [1] in the Jahrbücher für Nationalökonomie and Statistik for 1918 says that an official estimate placed the number of dealers who systematically violated price regulations at 500,000. "Can you wonder at it," says he, "when you remember that the official price of butter is 2.50 marks per pound, and that 15 to 18 marks are paid in the contraband trade?" As near as can be determined here, the following are the commodities which have already been released from control: Vegetables (except potatoes), fruits, coffee and tea, meats, margarine, fats, edible oils, fodder, nonferrous metals, leather, textiles (except linen and artificial silk). The control of bread, sugar, milk, and home-produced cheese will continue through the winter.

JAPAN.[2]

According to reports from Yokohama, the silk market was remarkably firm during the first three weeks of September, and stocks of raw silk were increasing. The general attitude of dealers was still, however, one of uncertainty.

The improvement is due to the organization by representative dealers in raw silk of the Imperial Raw Silk Corporation. The new company has a capital of 50,000,000 yen, and its purpose is to facilitate the financing of exports of raw silk. In order to assist in the recovery of the silk industry the Japanese Government has agreed to make loans from its Savings Bank Department through the Industrial Bank to the Raw Silk Corporation.

[1] Jahrbücher für Nationalökonomie, 1918, vol. 55, p. 311.

[2] The September BULLETIN contained a statement to the effect that the July excess of exports over imports amounted to 3,000,000 yen. This was an error due to a mistake in the cable. The trade figures for the month of July were: Imports, 157,000,000 yen; exports, 154,000,000 yen.

These loans are not to exceed 50,000,000 yen, and will run for a period of two years. Interest is to be paid at the rate of 5.6 per cent per annum (5 per cent to the Savings Bank Department, and 0.6 per cent as the commission of the Industrial Bank). As this rate is very low, considering the present state of the market, silk dealers feel that the arrangement is a favorable one.

The following quotations for Yokohama raw silk spot (for 100 kin) will be helpful in indicating the condition of the raw silk market.

Yokohama raw silk spot.

Date of cable.	Yen.
Aug. 2	1,100
Aug. 16	1,260
Sept. 2	1,130
Sept. 16	1,180
Oct. 2	1,500
Oct. 18	1,500
Oct. 23	1,500

Cotton yarns are still weak. The price dropped steadily from the middle of September to the middle of October, but recently cabled figures for Osaka cotton yarn futures indicate slight improvement.

Osaka cotton yarn futures (bale of 400 pounds).

Date of cable.	Yen.
Sept. 16	284.90
Sept. 24	264.00
Oct. 2	242.50
Oct. 8	232.40
Oct. 18	241.00
Oct. 23	267.90

From January through July, 1920, the value of Japanese exports was less than that of imports into Japan. From May on, however, this "unfavorable" balance steadily decreased, and in August exports exceeded imports by almost 52,000,000 yen. The September balance was also "favorable," the excess of exports being 36,000,000 yen. The monthly trade figures are shown in the following table:

[000 omitted.]

Month.	Exports.	Imports.	Excess of imports (−) or exports (+).
1920.	*Yen.*	*Yen.*	*Yen.*
January	176,347	204,701	− 28,354
February	174,288	270,630	− 96,342
March	193,134	328,500	−135,366
April	218,792	296,520	− 77,728
May	192,918	293,533	−100,615
June	183,407	218,317	− 34,910
July	154,320	156,658	− 2,338
August	174,487	122,645	+ 51,842
September	154,000	118,000	+ 36,000

Detailed figures in regard to Japanese foreign trade for August which are now available show that the increased exports of that month were largely caused by exports of cotton goods, for which the ministry of agriculture and commerce is now issuing permits. Cotton-yarn exports in August were valued at 20,970,000 yen and cotton cloth at 31,800,000 yen. The total value of raw silk exported in August reached 33,700,000 yen, as against 72,040,000 yen for the same month last year.

Group index numbers—Australian Commonwealth—Bureau of Census and Statistics.

[July, 1914=100.]

Date.	Metals and coal.	Textiles, leather, etc.	Agricultural products.	Dairy products.	Groceries and tobacco.	Meat.	Building materials.	Chemicals.
July, 1914	100	100	100	100	100	100	100	100
1915	117	93	202	127	110	150	116	149
1916	154	131	113	124	127	155	136	172
1917	213	207	110	116	131	155	194	243
1918	220	232	135	121	138	147	245	315
1919.								
September	182	225	200	138	149	152	259	263
October	186	243	236	141	152	154	271	272
November	184	254	238	142	151	132	278	267
December	186	259	224	142	156	132	281	266
1920.								
January	189	273	227	143	156	147	282	268
February	192	283	226	149	161	149	287	272
March	205	281	226	162	160	126	298	280
April	205	277	234	169	192	160	298	280
May	214	265	252	177	197	170	307	297
June	214	260	261	187	195	208	307	297
July	211	252	244	188	193	261	307	283
August	209	251	238	189	193	284	312	282
September	211	222	231	209	196	273	295	276

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

[1913=100.]

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	161	149	233	180	201	168	217	174	118	163	236
1918	231	197	168	214	213	273	169	229	213	147	188	250
1919.												
September	232	201	193	195	227	283	256	171	231	183	200	197
October	232	180	204	178	228	290	252	165	225	188	201	198
November	240	176	221	240	230	298	252	171	232	194	201	181
December	251	182	230	240	232	306	231	181	232	224	209	189
1920.												
January	269	195	228	265	245	316	237	191	235	232	212	190
February	275	195	216	290	251	321	245	199	231	243	215	189
March	280	198	206	295	254	322	222	210	237	268	215	194
April	291	200	196	316	264	366	239	214	237	268	245	201
May	301	207	189	358	275	323	215	213	237	294	257	203
June	302	206	183	338	274	314	186	207	238	295	279	206
July	292	211	194	295	283	305	183	209	242	282	294	218
August	271	204	198	142	277	300	173	209	243	285	298	218
September	254	202	211	190	261	296	169	207	259	273	296	217

[1] Unimportant groups omitted.

Group index numbers—Calcutta, India, Department of Statistics.

[End of July, 1914=100.]

Date.	Building materials.	Manufactured articles.	Metals.	Hides and skins.	Cotton manufactures.	Raw cotton.	Jute manufactures.	Other textiles.	Oils.	Raw jute.	Oil seeds.	Tea.	Sugar.	Pulses.	Cereals.	Other foods.
End of July, 1914	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August, 1918	....	....	317	83	....	240	328	240	......	89	96	......	95	179	....	[1] 119
September, 1918	....	....	314	75	....	217	331	217	......	105	116	......	93	96	....	[1] 134
September, 1919	....	....	214	156	....	215	199	215	......	131	188	......	109	292	....	[1] 177
1920.																
January	118	225	226	253	356	214	181	153	159	125	200	96	377	207	167	204
February	118	217	215	233	364	185	164	158	155	123	190	92	363	191	158	199
March	127	218	222	211	351	179	150	159	135	118	166	87	321	160	151	192
April	114	201	219	209	357	158	170	161	116	119	163	90	377	159	156	185
May	128	215	248	160	365	135	142	164	123	120	169	90	511	150	157	183
June	131	233	244	116	364	144	147	164	119	83	171	73	482	149	156	180
July	139	235	249	100	364	132	151	168	119	89	169	74	503	159	151	188
August	142	235	257	99	360	139	163	168	115	91	167	72	477	160	154	185
September	158	237	245	105	347	154	163	164	115	105	179	65	456	170	154	186

[1] Includes pulses.

Group index numbers—Sweden, Svensk Handelstidning.

[1913=100.]

Date.	Vegetable food.	Animal food.	Raw materials for agriculture.	Coal.	Metals.	Building material.	Paper pulp.	Hides and leather.	Textiles.	Oils.
1913–14	100	100	100	100	100	100	100	100	100	100
1914 [1]	136	101	114	123	109	104	....	118	103	111
1915	151	140	161	177	166	118	116	158	116	120
1916	152	182	180	266	272	165	233	229	166	149
1917	181	205	198	551	405	215	267	206	247	212
1918	221	419	304	856	398	275	300	195	....	....
1919.										
September	255	386	323	893	213	282	289	235	....	....
October	230	360	323	893	213	281	292	223	308	170
November	230	361	317	840	225	280	316	228	328	204
December	241	362	319	840	237	294	343	258	350	204
1920.										
January	248	328	317	864	248	295	388	258	353	204
February	273	305	319	936	259	371	476	269	380	226
March	270	304	318	960	291	367	682	268	380	275
April	265	284	320	1,008	283	367	767	263	368	275
May	269	283	320	1,069	324	367	788	252	374	275
June	250	273	311	1,252	318	381	778	212	368	303
July	252	277	312	1,252	293	388	767	202	336	303
August	271	307	310	1,117	286	388	756	191	328	322
September	273	312	308	1,085	273	388	753	180	310	340

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

Group index numbers—Italy.

Prof. Bachi. [1913=100.]

	Cereals and meats.	Other food-stuffs.	Textiles.	Minerals and metals.	Other goods.		Cereals and meats.	Other food-stuffs.	Textiles.	Minerals and metals.	Other goods.
1913	100	100	100	100	100	1920.					
1914	102	84	96	100	96	January	363	396	777	671	418
1915	132	93	113	207	133	February	365	399	840	857	443
1916	156	135	184	380	197	March	381	418	962	996	489
1917	215	171	326	596	266	April	395	494	1,064	1,076	535
1918	315	229	475	750	391	May	441	499	840	1,088	525
						June	445	511	742	917	534
1919.						July	434	508	759	903	542
September	319	357	429	442	342	August	445	510	794	957	540
October	326	366	499	459	341	September	459	520	837	1,040	541
November	328	371	633	568	351						
December	338	373	658	584	405						

Group index numbers—United States, Bureau of Labor Statistics.

[1913=100.]

Date.	Farm products.	Food, etc.	Cloths and clothing.	Fuel and lighting.	Metals and metal products.	Lumber and building material.	Chemicals and drugs.	House furnishing goods.	Miscel-laneous.
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.									
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
February	237	244	356	187	189	300	197	329	227
March	239	246	355	192	192	325	205	329	230
April	246	270	353	213	195	341	212	331	238
May	244	287	347	235	193	341	215	339	246
June	243	279	335	246	190	337	218	362	247
July	236	268	317	252	191	333	217	362	243
August	222	235	300	267	193	328	216	363	240
September	210	222	278	284	192	318	222	371	239

WHOLESALE PRICES IN THE UNITED STATES.

Extent of the price decline.—The Board's index number of wholesale prices declined less rapidly in September than in August. Prices as a whole were 150 per cent above the 1913 level during July, 134 per cent in August, and 126 per cent in September. The total decline from the peak of May, 1920, amounts to 14 per cent.

Decline in imported goods.—Prices of imported goods continue to decline more rapidly than those of exported goods. Among the imports, producers' goods felt the decline more than raw materials. This was probably due in large measure to the rapid fall in sugar and rubber prices. Although certain grades of silk continued to decline, some quotations showed an advance over August prices. In the same way, quotations for Australian wools showed a considerable decline from those of the preceding month, but the South American grade used in making the index number was quoted at the same figure as for the preceding month. Foreign hides continued to decline, as did coffee, tea, and pig tin.

Export prices.—The accompanying chart shows clearly that the fall in the prices of goods which are exported is proceeding considerably more rapidly than the fall in the general domestic price level. Both in the upward swing of prices from April, 1919, to May, 1920, and in the downward swing since then, prices of export goods have fluctuated in advance of prices of home produced goods and of the all-commodities index. This seems to indicate the important influence of our export trade upon the general price level.

Among goods exported the greatest declines occurred in raw materials. Cotton is the most important commodity in the index, and with the decline in the price of upland middling at New Orleans from $0.3456 per pound in August to $0.2875 in September, the index number as a whole was lowered. Other important exports to show weakness were wheat, lumber, and copper. Coal and pig iron advanced, and petroleum was unchanged in price.

Producers' goods do not figure as largely in our export trade as raw materials or consumers' goods, and the price movement during September was not particularly noteworthy. Gasoline and cottonseed oil advanced; fuel oil, steel products (an average of four important heavy steel products), and copper wire declined slightly, and leather somewhat more heavily.

Finished consumable goods which we export did not decline in price, but instead showed a small increase. In this index wheat flour, lard, and kerosene, all of first-rate importance in our foreign trade, advanced in price. Other commodities, such as pork products, cotton fabrics, and shoes, declined.

Difference in index numbers, Federal Reserve Board and Bureau of Labor Statistics.—According to the Board's index, as well as the index of the Bureau of Labor Statistics, prices of consumers' and producers' goods are declining more rapidly than raw materials. The two indexes disagree somewhat as to the actual price level, the Board's index registering 226 for September, on the basis of 1913 prices = 100, while the Bureau of Labor Statistics registers 242. This difference may be due in part to the difference in the size of the two indexes, and also to the difference in methods of weighting them. A large index, such as that of the Department of Labor, is apt not to be so sensitive to fluctuations in prices as a smaller one. Although larger, the index of the Bureau of Labor Statistics reached a level in the spring some 10 points higher than that reached by the Board's index. Certain commodities are given somewhat different weights in the two index numbers, and where this has occurred in the case of commodities whose prices have been abnormal, it has made for a difference in the two index numbers.

Consumers' goods decline more than raw materials.—Consumers' goods are leading the downward turn in prices, according to the Board's index. Raw materials as a whole have declined less. This is because, in spite of declining prices in the agricultural field, prices of coal, pig iron, and oil have continued at old levels or are higher. Among consumers' goods practically all commodities, including food products, textile fabrics, and shoes, have receded in price.

During recent weeks the tendency in the steel industry has been to make price recessions. Decline in demand from the automobile industry gave the first impetus to the movement, but since then reductions in the demand from the building and shipping trades and from the railroads have caused weakening in the markets for heavy steel. The independent mills have made the concessions, as their prices were considerably higher than those of the United States Steel Corporation. Premium prices have disappeared along with abnormal demand. Prices of lighter steel products continue to be sustained.

With regard to coal prices the Federal Reserve Agent in Philadelphia reports that "prices are still high but have eased off" during recent weeks. Export demand continues heavy, but it is too early to judge of the effect of the British coal strike upon prices here.

Reports from oil districts show that prices are unchanged, although the Federal Reserve Agent at Dallas states that buyers of crude oil are showing an unwillingness to pay premiums. Posted prices are firm. As yet there is no evidence of the influence of the decline in automobile demand upon gasoline prices.

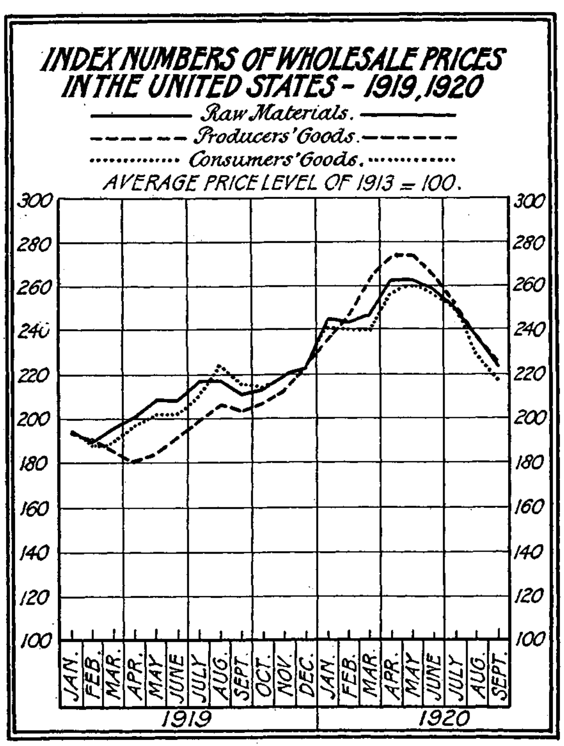
Agricultural prices.—Important agricultural products have almost uniformly declined during recent weeks. This statement applies to live stock as well as to cereals, although cattle and hog prices have not been so much affected as lamb prices.

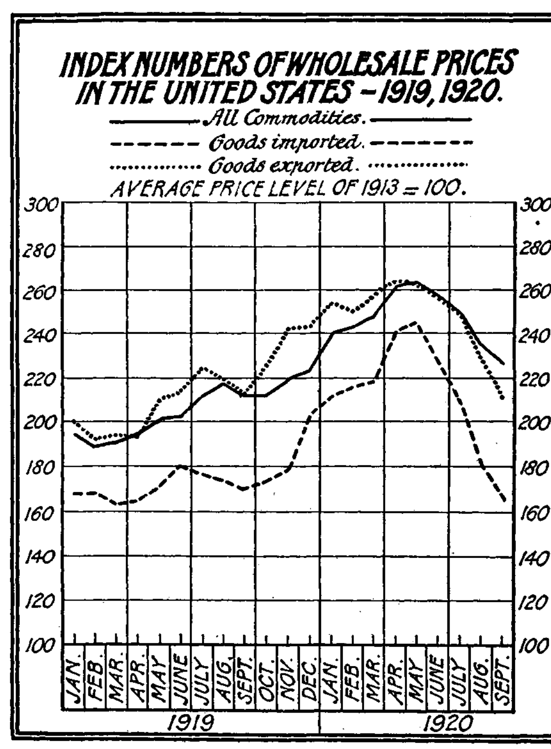
Textiles and leather.—Prices continue to decline in the cotton, wool, and leather markets. The Boston Federal Reserve Agent reports wool prices during the current month more depressed than a month previous. The cotton crop in the Eleventh Federal Reserve District has suffered a 40 per cent depreciation in market value between seed time and harvest, according to the agent in Dallas. Sole and upper leather are both quoted at lower figures for October than for September and demand has not improved.

Index numbers of wholesale prices in United States—Federal Reserve Board.

[Average prices 1913=100.]

Date.	Goods produced.	Imported.	Exported.	Consumed.	Raw materials.	Producers' goods.	Consumers' goods.	All.
1913.								
January	100	105	100	100	100	105	99	100
February	100	104	100	101	99	105	99	100
March	100	103	99	101	100	105	99	101
April	101	101	99	101	101	103	99	101
May	100	100	99	100	100	102	99	100
June	100	99	100	100	100	101	101	100
July	100	99	99	100	98	101	102	100
August	100	101	99	101	101	100	101	101
September	101	100	102	101	102	98	101	101
October	101	98	103	100	102	96	101	100
November	99	98	102	98	100	95	101	99
December	98	93	99	97	98	91	99	97
1919.								
January	197	168	200	195	195	192	196	195
February	191	168	192	190	190	191	188	189
March	193	163	194	191	196	185	188	191
April	198	165	194	196	201	181	197	196
May	204	172	211	201	209	184	202	202
June	204	180	214	202	208	192	202	203
July	214	176	224	211	217	200	211	211
August	221	174	219	218	217	206	224	218
September	215	170	212	212	211	203	216	211
October	215	174	226	211	213	207	214	212
November	222	179	242	217	220	213	219	219
December	231	203	245	225	229	223	225	226
1920.								
January	244	212	255	240	245	236	240	242
February	244	216	252	242	242	247	240	242
March	250	218	256	247	246	263	241	248
April	265	242	264	263	263	274	257	263
May	266	246	262	264	263	274	261	264
June	260	226	256	257	258	265	255	258
July	253	208	248	249	249	251	250	250
August	238	182	229	234	237	235	229	234
September	231	164	211	227	233	225	218	226





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

[Bureau of Labor Statistics.]

[Average price for 1913=100.]

Year and month.	Raw materials.					Producers' goods.	Consumers' goods.	All commodities (Bureau of Labor Statistics index number).
	Farm products.	Animal products.	Forest products.	Mineral products.	Total raw materials.			
July, 1914	102	106	97	91	99	93	103	100
September, 1914	104	110	96	92	101	101	108	104
September, 1915	101	104	92	97	99	99	99	99
September, 1916	138	125	95	121	122	143	129	128
September, 1917	216	195	129	171	182	201	175	183
September, 1918	256	220	143	183	206	201	213	207
September, 1919	240	215	227	184	216	212	226	221
January, 1920	291	213	273	190	239	245	259	248
February, 1920	278	206	315	194	240	246	256	248
March, 1920	288	200	348	197	247	246	263	253
April, 1920	304	196	367	224	260	263	280	265
May, 1920	314	179	367	234	260	271	285	272
June, 1920	301	186	363	245	261	262	279	268
July, 1920	287	184	359	250	258	251	272	263
August, 1920	259	181	351	258	251	238	250	250
September, 1920	232	186	344	270	247	224	240	242

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 January, 1920, to September, 1920, compared with like figures for August of previous years. 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
September, 1914	.7748	126	.0838	66	1.1364	130	1.1069	112	9.7313	114	.2100	114
September, 1915	.7269	118	.1053	83	.9811	112	1.0760	109	8.9500	105	.2650	144
September, 1916	.8522	138	.1532	121	1.6080	184	1.5344	156	9.8000	115	.2600	141
September, 1917	2.0613	335	.2160	170	2.2213	254	2.1775	221	14.9875	176	.3300	179
September, 1918	1.5313	249	.3578	282	2.2169	254	2.2363	227	18.4100	216	.3000	163
September, 1919	1.5410	250	.3078	242	2.5350	290	2.2385	227	16.8050	198	.4638	252
January, 1920	1.4750	240	.4035	318	2.9313	336	2.6338	267	15.9375	187	.4000	218
February, 1920	1.4125	229	.3944	311	2.6875	308	2.4900	252	14.9688	176	.4025	219
March, 1920	1.5515	252	.4060	320	2.7550	315	2.5000	253	14.4000	169	.3640	198
April, 1920	1.6913	275	.4144	326	3.0063	344	2.7725	281	13.9063	163	.3613	196
May, 1920	1.9825	322	.4038	318	3.0750	352	2.9750	302	12.6000	148	.3538	192
June, 1920	1.8390	299	.4030	317	2.9000	332	2.8950	294	15.0313	177	.3410	185
July, 1920	1.5388	250	.3950	311	2.8313	324	2.8050	284	15.3813	181	.2944	160
August, 1920	1.5310	249	.3380	266	2.5500	292	2.4735	251	15.3500	180	.2850	155
September, 1920	1.2938	210	.2706	213	2.4903	285	2.4919	253	15.2500	179	.2840	154

Year and month.	Hogs, light, Chicago.		Wool, Ohio, 1/4-3/8 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
September, 1914	9.0188	107	.4583	97	24.2500	100	42.0000	94	5.1794	102	2.2000	100
September, 1915	7.7000	91	.5714	121	20.5000	85	38.5000	86	5.1529	102	2.2000	100
September, 1916	10.7750	127	.6857	146	23.7500	98	38.0000	85	5.6625	112	2.5000	114
September, 1917	18.4250	218	1.3714	291	30.5000	126	57.0000	128	6.1303	121	3.3000	150
September, 1918	20.0700	237	1.4365	305	....	....	63.0000	141	6.9000	136	4.1000	186
September, 1919	18.2100	215	1.2182	259	43.0000	177	95.0000	213	8.4020	166	4.5000	205
January, 1920	15.1250	179	1.2364	263	53.0000	219	112.0000	251	8.4291	167	4.1000	186
February, 1920	14.9813	177	1.2364	263	57.0000	235	139.0000	312	8.4118	166	4.1000	186
March, 1920	15.5000	183	1.2364	263	57.0000	235	139.0000	312	8.4109	166	4.1000	186
April, 1920	15.7125	186	1.2000	255	57.0000	235	160.0000	359	8.4368	167	5.5000	250
May, 1920	14.7550	175	1.1636	247	57.0000	235	160.0000	359	8.9964	178	6.0000	273
June, 1920	15.3500	182	1.0000	212	57.0000	235	160.0000	359	9.3672	185	6.0000	273
July, 1920	15.8875	188	.9091	193	57.0000	235	160.0000	359	9.4580	187	6.0000	273
August, 1920	15.7350	186	.8727	185	57.0000	235	157.0000	352	9.6087	190	6.0000	273
September, 1920	17.0688	202	.8364	178	57.0000	235	157.0000	352	10.4363	206	7.1000	323

Average monthly wholesale prices of commodities—Continued.

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
September, 1914	3.0000	100	1.7250	71	.1238	79	.0388	88	1.4500	59	13.0000	88
September, 1915	2.8500	95	1.6750	69	.1775	113	.0490	111	1.6000	65	14.7500	100
September, 1916	4.0000	133	2.7500	113	.2775	176	.0650	148	2.3000	94	18.3100	125
September, 1917	3.9080	130	11.7500	482	.2525	161	1.0380	236	3.5000	143	42.7500	291
September, 1918	4.6320	154	6.0000	246	.2600	165	.0805	183	4.0000	163	32.0000	218
September, 1919	....	....	4.5920	188	.2220	141	.0609	138	4.2500	173	25.7500	175
January, 1920	4.6320	154	6.0000	246	.1931	123	.0872	198	5.0625	207	37.7500	255
February, 1920	4.6320	154	6.0000	246	.1906	121	.0881	200	5.5125	225	42.2500	287
March, 1920	4.6320	154	6.0000	246	.1858	118	.0923	210	6.1000	249	41.6000	283
April, 1920	6.4800	216	10.5000	430	.1919	122	.0896	204	6.1000	249	42.5000	289
May, 1920	6.4800	216	12.0000	492	.1906	121	.0856	195	6.1000	249	43.2500	294
June, 1920	6.4800	216	14.3000	586	.1900	121	.0848	193	6.1000	249	44.0000	299
July, 1920	6.4800	216	14.3750	589	.1900	121	.0860	195	6.1000	249	45.7500	311
August, 1920	6.4800	216	15.5500	637	.1900	121	.0898	204	6.1000	249	48.1000	327
September, 1920	7.2800	243	15.3125	628	.1869	119	.0816	185	6.1000	249	48.5000	330

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
September, 1914	.1700	77	....	....	21.0000	81	.0120	81	30.0000	100	.6600	85
September, 1915	.1700	77	.3100	110	24.1000	93	.0135	91	30.0000	100	.8500	119
September, 1916	.2750	124	.3700	131	45.0000	174	.0350	236	35.0000	117	1.2000	154
September, 1917	.4200	190	.4800	170	66.2500	257	.0800	541	40.0000	133	1.7000	219
September, 1918	.6100	276	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
September, 1919	.5903	267	.5700	202	38.5000	149	.0253	171	47.0000	157	1.7500	225
January, 1920	.7271	329	.5600	199	48.0000	186	.0274	185	50.7500	169	2.2500	290
February, 1920	.7465	337	.5700	202	55.2500	214	.0350	236	54.5000	182	2.2500	290
March, 1920	.7549	341	.5700	202	60.0000	233	.0365	247	54.5000	182	2.2000	283
April, 1920	.7784	352	.5700	202	60.0000	233	.0375	253	54.5000	182	2.2000	283
May, 1920	.7672	347	.5700	202	60.0000	233	.0375	253	54.5000	182	2.0000	258
June, 1920	.7299	330	.5700	202	60.0000	233	.0355	240	54.5000	182	2.0000	258
July 1920	.7009	317	.5700	202	62.5000	242	.0338	228	54.5000	182	1.7500	225
August, 1920	.6310	285	.5500	195	61.0000	237	.0325	220	54.5000	182	1.7500	225
September, 1920	.5429	245	.5100	181	58.7500	228	.0325	220	54.5000	182	1.6000	206

Year and month.	Beef, carcass, good native steers, Chicago.		Coffee, Rio, No. 7.		Flour, wheat, standard patents (1918, standard war), 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
September, 1914	.1438	111	.0763	69	5.9400	130	.1905	115	.1200	97	.0680	159
September, 1915	.1350	104	.0675	61	5.3313	116	.1447	87	.1200	97	.0506	119
September, 1916	.1375	106	.0988	89	8.4250	184	.1900	114	.1200	97	.0637	149
September, 1917	.1900	147	.0913	82	11.2625	246	.2675	161	.1300	105	.0823	193
September, 1918	.2450	189	.0959	86	10.2100	223	.3281	197	.1750	142	.0845	198
September, 1919	.2275	176	.1663	149	11.6200	254	.3480	209	.2200	178	.0882	207
January, 1920	.2320	179	.1628	146	14.4438	315	.2944	177	.2240	182	.1537	360
February, 1920	.2125	164	.1478	133	13.5375	295	.3056	184	.2400	195	.1495	350
March, 1920	.2050	158	.1500	135	13.1650	287	.3155	190	.2500	203	.1372	321
April, 1920	.2090	161	.1514	136	14.2813	312	.3313	199	.2600	211	.1919	449
May, 1920	.1950	151	.1559	140	15.0313	328	.3556	214	.2600	211	.2247	526
June, 1920	.2225	172	.1498	135	14.1600	309	.3650	220	.2600	211	.2120	497
July, 1920	.2550	197	.1306	117	13.6688	298	.3769	227	.2600	211	.1910	447
August, 1920	.2550	197	.0936	84	12.2350	267	.3725	224	.2600	211	.1490	349
September, 1920	.2600	201	.0819	74	12.5938	275	.3634	219	.2750	223	.1426	334

DISCOUNT AND INTEREST RATES.

In the following table are presented actual discount and interest rates prevailing during the 30-day period ending October 15, 1920, in the various cities in which the several Federal Reserve Banks and their branches are located. 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.

As was the case during the previous period, changes in rates have occurred only in a relatively small number of centers, and there are approximately an equal number of increases and decreases. These changes in rates are scattered and are not pronounced, either for particular centers or for particular types of paper. In the great majority of centers rates remain unchanged. Present rates continue higher in almost all centers than rates during the same period of 1919.

Discount and interest rates prevailing in various centers during 30-day period ending Oct. 15, 1920.

District.	City.	Prime commercial paper.				Interbank loans.	Bankers' acceptances, 60 to 90 days.		Collateral loans—stock exchange or other current.			Cattle loans.	Secured by warehouse receipts, etc.	Ordinary loans to customers secured by Liberty bonds and certificates of indebtedness.
		Customers.		Open market.										
		30 to 90 days.	4 to 6 months.	30 to 90 days.	4 to 6 months.		Indorsed.	Un-indorsed.	Demand.	3 months.	3 to 6 months.			
		H. L. C.	*H. L. C.*	*H. L. C.*	*H. L. C.*	*H. L. C.*	*H. L. C.*	*H. L. C.*	*H. L. C.*	*H. L. C.*	*H. L. C.*	*H. L. C.*	*H. L. C.*	*H. L. C.*
No. 1	Boston	8 6 7	8 6½ 7	8 7¾ 8	8 7¾ 8	7 6 6½	6⅜ 6¼ 6¼	6⅝ 6⅜ 6½	8 8 8	8 7½ 7½	8 7½ 8	...	...	7 6 6½
No. 2	New York[1]	8 6 7	8 6 7	8 8 8	8 6 8	7½ 6 7	7½ 5⅞ 6¼	8 5⅞ 6½	10 6 7	7 6 6	7 6 6	...	...	6½ 4¼ 6
	Buffalo	7 6 ..	8 6 6–7	8¼ 8 8	8¼ 8 8	8 6 7	...	...	8 6 6–7	8 6 6–7	8 6 6–7	...	...	7 6 ..
No. 3	Philadelphia	6 6 6	6 6 6	8¼ 7¾ 8	8½ 8 8	6 6 6	6¾ 6¼ ..	6⅞ 6⅜ ..	6 5½ 6	6 5¾ 6	6 6 6	...	...	6 6 6
No. 4	Cleveland	7 6 7	7 6 7	...	...	7 6 6	...	6⅜ 6⅜ 6⅜	8 6 7	8 5¾ 7	...	...	7 7 7	7 6 7
	Pittsburgh	6 6 6	6 6 6	8 8 8	8¼ 8 8	6 6 6	6⅛ 6 6	6½ 6⅛ 6¼	6 6 6	6 6 6	6 6 6	...	6 6 6	6 6 6
	Cincinnati	7 6 6–6½	7 6 6½	7½ 6¼ 6½	7½ 6 6½–7	7 6 6	6½ 6 6½	6½ 6¼ 6½	8 7 7	7½ 7 7	7½ 7 7	...	7½ 6½ 7	6½ 6 6
No. 5	Richmond	6 6 6	6 6 6	...	...	6 6 6	...	...	6 6 6	6 6 6	6 6 6	...	6 6 6	6 6 6
	Baltimore	6 6 6	6 6 6	...	...	6 6 6	6 6 6	...	6 6 6	6 6 6	6 6 6	...	...	6 6 6
No. 6	Atlanta	8 7 7	8 7 7	...	...	8 7 7	8 7 7	8 7 7	8 6 7	8 7 7	8 7 7	...	8 7 7	8 7 7
	Birmingham	8 6 7	8 6 7	8½ 8 8	8½ 8 8	8 6 6–7	...	...	8 6 7	8 6 7	8 6 7	...	8 6 7–8	8 6 7
	Jacksonville	8 6 7	7 7	8½ 7 8	8 7 8	7 6 6	8 7 7	8 7 7	8 6 7	8 6 8	8½ 7 8	...	8 7 7	8 7 7
	New Orleans	8 6 7½–8	8 6½ 7½–8	8 7 7½–8	8 7 7½–8	8 6½ 7–7½	8 7 7½–8	8 7 7½–8	8 6½ 7½–8	8 6½ 7½–8	8 6½ 7½–8	...	8 6½ 7½–8	8 5½ 6–7½
	Nashville	8 6 7	8 6 7	...	...	8 6 6	...	...	...	8 6 7	8 6 7	...	8 6 7	7 6 6
No. 7	Chicago	7 6½ 7	7 6½ 7	7 7 7	7 7 7	7 7 7	7 7 7	7 7 7	7 6½ 7	7 6½ 7	7 7 7	7 7 7	7 7 7	7 6 ..
	Detroit	7 6 7	7 6 7	8 7¾ 8	8 7¾ 8	7 6 7	6½ 6⅛ 6¼	6½ 6¼ 6⅜	7 6½ 7	7 6 7	7 6 7	...	...	7 6 7
No. 8	St. Louis	7½ 6½ 7	7½ 6½ 7	...	...	8 6½ 7	...	6½ 6⅛ 6½	8 6 7	8 6½ 7	8 6½ 7	...	...	8 7 7
	Louisville	6 6 6	6 6 6	8 8 8	8 8 8	6 6 6	...	6¼ 6¼ 6¼	6 6 6	6 6 6	6 6 6	...	6 6 6	6 6 6
	Memphis[2]	...	...	...	...	...	...	...	...	...	...	...	...	...
	Little Rock	8 7 8	8 7 8	...	...	7 6½ 7	...	...	8 7 8	8 7 8	8 7 8	...	...	8 7 ..
No. 9	Minneapolis	7½ 7½ 7½	8 7½ 7½	8 7½ 7¾	8 8 8	7½ 7 7	6⅛ 6 6⅛	6¼ 6⅛ 6¼	8 7½ 8	8 8 8	8 8 8	...	8 7½ 7½	7½ 7 7
No. 10	Kansas City	8 6 7	8 6 7	8 8 8	8 8 8	8 6 7	...	...	8 6 7	8 6 7	8 6 7	8 7 7	8 6 7	8 6 7
	Omaha	8 7 8	9 7 8	8 7 8	9 7 8	9 7 8	...	...	8½ 8 8	9 7 8	9 7 8	10 7 8	...	8 6½ 7½
	Denver	8 6 7	8 6 7	8 6 7	8 7 7	8 6 7	...	...	9 7 7	8 6 7	8 6 7	8 6 7	...	8 6 7
No. 11	Dallas	8 7 7½	8 7 7½	8 8 8	8 8 8	7 6½ 6¾	...	...	8 6 7¼	8 6 7	8 6 7	8 6½ 7¼	8 7 7¾	8 6 7½
	El Paso	10 6 8	10 6 8	8 7 8	8 7 8	8 6 8	...	...	10 7 8	10 7 8	10 7 8	10 8 8	...	10 6 8
	Houston	7 6 6½	7 6 6½	...	...	6½ 6 6½	...	...	8 6 7	8 6 7	8 6 7	8 7 7½	8 7 7½	8 7 7
No. 12	San Francisco	8 6 6½	8 6 6½	8¼ 6½ 8	8¼ 7 8	7 6 6	6½ 6⅛ 6¼	6½ 6⅛ 6¼	8 6 7	7 6 6½	7 6 6½	...	...	7 6 6½
	Portland	7 6 6	7 6 6	5½ 5¼ 5¼	5½ 5¼ 5¼	6 6 6	4¼ 4¼ 4¼	4¼ 4¼ 4¼	6 6 6	6 6 6	6 6 6	...	...	7 6 6
	Seattle	8 6½ 7	8 7 8	8¼ 8 8	8¼ 8 8	7 6½ 7	6⅜ 6¼ 6⅜	...	8 7 8	8 7 8	8 7 8	...	...	8 6½ 7
	Spokane	8 7 7½	8 7 7	...	...	8 6½ 7	...	...	8 7 7	8 7 8	8 7 8	...	...	8 7 8
	Salt Lake City	8 7 8	8 7 8	8¼ 8 8	8¼ 8 8	8 7 8	...	...	8 7 8	9 7 8	9 8 8	...	...	8 7 8
	Los Angeles	8¼ 5 7	8¼ 6 7	8¼ 6 7	8¼ 6 8	7 5 6	7 6 6¼	7 7 7	8 6 7	8 6 7	8 6 7	...	...	8 6 7

[1] Rates for demand paper secured by prime bankers' acceptances—high, 7; low, 5¾; customary, 6.

[2] No report.

PHYSICAL VOLUME OF TRADE.

In continuation of tables in the October 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. Beginning with this issue, stocker and feeder shipments are shown in addition to live-stock movements. Receipts and shipments of lumber at St. Louis have also been added and are combined with receipts and shipments of lumber at Chicago.

After showing some indication of increase in activity during August, the woolen industry during September showed signs of inactivity. The amount of wool consumed during the month was about 6 per cent less than that for August and about 40 per cent less than for September, 1919. However, there was a slight tendency for the percentage of idle woolen machinery to decrease on October 1 as compared with September 1. It is to be noted that in each case the percentage of idle woolen machinery is very mucn greater than during the corresponding month of last year. Cotton consumption showed a still further decrease during September from the August figure and was somewhat less than during September, 1919. There was a corresponding decrease in the number of cotton spindles active during the month. Imports of raw silk during September were almost one-fourth less than for August and less than one-third of imports during September, 1919.

The production of bituminous coal during September exceeded the August figure by about 6 per cent and the September, 1919, figure by about 8 per cent, while the production of anthracite coal during September was considerably less than for August, 1920, and for September, 1919. Crude petroleum production also showed a falling off during September, but still remains substantially above the figure for September, 1919. Pig-iron production showed a slight decline for September when compared with August, although the daily average for September was slightly greater, and showed a considerable increase over September, 1919, toward the close of which month the strike in the industry commenced. Pig-iron production showed a small increase during October. Steel-ingot production during September was practically the same as during August, but increased slightly during October. The unfilled orders of the United States Steel Corporation at the close of September and October showed a decrease as compared with August, 1920, and a considerable increase over the corresponding months of 1919.

Receipts of lumber at Chicago and St. Louis showed a slight increase during the month of September but were considerably less than for September, 1919. The production of eastern white pine and North Carolina pine showed a substantial increase over August, 1920, and a very large increase as compared with September, 1919. Western pine showed a decrease during September, but is well above the figure for September, 1919. A considerable decrease is shown in the production of Douglas fir and southern pine, both when compared with last month and the same month last year. California shipments of citrus fruits showed a further seasonal decline, the figure being considerably less than last month and for the same month last year. Shipments of deciduous fruits were marked by a seasonal increase, being considerably greater than for August, 1920, and for September, 1919. Receipts and meltings of sugar during September at North Atlantic ports showed a very great decrease, both when compared with August, 1920, and with September, 1919. Stocks of raw sugar at these ports, while substantially in excess of September, 1919, showed a decrease when compared with August, 1920.

Receipts and shipments of live stock at 15 western markets were in excess of those for August, but considerably less than for September, 1919. Stocker and feeder shipments from 35 markets during the months since February of 1920 showed a decrease every month when compared with the corresponding months of 1919, but it is to be remembered that 1919 shipments were far in excess of normal. Receipts of grain and flour at 17 interior centers during September, although considerably less than for September, 1919, showed a substantial increase over August, 1920.

The railroad net-ton mileage during August was considerably in excess of that for July, 1920, and for August, 1919. The tonnage of vessels cleared during September decreased materially when compared with August, but was considerably above the figure for September, 1919.

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.
	Head.	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*
September, 1919	2,376,680	2,403,250	3,810,254	140,848	8,731,032	1,150,303	862,550	2,472,438	135,724	4,621,015
1920.										
January	1,868,723	5,275,412	1,560,051	138,541	8,842,727	752,605	1,665,274	669,458	138,145	3,225,482
February	1,468,370	3,423,992	1,387,111	108,056	6,387,529	591,691	1,287,169	572,634	110,827	2,562,321
March	1,803,073	3,963,245	1,255,490	82,584	7,104,392	570,323	1,399,485	483,550	87,896	2,541,254
April	1,542,150	3,030,801	1,441,072	48,036	6,062,059	593,362	1,119,205	724,718	47,998	2,485,283
May	1,766,394	1,234,022	1,421,009	40,901	7,462,326	771,865	1,374,902	769,718	40,021	2,956,506
June	1,870,121	3,741,202	1,592,450	32,199	7,235,972	789,953	1,295,936	768,172	33,539	2,887,600
July	1,657,743	2,837,685	2,000,758	35,668	6,531,854	721,328	1,095,470	1,015,612	37,152	2,869,562
August	1,952,086	2,516,240	2,561,661	73,423	7,103,410	869,849	953,088	1,459,150	69,971	3,352,058
September	2,279,345	2,435,589	2,826,693	57,468	7,599,095	1,079,170	931,261	1,581,680	60,414	3,652,525

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.
September, 1919	1,871,042	186	1,704,944	78	2,890,831	212	88,003	191	6,554,820	142
1920.										
January	1,400,031	139	3,912,449	178	1,035,591	76	90,662	197	6,438,733	139
February	1,068,092	114	2,440,154	119	948,116	74	76,048	168	4,532,410	105
March	1,203,499	119	2,910,909	132	900,299	66	57,880	126	5,072,587	110
April	1,040,903	103	2,150,281	98	928,191	68	31,235	68	4,150,610	90
May	1,209,656	120	3,128,249	142	796,160	58	25,469	55	5,159,534	112
June	1,290,265	128	2,746,390	125	1,006,528	74	21,316	46	5,064,499	110
July	1,188,019	118	2,115,639	96	1,301,458	95	26,697	58	4,631,813	100
August	1,459,565	145	1,818,245	83	1,688,719	124	55,371	120	5,021,900	109
September	1,736,009	172	1,597,622	73	1,893,312	139	38,950	85	5,265,893	114

SHIPMENTS.

	Cattle and calves.		Hogs.		Sheep.		Horses and mules.		Total, all kinds.	
	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.
September, 1919	872,541	214	502,211	104	1,855,639	367	82,984	202	3,313,375	231
1920.										
January	548,841	135	1,026,763	212	403,382	80	90,630	221	2,069,616	144
February	427,608	113	814,253	180	334,012	71	79,100	207	1,654,973	124
March	418,310	103	923,526	191	298,878	59	62,625	153	1,703,339	119
April	414,967	102	712,087	147	373,381	74	31,348	76	1,531,783	107
May	515,062	127	822,907	170	316,002	63	24,617	60	1,678,588	117
June	528,273	130	797,946	165	399,613	79	22,623	55	1,748,455	122
July	508,199	125	737,923	152	644,557	128	28,168	69	1,918,847	134
August	640,295	157	627,670	130	899,342	179	52,163	127	2,219,470	155
September	819,371	202	540,812	112	1,027,510	204	40,890	100	2,428,583	169

Shipments of stockers and feeders from 35 markets.

	Cattle and calves.	Hogs.	Sheep.	Total, all kinds.
1918.				
July	269,179	40,492	210,332	520,003
August	413,411	114,510	523,944	1,051,865
September	599,272	114,024	1,099,386	1,812,682
October	693,588	115,227	1,238,810	2,047,625
November	618,135	100,571	762,595	1,481,301
December	364,016	76,372	358,959	799,347
1919.				
January	362,205	48,704	227,732	638,641
February	262,722	46,445	130,653	439,820
March	273,558	85,741	135,505	494,804
April	386,286	125,096	205,550	716,932
May	439,123	95,322	158,775	693,220
June	269,545	49,398	221,474	540,417
July	234,200	43,243	340,059	617,502
August	394,586	49,808	1,037,971	1,482,365
September	606,881	72,809	1,502,391	2,182,081
October	830,825	106,625	1,384,404	2,321,854
November	714,662	88,994	859,162	1,662,818
December	462,767	67,730	723,975	1,254,472
Total, 1919	5,263,993	879,915	6,928,409	13,044,926
1920.				
January	346,430	80,719	300,449	727,598
February	237,939	82,981	140,219	461,139
March	240,121	104,962	135,246	480,329
April	242,996	72,834	267,664	583,494
May	291,895	66,144	252,221	610,260
June	270,053	42,156	226,696	538,905
July	217,292	25,826	322,869	565,987
August	279,402	34,479	567,430	881,311
September	474,852	44,483	789,773	1,309,108

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.
Sept., 1919	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
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
February	735,132	119	13,010,793	1,124	1,631,457	65	75,891,195	486	24,217,706	174	36,644,906	89	3,710,308	90
March	847,397	128	6,036,166	487	2,290,835	86	75,002,410	448	31,088,859	208	69,429,785	158	3,160,456	71
April	1,606,737	243	17,687,306	1,426	2,241,460	84	24,356,349	145	15,640,236	105	40,758,401	93	2,784,535	63
May	5,976,493	902	4,304,038	347	3,056,449	114	50,412,388	301	17,896,764	120	55,544,483	126	3,816,157	86
June	6,787,622	1,024	12,526,669	1,010	2,563,702	96	60,730,935	363	21,277,089	143	45,069,517	102	3,962,649	90
July	5,217,838	788	5,506,812	444	1,973,004	74	31,562,761	188	8,385,089	56	47,061,422	107	2,926,247	66
August	1,231,070	186	343,352	28	2,152,982	81	23,333,156	139	9,360,469	63	31,020,802	71	2,257,511	51
September	244,261	37	1,964,543	158	1,613,657	60	41,371,561	247	8,997,124	60	46,326,353	105	3,279,902	74

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.
September, 1919	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
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
February	18,115,324	72	26,051,855	124	20,575,654	109	3,263,686	316	2,470,622	37	70,477,141	97	2,059,421	113	79,744,536	99
March	18,007,798	67	24,306,196	108	19,149,624	95	3,548,739	321	2,928,440	41	67,940,797	87	1,617,544	83	75,219,745	87
April	15,260,236	57	11,326,509	50	12,952,593	64	2,914,553	263	2,245,881	31	44,699,772	57	888,423	45	48,697,676	56
May	20,510,063	76	12,107,950	54	16,724,389	83	3,758,507	340	2,690,076	38	55,790,985	72	1,913,075	98	64,399,823	74
June	21,020,640	78	27,251,166	121	14,260,053	71	3,177,770	287	2,721,367	38	68,430,996	88	2,113,979	108	80,057,876	92
July	29,714,399	110	20,824,268	93	18,734,180	93	3,096,026	280	2,659,921	37	75,028,794	96	2,052,110	105	84,263,289	97
August	43,039,021	160	9,840,320	44	30,728,748	152	3,191,103	288	3,007,508	42	89,806,700	115	1,949,339	99	98,578,726	114
September	46,181,275	171	20,696,955	92	31,031,569	154	5,571,428	503	6,630,856	92	110,111,283	141	1,843,954	94	118,409,076	137

[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.
September, 1919	37,844,148	245	6,624,129	47	16,656,000	110	2,318,680	328	2,943,217	75	66,386,174	134	4,757,850	140	87,796,499	136
1920.																
January	17,514,087	114	12,326,051	87	15,822,099	104	3,685,914	521	2,007,718	51	51,355,869	104	4,140,314	122	69,987,282	108
February	14,114,215	98	11,977,640	91	13,073,089	92	2,113,505	320	1,306,340	36	42,584,789	92	3,156,962	100	56,791,118	94
March	11,027,336	71	11,165,894	79	14,243,957	94	3,062,530	433	1,574,887	40	41,074,604	83	2,960,175	87	54,395,392	84
April	11,058,643	72	5,371,811	38	8,691,440	57	8,811,500	1,245	1,651,509	42	35,584,903	72	1,702,132	50	43,244,497	67
May	20,720,121	134	5,939,145	42	20,444,288	135	6,977,479	986	1,488,387	38	55,569,420	112	2,877,122	85	68,516,469	106
June	20,242,046	131	10,088,237	71	12,805,056	84	5,428,886	767	1,905,225	49	50,469,450	102	3,725,330	91	67,233,435	104
July	19,002,099	123	9,100,527	64	11,345,429	75	4,476,238	632	2,092,672	54	46,016,965	93	3,767,678	111	62,971,516	97
August	24,934,816	162	6,260,144	44	12,814,067	84	2,880,003	407	2,231,851	57	49,120,881	99	3,605,105	106	65,343,854	101
September	28,700,593	186	6,284,075	44	12,690,866	84	4,339,057	613	3,556,180	91	55,570,771	112	3,187,454	94	69,914,314	108

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

Receipts of grain and flour at 9 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.		Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1919.																
August	28,700,593	186	6,284,075	44	12,690,866	84	4,339,057	613	3,556,180	91	55,570,771	112	3,187,454	94	69,914,314	108
1920.																
January	5,711,009	45	1,491,759	42	2,663,274	56	2,643,611	1,861	1,297,839	78	13,807,492	61	1,561,693	150	20,835,111	76
February	4,898,690	42	1,244,393	38	2,331,246	53	3,212,668	2,423	1,315,291	85	13,002,288	61	1,102,606	113	17,964,015	79
March	6,486,745	51	1,203,649	34	3,646,727	77	4,119,986	2,900	1,300,871	78	16,757,978	74	1,752,860	168	24,645,848	90
April	5,441,434	43	1,317,555	37	1,546,590	33	3,440,350	2,421	685,054	41	12,430,983	55	843,916	81	16,228,605	59
May	10,621,723	84	767,332	22	2,382,271	50	5,117,806	3,602	556,764	34	19,445,896	86	1,301,211	125	25,301,346	92
June	13,374,721	106	1,878,334	53	3,194,897	67	6,506,053	4,579	1,191,767	72	26,145,772	115	1,486,365	142	32,834,415	120
July	18,710,633	149	3,305,542	93	3,499,101	74	5,048,019	3,553	2,098,083	126	32,661,378	144	1,660,849	159	40,135,198	146
August	28,098,022	223	1,576,842	44	2,671,365	56	3,407,799	2,398	2,289,791	138	38,043,819	168	1,390,077	133	44,299,166	162

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

Stocks of grain at 8 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.						
August	17,396,269	155,491	2,216,989	578,250	5,414,183	25,761,182
1920.						
January	8,485,491	711,501	2,398,639	2,397,156	2,587,543	16,580,330
February	6,634,682	948,239	1,571,209	2,671,743	2,340,787	14,166,660
March	6,280,682	851,287	1,351,457	2,389,321	1,891,862	12,764,609
April	7,704,155	967,475	389,958	1,944,350	2,034,983	13,040,921
May	10,781,927	437,521	819,790	1,889,965	1,071,920	15,001,123
June	8,492,819	459,568	901,756	2,035,334	1,193,082	13,082,559
July	11,923,745	744,167	1,323,940	1,275,554	3,187,611	18,455,017
August	13,915,892	1,097,945	1,532,272	777,445	4,052,189	21,375,743

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.[1]										
August	327,001	26	238,271	26	49,630	47	302,238	67	1,412,048	120
September	632,902	50	260,698	28	26,138	25	300,001	66	1,501,805	127
October	1,835,273	146	1,029,331	112	110,202	105	621,784	137	2,340,881	199
November	2,445,698	195	1,178,443	128	245,237	233	1,155,324	254	2,616,383	222
December	2,218,773	177	1,069,693	116	242,940	231	1,214,337	267	2,765,040	235
January	1,583,473	126	982,030	107	205,233	195	793,453	175	2,470,496	210
February	1,050,964	90	725,515	85	138,084	141	374,093	88	2,510,482	213
March	796,632	64	621,808	68	108,573	103	270,269	59	2,276,737	193
April	552,943	44	499,187	54	48,565	46	276,805	61	2,148,038	182
May	360,607	29	289,809	32	57,661	55	214,678	47	1,913,407	162
Season total	12,432,856	83	7,299,667	66	1,674,828	133	6,365,990	117	1,461,000	124
1920-21.										
August	305,418	24	159,586	17	25,322	24	251,841	55	1,365,397	116
September	761,740	61	443,149	48	17,324	16	254,460	56	1,607,602	136

[1] Figures of sight receipts revised.

California shipments of citrus and deciduous fruits.

[October, 1920, on, California Fruit News and Bureau of Markets.]

[1911-1913=100.]

	Oranges.		Lemons.		Total citrus fruits.		Total deciduous fruits.
	Carloads.	Relative.	Carloads.	Relative.	Carloads.	Relative.	Carloads.
September, 1919	1,840	75	414	102	2,254	79	6,781
1920.							
January	2,457	100	630	156	3,087	108	123
February	2,683	118	852	225	3,535	133	139
March	4,715	193	651	161	5,366	188	155
April	3,720	152	508	125	4,228	148	22
May	5,048	206	1,353	334	6,401	225	24
June	3,294	135	1,576	389	4,870	171	1,263
July	2,822	115	664	164	3,486	122	3,179
August	1,707	70	751	185	2,458	86	7,239
September	1,409	58	464	115	1,873	66	9,021

Sugar.

[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.	
	Tons.	Relative.	Tons.	Relative.	Tons.	Relative.
1919.						
September	262,137	142	292,000	159	45,531	26
1920.						
January	208,554	113	181,000	99	37,986	22
February	316,667	184	269,000	157	85,653	50
March	335,532	182	333,000	182	88,185	51
April	310,580	169	307,000	167	91,765	53
May	254,616	138	286,000	156	60,381	35
June	301,318	164	319,000	174	42,699	25
July	386,328	210	325,000	177	104,027	60
August	308,313	168	287,000	156	125,340	73
September	109,302	59	164,000	89	70,642	41

Naval stores.

[Data for Savannah, Jacksonville, and Pensacola.]

[In barrels.]

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

	Spirits of turpentine.		Rosin.	
	Receipts.	Stocks at close of month.	Receipts.	Stocks at close of month.
1919.				
September	21,574	27,021	72,616	190,580
1920.				
January	8,300	24,910	47,874	165,927
February	3,762	17,900	29,303	140,559
March	1,876	4,819	14,660	103,443
April	7,644	3,996	27,029	98,517
May	23,473	6,174	68,163	78,113
June	33,522	19,654	94,904	108,656
July	39,158	30,906	117,088	135,979
August	33,997	27,963	111,497	144,109
September	32,162	44,396	97,797	176,612

Coal and coke.

[U. S. Geological Survey.]

[Monthly average, 1911-1913=100.]

	Bituminous coal, estimated monthly production.		Anthracite coal, estimated monthly production.		Beehive coke, estimated monthly production.	
	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.
September, 1919	47,402,000	128	7,333,000	99	1,755,000	67
1920.						
January	48,689,000	131	7,366,000	100	1,982,000	76
February	40,127,000	116	6,335,000	92	1,731,000	71
March	46,792,000	126	7,240,000	98	2,025,000	77
April	37,939,000	102	6,543,000	88	1,602,167	61
May	39,753,000	107	7,745,000	105	1,689,500	65
June	43,710,000	118	7,641,000	103	1,710,333	65
July	45,523,000	123	7,785,000	105	1,693,000	65
August	48,389,000	131	7,332,000	99	1,776,000	68
September	51,093,000	138	5,125,000	69	1,820,000	70

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.
September, 1919	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
1920.															
January	202	386,481	404,706	53	69,895	144,180	128	327,568	344,568	21	38,007	63,614	25	24,678	26,283
February	203	383,239	369,047	51	85,583	147,180	124	332,511	295,934	21	32,551	59,687	15	15,534	15,203
March	205	436,944	424,775	50	130,425	156,211	123	342,948	329,012	21	43,771	61,620	24	29,633	29,892
April	205	438,056	359,461	51	167,165	133,114	126	359,651	274,597	21	46,222	61,757	13	13,659	10,616
May	205	430,271	347,404	51	183,621	132,181	124	424,687	383,346	20	12,731	26,323	14	15,992	18,657
June	204	385,293	287,487	52	197,461	125,770	127	343,801	271,815	20	25,771	41,557	12	14,259	10,481
July	207	385,842	331,273	49	177,262	103,500	127	242,612	225,666	20	37,459	49,668	20	20,756	15,217
August	204	383,540	337,677	50	171,143	123,344	123	366,433	322,908	20	46,149	55,991	19	19,511	14,130
September	204	376,566	378,195	49	164,312	98,806	127	299,277	238,965	20	48,962	45,445	20	21,887	16,04[illegible]

Receipts and shipments of lumber at Chicago and St. Louis.

[Chicago Board of Trade and Merchants' Exchange of St. Louis.]

[Monthly average, 1911-1913=100.]

	Receipts.		Shipments.	
	M feet.	Relative.	M feet.	Relative.
1918.				
January	201,747	43	113,555	45
February	230,077	53	115,068	49
March	402,084	86	215,278	85
April	523,862	113	276,626	109
May	491,862	106	258,947	102
June	431,412	93	227,023	89
July	419,125	90	218,084	86
August	398,202	86	212,258	84
September	341,053	73	169,575	67
October	259,401	56	136,079	54
November	268,901	58	152,138	60
December	291,899	63	160,442	63
Year	4,259,625	76	2,255,073	74
1919.				
January	271,769	58	136,362	54
February	254,667	59	140,328	59
March	281,236	60	158,723	62
April	316,579	68	191,616	75
May	356,488	77	215,442	85
June	404,989	87	256,603	101
July	437,517	94	275,297	108
August	382,377	82	266,797	105
September	432,025	93	274,894	108
October	440,216	95	272,571	107
November	380,186	82	235,274	93
December	445,226	96	245,477	97
Year	4,403,275	79	2,669,384	88
1920.				
January	403,604	87	219,783	87
February	421,692	97	224,286	95
March	500,230	108	296,047	117
April	236,975	51	131,933	52
May	313,447	67	195,965	77
June	393,738	85	212,339	84
July	399,615	86	184,767	73
August	370,352	80	220,368	87
September	375,456	81	242,857	96

Crude petroleum.

[U. S. Geological Survey.]

[Barrels of 42 gallons each.]

	Produced.		Stocks at end of month (barrels).
	Barrels.	Relative.	
September, 1919	33,667,000	176	137,131,000
1920.			
January	33,980,000	177	127,164,000
February	33,212,000	186	126,339,000
March	36,461,000	190	125,597,000
April	36,283,000	189	124,991,000
May	36,931,000	193	124,689,000
June	37,295,000	195	126,763,000
July	38,548,000	201	128,168,000
August	39,397,000	206	129,043,000
September	37,845,000	197	128,779,000

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).
August, 1919	32,362,057	326,846,167	219,502,888	685,702,461	72,920,214
1920.					
January	30,815,160	336,719,157	195,956,392	617,555,156	75,878,635
February	29,208,723	322,588,697	194,523,334	589,684,857	74,243,073
March	33,592,004	367,137,678	191,110,175	686,945,963	81,818,973
April	32,852,040	355,597,451	184,469,017	643,088,785	85,568,064
May	34,578,282	381,079,291	180,877,089	707,198,355	89,252,410
June	34,906,078	415,158,911	173,581,000	689,878,061	94,964,222
July	37,024,052	423,419,770	172,213,511	751,193,898	92,369,504
August	39,757,770	444,141,422	189,010,450	834,322,503	91,078,569

STOCKS AT CLOSE OF MONTH.

	Crude oil run (barrels).	Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).
Aug. 31, 1919	15,131,549	434,531,446	296,065,646	830,329,785	170,572,819
1920.					
Jan. 31	13,200,727	515,934,364	327,548,646	652,080,901	141,690,177
Feb. 29	13,500,599	562,996,489	330,120,942	590,322,125	132,759,244
Mar. 31	14,346,458	626,393,046	334,617,117	580,182,858	130,630,597
Apr. 30	15,145,691	643,552,644	376,358,123	590,687,009	140,355,972
May 31	15,331,375	577,671,795	419,077,605	618,939,135	135,882,485
June 30	16,172,280	504,055,601	421,343,353	641,968,363	133,212,551
July 31	17,086,253	413,279,319	410,853,047	655,152,293	131,866,455
Aug. 31	17,960,558	323,239,991	378,548,791	708,608,472	130,797,810

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.
September, 1919	8,178,483	135	2,487,965	107			6,284,638	119
October, 1919	6,201,883	102	1,863,558	80			6,472,668	123
1920.								
January			3,015,181	130	2,968,102	123	9,285,441	176
February			2,978,879	138	2,865,124	127	9,502,081	180
March			3,375,907	146	3,299,049	137	9,892,075	188
April	230,854		2,739,797	118	2,638,305	109	10,359,747	197
May	6,976,085	115	2,985,682	129	2,883,164	119	10,940,466	208
June	9,233,566	152	3,043,540	131	2,980,690	123	10,978,817	208
July	9,638,606	159	3,067,043	132	2,802,818	116	11,118,468	211
August	9,270,763	153	3,147,402	136	3,000,432	124	10,805,038	205
September	8,923,482	147	3,129,323	135	2,999,551	124	10,374,804	197
October			3,278,104	141	3,015,982	125		

Imports of pig tin.

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Pounds.	Relative.		Pounds.	Relative.
September, 1919	11,087,403	122	1920.		
1920.			May	9,102,341	100
January	8,772,953	97	June	11,232,325	124
February	13,925,843	164	July	17,584,167	193
March	11,980,019	132	August	11,195,937	123
April	10,345,130	114	September	9,596,819	106

Raw stocks of hides and skins.

[Bureau of Markets; July, 1920, on, Bureau of the Census.]

[In pieces.]

	Cattle hides.	Calfskins.	Kipskins.	Goat.	Kid.	Cabretta.	Sheep and lamb.
June 30, 1919	4,696,332	2,285,015	558,033	16,991,195	2,521,016	1,697,754	8,118,702
1920.							
Jan. 31	6,773,360	1,920,184	1,036,372	13,474,529	927,436	1,893,614	8,902,067
Feb. 29	6,559,337	1,859,697	1,141,620	16,481,328	665,524	2,197,683	9,460,914
Mar. 31	6,558,300	1,930,218	966,850	15,968,660	468,188	2,047,519	9,227,252
Apr. 30	6,072,895	2,281,370	834,711	14,666,590	156,871	1,947,499	8,911,681
May 31	5,849,375	2,724,056	924,042	14,131,330	791,150	2,253,785	9,004,621
June 30	6,212,946	3,107,393	915,499	14,562,713	60,999	2,070,471	10,993,228

NOTE.—Figures for June 30 are provisional.

Textiles.

[Silk, Department of Commerce; cotton and idle wool machinery, Bureau of the Census; wool consumption, Bureau of Markets.]

[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.
September, 1919	491,069	109	34,219,991	52,985,961	19.9	22.8	8.1	5.5	7.9	12.8	6,755,271	330
1920.												
January	591,725	132	34,739,071	63,059,862	14.5	18.5	8.8	7.2	9.1	10.2	4,855,989	237
February	516,594	123	34,668,643	55,247,652	12.2	17.6	7.6	6.9	7.1	7.9	3,696,121	194
March	575,704	128	34,667,747	58,344,602	14.9	19.8	9.8	7.0	10.3	11.7	2,491,651	122
April	567,839	126	34,346,737	57,887,832	13.1	16.9	9.6	7.1	9.5	7.0	2,227,857	109
May	541,080	120	34,066,236	50,649,381	15.2	18.2	10.6	6.7	11.5	7.0	2,505,798	122
June	555,521	124	34,503,754	40,679,920	26.8	22.4	21.1	15.9	23.1	14.2	3,221,177	157
July	525,405	117	34,666,842	32,372,064	42.5	32.3	38.0	35.0	42.0	32.7	2,581,920	126
August	483,193	107	34,471,515	32,849,956	49.5	29.9	39.6	33.4	45.5	37.6	2,690,690	132
September	457,647	102	34,040,806	30,928,337	51.8	34.8	39.6	37.3	44.6	38.0	1,968,801	96
October					49.0	34.9	38.3	26.3	43.2	26.0		

Production of wood pulp and paper.

[Federal Trade Commission.]

[Net tons.]

	Wood pulp.	News-print.	Book.	Paper board.	Wrap-ping.	Fine.		Wood pulp.	News-print.	Book.	Paper board.	Wrap-ping.	Fine.
September, 1919	266,915	111,434	81,024	184,897	63,353	31,923	1920.						
							May	363,815	129,230	92,856	213,475	70,511	31,575
1920.							June	337,115	130,380	94,957	215,131	72,987	34,121
January	302,541	129,663	96,419	211,934	70,109	32,886	July	312,334	129,853	95,526	218,771	73,487	34,078
February	266,191	114,235	85,532	176,855	61,574	29,202	August	305,965	128,818	94,424	215,633	75,226	33,122
March	327,143	127,847	95,851	207,863	68,403	33,671	September	293,913	121,005	94,142	218,743	70,917	34,207
April	350,194	128,269	95,251	199,395	75,347	33,493							

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

[Commissioner of Internal Revenue.]

	Cigars.		Cigarettes.	Manu-factured tobacco.		Cigars.		Cigarettes.	Manu-factured tobacco.
	Large.	Small.	Small.			Large.	Small.	Small.	
	Number.	*Number.*	*Number.*	*Pounds.*	1920.	*Number.*	*Number.*	*Number.*	*Pounds.*
September, 1919	575,777,829	53,735,960	4,283,247,387	36,623,005	April	663,577,579	56,548,853	3,756,989,397	34,327,970
					May	676,227,828	59,943,280	3,953,345,380	34,875,839
1920.					June	708,112,284	52,735,587	4,088,834,583	34,231,058
January	663,634,243	58,837,900	4,528,760,833	33,608,313	July	678,751,956	51,766,100	3,053,336,563	30,988,646
February	593,832,200	43,358,500	3,536,117,847	31,531,460	August	672,020,289	48,171,240	3,569,397,443	32,138,941
March	753,239,958	55,052,100	4,373,778,917	38,422,481	September	678,640,116	50,175,580	3,557,482,503	32,094,569

Output of locomotives and cars.

[Locomotives, United States Railroad Administration; February on, reports from individual producers; cars, Railway Car Manufacturers' Association.]

	Locomotives.		Output of cars.				Locomotives.		Output of cars.		
	Domes-tic shipped.	Foreign com-pleted.	Domes-tic.	Foreign.	Total.		Domes-tic shipped.	Foreign com-pleted.	Domes-tic.	Foreign.	Total.
1919.	*Number.*	*Number.*	*Number.*	*Number.*	*Number.*	1920.	*Number.*	*Number.*	*Number.*	*Number.*	*Number.*
September	111	51	19,980	4,302	24,282	April	36	96	2,313	1,934	4,247
						May	83	112	2,792	1,402	4,194
1920.						June	99	72	2,780	731	3,511
January	48	22	4,650	1,914	6,564	July	122	54	2,731	434	3,165
February	43	85	3,960	1,066	5,026	August	114	125	3,409	1,210	4,619
March	45	59	3,053	2,040	5,093	September	126	69	3,955	1,203	5,058

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.
September, 1919	202	378,858	1,568	1920.			
				May	184	185,145	776
1920.				June	198	267,076	1,105
January	115	253,680	1,050	July	173	217,239	899
February	140	267,231	1,185	August	178	259,210	1,073
March	170	279,709	1,157	September	135	261,962	1,084
April	164	251,442	1,040				

Tonnage of vessels cleared in the foreign trade.

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Net tonnage.			Relative.	Per centage American to total.	Relative.
	American.	Foreign.	Total.			
1919.						
September	2,627,480	2,481,676	5,109,156	131	51.4	203
1920.						
January	1,933,385	1,949,798	3,883,183	100	49.8	197
February	1,702,407	1,628,212	3,330,619	92	51.1	202
March	2,040,031	2,040,538	4,080,569	105	50.0	188
April	2,504,038	1,960,634	4,464,672	115	56.1	222
May	2,729,790	2,436,247	5,166,037	133	52.8	209
June	3,199,274	3,141,913	6,341,187	163	50.5	200
July	3,302,538	3,616,052	6,918,590	178	47.7	189
August	3,616,267	3,929,602	7,545,869	194	47.9	190
September	3,421,531	3,513,599	6,935,130	178	49.3	195

Net ton-miles, revenue and nonrevenue.

[United States Railroad Administration; March, 1920, on, Interstate Commerce Commission.]

August, 1919	36,361,653,000
1920.	
January	34,769,722,000
February	32,758,789,000
March	37,990,993,000
April	28,490,595,000
May	37,884,967,000
June	38,179,565,000
July	40,435,508,000
August	42,706,835,000

Commerce of canals at Sault Ste. Marie.

[Monthly average, May-November, 1911-1913=100.]

EASTBOUND.

	Grain other than wheat.		Wheat.		Flour.		Iron ore.		Total.	
	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Short tons.	Relative.	Short tons.	Relative.
September, 1919	2,918,591	33	10,180,991	53	917,420	79	7,978,562	134	8,525,794	122
October, 1919	4,351,059	49	22,252,196	116	1,544,510	133	6,059,450	102	7,063,120	101
1920.										
April	6,008,000	......	4,274,611	......	......	......	162,630	......	454,726	......
May	11,904,942	134	13,497,995	70	658,910	57	6,683,820	113	7,483,836	107
June	3,076,986	35	5,976,125	31	1,082,521	93	8,707,350	146	9,153,884	131
July	3,133,419	35	7,838,470	41	1,171,250	101	9,235,086	156	9,749,701	139
August	2,315,909	26	7,512,510	39	1,038,221	89	8,784,821	148	9,278,071	132
September	3,102,770	35	11,624,488	60	621,010	53	8,721,412	147	9,290,129	133
October	7,198,311	81	28,470,696	148	1,142,991	98	8,656,823	146	9,876,641	141

WESTBOUND.

	Hard coal.		Soft coal.		Total.		Total freight.	
	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.
September, 1919	231,030	75	1,156,841	60	1,677,123	67	10,202,917	107
October, 1919	498,505	161	1,848,511	96	2,650,799	107	9,713,919	102
1920.								
April	10,000	......	50,831	......	82,483	......	537,209	......
May	202,000	65	531,375	28	937,374	38	8,421,210	89
June	271,020	87	966,382	50	1,493,935	60	10,647,819	112
July	300,150	97	1,294,162	67	1,827,978	73	11,577,679	122
August	341,690	110	2,533,614	132	3,147,219	127	12,425,290	131
September	177,123	57	2,040,774	106	2,458,002	99	11,748,131	124
October	376,388	121	2,493,907	130	3,123,658	126	13,000,299	137

BANK DEBITS DURING SEPTEMBER-OCTOBER.

Aggregate debits to individual account, as reported by 155 important clearing house associations, fluctuated between 8,069 millions for the week ending October 13, and 10,535 millions for the following week. The weeks ending October 6 and October 20 saw a much larger volume of debits than the immediately preceding weeks, the reason being largely that the former included end-of-month and end-of-quarter payments, while during the latter heavy Government transactions, including interest payments on Liberty bonds of the fourth issue, took place.

A comparison with figures for corresponding weeks in 1919 is made in the statement below, separate totals being shown for New York City and for the other 154 centers. For the centers outside of New York City this year's figures are larger than last year's for every week included in the statement. The difference of two days in the dates included in each week, however, causes considerable variations in the weekly totals for 1920 as compared with 1919.

For New York City bank debits in 1920 were much smaller than in 1919 for each of the four weeks under review. No particular significance attaches to the changes in the differences between the two years from week to week, as these changes depend largely on the inclusion or exclusion of a particular date, such as October 1 or October 15. Thus in 1919, October 1 was included in the week ending on that date, with the result that the 1919 total for that week exceeded that for the corresponding week of 1920 by more than a billion, while this year October 1 was included in the week ending October 6, with the consequence that the total for that week was only 416 millions less than the total for the corresponding one in 1919.

[In millions of dollars.]

Week ending—	154 important centers, other than New York City.			New York City.		
	1920	1919	Excess in 1920.	1920	1919	Excess in 1919.
Sept. 22, 1920 / Sept. 24, 1919	4,966	4,206	760	4,407	4,993	586
Sept. 29, 1920 / Oct. 1, 1919	4,365	4,092	273	4,273	5,366	1,093
Oct. 6, 1920 / Oct. 8, 1919	4,839	4,280	559	4,998	5,414	416
Oct. 13, 1920 / Oct. 15, 1919	4,184	4,166	18	3,885	4,680	795
Oct. 20, 1920 / Oct. 22, 1919	5,227	4,651	576	5,308	5,712	404

In general, it should be kept in mind that the significance of the totals of debits appears only when a general trend over a comparatively long period is studied, as weekly totals are affected by many fortuitous circumstances, such as holidays and payment dates, which often result in radical changes in the volume of business for a given week, without being indicative of changes in economic conditions.

Debits to individual accounts at clearing-house banks.

SUMMARY BY FEDERAL RESERVE DISTRICTS.

[In thousands of dollars.]

Federal Reserve district.	Number of centers included.	1920. Week ending—				1919. Week ending—			
		Sept. 29.	Oct. 6.	Oct. 13.	Oct. 20.	Oct. 1.	Oct. 8.	Oct. 15.	Oct. 22.
Boston	13	463,659	495,287	395,344	563,314	421,702	471,787	479,473	576,899
New York	7	4,412,645	5,179,661	4,023,467	5,479,619	5,499,882	5,551,003	4,808,777	5,865,130
Philadelphia	13	425,955	468,649	386,362	501,270	422,931	422,452	356,478	455,187
Cleveland	13	369,096	430,786	362,391	449,211	360,714	363,309	364,290	366,065
Richmond	7	169,680	197,078	170,109	200,106	178,973	186,977	188,322	206,785
Atlanta	15	236,286	252,235	226,560	263,978	228,927	246,304	248,039	276,531
Chicago	23	1,125,493	1,234,896	1,056,357	1,411,333	1,009,278	1,075,203	1,010,118	1,134,212
St. Louis	5	211,587	239,734	227,592	258,912	210,854	230,684	248,324	259,728
Minneapolis	11	188,045	213,688	211,474	223,156	188,662	191,720	190,621	195,231
Kansas City	15	325,716	343,513	320,813	345,806	286,751	301,029	287,602	300,182
Dallas	13	173,790	187,127	170,675	195,831	145,067	149,532	161,922	176,803
San Francisco	20	536,691	594,353	517,938	642,261	504,345	504,336	502,671	550,959
Total	155	8,638,643	9,837,007	8,069,082	10,534,797	9,458,086	9,694,336	8,846,637	10,363,712

NOTE.—Figures for the following centers, while shown in the body of the statement, are not included in the summary, complete data for these centers not being available for each week under review: Manchester, N. H.; Cheyenne, Wyo.; Sioux Falls, S. Dak.; Huntington, W. Va.; Moline, Ill.; Washington, D. C.; Pittsburgh, Pa.

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

DATA FOR EACH REPORTING CENTER.

[In thousands of dollars.]

Federal Reserve district.	1920 Week ending—				1919 Week ending—			
	Sept. 29.	Oct. 6.	Oct. 13.	Oct. 20.	Oct. 1.	Oct. 8.	Oct. 15.	Oct. 22.
No. 1—Boston:								
Bangor	4,033	5,245	4,036	4,508	3,184	3,200	3,100	3,416
Boston	302,343	308,505	246,755	365,609	271,665	311,552	324,726	382,293
Fall River	7,850	8,680	6,407	9,328	7,522	8,797	8,398	10,177
Hartford	28,281	31,682	22,050	27,205	27,374	27,832	20,794	25,316
Holyoke	4,166	4,778	3,574	5,075	4,171	3.941	3,426	4,135
Lowell	5,473	6,148	5,212	6,886	4,948	5,017	5,191	5,916
Manchester	4,532	5,721	4,545	5,762	......	......	......	......
New Bedford	7,331	7,169	6,374	8,999	6,812	7,180	7,236	9,070
New Haven	17,508	17,508	17,325	25,632	16,714	18,318	17,396	20,162
Portland	8,913	11,063	10,191	10,406	9,635	9,710	10,255	7,788
Providence	36,137	44,960	33,741	48,015	31,426	34,952	36,772	51,008
Springfield	16,703	17,736	14,274	19,043	15,483	16,449	17,717	20,628
Waterbury	6,947	10,800	8,200	9,400	6,719	7,217	6,967	6,547
Worcester	17,974	21,013	17,205	23,208	16,049	17,622	17,495	30,443
No. 2—New York:								
Albany	18,293	22,170	18,757	22,628	18,420	21,860	19,979	22,569
Binghamton	4,240	5,299	4,606	4,815	3,346	3,893	3,357	3,976
Buffalo	64,410	84,646	63,109	81,874	62.965	62,091	59,628	72,122
New York	4,272,957	4,998,459	3,885,092	5,308,198	5,365,713	5,414,266	4,680,034	5,712,080
Passaic	5,506	5,064	4,968	5,960	4,217	4,412	5,131	5,879
Rochester	29,317	41,203	27,278	35,563	28,873	28,222	28,049	32,126
Syracuse	17,922	22,820	19,657	20,581	16,348	16,259	12,599	16,378
No. 3—Philadelphia:								
Altoona	4,460	3,950	3,900	3,640	3,039	3,540	2,922	3,612
Chester	5,411	6,422	5,785	6,947	4,759	4,666	2,431	5,504
Harrisburg	1,628	2,670	1,042	2,789	3,900	4,458	4,226	4,075
Johnstown	5,337	4,997	5,110	5,674	3,465	3,859	3,142	3,404
Lancaster	5,902	7,043	5,465	6,580	5,342	5,919	5,347	6,235
Philadelphia	347,015	376,799	306,136	406,428	345,454	345,720	283,458	377,703
Reading	4,274	5,176	3,385	5,799	4,269	4,045	3,841	4,555
Scranton	15,950	21,174	17,795	17,613	16,510	13,895	13,192	12,622
Trenton	12,090	12,309	11,078	15,403	9,929	10,098	10,634	11,093
Wilkes-Barre	7,952	10,229	10,531	10,891	8,287	7,859	9,394	7,776
Williamsport	4,021	4,878	4,176	5,638	3,549	3,722	3,190	3,690
Wilmington	7,163	7,760	7,651	8,389	10,453	10,255	11,086	10,615
York	4,752	5,242	4,308	5,479	3,975	4,416	3,615	4,303
No. 4—Cleveland:								
Akron	21,490	23,891	19,008	22,419	24,001	26,136	18,639	25,546
Cincinnati	63,263	70,429	59,136	76,273	63,081	55,490	57,562	63,902
Cleveland	160,104	200,913	167,912	210,185	157,980	162,109	167,589	162,212
Columbus	29,511	30,963	27,309	34,790	27,445	28,872	30,184	30,396
Dayton	11,138	12,327	11,743	11,831	12,131	11,465	11,874	11,832
Erie	7,703	9,033	7,612	9,001	7,171	7,440	6,320	7,326
Greensburg	6,662	6,843	6,400	7,113	6,256	4,560	6,664	6,190
Lexington	4,870	5,164	4,448	5,719	4,516	4,419	3,865	4,891
Oil City	3,721	3,999	2,534	4,785	2,412	3,407	2,610	3,301
Pittsburgh	234,724	234,208	......	257,026	186.596	156,107	171,756	192,566
Springfield	3,827	3,635	3,668	3,614	3,537	2,891	3,593	3,426
Toledo	29,968	34,578	26,661	36,658	27,455	30,963	31,365	22,074
Wheeling	9,651	9,935	8,524	11,369	7,096	7,656	9,213	11,527
Youngstown	17,188	19,076	17,436	15,454	17,633	17,901	14,812	13,442
No. 5—Richmond:								
Baltimore	106,171	124,101	98,298	123,995	103,600	105,051	103,178	111,169
Charleston	5,500	7,461	6,500	6,875	9,380	10,118	10,540	12,713
Charlotte	6,704	7,360	7,808	8,222	5,800	4,300	6,400	4,000
Columbia	5,756	6,928	5,954	6,356	8,797	9,753	8,938	10,714
Huntington	5,856	6,196	5,618	6,893	......	......	......	......
Norfolk	18,309	19,359	19,166	21,059	17,712	21,315	20,687	22,243
Raleigh	4,500	4,280	4,280	4,300	4,600	4,800	4,963	5,000
Richmond	22,740	27,589	28,103	29,299	29,084	31,640	33,616	40,946
Washington	33,961	38,992	36,560	39,664	......	......	......	......
No. 6—Atlanta:								
Atlanta	26,942	31,243	30,056	32,851	32,294	34,632	38,772	41,388
Augusta	8,835	9,598	9,370	10,054	11,963	14,072	12,858	15,879
Birmingham	16,687	18,745	17,554	19,203	15,630	15,401	15,139	16,241
Chattanooga	10,295	12,343	12,570	12,196	11,103	12,220	13,032	12,130
Jacksonville	12,465	14,019	13,282	14,780	12,006	10,981	11,265	12,053
Knoxville	6,205	8,064	6,569	7,166	6,627	6,966	6,855	6,642
Macon	6,873	6,722	6,265	6,999	8,844	9,094	9,809	11,835
Mobile	7,393	8,897	8,088	7,850	6,792	8,344	8,001	8,182
Montgomery	4,635	5,276	5,180	5,400	5,296	6,562	6,181	6,183
Nashville	22,442	29,982	23,906	26,923	21,351	23,238	22,367	23,208
New Orleans	86,600	79,029	68,054	94,096	70,782	72,919	71,809	84,556
Pensacola	2,416	2,518	2,370	2,440	2,334	2,618	2,273	2,386
Savannah	17,669	17,435	15,580	17,058	18,481	22,350	22,452	28,664
Tampa	5,433	6,560	6,068	5,259	4,336	4,856	4,805	4,800
Vicksburg	1,396	1,804	1,648	1,703	1,088	2,051	2,421	2,384
No. 7—Chicago:								
Bay City	3,703	3,868	3,013	3,360	2,545	3,164	2,917	3,269
Bloomington	2,770	3,001	2,855	3,014	2,904	2,896	2,515	3,042
Cedar Rapids	12,197	11,995	12,400	12,260	7,740	12,039	7,055	9,759
Chicago	730,626	812,003	672,649	924,767	654,015	700,787	626,381	739,158
Davenport	7,692	9,519	7,489	7,485	8,051	9,077	7,008	8,024
Decatur	4,104	4,017	3,601	4,332	3,471	4,180	3,117	3,900
Des Moines	19,450	21,692	20,778	20,911	19,531	25,337	22,229	23,165
Detroit	141,545	151,212	131,401	195,167	133,288	136,873	153,759	145,039
Dubuque	3,385	4,054	3,412	3,829	2,265	2,815	2,578	2,977

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

DATA FOR EACH REPORTING CENTER—Continued.

[In thousands of dollars.]

Federal Reserve district.	1920 Week ending—				1919 Week ending—			
	Sept. 29.	Oct. 6.	Oct. 13.	Oct. 20.	Oct. 1.	Oct. 8.	Oct. 15.	Oct. 22.
No. 7—Chicago—Continued.								
Flint	8,193	10,319	7,816	8,940	10,208	9,553	8,433	10,736
Fort Wayne	7,490	8,272	6,985	9,244	5,732	6,208	5,572	7,480
Grand Rapids	20,990	21,312	21,578	22,895	18,015	18,686	16,541	18,684
Indianapolis	35,321	40,207	33,020	42,553	30,342	30,596	33,111	34,578
Jackson	5,095	5,741	4,303	5,711	4,239	4,330	4,317	5,421
Kalamazoo	5,531	7,004	5,577	6,435	3,756	4,273	4,175	4,193
Lansing	5,391	6,782	5,828	6,117	5,587	5,735	6,078	6,480
Milwaukee	70,461	65,887	70,465	86,371	56,642	55,581	61,493	66,962
Moline	2,492	2,703	2,857	3,125	......	......	......	......
Peoria	9,389	10,370	8,484	11,089	9,092	9,507	9,670	10,217
Rockford	6,233	7,145	6,391	6,475	4,964	6,608	5,883	5,684
Sioux City	13,521	16,744	15,715	16,944	14,146	14,853	14,458	14,720
South Bend	4,927	4,739	5,197	6,130	3,671	4,639	5,208	2,111
Springfield	3,563	4,414	3,560	2,997	5,705	3,707	4,382	4,759
Waterloo	3,916	4,599	3,840	4,307	3,369	3,759	3,238	3,854
No. 8—St. Louis:								
Evansville	5,120	5,150	5,292	5,340	4,451	4,164	4,647	4,620
Little Rock	8,650	17,011	11,963	15,186	8,907	11,899	13,097	11,762
Louisville	27,556	29,418	25,439	32,284	30,077	30,983	32,708	34,653
Memphis	25,839	28,856	31,800	35,919	27,052	34,432	42,099	42,007
St. Louis	144,422	159,299	153,098	170,183	140,367	149,206	155,773	166,686
No. 9.—Minneapolis:								
Aberdeen	1,932	2,221	2,153	1,978	1,930	2,465	1,988	2,154
Billings	2,036	2,500	2,440	3,200	2,226	2,385	2,555	2,823
Duluth	36,603	40,115	39,969	40,030	23,892	24,482	23,498	24,534
Fargo	3,688	4,811	4,505	4,135	9,181	9,336	9,860	10,147
Grand Forks	1,651	2,247	2,057	2,272	2,226	2,609	2,708	2,376
Great Falls	2,892	2,915	2,331	2,591	2,174	2,773	2,142	2,441
Helena	2,314	2,962	2,671	2,776	2,531	3,431	2,817	2,765
Minneapolis	100,615	115,113	116,725	110,562	98,807	103,328	101,901	104,046
St. Paul	33,105	37,504	35,076	51,572	42,102	37,227	39,806	39,690
Sioux Falls	6,099	6,274	8,285	6,700	......	......	......	......
Superior	2,170	1,980	2,021	2,188	2,189	2,169	2,131	2,081
Winona	1,039	1,320	1,526	1,852	1,404	1,515	1,215	2,174
No. 10.—Kansas City:								
Atchison	563	570	543	504	448	510	534	541
Bartlesville	3,933	3,485	3,584	3,704	3,477	3,212	2,789	3,193
Cheyenne	2,305	2,756	1,990	1,913	......	......	......	......
Colorado Springs	3,474	3,651	3,584	3,123	2,841	2,704	3,085	3,143
Denver	50,202	56,171	48,351	51,477	34,068	31,875	34,112	35,218
Joplin	3,381	3,874	3,989	3,703	3,206	3,479	3,660	3,526
Kansas City, Kans	4,236	4,318	4,410	4,501	3,322	3,422	3,421	3,322
Kansas City, Mo	99,423	102,651	94,577	112,355	88,571	92,754	83,484	91,887
Muskogee	5,100	5,870	5,496	7,328	4,580	6,002	5,775	5,977
Oklahoma City	27,926	29,408	30,287	24,777	17,764	19,328	18,344	19,619
Omaha	56,768	58,887	54,565	61,608	66,295	73,564	66,359	66,407
Pueblo	4,136	6,179	7,016	7,247	4,258	6,264	4,061	3,462
St. Joseph	18,085	18,831	17,638	18,933	14,177	17,330	17,437	21,457
Topeka	3,343	4,633	4,301	4,399	5,234	6,328	6,311	5,932
Tulsa	30,425	27,822	28,843	29,026	24,778	21,841	26,586	23,696
Wichita	14,721	17,163	13,629	13,121	13,732	12,416	11,644	12,802
No. 11.—Dallas:								
Albuquerque	1,523	2,228	2,030	2,043	1,372	1,910	1,590	1,937
Austin	5,193	5,263	4,680	5,300	3,395	4,690	3,602	4,220
Beaumont	4,474	5,026	4,797	5,621	3,869	3,948	4,138	4,427
Dallas	43,744	50,961	45,459	54,206	44,960	43,485	50,805	53,532
El Paso	8,089	8,814	9,236	9,276	6,517	7,995	8,540	9,522
Fort Worth	28,440	29,880	28,997	30,432	22,831	24,217	24,822	25,387
Galveston	13,540	13,835	13,529	13,708	8,749	10,054	10,304	13,223
Houston	43,509	46,369	36,061	45,905	33,252	30,418	35,111	40,934
San Antonio	8,453	9,540	8,247	9,743	6,696	8,373	7,949	7,824
Shreveport	8,172	6,936	8,220	9,413	6,220	6,666	8,573	6,579
Texarkana	1,725	1,892	2,157	2,210	1,773	1,744	1,793	2,089
Tucson	1,708	1,686	1,490	2,180	988	1,156	1,043	1,240
Waco	5,220	4,697	5,772	5,794	4,445	4,876	3,652	5,889
No. 12.—San Francisco:								
Berkeley	2,874	3,238	2,518	3,643	2,314	2,469	2,334	2,696
Boise	2,662	3,470	3,470	3,130	2,810	3,407	3,435	3,764
Fresno	13,218	15,597	16,563	19,452	10,132	11,069	11,651	14,077
Long Beach	4,938	5,984	4,931	6,582	3,450	3,946	3,729	3,899
Los Angeles	96,214	101,831	88,896	109,784	81,000	74,690	74,120	86,318
Oakland	19,675	24,265	21,871	23,229	14,192	20,150	16,450	18,595
Ogden	4,800	5,400	4,486	4,686	4,686	4,239	4,159	4,330
Pasadena	4,473	5,615	4,358	5,342	4,849	4,122	3,863	3,982
Portland	44,637	48,567	47,480	53,890	46,463	51,959	56,040	55,096
Reno	2,603	3,153	2,587	3,153	2,579	3,058	2,958	3,729
Sacramento	19,154	18,113	15,367	21,651	16,264	15,755	16,305	16,464
Salt Lake City	17,517	20,571	15,907	19,255	16,883	14,399	17,749	19,749
San Diego	7,447	9,204	7,856	9,738	4,568	5,368	5,162	6,836
San Francisco	214,370	238,649	201,449	261,577	199,631	191,786	192,515	205,646
San Jose	6,227	7,047	6,794	8,312	7,102	7,684	7,105	9,419
Seattle	43,637	46,866	39,228	49,141	53,801	53,666	51,993	58,270
Spokane	13,189	15,602	14,202	16,563	14,554	15,006	14,524	15,297
Stockton	5,880	6,430	5,777	6,913	5,555	5,952	3,650	6,159
Tacoma	10,230	11,240	11,004	12,041	10,471	11,797	11,634	12,100
Yakima	2,946	3,511	3,194	4,179	3,041	3,814	3,295	4,533

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

Discount and open-market operations of the Federal Reserve Banks during September and August, 1920 and 1919, are shown in summary form for the system as a whole in the table below. Detailed figures for each Federal Reserve Bank for the most recent month are given on pages 1230 and 1231.

Summary of discount and open-market operations of Federal Reserve Banks in September and August, 1920 and 1919.

[In thousands of dollars.]

	1920		1919	
	September.	August.	September.	August.
Total discount and open-market purchases	8,446,264	8,366,565	8,801,291	6,808,747
Discounts—Total	7,298,969	7,982,524	6,726,155	6,433,662
Secured by Government war obligations	4,164,115	4,932,902	6,238,286	6,171,309
Otherwise secured and unsecured—Total	3,134,854	3,049,622	487,869	262,353
Trade acceptances	17,131	13,985	10,619	6,427
Bankers' acceptances	7,945	5,491	388	182
All other (commercial n. e. s., agricultural and live-stock paper)	3,109,778	3,030,146	476,862	255,744
Average maturity (in days)	14.27	12.38	9.44	9.33
Average rate (365-day basis), percent	6.33	6.19	4.18	4.12
Open-market operations:				
Bills purchased—Total	257,988	259,708	205,048	194,211
Bankers' acceptances—Total	249,268	242,012	201,962	192,405
In the domestic trade	52,961	51,027	48,557	36,654
In the foreign trade	196,307	190,985	153,405	155,751
Trade acceptances—Total	2,130	12,270	2,773	1,425
In the domestic trade	203	....	479	267
In the foreign trade	1,927	12,270	2,294	1,158
Dollar exchange	6,590	5,426	313	381
Average maturity (in days)	41.71	36.78	46.15	50.73
Average rate (365-day basis) per cent	6.04	6.04	4.25	4.25
United States securities purchased:				
Bonds	....	13	....	....
Certificates of indebtedness	889,307	124,320	1,870,088	180,874

Discount operations of the Federal Reserve Banks in September aggregated 7,299 million dollars, or 684 millions less than the 7,983 millions reported the month before. During September and August, 1919, corresponding totals were 6,726 and 6,434 millions. These figures are exclusive of bills discounted for other Federal Reserve Banks, which totaled 440 millions during September and 298 millions during August of this year, and 189 millions during September and 196 millions during August, 1919.

The following statement shows the volume of discounts for each Federal Reserve Bank during September and August of the current year. The banks are arranged in two groups—those extending accommodation to other Federal Reserve Banks and those receiving accommodation from other Federal Reserve Banks. The amount of such accommodation extended or received is also shown.

[In millions of dollars.]

Federal Reserve Bank.	Volume of discounts for member banks.			Inter-Federal Reserve Bank accommodation (net amount).		
	September.	August.	Excess September over August.	September.	August.	Excess September over August.
Banks extending accommodation to other Federal Reserve Banks:				Accommodation extended.		
Boston	385	417	−32	171	160	+11
Philadelphia	419	521	−102	48	10	+38
Cleveland	164	198	−34	212	157	+55
San Francisco	245	228	+17	......	10	−10
Total	1,213	1,364	−151	431	337	+94
Banks receiving accommodation from other Federal Banks:				Accommodation received.		
New York	4,412	5,092	−680	36	31	+5
Richmond	281	265	+16	95	80	+15
Atlanta	208	208	....	52	42	+10
Chicago	622	511	+111	30	8	+22
St. Louis	207	206	+1	48	48	....
Minneapolis	74	81	−7	33	35	−2
Kansas City	158	145	+13	57	27	+30
Dallas	124	111	+13	80	66	+14
Total	6,086	6,619	−533	431	337	+94
Grand total	7,299	7,983	−684	431	337	+94

The volume of member bank discounts by the Federal Reserve Banks granting accommodation to other Federal Reserve Banks was about 151 millions smaller in September than in August, the San Francisco bank being the only one in that group for which a larger volume of discounts is shown for the most recent month. At the same time the total accommodation granted by the four banks in this group to the eight other Federal Reserve Banks increased by 94 millions (net). On the other hand, the volume of discounts granted to their member banks by the Federal Reserve Banks receiving accommodation from other Federal Reserve Banks was larger in September than in August in the case of every bank, except those of New York, Atlanta, and Minneapolis. In the case of the New York bank it is to be noted that the volume of discounts declined by 680 millions.

Discounts of paper secured by Government war obligations, including Treasury certificates, were smaller by 769 millions in September than in August, while all other discounts increased by 85 millions. Trade acceptances discounted totaled 17 millions in September, as against 14 millions in August; bankers' acceptances totaled 8 millions in September, compared with 5 millions in August; and all other discounts, including commercial, agricultural, and live-stock paper, aggregated 3,110 millions, as against 3,030 millions the month before, and 477 millions in September of last year.

The average maturity of all the paper discounted in September figures out at 14.27 days after discount by the Federal Reserve Banks, compared with 12.38 days in August of this year and 9.44 days in September of the year before. An advance from 6.19 to 6.33 per cent in the average rate of discount is noted, the average rates for the two corresponding months in 1919 being 4.12 and 4.18 per cent.

Total bills purchased in September were about 2 millions less than the month before, increases of about 7 millions in bankers' acceptances and of about 1 million in dollar exchange purchased being more than offset by a decline of 10 millions in trade acceptances bought in the open market. Of the bankers' acceptances purchased 53 millions were in the domestic trade and 196 millions in the foreign trade, while of the 2 millions of trade acceptances purchased all but about $200,000 were in the foreign trade. The average maturity of all paper purchased by the Federal Reserve Banks in September was 41.71 days, compared with 36.78 days in August. The average rate charged on acceptances remained unchanged at 6.04 per cent.

During the month under review 28 banks were added to the membership of the system, the total number of member banks increasing from 9,487 on the last day of August to 9,515 on the last day of September, while the number of member banks accommodated through discount of paper further declined from 4,780 in August to 4,768 in September. The number of member banks in each district at the end of August and of September and the number accommodated during each of the two months are shown in the following statement:

Federal Reserve Bank.	Member banks in district.		Member banks accommodated.	
	Sept. 30.	Aug. 31.	September.	August.
Boston	434	432	219	201
New York	776	775	323	323
Philadelphia	694	693	348	365
Cleveland	866	866	258	282
Richmond	610	609	356	371
Atlanta	436	445	320	294
Chicago	1,404	1,400	772	742
St. Louis	569	568	303	285
Minneapolis	988	985	410	488
Kansas City	1,080	1,073	547	488
Dallas	841	833	521	527
San Francisco	817	808	391	414
Total	9,515	9,487	4,768	4,780

Federal Reserve Bank holdings of discounted and purchased paper, by classes of paper, at the end of September and of August, 1920, and 1919, are shown in detail on page 1233, and are summarized in the following table:

Summary of discounted and purchased paper held by the Federal Reserve Banks at the end of September and of August, 1920 and 1919.[1]

[In thousands of dollars.]

	1920, end of—		1919, end of—	
	September.	August.	September.	August.
Discounted paper, total	2,704,464	2,667,127	1,882,282	1,815,134
Secured by Government war obligations	1,220,423	1,314,830	1,572,503	1,609,296
Otherwise secured and unsecured, total	1,484,041	1,352,297	309,779	205,838
Agricultural paper	120,998	117,050	32,932	30,363
Live-stock paper	103,426	99,228	27,273	27,538
Trade acceptances	22,080	19,476	10,961	9,001
Bankers' acceptances	8,072	9,013	479	439
Commercial paper, n. e. s.	1,229,465	1,107,530	238,134	138,497
Purchased paper, total	301,211	307,104	300,129	367,163
Bankers' acceptances, total	298,223	299,960	297,153	365,373
Member banks	200,976	202,868	208,784	264,827
Nonmember trust companies	3,009	2,631	8,255	3,111
Nonmember State banks	38,939	41,499	24,821	32,665
Private banks	29,788	31,225	33,420	43,815
Foreign banks, branches and agencies	25,511	21,737	21,873	20,955
Trade acceptances, total	2,988	7,144	2,976	1,790
Domestic	207	1,334	591	561
Foreign	2,781	5,810	2,385	1,229

[1] For discounted paper, the figures are for the last Friday of each month; for purchased paper, for the last day of each month.

Among the principal changes between August and September in holdings of discounted paper the following are to be noted: A decrease of 94 millions in paper secured by Government war obligations and an increase of 132 millions in paper not so secured. Holdings of agricultural paper were about 4 millions larger at the end of September than at the end of August, the most recent amount of 121 millions being comparable with 33 millions shown for the end of September, 1919. Holdings of live-stock paper show an increase of 4 millions as compared with the end of August, 1920, and of 76 millions as compared with the end of September, 1919. Holdings of discounted trade acceptances were about 3 millions larger at the end of September than a month earlier, while holdings of discounted bankers' acceptances declined by about 1 million. Holdings of commercial paper proper increased from 1,108 at the end of August to 1,229 millions at the end of September, compared with 238 millions a year earlier.

Holdings of purchased acceptances at the end of September were about 301 millions, marking a further reduction of 6 millions from the total of 307 millions shown for the end of August. Bankers' acceptances declined by about 2 millions from the end of August to the end of September and were about 1 million larger at the latter date than at the end of September of the past year. Of the bankers' acceptances held at the end of the month 67.4 per cent were accepted by member banks, 14.1 per cent by nonmember trust companies and State banks, 10 per cent by private banks, and 8.5 per cent by foreign bank branches and agencies. Holdings of trade acceptances decreased from 7 millions at the end of August to 3 millions at the end of September, all but $207,000 of the latter amount being acceptances drawn in the foreign trade.

Total discount and open-market operations of each Federal Reserve Bank during the month of September, 1920.

Federal Reserve Bank.	Bills discounted for member banks.	Bills bought in open market.	United States securities purchased.		Total.	
			Bonds and Victory notes.	Certificates of indebtedness.	September, 1920.	September, 1919.
Boston	$385,188,282	$31,989,930		$60,102,500	$477,280,712	$365,574,774
New York	4,412,393,284	111,729,554		669,964,500	5,194,087,338	4,419,116,180
Philadelphia	418,472,197	1,502,624		9,063,000	429,037,821	1,020,490,694
Cleveland	164,377,331	24,535,676		134,518,000	323,431,007	503,632,546
Richmond	281,011,950	3,888,254		1,500	284,901,704	366,747,953
Atlanta	207,733,821	2,039,421			209,773,242	235,739,496
Chicago	621,677,416	32,332,316		2,951,000	656,960,732	1,054,796,746
St. Louis	207,292,854	1,345,000		3,996,500	212,634,354	215,577,975
Minneapolis	73,704,677	552,563		2,128,500	76,385,740	132,942,610
Kansas City	158,104,969	2,857,110		292,500	161,254,579	146,971,107
Dallas	124,038,279	532,500			124,570,779	125,337,284
San Francisco	244,973,791	44,683,641		6,289,000	295,946,432	214,364,027
Total, September, 1920	7,298,968,851	257,988,589		889,307,000	8,446,264,440	
Total, September, 1919	6,726,155,257	205,048,335	$300	1,870,087,500		8,801,291,392
Total, 9 months ending Sept. 30, 1920	60,427,824,934	2,450,863,929	240,600	6,256,516,000	69,135,445,463	
Total, 9 months ending Sept. 30, 1919	56,408,280,795	1,748,511,692	1,751,975	3,848,462,000		[1] 62,007,007,462

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

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

Federal Reserve Bank.	Average daily holdings of—			
	Discounted bills.	Purchased bills.	United States securities.	Total.
Boston	$181,125,922	$27,778,971	$30,315,242	$239,220,135
New York	869,681,948	96,822,192	93,641,783	1,060,145,923
Philadelphia	178,134,074	15,319,227	34,288,950	227,742,251
Cleveland	211,611,413	47,819,815	30,545,833	289,977,061
Richmond	109,403,831	7,401,613	13,493,950	130,299,394
Atlanta	121,759,811	1,623,817	15,781,924	139,165,552
Chicago	451,341,396	46,143,936	44,156,517	541,641,849
St. Louis	114,560,945	1,758,667	18,672,966	134,992,578
Minneapolis	83,596,000	1,159,000	8,669,000	93,424,000
Kansas City	110,206,323	3,613,080	21,699,933	135,519,336
Dallas	76,236,838	625,917	1,229,933	78,092,688
San Francisco	169,390,708	63,797,654	13,999,900	247,188,262
Total, September, 1920	2,677,049,209	313,863,889	326,495,931	3,317,409,029
Total, September, 1919	1,777,333,922	353,935,606	340,245,819	2,471,515,347

Federal Reserve Bank.	Earnings from—				Annual rates of earnings on—			
	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	$957,429	$139,676	$61,658	$1,158,763	6.45	6.13	2.48	5.91
New York	4,526,208	482,361	180,924	5,189,493	6.35	6.08	2.36	5.97
Philadelphia	831,458	75,217	64,518	971,193	5.69	5.99	2.29	5.20
Cleveland	1,082,861	238,467	66,342	1,387,670	6.22	6.07	2.64	5.82
Richmond	521,987	37,012	22,236	581,235	5.82	6.10	2.01	5.44
Atlanta	565,612	8,119	26,048	599,779	5.67	6.10	2.01	5.26
Chicago	2,447,656	226,655	76,283	2,750,594	6.62	5.99	2.11	6.20
St. Louis	538,614	8,997	32,517	580,128	5.74	6.24	2.12	5.24
Minneapolis	459,138	5,794	14,333	479,265	6.70	6.10	2.02	6.26
Kansas City	542,931	17,864	37,709	598,504	6.01	6.03	2.12	5.39
Dallas	353,987	3,131	21,178	378,296	5.66	6.00	2.09	5.18
San Francisco	829,680	315,325	24,533	1,169,538	5.98	6.03	2.14	5.77
Total, September, 1920	13,657,561	1,558,618	628,279	15,844,458	6.22	6.06	2.35	5.83
Total, September, 1919	6,095,904	1,243,488	605,669	7,945,061	4.17	4.27	2.17	3.91

Bills discounted during the month of September, 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 (commercial, n. e. s., agricultural, and live-stock paper).	Total.	Average maturity in days.	Average rate (365-day basis).
		Secured by Government war obligations.	Otherwise secured.						
									Per cent.
Boston	$10,926,790	$293,743,720	....	$170,417	$23,373	$80,323,982	$385,188,282	12.81	6.50
New York	57,032,668	2,214,587,510	$64,000	[1] 3,988,969	[2] 2,243,958	2,134,476,179	4,412,393,284	7.63	6.47
Philadelphia	13,018,592	260,421,244	30,000	230,744	75,000	144,696,617	418,472,197	10.93	5.58
Cleveland	4,004,509	120,491,180	87,000	2,137,598	1,567,720	36,089,324	164,377,331	15.93	5.82
Richmond	2,468,989	229,190,568	3,144,100	1,207,388	....	45,000,905	281,011,950	15.29	5.98
Atlanta	8,809,663	132,100,770	713,000	758,042	124,584	65,227,762	207,733,821	26.21	6.04
Chicago	11,727,046	304,655,060	6,529,785	2,249,647	584,700	295,931,178	621,677,416	39.39	6.76
St. Louis	4,665,238	112,442,492	70,520	822,756	846,775	88,445,073	207,292,854	27.59	6.06
Minneapolis	1,149,113	31,108,730	1,976,711	165,745	....	39,304,378	73,704,677	42.99	6.81
Kansas City	5,039,555	95,758,298	766,000	1,601,089	46,550	54,893,477	158,104,969	33.72	6.78
Dallas	2,277,296	87,970,421	1,624,917	690,888	181,222	31,293,535	124,038,279	28.43	5.88
San Francisco	2,809,072	157,716,711	345,600	3,107,245	2,251,436	78,743,727	244,973,791	26.00	5.97
Total, Sept., 1920	123,928,531	4,040,186,704	15,351,633	17,130,528	7,945,318	3,094,426,137	7,298,968,851	14.27	6.39
Total, Sept., 1919	122,478,924	6,115,822,300	29,801,567	10,608,322	388,454	447,055,690	6,726,155,257	9.43	4.18

[1] Includes $1,322,581 in the foreign trade. [2] Includes $55,110 in dollar-exchange bills.

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

Federal Reserve Bank.	Bankers' acceptances.			Trade acceptances.			Dollar-exchange bills.	Total bills purchased.	Average maturity in days.	Average rate (365-day basis).
	Domestic.	Foreign.	Total.	Domestic.	Foreign.	Total.				
										Per cent.
Boston	$7,792,572	$23,897,358	$31,689,930	....	....	....	$300,000	$31,989,930	35.63	6.16
New York	18,940,716	86,597,407	105,538,123	$116,246	$1,546,284	$1,662,530	4,528,901	111,729,554	31.31	5.97
Philadelphia	157,000	1,215,624	1,372,624	....	....	....	130,000	1,502,624	54.66	6.13
Cleveland	5,734,381	18,426,295	24,160,676	....	....	....	375,000	24,535,676	51.88	6.03
Richmond	516,773	3,371,481	3,888,254	....	....	....	....	3,888,254	46.07	6.08
Atlanta	1,405,003	634,418	2,039,421	....	....	....	....	2,039,421	41.24	6.08
Chicago	7,062,075	25,114,482	32,176,557	....	....	....	155,759	32,332,316	58.98	6.08
St. Louis	790,000	555,000	1,345,000	....	....	....	....	1,345,000	28.64	6.29
Minneapolis	152,563	400,000	552,563	....	....	....	....	552,563	78.50	6.08
Kansas City	17,500	2,839,610	2,857,110	....	....	....	....	2,857,110	52.44	6.12
Dallas	532,500	....	532,500	....	....	....	....	532,500	34.20	6.08
San Francisco	9,859,548	33,256,021	43,115,569	87,525	380,547	468,072	1,100,000	44,683,641	52.54	6.05
Total, Sept., 1920	52,960,631	196,307,696	249,268,327	203,771	1,926,831	2,130,602	6,589,660	257,988,589	41.71	6.04
Total, Sept., 1919	48,557,231	153,405,199	201,962,430	479,592	2,293,845	2,773,437	312,468	205,048,335	46.15	4.25

Amount of bills discounted and acceptances bought by each Federal Reserve Bank during July, August, and September, 1920 and 1919, distributed by maturities.

Federal Reserve Bank.	15-day maturities.			30-day maturities.			60-day maturities.		
	Discounts.	Acceptances.	Total.	Discounts.	Acceptances.	Total.	Discounts.	Acceptances.	Total.
Boston	$892,249,618	$33,020,048	$925,269,666	$51,874,459	$11,916,055	$63,790,514	$84,650,290	$25,068,039	$109,718,329
New York	13,094,658,054	178,327,724	13,272,985,778	66,549,677	54,558,752	121,108,429	85,547,990	68,847,628	154,395,618
Philadelphia	1,351,566,354	322,807	1,351,889,161	13,656,262	1,240,208	14,896,470	11,969,183	6,950,918	18,920,101
Cleveland	476,794,447	4,895,737	481,690,184	11,141,413	12,104,670	23,246,083	19,862,352	32,679,373	52,541,725
Richmond	683,477,032	298,000	683,775,032	17,550,090	3,890,350	21,440,440	44,029,454	2,396,595	46,426,049
Atlanta	440,573,686	640,000	441,213,686	18,977,852	1,274,280	20,252,132	43,762,486	1,329,928	45,092,414
Chicago	933,359,778	16,635,203	949,994,981	67,592,465	13,684,275	81,276,740	219,236,188	35,938,425	255,174,613
St. Louis	399,740,327	2,630,770	402,371,097	19,753,782	30,000	19,783,782	68,481,605	145,000	68,626,605
Minneapolis	107,754,545	....	107,754,545	18,053,816	259,470	18,313,286	28,533,691	175,274	28,708,965
Kansas City	309,577,732	348,352	309,926,084	16,420,595	658,692	17,079,287	41,912,696	6,329,403	48,242,099
Dallas	248,729,306	165,000	248,894,306	9,261,548	265,000	9,526,548	29,415,819	1,285,000	30,700,819
San Francisco	569,366,474	4,719,716	574,086,190	15,039,439	15,979,636	31,019,075	38,100,143	37,585,623	75,685,766
Total, 3 months ending:									
Sept. 30, 1920	19,507,847,353	242,003,357	19,749,850,710	325,871,398	115,861,388	441,732,786	715,501,897	218,731,206	934,233,103
Sept. 30, 1919	19,724,933,943	139,693,055	19,864,626,998	77,702,507	103,618,943	181,321,450	160,421,409	189,829,765	350,251,174

Amount of bills discounted and acceptances bought by each Federal Reserve Bank during July, August, and September, 1920 and 1919, distributed by maturities—Continued.

Federal Reserve Bank.	90-day maturities.			Over 90-day maturities.			Total.		
	Discounts.	Acceptances.	Total.	Discounts.	Acceptances.	Total.	Discounts.	Acceptances.	Total.
Boston	$59,669,798	$9,406,554	$69,076,352	$5,135	...	$5,135	$1,088,449,300	$79,410,696	$1,167,859,996
New York	301,702,132	58,241,678	359,943,810	52,109	...	52,109	13,548,509,962	359,975,782	13,908,485,744
Philadelphia	51,872,704	1,662,512	53,535,216	17,004	...	17,004	1,429,081,507	10,176,445	1,439,257,952
Cleveland	50,696,549	21,331,417	72,027,966	428,107	...	428,107	558,922,868	71,011,197	629,934,065
Richmond	50,750,922	5,093,245	55,844,167	2,007,192	...	2,007,192	797,814,690	11,678,190	809,492,880
Atlanta	85,393,220	1,423,394	86,816,614	7,496,866	...	7,496,866	596,204,110	4,667,602	600,871,712
Chicago	389,504,300	28,338,949	417,843,249	19,232,614	...	19,232,614	1,628,925,345	94,596,852	1,723,522,197
St. Louis	113,803,538	1,565,000	115,368,538	3,795,855	...	3,795,855	605,575,107	4,370,770	609,945,877
Minneapolis	64,626,554	3,417,546	68,044,100	8,210,635	...	8,210,635	227,179,241	3,852,290	231,031,531
Kansas City	67,737,346	1,098,885	68,836,231	15,859,571	...	15,859,571	451,507,940	8,435,332	459,943,272
Dallas	45,800,304	305,000	46,105,304	11,148,235	...	11,148,235	344,355,212	2,020,000	346,375,212
San Francisco	85,010,498	28,680,413	113,690,911	12,374,868	...	12,374,868	719,891,422	86,965,388	806,856,810
Total, 3 months ending:									
Sept. 30, 1920	1,366,567,865	160,564,593	1,527,132,458	80,628,191	...	80,628,191	21,996,416,704	737,160,544	22,733,577,248
Sept. 30, 1919	361,189,640	242,602,027	603,791,667	19,005,117	...	19,005,117	20,343,252,616	675,743,790	21,018,996,406

Rediscounts and sales of discounted and purchased paper between Federal Reserve Banks from July 1 to Sept. 30, 1920.

[In thousands of dollars.]

Discounted or purchased by the Federal Reserve Bank of—	Rediscounted or sold by the Federal Reserve Bank of—											
	New York.			Richmond.			Atlanta.			Chicago.		
	July.	August.	September.	July.	August.	September.	July.	August.	September.	July.	August.	September.
Boston	...	...	30,000	50,000	50,000	80,000	5,086	2,931	3,974	6,000	...	...
New York	...	...	...	...	...	...	16,241	...	...	20,575	...	11
Philadelphia	10,014	10,051	...	...	...	15,000	...	...	16,077	...	...	...
Cleveland	...	15,050	25,000	45,000	30,000	...	11,980	39,140	32,127	31,001	8,001	30,001
San Francisco	25,012	10,014	...	...	...	...	...	...	...	...	...	...
Total	35,026	35,115	55,000	95,000	80,000	95,000	33,307	42,071	52,178	57,576	8,001	30,012
Purchased bills	35,026	35,115	...	...	...	...	...	...	...	10,076	8,001	10,012
Discounted bills	...	...	55,000	95,000	80,000	95,000	33,307	42,071	52,178	47,500	...	20,000

Discounted or purchased by the Federal Reserve Bank of—	Rediscounted or sold by the Federal Reserve Bank of—											
	St. Louis.			Minneapolis.			Kansas City.			Dallas.		
	July.	August.	September.	July.	August.	September.	July.	August.	September.	July.	August.	September.
Boston	14,999	47,977	17,998	5,500	24,000	8,500	11,035	10,800	17,160	21,500	24,000	13,000
New York	7,000	...	...	4,000	...	...	7,022	...	7,003	20,511	4,000	12,000
Philadelphia	...	...	13,000	...	...	4,000	...	...	...	...	...	...
Cleveland	14,000	...	16,999	16,500	11,500	20,500	9,017	15,711	33,067	13,750	37,502	54,750
San Francisco	...	...	...	...	...	...	...	...	...	...	...	...
Total	35,999	47,977	47,997	26,000	35,500	33,000	27,074	26,511	57,230	55,761	65,502	79,750
Purchased bills	...	...	...	...	...	...	...	...	...	...	...	...
Discounted bills	35,999	47,977	47,997	26,000	35,500	33,000	27,074	26,511	57,230	55,761	65,502	79,750

Rediscounts and sales of discounted and purchased paper between Federal Reserve Banks from July 1 to Sept. 30, 1920—Continued.

[In thousands of dollars.]

Discounted or purchased by the Federal Reserve Bank of—	Rediscounted or sold by all Federal Reserve Banks.						Rediscounted or sold by all Federal Reserve Banks since Jan. 1, 1920.		
	July.	August.	September.	Total.	Purchased bills.	Discounted bills.	Total.	Purchased bills.	Discounted bills.
Boston	114,120	159,708	170,632	444,460	....	444,460	677,042	8,582	668,460
New York	75,349	4,000	19,014	98,363	86	98,277	490,634	11,053	479,581
Philadelphia	10,014	10,051	48,077	68,142	20,065	48,077	68,142	20,065	48,077
Cleveland	141,248	156,904	212,444	510,596	43,053	467,543	939,203	72,710	866,493
Atlanta	....	....	....	....	....	....	57,087	5,087	52,000
Chicago	....	....	....	....	....	....	173,590	5,090	168,500
St. Louis	....	....	....	....	....	....	13,000	....	13,000
Minneapolis	....	....	....	....	....	....	40,029	....	40,029
Kansas City	....	....	....	....	....	....	25,049	5,049	20,000
Dallas	....	....	....	....	....	....	143,000	....	143,000
San Francisco	25,012	10,014	....	35,026	35,026	....	64,305	40,805	23,500
Total	365,743	340,677	450,167	1,156,587	....	....	2,691,081	....	....
Purchased bills	45,102	43,116	10,012	....	98,230	....	....	168,441	....
Discounted bills	320,641	297,561	440,155	....	....	1,058,357	....	....	2,522,640

Discounted bills, including member banks' collateral notes, held by each Federal Reserve Bank on the last Friday in September, 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 (commercial paper n. e. s.).	Total.
				Secured by Government war obligations.	Otherwise secured.				
Boston	....	....	21,879	92,124	....	158	23	69,147	183,331
New York	140	....	145,158	347,052	....	4,688	2,938	347,083	847,059
Philadelphia	256	5	45,662	85,935	30	294	119	55,014	187,315
Cleveland	598	208	12,905	59,674	36	2,617	18	145,611	221,667
Richmond	9,984	107	5,911	31,696	1,023	1,650	....	60,791	111,162
Atlanta	15,549	2,916	13,204	50,475	255	1,047	257	39,246	122,949
Chicago	21,060	....	19,471	133,930	5,333	4,307	1,098	288,709	473,908
St. Louis	4,585	2,033	10,621	29,150	18	1,022	1,228	67,826	116,483
Minneapolis	16,912	44,560	3,936	2,743	930	175	....	14,995	84,251
Kansas City	9,661	28,197	8,376	26,633	553	1,886	55	34,424	109,785
Dallas	20,249	11,462	3,074	18,136	530	531	181	22,235	76,398
San Francisco	22,004	13,938	5,176	47,502	169	3,705	2,155	75,507	170,156
Total, 1920	120,998	103,426	295,373	925,050	8,877	22,080	8,072	1,220,588	2,704,464
Total, 1919	32,932	27,273	214,027	1,358,476	17,230	10,961	479	220,904	1,882,282

Acceptances purchased by each Federal Reserve Bank and held Sept. 30, 1920, distributed by classes of accepting institutions.

[In thousands of dollars.]

Federal Reserve Bank.	Bankers' 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	26,079	8	786	1,931	797	29,601	....	....	....	29,601
New York	56,092	2,397	15,249	8,665	9,333	91,736	116	2,321	2,437	94,173
Philadelphia	5,195	....	1,333	1,798	562	8,888	....	....	....	8,888
Cleveland	28,431	192	8,777	6,708	6,009	50,117	....	....	....	50,117
Richmond	7,045	....	....	....	....	7,045	....	....	....	7,045
Atlanta	1,894	....	....	....	....	1,894	....	....	....	1,894
Chicago	35,010	225	2,300	2,042	270	39,847	....	....	....	39,847
St. Louis	1,630	....	250	....	....	1,880	....	....	....	1,880
Minneapolis	1,448	....	....	....	50	1,498	....	....	....	1,498
Kansas City	3,301	....	....	....	....	3,301	....	....	....	3,301
Dallas	663	....	....	....	....	663	....	....	....	663
San Francisco	34,188	187	10,244	8,644	8,490	61,753	91	460	551	62,304
Total:										
Sept. 30, 1920	200,976	3,009	38,939	29,788	25,511	298,223	207	2,781	2,988	301,211
Aug. 31, 1920	202,868	2,631	41,499	31,225	21,737	299,960	1,334	5,810	7,144	307,104
Sept. 30, 1919	208,784	8,255	24,821	33,420	21,873	297,153	591	2,385	2,976	300,129
Sept. 30, 1918	233,926	2,859	2,479	27,551	13,999	280,814	2,745	5,761	8,506	289,320

OPERATIONS OF THE FEDERAL RESERVE CLEARING SYSTEM FROM SEPT. 16 TO OCT. 15, 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.		Items forwarded to other Federal Reserve Banks and their branches.		Items forwarded to parent bank or to branch in same district.	
	Located in Federal Reserve Bank and branch cities.		Located outside Federal Reserve Bank or branch cities.									
	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.
Boston	621,109	677,138	2,862,637	472,863	118,693	15,157	3,602,439	1,165,158	128,728	84,565	....	....
New York	1,109,962	2,190,342	4,024,590	1,424,763	1,031,356	129,389	6,165,908	3,744,494	1,021,931	648,808	24,451	9,473
Buffalo	156,168	116,119	359,398	60,508	15,060	1,218	530,626	177,845	138,048	36,339	31,555	24,953
Philadelphia	1,433,319	912,701	1,925,131	290,980	151,919	32,527	3,510,369	1,236,208	799,716	237,670	....	....
Cleveland	357,239	309,429	1,168,000	214,517	49,596	4,821	1,574,835	528,767	33,464	36,870	38,920	16,235
Cincinnati	169,219	165,894	781,035	101,330	42,893	3,443	993,147	270,667	15,235	20,984	9,645	4,786
Pittsburgh	311,128	367,265	752,001	107,168	43,438	6,194	1,106,567	480,627	62,837	57,940	29,382	9,336
Richmond *	112,729	173,887	1,565,058	307,853	43,718	5,513	1,721,505	487,253	129,230	78,974	8,027	11,950
Baltimore	196,678	202,054	686,532	95,462	52,160	11,272	935,370	308,788	156,673	130,881	9,685	10,170
Atlanta *	110,118	80,183	311,180	69,046	15,532	4,171	436,830	153,400	22,389	20,387	53,405	9,861
Birmingham	41,890	23,586	145,966	14,121	11,626	1,076	199,482	38,783	16,999	13,666	24,621	42,751
Jacksonville	31,202	21,037	112,362	14,151	11,125	982	154,689	36,170	24,887	7,697	6,319	2,114
Nashville *	43,574	38,944	194,356	25,635	14,163	1,194	252,093	65,773	28,554	4,794	13,846	2,657
New Orleans	57,955	66,052	97,108	17,970	16,903	2,758	171,966	86,780	48,235	12,779	6,110	1,179
Chicago	762,433	851,681	3,377,834	466,132	295,274	55,800	4,435,541	1,373,613	302,025	52,965	11,906	5,790
Detroit *	216,225	228,747	368,014	54,661	31,327	2,685	615,566	286,093	9,887	15,191	6,380	1,744
St. Louis *	254,245	317,583	1,356,237	115,715	116,179	8,875	1,726,661	442,173	27,332	9,298	14,915	1,922
Little Rock	41,085	28,417	277,011	21,641	5,911	1,332	324,007	51,390	7,094	1,882	29,629	4,325
Louisville	83,900	72,249	354,944	29,266	25,965	3,429	464,809	104,944	8,985	2,367	2,645	511
Memphis *	68,711	37,562	147,024	12,024	8,009	1,485	223,744	51,071	2,489	975	3,999	1,165
Minneapolis *	267,748	190,378	1,746,467	149,915	40,702	4,269	2,054,917	344,562	110,419	45,187	....	....
Kansas City *	254,784	371,290	2,034,220	167,626	92,248	7,876	2,381,252	546,792	281,639	75,811	118,875	31,981
Denver *	76,899	75,795	351,431	31,651	17,405	2,723	445,735	110,169	95,572	23,229	49,744	21,036
Oklahoma City *	44,398	78,655	941,312	116,758	....	....	985,710	195,413	36,694	11,922	19,816	17,976
Omaha	90,018	73,792	545,048	52,456	40,101	2,432	675,167	128,680	35,624	9,490	19,148	10,395
Dallas	81,844	94,023	1,617,614	330,567	25,460	3,556	1,724,918	428,146	78,006	40,447	65,275	13,747
El Paso	31,726	12,966	122,990	13,828	11,896	2,955	166,612	29,749	18,147	7,960	13,342	2,787
Houston	63,238	60,324	370,127	57,889	43,113	2,408	476,478	120,621	17,688	37,497	11,372	3,102
San Francisco	126,910	117,545	329,216	38,058	53,669	70,590	509,795	226,193	24,069	4,806	53,602	9,188
Los Angeles	128,947	104,930	742,482	66,266	19,687	11,067	891,116	182,263	62,712	9,710	26,965	5,289
Portland	54,725	45,171	197,100	15,790	17,750	7,774	269,575	68,735	2,975	1,787	30,500	5,004
Salt Lake City	57,211	33,689	377,284	41,327	12,832	4,960	447,327	79,976	11,794	21,727	8,225	10,980
Seattle	58,024	49,369	207,615	19,730	25,519	12,500	291,158	81,599	16,706	6,091	34,096	6,557
Spokane	28,490	24,324	163,605	16,272	9,415	967	201,510	41,563	7,595	2,374	18,591	6,848
Total:												
Sept. 15 to Oct. 15, 1920	7,543,851	8,213,121	30,612,929	5,033,939	2,510,644	427,398	40,667,424	13,674,458	[1] 3,784,378	[1] 1,773,070	794,991	305,812
Aug. 16 to Sept. 15, 1920	7,303,690	7,700,391	29,237,412	4,613,487	1,992,827	564,334	38,533,929	12,878,212	[2] 3,584,781	[2] 1,627,567	853,084	311,877
Sept. 16 to Oct. 15, 1919	5,515,877	7,130,239	19,530,165	4,309,693	2,354,925	1,132,918	27,400,967	12,572,850	[3] 2,719,102	[3] 1,632,134	589,404	291,035

Federal Reserve district.	Number of member banks in district Oct. 15—		Number of nonmember banks on par list Oct. 15—		Number of incorporated banks other than mutual savings banks not on par list Oct. 15—	
	1920	1919	1920	1919	1920	1919
Boston	434	430	258	242	....	....
New York	782	746	322	322	....	....
Philadelphia	696	674	434	409	....	....
Cleveland	867	841	1,072	1,025	....	64
Richmond	610	575	778	443	800	1,019
Atlanta	448	431	416	348	1,206	1,220
Chicago	1,403	1,363	4,278	3,211	....	986
St. Louis	568	530	2,516	1,848	174	801
Minneapolis	992	909	2,920	1,504	....	1,369
Kansas City	1,083	1,019	3,395	2,828	....	451
Dallas	842	748	1,258	750	....	405
San Francisco	819	689	1,028	922	....	142
Total	9,544	8,955	18,675	13,852	2,180	6,457

* NOTE.—Number of business days in period was 25 in all Federal Reserve Bank and branch cities except in those marked with an asterisk, where the number was 26.

[1] Includes 7,078 items, amounting to $2,640,000 forwarded direct to member banks in other Federal Reserve Districts.
[2] Includes 7,210 items, amounting to $2,115,000 forwarded direct to member banks in other Federal Reserve Districts.
[3] Includes 5,055 items, amounting to $2,999,000 forwarded direct to member banks in other Federal Reserve Districts.

CHANGES IN CONDITION OF FEDERAL RESERVE BANKS.

During the four weeks between September 24 and October 22 the Federal Reserve Banks increased their holdings of discounted bills by about 45 millions, from 2,704 to 2,749 millions, the largest increase for the period occurring during the week ending October 8, when considerable net withdrawals of Government funds caused the member banks to rediscount more heavily with their Federal Reserve Banks. The increase in discounts held does not affect paper secured by United States war obligations (including Treasury certificates), the holdings of which, after a 34 million increase during the early part in October, declined to 1,199 millions on October 22, marking a decrease of over 21 millions for the period under review. Other discounted paper, on the other hand, shows continuous advances for the first 3 weeks to 1,581 millions, and on October 22 stood at 1,550 millions, or about 66 millions above the total reported four weeks before.

Fiscal operations of the Government included the payment on October 15 of the half-yearly interest on the fourth Liberty bonds, the redemption on the same date of the bulk of the outstanding balance of about 118 millions of loan certificates issued six months previous, and the issuance of over 124 millions of tax certificates, besides the gradual withdrawal from depositary institutions of balances due to the Government on account of the more recent certificate issues. On October 15 the Anglo-French bonds issued 5 years ago fell due, necessitating the redemption by the fiscal agents of the foreign Governments concerned of about 200 millions of these securities. The effect of these operations may be seen in an increase of 27.7 millions in the Federal Reserve Bank holdings of Treasury certificates between October 8 and 15, largely to cover overdrafts of the Government, and in an increase of 13.8 millions in the holdings of purchased bills, rather than in any increase of the amount of discounted bills held. Federal Reserve Bank holdings of paper secured directly or indirectly by Treasury certificates declined from 268 to 241 millions, constituting slightly over 20 per cent of all the war paper held on October 22, while holdings of paper secured by Government war obligations proper, i. e., Liberty bonds and Victory notes, show a slight increase from 952 to 958 millions during the four weeks under review. Of the total amount of discounted paper carried on October 22 by the Federal Reserve Banks, the share of paper secured by Government obligations was 43.6 per cent, compared with over 45 per cent shown four weeks earlier.

A summary of the weekly changes in the principal asset and liability items of the Federal Reserve Banks follows:

Principal asset and liability items of the 12 Federal Reserve Banks combined on Fridays, Sept. 24 to Oct. 22, 1920.

[In millions of dollars.]

	Sept. 24.	Oct. 1.	Oct. 8.	Oct. 15.	Oct. 22.
Reserves:					
Total	2,152	2,165	2,158	2,155	2,157
Gold	1,990	2,003	1,996	1,992	1,995
Bills discounted:					
Total	2,704	2,710	2,796	2,774	2,749
Secured by Government war obligations	1,220	1,183	1,217	1,193	1,199
All other	1,484	1,527	1,579	1,581	1,550
Bills bought in open market	308	302	306	320	301
Certificates of indebtedness	271	271	274	302	281
Total earning assets	3,310	3,310	3,402	3,422	3,358
Government deposits	46	46	43	14	15
Members' reserve deposits	1,801	1,776	1,826	1,868	1,779
Net deposits	1,658	1,646	1,710	1,695	1,624
Federal Reserve notes in circulation	3,280	3,305	3,322	3,353	3,356
Federal Reserve Bank notes in circulation	214	213	213	214	214
Reserve percentage	43.6	43.7	42.9	42.7	43.3

From about 55 per cent on September 24, the share of 15-day paper in the total discounts held increased to nearly 60 per cent on October 8. Two weeks later this class of paper had declined to 56 per cent of the total discounts held. Changes in the holdings of 30-day paper are in the reverse order, though changes in the holdings of 15-day paper are apparently due as much, if not more, to new short-term borrowing by the member banks as to the gradual maturing of 30-day paper into the 15-day class. Holdings of 90-day paper show a slow but steady increase, while those of 6-month agricultural and live-stock paper at the close of the period—about 23 millions—were 3.4 millions below the September 24 total.

Holdings of acceptances purchased in open market fluctuated between 319.5 millions on October 15 and 300.7 millions a week later. Treasury certificates on hand increased from 270.6 millions on September 24 to 301.7 millions on October 15, when six of the Federal Reserve Banks reported 26 millions of special certificates to cover advances to the Government pending receipt of funds from depositary institutions. By the following Friday the Treasury had outstanding only 10 millions of such certificates which were held by four reserve banks.

Interbank discounting shows further growth in volume, the total of paper held under discount for other Reserve Banks showing an increase from 226.9 to 243.1 millions, held by the Boston, Philadelphia, and Cleveland banks. The latter bank on October 22 reports a total of 137.9 millions of paper discounted for other Reserve Banks, compared with 79.3 millions of paper held under discount for its own members, while over 40 per cent of the Boston bank's discounts are for other Reserve Banks. The list of accommodated Reserve Banks includes, besides the seven banks in the South and Middle West shown about the close of September, also the New York bank. Among the rediscounting banks are found all the four banks which apply graduated discount rates. During the four weeks under review three of these banks, viz, those of Atlanta, St. Louis, and Kansas City, increased their member bank discounts from 473 to 490.7 millions, while their combined liabilities on account of paper rediscounted with other Federal Reserve Banks show but a slight increase, from 123.7 millions to 123.9 millions. In the case of the Dallas bank a reduction in total member bank discounts, from 113.8 to 108.7 millions, is accompanied by a decrease of inter-bank accommodation from 37.4 to 33.9 millions. Holdings of acceptances purchased from other Reserve Banks fluctuated between 19.9 millions on October 1 and 34.9 millions two weeks later. At the end of the period the total was 24.3 millions, composed of bank acceptances sold by the New York bank without indorsement to the Boston, Philadelphia, and San Francisco banks. No change is shown in the banks' aggregate guarantors' liabilities of 16.2 millions on bankers' bills purchased for account of foreign correspondents.

Government deposits show a decline during the period from 46.5 to about 15 millions. Members' reserve deposits, after reaching a high of 1,868 millions on October 15, declined to 1,779 millions on the following Friday, while other deposits, composed largely of foreign Government credits and nonmembers' clearing accounts, declined during the period from 34.9 to 21.9 millions. Calculated net deposits reached a high of 1,710.2 millions on October 8, but declined to 1,624.5 millions during the following two weeks.

Federal Reserve note circulation shows a further expansion during the four weeks from 3,280 to 3,356.2 millions, or at an average weekly rate of over 19 millions. A considerable proportion of the increase in circulation is due to shipments of Federal Reserve notes to Cuba from the New York and Atlanta districts. Practically no change is shown in the circulation of Federal Reserve Bank notes.

During the period under discussion the amount of gold held with foreign agencies declined from 111.5 to 80.4 millions as the result of transfers to the Federal Reserve Banks of part of the gold held earmarked by the Bank of England since September, 1919. These transfers, while figuring among the gold imports of the period, do not affect the total gold reserves of the Federal Reserve Banks, since gold held with foreign agencies was always counted as part of the Reserve Banks' gold reserves. Total gold reserves, notwithstanding considerable withdrawals for export to the Far East, more than held their own, largely because of substantial receipts from England and France, and on October 22 stood at 1,994.6 millions, or 4.8 millions above the September 24 total. Total cash reserves show a slightly larger increase during the period from 2,151.6 to 2,157.3 millions.

The banks' reserve ratio shows an almost steady decline from 43.6 per cent on September 24 to 42.7 per cent on October 15. On the following Friday, largely by reason of the liquidation in some volume of bills and Treasury certificates and a corresponding reduction in deposit liabilities, the ratio rose to 43.3 per cent.

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Oct. 1 to Oct. 22, 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:													
Oct. 1	7,660	110,897	1,417	10,443	2,402	7,434	24,492	3,205	7,210	652	4,901	20,333	201,046
Oct. 8	7,696	133,402	1,403	10,465	2,410	7,549	24,665	3,122	7,206	686	4,684	13,475	216,763
Oct. 15	7,823	110,165	1,391	10,477	2,416	6,644	24,708	3,015	7,179	664	4,728	13,289	192,499
Oct. 22	7,884	78,567	1,363	10,517	2,436	6,360	24,405	2,910	7,198	676	4,915	14,207	161,438
Gold settlement fund—Federal Reserve Board:													
Oct. 1	46,199	42,729	45,243	80,863	23,863	7,447	41,466	6,745	8,526	24,875	3,936	30,576	362,468
Oct. 8	49,149	37,807	47,868	75,508	28,163	6,384	44,897	13,373	8,637	20,692	10,321	49,175	391,974
Oct. 15	54,555	63,835	34,991	61,858	22,496	4,736	54,468	7,535	10,057	25,685	5,362	36,175	381,753
Oct. 22	27,835	46,425	55,179	81,619	26,049	6,120	54,147	13,224	8,613	25,326	4,132	40,400	389,069
Gold with foreign agencies:													
Oct. 1	8,136	40,905	8,916	9,139	5,461	4,013	13,263	5,238	3,009	5,350	2,898	5,127	111,455
Oct. 8	6,535	32,856	7,162	7,660	4,387	3,223	11,117	4,208	2,417	4,297	2,429	4,118	90,409
Oct. 15	6,322	31,780	6,928	7,101	4,243	3,118	10,653	4,070	2,338	4,157	2,328	3,983	87,021
Oct. 22	5,878	29,473	6,442	6,603	3,945	2,898	9,582	3,784	2,174	3,865	2,093	3,704	80,441

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Oct. 1 to Oct. 22, 1920—Continued.

RESOURCES—Continued.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Gold with Federal Reserve agents:													
Oct. 1	134,999	266,519	121,610	142,238	44,403	52,647	188,930	47,580	27,569	39,959	29,613	84,326	1,180,393
Oct. 8	133,424	235,642	123,753	140,674	42,494	52,554	187,099	48,328	27,312	40,979	28,911	81,242	1,142,412
Oct. 15	130,915	234,475	129,794	140,037	45,332	58,479	183,486	48,421	27,691	41,061	30,767	98,580	1,169,038
Oct. 22	143,801	264,013	119,942	141,977	43,744	64,740	181,264	49,396	27,264	41,219	29,610	96,270	1,203,240
Gold redemption fund:													
Oct. 1	18,440	35,982	9,275	12,408	7,572	6,656	25,106	6,224	3,235	4,105	5,030	13,677	147,710
Oct. 8	19,499	37,925	10,406	13,486	8,750	7,540	26,315	5,670	3,447	4,703	5,396	11,629	154,766
Oct. 15	21,385	37,924	11,002	14,800	9,762	5,686	29,551	6,156	2,759	4,188	5,666	12,911	161,790
Oct. 22	17,707	37,911	11,613	13,725	10,583	6,513	31,203	5,588	2,912	4,648	6,446	11,574	160,423
Total gold reserves:													
Oct. 1	215,434	497,032	186,461	255,091	83,701	78,197	293,257	68,992	49,549	74,941	46,378	154,039	2,003,072
Oct. 8	216,303	477,632	190,592	247,793	86,204	77,250	294,093	74,701	49,019	71,357	51,741	159,639	1,996,324
Oct. 15	221,000	478,179	184,106	234,273	84,249	78,663	302,866	69,197	50,024	75,755	48,851	164,938	1,992,101
Oct. 22	203,105	456,389	194,539	254,441	86,757	86,631	300,601	74,902	48,161	75,734	47,196	166,155	1,994,611
Legal-tender notes, silver, etc.:													
Oct. 1	6,564	127,993	931	2,642	402	1,245	9,188	7,622	138	1,915	2,900	583	162,123
Oct. 8	6,745	127,834	1,018	2,225	826	1,398	9,103	7,479	121	1,860	2,791	544	161,944
Oct. 15	7,072	129,281	923	2,056	697	1,518	8,719	7,330	227	1,930	2,637	420	162,810
Oct. 22	7,912	128,429	735	1,983	675	1,547	8,675	7,204	145	1,935	3,014	405	162,659
Total reserves:													
Oct. 1	221,998	625,025	187,392	257,733	84,103	79,442	302,445	76,614	49,687	76,856	49,278	154,622	2,165,195
Oct. 8	223,048	605,466	191,610	250,018	87,030	78,648	303,196	82,180	49,140	73,217	54,532	160,183	2,158,268
Oct. 15	228,072	607,460	185,029	236,329	84,946	80,181	311,585	76,527	50,251	77,685	51,488	165,358	2,154,911
Oct. 22	211,017	584,818	195,274	256,424	87,432	88,178	309,276	82,106	48,306	77,669	50,210	166,560	2,157,270
Bills discounted:[1]													
Secured by Government war obligations—													
Oct. 1	106,750	490,677	123,844	53,013	36,537	64,294	147,384	38,978	11,043	35,238	21,551	53,708	1,183,017
Oct. 8	104,042	509,645	121,544	69,684	36,155	65,713	146,537	38,394	9,166	38,179	22,798	55,241	1,217,098
Oct. 15	79,580	500,403	130,095	77,189	39,823	63,693	142,738	40,153	10,256	35,736	19,756	53,388	1,192,810
Oct. 22	98,133	521,930	116,581	61,004	37,129	68,365	144,874	39,241	8,308	29,431	18,358	55,785	1,199,139
All other—													
Oct. 1	77,462	383,453	62,049	148,350	73,342	57,379	325,364	80,034	73,691	71,866	52,752	120,842	1,526,584
Oct. 8	78,283	434,576	54,544	153,493	72,457	56,983	325,411	77,212	78,054	71,614	54,919	121,027	1,578,573
Oct. 15	75,708	446,646	59,161	150,359	71,240	61,452	325,682	79,990	73,677	70,991	53,986	112,168	1,581,060
Oct. 22	75,946	407,365	54,392	156,166	72,759	68,939	315,268	79,465	75,282	81,256	56,392	106,913	1,550,143
Bills bought in open market:[2]													
Oct. 1	30,038	96,465	8,255	49,586	6,932	1,886	39,786	1,880	1,498	3,534	585	61,065	301,510
Oct. 8	30,045	97,752	18,221	48,378	6,184	2,393	41,573	960	1,408	3,160	310	55,306	305,690
Oct. 15	49,494	81,784	19,880	46,250	5,908	2,743	49,183	1,428	1,358	2,478	1,265	57,749	319,520
Oct. 22	42,901	73,564	18,803	40,350	5,261	2,690	50,325	993	1,210	2,272	1,370	60,927	300,666
United States Government bonds:													
Oct 1	555	1,462	1,434	834	1,233	113	4,490	1,153	116	8,867	3,966	2,632	26,855
Oct 8	555	1,462	1,434	834	1,233	114	4,490	1,153	116	8,867	3,966	2,632	26,856
Oct 15	555	1,462	1,434	834	1,233	113	4,490	1,153	116	8,867	3,966	2,633	26,856
Oct. 22	555	1,462	1,434	834	1,233	114	4,490	1,153	116	8,867	3,966	2,632	26,856
United States Victory notes:													
Oct. 1	5	50	....	10	....	3	....	....	....	1	....	....	69
Oct. 8	5	50	....	10	....	3	....	....	....	1	....	....	69
Oct. 15	5	50	....	10	....	3	....	....	....	1	....	....	69
Oct. 22	5	50	....	10	....	3	....	....	....	1	....	....	69
United States certificates of indebtedness:													
Oct. 1	21,578	69,513	31,458	23,299	12,262	15,666	39,728	17,297	8,481	12,826	8,300	11,074	271,482
Oct. 8	21,593	71,958	31,361	23,299	12,262	15,668	39,633	17,363	8,481	12,826	8,300	11,207	273,951
Oct. 15	32,581	79,558	35,505	23,299	13,262	16,666	42,631	17,353	8,516	12,826	8,300	11,164	301,661
Oct. 22	22,655	74,242	31,960	24,299	12,262	15,666	41,614	17,340	8,482	12,826	8,300	11,161	280,807
Total earning assets:													
Oct. 1	236,388	1,041,620	227,040	275,092	130,306	139,341	556,752	139,342	94,829	132,332	87,154	249,321	3,309,517
Oct. 8	234,523	1,115,443	227,104	295,698	128,291	140,874	557,644	135,082	97,225	134,647	90,293	245,413	3,402,237
Oct. 15	237,923	1,109,903	246,075	297,941	131,466	144,670	564,724	140,077	93,923	130,899	87,273	237,102	3,421,976
Oct. 22	240,195	1,078,613	223,170	282,663	128,644	155,777	556,571	138,192	93,398	134,653	88,386	237,418	3,357,680
Bank premises:													
Oct. 1	1,877	4,026	652	1,172	1,206	620	2,123	866	603	848	1,230	232	15,455
Oct. 8	1,950	4,028	657	1,177	1,253	622	2,128	866	603	885	1,233	232	15,634
Oct. 15	2,045	4,028	657	1,178	1,285	622	2,128	866	603	885	1,237	232	15,766
Oct. 22	2,066	4,101	657	1,178	1,285	623	2,128	866	603	885	1,240	232	15,864
Uncollected items and other deductions from gross deposits:													
Oct. 1	61,915	175,194	69,142	79,494	56,350	28,785	113,953	44,147	23,402	69,162	54,893	43,843	820,280
Oct. 8	53,273	158,049	63,667	73,208	57,983	30,774	108,807	52,379	27,565	73,629	54,339	43,050	796,723
Oct. 15	81,203	218,462	89,263	102,216	70,187	31,780	122,330	57,901	28,589	72,948	71,007	52,602	998,488
Oct. 22	61,489	163,434	70,958	83,455	62,666	30,898	103,838	46,527	28,059	69,508	57,867	47,041	825,740
5 per cent redemption fund against Federal Reserve Bank notes:													
Oct. 1	1,072	2,481	1,300	1,139	451	499	1,745	573	429	916	586	665	11,856
Oct. 8	1,072	2,528	1,300	1,139	451	527	1,516	623	343	916	586	665	11,666
Oct. 15	1,072	2,549	1,300	1,139	451	506	1,866	623	485	916	586	665	12,158
Oct. 22	1,072	2,595	1,300	1,139	451	503	2,486	623	617	916	586	665	12,953

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Oct. 1 to Oct. 22, 1920—Continued.

RESOURCES—Continued.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
All other resources:													
Oct. 1	394	768	545	251	589	233	464	382	90	306	1,013	379	5,414
Oct. 8	338	921	601	267	401	179	507	383	74	295	565	302	4,833
Oct. 15	344	1,004	633	280	511	273	968	521	84	309	1,691	333	6,951
Oct. 22	341	969	644	240	398	191	815	439	94	328	606	336	5,401
Total resources:													
Oct. 1	523,644	1,849,114	486,071	614,881	273,005	248,920	977.482	261,924	169,040	280,420	194,154	449,062	6,327,717
Oct. 8	514,204	1,886,435	484,939	621,507	275,409	251,624	973,798	271,513	174,950	283,589	201,548	449,845	6,389,361
Oct. 15	550,659	1,943,406	522,957	639,083	288,846	258,032	1,003,601	276,515	173,935	283,642	213,282	456,292	6,610,250
Oct. 22	516,180	1,834,530	492,003	625,099	280,876	276,170	975,114	268,753	171,077	283,959	198,895	452,252	6,374,908
[1] Includes bills discounted for other Federal Reserve Banks:													
Oct. 1	52,641	19,003	31,485	122,906	......	......	......	......	......	......	......	......	226,035
Oct. 8	52,450	......	30,577	140,440	......	......	......	......	......	......	......	......	223,467
Oct. 15	43,694	......	32,384	139,032	......	......	......	......	......	......	......	......	215,110
Oct. 22	72,926	......	32,273	137,874	......	......	......	......	......	......	......	......	243,073
[2] Includes bankers' acceptances bought from other Federal Reserve Banks without their indorsement:													
Oct. 1	......	......	4,911	10,000	......	......	......	......	......	......	......	4,951	19,862
Oct. 8	......	......	13,711	9,441	......	......	......	......	......	......	......	2,073	25,225
Oct. 15	15,000	......	12,525	6,030	......	......	......	......	......	......	......	1,345	34,900
Oct. 22	12,970	......	10,449	......	......	......	......	......	......	......	......	886	24,300

LIABILITIES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Capital paid in:													
Oct. 1	7,644	25,272	8,417	10,253	5,214	3,926	13,720	4,304	3,334	4,439	3,968	6,867	97,358
Oct. 8	7,644	25,294	8,417	10,299	5,216	3,930	13,720	4,306	3,337	4,505	3,970	6,881	97,519
Oct. 15	7,644	25,297	8,426	10,299	5,242	3,948	13,720	4,306	3,353	4,505	3,970	6,884	97,594
Oct. 22	7,644	25,307	8,426	10,300	5,257	3,958	13,759	4,307	3,384	4,506	3,973	6,871	97,692
Surplus fund:													
Oct. 1	12,351	51,308	13,069	13,712	8,067	7,050	23,917	5,884	5,178	8,395	4,152	11,662	164,745
Oct. 8	12,351	51,308	13,069	13,712	8,067	7,050	23,917	5,884	5,178	8,395	4,152	11,662	164,745
Oct. 15	12,351	51,308	13,069	13,712	8,067	7,050	23,917	5,884	5,178	8,395	4,152	11,662	164,745
Oct. 22	12,351	51,308	13,069	13,712	8,067	7,050	23,917	5,884	5,178	8,395	4,152	11,662	164,745
Government deposits:													
Oct. 1	3,183	16,082	6,190	3,350	3,715	1,621	2,389	1,492	1,241	2,153	1,939	3,099	46,454
Oct. 8	1,394	16,979	3,147	3,254	1,116	1,868	2,253	2,246	1,274	1,987	2,906	4,941	43,365
Oct. 15	982	257	1,451	1,941	385	634	380	2,104	659	2,607	1,362	1,213	13,975
Oct. 22	1,120	453	1,153	839	872	1,212	1,557	2,079	560	2,156	1,144	1,870	15,015
Due to members—reserve account:													
Oct. 1	119,201	685,654	109,370	151,567	56,032	49,147	253,824	61,165	44,120	79,312	49,493	117,358	1,776,243
Oct. 8	118,387	726,592	109,681	152,246	57,835	49,066	256,476	62,053	46,261	76,358	52,023	118,928	1,825,906
Oct. 15	130,876	744,132	116,781	151,757	60,357	46,585	265,154	61,729	46,389	73,119	50,957	120,180	1,868,016
Oct. 22	121,882	675,180	111,057	153,453	58,707	44,455	253,555	61,757	42,490	79,140	53,190	124,479	1,779,345
Deferred availability items:													
Oct. 1	49,622	110,846	51,483	61,938	44,420	23,925	78,306	39,410	22,281	58,057	34,552	33,216	608,056
Oct. 8	43,364	108,667	49,523	60,801	46,379	25,560	68,922	47,132	24,984	62,298	37,502	34,848	609,980
Oct. 15	67,652	147,614	76,937	81,555	56,792	24,311	91,057	50,747	24,611	64,016	50,644	40,951	776,887
Oct. 22	48,735	115,444	57,869	67,338	49,742	26,209	72,296	43,169	25,289	58,983	34,275	34,748	634,097
Other deposits, including foreign Government credits:													
Oct. 1	1,097	16,745	1,425	1,427	603	468	2,283	881	630	666	431	8,707	35,363
Oct. 8	867	15,333	1,264	1,733	472	423	2,763	681	513	760	362	2,477	27,648
Oct. 15	1,315	20,077	2,043	957	598	457	2,174	949	451	856	381	3,482	33,740
Oct. 22	566	12,252	1,032	1,273	278	347	2,145	525	440	456	277	2,338	21,929
Total gross deposits:													
Oct. 1	173,103	829,327	168,468	218,282	104,770	75,161	336,802	102,948	68,272	140,188	86,415	162,380	2,466,116
Oct. 8	164,012	867,571	163,615	218,034	105,802	76,917	330,414	112,112	73,032	141,403	92,793	161,194	2,506,899
Oct. 15	200,825	912,080	197,212	236,210	118,132	71,987	358,765	115,529	72,110	140,598	103,344	165,826	2,692,618
Oct. 22	172,303	803,329	171,111	222,903	109,599	72,223	329,553	107,530	68,779	140,735	88,886	163,435	2,450,386
Federal reserve notes in actual circulation:													
Oct. 1	309,586	866,091	270,892	345,751	141,463	147,538	554,238	135,888	81,964	108,823	89,940	252,516	3,304,690
Oct. 8	308,936	864,895	274,065	352,480	143,056	147,883	555,872	136,084	82,958	110,566	90,947	254,381	3,322,123
Oct. 15	308,155	875,737	278,147	351,657	143,871	158,982	556,684	137,565	82,824	111,394	92,042	256,213	3,353,271
Oct. 22	301,833	875,027	273,103	350,553	144,001	176,408	556,587	137,770	83,190	111,456	91,974	254,297	3,356,199
Federal Reserve Bank notes in circulation, net liability:													
Oct. 1	16,648	40,219	21,333	21,916	11,233	12,764	36,545	10,321	8,096	15,651	7,724	10,962	213,412
Oct. 8	16,733	39,113	21,681	21,791	10,900	13,253	37,021	10,426	8,129	15,649	7,627	10,831	213,154
Oct. 15	16,922	39,506	21,615	21,684	11,101	13,358	37,051	10,374	8,096	15,520	7,683	10,623	213,533
Oct. 22	17,119	38,989	21,625	21,776	11,346	13,620	37,309	10,287	8,033	15,345	7,744	10,645	213,838
All other liabilities:													
Oct. 1	4,312	36,897	3,892	4,967	2,258	2,481	12,260	2,579	2,196	2,924	1,955	4,675	81,396
Oct. 8	4,528	38,254	4,092	5,191	2,368	2,591	12,854	2,701	2,316	3,071	2,059	4,896	84,9[illegible]1
Oct. 15	4,762	39,478	4,488	5,521	2,433	2,707	13,464	2,857	2,374	3,230	2,091	5,084	88,489
Oct. 22	4,930	40,570	4,669	5,855	2,606	2,911	13,989	2,975	2,513	3,522	2,166	5,342	92,048

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Oct. 1 to Oct. 22, 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.
Total liabilities:													
Oct. 1	523,644	1,849,114	486,071	614,881	273,005	248,920	977,482	261,924	169,040	280,420	194,154	449,062	6,327,717
Oct. 8	514,204	1,886,435	484,939	621,507	275,409	251,624	973,798	271,513	174,950	283,589	201,548	449,845	6,389,361
Oct. 15	550,659	1,943,406	522,957	639,083	288,846	258,032	1,003,601	276,515	173,935	283,642	213,282	456,292	6,610,250
Oct. 22	516,180	1,834,530	492,003	625,099	280,876	276,170	975,114	268,753	171,077	283,959	198,895	452,252	6,374,908
Ratio of total reserves to net deposit and Federal Reserve note liabilities combined—per cent:													
Oct. 1	52.8	41.1	50.6	53.2	44.3	41.0	38.9	39.4	39.2	42.7	40.6	41.7	43.7
Oct. 8	53.1	38.5	51.2	50.3	45.6	40.5	39.0	42.0	38.3	41.1	42.1	43.0	42.9
Oct. 15	53.3	38.7	47.9	48.7	44.3	40.3	39.3	39.2	39.8	43.4	41.4	44.8	42.7
Oct. 22	51.1	38.6	52.3	52.3	45.8	40.5	39.5	41.3	39.0	42.5	40.9	44.9	43.3
MEMORANDA.													
Contingent liability as indorser on discounted paper rediscounted with other Federal reserve banks:													
Oct. 1					25,000	48,856	18,550	35,051	18,631	41,986	37,961		226,035
Oct. 8					24,234	47,496	17,750	39,384	19,749	40,166	34,688		223,467
Oct. 15					20,000	44,642	14,500	35,348	23,272	43,063	34,285		215,110
Oct. 22		25,000			19,900	37,758	13,050	40,410	27,204	45,807	33,944		243,073
Bankers' acceptances sold to other Federal reserve banks without indorsement:													
Oct. 1		9,862					10,000						19,862
Oct. 8		15,784					9,441						25,225
Oct. 15		28,870					6,030						34,900
Oct. 22		24,305											24,305
Contingent liability on bills purchased for foreign correspondents:													
Oct. 1	1,168	6,076	1,280	1,312	784	576	1,904	752	432	768	416	736	16,204
Oct. 8	1,168	6,080	1,280	1,312	784	576	1,904	752	432	768	416	736	16,208
Oct. 15	1,168	6,081	1,280	1,312	784	576	1,904	752	432	768	416	736	16,209
Oct. 22	1,168	6,081	1,280	1,312	784	576	1,904	752	432	768	416	736	16,209

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:						
Oct. 1	1,515,472	307,789	514,192	346,734	25,414	2,709,601
Oct. 8	1,618,998	281,399	516,868	356,532	21,874	2,795,671
Oct. 15	1,551,801	295,140	547,622	356,779	22,528	2,773,870
Oct. 22	1,558,148	304,552	497,628	365,967	22,987	2,749,282
Bills bought:						
Oct. 1	106,484	92,432	85,555	17,039		301,510
Oct. 8	121,443	55,922	105,890	22,435		305,690
Oct. 15	138,646	56,543	97,466	26,865		319,520
Oct. 22	107,424	77,329	88,171	27,742		300,666
United States certificates of indebtedness:						
Oct. 1	23,748	13,500	18,870	23,260	192,104	271,482
Oct. 8	19,547	14,000	22,284	22,328	195,792	273,951
Oct. 15	54,957	6,400	25,293	19,877	195,134	301,661
Oct. 22	33,641	5,650	31,090	14,993	195,433	280,807

FEDERAL RESERVE NOTES.

Federal Reserve agents' accounts at close of business on Fridays, Oct. 1 to Oct. 22, 1920.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
RESOURCES.													
Federal Reserve notes on hand:													
Oct. 1	64,600	143,000	35,880	27,680	26,398	71,675	60,640	20,480	7,040	6,270	16,480	5,380	485,523
Oct. 8	67,300	143,000	28,280	25,400	26,538	69,705	62,520	19,220	5,040	6,970	13,660	4,880	472,513
Oct. 15	71,100	140,800	35,280	31,200	24,078	61,465	58,760	18,020	7,270	6,920	12,715	4,880	472,488
Oct. 22	71,700	141,000	35,280	28,800	24,219	51,955	57,480	16,620	8,020	6,920	12,295	4,880	459,169
Federal Reserve notes outstanding:													
Oct. 1	323,686	974,483	284,618	367,726	146,998	152,142	624,505	153,564	82,960	114,026	93,252	285,189	3,603,149
Oct. 8	326,111	973,365	289,361	369,961	148,309	153,538	626,554	154,582	84,203	115,406	95,370	288,966	3,625,726
Oct. 15	321,802	980,188	289,402	368,524	150,567	162,663	627,661	154,455	84,152	117,038	96,651	289,604	3,642,707
Oct. 22	321,188	979,389	287,550	368,465	150,739	181,085	630,799	155,590	85,015	117,096	95,915	290,894	3,663,725
Collateral security for Federal Reserve notes outstanding:													
Gold and gold certificates—													
Oct. 1	5,900	209,607	....	32,025	....	2,500	....	3,810	13,052	....	12,331	....	279,225
Oct. 8	5,900	209,608	....	32,025	....	2,500	....	3,860	13,052	....	12,331	....	279,276
Oct. 15	5,900	209,608	....	32,025	....	3,500	....	3,860	13,052	....	12,331	....	280,276
Oct. 22	5,900	209,608	....	32,025	....	3,500	....	3,860	13,052	....	11,831	....	279,776
Gold redemption fund—													
Oct. 1	18,099	11,912	15,221	20,213	1,903	4,147	8,786	3,739	1,317	3,599	5,548	12,714	107,198
Oct. 8	21,524	11,034	17,364	18,649	2,994	4,054	8,954	2,037	1,060	2,619	6,846	17,946	115,081
Oct. 15	19,015	9,867	15,405	18,012	3,832	2,879	8,342	3,630	1,439	3,701	6,202	16,305	108,629
Oct. 22	22,901	9,405	18,553	19,952	2,244	4,240	8,119	4,005	1,012	2,859	5,045	14,936	113,271
Gold settlement fund—Federal Reserve Board—													
Oct. 1	111,000	45,000	106,389	90,000	42,500	46,000	180,144	40,031	13,200	36,360	11,734	71,612	793,970
Oct. 8	106,000	15,000	106,389	90,000	39,500	46,000	178,145	42,431	13,200	38,360	9,734	63,296	748,055
Oct. 15	106,000	15,000	114,389	90,000	41,500	52,100	175,144	40,931	13,200	37,360	12,234	82,275	780,133
Oct. 22	115,000	45,000	101,389	90,000	41,500	57,000	173,145	41,531	13,200	38,360	12,734	81,334	810,193
Eligible paper—													
Amount required—													
Oct. 1	188,687	707,964	163,008	225,488	102,595	99,495	435,575	105,984	55,391	74,067	63,639	200,863	2,422,756
Oct. 8	192,687	737,723	165,608	229,287	105,815	100,984	439,455	106,254	56,891	74,427	66,459	207,724	2,483,314
Oct. 15	190,887	745,713	159,608	228,487	105,235	104,184	444,175	106,034	56,461	75,977	65,884	191,024	2,473,669
Oct. 22	177,387	715,376	167,608	226,488	106,995	116,345	449,535	106,194	57,751	75,877	66,305	194,624	2,460,485
Excess amount held—													
Oct. 1	25,563	231,946	9,353	22,519	10,270	24,015	76,117	14,864	16,966	34,051	11,249	21,450	498,363
Oct. 8	19,683	279,443	5,887	39,726	7,720	24,096	73,950	10,232	22,095	38,326	11,568	11,100	543,826
Oct. 15	13,895	252,816	24,350	42,594	7,881	23,627	73,177	15,354	10,771	33,170	9,123	16,185	522,943
Oct. 22	39,593	256,289	8,750	28,321	6,257	23,625	60,923	13,294	8,251	36,944	9,815	18,359	510,421
Total resources:													
Oct. 1	737,535	2,323,912	614,469	785,651	330,664	399,974	1,385,767	342,472	189,926	268,373	214,233	597,208	8,190,184
Oct. 8	739,205	2,369,173	612,889	805,048	330,876	400,877	1,389,578	338,616	195,541	276,108	215,968	593,912	8,267,791
Oct. 15	728,599	2,353,992	638,434	810,842	333,093	410,418	1,387,259	342,284	186,345	274,166	215,140	600,273	8,280,845
Oct. 22	753,669	2,356,067	619,130	794,051	331,954	437,750	1,380,001	341,094	186,301	278,056	213,940	605,027	8,297,040
LIABILITIES.													
Federal Reserve notes received from Comptroller of the Currency—gross:													
Oct. 1	675,600	2,279,520	651,380	675,500	371,260	382,000	1,140,440	373,880	176,680	253,660	194,180	509,540	7,683,640
Oct. 8	682,300	2,288,260	651,380	677,020	374,620	383,020	1,146,200	375,340	176,680	256,720	194,180	515,900	7,721,620
Oct. 15	684,300	2,296,400	660,380	684,020	376,580	385,080	1,147,160	376,420	179,680	259,220	195,160	519,200	7,763,600
Oct. 22	686,400	2,298,600	660,380	684,620	378,480	395,580	1,151,240	377,780	181,720	260,120	195,160	522,800	7,792,880
Less amounts returned for destruction:													
Oct. 1	287,314	1,162,037	330,882	280,094	197,864	158,183	455,295	199,836	86,680	133,364	84,448	218,971	3,594,968
Oct. 8	288,889	1,171,895	333,739	281,659	199,773	159,777	457,126	201,538	87,437	134,344	85,150	222,054	3,623,381
Oct. 15	291,398	1,175,412	335,698	284,296	201,935	160,952	460,739	203,945	88,258	135,262	85,794	224,716	3,648,405
Oct. 22	293,512	1,178,211	337,550	287,355	203,522	162,540	462,961	205,570	88,685	136,104	86,950	227,026	3,669,986
Net amount of Federal Reserve notes received from Comptroller of Currency:													
Oct. 1	388,286	1,117,483	320,498	395,406	173,396	223,817	685,145	174,044	90,000	120,296	109,732	290,569	4,088,672
Oct. 8	393,411	1,116,365	317,641	395,361	174,847	223,243	689,074	173,802	89,243	122,376	109,030	293,846	4,098,239
Oct. 15	392,902	1,120,988	324,682	399,724	174,645	224,128	686,421	172,475	91,422	123,958	109,366	294,484	4,115,195
Oct. 22	392,888	1,120,389	322,830	397,265	174,958	233,040	688,279	172,210	93,035	124,016	108,210	295,774	4,122,894
Collateral received from Federal Reserve Bank:													
Gold—													
Oct. 1	134,999	266,519	121,610	142,238	44,403	52,647	188,930	47,580	27,569	39,959	29,613	84,326	1,180,393
Oct. 8	133,424	235,642	123,753	140,674	42,494	52,554	187,099	48,328	27,312	40,979	28,911	81,242	1,142,412
Oct. 15	130,915	234,475	129,794	140,037	45,332	58,479	183,486	48,421	27,691	41,061	30,767	98,580	1,169,038
Oct. 22	143,801	264,013	119,942	141,977	43,744	64,740	181,264	49,396	27,264	41,219	29,610	96,270	1,203,240
Eligible paper—													
Oct. 1	214,250	939,910	172,361	248,007	112,865	123,510	511,692	120,848	72,357	108,118	74,888	222,313	2,921,119
Oct. 8	212,370	1,017,166	171,495	269,013	113,535	125,080	513,405	116,486	78,986	112,753	78,027	218,824	3,027,140
Oct. 15	204,782	998,529	183,958	271,081	113,116	127,811	517,352	121,388	67,232	109,147	75,007	207,209	2,996,612
Oct. 22	216,980	971,665	176,358	254,809	113,252	139,970	510,458	119,488	66,002	112,821	76,120	212,983	2,970,906
Total liabilities:													
Oct. 1	737,535	2,323,912	614,469	785,651	330,664	399,974	1,385,767	342,472	189,926	268,373	214,233	597,208	8,190,184
Oct. 8	739,205	2,369,173	612,889	805,048	330,876	400,877	1,389,578	338,616	195,541	276,108	215,968	593,912	8,267,791
Oct. 15	728,599	2,353,992	638,434	810,842	333,093	410,418	1,387,259	342,284	186,345	274,166	215,140	600,273	8,280,845
Oct. 22	753,669	2,356,067	619,130	794,051	331,954	437,750	1,380,001	341,094	186,301	278,056	213,940	605,027	8,297,040

Amounts of Federal Reserve notes received from and returned to other Federal Reserve Banks for redemption or credit during the period Jan. 1 to Sept. 30, 1920.

Federal Reserve Bank.	Boston.		New York.		Philadelphia.		Cleveland.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston	...	...	$43,736,750	$47,321,300	$4,958,600	$4,638,000	$2,784,790	$1,615,000
New York	$46,498,900	$44,085,250	...	...	51,095,850	43,659,100	34,535,750	14,327,000
Philadelphia	4,424,000	5,079,600	41,585,750	52,430,100	...	...	10,087,750	7,585,000
Cleveland	1,994,300	2,827,100	16,762,500	34,277,250	9,765,300	10,457,500	...	...
Richmond	2,643,000	2,398,100	12,534,750	20,624,400	8,455,250	8,480,250	6,508,000	3,832,500
Atlanta	1,568,550	2,128,500	9,641,250	13,809,950	2,192,750	3,210,500	4,419,650	2,530,500
Chicago	4,009,200	4,884,800	21,317,500	38,148,550	4,605,500	5,604,000	17,988,000	13,875,500
St. Louis	1,045,670	816,500	6,598,405	5,561,250	1,515,410	1,170,265	6,444,430	1,864,000
Minneapolis	364,000	632,400	1,959,500	4,117,350	372,000	512,250	855,000	898,000
Kansas City	574,750	831,000	3,803,550	4,959,650	715,150	1,021,750	1,686,050	1,383,000
Dallas	389,750	991,400	3,365,000	4,922,000	539,050	1,179,500	960,100	1,117,500
San Francisco	1,579,185	1,042,000	9,131,695	13,024,750	1,619,595	1,041,630	2,440,150	824,500
Total:								
Jan. 1 to Sept. 30, 1920	65,091,305	65,716,650	170,436,650	239,196,550	85,834,455	80,974,745	88,709,670	49,852,500
Jan. 1 to Sept. 30, 1919	41,667,915	68,557,100	181,666,130	201,106,650	48,355,455	72,412,550	71,949,565	50,302,900
Jan. 1 to Sept. 30, 1918	13,815,990	20,594,000	77,239,900	76,868,150	26,282,675	40,733,160	26,126,950	12,715,200

Federal Reserve Bank.	Richmond.		Atlanta.		Chicago.		St. Louis.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston	$2,428,550	$2,592,750	$2,127,400	$1,486,650	$4,921,000	$4,015,000	$819,900	$1,052,910
New York	20,549,800	12,267,750	13,554,050	9,582,050	38,204,200	21,154,500	5,527,550	6,591,440
Philadelphia	8,123,505	8,689,750	3,056,000	2,171,700	5,297,500	4,859,500	1,066,000	1,598,457
Cleveland	5,207,400	6,379,250	3,047,500	4,291,550	16,367,400	18,090,500	2,387,800	6,470,145
Richmond	...	...	9,265,750	5,918,800	5,145,000	3,208,500	1,848,000	1,691,095
Atlanta	6,257,950	9,135,250	...	...	6,558,900	4,869,000	9,342,300	7,297,215
Chicago	3,264,000	5,006,250	4,872,500	6,048,750	...	...	10,981,500	26,202,990
St. Louis	1,711,765	1,777,750	7,353,460	9,591,200	26,128,190	10,993,000	...	...
Minneapolis	266,500	538,750	361,500	607,400	12,034,500	16,626,000	686,500	1,384,185
Kansas City	794,600	1,613,750	1,400,850	1,398,900	10,559,250	9,174,000	6,007,800	8,181,735
Dallas	571,750	2,240,750	3,477,550	3,964,600	2,811,900	2,858,500	3,407,100	6,424,267
San Francisco	1,236,900	485,000	2,164,530	869,700	10,469,910	7,563,500	2,119,760	2,103,045
Total:								
Jan. 1 to Sept. 30, 1920	50,412,720	50,727,000	50,681,090	45,931,300	138,497,750	103,412,000	44,194,210	68,997,484
Jan. 1 to Sept. 30, 1919	55,159,445	58,439,500	44,434,365	41,062,955	109,302,345	97,795,700	37,906,795	56,811,190
Jan. 1 to Sept. 30, 1918	17,956,075	17,629,050	14,539,460	14,871,700	31,123,820	37,893,100	9,877,675	24,362,130

Federal Reserve Bank.	Minneapolis.		Kansas City.		Dallas.		San Francisco.		Total.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston	$630,400	$354,500	$863,100	$570,250	$1,008,160	$396,850	$1,137,800	$1,740,650	$65,416,450	$65,783,860
New York	4,117,350	1,966,000	4,867,650	3,814,050	4,556,800	3,101,200	12,860,150	9,599,155	236,368,050	170,147,495
Philadelphia	498,250	377,500	996,000	764,150	1,135,250	523,950	965,000	1,701,985	77,235,005	85,781,692
Cleveland	1,152,000	859,500	1,812,000	1,732,050	1,239,250	913,800	944,500	2,528,830	60,679,950	88,827,475
Richmond	542,000	261,500	1,647,250	670,400	2,244,250	531,800	504,750	1,243,800	51,338,000	48,861,145
Atlanta	598,950	368,500	1,463,050	1,437,850	3,834,450	3,350,250	897,000	2,188,860	46,774,800	50,326,375
Chicago	16,714,500	12,005,000	9,277,500	10,829,750	2,865,500	2,635,400	7,985,500	10,585,180	103,881,200	135,826,170
St. Louis	1,378,185	686,500	8,312,470	6,094,800	6,300,872	3,313,650	2,116,165	2,140,500	68,905,022	44,009,415
Minneapolis	...	...	1,722,000	2,301,750	298,000	405,950	2,759,000	3,796,295	21,678,500	31,820,330
Kansas City	2,303,250	1,739,500	...	...	5,328,650	3,768,500	4,292,400	5,329,385	37,466,300	39,401,170
Dallas	407,700	328,850	4,035,600	5,405,200	...	...	3,237,550	3,109,745	23,203,050	32,542,312
San Francisco	3,743,995	2,610,500	5,379,265	4,379,900	3,038,090	2,797,050	...	...	42,923,075	36,741,575
Total:										
Jan. 1 to Sept. 30, 1920	32,086,580	21,557,850	40,375,885	38,000,150	31,849,272	21,738,400	37,699,815	43,964,385	835,869,402	830,069,014
Jan. 1 to Sept. 30, 1919	29,409,985	23,058,500	39,894,075	28,144,700	18,859,270	11,210,000	30,666,345	26,582,805	709,271,690	735,484,550
Jan. 1 to Sept. 30, 1918	10,117,700	5,405,800	25,783,030	3,980,505	8,238,350	8,884,100	10,157,065	4,723,685	271,258,690	268,660,580

CONDITION OF MEMBER BANKS IN LEADING CITIES.

Further increases in loans and investments, accompanied by commensurate increases in borrowings from the Federal Reserve Banks for the four-week period between September 17 and October 15 are indicated by the statements of condition of about 820 member banks in leading cities. A notable development during the period is the increase shown in loans supported by corporate securities, reflecting to some extent recent corporate financing and operations connected with the redemption of the Anglo-French loan. Loans secured by Government war obligations show a continuous reduction, while other loans and investments, composed largely of commercial loans and discounts, show the largest growth for the period.

Government operations, comprising chiefly the redemption and issuance of Treasury certificates on October 15, the payment of the semiannual interest on the fourth Liberty bonds, and the gradual withdrawal of balances on account of the more recent certificate issues, affect primarily total Treasury certificate holdings and the item of Government deposits, while the increase in loans on corporate securities reflects to a large extent the calling of street loans by the fiscal agents in New York of the Governments concerned, preparatory to the redemption on October 15 of the Anglo-French bonds and the assumption of these loans by reporting members largely in Boston and New York City.

A summary of the weekly changes in the principal asset and liability items of all reporting member banks, also of corresponding figures for the first Friday in the year, follows:

Principal resources and liabilities of member banks in leading cities on Jan. 2, 1920, and on Fridays from Sept. 17 to Oct. 15, 1920.

[In millions of dollars.]

	Jan. 2.	Sept. 17.	Sept. 24.	Oct. 1.	Oct. 8.	Oct. 15.
Number of banks	798	818	818	820	822	822
United States bonds	906	879	873	873	879	877
United States Victory notes	238	191	191	190	190	191
United States certificates of indebtedness	857	416	384	326	318	362
Total United States securities owned	2,001	1,486	1,448	1,389	1,387	1,430
Loans secured by Government war obligations, including rediscounts with Federal Reserve Bank	1,289	956	950	949	937	924
Loans secured by corporate stocks and bonds	3,406	3,039	3,056	3,100	3,091	3,162
All other loans and investments, including rediscounts with Federal Reserve Bank	9,892	11,577	11,686	11,706	11,774	11,768
Total loans and investments, including rediscounts with Federal Reserve Bank	16,588	17,058	17,140	17,144	17,189	17,284
Reserve balance with Federal Reserve Bank	1,442	1,390	1,362	1,344	1,385	1,422
Cash in vault	431	370	358	351	376	381
Net demand deposits	11,609	11,392	11,161	11,230	11,212	11,473
Time deposits	2,334	2,781	2,787	2,794	2,796	2,808
Government deposits	629	331	315	275	247	188
Bills discounted and rediscounted with Federal Reserve Bank, total	1,871	1,972	2,151	2,165	2,250	2,249
Secured by Government war obligations	1,210	937	949	914	946	928
All other	661	1,035	1,202	1,251	1,304	1,321

As against nominal changes in their holdings of United States bonds and Victory notes the reporting banks show considerable fluctuation in the amounts of Treasury certificates held, a decline of about 98 millions during the first three weeks being followed by an increase of about 44 millions on October 15, the date of allotment by the Government of over 124 millions of 5-month tax certificates. The total of certificates held by reporting banks at the close of the period under review, 361.7 millions, marks, however, an increase of 29.7 millions since the beginning of the year. For the member banks in New York City an increase for the four weeks of 5.4 millions in the holdings of United States bonds and Victory notes, as against a reduction of 34.5 millions in Treasury certificates, are noted.

Loans secured by Government war obligations show a slow but steady decline and on October 15 totaled 924 millions, a decrease of 32 millions since September 17 and of 365 millions since the beginning of the year. On the other hand total loans supported by corporate securities increased during the four-week period by 123 millions, this being the combined increase of the item for the New York and Boston banks. All other loans and investments, composed largely of commercial loans and discounts, show a further advance of 191 millions for the four weeks under review and an advance of 1,876 millions since January 2 of the present year. In consequence of the changes shown in the principal loan and investment accounts, total loans and investments on October 15 were 226 millions larger than on September 17 and 696 millions in excess of the corresponding January 2 total. For the New York City banks increases of 40.6 millions in other loans and investments and of 91.7 millions in total loans and investments are shown. The ratio of combined holdings of United States war securities and loans supported by such securities to total loans and investments shows a further decline from 12.7 to slightly over 12 per cent for all reporting banks and from 16.2 to about 15 per cent for the member banks in New York City.

As the result of gradual withdrawals of funds from depositary institutions Government deposits with the reporting banks show a continuous reduction from the high level of 331.4 millions on September 17 to 188.4 millions on October 15. Other demand deposits (net) fluctuated between 11,160.5 millions on September 24 and 11,472.9 on October 15, the large increase on the latter date reflecting in part substantial transfers of deposit credits from Government to individual account, deposits of funds received in payment of matured home and foreign Government obligations, also additional credits to deposit account extended to borrowers on corporate securities. Time deposits show a moderate but steady growth during the period, the October 15 total, 2,808.3 millions, being 27.6 millions larger than the September 17 total. For the New York City banks decreases from 199.9 to 86.9 millions in Government deposits and from 340.4 to 335 millions in time deposits, as against an increase from 4,629.2 to 4,647.7 millions in net demand deposits, are shown.

Accommodation of reporting member banks at the Federal Reserve Banks, as shown on the books of the latter, shows a continuous growth from 1,972 millions on September 17 to 2,249 millions four weeks later, the weekly increases in the borrowings of reporting member banks from their Federal Reserve Banks corresponding fairly closely to the increases in the loan accommodation extended by these banks to their own customers. The ratio of member bank borrowings at the Federal Reserve Banks to total loans and investments of reporting banks, which affords a rough index of the extent to which the loan burden of these banks is shifted to the Reserve Banks, shows a rise during the four weeks from 11.6 to 13 per cent. For the New York City banks an even larger increase in this ratio, from 11.7 to 14.6 per cent is seen.

Reserve balances declined from 1,390.1 millions on September 17 to 1,343.6 millions on October 1. During the subsequent two weeks as a consequence of both the increase in the loans and deposits of the reporting banks and the larger borrowings from the Federal Reserve Banks, these balances went up to 1,422.1 millions. Cash in vault reached a total of 381.1 millions, marking an increase of 11.4 millions for the period. For the New York City banks increases of 14.7 millions in reserve balances and of 2.9 millions in cash on hand are shown.

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 Sept. 24 to Oct. 15, 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:													
Sept. 24	48	113	59	92	82	47	106	35	34	83	51	68	818
Oct. 1	48	113	59	92	82	47	108	35	34	83	51	68	820
Oct. 8	48	113	59	92	82	46	108	35	37	83	51	68	822
Oct. 15	48	114	59	92	81	46	108	35	37	83	51	68	822
United States bonds to secure circulation:													
Sept. 24	12,459	46,492	11,347	42,243	28,709	14,285	21,550	16,923	7,371	15,471	19,573	32,638	269,061
Oct. 1	12,507	46,753	11,347	42,279	28,708	14,335	21,552	16,923	7,371	15,471	19,573	32,638	269,457
Oct. 8	12,507	46,498	11,347	42,280	28,808	14,380	21,550	16,923	7,371	14,701	19,573	32,638	268,576
Oct. 15	12,608	46,798	11,347	42,273	28,808	14,380	21,550	16,923	7,371	14,701	19,573	32,648	268,980
Other United States bonds, including Liberty bonds:													
Sept. 24	17,785	250,477	28,919	60,180	33,610	28,077	52,083	13,463	9,605	24,710	21,113	63,782	603,804
Oct. 1	18,076	249,885	28,479	60,018	33,901	28,658	53,064	13,110	9,632	23,503	21,375	63,301	603,002
Oct. 8	18,171	255,535	28,802	59,653	33,839	28,049	51,976	13,217	9,807	24,965	22,365	63,919	610,298
Oct. 15	18,081	253,139	28,932	60,682	33,675	28,163	52,407	13,361	10,005	23,391	21,849	64,061	607,746
United States Victory notes:													
Sept. 24	5,711	81,119	9,175	19,634	7,231	4,625	39,021	2,569	1,032	5,151	3,332	12,872	191,472
Oct. 1	5,808	81,379	9,258	19,515	7,402	4,281	38,273	2,664	1,032	4,828	3,065	13,264	190,769
Oct. 8	5,863	79,666	9,039	20,025	7,372	4,103	38,607	2,572	996	5,313	3,046	13,638	190,240
Oct. 15	5,838	82,995	9,155	18,548	7,245	4,078	38,699	2,615	1,025	5,080	3,066	13,074	191,418
United States certificates of indebtedness:													
Sept. 24	20,363	200,937	19,286	20,264	8,417	9,127	58,366	3,880	2,060	10,421	4,836	25,463	383,420
Oct. 1	19,336	156,961	17,729	18,206	7,345	8,461	54,665	3,935	1,789	8,077	4,616	24,584	325,704
Oct. 8	19,332	155,871	16,248	16,110	7,421	7,803	51,866	3,882	1,994	7,924	4,575	24,823	317,849
Oct. 15	25,328	166,951	26,701	25,552	7,764	6,944	54,810	5,175	2,103	8,554	5,842	26,029	361,753
Total United States securities owned:													
Sept. 24	56,318	579,025	68,727	142,321	77,967	56,114	171,020	36,835	20,068	55,753	48,854	134,755	1,447,757
Oct. 1	55,727	534,978	66,813	140,018	77,356	55,735	167,554	36,632	19,824	51,879	48,629	133,787	1,388,932
Oct. 8	55,873	537,570	65,436	138,068	77,440	54,335	163,999	36,594	20,168	52,903	49,559	135,018	1,386,963
Oct. 15	61,855	549,883	76,135	147,055	77,492	53,565	167,466	38,074	20,504	51,726	50,330	135,812	1,429,897
Loans secured by Government war obligations, including rediscounts with Federal Reserve Bank:													
Sept. 24	48,716	464,358	82,685	74,791	31,195	32,387	97,457	31,079	16,015	27,461	10,735	33,445	950,324
Oct. 1	48,319	465,081	79,655	73,652	31,827	33,472	97,099	32,204	16,275	27,912	10,981	32,538	949,015
Oct. 8	47,307	462,447	75,862	72,232	30,810	32,140	96,355	31,858	15,831	28,129	10,842	33,121	936,934
Oct. 15	47,400	455,985	75,350	71,455	30,528	31,090	93,678	31,672	15,538	27,648	10,610	32,768	923,722

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 Sept. 24 to Oct. 15, 1920—Con.

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.
Loans secured by stocks and bonds, other than United States securities:													
Sept. 24	187,199	1,284,431	215,328	323,754	108,839	62,140	446,654	127,106	30,941	80,406	41,521	147,623	3,055,942
Oct. 1	195,660	1,327,009	212,561	326,005	108,359	61,060	445,427	126,580	30,691	79,144	41,245	146,432	3,100,173
Oct. 8	194,536	1,318,888	211,364	326,087	108,213	61,280	447,518	126,206	30,827	82,094	37,847	146,291	3,091,151
Oct. 15	202,274	1,370,820	214,430	328,219	107,891	60,082	450,002	126,098	32,946	82,776	40,858	145,861	3,162,257
All other loans and investments, including rediscounts with Federal Reserve Bank:													
Sept. 24	821,893	4,149,412	594,072	965,249	405,727	429,437	1,825,458	407,023	286,803	544,020	263,804	993,325	11,686,223
Oct. 1	820,785	4,156,820	593,508	973,195	408,009	434,013	1,837,116	411,489	286,470	522,791	264,283	997,787	11,706,266
Oct. 8	815,180	4,203,976	592,735	985,504	409,019	429,190	1,831,534	418,172	297,525	524,341	263,970	1,002,410	11,773,556
Oct. 15	815,947	4,188,201	598,271	980,420	403,227	425,398	1,840,774	415,686	298,223	539,942	263,837	998,194	11,768,120
Total loans and investments, including rediscounts with Federal Reserve Bank:													
Sept. 24	1,114,126	6,477,226	960,812	1,506,115	623,728	580,078	2,540,589	602,043	353,827	707,640	364,914	1,309,148	17,140,246
Oct. 1	1,120,491	6,483,888	952,537	1,512,870	625,551	584,280	2,547,196	606,905	353,260	681,726	365,138	1,310,544	17,144,386
Oct. 8	1,112,896	6,522,881	945,397	1,521,891	625,482	576,945	2,539,406	612,830	364,351	687,467	362,218	1,316,840	17,188,604
Oct. 15	1,127,476	6,564,889	964,186	1,527,149	619,138	570,135	2,551,920	611,530	367,211	702,092	365,635	1,312,635	17,283,996
Reserve balances with Federal Reserve Bank:													
Sept. 24	81,511	651,105	69,247	101,074	35,274	29,909	187,113	40,965	19,394	42,788	23,401	80,019	1,361,800
Oct. 1	83,072	624,985	67,609	106,554	35,507	31,917	187,342	38,791	18,476	45,626	23,762	79,910	1,343,551
Oct. 8	80,922	665,980	68,764	103,680	36,213	30,336	189,400	38,838	20,213	45,812	24,369	80,153	1,384,680
Oct. 15	90,568	681,564	73,260	101,177	37,409	29,773	194,766	38,121	21,693	43,681	27,133	82,937	1,422,082
Cash in vault:													
Sept. 24	24,588	114,726	17,445	32,836	16,126	13,788	65,817	9,641	8,911	14,843	11,429	28,233	358,383
Oct. 1	25,113	108,145	17,382	34,287	15,816	13,669	65,686	9,389	8,668	14,170	11,810	27,022	351,157
Oct. 8	27,333	120,942	17,738	36,645	18,559	14,121	66,803	9,986	9,287	14,821	12,101	28,134	376,470
Oct. 15	27,783	122,576	17,123	37,218	17,273	14,685	70,203	9,538	8,675	14,971	12,061	29,008	381,114
Net demand deposits on which reserve is computed:													
Sept. 24	806,492	5,010,977	690,209	928,816	338,851	258,455	1,363,590	307,995	186,971	412,468	224,373	631,340	11,160,537
Oct. 1	825,877	5,028,351	690,432	955,790	339,514	260,866	1,373,377	307,969	185,836	404,849	227,306	629,907	11,230,074
Oct. 8	810,213	5,022,424	692,210	949,281	343,307	257,734	1,373,884	307,465	193,943	400,875	228,649	632,245	11,212,230
Oct. 15	860,706	5,154,324	693,119	955,757	344,815	260,056	1,433,086	308,610	193,456	389,526	229,548	649,921	11,472,924
Time deposits:													
Sept. 24	154,465	468,562	38,895	376,942	107,741	151,318	629,214	126,016	63,996	97,457	55,021	517,184	2,786,811
Oct. 1	158,218	464,666	38,767	378,793	108,359	150,961	632,789	126,308	64,824	97,393	59,601	513,182	2,793,861
Oct. 8	158,625	460,573	39,073	377,938	107,515	149,423	635,489	128,063	68,043	96,779	55,414	519,241	2,796,176
Oct. 15	159,335	472,242	39,435	378,786	106,236	148,824	635,404	128,291	68,898	97,146	55,663	518,043	2,808,303
Government deposits:													
Sept. 24	17,441	194,512	20,159	28,426	3,556	1,790	19,597	6,857	2,831	5,267	1,814	13,114	315,364
Oct. 1	15,182	173,076	17,855	20,748	3,178	1,680	17,135	6,049	2,430	4,572	1,571	11,561	275,037
Oct. 8	13,684	156,197	16,110	18,465	2,889	1,449	15,558	5,458	2,230	4,120	1,414	9,562	247,136
Oct. 15	16,261	89,482	20,692	19,035	2,754	2,078	14,378	5,167	1,956	4,219	2,200	10,179	188,401
Bills payable with Federal Reserve Bank:													
Secured by United States war obligations—													
Sept. 24	27,780	318,690	50,682	17,416	33,871	33,737	93,982	19,338	4,779	30,104	18,935	28,621	677,935
Oct. 1	24,616	303,647	45,333	15,105	33,440	33,475	87,667	20,069	5,207	26,748	18,767	30,698	644,772
Oct. 8	26,545	336,492	44,369	17,574	32,698	32,980	84,420	20,377	5,566	28,270	19,406	32,206	680,903
Oct. 15	15,429	333,148	49,193	23,410	32,070	32,001	82,252	20,332	6,009	25,726	18,452	30,601	668,623
All other—													
Sept. 24	....	....	....	36	807	55	4,965	....	400	525	....	85	6,873
Oct. 1	....	....	....	36	....	....	4,100	....	450	34	....	85	4,705
Oct. 8	....	....	....	36	941	....	1,750	....	483	25	....	210	3,445
Oct. 15	....	....	....	36	41	689	1,750	....	533	1,100	....	190	4,339
Bills rediscounted with Federal Reserve Bank:													
Secured by United States war obligations—													
Sept. 24	17,198	143,281	42,694	12,496	3,727	10,754	17,105	8,548	1,773	7,485	2,466	3,803	271,330
Oct. 1	17,155	143,001	41,048	11,729	3,941	11,463	17,680	8,979	1,820	7,234	2,524	2,963	269,537
Oct. 8	16,528	141,794	38,357	11,796	3,976	10,869	18,109	9,140	1,415	7,381	2,511	3,288	265,164
Oct. 15	15,706	138,570	38,539	11,878	4,664	9,980	16,873	8,855	1,517	7,146	2,427	3,046	259,201
All other—													
Sept. 24	56,852	344,944	27,652	39,618	44,345	74,010	290,889	75,750	61,228	74,110	26,266	79,108	1,194,772
Oct. 1	68,314	367,996	32,553	35,525	45,950	74,471	293,371	78,002	60,101	76,188	29,463	84,501	1,246,435
Oct. 8	64,949	423,533	28,086	36,665	44,551	73,492	292,657	86,190	63,342	75,133	27,482	84,370	1,300,450
Oct. 15	60,834	436,754	34,853	39,032	41,653	73,781	289,987	84,996	63,946	86,163	28,390	76,418	1,316,807

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 Sept. 24 to Oct. 15, 1920.—Con.

2. MEMBER BANKS IN FEDERAL RESERVE BANK CITIES.

[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:													
Sept. 24	24	71	44	12	9	8	49	13	9	20	8	15	282
Oct. 1	24	71	44	12	9	8	51	13	9	20	8	15	284
Oct. 8	24	71	44	12	9	8	51	13	10	19	8	15	284
Oct. 15	24	71	44	12	9	8	51	13	10	19	8	15	284
United States bonds to secure circulation:													
Sept. 24	2,281	36,795	7,337	3,664	2,777	3,100	1,438	10,293	2,791	5,046	4,560	16,650	96,732
Oct. 1	2,281	37,056	7,337	3,671	2,776	3,100	1,440	10,293	2,791	5,046	4,560	16,650	97,001
Oct. 8	2,281	36,801	7,337	3,672	2,776	3,100	1,439	10,293	2,791	4,276	4,560	16,650	95,976
Oct. 15	2,281	37,101	7,337	3,671	2,776	3,100	1,439	10,293	2,791	4,276	4,560	16,650	96,275
Other United States bonds, including Liberty bonds:													
Sept. 24	6,217	217,471	21,754	7,754	4,686	1,536	16,880	5,183	1,756	9,111	6,140	38,225	336,713
Oct. 1	6,583	216,640	21,594	7,786	4,686	1,536	17,965	5,213	1,823	7,789	6,406	38,156	336,177
Oct. 8	6,690	222,837	21,93[illegible]	7,659	4,686	1,536	16,981	5,305	1,879	9,426	6,391	38,919	344,245
Oct. 15	6,616	220,593	22,012	7,768	4,686	1,536	17,377	5,298	1,953	7,932	6,329	38,758	340,858
United States Victory notes:													
Sept. 24	344	71,738	6,646	2,244	159	176	10,962	538	208	2,934	1,020	5,101	102,070
Oct. 1	462	71,860	6,653	2,236	159	186	10,814	651	208	2,587	750	5,112	101,678
Oct. 8	486	70,275	6,613	2,234	159	176	11,105	551	214	3,044	753	5,474	101,084
Oct. 15	455	73,695	6,628	2,337	159	176	11,212	539	216	2,613	754	5,405	104,189
United States certificates of indebtedness:													
Sept. 24	8,532	185,705	17,617	1,833	711	587	17,130	2,413	478	4,708	1,676	14,047	255,437
Oct. 1	8,736	142,802	16,170	1,504	622	557	16,576	2,567	414	2,378	1,454	13,785	207,565
Oct. 8	9,131	141,817	14,824	1,456	578	517	15,631	2,614	458	2,256	1,392	13,864	204,538
Oct. 15	12,737	151,238	25,009	2,265	589	507	19,230	3,653	537	2,732	1,532	15,042	235,071
Total United States securities owned:													
Sept. 24	17,374	511,709	53,354	15,495	8,333	5,399	46,410	18,427	5,233	21,799	13,396	74,023	790,952
Oct. 1	18,062	468,358	51,754	15,197	8,243	5,379	46,795	18,724	5,236	17,800	13,170	73,703	742,421
Oct. 8	18,588	471,730	50,710	15,021	8,199	5,329	45,156	18,763	5,342	19,002	13,096	74,907	745,843
Oct. 15	22,089	482,627	60,986	16,041	8,210	5,319	49,258	19,783	5,497	17,553	13,175	75,855	776,393
Loans secured by Government war obligations, including rediscounts with Federal Reserve Bank:													
Sept. 24	40,282	434,912	78,668	18,844	8,570	6,167	65,867	18,626	9,125	11,600	2,427	15,698	710,786
Oct. 1	39,892	435,712	75,643	18,346	8,646	7,200	64,629	19,701	9,086	12,064	2,709	14,857	708,485
Oct. 8	39,011	433,570	71,851	19,029	8,565	6,649	64,204	19,581	8,956	11,980	2,660	15,171	701,227
Oct. 15	39,269	427,402	71,590	19,171	7,895	6,648	62,299	19,306	8,898	11,430	2,576	14,810	691,294
Loans secured by stocks and bonds, other than United States securities:													
Sept. 24	142,503	1,131,898	196,775	113,003	15,743	7,152	330,914	87,356	15,803	33,904	13,117	70,147	2,158,315
Oct. 1	150,157	1,175,049	194,017	112,956	15,770	6,847	330,149	86,896	15,700	34,960	12,879	69,103	2,204,483
Oct. 8	150,138	1,169,848	192,024	115,431	15,764	7,230	333,045	86,522	16,084	35,055	9,151	68,645	2,198,937
Oct. 15	154,220	1,221,229	195,041	112,351	15,441	6,664	334,777	87,019	18,080	35,104	12,381	69,055	2,261,362
All other loans and investments, including rediscounts with Federal Reserve Bank:													
Sept. 24	601,172	3,670,828	521,114	309,930	79,633	76,803	1,093,749	273,106	143,513	193,438	64,372	485,122	7,512,780
Oct. 1	601,482	3,673,708	522,181	309,168	81,286	76,521	1,103,131	275,257	142,692	183,100	65,538	487,588	7,521,652
Oct. 8	593,304	3,720,510	521,737	313,872	81,122	75,386	1,099,647	281,091	146,884	183,624	64,746	491,276	7,573,199
Oct. 15	594,032	3,698,733	527,900	308,831	77,911	75,372	1,103,563	278,964	146,163	179,060	66,587	490,322	7,547,438
Total loans and investments, including rediscounts with Federal Reserve Bank:													
Sept. 24	801,331	5,749,347	849,911	457,272	112,279	95,521	1,536,940	397,515	173,674	260,741	93,312	644,990	11,172,833
Oct. 1	809,593	5,752,827	843,595	455,667	113,945	95,947	1,544,704	400,578	172,714	247,924	94,296	645,251	11,177,041
Oct. 8	801,041	5,795,658	836,322	463,353	113,650	94,594	1,542,052	405,957	177,266	249,661	89,653	649,999	11,219,206
Oct. 15	809,610	5,829,991	855,517	456,394	109,457	94,003	1,549,897	405,072	178,638	243,147	94,719	650,042	11,276,487
Reserve balances with Federal Reserve Bank:													
Sept. 24	65,090	614,380	62,836	28,203	5,991	4,871	134,809	30,975	8,804	16,529	5,645	36,756	1,014,889
Oct. 1	66,872	581,542	60,676	28,996	5,526	5,473	132,718	28,898	8,298	15,336	6,090	37,696	978,121
Oct. 8	64,619	628,922	62,671	27,693	5,990	5,618	135,959	29,058	8,408	14,974	5,722	37,755	1,027,389
Oct. 15	71,433	640,552	65,393	25,675	6,675	5,282	138,640	29,123	10,265	12,087	8,916	37,993	1,052,034
Cash in vault:													
Sept. 24	14,817	101,785	14,077	8,452	1,646	2,549	37,715	4,857	2,811	3,788	1,918	10,386	204,801
Oct. 1	16,086	96,206	13,868	8,908	1,530	2,286	37,890	4,853	2,584	3,709	1,651	9,817	199,388
Oct. 8	16,897	106,985	14,505	9,204	1,852	2,562	38,147	4,965	3,062	3,836	2,073	10,547	214,635
Oct. 15	17,005	107,949	13,811	9,979	1,720	2,990	41,160	4,808	2,980	3,796	2,109	10,536	218,843

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 Sept. 24 to Oct. 15, 1920—Con.

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.
Net demand deposits on which reserve is computed:													
Sept. 24	623,242	4,528,310	602,048	230,660	53,446	41,150	930,933	215,330	85,620	139,148	61,681	301,496	7,813,064
Oct. 1	632,041	4,524,529	601,481	241,131	53,483	42,005	944,993	217,660	83,996	140,341	64,509	300,949	7,847,118
Oct. 8	617,912	4,527,268	604,757	237,619	55,193	42,243	955,006	215,627	86,255	138,165	64,186	304,842	7,849,073
Oct. 15	660,064	4,647,698	605,457	238,920	54,216	43,209	980,594	217,809	85,437	124,465	63,456	310,312	8,031,637
Time deposits:													
Sept. 24	55,912	333,681	28,613	182,358	21,138	21,113	285,883	74,560	23,807	11,377	5,462	239,260	1,283,164
Oct. 1	59,463	329,183	28,479	183,992	21,208	21,136	289,990	74,890	24,508	11,384	5,489	239,853	1,289,575
Oct. 8	59,705	324,035	28,712	182,152	21,400	21,342	291,167	76,277	24,924	11,195	5,449	240,353	1,286,711
Oct. 15	60,349	334,984	29,019	182,670	21,562	21,222	291,731	76,287	25,948	11,279	5,449	238,937	1,299,437
Government deposits:													
Sept. 24	12,582	189,452	19,622	5,233	394	173	9,330	5,701	861	4,586	1,646	11,713	261,293
Oct. 1	11,078	168,684	17,381	4,718	389	159	8,156	5,033	774	3,973	1,423	10,368	232,136
Oct. 8	9,997	152,238	15,684	4,222	349	139	7,473	4,542	694	3,585	1,283	8,462	208,668
Oct. 15	11,186	86,854	20,102	2,096	543	109	6,897	4,129	514	3,326	1,061	8,674	145,491
Bills payable with Federal Reserve Bank:													
Secured by United States war obligations—													
Sept. 24	23,207	287,530	47,214	1,528	6,823	1,295	26,379	10,656	367	16,480	5,069	15,664	442,212
Oct. 1	20,115	274,352	41,660	2,225	6,934	1,278	22,461	11,883	525	13,017	4,831	16,705	415,986
Oct. 8	23,558	309,990	40,283	3,658	6,030	1,225	22,208	12,006	224	13,839	5,445	18,342	456,808
Oct. 15	10,062	303,773	44,617	2,558	6,587	1,225	23,223	11,794	527	12,351	4,481	17,329	438,527
All other—													
Sept. 24	....	....	....	....	....	....	4,965	....	....	500	....	....	5,465
Oct. 1	....	....	....	....	....	....	4,100	....	....	9	....	....	4,109
Oct. 8	....	....	....	....	....	....	1,750	....	....	....	....	....	1,750
Oct. 15	....	....	....	....	....	....	1,750	....	....	800	....	....	2,550
Bills rediscounted with Federal Reserve Bank:													
Secured by United States war obligations—													
Sept. 24	16,513	139,135	42,215	2,523	....	1,660	10,260	4,670	1,278	4,232	581	2,454	225,521
Oct. 1	16,245	138,849	40,649	2,218	....	2,290	10,425	5,005	1,212	4,098	454	1,538	222,983
Oct. 8	15,648	137,957	37,878	2,202	....	2,100	9,854	4,774	1,067	4,090	503	1,545	217,618
Oct. 15	15,051	134,710	38,160	2,677	....	1,803	9,139	4,554	1,081	3,790	462	1,395	212,822
All other—													
Sept. 24	56,477	322,362	25,814	30,314	13,264	15,952	215,191	55,162	43,497	32,623	8,608	44,956	864,220
Oct. 1	67,673	338,107	31,037	24,210	13,187	16,660	212,824	55,927	44,297	34,883	9,389	49,308	897,502
Oct. 8	64,498	398,256	26,770	27,977	12,731	15,248	209,943	64,813	47,585	34,489	7,831	47,246	957,387
Oct. 15	60,428	409,808	33,371	31,502	9,843	14,295	210,068	61,364	48,856	34,256	9,483	41,217	964,491

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:										
Sept. 24	10	40	19	24	12	18	28	13	44	208
Oct. 1	10	40	19	24	12	18	28	13	44	208
Oct. 8	10	40	19	23	12	18	29	13	44	208
Oct. 15	11	40	18	23	12	18	29	13	44	208
United States bonds to secure circulation:										
Sept. 24	1,599	25,164	5,608	6,930	1,905	5,280	5,398	7,108	13,185	72,177
Oct. 1	1,599	25,193	5,608	6,980	1,905	5,280	5,398	7,108	13,185	72,256
Oct. 8	1,599	25,193	5,608	6,980	1,905	5,280	5,398	7,108	13,185	72,256
Oct. 15	1,599	25,187	5,608	6,980	1,905	5,280	5,398	7,108	13,185	72,250
Other United States bonds, including Liberty bonds:										
Sept. 24	11,275	40,916	9,368	22,118	17,509	7,778	9,065	7,247	22,052	147,328
Oct. 1	11,253	40,761	9,361	22,683	17,532	7,388	9,126	7,244	21,634	146,982
Oct. 8	10,725	40,604	9,276	22,118	17,530	7,382	8,965	7,239	21,499	145,338
Oct. 15	10,627	41,590	9,055	22,172	17,582	7,536	8,876	7,251	21,803	146,492
United States Victory notes:										
Sept. 24	1,951	14,215	2,852	3,225	18,759	1,926	1,063	1,196	7,315	52,502
Oct. 1	2,235	14,194	2,840	2,877	18,249	1,910	1,087	1,196	7,695	52,283
Oct. 8	2,118	14,675	2,837	2,705	18,302	1,908	1,130	1,180	7,707	52,562
Oct. 15	2,030	13,099	2,703	2,682	18,295	1,963	1,092	1,196	7,212	50,272
United States certificates of indebtedness:										
Sept. 24	7,916	14,280	901	7,589	30,654	1,337	3,800	1,479	9,698	77,654
Oct. 1	7,313	12,577	860	6,973	28,707	1,238	3,777	1,479	9,588	72,512
Oct. 8	7,277	10,454	840	6,365	27,413	1,137	3,770	1,480	9,758	68,494
Oct. 15	8,622	18,436	1,315	6,165	26,651	1,391	3,776	2,540	9,790	78,686

[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, Denver, and Oklahoma City.
[8] El Paso and Houston.
[9] Spokane, Portland, Seattle, Salt Lake City, and Los Angeles

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 Sept. 24 to Oct. 15, 1920—Con.

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

[In thousands of dollars.]

	New York district.	Cleveland district.	Richmond district.	Atlanta district.	Chicago district.	St. Louis district.	Kansas City district.	Dallas district.	San Francisco district.	Total.
Total United States securities owned:										
Sept. 24	22,741	94,575	18,729	39,862	68,827	16,321	19,326	17,030	52,250	349,661
Oct. 1	22,400	92,725	18,669	39,513	66,393	15,816	19,388	17,027	52,102	344,033
Oct. 8	21,719	90,926	18,561	38,168	65,150	15,707	19,263	17,007	52,149	338,650
Oct. 15	22,878	98,312	18,681	37,999	64,433	16,170	19,142	18,095	51,990	347,700
Loans secured by Government war obligations, including rediscounts with Federal Reserve Bank:										
Sept. 24	11,234	44,408	8,982	20,230	15,342	11,108	10,696	2,913	16,542	141,455
Oct. 1	11,430	43,357	9,131	20,076	16,602	11,143	10,679	2,843	16,504	141,765
Oct. 8	11,368	41,959	8,677	19,467	16,076	10,903	10,622	2,809	16,801	138,682
Oct. 15	11,253	41,333	9,296	18,704	15,454	11,049	10,574	2,896	16,817	137,376
Loans secured by stocks and bonds, other than United States securities:										
Sept. 24	52,912	150,750	33,504	41,643	59,325	36,817	27,657	16,302	68,800	487,710
Oct. 1	53,240	153,529	33,083	40,810	59,452	36,746	25,237	16,138	68,759	486,994
Oct. 8	53,092	152,674	33,002	40,450	58,957	36,732	28,513	16,127	68,930	488,477
Oct. 15	53,267	154,683	32,074	40,030	59,533	36,139	28,782	16,055	68,556	489,119
All other loans and investments, including rediscounts with Federal Reserve Bank:										
Sept. 24	187,090	480,424	123,630	265,593	355,368	118,358	201,200	85,402	473,675	2,290,740
Oct. 1	188,030	488,306	124,104	271,068	354,305	119,883	201,726	83,765	476,007	2,307,194
Oct. 8	189,729	492,956	123,493	266,598	357,118	120,606	199,461	84,678	477,154	2,311,793
Oct. 15	192,653	495,995	121,029	261,782	356,540	120,360	199,336	83,537	473,752	2,304,984
Total loans and investments, including rediscounts with Federal Reserve Bank:										
Sept. 24	273,977	770,157	184,845	367,328	498,862	182,604	258,879	121,647	611,267	3,269,566
Oct. 1	275,100	777,917	184,987	371,467	496,752	183,588	257,030	119,773	613,372	3,279,986
Oct. 8	275,908	778,515	183,733	364,683	497,301	183,948	257,859	120,621	615,034	3,277,602
Oct. 15	280,051	790,323	181,080	358,515	495,960	183,718	257,834	120,583	611,115	3,279,179
Reserve balances with Federal Reserve Bank:										
Sept. 24	13,196	55,194	12,852	19,146	26,956	9,003	15,541	8,638	39,497	200,023
Oct. 1	16,481	58,731	12,813	19,935	27,748	8,955	17,984	7,829	38,695	209,171
Oct. 8	11,743	57,200	13,045	17,897	26,930	8,897	18,141	8,753	39,261	201,867
Oct. 15	16,073	57,260	13,168	18,650	30,565	8,088	17,353	8,640	41,319	211,116
Cash in vault:										
Sept. 24	2,378	14,605	5,258	7,312	12,343	3,966	6,181	3,223	15,973	71,239
Oct. 1	2,408	15,098	5,277	7,725	12,166	3,633	6,097	3,337	15,302	71,043
Oct. 8	2,778	15,650	6,037	7,443	12,640	4,130	6,370	3,425	15,778	74,251
Oct. 15	3,627	16,198	5,926	7,896	13,139	3,829	6,299	3,481	16,600	76,995
Net demand deposits on which reserve is computed:										
Sept. 24	152,841	519,248	112,090	165,623	197,769	81,407	155,736	68,970	297,933	1,751,617
Oct. 1	168,410	530,774	114,911	167,542	193,743	79,255	147,353	68,648	297,524	1,768,160
Oct. 8	169,782	530,308	114,594	162,812	183,090	81,242	145,886	70,313	296,152	1,754,179
Oct. 15	171,782	532,345	111,836	164,834	217,183	80,109	148,442	69,313	307,825	1,803,669
Time deposits:										
Sept. 24	65,516	117,008	20,607	90,185	225,611	42,221	59,033	22,513	263,491	906,185
Oct. 1	65,481	117,180	20,707	89,897	225,287	42,127	58,927	22,570	259,607	901,783
Oct. 8	66,198	117,489	20,614	88,490	226,243	42,315	58,986	22,649	264,873	907,857
Oct. 15	66,708	117,384	19,116	88,249	225,472	42,496	58,853	22,950	265,190	906,418
Government deposits:										
Sept. 24	2,896	21,611	1,850	1,291	6,134	1,131	39	130	1,299	36,381
Oct. 1	2,519	14,618	1,648	1,233	5,346	993	30	115	1,129	27,631
Oct. 8	2,273	12,983	1,514	1,054	4,804	896	27	101	1,042	24,694
Oct. 15	1,606	16,201	1,440	1,693	4,516	1,026	531	1,123	580	28,716
Bills payable with Federal Reserve Bank:										
Secured by United States war obligations—										
Sept. 24	14,910	13,701	10,141	27,200	42,951	8,182	9,880	7,374	11,409	145,748
Oct. 1	14,448	10,409	9,784	26,943	40,048	7,784	9,928	7,124	12,446	138,914
Oct. 8	13,190	11,684	9,812	26,665	38,019	7,969	10,851	7,534	12,296	138,020
Oct. 15	15,572	18,745	8,918	26,172	36,019	8,211	9,932	7,294	11,705	142,568
All other—										
Sept. 24				55			25		85	165
Oct. 1							25		85	110
Oct. 8							25		210	235
Oct. 15				689			300		190	1,179
Bills rediscounted with Federal Reserve Bank:										
Secured by United States war obligations—										
Sept. 24	2,534	9,395	1,793	7,502	4,114	3,820	2,134	588	1,212	33,092
Oct. 1	2,618	8,418	1,834	7,358	4,498	3,902	2,026	637	1,258	32,549
Oct. 8	2,434	8,429	1,887	7,068	5,329	4,294	1,980	603	1,578	33,602
Oct. 15	2,511	8,142	2,607	6,706	4,880	4,281	1,808	781	1,550	33,266
All other—										
Sept. 24	6,970	4,125	14,006	48,225	15,341	20,000	27,654	8,812	30,034	175,167
Oct. 1	12,262	6,420	13,841	47,636	19,066	21,013	26,848	9,923	30,625	187,634
Oct. 8	7,951	4,614	14,075	47,690	22,699	20,098	25,600	9,751	32,615	185,093
Oct. 15	11,197	4,229	13,832	48,599	19,037	22,443	26,030	9,435	30,724	185,5

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 Sept. 20, 1920.	During 10 days ending Sept. 30, 1920.	**During month of September.**	During 10 days ending Oct. 10, 1920.	**From Jan. 1 to Oct. 10, 1920.**	From Jan. 1 to Oct. 10, 1919.	During 10 days ending Sept. 20, 1920.	During 10 days ending Sept. 30, 1920.	**During month of September.**	During 10 days ending Oct. 10, 1920.	**From Jan. 1 to Oct. 10, 1920.**	From Jan. 1 to Oct. 10, 1919.
Belgium	$1,224		$1,224		$337,130	$422,242						$31,900
Denmark	21,150	$68,340	199,294		199,294							1,002,666
France	4,000,000	10,843,425	14,843,425		16,587,644							3,583,644
Germany											$10,000	
Greece			8,700		128,700	95,000						
Iceland											912	
Italy					40,107						241,263	277,514
Netherlands				$1,158	1,163,121							15,000
Norway					3,324							
Portugal					25,364							
Russia in Europe	339,636	904,506	1,244,142	24,489	1,268,631							
Spain	53,262	62,341	132,916		132,916							27,920,000
Sweden		790	790		1,039							661
Switzerland					4,937						2,604	
United Kingdom:												
England	5,928,897	5,879,611	16,402,244	39,352,924	136,329,002	1,045,708					13,235	2,082,824
Scotland					45							
Total Europe	10,344,169	17,759,013	32,832,735	39,378,571	156,221,254	1,562,950					268,014	34,914,209
British Honduras					20							10,000
Canada	625,220	486,363	1,465,388	16,593	31,895,533	33,444,937	$281,052	$150,350	$602,082	$293,119	4,583,963	4,257,712
Costa Rica		13,932	59,452	41,721	531,333	524,344						
Guatemala					14,872	6,000						
Honduras	3,200	207	3,407	30,845	215,947	226,078					19,000	21,300
Nicaragua	32,811	78,984	120,745	53,910	1,010,335	1,125,825						10,000
Panama	420	17,499	19,519	58,150	232,334	3,401						390,000
Salvador	180,000		551,873		905,765	635,915					20,000	1,933,020
Mexico	228,367	203,527	562,530	96,399	3,709,583	3,639,548	213,936	274,734	697,062	276,949	17,208,167	7,035,387
Newfoundland						61						
Cuba		282	9,082		14,762	5,085	50,000		130,000	50,000	475,000	
British West Indies	18,000	48,697	66,697	7,430	184,546	18,838						7,940
Virgin Islands of United States						525					10,000	
Dominican Republic											39,000	10,000
Dutch West Indies		157,800	160,951		331,881	5,200						
Haiti	13		13		13							
Total North America	1,088,031	1,007,291	3,019,657	305,048	39,046,924	39,635,757	544,988	425,084	1,429,144	620,068	22,355,130	13,675,359
Argentina	1,585,866		1,586,373		1,663,104	97,274					89,995,000	32,960,000
Bolivia					6,878	1,069						2,500,000
Brazil					24,585	26,200					280,000	425,000
Chile	25,345	40	27,173	5,770	368,472	217,757					400,000	100,000
Colombia	192,000	720,922	1,129,476	189,822	4,233,631	538,077					700,000	4,803,620
Ecuador		48,032	90,332	32,929	523,893	379,911				50,000	206,000	
British Guiana	3,291	13,475	26,108	681	111,201	79,694						5,005
Dutch Guiana		5,558	5,558		7,945	19,743					6,300	19,795
Peru	28,605	48,603	77,431	2,388	706,209	654,312			250,003		3,653,376	2,893,369
Uruguay											12,850,000	7,405,000
Venezuela		9,850	27,752	1,523	365,638	185,535					184,000	11,232,220
Total South America	1,835,107	846,480	2,970,203	233,113	8,011,556	2,199,572			250,003	50,000	108,274,676	62,344,009
China					1,260		3,500,000	1,500,000	5,000,000		25,286,750	29,163,121
Chosen (Korea)						1,714						
British India											6,503,741	8,454,286
Straits Settlements											6,683,454	250,000
Dutch East Indies			83,928		2,672,994	2,951,001					12,065,105	4,371,000
French East Indies											2,290,000	
Hongkong					30,191,910	10,000,000	1,083,105	238,750	1,581,130	117,550	28,642,202	27,824,801
Japan							1,957,530	1,800,000	8,968,813	4,640,000	52,351,025	58,078,715
Russia in Asia												23,000
Total Asia			83,928		32,866,164	12,952,715	6,540,635	3,538,750	15,549,943	4,757,550	133,822,277	128,164,923
New Zealand		90,471	151,019	40,897	1,587,908	683,123						
Philippine Islands		52,466	52,466		700,212	419,942						2,500
British South Africa						8,150						
British West Africa											39,446	
Portuguese Africa					280,358	499,324						
Total, all countries	13,267,307	19,755,721	39,110,008	39,957,629	[1] 238,714,376	57,961,533	7,085,623	3,963,834	17,229,090	5,427,618	[2] 264,759,543	239,101,000
Excess imports or exports	6,181,684	15,791,887	21,880,918	34,629,114							25,946,064	181,139,467

Excess of gold imports over exports since August 1, 1914, $753,710,000. Excess of gold exports over imports since June 10, 1919, $347,309,000.

[1] Includes: Ore and base bullion, $13,793,000; U. S. Mint or Assay Office bars, $3,846,000; other bullion, refined, $156,181,000; U. S. coin, $14,775,000; foreign coin, $50,120,000.

[2] Includes: Domestic exports—ore and base bullion, $11,000; U. S. Mint or Assay Office bars, $24,849,000; other bullion, refined, $1,034,000; coin, $237,820,000. Foreign exports—bullion, refined, $498,000; coin, $548,000.

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

	Imports.						Exports.					
	During 10 days ending Sept. 20, 1920.	During 10 days ending Sept. 30, 1920.	**During month of September.**	During 10 days ending Oct. 10, 1920.	**From Jan. 1 to Oct. 10, 1920.**	From Jan. 1 to Oct. 10, 1919.	During 10 days ending Sept. 20, 1920.	During 10 days ending Sept. 30, 1920.	**During month of September.**	During 10 days ending Oct. 10, 1920.	**From Jan. 1 to Oct. 10, 1920.**	From Jan. 1 to Oct. 10, 1919.
Belgium	$8,161		$8,161		$8,161	$1,797						
Denmark												$587,897
Finland												17,438
France	2,508	$20,087	22,595	$750	106,640	17,176					$32,920	6,588,197
Italy					24,026							
Netherlands	24,041		24,041		54,861							1,092,497
Norway					14,453							1,180,494
Portugal					7,978							1,950
Spain			67,848		67,848							228
Sweden		24,480	24,480		31,395						54,960	111,430
Switzerland												172,203
United Kingdom—England			13,144	1,097	802,158	37,824	$71,141		$71,141		4,591,383	15,226,982
Total Europe	34,710	44,567	160,269	1,847	1,117,520	56,797	71,141		71,141		4,679,263	24,979,316
British Honduras					63,367	255,637						
Canada	78,115	215,129	571,071	44,696	3,212,420	5,808,828	44,188	$63,427	192,211	$46,388	6,358,050	4,076,521
Costa Rica		1,600	5,188	3,347	60,253	152,368						
Guatemala	2,800		2,800		24,534						4,500	5,400
Honduras		1,083	1,083	296,898	2,045,492	2,134,104	15,000		15,000		391,505	121,550
Nicaragua		22,831	51,820	18,226	614,372	691,043					3,000	
Panama	14	1,674	93,367	2,326	139,685	89,273					542,000	204,250
Salvador			37,251		3,685,083	329,896						1,500
Mexico	1,514,569	1,738,622	4,209,069	1,142,269	45,936,854	47,263,983	36,463	91,827	142,096	18,269	2,858,181	1,016,745
Newfoundland						11						
British West Indies					7,017	6,225					18,080	10,328
Cuba		3,965	3,965		66,515	59,374	171,869	820	194,758		1,247,904	161
Virgin Islands of United States						1,105					25,000	
Dominican Republic			36,000		120,800				30,000		261,500	150,000
Dutch West Indies		417	417		1,867	300						
French West Indies					20							
Haiti											9,000	
Total North America	1,595,498	1,985,321	5,012,031	1,507,762	55,978,279	56,792,147	267,520	156,074	574,065	64,657	11,718,720	5,586,455
Argentina	2,667		4,577		28,063	60,577					12,138	2,230
Bolivia	850		60,511	10,080	1,006,594	108,487						
Brazil					293	2,155					2,333	852
Chile	105,305	227,611	420,966	167,542	2,774,074	1,475,373						
Colombia	9,705	42,601	52,864	363	644,601	157,979						2,000
Ecuador		5,397	10,637	5,149	62,812	13,670						
British Guiana					42	33						2,493
Dutch Guiana					6,390	14					1,402	5,063
Peru	258,661	448,826	740,752	21,422	9,807,870	6,662,820						
Venezuela		28	28	44	144	577					10,000	50,000
Total South America	377,188	724,463	1,290,335	204,600	14,330,883	8,481,685					25,873	62,638
China					1,289,974		1,910,014	255,245	4,558,168	1,269,055	57,685,987	31,632,561
Chosen (Korea)						3,328						
British India											223,211	109,180,718
Dutch East Indies			37,124		2,327,337	1,260,440						
French East Indies											4,058,373	
Hongkong					1,650		315,654	300,501	926,487	111,932	20,126,082	5,278,750
Japan							447,573		447,573		1,602,512	3,946,453
Russia in Asia											970	52,759
Turkey in Asia					38,511							
Total Asia			37,124		3,657,472	1,263,768	2,673,241	555,746	5,932,228	1,380,987	83,697,135	150,091,241
New Zealand		97	97		11,714	586						
Philippine Islands		1,172	1,172		15,852	8,698						
British South Africa					6,097	76,822						
British West Africa											7,480	
Portuguese Africa					93,321	52,252						
Total, all countries	2,007,396	2,755,620	6,501,028	1,714,209	[1]75,211,138	66,732,755	3,011,902	711,820	6,577,434	1,445,644	[2]100,128,471	180,719,650
Excess imports or exports		2,043,800		268,565			1,004,506		76,406		24,917,333	113,986,89[illegible]

Excess of silver exports over imports since Aug. 1, 1914, $454,289,000.

[1] Includes: Ore and base bullion, $59,366,000; U. S. Mint or assay office bars, $3,000; other bullion, refined, $6,467,000; United States coin, $1,755,000; foreign coin, $7,620,000.

[2] Includes: Domestic exports, ore and base bullion, $737,000; U. S. Mint or assay office bars, $4,346,000; other bullion, refined, $56,044,000; coin, $14,268,000. Foreign exports—ore and base bullion, $1,000; bullion, refined, $20,608,000; coin, $4,124,000.

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

	General stock.	Held in the United States Treasury as assets of the Government.	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)	$2,704,672,504	[1] $410,961,468	[2] $1,271,546,942	$426,089,165	
Gold certificates			361,776,020	234,298,909	
Standard silver dollars	269,857,494	9,058,492	[3] 64,395,445	71,636,354	
Silver certificates			39,815,641	83,309,424	
Subsidiary silver	262,621,624	4,105,920		258,515,704	
Treasury notes of 1890				1,642,138	
United States notes	346,681,016	9,292,769	[4] 57,764,836	279,623,411	
Federal Reserve notes	3,593,909,335	20,618,824	294,906,515	3,278,383,996	
Federal Reserve Bank notes	232,113,800	2,384,940	17,718,464	212,010,396	
National-bank notes	726,477,082	16,042,540	2,576,850	707,857,692	
Total:					
Oct. 1, 1920	8,136,332,855	472,464,953	2,110,500,713	5,553,367,189	$51.70
Sept. 1, 1920	7,997,080,820	485,884,277	2,031,514,938	5,479,681,605	51.06
Aug. 1, 1920	7,927,844,377	483,824,265	2,059,010,192	5,385,009,920	50.22
July 1, 1920	7,887,181,586	485,057,472	2,021,271,614	5,380,852,500	50.19
Jan. 1, 1920	7,961,320,139	604,888,833	2,044,422,303	5,312,009,003	49.81
July 1, 1919	7,588,473,771	578,848,043	2,167,280,313	4,842,345,415	45.00
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 held 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, but excludes gold and silver coin and bullion held in trust for the redemption of outstanding gold and silver certificates and Treasury notes of 1890.

[2] Exclusive of amounts held with United States Treasurer in gold redemption fund against Federal Reserve notes, and of gold held with foreign agencies but inclusive of balances in gold settlement fund standing to the credit of the Federal Reserve Banks and agents

[3] Includes subsidiary silver.

[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 Nov. 1, 1920.

Federal Reserve Bank.	Paper maturing within 90 days.				Bankers' acceptances maturing within 3 months.	Agricultural and live-stock paper maturing after 90 but within 180 days.
	Secured by—		Trade acceptances.	All other.		
	Treasury certificates of indebtedness.	Liberty bonds and Victory notes.				
Boston	5½	6	7	7		7
New York	5½	6	7	7	6	7
Philadelphia	[1] 6	5½	6	6	5½	6
Cleveland	[1] 6	5¾	5¾	6	5¾	6
Richmond	[1] 6	6	6	6	6	6
Atlanta	[1] 6	5½	7	7	6	7
Chicago	[1] 6	6	7	7	6	7
St. Louis	[2] 5½	5½	6	6	5½	6
Minneapolis	5½	6	6½	7	6	7
Kansas City	[1] 6	6	6	6	5½	6
Dallas	[1] 6	5½	6	6	5½	6
San Francisco	[1] 6	6	6	6	6	6

[1] Discount rate corresponds to interest rate borne by certificates pledged as collateral, with minimum of 5 per cent in the case of Philadelphia, Atlanta, Kansas City, and Dallas, and 5½ per cent in the case of Cleveland, Richmond, Chicago, and San Francisco.

[2] 5½ per cent on paper secured by 5½ per cent certificates and 5 per cent on paper secured by 4¾ and 5 per cent certificates.

NOTE.—Rates shown for St. Louis, Kansas City, and Dallas are normal rates, applying to discounts not in excess of basic lines fixed for each member bank by the Federal Reserve Bank. Rates on discounts in excess of the basic line are subject to a ½ per cent progressive increase for each 25 per cent by which the amount of accommodation extended exceeds the basic line.

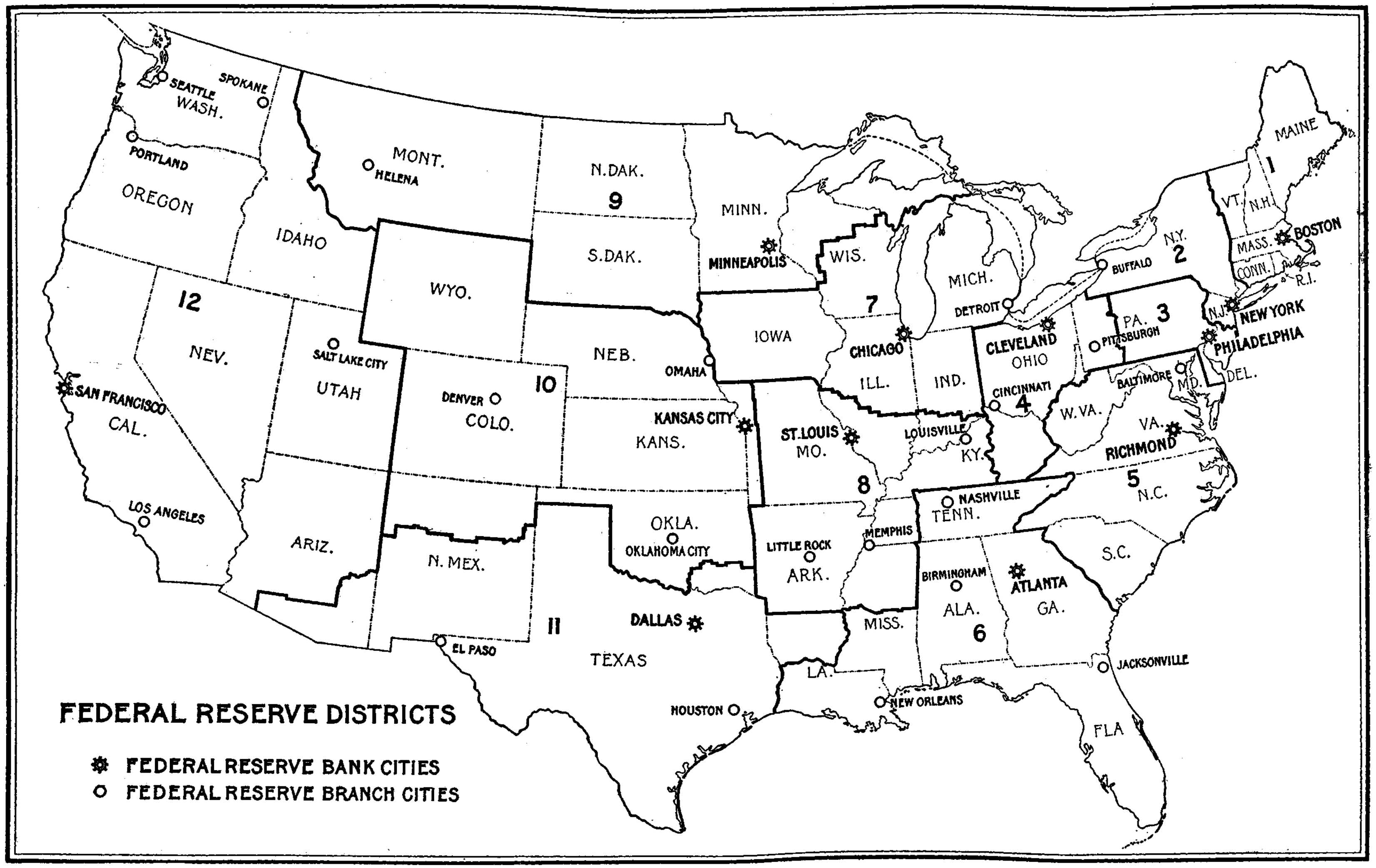
EARNINGS AND DIVIDENDS OF STATE BANK AND TRUST COMPANY MEMBERS.

Abstract of reports of earnings and dividends of State bank and trust company members of the Federal Reserve System for the first six months of 1920, arranged by Federal Reserve districts.

[In thousands of dollars.]

	District No. 1 (36 banks).	District No. 2 (132 banks).	District No. 3 (40 banks).	District No. 4 (109 banks).	District No. 5 (53 banks).	District No. 6 (72 banks).	District No. 7 (339 banks).	District No. 8 (86 banks).	District No. 9 (107 banks).	District No. 10 (56 banks).	District No. 11 (160 banks).	District No. 12 (184 banks).	Total United States (1,374 banks).
Capital stock, paid in	32,400	167,792	23,423	39,841	13,200	24,615	94,784	26,885	9,147	6,555	11,691	43,295	493,628
Surplus	36,550	185,832	47,674	68,561	9,159	15,312	80,310	20,756	2,965	2,978	4,739	19,733	494,569
Total capital and surplus	68,950	353,624	71,097	108,402	22,359	39,927	175,094	47,641	12,112	9,533	16,430	63,028	988.197
Gross earnings:													
Interest and discount	17,732	87,357	9,499	19,125	4,190	10,455	45,387	11,325	3,280	3,325	4,091	19,413	235,179
Exchange and collection charges	88	696	72	214	59	823	871	456	73	50	126	471	3,999
Commissions	330	2,656	164	234	59	226	993	401	64	53	10	253	5,443
Other earnings	1,853	18,258	2,254	5,139	617	1,213	4,858	1,195	149	390	149	1,837	37,912
Total gross earnings	20,003	108,967	11,989	24,712	4,925	12,717	52,109	13,377	3,566	3,818	4,376	21,974	282,533
Expenses:													
Salaries and wages	3,050	15,479	1,712	3,734	660	1,903	8,121	2,070	705	720	879	3,973	43,006
Interest and discount on borrowed money	849	6,526	962	936	560	1,655	3,157	1,685	272	356	368	942	18,268
Interest on deposits	6,696	32,703	2,667	8,393	1,287	2,693	15,844	3,168	1,388	1,006	521	8,216	84,582
Taxes	1,209	5,356	557	1,017	276	715	3,438	506	225	144	216	934	14,593
Other expenses	2,011	10,637	1,025	3,403	526	1,619	5,315	1,623	468	631	576	2,245	30,079
Total expenses	13,815	70,701	6,923	17,483	3,309	8,585	35,875	9,052	3,058	2,857	2,560	16,310	190,528
Net earnings since last report	6,188	38,266	5,066	7,229	1,616	4,132	16,234	4,325	508	961	1,816	5,664	92,005
Recoveries on charged-off assets	91	965	24	1,091	25	142	1,239	111	19	73	122	425	4,327
Total net earnings and recoveries	6,279	39,231	5,090	8,320	1,641	4,274	17,473	4,436	527	1,034	1,938	6,089	96,332
Losses charged off:													
On loans and discounts	222	951	48	88	35	184	1,185	62	16	119	147	590	3,647
On bonds, securities, etc	243	7,184	1,882	498	200	419	1,760	243	29	15	4	523	13,000
Other losses	71	827	32	343	12	185	425	109	8	25	36	535	2,608
Total losses charged off	536	8,962	1,962	929	247	788	3,370	414	53	159	187	1,648	19,255
Net addition to profits	5,743	30,269	3,128	7,391	1,394	3,486	14,103	4,022	474	875	1,751	4,441	77,077
Dividends declared	2,191	14,345	2,226	3,266	621	1,402	5,977	1,816	362	481	417	2,616	35,7 0
Ratio of dividends declared to capital stock (annual basis), per cent	13.5	17.1	19.0	16.4	9.4	11.4	12.6	13.5	7.9	14.7	7.1	12.1	14 5
Ratio of dividends declared to capital stock and surplus (annual basis), per cent	6.4	8.1	6.3	6.0	5.6	7.0	6.8	7.6	6.0	10.1	5.1	8.3	7.2
Ratio of net profits to capital and surplus (annual basis), per cent	16.7	17.1	8.8	13.6	12.5	17.5	16.1	16.9	7.8	18.4	21.3	14.1	15.6

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.