

SUMMARY OF THE MONTH'S DEVELOPMENTS.

Figures on current industrial and commercial movements indicate continued improvement in conditions from those shown in recent months. Textile and leather industries have increased their output in response to a wider demand. The production of iron and steel shows a further marked increase. A movement of particular importance is the widespread increase in building, stimulated to a large extent by the President's recent conference on unemployment. The effect of this movement is shown by improvement in lumber, cement, brick, and related industries.

Although there was a further drop in prices during October as indicated by price index numbers, the decline in recent months has by no means been as great as in the early part of the year. This relative stability of prices and the improved banking situation, as evidenced by increased reserves, smaller loans, and lower rates, are favorable to further business improvement. The low prices for agricultural products and the consequent decreased buying power of the farmers constitute one of the most serious unfavorable indications.

PRODUCTION.

The productive forces in the United States are rapidly returning to a normal basis, as is revealed by the available production figures for October. Good increases over September were reported for pig iron, steel, bituminous coal, wool, and coke, and smaller relative increases in cotton, cement, anthracite coal, and wheat flour. Zinc production remained stationary and the only decrease thus far reported has been in the output of petroleum.

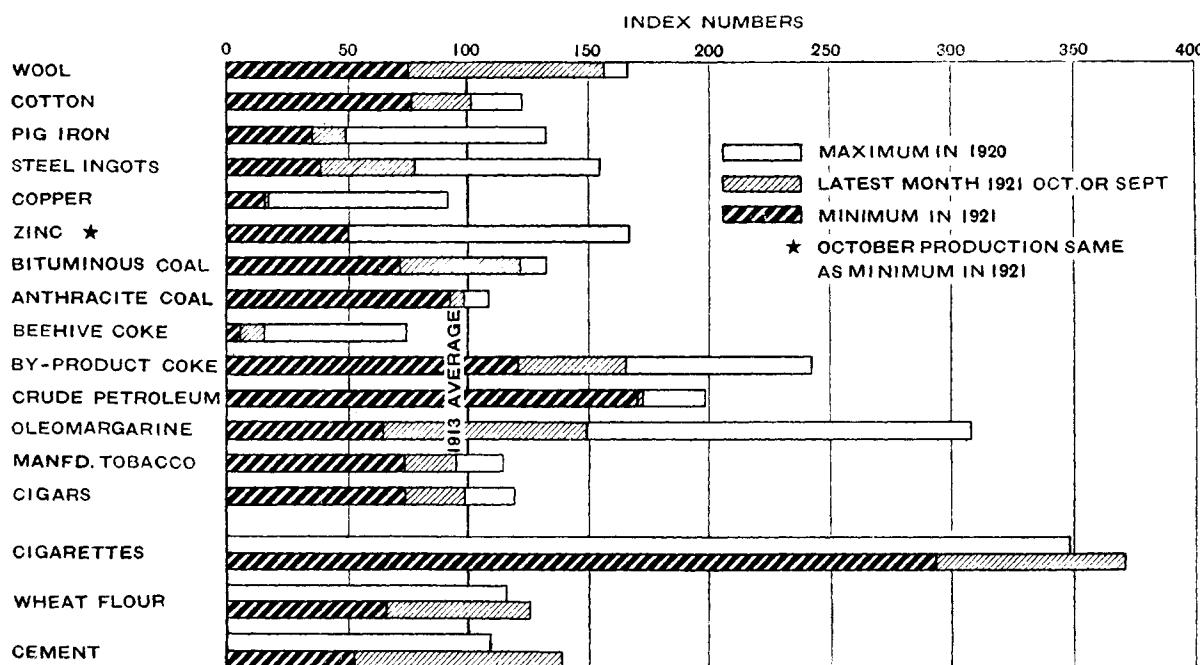
The recovery in production from the stagnation witnessed in the early part of the year is more clearly evident from a comparison of the latest reported month with the minimum of the year. Zinc, copper, and petroleum were still close to the minimum production, while anthracite underwent a moderate increase, made almost entirely in October. Production figures of cigars, cigarettes, manufactured tobacco, cotton, pig iron, and by-product coke averaged about one-third above the year's minimum, while the bituminous coal output rose 70 per cent; and wheat flour, oleomargarine, beehive coke, steel ingots, cement, and wool rose to about double their year's minimum. The latest figures for cigarettes, wool, and wheat flour productions show increases even over the highest production month in 1920.

Of the 17 items of production for which we are able to make relative comparisons with 1913, 9 rose above the 1913 level—wool, cotton, cement, bituminous coal, by-product coke, petroleum, oleomargarine, cigarettes, and wheat flour. Of the 8 items still lower than the 1913 average, 3—anthracite coal, manufactured tobacco, and cigars—were all within 6 per cent of that figure; and the enormous loss in beehive coke was due to a special condition—the development of by-product coke production through war needs. That leaves only the metals still below the 1913 production mark to any extent. These industries have only recently touched the bottom of the depression, but the figures show that iron and steel production has already made considerable progress en the way back to normal.

DIAGRAM 2. -COMPARISON OF PRODUCTION AT PRESENT WITH 1920 AND PREWAR.

(Relative production of 1913=100.)

NOTE.—Latest month for wool is September, 1921; October figure received too late for insertion in diagram.



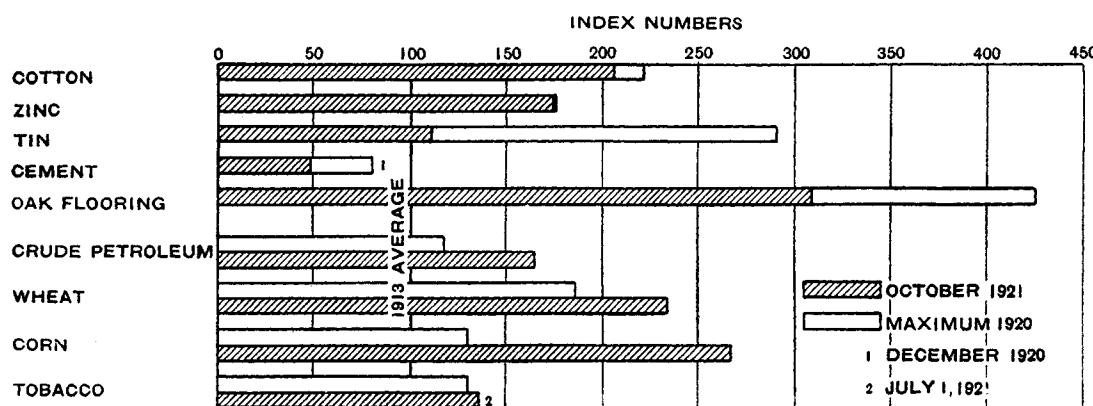
COMPARISON OF PRODUCTION AT PRESENT WITH 1920 AND PREWAR.

	RELATIVE PRODUCTION (1913=100).				
	Maximum in 1920.	Minimum in 1921.	October, 1920.	September, 1921.	October, 1921.
Wool (consumption).....	166	74	95	155	168
Cotton (consumption).....	123	76	83	101	103
Cement.....	109	53	109	131	137
Pig iron.....	132	34	129	38	48
Steel ingots.....	153	38	142	55	76
Copper.....	90	16	78	18	.....
Zinc.....	167	50	122	50	50
Bituminous coal.....	132	71	127	88	120
Anthracite coal.....	109	92	106	93	99
Beehive coke.....	74	6	63	10	15
By-product coke.....	122	121	122	132	164
Crude petroleum.....	198	171	191	176	172
Oleomargarine ¹	308	64	238	149	.....
Manufactured tobacco.....	114	73	81	94	.....
Cigars (large).....	119	73	112	97	.....
Cigarettes (small).....	349	293	296	370	.....
Wheat flour.....	116	65	92	125	126

¹ 1920 monthly average.² As represented by tax-paid withdrawals.

DIAGRAM 3.—COMPARISON OF STOCKS AT PRESENT WITH 1920 AND PREWAR.

(Relative production of 1913 = 100.)



COMPARISON OF STOCKS AT PRESENT WITH 1920 AND PREWAR.

RELATIVE STOCK (1913=100).

	Maxi-	Octo-	Septem-	Octo-
	imum in	ber, 1920.	ber, 1921.	ber, 1921.
Cotton (total).....	222	165	172	206
At mills.....	145	70	76	105
In warehouses.....	213	237	245	283
Zinc.....	175	126	200	174
Tin.....	290	173	95	111
Crude petroleum.....	117	112	163	164
Cement.....	180	180	62	48
Oak flooring (at mills).....	425	383	371	308
Wheat (visible supply).....	185	147	170	233
Corn (visible supply).....	129	129	158	266
Tobacco (compiled quarterly).....	129	103	2 135	.....

¹ December, 1920.² July 1, 1921.

PRICES.

In general, lower prices prevailed in the United States in October. In the cost of living, as compiled by the National Industrial Conference Board, only one item showed any change—a decline in fuel and light—and this had no effect upon the total figures. The Department of Labor's retail price index of foods did not change. Farm prices of crops declined almost 12

STOCKS.

Except in the case of seasonal movements—such as the increases in stocks of cotton, wheat, and corn—most stocks declined during October. Tin alone, outside of the above commodities, showed a considerable increase in October; and an almost imperceptible increase took place in petroleum stocks. Considerable reductions in stocks were accomplished in zinc, cement, and oak flooring. Stocks of tin, cement, and oak flooring were less than a year ago, but other stocks increased.

It will be noticed from the table that, except in the case of cement, the stocks carried are considerably larger than the 1913 average. Only mill stocks of cotton and stocks of tin are even near the 1913 level, all others being more than 60 per cent above the 1913 figures.

per cent and live-stock prices 2 per cent. Both are now 2 per cent below the 1913 level for the first time since the beginning of the World War.

The official compilations of wholesale prices—those of the Department of Labor and the Federal Reserve Board—showed slight declines during October; but the unofficial compilations—Dun's and Bradstreet's—showed slight increases. Imported goods and raw materials were the only items in the Federal Reserve Board's compilation to increase; and the largest decline—more than all the other three declines combined—occurred in consumers' goods.

Declines occurred in October wholesale prices in Canada, the United Kingdom, and France. The price level in the two former countries has come down to 70 per cent above the 1913 average, as compared to an increase of from 20 to 50 per cent in the United States (according to method of tabulation). Australian prices were only 60 per cent above the prewar prices in September. Due to continued inflation, prices in Italy and Germany increased further in October. Germany alone had a higher price level than a year ago.

In the list of individual wholesale prices, as shown by the table and diagram on pages 4 and 5, it will be noted that the producers' prices of the 9 farm commodities declined, except for cottonseed and wool. In the market prices of 13 farm products only 1 (cattle) showed an increase in October. The 5 food prices all declined. Of the articles of clothing, increases occurred in all classes of cotton goods, in silk, and in steer hides; and declines are reported in dress goods, calfskins, and boots and shoes. An enormous increase took place in petroleum and a small one in coke, the coals remaining the same. Iron and steel prices were unchanged, but other metals manifested increases. The price trend in building materials was irregular, with a large advance in yellow pine, no change in fir, slight antagonistic changes in bricks, and declines in cement and steel beams. The price of crude rubber continued to increase.

Comparing the October prices with the 1913 level, 5 of the 9 producers' prices were below it, with potatoes more than double the 1913 average. Of the market prices of 13 farm products, 6 were below 1913, with tobacco more than double the 1913 average. All the 5 food articles were still above 1913, while among the articles for clothing only hides were below that mark, and yet their product (shoes) was more than double the prewar figure and calf leather almost as high. All the fuels were above the 1913 price, with anthracite coal at double that level. Among the metals, iron and steel and lead were above 1913; while copper, tin, and zinc were below. All the building materials were above the 1913 price, with common brick at New York more than double. Rubber, unlike any other commodity, was quoted at only 26 per cent of its 1913 price.

TEXTILES.

The commercial stocks of wool increased 5 per cent during the third quarter of the year as against a decline during the corresponding quarter of 1920. The Government stocks of wool continued to be liquidated, with a reduction of one-third of the total during the third quarter. Woolen mills were more active during October than in September, with increased activity noted in practically all classes of machinery. Consumption of wool by mills in October exceeded any previous month in 1920 or 1921. Imports of wool declined over 35 per cent from the previous month, but the total for the year to date is still ahead of the corresponding period last year. The producer received slightly more for his wool in October than in September; but dress goods declined in price, while yarns and suitings remained the same.

The feature of the cotton industry in October was the unexpectedly large amount of cotton ginned, making the total ginned to date considerably in excess of the estimated crop. Cotton consumption by mills continued to increase, but gained only 2 per cent in October. Stocks still increased seasonally and continued to hold above the corresponding month last year. Exports of raw cotton increased almost 67 per cent over September, and were larger than any month since January, 1920. A further small increase was reported in the number of active cotton spindles, reversing the trend noted a year ago. Improvement was also noted in the exports of cotton cloth, which attained the highest point since October, 1920. The visible supply of American cotton was considerably greater than a year ago. After September's sensational price advance, raw cotton brought less to the producer in October; but prices of yarns, print cloths, and sheetings continued to advance.

COTTON GINNED.¹

[Base year in bold-faced type.]

	PRIOR TO SEPT. 1.		PRIOR TO SEPT. 25.		PRIOR TO NOV. 1.		PRIOR TO DEC. 1.		PRIOR TO JAN. 1.		TOTAL GINNED.	
	Bales.	Relative to 5-year average. ²	Bales.	Relative to 5-year average. ²	Bales.	Relative to 5-year average. ²	Bales.	Relative to 5-year average. ²	Bales.	Relative to 5-year average. ²	Bales.	Relative to 5-year average. ²
1909-1913 5-year average.....	608,507	100	2,962,149	100	8,406,865	100	11,155,272	100	12,260,794	100	12,933,098	100
1914.....	450,317	79	3,393,752	115	9,826,912	117	13,073,386	117	14,443,146	118	15,905,840	123
1915.....	463,883	76	2,903,829	98	7,378,886	88	9,703,612	87	10,636,778	87	11,068,173	86
1916.....	850,668	140	4,081,989	138	8,623,893	103	10,352,031	93	11,039,491	90	11,363,915	88
1917.....	614,787	101	2,511,658	85	7,183,178	85	9,713,529	87	10,434,852	85	11,248,242	87
1918.....	1,038,078	171	3,770,611	127	7,777,159	93	9,571,414	86	10,773,863	88	11,906,480	92
1919.....	142,625	23	1,835,214	62	6,305,054	75	8,844,368	79	10,068,920	82	11,325,532	88
1920.....	351,589	58	2,249,606	76	7,508,633	89	10,141,293	91	11,554,648	94	13,270,970	103
1921.....	1,481,788	244	2,907,950	98	6,646,136	79	7,640,870	69	.....	.....	.....	.....

¹ Data from U. S. Department of Commerce, Bureau of Census.

² As the cumulative ginning is the important factor, relatives here shown are based on the *average cumulative* ginnings prior to the respective dates instead of on a simple monthly average.

Orders to put goods into process in finishing plants for October declined from the peak reached in September, but the total billings continued to increase and made a new high mark during the month. Shipments from these plants declined perceptibly, and a slight

decrease occurred in stocks. These establishments operated at 77 per cent of capacity during October, a new high record for the year.

The output of knit goods in October showed further improvement, the mills producing 87 per cent of

normal, as against 84 per cent in September and only 50 per cent in October, 1920. New orders in October were less than in September, but larger than October's production or shipments, thus leaving a still further increase in unfilled orders.

DIAGRAM 4.—CONSUMPTION BY MILLS AND IMPORTS OF WOOL.

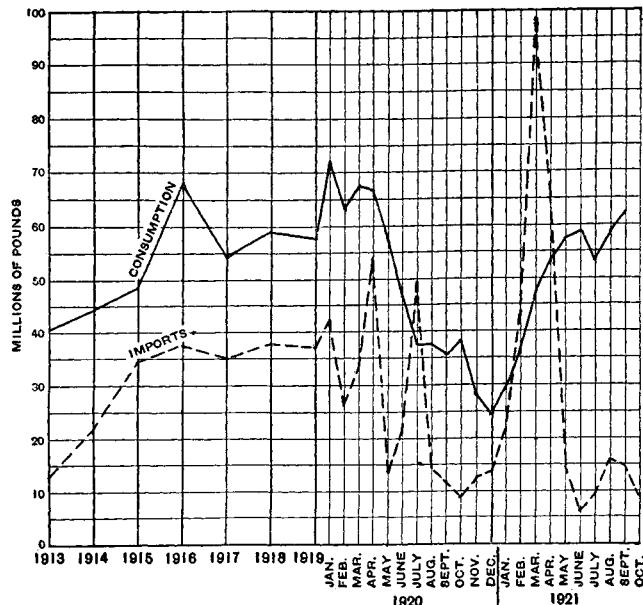
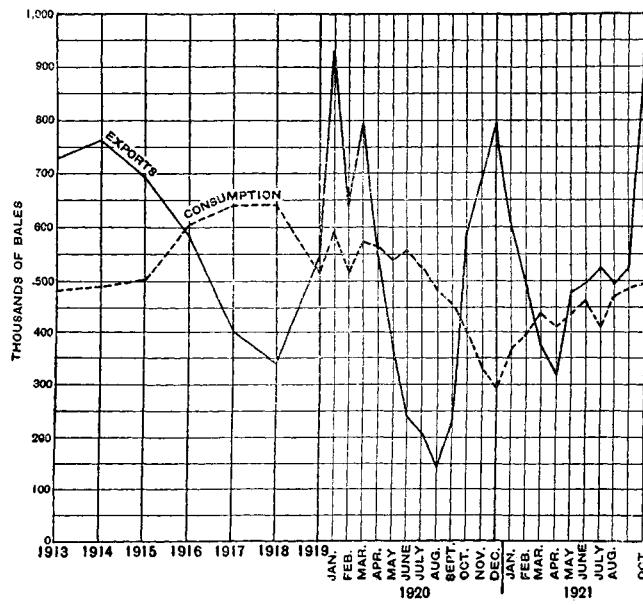


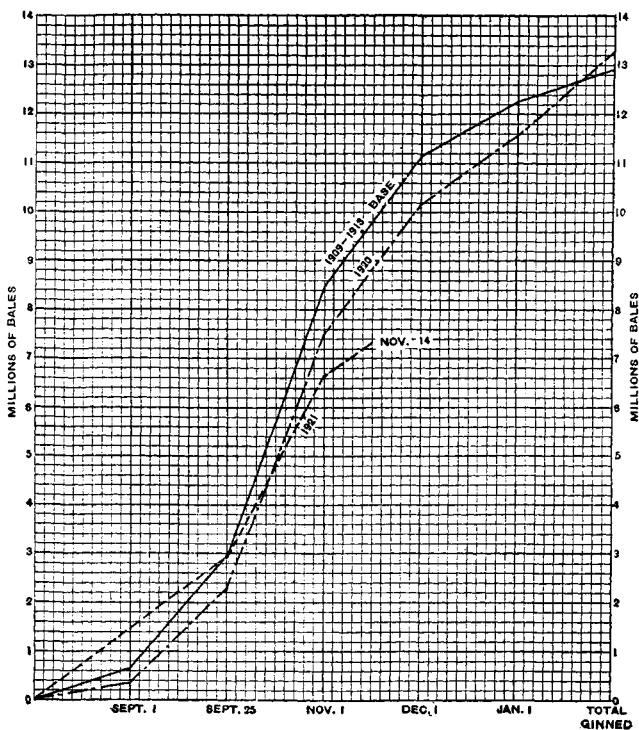
DIAGRAM 5.—CONSUMPTION BY MILLS AND EXPORTS OF COTTON.



Silk consumption, as shown by withdrawals from warehouses, declined 14 per cent during October, and stocks of raw silk declined at the same ratio. The decline in stocks was the first noted since June, and brought the total stocks to 61 per cent below last year's holdings. Imports declined about one-third

in response to the slackened demand and were the smallest since last March. The curtailment in stocks and imports was reflected in the slight increase in the price of silk.

DIAGRAM 6.—COTTON GINNED TO SPECIFIED DATES.



METALS.

The movement by water of iron ore from Lake Superior showed another heavy decline in October, and for the whole season, now nearing its close, the decrease from last year was extremely marked. On the other hand, the production of pig iron took a noticeable jump and showed the largest output since last March. Steel-ingot production made a similar advance, increasing 38 per cent and showing the largest monthly figure since February. The unfilled orders of the United States Steel Corporation, after a slight gain in September, again declined to a new low mark. The export movement of iron and steel revealed another small increase, while imports changed but little. Prices of iron and steel remained almost stationary.

Production of sheets increased to 44 per cent of capacity, and substantial increases occurred in the shipments and unfilled orders of bolts, nuts, and rivets. Bar iron shipments for October were the largest since January, and structural steel sales reached a mark unsurpassed since May, 1920.

Copper production showed little change, and exports were somewhat smaller. A slight increase took place in the market price.

Zinc production also exhibited little change, but stocks were reduced 13 per cent and to the lowest point since November, 1920. No zinc was imported during October, and the price was increased slightly.

Stocks of tin increased, but imports declined by 25 per cent. A price increase was also felt in this metal, as well as in lead.

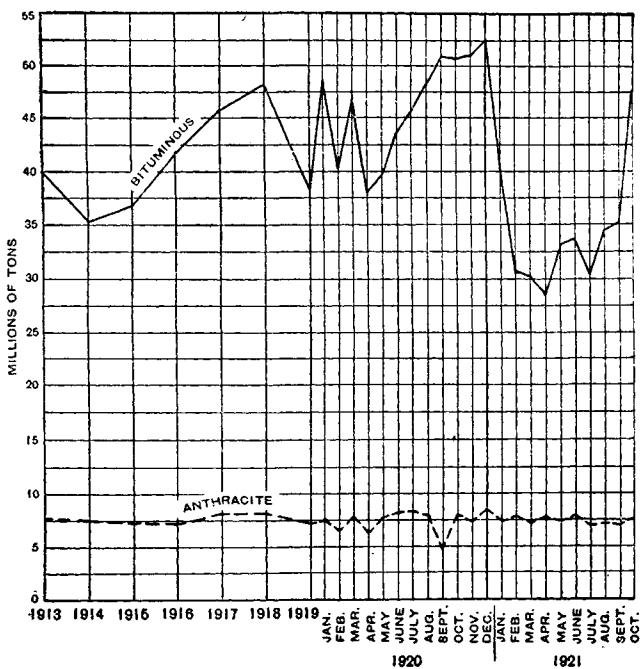
DIAGRAM 7.—PRODUCTION OF PIG IRON AND STEEL INGOTS AND U. S. STEEL CORPORATION'S UNFILED ORDERS.



FUEL AND POWER.

Production of all kinds of coal and coke increased materially in October, as compared with September, as did the production of electric power. In every case the October production was larger than that of any recent month, but smaller than in October, 1920.

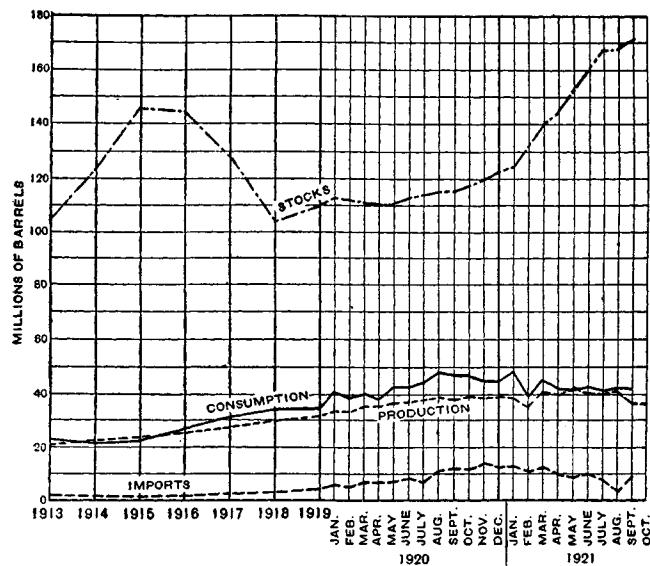
DIAGRAM 8.—PRODUCTION OF BITUMINOUS AND ANTHRACITE COAL.



Shipments of anthracite gained over September, but were less than in October, 1920. The same situation occurred in the exports of bituminous, anthracite, and coke—increases over the previous month, but declines from a year ago.

The consumption of crude petroleum rose in October to the highest point reached since January, but domestic production declined still further, and stocks continued to increase. The increased consumption, therefore, came mostly from increased imports, which were the largest since March. Stocks of crude petroleum at the end of October were larger than in several years past. Shipments of petroleum from Mexico were slightly less in October than in either September, 1921, or October, 1920.

DIAGRAM 9.—PRODUCTION, CONSUMPTION, IMPORTS, AND STOCKS OF PETROLEUM.



PAPER.

October saw an increase in the production and shipments of both paper and wood pulp over September, but a decline from October, 1920. Stocks, however, were smaller than in September but larger than a year ago. Imports of wood pulp declined slightly in October, while mechanical pulp imports increased over a year ago and chemical pulp imports declined. Prices of paper continued to decline.

AUTOMOBILES AND TIRES.

Shipments of automobiles from the factories were considerably less in October than in September, 1921, or in October, 1920. The production of solid tires increased over September, inner tubes declined, and pneumatic-tire production remained almost unchanged. Shipments of all classes of tires declined, and stocks increased, the greatest changes occurring

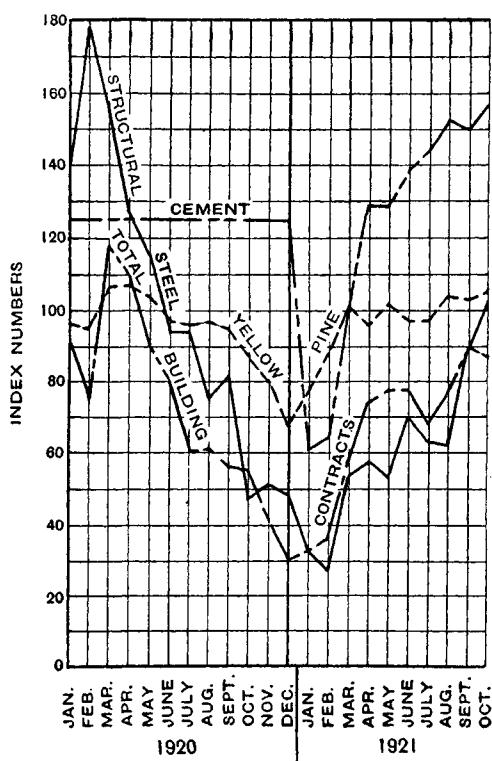
in inner tubes and the least in solid tires. Imports of crude rubber increased, and the wholesale price of rubber also advanced. (Figures on automobile production, received while going to press, are on p. 16.)

BUILDING AND CONSTRUCTION.

Building costs, as measured by index numbers, continued to decline during October, with decreases of from 2 to 9 per cent. Although the volume of building construction remained about the same as in September, encouraging increases were witnessed in contracts for business, industrial, and residential buildings; while the decreases occurred only in the groups of public and semipublic buildings. Especially noticeable was the increase of almost 50 per cent in industrial buildings over September, though the total is still considerably less than a year ago. Residential and business buildings, however, were contracted for in larger volume than last October, residential building having doubled. Fire losses for October were slightly larger than in September, and for the first 10 months of the year exceeded the 1920 period by 6 per cent.

DIAGRAM 10.—RELATIVE PRODUCTION OF CEMENT, LUMBER, AND STRUCTURAL STEEL, AND VOLUME OF BUILDING CONTRACTS AWARDED.

(Relative to 1919 = 100.)



Production of lumber increased during October, gains being noted in southern pine, Douglas fir, western pine, and oak flooring; while California redwood showed but a slight decline from September and also the only decrease from a year ago. A similar situation existed in regard to shipments of these various classes

of lumber. Stocks, where reported, declined from both September, 1921, and October, 1920, while orders increased heavily over both periods. Exports of lumber increased by 22 per cent over September.

The brick industry revealed increased production in October in fire-clay brick and a slight decrease in silica brick. Shipments of both classes increased, and stocks were about the same as at the end of September. Compared with a year ago, production and shipments of both classes were less than half as large, while stocks were slightly larger.

The cement industry showed the same tendencies as brick—increased production and shipments and decline in stocks. For the first 10 months of the year, cement production made a new high record for the period, with October the highest month ever recorded.

A jump in the price of southern pine featured the market for building materials. Slight declines took place in cement and structural steel, while bricks remained about the same. Except steel and fir, prices of all the materials noted were still over 50 per cent greater than the previous year, but the declines from October, 1920, were very marked.

HIDES AND LEATHER.

The production of leather during September showed a decline from August but a considerable increase over the same month last year. Leather in the process of tanning increased over August and, in general, was about the same as in September, 1920. Stocks on hand, on the contrary, showed little change during September, but were considerably larger than those held a year ago. Sales of leather belting declined during October and were very much smaller than a year ago.

Exports of sole leather made a remarkable increase in October, doubling any previous month this year except January. Upper leather, however, showed a falling off in exports, as did boots and shoes, which made the poorest monthly showing of the year. Imports of hides and skins declined in October, both from September, 1921, and October, 1920. The large loss in imports of cattle hides was responsible for this.

Prices of cattle hides increased, but calfskins declined during October. No change occurred in leather prices, but the wholesale price of shoes was reduced by 25 cents per pair.

FOODSTUFFS.

Although the 1921 wheat crop is estimated to be somewhat smaller than the 1920 crop, the visible supply was 60 per cent larger at the end of October than a year ago. Domestic receipts and shipments of wheat moved in about the same volume as last October. The wheat export trade slackened considerably, not only from a year ago, but also from the previous month—a rather unusual occurrence for

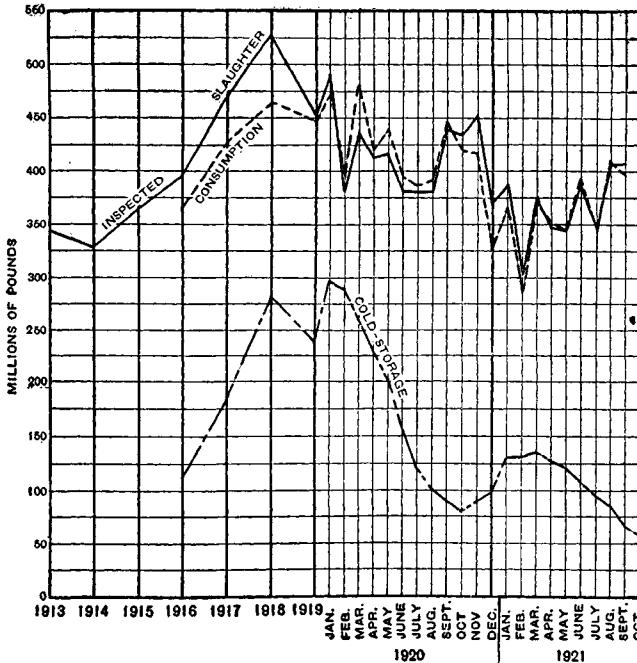
October. Flour production ran about the same as September but one-third greater than October, 1920.

Estimates of the corn crop continued to promise a large output. The visible supply at the end of October was over twice as large as last year, and the domestic receipts and shipments for October were also about double last year's. Exports, though only half of September's, were almost five times as large as last October's.

Taking all grains together, the estimated production fell considerably below last year, mainly on account of the decrease in oats. October's grain exports were very much less than September's and were also less than a year ago. Domestic grain movement, however, as shown by car loadings, was considerably greater than a year ago, but here also a decline was noted from September. Prices of all grains made declines of about 10 per cent during October.

The movement of cattle in the primary live-stock markets increased considerably during October and was slightly greater than a year ago. Inspected slaughter of beef increased slightly in September and was the largest of any month this year, but still smaller than a year ago. Cold-storage holdings on November 1 increased, but were also smaller than last year's stocks; and exports underwent a sharp decline. The price of cattle declined 50 cents per 100 pounds during October.

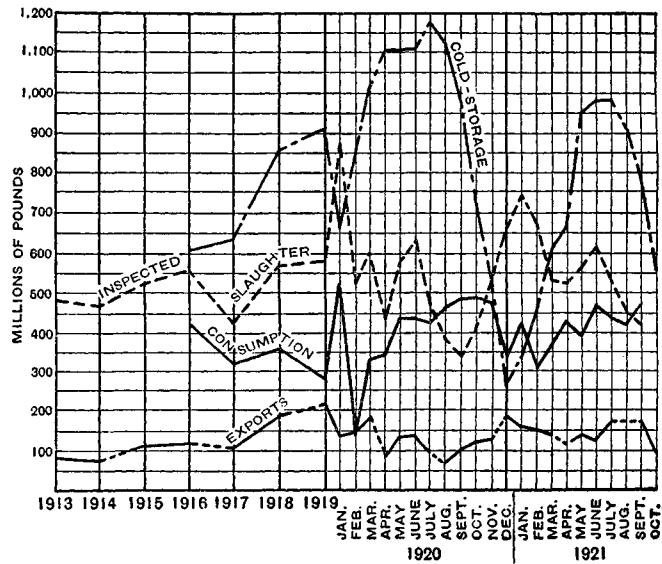
DIAGRAM 11.—INSPECTED SLAUGHTER, CONSUMPTION, AND COLD-STORAGE HOLDINGS OF BEEF PRODUCTS.



The hog movement for October revealed the same situation as cattle—increases over both the previous month and the corresponding month last year. In-

spected slaughter of hogs for September continued the seasonal decline, but remained far above September, 1920. Consumption, however, increased almost to the September, 1920, level. This resulted in a great curtailment in exports of pork and a large decline in cold-storage holdings. In both cases, the October figures were considerably less than in October, 1920. Hog prices declined slightly during the month.

DIAGRAM 12.—INSPECTED SLAUGHTER, CONSUMPTION, EXPORTS, AND COLD-STORAGE HOLDINGS OF PORK PRODUCTS.



The movement of sheep for October showed increases over September but declines from a year ago in everything except slaughter. Cold-storage holdings increased somewhat but were far below the unusually large stocks held a year ago. Prices of sheep increased during the month.

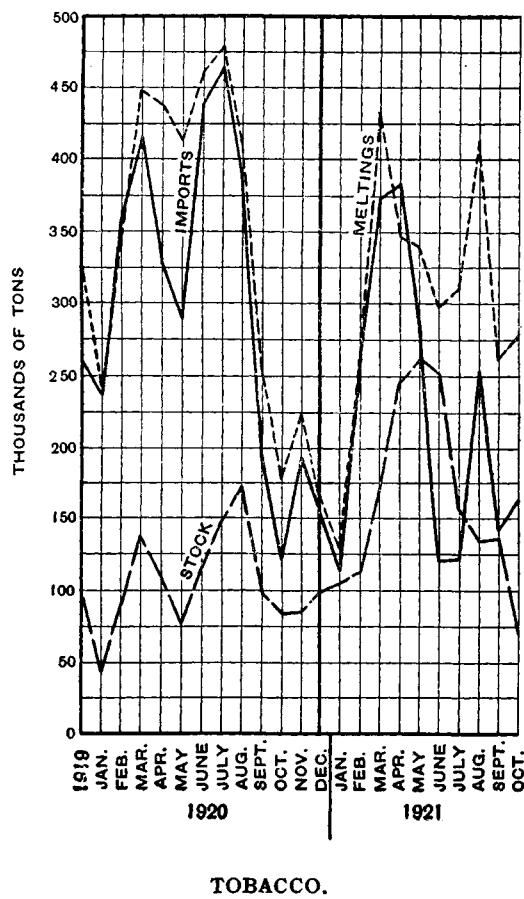
Exports of condensed milk declined from the September level; but, outside of the September exports, they were the largest since June, 1920. Receipts of butter and eggs were smaller than in September, while cheese receipts were greater; but the receipts of all three exceeded the October, 1920, receipts. Seasonal declines occurred in the cold-storage holdings of these three commodities. Less butter and cheese were held on November 1 than a year ago, but egg holdings were larger. Prices of both butter and cheese declined during October.

The third quarterly report of 1921 on vegetable oils showed a negligible decline from the second quarter in the production of crude oils, a small decline in stocks, and a decline of about one-third in total consumption in industries, chiefly in cotton-seed oil. Production and consumption have been larger than last year but stocks less. A large decline took place in the production of refined vegetable oils, and stocks decreased over 60 per cent. More refined oil was produced and consumed than a year ago, and

stocks were only about half as great as at that time. Production of animal fats declined, but exceeded last year's, and a large decline in stocks also occurred. Exports of vegetable oils made a seasonal gain in October, but imports declined from the high mark made in September. Taking the first 10 months of the year, exports were almost double last year, but imports less than half as large. Seasonal increases during October, in the production and stocks of cotton-seed oil, brought them almost up to last year's figures. Stocks of cottonseed almost doubled, reaching an almost unprecedented amount—50 per cent greater than a year ago.

Imports of sugar increased almost 15 per cent in October, but meltings were only 6 per cent greater than in September. Stocks of raw sugar declined almost half. Slight increases occurred in wholesale and retail prices.

DIAGRAM 13.—IMPORTS, MELTINGS, AND STOCKS OF RAW SUGAR.



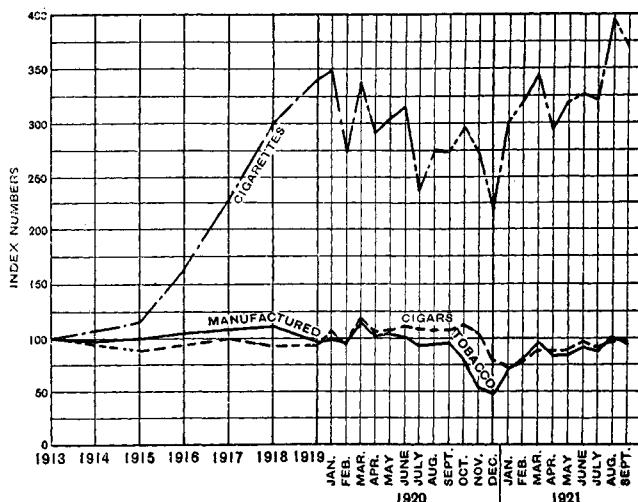
TOBACCO.

An increased output of tobacco, though considerably under last year, was forecast by the November crop report. Production of tobacco manufactures declined in September, but cigarette production was still much higher than last year. Stocks of all products were less at the end of the third quarter than at the previous quarter, but greater than a year ago. Exports of

unmanufactured leaf tobacco gained in October and exceeded October exports in 1920. There was no change in the price of tobacco.

DIAGRAM 14.—RELATIVE PRODUCTION OF CIGARS, CIGARETTES, AND MANUFACTURED TOBACCO.

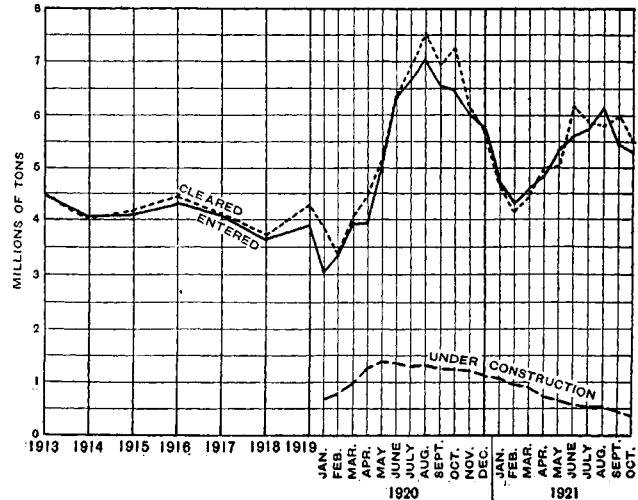
(Relative production, 1913=100.)



WATER TRANSPORTATION.

Traffic through the Panama Canal continued to increase in October, showing the largest monthly traffic since March. A slightly increased traffic was carried by American vessels, which still lead other nations, but British vessels increased their traffic one-half. The movement of vessels in foreign trade in American ports was less in October than in November, both entrances and clearances declining. Traffic through the Sault Ste. Marie Canal increased slightly in October, but was only half as large as a year ago. Ship construction continued its decline.

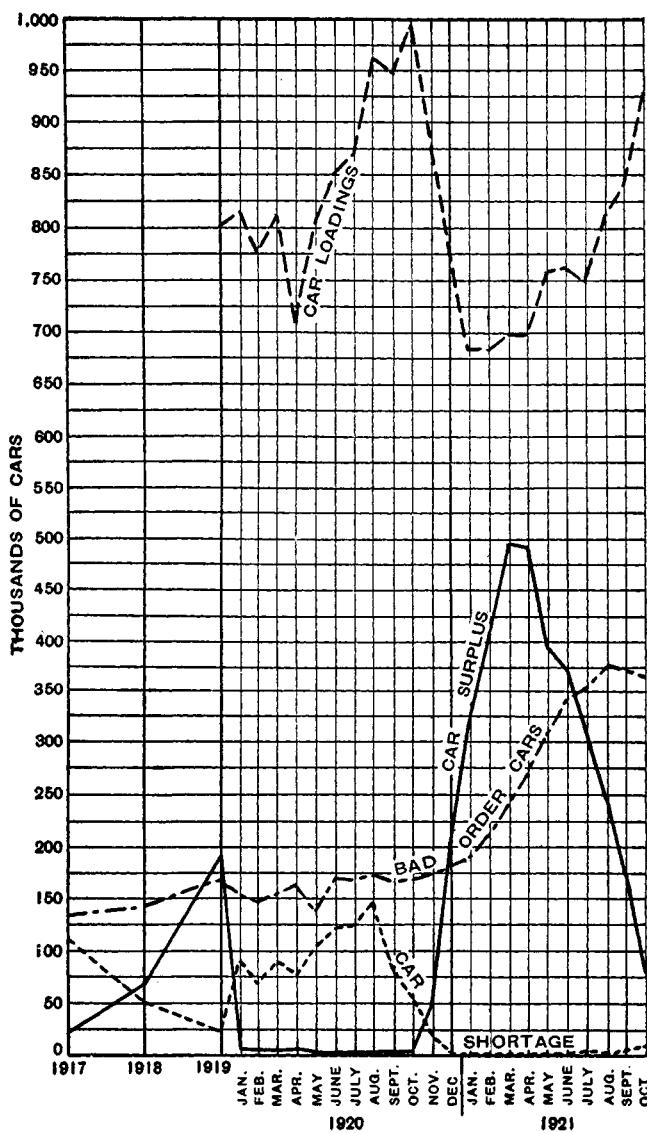
DIAGRAM 15.—ENTRANCES AND CLEARANCES OF VESSELS IN UNITED STATES FOREIGN TRADE, AND SHIPS UNDER CONSTRUCTION.



RAILROAD TRANSPORTATION.

October showed the surplus of idle freight cars cut in half. This indication of increased demand for transportation was partly due to the threatened railroad strike. Shortage of cars increased greatly, especially coal cars. Good progress was made in reducing the number of bad-order cars, which had grown to large proportions earlier in the year. Total car loadings again increased with the advent of the fall season, and were not far behind October, 1920. The chief increases occurred in the coal and merchandise groups.

DIAGRAM 16.—SHORTAGE, SURPLUS, BAD-ORDER, AND TOTAL LOADINGS OF FREIGHT CARS.



Railroad gross revenues for September were almost identical with August, the passenger traffic showing a slight decline. Operating expenses were slightly less also, and the net operating income showed a very slight decline from August, but an increase over

September, 1920. Net railway returns were still below the minimum provided by the Esch-Cummins Act. The ton-mileage again increased in September.

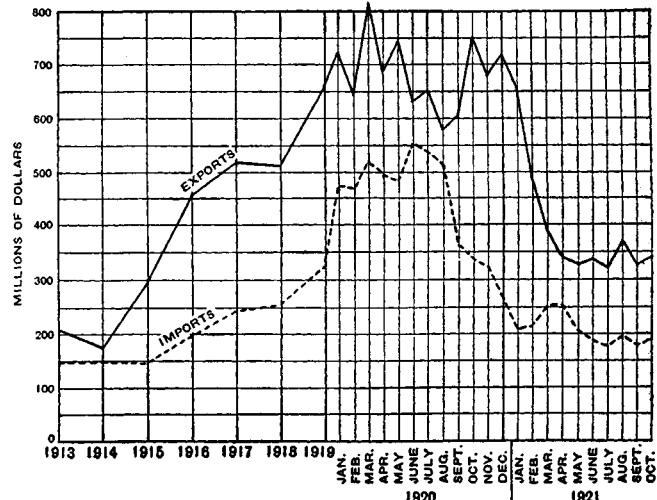
FOREIGN TRADE.

Total exports and total imports each showed an increase in value of about 5 per cent for October. A marked decrease occurred in our exports to other North American countries, particularly Canada, while exports to Africa, Asia, and the principal countries of Europe increased. Imports from Asia declined about 8 per cent.

The figures for the last few months indicate that both imports and exports, stated in values, are remaining relatively constant compared to the big decline of a year ago. A large portion of this decline was due to the drop in prices which occurred since the middle of 1920. As measured by the Department of Labor's wholesale price index, the total price decline from the peak of 1920 has been about 45 per cent. The decline in our total foreign trade, both imports and exports, for the same period has amounted to about 60 per cent in value.

It is of interest to note that even after allowance is made for the present price level, the volume of our export trade is well above the prewar average. Assuming that the Department of Labor's wholesale index of 150 represents the present level of prices compared to 100 in 1913, our export trade for the last six months would be equivalent to an average of about \$225,000,000 per month on the 1913 price level. The actual average monthly value of exports in 1913 was only \$207,000,000. Our present trade is, therefore, nearly 10 per cent greater in volume than before the war. The volume of imports, on the other hand, is about 20 per cent less than in 1913, on the basis of similar calculations.

DIAGRAM 17.—IMPORTS AND EXPORTS OF UNITED STATES.



FOREIGN EXCHANGE.

Outside of the heavy decline of 30 per cent in the value of German marks, there was in general a strengthening of foreign exchange rates during October. The British pound sterling increased 4 per cent over the previous month, reaching an average value of \$3.87, the highest monthly average since March. Similar increases occurred in the case of The Netherlands, Sweden, Switzerland, and South American countries. The Japanese yen declined 1 per cent, while Italian and Belgian exchange also registered a decrease.

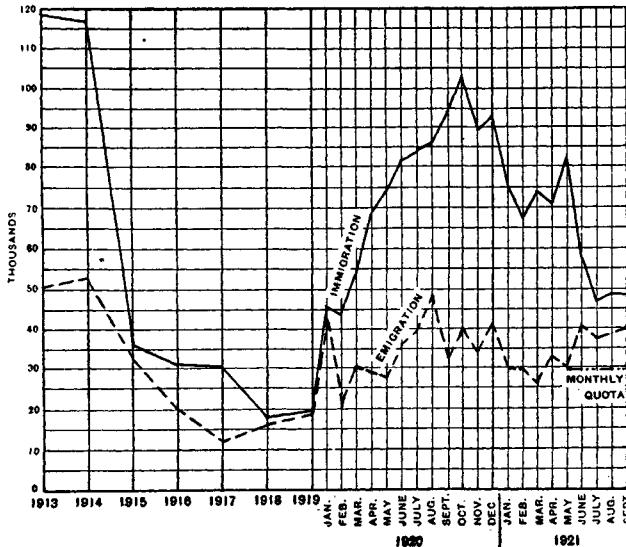
In spite of the more favorable rates for many minor countries, the Federal Reserve Board's general index of foreign exchange registered a decline of nearly 10 per cent, due very largely to the decrease in German and Italian rates.

LABOR.

Employment conditions have continued to improve, as shown by October reports of gains in the United States as a whole and in New York State, and by September reports from Wisconsin. The total payroll showed a slight increase in New York but a decline in Wisconsin. Average weekly earnings in September in Wisconsin declined from August but were higher than in July. Postal savings declined slightly in October.

Immigration in September was about the same as in August but only half as large as a year ago. Emigration increased about 20 per cent over August, showing the largest monthly total since August, 1920, and coming up almost to the immigration figures for the month. Under the new immigration law, 155,604 immigrants were admitted up to November 23, and 201,505 more may come in up to July 1, 1922. The yearly quota has already been exhausted from the following regions: Africa, Atlantic Islands, Greece, Jugo-Slavia, Palestine, New Zealand, Spain, Syria, Turkey, Portugal, "Other Asia," and "Other Europe."

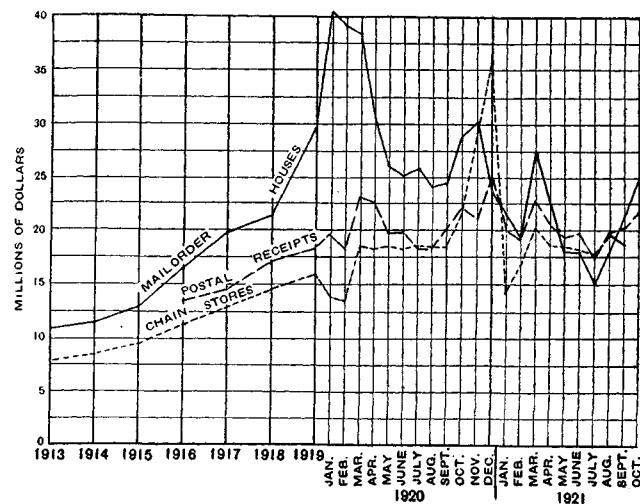
DIAGRAM 18.—IMMIGRATION AND EMIGRATION AND IMMIGRATION QUOTA.



DISTRIBUTION MOVEMENT.

Distribution statistics showed good increases during October. Sales of mail-order houses and chain stores, magazine advertising, and postal receipts all increased over September, especially the chain-store business; but, except in the latter case, they were less than a year ago. October department-store sales were from 8 to 23 per cent below last year, with the smallest decreases in the Atlantic seaboard and Pacific seaboard districts.

DIAGRAM 19.—SALES OF MAIL-ORDER HOUSES AND CHAIN STORES, AND POSTAL RECEIPTS.



BANKING AND FINANCE.

Both debits to individual accounts and bank clearings in New York City registered an increase in October compared to September. Such a movement is generally assumed to indicate increased activity in the speculative market. Debits to individual checking accounts in banks of the principal reserve cities outside of New York City showed a smaller increase.

Bank clearings in outside cities showed a decrease of 8 per cent in October following an increase of 22 per cent for the preceding month.

A further decrease of nearly 6 per cent occurred in bills discounted by the Federal Reserve banks, while total reserves increased over 2 per cent. Federal Reserve notes in circulation declined 2 per cent in October, bringing the total to 28 per cent less than a year ago.

Business failures showed another heavy increase, amounting to 16 per cent in number and 44 per cent in liabilities.

New York Stock Exchange sales showed a slight increase for the month, with average prices remaining about stationary. Bond sales showed a slight increase due to increased activity of the Liberty issues. Bond prices showed little change in October, although advance figures for November indicate improvement.

Interest rates on time loans declined about 5 per cent during the month, due in part, no doubt, to the lower discount rates in the principal reserve cities.

A slight increase occurred in the volume of long-term state and municipal bonds floated in October. Short-term loans, on the other hand, decreased nearly 95 per cent compared with September. A marked decline also occurred in new capital issues and in total dividend and interest payments.

TRADE AND INDUSTRY OF FOREIGN COUNTRIES.

The total trade of Great Britain suffered a slight setback in October compared to the increase noted in recent months. Reexports, on the other hand, increased 21 per cent, while the exports of such key commodities as cotton and woolen goods, and iron and steel showed notable increases over September. Exports of coal from Great Britain in October re-

mained the same as for September, but the total was nearly 45 per cent below the prewar monthly average.

British production of pig iron and steel showed a marked increase over the low point reached during the coal strike. Pig iron production in September increased 70 per cent over the previous month, although still 80 per cent below the prewar average. British steel production in September was 33 per cent below prewar, as compared with a decline of 45 per cent from the same period for the United States.

The foreign trade of France showed further increases in September, compared with a year ago. France's import trade was 42 per cent less in value, while exports declined less than 5 per cent. In fact, September exports of raw material were 10 per cent greater in value than for the corresponding month of 1920.

AUTOMOBILE PRODUCTION.

Reports received as this publication was going to press indicate that the total production of passenger automobiles in October was 134,138 and motor trucks 12,798. These figures represent combined totals furnished by the National Automobile Chamber of Commerce and reports to the Bureau of the Census by manufacturers who are not members of the chamber.

The following table gives comparable data for the last four months:

MONTH.	PRODUCTION OF—	
	Passenger cars.	Trucks.
July, 1921.....	163,998	10,761
August, 1921.....	166,393	13,076
September, 1921.....	143,797	13,645
October, 1921.....	134,138	12,798