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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.

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REVIEW OF THE MONTH.

The first month of the new year has, as usual, been one of heavy expenditures in public finance. **Treasury finance.** Total ordinary receipts were \$217,328,249, while ordinary expenditures were \$388,179,272, the result being a deficit of \$170,851,023. Borrowing operations during the month centered around two issues of Treasury certificates which were dated January 15, the one running for three months and maturing on April 15, bearing interest at $5\frac{1}{2}$ per cent per annum; the other running for nine months and maturing on October 15, bearing interest at $5\frac{1}{2}$ per cent per annum. Whereas the amount offered was \$250,000,000, the gross subscriptions received were \$588,596,500, while the allotments amounted to \$310,686,500. Nine of the several districts oversubscribed their quota. Better market and investment conditions have contributed to stimulate the demand for the Government's obligations, as illustrated in the oversubscription of these certificates.

Government operations during the month have not been of a character to produce any important effect on banking conditions. Withdrawals of deposits have from time to time, it is thought, exerted some influence upon rates in the money market, but this has for the most part been of minor importance.

Gradual retirement of problems of public finance from the position of **The turn in business.** first or commanding importance which they have occupied during and since the war tends to shift the fundamental interest of the industrial and financial community to those questions which grow directly out of business and banking conditions as distinct from fiscal problems. This is likely to be increasingly the case during coming months, the attention of the community at large being now closely focused upon the pros-

pects of commercial and financial revival. Better conditions in business have been manifested during the past month. They have been most obvious in the field of banking and finance. They have, however, also been of decided significance in industrial lines. What is called a "readjustment process" has been developing during the past few weeks. By this is meant a clearing up of commitments based upon old price levels, the establishment of a more normal and permanent basis of relationship between demand and supply, and generally a conversion of industry from a war footing to a peace basis. While this process of readjustment is not complete, it has proceeded far enough in a number of branches of business to prepare the way for new constructive work. There has been a moderate increase of activity in some of the textile trades, a betterment of conditions in the shoe and leather industry, and a resumption of activity in the manufacture of automobiles and of several other products. Prices also have shown a tendency during the month to resume a more nearly even or uniform level, retailers undertaking to transfer to their customers some part at least of the benefit arising from reductions in cost at the point of production. While the Board's index number of wholesale prices for December receded 19 points, it is thought that the index for January will probably show a smaller decline. The relative slowing down in wholesale price reductions and the acceleration of retail price changes must not be regarded as indicating a new price reduction movement, but rather as the consummation or completion of the price cycle begun many months ago with recessions of wholesale prices. Economic observers and analysts have long recognized that business changes tend to move in successive waves or cycles, a period of great activity and prosperity being followed by a less active and often less prosperous condition of affairs. Indications of im-

provement in certain industries, whatever they may be, have not had time to reflect themselves thus far in the Board's index of production, which as usual relates to a period approximately one month earlier than the date of publication of the BULLETIN. Gains in some directions are, moreover, offset by losses in others. The following table, showing the Board's production indexes, does not, therefore, reflect the most recent developments pointing to trade and industrial improvement, but even this comparative table of indexes shows decidedly less falling off in the activity of production than had been expected by some:

	May-Aug., 1920.		Sept.-Dec., 1920.		Sept.-Dec., 1919.	
	Total for 4 months.	Rela- tive.	Total for 4 months.	Rela- tive.	Total for 4 months.	Rela- tive.
Receipts of live stock at 15 western markets (in thousands of head).....	19,876	73.5	21,450	79.3	27,033	100
Receipts of grain at 17 interior centers (in thousands of bushels).....	289,057	78.2	357,412	96.7	369,587	100
Sight receipts of cotton (in thousands of bales).....	1,297	18.2	5,593	78.4	7,133	100
Shipments of lumber reported by 3 associations (in millions of feet).....	2,992	101.4	2,524	85.6	2,949	100
Bituminous coal production (in thousands of short tons).....	177,375	111.6	205,409	129.2	158,945	100
Anthracite coal production (in thousands of short tons).....	32,416	101.0	28,489	88.8	32,098	100
Crude petroleum production (in thousands of barrels).....	153,707	114.5	154,784	117.6	131,608	100
Pig iron production (in thousands of long tons).....	12,244	130.6	12,061	128.6	9,377	100
Steel ingot production (in thousands of long tons).....	11,667	.....	10,995	.....	.....	.....
Cotton consumption (in thousands of bales).....	2,105	102.7	1,484	72.4	2,050	100
Wool consumption (in thousands of pounds).....	156,551	70.8	.....	.....	220,999	100

The better outlook in business generally has been paralleled by a decided improvement in financial conditions. A variety of factors had tended to influence the prices of investment securities for the worse during the month of December, so that price tendencies during the past month contrasted sharply with those that had been developed in the closing days of 1920. There was a decided upward movement during January in practically all securities. The improvement has, as might have been ex-

pected, exhibited itself clearly in connection with bonds as well as with stocks, there having been an advance in the average price of three selected issues of Liberty bonds amounting to 2.81 points between December 31 and January 29. Other bonds of the best grade have naturally risen even more pronouncedly than Liberty bonds. Coupled with the higher prices of investment securities of all classes there was at least a temporary tendency to lowered tension in the market, which affected not only call funds on the stock exchanges, but also the prices charged for time funds, for commercial paper, and generally for other kinds of obligations. This reduction is in part the reflection of the more liquid banking condition to which reference has already been made, but it is also in some measure the result of the readjustment of business which has set free a considerable amount of funds while at the same time decreasing the active demand for them. In this connection, also, should be noted the effect of the lessened activity in foreign trade in releasing funds which during the recent past have tended to be absorbed in sustaining the sale of goods on credit to foreign countries.

Statistics show that while business reverses in 1920 increased sharply in both number and liabilities, they have not been extreme. Exclusive of banking and other fiduciary suspensions, defaults in the United States during 1920 numbered 8,881, and involved \$295,000,000 of indebtedness, as against 6,451 failures, involving \$113,000,000 during the preceding year. Failures in 1919 were, however, the smallest for almost 40 years. The percentage of all failures to the total firms in business is much below the average. It has been a matter of congratulation that the year 1920 closed without commercial embarrassments on a larger scale than turned out to be the case, notwithstanding that many had believed that there was a danger of a considerable increase in business mortality. Recovery of normal conditions in the field of prices and the restoration of demand to a more settled basis may result, as is now recognized, in the reestablishment of more favorable conditions for not a few business enterprises and in the consequent restoration of some concerns which have been in danger to a

position of greater safety and better prospective profitableness.

Better conditions are also manifest in banking. The month of January has on the whole been a period of steadily advancing liquidation of loans. While this has not been true the country over, it has been distinctly true in some sections where the withholding of farm products has during recent weeks tended to retard progress. Changes in the ratio of reserve for the Federal Reserve System as a whole have been steadily upward. The following table shows the growth of the reserve ratio during the month of January, the figure reached for the last day furnished being the highest for many months past:

Jan. 7.....	46.4	Jan. 21.....	48.5
Jan. 14.....	48.1	Jan. 28.....	49.0

This increase in reserve ratio would be of less significance were it not for the fact that it arises from the changed condition of affairs within the banking system itself and not primarily from the deposit of gold and specie arriving from outside sources. Gains of gold during the month have been of relatively less importance, and the improvement of ratios is thus due largely to the reduction in liabilities consequent on business liquidation. Of equal significance is also the increasing proportion of liquid paper in bank portfolios. The changes which have thus occurred during the month may be illustrated by noting the following figures giving for each weekly report period during the month the cash reserves, note circulation, and total outstanding deposits of the Federal Reserve Banks.

[In thousands of dollars.]

Date.	Cash reserves.	Note circulation.	Net deposits.
Jan. 7.....	2,276,848	3,270,023	1,634,538
Jan. 14.....	2,288,538	3,159,491	1,595,446
Jan. 21.....	2,301,231	3,115,290	1,628,507
Jan. 28.....	2,319,974	3,090,748	1,643,221

Even the figures thus cited do not, however, when taken in the aggregate, fully illustrate the importance of the change that has been in progress. That can be fully realized only when a study is made of conditions at the

several Federal Reserve Banks where the strain has been greatest. Thus, for example, the Federal Reserve Bank of Minneapolis has undergone a very material improvement in its reserve ratio during the month of January in consequence of the lightening of the strain upon it due to the fact that member banks were able to liquidate in some degree their obligations to it as a result of payments made by farmers and borrowers throughout the northwestern region. The improving condition of credit in the Northwest is attributed locally in part to the action of the Bank of North Dakota and other State authorities in advising the marketing of farm products. This is believed to have had an important influence in stimulating the movement of grain and other products to market. Even without such intervention on the part of the authorities, however, it is probable that the movement would have proceeded steadily, since the time had come when agricultural interests were beginning to realize that they were injuring rather than helping themselves by a policy of withholding their crops. The liquidation of "frozen credit" has not been as rapid or as effective in some other parts of the country, notably in certain regions of the South, where large advances had been made upon cotton, whose movement has been interfered with as a result of the very low prices that have been ruling. Nevertheless, the improvement has been sufficient to be noticeable in all parts of the country, and taken in the aggregate it has, as already observed, succeeded in restoring a much more satisfactory reserve situation in the system as a whole and in most of the several Federal Reserve Banks.

The fact that the banking system of the United States has passed the Banking system "tough" of the depression of recent months has been pointed out by Governor Harding in two addresses made in New York City, the first on January 5 and the second on January 17. In both of these addresses Governor Harding called attention to the facts already cited, that there was a distinct movement toward liquidation of paper at commercial banks and that commodities were beginning to move more freely to market. He discussed the effect of this change

upon the general liquidating power of the community and he also noted the influence of it upon the condition of the Federal Reserve Banks themselves. Speaking of the general ability of the banking system of the country to meet all reasonable demands upon it, Governor Harding said in the address of January 17:

"The banks of the country have, generally speaking, responded to the urgent needs of those dependent upon them for credit accommodation, and while exercising care and discretion in making new loans, have not resorted to precipitate or drastic means of forcing collections. The member banks have received ample accommodations at the Federal Reserve Banks, which have in turn extended accommodation to each other. There has been no deflation for the sake of deflation, but expansion during the year just closed was checked."

In the same address Governor Harding also said, in referring to the reserve situation:

"Since November 5 the loans and note issues of the Federal Reserve Banks have been reduced in amounts which might be regarded as normal in ordinary circumstances, and the reserves of the 12 banks combined are now 48 per cent, as compared with 45 per cent a year ago. Our present banking system has been put to the severest tests during the past four years and has met them all. It has shown its ability to extend credits in ever-increasing volume in order to meet the requirements of a great producing country in time of war, and during the past year has shown its ability to absorb the shock and prevent a money panic such as heretofore has always occurred in times after periods of undue or extraordinary expansion."

In the earlier discussion of the situation already referred to, general assurance was given that business conditions in the main were steadily improving. At that time Mr. Harding said:

"I am thoroughly convinced that any danger which may have existed of a general collapse—and I have never thought that danger was as imminent as a great many people have thought it was—but any such danger as that has passed. I think undoubtedly that the worst is over. And while the Federal Reserve System can not deal with individual cases, if there are individuals who have become so much overextended that they will have to undergo a process of readjustment—that after all is merely an individual condition which will have to be taken care of. We will have to let

it take its course. The Federal Reserve deals with general conditions. It deals with the banking situation as a whole, and the reserve position—the inherent strength of the Federal Reserve Banks—has so much improved that you need have no apprehension whatever that the Federal Reserve position can not take care of the banking situation in general. It can do so and will do so."

Complete figures now available for the entire year 1920, as exhibited in the reports of the Department of Commerce and made public on January 21, 1921, show that the forecasts of the operations for the year offered a month ago have been substantially fulfilled. For the year 1920 the entire export movement has been \$8,228,000,000, while imports were \$5,279,000,000, a net outward movement on merchandise account alone ("favorable balance of trade") of \$2,949,000,000. Taking the year as a whole, on the other hand, there has been a net inward movement of gold and silver aggregating \$81,000,000. The net balance in favor of the United States on behalf of merchandise and specie account is thus to be considered approximately at \$2,868,000,000. While it is not possible to obtain an absolutely accurate estimate of the foreign government and industrial securities of all kinds floated in the United States during the year 1920, the total amount may be reliably put at approximately \$576,000,000, thus leaving in the aggregate an apparent accumulation of balances on our behalf abroad, as the result of 1920 trade, of \$2,292,000,000. To this sum should be added the liquidation of \$400,000,000 of the half billion dollar Anglo-French loan (the other \$100,000,000 having been refunded), interest paid and due to the United States, and a considerable net balance owing this country for shipping services. On the other side of the account, deductions must be made for investments by Americans in the internal bonds of foreign countries, other capital investments abroad in the form of real estate or industrial ventures, American securities repurchased from foreign holders, immigrants' remittances, donations for relief, tourists' expenditures, and several other items of lesser significance. A careful consideration of all these elements entering into the trade balance of the United

States leads to the conclusion that during 1920 there was added to our unfunded balance with the rest of the world a sum between \$1,500,-000,000 and \$2,000,000,000.

The following table is a summary of a detailed tabulation made by the Guaranty Trust Co. of New York City for the Federal Reserve Board:

Summary, by countries, of foreign loans, including government, municipal, and corporation issues, floated in the United States during 1920.

[000 omitted.]

Country.	Govern- ment.	State and municipal.	Corporation.			Total.
			Rail- road.	Public utility.	Indus- trial.	
Canada.....		\$79,922	\$96,500	\$10,700	\$14,050	\$201,172
Cuba.....			1,700		29,200	30,900
Philippines.....	\$16,000					16,000
Peru.....					8,000	8,000
Belgium.....	75,000				11,000	86,000
Denmark.....	25,000					25,000
France.....	100,000		3,250			103,250
Great Britain.....					15,000	15,000
Italy.....	25,000					25,000
Norway.....	20,000	9,000				29,000
Switzerland.....	25,000	12,000				37,000
Total.....	286,000	100,922	101,450	10,700	77,250	576,322

Although it had been expected by many that there would be a slowing down of the growth of our export balance during the latter part of the year, such retardation as has occurred in that connection has been small. The tendencies of foreign trade for the opening of the year 1921 are such as to indicate that in not a few directions foreigners feel the necessity of obtaining American goods, so that it may be expected that there will be a steady growth of our balance with certain countries at any rate, due to the continuous shipments of staple products to them. This appears to be conspicuously true of the European countries, and the problem of finding some means of financing trade with them upon satisfactory lines is thus important.

A modifying factor must, however, be carefully noted in connection with the study of our balance in foreign trade. This is the reduction which must be made in order to allow for the goods which have been affected by cancellation of orders after shipments had reached foreign ports. This item is always present in foreign-trade analysis but it is not usually of

very great importance. During the past few months it has assumed a new importance, and recent developments have made it plain that what has become popularly known as the "cancellation evil" has been growing. It became evident during the months of November and December that foreigners were in many cases refusing to receive goods they had ordered—certainly unless substantial price concessions were made, such price concessions being intended to correspond to the levels of values which in the meantime had been attained in the American market. This situation confronted American exporters with the serious question whether they should have goods stored at their own expense or whether they should sell them for what they would bring at the port of arrival. That question has in some instances been settled either one way or the other, but in much the larger number of cases still remains open. Meanwhile drafts which were drawn against the goods have been returning to the United States in a steady stream, due to refusal on the part of the drawee to accept them. Such drafts have been charged off against the accounts of the exporting houses and have correspondingly reduced their balances at the banks. This situation should be taken into account when considering the "favorable" export balance. How much of this favorable balance consists of goods which have been shipped to foreign countries upon more or less definite orders or contracts, but which have there failed to be taken by the consignees, it is impossible to say. In so far as such rejections have taken place it is clear that they are to be regarded as constituting a deduction from actual favorable balances, since they represent practically the worth of unsold goods which had merely been shipped to the foreign markets and had not been disposed of there. This is a consideration which should be taken carefully into account in any effort to compute the true financial position of our foreign trade, since, without making allowance for it, it might easily appear that the volume of goods represented by bills of exchange and drafts maturing or still to mature was very much larger than was actually the case. This condition is one which, moreover, tends to aggravate the foreign

exchange situation because of the fact that such merchandise is subject to sale in the foreign country to which it has been shipped and may thus give rise to unexpected claims at any given moment. On the other hand, there is to-day in the United States an increasing amount of foreign merchandise which has been shipped to New York and other markets in the hope of realizing dollars upon it. This has in some cases been shipped for the purpose of providing remittances at an economical rate, in other cases for the mere purpose of finding a market which is lacking in countries which are suffering depression or are unable to pay in cash for goods they receive. The congestion in American markets introduces likewise a factor of error in our import statistics, so that both from the import and export sides the present study of trade balances is interfered with by considerations whose exact significance can not be ascertained. The disturbances in our foreign-trade balance which are thus indicated lend fresh force to the familiar economic principle that during periods of changing price levels the hazards of business are very materially increased. The statement holds particularly true in connection with foreign trade, because of differences in commercial practice, commercial law, and other elements which render business relationships of an international sort less stable and definite than those which grow out of domestic transactions.

In these circumstances it is not strange that foreign exchange has continued to undergo sharp fluctuations, although the community has noted with satisfaction that the general movement of exchange quotations during January has been decidedly upward. In the following table are reviewed the quotations of some of the principal currencies, and from these it will be apparent that both sterling, francs, and lire were, on the whole, in a distinctly better position at the close of the month than they were at the outset. Exchange on South American countries and on the Orient, on the other hand, has continued in a depressed condition.

Foreign exchange rates from Dec. 31, 1920, to Jan. 29, 1921.

	Week ending Dec. 31, 1920.		Week ending Jan. 8, 1921.		Week ending Jan. 15, 1921.	
	High.	Low.	High.	Low.	High.	Low.
England.....	3.5338	3.4900	3.6600	3.5233	3.7675	3.6525
France.....	.0594	.0579	.0604	.0565	.0620	.0595
Italy.....	.0346	.0334	.0354	.0338	.0357	.0344
Spain.....	.1345	.1293	.1345	.1305	.1356	.1310
Argentina.....	.3388	.3263	.3414	.3356	.3492	.3411
China (Hongkong).....	.5750	.5625	.5800	.5550	.5700	.5550
China (Shanghai).....	.7500	.7250	.7750	.7400	.7600	.7200
Japan (Yokohama).....	.4875	.4838	.4838	.4838	.4838	.4825
Germany.....	.0138	.0137	.0139	.0132	.0150	.0139
Switzerland.....	.1520	.1514	.1550	.1518	.1572	.1550
Sweden (Stockholm).....	.1990	.1975	.2110	.2000	.2155	.2120
Holland.....	.3130	.3120	.3206	.3125	.3300	.3213
Belgium.....	.0623	.0612	.0631	.0607	.0653	.0625
Canada.....	.8663	.8543	.8625	.8475	.8793	.8638
Bar silver in New York.....	.6663	.6425	.6863	.6563	.6725	.6513

	Week ending Jan. 22, 1921.		Week ending Jan. 29, 1921.	
	High.	Low.	High.	Low.
England.....	3.7750	3.7375	3.8900	3.7700
France.....	.0695	.0615	.0746	.0682
Italy.....	.0364	.0345	.0382	.0358
Spain.....	.1350	.1322	.1402	.1342
Argentina.....	.3481	.3438	.3563	.3470
China (Hongkong).....	.5650	.5550	.5600	.5263
China (Shanghai).....	.7500	.7400	.7475	.6788
Japan (Yokohama).....	.4825	.4825	.4838	.4838
Germany.....	.0168	.0155	.0183	.0168
Switzerland.....	.1576	.1560	.1605	.1570
Sweden (Stockholm).....	.2165	.2132	.2205	.2150
Holland.....	.3313	.3282	.3413	.3304
Belgium.....	.0733	.0646	.0780	.0714
Canada.....	.8800	.8725	.9063	.8806
Bar silver in New York.....	.6788	.6550	.6688	.6275

Factors influencing the course of foreign exchange during January have been anticipatory or "psychological," rather than direct or actual. The adoption of legislation reviving the War Finance Corporation and the definite statement that the American Bankers Association committee, as well as some other organizations of banking interests, had practically agreed upon the plans for the establishment of companies under the Edge Act for the purpose of financing foreign business, may have had some effect in tending to maintain the value of foreign currencies, although it has been quite specifically stated from time to time that these enterprises were intended to support future business rather than to absorb the results of past operations. On the other hand, the fact that the German reparations question was being given serious study and that apparently the final statement of the terms upon which adjustment was to be

made could not be very much longer deferred, probably tended to encourage American owners of foreign balances in the belief that better conditions in the exchange market might be expected to develop within a comparatively short time. In eastern exchange the practical suspension of the purchase of Australian and other bills has continued, while conditions in Oriental markets are hardly better than formerly. In the South American market the further extension of the Cuban moratorium and of similar suspensions in other South American countries has served still further to postpone the restoration of a settled basis of exchange between those countries and the United States.

The House of Representatives on January 4 having adopted the joint resolution providing for the revival of the activities of the

Financing for-
eign trade.

War Finance Corporation, previously adopted by the Senate on January 3, the measure became law. On January 15 the managing director of the War Finance Corporation, in responding to various inquiries directed to him, issued a statement regarding the effect of the action taken by Congress, in which he called attention to the provisions of section 21 of the War Finance Corporation act in which the scope of its powers in advancing funds is clearly described. According to the section in question the corporation, in order to promote commerce with foreign countries, may make advances for periods not exceeding five years to any person or firm engaged in exporting to foreign countries, provided that such borrower is unable to obtain funds upon reasonable terms through banking channels. Such loans are to be made only for the purpose of assisting in exportation and are limited in amount to not more than the contract price, including insurance and transportation charges, while the rate of interest is to be not less than 1 per cent in excess of the rate of discount for 90-day commercial paper prevailing at the time of the loan at the Federal Reserve Bank of the district in which the borrower is located. This would mean at the present time a rate of about 8 per cent in certain Federal Reserve districts. The corporation may

also make loans to banks or trust companies which have advanced funds to individual borrowers for the purpose of facilitating exportation, but such advances are not to exceed the net amount which any such bank or trust company has failed to collect from the borrower. Attention was also called to the fact that advances made by the corporation are to be furnished upon promissory notes signed by the borrower, but "with full and adequate security in each instance by indorsement, guaranty, or otherwise." On January 5 the directors of the War Finance Corporation rescinded the former resolutions of May 10, 1920, by which the consideration of further applications for export credits had been suspended. In the statement of January 15, to which reference has already been made, the managing director of the War Finance Corporation said:

"Since January 5, the corporation has been prepared to consider applications for advances that meet the terms of the law in the same manner that it considered advances prior to the suspension of its activities in May. In submitting applications for loans, applicants should set forth in detail all facts relating to their financial condition, the purposes of the proposed advances, and full information to enable the corporation to determine whether the applicants are eligible under the law and can meet its terms and conditions. In so far as is necessary the corporation will give personal hearings to prospective borrowers."

The number of applications for actual advances under the terms of this announcement has, however, been comparatively small.

During the month progress has been reported in the further organization of the corporation projected by the American Bankers Association for financing foreign trade, for which it is intended to raise an initial capital of \$100,000,000. On January 28 the Board approved the articles of association and the organization certificate of the new enterprise, under the name of the Foreign Trade Financing Corporation. In a public statement in New York City, made on January 19, the chairman of the board of directors of the proposed new organization made a tentative preliminary announcement of the personnel of the enterprise and indicated that the plans had been perfected for obtaining

subscriptions to the capital stock. In the meantime one other corporation, organized under the terms of the Edge Act, has been established in the South, with headquarters at New Orleans, its object being primarily to facilitate the exportation of cotton to foreign countries. Thus far none of the undertakings projected has gotten under way or taken up any business.

Adjustment of the questions which are still pending between the United States and the other countries is dependent upon the satisfactory working out of the questions relating to German reparations. These questions were taken under advisement at the conference of allied premiers occurring during the month of January, the purpose being to determine a feasible basis for the settlement of the German reparations payments, with a view to adjusting the payments to Germany's capacity and at the same time endeavoring to obtain for the countries which are entitled to damages the maximum possible payments. On January 29 preliminary announcement was made of the terms of the reparations payments. These included a sum of 232 billion marks (gold), of which 3 billion marks was to be paid annually for 5 years to come, 5 billion marks annually for a second 5-year period, and 6 billion marks annually for the remaining period of 32 years. Associated with these annual payments was, moreover, to be the proceeds of a tax upon Germany's entire export trade amounting to 12 per cent ad valorem. It is further provided that Germany shall undertake no credit operations abroad without the consent of the allies. As yet it is too soon to state whether these terms will in the final analysis be adhered to. Meantime, however, the importance of arriving at and beginning the application of a definite plan of adjustment is evident. This, so far as France is concerned, is indicated by the statement that a very considerable part of her current extraordinary budget outlays has been made in the belief that they would be settled by the use of funds to be obtained from Germany. In the absence of such means of settlement the only way of disposing of these obligations would presumably be through converting

them into long-term bonds or through the increase of taxation. The definite settlement of the basis for reparations is, however, absolutely fundamental to the full resumption of business activity in any direction. Without such definite settlement it is impossible to arrive at a satisfactory adjustment of foreign-trade conditions in so far as these are affected by the future of German industry, which in many lines played an important part in world trade before the war and doubtless will do so again. Foreign countries, therefore, including the United States, are directly affected by the policy to be adopted in adjusting this reparation question, even though, as in the case of the United States, they are not to share in the distribution of the total amounts to be paid as reparations. Particularly does this statement of the situation apply in the case of Germany herself, where the resumption of business on a large scale is necessarily retarded through inability to estimate properly the conditions under which business will be carried on or the probable intensity of taxation pending the time when the reparations plans become fully known. Foreign investors can not be induced to put their funds in any large measure into German enterprises unless they can be assured of a considerably more thorough knowledge concerning not only the tax situation, but the other conditions which they may be called upon to meet. From many standpoints, therefore, it would seem clear that arrival at a positive agreement concerning the German settlement was fundamental not only to the restoration of sound budgetary conditions in France and probably in some other countries as well, but also essential to the reestablishment of foreign trade upon a sound and secure basis. That such is the case must be taken as unquestionably axiomatic—a fact which was realized by the Brussels financial conference as well as in the discussion of international financial affairs, which has been in progress since that time.

A change in the cabinet of France has been the occasion for making known some details with reference to the fiscal transactions of that country during the year 1920. From statements now made it appears that whereas bud-

Reparations conference.

Foreign budgetary conditions.

get estimates of expenditures on behalf of ordinary and extraordinary account during the year 1920 amounted to 27,181 million francs, receipts from taxation during the year amounted to about 20 billion francs. These tax revenues were, it is true, almost double those of the preceding year, but fall far short of the actual current requirements of the nation. For in addition to the expenditures noted above, the 1920 budget provided for an expenditure of 20,751 million francs on pensions and the rehabilitation of the devastated regions. This sum, it was hoped, would be recovered from Germany. The budget during the year 1920 has been divided into three distinct sections, the first, including the ordinary revenues and expenditures; the second, the extraordinary; and the third, expenditures recoverable from Germany. In the ordinary budget has been included all of the revenues from taxes, while against them have been charged the expenditures relating to regular and current obligations of the Government, amounting in the aggregate to 21,761 million francs. Under the heading of extraordinary expenditures have been included those involved in the liquidation of war contracts and the cost-of-living bonuses. This portion of the budget amounts to 5,420 million francs. The third section covers outlays in connection with reconstruction and pensions, which it was assumed were to be made out of the payments to be received from the German Government on reparations. As was mentioned above, this sum totals 20,751 million francs, of which more than 15,000 million francs is to be spent in reconstruction in the devastated regions. As a matter of fact, reparations, while proceeding satisfactorily in the matter of coal and some other items, have remained in an indeterminate condition. To meet these expenditures it was therefore necessary for the Government to float loans both in the spring of 1920 and again recently.

The designation by the British Government of a financial envoy, whose duty it should be to consider with the Treasury Department ques-

tions relating to the treatment of the obligations growing out of Great Britain's war indebtedness to the United States represented by bonds held in the Treasury at Washington, shows that the development of a final and permanent basis of understanding with this country in regard both to past and possible future loans is recognized as a problem of the first moment by those countries which are affected by it.

Gold imports during the calendar year 1920

Gold and silver movements totaled 428.7 millions, compared with 76.5 millions for the calendar year 1919, while gold exports aggregated 322.1 millions, compared with 368.2 millions exported in 1919. Gold imports are shown inclusive of 111.5 millions of gold formerly held earmarked for account of the Federal Reserve Banks by the Bank of England and returned late in the year to this country. This amount does not affect the total gold reserves of the Federal Reserve Banks, since gold held by foreign agencies was counted by the Reserve Banks as part of their reserves. Practically no change for the year is shown in the gold reserves of the Reserve Banks.

Of the total gold imports for the year, 274.9 millions, or over 64 per cent, proceeded from Great Britain; 48.7 millions, or over 11 per cent, from France; 34.2 millions, or 8 per cent, from Canada; and 30.2 millions, or 7 per cent, from Hongkong, smaller, though still important, receipts of gold being credited to Colombia, Mexico, the Dutch East Indies, and Peru. Nearly 60 per cent of the total gold exports for the year were consigned to Asiatic countries and over 31 per cent of the total, or 101.3 millions, to Japan alone, other important Asiatic destinations being Hongkong, China, and the Dutch East Indies. Argentina is shown to have taken about 90 millions, or about 28 per cent, of the total gold shipped out of the country during the past year. Other countries to which large gold shipments were made during the past year are Mexico, which received 18.2 millions, or 5.6 per cent, of the total, Uruguay (12.9 millions), and Canada (5.6 millions).

Net imports of gold since August 1, 1914, were \$891,268,000, as may be seen from the following exhibit:

[In thousands of dollars.]

Dates.	Imports.	Exports.	Excess of imports over exports.
Aug. 1 to Dec. 31, 1914.....	23,253	104,972	181,719
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	1291,651
Jan. 1 to Dec. 31, 1920.....	428,744	322,091	106,653
Jan. 1 to Jan. 10, 1921.....	5,899	1,039	4,860
Total.....	2,287,793	1,396,525	891,268

¹ Excess of exports over imports.

Gold imports for the 10-day period ending January 10 of the present year amounting to \$5,899,000 were received principally from England and France. Of the gold exports, amounting to \$1,039,000 during the first 10 days of the present year, \$969,000 was consigned to Mexico and the balance to Hongkong and Canada.

Silver imports during 1920 totaled 88.1 millions, compared with 89.4 millions in 1919, while silver exports for the year were 113.6 millions, compared with 239 millions exported during the preceding year. Net silver exports for the year were 25.6 millions, as against 149.6 millions in 1919. Over 60 per cent of the total amount of silver brought to the United States came from Mexico, and 12 millions, or 13 per cent, came from Peru. Substantial amounts of silver are shown to have been imported during the past year also from Canada, Chile, the Dutch East Indies, and China. Of the total silver exports, over 84 per cent was consigned to the Far East, exports to China constituting over one-half of the total amount of silver shipped out of the country during the past year. British India, to which in 1919 over 45 per cent of the total silver exports were consigned, received but small amounts of silver from this country during the last year. Silver exports to Great Britain during 1920 totaled 4.9 millions. Over 7 millions were shipped to Canada and 3.2 millions to Mexico.

Net exports of silver since August 1, 1914, were \$457,101,000, as may be seen from the following exhibit:

[In thousands of dollars.]

Dates.	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 Dec. 31, 1920.....	88,060	113,616	25,556
Jan. 1 to Jan. 10, 1921.....	1,231	3,404	2,173
Total.....	382,293	839,394	457,101

Mexico furnished \$877,000, or about 70 per cent, of the \$1,231,000 of silver imported during the 10-day period ending January 10, most of the remainder coming from Peru and the Dutch East Indies. Of the silver exports, amounting to \$3,404,000, over one-half, or \$1,821,000, was consigned to Hongkong, \$830,000 to China, and the remainder to Mexico, Cuba, and Canada.

Developments in the banking field during the last week in 1920 differed essentially from those shown for the first three weeks of the present year. The last week of the past year saw the usual end of year resumption of borrowings, and a consequent increase in individual deposits. Another factor responsible for the large increase during that week—by over 350 millions—in net demand and time deposits was the return flow of large amounts of currency which, after being credited to customers' deposit accounts, were used by the member banks mainly to reduce their indebtedness to the Federal Reserve Banks. A peculiar feature of the week's development was also the increase by over 15 millions in the reporting banks' holdings of United States bonds and Victory notes, apparently taken over from customers desirous to establish losses for income-tax purposes.

During the subsequent three weeks liquidation of loans and investments was practically continuous, affecting all specified classes of loans and investments except Treasury certificates. United States bond and Victory note holdings show a reduction during the first three weeks of present year of about 45 millions, while holdings of corporate securities show an increase of about 13 millions during the two weeks since January 7. Treasury certificate holdings, on the

other hand, show a continuous decline by about 89 millions during the first three weeks of the period under review, largely during the first week in January, when about 135 millions of outstanding certificates matured, and an increase of 55 millions during the fourth week which witnessed the redemption of about 125 millions of certificates matured on January 15 and the allotment on that date of about 310 millions of new loan certificates. Loans secured by United States Government obligations, after an increase by about 20 millions during the last week in 1920, declined by about 81 millions during the subsequent three weeks, loans supported by corporate securities show a similar course and on January 21 were 44 millions less than four weeks before, while other loans and investments, composed largely of commercial loans and discounts, show considerable net liquidation during the last two weeks, with the result that the January 21 total is about 84 millions below the December 24 total. Total loans and investments on January 21 stood at 16,439 millions, or about 253 millions below the total shown four weeks earlier.

Accommodation of the reporting banks at the Federal Reserve Banks during the first three weeks under review declined from 2,174 to 1,894 millions, or from about 13 per cent to 11.5 per cent of the banks' total loans and investments. For the week ending January 21 the Federal Reserve Banks show an increase by about 40 millions in bills held under discount for the reporting institutions, the total held on that date, 1,934 millions, indicating a reduction during the four weeks of about 240 millions, or only slightly less than the net liquidation during the period of aggregate loans and investments of the reporting banks.

For the four weeks between December 30, 1920, and January 28 of the present year the Federal Reserve Banks show a reduction of about 92 millions in their holdings of paper secured by United States Government obligations and of about 263 millions in their total holdings of discounted paper, this reduction being continuous except for the week ending January 21, during which the Federal Reserve Banks increased their discounts by 33.5 millions. Holdings of acceptances purchased in open market show a continuous decline from 255.7 to 165.1 millions. Treasury certificates

on hand fluctuated between 261.3 millions on December 30 and 289.7 millions on January 14, when four Federal Reserve Banks held 28 millions of special certificates to cover advances to the Government pending collection of funds from depositary institutions.

The volume of interreserve-bank discounting showed a continuous decrease, the total of paper held under rediscount for other Federal Reserve Banks by the Boston, Philadelphia, and Cleveland banks declining from 115.3 millions on December 30, 1920, to about 41 millions on the fourth Friday in January. The number of rediscounting Federal Reserve Banks on that date included only those of Atlanta, Dallas, and Minneapolis, both the Richmond and Kansas City Reserve Banks having redeemed their outstanding rediscounted paper during the fourth week in January. On the other hand, the New York bank, during the latter part of the period, increased considerably its sales of bank acceptances to other Federal Reserve Banks, bills thus sold to and held on January 28 by the Boston, Cleveland, and San Francisco banks aggregating 51.8 millions, compared with 6.9 millions of such bills held by the San Francisco bank four weeks earlier.

Net deposits fluctuated between 1,643.2 millions on January 28 and 1,595.4 millions on January 14. Federal Reserve note circulation shows a decline since December 30 of 254 millions, as against a net reduction of 148 millions during the corresponding period in 1920, and of 196.9 millions in 1919. Gold reserves, as the result mainly of further purchases of imported gold, show a continuous increase during the period from 2,059.3 to 2,106.1 millions, while total cash reserves show a much larger gain from 2,249.2 to 2,320 millions. Largely because of the gains in reserves and of the simultaneous considerable reductions in note liabilities, the banks' reserve ratio shows a continuous rise from 45.4 to 49 per cent.

The Helena (Mont.) branch of the Federal Reserve Bank of Minneapolis, opened. authorized by the Federal Reserve Board on June 19, 1919, was opened for business February 1. The Board has designated Helena as a reserve city, in accordance with its established policy of classifying as reserve cities all cities in which branches of Federal Reserve Banks are located.

BUSINESS, INDUSTRY, AND FINANCE, JANUARY, 1921.

Business developments during the month of January have shown a slight but unmistakable turn toward a better state of affairs. At some plants where considerable numbers of men have been unemployed industrial operations have been resumed in whole or in part. The Bureau of Labor, however, reports a total of 3,473,466 unemployed for the country to January 15. Prices in many lines have gone no lower than the level which had been established at the close of 1920. Banking conditions have materially improved, partly through the steadier and more rapid movement of agricultural products to market and partly through the more rapid liquidation of paper already held by member banks. As a result the reserve ratio of the Federal Reserve system had risen to 49 per cent at the last reporting date in the month (Jan. 28). Member bank conditions also show improvement in liquidity and increasing strength. Failures have been relatively fewer. There are signs of a distinct improvement in certain branches of the textile trades, while retailers are now beginning to buy much more freely and actively than heretofore, due to the depletion of the stocks on their shelves. Farm products, although fluctuating more or less widely, have maintained themselves at prices substantially equivalent to those established during December. There has been little or no gain in export trade conditions, but preparations for the placing of export financing upon a more satisfactory basis were believed to lay the foundation for a distinct improvement of the outlook. Changes in wholesale prices were in the main due to an equalizing process whereby certain products which had failed to decline during the earlier period of reduction were brought down closer to a point at which they harmonized with the new level established after the price shrinkages of the autumn. Retail prices have also shown during the month of January a much greater tendency to reflect the changes that had already occurred in wholesale prices. While, therefore, it can not be said that very material alteration of fundamental conditions has occurred, enough progress has been made to give assurance of a steady movement toward sounder conditions in business. There is a wide demand for American goods. The difficulties connected with marketing are found in the question of prices and of terms to be arranged with purchasers.

Agriculture.—As is usual at this season of the year, developments in the agricultural situation have been few and of little importance. Prevailing temperatures throughout the agricultural sections have been mild and comparatively uniform and very little damage has resulted from alternate freezing and thawing except in district No. 4 (Cleveland), where some damage has been done to the wheat crop due to the lack of a covering snow. Snows have fallen in many sections and have been of great benefit to the winter grain, but as yet there is still in general an insufficient amount of moisture. In district No. 8 (St. Louis) it is reported that "on the whole the condition of winter wheat is fair to good," and "thus far there have been fewer complaints than usual of damage from inclement weather," while district No. 10 (Kansas City) states that "wheat generally is reported to have a fine green color and excellent condition." The mild and uniform weather which has prevailed on the whole throughout the winter has been favorable for out-door farm work, and in most sections good progress has been made in plowing for spring crops.

The close of the year found a considerable amount of cotton still unpicked in district No. 11 (Dallas), but it is generally believed that most of the unpicked crop will be saved. In district No. 10 (Kansas City) "the Oklahoma report for the week ending January 4 said 20 per cent or more of the cotton crop, all very low-grade, was still in the fields," while district No. 8 (St. Louis) reports that "belated picking has been stimulated by a temporary market for weather-stained cotton." Some low-grade cotton has been left ungathered in district No. 5 (Richmond) but "due to favorable weather and a slight stiffening in prices, more cotton has been picked during the last two weeks." Little cotton was sold in that district during December, due to the unsatisfactory prices, but around the opening of the new year prices showed an upward tendency. There is still much evidence of the holding movement among cotton producers in district No. 11 (Dallas), but receipts at Galveston as compared with ginnings in Texas to January 1 would indicate that the rate of marketing is "not so far below normal." "Evidence continues to accumulate" that crops will be more diversified in the district in 1921. A heavy increase in winter-grain acreage is reported, and many farmers it is believed will raise a

larger supply of their own necessities from their land. Much talk of reduced acreage, both of cotton and tobacco, continues in district No. 5 (Richmond).

Tobacco.—Conditions in the several tobacco sections continue unsatisfactory. Farmers in district No. 8 (St. Louis) are unwilling to accept the prices offered, claiming that they do not cover the costs of production. It is stated, however, that "the best grades are selling at reasonably fair prices, while the inferior grades, of which the crop is largely composed, are bringing unusually low figures." Little tobacco was sold in district No. 5 (Richmond) during December, and "many of the markets were closed a good part of the month or until after the holidays." In district No. 4 (Cleveland) many of the markets closed shortly after the opening, due to the low price offered. A general sentiment in favor of a reduction in the tobacco acreage apparently exists in all the sections. "Much talk is heard of raising no burley crop in 1921" in district No. 4, "numerous plans to enforce a reduction of acreage have been advanced" in district No. 5, and farmers in district No. 8 "are agitating to hold last year's crop and plant none this year." The above are all tobaccos of the so-called manufacturing and export types. The quality of Pennsylvania cigar leaf is considerably lower than last year, and manufacturers are reluctant to use this grade of leaf. Except for brands for which there is an established trade, demand has decreased within the past 60 days in the industry. The usual dullness during the first week of January has continued in district No. 3 (Philadelphia), and both dealer and buying public display a waiting attitude.

Until December 20 the movement of grain in district No. 9 (Minneapolis) was heavier than last year, but thereafter a decided slump occurred. Total December receipts of all grains at Minneapolis and Duluth thus were 24,078,849 bushels, as compared with 32,227,544 bushels during November and 21,714,154 bushels during December, 1919. The December receipts at Duluth were over five times as large as a year ago, although the Minneapolis receipts showed a decline of almost 10 per cent. Combined December corn receipts at both centers were double those for November, while those of wheat, barley, and rye were about two-thirds as large. "An improved demand for wheat and more liberal supplies were outstanding features of the opening week of the new year" in district No. 10 (Kansas City). Receipts of wheat during the first 15 days of January were 20 per cent larger than a year ago, and corn receipts were 30 per cent larger, but receipts of oats decreased 20 per cent. During December price declines pre-

vailed in district No. 9 (Minneapolis) "with but minor exceptions," and a narrower range was exhibited. Thus the high and low prices of No. 1 dark northern cash wheat in December were \$1.87½ and \$1.52, as compared with \$2.22 and \$1.81½ during November. In early January, however, increase was found in general in the markets in many sections. From mid-December to mid-January the grain markets in district No. 8 (St. Louis) were subject to frequent and broad fluctuations, the character of which reflected "unusually heavy speculative activity." Cash hard winter wheat at Kansas City sold on January 14 at \$1.81–\$1.85, as compared with \$1.69–\$1.70 around Christmas.

Flour milling.—Milling operations in the first part of January increased materially over those during December, but were still considerably lower than a year ago. Kansas City mills during the first week of January were operated at 67 per cent of capacity, during December at 58 per cent, and during the first week of 1920 at 81 per cent. Interior mills, however, continue to operate at below 50 per cent of capacity. In district No. 9 (Minneapolis) present operations are at about 43 per cent, as compared with 65 per cent a year ago. Production of mills representing 75 per cent of the total output of the district was 2,024,470 barrels during the four weeks ending December 25, as compared with 2,460,495 barrels during the four weeks ending November 27, and 2,497,507 barrels during the four weeks ending December 27, 1919. In district No. 12 (San Francisco) 78 millers were operating at 26.7 per cent of capacity during December, as compared with 34.7 per cent during November and 88.9 per cent during December, 1919, while the total December, 1920, output was 399,692 barrels. Mill operations in district No. 8 (St. Louis) are only at about 50 per cent to 60 per cent of capacity. Bakers in Kansas City were more active purchasers at the opening of January than were jobbers. Prices in district No. 8 (St. Louis) have fluctuated considerably, but with an upward trend, principally in sympathy with the advance in wheat futures. Country mills are relatively busier than the larger city plants in that district, due to the fact that the former sell their product locally, and thus do not feel the present lightness of foreign buying.

Live stock.—In live-stock regions, the exceptionally mild winter has made possible a large amount of grazing, so that little feeding has been necessary in many sections, and conditions have been beneficial to the stock. Throughout district No. 10 (Kansas City), precipitation was very light during December, and at the end of the month most of the range country was in need of moisture. In New

Mexico, also, stock water is becoming scarce in some sections, and the drought is beginning to cause some apprehension on the part of cattle interests. District No. 12 (San Francisco), however, reports that "range, feed, and moisture conditions continue favorable in practically all sections, and live stock is generally reported as thriving." In California, green feed is abundant except in a few southern counties, but in the intermountain country a layer of winter snow over most of the winter feeding area made necessary a considerable amount of feeding of hay. Hay, however, is plentiful, and the price low. The movement of live stock to market has been lighter. Receipts of cattle at 15 western markets during December were 984,309 head, as compared with 1,781,261 head during November and 1,641,731 head during December, 1919, the respective index numbers being 98, 177, and 163. Receipts of sheep likewise decreased from 1,542,477 head in November to 942,858 head in December, as compared with 1,588,661 head in December, 1919, the respective index numbers being 113, 69, and 116. December receipts of hogs, however, were 2,932,052 head, corresponding to an index number of 133, an increase over the November figure of 2,624,185 head, corresponding to an index number of 119, but much less than the December, 1919, figure of 3,708,409 head, corresponding to an index number of 169. Similar testimony comes from the individual Federal Reserve districts. Total receipts of live stock at South St. Paul during December were only about one-half of those during November, and less than three-fourths of those a year ago. The receipts of cattle and sheep in particular were affected, amounting only to about one-fourth of the November receipts, and cattle receipts were less than one-half of the December, 1919, figures. In district No. 10 (Kansas City), receipts of cattle during December were about 50 per cent of those during November and during December, 1919, and receipts of hogs, while showing a slight increase over the November figures were about 35 per cent less than during December, 1919. Cattle receipts at Fort Worth were the smallest for any December in 13 years. In district No. 10 (Kansas City) the markets from mid-December to mid-January were irregular, and there was a narrowing of the range of cattle prices. Prices of hogs and sheep advanced after the opening of the year. Prices at Fort Worth were at an exceptionally low level during December, in spite of the small receipts. In district No. 9 (Minneapolis) lower prices prevailed throughout December, due, primarily, it is stated, to the great reduction in demand for foreign export, while there was also a substantial

decrease in the demand for beef to be placed in freezers. In district No. 12 (San Francisco), however, prices "were generally maintained at November levels," and in district No. 8 (St. Louis) "the average shows very little change from the preceding month."

Lumber.—Lumber prices as yet show no tendency to advance. Indeed, in district No. 3 (Philadelphia) there has been a general drop with the exception of the better grades of white pine, which advanced \$5 per thousand. In district No. 6 (Atlanta) the average prices realized from December sales were probably 15 per cent less than in November and fully 50 per cent less than for December of last year. Consumers demand further reductions from retailers, who have already received substantial reductions from the manufacturers. The latter claim that the present prices for lumber at the mills will not pay for the cost of production.

In view of the lack of demand, production of lumber continues to decline. A large proportion of the southern pine mills located in district No. 6 (Atlanta) are running on part time or shut down altogether, and production as reported by 125 mills belonging to the Southern Pine Association showed for the week ending Friday, January 7, an actual production 51.5 per cent below normal. Orders were 57 per cent below normal production. Twenty-four mills belonging to the Southern Pine Association located in district No. 11 (Dallas) reported actual production 47 per cent below normal, while orders are 54 per cent below normal production. While some part of the general decline in production is partly due to closing for annual repairs, overhauling, and inventories, it is due mainly to the reduction in orders caused by the general depression in business. In district No. 12 (San Francisco) production has receded gradually since May, 1920, reaching the low point of the year in December, when, according to the figures of the four lumber associations, the output was 34 per cent less than in November. For the first time since July, 1920, the cut of the principal producers in the district, the West Coast Lumbermen's Association, was less than shipments and 61 per cent below normal. The San Francisco report says "both the orders received by and the shipments of the four associations combined touched the low points of the year during December. The total volume of new business booked by all reporting mills was 37 per cent less than that of the preceding four weeks, and the shipments showed a decrease of 17 per cent."

Coal.—Production of bituminous coal during December was 52,560,000 tons, as compared with 51,012,000 tons in November and 36,612,000 tons in December, 1919, the re-

spective index numbers being 142, 138, and 99. The average production per workday, however, has been steadily downward since mid-December, and the present daily rate is lower than in the corresponding period during any of the four previous years, except 1918, when a severe storm caused railroad congestion and thus affected production. Present curtailed production is attributed to lack of orders. The characterization of the present situation in the soft coal trade from district No. 3 (Philadelphia) is typical of the reports received from other districts also. It states that business is "comparatively dull, owing to smaller domestic demand incident to the curtailment of industrial operations, the decline in the export trade and finally the elimination of speculation which was so pronounced about two months ago." In consequence, prices have shown a decline. Mining and shipping in district No. 4 (Cleveland) have been affected, but there has been a very large movement. In district No. 10 (Kansas City), however, after the usual slowing down during the holidays, operations during the first two weeks of January were little, if any, below those for the first three weeks of December. Prices are "a shade easier" than one month ago, but up to the present time no material changes in wages have been reported. Supplies of coal and coke are "ample" in district No. 8 (St. Louis), and surpluses are reported in a number of localities. Prices of coal to ultimate consumers have been reduced slightly in St. Louis and other large cities of the district. Reflecting the industrial situation, the production of beehive coke has continued to decline. Prices have been affected correspondingly, the lowest point being reached as a result of the holiday accumulations, and an increase was again shown as these were worked off.

Anthracite coal production during December was 8,469,000 tons, as compared with 7,519,000 tons during November and 8,089,000 tons during December, 1919, the respective index numbers being 114, 102, and 109. During January, however, there has been continued recovery from the holiday depression, and the weekly output is again approaching the 2,000,000-ton mark. A strong consumers' demand exists, it is stated from district No. 3 (Philadelphia), in spite of the exceptional mildness of the winter. Steam sizes, however, are "draggy." Two large railroad company producers have raised stove and nut sizes 15 cents per ton.

Crude petroleum.—The production of crude petroleum has shown a decrease. In district No. 10 (Kansas City) refiners reduced purchases of crude oil from 30 per cent to 50 per

cent during the past 30 days. In consequence, average daily production in Kansas and Oklahoma fell from 386,000 barrels during the week ending December 24 to 347,000 barrels during the week ending January 14. Production in district No. 11 (Dallas) during December was 12,833,574 barrels, as against 13,347,352 barrels during November, the heaviest decline being reported in the Texas coastal fields. In both districts the decline in production is attributed in part to the inadequacy of pipeline and storage facilities. Some of the refiners and large users of crude oil are increasing their capacity for transportation of oil to market centers in district No. 10, while new pipe lines are being completed in central west Texas. Drilling activities in Texas were sharply curtailed, while fewer wells were completed in December in Oklahoma and Kansas than in November, although Wyoming showed an increase. The prices of both crude petroleum and various refined products have declined.

Iron and steel.—New business in the iron and steel industry continues light, and, as a whole, it is stated from district No. 3 (Philadelphia) that the industry continues in the "lethargic" state which has existed for several months. This is in spite of "a marked increase in the competition for new business" which has closely accompanied the downward trend in prices. The decline in prices in that district, however, is "at a slower rate than at any time since the recession started." Declines are found both in the raw materials and finished products, and independent producers are reported to have shaded the general market level in some lines, such as plates and sheets. Many independent companies in district No. 3 (Philadelphia) and district No. 4 (Cleveland) have reduced wages 15 per cent to 20 per cent, and a general reduction of 15 per cent will be put in effect February 1 in the Lake Superior ore district by those operators who have not taken this step already. The United States Steel Corporation, however, has made no changes in wages in its ore mines or plants. The situation is reflected in the continued difference in operating position between the independent companies and the United States Steel Corporation. The latter is reported to be operating at practically full capacity in the Pittsburgh district and at over 80 per cent of finishing capacity in the Chicago district. On the other hand, in district No. 4 (Cleveland) "it is doubtful if the independent capacity is more than 30 to 40 per cent active," and "at mid-January but 12 per cent of the independent steel capacity in the Mahoning Valley was in commission," while in district No. 3 (Philadelphia) "operations represent only 35

per cent of capacity, as compared with 40 per cent a month ago." Sharp inroads have been made on unfilled orders, and those of the United States Steel Corporation at the close of December had further decreased to 8,148,122 tons from 9,021,481 tons at the close of November, the respective index numbers being 155 and 171. Only a few concerns in district No. 3 "have more than enough orders to enable them to continue operations longer than two or three months." Several concerns which produce finished and semifinished products are now operating at full capacity in order to restore depleted stocks. Cancellations in the district, which were quite prevalent a month ago, have tended to decrease in number. Steel-ingot production during December was 2,340,365 tons, corresponding to an index number of 100, as compared with 2,638,670 tons during November, corresponding to an index number of 113. Pig-iron production also showed a falling off from 2,934,908 tons during November to 2,703,855 tons during December, the respective index numbers being 127 and 117. The blowing out of merchant blast furnaces has continued in district No. 4 (Cleveland), until the smallest number of this class in about two years now is producing. Production of pig iron in Alabama is being held to a minimum. It is reported that blast-furnace companies in their inventories have marked down their iron ore on hand from 50 cents to \$1.50 a ton, but the ore-selling companies have not as yet announced ore prices for 1921. The amount of fabricated structural steel, for which contracts were made during December, was 47,000 tons, or 26 per cent of the country's capacity, as compared with 49,200 tons, or 27½ per cent during November. While both orders and shipments of the Bridge Builders and Structural Society, representing 40 per cent of the total fabricating capacity of the country, increased for December over the November figures, work ahead decreased from 134,200 tons, or a little less than 2 months, at the close of November to 112,525 tons, or a little over 1½ months, at the close of December.

Nonferrous metals.—A somewhat better tone to the nonferrous metal markets was reported at the opening of the month, and the markets have been helped by the recovery in sterling exchange. Lead was most active and strongest, the open market level being a little over the figure of 4.75 quoted by the leading interest, but toward the middle of the month was again quieter. Foreign demand for copper was somewhat better than the domestic demand. As the cheaper lots were eliminated prices again became firmer. Tin became decidedly firmer at the opening of the month

but subsequently declined in sympathy with the London market. Consumers' demands have been light. The zinc market has been very restricted, with demand light and prices low. December copper production reported in district No. 9 (Minneapolis) amounted to 20,608,819 pounds, as compared with 20,842,897 pounds in November, and 16,516,308 pounds in December, 1919, an increase of about 25 per cent over the last figure, due largely to the shutdown of one of the leading Montana producers for a part of the month of December, 1919. In district No. 12 (San Francisco), however, copper production was substantially curtailed during December, several mines having shut down, while others reduced their operations to 50 per cent of capacity. The average price of blende ores in the Kansas City district was \$31.51 during December, which was the lowest prevailing in the zinc-ore market for many years.

Cotton.—The Census Bureau reports consumption of cotton by the mills of the country in the period from August 1 to December 31 to be 1,967,000 bales, as compared with 2,554,000 bales for the corresponding period a year ago. Only 294,800 bales were consumed in December, 1920, as compared with 511,500 bales in December, 1919, and 332,000 bales during the preceding month. A slight advance in prices occurred after the opening of the new year, but was followed by declines. The total cotton exports during December were 788,578 bales, as compared with 685,323 bales in November and 876,852 bales in December, 1919.

There has been some improvement in the cotton textile industry of New England during the past month, especially in the market for yarns, for which there has been an increased demand and a resultant increase in prices. The report from district No. 1 (Boston) says: "As a whole a very real effort has been made to place values on such a level that buyers will feel that the stabilization so necessary to attract a normal demand has been attained. Quotations upon standard cloths for the second week in January indicate, in fact, that price reductions in manufactured goods have outrun the decline in the raw material. Upon comparable dates spot middling upland cotton had declined 54 per cent from its quotation of a year ago, while 28-inch print cloths, 64 by 60's, were quoted at 6 cents as against 14½ cents and 38½ inch, 64 by 60's, gray goods at 8½ cents in comparison with 23 cents in January, 1920. Reductions averaged over 60 per cent. In like manner brown sheetings, 4-yard, 56 by 60's, had fallen from 29 to 11½ cents, and reductions of 58 per cent in tickings, 62 per cent in denims, and approximately 50 per cent in dress gingham and standard prints indicate

the breadth and severity of price readjustments made by manufacturing interests."

On the other hand, the situation in district No. 3 (Philadelphia) has remained virtually unchanged. The report states that "the market for heavy cottons is exceptionally dormant, and as a consequence every plant in the district making these fabrics is either completely shut down or operating but two or three days a week at reduced capacity in order to retain its working organization." Cotton-yarn mills have further curtailed operations, and it is estimated that hardly 20 per cent of capacity is being maintained in the district and even then the output is not being disposed of. During the third week in January there was a slight increase in quoted prices. In North and South Carolina signs of recovery were much more in evidence, and some of the textile mills have resumed operations on approximately full time. In a majority of the southern mills wage reductions averaging about 25 per cent have become effective.

Wool.—There are some evidences of a slight improvement in the market for raw wool. To be sure, it is estimated that over 70 per cent of the wool clip of district No. 12 (San Francisco) is still in the hands of the growers or held for them on consignment in the eastern markets or at Portland, but the late December wool movement was reported to be heavier than for many weeks, and it was significant that a disposition to make further price concessions was then lacking. A slight increase in prices of raw wool was noted in the Boston market at the end of December, where the Government auction of carpet wools brought prices from 5 per cent to 10 per cent above those immediately preceding. On the other hand, the English Government auctions during the middle of January resulted in the sale of only 25 per cent at open-market rates. There has been an increased importation of wool tops made in England which at current exchange rates can be imported into the country and sold in competition with the domestic product. There has been no particular change in the goods market and no new developments to report, as mills are still running much below capacity. District No. 1 (Boston) calls attention to the fact that the total amount of wool consumed by manufacturers in November was only 38.3 per cent of the amount used in January, 1920, the high point of the period of activity. In district No. 3 (Philadelphia) woolen yarn mills are said to be operating at approximately 50 per cent of capacity, with about half the usual number of employees.

About the middle of January hosiery mills in district No. 3 (Philadelphia) began to re-

ceive orders from jobbers for immediate delivery, with the result that prices of particular numbers advanced somewhat. Thirty firms selling to the wholesale trade reported production for December (selling price) to be 70.3 per cent below December, 1919, but 29.4 per cent greater than in the preceding month of November. Finished products on hand at the end of the month (selling price) were also 15.8 per cent less than in November, although 57.5 per cent greater than they were at the end of 1919. Unfilled orders at the end of the month (selling price) were 88.4 per cent below the totals for last December and 23.3 per cent less than at the end of November. One of the largest hosiery manufacturers in the United States, in district No. 5 (Richmond), states that in the first two weeks of January he secured more orders than during the entire three months preceding.

In the underwear industry, likewise, some increase in orders for both immediate delivery and for early spring shipment have been received. The orders for spring delivery are very limited, however, notwithstanding the fact that the stocks held by retailers and jobbers are small. Eighteen underwear firms located in district No. 3 (Philadelphia) report production in December (selling price) to be 42.6 per cent less than during the preceding month and 74.7 per cent less than during the same month a year ago. Finished products on hand at the end of the month, although showing a slight decrease of 3.7 per cent from the preceding month, were 474.8 per cent in excess of stocks held in December, 1919. Orders booked during the month, however, had increased 38.8 per cent as compared with November, but were 14.8 per cent below the totals for December, 1919. Unfilled orders on hand at the end of the month were 58.6 per cent greater than in November, but 93.4 per cent less than the amounts outstanding in December, 1919.

Carpet and rug mills in district No. 3 (Philadelphia) have so far experienced no revival of demand. A very few mills are operating at full capacity for stock; about one-third of those reporting have retained their full working force on part time; the rest are either completely shut down or else maintaining a skeleton working organization but doing practically nothing. Salesmen sent out in November and early December are reported to have been unable to secure orders.

Silk.—There have been practically no changes in the raw silk markets during the month, the price being stabilized around \$6.20 per pound as compared with \$18 a year ago. Stocks in the warehouses in district No. 2 (New York) decreased about 8 per cent during De-

cember, and on January 1 amounted to about 44,536 bales. There is reported to be an increase in the demand for silk piece goods from retailers and from dress and waist manufacturers, with the result that piece-goods manufacturers have entered the raw-silk markets to fill immediate needs. A few manufacturers have likewise increased the scale of their operations, but there has been no resultant increase of activity in this field. In Paterson, N. J., silk looms are now running at about 14 per cent of capacity in terms of loom hours, as compared with 7 per cent in December. It is said, however, that 10,000 of the 24,000 looms in the city are entirely idle, while the rest are running at about 25 per cent of capacity. Elsewhere in New Jersey reports from factories with about 4,600 looms show operations to be at about 34 per cent of capacity.

Hides and leather.—The drastic declines in the prices of hides appear to have been arrested during the past month and calfskins have even advanced slightly. Shoe factories in district No. 1 (Boston) have been reopening, with the result that the leather market has also registered some price advances. The increase in production both in December and in January was stated to be "perceptible," although not large. Manufacturers in the district did not hold large stocks either of leather or of finished shoes. On the other hand, tanners' stocks of leather were still large, and tanneries in the district were being operated at only about 30 per cent capacity. In district No. 3 (Philadelphia) shoe manufacturers have received more orders for immediate delivery and some for spring shipments, and the result has been a slight increase in operation of plants already active, while some which had been closed down have again resumed. Many tanneries in the district have also opened, although the percentage of capacity being operated is much restricted, in view of the large amounts of finished stock on hand. Sales by shoe houses located in district No. 8 (St. Louis) in December were far below totals of the same month in 1919 and shipments had decreased anywhere from 28 to 42 per cent. Since January 1, however, two leading manufacturers reported slight increases. The percentage of plant capacity in operation in this district was decidedly above the average for the country at large being estimated at 50 per cent.

Unemployment.—There has been no revival of industrial operations on a scale greatly to reduce the widespread unemployment which was prevalent a month ago. It is probable, however, that the slight increase in activity in leading New England industries during the month has brought a measure of relief, but that would not be reflected in the latest statistics at

the end of December. In the South and West, furthermore, the situation has become more acute, while in district No. 12 (San Francisco), previously only slightly affected, unemployment is stated to be abnormally great for this season. Wage reductions have likewise continued to be announced and have spread to sections of the country where wage rates have hitherto been maintained at high levels. In the New England district probably 100,000 operatives in the textile mills have been affected by wage reductions, which on the average amount to about 22½ per cent. Although reductions have not been quite so large in the boot and shoe industry, they have been extensive, but so far the wage cuts have not stimulated employment to any marked degree. At the end of December the Massachusetts Department of Labor and Industries on the basis of returns from unions having a membership of 199,022, reported over 57,000 persons, or 28.9 per cent, without work. The returns from the textile unions showed 48.2 per cent of the membership unemployed, while in the boot and shoe industries 47.3 per cent of members of reporting unions were unemployed. Public employment offices in the State noted a slight increase in the demand for labor in January, but the Boston office stated that the number of applicants was the greatest on record in the first days of January.

In district No. 2 (New York) unemployment increased in January, and numbers of workers employed were about 4 per cent below December figures. The New York State Industrial Commission estimates that the factories of the State were employing 300,000 fewer wage earners than last spring. Some textile mills have reopened and there has been greater activity in the men's clothing industry of Rochester, but, on the other hand, transportation companies dropped a considerable number of employees in January; unemployment was likewise widespread among longshoremen, freight handlers, dock workers, and seamen, while there were further reductions in iron and steel plants. A survey made by the United States Department of Labor of the industries of New York State most seriously affected showed for a selected list of firms with 2,258,963 persons on their pay rolls January 1, 1920, a reduction to 1,611,920 persons employed January 1, 1921, a drop of 32 per cent. In district No. 3 (Philadelphia) unemployment is prevalent as a result of the continuance of shutdowns of plants or curtailment of operation in many lines of industry. In January work was resumed in some of the textile mills of district No. 5 (Richmond), but in the building trades and in the ranks of unskilled labor there is a serious lack of employment. In District No. 6 (At-

lanta) a large number of blast furnaces and some mines have closed down entirely, while others are operating only two to four days a week. Mills and factories are also running on a much reduced working basis, and the number of unemployed has increased decidedly. Idleness is most widespread in the ranks of the unskilled. In many lines wage reductions have already been made or have been announced. An attempt of building trades employers in Atlanta to put a reduced wage scale into effect has met with union opposition, however, and a projected reduction in wages of the Atlanta, Birmingham & Atlantic Railroad equal to 50 per cent of increases granted employees since 1917 has likewise been resisted. Conferences are being held between representatives of the employees and company officials. Unemployment has become more pronounced in district No. 8 (St. Louis) during the past month, being especially felt in industries such as iron and steel, automobiles, shoes, furniture, clothing, and lumber. So far wages have remained fairly steady despite the decline in numbers employed. A return flow of labor from cities to the farms is especially noticeable in this district.

A recent survey by the Minneapolis Civic and Commerce Association, covering 116 manufacturers employing 26,703 workers a year ago, showed a reduction of 22½ per cent in numbers employed, decreases being greatest in the wood-working and paper industries, which had about 64 per cent of the number of men employed a year ago. Iron and steel industries had retained 67 per cent of the working forces of a year ago and clothing firms, 71 per cent. In food and food products lines, however, the reduction had only amounted to 9 per cent as compared with January, 1920. Elsewhere in district No. 9 (Minneapolis) unemployment is also increasing. No work is in progress at the Duluth shipyards, and it is stated that reports from a selected list of mining operators indicates that in Montana the number of men employed was only 70 per cent of those employed in December, 1919, while in Michigan the corresponding figure was 66 per cent. Among the lumber manufacturers reporting directly to the Federal Reserve Bank of Minneapolis the numbers were 66 per cent of the totals of a year ago. In California, apparently, employment conditions are not unfavorable, but elsewhere in district No. 12 (San Francisco) numbers out of work are abnormally large. In Portland 11,000 were unemployed as compared with a normal figure of 5,000, in Spokane 2,500 (normal 1,500), and in Nevada 3,000 were unemployed in the mines as compared with a year ago. Wage

reductions of 10 to 20 per cent have occurred in various parts of the district.

Wholesale trade.—The decrease in wholesale trade activity continued throughout December. Sales as measured in terms of values were extremely light, and losses were reported both as compared with the preceding month and with a year ago. Reduced activity was particularly marked in the southern and southwestern sections of the country. Retailers generally have placed few orders and have shown extreme caution, a policy reflected in the buying operations of wholesalers. In wholesale grocery lines demand is very restricted, although there has been a halt in the severity of price declines, and in some cases minor advances have been noted. The 51 reporting firms in district No. 3 (Philadelphia) had average net sales during the month 13.1 per cent below November sales and 22.3 per cent less than during December, 1919. In other districts from which data were secured decreases as compared with December, 1919, ranged from 18.8 per cent for district No. 4 (Cleveland) to 43 per cent for district No. 11 (Dallas). In district No. 11 (Dallas) the drop was also especially pronounced as compared with the preceding month. Changes in wholesale dry goods sales varied from totals 19.5 per cent below those for December, 1919, in district No. 7 (Chicago) to an average decrease of 60 per cent in district No. 11 (Dallas), while the averages showed great diversity for the six reporting districts. All districts report a falling off in hardware sales as compared with the preceding month, but district No. 3 (Philadelphia) is unique in showing average sales for 25 reporting concerns substantially the same as a year ago, whereas in the other districts declines have ranged from approximately 17 per cent to about 39 per cent. Reporting shoe firms in districts No. 6 (Atlanta), No. 7 (Chicago), and No. 12 (San Francisco) record declines in the neighborhood of 40 per cent, or, to be more specific, varying from 37.7 to 47.9 per cent. But district No. 5 (Richmond) reports a reduction of 78.8 per cent in sales as compared with December, 1919.

Retail trade.—The general situation in retail trade has been characterized by considerable buying, but this has been of a careful and discriminating nature. Thus it is stated from district No. 8 (St. Louis) that "the public is as discriminating as heretofore, but is purchasing where prices seem to square with its idea of cheapness." As would be expected in view of the holiday season, December sales in general have increased over those for November, although not to the same extent in all sections.

In district No. 7 (Chicago) the December volume of sales "seems to have held its own with that of last year," although many stores attribute this to "a heavy mark down in prices." Retail trade in December "took an upward turn of substantial proportions" in district No. 11 (Dallas), having increased 26.3 per cent, while in district No. 12 (San Francisco) an increase of 54.1 per cent was shown. In both these districts, however, a decrease from last year is shown, amounting to 2.9 per cent in district No. 11 (Dallas) and 4.3 per cent in district No. 12 (San Francisco), but in district No. 7 (Chicago) there was an increase of 10.6 per cent. December sales of Boston stores increased 1.4 per cent over a year ago, but sales of outside stores decreased 6.4 per cent. Many of the latter are located in "one industry" cities, and they promptly feel the effect of business depression in that industry. Retail trade since Christmas on the whole has been better in Boston than it was a year ago, although country stores generally report a slight falling off in sales. In general throughout the country, however, merchants have not restored depleted stocks. In practically all districts stocks at the close of December were considerably less than at the close of November. The decrease in district No. 1 (Boston) amounted to 18.3 per cent, in district No. 5 (Richmond) to 25.9 per cent, in district No. 11 (Dallas) 28.8 per cent, and in district No. 12 (San Francisco) 14.3 per cent. No tendency exists to place new orders for future delivery. Further recessions of outstanding orders amounts to 2.5 per cent in district No. 5 (Richmond), 2.7 per cent in district No. 11 (Dallas), and 5.8 per cent in district No. 12 (San Francisco).

Building.—For the first time in some months an increase in the value of permits issued is shown in some districts in December. The number of permits issued, however, with the exception of scattered centers, has continued the decrease characteristic of preceding months. The building contracts awarded in New York State and northern New Jersey, district No. 2 (New York), according to the reports of the F. W. Dodge Co., were 616 projects at a cost of \$17,000,000 for December, while in November there were 694 projects at a cost of \$29,500,000. In district No. 3 (Philadelphia) the decrease was largest, as there was a drop from \$2,303,445 to \$1,443,715. In district No. 4 (Cleveland) the number of permits issued decreased, but there was a very large increase in value, amounting to \$8,976,700 in December as against \$5,901,026 in November. The value of permits issued in Cleveland increased from \$2,402,100 in November to \$6,391,994 in December. During December a

decrease was shown in practically every city in district No. 5 (Richmond) when compared with the same month a year ago, the value being only about 40 per cent. In district No. 6 (Atlanta) large decreases were noted in the leading cities, while some increases were noted in some of the smaller cities. It is reported from district No. 8 (St. Louis) that "a heavy slump in number of building permits and dollar values involved is shown in reports of leading cities of the district for December. Virtually nothing in the way of new construction is being undertaken at the moment." In district No. 9 (Minneapolis) December building operations, when measured by number of permits, decreased one-third from the November figures, but the valuation increased 21 per cent, due entirely to Duluth and Superior operations, which cities alone showed an increase in valuation. Minnesota alone showed an increase in the number of permits issued. District No. 10 (Kansas City) states that "the showing made by the December reports on building was somewhat better than anticipated." There was a decrease in every leading city of district No. 11 (Dallas), with the exception of Shreveport, La., as compared with the previous month. When compared with the closing month of 1919 there was a decrease of 66.8 per cent for the nine leading cities, Austin and Beaumont being the only cities showing increases. District No. 12 (San Francisco) reports that "building activity in this district during December, 1920, was 5.8 per cent greater than that of November. Each of the principal centers except Los Angeles, where a decline of 39.3 per cent in the value of permits occurred, reported an increase in value but a decrease in the number of permits issued."

Prices.—The Board's index number of wholesale prices showed a further decline of 10 per cent during December. In early January, certain staples—notably grains, cotton, and other agricultural products—rose in price, but later in the month declined again. At the same time other leading commodities, such as crude and refined oils and bituminous coal, which had not been greatly affected in earlier months, were increasingly weak, while iron and steel products and many less important commodities continued to decline.

One of the striking features of the early period of the present price movement was the difference in the degree to which individual commodities were affected. Textiles and leathers were practically without a market at the same time that steel products, gasoline, kerosene, etc., were in heavy demand. By January, however, this situation had changed and practically all industries—the unimportant as

well as the important—had begun to make price revisions. In some cases, notably iron and steel, copper, coke, and live stock, the reductions in the course of the last three or four months have been very heavy, while in others, such as anthracite coal, comparatively slight changes thus far have been made. In the wool and silk markets something more nearly approaching stabilization of values existed in January than in earlier months. Although there was thus established a more satisfactory trading basis in these raw materials markets, the same was not the case as regards finished piece goods. In these lines trading continued on a very limited scale.

The Board's index number for December shows wholesale prices at that time 71 per cent above prewar, although 35 per cent below the peak of last spring. A compilation of the Bureau of Labor statistics shows an average reduction in the cost of living for the whole country of about 7 per cent between June and December of last year. This estimate is based upon a study of prices in 32 leading cities, the greatest decline in any city amounting to 10 per cent, the least to $2\frac{1}{2}$ per cent. Nevertheless, the December level of the cost of living in the country as a whole is still approximately twice as high as before the war.

Financial.—Financially, the developments during the month have been encouraging. The improvement in the Federal Reserve ratio which brought the percentage up to about 49 at the close of January was due to steady liquidation of loans by member banks and to reduction of discount accommodations at the Federal Reserve Banks. Slackening in the demand for credit resulted in a material reduction in the total outstanding volume of Federal Reserve note circulation, amounting in the month to about \$254,000,000, while gold holdings increased by about \$47,000,000 net. In private finance the month has been a period of improvement of value in most classes of securities. Various minor issues of foreign public bonds have been floated with success, and a number of relatively important private issues have been sold to the public, although all of these sales have taken place at rates which indicate a continuation of high levels of interest. Although during the month the call money rate was for a short time as low as 6 per cent in the New York market, it promptly reacted to 7 per cent, while time funds have been relatively scarce. The shrinkage in business has been accompanied by a comparative decline in the activity of the use of bank deposits. Demand for the best class of bankers' acceptances has continued good, and while export trade and paper growing out of it have been in an uncertain condition, there has been

a somewhat unexpected but nevertheless gratifying improvement in the values of nearly all foreign currency, sterling especially making a notable gain and reaching a level higher than any attained since July, 1920.

CONDITION OF WHOLESALE TRADE.

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

District.	Groceries.		Dry goods.		Hardware.		Boots and shoes.		Furniture.	
	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.
No. 3.	-13.1	51	.....	.....	-1.7	25	.....	.....	.....	.....
No. 5.	-9.0	10	-32.9	.....	-25.4	9	-60.4	9	-51.9	5
No. 6.	-3.4	11	-35.3	11	-15.0	9	-28.4	9	.....	.....
No. 10.	-15.1	3	.....	.....	-20.8	3	.....	.....	-32.5	4
No. 11.	-21.0	3	-66.0	2	.....	.....	.....	.....	.....	.....
No. 12.	-17.8	29	-46.7	13	-11.2	22	-19.2	15	-16.7	18

District.	Drugs.		Stationery.		Farm implements.		Auto tires.	
	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.
No. 10.	-6.1	4	.....	.....	.....	.....	.....	.....
No. 11.	-8.0	4	.....	.....	-1	2	.....	.....
No. 12.	-5.6	9	+28.9	15	.....	.....	71.8	15

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

District.	Groceries.		Dry goods.		Hardware.		Shoes.		Furniture.	
	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.
No. 3.	-22.3	51	.....	.....	+ 0.9	25	.....	.....	.....	.....
No. 4.	-18.8	13	-20.0	4	-16.9	6	.....	.....	.....	.....
No. 5.	-16.0	10	-54.2	9	-23.5	9	-78.8	9	-60.2	5
No. 6.	-24.3	11	-39.4	11	-30.8	9	-47.9	9	.....	.....
No. 7.	-26.4	21	-19.5	10	.....	.....	-37.7	5	.....	.....
No. 10.	-17.3	3	.....	.....	-38.9	3	.....	.....	-55.9	4
No. 11.	-43.0	3	-60.0	2	.....	.....	.....	.....	.....	.....
No. 12.	-19.6	29	-27.8	13	-17.9	22	-40.0	15	-37.5	18

District.	Drugs.		Stationery.		Farm implements.		Auto tires.	
	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.
No. 4.	-17.0	4	.....	.....	.....	.....	.....	.....
No. 10.	-8.2	4	.....	.....	.....	.....	.....	.....
No. 11.	-9.0	4	.....	.....	-71.0	2	.....	.....
No. 12.	+2.9	9	+13.0	15	.....	.....	-5.8	15

PRODUCTION OF KNIT GOODS.

Owing to unforeseen delay it is necessary to defer publication of the January statistics of knit goods until the March issue of the BULLETIN.

FINISHED COTTON FABRICS.

Reports received from 34 of the 58 members belonging to the National Association of Finishers of Cotton Fabrics show a total number of finished yards billed during the month at 39,594,000, as compared with 40,734,000 the preceding month. The total average percentage of capacity operated was 29 per cent during the month of December, as compared with 25 per cent during the preceding month. Total

gray yardage of finishing orders received amounted to 32,882,000 yards in December, as compared with 28,971,000 yards in November. The total average work ahead at the end of the month increased somewhat, and the average for all districts was 4.2 days, as compared with 3.9 days in the month of November. District No. 1, however, reported only 2.9 days of work, as compared with 2.5 days for the preceding month.

Production and shipments of finished cotton fabrics.

	November, 1920.				December, 1920.			
	White goods.	Dyed goods.	Printed goods.	Total.	White goods.	Dyed goods.	Printed goods.	Total.
Total finished yards billed during month:								
District 1.....	5,326,612	6,915,463	4,104,044	17,660,068	5,322,818	7,660,855	4,587,901	18,926,886
2.....	4,906,934	1,002,936	2,885,407	11,248,069	4,244,452	541,777	2,007,457	9,136,678
3.....	3,623,192	2,662,713	6,632,263	3,632,263	3,672,383	3,430,103	3,430,103	7,526,931
5.....	3,461,194	24,028	3,485,222	2,571,262	2,571,262	46,526	46,526	2,617,788
6.....	28,041	344,978	373,019	39,430	39,430	292,833	292,833	332,263
8.....			1,335,530					1,054,102
Total.....	17,345,973	10,950,168	6,989,451	40,734,171	15,850,345	11,972,094	6,595,358	39,594,648
Total finishing charges billed during month:								
District 1.....	\$114,998	\$316,082	\$236,209	\$765,071	\$128,208	\$332,788	\$269,634	\$817,994
2.....	\$109,032	\$34,561	\$165,609	\$375,723	\$93,131	\$25,847	\$127,937	\$316,943
3.....	\$135,680	\$104,079	\$248,429	\$159,356	\$159,356	\$137,670		\$308,401
5.....	\$70,177	\$158	\$70,335	\$50,757	\$50,757	\$321		\$51,078
6.....	\$611	\$14,648	\$15,259	\$820	\$820	\$12,408		\$13,228
8.....			\$24,099					\$13,438
Total.....	\$430,498	\$469,528	\$401,818	\$1,498,916	\$432,272	\$509,034	\$397,571	\$1,521,082
Total average per cent of capacity operated:								
District 1.....	25	19	20	21	29	26	20	24
2.....	31	11	34	21	46	10	22	26
3.....	56	24		38	64	29		44
5.....	47			47	50			50
6.....				17				27
8.....				51				42
Average for all districts.....	35	19	22	25	41	24	21	29
Total gray yardage of finishing orders received:								
District 1.....	4,156,235	4,459,175	2,635,166	12,202,334	5,402,154	7,685,972	3,128,696	16,970,812
2.....	2,470,071	493,028	424,040	4,351,709	3,687,653	657,929	525,622	7,325,043
3.....	4,307,447	2,533,755	7,170,320	1,930,016	1,930,016	1,941,375		4,245,522
5.....	2,566,009	44,182	2,610,191	3,209,979	3,209,979	44,120		3,254,099
6.....	39,461	314,807	354,268	19,806	19,806	221,733		241,539
8.....			2,282,315					845,163
Total.....	13,539,223	7,844,947	3,059,206	28,971,137	14,249,608	10,551,129	3,654,318	32,882,178
Number of cases of finished goods shipped to customers (case equals approximately 3,000 yards):								
District 1.....	1,977	2,007	1,150	9,133	2,412	2,060	1,365	10,740
2.....	2,287	25		3,930	3,313	254		5,222
3.....	1,548	1,019		2,790	2,163	1,705		4,009
5.....	1,487			2,237	679			1,474
6.....								
8.....				73				368
Total.....	7,299	3,051	1,150	18,163	8,567	4,019	1,365	21,813
Number of cases of finished goods held in storage at end of month:								
District 1.....	4,771	4,675	3,911	23,971	4,838	4,378	3,662	22,360
2.....	4,030	19		9,926	4,102	32		10,402
3.....	367	372		5,790	383	338		5,831
5.....	990			2,614	1,483			3,028
6.....								
8.....				1,415				1,579
Total.....	10,158	5,066	3,911	43,716	10,806	4,748	3,662	44,200
Total average work ahead at end of month (expressed in days):								
District 1.....	3.0	1.5	2.5	2.3	4.1	2.2	2.6	2.9
2.....	13.2	.8	4.4	4.8	9.6	1.0	2.5	4.3
3.....	7.4	5.2		6.0	8.2	4.5		5.8
5.....	11.8			11.8	13.0			13.0
6.....				2.8				2.7
8.....				7.6				5.3
Average for all districts.....	7.0	2.2	2.8	3.9	7.2	2.5	2.6	4.2

EARNINGS AND EXPENSES OF THE FEDERAL RESERVE BANKS FOR 1920.

Total earnings of the Federal Reserve Banks for the calendar year 1920 were \$181,297,338, compared with \$102,380,583 for the calendar year 1919, while total current expenses were \$29,889,307, compared with \$20,341,798 for the preceding year. Current expenses for the year under review include besides \$23,130,901 of expenses of operation proper, \$3,951,692, the cost, including shipping charges and other expenses incident to the issue and retirement of Federal Reserve notes and bank notes, \$1,055,336 taxes on Federal Reserve Bank note circulation, \$1,599,656 the cost of furniture and equipment acquired during the year, and \$151,722 miscellaneous expenses on account of bank premises.

Total current expenses above shown are exclusive of expenses of the fiscal agency department of the Federal Reserve Banks. These expenses are treated separately, being reimbursable by the Treasury. In 1920 they totaled \$6,215,356, as against \$16,626,016 for the preceding year. There was also due to the Federal Reserve Banks from the Treasury on January 1, 1920, a total of \$3,587,167 expended by the banks prior to that date. Reimbursements actually received from the Government during the year totaled \$8,863,214, leaving thus a reimbursable balance at the end of the year of \$939,309.

Current net earnings of the banks, i. e., the excess of earnings over current expenses, totaled \$151,408,031, compared with \$82,038,785 for 1919. Calculated on an average paid-in capital for the year of \$94,234,000, the net earnings for 1920 constitute 160.7 per cent, compared with 98.2 per cent on the average paid-in capital in 1919. If net earnings are related to the average of paid-in capital and reserve balances combined, i. e., to the total amount contributed by the member banks, or \$1,924,833,000, the rate of current net earnings works out at 7.9 per cent for the system as a whole, a high rate of about 11 per cent for the Federal Reserve Banks being shown for Atlanta, a yearly rate of 7.2 per cent for the New York bank, and a low rate of 5.6 per

cent for the Dallas bank, as may be seen from the following exhibit:

	Average paid-in capital (in thousands of dollars).	Average reserve balance (in thousands of dollars).	Average capital and reserve balance combined (in thousands of dollars).	Ratio of current net earnings to—	
				Average paid-in capital (per cent).	Average paid-in capital and reserve balance combined (per cent).
Boston.....	7,454	117,856	125,310	137.3	8.2
New York.....	24,618	722,977	747,595	217.4	7.2
Philadelphia....	8,278	104,496	112,764	116.8	8.6
Cleveland.....	10,070	141,992	152,062	119.0	7.9
Richmond.....	4,884	59,087	63,971	110.3	8.4
Atlanta.....	3,759	51,779	55,538	162.0	11.0
Chicago.....	13,213	260,336	273,549	195.6	9.4
St. Louis.....	4,229	65,914	70,143	124.3	7.5
Minneapolis....	3,265	48,554	51,819	131.5	8.3
Kansas City....	4,295	83,319	87,614	129.3	6.3
Dallas.....	3,757	56,432	60,189	89.3	5.6
San Francisco...	6,412	117,867	124,279	159.1	8.2
Total.....	94,234	1,830,599	1,924,833	160.7	7.9

Additions to current net earnings, \$873,382, include an item of \$523,277, representing the amounts deducted at the close of 1919 and on June 30, 1920, from current net earnings to defray expenses of the Federal Reserve Board, and \$350,105, representing special reserves previously deducted from current earnings and various miscellaneous items, such as difference accounts and amounts carried directly to profit and loss during the past year. Deductions from current net earnings totaled \$2,986,639 and comprise the following items: Depreciation charges of \$1,914,484 on bank premises, additional reserves against depreciation of United States bonds, \$278,626, reserves to cover contingencies and future depreciation, and sundry losses, \$793,529, making the total net deductions from current net earnings \$2,113,257. This leaves net earnings available for dividends, surplus, and franchise taxes of \$149,294,774.

Dividends at the rate of 6 per cent paid by the Federal Reserve Banks during the year amounted to \$5,654,018. Under amended section 7 of the Federal Reserve Act, all net earnings of the Federal Reserve Banks after deduction of 6 per cent cumulative dividends must be paid into a surplus fund, until this fund shall have reached 100 per cent of the total subscribed capital, and thereafter 10 per

cent of such net earnings is to be carried to surplus (so-called super-surplus), while the remainder is to go as a franchise tax to the Government. In accordance with this provision, the Federal Reserve Banks carried \$76,168,287 to normal surplus and in addition nine banks whose normal surplus accounts had reached 100 per cent of the banks' subscribed capital carried \$6,747,727 to super-surplus account. At the opening of 1921 the total surplus of the Federal Reserve Banks, after the setting aside of \$1,000,000 by the New York bank as a general reserve, stands at \$202,036,367, or 101.2 per cent of the banks' total subscribed capital. For the several Reserve Banks, the ratios of total surplus to subscribed capital show the following percentages:

	Per cent.		Per cent.
Boston.....	101.8	St. Louis.....	95.6
New York.....	107.0	Minneapolis.....	100.8
Philadelphia.....	100.2	Kansas City.....	102.8
Cleveland.....	94.9	Dallas.....	73.6
Richmond.....	100.2	San Francisco.....	102.5
Atlanta.....	102.9		—
Chicago.....	104.2	System.....	101.2

Of the total earnings of the banks about 82.2 per cent, as against 78.9 per cent in 1919, came from discounts. Bills purchased in open market contributed 12.1 per cent of the total yearly earnings, compared with 13.7 in 1919. United States securities, largely Treasury certificates, yielded 3.9 per cent, as against 5.6 per cent the year before; penalties and interest on deficient reserves produced (net) about 0.9 per cent of the total earnings, compared with 0.7 per cent in 1919; while the balance of the

earnings is made up of net earnings on transfers, profits from silver shipments, sales of foreign coin, collection charges, and sundry minor profits.

Of the total expenses of operations of the banks proper, exclusive of their fiscal agency departments, \$12,229,403, or 53 per cent, as against 46 per cent in 1919, went as compensation to the clerical staff, while \$1,872,963, or 8 per cent, as against 9 per cent in 1919, represents amount of salaries paid to bank officers. Compensation of special officers, watchmen, and extra help, overtime pay, and supper money account for \$1,281,169, or 5.5 per cent of total expenses of operation, as against 9 per cent the year before; printing and stationery account for \$1,432,856, or 6.2 per cent, as against 5.5 per cent in 1919; postage and expressage for \$1,028,030, or 4.4 per cent (about 6 per cent in 1919). Assessments of the banks for the support of the Federal Reserve Board totaled \$709,525, or over 3 per cent of the bank's operating expenses, compared with about 4 per cent in 1919. Rent paid by the banks during the past year aggregated \$785,600, compared with \$613,988 in 1919, all the banks reporting substantial increases of this item for the year under review.

Monthly earnings were highest for October, when the largest average holdings of discounted paper are shown, and lowest during January, which saw the adoption of the higher discount rates. Higher operating expenses for March, June, September, and December are due largely to quarterly bonuses paid to the clerical staff.

Earnings and expenses of each Federal Reserve Bank during 1920.

EARNINGS.

	Boston.	New York.	Phila- delphia.	Cleveland.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total.
Discounted bills.....	\$10,031,301	\$49,839,183	\$10,420,161	\$10,570,827	\$5,920,893	\$6,688,342	\$25,726,750	\$6,382,357	\$4,734,259	\$6,441,476	\$4,044,612	\$8,259,664	\$149,059,825
Purchased bills.....	1,613,012	8,323,050	574,074	3,064,409	477,557	337,991	2,989,035	273,425	191,862	211,975	73,212	3,890,556	22,020,158
United States securities.....	554,172	1,975,649	742,235	602,939	276,991	320,451	995,377	391,611	181,990	505,539	270,874	322,787	7,140,615
Transfers, net earnings.....				99,391			374,000		77,245	11,750	350,969	87,707	987,562
Deficient reserve penalties (includ- ing interest).....	41,783	141,664	69,150	102,804	216,559	102,846	174,470	104,164	92,744	238,425	158,569	130,157	1,573,335
Sundry profits.....	32,985	245,775	42,931	18,249	11,270	26,801	43,586	28,560	29,281	14,322	6,286	15,797	515,843
Total earnings.....	12,273,253	60,525,321	11,848,551	14,458,619	6,903,270	7,476,431	30,303,218	7,180,117	5,307,381	7,409,987	4,904,522	12,706,668	181,297,338

¹ Debit.

CURRENT EXPENSES.

Expenses of operation:													
Assessments, account expenses of Federal Reserve Board.....	\$52,584	\$221,888	\$56,804	\$63,246	\$34,555	\$27,882	\$101,568	\$26,618	\$22,520	\$34,221	\$21,695	\$45,964	\$709,525
Federal Advisory Council (fees and traveling expenses).....	408	1,200	378	1,047	546	1,092	1,046	1,200	893	330	400	1,417	9,957
Governors' conferences (includ- ing traveling expenses).....	315	270	272	237	401	504	474	277	452	626	651	1,272	5,751
Federal Reserve Agents' confer- ences (including traveling ex- penses).....	400	680	64	100	125	175	559	282	27	121	64	1,683	4,280
Salaries—													
Bank officers.....	116,600	383,760	123,338	143,171	105,945	156,996	216,541	126,916	77,637	116,274	117,768	188,017	1,872,963
Clerical staff.....	781,904	3,479,270	799,385	872,339	617,525	433,196	1,672,550	747,312	363,724	794,286	649,100	1,018,812	12,229,403
Special officers and watch- men.....	20,988	166,449	70,921	35,149	15,066	15,631	94,494	22,984	10,766	25,275	20,177	33,150	531,050
All other.....	7,207	199,213	80,412	112,492	34,749	24,502	123,324	30,693	23,686	35,694	39,456	38,691	750,119
Life insurance premiums (em- ployees' group insurance).....	480	19,296	7,391	6,267	4,008	2,576	7,712	6,984	3,661	8,043	6,395	9,789	82,602
Directors' fees, per diem allow- ance, and traveling expenses.....	9,529	32,175	6,569	6,702	6,318	17,427	9,591	11,849	6,705	19,532	6,530	11,099	144,026
Officers' and clerks' traveling expenses.....	9,046	23,151	9,885	15,046	26,248	15,495	39,667	25,525	15,227	28,085	30,851	32,193	270,419
Legal fees.....	3,723	9,324	2,530	2,000	1,070	8,068	7,500	1,505	3,100	2,543	2,622	4,545	48,530
Rent.....	63,844	301,797	18,020	78,717	10,139	19,433	145,751	48,746	21,760	41,326	14,904	21,163	785,600
Taxes and fire insurance.....	1,180	3,328	20,063	3,183	9,699	10,774	4,535	3,220	1,186	4,217	3,476	8,222	73,083
Telephone.....	12,292	32,934	15,492	8,503	3,415	3,589	19,283	6,629	2,832	5,627	3,938	10,415	124,949
Telegraph.....	10,314	49,045	10,565	27,153	27,604	50,746	63,875	44,800	13,780	37,310	56,900	70,615	462,707
Postage.....	66,915	114,779	56,721	76,212	63,415	57,541	117,389	80,219	69,406	115,506	65,507	67,341	950,951
Expressage.....	951	3,956	437	1,521	948	1,466	8,381	1,319	11,988	2,144	36,365	7,653	77,079
Insurance and premiums on fidelity bonds.....	23,007	26,283	37,213	31,710	11,724	13,744	37,898	20,123	18,592	21,164	24,672	26,408	292,538
Light, heat, and power.....	14,443	3,077	22,651	5,376	7,460	6,095	18,199	7,139	.....	5,720	6,896	9,246	106,302
Printing and stationery.....	63,667	270,383	113,644	120,652	84,345	80,240	219,420	76,743	62,488	94,787	67,998	178,489	1,432,856
Repairs and alterations.....	288	55,623	26,988	38,149	12,395	9,340	136,292	38,159	22,523	18,147	13,797	70,296	441,997
Currency shipments to and from member and nonmem- ber banks and between Fed- eral Reserve Banks and their branches.....	93,127	111,522	81,370	48,710	28,432	42,609	87,623	27,143	11,392	32,447	30,863	37,921	633,159
Currency shipments (other than Federal Reserve and Federal Reserve bank notes) to and from Washington or subtreas- uries.....	28,898	87,956	20,982	27,418	14,674	13,478	27,144	30,540	9,420	24,979	12,123	17,190	312,802
All other.....	65,609	184,865	38,072	67,891	23,688	34,010	100,685	32,390	25,288	45,712	78,080	81,963	778,253
Total expenses of operation...	1,445,719	5,782,204	1,620,167	1,792,991	1,144,494	1,046,609	3,261,501	1,419,315	799,003	1,514,116	1,311,228	1,968,554	23,130,901

Earnings and expenses of each Federal Reserve Bank during 1920—Continued.

	Boston.	New York.	Phila- delphia.	Cleveland.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total.
Federal Reserve currency (original cost, including shipping charges)...	345,151	648,392	292,540	334,679	170,101	126,009	550,291	238,051	62,627	97,477	86,514	219,398	3,171,230
Miscellaneous charges account note issues.....	112,162	159,767	77,508	63,519	45,749	72,808	102,672	32,988	15,959	33,905	22,825	40,600	780,462
Taxes on Federal Reserve bank note circulation.....	82,000	207,401	110,904	93,322	52,605	63,958	174,252	58,000	36,792	83,422	46,397	46,283	1,055,336
Furniture and equipment.....	24,585	201,491	75,065	141,008	103,126	76,057	289,064	176,102	100,817	126,707	82,883	202,751	1,599,656
Bank premises.....	28,673	.....	90	45,166	.....	.....	75,460	.....	.....	2,333	.....	.....	151,722
Total current expenses.....	2,038,290	6,999,255	2,176,274	2,470,685	1,516,075	1,385,441	4,453,240	1,924,456	1,015,198	1,857,960	1,549,847	2,502,586	29,889,307
Current net earnings.....	10,234,963	53,526,066	9,672,277	11,987,934	5,387,195	6,090,990	25,849,978	5,255,661	4,292,183	5,552,027	3,354,675	10,204,082	151,408,031

Profit and loss account of each Federal Reserve Bank for 1920.

	Boston.	New York.	Philadel- phia.	Cleveland.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Earnings.....	\$12,273,253	\$60,525,321	11,848,551	\$14,458,619	\$6,903,270	\$7,476,431	\$30,303,218	\$7,180,117	\$5,307,381	\$7,409,987	\$4,904,522	\$12,706,668	\$181,297,338
Current expenses.....	2,038,290	6,999,255	2,176,274	2,470,685	1,516,075	1,385,441	4,453,240	1,924,456	1,015,198	1,857,960	1,549,847	2,502,586	29,889,307
Current net earnings.....	10,234,963	53,526,066	9,672,277	11,987,934	5,387,195	6,090,990	25,849,978	5,255,661	4,292,183	5,552,027	3,354,675	10,204,082	151,408,031
Additions to current net earnings on account of—													
Amounts previously deducted from current net earnings for—													
Assessment account expenses of Federal Reserve Board.....	38,666	168,682	41,828	63,246	25,531	20,302	66,764	19,520	16,607	.....	16,167	45,964	523,277
Special reserves.....	.....	200,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	200,000
All other.....	29,248	6,050	104,366	522	5,859	17	2,543	.....	.....	1,040	43	417	150,105
Total additions.....	67,914	374,732	146,194	63,768	31,390	20,319	69,307	19,520	16,607	1,040	16,210	46,381	873,382
Deductions from current net earnings on account of—													
Bank premises.....	.....	285,677	646,620	129,551	170,000	87,267	29,062	365,000	77,737	.....	.....	123,570	1,914,484
Assessment, account expenses of Federal Reserve Board.....	.....	.....	.....	53,900	.....	.....	.....	.....	.....	.....	.....	12,658	66,558
Reserve for depreciation—United States bonds.....	28,162	25,299	105,396	48,220	5,865	9,506	9,984	34,615	.....	11,579	.....	.....	278,626
Special reserves.....	37	456,165	.....	.....	.....	.....	.....	.....	100,000	.....	130,963	.....	687,165
All other.....	2,114	5,527	1,339	.....	4,214	4,212	4,490	.....	.....	807	11,691	5,412	39,806
Total deductions.....	30,313	772,668	753,355	231,671	180,079	100,985	43,536	399,615	177,737	12,386	142,654	141,640	2,986,639
Net deductions from current net earnings.....	137,601	397,936	607,161	167,903	148,689	80,666	125,771	380,095	161,130	11,346	126,444	95,259	2,113,257
Net earnings available for dividends, surplus and franchise tax Dec. 31, 1920.....	10,272,564	53,128,130	9,065,116	11,820,031	5,238,506	6,010,324	25,875,749	4,875,566	4,131,053	5,540,681	3,228,231	10,108,823	149,294,774
Dividends paid.....	447,266	1,477,096	496,679	604,194	293,052	225,571	792,769	253,711	195,871	257,672	225,424	384,713	5,654,018
Transferred to surplus fund.....	7,351,799	12,332,523	8,204,775	11,215,837	4,740,869	3,648,465	14,688,500	4,621,855	3,410,948	3,042,781	3,002,807	6,654,855	82,916,014
Franchise tax paid United States Government.....	2,473,499	39,318,511	363,662	.....	204,585	2,136,288	10,394,480	.....	524,234	2,240,228	.....	3,069,255	60,724,742

¹ Net additions.² Includes \$1,000,000 deducted from super-surplus account and credited to general reserve account after closing of books Dec. 31, 1920.

Fiscal agency department expenses of each Federal Reserve Bank, amounts reimbursed by the Treasury Department, and balances reimbursable at the end of 1920.

	Boston.	New York.	Philadel- phia.	Cleveland.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Total expenses during 1920.....	\$447,243	\$1,516,455	\$374,163	\$465,662	\$345,541	\$233,985	\$1,005,377	\$318,396	\$251,719	\$472,737	\$239,029	\$545,049	\$6,215,356
Amounts reimbursable Jan. 1, 1920.....	185,777	977,835	117,817	330,386	252,823	121,787	532,481	106,457	129,285	407,176	213,594	211,749	3,587,167
Total.....	633,020	2,494,290	491,980	796,048	598,364	355,772	1,537,858	424,853	381,004	879,913	452,623	756,798	9,802,523
Reimbursements received during 1920.....	546,031	2,269,643	454,125	714,028	574,476	315,852	1,453,615	354,436	326,697	767,880	428,965	657,466	8,863,214
Balance reimbursable Jan. 1, 1921.....	86,989	224,647	37,855	82,020	23,888	39,920	84,243	70,417	54,307	112,033	23,658	99,332	939,309

Earnings and operating expenses of each Federal Reserve Bank, by months, during 1920.

EARNINGS.

	Boston.	New York.	Philadel- phia.	Cleveland.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total.
January.....	\$783,325	\$3,999,906	\$894,031	\$912,535	\$493,729	\$463,201	\$1,607,501	\$465,699	\$339,915	\$515,580	\$314,948	\$879,796	\$11,670,166
February.....	885,683	4,266,985	932,022	1,003,626	503,739	496,878	1,804,334	495,848	320,334	489,680	296,338	883,027	12,378,494
March.....	963,600	4,791,127	1,031,375	1,151,285	576,205	582,599	2,251,441	586,861	352,255	569,608	349,842	928,564	14,134,762
April.....	907,418	4,433,053	1,007,745	1,126,698	535,380	553,332	2,381,120	572,925	387,158	595,980	378,544	1,042,771	13,922,124
May.....	922,195	4,858,822	1,060,427	1,151,006	555,193	629,890	2,480,203	608,925	421,323	639,643	401,237	1,112,401	14,841,265
June.....	1,026,665	4,986,885	1,010,555	1,084,439	555,272	608,773	2,527,330	555,500	433,187	616,775	438,140	988,020	14,831,541
July.....	1,053,302	5,395,165	995,902	1,190,454	594,708	631,650	2,801,369	631,356	495,252	669,000	446,614	1,049,521	15,954,292
August.....	1,073,137	5,487,127	969,708	1,261,308	604,395	667,682	2,764,758	632,905	503,594	617,789	424,148	1,114,482	16,111,031
September.....	1,165,941	5,229,777	981,135	1,405,485	597,947	612,371	2,809,951	592,184	508,294	627,260	438,242	1,181,400	16,149,987
October.....	1,206,112	5,777,295	1,022,430	1,504,844	621,413	704,135	3,015,037	635,673	534,967	694,725	488,193	1,201,564	17,406,388
November.....	1,134,228	5,567,154	989,069	1,363,652	625,924	771,583	2,851,031	713,188	495,351	675,344	479,819	1,125,294	16,791,637
December.....	1,151,647	5,732,025	954,152	1,303,287	639,365	764,337	3,009,143	689,053	515,751	698,605	448,457	1,199,828	17,105,651
Total.....	12,273,253	60,525,321	11,848,551	14,458,619	6,903,270	7,476,431	30,303,218	7,150,117	5,307,381	7,409,987	4,904,522	12,706,668	181,297,338

OPERATING EXPENSES.

	Boston.	New York.	Philadel- phia.	Cleveland.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total.
January.....	\$106,801	\$413,039	\$106,501	\$98,847	\$60,351	\$66,506	\$219,718	\$85,122	\$43,399	\$89,031	\$90,803	\$109,751	\$1,489,869
February.....	99,261	394,795	121,034	112,047	62,044	74,799	218,823	92,181	49,328	97,146	95,600	105,036	1,522,094
March.....	114,340	598,167	128,326	156,118	81,269	85,249	298,814	100,384	49,517	123,081	99,424	147,211	1,981,900
April.....	106,454	425,657	110,721	113,957	74,760	72,695	237,872	95,210	51,369	107,071	96,000	130,800	1,622,566
May.....	105,118	423,353	132,258	137,002	70,814	73,518	247,694	101,694	49,943	107,788	91,415	131,172	1,671,769
June.....	151,925	604,099	192,735	169,423	139,915	131,179	332,928	109,126	91,144	116,277	139,746	248,225	2,426,722
July.....	133,110	415,407	119,154	132,589	86,306	71,946	238,549	111,641	61,081	104,008	99,303	143,041	1,716,135
August.....	96,389	410,180	119,339	144,779	88,367	80,592	257,560	120,040	61,079	149,054	100,820	150,320	1,778,519
September.....	107,314	576,943	121,754	187,362	87,311	77,291	323,674	123,299	70,292	110,739	128,004	169,206	2,083,189
October.....	101,680	432,819	123,130	150,454	92,682	75,189	236,336	134,070	67,085	118,977	106,832	162,340	1,801,594
November.....	115,277	449,025	133,440	162,747	105,378	91,737	266,618	119,750	74,820	129,128	119,656	181,972	1,949,548
December.....	208,050	638,720	217,775	227,666	195,297	145,908	382,915	226,798	129,946	261,816	143,625	314,480	3,086,996
Total.....	1,445,719	5,782,204	1,620,167	1,792,991	1,144,494	1,046,609	3,261,501	1,419,315	799,003	1,514,116	1,311,228	1,993,554	23,130,931

COMMERCIAL LETTERS OF CREDIT.¹

Due to the general fall in prices of commodities, the question of the rights and liabilities of the various parties to commercial letters of credit has become a matter of vital interest. The following article contains preliminary results of a study undertaken to ascertain present conditions in the financing of foreign trade.

(A) INTRODUCTION.

In the financing of an importation there are several possible combinations of parties at interest. Although a shipment is made direct by the exporter in a foreign country to the importer in the United States, the seller does not usually rely upon the unsupported credit of the buyer abroad and generally requires a bank guaranty. The importer, therefore, calls upon his bank to lend its credit to the transaction, and thus the exporter is given the right to draw upon a banking institution instead of a commercial house. But even this added responsibility does not always satisfy the exporter, who may prefer funds in his own country, and, in this event, the American bank requests a correspondent foreign bank to notify the exporter that it will negotiate his drafts. He may, therefore, sell his bills of exchange either to the notifier or to his own local bank. Hence, a letter of credit may involve such different parties as the importer, credit issuer, notifier, negotiator, any indorser of the completed drafts, and lastly the exporter.

The legal relations between these parties are expressed in a number of documents, but in this discussion only the import and export letters of credit need be considered. The import letter of credit is the authorization addressed to the beneficiary in one country by the credit-issuing bank in another under which the former is given the right to draw drafts up to a specified sum and within a definite time, and the latter undertakes to honor the drafts when presented. The export letter of credit is the advice from a bank to the beneficiary that a credit has been opened in his favor by a foreign bank and that the notifying bank agrees to honor drafts drawn by the beneficiary.

Letters of credit may be classified also according to their terms and conditions. If a bank agrees to honor drafts drawn by the exporter only when accompanied by satisfactory bills of lading, consular and commercial invoices, the statement is called a documentary letter of credit. It is termed a clean or "open" credit if such stipulations are not mentioned.

A broad basis of classification of letters of credit rests on the right of the issuing bank

to rescind its engagement to honor drafts drawn by the beneficiary. If the credit-issuing bank reserves the right to withdraw from the undertaking, the document is styled a "revocable" letter of credit. The "irrevocable" letter of credit contains a definite engagement on the part of the issuing bank to honor drafts drawn by the beneficiary in accordance with the terms and conditions specified in the letter. This engagement may not be canceled by the issuing bank prior to the expiration date without the consent of the beneficiary. The "irrevocable" letter of credit may be strengthened further by having the notifying bank in the same country as the exporter add its unqualified assurance that it will pay or accept the bills drawn by him even if the foreign bank should refuse to honor them. It is then called a "confirmed" export letter of credit. Expressing, therefore, both the definite undertaking of the issuer and also of the notifier, it is actually an "irrevocable-confirmed" letter of credit. Where the notifying bank does not add its guaranty, the credit is described as "unconfirmed," since the advising bank maintains that it is merely transmitting the information of the credit to the beneficiary without incurring liability for its continuance. Thus three classes of letters of credit may exist: (1) Irrevocable by the issuer and confirmed by the adviser; (2) irrevocable by the issuer but unconfirmed by the adviser; (3) revocable by the issuer and also unconfirmed by the adviser.²

This classification is a departure from the usual precept that the terms "confirmed" and "irrevocable" are synonymous as applied to commercial credits. However, while writings on this subject accept the twofold grouping of confirmed or irrevocable as against unconfirmed or revocable credits, actual banking practice operates on the classification given above.

(B) ANALYSIS OF BRITISH AUTHORITIES ON RIGHTS AND LIABILITIES ARISING OUT OF COMMERCIAL LETTERS OF CREDIT.

American legal literature abounds with references to letters of credit. The decisions of Marshall and Story, opinions of New York justices, and the writings of eminent commentators all evidence the long use of the letter of credit. The definition and classification generally accepted by these authorities is summarized in a recent decision which reads as follows: "A letter requesting one person

¹ Prepared under the direction of George W. Edwards, Division of Analysis and Research.

² For definitions and classifications of letters of credit see (British) Journal of the Institute of Bankers, vol. 35, p. 74, vol. 41, p. 55 (Feb., 1920), Thomson, Dictionary of Banking, p. 356; Trading with the Far East (Irving National Bank), p. 81; Handbook of Finance and Trade with South America (National City Bank), p. 7; Escher: Margraff, Spalding, "Foreign Exchange and Foreign Bills," ch. 15; Whitaker, "Foreign Exchange," p. 131 et seq.

to make advances to a third person on the credit of the writer is a letter of credit. These letters are general or special. They are general if directed to the writer's correspondents generally. They are special, as in the case at bar, if they are addressed to some particular person."³

One recognizes in this description the familiar travelers' or tourists' letter of credit, and in the classification the usual circular and special forms. These documents play no part in the financing of foreign trade to-day and bear little resemblance to the "commercial" letters of credit, which are "letters giving credit but not requesting any third party to give credit." (*Union Bank of Canada v. Cole* (1877), 47 *Law Journal*, Queen's Bench, 100.) It is therefore doubtful whether the mass of legal opinion based on a different instrument of trade is of weight in deciding the perplexing issues surrounding the modern commercial letter of credit.

While American authorities have made but little reference to the commercial letters of credit, British writings on the subject are more voluminous. The *Journal of the Institute of Bankers*, Thomson's *Dictionary of Banking*, and banking texts all contain numerous references. Most valuable, however, are the court decisions which have been rendered within the last half century, when Great Britain was extending her trade all over the world. In the dearth of American opinions on commercial letters of credit, it seems desirable to review the leading British and colonial cases which have established the usage of foreign financing. These decisions will be cited so far as they elucidate the nature of the letter of credit and the relations between such parties as issuer and beneficiary, beneficiary and negotiator, negotiator and issuer, and, finally, issuer and importer.

In the case of *Orr & Barber v. Union Bank of Scotland* (1854), 24 *Law Times*, Old Series, 1 a letter of credit is not regarded as a negotiable instrument, but this view is qualified elsewhere, for the letter assumes the nature of a bill of exchange in section 32 of the stamp act of 1891, which requires that it be stamped. (See also *Waterston v. Edinburgh and Glasgow Bank* (1858), 20 *Dun. (Ct. of Sess.)*, 642, Scot.)

As the terms of the letter of credit are usually executed within the territories of two or more countries, and as the parties involved are generally of different nationalities, doubt may arise as to the jurisdiction in the event of litigation. It has been held that a letter of credit must be construed according to the laws of the place where it is issued. (*Sovereign Bank v. Bellhouse* (1911), *Quebec Reports*, 23, King's Bench, 413.) (See also the recent decision of

Court of Law, New South Wales, in *Standard Bank of Canada v. Wildey*.)

Continental law views a letter of credit as a document which evidences the existence "of money had and reserved and held for the use of the addressee." (See Hershey's exposition in the *Harvard Law Review*, November, 1918, p. 5.) This theory that the letter of credit is a definite acknowledgment by the issuing bank that it holds in a trust fund a fixed sum of money for the use of the beneficiary is frequently maintained by exporters. The issue is clearly met in the case of *Morgan v. Larivière* (1875), *Law Reports*, vol. 7, House of Lords, 423. During the war of 1870 Junius Spencer Morgan & Co., acting as financial agents of the French Government in London, addressed to contractors of munitions a letter of credit which read as follows:

We are instructed to advise you that a special credit of 40,000 pounds, equivalent to 1,000,000 francs, has been opened with us in your favor, and that it will be paid to you rateably, as the goods are delivered, upon receipt of certificates of acceptance issued by the French ambassador.

This letter, it was claimed, was "a declaration that they (Morgan & Co.) had control over a fund of a certain specified amount appropriated for a specified purpose," and the court was asked to administer it as a trust fund. The court, however, held a contrary view, and denied that a letter of credit in any way constituted an equitable assignment of funds or a trust in favor of the beneficiary.

This case also throws light upon the relations between the issuer of a credit and the beneficiary. The credit was granted in December, 1870, when the French forces were being hard pressed by the Prussians. Quick delivery of the munitions was therefore necessary. Herein the contractors failed, and in consequence they were informed by Morgan & Co. that "as the time has already expired within which the deliveries of the goods were to be made, and to pay for which this credit was opened, no further deliveries can be made under it, and we are not to make any further payment in virtue of it." This right of cancellation by the issuer was upheld by the court on the ground that the beneficiary had failed to comply with the conditions specified in the credit.

If, however, the addressee performs such conditions, the grantor may not cancel an irrevocable letter of credit. In the *Bank of Toronto v. Ansell*, 1875 (7 R. L. Q. B.), 262, the issuing bank claimed that it could withdraw the credit, since no consideration had been received from the beneficiary. This plea was, however, rejected by the court. Another Canadian case resulted in the following ruling:

* * * A person who induces a bank to give to him a letter of credit may by his subsequent conduct give the

³ *American Steel Co. v. Irving National Bank* (1920), 266 Fed., 41.

bank cause for canceling it, but not if the customer secured the letter of credit from the bank in favor of another person. In that event the customer can not oblige the bank to cancel it, for the contract is between the bank and some other person, not between the bank and its customer. A bank can not cancel a letter of credit if it has been transferred to a third party.⁴ (Cited in *American Steel Co. v. Irving National Bank*, *ibid.*)

The same principle had been established in an old Scottish case, *Graham v. Mahony* (Irish Law Reports (1st series), 385), which was decided against the bank on the ground that it had impaired the credit standing of the beneficiary by revoking the letter of credit.

Between the beneficiary and the bank which negotiates or buys his drafts a consideration of the relations between negotiator and issuer rests upon whether the letter of credit is clean or documentary. In *Agra & Masterman's Bank*, ex parte Asiatic Banking Corporation (1867) (36 Law Journal, Chancery, 222), the following clean, irrevocable import letter was issued:

You are hereby authorized to draw upon this bank (*Agra & Masterman's Bank*) at six months' sight to the extent of £15,000. Such drafts I undertake duly to honor on presentation. This credit will remain in force for 12 months from this date, and parties negotiating bills under it are requested to indorse particulars on the back hereof.

The beneficiary accordingly drew drafts and sold them to the Asiatic Banking Corporation, who thereupon noted the particulars on the back of the letter of credit. Meantime the *Agra & Masterman's Bank* was taken over by receivers, who refused to pay the drafts because of counter claims against the original drawers. The court analyzed the above letter thus:

The first part of the letter is the authority which is given to *Dickson, Tatham & Co.* (the drawers). The second part of the letter is evidently, in substance, addressed to the persons who were to negotiate the bills. It is plain that the letter was given by the bank with a view to its being shown to persons who were to negotiate the bills and to make the advances upon the faith of that letter: * * * that part of the letter was, in truth, addressed, though not in form, still in substance, to the persons by whom those bills were to be negotiated.

The decision therefore held that—

* * * upon the offer in this letter being accepted and acted upon by the Asiatic Banking Corporation, there was constituted a valid and binding contract against the *Agra & Masterman's Bank* in favor of the Asiatic Banking Corporation.⁵

The rights of the Asiatic Banking Corporation as negotiators were in no way affected by the claims of the *Agra Bank* against *Tatham & Co.*, drawers.

This obligation of an issuer to honor drafts drawn under a clean letter of credit is ex-

tended by the decision in *Maitland v. Chartered Mercantile Bank of India, London, and China* (1869) (38 Law Journal, 363). The National Bank of Scotland had opened a credit on the guaranty of *Maitland & Co.*, importers, in favor of *Fletcher & Co.*, exporters. As it was a clean letter of credit, no mention was made of any documents or other conditions which had been specified in the sales contract between the sellers and buyers. In direct violation of this contract the exporters drew drafts and sold them to the Chartered Mercantile Bank, which then forwarded the bills to *Glyn & Co.*, the London accepting agency of the Bank of Scotland. Thereupon *Maitland & Co.* sought to restrain *Glyn & Co.* from accepting the drafts on the ground that they were not drawn in compliance with the terms of the sales contract. The court, however, held that the negotiating bank was in no position to have knowledge of any special agreements between importer and exporter, since such conditions were not stated in the clean letter of credit, and therefore the drafts could not be dishonored. (See also *Oriental Banking Corporation v. Lippert & Co.* (1875), *Buchanan's Reports*, South Africa, p. 152.) In this decision bankers may find support for their contention that they are bound only by the terms of the letter of credit and not by the contracts made between the buyers and sellers of goods. (See *Frey & Son v. Sherburne Co.* and *National City Bank*, 184 N. Y. Supp., 661. Also, *American Steel Co. v. Irving National Bank*, 266 Fed., 41, which holds that a letter of credit is "a complete and independent contract.")

If, however, the letter of credit contains any of these conditions, they must be observed carefully by banks which negotiate drafts of exporters. The letter usually states that drafts must be drawn only against goods bought or shipped by the exporter, and generally on presentation of such documents as bills of lading, marine insurance policy, commercial invoice, consular invoice, or certificates attesting to the weight and quality of the merchandise. The British & American Exchange Banking Corporation issued a letter of credit which authorized the drawing of drafts against coffee to be shipped from Rio de Janeiro to New York, Philadelphia, or Baltimore. The actual shipping documents, however, showed that the coffee was shipped from Rio in a vessel "bound to St. Thomas for orders for either New York, Philadelphia, or Baltimore." Although the letter stated that the bills of lading (except one to be forwarded to the exchange bank in New York and one retained by the captain of the vessel) were to be forwarded direct to the

⁴ *Sovereign Bank v. Bellhouse*, *ibid.*

⁵ This case is discussed at length by Sykes in the *Journal of the Institute of Bankers* (vol. 35, p. 134). Also cited in *Frey v. E. R. Sherburne Co.* and the *National City Bank of New York* (Supreme Court Appellate Division, Nov., 1920), 184 N. Y. Supp. 661).

London office of the banking corporation, which had granted the credit, only one bill of lading was sent, and thus the credit-issuing bank did not have full possession of the merchandise. Since the destination of the shipment was not as specified and as the bills of lading were incomplete in number, the court held that the conditions of the letter were unperformed. As the bank negotiating the drafts had not insisted upon compliance with the terms required, it possessed no cause of action against the credit-issuing bank. (*Brazilian & Portuguese Bank (Ltd.) v. British & American Exchange Banking Corporation*, 18 Law Times, p. 823.) In *Union Bank of Canada v. Cole* (47 Law Journal, Queen's Bench, p. 100) evidence showed that the bank had held the letter of credit as collateral for advances made to the beneficiary, and consequently possessed full notice of the conditions required by the issuer; therefore it had no right to negotiate the drafts when they were drawn in violation of these stipulations.

The same principle was applied in the case of *Chartered Bank of India, Australia & China v. Macfayden & Co.* (64 Law Journal, Queen's Bench, p. 367). The defendant issued a letter of credit which authorized the drawing of drafts "against produce bought and paid for" by the exporter. Without actually purchasing the commodities, he drew the drafts and sold them to the Chartered Bank of India, Australia & China. The bank then forwarded the drafts to Macfayden & Co., which dishonored them. This rejection was sustained by the court, which expressed the following opinion:

This was not an open (clean) letter of credit intended to be shown to all the world, and if the banks are shown and act upon the letter, then they must act upon it, as the letter itself stated, in conformity with its terms and conditions. There is no contract whatever and no contractual relationship established between the bank and the defendant by this particular letter of credit.

Although in this case an additional obligation was placed upon the negotiating banker, his responsibility was lessened in another direction. As the drafts had been drawn by the exporter without the goods being actually bought, Macfayden & Co. sought to hold the negotiating bank responsible for the omission. This the court disallowed by stating that "the mere presentation of the bills by the plaintiffs (the negotiating bankers) to the defendants (the credit issuers) for acceptance did not amount to a warranty or representation by the plaintiffs that produce had been bought and paid for."

Not only is the banker who purchases the drafts thus absolved from any liability as to character of goods, but also he is free from any guaranty for validity of documents. Several

cases have been brought against banks for negotiating bills drawn against forged bills of lading, but the courts have uniformly held that the banker was responsible not for the genuineness of the bills of lading but merely for their formal regularity. (*Woods v. Thiedemann I. Hurlstone & Coltman*, 478; *Ulster Bank v. Synnott* Irish Reports 5, Equity 595.) This view was reaffirmed in the case of the *Guaranty Trust Co. of New York v. Hannay*, one of the hardest fought legal contests in recent years (87 Law Journal, King's Bench, 1223). The negotiating banker is also free from responsibility for the genuineness of any other documents besides the bill of lading. In shipping raw materials it is frequently the custom to insist upon a sworn statement from some disinterested party who attests that the cargo has been sampled and has met the standards prescribed in the letter of credit. A British banking house had issued a credit authorizing the drawing of drafts against a shipment of cobalt ore which was to contain not less than 5 per cent protoxide as evidenced in a certificate of analysis. The exporter, however, gave the negotiating bank a statement which was satisfactory on its face but really untrue, as the cobalt was not of the specified quality. In consequence the drafts were rejected by the issuers of the credit. The court, however, maintained that "the certificate on its face was regular and came within the meaning of the mandate, and there was no duty on the bank to see to the sampling. The bank was entitled to assume that the analyst had acted skillfully in making the analysis." (*Basse & Selve v. Bank of Australia* (1904), 90 Law Times, 618.)

While the negotiator is thus responsible to the issuer for observing the conditions of the credit, a similar obligation rests upon the issuer in his dealings with the importer. As described above, the relation between these two parties is expressed in an application addressed by the importer of the merchandise to the giver of the credit. In *Borthwick v. Bank of New Zealand* (1900) (17 Times Law Reports, 2) this contract read as follows:

I request that you will authorize your office at Dunedin to negotiate the drafts of the New Zealand Cooperative & Agency Co. (Ltd.) on me at 60 days' sight to the extent of 10,000 pounds at any time within two months from this date, and in consideration of you doing so, I hereby undertake to accept such drafts on presentation and to pay them in London at or before maturity. * * * The drafts are to be accompanied by shipping documents (i. e., bills of lading, invoice, and insurance policy) purporting to represent lamb * * * but you are not to be responsible in the event of any misrepresentation as to quantity, quality, or value thereof.

The New Zealand Co. shipped the goods and sold the drafts with documents to the local branch of the Bank of New Zealand. The

goods received injury on board ship, but the importer was unable to secure damages from the insurance company as such losses were not covered by the policy. Borthwick then brought suit against the bank on the contention that it was bound to receive an "all risks" insurance policy when it negotiated the drafts of the exporters. The court in giving judgment against the bank held that the contract described above—

stated the terms on which the defendants (the bankers) were to negotiate and the plaintiff (the importer) was to accept the drafts. When drafts were brought to the bank the first consideration would be whether the drafts were such as the plaintiff would accept, and therefore the representative of the bank ought to have examined the documents attached to see if they were such as were stipulated for by the plaintiff.

The letter of credit stated expressly that in certain circumstances the defendants were not to be liable. That was a clear indication that they were to have some sort of responsibility and in the opinion of the court their responsibility extended to everything not expressly excepted.

Such controversies over the observance of conditions can arise only from a documentary letter, for in the case of a clean credit the issuer enters into an unqualified agreement to accept bills, and if he refuses to meet them at maturity he is liable for damages on breach of contract to the party requesting the credit. (*Prehn v. Royal Bank of Liverpool* (1870) *Law Reports*, 5 *Court of Exchequer*, 92.)

From this review of British decisions on the commercial letter of credit the following principles may be deduced:

1. A letter of credit is not a negotiable instrument.
2. It does not create a trust fund in favor of the beneficiary.
3. An issuer of a letter of credit may not dishonor drafts presented by a negotiating bank under a clean irrevocable letter of credit if all the terms of the credit are fulfilled.
4. An issuer may dishonor bills drawn in violation of the conditions specified in a documentary letter of credit.
5. The negotiator is not liable for the genuineness either of goods or documents.
6. The issuer is responsible to the party requesting the credit for the observance of the conditions by the beneficiary.
7. The contract between the issuer and the beneficiary is entirely independent of the contract of sale between the buyer and seller, and the issuer can not, because of the seller's breach of the contract of sale, refuse to honor drafts which comply with the terms of the letter of credit.

RECENT AMERICAN CASES ON COMMERCIAL LETTERS OF CREDIT.

Three recent American cases, one decided by the United States Circuit Court of Appeals, Second Circuit, and two decided by New York courts, have gone far toward establishing as a part of the law of this country the principles laid down in the foregoing British decisions as to the respective rights and liabilities of parties to commercial letters of credit.

The case of *American Steel Co. v. Irving National Bank*, 266 Fed., 41 (C. C. A., 2d Circuit, Apr., 1920), holds that the beneficiary of an irrevocable letter of credit has an absolute right to have the drafts honored by the issuing bank when drawn in accordance with the terms of the letter, and that the issuing bank can not decline to honor drafts so drawn, even though requested to do so by its customer, because the contract of sale between that customer and the beneficiary has become impossible of performance. In that case the defendant national bank had issued an irrevocable letter of credit to the plaintiff steel company authorizing the plaintiff to draw at sight upon the national bank for account of the defendant MacDonnell Chow Corporation for \$43,000 covering the shipment of tin plate. The plaintiff steel company had contracted to sell the tin plate to the defendant MacDonnell Chow Corporation f. o. b. Pittsburgh for export. The plaintiff shipped the tin plate and presented a sight draft to the defendant national bank with certain documents and the defendant national bank declined to honor the draft. The second defense alleged that by reason of the Federal prohibition against the export from the United States of tin plate the performance of the contract between the plaintiff and the defendant MacDonnell Chow Corporation became impossible of execution. The third defense alleged a resale by the plaintiff of the tin plate and claimed an offset of the amount realized on the resale. As to the second defense, Circuit Judge Rogers said:

The second defense, that the contract became impossible of execution, inasmuch as the MacDonnell Corporation was unable to obtain a license from the United States Government permitting the export of the tin plate, is wholly inconsequential. The liability of the bank on the letter of credit as agreed upon between plaintiff and defendant was absolute from the time it was issued, and it was quite immaterial whether the defendant could export the tin or not. The law is that a bank issuing a letter of credit like the one here involved can not justify its refusal to honor its obligations by reason of the contract relations existing between the bank and its depositor.

The opinion then cites with approval the case of *Sovereign Bank of Canada v. Bellhouse, Dillon & Co. (Ltd.)* (*supra*) upon the point

that the customer at whose instance a bank has issued an irrevocable letter of credit can not compel the bank to cancel that letter, since the letter constitutes a contract between the issuing bank and the beneficiary. The opinion concludes:

The defendant in effect seeks to read into the contract a provision that the plaintiff's rights under the letter of credit should be subject to the superior right of the Mac-Donnell Chow Corporation to modify the contract which the bank had made with the plaintiff. We do not so understand the law.

The case of *Frey & Son (Inc.) v. Sherburne Co. and the National City Bank*, 184 New York, Supp. 661 (Appellate Division, N. Y. Supreme Court), expressly holds that the contract between the issuing bank and the beneficiary, as evidenced by the letter of credit, is entirely independent of the contract of sale between the buyer at whose instance the letter of credit was issued and the seller who is the beneficiary under the letter of credit, and that the issuing bank can not repudiate its contract with the beneficiary merely because of a breach of the contract of sale. The facts in that case were that the plaintiff had agreed to buy from the defendant Sherburne Co. 350 tons of sugar to be shipped from Java; payment for the sugar to be made in New York on presentation of warehouse receipt or delivery order and the plaintiff to furnish an irrevocable letter of credit for the full amount of the invoice. The contract also provided that the plaintiff, the buyer, should have the right to cancel the contract in the event that the shipment was delayed. At the instance of the plaintiff the defendant national bank issued a letter of credit to the Sherburne Co. authorizing that company to draw sight drafts upon the bank accompanied by specified documents covering the shipments of sugar. The letter of credit also contained a provision whereby the bank agreed with bona fide holders that all drafts issued in accordance with the letter would be honored upon presentation. The letter did not, however, refer to the plaintiff's right to cancel the contract of sale if shipment was delayed. The plaintiff alleged that the shipment of 45 tons of the sugar had been delayed and that he had elected to cancel his contract for the purchase of so much of the sugar and that notwithstanding this the defendant Sherburne Co. threatens to negotiate or present for payment drafts drawn under the letter of credit and that the defendant national bank threatens to pay such drafts if so presented or negotiated. The relief sought by the plaintiff was an injunction restraining Sherburne Co. from drawing or negotiating drafts under the letter of credit and enjoining defendant national bank from honoring or paying drafts which

have been or may be so drawn. In the opinion, Mr. Justice Greenbaum says:

"From our view of the case it is not important to discuss the rights of the plaintiff under the contract with the defendant Sherburne Company. * * *

"It is equally clear that the bank issuing the letter of credit is in no way concerned with any contract existing between the buyer and seller. The bank is only held liable in case of a violation of any of the terms of the letter of credit. It therefore would follow that, if the bank issued any drafts violative of the terms of the letter, the buyer would have recourse to the bank in an action for damages for the breach of its contract. Similarly, if the defendant Sherburne Company violated its contract with the plaintiff, the latter has a remedy in an action at law for damages against the defendant. It is not alleged in the complaint that the National City Bank is in financial difficulties. Nor is it alleged that the Sherburne Company is not financially able to respond to damages. Our attention has been called to *Higgins v. Steinhardt* (106 Misc. Rep. 168; 175 N. Y. Supp. 279). We are of the opinion that the facts appearing in the opinion of that case did not warrant the granting of an injunction. Interests of innocent parties who may hold drafts upon the letter of credit should not be made to suffer by reason of rights that may exist between the parties to the contract of sale in reference to which the letter of credit was issued. It would be a calamity to the business world engaged in transactions of the kind mentioned in this complaint, if for every breach of a contract between buyer and seller a party may come into a court of equity and enjoin payment on drafts drawn upon a letter of credit issued by a bank. The parties should be remitted to their claims for damages in an action at law."

To the same effect is the case of *El Reno Grocery Co., etc. v. Lamborn, et al*, reported in the *New York Law Journal* for December 15, 1920, in which Mr. Justice Cohalan of the Supreme Court of New York said:

"There are before the court 24 motions for injunctions pendente lite in equity cases brought for the cancellation of certain contracts for the sale of sugar which the plaintiffs have attempted to rescind. The decision on this application is decisive of the 23 other motions. To enjoin the defendants from collecting upon a letter of credit established in their favor, because the plaintiff alleges there is a dispute, default or breach by the defendants of the contract is for the court to make a new, different and distinct agreement between the parties herein. This the court is not prepared to do. In my opinion the plaintiffs have an adequate remedy at law and there are no substantial reasons shown for invoking the extraordinary remedy of an injunction order. The plaintiff's motion is denied and the injunction vacated."

(C) PRACTICE OF AMERICAN BANKS IN FINANCING FOREIGN TRADE UNDER LETTERS OF CREDIT.

The purpose of this study has been to aid the development of uniform instruments and standardized practice in financing foreign trade. Considerable interest has been manifested in the subject by leading American banks during recent months. The Division of Analysis and Research addressed to them a request for their forms and questionnaire concerning their practice. In the city of New York this material was gathered mainly by direct personal interview, while throughout the remain-

der of the country the information was secured by the Federal Reserve agents. The answers give expression to the combined thought of the large American banks on some of the current problems in the technique of foreign credits. These responses were contributed by 72 banks, of which 32 are located in the city of New York. As a number of banks outside of New York have entered only recently into the field of financing foreign trade, they were unable to answer certain questions especially relating to export credits, and this, in part, accounts for the fact that complete returns from all reporting banks could not always be tabulated. The replies were usually in the form of "yes" or "no," but in many instances detailed comments were added. There is presented below each question in succession, accompanied in general by a numerical tabulation of the answers, quotations selected from the responses, and an analysis of the general practice as indicated by the replies. Questions 11, 18, 19, and 27 have been omitted in order to permit fuller treatment in a subsequent article on export letters of credit.

I. GENERAL PHASES OF LETTERS OF CREDIT.

1.

Question: (a) To what extent are your import credits: Irrevocable per cent (give general estimate); revocable per cent?

(b) To what extent are your export credits: Confirmed per cent; unconfirmed per cent?

(c) To what extent are your acceptance credits: Confirmed per cent; unconfirmed per cent?

Answer:

Number of banks showing specified percentages of import credits as irrevocable and revocable, and of export and acceptance credits as confirmed and unconfirmed:

Per cent.	(a) Import credits.		(b) Export credits.		(c) Acceptance credits.	
	Irrevocable.	Revocable.	Confirmed.	Unconfirmed.	Confirmed.	Unconfirmed.
100.....	42	0	11	2	25	7
99.....	3	0	0	2	0	0
98.....	1	0	0	0	1	0
95.....	3	1	2	2	0	0
90.....	7	0	3	1	2	1
85.....	0	0	0	0	0	0
80.....	1	1	3	4	0	0
75.....	2	0	2	4	2	0
70.....	0	0	0	1	2	0
65.....	0	0	0	0	0	0
60.....	0	1	1	2	2	1
55.....	0	0	0	0	0	0
50.....	1	1	11	11	2	2
45.....	0	0	0	0	0	0
40.....	1	0	2	1	1	2
35.....	0	0	0	0	0	0
30.....	0	0	1	0	0	2
25.....	0	2	4	2	0	2
20.....	1	1	4	3	0	0
15.....	0	0	0	0	0	0
10.....	0	7	1	3	1	2
5.....	1	3	2	2	0	0
2.....	0	1	0	0	0	1
1.....	0	3	2	0	0	0
0.....	0	42	2	11	7	25
Total.....	63	63	51	51	45	45

The above table indicates that most import credits are irrevocable. Many banks adopt a policy of opening no revocable import credits, for cancellations, even though justified, will impair the credit standing of the issuers. This is especially true in a period of uncertain commodity prices and fluctuating foreign exchanges. While no generalization may be drawn regarding export credits it may be noted that they tend to be confirmed. Acceptance or time credits are ordinarily confirmed. The considerable number of banks not reporting export and acceptance credits is accounted for by the fact that inland banks have occasion to advise or confirm very few credits issued abroad to cover exports from this country.

2.

Question: Do you count as your contingent liability:
Irrevocable import credits opened by your bank?
Revocable import credits opened by your bank?
Confirmed export credits opened at the request of another bank?
Unconfirmed export credits opened at the request of another bank?

Answer:

Irrevocable import credits, yes, 63; no, 3.

Revocable import credits, yes, 32; no, 21.

Confirmed export credits, yes, 51; no, 10.

Unconfirmed export credits, yes, 17; no, 34.

(a) "We do count as contingent liability, as a matter of fact, as deferred liability, irrevocable and confirmed credits opened by us and confirmed at the request of other banks."

(b) "Revocable import credits are contingent liability until canceled."

(c) "Revocable import credits are subject to cancellation at any time prior to actual negotiation of drafts drawn thereunder and, therefore, are not counted as a liability either contingent or direct."

(d) "Unconfirmed export credits opened at the request of another bank are not a liability on our part, and are, therefore, not considered as a contingent liability."

These returns clarify several phases of bank accounting on which present practice varies. Irrevocable import as well as confirmed export credits are generally regarded by banks as a full contingent liability. The majority also consider revocable import credits as a contingent liability until they have been canceled. Those who hold the opposite view contend that revocable import credits are subject to cancellation at any time prior to the actual negotiation of drafts drawn by virtue of the credit, and hence such obligations should be counted neither as a direct nor even as a contingent liability (c). Unconfirmed export credits, advised at the request of other banks, are usually not regarded as a contingent liability by American banks, since they act only as agents negotiating drafts drawn by the exporters (d).

3.

Question: Is your original letter of credit returned to you when the last draft has been negotiated by the beneficiary of an—

Import credit?

Export credit?

Answer:

Import credit, yes, 21; no, 39.

Export credit, yes, 14; no, 40.

(a) "It is optional with the beneficiary whether letters of credit are returned to us or not."

(b) "Our original letter of credit is not invariably returned with the last draft negotiated, although if the last draft exhausts the credit it is returned. It frequently is the case that the last draft drawn under a credit does not fully exhaust the credit."

(c) "It has become the custom recently to return original credits. However, in the past very few original credits were returned when exhausted. This holds good both with import and export credits."

Original letters of credit are generally not returned to the issuing bank. In fact most banks do not insist upon their return and leave this matter entirely to the volition of the beneficiary (a). This usage obtains because in many cases the last draft drawn by the exporter does not completely exhaust the credit (b). One bank notes that the present tendency is to return the original credit (c).

4.

Question: Do you mark off negotiated drafts on the reverse side of—

Import credits?

Export credits?

Answer:

Import credits, yes, 47; no, 16.

Export credits, yes, 48; no, 13.

(a) "Import credits are marked off by negotiating bankers in foreign countries."

(b) "No; they are not attached to the documents and do not have to be, because an export credit established here is payable only by ourselves."

American banks issuing import letters of credit uniformly require that foreign banks indorse on the reverse side particulars of all drafts negotiated. This precaution is taken to prevent an unscrupulous foreign exporter from presenting his letter and shipping documents simultaneously to several bankers and thus overdrawing his credit. On the other hand some banks do not insist upon the recording of drafts on export credits when these are payable only by themselves (b).

5.

Question: Do you open letters of credit for your domestic correspondent banks in behalf of their customers?

Answer: Yes, 52; no, 12.

(a) "We issue our own letters for customers of other banks under joint obligation of customers and the banks."

(b) "This applies more especially where goods are imported via Pacific coast and intended for interior points like Chicago, Pittsburgh, Buffalo, etc., and banks at these latter points wire us on behalf of their local customers and instruct us to open credit, usually in favor of the seller on the Pacific coast."

The larger banks, especially in New York, open import credits for customers of their inland correspondents. These banks may be well known in their own locality but have no standing abroad, and so drafts authorized by them could be negotiated only with considerable difficulty. It is therefore customary for a smaller bank not to finance foreign trade directly by issuing its own letter of credit, but indirectly by instructing a metropolitan correspondent with an international reputation to furnish the letter in favor of the beneficiary abroad. The New York bank protects itself by having the country bank, singly or jointly with the local customer, sign a contract which guarantees reimbursement (a). San Francisco banks in this manner finance most of the goods imported via the Pacific coast, by opening credits at the request of banks in Denver, Chicago, Pittsburgh, Buffalo, and other interior points (b).

6.

Question: Do you use the letter of credit in transactions between domestic buyers and sellers?

Answer: Yes, 56; no, 7.

(a) "Yes; but always in connection with foreign business; i. e., we at times issue letters of credit in favor of a manufacturer here for account of the American exporter."

(b) "The use of a letter of credit is becoming more frequent and in many cases is now being required to prevent cancellation of orders."

It appears thus that the use of the letter of credit is becoming more frequent in domestic transactions, and in many cases has been demanded by sellers of goods in order to prevent buyers from cancelling orders.

7.

Question: Do you make any reference in your letter of credit to the sales contract between buyer and seller?

Answer: Yes, 24; no, 39.

(a) "Banks are averse to making any reference in their letters of credit to sales contracts between buyer and seller; this is a matter which lies between those two parties and does not concern the bank except indirectly."

(b) "We only make reference to details of sale arranged between buyers and sellers if definitely requested to do so by our customers, and then only in such cases where it appears absolutely necessary. We strongly disapprove of details being incorporated in letters of credit, which can not be checked up by the negotiating bank and which are manifestly matters to be settled between the buyers and sellers independently of the bank financing the transaction."

(c) "At times this is to be avoided, as negotiating banks generally decline to have credit instruments burdened with too many stipulations, more especially in foreign countries; and once banks abroad decline negotiations the value of credit instruments is destroyed."

(d) "No reference is made to the sales contract between buyer and seller except such as the customer may direct, provided they are not so stringent that they interfere with the workability of the credit."

(e) "Terms of credit should follow to a certain extent the terms of the contract."

(f) "We have issued credits specifying particularly the grade, amount, and other specifications of the commodity,

but believe that the bank should not be responsible for any qualifications of the shipments, as they only act as guarantors for the local importer and hold his guarantee to protect themselves, therefore any differences that may arise over the contract itself should be a matter to be settled between the exporter and importer."

(g) "We make it a point, if practicable, to mention in our credits, the quality, quantity, and the price of the merchandise to be shipped, as well as any special shipping instructions or other terms our clients may see fit to have inserted therein."

(h) "We prefer not to make mention in our letters of credit of sales contracts between the buyer and seller. Rarely, however, we are forced to do so to protect our own clients when our credits are supported by letters of credit issued in favor of our customers, in which mention is made of sales contracts."

Credit letters ordinarily do not allude to the sales contract between buyer and seller, for the issuing bank has no direct concern in terms of this document or in any controversies which may arise over the merchandise (a). Moreover, the banker negotiating the drafts under the letter would look with disfavor upon the inclusion of commercial details which he is unable to verify (b). In fact, a credit, burdened with such stipulations, would prove of little value, as foreign banks generally would refuse to negotiate the drafts (c, d). On the other hand, some banks feel obliged to protect the interests of their clients, and this explains the considerable number of institutions reporting that they do refer to the sales contract in their letters of credit. Such mention is made to a varying degree. In some cases the terms of the credit merely follow the stipulations of the contract in a general way (e). Other banks go to the extent of specifying the grade, quantity, and price of the merchandise (f, g, h). One bank protects itself by requesting "a declaration, furnished by the accredited party, that the goods were shipped in accordance with the terms of the contract between the buyer and seller."

II. IMPORT LETTERS OF CREDIT.

(a) *Relations of issuing bank with beneficiary.*

8.

Question: When you issue an import letter of credit do you send it to the beneficiary—

Directly?

Through the importer?

Through the negotiating bank?

Answer:

(a) Direct to beneficiary; yes, 22; no, 34.

(b) Through importer; yes, 50; no, 8.

(c) Through negotiating bank; yes, 54; no, 14.

(a) "If a negotiating bank is mentioned in the letter of credit, we send the original and one copy to it. When no negotiating bank is mentioned, we request that our client forward the letter of credit to the beneficiary."

(b) "If the details of an import credit letter are cabled, we forward the letter itself to our correspondent bank, which transmits it to the beneficiary, after indorsing such

drafts as may have been negotiated by it before receipt of the credit letter. A credit letter, the details of which are not cabled, is handed to our customer for transmission to the beneficiary."

The letter of credit is infrequently sent direct to the beneficiary, and then only when the importer gives the issuing bank such instructions. The importer at whose instance the credit is opened may choose to have the exporter informed by cable or mail (a, b). If by mail, the bank hands the letter to the importer, who forwards it to the beneficiary. If by cable, the bank usually communicates with its correspondent nearest the point of shipment. When it is definitely known through which bank the exporter will negotiate his drafts, the letter is then sent to this institution.

9.

Question. When you open a letter of credit in favor of a foreign exporter do you deal directly with him and permit him to negotiate his drafts with any local bank, or, indirectly through a specified negotiating bank in the same country as the beneficiary?

Answer:

Directly, yes, 46; no, 16.

Indirectly, yes, 39; no, 23.

(a) "By preference we arrange in such a way that the beneficiary may negotiate his drafts with any bank. This applies even though confirmation is provided through some particular bank requested by our customer or the beneficiary."

(b) "Our credit letters are available for negotiation by any bank anywhere so long as drafts and documents eventually reach the drawee bank; that is, our correspondent in London in the case of a sterling credit, or ourselves in the case of a dollar credit. We never indicate either in our cables or in our credit letters themselves that drafts must be negotiated with a specified bank."

(c) "When the credit is opened available by drafts on us we accept drafts, if properly negotiated, through any bank, but we advise through our correspondents and the drafts are therefore usually negotiated through their intermediary; when available against drafts on a named foreign bank the credit can be used only through that bank."

(d) "In opening credits abroad we generally permit the beneficiary to negotiate his drafts with any bank, but with special credits and with credits to which we may have occasion to make future amendments, we direct drawings through our correspondent."

(e) "Is optional with him in case he is given a dollar letter of credit. We usually mark such credits: 'This credit may also be negotiated with (here we mention our chief correspondent in his country).'"

The beneficiary thus is usually free to dispose of his drafts with any bank willing to negotiate them, but in special circumstances he is limited to specified negotiators. Banks follow both practices.

10.

Question: Do you issue the import letter of credit to the beneficiary in duplicate or only as a single copy?

Answer:

Duplicate, yes, 30; no, 32.

Single, yes, 39; no, 23.

(a) "Our import letter of credit is issued to the beneficiary as a single copy only; an unsigned duplicate, however, is sent to a bank through whom a credit is cabled, for their information."

(b) "Import letters of credit, where intended for a foreign beneficiary, are frequently issued in duplicate; in the case of our own bank we usually issue one original credit and two nonnegotiable copies."

It is customary to send only a single letter to the beneficiary, while nonnegotiable copies are made for the files of the client requesting the credit, the bank notifying the beneficiary and the bank issuing the letter. Nevertheless, quite a number send duplicate letters in the same manner that bills are sent as first and second of exchange. Obviously the purpose of forwarding two sets is to avoid delay in the event that one letter is lost in transit. However, duplicate letters offer the opportunity of presenting drafts and letter to one bank and repeating the same operation with a second bank. To prevent a fraud of this nature, banks place negotiators on their guard by indicating clearly in the duplicate form that an original is in existence.

(b) *Relation of issuing bank with importer.*

12.

Question: Do you use the same trust receipt for domestic as for foreign transactions?

Answer: Yes, 49; no, 12.

Questions 8, 9, and 10 have discussed the relations of the credit-issuing bank with the beneficiary, while the questions which follow consider the dealings with the importer at whose instance the credit has been opened. On the arrival of the goods, they are generally released to the importer on his signing a trust receipt recognizing the bank as the owner of the merchandise. From the answers tabulated above it appears that banks usually employ the same form of trust receipt in their foreign as in domestic operations.

13.

Question: Do you use trust receipts for goods for—
Delivery to purchaser?
Manufacture by importer?

Answer:

Delivery to purchaser, yes, 56; no, 3.

Manufacture by importer, yes, 45; no, 12.

(a) "Goods are frequently delivered by banks to the customer for the purpose of his rebilling them in turn to his purchaser, it being understood that such trust receipt deliveries shall be paid for either in cash or within say seven days and the money accounted for to the bank."

Most banks will release goods on trust receipts signed by the importer for the purpose of delivering them to a bona fide purchaser (a). A few banks decline to relinquish the merchandise for manufacture by the importer himself, because of the difficulty in identifying the materials once they have been transformed into finished goods.

14.

Question: Do you release goods to the importer before arrival of documents?

Answer: Yes, 55; no, 8.

(a) "It is advisable to release goods to the importer upon the arrival of the steamer, before the arrival of documents, only when it is apparent that deterioration will occur by such delay in waiting, or when the bank is perfectly satisfied the beneficiary will be prepared to take the goods in accordance with the terms of the credit and agree to our acceptance or payment thereunder."

(b) "Yes, if necessary to avoid general order."

(c) "Yes, particularly in cases covering perishable goods."

(d) "It is impossible to obtain goods on an import shipment without the documents, unless the exporter desires to give bond to the customs and steamship officials, or on a domestic shipment, to the railroad company. In such a case, if the drafts against the credit are time drafts, we would obtain a trust receipt, or if sight drafts, demand payment or obtain cover in some other manner."

(e) "Yes, to obviate difficulties in storage, etc., but always with written understanding that by taking the goods the importer can not turn down the documents even if they do not comply with the terms of the credit."

(f) "Yes, against trust receipts and proper indemnity, but only when the goods are consigned to our order."

(g) "The procedure depends entirely upon the standing of the customer."

Goods frequently arrive before the shipping documents which for some reason have been delayed. In this event banks usually release the merchandise to prevent it from going into general order (a, b), which would give rise to a charge for warehousing goods not immediately claimed. Also, when goods are perishable, it is advisable to facilitate their sale (c). The importer is compelled to give customs and steamship officials a bond of indemnity before they will permit him to remove the goods without producing the documents (d). The bank protects its interest in the goods by securing from its client a trust receipt and also a statement that he will not reject the shipment even if irregular (e). A bank may further insist upon having the goods consigned to its order. In general, banks grant this concession only to customers of good standing (g).

15.

Question: Do you warehouse goods in the name of your bank and arrange for deliveries as importer makes sales?

Answer: Yes, 41; no, 21.

(a) "It is part of commercial bank's ordinary business to warehouse goods in its own name and arrange for deliveries as the importer makes sales. This would come under the heading of 'consignment finance.'"

(b) "Only on rare occasions, however, because we as a rule do not issue import credits to cover merchandise which is not sold."

(c) "Yes, when this seems desirable for our own control of the goods."

(d) "Yes, but the actual warehousing is usually by the importer who handles the warehouse receipts."

Under certain circumstances, banks would warehouse goods in their own name and arrange for deliveries as sales are effected.

However, they endeavor to avoid such action by opening credits as far as possible only to cover goods actually sold (*b*).

16.

Question: Do you insist upon prepayment of time drafts by the importer as he effects sales or do you wait until their maturity for payment?

Answer:

Insist on prepayment, yes, 39; no, 20.

Wait until maturity, yes, 41; no, 18.

(*a*) "We expect all of our customers to live up to the terms of the trust receipt and to the letter of credit agreement calling for payment to us of drafts drawn thereunder when cash receipt is made by them. With some of our customers we follow the deliveries closely, and expect payment to us promptly as received by them."

(*b*) "If on account of the standing of our customer it becomes necessary to warehouse goods in our name and make deliveries as sales are made, we insist upon prepayment of time drafts when releasing the merchandise, irrespective of the maturity of such drafts, or if only part of the merchandise is released, payment is demanded of same, or collateral sufficient to cover us on such deliveries."

(*c*) "Under the trust receipt agreement signed by the importer upon delivery of merchandise, it is understood that all moneys received by him for the sale of his merchandise must be turned over to the bank financing the transaction immediately. However, it has become the practice in many cases that the importer does not pay the bank until the maturity of the relative acceptances and the banks have not insisted upon a strict account of all moneys thus received until maturity of the relative acceptance, unless they have had good reason to believe that the importer in question was not in so favorable a financial position as was the case when the credit was originally opened."

(*d*) "We have never insisted by court action on prepayment of time drafts as sales are effected, but emphatically state to the customer our demands; in other words, we insist, but have not resorted to court proceedings."

(*e*) "Our clients are on notice that proceeds should be handed to us as soon as received."

(*f*) "We insist upon fulfillment of our trust receipt agreement, in which the importer engages himself to deposit with us proceeds of sales of merchandise delivered against trust receipt prior to the maturity of the draft."

When a bank permits an importer to warehouse the merchandise he signs a trust receipt, which usually contains the following agreement on his part: "To collect the proceeds of sale, and immediately deliver such proceeds to the bank in whatever form collected, to be applied by them to the acceptances of the bank in my account under the terms of the letter of credit issued for my account." The bank must now decide whether to insist upon the application of all funds derived from the sale of the goods to the prepayment of time drafts which the bank has accepted or to permit the importer to reimburse the bank for the retirement of the acceptances just before maturity. The tabulated answers above indicate that both practices are followed. The policy of the bank is determined in each case by the credit standing of the individual (*a, b*). In general, while the terms of the trust receipt bind importers to

make prepayments, banks usually do not insist upon strict observance of this clause, but instead regard it as a potential rather than an actual control over the funds arising from the sale of the goods (*c, d*). Other banks, however, hold their clients to a close accounting whenever merchandise is delivered to bona fide purchasers (*e, f*).

17.

Question: How do you fix the rate of interest allowed for this prepayment?

Answer: (*a*) "The rate of interest allowed on anticipated payment of acceptances depends upon general standing of customer, and his value to the bank as a client."

(*b*) "We have determined upon a rebate interest rate as follows: Under 10 days to run, no interest; 10 days to 30 days, 6 per cent; 30 days or over, the prevailing dealers' selling rate for bankers' acceptances."

(*c*) "The rate of interest allowed as rebate varies, and is based on the Federal Reserve Bank rediscount rate; usually 1 per cent to 2 per cent under the latter rate."

(*d*) "In accordance with general practice we allow 2 to 3 per cent less than the bill rate."

(*e*) "In accordance with market conditions here in case of a credit payable in New York, or in case of a credit payable in London in accordance with conditions in London, generally 1 per cent under the ruling rate for prime bills of exchange."

(*f*) "Usually by sliding scale, which depends on the amount involved and credit relations. We have no fixed rate."

(*g*) "If drafts against the credits are drawn on our London correspondent and accepted by them, the rate of interest allowed for this prepayment is one-half of 1 per cent above the advertised rate of London bankers for short deposits. If drafts are accepted by our French, Italian, Belgian, or German correspondents, we use the minimum rates of discount of the banks of those countries."

When the importer offers payment in anticipation of the maturity of the drafts, he expects the bank to allow him a rebate of interest covering the unexpired time which the acceptances have still to run. The rate of this interest is not fixed, but is graduated according to such factors as credit standing of customer (*a*), time of maturity (*b*), and prevailing value of money. Whether dollar, sterling, or foreign acceptances, the rebate is actually governed by the rate of the central bank. It may be determined directly by placing the rebate at 1 or 2 per cent below the rediscount rate of the Federal Reserve Bank in the case of dollar acceptances, or a little below the rate of the Bank of England for sterling bills (*c*). Another method is to allow a certain per cent below the market rate for prime bankers' bills (*d, e*). A third way is to grant the customer the same rate of interest allowed on deposit accounts (*f, g*).

III. EXPORT LETTERS OF CREDIT.

20.

Question: Do you charge an additional commission for further confirming a letter of credit issued by a foreign bank?

Answer: Yes, 42; no, 13.

(a) "This may depend a great deal upon the close connections of the foreign bank with ourselves, together with what amount of trouble we may be put to."

(b) "Where an American bank is requested by its foreign correspondent to specially confirm a credit issued by the foreign bank it is customary to charge a commission, usually one-eighth of 1 per cent."

A commission is generally charged for confirming a letter issued by another bank. Under an unconfirmed credit the advising bank receives a fee for examining the documents presented by the shipper, and, in the case of a confirmed credit, the bank is permitted an additional compensation for lending its credit to the transaction.

21.

Question: When you open a confirmed letter of credit at the request of a foreign bank, do you set aside the amount in a special account as cover?

Answer: Yes, 9; no, 43.

(a) "Where a foreign bank requests us to open a confirmed letter of credit we do not usually set apart the amount in a special account as cover. The foreign bank's guaranty is usually deemed sufficient."

(b) "The few banks that we do this for are considered by us good enough, so that setting aside funds from their account is deemed unnecessary."

(c) "We have not yet found it necessary to set aside amounts in special account for the establishment of confirmed letters of credit at the request of foreign banks."

The legal theory of the Continent on the letter of credit affirms that the bank actually holds funds in trust for the beneficiary of the credit. An opposite view is taken by British law, as seen in the case of *Morgan v. Larivière*, discussed in the preceding article. From the tabulated answers above, it is clear that an American bank opening a confirmed letter of credit in favor of an exporter does not set aside any actual funds, for it is not a cash but purely a credit transaction (a, b, c).

22.

Question: When you issue a letter of credit to an exporter do you regard it as an acknowledgment that you are holding funds for the use of the beneficiary?

Answer: Yes, 24; no, 32.

(a) "Yes, our credits being irrevocable and confirmed, we regard the issuance of a letter of credit to an exporter as an acknowledgment that we are holding funds for the use of the beneficiary, provided drafts are drawn in conformity with the terms of the credit."

(b) "When we confirm a credit to the exporter, it is regarded as an acknowledgment that we are holding funds for his use. However, it not infrequently occurs that we are requested to confirm credits for institutions who carry no account with us, and we are in turn obliged to negotiate drafts on them through the usual channel."

(c) "Our unconfirmed export letter of credit form is nothing more or less than a guide as to how documents are to be prepared, and is subject to cancellation at any time by us. It is not to be construed in any sense that we are holding funds for the use of the beneficiary. A confirmed letter of credit, however, binds us to meet payments, and is an acknowledgment that we are prepared to pay the drafts drawn under the credit either from funds held or funds to be received."

(d) "We regard it as an acknowledgment that we are prepared to make payments to the beneficiary for the account of our client but not that we are holding any particular fund for him."

(e) "We regard it as an advice that we will pay—from our own funds if necessary."

Quite a number of banks consider that their confirmed letter of credit is an acknowledgment that funds are held for the use of the beneficiary in the sense that they are obligated to meet his drafts (a, b). However, no special funds are set aside as a special cover for their bills (d, e).

23.

Question: Do you permit a beneficiary to assign his credit (all rights) to another person and have the documents presented in the beneficiary's name and not in the name of the party to whom the credit was transferred?

Answer: Yes, 26; no, 30.

(a) "When it is desired to make a credit available for one or more persons other than the beneficiary, it is usually so opened. As bankers' letters of credit are negotiable in character it is always possible for the beneficiary to assign to another person by drawing his draft or giving a sufficient power of attorney."

(b) "We do not permit a beneficiary to assign his credit to another person unless especially authorized to do so by the bank for whom the credit is opened."

(c) "If the credit is assigned to another person it must be done in writing and the drafts must be drawn by the person to whom the credit is assigned, and must be in every way in accordance with the terms of the credit."

(d) "If transfer is agreed to, then all documents subsequently presented must be in the name of the new party."

The results of the above answers indicate that there is no definite usage regarding the assignment of credits to persons other than the beneficiary named in the credit letter. Some banks freely permit this practice (a), but it is customary to grant this privilege only with the consent of the bank authorizing the credit (c). When documents are later presented to the bank for payment, they are then surrendered in the name of the original beneficiary and not in the name of the new party (c, d).

24.

Question: On the original letter of credit do you issue domestic letters of credit to subcontractors at the request of the beneficiary?

Answer: Yes, 28; no, 29.

(a) "These 'subcredits' are separate commitments at the beneficiary's risk; the original credit serves as an assurance that the transaction will be successfully liquidated."

(b) "It is always possible for a bank to make a domestic letter of credit issued to a certain party available by someone else if the beneficiary so desires; in that case the bank which has issued the credit simply writes a supplementary letter modifying the terms of the original credit."

(c) "Such cases are rare, and in all probability we would not do so in the event that more than one subcontractor were involved and the possibility existed that one of the subcontractors would not be able to fulfill the terms of the domestic credit within the time specified or in any other way prevent the using of the original credit, unless we were

fully covered by the beneficiary against such eventualities."

(d) "We have done this at times, although generally we have not been approached to grant such an accommodation."

(e) "We do not encourage it."

(f) "Do not like to do so, but circumstances might warrant it."

When a letter of credit is issued to a beneficiary who does not himself manufacture the goods but merely assembles them, it is sometimes the practice for the American bank in turn to open domestic letters of credit in favor of the actual suppliers of the merchandise, at the request of the original beneficiary. Banks engage in the practice with reluctance (c, d, e, f).

25.

Question: Is it a practice for your bank to make an advance or loan to an exporter on his depositing with you as security the letter of credit given him by a credit-issuing bank?

Answer: Yes, 16; no, 44.

(a) "No; letters of credit are generally not assignable and therefore do not afford security."

(b) "It is not a practice for us to do so, but we presume that if occasion should arise we would not object to loan to an exporter in good standing for the purpose of enabling him to purchase merchandise which he will, in due course, export under a confirmed letter of credit."

(c) "No; but we issue our own credits if goods are purchased from third parties."

Banks thus do not make a practice of making advances to an exporter on the strength of another bank's letter of credit, for it is not acceptable collateral (b).

26.

Question: When you are asked to cancel an unconfirmed credit, is the maximum time limit within which you may cancel set by—

Delivery of goods at pier by exporter?

Drawing of drafts by exporter?

Negotiation of drafts by your bank?

Receiving of documents by your bank?

Answer:

Delivery of goods, yes, 2; no, 41.

Drawing of drafts, yes, 1; no, 41.

Negotiation of drafts, yes, 29; no, 15.

Receiving of documents, yes, 18; no, 25.

(a) "If a seller had manufactured goods of a special kind in good faith on the strength of the credit, we doubt whether it could be canceled and we believe the same condition would apply if an importer had purchased special lines of merchandise for export."

(b) "All credits usually state conditions of expiration. If authority provides that shipment must be made by date, we consider that a regular bill of lading of a public carrier evidences time of shipment."

(c) "We have always considered that we have the right to cancel an unconfirmed credit by giving notice to the beneficiary in writing at any time before presentation of the documents to our bank."

(d) "An unconfirmed or revocable credit can be canceled at any time by the party who has established it, providing that such cancellation or revocation notice reaches the negotiating bank prior to the actual negotiation. Once, however, a bank has negotiated in good faith a draft drawn under an unconfirmed credit, the bank which established the credit must protect the negotiating bank."

(e) "A revocable credit is subject to cancellation until the drafts are actually paid abroad regardless of time of negotiation."

It is a recognized principle that an unconfirmed credit may be canceled by an advising bank, but the maximum time limit within which this right may be exercised is subject to various interpretations. As shown by the above answers the exact time may be fixed as follows:

(a) Completion of manufacture, particularly of special goods.

(b) Delivery of goods to a carrier as evidenced by a bill of lading.

(c) Presentation of documents to the bank.

(d) Negotiation of drafts by the notifying bank.

(e) Payment of drafts by the credit-issuing bank abroad.

The more liberal policies expressed in answers (a), (b), and (c) are followed by only a few banks, for the majority, claim the right to nullify the credit at any time prior to the moment the drafts are paid (d). Some even insist that the entire credit may be rescinded up to the time of negotiation by the original credit-issuing bank (e). A few contend that they may avail themselves of the power to cancel an unconfirmed credit at any time, without even notifying the beneficiary of such action. See also answers to questions 1, 2, 9, and 22.

28.

Question: Do you permit an exporter usually to draw on full value of the merchandise shipped or only a percentage?

(The answers are not tabulated, as the beneficiary is usually permitted to draw to the full value of the exports.)

29.

Question: When you notify a beneficiary that a credit has been opened in his favor (a) do you permit him to negotiate his draft with another bank, or (b) do you insist upon negotiation at your bank?

Answer: (a) Yes, 49; no, 9. (b) yes, 10; no, 48.

(a) "For all export credits established by us, the papers must be tendered to us for payment; of course, the drawer always has the right to disregard the letter of credit and have his own bank negotiate his drafts drawn directly on the buyer, but it is to his interest to present it to the New York bank for payment. In cases where we simply advise the beneficiary that a foreign bank has established a credit, the beneficiary is at liberty to negotiate his drafts through his own bank and not with us."

(b) "In the case of an export letter of credit, it makes no difference to us who negotiates the drafts so long as they eventually come to us."

(c) "We do not care where he negotiates his draft, but as most export credits provide for negotiation from the opening bank's dollar account in the United States, if the beneficiary desires to get his money he is obliged to present his drafts and documents to the bank advising him of the credit."

(d) "We do not permit but can not prevent another bank negotiating. We always insist upon our negotiation but in extreme cases can not prevent beneficiary negotiating at other banks."

(e) "We might request the negotiation of drafts through ourselves, but in no way can we control the beneficiary from negotiating with whomever he pleased so long as the bank were prepared to negotiate; in fact, negotiation could be made with another bank without our being aware of it."

(f) "If a credit is opened by us available by drafts on us, they must be finally presented to this bank for payment, but we have no objections to the beneficiary negotiating them through his own bank."

A beneficiary thus is generally permitted to negotiate his drafts with any bank and not necessarily with the bank which has advised him of the credit.

30.

Question. Instead of a letter of credit, do you use a similar document such as the "authority to draw drafts" or the "authority to purchase drafts"?

Answer. Yes, 16; no, 40.

(a) "Authorities to purchase drafts (known as A/Ps) are not used except by far eastern banks and their American correspondents. An A/P is usually equivalent to an unconfirmed credit and can be revoked at any time, and the American agent of the foreign bank when notifying the beneficiary that such an authority has been established is invariably careful to inform him that this is not a confirmed credit and is, therefore, subject to cancellation at any time."

(b) "We do not use the 'authority to purchase' drafts, but do negotiate drafts under such authorities for account of our foreign correspondents, debiting payments to their accounts with us immediately drafts have been negotiated."

(c) "We rarely issue documents similar to the letter of credit such as the 'authority to draw drafts' or the 'authority to purchase drafts,' and then only in domestic transactions. The occasions for the use of the above drafts are so infrequent that when they do arise we merely draw them on our letterhead."

(d) "We do not use 'authority to draw drafts' nor 'authority to purchase drafts,' though we are frequently requested to negotiate thereunder by our oriental correspondents."

The "authority to purchase" is seldom issued outside of New York and San Francisco. The banks on the Pacific coast use this document extensively in financing trade with the Orient.

31.

Question: In addition to the above, please indicate any other special problems along these lines which have arisen in your experience.

Answer. (a) "We should welcome it, if new statements of general terms were prepared, one to contain the guiding principles under which American banks open credits for foreign clients, and the second the terms and conditions which should be introduced in the commercial letter of credit agreement between domestic banks and their customers for the opening of and handling of import letters of credit, so as to prevent the recurrence of attempts made either by foreign or domestic customers to evade the commitments undertaken by them in connection with this phase of our business."

(b) "The greatest problem that confronts us is the laws of various foreign countries that will allow importers there

to cancel credits opened in favor of exporters in the United States when there is a marked decrease in the price of the commodity shipped, by serving attachment papers through the courts."

(c) "In connection with letters of credit there seems to be a divergence of opinion as to what constitutes a revocable or irrevocable letter of credit, and the terms 'confirmed' and 'unconfirmed' are often misused, and presumably misunderstood."

(d) "Another phase of banking practice, which we believe requires some educational work, is for the bank and its customer to see that the trust involved in the release of goods is strictly lived up to. We find frequently that business people regard the signing of a trust receipt merely as the issuing of a note, and that they have no responsibility except to pay the relative acceptance at due date. This is a pernicious situation, and every effort should be exerted to remedy it."

(e) "The business public, in most cases, do not understand the difference between letters of credit and bank guarantees and very often this leads to controversies between the foreign importer and the domestic exporter."

Acceptance Liabilities of Member Banks.

Between November 17, 1919, and November 15, 1920, the date of the latest call for condition reports of all member banks, combined acceptance liabilities of these banks increased from 565.7 millions to 647.8 millions. The peak figure of 673.9 millions was shown for May 4, 1920, while between that date and the middle of November of the past year the total declined by 26.1 millions. This decline is notable in view of increases in the acceptance liabilities of the national banks in New York City from 188.3 on May 4, 1920, to 201.9 millions on November 15 of that year, and in the acceptance liabilities of the New York City trust companies from 130.8 to 159.3 millions during the same period.

As a matter of fact, substantial reductions between May and November of the past year are shown in the aggregate acceptance liabilities of both national and other member banks in most of the larger cities outside of New York. Thus, for example between May and November, combined acceptance liabilities of national and other member banks of Boston declined from 85.8 to 69.4 millions; those of Philadelphia from 26.4 to 23.6 millions; those of Chicago from 72.7 to 60.5 millions, and those of San Francisco from 27.8 to 17 millions. On May 4, 1920, aggregate acceptance liabilities of New York national banks and trust companies constituted 47 per cent of the total acceptance liabilities of all member banks. On June 30 the proportion had increased to 51 per cent, and on November 15 it stood at 55.8 per cent. In the following table are shown separately the aggregate acceptance liabilities of the national and other member banks in the

principal centers on all call dates between November 17, 1919, and November 15, 1920:

Acceptance liabilities of national and other member banks.

[In thousands of dollars.]

Class of banks and city.	Nov. 17, 1919.	Dec. 31, 1919.	Feb. 28, 1920.	May 4, 1920.	June 30, 1920.	Sept. 8, 1920.	Nov. 15, 1920.
NATIONAL BANKS.							
New York.....	149,413	178,617	192,234	188,297	200,904	197,501	201,854
Boston.....	56,449	62,438	60,665	60,951	53,978	44,835	49,518
Philadelphia.....	18,683	21,993	23,896	25,028	24,739	25,619	22,415
Pittsburgh.....	5,487	6,906	9,672	8,836	4,749	4,980	1,882
Cleveland.....	9,193	8,622	8,673	6,975	10,040	9,440	8,412
Detroit.....	2,633	3,291	2,987	3,646	3,606	3,960	4,360
Cincinnati.....	3,547	3,904	3,996	3,014	2,592	1,312	1,252
Indianapolis.....	2,737	3,135	3,013	2,924	2,320	2,729	2,919
Richmond.....	6,780	6,594	5,330	3,739	1,823	2,675	1,864
Baltimore.....	3,355	4,078	5,859	4,059	3,651	7,113	5,165
Atlanta.....	995	1,160	1,702	1,200	1,300	1,342	1,555
New Orleans.....	3,822	3,579	3,389	4,749	4,388	1,826	1,702
Charleston, S. C.....	1,293	825	670	1,233	801	1,586	1,702
Chicago.....	24,199	28,969	32,327	35,972	37,354	40,825	34,920
St. Louis.....	4,709	8,092	8,082	5,825	5,315	3,987	4,705
Minneapolis.....	9,849	5,949	6,234	9,354	8,024	8,287	9,590
Dallas.....	4,510	2,135	1,250	1,370	1,035	800	2,875
San Francisco.....	15,820	16,873	17,654	26,744	26,311	22,483	15,865
Portland, Oreg.....	3,950	3,996	3,659	4,177	3,123	2,240	4,072
Seattle.....	1,584	1,501	1,440	3,013	2,575	1,117	1,013
All other.....	30,102	31,982	31,937	37,324	32,570	30,826	29,967
Total.....	359,110	407,639	424,660	438,430	431,198	414,583	406,525
STATE BANK AND TRUST COMPANY MEMBERS.							
New York.....	132,563	146,226	.....	130,798	143,335	.....	159,348
Buffalo.....	1,110	1,187	.....	2,680	3,886	.....	3,175
Boston.....	14,508	20,642	.....	24,812	24,721	.....	19,899
Providence.....	1,144	1,447	.....	1,501	4,178	.....	1,781
Philadelphia.....	750	500	.....	1,375	1,385	.....	1,225
Pittsburgh.....	2,266	1,525	.....	2,600	2,287	.....	965
Cleveland.....	5,265	5,156	.....	6,735	6,434	.....	5,756
Detroit.....	550	1,075	.....	1,525	1,394	.....	1,006
Memphis.....	1,887	1,360	.....	1,269	901	.....	835
Richmond.....	220	135	.....	45	50	.....	50
Baltimore.....	.....	75	.....	439	689	.....	350
Savannah.....	709	233	.....	158	674	.....	677
Atlanta.....	675	540	.....	550	385	.....	32
New Orleans.....	9,617	8,053	.....	6,600	7,259	.....	6,091
Chicago.....	23,227	30,926	.....	36,696	28,790	.....	25,575
St. Louis.....	6,865	8,144	.....	9,944	9,422	.....	6,770
San Francisco.....	555	1,067	.....	1,042	527	.....	1,134
Portland, Oreg.....	996	783	.....	546	722	.....	963
Seattle.....	173	100	.....	.....	40	.....	4
All other.....	3,485	4,203	.....	6,107	5,290	.....	5,640
Total.....	206,567	233,379	.....	235,422	242,369	.....	241,276
Total national banks.....	359,110	407,639	424,669	438,430	431,198	414,583	406,525
Total State bank and trust company members..	206,567	233,379	.....	235,422	242,369	.....	241,276
Grand total.....	565,677	641,018	.....	673,852	673,567	.....	647,801

Of the total acceptance holdings of the Federal Reserve Banks at the close of each month by far the larger portion is composed of paper purchased in open market, including a moderate amount of trade acceptances, though much the greater share of the latter is reported among the holdings of discounted bills. On the other hand, discounted bank acceptances constitute only a small percentage of the total amounts of bank acceptances shown among the end-of-month holdings of the Federal Reserve Banks. The share of member bank acceptances held by the Federal Reserve Banks

varied between 65 and 70 per cent of the total purchased acceptances held, which show a gradual decline from 372.5 millions on June 30 to 258.9 millions at the close of the year. Discounted bank acceptances (nearly all member bank paper) fluctuated between 25.2 millions on June 30 and slightly over 8 millions at the end of September, and aggregated 17.2 millions at the close of the year, as may be seen from the following exhibit:

Federal Reserve Bank holdings of bank acceptances.

[In thousands of dollars.]

Date.	Purchased in open market, accepted by—					Held under discount. ¹
	Member banks.	Non-member banks and discount corporations.	Private banks.	Foreign bank branches and agencies.	Total holdings.	
1920.						
June 30.....	255,564	56,474	38,647	21,856	372,541	25,174
July 31.....	234,368	47,112	36,087	22,079	339,646	9,830
Aug. 31.....	202,868	44,130	31,225	21,737	299,960	9,013
Sept. 30.....	200,976	41,948	29,788	25,511	298,223	8,072
Oct. 31.....	194,908	39,636	33,662	27,864	296,070	11,539
Nov. 30.....	153,302	33,502	26,010	25,702	238,516	12,828
Dec. 31.....	169,387	38,374	24,905	26,212	258,878	17,218

¹ Figures as of last Friday in the month.

Of the total of 673.6 millions of member bank acceptances outstanding at the end of June, 1920, about 281 millions, or a little over 40 per cent, are reported among the holdings of the Federal Reserve Banks (acquired either through open-market purchase or discounted for member banks). During the latter part of the year the Federal Reserve Bank holdings of acceptances show a considerable decline, holdings of bank acceptances alone showing a decrease from 397.2 on June 30 to 297 millions on November 12, the Friday nearest the call date. Federal Reserve Bank figures of member bank acceptance holdings are not available for November 15, nor for the Friday preceding or following, but there is reason to think that the proportion of total member bank acceptances outstanding that was held by the Federal Reserve Banks on November 15 probably was not in excess of 30 per cent, compared with about 40 per cent at the close of June, 1920, and about 50 per cent at the close of June, 1919.

On November 12 the Federal Reserve Banks' holdings of member and nonmember bank acceptances were about 297 millions. Assuming that this represents about 30 per cent of the total bank acceptances outstanding on that date, this total may be estimated to run between 900 and 1,000 million dollars, a

total only slightly different from the estimated amount outstanding on May 4 of the past year.

As against a decided upward tendency during the first half of 1920 market rates on bank acceptances (90-day maturities) for the second half of the year, as compiled by the American Acceptance Council, show but little change, continuing slightly below the corresponding London rates, as may be seen from the following exhibit:

	New York rates for prime eligible bank acceptances (90 days).	London rates for 3 months' bankers' bills.
1920.		
January.....	5 -5½	5 -5½
February.....	5½ -5½	5½ -5½
March.....	6 -6½	5½ -5½
April.....	5½ -6½	5½ -6½
May.....	6 -6½	6½ -6½
June.....	6½ -6½	6½ -6½
July.....	6½ -6½	6½ -6½
August.....	6½ -6½	6½ -6½
September.....	6½ -6½	6½ -6½
October.....	6½ -6½	6½ -6½
November.....	6½ -6½	6½ -6½
December.....	6½ -6½	6½ -6½

British Floating Debt.

Below is printed a table showing the position of the floating debt of the United Kingdom for every week between November 9, 1918, the time of the armistice, and the end of 1920. Comparative figures for some previous dates are also included.

For most of the period under consideration, the floating debt consists of two items, "treasury bills" and "ways and means advances." Treasury bills are sold by the Government through the Bank of England, and are from 3 to 12 months in maturity. Treasury bills, outstanding fluctuated between about 1,050 and 1,150 millions during the year and stood at the end of the year at 1,102 million pounds. Ways and means advances, although shown in this table in one item, consist of two different kinds of liabilities—advances obtained from the Bank of England to supplement current revenue, such advances running for not more than three months; and advances by public departments. During the last six months of 1920, advances by the Bank of England ran as high as 87 millions, while advances by public departments rose from 143 millions at the end of September to 219 millions at the close of the year.

The following statement shows the total debt and the funded and floating debt of the United Kingdom at the time of the armistice and at the end of the years 1919 and 1920:

[In millions of pounds sterling.]

	Dec. 31, 1920.	Dec. 31, 1919.	Nov. 9, 1918.
Total debt ¹	7,832	8,079	7,120
Funded debt.....	6,424	6,730	5,628
Floating debt.....	1,408	1,349	1,492

¹ Figures from the London Economist.

For the year 1920 the floating debt shows an increase of about 59 million pounds, while the funded debt was reduced by 306 millions, of which 51 millions represents England's share of the Anglo-French 500-million dollar loan obtained in America, which fell due on October 15. The remainder includes bonds purchased by the Treasury in the open market out of the depreciation fund administered by the National Debt Commissioners.

Compared with its position at the time of the armistice, the total debt at the close of 1920 shows an increase of about 712 million pounds. The floating debt decreased by 84 millions during the period, while the funded debt increased by about 796 millions. This increase in the funded debt represents, to a large extent, bonds of the 4 per cent funding loan and 4 per cent Victory bonds, both of which were floated since the armistice.

Position of the floating debt of the United Kingdom since the armistice.

[In thousands of pounds.]

Date.	Treasury bills.	Ways and means advances.	Total floating debt.
Nov. 11, 1916.....	1,102,829	56,896	¹ 1,157,635
10, 1917.....	1,004,988	221,164	¹ 1,249,713
1918.			
Nov. 2.....	1,121,647	354,198	¹ 1,478,088
9.....	1,123,991	366,198	¹ 1,491,961
16.....	1,122,181	365,690	¹ 1,489,216
23.....	1,122,573	367,998	¹ 1,491,589
30.....	1,113,807	373,613	¹ 1,488,121
Dec. 7.....	1,121,133	416,112	¹ 1,537,728
14.....	1,120,281	422,112	¹ 1,542,678
21.....	1,118,718	430,112	¹ 1,549,043
31.....	1,094,740	455,180	¹ 1,549,920
1919.			
Jan. 4.....	1,097,904	447,180	1,545,084
11.....	1,108,532	417,180	1,525,712
18.....	1,094,666	399,680	1,494,346
25.....	1,078,848	384,680	1,463,528
Feb. 1.....	1,042,158	354,180	1,396,338
8.....	1,008,253	378,180	1,386,433
15.....	993,412	390,680	1,384,092
22.....	978,600	405,180	1,383,780
Mar. 1.....	968,805	427,280	1,396,085
8.....	961,694	446,770	1,408,464
15.....	957,479	446,770	1,404,249
22.....	948,536	456,988	1,405,524
31.....	957,236	454,993	1,412,220
Apr. 5.....	977,824	470,993	1,448,817
12.....	986,199	459,993	1,446,192
19.....	978,672	470,493	1,449,165
26.....	985,941	474,492	1,460,434

¹ In addition to the items shown, the total includes the following amounts of war expenditure certificates (in thousands of pounds): Nov. 11, 1916, 27,910; Nov. 10, 1917, 23,561; Nov. 2, 1918, 2,243; Nov. 9, 1918, 1,172; Nov. 16, 1918, 1,337; Nov. 23, 1918, 1,018; Nov. 30, 1918, 701; Dec. 7, 1918, 483; Dec. 14, 1918, 285; Dec. 21, 1918, 213.

Position of the floating debt of the United Kingdom since the armistice—Continued.

[In thousands of pounds.]

Date.	Treasury bills.	Ways and means advances.	Total floating debt.
1919.			
May 3.....	1,000,179	477,492	1,477,671
10.....	1,013,135	470,992	1,484,127
17.....	1,018,789	470,892	1,489,681
24.....	1,022,097	459,392	1,481,489
31.....	1,036,131	457,892	1,494,023
June 7.....	960,219	581,892	1,542,111
14.....	891,208	654,892	1,546,100
21.....	851,831	701,892	1,553,723
30.....	796,150	774,237	1,570,387
July 5.....	711,555	855,337	1,567,892
12.....	628,209	930,468	1,558,677
19.....	669,777	724,118	1,393,895
26.....	714,604	556,668	1,271,272
Aug. 2.....	749,678	431,578	1,181,256
9.....	771,225	410,578	1,181,803
16.....	797,674	390,578	1,188,252
23.....	800,447	381,578	1,182,025
30.....	817,725	387,578	1,205,303
Sept. 6.....	856,861	367,078	1,223,939
13.....	876,702	348,578	1,225,280
20.....	870,833	348,078	1,218,911
30.....	851,315	393,082	1,244,397
Oct. 4.....	853,068	422,582	1,275,650
11.....	930,963	373,082	1,304,045
18.....	976,621	317,082	1,293,703
25.....	1,043,687	242,582	1,286,269
Nov. 1.....	1,069,622	224,582	1,294,204
8.....	1,082,594	225,082	1,307,676
15.....	1,091,961	213,582	1,305,543
22.....	1,092,059	202,082	1,294,141
29.....	1,089,082	209,582	1,298,664
Dec. 6.....	1,100,368	245,782	1,346,150
13.....	1,111,022	230,782	1,341,804
20.....	1,121,620	224,087	1,345,707
27.....	1,105,946	243,174	1,349,120
31.....	1,105,946	243,174	1,349,120
1920.			
Jan. 10.....	1,144,881	209,074	1,353,955
17.....	1,130,951	215,074	1,346,025
24.....	1,119,861	204,430	1,324,291
31.....	1,110,461	208,230	1,318,691
Feb. 7.....	1,106,668	196,230	1,302,898
14.....	1,101,168	185,330	1,286,498
21.....	1,102,331	218,830	1,321,161
28.....	1,070,085	187,830	1,257,915
Mar. 6.....	1,056,662	185,430	1,242,092
13.....	1,059,228	168,930	1,228,158
20.....	1,048,772	178,430	1,227,202
31.....	1,107,318	204,887	1,312,205
Apr. 10.....	1,043,398	268,837	1,312,235
17.....	1,054,170	250,837	1,305,007
24.....	1,050,634	245,337	1,295,971
May 1.....	1,047,648	249,207	1,296,855
8.....	1,064,452	234,767	1,299,219
15.....	1,063,733	218,867	1,282,600
22.....	1,062,834	210,367	1,273,201
29.....	1,062,022	221,617	1,283,639
June 5.....	1,070,987	234,867	1,305,854
12.....	1,077,203	223,817	1,301,020
19.....	1,077,997	213,317	1,291,314
26.....	1,069,626	218,324	1,287,950
30.....	1,050,090	243,691	1,293,781
July 10.....	1,078,629	211,991	1,290,620
17.....	1,066,090	213,141	1,279,231
24.....	1,066,358	205,341	1,271,699
31.....	1,058,348	203,841	1,262,189
Aug. 7.....	1,046,980	218,341	1,265,321
14.....	1,048,492	209,841	1,258,333
21.....	1,060,756	187,541	1,248,297
28.....	1,066,736	182,491	1,249,227
Sept. 4.....	1,069,009	197,941	1,266,950
11.....	1,065,873	196,941	1,262,814
18.....	1,083,099	175,441	1,258,540
30.....	1,138,794	143,114	1,281,908
Oct. 9.....	1,078,639	211,364	1,290,003
16.....	1,072,804	247,614	1,320,418
23.....	1,076,004	242,264	1,318,268
30.....	1,084,629	241,364	1,325,993
Nov. 6.....	1,088,884	244,614	1,333,498
13.....	1,089,054	242,714	1,331,768
20.....	1,090,379	236,364	1,326,743
27.....	1,096,594	211,114	1,307,708
Dec. 4.....	1,126,729	268,414	1,395,143
11.....	1,137,604	260,264	1,397,868
18.....	1,131,579	262,914	1,394,493
31.....	1,102,109	305,972	1,408,081

FRENCH WAR FINANCE.¹

France entered the war in 1914 with an internal debt of 35 billion francs, with no foreign debt, and with large investments abroad. She begins the year 1921 with debts in foreign countries and at home which amount to about 245 billion francs (calculating the foreign debts at par). A survey of the operations by which these debts have been accumulated makes an interesting study in war finance.

France used short-term government securities as a means of obtaining war funds much more than has been popularly supposed. Her national defense bills correspond to the certificates of indebtedness used in the United States, and to the Treasury bills of the United Kingdom. In December, 1919, there were national defense bills outstanding to the amount of 46 billion francs, and the latest figure available (that of July 1, 1920) is 44 billion francs. Unfortunately it is impossible to say how many of these bills are held by private investors and how many have found their way into the banks, as the statements of the French private banks report national defense bills and commercial bills in one item.

One of the most striking features of French war finance is furnished by the advances of the Bank of France to the Government and the consequent increase in its note circulation. It should be observed, however, that at no time during the war did the advances of the Bank of France equal the amounts realized from the sale of national defense bills.

A third feature of French war borrowing which deserves especial attention is that which concerns foreign countries. The report of France's foreign debts given on the first of last July lists ten allied and neutral countries from which she received the loans by which she financed her necessary imports. In most of these countries the loans take the form of short-term credits and must be repaid or funded within a year or so. In England and the United States the greater part of the advances come from the national treasuries, and may presumably be allowed to run for a longer period.

Other war borrowing in France took the form of five and ten year bonds and perpetual rentes.

No regular reports are published by the French Treasury, and official figures on French war finance must be obtained largely from the documents of the Senate and the Chamber of Deputies. At varying intervals there occur in these documents statements of the Government's financial situation. The statements are sometimes made by the Finance Minister and

¹ Prepared under the direction of F. M. Williams, Division of Analysis and Research.

sometimes by the chairman of the Senate or Chamber of Deputies Finance Commission. One of the most complete and satisfactory of these reports is that prepared July, 1920, by M. Doumer, who has recently become Finance Minister in the Briand Cabinet.

The latest official account of France's fiscal operations since the beginning of the war was given by M. Paul Doumer in a report on the budget made to the French Senate on July 20, of last year. According to M. Doumer, France's expenditures since the beginning of the war are best shown by the credits voted by the French Parliament. These have been as follows:

Credits voted by the French Parliament, August, 1914, through July, 1920.

[In millions of francs.]

1914 (August through December).....	6,589
1915.....	22,804
1916.....	32,945
1917.....	41,680
1918.....	54,537
1919.....	49,029
	207,584
1920 (January through July).....	25,714
Total.....	¹ 233,298

Figures on the resources utilized by the treasury for meeting the expenditures authorized are available in comparable form for the years 1914 through 1919, and the graph on page 180 shows how they were divided. The figure on short-term loans includes national defense bonds and short-term loans from foreign countries.

Approximately one-third of France's war resources (including in that term all funds received by the treasury from Aug. 1, 1914, through July, 1920) came from internal loans, a little more than one-fifth from the sale of national defense and other treasury bills, slightly less than one-fifth from tax receipts, not quite one-sixth from loans obtained abroad, and about one-eighth from the advances of the Bank of France. M. Doumer gives the following figures on the subject:

Resources of the French Treasury, Aug. 1, 1914-July, 1920.

[In billions of francs.]

Receipts from taxation.....	43
Advances of the Bank of France.....	26
Loans obtained abroad.....	35
Treasury bills (including national defense bills)....	46
Internal loans.....	72
Total.....	² 222

Specifically, seven different sources were utilized to provide funds for the French Government during the war. They are as follows:

1. Receipts from taxes.
2. Advances from the Bank of France and the Bank of Algeria.
3. National defense bills (bons de la défense nationale, issued first for one year, six months, three months, and later for one month also).
4. National defense bonds (obligations de la défense nationale, five and ten year bonds).
5. Consolidation loans. (These loans were all of the "perpetual rente" type, except that of the spring of 1920, which matures in 1980.)
6. Treasury bills discounted abroad.
7. Other loans floated abroad.

TAX RECEIPTS.

It will be evident from the graph³ on page 180 that at the beginning of the war French tax receipts were very small indeed. The mobilization of almost all France's male population of military age completely disorganized the collection of taxes. Revenue for 1914 was 641 million francs less than the budget estimate for that year. The collection of taxes improved in 1915, and various new taxes of a minor nature were enacted, but no very great tax increases took place until the year following. In 1916, 1917, and 1918 war-profits taxes, increased inheritance and income taxes, and various indirect taxes were voted, and the receipts turned into the treasury increased correspondingly. In July, 1920, new taxes were voted which have almost doubled tax receipts.

² It will be noted that the figure for total resources is smaller by 11 billion francs than that for credits granted. The only explanation given for this is that the total credits were not utilized.

³ As indirect taxes and Government monopolies produce the greater part of French revenue, monthly tax receipts fluctuate greatly, and a three-months' moving average has been plotted in order to show the general trend of tax receipts.

¹ Documents Parlementaires, Sénat, 1920, p. 344.

The following table gives French tax receipts by months for the war period:

*French tax receipts.*¹

[In thousands of francs.]

	1914	1915	1916	1917	1918	1919	1920
Indirect taxes and Government monopolies:							
January.....		258,907	293,913	403,731	394,175	533,839	885,450
February.....		205,941	246,532	351,826	333,442	453,412	794,045
March.....		234,043	264,000	414,649	336,564	542,495	859,192
April.....		298,721	331,264	407,733	402,626	681,226	1,057,131
May.....		246,036	290,947	359,688	357,783	595,132	857,095
June.....		241,585	275,402	405,350	357,041	638,683	907,721
July.....		290,758	365,135	432,241	472,595	771,096	1,109,011
August.....	173,606	242,705	335,135	401,052	381,805	666,979	.....
September.....	136,735	236,162	346,341	337,838	443,008	672,001	.....
October.....	223,731	307,749	399,034	454,912	547,335	831,501	.....
November.....	189,426	232,246	339,365	355,298	434,224	737,825	.....
December.....	211,379	289,630	398,442	402,510	446,132	793,268	.....
Total.....	² 934,877	3,084,483	3,885,510	4,726,828	4,906,730	7,917,457	³ 6,469,645
Direct taxes.....	² 303,945	1,028,949	755,302	1,084,445	2,080,064	2,259,302	³ 3,867,827
Grand total.....	¹ 1,238,822	4,113,432	4,640,812	5,811,273	6,986,794	10,176,759	³ 10,337,472

¹ No monthly figures on direct taxes in France are available. In the graph on page 180, direct taxes have been prorated throughout the year. The totals used here are those of M. Doumer's July budget report. See Documents Parlementaires—Sénat, p. 344.

² August through January only.

³ January through July only.

ADVANCES OF THE BANK OF FRANCE.

The first extraordinary source to which the Government turned for financial aid in 1914 was the Bank of France. According to the agreement (renewed in 1911) by which the bank is the only note-issuing body in France, it is required to advance the Government, until the expiration of the note-issuing privilege, 200 million francs without interest, and "in time of public emergency" to lend 2,900 million francs at 1 per cent. This was promptly done at the outbreak of the war. It was evident very shortly, however, that the advances originally agreed upon would not be sufficient for the needs of the State and in September, 1914, the limit was raised to 6 billion francs. By the end of April, 1915, the advances of the bank had increased to 5,543 million francs, and the maximum was again raised in May. It has progressed since that time by successive steps, until it now stands at 27 billion francs. The only periods during the war when the advances of the bank decreased were at the time of the consolidation loans (in December, 1915; in November, 1916; very slightly in December, 1917; in September, 1918), and at the time of the armistice. The increase in the advances of the bank to the State in 1919 is very striking. There was no great loan during that year to fund the outstanding obligations of the Government, and expenditures piled up faster than tax receipts, although the latter were larger than they had ever been before. During 1920 the advances of the bank were comparatively slight and in the first weeks of 1921 they have been reduced by about 1 billion francs.

At the present time the Government is paying 1 per cent interest to the bank on these advances, and 2 per cent to an amortization fund. As the use of checks is not at all common in France, these advances to the Government are not reflected predominantly in deposit accounts. The following figures show the relation between the growth in the note circulation and the private deposits of the Bank of France:

Bank of France.

[In millions of francs.]

	Private deposits.	Note circulation.
End of—		
December, 1913.....	575	5,714
December, 1914.....	2,210	10,043
December, 1915.....	2,033	13,201
December, 1916.....	2,260	16,679
December, 1917.....	2,914	22,337
December, 1918.....	2,366	30,250
December, 1919.....	3,127	37,275
December, 1920.....	3,518	37,902

The increase in the deposits of the French private banks has been even less than in those of the central bank. Because the use of deposit accounts is so relatively unimportant, it was inevitable that the advances to the Government should cause a large increase in the note circulation of that bank. There is no legal reserve ratio for the Bank of France, but the amount of its note issue is limited by act of Parliament. When the war broke out, this limit stood at 6,800 million francs, but it has since been raised several times, and is now 43 billion francs.

The decrease in the ratio of gold to notes of the Bank of France is not quite so great as the increase in its note circulation would seem to imply, as its gold reserve has increased almost 2 billion francs since 1914. In December, 1913, the gold reserve of the bank amounted to 3,517 million francs; in December, 1920, it had reached 5,500 million francs. Part of this reserve was transferred abroad to secure loans made to the French Government. The following table shows amounts of gold reported by the bank as held in other countries:

Gold reserve of the Bank of France held abroad.

[In millions of francs.]

	1916	1917	1918	1919	1920
End of—					
June.....	271	2,035	2,037	1,978	1,978
December.....	1,693	2,037	2,037	1,978	1,948

Gold convertibility in France was abandoned by an act of Parliament in August, 1914. Bank notes were made legal tender, and issued in 5 and 20 franc denominations to take the place of the coin withdrawn from circulation.

The graph on page 180 shows the close correspondence between the increases in the note circulation of the bank and its advances to the Government. The advances plotted there include regular advances to the Government and the Treasury bills discounted for the advances of the State to foreign Governments. The difference between these advances and the note circulation of the bank was 7 billion francs in December, 1920. The relation between these two items has been practically unchanged since 1914, and the difference is only slightly more than the note circulation of the bank before the war.

The following table gives a comparative survey of the advances of the bank and its note circulation during the war period:

Bank of France—Note circulation and advances to the State, August, 1914–December, 1920.

[In millions of francs.]

	1914		1915		1916		1917		1918		1919		1920	
	Ad- vances to the State.	Note circu- lation.	Ad- vances to the State.	Note circu- lation.	Ad- vances to the State.	Note circu- lation.	Ad- vances to the State.	Note circu- lation.	Ad- vances to the State.	Note circu- lation.	Ad- vances to the State.	Note circu- lation.	Ad- vances to the State.	Note circu- lation.
January.....			4,103	10,474	6,320	13,858	10,165	17,328	16,260	23,534	23,290	31,983	29,270	37,583
February.....			4,603	10,962	6,705	14,295	11,045	17,889	16,465	24,308	24,260	32,716	29,790	37,889
March.....			4,984	11,177	7,790	14,952	11,910	18,460	17,560	25,179	25,380	33,772	30,310	37,569
April.....			5,543	11,584	8,355	15,278	12,385	19,010	19,235	26,395	26,195	33,978	29,320	37,688
May.....			5,888	11,828	8,725	15,435	13,160	19,479	20,415	27,303	26,720	34,061	30,095	37,915
June.....			6,433	12,105	9,240	15,806	13,410	19,823	22,085	28,550	27,090	34,442	30,065	37,544
July.....	205	6,683	6,813	12,593	9,710	16,091	13,645	20,202	22,540	29,148	27,160	35,025	29,630	37,696
August.....	(1)		6,962	12,950	9,945	16,425	14,265	20,569	22,813	29,434	27,480	35,090	29,905	37,905
September.....	2,100	9,299	7,432	13,458	10,160	16,714	14,795	20,995	21,675	29,922	28,050	35,787	30,735	39,208
October.....	(1)		7,641	13,868	10,350	16,589	15,420	21,705	22,490	30,782	29,366	36,974	30,740	39,084
November.....	(1)		8,176	14,278	8,355	16,119	15,925	22,691	20,710	29,072	29,785	37,424	30,765	38,807
December.....	3,900	10,043	5,931	13,201	9,400	16,679	15,920	22,337	20,876	30,250	29,455	37,275	30,780	37,902

¹ The regular statements of the Bank of France were suspended during the first months of the war.

ADVANCES OF THE BANK OF ALGERIA.

Compared with advances from the Bank of France to the Government, those of the Bank of Algeria appear relatively insignificant. Their progress has been as follows:

Advances of the Bank of Algeria to the French Government for the purposes of the war.

[In millions of francs.]

December 31, 1915.....	75
December 31, 1916.....	25
December 31, 1917.....	95
December 31, 1918.....	210
December 31, 1919.....	231
November 30, 1920.....	43

NATIONAL DEFENSE BILLS.

The sale of treasury bills to bridge over the gap between tax receipts had long been common in France, and in the fall of 1914 the finance minister promptly employed these bills to provide emergency funds. The rate of interest on one-year bills was made 5 per cent, payable in advance. (It had been 1 per cent the year previous.) It was soon found necessary, however, to increase the sale of the bills in France, and in August, in order to make them more popular, they were renamed "national defense bills," and were issued for three months, six months, and one year. Every advantage was granted to them. The Bank of France discounted those having no more than three months to run, and accepted them as guaranty for advances up to 80 per cent of their value. In the first week of October, 1914, the more important private banks allowed their depositors to withdraw funds for the purchase of national defense bills or for payments on 3½ per cent rentes in excess of the amount stipulated by the latest Government decree in regard to the moratorium on deposits. The bills were first issued in denominations of 100, 500, and 1,000 francs, with interest at 5 per cent, payable in advance.

However, on December 20, 1914, the rate of discount for the three months' bills was reduced to 4 per cent.

Later in the war 5-franc and 20-franc 1-year national defense bills were issued and sold at the post offices, and in May, 1918, a 1-month national defense bill was created, with interest payable in advance at the rate of 3.60 per cent. If the 1-month bills were held for two months the rate of interest rose to 3.90 per cent, and if they were held for three months it rose to 4 per cent; that is, to the rate on the regular 3-months bills. These 1-month bills were issued in denominations of 100, 500, and 1,000 francs.

As a large proportion of the national defense bills purchased were for three months only, it was natural that the amount outstanding should fluctuate greatly. It never diminished, however, except at the time of consolidation loans when, as may be seen from the graph on page 180, a great number were funded.

The increase in the number of national defense bills in circulation during 1919 was very striking. It has been stated above that the Government was in great need of current funds during that year, and in a speech before the Chamber of Deputies on December 29, 1919, M. Klotz, then Finance Minister, said that the Government realized about 24 billion francs from the sale of national defense bills from January 1 to December 15, 1919. In other words, the national defense bills in circulation increased from 22 billion francs on December 31, 1918, to 46 billion on November 30, 1919. During the first half of 1920 the amount in circulation decreased slightly, and on July 1 there were bills to the amount of 44 billion francs outstanding. Later figures on this subject are not available. The following table shows the fluctuations in the bills outstanding.

National defense bills outstanding.
(In millions of francs.)

1915—Jan. 10.....	1,977
Mar. 5.....	3,188
June 30.....	5,593
Oct. 31.....	8,533
Dec. 31.....	6,263
1916—Apr. 30.....	10,020
July 31.....	13,167
Sept. 30.....	15,075
Oct. 31.....	11,591
Dec. 31.....	12,574
1917—Mar. 31.....	15,353
Aug. 15.....	20,211
Nov. 15.....	22,966
Dec. 31.....	19,521
1918—Oct. 31.....	30,000
Dec. 31.....	22,335
1919—Mar. 31.....	28,401
June 30.....	33,892
Nov. 30.....	46,500
1920—July 1.....	44,200

NATIONAL DEFENSE BONDS.

In February, 1915, the Minister of Finance issued two series of national defense bonds, one series to mature in 5 years and one in 10 years. There were two reasons for issuing these bonds. The first was to convert the outstanding national defense bills (which already amounted to about 2,350 million francs) into bonds which would mature after the war, and the second was to hasten payments on the 3½ per cent redeemable rentes issued just before the outbreak of the war. Many of the subscribers to the loan, which on July 7, 1914, was almost four times oversubscribed, had since the outbreak of the war been unable or unwilling to pay up the amounts of their subscriptions, and "unreleased" 3½ per cent rentes were quoted on the Bourse at prices about 10 or 15 centimes below those which had been released. Quotations for the latter had fallen to 82 (the price of issue was 91), when, about the middle of September, 1914, the Finance Minister announced that they would be accepted at their price of issue in exchange for the forthcoming short-term bonds and for all other national loans until 1917. Quotations rose very shortly to 89, but dropped again to 80 in the second week in November. They recovered, however, before the end of the year to 86.15 and in the last week in February, when the national defense bonds were issued, had risen to 90.70. There was no fixed subscription period for the national defense bonds, and they were sold continually until the issue of the 5 per cent consolidation loan of 1915. Their interest was 5 per cent, that of the first year being payable in advance.

On October 31, 1915, the bonds outstanding represented a capital of 3,659 million francs, of which 2,739 million francs had been paid in cash or national defense bills. The bonds were convertible into the 5 per cent loan, and by January 1, 1916, only 632 million francs remained in circulation.

The national defense bonds were regularly revived between consolidation loans throughout the period of the war, but at no time did their capital amount to more than 4 billion francs. On July 1, 1920, the 5-year bonds outstanding totaled 166 million francs and the 10-year bonds totaled 781 million francs, sums which seem relatively insignificant when compared with either the 44 billion francs of national defense bills in circulation at that date or with the receipts from the consolidation loans, which had reached 72 billion francs by July, 1920.

CONSOLIDATION LOANS.

Since the beginning of the war there have been six consolidation loans in France. They are as follows:

Date of issue.	Price of issue.	Nominal yield.	Real yield.	Maturity.
		<i>Per cent.</i>	<i>Per cent.</i>	
November, 1915.....	87.25	5	5.73	Perpetual.
October, 1916.....	87.50	5	5.71	Perpetual.
December, 1917.....	68.60	4	5.83	Perpetual. ¹
October, 1918.....	70.80	4	5.65	Perpetual.
February, 1920.....	² 100.00	5	5	1980.
November, 1920.....	100.00	6	6	Perpetual. ³

¹ Repayable in total or by series beginning Jan. 1, 1943.

² Repayable at 150.

³ The Government promises not to convert or redeem this loan before 1931.

Three and one-half per cent rentes, national defense bills, and national defense bonds were accepted in payment for all these loans. Five per cent rentes at 87.50 were received in payment for the third loan, and unpaid coupons issued or guaranteed by the Russian Government were accepted in part payment for subscriptions to the fourth loan. Four per cent and 5 per cent rentes were accepted in part payment for the last loan.

As the table presented above indicates, only the last loan was issued, strictly speaking, at par, for although interest on the 5 per cent loan of 1920 is paid only on the capital received, this loan must be repaid at 150 at its maturity. The difference between the amounts actually received in each loan and the amount upon which interest is being paid is shown by the following table:

Loans.	Nominal capital (face value).	Effective capital (amounts paid in).
5 per cent, 1915.....	15,205	13,308
5 per cent, 1916.....	11,514	10,082
4 per cent, 1917.....	14,892	10,209
4 per cent, 1918.....	31,304	22,163
5 per cent, 1920.....	16,150	16,150
6 per cent, 1920.....	27,000	27,000
Total.....	116,055	98,912

The graph on page 180 indicates the proportion of the effective capital of each of these loans paid in cash, in national defense bills, and in other securities.

In November, 1917, when the third consolidation loan was authorized, it was voted that the Finance Minister devote 120 million francs a month to buying up consolidation loans upon the Bourse. The quotation for 5 per cent rentes had fallen to 87.90 in November of that year. During 1918 the price fluctuated between 87 and 88.70, and in 1919 it rose to 93.25

in January and to 90.95 in September, but in 1920 it has never risen above 89, and it closed the year at 85.20.

Quotations of the 4 per cent rentes of 1917 rose in January, 1918, to 69.40, and stayed well above the price of issue until December, 1920. The 4 per cent 1918 series, however, fluctuated from 74.90 to 69.25 in December, 1920.

FOREIGN LOANS.

France began her foreign borrowing early in the war. The invasion of her richest industrial and agricultural sections made it necessary for her to purchase a large proportion of her munitions and raw materials abroad, and hence to borrow money there. The following table gives the most recent figures on French loans procured abroad.

French foreign debt as of July 1, 1920.⁵

[In millions of francs.]

Bills in England.....	31
Bills issued in the United States.....	128
Bills issued to the British Treasury.....	12,327
Bills issued to the Bank of England.....	⁶ 1,639
Bills issued to Japan.....	78
Short term credits in—	
Spain.....	593
Sweden.....	70
Norway.....	83
Argentina.....	145
Switzerland.....	140
Holland.....	115
England.....	321
Uruguay.....	80
Anglo-French loan in the United States.....	⁶ 1,295
Loan of the City of Paris.....	259
Loans of the cities of Lyon, Bordeaux, and Marseille.....	⁶ 233
Advances of the American Treasury.....	14,428
Loan issued in Japan.....	258
Bonds given to the American Government in exchange for army stocks.....	2,072
Total ⁷	34,296

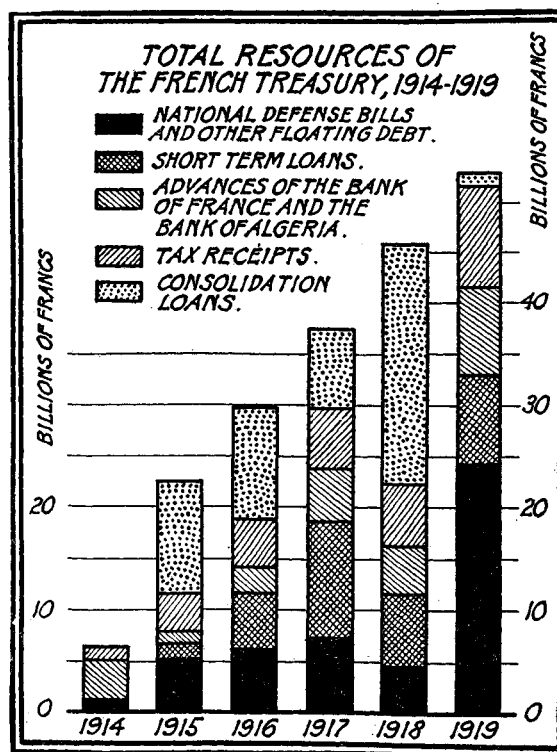
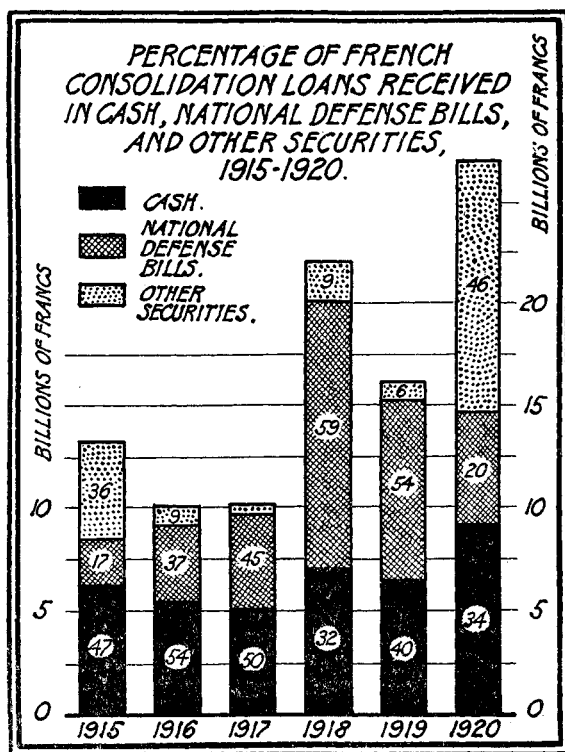
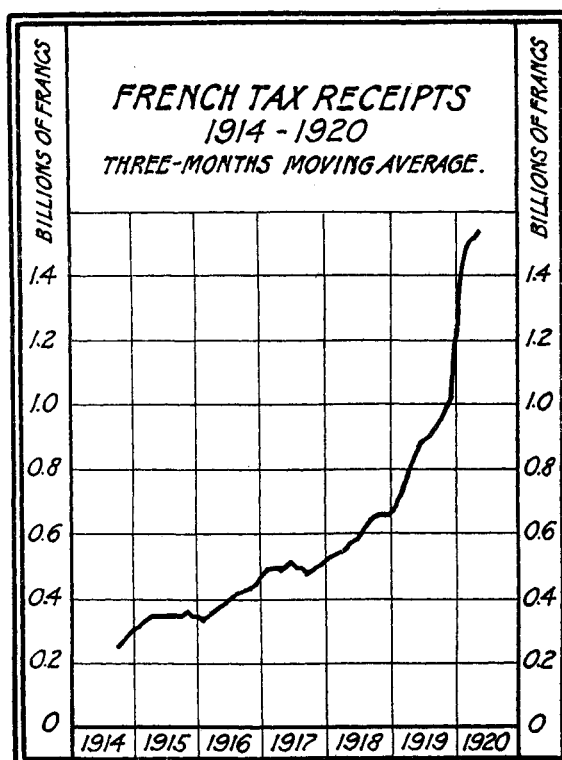
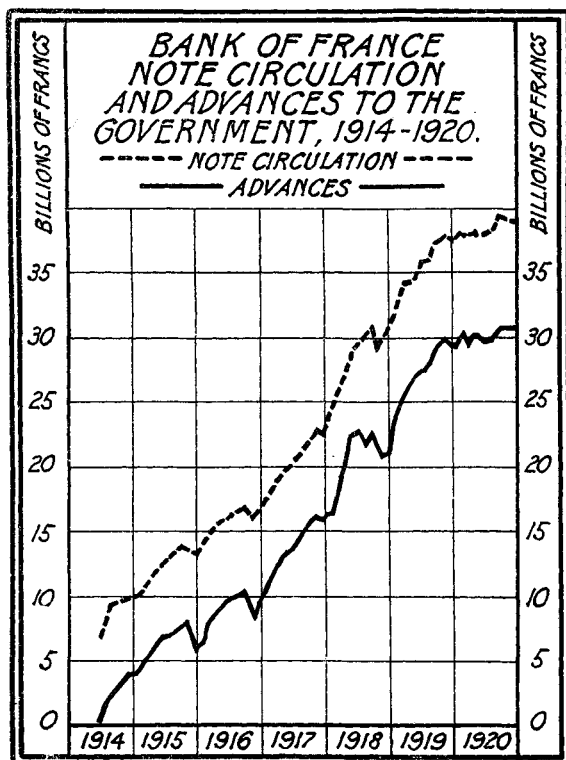
It will be seen that the countries from which France borrowed the most heavily are England and the United States.

Borrowing in England began on October 15, 1914, when Rothschild & Son floated in London, 2 million pounds sterling of 1-year French Treasury bills. Shortly after that, another issue of French Treasury bills for 10 million pounds was arranged by the Bank of England. The interest on each of these loans was payable in advance at the rate of 5 per cent (which seemed at that time very high, as the first English war loans were marketed at 3 and 3½ per cent). During the next year (that is, up to October 31, 1915) the product of the bills sold in England rose from the 302 million francs

⁵ Documents Parlementaires—Sénat, 1920, p. 346.

⁶ Partially repaid since July 1.

⁷ Calculated at par.



yielded by the first two loans to 1,029 million francs. By September 30, 1916 an arrangement had been made with the British Treasury by which it agreed to discount, up to a fixed amount, French Treasury bills maturing three years after the war. The product of these bills was to be used, except within certain specified limits, for payments to be made within the United Kingdom. The Bank of England also agreed to an arrangement with the Bank of France whereby the latter sent gold to the amount of 24 million pounds sterling to England and received in return a credit of 72 million pounds, which should run until two years after the war. This credit was transferred to the account of the French Government. The following table shows the extent of these operations:

[In millions of francs.]

	French Treasury bills discounted by—	
	British Treasury.	Bank of England.
September 30, 1916.....	1,924	1,362
August 2, 1917.....	6,174	1,816
December 31, 1918.....	10,594	1,639
July 1, 1920.....	12,327	1,639

The loans placed in the United States were more diversified in character. They began with an issue of 5 per cent 1-year Treasury bills in the fall of 1914.⁸ In 1915 the Anglo-French loan was placed here in order to improve exchange rates and to provide for further purchases.

On May 4, 1916, the French Finance Minister requested all French holders of neutral securities made out to "bearer" to lend them to the Treasury in order that they might be used as the basis for loans in neutral countries. On May 24, 1916, a further decree was issued applying this request especially to United States securities. The owners of the borrowed securities received in exchange for them a negotiable instrument which might be bought and sold on the Bourse, and, beside their regular dividends, a bonus of 25 per cent of the annual revenue of the securities lent. As a result of this borrowing of securities, the French Government arranged a loan in New York in July, 1916, through the American Foreign Securities Corporation. The amount of the loan was \$100,000,000 (518,000,000 francs) and the interest 7½ per cent.⁹ In September of the same year a one-year 6-per-cent loan for \$12,300,000 (63,714,000 francs) was procured in the United States, with bonds

of the St. Louis-San Francisco Railroad Co. as collateral. By the terms of this loan the bankers who made it were allowed to buy up the railroad bonds which secured it if they so wished.⁹ In the fall of 1916, four French cities (Paris, Lyon, Marseilles, and Bordeaux) floated loans in the United States which realized 427,660,000 francs. This sum was placed at the disposal of the French Treasury, although the cities concerned had a voice in its disposal.

Another operation of this sort was the so-called "French industrial credit" by which the French Government assumed the responsibility for renewable bills drawn on a number of French manufacturers. The credit amounted to \$50,000,000 and was guaranteed by 18-month French Treasury bonds, and by a deposit of 60,000,000 francs in neutral securities at the Bank of France.

On April 1, 1917, another \$100,000,000 loan was floated in New York, this time at 5½ per cent. As it was sold at 97, its yield was only 497,927,000 francs. From that time on, until the fall of 1919 the only loans procured by France in the United States were the advances made by the American Treasury. By May 31, 1917, these advances had reached \$100,000,000 (518,000,000 francs) and they increased steadily from that time on.

International Credits.

The December BULLETIN contains the resolutions proposed by the Commission on Public Finance of the Brussels Conference, including among other recommendations those of M. Ter Meulen for an international commission to provide credit guarantees in international trade. The scheme proposed by M. Ter Meulen has since been revised by the Provisional Economic and Financial Committee of the League of Nations and approved in its revised form by the League. A comparison of the provisions of the scheme as originally recommended and as revised shows that the revision gives greater power to the commission than was the case before, providing it with the authority not only to decide upon the value of the assets offered by the borrowing country but also to administer those assets if necessary. Provision is also made for the commission to decide whether the proposed imports are essential to the borrowing government, and to regulate the bond issues. Furthermore, the committee recommends that the League of Nations not guarantee the participants in the scheme against financial loss, although urging that every effort be made to

⁸ Documents Parlementaires, Sénat, 1915, p. 275.

⁹ Documents Parlementaires Sénat, 1917, p. 361.

safeguard participants in it. The text of the scheme as revised follows:

1. In order that impoverished nations which under present circumstances are unable to obtain accommodation on reasonable terms in the open market may be able to command the confidence necessary to attract funds for the financing of their essential imports, an international commission shall be constituted under the auspices of the League of Nations.

2. The commission shall consist of bankers and business men of international repute, appointed by the Council of the League of Nations, and shall have discretion to appoint agents and subcommissions and to devolve upon them the exercise of its functions.

3. The Governments of countries desiring to participate shall notify the commission what specific assets they are prepared to assign as security for commercial credits to be granted by the nationals of exporting countries.

4. The commission, after examination of these assets, shall determine the gold value of the credits which it would approve against the security of these assets.

5. The participating Governments shall then be authorized to issue bonds to the gold value approved by the commission. The bonds shall be in such form, with such date of maturity and rate of interest, as the commission may decide, and shall, in particular, enumerate the assets pledged against the bonds. The denomination of each bond and the specific currency in which it is to be issued shall be determined by the participating Government in agreement with the commission, in accordance with the conditions applicable to the particular transactions in respect of which they are issued.

6. The service of these bonds, which will be obligations of the issuing Government, shall be specifically secured out of the revenue of the assigned assets.

7. The assigned assets shall be administered by the participating Government or by the international commission as (a majority of) the Council of the League of Nations may determine on the proposal of the international commission. Nevertheless, in cases where the administration of the assigned assets is in the hands of the participating Government, the international commission at any time may, and in the event of default shall, require the participating Government to transfer the administration of the assets to itself.

The participating Government shall have the right to appeal to the Council of the League of Nations against this requirement, and the decision of the Council of the League of Nations on those questions shall be binding.

8. The revenue from the assigned assets shall be applied as follows to the service of the bonds:

(1) Out of these revenues the commission shall purchase and hold, or the participating Government shall satisfy the commission that it has purchased and holds, foreign currencies sufficient to provide—

(a) Cover for the coupons falling due in the next year of all bonds at any time outstanding in each of such currencies.

(b) A sinking fund calculated to redeem at maturity 10 per cent of the bonds outstanding in each of the different countries.

(c) A reserve in such foreign currency or currencies as the international commission may determine for the redemption of any bonds sold in accordance with paragraph 16.

(2) Any surplus remaining after the provision of these services shall be at the free disposal of the participating Government.

9. The participating Government will be free either to pledge its own bonds as collateral for credits for approved imports on its own account or to lend the bonds to its nationals as collateral for credits for approved imports on private account, and for the latter purpose will be free to fix such terms, including the security, if any, to be given, as it may think fit.

These terms shall be communicated to the commission. The bonds shall not be used for any other purpose than those specified in this clause.

10. Each bond shall before issue be countersigned by the commission in proof of registration.

11. The fundamental purpose of the scheme being to facilitate and expedite the import of such raw materials and primary necessities as will enable the borrowing countries to re-establish production, especially for export, bonds secured on the assigned assets shall not be utilized as collateral for credits for the import of other commodities, provided that where the commission is satisfied that the import of such other commodities will assist in securing the above purpose it shall have the discretion to permit special exceptions to the above rule subject to such conditions as it may think fit.

12. For each borrowing country the commission will draw up, in consultation with the participating Government, a schedule of approved imports which will be regarded as falling within the definition of raw materials and primary necessities.

13. Particulars of each transaction must be registered with the commission, which, before countersigning a registered bond, will satisfy itself that the credit is for an approved import,

and that the period for which it is proposed to be granted is a reasonable one.

14. The same conditions as govern the pledge of its bonds as the collateral for credits for imports on private account shall apply in cases where the participating Government pledges its own bonds as collateral for imports on Government account.

15. After having received bonds duly countersigned, the importer will pledge them with the exporter.

16. Pledged bonds shall be dealt with as follows:

(a) In the absence of any failure by the importer to fulfill his contract with the exporter, the coupons on their due date and the bonds as they are released shall be returned to the importer, who shall return them to his Government forthwith.

(b) In the event of the importer not fulfilling the terms of his contract, the exporter (or his assigns) may either hold the bonds until maturity, or if he prefers he may, at any time, sell them in accordance with the laws and customs of his country, providing that before the bonds are sold a reasonable opportunity shall be given to the issuing Government to repurchase them by paying to the exporter the amount of his claim. The proceeds of such sale shall be applied by the exporter toward covering his claims against the importer. Any surplus not required for this purpose shall be accounted for by the exporter to the participating Government.

(c) Any coupons or bonds returned to the participating Government or purchased by such Government shall be forthwith canceled in accordance with the regulations to be prescribed by the international commission; canceled bonds may subsequently, with the approval of the commission, be replaced by other bonds either in the same or in a different currency, in accordance with the conditions governing the original issue of bonds.

THE WORLD'S SHIPPING: A STATISTICAL SURVEY.

This is the first of a series of articles taking up in turn the various elements in the international trade balance of the United States. The present article is intended to lay the foundation for a succeeding article on the shipping earnings and payments of the United States, which constitute part of our so-called invisible exports and imports. It is believed that the shipping position of the United States will be more clearly apparent when considered in the light of the world shipping situation.

SHIPPING BEFORE THE WAR.

The merchant fleets of the world as they stood in 1914 were of comparatively recent growth. The total tonnage in 1890 was 22,151,651 gross, but by June, 1914, it had risen to 49,089,552 gross. Large as was this increase, it does not begin to tell the story of the remarkable transformation that took place in the character of the fleets during that time. In 1890 over 40 per cent of the world's merchant shipping consisted of sailing vessels, while by 1914 the amount had dropped to an insignificant 8 per cent of the total, so complete was the substitution of steam in place of sails for motive power. In bringing about this result steam tonnage was almost quadrupled during the same time from 12,985,372 tons to 45,403,877 tons. How significant was the change from sail to steam may better be understood from the fact that steamers, on account of their greater speed and capacity, are estimated to have three times the carrying efficiency of sailing vessels of the same tonnage. Coincident with the decline of sailing ships, in which the United States had led the world for many years, our merchant marine, although showing an absolute growth, fell from 20 per cent of the world's total in 1890 to less than 10 per cent of the total in 1914. Along with this came the virtual elimination of the United States as a factor in carrying her own imports and exports, the proportion of the total sea-borne commerce carried in American bottoms dropping from 65 per cent in 1860 to 12.9 per cent in 1890 and to 9.7 per cent in 1914.

The rapid expansion of world tonnage which has just been referred to had settled down in the years just prior to the war to a fairly steady rate. At that time the increase in tonnage amounted to about 5 per cent annually, while the launchings of new vessels were approximately 7 per cent of the tonnage afloat the previous year. The difference of 2 per cent represents the proportion of the total tonnage that was lost or broken up each year.

The position of the world's merchant marine at the outbreak of the war is shown in Table 1, which lists the various countries according to the amount of their steam tonnage. It will be seen that in 1914 the British Empire owned nearly half of the world's shipping, with Germany and the United States far behind in second place and third place, respectively. The other chief maritime nations, Norway, France, Japan, Holland, and Italy, in the order named, followed with merchant fleets of not far from equal size, but all considerably behind the three leaders. If we consider only seagoing steamers, the United States was still in third place, slightly ahead of Norway and France, yet widely separated from Germany.

TABLE 1.—Steam tonnage (merchant ships of 100 tons and over) owned by principal maritime countries in June, 1914.

(Lloyd's Register of Shipping.)

Rank, 1914.	Country.	Number of ships.	Gross tonnage.	Per cent of world tonnage.
1	United Kingdom.....	8,587	18,892,089	41.6
	British Dominions.....	1,536	1,631,617	3.6
2	Germany.....	2,090	5,134,720	11.3
3	United States:			
	Seagoing.....	1,178	2,069,637	4.6
	Great Lakes.....	579	2,260,441	5.0
	Total, United States..	1,757	4,330,078	9.6
4	Norway.....	1,656	1,957,353	4.3
5	France.....	1,025	1,922,286	4.2
6	Japan.....	1,103	1,708,386	3.8
7	Holland.....	709	1,471,710	3.2
8	Italy.....	637	1,430,475	3.1
9	Austria-Hungary.....	433	1,052,346	2.3
10	Sweden.....	1,088	1,015,364	2.2
11	Spain.....	589	883,926	2.0
12	Russia.....	747	851,949	1.9
13	Greece.....	407	820,861	1.8
14	Denmark.....	576	770,430	1.7
15	Belgium.....	173	341,025	.8
16	Brazil.....	395	307,607	.7
17	Argentina.....	244	188,892	.4
18	Turkey.....	142	116,317	.3
19	Chile.....	91	96,473	.2
20	China.....	73	93,095	.2
21	Portugal.....	105	92,429	.2
22	Cuba.....	53	58,450	.1
23	Roumania.....	34	56,164	.1
24	Mexico.....	48	45,069	.1
25	Uruguay.....	42	38,837	.1
26	Peru.....	19	28,771	.1
27	Siam.....	11	12,360	.0
	Other countries.....	74	54,798	.1
	Total (world).....	24,444	45,403,877	100.0

WAR LOSSES.

The losses of merchant steamers of the allies and neutrals during the war from August 4, 1914, to November 11, 1918, as compiled by Lloyd's Register, are given in Table 2. The total loss of over 14,000,000 gross tons is divided between losses due to enemy action, 12,000,000 tons, and losses due to marine risk, 2,000,000 tons. The nation hardest hit in aggregate tonnage lost was Great Britain, which suffered the destruction of over 8,000,000 tons, more than all the other nations together. A report submitted to the House of Commons by the British Ministry of Shipping gives the war losses of the British merchant marine in detail. They may be summarized thus:

	Number of British vessels.	Gross tonnage.
Sunk by submarines.....	2,099	6,635,059
Sunk by mines.....	259	673,417
Destroyed by cruisers.....	117	442,702
Destroyed by air craft.....	4	7,912
Total.....	2,479	7,759,090

The figure of 7,753,311 gross tons reported by Lloyd's Register for the United Kingdom closely corresponds with the official return just quoted.

The losses of the United States, on the other hand, were comparatively light. Our merchant marine was of course much smaller than Britain's, and until February, 1917, our ships were supposed to be immune from submarine attack.

TABLE 2.—Losses of merchant steamers during the World War.

(Lloyd's Register of Shipping.)

Flag.	War losses (gross tons).	Marine losses (gross tons).	Total (gross tons).	Per cent of world loss.
American.....	343,090	187,948	531,038	3.7
Belgian.....	85,842	19,239	105,081	.7
Brazilian.....	20,328	10,951	31,279	.2
Danish.....	210,880	34,422	245,302	1.7
Dutch.....	201,797	27,244	229,041	1.6
French.....	722,939	84,138	807,077	5.7
Greek.....	349,661	65,014	414,675	2.9
Italian.....	745,766	115,669	861,435	6.1
Japanese.....	119,764	150,260	270,033	1.9
Norwegian.....	976,516	195,244	1,171,760	8.2
Spanish.....	157,527	80,335	237,862	1.7
Swedish.....	180,415	83,586	264,001	1.9
United Kingdom.....	7,753,311	1,032,779	8,786,090	61.8
British Dominions.....	169,712	99,866	269,578	1.9
Total.....	12,037,548	2,186,704	14,224,252	100.0

By comparing the total tonnage given in Table 2 with the fleets of the same countries for 1914 in Table 1, it is possible to compute the proportion of the 1914 merchant fleets lost by the principal allies and neutrals during the World War (Table 3). Norway and Italy suffered relatively the most, each losing 60 per cent of her 1914 tonnage. Then come Greece with 50 per cent, United Kingdom 46 per cent, and France 42 per cent. Of the seagoing steam tonnage of the United States in 1914, 25 per cent was destroyed during the war.

TABLE 3.—Proportion of 1914 merchant fleets lost by principal allied and neutral nations during World War.

Flag.	Fleet in June, 1914 (gross tons).	Losses during World War (gross tons).	Per cent of 1914 fleet lost.
American (seagoing).....	2,069,637	531,038	25.7
Belgian.....	341,025	105,081	30.8
Brazilian.....	307,607	31,279	10.2
Danish.....	770,430	245,302	31.8
Dutch.....	1,471,710	229,041	15.6
French.....	1,922,286	807,077	42.0
Greek.....	820,861	414,675	50.5
Italian.....	1,430,475	861,435	60.2
Japanese.....	1,708,386	270,033	15.8
Norwegian.....	1,957,353	1,171,760	59.9
Spanish.....	883,926	237,862	26.9
Swedish.....	1,015,364	264,001	26.0
United Kingdom.....	18,892,089	8,786,090	46.5
British Dominions.....	1,631,617	269,578	16.5
Total.....	35,222,766	14,224,252	40.4

NEW VESSELS LAUNCHED.

As an offset against war losses, there were launched in the four calendar years 1915 to 1918 a total of 11,274,948 gross tons of shipping, of which only about 3 per cent were sailing vessels. The end of the war, therefore, saw a world's shortage of about 3,000,000 tons, making no allowance for normal annual increases nor for those worn-out vessels which during ordinary times would have been scrapped but which were kept in service under stress of war necessity. Taking these and other considerations into account, Lloyd's Register of Shipping estimated in 1919 that "the world has lost through the war no less than 8,500,000 tons gross of shipping, which represents a deadweight carrying capacity of about 12,500,000 tons."

The output of shipyards throughout the world has been so great since the armistice, however, that the shortage in ships has been largely reduced if it has not disappeared altogether. Especially is this true of the two chief shipbuilding nations, Great Britain and the United States. At the close of hostilities this country was just getting into its stride as a shipbuilder. From being an almost negligible factor in ship production before the war, launching some 200,000 tons a year, we became for a time the greatest shipbuilding nation of the world with a construction record of over 3,000,000 tons in 1918. The story of the standard fabricated ship, whose similar parts could be produced by the hundred in the steel mills of Pennsylvania, shipped by rail to yards on the Atlantic, Gulf, and Pacific coasts, or the Great Lakes, and there assembled, need not be repeated here in detail. Under the vast construction program of the Emergency Fleet Corporation of the Shipping Board, the number of shipyards in this country capable of

launching seagoing ships increased from 61 at the entry of the United States into the war in 1917 to 341 just before the armistice. During the same time the number of launching ways had been increased from 235 to 1,284, representing more than twice the number of ways in the rest of the world. The Shipping Board's building program continued into 1919, so that launchings in the United States totaled 1,051 ships of 4,075,385 gross tons for that year, more than half of the world's production. According to figures made public recently by Lloyd's Register of Shipping, the world's output in 1920 was somewhat less than in 1919, due to a return toward a more normal level of production in the United States. This country, however, was still the leader in ship launchings with 42 per cent of the world's total as against 35 per cent credited to the United Kingdom.

A comparison of ship launchings in the United States and in the United Kingdom, France, Holland, Italy, and Japan will be found in Table 4.

WORLD SHIPPING AT THE END OF THE WAR.

The position of the various nations in respect to shipping at the close of hostilities is shown in Table 5. For the sake of comparison with the prewar situation the tonnage as of June, 1914, is given, together with the increase or decrease from that date.

It is strikingly shown that the United States was the only country of the world (with the exception of Brazil in lesser degree) to make important gains in her merchant marine during the war. The loss that shipping as a whole sustained is of course far greater than Table 5 indicates, for the war put a stop to the normal expansion and replacements of peace times. That the world shortage is fast being made up has already been indicated.

TABLE 4.—Number and gross tonnage of ships (100 tons and over) launched in specified calendar years, by countries.

(Lloyd's Register of Shipping.)

Year.	United States.		United Kingdom.		France.		Holland.		Italy.		Japan.		Other countries. ¹		Total.	
	Num-ber.	Gross tonnage.	Num-ber.	Gross tonnage.	Num-ber.	Gross tonnage.	Num-ber.	Gross tonnage.	Num-ber.	Gross tonnage.	Num-ber.	Gross tonnage.	Num-ber.	Gross tonnage.	Num-ber.	Gross tonnage.
1892.....	273	262,588	681	1,109,950	19	17,228	15	14,368	21	13,888	.....	.....	242	140,023	1,051	1,358,045
1902.....	251	379,174	694	1,427,358	99	192,196	114	69,101	62	46,270	53	27,181	377	361,275	1,650	2,302,735
1912.....	174	284,223	712	1,738,514	80	110,734	112	99,439	27	25,196	168	37,755	446	585,908	1,719	2,901,769
1913.....	205	276,448	688	1,832,153	89	176,095	95	104,296	38	30,356	152	64,664	483	728,870	1,750	3,332,882
1914.....	94	200,762	656	1,687,553	33	114,052	130	118,153	47	42,981	32	85,861	327	607,391	1,319	2,852,753
1915.....	84	177,460	327	653,919	6	25,402	120	113,075	30	22,132	26	49,408	151	163,242	743	1,201,638
1916.....	211	304,247	306	608,235	9	42,752	201	180,197	10	36,654	55	145,624	172	150,371	964	1,688,080
1917.....	326	997,919	286	1,162,896	6	18,828	146	148,779	11	38,906	104	350,141	233	220,317	1,112	2,937,786
1918.....	929	3,033,030	301	1,348,120	3	13,715	74	74,026	15	60,791	198	489,924	346	427,838	1,866	5,447,444
1919.....	1,051	4,075,385	612	1,620,442	34	32,633	100	137,086	32	82,713	133	611,883	321	584,407	2,483	7,144,546
1920 ².....	.....	2,476,000	.....	2,059,000	.....	93,000	.....	183,000	.....	133,000	.....	456,000	.....	465,000	.....	5,861,000

¹ No returns from Austria and Germany after July, 1914.² No returns from Great Lakes.³ Figures for 1920 approximate and subject to revision.

TABLE 5.—*Steam tonnage (ships of 100 tons and over) of the principal allied and neutral countries at beginning and close of the World War.*

[Chamber of Shipping of the United Kingdom: Annual report, 1918-19.]

Country.	July, 1914 (gross tons).	October, 1918 (gross tons).	Increase or decrease (gross tons).	Per cent of 1914.
United States (sea- going).....	2,069,637	5,116,521	+3,046,884	+147.2
Belgium.....	341,025	189,963	-151,062	-44.3
Brazil.....	307,607	508,245	+200,638	+65.2
Denmark.....	770,430	612,940	-157,490	-20.5
Holland.....	1,471,710	1,030,137	-441,573	-30.0
France.....	1,922,286	1,536,730	-385,556	-20.0
Greece.....	820,861	259,174	-561,687	-68.4
Italy.....	1,430,475	989,575	-440,900	-30.8
Japan.....	1,708,386	2,039,794	+331,408	+19.4
Norway.....	1,957,353	1,414,927	-542,426	-27.7
Spain.....	883,926	671,425	-212,501	-24.0
Sweden.....	1,015,364	810,489	-204,875	-20.2
United Kingdom.....	18,892,089	15,031,375	-3,860,714	-20.4
British Dominions.....	1,631,617	1,828,561	+196,944	+12.1

THE WORLD'S FLEETS OF TO-DAY.

In order to show what progress has been made toward repairing the war losses of shipping, Table 6 has been compiled from Lloyd's Register of Shipping, giving the steam tonnage owned by the principal maritime countries in June, 1920, and also in June, 1919. Compared with a grosssteam tonnage in 1914 of 45,400,000, the total for 1919 was 47,900,000, while it had risen to 53,900,000 by June, 1920. At the latter date, therefore, the increase in the world's shipping since 1914 was about 19 per cent.

The net gain in world tonnage of 8,500,000 since 1914 has been brought about chiefly through the addition of 10,200,000 tons to United States shipping. Japan has 1,300,000 tons more than in 1914 and is now in third place, following the United Kingdom and the United States. France and Italy, by receiving portions of the merchant fleets of the Central Powers, show gains of 1,000,000 and 700,000, respectively. These gains in the steam tonnage of the various countries and the losses partially offsetting them may be more clearly set forth as follows:

[Gross tons.]

Rank, 1920.	Country.	Net gain.	Net loss.
1	United Kingdom.....		800,000
	British Dominions.....	400,000	
2	United States.....	10,200,000	
3	Japan.....	1,300,000	
4	France.....	1,000,000	
5	Italy.....	700,000	
6	Norway.....		
7	Holland.....	300,000	
8	Sweden.....		
9	Spain.....	100,000	
10	Denmark.....		100,000
11	Russia.....		300,000
12	Greece.....		300,000
13	Brazil.....	200,000	
14	Germany.....		4,700,000
15	Belgium.....	100,000	
	Austro-Hungary and Turkey.....		1,100,000
	All other countries and "not re- corded".....	1,500,000	
	Total.....	15,800,000	7,300,000
	Net gain, 1920.....	8,500,000	

TABLE 6.—*Steam tonnage (merchant ships of 100 tons and over) owned by principal maritime countries in June, 1920, as compared with June, 1919.*

[Lloyd's Register of Shipping.]

Rank, 1920.	Country.	June, 1920.			June, 1919.		
		Num- ber of ships.	Gross tonnage.	Per cent of world ton- nage.	Num- ber of ships.	Gross tonnage.	Per cent of world ton- nage.
1	United King- dom. British Domin- ions.....	8,113	18,110,653	33.6	7,535	16,344,343	34.1
2	United States.....	4,110	14,574,375	27.0	3,678	11,983,256	25.0
	Seagoing.....	3,644	12,455,807	23.1	3,201	9,823,562	20.5
	Great Lakes.....	466	2,118,568	3.9	477	2,159,694	4.5
3	Japan.....	1,940	2,995,878	5.6	1,418	2,325,266	4.9
4	France.....	1,400	2,963,229	5.5	1,099	1,961,753	4.1
5	Italy.....	789	2,118,429	3.9	523	1,237,844	2.6
6	Norway.....	1,596	1,979,560	3.7	1,433	1,597,299	3.3
7	Holland.....	922	1,773,392	3.3	870	1,573,720	3.3
8	Sweden.....	1,072	996,423	1.8	1,033	916,627	1.9
9	Spain.....	601	937,280	1.7	486	709,095	1.5
10	Denmark.....	522	719,444	1.3	446	631,331	1.3
11	Russia.....	524	509,564	1.0	524	514,476	1.1
12	Greece.....	294	496,996	.9	205	290,793	.6
13	Brazil.....	348	475,224	.9	377	492,588	1.0
14	Germany.....	901	419,438	.8	1,543	3,247,253	6.8
15	Belgium.....	208	410,423	.8	146	306,379	.6
16	Portugal.....	143	235,698	.4	133	230,226	.5
17	China.....	102	142,834	.3	98	130,972	.3
18	Argentina.....	150	130,118	.2	160	133,333	.3
19	Chile.....	90	88,612	.2	91	82,812	.2
20	Finland.....	121	82,295	.1	109	73,593	.1
21	Roumania.....	38	74,117	.1	34	63,360	.1
22	Peru.....	27	66,138	.1	22	56,171	.1
23	Uruguay.....	34	51,457	.1	32	33,059	.1
24	Cuba.....	40	45,324	.1	39	39,636	.1
	Ex-Austro- Hungarian.....				328	712,856	1.5
	Turkey.....				102	98,817	.2
	Other countries.....	265	200,344	.4	181	131,531	.3
	Not recorded.....	497	1,275,216	2.4	131	115,153	.2
	Total (world).....	26,513	53,904,688	100.0	24,386	47,897,407	100.0

Of those countries that have suffered net losses of shipping since 1914, Germany and Austria are the most conspicuous examples. The latter's merchant fleet has been surrendered to Italy since the armistice, while Germany's ships have been divided among the allied powers. Under the armistice conditions and the peace treaty, Germany has been compelled to surrender all her merchant vessels of 1,600 tons gross and over, one-half of her steamers between 1,000 and 1,600 tons, besides one-quarter of her fishing fleet. In addition to this, Germany has agreed to build for the allies, subject to specifications to be furnished by them, shipping of not to exceed 200,000 gross tons annually for five years. The operation of these conditions reduces Germany's participation in the world's carrying trade for the present to very small proportions, and then mostly through chartering foreign vessels.

A comparison of Table 6 with Table 1 furthermore discloses some interesting changes in the relative shipping position of the various countries. Holland and Belgium are the only

nations that in June, 1920, occupied approximately the same positions which they held before the war. The United Kingdom, it is true, is still in first place as before; but her proportion of the world's steam tonnage has dropped from 41.6 per cent to 33.6 per cent, while during the same time that of the United States has risen from 9.6 per cent to 27 per cent of the world's total. As a result the United States is now in second place instead of Germany. France and Italy, and especially Japan, are now in a position, so far as their merchant marines are concerned, to carry on a larger proportion of the world's trade than in 1914. On the other hand, such countries as Norway, Sweden, Denmark, Russia, Spain, and Greece are in a less favorable position than they were prior to the war, in that their proportion of the world's shipping has been much reduced, while Russia and Greece have also suffered a severe decline in absolute amount of steam tonnage.

CURRENT CONDITIONS.

Since the armistice the world's shipbuilding has continued at an unprecedented rate. The high-water mark was reached in the quarter ending September 30, 1919, when, according to the shipbuilding returns of Lloyd's Register, the enormous total of 8,048,582 gross tons of shipping was under construction in various parts of the world. The amount of shipping under construction on a given date is of course reflected in the figures of actual output some months later. The output of shipyards throughout the world (as represented by ships launched) has already been given in Table 4. The world's output of 3,300,000 tons in 1913, after dropping to low levels in the first years of the war, was increased to 5,400,000 in 1918 and to 7,100,000 in 1919. The total tonnage under construction in the world has gradually

fallen off since the third quarter of 1919, foreshadowing a somewhat reduced output in 1920. As recently announced the total for last year was a little under 5,900,000 gross tons (see Table 4). A detailed statement of the shipping under construction in the principal shipbuilding countries at the end of each quarter from September 30, 1918, to date, will be found in Table 7. For the sake of comparison the quarter ending June 30, 1914, the last period available before the war, is also given.

The course of shipbuilding in the United States has been somewhat different. The peak of our production came earlier, and the subsequent decline in our tonnage under construction has been rapid. The reason, of course, lay in the withdrawal of the Government from the shipbuilding industry soon after the armistice. On the completion of vessels contracted for by the Shipping Board, many yards have been compelled to shut down for lack of orders from private steamship interests. The result has been that the United Kingdom, with many orders from British steamship companies, has been forging ahead steadily and passed us at the end of 1919 in construction under way. Britain's total on September 30, 1920, of 3,731,098 tons, represented half of the shipbuilding then going on in the world.

One department of shipbuilding in which the United States has been achieving especially important results is the construction of oil tankers. In 1920 we far outranked all other countries, with nearly 90 per cent of the world's production in that class. The figures for 1920, as made public by Lloyd's Register of Shipping, follow:

	Tons.
United States.....	567,000
United Kingdom.....	65,400
Other countries.....	8,000
Total.....	640,400

TABLE 7.—Number and gross tonnage of ships (100 tons and over) under construction in various countries on specified dates.
(Lloyd's Register shipbuilding returns.)

Date.	United States.		United Kingdom.		France.		Holland.		Italy.		Japan.		Other countries. ¹		Total.	
	Num-ber.	Gross tonnage.	Num-ber.	Gross tonnage.	Num-ber.	Gross tonnage.	Num-ber.	Gross tonnage.	Num-ber.	Gross tonnage.	Num-ber.	Gross tonnage.	Num-ber.	Gross tonnage.	Num-ber.	Gross tonnage.
1914																
June 30....	45	148,515	477	1,722,124	50	226,779	51	116,137	32	69,098	18	91,510	263	788,727	936	3,162,890
1918																
Sept. 30....	1,020	3,382,709	383	1,746,933	7	39,700	105	204,530	56	132,770	127	260,875	446	603,871	2,144	6,371,388
Dec. 31....	997	3,645,919	424	1,979,952	12	51,690	113	212,512	56	133,010	116	278,140	471	620,766	2,189	6,921,939
1919																
Mar. 31....	1,155	4,185,523	657	2,254,845	33	109,795	87	182,308	59	135,034	74	254,835	437	673,926	2,502	7,796,266
June 30....	994	3,874,143	782	2,524,050	38	109,615	88	219,332	96	271,620	63	282,060	465	736,947	2,526	8,017,767
Sept. 30....	767	3,470,748	781	2,816,773	64	174,736	113	288,042	108	285,928	64	299,600	431	712,755	2,328	8,048,582
Dec. 31....	647	2,966,515	757	2,994,249	65	216,775	126	328,338	125	314,547	64	309,474	354	731,465	2,138	7,861,363
1920																
Mar. 31....	535	2,573,298	865	3,394,425	65	240,225	141	366,581	165	355,241	68	285,676	366	726,504	2,205	7,941,950
June 30....	414	2,105,956	941	3,578,153	95	265,302	153	398,915	166	353,914	56	254,260	370	764,404	2,195	7,720,904
Sept. 30....	312	1,772,193	961	3,731,098	89	292,608	165	423,400	156	365,313	72	262,407	350	718,152	2,105	7,565,171

¹ No returns from Austria and Germany after 1914.

The expansion of the shipbuilding industry which has been noted in Great Britain since the war seems to have taken hold of the imagination of the other nations of the world. Japan, which before the war was hardly a factor at all, is now in the front rank as a shipbuilder. Holland has always been noted as a shipbuilding nation, but is now turning out new tonnage faster than ever before. In France during the war the shipyards were devoted to the production of munitions and war supplies, so that shipbuilding was at a standstill. The industry is already almost up to prewar output, and the French Government has declared itself in favor of materially aiding in further expansion. Italy likewise has laid out a number of new shipyards, and the tonnage under construction is greater than ever before. Much the same condition applies to other nations, especially the Scandinavian group. In fact, the nations of the world, most of them, seem to be making extraordinary efforts toward securing a definite and a larger share in the world's carrying trade. This condition has already been reflected in sweeping cuts in ocean rates in the past few months. Signs are not wanting that a period of intense competition is in prospect, and for a time an excess of ships above the immediate needs of commerce. Already shipping interests are realizing that ship production has been overdone for the present, and reports are beginning to come from abroad of the cancellation on a considerable scale of shipbuilding contracts in several countries. This would indicate that for the time being, at least, the peak of shipbuilding in foreign countries as well as in the United States has been passed.

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 in addition to those listed in the November, 1920, issue of the Bulletin: Australia, New Zealand, and other Australasian dependencies.

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 January, 1921.

One thousand five hundred and one State institutions are now members of the system, having a total capital of \$536,117,019, total surplus of \$516,877,144, and total resources of \$10,344,901,733.

Name of bank.	Capital.	Surplus.	Total resources.
<i>District No. 1.</i>			
Hub Trust Co., Boston, Mass.....	\$500,000	\$60,000	\$1,878,718
<i>District No. 5.</i>			
Bank of Washington, Washington, N. C.....	150,000	37,500	1,365,457
<i>District No. 6.</i>			
Orrville Bank & Trust Co., Orrville, Ala.....	25,000	26,500	202,612
Roanoke Banking Co., Roanoke, Ala.....	200,000	200,000	1,515,512
Citizens State Bank, Marianna, Fla.....	30,000	10,000	407,542
The Bartow Bank, Bartow, Ga.....	25,000	5,000	270,163
Citizens Bank & Trust Co., Bainbridge, Ga.....	100,000	20,000	693,672
Bank of Candler County, Metter, Ga.....	25,000		25,000
Bank of Portal, Portal, Ga.....	25,000		145,199
Walton County Bank, Social Circle, Ga.....	50,000	18,000	265,657
Citizens Bank, Hohenwald, Tenn.....	35,000		153,578
<i>District No. 7.</i>			
Lake View State Bank, Lake View, Iowa.....	25,000	25,000	396,290
Ulch Bros. State Bank, Solon, Iowa.....	50,000	15,000	1,099,478
<i>District No. 10.</i>			
The Bank of Van Tassell, Van Tassell, Wyo.....	25,000	7,000	107,580
<i>District No. 11.</i>			
First State Bank, Mission, Tex....	50,000	6,750	553,021
<i>District No. 12.</i>			
First State Bank, Richfield, Idaho.....	25,000	4,000	200,209
State Bank of Garfield, Panguitch, Utah.....	50,000	50,000	549,973

CHANGE OF NAME.

The Fidelity Trust Co., Newark, N. J., to Fidelity Union Trust Co.
The Central Bank, St. Paul, Minn., to Central Metropolitan Bank.

WITHDRAWALS.

Exchange State Bank, South St. Paul, Minn.
The Bank of Goltry, Goltry, Okla.

CONSOLIDATION.

The assets of The Guaranty State Bank, Okmulgee, Okla., have been taken over by a nonmember bank.

Acceptances to 100 Per Cent.

Since the issuance of the January Bulletin the following bank has been authorized by the Federal Reserve Board to accept drafts and bills of exchange up to 100 per cent of its capital and surplus.

The Union Trust Co., Cleveland, Ohio.

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 January, 1921:

DISTRICT NO. 1.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The First National Bank of Biddeford, Me.
The First National Bank of Greenfield, Mass.
The Appleton National Bank of Lowell, Mass.

DISTRICT NO. 2.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The Bath National Bank, Bath, N. Y.
The First National Bank of Cuba, N. Y.
The Quassaick National Bank of Newburgh, N. Y.
Guardian of estates and committee of estates of lunatics:
The First National Bank of Paterson, N. J.

DISTRICT NO. 3.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The First National Bank of Bordentown, N. J.
The First National Bank of Chester, Pa.
The First National Bank of Gettysburg, Pa.
Registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The Conestoga National Bank of Lancaster, Pa.

DISTRICT NO. 4.

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

DISTRICT NO. 5.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The National Bank of Alamance of Graham, N. C.
The Farmers & Merchants National Bank of Winchester, Va.

DISTRICT NO. 6.

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

DISTRICT NO. 7.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The First National Bank of Marengo, Ill.
The First National Bank of Ruthven, Iowa.
Executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The City National Bank of Lansing, Mich.

DISTRICT NO. 9.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The First National Bank of Menominee, Mich.
The Second National Bank of Minot, N. Dak.

DISTRICT NO. 10.

Trustee, executor, administrator, and registrar of stocks and bonds:
The Columbia National Bank of Kansas City, Mo.

DISTRICT NO. 12.

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

New National Bank Charters.

The Comptroller of the Currency reports the following increases and reductions in the number and capital of national banks during the period from January 1 to January 28, 1921, inclusive:

	Banks.	Amount.
New charters issued to.....	17	
With capital of.....		\$1,315,000
Increase of capital approved for.....	60	
With new capital of.....		5,020,000
Aggregate number of new charters and banks increasing capital.....	77	
With aggregate of new capital authorized.....		6,335,000
Number of banks liquidating (other than those consolidating with other national banks under the act of June 3, 1864).....	8	
Capital of same banks.....		6,725,000
Number of banks reducing capital.....	0	
Reduction of capital.....		0
Total number of banks going into liquidation or reducing capital (other than those consolidating with other national banks under the act of June 3, 1864).....	8	
Aggregate capital reduction.....		6,725,000
Consolidation of national banks under the act of Nov. 7, 1918.....	2	
Capital.....		1,600,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement.....		6,335,000
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).....		6,725,000
Net reduction.....		390,000

Commercial Failures Reported.

After four successive years of diminishing commercial mortality, the business reverses of 1920, as shown by the records of R. G. Dun & Co., increased sharply in both number and liabilities. Exclusive of banking and other fiduciary suspensions, the defaults in the United States during the 12 months recently ended numbered 8,881 and supplied \$295,121,805 of indebtedness, as against only 6,451 failures, involving \$113,291,237, in the immediately preceding year. The insolvencies of 1919, it is important to note, were fewer in number than those of any year in almost four decades, and the liabilities were the smallest since 1905. When allowance is made for these facts and when it is also considered that the many new enterprises which were started last year enhanced the possibilities of financial embarrassment, the failure record of 1920 appears less conspicuously unfavorable. While the unusual number of large reverses is an unsatisfactory feature, the percentage of all failures to total firms in business is much below the average, and this is also true of the ratio of defaulted indebtedness to solvent payments through the clearing houses.

The increase of 2,430 in number of commercial insolvencies last year, as compared with those of 1919, is relatively much smaller than the expansion of \$181,800,000 in the liabilities. Thus the rise in number is 37.7 per cent, whereas the indebtedness is larger by 160.5 per cent. As a result of the latter change, the amount of money involved by last year's failures is greater than that of any year since 1915, and, with one other exception—1914—has not been exceeded in any year back to 1893. The number of defaults, on the other hand, is less than in all years since 1882, aside from the abnormally low mortality of 1919. Comparing

with the high record of 22,156 reverses of 1915, when the economic unsettlement resulting from the outbreak of the World War was strikingly reflected in the insolvency statistics, a numerical reduction of 59.5 per cent is disclosed.

Separated according to occupation, the 1920 insolvency statement reveals increases, both numerically and otherwise, in manufacturing, trading, and other commercial branches, as compared with the returns of 1919. Numbering 2,635 and involving \$127,992,471 of liabilities, the manufacturing defaults are 41.3 per cent larger in number and 148 per cent heavier in amount of indebtedness than the 1,865 similar reverses for \$51,614,216 of 1919, while the 5,532 trading failures for \$88,558,347 are 37.9 per cent more in number and 135.1 per cent greater in liabilities than the 4,013 insolvencies for \$37,670,443 reported among traders during the earlier year. The class designated as "other commercial," which embraces defaults that can not properly be included in either manufacturing or trading, shows 714 reverses for \$78,570,987, or a numerical increase of 24.6 per cent and an expansion of 227.3 per cent in the indebtedness over the 573 such failures for \$24,006,578 in 1919. It thus appears that relatively the most unsatisfactory numerical exhibit is made by the manufacturing division, while the "other commercial" failures, although disclosing the smallest rise in number, reveal much the larger increase in liabilities.

In 1919 the number of large failures had fallen to the lowest point in many years, but the number of such defaults during 1920 was the largest on record, and the liabilities were the heaviest since 1914. Numbering 453, the failures for \$100,000 or more in each case last year supplied \$191,808,042 of aggregate indebtedness, as against 191 such insolvencies in 1919, with liabilities of \$55,986,543. In point of number, the closest approach to last year's unfavorable showing was in 1914, when 409 large defaults were reported, and the indebtedness of such reverses in that year was \$210,700,000. By far the largest proportion of the reverses of unusual magnitude in 1920 occurred in manufacturing lines, where the failures for \$100,000 or more in each instance numbered 230 and involved \$89,933,982 altogether, while there were 139 similar defaults among traders for \$34,609,853. The remaining 84 large insolvencies, with liabilities of \$67,264,207, were of agents, brokers, and other concerns that can not be properly included in either of the two leading divisions.

In the following tables the figures as compiled from the records of R. G. Dun & Co. are separated as to each of the

twelve Federal Reserve districts, the number and amount of assets and liabilities in each district for 1920 compared with the number and liabilities in 1919; also the record for each district for 1920 separated as to manufacturing, trading, and other commercial.

Failures in United States during 1920.

TOTAL COMMERCIAL.

District.	1920			1919	
	Num-ber.	Assets.	Liabilities.	Num-ber.	Liabilities.
First.....	826	\$8,111,364	\$18,918,258	744	\$11,884,238
Second.....	2,123	69,081,128	118,850,529	1,185	32,413,538
Third.....	419	10,188,729	16,888,034	360	6,863,575
Fourth.....	692	13,663,472	14,327,557	567	13,329,257
Fifth.....	538	9,918,701	13,100,323	355	5,605,832
Sixth.....	597	9,349,352	11,657,425	455	5,923,220
Seventh.....	988	27,423,147	39,513,647	770	12,717,628
Eighth.....	457	8,006,285	9,456,219	359	4,021,861
Ninth.....	247	2,670,329	4,573,594	149	1,223,932
Tenth.....	375	8,610,102	10,190,370	271	3,287,855
Eleventh.....	475	8,939,537	11,219,010	322	3,884,398
Twelfth.....	1,144	18,540,968	26,426,839	894	12,130,883
Total.....	8,881	194,504,114	295,121,805	6,451	113,291,237

CLASSIFIED FAILURES, 1920.

District.	Manufacturing.		Trading.		Other commercial.	
	Num-ber.	Liabilities.	Num-ber.	Liabilities.	Num-ber.	Liabilities.
First.....	283	\$8,639,713	466	\$6,673,457	77	\$3,605,088
Second.....	835	47,075,153	1,094	24,876,882	194	46,898,494
Third.....	130	9,735,049	259	5,992,997	30	1,159,988
Fourth.....	197	7,901,729	439	5,530,319	56	886,509
Fifth.....	109	4,856,984	334	6,737,963	45	1,705,376
Sixth.....	105	3,032,079	456	5,657,981	36	2,967,365
Seventh.....	350	22,689,663	577	7,695,420	61	9,128,564
Eighth.....	79	3,906,414	355	5,199,005	23	350,800
Ninth.....	55	2,221,637	168	1,759,000	24	592,957
Tenth.....	73	5,401,143	271	3,838,703	26	950,524
Eleventh.....	53	4,775,574	390	5,466,989	32	676,447
Twelfth.....	361	7,957,333	673	9,129,631	110	9,339,875
Total.....	2,635	127,992,471	5,532	88,558,347	714	78,570,987

RULINGS OF THE FEDERAL RESERVE BOARD.

Motor trucks as permanent investments.

The Federal Reserve Board recently received an inquiry with reference to the eligibility for rediscount by Federal Reserve Banks of notes, issued by a corporation engaged in the business of furnishing motor transportation, to provide funds with which to purchase motor trucks.

In the letter to the Board raising this question it was stated that, according to the writer's information, the average life of a motor truck is less than that of a farm tractor, and, since the Board has ruled that a farmer's note may be eligible when the farmer is to use the proceeds to purchase a farm tractor, it was suggested that a note the proceeds of which are to be used to purchase motor trucks should likewise be eligible. In the Board's opinion, however, there is a very real distinction between the two cases. Farm tractors constitute only a small part of the entire equipment of a farm, whereas the motor trucks of a corporation engaged in the business of furnishing motor transportation necessarily constitute a very large part of the corporation's entire equipment. If the notes of such a corporation, the proceeds of which are used to purchase motor trucks, were declared eligible for rediscount by Federal Reserve Banks, the result would be that paper representing in the aggregate a very large part of the corporation's capital investment would be eligible for rediscount, and it would not be reasonable to assume that such notes could be liquidated out of the corporation's current revenues.

For this reason the Board believes that the motor trucks of a corporation furnishing motor transportation constitute permanent or fixed investments within the meaning of the Board's regulations. Consequently, under the terms of the Board's Regulation A, the notes of such a corporation, issued for the purpose of providing funds to purchase motor trucks, are ineligible for rediscount by Federal Reserve Banks.

A note given by such a corporation to the seller in payment for motor trucks purchased is, of course, commercial paper in the hands of the seller, and is, therefore, eligible for rediscount after it has been discounted by the seller, provided it complies in other respects with the provisions of law and the Board's regulations.

Shipping documents to be furnished to banks accepting drafts growing out of export or import transactions.

Subdivision (b) (1) of Section B of Regulation A of the Board's Regulations, series of 1920, relating to the eligibility of banker's ac-

ceptances growing out of export or import transactions, provides in part as follows:

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.

The question has been raised as to the precise meaning of the term "shipping documents" as used in this provision of the Board's regulation, and the Board has ruled that the term includes an order bill of lading or a straight bill of lading, whichever is issued by the carrier in the particular case, but does not include freight receipts or mere copies of original bills of lading. The purpose of the requirement that the accepting bank shall be furnished with shipping documents is not merely evidentiary, but is also to put the accepting bank in possession of the original documents, so that it may protect itself by retaining such documents until it is put in funds to meet the acceptance. It is realized that this protection is not always absolute and that the protection afforded by possession of a straight bill of lading is not as great as that afforded by possession of an order bill of lading. It is not the purpose of the Board, however, to prescribe the type of bill of lading to be issued in the particular case, but is only to require the accepting bank to be furnished with the best security which has been issued by the carrier in the particular transaction.

The Board rules, therefore, that the customer must furnish the original bills of lading and that the requirement of the regulation will not be satisfied by the furnishing of freight receipts or nonnegotiable copies of the bills of lading. This does not, however, mean that the bills of lading must necessarily be sent to the accepting bank. The Board has ruled in connection with domestic acceptances that documents are legally in the possession of the accepting bank when they are held by its correspondent, or by some other independent party, as its agent, and the principle of this ruling can be applied in dealing with the shipping documents to be furnished to banks accepting drafts drawn in foreign transactions.

RETAIL TRADE.

In the following tables is given a summary of the data obtained from representative department stores in each Federal Reserve district showing the activity of retail trade during the past several months. In districts Nos. 1, 5, 9, 11, and 12 the data were received in (and averages computed from) actual amounts (dollars). In districts Nos. 2, 3, 4, 6, 7, 8, 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 December the tables are based on reports from 24 stores in district No. 1, 19 in district No. 2, 41 in district No. 3, 14 in district No. 4, 24 in district No. 5, 10 in district No. 6, 7 in district No. 7, 7 in district No. 8, 5 in district No. 9, 11 in district No. 10, 13 in district No. 11, and 18 in district No. 12. The number of stores varies 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 close of—					
	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Nov., 1920.	Dec., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Nov., 1920.	Dec., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.
	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.	1920.
District No. 1:																								
Boston.....	16.8	19.4	27.8	16.3	11.6	16.0	0.1	15.0	1.4	26.1	24.7	25.3	16.3	24.1	15.9	9.7	11.0	8.5						
Outside.....	26.0	25.5	28.5	27.2	9.1	14.7	2.2	1.7	16.4	33.1	30.5	30.0	27.2	18.1	16.9	11.1	9.0	5.0						
District.....	18.5	20.7	28.0	19.9	10.9	15.4	.6	11.4	1.4	27.5	25.8	26.2	19.9	15.1	15.2	10.1	10.4	7.7						
District No. 2:																								
N. Y. City and Brooklyn.....	15.0	41.1	26.4	22.4	10.9	13.2	1.7	7.6	13.6	35.0	35.3	32.7	22.4	13.0	3.6	5.2	3.0	3.2						
Outside.....	22.4	22.8	32.3	26.9	26.4	16.9	15.4	18.9	5.9	33.6	30.1	31.7	26.9	27.1	23.4	19.6	22.8	14.3						
District.....	15.8	35.4	28.4	24.4	15.9	3.6	6.2	11.6	11.6	34.9	33.7	33.8	24.4	17.5	10.2	10.0	10.0	5.5						
District No. 3:																								
Philadelphia.....								8.5	2.9								12.0	9.1						
Outside.....								8.5	10.8								18.5	21.6						
District.....	12.4	50.7	34.3	23.8	22.6	15.2	15.8	8.5	6.1	20.5	30.9	31.0	23.8	24.9	19.6	17.3	14.6	14.1						
District No. 4.....	18.4	31.3	31.5	29.9	25.7	24.6	20.8	26.1	14.7	33.6	32.1	34.6	29.9	27.3	25.9	23.9	24.8	22.0						
District No. 5.....	.9	11.0	21.4	15.7	20.9	7.5	12.4	13.1	4.9	8.8	9.3	11.4	15.7	21.1	14.1	13.6	13.5	10.4						
District No. 6.....	23.4	31.0	24.3	11.6	27.6	12.6	25.1	14.6	3.0	22.0	28.1	29.3	11.6	19.6	16.9	19.7	18.8	15.3						
District No. 7.....	33.3	49.7	59.6	41.2	33.2	28.6	8.3	17.6	9.6	43.5	49.6	58.7	41.2	29.6	35.5	32.6	24.2	18.1						
District No. 8.....							11.8	10.5	5.3															
District No. 9.....	17.0	4.3	11.8	11.6	8.8	.3	12.9	2.9	.5	19.8	5.6	12.0	11.6				3.8	7.6						
District No. 10.....	19.6	10.9	12.9	14.1	9.9	7.8	1.9	9.2	15.1	24.9	21.2	17.9	14.1	14.2	11.1	5.2	12.9	.7						
District No. 11.....							16.0	12.7	12.9				25.9	25.2	20.9	21.6	17.9	10.5						
District No. 12:																								
Los Angeles.....	43.6	38.2	39.0	35.1	48.9	29.1	19.3	31.2	13.7	56.1	52.2	49.8	35.1	42.4	37.9	33.9	33.7	28.5						
San Francisco.....	28.5	40.9	23.6	21.0	18.6	10.4	11.5	9.9	13.8	36.6	37.6	35.3	21.0	19.6	17.3	15.4	11.7	8.7						
Oakland.....	14.9	17.1	15.2	16.9	15.3		22.0	7.2		27.9	25.6	23.3	16.9	14.7		21.3	18.2							
Sacramento.....	33.9	34.4	32.1	20.1	3.1		9.9		2.3	47.5	39.4	38.3	20.1	13.3		16.1		7.0						
Seattle.....	4.3	6.3	11.1	.2	18.0	14.5	14.6	18.7	16.4	16.2	13.9	13.4	.2	14.4	14.2	17.3	19.2	11.1						
Spokane.....	10.9	48.8	62.8	22.7	12.7		4.6	5.6	11.5	23.1	29.1	35.7	22.7	16.8		9.4	8.4	8.6						
Salt Lake City.....	7.1	26.4	18.3	20.6	11.6		8.9	14.7	9.1	12.8	16.4	14.7	20.6	16.1		14.0	12.2	14.6						
District.....	13.8	31.2	27.8	21.2	21.7	14.5	8.2	11.3	14.3	36.9	34.7	33.2	21.2	21.4	19.8	16.8	14.8	5.0						

District and city.	Stocks at end of month compared with—												Previous month.											
	Same month previous year.												Previous month.											
	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Nov., 1920.	Dec., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Nov., 1920.	Dec., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.
District No. 1:																								
Boston.....	45.2	44.5	43.8	32.1	26.3	20.7	9.5	7.1	11.7	4.0	13.4	15.6	17.0	4.9	9.5	14.2	9.0	18.2						
Outside.....	43.2	43.8	36.3	30.4	26.4	21.7	15.9	10.6	2.0	2.8	11.8	15.1	.2	3.2	9.7	3.0	12.0	20.5						
District.....	44.7	44.3	41.4	31.5	26.4	21.0	11.6	8.2	1.7	3.7	12.9	15.5	14.7	4.3	9.5	11.8	4.9	18.9						
District No. 2:																								
New York City and Brooklyn.....	53.8	47.9	45.5	46.2	30.7	18.0	17.2	5.1	12.3	1.3	16.6	15.4	14.3	7.3	5.7	1.0	14.8	20.4						
Outside.....	51.6	51.7	38.4	30.9	26.3	20.2	15.6	3.8	112.7	11.4	11.7	17.7	4.6	5.6	9.3	1.4	17.0	24.0						
District.....	53.6	49.1	43.2	39.5	29.3	18.7	16.7	4.6	14.5	1.4	15.0	16.1	1.5	6.8	6.9	.5	15.6	21.1						

¹ Decrease.

Condition 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.								
	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Nov., 1920.	Dec., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Nov., 1920.	Dec., 1920.
District No. 3: Philadelphia.....								5.7	2.2								15.0	15.5
Outside.....								17.4	8.0								4.1	20.0
District.....	25.7	30.4	26.7	28.4	31.0	20.6	16.0	10.1	4.4	5.4	6.7	3.0	3.3	6.2	8.4	.9	4.7	17.3
District No. 4.....	63.9	57.0	53.3	48.3	40.4	34.0	34.9	22.5	11.6	7.3	1.9	1.0	1.4	9.4	9.2	4.8	16.4	120.0
District No. 5.....	59.5	67.1	57.2	44.6	29.6	21.1	15.1	5.3	4.2	1.1	2.3	9.2	2.5	2.3	10.2	.1	17.7	25.5
District No. 6.....	29.9	50.2	47.2	51.6	39.8	37.2	30.1	16.3	1.2	3.0	1.5	5.6	5.6	5.4	13.1	.8	16.7	30.8
District No. 7.....	39.9	49.7	77.1	70.1	64.1	55.5	51.7	39.7	27.7	.0	2.1	.0	8.4	14.6	4.8	1.0	15.9	24.0
District No. 8.....					24.2	35.4	30.5	17.0	16.2					5.6	11.6	1.8	14.3	18.8
District No. 9.....	27.6	18.7	30.7	12.6	17.7	22.6	12.0	7.1	3.5	4.7	.8	3.1	4.7	2.9	6.9	.5	4.2	18.7
District No. 10.....	43.3	40.7	39.6	43.6	39.1	29.1	25.0	11.8	9.4	3.1	6.1	8.8	8.9	9.8	4.6	11.9	15.0	23.9
District No. 11.....				69.5	59.5	52.8	42.3	31.5	8.8				8.3	22.3	6.6	13.0	19.3	28.8
District No. 12:																		
Los Angeles.....	64.9	65.0	62.9	47.5	31.2	33.4	21.6	16.4	29.7	3.7	1.5	1.4	1.8	12.5	13.7	.2	4.2	45.4
San Francisco.....	60.7	54.9	58.5	43.1	27.1	16.2	15.4	8.0	19.6	2.4	6.5	5.2	1.5	1.4	7.4	15.4	1.8	14.7
Oakland.....	34.4	29.7	33.9	27.7	22.5		8.3	3.8		1.5	1.6	2.6	2.9	2.3		.6	13.1	
Sacramento.....	29.4	34.1			11.4		17.5		3.6							.3		23.1
Seattle.....	55.5	46.7	35.6	23.4	18.4	3.9	5	4.4	12.3	6.7	1.5	8.7	4.2	1.9	6.3	2.8	12.9	22.5
Spokane.....	39.0	59.6		45.8	45.5		40.1	33.6	12.2	40.2	5.7	4.4	1.8	9.1		2.7	14.2	3.6
Salt Lake City.....									12.7									22.4
District.....	56.5	52.6	52.5	40.1	25.3	20.6	15.6	20.1	.3		4.7	3.0	1.8	.7	4.9	1.2	3.4	14.3

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.								
	Feb. 1, 1920, to end of—			July 1, 1920, to end of—														
	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Nov., 1920.	Dec., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Nov., 1920.	Dec., 1920.
District No. 1:																		
Boston.....	389.8	348.4	339.2	419.2	447.1	412.7	388.4	368.4	329.9	15.8	15.4	15.4	18.5	13.7	11.4	7.5	5.4	3.6
Outside.....	464.7	442.5	431.7	436.4	472.1	485.9	482.6	466.6	452.9	15.5	7.5	10.0	9.1	14.2	14.7	10.8	10.4	.....
District.....	405.2	366.5	358.0	425.1	455.1	433.5	415.6	398.6	357.9	15.7	12.7	12.3	12.0	14.0	13.1	9.1	7.7	.....
District No. 2:																		
New York City and Brooklyn.....	403.1	392.4	379.9	390.0	489.3	613.7	479.4	464.1	361.1	17.6	15.5	16.8	15.7	16.8	14.7	9.2	6.9	5.3
Outside.....	392.8	415.7	349.5	485.8	506.3	492.1	441.3	430.6	347.7	21.8	13.9	17.7	18.9	14.3	12.0	6.6	4.1	3.1
District.....	402.0	399.4	369.9	440.1	496.7	573.9	466.9	452.3	358.0	18.2	14.8	17.2	17.4	15.9	13.6	8.1	5.5	4.5
District No. 3:																		
Philadelphia.....								360.4	322.6								4.7	4.9
Outside.....								520.5	458.6								2.9	4.1
District.....	347.0	382.6	357.5	399.8	471.2	500.3	437.2	418.0	371.1	23.5	17.6	19.3	19.8	14.2	10.1	5.9	4.0	4.6
District No. 4.....	439.0	362.8	362.3	403.6	412.7	468.8	466.8	452.1	398.5	34.8	13.2	16.2	18.9	17.0	13.3	7.6	5.9	4.7
District No. 5.....	422.2	421.5	407.0	505.9	560.7	512.9	489.0	454.5	386.6	12.1	9.9	9.7	16.1	14.8	8.4	7.1	3.0	2.7
District No. 6.....							403.9	381.6	307.8	20.1	20.6	17.0	17.4	15.6	11.0	6.9	5.8	4.9
District No. 7.....	332.5	305.8	328.3	432.7	427.9	410.7	371.0	431.7	391.0	31.2	31.9	19.5	19.3	23.2	15.7	5.1	6.5	5.6
District No. 8.....					432.6	377.0	396.8	324.4	245.1					17.2	9.2	6.1	3.9	3.8
District No. 9.....										9.6	19.5	20.0	13.7	9.1		12.4	11.9	18.7
District No. 10.....	272.1	285.4	353.7	384.1	334.0	340.4	343.3	526.8	466.3	18.0	5.4	25.3	15.6	9.7	8.8	3.1	1.9	2.3
District No. 11.....					425.5	523.9	454.0	416.7	383.7				18.6	12.7	10.0	4.1	3.2	2.7
District No. 12:																		
Los Angeles.....	390.7	480.4	481.3	522.5	454.2	486.0	462.5	478.0	432.5	39.0	29.7	26.2	22.8	15.5	12.0	9.3	7.6	10.6
San Francisco.....	492.3	469.8	508.8	539.9	512.8	511.5	511.9	515.8	434.3	27.7	23.9	26.0	25.9	21.1	10.8	13.6	9.6	4.3
Oakland.....	585.2	589.5	573.8	625.1	598.3		732.5	567.4										
Sacramento.....		533.4	531.3		423.3		387.4		490.5									
Seattle.....	527.9	539.7	524.6	470.2	532.7	508.0	502.5	454.5	413.7	17.2	14.2	16.3	16.3	12.2	8.6	6.4	7.0	1.6
Spokane.....	528.8	605.4	579.4	652.6	675.5		579.0	544.3	453.5		31.1	25.1	29.9					1.1
Salt Lake City.....									601.4				18.7					2.6
District.....	456.0	508.0	516.0	536.5	489.6	504.0	467.3	488.5	490.7	21.6	23.2	23.1	22.3	14.2	9.5	9.8	7.0	5.8

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 a decline during November, total exports showed a considerable increase for December. This increase was noticeable in every class of exports, but more particularly in producers' goods. Total imports, after a slight rise during November, again continued the downward trend which has been noticeable for the past several months. Total exports for the year 1920 showed a small decrease from total exports during the year 1919, while the imports for the two years were substantially the same.

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

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

[Monthly average values, 1913=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	11,536	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	89,890	242.8	24,861	188.8	196,025	195.0
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	77,401	209.1	29,492	224.0	193,336	192.3
August.....	81,250	94.9	19,574	168.8	49,194	161.6	150,018	117.5	85,571	169.9	42,132	113.8	20,953	159.1	148,656	147.8
September..	70,285	82.1	19,359	166.9	43,342	142.4	132,986	104.1	123,524	245.3	70,033	189.2	25,240	191.7	218,797	217.6
October....	70,322	82.1	17,182	148.1	45,844	150.6	133,348	104.4	99,114	196.8	74,736	201.9	20,386	154.8	194,236	193.2
November..	99,552	116.2	15,735	135.7	46,729	153.5	162,016	126.9	98,690	196.1	79,198	213.9	21,254	161.4	199,142	198.1
December..	89,584	104.6	13,208	113.9	43,571	143.1	146,363	114.6	79,965	158.9	71,886	194.2	21,521	163.4	173,372	172.4
Year..	914,165	88.9	215,357	154.7	688,362	188.5	1,817,884	118.6	951,495	157.5	857,504	193.0	254,975	161.4	2,063,974	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	84,134	227.2	14,887	113.1	163,198	162.3
June.....	55,200	64.5	14,663	126.4	46,113	151.5	115,976	90.8	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	93,910	253.7	24,562	186.5	179,414	178.4
August.....	67,225	78.5	15,708	135.4	28,594	94.0	111,527	87.3	61,321	121.8	94,866	256.2	22,624	171.8	178,811	177.8
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
October....	101,708	118.7	17,649	152.2	37,859	124.4	157,216	123.1	44,866	89.1	48,683	131.5	17,613	133.8	111,162	110.6
November..	95,148	111.1	14,123	121.8	33,996	111.7	143,267	112.2	43,436	86.3	61,590	166.4	14,610	111.0	119,636	119.0
December..	104,828	122.4	21,577	186.0	37,536	123.3	163,941	128.4	39,963	79.4	49,239	133.0	13,401	101.8	102,603	102.0
Year..	947,506	92.2	198,474	142.6	503,647	137.9	1,649,627	107.7	816,827	135.2	1,009,784	227.3	245,489	155.4	2,072,100	171.7

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

WHOLESALE PRICES ABROAD.¹*Index numbers of wholesale prices (all commodities).*

	United States; Federal Reserve Board (90 quotations). ^a	United States; Bureau of Labor Statistics (328 quotations). ^a	United Kingdom; Statist (45 commodities). ^b	France; Bulletin de la Statistique Générale (45 commodities). ^b	Italy; Prof. Bachi (40 commodities). ^b	Sweden; Svensk Handelstidning (47 quotations). ^c	Japan; Bank of Japan for Tokyo (56 commodities). ^a	Australia; Commonwealth Bureau Census and Statistics (92 commodities). ^a	Canada; Department of Labor (272 quotations). ^c	Calcutta, India; Department of Statistics (75 commodities). ^b	Germany; Frankfurter Zeitung (67 commodities). ^d
1913.....	100	100	100	100	100	² 100	100	100	100	100	⁶ 100
1914.....	100	100	101	101	95	116	96	⁸ 100	101	⁴ 100	
1915.....	101	101	126	137	133	145	97	141	110		
1916.....	124	124	159	187	202	185	117	132	135		
1917.....	174	174	206	262	299	244	149	⁶ 155	177		
1918.....	197	197	226	339	409	339	193	170	206		
1919.....	215	215	242	357	364	330	235	180	217		
1919. December.....	226	238	276	423	455	317	288	197	238		
1920. January.....	242	248	288	487	504	319	301	203	248	218	1,058
February.....	242	249	306	522	556	342	313	206	254	209	1,429
March.....	248	253	307	555	619	354	321	209	258	198	1,577
April.....	263	265	313	588	679	354	300	217	261	200	1,598
May.....	264	272	305	550	659	361	271	225	263	210	1,471
June.....	258	269	300	493	615	366	247	233	258	206	1,545
July.....	250	262	299	496	613	363	239	234	256	209	1,439
August.....	234	250	298	501	632	365	235	236	244	209	1,534
September.....	226	242	292	526	660	362	230	230	241	208	1,556
October.....	208	225	282	502	662	346	226	215	234	206	1,545
November.....	190	207	263	460	658	331	221	208	225	194	1,534
December.....	171	189	243	434	635	299	206	197	214	180	1,619

^a Average for the month.^b End of month.^c Middle of month.^d First of month.

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 Middle of 1914=100.

⁶ Last six months of 1917.

ENGLAND.

Too much emphasis can not be placed upon the fact that England's present economic problem is essentially different from that of the Continent. Her last budget (that for the year ending Mar. 31, 1921) was made to balance and in fact to give an actual surplus by the placing of heavy taxes not only on ordinary income but also on excess profits. The estimate of expenditures for the current year amounted to 1,176 million pounds, for receipts to 1,418 million pounds, which would give a surplus of 242 million pounds for debt reduction. It is impossible to state how nearly the estimates will be fulfilled but it would seem, judging by the total receipts for the nine months ending December 31 (which amounted to 889 million pounds) that the Government accounts will balance. Eight hundred and eighty-nine million pounds is obviously not 75 per cent of total anticipated revenue; but since far more comes in during the last quarter than during any other part of the year, it is to be expected that this sum will be greatly increased before April 1.

Both as regards public finance and foreign trade England's position is superior to that of the continental countries. Although within recent months the total volume of trade has been on the decline, imports and exports have more nearly balanced than at any time since the armistice. Conditions in France in this regard have been improving very decidedly, but even so the situation neither there nor in Italy is so satisfactory as in England. This, in spite of the fact that French and Italian exchange rates have depreciated far more than English, thus presumably serving as a greater stimulus to adjusting the trade balance. In Germany, exports and imports have balanced in the months most recently reported, but this is largely because exports include payment to the allies under the terms of the treaty as well as ordinary commercial sales.

One factor which may temporarily have been of material assistance to England in building up her export trade is the unfavorable rate of her New York exchange. This has made it possible for her to export far more than she otherwise could have to the United States, which has not only given her an outlet for her

goods but also furnished her a solvent purchaser. More or less the same may be said of English trade with Canada and some of the South American States, as well as with the Scandinavian countries and sections of the Far East. When such a situation has existed in markets in which the British were already established, this has had a most favorable result upon their export trade. With a large group of countries, notably the European States, the situation has been quite the reverse, however. In these cases she has had the handicap of a favorable rate of exchange, but in spite of this has exported more to the continent than she has received from it. The explanation for this lies, of course, in the fact that the continent has been in excessive need and has had to import on what under normal conditions would be prohibitive terms. In carrying on this trade with the continent, England was of course assuming a heavy risk. This has been realized to an increasing degree of late when attempts have been made to liquidate on credits placed there.

Another factor which indicates the fortunate position of England as compared with the continent is the adjustment which has been made between her internal and external prices. One of the most serious maladjustments in continental countries is the difference between domestic and foreign prices. This condition is due to the policy, which is still quite general, of subsidizing with State money the prices of commodities essential to the mass of the population. By this means prices within the country are kept far lower than those for export, but entirely at the expense of the national budget. In England all subsidies have been removed. Although the domestic price of coal is, out of all proportion, cheap as compared with export coal, this industry is not being subsidized with national funds.

British exporters are urging the Government to make more practical arrangements for assisting them in financing foreign trade. More than a year ago a law was passed setting aside 26 million pounds to provide aid for exporters, but until a few months ago conditions were such that no interest was taken in the scheme. When depression set in, interest was revived, and the provisions of the scheme were made somewhat more favorable to exporters. Although applications are being made for funds more freely since the change, it is generally felt that a more comprehensive plan will have to be developed before appreciable results will be obtained. The Ter Meulen scheme for international credits as revised at Geneva by technical experts seems to appeal most strongly

to English business men provided, however, that the English Government act as guarantor of the assets to be offered by countries wanting credit. According to this scheme, as is well known, countries desiring credit would issue bonds on the basis of assigned assets whose value had been determined by a commission of the League of Nations, these bonds to be offered by the country in question in payment for goods. As the technical experts of the league recommended that it withhold guaranty of the bonds, British business men doubt the usefulness of the scheme unless the British Government can be persuaded to use a portion of the 26 million pounds set aside for export credits as a guarantee.

During December prices in England continued to decline at approximately the same rate as in November. In January, however, improvement was apparent in certain lines, notably in the cotton, wool, and to a less extent leather industry. In the iron and steel industry, however, prices continued to be reduced steadily during the first weeks of January. The demand for export coal had declined to such a point that stocks accumulated, and prices were weaker than during earlier months. Largely on this account all regulations were removed from the export coal trade during January.

The scheme suggested by the Australian wool growers for handling the stocks of wool owned by the British Government was accepted during December with the consent of the British wool trade. According to this scheme the Australian wool growers will market not only the new clip but the carry-over from earlier clips. To meet a change in market conditions, the minimum price of wool offered at public auction in London was reduced about the middle of January. During the preceding weeks wool had been offered by the Government at a minimum price too high to attract buyers. With the lowering of the upset price, buying improved. Although the raw material is apparently in somewhat better demand, the industry continues to work on a very short-time basis.

In the cotton industry a slight improvement occurred during early January. Manufacturers continued to work on a 35-hour-a-week basis, but instead of agreeing to continue on this basis during the coming month they have decided upon the present arrangements for two weeks only. Demand seems to have improved in the cheaper grades of cotton goods rather than in the finer grades.

The Statist index is published below, showing the trend of prices during the year:

Statist index number of wholesale prices.

[1913=100.]

Date.	Vegetable foods.	Animal foods.	Sugar, coffee, tea.	Food-stuffs.	Minerals.	Textiles.	Sundries.	Materials.
1913.....	100	100	100	100	100	100	100	100
1914.....	110	100	107	105	90	97	105	98
1915.....	155	125	130	137	109	111	131	119
1916.....	193	152	161	169	140	152	163	153
1917.....	252	192	213	218	152	228	212	198
1918.....	248	210	238	229	167	265	243	225
1919.....	252	215	275	238	190	271	268	243
December..	270	228	336	260	234	334	296	286
1920:								
January....	274	230	356	265	256	343	312	302
February....	297	237	415	286	267	362	329	318
March.....	345	237	393	300	263	360	313	312
April.....	346	265	392	315	263	354	321	311
May.....	351	244	473	318	273	308	311	298
June.....	359	244	496	325	269	308	282	285
July.....	343	278	425	325	276	298	277	283
August.....	317	295	404	319	281	298	278	285
September..	319	291	334	308	283	286	279	282
October.....	334	290	257	302	276	261	268	266
November..	308	293	238	291	265	212	253	245
December..	257	262	212	253	254	205	248	237

As was expected, end of the year settlements caused considerable financial strain in England. Between the end of November and the end of December, deposits with the Bank of England increased very radically, from 123 million pounds to 190 million pounds, most of this increase occurring in "other deposits." Comparing the situation at the end of the year with

that at the end of the previous half year, we find that the increase between the end of May and the end of June was even greater. Due to the heavy demands made upon the Bank of England, the reserve ratio was low during all of December, reaching 7.3 per cent on December 29. During the first two weeks of January deposits were rapidly reduced, and as a result the reserve ratio rose to 12.2 per cent on January 12. Meanwhile conditions demanded a considerable increase in the issue of currency and bank notes. Between the end of November and December currency notes increased by 18 million pounds and the bank notes by 4 million pounds. Due to this rapid expansion in currency notes, they stood at the highest point of the year on December 22. The legal maximum for the fiduciary issue of 1921 is thus fixed at 317.6 million pounds—3 million lower than the limit for the circulation in 1920, the latter amounting to 320.6 million pounds. The heavy loans of the Bank of England during this period were made for the most part on the basis of Government securities, the bank's holdings amounting to 108 million pounds on December 27, but being reduced by January 12 to 59.2 million pounds. Coin and bullion held by the bank increased 4 million pounds during December, but no further additions were made during the first two weeks of January.

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	5½	6½
February.....	92,426	324,994	190,147	138,946	1,070,000	188,000	1,258,000	5½	6½
March.....	99,371	335,372	137,170	140,672	1,107,000	205,000	1,312,000	5½	6½
April.....	101,284	337,377	140,381	141,018	1,048,000	249,000	1,297,000	6½	7½
May.....	103,614	348,316	117,784	140,955	1,062,000	221,000	1,283,000	6½	7½
June.....	106,658	357,356	191,715	146,382	1,050,000	244,000	1,294,000	6½	7½
July.....	106,869	361,911	133,796	151,734	1,058,000	204,000	1,262,000	6½	7½
August.....	106,294	356,012	115,955	151,529	1,067,000	183,000	1,250,000	6½	7½
September..	108,791	353,795	127,167	151,615	1,139,000	143,000	1,282,000	6½	7½
October.....	108,839	355,872	136,977	151,699	1,028,000	241,000	1,269,000	6½	7½
November..	109,218	349,284	123,304	152,613	1,097,000	231,000	1,328,000	6½	7½
December.....	113,401	367,626	189,859	156,768	1,102,000	306,000	1,408,000	6½	7½

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

The decline in the value of exports during the month of December is very considerable, amounting in all to a value of 23 million pounds as compared with November. This leaves the total the second smallest for any month of 1920 and only a little larger than that of December, 1919. Coming after a period of seven months, during which the export trade has been on a very high level, it is a significant index of the very rapid shift in England's foreign trade outlook. This is accounted for largely by the very heavy re-

duction in the exports of cotton and wool manufactures, which combined were valued at some 13 million pounds less in December than in November. At the same time coal and iron and steel exports were considerably increased, although the total increase does not half compensate for the loss in the textile exports. Imports during December were at approximately the same level as during the preceding month. Production in the iron and steel and coal industries was at a high level, the new Government provisions regulating

the wages and profits of workers in the coal industry according to output having apparently had an excellent result on the volume of coal produced. In the iron and steel industry the December production was on a much larger scale than that of October and November, when the strike of coal miners was in effect.

Although considerable unemployment has been reported in shipbuilding centers and freight rates have been on the rapid decline, British tonnage under construction during the last quarter of 1920 was only slightly under that of the third quarter, which marked the high point of the year.

Date.	Value of foreign trade.			Production (metric tons)			Ship tonnage under construction (gross tons).
	Imports.	Exports.	Reexports.	Coal.	Pig iron.	Steel ingots and castings.	
Monthly average, 1913.....	000's. £39,061	000's. £43,771	000's. £9,131	000's. 24,336	000's. 869	000's. 649	1 2,002,699
1920.							
January.....	183,498	105,880	25,464	* 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	* 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	* 22,926	750	800	.....
August.....	153,255	114,903	13,368	16,970	752	709	.....
September.....	152,692	117,456	13,351	18,885	741	884	3,731,000
October.....	149,889	112,295	16,134	* 14,044	533	544	.....
November.....	144,260	119,365	13,115	15,920	404	504	.....
December.....	142,785	95,631	12,699	* 22,593	675	745	3,709,000

¹ Average of four quarterly estimates. Figures following are estimates taken at the end of each quarter.

* Five weeks in the month.

Cost of living figures for the first of January show a further decline, leaving the level at 165 per cent above that of 1914. Already wage scales adjusted according to the cost of living have been reduced in certain centers, although the reduction in wages in England has apparently not been carried out on the same scale as in the United States. Large numbers of workers continued to be out of employment. Figures published by the Labour Gazette for trade union unemployment showed 6.1 per cent out of work at the end of December. The situation on the whole as regards unemployment seems to be about as bad as in the winter of 1913-14, when a similar depression was being felt.

	Average percentage increase in cost of living. ¹ base, July, 1914.	Per cent of trade-union members unemployed (membership base, 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	5.3
November.....	176	3.7
December.....	169	6.1
1921.		
January.....	165	.....

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

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

FRANCE.

The fiscal situation in France has been one of the most conspicuous of the country's problems during 1920. The need for budgetary reorganization was hardly less necessary in 1919, but it seems fair to say that it was not as clearly understood by the general public then, as it is now. There was no general budget of receipts and expenses in 1919, and the Government's expenditures so far exceeded ordinary revenue that the floating debt increased 24 billion francs and advances from the Bank of France 5 billion francs in that year.

In December, 1919, M. Klotz, then Finance Minister, presented to the Chamber of Deputies a proposal for a consolidated budget for the next year. Final action upon the subject was not taken, however, until the last of June, 1920, when both the Senate and Chamber approved a budget of 47 billion francs. Twenty-one billion francs of this expenditure were to be met by taxation and 26 billion by loans. Of this latter sum 15 billions were to be spent in the devastated regions.

Two loans were floated in 1920. The first, a 5 per cent redeemable rente, yielded about 7 billion francs in cash and 8 billion in national defense bills. The second, a 6 per cent perpetual rente, brought in, according to the latest reports, 9.1 billion francs in cash, and 5.4 billion francs in national defense bills. The funds made available by these two loans amount, therefore, to 29.5 billion francs, or enough to meet both the "special" and "extraordinary" budgets for 1920.

Final figures are not yet available on total receipts from taxes in France this year, but

preliminary reports state that they amount to about 20 billion francs. This sum is less by 1 billion francs than the expenditure contemplated by the ordinary budget for 1920. The difference seems to have been met by the funds realized from the sale of war stocks.

The 1921 budget as presented to the Chamber of Deputies in December called for an expenditure of 44 billion francs, of which 24 billion was to be met by taxation and 19 billion by loans. The budget was returned to the Finance Minister for further reductions in the middle of December, and final action was postponed until February by voting provisional credits for the first two months of the year. The prolonged examination of the budget had made it clear, however, that, if the heavy expenditures in the devastated regions continue, France must go on increasing her public debt. Thirty-five billion francs have already been spent in the reconstruction of the devastated regions, and the 1921 budget contemplates spending 16 billion more. Since tax receipts are only sufficient to meet the other necessary expenses of the Government, the only way that this work can be carried on without involving further loans will be by means of large payments from Germany on reparations account. So far no payments in cash have been made. Differences of opinion as to how the indemnity can best be obtained caused the retirement of the Leygues ministry early in January. At the present time the amount of Germany's annual payments on reparations account for the next few years have not been decided, but it seems probable that they will not exceed 3 billion marks gold a year. As Belgium has priority on the first 2,500 million marks paid by Germany it is obvious that the amount which will be received by France next year will not be large enough to make a very great difference in balancing her budget.

On December 18 an important step was taken toward reducing the ordinary expenditures of the Government, when the Chamber of Deputies passed a bill authorizing the consolidation of the French railways and relieving the Government of financial obligation in regard to them. According to agreements in force at the beginning of the war, the Government advanced interest at a fixed rate on money loaned by private investors to the railroads for the extension of their systems into regions where the service would not be immediately profitable. Before the war some of the railroads had repaid the money thus advanced, while others had made large demands on the

public treasury. During the war, however, all the roads were obliged to depend upon Government aid, and their total deficit at present amounts to about 5 billion francs. The agreement recently approved by the Chamber of Deputies cancels all claims of the Government against the railways and of the railways against the State. Henceforth they will be operated entirely without guarantees from the Government.

The plan provides for a central council for the railways to be composed of representatives of the management and workers of each system and presided over by the minister of public works. Each company will guarantee a fixed rate of interest to its stockholders, and it will receive a bonus for its methods and improvements. Any surplus accumulated by the roads will be kept in a common fund through which companies which do not pay may be assisted. Before this bill becomes a law it must be approved by both the Senate and the railways.

Wholesale prices in France continued to decline throughout December. Textiles, iron and steel, nonferrous metals, coffee, cacao, and meats shared in the downward tendency. Decreased hours of work were reported from the textile centers of Lille and Lyon, as well as from the leather factories and metallurgical centers.

One of the most important of the recent price changes is that announced by the coal controller early in January. As of January 1 the new price of metallurgical coke is fixed at 135 francs a ton for blast furnaces and 200 francs for other consumers. The price which has been in force since October 1 was 175 to 250 francs for blast furnaces and 275 francs for other consumers. Coal prices have been reduced similarly. As this action has been demanded for some time by French manufacturers, it may help to relieve the industrial situation.

Because of the strong sentiment in France for releasing the coal industry from Government control, M. Briand has announced that it is his intention to bring about this change very shortly. The step now seems feasible, as France is better supplied with coal than she has been since 1913. For the first 11 months of the year 45 billion tons of coal were available for consumption, a supply which compares very favorably with the monthly average of 4,542 million tons consumed in 1913.

The following table gives the group index numbers of the Bureau de la 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.....	392	313	253	336	272	444	405	373
1919, end of—								
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
October.....	533	421	422	469	453	637	527	528
November....	519	390	371	441	424	510	498	476
December....	575	360	349	423	402	475	471	444

Retail prices seem to be following the downward trend of wholesale prices very slowly. The retail price index number of the Statistique

Générale shows a decline of 2 points only in the cost of living in Paris. The figures are as follows:

Retail prices in Paris.

July, 1914.....	100
1919 (average).....	260
1920—January.....	290
February.....	297
March.....	339
April.....	358
May.....	378
June.....	369
July.....	373
August.....	373
September.....	407
October.....	420
November.....	426
December.....	424

The end-of-the-year statement of the Bank of France shows a slight decrease in gold reserve for the year and a net decline of the note circulation of about 140 million francs. This decline in the note circulation seems to have been merely temporary, however. In the first weeks of 1921 the advances of the bank to the Government, which had remained stationary since last July, were reduced by payments from the Treasury by 1 billion francs.

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 revenue (000,000's)	Public debt (000,000's)	Price of 3 per cent perpetual rente.
1913, average.....	3,343	629	830	5,565	.....	320	35,000	86.77
1920, end of—								
February.....	3,603	251	3,277	37,889	25,800	794	.....	57.60
March.....	3,606	247	4,039	37,569	26,300	859	.....	58.82
April.....	3,608	244	3,469	37,688	25,300	1,057	.....	57.40
May.....	3,609	240	3,751	37,915	26,050	857	.....	59.35
June.....	3,610	241	3,653	37,544	26,000	908	.....	57.25
July.....	3,611	248	3,416	37,696	25,550	1,109	233,729	58.90
August.....	3,612	255	3,267	37,905	25,800	882	.....	56.30
September.....	3,531	256	3,307	39,208	26,600	1,120	.....	54.15
October.....	3,537	264	3,474	39,084	26,600	1,332	.....	56.20
November.....	3,543	265	3,927	38,807	26,600	1,088	.....	55.40
December.....	3,552	266	3,575	37,902	26,600	1,168	245,129	57.95
1921, January 20.....	3,553	268	3,339	38,153	25,600	.....	.....	.....

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 Foreign debt calculated at par.⁶ Not including about 1,948 million francs held abroad.

Cabled figures on French foreign trade in December show a distinct falling off in exports, the month's total being much lower than that of any month since 1919 values were adopted in making the computations. The greatest decline is in the export of manufactured articles. The French attribute part of this decrease to the 10 per cent tax levied since July 1 on the total turnover of all busi-

nesses producing luxuries. As it was claimed that this tax raised the price of luxuries to such a point that it was impossible to market them abroad, the tax was finally removed in January.

There was a distinct increase, on the other hand, in both the food and raw materials imported. Imports of manufactured articles were smaller than at any time since the new system of evaluation went into effect.

Foreign trade of France.¹

[In thousands of francs.]

	Imports.				Exports.				
	Food.	Raw materials.	Manu- factured articles.	Total.	Food.	Raw materials.	Manu- factured articles.	Parcel 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.....	675,799	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	2,393,508
September.....	608,822	1,294,160	724,894	2,627,876	229,892	446,131	1,363,469	112,081	2,151,573
October.....	667,709	1,243,294	684,442	2,595,445	262,808	337,464	1,597,808	134,472	2,332,552
November.....	549,834	1,389,928	732,416	2,672,178	200,388	405,858	1,136,356	140,996	1,883,598
December ⁷	689,689	1,583,117	675,451	2,948,257	240,993	328,546	910,004	181,353	1,660,896

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.⁷ Figures subject to revision.

GERMANY.

During 1920 the price situation in the United States was puzzling, because of the difference in the degree to which commodities were affected by the expansion and contraction of trade. In Germany the trend was even more complex; in fact prices can scarcely be said to have had any general trend during the period. A recent publication of a general price index number by the Frankfurter Zeitung, the first comprehensive study of German prices since before the war, bears out this conclusion, and also shows in striking fashion to what extent German prices are out of harmony with those of other leading countries of the world. This situation is of course no more than was to be expected in view of the constant and alarming inflation of bank credit which has been necessitated by the ever widening difference between Government expenditures and receipts.

Earlier studies gave the impression that German prices had passed through two cycles, or four distinct movements, during the year; the rise in the spring, commonly referred to as the "catastrophe boom," followed by the decline in the summer, this cycle followed in turn by another rise and fall. With the more reliable information now available, it seems that this double cycle occurred only in the case of the nonferrous metals, cotton, and leather industries, while prices of other groups moved in an entirely different fashion. The controlled agricultural commodities, for in-

stance, remained at the abnormally low level of 1919 until the summer of 1920, when they were increased by the Government, in the case of wheat as much as 178 per cent. Domestic coal, another commodity whose price was controlled, was advanced in May, 1920, and has not been lowered since then. Iron and steel prices have been kept in rather closer harmony with foreign prices, rising until May, then declining, and finally remaining steady. The index as a whole shows the influence of these divergent price tendencies, but, contrary to the general impression, makes it apparent that prices at the end of 1920 were higher than they were at their peak last spring. To summarize the fluctuations of the year, the following table is excerpted from the Frankfurter Zeitung:

Index number of wholesale prices in Germany.

First of the month.	Agricultural products.	Textiles, leather, etc.	Minerals.	Miscellaneous.	All commodities.
1920.					
January.....	100	100	100	100	100
February.....	119	154	143	125	135
March.....	126	193	163	139	149
April.....	132	161	137	176	151
May.....	133	110	133	179	139
June.....	148	110	116	212	146
July.....	145	86	113	211	136
August.....	151	107	114	209	145
September.....	139	115	118	207	147
October.....	142	111	125	204	146
November.....	147	111	119	204	145
December.....	160	133	118	200	153
1921.					
January.....	156	95	121	184	139

A study of the figures for the all commodities index show that the greatest increase occurred in February, 1920, when prices rose 36 per cent. The enormous increase in the prices of silk, cotton products, leather, and metals accounts for this increase. During March and April prices continued to rise but in May declined, only to increase again in June. This see-saw movement in the index number during the summer was caused by the fact that prices were quite out of harmony with one another but were being arbitrarily raised or lowered, as the case might be, by the Government. Prices rose steadily from September to December, the level on December 1 being over 50 per cent above that of the preceding January. The index for the 1st of January shows a marked decline in the price level, however. The price of more than a third of the commodities in the index declined; the only ones showing distinct increases are tin, steel scrap, rye, barley, lignite, peat, benzine, and silver. This last decline was not caused by alternations in exchange rates, as was the case in the spring, but was seemingly influenced by declines in world markets.

The disparity between prices in Germany and those in the rest of the world during the past year has been caused in large part by inflation, which is still going on there. The note issue of the Reichsbank increased 33 billion marks in 1920 and 4 billion marks in December alone, and although the latest statement of the bank shows a decrease of almost $1\frac{1}{2}$ billions in the note issue, the present policy of the Government does not make it seem probable that this decrease will be continued. However, almost 2 billion marks of the loan bank notes (the Darlehnskassenscheine, which have supplemented the notes of the Reichsbank in Germany) were withdrawn from circulation during 1920. There has been a good deal of criticism of the whole idea of the loan banks in Germany lately and this withdrawal of notes may be the beginning of their entire abolition.

In constructing a wholesale price index for Germany, the Frankfurter Zeitung has performed a useful service for all who are interested in German economic conditions. Because of the lack of such a measure it has been impossible both during and since the war to form an accurate opinion of the trend of German prices. The new index makes no at-

tempt to compare present prices in Germany with those before the war, but begins with January 1, 1920, since that is the period when Government control of prices began to be removed. Commodities in Germany at the present time may be divided into three groups: (1) Those whose prices are fixed in a bourse or exchange, chiefly metals and cotton; (2) those whose prices are regulated by the Government or by syndicates, such as the bread, grains, lard, sugar, coal, iron, potash, nitrogen, etc.; (3) those whose prices are determined by free competition.

The index which the Frankfurter Zeitung has made includes 70 commodities, divided into four groups. In the first group are included 24 agricultural commodities: wheat, rye, oats, barley, corn, potatoes, beans, peas, lentils, rice, eggs, meat, lard, margarine, butter, milk, condensed milk, cacao, coffee, sugar, beer, tobacco, hay, and straw. In the second group are textiles and leather: cotton, wool, silk, cotton yarn, cotton cloth, artificial silk, flax, hides, leather, and shoes. The third group covers minerals: noncoking bituminous coal, coking coal, foundry coke, lignite, peat, iron ore, foundry iron 1, rolled plates, steel scrap, iron bars, copper, tin, zinc, lead, aluminum, nickel, and silver. The fourth group includes miscellaneous commodities: machine oil, petroleum, benzine, benzol, newsprint paper, cement, bricks, salts of potash, sulphate of ammonia, lime nitrogen, kainite, dyestuff, alcohol, timber, firewood, saltpeter, calcium carbide, and hops.

The index is unweighted and is computed by finding the relative changes in the price of each commodity (using January 1, 1920, as 100) and averaging the relatives thus obtained. On the whole, it would seem that the index number includes a wide enough range of commodities to reflect the general movement of German prices. The Frankfurter Zeitung has undoubtedly been hampered in its choice of commodities by the quotations available, for the manufactured articles included are somewhat limited. The most conspicuous omission among the raw materials is that of rubber.

The following tables give a brief survey of the financial situation in Germany during the last month. It will be noted that the note circulation of the Reichsbank reached a new high level on December 31, 1920.

German financial situation.

[In marks.]

	Reichsbank statistics.			
	Reserve.		Note circulation.	Deposits.
	Gold.	Reichs- und Darlehnskassenscheine.		
1913 average.....	000,000's. 1,067.6	000,000's. 32	000,000's. 1,958	000,000's. 668
1920, end of—				
April.....	1,092	15,193	47,940	16,499
May.....	1,092	15,907	50,017	17,024
June.....	1,092	17,252	53,975	23,414
July.....	1,092	17,874	55,969	17,282
August.....	1,092	18,686	58,401	15,772
September.....	1,092	19,861	61,735	20,054
October.....	1,092	21,341	63,566	17,945
November.....	1,092	20,363	64,284	17,340
December ¹	1,092	23,417	68,806	22,227

	Situation of the Government.			
	Receipts from taxes and Government monopolies.	Floating debt.	3 per cent imperial loan. ¹	5 per cent war loan. ²
1913 average.....	000,000's. 265	000,000's.	75.90	-----
1920, end of—				
April.....	2,072	-----	74.50	98.75
May.....	2,599	-----	67.50	98.70
June.....	3,227	141,987	62.90	98.30
July.....	3,739	148,750	60.64	98.50
August.....	3,635	-----	60.80	98.70
September.....	4,126	156,825	62.25	99.90
October.....	5,121	161,920	66.25	99.00
November.....	6,130	165,918	72.30	98.80
December.....	-----	-----	65.75	98.90

¹ Subject to revision.² Quotations of the Berlin Bourse.

The following table gives a survey of the Loan Bank notes (Darlehnskassenscheine) in circulation since 1914. These notes are secured by war loan and other securities deposited with the Darlehnskassen.

Darlehnskassenscheine in circulation.

	Millions of marks.
1914—December 31.....	446
1915—December 31.....	972
1916—December 31.....	2,873
1917—December 31.....	6,265
1918—December 31.....	10,242
End of—	
1919—January.....	10,293
February.....	10,556
March.....	11,028
April.....	11,169
May.....	10,967
June.....	12,027
July.....	11,929
August.....	11,687
September.....	11,815
October.....	11,777
November.....	12,815
December.....	13,781

Millions of marks.

1920—January.....	12,938
February.....	12,721
March.....	13,731
April.....	13,776
May.....	13,567
June.....	13,633
July.....	13,328
August.....	13,266
September.....	13,348
October.....	13,024
November.....	12,370
December.....	12,033

Berlin exchange fluctuated throughout December and the first week in January. During the year 1920 the change in the situation of the mark has been as follows:

Berlin exchange.

	Par.	Jan. 2, 1920.	Dec. 29, 1920.
Marks to the—			
Pound sterling.....	20.40	187.75	257.45
Dollar.....	4.20	46.95	73.92
French franc.....	.80	4.54	4.28
Swiss franc.....	.80	11.35	11.14

SWEDEN.*STOCKHOLM, December 27, 1920.¹*

The rate of inflation in Sweden is represented fairly well by the increase in the circulation of the notes of the central bank. For, except small coins, these notes constituted practically the whole circulation of the country before the war and do so still. In order to get a good measure of the inflation it is, however, necessary to eliminate the influence of the monthly variations of the circulation. Taking monthly means of the circulation for the four years 1910–1913, I have arrived at a typical series of monthly variation of the circulation, and allowing for a normal yearly increase of this circulation by 0.75 per cent, corresponding broadly to the usual increase of the population, I have calculated the “normal circulation” for each month from 1914 up to the present time. Comparing now the actual circulation with this normal circulation I get an expression for “the relative increase of circulation.”

The inflation of the Swedish money thus measured reached its highest point in December, 1918, with the figure 350. During 1919 a reduction took place and a minimum of 307.7 was reached in September. The inflation has since been increased by some few per cent, but has on the whole been fairly constant during 1920. The figure for November is 324.2.

¹ This survey was contributed by Prof. Gustav Cassel, a known authority in the field of money and banking.

Now, it is of course interesting to compare this measure of inflation with index numbers of prices. The index for wholesale prices, which is published by "Svensk Handelstidning," shows for November the figure 331. The official unweighted index for food (including fuel and light) shows for the same month the figure 325. Thus the three different measures give about the same result. This is natural enough; Sweden has not become richer than it was before the war. Its need of bank notes has, therefore, only increased in the same proportions as prices.

Comparing my figure for relative increase of circulation in Sweden for September (323.3) with the official price index of the United States (242), I come to a "purchasing power parity" of 1 dollar to 4.98 kronor (against 3.73 kronor as the old gold parity).² The actual mean of the New York exchange quoted in Stockholm during the month was 4.97 kronor, thus practically the same. The very sharp fall of prices which has taken place in the United States in October and November has, of course, increased the domestic value of the dollar. And as the Swedish crown has practically remained unaltered, the value of the dollar relative to the Swedish crown ought to have increased approximately in the same degree. This increase has, however, only shown itself to a limited degree in the actual exchanges. The purchasing power parity of the dollar calculated as above is for October 5.38 kronor and for November 5.84 kronor. The monthly mean of the quotations of the dollar in Stockholm is 5.09 kronor for October and 5.26 kronor for November. But it is only natural that such a violent fall of prices as has taken place in the United States should require some time before it is reflected in the foreign exchanges of the country.

Great efforts are now being made in Sweden in order to reduce the inflation. The minimum discount rate of the central bank is 7.5 per cent, and loans against securities are mostly at 8.5 per cent. The expenditure of the State and of local bodies is being severely cut down. With these measures we can confidently hope to prevent further inflation. Actual deflation, however, seems in Sweden to involve much greater difficulties than in the United States. For in Sweden wages have risen nearly as much as prices, whereas the rise of wages in the United States seems to have lagged considerably behind the rise of prices. To bring down the general level of nominal wages will always, in a country like Sweden where labor is very well organized, prove extremely difficult. In this respect the situation is still worse in

Norway and Denmark, where wages have risen still more and whose crowns command a correspondingly smaller value in the international market.

The export trade of Sweden has this year reached a record, the total value of exports having during the period January-September, reached the value of 1,728 million kronor, against 1,089 million kronor in the same period in 1919. Imports have, however, been still greater, with a value for the same period of 2,649 million kronor, leaving us with an unfavorable trade balance of 921 million kronor for three-quarters of the year. This balance is in reality probably somewhat lower than shown statistically. In considerable part it is paid for by the Swedish shipping trade, but the rest represents shrinkages in foreign credit balances.

STATISTICAL SUMMARY.

The tables published below have been furnished the Division of Analysis and Research by the Skandinaviska Kreditaktiebolaget of Stockholm. Complete monthly figures for the seven years from 1914 to 1920 are published in order that the trend of these important items during the war period may be better understood in this country. The Skandinaviska Kreditaktiebolaget has offered to furnish the division with similar material by cable each month.

The first three tables apply to the Riksbank, and show the gold held by the bank, the note circulation, and the discounts. As Sweden has concentrated her metallic reserve in the Riksbank, the figures given cover practically all of the gold held within the country as well as abroad. The note circulation of the Riksbank is likewise exclusive, no other kind of notes having been issued during the war. In spite of the very striking increase in gold holdings of the bank during the war, the ratio of reserves to notes has stood at approximately 35 per cent throughout recent months, as compared with 45 per cent in July, 1914.

Discounts with the Riksbank have increased markedly during 1919 and 1920, standing at the high point of 568 million kronor at the end of August, as compared with 139 million kronor at the same time in 1919 and 69 million kronor in 1918. On September 17 the discount rate at the Riksbank was raised to 7½ per cent, with the result that during that month and October there has been a falling off in discounts with the central bank. A similar reduction has not occurred, however, in the loans and discounts of the joint stock banks, which have been steadily increasing since June. In discussing the policy of the Riksbank in raising the rate the governor of

² See "Memorandum on the World's Monetary Problems," by Gustav Cassel, printed for the League of Nations, London, 1920, p. 15.

the bank stated: "The raising of the discount rate is not to be looked upon as an indication that credits for legitimate requirements will not be obtained, but as a renewed exhortation to exercise the greatest restraint and discretion in asking for and granting credits."

Gold holdings of the Riksbank at home and abroad.

[Million kronor.]

End of—	1914	1915	1916	1917	1918	1919	1920
January.....	103.3	108.6	142.3	186.6	236.0	279.8	271.5
February.....	104.3	113.2	160.9	191.4	235.3	288.2	265.2
March.....	104.2	113.3	160.8	193.2	258.1	288.1	261.1
April.....	104.1	113.4	165.0	194.3	257.7	287.4	261.0
May.....	104.9	113.4	166.3	202.9	258.7	290.0	261.0
June.....	105.4	113.4	166.1	202.7	258.0	288.9	261.1
July.....	104.0	113.4	165.9	204.6	257.4	288.3	261.3
August.....	103.2	113.4	165.8	204.5	263.4	300.3	261.4
September.....	103.5	113.4	170.9	214.6	273.6	300.1	279.8
October.....	103.9	113.4	178.0	223.5	274.5	299.7	282.4
November.....	104.4	113.3	182.4	226.4	283.4	300.0	282.4
December.....	108.5	124.6	183.5	244.5	285.6	281.2	281.8

Note circulation of the Riksbank.

[Million kronor.]

End of—	1914	1915	1916	1917	1918	1919	1920
January.....	205.3	267.5	293.6	376.1	524.7	721.0	673.3
February.....	213.9	276.9	303.6	393.5	560.2	721.6	685.5
March.....	233.6	292.4	331.6	438.8	630.7	750.7	741.6
April.....	219.2	278.4	322.4	434.3	614.9	722.2	718.3
May.....	226.6	275.5	328.8	433.3	625.0	702.6	708.3
June.....	239.0	293.3	352.5	466.0	667.5	727.9	736.5
July.....	228.4	276.2	324.8	442.4	645.2	683.1	724.8
August.....	279.6	282.1	345.5	467.1	688.7	694.2	742.2
September.....	294.6	309.5	386.9	521.0	761.7	751.1	779.8
October.....	284.0	308.7	376.0	522.6	761.0	732.8	772.8
November.....	283.7	302.6	380.7	535.0	784.0	723.5	752.8
December.....	304.1	327.9	417.5	572.7	813.5	747.6	759.9

Paper rediscounted with the Riksbank.

[Million kronor.]

End of—	1914	1915	1916	1917	1918	1919	1920
January.....	86.7	97.4	48.8	43.7	68.4	126.0	343.1
February.....	69.5	74.7	32.5	28.7	32.1	93.6	360.6
March.....	99.0	85.2	40.0	106.1	70.7	146.9	507.4
April.....	88.2	74.7	42.1	97.6	45.4	131.3	497.7
May.....	87.0	62.1	23.1	94.9	34.2	152.8	473.5
June.....	83.0	69.0	16.8	62.9	42.7	153.7	531.1
July.....	89.4	87.6	17.7	100.8	71.7	138.7	514.2
August.....	142.6	63.7	16.4	98.6	68.5	138.7	567.8
September.....	127.1	62.3	31.5	98.3	143.1	239.2	547.0
October.....	103.0	65.0	37.7	59.5	124.6	240.9	503.4
November.....	115.4	56.6	44.4	57.4	150.7	269.6	447.2
December.....	158.6	96.1	94.5	111.2	200.1	412.8	451.3

Loans and discounts of the joint stock banks.

[Million kronor.]

End of—	1914	1915	1916	1917	1918	1919	1920
January.....	2,327.9	2,422.9	2,562.7	2,954.5	3,880.0	5,326.2	5,843.4
February.....	2,355.2	2,449.2	2,596.1	3,052.6	4,021.1	5,387.4	5,914.4
March.....	2,345.1	2,458.1	2,656.5	3,099.7	4,142.9	5,488.2	5,877.4
April.....	2,358.3	2,489.0	2,672.3	3,169.4	4,281.3	5,503.7	5,969.4
May.....	2,347.2	2,503.9	2,717.4	3,215.4	4,322.3	5,563.9	5,998.6
June.....	2,355.6	2,503.4	2,746.8	3,324.4	4,469.1	5,639.3	5,982.9
July.....	2,360.2	2,495.1	2,781.6	3,322.9	4,666.9	5,680.7	6,028.9
August.....	2,325.5	2,496.3	2,800.7	3,381.1	4,799.6	5,736.4	6,007.4
September.....	2,358.1	2,496.8	2,824.4	3,467.7	4,905.6	5,732.5	6,068.7
October.....	2,387.5	2,488.8	2,852.1	3,576.4	5,014.8	5,746.0	6,079.0
November.....	2,385.9	2,520.4	2,863.4	3,703.7	5,091.1	5,769.6	6,117.8
December.....	2,368.3	2,517.7	2,908.9	3,775.1	5,187.3	5,747.5	6,211.3

Wholesale prices reached their peak in June, 1920, and at present are declining fairly rapidly. Retail prices, on the other hand, continued to increase until August, but since then have been slowly decreasing.

The index number of wholesale prices published below is that compiled by the Svensk Handelstidning. It is based upon 47 market quotations of raw materials or goods in the first stages of manufacture. The quotations are taken as of the middle of each month, except in the case of vegetable and animal foods which are averages of weekly quotations. The index number is based upon prices in July 1, 1913—June 30, 1914=100, and is weighted according to the value of the consumption of the goods during the year immediately preceding the war. To quote the newspaper: "It is understood that, in some cases, the estimation of the consumption is very approximate, even for the initial period, and that the conditions of production and consumption in Sweden have changed very much in consequence of the abnormal perturbations of the war. As the price of coal and coke has risen to eleven times the prewar price, the general rise in the wholesale prices, as indicated by our price index, is probably somewhat exaggerated."

The official retail index number is based upon the prices of 51 (from 1920, 50) articles of food, fuel, and lighting in 44 (from 1920, 49) towns, weighted according to the budget of a working man's family which before the war had a yearly budget of 2,000 kronor.

Group index numbers—Sweden, *Svensk Nandelstidning*.

[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	116	118	103	111
1915.....	151	140	161	177	166	118	233	158	116	120
1916.....	152	182	180	266	272	165	267	229	166	149
1917.....	181	205	198	551	405	215	300	206	247	212
1918.....	221	419	304	856	398	275	308	195	.....	.....
1919.....	261	409	340	804	258	286	.....	211	.....	.....
1919.										
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.....	289	283	320	1,069	324	367	788	252	374	275
June.....	250	273	311	1,252	318	351	778	212	368	303
July.....	252	277	312	1,252	293	358	767	202	336	303
August.....	271	307	310	1,117	286	358	756	191	328	322
September.....	273	312	308	1,085	273	358	753	180	310	340
October.....	258	306	309	1,026	256	390	740	166	250	340
November.....	264	290	303	910	253	387	609	161	233	332
December.....	247	283	301	602	247	362	598	156	206	328

¹ Average for six months ending Dec. 31, 1914.

Official index number of retail prices of foodstuffs, fuel, and lighting, 1914-1920.

[July 1914=100.]

Year.	Dairy products, eggs, margarine (10 articles).	Bread, flour, and groats (11 articles).	Meat (8 articles).	Fish (9 articles).	Other foodstuffs (6 articles).	Fuel and lighting (7 articles).	Weighted indices.
1914-3d quarter..	101	109	98	102	103	107	103
4th quarter..	110	118	95	102	112	108	107
1915-1st quarter..	112	124	106	103	128	112	113
2d quarter..	114	135	122	102	135	119	121
3d quarter..	124	133	137	118	129	135	124
4th quarter..	141	124	140	142	130	151	128
1916-1st quarter..	143	124	144	150	137	159	130
2d quarter..	146	125	157	152	138	167	134
3d quarter..	152	126	182	176	150	187	142
4th quarter..	170	131	193	196	168	192	152
1917-1st quarter..	179	159	192	203	202	207	166
2d quarter..	190	161	193	188	225	228	175
3d quarter..	203	158	190	202	228	264	181
4th quarter..	237	161	212	251	221	330	201
1918-1st quarter..	275	173	285	286	241	347	227
2d quarter..	283	188	445	323	237	352	255
3d quarter..	304	189	506	377	234	372	277
4th quarter..	414	244	490	430	266	395	320
1919-1st quarter..	400	255	467	354	295	414	335
2d quarter..	403	256	474	307	284	389	328
3d quarter..	383	264	476	303	259	370	311
4th quarter..	383	274	407	294	240	393	308
1920-1st quarter..	331	278	360	272	243	410	293
2d quarter..	303	296	349	255	243	447	295
3d quarter..	308	301	355	277	241	500	304
July.....	296	303	354	272	239	492	297
August.....	315	302	356	279	240	503	308
September.....	314	299	354	279	245	504	307
October.....	321	297	348	270	240	502	306
November.....	328	294	327	272	237	492	303
December.....							294

The volume of foreign trade is shown in the accompanying table:

Value of imports and exports.

[Million kronor.]

	Imports.	Exports.	Excess of imports over exports.
1920.			
January.....	238.0	126.8	111.2
February.....	282.1	106.0	176.1
March.....	301.1	150.5	150.5
April.....	266.9	163.7	103.3
May.....	314.2	227.1	87.1
June.....	283.3	223.6	59.8
July.....	331.1	267.7	63.4
August.....	307.6	229.8	77.8
September.....	324.5	252.8	91.7
October.....	299.3	217.8	81.5

AUSTRIA.

Since the disruption of the old Austrian monarchy not only have the finances of the new Republic of Austria shown a chronic and steadily growing deficit, but the budgetary provisions have never approached, even remotely, the actual requirements of the treasury. This was due, especially in the beginning, to the uncertainties regarding the boundaries of the new state and the share it would have to bear of the obligations of the old monarchy. A more important and persistent factor, however, has been the rapid pace at which the process of inflation has been progressing. As a result, every few months the budgetary estimates have had to be revised and new treasury loans authorized. The budget for the fiscal year ending June 30,

1920, had to be redrafted at least four times, and the scale on which the successive revisions were effected may be seen from a comparison of the estimates made in the first draft, in July, 1919, and those of the fourth draft, in May, 1920:

[Millions of kronen.]

	July, 1919.	May, 1920.
Receipts.....	3,454	6,294
Expenditures.....	8,442	16,873
Deficit.....	4,987	10,579

At the conclusion of the fiscal year it was stated that the actual deficit would greatly exceed the latter estimate.

When the budget was originally voted, the treasury was authorized to effect credit operations to the amount of 2.5 billion kronen. This was followed by other authorizations, so that the total increase of the public debt of the new state for the year 1919-20 alone amounted to 12.6 billions. The lottery loan floated last spring in order to meet maturing war obligations yielded 1.2 billion kronen, but as this was the only loan obtained through public subscription the sale of short-term treasury certificates was the main source of funds. These bills were taken up by bankers, who immediately discounted them at the Austro-Hungarian Bank, the result being a steady expansion of the note circulation.

The budget for the fiscal year 1920-21, drafted in June, 1920, gave the following estimates:

[In millions of kronen.]

Receipts.....	20,665
Expenditures.....	33,194
Deficit.....	12,529

The anticipated revenues were thus more than three times larger than those of the preceding year. The increase in expenditures was chiefly due to two items, namely, food supply and salaries and pensions. The net loss on account of the food subsidy is estimated at 6,760 million kronen. Salaries and pensions, as a result of successive increases and allowances granted last year, are estimated at 8,931 millions, as compared with 4,569 millions in 1919-20. Another important item in the increase of expenditures is the anticipated loss from the rise of exchange and the depreciation of the krone, which is estimated at 3.9 billions. The public debt charge alone amounts to 5,031 million kronen.

These estimates, however, are of little value now as they were made up on the basis of exchange rates and prices in December, 1919, and June, 1920. By the end of 1920 the rate of exchange was about three times higher than

in June, so that all estimates for food imports and for the public debt are now tremendously increased. Early in December the Minister of Finance stated that if the exchange situation that had prevailed for the last few months continued, the loss due to depreciation would be about 12 billions, instead of 3.9 billions, as originally estimated. Moreover, the budget did not include any charge for the cost of foodstuffs and raw materials to be imported from abroad on the basis of the five-year credits that have been granted Austria, although the anticipated proceeds from the sale of those products (over 800 million kronen) were included in the estimate of revenues. Finally, since last June, new increases in the salaries of civil servants have been granted, aggregating, at the end of November, between 2 and 3 billion kronen. On the other hand, the revenues from inheritance taxes, the income tax, and indirect taxes, have been less than estimated. In his speech at the National Assembly on December 3, Dr. Grimm, the Minister of Finance, estimated the deficit for the year at about 25 billion kronen, or double the original estimate. Even this figure, however, is below the actual deficit, as the Minister did not include the cost of foodstuffs imported on long-term credit or the charges on the public-debt service accruing on that account.

Since the beginning of the current fiscal year, and until the beginning of December, credit operations to the total amount of 9 billion kronen had been authorized and effected, but the proceeds had been totally exhausted by the end of November. On December an authorization was given for an additional 3.5 billions, which the Minister of Finance expected to be sufficient to meet the requirements of the Treasury until the end of the year. On December 16 the Minister asked for a new authorization for 8 billion; he stated at the same time that of the 11.9 billions required by the Treasury for the months of January and February, over 90 per cent would have to be obtained through loans. These credit operations, which did not include the foreign credits of 17,500 million kronen for food imports have been effected chiefly by the sale of short-term Treasury certificates. The only exception seems to have been the issue, in October, 1920, of 6 per cent Treasury bonds, from which 617 million kronen had been realized by the end of October.

On June 30, 1920, Austria's public debt was officially estimated at 59.8 billion kronen, of which 14.9 billions represented the debt contracted by the new Republic, and 44.9 billions, its share of the debt of the old monarchy. The debt has since been increased by the successive

issues of Treasury certificates and by the foreign import credits of 17.5 billions, so that it was expected to attain by the end of the year the amount of nearly 100 billions.

The note circulation of the Austro-Hungarian Bank increased from 54,481 million kronen on December 31, 1919, to 77,024 million on November 30, 1920. Beginning with December, 1919, a separate account has been kept of new Austria's share in the assets and liabilities of the bank. Her share in the note circulation was 12,134 million kronen on December 31, 1919; and it had increased to 17 billions on the last week of July, 1920. As a result of the successive sales of Treasury certificates, the expansion became more rapid in the new fiscal year, as is shown by the following table:

[In billions of kronen.]	
1920—	
July 23.....	17.7
August 31.....	29.0
September 30.....	20.5
November 23.....	27.0

Of the 328 million kronen, which constituted the reserve of the Austro-Hungarian Bank on November 23, 1920, Austria's share amounted to 17 millions. This consisted almost exclusively of foreign securities payable in gold, Austria's share of the 223 million kronen gold reserve of the bank being negligible (51,000 kronen).

JAPAN.

Following is a table showing the conditions of the Bank of Japan during the year 1920. It is hoped that the material included in these tables may be published regularly each month. The latest figures are subject to revision, as they are furnished by cables to the Bank of Japan agency in New York. On the whole the latest statistics seem to show a further trend toward the condition of affairs that existed before the war.

The recent increase in the private deposits and discount items of the Bank of Japan as well as the advance in note circulation is probably due to end-of-year settlements.

Bank of Japan.

[In thousands of yen.]

End of—	Government deposits.	Private deposits.	Discounts.	Loans.	Advances on foreign bills.	Note circulation.	Rediscount rate.
							<i>Per cent.</i>
January.....	1,118,635	48,557	249,425	55,295	324,397	1,375,170	8.03
February.....	1,119,635	26,088	276,846	59,463	339,988	1,360,457	8.03
March.....	1,143,223	37,613	290,457	73,259	281,372	1,368,056	8.03
April.....	1,170,574	90,131	381,281	51,107	316,727	1,366,577	8.03
May.....	1,123,643	85,117	393,854	51,316	322,414	1,327,856	8.03
June.....	1,077,872	86,945	334,881	45,711	258,924	1,349,065	8.03
July.....	1,061,549	58,096	226,245	46,548	246,107	1,202,433	8.03
August.....	1,147,922	53,619	230,750	47,598	256,006	1,217,076	8.03
September.....	1,027,427	51,138	132,309	47,915	88,826	1,170,144	8.03
October.....	1,006,775	41,497	113,631	50,592	126,136	1,192,082	8.03
November.....	1,038,191	76,859	76,376	51,369	91,332	1,118,351	8.03
December.....	940,956	98,581	109,233	48,814	73,478	1,311,234	8.03

In addition to the statistics above, showing the condition of the Bank of Japan, it has been considered advisable to publish statistics showing the conditions of other banks in Tokyo and the money rate. These figures indicate that although in November and December loans have been considerably reduced from the large dimensions of the earlier part of the year, they are still at a very high point. Cash holdings of the Tokyo Associated Banks at the end of December were at the highest point of the year, amounting to 223 million yen, as compared with the minimum of the year of 121 million yen in August. The discount rate with the banks reached the highest point in June, amounting at that time to practically 11 per cent; since then there has been a steady although gradual decline, the rate now standing at approximately 10.5 per cent.

Tokyo banks.

[In thousands of yen.]

End of—	Tokyo Associated Banks.			Tokyo bank clearings (total within the month).	Average discount rate (Tokyo market).
	Total deposits.	Total loans.	Cash on hand.		
					<i>Per cent.</i>
January.....	1,929,250	1,929,250	192,987	3,063,495	9.38
February.....	1,932,460	2,021,621	179,673	3,532,102	9.67
March.....	1,956,987	1,982,134	201,543	4,135,258	10.15
April.....	1,983,069	1,981,932	189,375	3,168,387	10.62
May.....	1,974,171	2,089,356	195,618	2,922,032	10.95
June.....	1,921,628	2,036,450	210,622	2,524,263	10.99
July.....	1,836,612	2,028,871	162,291	2,109,431	10.95
August.....	1,788,544	2,013,565	121,156	2,139,132	10.80
September.....	1,823,548	2,075,903	152,849	2,032,421	10.59
October.....	1,826,522	2,133,237	147,527	1,921,862	10.48
November.....	1,689,000	1,823,000	159,000	2,302,000	.....
December.....	1,769,000	1,866,000	223,000	2,841,000	.....

As has been frequently pointed out, the decline in wholesale prices in Japan during the year has been more spectacular than in any other country in the world. A high point was reached last March, when the index number showed prices to be 321 per cent of the 1913 level. By December they had dropped to 206 per cent of prices in 1913, indicating a steady decline throughout the year. The volume of the foreign trade of the country steadily declined during the second half of 1920, reaching its lowest level in December.

Foreign trade.
[In thousands of yen.]

End of—	Imports.	Exports.
January.....	204,767	176,347
February.....	270,642	174,287
March.....	329,027	193,570
April.....	296,832	217,457
May.....	235,950	193,363
June.....	220,183	183,810
July.....	157,133	154,318
August.....	123,197	175,060
September.....	117,600	154,354
October.....	105,746	133,389
November.....	106,958	103,993
December.....	105,000	87,000

Group index numbers—Italy.

Prof. Baeni. [1913=100.]

Date.	Cereals and meats.	Other food-stuffs.	Textiles.	Minerals and metals.	Other goods.	Date.	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
1919.....	316	340	427	414	360	June.....	445	511	742	917	534
1919.						July.....	434	508	759	903	542
December.....	338	373	658	584	405	August.....	445	510	794	957	540
						September.....	459	520	837	1,040	541
						October.....	446	502	810	1,077	572
						November.....	475	535	763	1,009	585
						December.....	481	531	675	928	620

Group index numbers—Calcutta, India, Department of Statistics.

[End of July, 1914=100.]

Date.	Build-ing materials.	Manu-fac-tured articles.	Metals.	Hides and skins.	Cotton manu-fac-tures.	Raw cotton.	Jute manu-fac-tures.	Other tex-tiles.	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		119
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
October.....	154	282	245	96	343	142	136	164	132	104	184	64	392	169	155	178
November.....	161	246	243	89	341	133	118	164	118	90	163	62	348	168	150	173
December.....	161	229	242	90	133	116	107	156	124	83	152	69	273	149	139	160

¹ Includes pulses.

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	133	147	245	315
1919.....	193	217	186	137	147	145	261	252
December..... 1919.	186	259	224	142	156	132	281	266
January..... 1920.	189	273	227	143	156	147	282	268
February.....	192	283	226	149	161	149	287	272
March.....	205	281	226	162	160	128	288	280
April.....	205	277	234	169	192	160	288	280
May.....	214	265	252	177	197	170	307	287
June.....	214	260	251	187	195	208	307	287
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	312	276
October.....	222	220	208	214	196	226	289	276
November.....	222	180	206	212	195	211	281	255
December.....	216	156	193	210	198	193	271	252

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.....	226	199	192	206	222	285	213	173	228	171	201	205
December..... 1919.	251	182	230	240	232	306	231	181	232	224	209	189
January..... 1920.	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	202	190	261	296	169	207	259	273	296	217
October.....	229	194	207	177	249	292	156	203	259	265	211	211
November.....	201	184	209	203	236	273	153	195	259	265	270	205
December.....	190	179	221	189	222	251	141	178	259	252	269	201

¹ Unimportant groups omitted.

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.	Miscellaneous.
1913.....	100	100	100	100	100	100	100	100	100
1914.....	103	102	98	96	88	98	101	99	98
1915.....	106	105	99	92	94	94	109	99	99
1916.....	119	124	123	114	142	100	157	115	117
1917.....	189	178	181	175	208	124	198	145	153
1918.....	219	191	240	163	181	152	221	195	192
1919.....	234	214	270	173	161	195	178	246	217
November..... 1919.	240	219	325	179	164	236	176	299	220
December.....	244	234	335	181	169	253	179	303	220
January..... 1920.	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
October.....	182	204	257	282	184	313	216	371	229
November.....	165	195	234	258	170	274	207	369	230
December.....	144	172	220	236	157	266	188	346	205

WHOLESALE PRICES IN THE UNITED STATES.

The Federal Reserve Board's all-commodities index number stood at 171 in December as compared with 190 in November. This shows a drop of 93 points since the high peak in May, or a 35 per cent decrease.

It is interesting to note that all groups, regardless of stage of manufacture, were at practically the same level in December. The drop in raw materials and producers' goods was in both cases 19 points, the drop in consumers' goods 16 points. In the case of goods imported and exported there was a decrease of

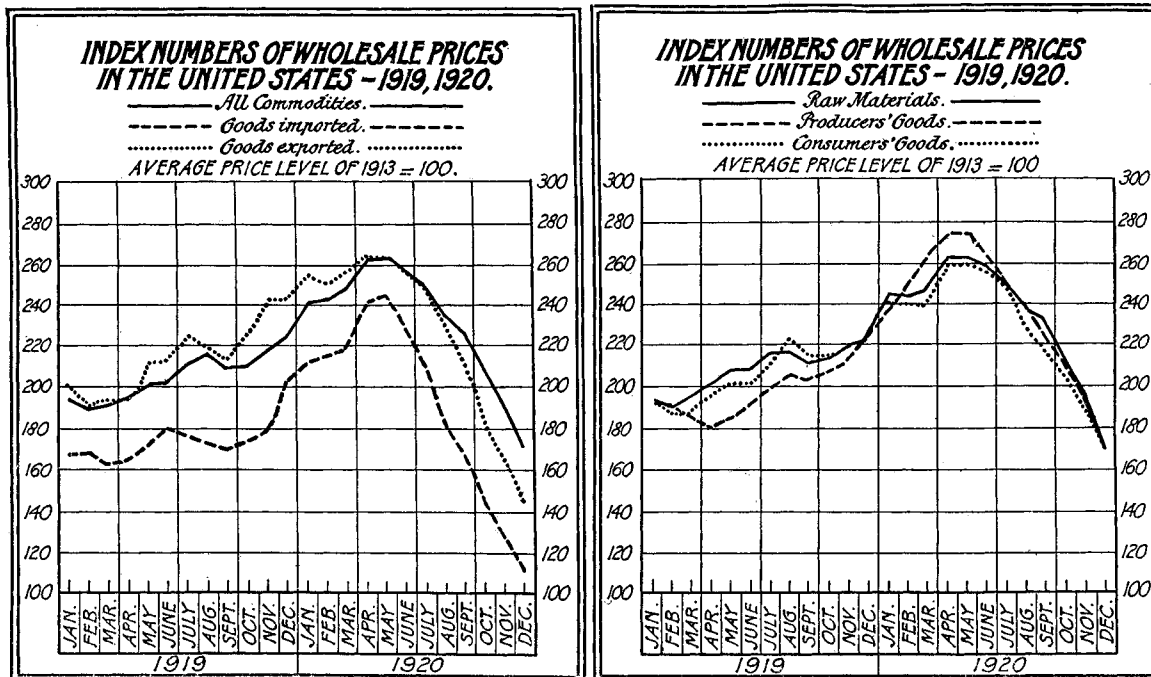
15 and 17 points, respectively, with the result that imports are only 12 per cent above 1913 prices and exports 46 per cent. The declines in these two groups are due to the very marked decrease in practically every commodity imported and in 50 per cent of the goods exported.

In comparing the indexes of the Federal Reserve Board and the Bureau of Labor Statistics it will be seen that the decrease in December was approximately the same in both cases. The fluctuations of the two indexes are in considerable harmony, although the index of the Federal Reserve Board is at a lower level than that of the Bureau of Labor Statistics.

Index numbers of wholesale prices in United States—Federal Reserve Board.

[Average price for 1913=100.]

Date.	Goods produced.	Imported.	Exported.	Consumed.	Raw materials.	Producers' goods.	Consumers' goods.	All.
1913.								
Average for the year.....	100	100	100	100	100	100	100	100
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
October.....	213	142	181	211	211	209	203	208
November.....	195	127	163	193	192	190	187	190
December.....	175	112	146	174	171	171	171	171



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
December, 1914.....	98	99	94	91	96	93	102	98
December, 1915.....	110	97	93	104	102	116	107	106
December, 1916.....	155	131	99	180	144	164	142	147
December, 1917.....	235	178	130	162	180	181	185	183
December, 1918.....	237	210	150	185	200	199	221	207
December, 1919.....	288	209	259	186	233	228	245	238
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	256	258	251	272	263
August, 1920.....	259	181	351	265	251	238	250	250
September, 1920.....	232	186	344	277	248	224	240	242
October, 1920.....	191	172	339	272	230	209	224	225
November, 1920.....	170	159	289	246	205	193	214	207
December, 1920.....	155	132	283	224	187	175	196	189

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 December, 1920, compared with like figures for December 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.	Rela- tive price.	Average price per pound.	Rela- tive price.	Average price per bushel.	Rela- tive price.	Average price per bushel.	Rela- tive price.	Average price per 100 pounds.	Rela- tive price.	Average price per pound.	Rela- tive price.
July, 1914.....	\$0.7044	114	\$0.1331	105	\$0.8971	103	\$0.8210	83	\$9.2188	108	\$0.1938	105
December, 1914.....	.6340	103	.0721	57	1.1921	136	1.2023	122	8.9125	105	.2250	122
December, 1915.....	.6794	110	.1185	93	1.1311	129	1.2322	125	8.4875	100	.2575	140
December, 1916.....	.9125	148	.1757	138	1.7611	202	1.7275	175	10.2917	121	.3350	182
December, 1917.....	1.5875	258	.2894	228	2.1700	248	2.1700	220	13.2350	156	.3500	190
December, 1918.....	1.4200	232	.2958	233	2.2205	254	2.3088	234	18.3600	216	.2900	158
December, 1919.....	1.4185	235	.3900	314	3.0300	347	2.4490	248	17.0750	201	.4100	223
January, 1920.....	1.4750	240	.4035	318	2.9313	336	2.6338	267	15.9375	187	.4000	218
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.....	1.8300	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
October, 1920.....	.8778	143	.2088	164	2.1063	241	2.2047	224	14.6875	173	.2550	139
November, 1920.....	.8003	130	.1780	140	1.7528	201	2.0570	209	14.5750	171	.2325	126
December, 1920.....	.7341	119	.1444	114	1.6809	192	2.0125	204	12.0938	142	.1900	103

Year and month.	Hogs, light, Chicago.		Wool, Ohio, 1-2 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.	Rela- tive price.	Average price per pound.	Rela- tive price.	Average price per M feet.	Rela- tive price.	Average price per M feet.	Rela- tive price.	Average price per long ton.	Rela- tive price.	Average price per short ton.	Rela- tive price.
July, 1914.....	\$8.7563	104	\$0.4444	94	\$24.5000	101	\$42.0000	94	\$4.9726	98	\$2.2000	100
December, 1914.....	7.1313	84	.4861	103	24.2500	100	41.0000	92	5.1796	102	2.2000	100
December, 1915.....	6.2438	74	.6429	136	21.2500	88	38.0000	85	5.1710	102	2.2000	100
December, 1916.....	9.7500	115	.7286	155	24.5000	101	41.0000	92	5.6801	112	4.5000	205
December, 1917.....	16.7150	198	1.3571	288	30.5000	126	57.0000	128	6.4736	128	3.7500	170
December, 1918.....	17.4400	206	1.4365	305	.....	.....	63.0000	141	7.9500	157	4.1000	186
December, 1919.....	13.6800	162	1.2545	266	48.0000	198	112.0000	251	8.4098	166	4.1000	186
January, 1920.....	15.1250	179	1.2364	263	53.0000	219	112.0000	251	8.4291	167	4.1000	186
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
October, 1920.....	14.7875	175	.7273	154	57.0000	235	152.0000	341	10.4732	207	7.1000	323
November, 1920.....	12.1400	144	.6909	147	57.0000	235	124.5000	279	10.5417	208	7.1000	323
December, 1920.....	9.6625	114	.5455	116	57.0000	235	124.5000	279	10.5179	208	7.1000	323

Average monthly wholesale prices of commodities—Continued.

Year and month.	Coal, Pocahontas, Norfolk.		Coke, Connells-ville.		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
December, 1914.....	3.0000	100	1.6250	67	.1275	81	.0380	86	1.4500	59	12.5000	85
December, 1915.....	2.8500	95	2.3000	94	.1975	126	.0525	119	2.0000	82	17.5000	119
December, 1916.....	6.0000	200	5.7500	236	.3450	219	.0730	166	2.6000	106	30.0000	204
December, 1917.....	4.4120	147	6.0000	246	.2350	149	.0650	148	3.5000	143	33.0000	224
December, 1918.....	4.6320	154	6.0000	246	.2540	161	.0667	152	4.0000	163	33.0000	224
December, 1919.....	4.6320	154	6.0500	248	.1873	119	.0718	163	4.6000	188	34.6000	235
January, 1920.....	4.6320	154	6.0000	246	.1931	123	.0872	198	5.0625	207	37.7500	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	.1976	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
October, 1920.....	7.2800	243	14.3125	587	.1675	106	.0731	166	6.1000	249	43.7500	298
November, 1920.....	7.2800	243	8.8500	363	.1455	92	.0628	143	6.1000	249	36.5000	248
December, 1920.....	5.6000	187	6.2375	256	.1369	87	.0478	109	6.1000	249	33.0000	224

Year and month.	Cotton yarns, northern cones, 10/1.		Leather, sole, hemlock No. 1.		Steel billets, Bessemer, Pittsburgh.		Steel plates, tank, Pitts- burgh.		Steel rails, open hearth, Pittsburgh.		Worsted yarns, 2-32's cross- bred.	
	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
December, 1914.....	.1600	72	.....	.....	19.0000	74	.0105	71	30.0000	100	.6200	80
December, 1915.....	.2100	95	.3250	115	30.6000	119	.0180	122	30.0000	100	.8800	115
December, 1916.....	.3850	174	.5700	202	57.5000	223	.0425	287	40.0000	133	1.2000	154
December, 1917.....	.4950	224	.5000	177	47.5000	184	.0325	220	40.0000	133	2.0000	257
December, 1918.....	.5500	249	.4900	174	45.1000	175	.0310	209	57.0000	190	2.0000	258
December, 1919.....	.6986	316	.5700	202	46.4000	180	.0265	179	47.0000	157	2.2000	283
January, 1920.....	.7271	329	.5600	199	48.0000	186	.0274	185	50.7500	169	2.2500	290
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	2.0000	283
April, 1920.....	.7784	352	.5700	202	60.0000	233	.0375	253	54.5000	182	2.0000	283
May, 1920.....	.7672	347	.5700	202	60.0000	233	.0375	253	54.5000	182	2.0000	283
June, 1920.....	.7299	330	.5700	202	60.0000	233	.0355	240	54.5000	182	2.0000	283
July, 1920.....	.7009	317	.5700	202	62.5000	242	.0358	228	54.5000	182	2.0000	283
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	1.5000	206
October, 1920.....	.4343	196	.4900	174	55.0000	213	.0309	209	54.5000	182	1.5000	193
November, 1920.....	.3695	167	.4700	167	49.7000	193	.0281	190	54.5000	182	1.3000	167
December, 1920.....	.3108	140	.4100	145	43.5000	169	.0265	179	50.5000	168	1.1000	142

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
December, 1914.....	.1428	110	.0631	57	5.9500	130	.1633	98	.1200	97	.0483	113
December, 1915.....	.1375	106	.0763	69	6.2250	136	.1556	94	.1300	105	.0592	139
December, 1916.....	.1375	106	.0925	83	8.6813	189	.1988	120	.1200	97	.0692	162
December, 1917.....	.1870	144	.0756	68	10.1313	221	.3016	181	.1400	114	.0804	188
December, 1918.....	.2450	189	.1725	155	10.2100	223	.3670	221	.1750	142	.0882	207
December, 1919.....	.2350	181	.1518	136	14.0250	306	.2888	174	.2200	178	.1085	254
January, 1920.....	.2320	179	.1628	146	14.4438	315	.2944	177	.2240	182	.1537	360
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
October, 1920.....	.2520	195	.0759	68	11.2063	244	.3575	215	.2900	235	.1078	252
November, 1920.....	.2400	185	.0746	67	9.2950	203	.3065	184	.2900	235	.0962	225
December, 1920.....	.2220	171	.0656	59	8.9438	195	.2575	155	.2900	235	.0809	189

DISCOUNT AND INTEREST RATES.

In the following table are presented actual discount and interest rates prevailing during the 30-day period ending January 15, 1921, 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 has been noted in the previous period, no marked changes in rates are exhibited. There has been a decrease in certain centers in rates for bankers' acceptances, both indorsed and unindorsed; but for other types of paper such increases and decreases as have occurred are approximately equal in number. Present rates continue higher in almost all centers than rates during the same period last year.

Discount and interest rates prevailing in various centers during 30-day period ending Jan. 15, 1920.

Dis- trict.	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 indebt- edness.
		Customers'.		Open market.			Indorsed.	Un- indorsed.	Demand.	3 months.	3 to 6 months.			
		30 to 90 days.	4 to 6 months.	30 to 90 days.	4 to 6 months.									
No.1	Boston.....	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.2	New York ¹	8 6 7	8 6 7	8 7½ 7½	8 7½ 7½	7 6 6½	6½ 6 6	6½ 5½ 6½	8 7 8	8 7 7½	8 7 7½	.....	.....	7 6 6½
	Buffalo.....	8 6 7	8 6 7	8 7½ 7½	8 7½ 7½	8 5½ 7	7 5½ 6-7	7½ 5½ 6-7½	9 4 6-7	8 5 6-7	7 6 7	.....	.....	7 4½ 6-7
No.3	Philadelphia.....	7 6 7	7 6 7	8 8 8	8 8 8	8 6 6-7	6½ 6½	.....	7 6 7	7 6 7	7 6 7	.....	.....	7 6 7
No.4	Cleveland.....	6 6 6	6 6 6	8 7 8	8½ 7½ 8	6 6 6	.....	6½ 6½ 6½	6 5½ 6	6 5½ 6	6 6 6	.....	.....	6 6 6
	Pittsburgh.....	7 6 7	7 6 7	8 8 8	8 8 8	6½ 6 6	6½ 6 6	6½ 6 6	7 6 7	7 6 7	7 6 7	.....	7 6 7	7 6 6½
	Cincinnati.....	6 6 6	6 6 6	8 8 8	8 8 8	6 6 6	6½ 5½ 6	6½ 6 6	6 6 6	6 6 6	6 6 6	.....	6 6 6	6 6 6
No.5	Richmond.....	7 6 6-6½	7 6 6½	7 6½ 6½	7 6 6½-7	7 6 6	6½ 6 6½	6½ 6 6½	7½ 7 7	7 7 7	7 7 7	.....	7½ 6½ 7	6½ 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	.....	6 6 6	6 6 6
No.6	Atlanta.....	6 6 6	6 6 6	.....	.....	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	.....	6 6 6	6 6 6
	Birmingham.....	8 6 7	8 7 7	.....	.....	8 6 8	8 7 8	8 7 8	8 6 8	8 7 8	8 6 8	.....	8 7 8	8 6 8
	Jacksonville.....	8 6 7	8 6 7	8½ 8 8	8 8 8	8 6 6-7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7-8	.....	8 6 7-8	8 6 7
	New Orleans.....	8 7 8	8 7 8	.....	.....	8 6 7	8 7 7½	8 6 7	8 6 7	8 6 7	8 6 7	.....	8 7 8	8 6 8
	Nashville.....	8 6 7½-8	8 6 7½-8	8 7 7½	8 7 7½	8 6½ 7-8	8 7 7	8 7 7	8 7 7½-8	8 7 7½-8	8 7 7½-8	.....	8 7 7½-8	8 6 7-8
No.7	Chicago.....	8 6 7	8 6 7	.....	.....	8 6 6	8 6 6	8 6 6	8 6 6	8 6 6	8 6 6	.....	8 6 6	7 6 6
	Detroit.....	7 6 7	7 7 7	.....	.....	8 7 7	8 6 6	8 6 6	7 6½ 7	7 6½ 7	7 7 7	7 7 7	7 7 7	7 6 7
No.8	St. Louis.....	7 6½ 7	7 6 7	8 7 8	8 7½ 8	7 6½ 7	6½ 6 6½	6½ 6½ 6½	7 6 7	7 6½ 7	7 6½ 7	.....	7 6½ 7	7 6½ 7
	Louisville.....	7½ 6½ 7	7 6½ 7	8 7 8	8 8 8	7 6½ 7	6½ 6½ 6½	6½ 5½ 6½	8 6½ 7	8 6½ 7	8 6½ 7	.....	7 6 6	7 6 7
	Memphis ¹	8 6 6	8 6 6	8 7 8	8 8 8	7 6 6	6½ 6½ 6½	6½ 6½ 6½	7 6 6	7 6 6	7 6 6	.....	7 6 6	6 6 6
No.9	Little Rock.....	8 8 8	8 8 8	.....	.....	8 7 7-7½	.....	.....	8 7 8	8 7 8	8 7 8	.....	8 7 8	8 7 7
No.10	Minneapolis.....	7½ 7½ 7½	8 7½ 7½	8 7½ 8	8½ 8 8	7½ 7 7	6½ 6 6½	6½ 6½ 6½	8 7½ 8	8 7½ 8	9 8 8	.....	8½ 7½ 7½	7½ 7 7
	Kansas City.....	8 6 7	8 6 7	8 8 8	8 8 8	8 6 7	.....	.....	8 5 7	8 6 7	8 6 7	8 7 7	8 6 7	8 6 6-7
	Omaha.....	9 7 7	9 7 7	8 7½ 8	8 7½ 8	10 7 8	.....	.....	8 8 8	9 7 8	9 7 8	9 7 8	8 6 7	8 6 7
	Denver.....	8 6 7	8 6 7	8 7½ 8	8 7½ 8	8 6 6	.....	.....	8 6 7	8 6 7	8 6 7	8 6½ 7	8 7 7	8 6 7
No.11	Dallas.....	8 6½ 7½	8 6½ 7½	8 8 8	8 8 8	8 6 6½	.....	.....	8 6 7	8 6 7	8 6 7	8 7 8	8 7 7½	8 6 8
	El Paso.....	10 7 8	10 7 8	8 8 8	8 8 8	9 7 8	.....	.....	10 7 8	10 8 8	10 8 8	10 8 9	8 7 8	10 6 8
	Houston.....	7½ 6 7½	7 7 7	8 7 8	8 7 8	7 6 6	7 7 7	7 7 7	8 6 7	7½ 6 7	8 6 7	8 7 7½	8 7 8	8 6 7
No.12	San Francisco.....	7 6 6½	7 6 6½	8 7 8	8 7 8	6½ 6½ 6½	6½ 6½ 6½	7 6½ 6½	7 6½ 6½	7 6½ 6½	7 6½ 6½	.....	7 6½ 6½	7 6½ 6½
	Portland.....	8 6 7	8 6 7	8½ 8 8	8½ 8 8	7 6 7	6½ 6 6½	6½ 6 6½	8 6 7	8 6 7	8 6 7	.....	8 6 7	8 6 7
	Seattle.....	8 6½ 7	8 6 7	8½ 7½ 8	8½ 7½ 8	8 6½ 7	6½ 6½ 6½	7 6½ 7	8 6½ 8	8 6 8	8 7 8	.....	8 6½ 8	8 6½ 8
	Spokane.....	8 7 8	8 7 7	8 8 8	8 8 8	7 6½ 7	.....	.....	8 7 7	8 7 7	8 7 8	.....	8 7 8	8 6½ 8
	Salt Lake City.....	8 7 8	8 7 8	8 8 8	8 8 8	8 7 8	6½ 5½ 6	6½ 5½ 6	8 7 8	9 7 8	9 8 8	.....	8 7 8	8 7 8
	Los Angeles.....	8 6 7	8 6 7	8 7 8	8 7 8	7 6 6	7 6½ 6½	6½ 6½ 6½	7 6 7	7 6 7	7 6 7	.....	7 6 7	7 6 7

¹Rates for demand paper secured by prime bankers' acceptances, high 7, low 6, customary 6.

²No report.

PHYSICAL VOLUME OF TRADE.

In continuation of tables in the January, 1921, 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. In this issue, series are included covering cotton seed received and crushed, and stocks on hand at the close of the month; wheat-flour production; and structural steel orders and shipments.

Receipts of live stock at 15 western markets, after a continued rise since June, showed a considerable drop during December and were considerably below the December, 1919, figure, while shipments again showed a decrease both when compared with last month and the same month a year ago. Stocker and feeder shipments from 34 markets showed a considerable decline and were also smaller than the shipments during December, 1919. Receipts of grain at 17 interior centers during December fell off slightly from last month and from December a year ago. Wheat and oats showed a falling off from last month, but the figure for wheat was considerably greater than for December, 1919. Receipts of flour showed a very large decrease when compared with last month and a much larger decrease when compared with December a year ago. Cotton sight receipts continued to reflect the generally lighter movement to market of the 1920 crop as compared with last season. The takings of the American spinners during December remained at a very low figure and were only about half the amount taken during December, 1919. The port receipts, which have been smaller than a year ago, reflected the smaller amount exported this season in comparison with last season.

December fuel production showed some further increase over the previous month. Bituminous coal production during December showed an increase over November, 1920, and a very large increase over December, 1919, but during the latter month the industry had not fully recovered from the strike which had occurred in November. Anthracite coal production increased considerably both when compared with November, 1920, and December, 1919. Crude petroleum production showed a very slight increase over last month and a very large increase over December a year ago. Pig-iron production during January, 1921, continued its decline and showed a considerable drop from the low figure reached during December and a larger drop from the January, 1920, figure. The average daily production for January was 77,478 tons as against 87,222 tons for December. Parallel with this decline in pig-iron production, a large

decrease was also noted in steel-ingot production, which was the smallest since May, 1919, excluding the strike months of that year. The unfilled orders of the United States Steel Corporation during January, 1921, also showed a considerable decline both from last month and the same month a year ago.

There were no signs evident of an increase in activity in the textile industry. Cotton consumption reached a new low figure during December and was only a little more than half the consumption during December, 1919, while the number of cotton spindles active during the month was less than for any month during 1920, and considerably less than during December, 1919. Wool consumption showed a decrease from the year's low figure as registered during November, and was less than half the amount consumed during December, 1919. The percentage of idle woolen machinery on January 1, 1921, showed a very considerable increase in every case. Imports of raw silk again decreased considerably during December and were only about one-fourth of imports during December, 1919.

Receipts and shipments of lumber at Chicago and St. Louis during January, 1921, were considerably less than receipts and shipments during both November and January, 1920. Production of southern pine, Douglas fir, and western pine during December, 1920, showed a considerable decrease both when compared with last month and the same month a year ago. North Carolina pine production during December decreased considerably both when compared with last month and same month a year ago, while eastern white pine showed a slight decrease from last month. Shipments of citrus fruits during December showed a considerable increase over November and a slight increase over December, 1919, while shipments of deciduous fruits showed a very large decrease from November, but were more than twice the amount shipped during the same month the year before. Receipts and meltings of raw sugar at the North Atlantic ports after a considerable rise in November fell off during December, but were considerably larger than the receipts and meltings during December, 1919. Stocks of raw sugar at these ports at the close of December showed a slight decrease from the stocks held at the close of November, but were considerably larger than the stocks at the close of December, 1919.

Railroad net-ton mileage showed a considerable falling off during November, but was well above the figure for November, 1919. The tonnage of vessels cleared during December fell off slightly from the November figure, but was considerably larger than the figure for December, 1919.

Live-stock movements.

[Bureau of Markets.]

	Receipts.					Shipments.				
	Cattle and calves, 59 markets. ¹	Hogs, 59 markets.	Sheep, 59 markets.	Horses and mules, 43 markets.	Total, all kinds.	Cattle and calves, 54 markets.	Hogs, 54 markets.	Sheep, 54 markets.	Horses and mules, 43 markets.	Total, all kinds.
	Head.	Head.	Head.	Head.	Head.	Head.	Head.	Head.	Head.	Head.
December, 1919.....	2,161,047	4,947,189	2,393,304	86,666	9,588,206	968,001	1,608,578	1,188,742	89,895	3,855,216
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	4,234,022	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
October.....	2,196,939	2,826,277	2,945,709	38,657	8,007,582	1,159,459	1,064,175	1,932,083	37,994	4,193,711
November.....	2,403,990	3,862,243	2,419,596	22,477	8,708,306	1,148,861	1,394,347	1,474,299	22,963	4,040,470
December.....	1,382,995	4,186,261	1,546,876	16,118	7,132,250	647,801	1,516,893	704,760	17,030	2,886,484

¹ St. Louis, Mo., no longer considered as having a public stockyard.

Receipts and shipments of live stock at 15 western markets.

[Chicago, Kansas City, Oklahoma City, Omaha, East 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.
December, 1919.....	1,641,731	163	3,708,409	169	1,588,661	116	53,173	115	6,991,974	151
1920.										
January.....	1,400,031	139	3,912,449	178	1,035,591	76	90,022	196	6,438,093	139
February.....	1,068,092	110	2,440,154	115	948,116	72	75,488	170	4,531,850	102
March.....	1,203,499	119	2,910,909	132	900,299	66	56,880	124	5,071,587	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	24,388	54	5,158,954	112
June.....	1,290,265	128	2,746,390	125	1,006,528	74	21,056	46	5,064,239	110
July.....	1,188,019	118	2,115,639	96	1,301,458	95	26,257	57	4,631,873	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
October.....	1,628,564	162	1,836,748	84	1,865,330	136	24,716	54	5,355,358	116
November.....	1,781,261	177	2,624,185	119	1,542,477	113	12,149	26	5,960,072	129
December.....	984,309	98	2,932,052	133	942,858	69	9,290	20	4,868,509	105

SHIPMENTS.

December, 1919.....	687,166	169	1,003,968	207	687,579	137	55,551	135	2,434,264	170
1920.										
January.....	548,841	135	1,026,763	212	403,382	80	89,990	219	2,068,976	144
February.....	427,608	109	814,253	174	334,012	69	78,540	198	1,654,413	119
March.....	418,310	103	923,526	191	298,878	59	61,625	150	1,702,339	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	24,037	59	1,678,008	117
June.....	528,273	130	797,946	165	399,613	79	22,363	55	1,748,195	122
July.....	508,199	125	737,923	152	641,557	128	27,728	68	1,918,407	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	2,428,553	169
October.....	866,327	213	584,742	121	1,192,912	237	24,051	59	2,668,032	186
November.....	810,284	199	784,468	162	852,159	159	12,782	31	2,559,693	178
December.....	472,748	116	943,515	195	384,646	76	10,201	25	1,811,110	126

Shipments of stockers and feeders from 34 markets.

	Cattle and calves.	Hogs.	Sheep.	Total, all kinds.		Cattle and calves.	Hogs.	Sheep.	Total, all kinds.
December, 1919.....	462,144	67,557	723,975	1,253,676	1920.				
January.....	346,108	79,180	300,336	725,624	June.....	267,084	41,697	226,626	535,407
February.....	237,225	79,479	140,138	456,842	July.....	209,563	25,711	322,867	558,141
March.....	239,363	101,173	135,244	475,780	August.....	273,512	34,415	567,429	875,356
April.....	241,510	67,995	267,657	577,162	September.....	473,652	44,340	789,387	1,307,379
May.....	288,920	65,488	252,194	606,602	October.....	571,025	59,123	1,055,237	1,685,385
					November.....	545,802	52,699	855,545	1,454,046
					December.....	277,053	36,827	258,599	572,479

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.
December, 1919.....	1,886,835	285	6,061,769	489	3,135,069	117	58,982,754	352	15,688,297	105	63,645,722	145	4,125,550	93
1920.														
January.....	1,081,643	163	22,872,223	1,844	1,670,500	63	77,501,002	463	13,905,923	93	38,823,902	88	4,251,187	96
February.....	735,132	115	13,010,793	1,085	1,631,457	63	75,891,195	469	24,217,706	168	36,644,906	86	3,710,308	87
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	5,412,388	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.....	1,244,261	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
October.....	207,503	31	522,251	42	1,995,039	75	49,838,768	298	8,787,853	59	54,173,979	123	3,549,456	80
November.....	282,761	43	3,091,895	249	1,678,091	63	57,934,259	346	11,197,880	75	57,316,309	130	2,605,431	59
December.....	399,916	60	1,583,434	128	3,053,993	114	68,784,322	411	14,491,763	97	90,080,092	235	2,691,452	61

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.
December, 1919.....	30,582,779	113	23,983,657	107	15,592,282	77	2,876,636	260	3,769,859	53	76,805,213	99	2,371,262	121	87,475,892	101
1920.																
January.....	25,074,624	93	24,139,094	108	20,925,941	104	4,378,610	396	3,298,544	46	77,816,813	100	2,298,692	117	88,160,927	102
February.....	18,115,324	70	26,051,855	120	20,575,654	105	3,263,686	305	2,470,622	36	70,477,141	94	2,059,421	109	79,744,536	95
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	6,630,056	92	110,111,283	141	1,843,954	94	118,409,076	137
October.....	45,403,825	168	19,064,508	85	21,235,162	105	4,455,979	403	5,795,028	81	95,954,502	123	2,137,639	109	105,573,878	122
November.....	39,272,827	146	11,407,224	51	15,282,651	76	3,706,653	335	6,618,362	92	76,287,717	98	2,054,262	105	85,531,896	99
December.....	33,348,773	124	19,390,714	86	13,777,300	68	3,482,685	315	5,058,808	71	75,058,280	96	1,570,822	80	82,126,979	95

¹ Flour reduced to its equivalent in wheat on basis of $4\frac{1}{2}$ 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.
December, 1919.....	17,383,075	113	11,510,244	81	12,435,091	82	2,255,139	319	2,624,626	67	46,208,175	94	4,470,327	132	66,324,647	103
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	95	11,977,640	87	13,073,083	89	2,113,505	309	1,306,340	35	42,584,789	89	3,156,962	96	56,791,118	91
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
October.....	26,258,795	170	10,336,378	73	10,601,178	70	4,742,380	670	4,529,091	116	56,467,822	114	3,758,735	111	73,382,130	114
November.....	24,950,771	162	7,890,500	56	10,729,045	71	2,938,524	424	4,249,954	109	50,818,794	103	3,949,699	117	68,592,440	106
December.....	22,253,030	144	7,998,979	56	9,964,743	66	3,171,616	448	3,083,249	79	46,371,617	94	3,141,524	93	60,508,475	94

¹ Flour reduced to its equivalent in wheat on basis of $4\frac{1}{2}$ bushels to barrel.

Receipts of grain and flour at nine seaboard centers.

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

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

[Monthly average, 1911-1913=100.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. ¹	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
December, 1919.....	5,782,777	46	816,630	23	2,991,717	63	1,664,755	1,172	2,309,085	139	13,564,964	60	2,149,458	206	23,237,525	85
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	40	1,244,393	36	2,331,246	51	2,211,668	2,338	1,315,291	82	13,001,288	59	1,102,606	109	17,963,015	68
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	16,228,005	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	3,308,542	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	3,407,709	2,398	2,289,791	138	38,043,819	168	1,390,077	133	44,299,166	162
September...	31,693,246	252	1,456,958	41	3,069,700	65	4,133,465	2,909	1,815,227	109	42,168,596	186	1,422,872	136	48,571,520	177
October.....	29,028,202	230	1,844,753	52	1,828,515	38	5,436,354	3,826	2,558,276	154	40,696,100	179	1,463,830	140	47,283,335	173
November...	24,410,356	194	2,401,181	68	1,874,271	39	3,329,710	2,344	2,721,320	164	34,736,838	153	3,683,380	353	51,312,048	187
December...	29,551,950	235	854,138	24	1,911,861	40	3,490,405	2,457	2,291,639	138	38,099,993	168	4,367,180	418	57,752,303	211

¹ Flour reduced to its equivalent in wheat on basis of 4½ bushels to barrel.*Stocks of grain at eight seaboard centers at close of month.*

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

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

[Bushels.]

	Wheat.	Corn.	Oats.	Rye.	Barley.	Total grain.
December, 1919.....	13,053,280	279,451	2,435,455	709,276	3,007,379	19,484,841
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
September...	15,517,070	1,146,514	2,398,157	2,414,910	4,110,158	25,586,809
October.....	17,277,003	1,292,818	2,521,049	1,742,178	3,577,450	26,410,498
November...	17,794,605	1,371,013	2,327,249	1,906,527	3,097,922	26,497,316
December...	18,263,476	510,142	2,205,936	2,196,330	3,322,050	26,497,984

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

Wheat flour production.

[January, 1918, to June, 1920, U. S. Grain Corporation; July, 1920, on, estimated by Russell's Commercial News (Inc.), New York.]

[In barrels.]

1918.		1919.		1920.	
January.....	11,357,000	January.....	10,593,000	January.....	13,005,000
February....	8,813,000	February....	7,736,000	February....	9,557,000
March.....	7,697,000	March.....	10,498,000	March.....	8,632,000
April.....	7,638,000	April.....	11,276,000	April.....	7,374,000
May.....	6,987,000	May.....	10,738,000	May.....	8,249,000
June.....	5,512,000	June.....	7,130,000	June.....	7,461,000
July.....	6,515,000	July.....	7,596,000	July.....	8,152,000
August.....	10,238,000	August.....	12,042,000	August.....	9,059,000
September...	12,161,000	September...	14,087,000	September...	9,650,000
October.....	11,544,000	October.....	15,008,000	October.....	9,981,000
November...	10,987,000	November...	13,519,000	November...	9,889,000
December...	12,009,000	December...	12,865,000	December...	8,745,000
Total, 1918.....	111,458,000	Total, 1919.....	133,088,000	Total, 1920.....	109,754,000

Cotton.
[New Orleans Cotton Exchange.]
[Crop years 1911-1913=100.]

	Sight receipts.		Port receipts.		Overland move- ment.		American spinners' takings.		Stocks at ports and interior towns at close of month.	
	Bales.	Rela- tive.	Bales.	Rela- tive.	Bales.	Rela- tive.	Bales.	Rela- tive.	Bales.	Rela- tive.
1919-20.										
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	87	725,515	82	138,084	136	374,093	85	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.....	308,262	25	159,586	17	25,322	24	251,841	55	1,365,897	116
September.....	771,590	62	443,149	48	17,324	16	254,460	56	1,607,602	136
October.....	1,466,874	117	971,334	106	87,215	83	395,165	87	2,101,839	178
November.....	1,804,135	144	1,075,803	117	117,139	111	425,089	94	2,597,820	220
December.....	1,550,505	124	797,350	87	105,209	100	643,231	142	2,815,934	239

Cotton seed.
[Bureau of the Census.]
[In tons.]

	Received at mills.	Crushed.	On hand at mills (close of month).		Received at mills.	Crushed.	On hand at mills (close of month).
1918.				1919.			
January.....	366,966	589,605	874,866	August.....	27,354	20,058	31,021
February.....	249,787	490,601	634,052	September.....	434,167	234,049	231,139
March.....	217,814	443,490	408,376	October.....	1,097,422	719,659	608,559
April.....	105,987	310,328	203,846	November.....	917,072	742,880	782,751
May.....	68,837	179,372	92,171	December.....	496,416	641,142	636,148
June.....	39,277	75,353	55,485	Year.....	4,227,321	4,713,471	4,330,329
July.....	26,579	41,626	40,438	1920.			
August.....	144,981	47,424	137,995	January.....	467,049	625,719	477,478
September.....	799,074	292,901	644,168	February.....	280,751	403,509	354,120
October.....	969,664	573,972	1,039,860	March.....	178,145	316,993	215,872
November.....	752,292	641,125	1,148,517	April.....	62,267	173,805	104,334
December.....	558,875	567,403	1,138,125	May.....	27,499	84,756	47,077
Year.....	4,300,133	4,253,200	6,417,899	June.....	25,882	36,915	36,044
1919.				July.....	7,259	13,219	30,084
January.....	410,547	701,804	846,142	August.....	24,979	20,317	36,760
February.....	257,581	540,954	559,587	September.....	244,382	145,519	135,623
March.....	167,545	420,043	306,609	October.....	945,998	607,628	471,979
April.....	171,524	299,084	173,866	November.....	829,282	719,455	581,806
May.....	159,943	237,779	92,625	December.....	557,787	546,086	593,507
June.....	59,708	113,709	38,157	Year.....	3,651,280	3,693,921	3,084,684
July.....	28,042	42,310	23,725				

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.
December, 1919.....	3,592	147	271	67	3,863	136	197
1920.							
January.....	2,457	100	630	156	3,087	108	123
February.....	2,683	114	852	218	3,535	128	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
October.....	752	31	925	228	1,677	59	11,880
November.....	1,602	66	377	93	1,979	69	2,792
December.....	3,774	154	368	91	4,142	146	368

¹ Includes grapefruit.

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.			Receipts.		Meltings.		Raw stocks at close of month.	
	Tons.	Relative.	Tons.	Relative.	Tons.	Relative.		Tons.	Relative.	Tons.	Relative.	Tons.	Relative.
December, 1919.....	96,342	52	126,765	69	10,432	6	1920.						
1920.							June.....	301,318	164	319,000	174	42,699	25
January.....	208,554	113	181,000	99	37,986	22	July.....	386,328	210	325,000	177	104,027	60
February.....	316,667	178	269,000	152	85,653	50	August.....	308,313	168	287,000	156	125,340	73
March.....	335,532	182	333,000	182	88,185	51	September.....	109,302	59	164,000	89	70,642	41
April.....	310,580	169	307,000	167	91,765	53	October.....	109,335	59	118,000	64	61,977	36
May.....	254,616	138	286,000	156	60,381	35	November.....	186,274	101	179,000	98	69,251	40
							December.....	148,464	81	154,000	84	63,715	37

Naval stores.

[Data for Savannah, Jacksonville, and Pensacola.]

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

[In barrels.]

	Spirits of turpentine.		Rosin.			Spirits of turpentine.		Rosin.	
	Receipts.	Stocks at close of month.	Receipts.	Stocks at close of month.		Receipts.	Stocks at close of month.	Receipts.	Stocks at close of month.
December, 1919.....	17,109	30,924	76,792	200,333	1920.				
1920.					June.....	33,522	19,654	94,904	108,656
January.....	8,300	24,910	47,874	165,927	July.....	39,158	30,906	117,088	135,979
February.....	3,762	17,900	29,303	140,559	August.....	33,997	27,963	111,497	144,109
March.....	1,876	4,819	14,660	103,443	September.....	32,162	44,396	97,797	176,612
April.....	7,644	3,996	27,029	98,517	October.....	30,260	49,885	88,766	195,837
May.....	23,473	6,174	68,163	78,113	November.....	23,893	49,209	83,177	247,253
					December.....	21,174	53,356	76,848	300,315

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.
December, 1919....	198	353,923	363,176	51	65,989	93,377	129	227,331	176,935	11	4,776	17,840	27	19,048	26,241
1920.															
January.....	202	386,481	404,706	53	69,895	144,180	128	327,568	344,568	21	38,007	63,614	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	15,202
March.....	205	436,944	424,775	50	130,425	156,211	123	342,948	329,012	21	43,771	61,620	24	29,633	29,896
April.....	205	438,056	359,401	51	167,165	133,114	126	359,651	274,597	21	46,222	61,757	13	13,659	10,613
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	16,043
October.....	206	344,427	329,751	49	146,424	69,936	120	355,614	299,704	19	40,724	30,928	24	19,487	14,877
November.....	203	315,343	320,756	52	107,846	60,259	123	263,452	212,226	19	20,294	19,751	24	14,617	12,929
December.....	199	264,504	281,326	53	45,578	46,112	119	188,905	187,874	19	19,056	10,587	21	8,091	14,716

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.			Receipts.		Shipments.	
	M feet.	Relative.	M feet.	Relative.		M feet.	Relative.	M feet.	Relative.
1920.					1920.				
January.....	403,604	87	219,783	87	September.....	375,456	81	242,857	96
February.....	421,692	94	224,286	91	October.....	398,333	86	220,116	87
March.....	500,230	108	296,047	117	November.....	342,971	74	190,282	75
April.....	236,975	51	131,933	52	December.....	351,695	76	192,072	76
May.....	313,447	67	195,965	77					
June.....	393,738	85	212,339	84	1921.				
July.....	399,615	86	184,767	73	January.....	263,001	57	165,308	65
August.....	370,352	80	220,368	87					

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.
December, 1919.....	36,612,000	99	8,089,000	109	1,690,000	65
1920.						
January.....	48,689,000	131	7,588,000	103	1,982,000	76
February.....	40,127,000	112	6,525,000	91	1,731,000	68
March.....	46,792,000	126	7,857,000	106	2,025,000	77
April.....	37,939,000	102	6,225,000	84	1,602,167	61
May.....	39,753,000	107	7,959,000	108	1,689,500	65
June.....	43,710,000	118	8,171,000	110	1,710,333	65
July.....	45,523,000	123	8,261,000	112	1,693,000	65
August.....	48,389,000	131	8,025,000	108	1,776,000	68
September.....	51,093,000	138	4,646,000	63	1,820,000	70
October.....	50,744,000	137	8,069,000	109	2,065,000	79
November.....	51,012,000	138	7,453,000	101	1,622,000	62
December.....	52,560,000	142	8,321,000	112	1,515,000	58

Crude petroleum.

[U. S. Geological Survey.]

[Barrels of 42 gallons each.]

	Produced.		Stocks at end of month (barrels).		Produced.		Stocks at end of month (barrels).
	Barrels.	Relative.			Barrels.	Relative.	
December, 1919.....	32,508,000	170	127,867,000				
1920.				1920.			
January.....	33,774,000	176	127,164,000	June.....	36,946,000	193	126,763,000
February.....	32,723,000	177	126,339,000	July.....	38,203,000	199	128,168,000
March.....	35,831,000	187	125,597,000	August.....	39,055,000	204	129,043,000
April.....	35,583,000	186	124,991,000	September.....	37,532,000	196	128,788,000
May.....	36,503,000	190	124,689,000	October.....	39,592,000	207	129,451,000
				November.....	38,699,000	202	131,325,000
				December.....	38,961,000	203	133,690,000

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).
November, 1919.....	32,213,754	338,667,570	214,829,925	663,309,514	75,962,212
1920.					
January.....	30,815,160	336,719,157	195,956,392	617,555,156	75,878,632
February.....	24,208,723	322,588,697	194,523,334	589,684,857	74,243,073
March.....	33,592,004	307,137,678	191,110,175	686,945,963	81,818,973
April.....	32,852,040	353,597,451	184,469,017	643,088,785	85,508,064
May.....	34,578,282	381,079,291	180,877,089	707,198,355	89,252,410
June.....	34,906,078	415,158,811	173,581,000	689,878,061	94,964,222
July.....	37,024,052	423,419,770	172,213,511	751,183,898	92,369,504
August.....	39,757,770	444,141,422	189,010,459	834,322,503	91,078,569
September.....	40,549,316	453,881,096	193,140,024	836,700,086	86,230,371
October.....	40,687,250	465,787,745	213,742,156	823,114,603	93,229,723
November.....	39,458,945	452,642,125	214,804,177	822,638,305	91,180,007

STOCKS AT CLOSE OF MONTH.

Nov. 30, 1919.....	13,983,716	378,133,185	347,070,560	791,052,991	149,193,143
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	139,212,551
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
Sept. 30.....	18,830,079	288,195,394	379,300,705	771,126,965	130,449,829
Oct. 31.....	19,237,730	301,283,731	383,828,239	799,024,084	136,194,914
Nov. 30.....	21,373,945	354,835,764	398,991,592	808,802,516	142,180,775

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 produc- tion.		Unfilled orders U. S. Steel Corporation at close of month.	
	Gross tons.	Relative.	Gross tons.	Relative.	Gross tons.	Relative.	Gross tons.	Relative.
December, 1919.....			2,633,268	114			8,265,366	157
1920.								
January.....			3,015,181	130	2,968,102	127	9,285,441	176
February.....			2,978,879	133	2,865,124	127	9,502,081	180
March.....			3,375,907	146	3,299,049	141	9,892,075	188
April.....	230,854		2,739,797	118	2,638,305	113	10,359,747	197
May.....	6,976,085	115	2,985,682	129	2,833,164	123	10,940,466	208
June.....	9,233,566	152	3,043,540	131	2,980,690	127	10,978,817	208
July.....	9,638,606	159	3,067,043	132	2,802,818	120	11,118,468	211
August.....	9,270,763	153	3,147,402	136	3,000,432	128	10,805,038	205
September.....	8,923,482	147	3,129,323	135	2,999,551	128	10,374,804	197
October.....	8,848,986	146	3,292,597	142	3,015,982	128	9,836,852	187
November.....	5,305,738	88	2,934,908	127	2,638,670	113	9,021,481	171
December.....			2,703,855	117	2,340,365	100	8,148,122	155
1921.								
January.....			2,401,845	104	2,201,866	94	7,573,164	144

Structural steel orders and shipments.

[Bridge Builders and Structural Society.]

	Fabricated structural steel contracted for throughout country.		Structural steel orders and shipments of the membership of Bridge Builders and Structural Society.					Fabricated structural steel contracted for throughout country.		Structural steel orders and shipments of the membership of Bridge Builders and Structural Society.			
	Ton-nage.	Per cent shop capacity.	Orders.		Shipments.			Ton-nage.	Per cent shop capacity.	Orders.		Shipments.	
			Ton-nage.	Per cent shop capacity.	Ton-nage.	Per cent shop capacity.				Ton-nage.	Per cent shop capacity.	Ton-nage.	Per cent shop capacity.
1918.							1919—Continued.						
January.....	95,400	53.0	46,063	74.0	31,780	51.0	July.....	133,200	74.0	44,474	70.0	34,389	54.0
February.....	99,900	55.0	32,184	52.5	38,580	63.0	August.....	141,000	78.5	47,542	75.0	38,535	61.0
March.....	84,600	47.0	33,105	54.0	39,457	64.5	September.....	141,000	78.5	44,160	70.0	36,356	57.0
April.....	115,200	64.0	44,840	73.0	43,069	70.0	October.....	139,500	77.5	66,615	104.0	39,513	62.0
May.....	108,000	60.0	61,007	99.0	51,604	84.0	November.....	124,200	69.0	46,520	73.0	36,208	56.5
June.....	100,800	56.0	44,897	72.5	52,646	85.0	December.....	153,000	85.0	54,902	85.0	41,022	63.5
July.....	209,700	116.5	119,694	199.0	53,220	89.0							
August.....	102,000	57.0	45,666	75.0	54,031	89.0	1920.						
September.....	108,000	60.0	50,908	83.5	49,166	81.0	January.....	135,000	75.0	67,158	102.0	38,512	58.5
October.....	77,400	43.0	25,421	42.0	53,017	87.0	February.....	171,000	95.0	96,150	132.0	37,896	52.0
November.....	48,700	27.0	7,923	13.0	44,080	72.5	March.....	150,400	83.5	50,598	69.0	49,434	67.5
December.....	52,270	29.0	12,805	21.0	44,908	74.0	April.....	122,250	68.0	49,411	67.0	43,836	60.0
							May.....	110,700	61.5	41,759	58.0	45,317	63.0
1919.							June.....	90,400	50.0	33,790	47.0	49,397	67.0
January.....	21,600	12.0	6,842	11.0	46,162	76.0	July.....	90,400	50.0	33,213	47.0	49,096	69.0
February.....	22,500	12.5	7,128	12.0	39,354	65.0	August.....	72,000	40.0	36,843	50.0	51,381	70.0
March.....	32,300	17.5	7,369	12.0	37,921	62.0	September.....	77,400	43.0	26,755	37.0	53,526	74.0
April.....	48,100	26.5	17,431	28.0	35,051	57.0	October.....	45,600	25.5	14,161	20.0	47,200	66.0
May.....	88,200	49.0	38,343	62.0	31,776	51.5	November.....	49,200	27.5	11,531	16.0	41,268	57.5
June.....	117,000	65.0	45,932	72.5	30,809	48.5	December.....	47,000	26.0	14,521	20.0	42,767	60.0

Imports of pig tin.

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Pounds.	Relative.		Pounds.	Relative.
December, 1919.....	12,940,125	142	1920.		
January.....	8,772,953	97	June.....	11,232,325	124
February.....	13,925,843	158	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
May.....	9,102,341	100	October.....	6,741,331	74
			November.....	9,550,535	105
			December.....	5,893,627	65

Raw stocks of hides and skins.¹

[Bureau of Markets; July, 1920, on, Bureau of the Census.]

[In pieces.]

	Cattle hides.	Calfskins.	Kipskins.	Goat and kid.	Cabretta.	Sheep and lamb.
Nov. 30, 1919.....	6,918,534	1,844,737	1,188,173	14,580,060	2,684,084	9,398,712
1920.						
Jan. 31.....	6,773,360	1,920,184	1,036,372	14,401,965	1,893,614	8,902,067
Feb. 29.....	6,559,337	1,859,697	1,141,620	17,146,852	2,197,683	9,460,914
Mar. 31.....	6,558,300	1,930,218	966,850	16,436,848	2,047,519	9,227,252
Apr. 30.....	6,072,895	2,281,370	834,711	14,823,461	1,947,499	8,911,681
May 31.....	5,849,375	2,724,056	924,042	14,922,480	2,253,785	9,004,621
June 30.....	6,212,946	3,107,393	915,499	14,623,712	2,070,471	10,993,228
Sept. 30.....	5,926,708	3,542,388	1,083,193	13,408,277	2,197,149	11,235,417
Oct. 31.....	6,770,509	3,850,183	1,377,998	12,147,070	2,104,133	13,626,406
Nov. 30.....	7,158,751	3,492,653	1,422,608	11,231,086	2,234,027	12,705,767

¹ The number of firms reporting has increased as follows:—June, 1,120; Sept., 1,397; Oct., 1,915; Nov., 2,027.

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 consump- tion.		Cotton spindles active during month.	Wool con- sumption (pounds)*.	Percentage of idle woolen machinery on first of month to total reported.						Imports of raw silk.	
	Bales.	Relative.			Looms.		Sets of cards.	Combs.	Spinning spindles.		Pounds.	Relative.
					Wider than 50- inch reed space.	Under 50-inch reed space.			Woolen.	Worsted.		
December, 1919.	511,711	114	34,583,160	55,566,253	13.9	19.1	10.5	5.3	8.4	6.2	3,576,585	175
1920.												
January.....	591,921	132	34,739,579	63,059,862	14.5	18.5	8.8	7.2	9.1	10.2	4,855,989	237
February.....	515,699	119	34,655,677	55,247,652	12.2	17.6	7.6	6.9	7.1	7.9	3,696,121	187
March.....	575,789	128	34,697,812	58,344,602	14.9	19.8	9.8	7.0	10.3	11.7	2,491,651	122
April.....	566,914	126	34,358,668	57,887,832	13.1	16.9	9.6	7.1	9.5	7.0	2,227,857	109
May.....	541,377	120	34,069,744	50,649,381	15.2	18.2	10.6	6.7	11.5	7.0	2,505,798	122
June.....	555,155	123	34,457,464	40,679,920	26.8	22.4	21.1	15.9	23.1	14.2	3,221,177	157
July.....	525,489	117	34,666,794	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.....	399,837	89	33,669,804	33,703,523	49.0	34.9	38.3	26.3	43.2	26.0	1,531,850	75
November.....	332,057	74	31,654,126	24,150,141	46.9	37.7	39.5	32.8	42.8	34.8	1,319,995	65
December.....	294,851	66	29,879,402		51.2	44.8	50.3	41.4	51.7	42.7	972,011	48
January, 1921.....					57.0	49.2	58.1	52.9	59.4	50.8		

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.
December, 1919.....	306,617	122,781	88,779	174,649	62,288	31,014	1920.						
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	128,209	95,251	199,395	75,347	33,493	October.....	319,877	124,818	93,849	196,604	73,100	34,526
May.....	363,815	129,230	92,856	213,475	70,511	31,575	November.....	326,041	122,993	89,564	133,818	65,920	31,208
							December.....	302,527	124,857	76,093	105,227	54,308	27,233

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.			Number.	Number.	Number.	
December, 1919.....	662,046,997	45,491,540	4,578,641,450	29,409,443	1920.				
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
April.....	663,577,579	56,548,853	3,756,989,397	34,327,970	October.....	704,799,089	60,882,760	3,840,334,806	27,123,774
May.....	676,227,828	59,943,280	3,953,345,380	34,875,839	November.....	668,060,015	57,026,500	3,529,200,006	18,513,654
					December.....	506,126,135	47,380,000	2,816,818,050	15,452,701

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.
December, 1919....	Number. 103	Number. 42	Number. 4,506	Number. 2,428	Number. 6,934	1920.	Number.	Number.	Number.	Number.	Number.
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
April.....	36	96	2,313	1,934	4,247	October.....	198	106	6,309	684	6,993
May.....	83	112	2,792	1,402	4,194	November.....	204	73	6,243	985	7,228
						December.....	198	93	7,551	1,420	8,971

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.
December, 1919.....	149	294,064	1,217	1920.			
1920.				June.....	198	267,076	1,105
January.....	115	253,680	1,050	July.....	173	217,239	899
February.....	140	267,231	1,144	August.....	178	259,210	1,073
March.....	170	279,709	1,157	September.....	135	261,962	1,084
April.....	164	251,442	1,040	October.....	120	227,162	940
May.....	184	185,145	776	November.....	119	213,966	885
				December.....	87	176,903	732

Tonnage of vessels cleared in the foreign trade.

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Net tonnage.			Rela- tive.	Per- cent- age Ameri- can to total.	Rela- tive.		Net tonnage.			Rela- tive.	Per- cent- age Ameri- can to total.	Rela- tive.
	American.	Foreign.	Total.					American.	Foreign.	Total.			
December, 1919.	2,043,675	1,733,923	3,777,598	97	54.1	214	1920.						
1920.							June.....	3,199,274	3,141,913	6,341,187	163	50.5	200
January.....	1,933,385	1,949,798	3,883,183	100	49.8	197	July.....	3,302,538	3,616,052	6,918,590	178	47.7	189
February.....	1,702,407	1,628,212	3,330,619	89	51.1	202	August.....	3,616,267	3,929,602	7,545,869	194	47.9	190
March.....	2,040,031	2,040,538	4,080,569	105	50.0	198	September.....	3,421,531	3,513,599	6,935,130	178	49.3	195
April.....	2,504,038	1,960,634	4,464,672	115	56.1	222	October.....	3,500,312	3,756,512	7,256,824	187	48.2	191
May.....	2,729,790	2,436,247	5,166,037	133	52.8	209	November.....	3,302,367	2,868,294	6,170,661	159	53.5	212
							December.....	2,785,615	2,949,416	5,735,031	147	48.6	192

Net ton-miles, revenue and nonrevenue.

[United States Railroad Administration; March, 1920, on, Interstate Commerce Commission.]

November, 1919	32,750,629,000	1920.	
1920.		June.....	38,157,869,000
January.....	34,764,807,000	July.....	40,450,094,000
February.....	32,695,352,000	August.....	42,706,838,000
March.....	37,991,269,000	September.....	40,999,843,000
April.....	28,530,657,000	October.....	42,562,687,000
May.....	37,902,007,000	November.....	37,458,630,000

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.
December, 1919.....	4,183,727	-----	7,807,045	-----	430,000	-----	40,880	-----	409,576	-----
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	147	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
November.....	9,921,968	111	37,236,311	193	1,317,800	114	5,553,173	94	7,065,488	101
December.....	4,967,830	-----	27,025,281	-----	444,830	-----	137,564	-----	1,111,527	-----

WESTBOUND.

	Hard coal.		Soft coal.		Total.		Total freight.	
	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.
December, 1919.....	69,143	-----	-----	-----	89,616	-----	499,192	-----
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
November.....	329,845	106	1,869,723	97	2,354,092	95	9,419,580	99
December.....	51,050	-----	316,225	-----	393,752	-----	1,505,279	-----

BANK DEBITS DURING JANUARY.

Aggregate debits to individual account, as reported for banks in 157 important clearing house centers for the four weeks ending January 26, show a general downward tendency, the total for the week ending January 5 being 10,810 millions, and the total for the week ending January 26 being 8,163 millions. The week ending January 19, however, saw a larger volume of bank debits than either the preceding or the following week, this being apparently due in part to the considerable volume of Treasury transactions in the redemption and issuance of certificates of indebtedness during the week. Aggregate debits reported for clearing-house banks in New York City show a movement parallel to that for debits from all reporting centers.

A comparison with figures for the corresponding weeks of 1920 shows that the more recent figures are substantially lower for every week, except the week which ended on January 5, 1921, and on January 7, 1920. For that week the more recent figures are larger,

probably because that week included the heavy transactions of December 31, whereas the corresponding business week of the earlier year began on January 2. A downward tendency, with a temporary rise for the third week, is noted in the debits in 1920, as well as in those for the present year.

It should be mentioned that in the table giving detailed figures for each center, two lines are shown for Boston and for Louisville. This is for the reason that a considerable number of banks which did not submit reports in 1920 in these cities have been furnishing reports this year. The larger figures for these centers include reports from all reporting banks, while the smaller figures include only those banks for which reports were received both in 1920 and in 1921. In compiling the summary, the smaller amounts, comparable for both years, were used, while in the detailed table the most complete returns received for the current weeks are also shown.

Debits to individual accounts at clearing-house banks.

SUMMARY BY FEDERAL RESERVE DISTRICTS.

[In thousands of dollars.]

Federal Reserve district.	Number of centers included.	1921 Week ending—				1920 Week ending—			
		Jan. 5.	Jan. 12.	Jan. 19.	Jan. 26.	Jan. 7.	Jan. 14.	Jan. 21.	Jan. 28.
Boston.....	13	525,091	406,754	443,020	363,566	535,474	523,278	532,245	465,363
New York.....	7	5,894,590	4,525,613	5,025,651	4,398,022	5,713,971	5,498,821	5,563,520	4,754,514
Philadelphia.....	12	482,101	402,231	399,501	376,915	460,951	440,109	457,177	415,840
Cleveland.....	14	792,635	596,067	581,836	539,268	642,055	577,974	579,466	549,772
Richmond.....	7	210,613	173,391	165,670	157,112	223,192	196,035	209,187	183,509
Atlanta.....	15	252,272	214,318	192,064	203,507	314,270	301,669	278,216	264,926
Chicago.....	23	1,152,805	1,023,666	1,054,411	951,056	1,157,325	1,175,035	1,261,432	1,035,864
St. Louis.....	5	257,755	206,859	205,238	187,830	298,640	272,625	278,247	243,349
Minneapolis.....	12	170,229	150,598	148,774	126,092	173,558	189,522	177,414	158,702
Kansas City.....	16	313,026	285,057	277,075	248,762	320,735	343,874	358,331	307,627
Dallas.....	13	178,068	166,018	157,752	149,833	186,800	175,463	182,352	155,627
San Francisco.....	20	580,803	543,849	527,152	461,506	543,841	550,514	574,738	493,800
Total.....	157	10,809,988	8,694,421	9,178,144	8,163,469	10,570,812	10,244,979	10,452,325	9,028,893

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, Reading, Greenville, Huntington, Washington, Wilmington (N. C.), Moline, Quincy, and Springfield (Mo.).

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

DATA FOR EACH REPORTING CENTER.

[In thousands of dollars.]

	1921				1920			
	Week ending—				Week ending—			
	Jan. 5.	Jan. 12.	Jan. 19.	Jan. 26.	Jan. 7.	Jan. 14.	Jan. 21.	Jan. 28.
District No. 1—Boston:								
Bangor.....	4,218	4,343	3,318	3,178	3,908	3,614	3,395	2,972
Boston.....	1 344,716	1 254,145	1 289,022	1 232,856	346,266	350,074	355,216	306,189
Boston.....	449,523	334,026	374,862	308,967				
Fall River.....	6,440	6,321	6,125	5,972	10,011	11,424	9,383	9,519
Hartford.....	33,404	23,888	24,473	19,347	34,702	23,413	24,654	20,603
Holyoke.....	3,875	3,413	3,692	3,685	4,118	4,467	4,198	4,927
Lowell.....	5,557	4,995	4,862	4,238	5,837	5,612	5,700	4,994
Manchester.....	5,954	4,495	3,991	3,643				
New Bedford.....	6,184	5,409	5,768	5,063	9,959	8,994	9,045	8,059
New Haven.....	21,228	18,254	19,977	15,699	22,357	19,571	20,565	20,227
Portland.....	10,168	9,318	8,944	7,680	8,101	8,217	7,595	6,867
Providence.....	40,153	37,737	36,132	31,462	45,836	44,842	45,842	40,248
Springfield.....	17,481	15,073	16,279	13,805	16,528	16,529	19,335	16,648
Waterbury.....	9,091	7,126	6,358	5,486	8,135	8,024	7,687	7,601
Worcester.....	22,576	16,732	18,070	15,092	19,718	18,497	19,630	16,509
District No. 2—New York:								
Albany.....	26,276	25,243	28,699	23,725	24,507	16,217	17,832	22,781
Binghamton.....	4,620	4,637	3,980	3,443	4,482	4,608	4,082	3,830
Buffalo.....	79,077	71,474	66,270	56,326	74,716	75,031	76,336	62,684
New York.....	5,716,687	4,374,122	4,873,938	4,296,270	5,545,691	5,347,254	5,412,377	4,616,656
Passaic.....	5,491	4,978	5,197	4,353	5,680	6,111	5,513	4,948
Rochester.....	41,336	28,903	31,031	31,240	36,705	31,706	31,333	30,160
Syracuse.....	21,103	16,256	16,536	12,665	22,190	17,894	16,047	13,255
District No. 3—Philadelphia:								
Altoona.....	3,360	3,540	3,828	3,233	2,805	3,689	2,715	3,370
Chester.....	5,088	4,705	5,579	5,389	5,356	5,120	5,497	4,363
Harrisburg.....	7,593	7,478	7,032	7,320	3,579	4,100	4,239	5,134
Johnstown.....	5,271	4,919	5,242	4,871	3,311	3,220	3,275	2,810
Lancaster.....	5,357	5,693	6,054	4,451	5,914	5,633	5,881	5,111
Philadelphia.....	390,989	317,875	320,858	300,092	385,293	361,896	387,236	343,180
Reading.....			6,459	5,901				
Scranton.....	16,790	19,279	12,762	16,636	15,705	15,312	12,169	15,703
Trenton.....	13,500	11,434	12,597	10,642	11,764	11,599	11,183	10,410
Wilkes-Barre.....	10,421	8,549	8,743	8,832	8,130	8,765	8,188	8,187
Williamsport.....	5,818	4,786	4,546	4,450	3,632	3,860	3,806	3,961
Wilmingon.....	13,374	9,874	8,527	7,206	11,143	12,905	8,942	10,102
York.....	4,540	4,099	3,733	3,793	4,319	4,010	4,046	3,509
District No. 4—Cleveland:								
Akron.....	19,325	14,551	13,747	12,449	25,760	26,774	28,832	18,632
Cincinnati.....	112,880	73,672	73,909	63,467	63,680	63,121	69,333	61,402
Cleveland.....	258,758	176,203	159,550	146,170	221,120	179,193	157,648	164,194
Columbus.....	37,126	32,100	29,087	27,544	32,285	30,973	33,013	27,228
Dayton.....	13,799	13,071	11,539	11,287	14,438	12,481	12,573	11,753
Erie.....	7,422	7,641	6,759	6,645	7,437	6,975	7,569	6,259
Greensburg.....	5,702	5,405	5,400	5,598	3,779	3,068	3,725	4,822
Lexington.....	5,203	5,799	4,363	4,807	11,517	12,486	13,470	11,708
Oil City.....	3,929	3,896	3,950	3,173	3,202	2,942	2,874	2,315
Pittsburgh.....	257,665	202,668	216,622	206,973	193,928	180,701	190,525	181,501
Springfield.....	5,762	4,616	4,107	3,863	4,423	3,757	4,109	3,012
Toledo.....	34,615	28,908	27,942	23,539	31,868	30,141	33,009	29,432
Wheeling.....	10,340	9,580	9,544	8,515	9,920	8,290	8,714	9,855
Youngstown.....	20,109	17,947	15,317	15,238	18,698	17,072	14,072	17,659
District No. 5—Richmond:								
Baltimore.....	134,443	103,349	104,602	89,658	124,618	105,421	111,390	99,710
Charleston.....	6,900	6,655	6,642	7,084	11,782	12,796	11,744	11,648
Charlotte.....	8,173	6,744	4,783	4,999	11,769	11,455	11,326	9,259
Columbia.....	5,650	5,517	4,700	4,969	9,480	8,062	10,286	9,587
Greenville.....			2,941	3,349				
Huntington.....	5,557	5,786	6,319	5,344				
Norfolk.....	18,580	17,497	14,965	16,367	24,795	20,429	22,899	20,114
Raleigh.....	4,900	4,100	4,100	3,900	6,900	6,700	5,900	5,500
Richmond.....	31,967	29,529	25,878	30,135	33,848	31,202	35,642	27,691
Washington.....	39,955	38,948	36,762	34,000				
Wilmington.....	8,257	6,973	5,105					
District No. 6—Atlanta:								
Atlanta.....	29,485	27,125	22,987	24,558	40,794	35,800	35,379	33,067
Augusta.....	6,330	6,792	4,895	5,893	13,365	15,921	13,255	12,923
Birmingham.....	27,049	14,495	14,815	19,312	21,577	16,857	16,347	15,393
Chattanooga.....	11,929	10,126	8,801	9,231	14,699	15,096	13,380	12,343
Jacksonville.....	13,572	13,143	11,253	12,842	15,045	14,048	14,048	16,562
Knoxville.....	9,214	6,736	5,313	6,180	8,578	7,139	7,377	6,659
Macon.....	5,818	4,790	4,498	4,383	8,891	10,224	9,314	10,019
Mobile.....	8,364	8,128	5,818	6,828	11,424	9,960	9,634	9,793
Montgomery.....	4,068	4,386	3,677	3,970	6,322	7,350	6,933	6,236
Nashville.....	22,852	24,856	18,702	22,386	29,572	29,164	25,885	27,915
New Orleans.....	89,548	72,523	72,423	67,612	109,342	102,289	91,781	83,504
Pensacola.....	2,164	1,561	1,508	1,666	3,112	2,500	2,809	2,197
Savannah.....	13,207	11,472	10,536	10,913	22,438	26,230	23,556	19,747
Tampa.....	6,568	6,241	5,204	6,103	6,434	6,540	5,926	6,378
Vicksburg.....	2,104	1,944	1,634	1,630	2,677	2,551	2,592	2,190
District No. 7—Chicago:								
Bay City.....	3,703	3,412	3,227	2,531	3,893	3,538	3,907	4,048
Bloomington.....	2,925	2,558	2,405	1,915	3,481	3,109	2,711	2,521
Cedar Rapids.....	11,649	13,732	11,084	10,495	9,847	7,305	8,505	9,691
Chicago.....	780,386	672,494	687,141	635,506	721,374	767,844	806,752	676,679
Davenport.....	9,725	7,882	6,999	6,757	10,545	7,159	6,852	6,978
Decatur.....	3,283	3,238	3,719	2,911	5,176	4,378	4,709	3,664
Des Moines.....	16,824	21,319	17,724	15,703	21,350	23,872	22,280	21,412
Detroit.....	114,936	110,040	126,283	101,014	164,688	146,076	181,862	127,715
Dubuque.....	3,738	4,012	3,388	2,824	3,097	4,153	3,389	3,088

¹ Debits of banks submitting reports in both 1920 and 1921.

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

DATA FOR EACH REPORTING CENTER.

[In thousands of dollars.]

	1921				1920			
	Week ending—				Week ending—			
	Jan. 5.	Jan. 12.	Jan. 19.	Jan. 26.	Jan. 7.	Jan. 14.	Jan. 21.	Jan. 28.
District No. 7—Chicago—Continued.								
Flint.....	4,832	4,524	4,756	4,051	8,000	5,700	13,000	10,000
Fort Wayne.....	7,176	7,191	7,515	6,991	6,806	7,539	7,517	6,128
Grand Rapids.....	24,132	20,330	19,686	19,761	20,497	19,487	23,558	20,521
Indianapolis.....	38,634	35,953	34,858	30,992	35,602	40,733	40,497	33,817
Jackson.....	4,495	3,852	3,951	4,299	4,349	4,560	5,088	4,868
Kalamazoo.....	5,835	5,197	4,772	3,894	4,618	4,659	4,581	4,312
Lansing.....	4,770	4,955	4,697	4,325	6,131	5,597	5,870	5,160
Milwaukee.....	73,080	59,534	71,532	60,379	79,946	72,744	74,922	55,689
Moline.....	2,041	2,030	2,348	1,820				
Peoria.....	10,861	10,461	9,675	7,993	12,664	10,510	11,918	9,540
Rockford.....	6,178	6,228	4,743	4,209	7,794	7,977	5,716	4,886
Sioux City.....	11,637	13,681	13,455	13,323	14,684	16,584	16,870	15,902
South Bend.....	3,997	3,997	3,739	3,439	3,982	3,421	3,230	3,119
Springfield, Ill.....	6,700	6,456	6,079	5,214	5,190	4,590	4,135	3,333
Waterloo.....	3,299	3,120	2,933	2,539	3,701	3,470	3,563	2,793
District No. 8—St. Louis:								
Evansville.....	6,134	6,546	4,469	4,781	6,704	6,359	5,825	5,325
Little Rock.....	14,925	11,265	8,299	12,923	10,039	11,136	10,462	9,865
Louisville.....	130,795	126,220	125,596	123,988	47,604	41,373	41,756	35,750
Louisville.....			30,981	30,101				
Memphis.....	30,996	33,353	24,225	27,182	55,294	48,975	50,258	45,969
Quincy.....		2,486	2,342	1,908				
St. Louis.....	174,905	129,475	142,649	118,951	178,999	164,782	169,946	146,440
Springfield, Mo.....		3,257	3,367	2,977				
District No. 9—Minneapolis:								
Aberdeen.....	1,625	4,709	1,497	1,241	2,062	1,914	1,597	3,829
Billings.....	2,086	2,218	1,923	1,681	2,851	2,416	2,429	2,133
Duluth.....	24,273	23,742	22,244	16,923	16,087	18,299	19,084	16,502
Fargo.....	2,372	2,475	2,139	1,822	3,328	3,021	3,116	2,549
Grand Forks.....	1,325	1,299	1,264	1,136	2,178	1,939	1,554	1,432
Great Falls.....	2,619	2,528	2,275	1,969	2,895	3,214	2,693	2,675
Helena.....	3,465	3,849	2,559	2,082	3,096	2,639	2,403	2,615
Minneapolis.....	90,604	75,594	75,412	68,691	88,359	103,142	97,751	81,537
St. Paul.....	33,336	25,859	32,117	23,766	37,961	40,310	36,804	36,032
Sioux Falls.....	5,700	5,000	4,500	3,900	10,488	9,372	6,829	6,800
Superior.....	1,937	2,248	1,864	2,057	2,036	1,896	2,024	1,687
Winona.....	887	1,077	983	824	2,217	1,360	1,130	911
District No. 10—Kansas City:								
Atchison.....	1,208	1,300	1,600	1,135	684	690	570	563
Bartlesville.....	4,102	2,999	4,097	2,608	3,290	2,864	3,819	3,010
Cheyenne.....	2,997	2,145	2,334	1,592	2,579	2,063	2,132	1,641
Colorado Springs.....	3,773	2,973	2,807	2,060	3,739	3,333	3,054	3,155
Denver.....	52,639	40,444	29,359	35,480	52,063	60,646	58,476	44,879
Joplin.....	2,477	2,989	2,450	2,125	3,904	3,907	3,732	3,467
Kansas City, Kans.....	7,112	4,191	3,982	3,907	3,700	4,481	4,622	3,915
Kansas City, Mo.....	85,833	78,967	82,014	70,901	79,946	94,924	110,001	94,162
Muskogee.....	8,181	6,401	5,311	5,562	8,567	5,753	7,855	5,567
Oklahoma City.....	25,258	25,519	22,968	21,302	20,951	19,437	21,574	17,762
Omaha.....	44,635	48,433	45,616	42,565	58,523	66,099	64,569	60,831
Pueblo.....	6,735	6,501	3,852	3,401	7,026	4,811	4,094	4,819
St. Joseph.....	19,391	17,012	22,911	18,911	22,544	24,249	25,856	21,265
Topeka.....	4,445	4,597	4,251	4,130	7,363	5,995	5,989	5,067
Tulsa.....	31,509	28,387	31,851	22,505	28,447	29,781	28,031	25,706
Wichita.....	12,731	12,199	11,672	10,578	17,409	14,841	13,957	11,818
District No. 11—Dallas:								
Albuquerque.....	2,028	1,916	2,033	1,712	2,153	2,014	1,961	1,892
Austin.....	3,560	4,079	3,978	2,920	4,803	4,300	4,450	3,409
Beaumont.....	4,499	4,598	4,497	4,887	4,800	5,085	4,785	4,480
Dallas.....	45,868	38,654	38,005	35,018	59,090	55,024	57,987	44,220
El Paso.....	8,623	9,059	7,446	7,890	9,851	9,825	9,070	9,119
Fort Worth.....	23,487	24,180	24,030	24,880	27,084	24,484	24,497	23,356
Galveston.....	27,099	27,901	23,007	19,928	10,649	7,944	12,559	8,002
Houston.....	38,050	29,633	29,730	31,117	39,025	38,953	38,777	37,603
San Antonio.....	7,018	8,283	7,800	6,962	9,516	9,334	9,241	8,290
Shreveport.....	8,550	9,348	9,740	7,799	10,183	10,120	10,771	8,294
Texarkana.....	2,839	1,751	1,487	1,278	2,332	1,844	2,380	1,664
Tucson.....	1,504	2,309	1,487	1,352	1,964	1,844	1,624	1,432
Waco.....	4,943	4,307	4,460	4,090	5,650	4,876	4,250	3,866
District No. 12—San Francisco:								
Berkeley.....	3,116	4,054	3,144	2,827	3,652	3,461	3,018	3,743
Boise.....	3,414	2,685	3,395	2,757	3,707	4,011	3,470	3,830
Fresno.....	11,734	10,749	10,001	9,372	13,453	11,793	11,258	8,799
Long Beach.....	6,369	6,197	5,468	4,378	6,067	5,773	5,570	5,426
Los Angeles.....	108,739	115,624	109,318	104,654	99,068	95,980	106,205	92,346
Oakland.....	20,880	21,842	20,241	19,136	19,815	20,314	20,541	19,944
Ogden.....	5,655	6,047	5,124	4,112	5,098	4,551	5,106	3,972
Pasadena.....	3,064	6,154	6,795	5,766	5,422	5,722	5,626	5,253
Portland.....	42,509	37,703	39,326	33,325	44,331	47,142	50,295	37,503
Reno.....	3,718	3,134	3,390	2,494	3,802	2,886	3,305	2,605
Sacramento.....	19,791	15,029	12,471	11,400	19,817	16,132	14,788	12,001
Salt Lake City.....	33,842	19,060	18,412	13,623	20,146	19,947	20,372	17,383
San Diego.....	9,617	10,002	8,697	8,147	7,490	8,376	8,033	6,893
San Francisco.....	230,950	212,356	214,348	185,628	193,313	215,137	226,592	193,137
San Jose.....	7,321	6,914	4,896	4,111	5,896	6,501	5,896	4,981
Seattle.....	35,334	35,004	35,957	24,820	51,315	47,676	51,137	45,937
Spokane.....	15,046	12,847	12,262	10,217	13,418	13,187	13,907	12,259
Stockton.....	6,408	5,447	4,001	4,349	6,187	7,010	6,439	5,404
Tacoma.....	11,213	10,153	8,739	7,916	10,015	11,244	10,013	9,948
Yakima.....	2,078	2,788	2,287	1,974	3,858	3,440	3,117	2,436

¹ Debits of banks submitting reports in both 1920 and 1921.

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

Discount and open-market operations of the Federal Reserve Banks during December and November, 1920 and 1919, are shown in summary form for the entire system in the table below. Detailed figures for each Federal Reserve Bank for the most recent month are given on pages 232, 233, and 234.

Summary of discount and open-market operations of Federal Reserve Banks in December and November, 1920 and 1919.

[In thousands of dollars.]

	1920		1919	
	Decem-ber.	Novem-ber.	Decem-ber.	Novem-ber.
Total discounts and open-market purchases.....	10,657,980	8,714,055	8,449,946	7,812,081
Discounts, total.....	9,461,658	7,882,933	7,290,873	7,414,498
Secured by Government war obligations.....	5,029,595	4,349,752	6,202,198	6,761,542
Otherwise secured and unsecured, total.....	4,432,063	3,533,181	1,088,675	652,956
Commercial, n. e. s., agricultural and live stock paper.....	4,406,180	3,504,703	1,002,962	628,979
Trade acceptances.....	16,240	15,200	23,467	21,924
Bankers' acceptances.....	9,643	13,278	62,246	2,063
Average maturity (in days).....	11.55	12.17	11.52	11.36
Average rate (365-day basis), per cent.....	6.48	6.45	4.67	4.53
Open-market operations:				
Bills purchased, total.....	252,069	231,840	400,708	340,696
Bankers' acceptances, total.....	239,454	221,670	392,934	335,545
In the domestic trade.....	63,007	52,619	86,379	82,350
In the foreign trade.....	176,447	169,051	306,555	252,695
Trade acceptances, total.....	1,376	1,008	5,081	3,687
In the domestic trade.....	255	250	2,007	790
In the foreign trade.....	1,121	758	3,074	2,897
Dollar exchange.....	11,240	9,162	2,693	1,464
Average maturity (in days).....	38.43	35.11	57.11	55.55
Average rate (365-day basis), per cent.....	6.08	6.05	4.84	4.47
United States securities purchased:				
Bonds.....			4	
Certificates of indebtedness.....	944,253	599,282	758,361	56,887

Discount operations in December aggregated 9,462 millions, marking an increase of 1,779 millions, or 16.6 per cent, over the total for November and of 2,171 millions, or 22.9 per cent, over the December, 1919, aggregate. While, for the system as a whole, discount operations were larger in December than in November, four of the Federal Reserve Banks, those of Atlanta, St. Louis, Kansas City, and Dallas, report smaller figures for the most recent month. It is in these four banks that systems of graduated rates had been in operation, although the Atlanta bank abandoned the plan on November 1. The fact that the volume of discounts in these southern and middle western banks has declined somewhat is indicative of a relaxation of the heavy credit demand which was manifest in these districts earlier in the year.

Increased volume is shown both for discounts of paper secured by Government war obligations and of paper not so secured, the former increasing from 4,350 to 5,030 millions, and the latter from 3,533 to 4,432 millions. Discounts of trade acceptances increased from 15 to 16 millions, while those of bankers' acceptances declined from 13 to 10 millions. All other discounts, composed of commercial paper not otherwise specified and of agricultural and live stock paper, show by far the largest increase, aggregating 4,406 millions, compared with 3,505 millions in November, 1920, and 1,003 millions in December of the year before.

Average maturity of paper discounted in December was 11.55 days, compared with 12.17 days the month before and 11.52 days in December, 1919, while the average rate of discount shows a further slight increase from 6.45 per cent in November to 6.48 per cent in December, as compared with 4.67 per cent in December, 1919.

Total bills purchased in December were 20 millions more than in November, but 149 millions less than in December of the year before. The somewhat larger amount of bills purchased by the Federal Reserve Banks during the most recent month was due to a temporary falling off of the demand for this class of bills by the investing public. Of the total of 252 millions of bills purchased in December, 239 millions were bankers' acceptances, 1 million was trade acceptances, and 11 millions were dollar exchange. Of the bankers' acceptances purchased, about 63 millions were bills drawn in the domestic trade and 176 millions were bills drawn in the foreign trade, while of the trade acceptances, about four-fifths were bills in the foreign trade. The average maturity of purchased bills was 38.43 days, marking an increase from the 35.11 days shown for the month before and a decided reduction from the 57.11 days shown for December, 1919. The average rate charged on purchased bills was 6.08 per cent in December, compared with 6.05 per cent for the two preceding months and 4.84 per cent for December of the year before.

During the month under review, 37 banks were added to the membership of the system, the total number of member banks increasing from 9,591 at the end of November to 9,628 at the end of December, while the number of banks accommodated through the discount of paper increased from 5,275 in November to 5,551 in December, and constituted 57.7 per cent of the total membership, as against 55

per cent the month before. The number of member banks in each district at the end of November and of December and the number and percentage accommodated during each of the two months are shown in the following statement:

Federal Reserve Bank.	Member banks in district.		Member banks accommodated.		Percentage accommodated.	
	Dec. 31.	Nov. 30.	December.	November.	December.	November.
Boston.....	436	434	256	219	58.7	50.5
New York.....	783	781	345	316	44.1	40.5
Philadelphia.....	698	700	341	325	48.9	46.4
Cleveland.....	869	871	272	239	31.3	27.4
Richmond.....	610	612	373	343	61.1	56.0
Atlanta.....	461	453	310	335	67.2	74.0
Chicago.....	1,422	1,409	959	1,026	67.4	72.8
St. Louis.....	572	571	318	299	55.6	52.5
Minneapolis.....	1,009	999	664	587	65.8	58.8
Kansas City.....	1,087	1,086	671	658	61.7	60.6
Dallas.....	849	846	600	524	70.7	61.9
San Francisco.....	832	829	442	404	53.1	48.7
Total.....	9,628	9,591	5,551	5,275	57.7	55.0

Federal Reserve Bank holdings of discounted and purchased paper, by classes, at the end of November and December, 1920 and 1919, are shown in detail on page 236 and are summarized for the system as a whole in the table opposite.

Among the principal changes between the end of November and the end of December in holdings of discounted paper, the following are to be noted: A further decrease of 51 millions in paper secured by Government war obligations and an increase of 35 millions in other discounts held. Of the different classes of the latter, all except live-stock paper show larger totals for the most recent month, the increase for commercial paper not otherwise specified being 25 millions, and that for agricultural paper 7 millions. Holdings of discounted trade acceptances increased by about one-half million and those of discounted bankers' acceptances by about 4 millions, while live-stock paper held decreased by nearly 2 millions.

Summary of discounted and purchased paper held by the Federal Reserve Banks at the end of December and of November, 1920 and 1919.¹

[In thousands of dollars.]

	1920, end of—		1919, end of—	
	Decem-ber.	Novem-ber.	Decem-ber.	Novem-ber.
Discounted paper, total.....	2,719,134	2,735,400	2,194,878	2,214,139
Secured by Government war obligations.....	1,141,036	1,192,425	1,510,354	1,736,145
Otherwise secured and unsecured, total.....	1,578,098	1,542,975	684,524	477,994
Commercial paper, n. e. s.	1,292,513	1,267,625	584,290	395,701
Agricultural paper.....	143,145	136,315	24,825	27,023
Live-stock paper.....	103,795	105,246	26,243	25,527
Trade acceptances.....	21,427	20,961	33,697	27,694
Bankers' acceptances.....	17,218	12,828	15,479	2,049
Purchase paper, total.....	260,406	240,622	574,103	501,910
Bankers' acceptances, total....	258,878	238,516	566,369	495,330
Member banks.....	169,387	153,302	405,339	347,852
Nonmember trust companies.....	1,626	1,167	5,121	6,446
Nonmember State banks.....	36,748	32,335	60,213	48,798
Private banks.....	24,905	26,010	55,337	55,876
Branches and agencies of foreign banks.....	26,212	25,702	40,159	36,358
Trade acceptances, total.....	1,523	2,106	7,734	6,580
Domestic.....	505	515	2,540	1,646
Foreign.....	1,028	1,591	5,194	4,934

¹ For discounted paper the figures are for the last Friday of each month; for purchased paper for the last day of each month.

Holdings of bills purchased in the open market totaled 260 millions at the end of December, compared with 241 millions at the end of November, 1920, and 574 millions at the end of December, 1919. Bankers' acceptances on hand aggregated 259 millions, compared with 239 millions the month before. Of the most recent total 65.4 per cent were acceptances of member banks, 14.8 per cent of nonmember State banks and trust companies, 9.7 per cent of private banks, 10.1 per cent of foreign bank branches and agencies. Of the total of 1.5 millions of trade acceptances held at the end of December, comparable with 2.1 millions held the month before, about two-thirds were acceptances in the foreign trade and one-third acceptances in the domestic trade.

Total discount and open-market operations of each Federal Reserve Bank during December, 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.	December, 1920.	December, 1919.
Boston.....	\$549,407,990	\$23,833,751	.....	\$84,257,000	\$657,498,741	\$570,574,325
New York.....	6,207,902,171	141,871,727	.....	431,851,000	6,831,624,898	4,647,397,094
Philadelphia.....	387,334,268	9,657,255	.....	15,171,000	412,162,523	852,038,303
Cleveland.....	413,744,162	16,362,390	.....	211,700,000	641,806,552	421,376,250
Richmond.....	291,232,384	3,797,431	.....	500	295,030,365	382,096,080
Atlanta.....	232,855,955	2,679,700	.....	1,007,000	235,542,655	157,168,599
Chicago.....	556,718,429	24,796,951	.....	118,387,500	699,902,880	639,572,241
St. Louis.....	168,300,050	2,316,232	.....	7,300,000	177,916,302	188,622,117
Minneapolis.....	96,299,946	670,159	.....	4,049,000	101,019,105	102,839,787
Kansas City.....	139,185,837	1,973,450	\$50	1,730,500	142,889,857	162,899,832
Dallas.....	110,809,696	71,673	.....	3,000,000	113,881,369	94,117,451
San Francisco.....	307,866,771	24,038,762	.....	15,799,500	347,705,033	261,244,151
Total, December, 1920.....	9,461,657,679	252,069,551	50	944,253,000	10,657,980,280	.....
Total, December, 1919.....	7,290,872,591	400,708,093	4,200	758,361,346	.....	8,449,946,230
Total 12 months ending Dec. 31, 1920.....	85,320,871,448	3,216,615,752	288,650	7,982,978,000	96,520,597,850	.....
Total 12 months ending Dec. 31, 1919.....	79,173,969,730	2,825,177,002	1,756,575	4,736,162,846	.....	86,737,067,153

¹ Includes \$1,000 in municipal warrants.

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

	Average daily holdings of—			
	Discounted bills.	Purchased bills.	United States securities.	Total.
Boston.....	\$171,516,099	\$19,976,749	\$33,545,871	\$225,038,719
New York.....	917,872,412	94,123,809	83,207,703	1,095,203,924
Philadelphia.....	166,911,387	13,486,948	33,022,300	213,420,635
Cleveland.....	195,513,189	27,068,325	35,420,070	258,001,584
Richmond.....	113,387,330	5,407,725	13,494,962	132,290,017
Atlanta.....	136,636,219	2,913,945	16,399,411	155,949,575
Chicago.....	466,071,756	24,842,589	49,139,310	540,053,655
St. Louis.....	116,889,310	1,429,733	17,707,739	136,026,782
Minneapolis.....	82,807,000	1,363,000	8,727,000	92,897,000
Kansas City.....	114,112,450	1,885,386	21,727,697	137,725,533
Dallas.....	73,472,449	223,442	12,376,024	86,071,915
San Francisco.....	175,170,859	51,279,759	14,372,305	240,822,923
Total, December, 1920.....	2,730,360,460	244,001,410	339,140,392	3,313,502,262
Total, November, 1920.....	2,776,457,064	278,521,360	320,417,341	3,375,395,765
Total, December, 1919.....	2,157,021,323	549,959,117	327,244,041	3,034,224,481

	Earnings from—				Annual rates of earnings on—			
	Discounted bills.	Purchased bills.	United States securities.	Total.	Discounted bills.	Purchased bills.	United States securities.	Total.
Boston.....	\$954,476	\$103,025	\$83,085	\$1,140,586	<i>Per cent.</i> 6.57	<i>Per cent.</i> 6.09	<i>Per cent.</i> 2.92	<i>Per cent.</i> 5.98
New York.....	5,065,635	475,154	183,614	5,694,403	6.48	5.96	2.61	6.14
Philadelphia.....	817,640	69,329	61,405	948,374	5.78	6.06	2.19	5.24
Cleveland.....	1,062,955	138,533	84,859	1,286,347	6.40	6.02	2.82	5.87
Richmond.....	566,901	28,076	22,983	617,960	5.90	6.13	2.01	5.52
Atlanta.....	706,639	16,911	27,970	751,520	6.11	6.85	2.01	5.69
Chicago.....	2,710,944	128,509	98,715	2,938,168	6.87	6.11	2.87	6.42
St. Louis.....	640,591	7,835	33,167	681,593	6.47	6.47	2.21	5.92
Minneapolis.....	469,129	7,044	14,879	491,052	6.67	6.09	2.01	6.22
Kansas City.....	620,147	11,749	39,044	670,940	6.41	7.04	2.12	5.75
Dallas.....	369,672	1,154	22,156	392,982	5.92	6.10	2.10	5.39
San Francisco.....	889,323	262,954	26,611	1,178,888	5.99	6.05	2.19	5.78
Total, December, 1920.....	14,844,052	1,250,273	698,488	16,792,813	6.42	6.05	2.43	5.98
Total, November, 1920.....	14,560,645	1,377,088	569,892	16,507,625	6.40	6.03	2.17	5.97
Total, December, 1919.....	8,332,733	2,121,005	608,492	11,062,230	4.55	4.54	2.19	4.29

Bills discounted during December, 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.	Commercial n. e. s., agricultural, and live-stock paper.	Total.	Average maturity.	Average rate.
		Secured by Government war obligations.	Otherwise secured.						
Boston.....	\$16,065,152	\$411,074,400	.....	\$194,766	\$77,220	\$121,996,452	\$549,407,990	<i>Days.</i> 13.12	<i>Per cent.</i> 6.60
New York.....	48,041,265	2,744,908,899	.....	1,746,606	5,808,623	3,407,396,978	6,207,902,171	5.79	6.51
Philadelphia.....	18,349,302	249,937,452	\$50,000	546,764	125,000	118,325,750	387,334,268	13.66	5.67
Cleveland.....	12,267,935	335,900,665	534,500	1,917,302	1,685,953	61,437,907	413,744,162	11.18	5.87
Richmond.....	2,445,064	239,567,072	1,104,627	1,336,682	.....	46,778,939	291,232,384	14.74	5.99
Atlanta.....	8,676,451	125,625,495	992,500	1,409,571	136,265	96,015,673	232,855,955	25.73	6.46
Chicago.....	18,471,457	280,132,665	7,639,488	3,624,566	1,085,303	245,764,950	556,718,429	39.24	6.75
St. Louis.....	5,602,909	93,575,866	450,700	1,301,804	460,242	66,908,529	168,300,050	26.88	7.08
Minneapolis.....	1,332,837	40,848,526	18,772,433	2,200,401	.....	35,125,749	96,299,946	33.33	6.77
Kansas City.....	4,034,492	82,496,928	958,000	1,295,200	11,792	50,389,445	139,185,857	39.39	7.15
Dallas.....	1,775,352	75,595,272	3,094,000	552,529	.....	29,792,543	110,869,696	33.22	5.96
San Francisco.....	6,274,640	206,594,839	5,042,473	2,093,768	252,623	87,608,428	307,866,771	23.47	5.98
Total, December, 1920....	143,336,856	4,886,257,779	38,638,721	16,239,959	9,643,021	4,367,541,343	9,461,657,679	11.55	6.48
Total, December, 1919....	156,924,335	6,045,273,038	20,595,436	23,467,322	62,245,690	982,366,770	7,290,872,591	11.52	4.67

¹ Includes \$64,005 in the foreign trade.

² Includes \$200,000 in dollar exchange.

³ Includes \$111,740 in the foreign trade.

Bankers' and trade acceptances in the foreign and domestic trade and dollar exchange bills purchased during December, 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.	Average rate (365-day basis).
	Domestic.	Foreign.	Total.	Domestic.	Foreign.	Total.				
Boston.....	\$8,034,836	\$15,767,915	\$23,802,751	.....	.....	.....	\$31,000	\$23,833,751	Days. 27.64	Per cent. 6.09
New York.....	31,805,843	100,188,209	131,994,052	\$255,000	\$988,380	\$1,243,380	8,634,295	141,871,727	30.65	5.99
Philadelphia.....	1,713,924	7,143,331	8,857,255	.....	.....	.....	800,000	9,657,255	59.55	6.04
Cleveland.....	3,635,709	12,442,925	16,078,634	.....	63,756	63,756	220,000	16,302,390	48.50	6.03
Richmond.....	301,900	3,495,581	3,797,481	.....	.....	.....	.....	3,797,481	47.46	6.08
Atlanta.....	1,634,922	1,044,778	2,679,700	.....	.....	.....	.....	2,679,700	59.94	7.10
Chicago.....	7,872,334	16,258,617	24,130,951	.....	.....	.....	666,000	24,796,951	57.46	6.17
St. Louis.....	2,066,252	.....	2,066,252	.....	.....	.....	250,000	2,316,252	27.63	6.26
Minneapolis.....	205,033	465,126	670,159	.....	.....	.....	.....	670,159	67.84	6.12
Kansas City.....	219,200	1,754,250	1,973,450	.....	.....	.....	.....	1,973,450	53.88	7.10
Dallas.....	.....	71,673	71,673	.....	.....	.....	.....	71,673	64.71	6.08
San Francisco.....	5,516,793	17,814,663	23,331,456	.....	68,832	68,832	638,474	24,038,762	55.04	6.06
Total, December, 1920.	63,006,746	176,447,068	239,453,814	255,000	1,120,968	1,375,968	11,239,769	252,069,551	38.43	6.08
Total, December, 1919.	86,378,589	306,555,328	392,933,917	2,007,085	3,073,839	5,080,924	2,693,252	400,708,093	57.11	4.84

Amount of bills discounted and acceptances bought by each Federal Reserve Bank during three months ending December 31, 1920, with totals for 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.....	\$1,123,511,447	\$42,435,193	\$1,165,946,640	\$31,897,802	\$15,386,218	\$47,284,020	\$109,791,735	\$16,667,920	\$126,459,655
New York.....	15,710,625,756	251,985,098	15,962,610,854	150,770,930	67,748,879	218,519,809	113,250,171	73,063,384	186,313,555
Philadelphia.....	1,028,423,549	1,110,468	1,029,534,017	19,290,218	1,647,484	20,937,702	20,447,133	4,267,389	24,714,522
Cleveland.....	708,675,734	6,489,080	715,164,814	16,815,381	7,476,369	24,291,750	30,540,780	27,380,886	57,921,666
Richmond.....	651,456,583	710,699	652,167,282	25,053,026	5,036,978	30,090,004	48,163,106	2,569,833	50,732,939
Atlanta.....	549,815,758	193,010	550,008,768	21,038,141	2,894,655	23,932,796	41,852,756	1,587,591	43,440,348
Chicago.....	856,458,940	19,956,122	876,415,062	87,863,982	7,813,596	95,677,578	182,064,689	23,135,557	205,200,246
St. Louis.....	377,041,434	3,102,149	380,143,583	27,553,468	23,906	27,577,374	73,372,474	584,022	73,956,496
Minneapolis.....	138,992,296	.....	138,992,296	15,919,739	72,500	15,992,239	40,993,771	230,000	41,223,771
Kansas City.....	275,264,980	155,625	275,420,605	19,281,664	553,095	19,834,759	44,480,588	3,385,834	47,866,422
Dallas.....	257,218,549	75,000	257,293,549	10,222,048	760,000	10,982,048	27,764,070	776,684	28,540,754
San Francisco.....	577,231,654	4,252,020	581,483,674	24,250,163	15,500,822	39,750,985	50,421,311	38,870,201	89,291,512
Total 3 months ending—									
Dec. 31, 1920.....	22,254,716,680	330,464,464	22,585,181,144	449,956,562	124,914,502	574,871,064	783,142,584	192,519,301	975,661,885
Dec. 31, 1919.....	21,366,630,682	220,512,353	21,587,143,035	213,078,261	135,289,985	348,368,246	410,612,596	253,418,700	664,031,296

Federal Reserve Bank.	90-day maturities.			Over 90-day maturities.			Total.		
	Discounts.	Acceptances.	Total.	Discounts.	Acceptances.	Total.	Discounts.	Acceptances.	Total.
Boston.....	\$77,728,194	\$5,613,055	\$83,341,249	\$500	.....	\$500	\$1,342,929,678	\$80,102,386	\$1,423,032,064
New York.....	235,911,783	37,357,355	273,269,138	5,840	.....	5,840	16,210,564,480	430,154,716	16,640,719,196
Philadelphia.....	48,726,915	14,139,762	62,866,677	30,841	.....	30,841	1,116,918,656	21,165,103	1,138,083,759
Cleveland.....	60,152,528	12,687,110	72,839,638	449,002	.....	449,002	816,633,425	54,033,445	870,666,870
Richmond.....	47,729,435	2,612,647	50,342,082	959,722	.....	959,722	773,361,872	10,930,157	784,292,029
Atlanta.....	81,178,652	2,674,941	83,853,593	5,150,939	.....	5,150,939	699,036,246	7,350,197	706,386,443
Chicago.....	407,639,833	15,363,763	423,003,596	27,988,469	.....	27,988,469	1,562,015,913	66,269,038	1,628,284,951
St. Louis.....	73,977,142	1,313,198	75,290,340	2,697,043	.....	2,697,043	554,641,561	5,023,275	559,664,836
Minneapolis.....	59,883,258	1,388,332	61,271,590	6,230,044	.....	6,230,044	262,019,108	1,690,832	263,709,940
Kansas City.....	69,180,134	927,119	70,107,253	35,519,848	.....	35,519,848	443,727,214	5,021,673	448,748,887
Dallas.....	38,231,558	149,989	38,381,547	14,978,431	.....	14,978,431	348,414,656	1,761,673	350,176,329
San Francisco.....	98,710,110	23,648,807	122,358,917	12,170,477	.....	12,170,477	762,783,715	82,271,850	845,055,565
Total 3 months ending—									
Dec. 31, 1920.....	1,299,049,542	117,876,078	1,416,925,620	106,181,156	.....	106,181,156	24,893,046,524	765,774,345	25,658,820,869
Dec. 31, 1919.....	741,502,975	467,420,189	1,208,923,164	33,864,421	24,083	33,888,504	22,705,688,935	1,076,665,310	23,842,354,245

Rediscunts and sales of discounted and purchased paper between Federal Reserve Banks from Oct. 1 to Dec. 31, 1920.

[In thousands of dollars.]

Discounted or purchased by Federal Reserve Bank of—	Rediscounted or sold by Federal Reserve Bank of—									
	New York.		Richmond.			Atlanta.			Chicago.	
	October.	November.	October.	November.	December.	October.	November.	December.	October.	December.
Boston.....	40,074	22,017	50,000	40,000	40,000	.....	1,008	6,000	.....	.....
New York.....	.....	.....	.....	.....	.....	.....	800	13,100	.....	9
Philadelphia.....	15,072	15,012	15,000	.....	.....	.....	51,239	35,152	10,000	.....
Cleveland.....	20,000	30,000	.....	.....	.....	38,488	.....	.....	.....	.....
San Francisco.....	.....	6,917	.....	.....	.....	.....	.....	.....	.....	.....
Total.....	75,146	73,946	65,000	40,000	40,000	38,488	53,047	54,252	10,000	9
Purchased bills.....	25,146	18,946	.....	.....	.....	.....	.....	.....	.....	9
Discounted bills.....	50,000	55,000	65,000	40,000	40,000	38,488	53,047	54,252	10,000	.....

Discounted or purchased by Federal Reserve Bank of—	Rediscounted or sold by Federal Reserve Bank of—									
	St. Louis.		Minneapolis.			Kansas City.			Dallas.	
	October.	November.	October.	November.	December.	October.	November.	December.	October.	December.
Boston.....	22,997	.....	24,000	13,000	.....	36,036	14,874	5,009	7,500	.....
New York.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Philadelphia.....	8,000	4,000	2,000	2,000	11,000	.....	.....	23,102	2,500	.....
Cleveland.....	14,500	.....	12,500	16,000	16,000	35,580	42,141	38,079	66,500	64,000
San Francisco.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total.....	45,497	4,000	38,500	31,000	27,000	71,616	57,015	66,190	74,000	64,000
Purchased bills.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Discounted bills.....	45,497	4,000	38,500	31,000	27,000	71,616	57,015	66,190	74,000	64,000

Discounted or purchased by Federal Reserve Bank of—	Rediscounted or sold by all Federal Reserve Banks.									
	During October, November, and December, 1920.							Total during year 1920.		
	October.	November.	December.	Total.	Purchased bills.	Discounted bills.		Total.	Purchased bills.	Discounted bills.
Boston.....	180,607	90,899	51,009	322,515	22,091	300,424	1,000,557	30,673	969,884	
New York.....	.....	.....	9	9	9	.....	490,648	11,067	479,581	
Philadelphia.....	40,072	24,312	47,202	111,586	15,084	96,502	179,728	35,149	144,579	
Cleveland.....	197,568	189,880	153,231	540,679	.....	540,679	1,478,882	72,710	1,406,172	
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.....	.....	6,917	.....	6,917	6,917	.....	71,222	47,722	23,500	
Total.....	418,247	312,008	251,451	981,706	.....	.....	3,672,792	.....	.....
Purchased bills.....	25,146	18,946	9	.....	44,101	.....	.....	212,547	.....
Discounted bills.....	393,101	293,062	251,442	.....	.....	937,605	.....	.....	3,490,245	

Discounted bills, including member banks' collateral notes, held by each Federal Reserve Bank on the last Thursday in December, 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.....	.....	.....	23,996	54,745	.....	123	54	99,620	178,543
New York.....	257	.....	123,662	322,264	.....	1,800	11,411	444,845	904,239
Philadelphia.....	388	.....	39,597	70,080	50	229	150	57,069	173,563
Cleveland.....	735	158	8,094	37,330	242	3,522	1,508	97,744	199,333
Richmond.....	9,164	87	5,414	37,874	935	2,062	.....	57,350	112,886
Atlanta.....	15,497	1,335	13,714	48,258	294	2,250	228	52,567	134,149
Chicago.....	52,695	.....	24,998	117,625	4,704	4,534	936	270,377	475,369
St. Louis.....	3,259	1,637	7,517	37,190	45	1,513	883	62,169	114,218
Minneapolis.....	14,527	39,370	5,709	12,297	8,272	217	.....	1,277	81,669
Kansas City.....	14,285	32,555	7,808	22,204	749	2,109	29	31,355	111,094
Dallas.....	14,632	16,619	3,029	12,008	764	2,683	59	21,506	68,885
San Francisco.....	17,706	12,034	7,988	41,635	1,852	2,784	1,960	78,727	164,686
Total, December, 1920.....	143,145	103,795	271,526	869,510	17,907	21,427	17,218	1,274,606	2,719,134
Total, December, 1919.....	24,825	26,243	352,589	1,157,765	8,255	33,697	15,479	576,025	2,194,878

Acceptances purchased by each Federal Reserve Bank and held on Dec. 31, 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.	Branches and agencies of foreign banks.	Total.	Domestic.	Foreign.	
Boston.....	17,736	.....	1,512	453	977	20,678	.....	.....	20,678
New York.....	67,622	1,538	17,943	12,288	13,065	112,456	505	779	113,740
Philadelphia.....	8,320	.....	2,406	1,572	391	12,689	.....	.....	12,689
Cleveland.....	14,602	25	4,694	3,551	4,275	27,147	.....	64	27,211
Richmond.....	5,048	.....	.....	.....	.....	5,048	.....	.....	5,048
Atlanta.....	3,557	.....	14	.....	.....	3,571	.....	.....	3,571
Chicago.....	22,488	.....	1,614	989	650	25,741	.....	.....	25,741
St. Louis.....	814	.....	323	62	.....	1,199	.....	.....	1,199
Minneapolis.....	1,113	.....	50	.....	150	1,313	.....	.....	1,313
Kansas City.....	2,171	.....	.....	.....	.....	2,171	.....	.....	2,171
Dallas.....	175	.....	.....	.....	72	247	.....	.....	247
San Francisco.....	25,741	63	8,192	5,990	6,632	46,618	.....	180	46,798
Total, Dec. 31, 1920.....	169,387	1,626	136,748	24,905	26,212	258,878	505	1,023	260,406
Total, Nov. 30, 1920.....	153,302	1,167	132,335	26,010	25,702	238,516	515	1,591	240,622
Total, Dec. 31, 1919.....	405,339	5,121	60,213	55,537	40,159	566,369	2,540	5,194	574,103
Total, Dec. 31, 1918.....	238,257	2,745	10,442	20,385	13,444	285,273	2,536	4,388	292,197

¹ Includes \$2,782,000 acceptances of corporations organized under Edge Act.

² Includes \$2,324,000 acceptances of corporations organized under Edge Act.

CHANGES IN CONDITION OF FEDERAL RESERVE BANKS.

For the period between December 30, 1920, and January 28 of the present year, the Federal Reserve Banks report a decrease of 92.2 millions in their holdings of paper secured by United States Government obligations and of 262.6 millions in their total holdings of discounted bills. Loan liquidation was continuous except for the week ending January 21, when in connection with the flotation of about 310 millions of Treasury certificates, member banks' total borrowings from the Federal Reserve Banks, largely on United States Government obliga-

tions, show an increase of 33.5 millions. Fluctuations in the holdings of paper secured by Government obligations were in close accord with changes in the totals of discounted paper held, and accordingly the ratio of war loan paper to total discounts on hand during the period varied only between 42 and 43 per cent. In the following exhibit is given a summary of the weekly changes in the principal asset and liability items of the Federal Reserve Banks for the four weeks under review.

Principal asset and liability items of the twelve Federal Reserve Banks combined on Thursday, Dec. 30, and on Fridays, Jan. 7 to Jan. 28, 1921.

[In millions of dollars.]

	Dec. 30.	Jan. 7.	Jan. 14.	Jan. 21.	Jan. 28.
Reserves:					
Total.....	2,249.2	2,276.9	2,288.5	2,301.3	2,320.0
Gold.....	2,059.3	2,080.3	2,085.5	2,095.5	2,106.1
Bills discounted:					
Total.....	2,719.1	2,607.3	2,449.5	2,483.0	2,456.5
Secured by Government war obligations.....	1,141.0	1,104.5	1,024.6	1,056.1	1,048.8
All other.....	1,578.1	1,502.8	1,424.9	1,426.9	1,407.7
Bills bought in open market.....	255.7	234.8	203.4	168.0	165.1
Certificates of indebtedness.....	261.3	261.8	289.7	264.6	261.5
Total earning assets.....	3,263.0	3,130.0	2,968.5	2,941.5	2,908.8
Government deposits.....	27.6	25.6	9.0	32.6	52.1
Members' reserve deposits.....	1,749.0	1,795.3	1,756.3	1,765.2	1,731.8
Net deposits.....	1,604.2	1,634.5	1,595.4	1,628.5	1,643.2
Federal Reserve notes in circulation.....	3,344.7	3,270.0	3,159.5	3,115.3	3,090.7
Federal Reserve Bank notes in circulation.....	217.0	213.6	213.2	207.4	202.2
Reserve percentages.....	45.4	46.4	48.1	48.5	49.0

Of the total holdings of paper secured by Government obligations a slightly increasing share (58 per cent on Jan. 28 as against 57 per cent on Dec. 30, 1920) was composed of paper secured directly and indirectly by United States bonds (largely Liberty bonds), though the January 28 holdings of this class of paper, 607.1 millions, were 41.2 millions less than at the close of the past year. Paper secured by Victory notes constituted between 26 and 28 per cent of the total of war paper held, the January 28 holdings of 284 millions showing a decrease of 20.7 millions from the December 30, 1920, total. The largest fluctuations, viz, between 188 millions on December 30 and 138.1 millions on January 14, or between 13 and 16 per cent of the total discounts held, are shown for paper secured by Treasury certificates, the January 28 holdings marking a decline of 30.3 millions from the high figure shown four weeks before. About 60 per cent of the total discounts held was composed of paper maturing within 15 days from the time of report on each Friday, and the shares of the longer maturities likewise show but small changes during the period.

Holdings of acceptances purchased in open market show a continuous decline from 255.7

to 165.1 millions, the open-market demand for this class of paper apparently being sufficient to fully absorb the entire supply of new bills offered, with the consequence that Federal Reserve Bank acceptance holdings, not being replenished through new purchases, have been shrinking as the paper on hand reached maturity. Treasury certificates on hand fluctuated between 261.3 on December 30 and 289.7 millions on January 14, when the Federal Reserve Banks of New York, Philadelphia, Richmond, and Chicago held a total of 28 millions of special certificates to secure advances to the Government pending the collection of funds from depository institutions.

Continued reduction in the volume of inter-bank discounting is noted, the total of paper held under discount for other Federal Reserve Banks by the Boston, Philadelphia, and Cleveland banks showing a decline from 115.3 to about 41 millions. On January 28 the number of rediscounting banks had been reduced to three, viz, the Atlanta, Dallas, and Minneapolis banks, those of Richmond and Kansas City having redeemed during that week all their outstanding rediscounted paper. On the other hand, the New York bank during the latter part of the period considerably increased its sales

of bank acceptances to other Federal Reserve Banks, the total amount of such bills held on January 28 by the Boston, Cleveland, and San Francisco banks being 51.8 millions, compared with 6.9 and 2.3 millions held by the San Francisco bank on December 30, 1920, and on January 14, respectively. Aggregate contingent liabilities on account of bank acceptances held for account of foreign correspondents show an increase from 16.2 to 18.2 millions.

Government deposits fluctuated between about 9 millions on January 14 and 52.1 millions two weeks later, while members' reserve deposits varied between a high of 1,795.3 millions on January 7 and a low of 1,731.8 millions on the last Friday of that month. Substantial fluctuations are also shown in the volume of the "float" carried by the Federal Reserve Banks. As a result, weekly changes in net deposits are far from coincident with those noted for reserve deposits, the high figure for net de-

posits—1,643.2 millions on January 28—coinciding in time with the low figure for reserve deposits.

Federal Reserve note circulation shows a continuous decline of 254 millions for the period, as against a net reduction of 148 millions for the corresponding period in 1920 and of 196.9 millions in 1919. Since December 30, 1920, there has also taken place a decrease by 14.8 millions in Federal Reserve Bank note circulation. Gold reserves, as the result mainly of purchases of imported gold by the New York Reserve Bank, show a continuous increase during the period from 2,059.3 to 2,106.1 millions, while total cash reserves show a much larger increase from 2,249.2 to about 2,320 millions. Owing to these substantial gains in reserves and to the simultaneous considerable reduction in note liabilities, the banks' reserve ratio shows a continuous rise from 45.4 to 49 per cent.

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Jan. 7 to Jan. 28, inclusive.

RESOURCES.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Gold and gold certificates:													
Jan. 7.....	11,992	133,794	6,063	10,918	5,789	8,823	28,780	5,179	9,152	4,045	7,526	18,074	250,135
Jan. 14.....	11,478	136,019	5,417	10,213	5,012	8,628	27,838	4,810	8,941	3,629	7,251	18,129	247,365
Jan. 21.....	11,629	108,697	5,435	10,261	5,250	8,683	28,049	4,925	8,985	3,668	6,643	18,014	220,239
Jan. 28.....	10,714	96,353	4,706	8,145	5,083	7,363	27,150	4,514	8,766	3,259	6,114	17,702	199,869
Gold settlement fund—Federal Reserve Board:													
Jan. 7.....	50,519	27,622	58,450	78,390	24,270	5,441	53,928	24,512	9,321	25,211	2,710	44,570	405,644
Jan. 14.....	57,551	17,678	40,091	98,839	21,976	3,216	61,616	23,698	8,561	23,902	3,777	32,268	393,173
Jan. 21.....	45,412	20,077	56,906	109,220	27,628	3,485	63,821	21,126	8,105	24,552	3,878	37,115	421,325
Jan. 28.....	39,627	45,025	47,523	106,918	26,713	6,751	88,644	25,232	8,579	22,301	6,759	37,451	461,523
Gold with foreign agencies:													
Jan. 7.....	241	1,211	264	270	162	119	393	155	89	158	86	152	3,300
Jan. 14.....	241	1,211	264	270	162	119	393	155	89	158	86	152	3,300
Jan. 21.....	241	1,211	264	270	162	119	393	155	89	158	86	152	3,300
Jan. 28.....	241	1,211	264	270	162	119	393	155	89	158	86	152	3,300
Gold with Federal Reserve agents:													
Jan. 7.....	131,531	238,868	136,214	177,348	51,600	62,132	205,864	53,841	25,115	40,189	25,714	116,346	1,264,762
Jan. 14.....	131,896	238,063	143,516	176,964	47,885	60,419	192,351	53,619	25,362	40,395	23,951	131,137	1,265,558
Jan. 21.....	151,793	223,490	141,181	175,827	44,379	59,474	211,300	52,370	26,145	39,058	21,752	139,535	1,286,304
Jan. 28.....	161,009	208,046	150,502	182,504	48,791	60,877	211,192	53,617	25,441	37,834	19,703	128,934	1,288,450
Gold redemption fund:													
Jan. 7.....	21,635	39,000	10,128	14,972	8,222	8,211	24,689	5,629	3,865	5,438	4,954	9,698	156,441
Jan. 14.....	20,655	39,000	13,030	13,878	10,994	8,952	36,801	6,493	3,649	4,866	6,036	11,704	176,058
Jan. 21.....	19,923	41,000	10,757	13,224	13,399	8,841	26,247	6,984	2,887	4,608	6,900	9,831	164,601
Jan. 28.....	20,034	41,000	8,696	11,097	7,830	6,699	24,418	5,307	3,330	4,254	8,620	11,710	152,995
Total gold reserves:													
Jan. 7.....	215,918	440,495	211,119	281,898	90,043	81,726	313,654	89,316	47,542	75,741	40,990	188,840	2,080,282
Jan. 14.....	221,821	431,971	202,318	300,164	86,029	81,334	318,999	88,775	46,602	72,950	41,101	193,390	2,085,454
Jan. 21.....	228,998	394,475	214,543	308,802	90,818	80,602	329,810	85,560	46,211	72,044	39,259	204,647	2,095,769
Jan. 28.....	231,625	391,635	211,691	308,934	88,579	81,809	351,797	88,825	46,205	67,806	41,282	195,949	2,106,137
Legal-tender notes, silver, etc.:													
Jan. 7.....	13,129	147,164	1,089	2,552	271	2,974	14,856	5,971	282	2,352	4,679	1,247	196,566
Jan. 14.....	14,692	150,128	878	2,805	126	3,249	15,927	6,312	300	2,348	4,932	1,387	203,084
Jan. 21.....	13,889	151,623	705	2,767	1,218	3,858	15,640	6,255	518	2,380	5,148	1,461	205,462
Jan. 28.....	12,738	153,304	1,125	2,593	6,882	4,171	15,790	6,226	975	2,643	5,567	1,823	213,837
Total reserves:													
Jan. 7.....	229,047	587,659	212,208	284,450	90,314	87,700	328,510	95,287	47,824	78,093	45,669	190,087	2,276,848
Jan. 14.....	236,513	582,099	203,196	302,969	86,155	84,533	334,926	95,087	46,902	75,298	46,033	194,777	2,288,538
Jan. 21.....	242,887	546,098	215,248	311,569	92,036	84,460	345,450	91,815	46,729	74,424	44,407	206,108	2,301,231
Jan. 28.....	244,363	544,939	212,816	311,527	95,461	85,980	367,587	95,051	47,180	70,449	46,849	197,772	2,319,974

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Jan. 7 to Jan. 28, inclusive—Con.

RESOURCES—Continued.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Bills discounted:¹													
Secured by United States Government obligations—													
Jan. 7.....	68,746	433,962	111,684	93,703	44,684	59,904	135,868	39,597	15,766	33,919	13,364	53,339	1,104,536
Jan. 14.....	61,996	393,522	110,233	71,535	45,002	58,468	133,550	37,256	16,600	35,151	13,512	47,782	1,024,607
Jan. 21.....	70,474	409,163	108,721	67,606	46,967	58,301	138,530	40,600	18,585	37,572	15,964	43,634	1,056,117
Jan. 28.....	56,135	414,012	109,674	70,319	50,282	58,011	138,589	40,315	20,684	35,830	13,531	41,386	1,048,768
All other—													
Jan. 7.....	88,519	439,305	43,939	103,742	67,801	70,381	301,619	66,340	66,233	79,268	57,341	118,322	1,502,813
Jan. 14.....	81,437	413,052	43,146	101,682	65,288	69,168	283,292	64,397	62,508	73,463	56,217	111,253	1,424,933
Jan. 21.....	63,714	469,591	33,173	93,659	63,620	69,320	271,972	63,720	62,065	73,622	54,065	108,391	1,426,912
Jan. 28.....	68,803	494,913	39,666	72,672	61,891	67,816	251,077	58,674	59,454	72,863	55,413	104,465	1,407,707
Bills bought in open market:²													
Jan. 7.....	16,615	102,903	11,997	24,683	5,103	3,758	24,353	606	1,449	2,151	147	40,994	234,759
Jan. 14.....	14,514	87,174	11,155	22,849	5,245	3,630	21,654	585	1,448	1,503	147	33,508	203,412
Jan. 21.....	17,746	65,367	8,689	20,143	4,859	3,304	13,470	948	276	1,888	122	31,138	167,950
Jan. 28.....	21,881	28,436	9,883	43,362	4,955	3,241	11,083	1,014	51	1,357	97	39,698	165,058
United States Government bonds:													
Jan. 7.....	539	1,257	1,434	834	1,233	114	4,490	1,153	115	8,867	3,979	2,087	26,102
Jan. 14.....	539	1,257	1,434	834	1,233	114	4,490	1,153	116	8,867	3,979	1,872	25,888
Jan. 21.....	550	1,257	1,434	834	1,233	114	4,490	1,153	116	8,867	3,979	1,872	25,899
Jan. 28.....	550	1,257	1,434	834	1,233	114	4,490	1,153	116	8,867	3,979	1,822	25,849
United States Victory notes:													
Jan. 7.....	5	.....	.....	10	.....	3	.....	.....	.....	1	.....	.....	19
Jan. 14.....	5	.....	.....	10	.....	3	.....	.....	.....	1	.....	.....	19
Jan. 21.....	5	.....	.....	10	.....	3	.....	.....	.....	1	.....	.....	19
Jan. 28.....	5	.....	.....	10	.....	3	.....	.....	.....	1	.....	.....	19
United States certificates of indebtedness:													
Jan. 7.....	21,537	59,671	30,366	23,799	12,262	16,665	39,612	15,958	8,480	12,820	8,300	12,315	261,785
Jan. 14.....	21,451	74,756	33,339	23,799	17,262	16,665	44,643	15,968	8,480	12,820	8,300	12,202	299,685
Jan. 21.....	21,505	62,118	30,878	23,799	12,262	16,665	39,668	15,992	8,480	12,821	8,300	12,143	264,631
Jan. 28.....	21,440	59,422	30,485	23,799	12,262	16,665	39,704	15,964	8,480	12,820	8,300	12,111	261,452
Total earning assets:													
Jan. 7.....	195,961	1,037,098	199,420	246,771	131,083	150,828	505,942	123,654	92,043	137,026	83,131	227,057	3,130,014
Jan. 14.....	179,942	969,761	199,307	220,709	134,030	148,018	487,629	119,359	89,152	131,805	82,155	206,647	2,968,544
Jan. 21.....	173,994	1,007,496	182,895	206,051	128,941	147,707	468,130	122,413	89,522	134,771	82,430	197,178	2,941,528
Jan. 28.....	168,814	998,040	191,142	210,996	130,623	145,850	444,943	117,120	88,785	131,738	81,320	199,182	2,908,853
Bank premises:													
Jan. 7.....	2,790	4,092	500	1,527	1,296	541	2,534	542	590	1,047	1,647	253	17,359
Jan. 14.....	2,899	4,092	500	1,542	1,397	541	2,534	542	590	1,282	1,647	339	17,955
Jan. 21.....	2,949	4,231	500	1,542	1,397	541	2,534	542	590	1,282	1,718	339	18,215
Jan. 28.....	2,956	4,237	500	1,542	1,397	541	2,534	542	590	1,282	1,718	339	18,228
Uncollected items and other deductions from gross deposits:													
Jan. 7.....	58,975	141,188	68,565	66,500	67,264	36,474	91,742	41,115	20,662	57,304	47,131	47,880	744,800
Jan. 14.....	53,083	151,623	64,963	67,607	58,248	34,836	82,420	37,560	18,524	53,324	39,657	44,920	706,765
Jan. 21.....	41,344	151,582	62,397	60,643	58,677	33,217	77,842	34,442	16,338	47,035	41,925	41,699	667,141
Jan. 28.....	36,974	134,242	55,890	53,350	50,276	28,558	70,605	31,057	15,969	43,434	35,703	38,542	594,600
5 per cent redemption fund against Federal Reserve Bank notes:													
Jan. 7.....	1,072	2,774	1,300	1,239	601	568	1,709	623	336	916	586	665	12,389
Jan. 14.....	1,072	2,780	1,300	1,239	601	520	1,913	623	584	916	586	665	12,799
Jan. 21.....	1,072	2,723	1,300	1,239	601	596	1,963	623	396	916	586	665	12,680
Jan. 28.....	1,072	2,708	1,300	1,239	601	564	2,089	523	483	916	586	665	12,746
All other resources:													
Jan. 7.....	306	1,724	76	102	221	296	480	367	131	216	699	380	4,998
Jan. 14.....	355	1,894	94	106	421	186	618	383	138	250	1,173	494	6,112
Jan. 21.....	427	2,121	124	113	319	472	711	389	112	280	634	482	6,184
Jan. 28.....	463	2,144	141	127	680	217	842	442	120	277	986	493	6,937
Total resources:													
Jan. 7.....	488,151	1,774,535	482,069	600,589	290,779	276,407	930,917	261,588	161,586	274,602	178,863	466,322	6,186,408
Jan. 14.....	473,864	1,712,249	469,360	594,172	280,852	268,714	910,040	253,554	155,890	262,875	171,251	447,892	6,000,713
Jan. 21.....	462,673	1,714,251	462,464	581,157	281,971	266,903	896,630	250,224	153,687	258,708	171,700	446,521	5,946,979
Jan. 28.....	454,647	1,686,310	461,789	578,781	279,038	261,710	888,600	244,735	153,127	248,096	167,162	437,343	5,861,338
Includes bills discounted for other Federal Reserve Banks:													
Jan. 7.....	11,873	.....	12,100	72,535	.....	.....	.....	.....	.....	.....	.....	.....	96,508
Jan. 14.....	10,014	.....	10,236	57,487	.....	.....	.....	.....	.....	.....	.....	.....	77,737
Jan. 21.....	9,844	.....	5,991	45,764	.....	.....	.....	.....	.....	.....	.....	.....	61,599
Jan. 28.....	4,275	.....	4,946	31,917	.....	.....	.....	.....	.....	.....	.....	.....	41,138

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Jan. 7 to Jan. 28, inclusive—Con.

RESOURCES—Continued.

[In thousands of dollars.]

	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Franc- isco.	Total
² Includes bankers' ac- ceptances bought from other Federal Reserve Banks with- out their indorse- ment:													
Jan. 7.....												4,273	4,273
Jan. 14.....												2,263	2,263
Jan. 21.....	5,049											6,698	11,747
Jan. 28.....	10,672			25,093								16,063	51,828

LIABILITIES.

Capital paid in:													
Jan. 7.....	7,723	23,376	8,485	10,703	5,269	4,016	13,913	4,366	3,461	4,457	4,098	6,941	99,808
Jan. 14.....	7,723	23,339	8,494	10,703	5,272	4,034	13,917	4,367	3,461	4,457	4,099	6,949	99,815
Jan. 21.....	7,739	26,346	8,494	10,667	5,272	4,028	14,028	4,414	3,457	4,452	4,103	6,962	99,962
Jan. 28.....	7,743	26,345	8,494	10,757	5,278	4,036	14,032	4,417	3,479	4,456	4,127	6,983	100,147
Surplus fund:													
Jan. 7.....	15,711	53,414	17,010	20,305	10,561	8,343	28,980	8,346	6,980	9,159	6,033	14,194	202,036
Jan. 14.....	15,711	53,414	17,010	20,305	10,561	8,343	28,980	8,346	6,980	9,159	6,033	14,194	202,036
Jan. 21.....	15,711	53,414	17,010	20,305	10,561	8,343	28,980	8,346	6,980	9,159	6,033	14,194	202,036
Jan. 28.....	15,711	53,414	17,010	20,305	10,561	8,343	28,980	8,346	6,980	9,159	6,033	14,194	202,036
Government deposits:													
Jan. 7.....	1,244	10,217	1,401	2,033	1,141	1,275	286	1,660	1,496	1,464	1,574	1,771	25,592
Jan. 14.....	584	417	1,031	603	341	519		1,714	251	1,148	864	1,340	8,970
Jan. 21.....	736	12,343	1,527	2,330	2,557	961	2,961	1,855	1,289	2,055	1,718	2,271	32,603
Jan. 28.....	1,842	19,932	3,964	3,731	4,504	1,050	4,998	2,625	2,213	2,069	1,743	3,466	52,138
Due to members—re- serve account:													
Jan. 7.....	117,890	695,942	112,334	148,106	59,306	49,916	249,989	67,144	45,312	83,097	45,550	119,757	1,795,343
Jan. 14.....	115,385	677,402	103,799	150,135	59,202	48,278	252,251	65,043	43,834	78,609	48,396	113,991	1,756,325
Jan. 21.....	116,766	681,542	105,719	152,650	58,824	47,759	245,704	66,038	43,971	78,944	48,525	118,783	1,765,225
Jan. 28.....	111,380	662,083	106,844	150,717	58,330	46,058	247,518	64,871	44,092	74,376	50,178	115,376	1,731,823
Deferred availability items:													
Jan. 7.....	42,056	90,858	45,058	54,224	47,998	23,557	53,720	37,516	16,997	50,122	33,977	33,473	532,556
Jan. 14.....	40,302	92,947	47,324	54,128	42,406	21,627	52,931	33,750	15,821	46,036	28,184	33,996	509,452
Jan. 21.....	33,649	86,685	42,206	48,989	40,694	20,246	49,604	32,717	14,072	42,859	28,416	32,479	472,616
Jan. 28.....	32,028	75,631	39,540	47,105	37,409	19,406	45,634	28,892	13,748	39,298	24,415	26,700	429,806
Other deposits, in- cluding foreign Gov- ernment credits:													
Jan. 7.....	610	11,763	1,365	472	259	371	3,683	614	586	674	319	5,131	25,847
Jan. 14.....	655	12,803	1,287	491	250	302	1,913	725	540	860	322	7,316	27,464
Jan. 21.....	557	12,160	1,127	545	403	273	2,071	613	392	388	364	6,311	25,204
Jan. 28.....	566	12,029	670	522	265	293	1,605	664	474	351	266	6,349	24,054
Total gross deposits:													
Jan. 7.....	161,800	808,780	160,158	204,865	108,704	75,119	310,678	106,934	64,391	135,357	82,420	160,132	2,379,338
Jan. 14.....	156,926	783,569	153,441	205,357	102,199	70,365	307,614	101,232	60,446	126,653	77,766	156,643	2,302,211
Jan. 21.....	151,708	792,730	150,579	204,514	102,478	69,239	300,340	101,223	59,724	124,245	79,023	159,844	2,295,648
Jan. 28.....	145,816	769,675	151,018	202,075	100,508	66,807	299,755	97,053	60,527	116,094	76,602	151,891	2,237,821
Federal Reserve notes in actual circulation:													
Jan. 7.....	281,372	831,625	273,005	340,666	154,158	173,018	535,075	131,697	78,284	104,720	78,280	275,123	3,270,023
Jan. 14.....	272,193	809,121	268,856	333,859	150,865	161,913	517,474	129,513	76,454	106,912	75,263	260,068	3,159,491
Jan. 21.....	266,770	793,026	263,141	322,181	151,774	169,209	512,612	126,468	75,020	105,388	74,397	255,304	3,115,290
Jan. 28.....	265,277	787,746	262,522	322,562	151,371	166,570	503,053	125,448	73,717	103,288	72,363	253,831	3,090,748
Federal Reserve Bank notes in circulation— Net liability:													
Jan. 7.....	20,333	36,831	22,457	22,787	11,408	15,081	38,314	9,319	7,613	14,050	6,969	8,390	213,552
Jan. 14.....	20,030	38,180	22,348	22,538	11,211	15,077	37,901	9,098	7,639	13,807	6,945	8,403	213,177
Jan. 21.....	19,361	36,965	21,901	21,936	11,023	15,021	36,141	8,696	7,478	13,495	6,921	8,424	207,365
Jan. 28.....	18,760	35,630	21,257	21,353	10,388	14,697	35,103	8,325	7,359	13,136	6,765	8,503	202,276
All other liabilities:													
Jan. 7.....	1,212	6,503	954	1,263	679	830	3,957	926	857	1,859	1,063	1,542	21,651
Jan. 14.....	1,281	7,626	1,211	1,410	744	982	4,154	998	910	1,887	1,145	1,635	23,983
Jan. 21.....	1,384	8,770	1,339	1,554	863	1,150	4,529	1,077	1,028	1,968	1,223	1,793	26,678
Jan. 28.....	1,340	9,500	1,488	1,729	932	1,257	4,677	1,146	1,065	1,963	1,272	1,941	28,310
Total liabilities:													
Jan. 7.....	483,151	1,774,535	482,069	600,589	290,779	276,407	930,917	261,588	161,586	274,022	178,863	466,322	6,186,408
Jan. 14.....	473,894	1,712,249	469,360	594,172	280,852	268,714	910,040	253,554	155,890	262,875	171,251	447,892	6,000,713
Jan. 21.....	462,673	1,714,251	462,464	581,157	281,971	266,993	896,630	250,224	153,687	258,708	171,700	446,521	5,946,979
Jan. 28.....	454,647	1,686,310	461,789	578,781	279,038	261,710	888,600	244,735	153,127	248,096	167,162	437,343	5,861,338

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Jan. 7 to Jan. 28, inclusive—Con.

LIABILITIES—Continued.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
MEMORANDA.													
Ratio of total reserves to net deposit and Federal Reserve note liabilities combined—per cent:													
Jan. 7.....	59.6	39.0	58.2	59.4	46.2	41.4	43.6	48.2	39.2	41.6	40.2	49.1	46.4
Jan. 14.....	62.9	40.7	57.2	64.2	44.2	41.2	45.1	49.2	39.6	41.8	40.6	52.4	48.1
Jan. 21.....	64.4	38.1	61.3	66.9	47.1	41.2	47.0	47.5	39.5	40.8	39.8	55.2	48.5
Jan. 28.....	65.3	38.3	59.5	66.1	47.4	42.0	50.0	49.6	39.9	40.0	41.4	53.9	49.0
Contingent liability as indorser on discounted paper rediscounted with other Federal Reserve Banks:													
Jan. 7.....					5,000	29,083			12,254	22,982	27,189		96,508
Jan. 14.....					4,729	24,284			8,580	13,577	26,567		77,737
Jan. 21.....					5,000	22,060			5,792	5,553	23,194		61,599
Jan. 28.....						17,578			2,075		21,485		41,138
Bankers' acceptances sold to other Federal Reserve Banks without indorsement:													
Jan. 7.....		4,273											4,273
Jan. 14.....		2,263											2,263
Jan. 21.....		11,747											11,747
Jan. 28.....		51,828											51,828
Contingent liability on bills purchased for foreign correspondents:													
Jan. 7.....	1,168	6,082	1,280	1,312	784	576	1,904	752	432	768	416	736	16,210
Jan. 14.....	1,168	6,079	1,280	1,312	784	576	1,904	752	432	768	416	736	16,207
Jan. 21.....	1,168	8,100	1,280	1,312	784	576	1,904	752	432	768	416	736	18,228
Jan. 28.....	1,168	8,100	1,280	1,312	784	576	1,904	752	432	768	416	736	18,228

Maturities of bills discounted and bought, also of Treasury certificates of indebtedness held by the twelve Federal Reserve Banks combined.

[In thousands of dollars.]

	Within 15 days.	16 to 30 days.	31 to 60 days.	61 to 90 days.	Over 90 days.	Total.
Bills discounted:						
Jan. 7.....	1,532,488	238,822	449,929	320,198	65,912	2,607,349
Jan. 14.....	1,409,471	232,971	458,936	288,159	60,003	2,449,540
Jan. 21.....	1,443,330	251,587	434,432	297,735	55,945	2,483,029
Jan. 28.....	1,453,331	235,415	419,912	293,538	54,279	2,456,475
Bills bought:						
Jan. 7.....	79,109	54,075	76,509	25,066		234,759
Jan. 14.....	68,742	46,649	72,236	15,785		203,412
Jan. 21.....	58,954	47,008	53,030	8,958		167,950
Jan. 28.....	66,424	41,456	48,117	9,061		165,058
United States certificates of indebtedness:						
Jan. 7.....	6,219	4,000	7,013	30,177	214,376	261,785
Jan. 14.....	30,305	1,500	8,839	8,920	240,121	289,685
Jan. 21.....	4,802	2,500	12,296	8,138	236,895	264,631
Jan. 28.....	4,468	1,999	10,682	8,020	236,283	261,452

FEDERAL RESERVE NOTES.

Federal Reserve Agents' accounts at close of business on Fridays, Jan. 7 to 28, 1921, inclusive.

[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:													
Jan. 7.	125,680	162,000	33,030	44,880	26,529	77,110	133,120	24,780	10,165	4,420	13,640	31,320	686,674
Jan. 14.	131,080	168,000	30,690	50,440	28,999	78,155	143,180	27,680	11,060	5,510	14,960	35,180	724,334
Jan. 21.	130,580	168,000	27,840	50,440	27,658	77,850	141,480	27,180	11,690	5,510	16,305	30,180	734,683
Jan. 28.	126,080	179,000	25,040	50,440	25,659	77,085	147,180	25,680	11,855	5,510	16,825	54,180	744,534
Federal Reserve notes outstanding:													
Jan. 7.	294,838	1,028,819	281,271	362,605	162,625	180,101	616,980	153,395	80,321	116,946	84,473	315,650	3,678,024
Jan. 14.	284,803	1,025,521	278,913	351,662	157,440	175,943	593,406	148,374	78,673	114,062	81,830	309,081	3,599,708
Jan. 21.	280,200	1,025,201	276,429	345,524	158,714	173,503	584,055	146,224	76,356	112,725	79,287	304,979	3,563,197
Jan. 28.	278,916	1,011,966	273,550	341,201	158,126	171,672	568,247	145,571	73,457	111,500	76,717	298,378	3,511,301
Collateral security for Federal Reserve notes outstanding:													
Gold and gold certificates—													
Jan. 7.	5,600	209,608		22,775		3,500		6,060	13,052		6,331		266,926
Jan. 14.	5,600	209,607		22,775		3,500		6,060	13,052		5,891		266,485
Jan. 21.	5,600	209,608		22,775		3,500		5,960	13,052		5,891		266,386
Jan. 28.	5,600	169,608		23,775		3,500		5,960	13,052		5,892		227,387
Gold redemption fund—													
Jan. 7.	15,931	9,260	14,825	19,573	3,600	3,632	10,720	2,750	863	2,829	5,148	17,346	106,477
Jan. 14.	21,296	8,456	15,127	19,189	2,885	2,919	9,206	3,628	1,110	3,035	5,826	15,319	107,396
Jan. 21.	16,193	12,882	14,792	18,052	2,379	2,474	10,155	2,979	1,893	3,698	4,627	19,123	109,247
Jan. 28.	20,409	12,438	14,113	18,729	2,791	3,377	13,047	2,826	2,189	2,474	4,577	17,212	114,182
Gold settlement fund—Federal Reserve Board—													
Jan. 7.	110,000	20,000	121,389	135,000	48,000	55,000	195,144	45,031	11,200	37,360	14,235	99,000	891,359
Jan. 14.	105,000	20,000	128,389	135,000	45,000	54,600	183,145	43,931	11,200	37,360	12,234	115,818	891,677
Jan. 21.	130,000	1,000	126,389	135,000	42,000	53,500	201,145	43,431	11,200	35,360	11,234	120,412	910,671
Jan. 28.	135,000	26,000	136,389	140,000	46,000	54,000	198,145	44,831	10,200	35,360	9,234	111,722	946,881
Eligible paper—													
Amount required—													
Jan. 7.	163,307	789,951	145,057	185,257	111,025	117,969	411,116	99,554	55,206	76,757	58,759	199,304	2,413,262
Jan. 14.	152,907	787,458	135,397	174,698	109,555	115,524	401,055	94,755	53,311	73,667	57,879	177,944	2,334,150
Jan. 21.	128,407	801,711	135,248	169,697	114,335	114,029	372,755	93,854	50,211	73,667	57,535	165,444	2,276,893
Jan. 28.	117,907	803,920	123,048	158,697	109,335	110,795	357,055	91,954	50,016	73,666	57,014	169,444	2,222,851
Excess amount held—													
Jan. 7.	10,573	159,749	4,727	36,071	4,641	14,053	50,586	6,790	21,084	38,352	12,093	1,063	359,782
Jan. 14.	5,040	78,494	2,991	21,048	3,553	14,701	36,876	7,246	12,963	36,207	11,648	1,649	232,416
Jan. 21.	23,527	113,597	8,083	11,388	1,111	15,549	51,094	11,399	23,612	39,173	12,452	9,776	321,061
Jan. 28.	28,912	106,717	6,066	26,970	5,321	17,258	43,594	7,829	27,721	36,118	11,721	6,456	324,683
Total resources:													
Jan. 7.	725,929	2,379,387	600,299	806,161	356,420	451,365	1,417,666	338,360	191,891	276,664	194,679	663,683	8,402,504
Jan. 14.	705,726	2,297,536	591,507	774,812	347,432	444,742	1,366,868	331,674	181,369	269,841	190,268	654,991	8,156,766
Jan. 21.	714,507	2,331,999	588,781	752,876	346,197	440,705	1,360,684	331,027	187,984	270,133	187,331	669,914	8,182,138
Jan. 28.	712,824	2,309,649	578,206	759,812	347,232	437,687	1,327,268	324,651	190,490	264,628	181,980	657,392	8,091,819
LIABILITIES.													
Net amount of Federal Reserve notes received from Comptroller of the Currency:													
Jan. 7.	420,518	1,190,819	314,301	407,485	189,154	257,211	750,100	178,175	90,486	121,366	98,113	346,970	4,364,698
Jan. 14.	415,883	1,193,521	309,603	402,102	186,439	254,098	736,586	176,054	89,733	119,572	96,790	344,261	4,324,642
Jan. 21.	410,780	1,193,201	304,269	395,964	186,372	251,353	725,535	173,404	88,016	118,235	95,592	355,159	4,297,880
Jan. 28.	404,966	1,190,966	298,590	391,641	183,785	248,757	715,427	171,251	87,312	117,010	93,542	352,558	4,255,835
Collateral received from Federal Reserve Bank:													
Gold—													
Jan. 7.	131,531	238,868	136,214	177,348	51,600	62,132	205,864	53,841	25,115	40,189	25,714	116,346	1,264,762
Jan. 14.	131,896	238,063	143,516	176,964	47,885	60,419	192,351	53,619	25,362	40,395	23,951	131,137	1,265,558
Jan. 21.	151,793	223,490	141,181	175,827	44,379	59,474	211,300	52,370	26,145	39,058	21,752	139,535	1,286,304
Jan. 28.	161,009	208,046	150,502	182,504	48,791	60,877	211,192	53,617	25,441	37,834	19,703	128,934	1,288,450
Eligible paper—													
Jan. 7.	173,880	949,700	149,784	221,328	115,666	132,022	461,702	106,344	76,290	115,109	70,852	200,367	2,773,044
Jan. 14.	157,947	865,952	138,388	195,746	113,108	130,225	437,931	102,001	66,274	109,874	69,527	179,593	2,566,566
Jan. 21.	151,934	915,308	143,331	181,085	115,446	129,878	423,849	105,253	73,823	112,840	69,987	175,220	2,597,954
Jan. 28.	146,819	910,637	129,114	185,667	114,656	128,053	400,649	99,783	77,737	109,784	68,735	175,900	2,547,534
Total liabilities:													
Jan. 7.	725,929	2,379,387	600,299	806,161	356,420	451,365	1,417,666	338,360	191,891	276,664	194,679	663,683	8,402,504
Jan. 14.	705,726	2,297,536	591,507	774,812	347,432	444,742	1,366,868	331,674	181,369	269,841	190,268	654,991	8,156,766
Jan. 21.	714,507	2,331,999	588,781	752,876	346,197	440,705	1,360,684	331,027	187,984	270,133	187,331	669,914	8,182,138
Jan. 28.	712,824	2,309,649	578,206	759,812	347,232	437,687	1,327,268	324,651	190,490	264,628	181,980	657,392	8,091,819

Interdistrict movement of Federal Reserve notes during 1920, with totals for three preceding years.

[In thousands of dollars.]

Federal Reserve Bank.	Boston.		New York.		Philadelphia.		Cleveland.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....			59,214	72,684	6,893	6,453	4,020	2,298
New York.....	72,012	59,550			71,720	63,405	54,278	20,088
Philadelphia.....	6,208	7,049	56,467	77,548			14,117	11,229
Cleveland.....	2,777	3,996	23,655	54,227	14,319	14,623		
Richmond.....	3,741	3,474	16,953	29,456	12,144	11,899	8,946	6,340
Atlanta.....	2,313	2,944	14,149	19,925	3,218	4,159	6,271	3,330
Chicago.....	5,581	6,609	28,409	58,505	6,331	7,453	25,079	19,573
St. Louis.....	1,478	1,066	8,609	7,963	2,008	1,551	9,269	2,408
Minneapolis.....	505	807	2,598	3,954	501	639	1,211	1,160
Kansas City.....	803	1,126	4,963	7,046	1,010	1,388	2,377	1,873
Dallas.....	597	1,406	4,826	7,408	903	1,527	1,505	1,522
San Francisco.....	2,277	1,497	12,048	17,908	2,162	1,455	3,457	1,151
Total, 1920.....	98,292	89,584	231,891	358,604	121,209	114,442	130,566	71,032
Total, 1919.....	62,719	90,291	235,408	282,083	78,300	94,525	96,675	64,564
Total, 1918.....	21,660	37,932	118,050	118,629	39,531	62,355	40,366	21,249
Total, 1917.....	4,279	12,013	29,997	24,800	8,097	14,961	5,176	2,534

Federal Reserve Bank.	Richmond.		Atlanta.		Chicago.		St. Louis.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	3,484	3,690	2,925	2,220	6,631	5,571	1,070	1,473
New York.....	29,574	16,768	19,780	14,005	58,740	28,264	8,004	8,641
Philadelphia.....	11,355	12,487	4,152	3,031	7,164	6,529	1,377	2,168
Cleveland.....	8,007	8,818	3,946	6,050	21,777	25,263	3,092	9,380
Richmond.....			13,037	8,184	6,530	4,293	2,229	2,276
Atlanta.....	8,621	12,847			8,976	6,363	12,207	9,451
Chicago.....	4,333	6,387	6,408	8,280			14,977	37,721
St. Louis.....	2,298	2,161	9,420	12,320	37,458	14,926		
Minneapolis.....	348	644	479	759	16,411	21,831	933	1,907
Kansas City.....	998	2,444	1,843	1,870	14,836	12,367	8,109	11,355
Dallas.....	825	3,052	4,890	5,401	4,760	3,832	4,762	8,418
San Francisco.....	1,610	696	2,835	1,217	14,288	9,989	2,834	2,880
Total, 1920.....	71,453	69,994	69,715	63,337	197,571	139,230	59,594	95,670
Total, 1919.....	70,806	72,911	58,397	54,621	149,978	129,606	50,470	75,559
Total, 1918.....	31,114	26,603	21,108	20,439	49,708	51,456	15,020	37,558
Total, 1917.....	6,450	2,085	6,211	4,650	5,129	15,268	3,345	7,980

Federal Reserve Bank.	Minneapolis.		Kansas City.		Dallas.		San Francisco.		Total, 1920.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	805	490	1,162	796	1,467	589	1,579	2,460	89,256	98,724
New York.....	5,954	2,605	7,040	4,940	7,267	4,424	17,799	12,639	352,168	235,329
Philadelphia.....	634	504	1,392	1,021	1,627	739	1,338	2,321	105,831	124,626
Cleveland.....	1,466	1,222	2,390	2,407	1,696	1,393	1,306	3,616	84,431	130,995
Richmond.....	648	347	2,441	877	3,061	769	712	1,637	70,442	69,442
Atlanta.....	752	488	1,947	1,873	5,290	4,671	1,247	2,872	64,991	68,923
Chicago.....	21,853	16,397	12,458	15,043	3,847	4,431	10,341	14,534	139,617	194,913
St. Louis.....	1,899	939	11,463	8,204	8,273	4,559	2,878	2,879	95,053	59,036
Minneapolis.....			2,362	3,206	404	591	3,849	5,001	29,601	42,501
Kansas City.....	3,191	2,396			6,374	6,007	5,933	7,282	51,037	55,154
Dallas.....	634	439	6,741	7,101			5,645	4,351	36,088	44,517
San Francisco.....	4,949	3,447	7,247	5,997	4,299	4,610			58,036	50,847
Total, 1920.....	42,785	29,274	56,643	51,465	44,205	32,783	52,627	59,592	1,176,551	1,175,007
Total, 1919.....	39,607	29,704	51,607	39,802	24,765	18,174	42,391	35,267	961,123	987,107
Total, 1918.....	14,296	9,115	33,604	6,321	11,084	11,855	15,583	5,095	411,124	408,607
Total, 1917.....	5,538	1,351	7,783	1,119	5,765	3,507	4,356	1,843	92,096	92,106

OPERATIONS OF THE FEDERAL RESERVE CLEARING SYSTEM FROM DEC 16, 1920, TO JAN. 15, 1921.

[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 branches.		Items forwarded to parent bank or branch in same district.	
	Located in Federal Reserve Bank and branch cities.		Located outside Federal Reserve Bank and branch cities.		Number. Amount.		Number. Amount.		Number. Amount.		Number. Amount.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.
Boston.....	683,801	655,387	3,087,256	430,777	150,080	24,191	3,921,137	1,111,355	150,201	62,840		
New York.....	1,171,683	2,095,263	4,433,019	1,211,155	1,239,898	157,397	6,844,600	3,463,815	971,603	529,312	23,685	6,612
Buffalo.....	175,305	102,216	367,110	51,040	14,306	1,396	556,721	154,652	134,768	23,762	31,903	22,223
Philadelphia.....	1,583,694	850,189	2,070,573	262,047	206,657	29,473	3,860,924	1,141,709	835,757	193,520		
Cleveland.....	318,260	242,320	1,167,897	175,456	55,982	6,726	1,542,139	424,502	51,889	33,934	34,807	15,101
Cincinnati.....	163,087	143,370	774,460	87,058	52,727	4,091	+990,274	234,519	18,902	20,381	12,072	4,642
Pittsburgh.....	332,505	348,754	874,868	119,678	50,743	6,785	1,258,116	475,217	65,342	47,929	33,824	6,922
Richmond.....	101,233	148,989	2,180,806	319,527	50,539	6,775	2,332,578	475,291	146,748	71,614	52,330	16,683
Baltimore.....	219,338	172,112	669,751	82,650	52,200	8,368	941,289	263,130	116,688	69,053	84,106	12,036
Atlanta.....	104,775	65,266	289,819	49,246	25,776	6,562	420,370	121,074	48,422	21,795	47,179	8,628
Birmingham.....	45,770	20,312	133,153	10,837	14,664	1,156	193,587	32,305	18,349	11,573	26,735	44,757
Jacksonville.....	21,785	24,611	145,224	18,440	9,115	840	176,124	43,891	21,836	6,320	4,316	1,650
Nashville.....	47,139	31,645	207,066	22,753	12,472	1,920	266,677	56,318	29,783	6,350	11,583	1,565
New Orleans.....	58,906	56,522	100,033	15,855	23,463	3,633	182,402	76,010	45,619	11,887	6,867	974
Chicago.....	837,663	682,550	3,343,321	345,096	405,311	38,205	4,588,295	1,065,851	299,146	36,711	7,299	4,582
Detroit.....	232,763	177,599	373,724	42,178	32,463	2,008	638,950	222,385	10,154	11,175	6,372	2,349
St. Louis.....	257,215	251,365	1,273,810	93,229	114,050	12,069	1,645,075	356,663	24,288	5,118	8,285	1,391
Little Rock.....	43,392	23,431	277,064	17,347	6,230	1,804	326,686	42,582	7,502	1,517	28,438	3,851
Louisville.....	83,645	60,472	365,375	25,181	26,003	4,725	477,023	90,378	8,737	1,426	3,268	365
Memphis.....	68,002	32,529	145,082	11,770	7,783	2,268	220,867	46,567	1,942	636	2,727	643
Minneapolis.....	278,397	138,844	1,611,046	103,499	52,378	6,146	1,941,821	248,489	111,422	32,018		
Kansas City.....	219,326	278,384	2,162,649	132,508	91,370	7,869	2,473,345	418,761	291,927	61,222	96,439	19,422
Denver.....	83,191	52,962	326,912	24,012	18,951	2,005	429,054	78,979	75,507	21,258	38,872	13,327
Oklahoma City.....	57,782	62,687	931,344	93,160	13,625	1,390	992,751	156,237	49,136	9,894	19,099	14,319
Omaha.....	88,110	53,388	508,295	36,336	42,939	3,206	639,344	92,930	40,276	7,420	18,147	6,440
Dallas.....	134,312	70,304	1,631,638	244,494	25,760	3,750	1,791,710	318,548	85,959	33,118	48,147	7,947
El Paso.....	42,777	11,045	129,830	12,167	14,372	3,307	186,979	26,519	19,219	8,048	13,700	2,218
Houston.....	64,597	42,404	314,914	43,178	98,702	1,865	478,213	87,447	23,831	18,032	8,177	2,231
San Francisco.....	152,053	110,097	404,100	35,850	69,009	107,585	625,162	253,532	32,511	4,148	44,939	7,195
Los Angeles.....	241,687	109,709	939,160	71,264	28,579	13,471	1,209,426	191,444	112,938	14,478	48,144	13,378
Portland.....	55,982	34,900	201,991	13,024	17,372	9,964	275,345	57,888	3,856	1,459	27,411	4,587
Salt Lake City.....	61,806	37,937	422,789	49,294	13,401	3,528	497,996	90,759	12,476	19,547	10,262	8,576
Seattle.....	82,513	35,930	210,268	16,382	26,507	11,937	299,288	67,249	17,740	4,239	34,587	6,498
Spokane.....	34,258	19,762	182,273	16,718	10,183	1,049	226,714	37,529	9,352	2,201	18,443	5,615
Total:												
Dec. 16, 1920 to Jan. 15, 1921.....	8,128,752	4,283,206	32,256,620	4,283,206	3,063,610	497,064	43,448,982	12,024,525	3,893,821	1,403,971	852,213	266,757
Nov. 16 to Dec. 15, 1920.....	7,590,783	7,174,087	31,491,522	4,430,849	2,675,292	486,043	41,757,597	12,090,979	3,987,632	1,538,909	858,333	278,625
Dec. 16, 1919, to Jan. 15, 1920.....	6,667,049	8,083,973	24,545,481	5,214,411	1,990,362	743,821	33,202,892	14,042,205	3,383,255	1,691,453	763,149	322,700

Federal Reserve Bank.	Number of member banks in district Jan. 15.		Number of nonmember banks on par list Jan. 15.		Number of incorporated banks other than mutual savings banks not on par list Jan. 15.	
	1921	1920	1921	1920	1921	1920
Boston.....	437	431	256	247		
New York.....	784	758	328	325		
Philadelphia.....	698	681	441	415		
Cleveland.....	869	843	1,080	1,085		
Richmond.....	611	596	1,261	508	339	984
Atlanta.....	464	428	409	425	1,178	1,148
Chicago.....	1,420	1,375	4,259	3,897		293
St. Louis.....	571	538	2,523	2,357	188	317
Minneapolis.....	1,009	923	2,875	2,212		717
Kansas City.....	1,090	1,040	3,392	3,350		
Dallas.....	849	759	1,254	1,225		
San Francisco.....	835	727	1,023	939		107
Total.....	9,637	9,089	19,101	16,985	1,705	3,566

¹ Covers period of Jan. 3 to 15 only.

² Includes 7,082 items, amounting to \$1,776,000 forwarded direct to member banks in other Federal Reserve districts.

³ Includes 7,344 items, amounting to \$2,100,000 forwarded direct to member banks in other Federal Reserve districts.

⁴ Includes 5,395 items, amounting to \$2,451,000 forwarded direct to member banks in other Federal Reserve districts.

NOTE.—The number of business days in period was 25 in all Federal Reserve Bank and branch cities except New Orleans, where the number was 24.

CONDITION OF MEMBER BANKS IN LEADING CITIES.

For the four-week period, December 24-January 21, the reporting member banks show liquidation of 253 millions of total loans and investments, accompanied by a reduction of 240 millions in borrowings from the Federal Reserve Banks. At the same time net demand deposits increased by about 100 millions and time deposits by 129 millions, while Government deposits declined by 134 millions.

Principal resources and liabilities of the reporting member banks on each Friday from December 24 to January 21 are shown in the following table:

Resources and liabilities of member banks in leading cities on Fridays from Dec. 24, 1920, to Jan. 21, 1921.

[In millions of dollars.]

	Dec. 24.	Dec. 31.	Jan. 7.	Jan. 14.	Jan. 21.
Number of reporting banks...	824	821	829	830	829
Loans and discounts:					
Loans secured by United States Government obligations ¹	889	909	869	835	828
Loans secured by stocks and bonds (other than United States securities)	3,127	3,176	3,108	3,067	3,083
All other loans and discounts ²	(²)	(²)	9,326	9,234	9,175
Total loans and discounts ³	(²)	(²)	13,303	13,136	13,086
United States bonds.....	903	911	878	870	871
United States Victory notes.....	202	209	206	201	204
United States certificates of indebtedness.....	311	271	228	222	277
Other bonds, stocks, and securities.....	(²)	(²)	1,988	2,011	2,001
Other loans and investments.....	11,260	11,274	(²)	(²)	(²)
Total loans and discounts and investments ¹	16,692	16,750	16,603	16,440	16,439
Reserve balance with Federal Reserve Bank.....	1,334	1,358	1,357	1,317	1,334
Cash in vault.....	356	355	389	369	345
Net demand deposits.....	10,634	10,942	10,938	10,919	10,754
Time deposits.....	2,789	2,852	2,909	2,933	2,918
Government deposits.....	344	262	119	78	210
Bills discounted and rediscounted with Federal Reserve Bank, total.....	2,174	2,098	2,050	1,894	1,934
Secured by United States Government obligations.....	899	878	843	766	800
All others.....	1,275	1,220	1,207	1,128	1,134

¹ Including bills rediscounted with Federal Reserve Banks.

² Comparable figures not available.

³ Subdivided into: "All other loans and discounts" and "other bonds, stocks, and securities."

Beginning with the first Friday of the new year, the reports from member banks are given in somewhat modified form, which, it is believed, will enhance their usefulness. Item "Bonds to secure circulation," which continues practically without change from week to week at approximately 270 millions, has been consolidated with item "United States bonds,

including Liberty bonds," under the general caption "United States bonds"; item "Loans secured by United States war obligations" has been changed to "Loans secured by United States Government obligations." More important is the subdivision of item "All other loans and investments" into "All other loans and discounts" and "Other bonds, stocks, and securities." This segregation makes it possible to show for the first time the total loans and discounts of reporting member banks, also to approximate more closely the amount of commercial paper held by these banks, while the item "Other bonds, stocks, and securities" gives a measure of the amount of corporate and other securities owned by the reporting banks. The following statement shows the absolute amount and the relative importance of the principal asset items as shown for the three Fridays of 1921:

	Amount (in millions).			Per cent of total loans and discounts, and investments.		
	Jan. 7.	Jan. 14.	Jan. 21.	Jan. 7.	Jan. 14.	Jan. 21.
Total loans and discounts, and investments.....	16,603	16,440	16,439	100.0	100.0	100.0
Loans and discounts, total.....	13,303	13,136	13,086	80.1	79.9	79.6
Secured by United States Government obligations.....	869	835	828	5.2	5.1	5.0
Secured by stocks and bonds.....	3,108	3,067	3,083	18.7	18.7	18.8
All other.....	9,326	9,234	9,175	56.2	56.1	55.8
Investments, total.....	3,300	3,304	3,353	19.9	20.1	20.4
United States bonds and Victory notes.....	1,084	1,071	1,075	6.5	6.5	6.5
United States certificates of indebtedness.....	228	222	277	1.4	1.4	1.7
Other bonds, stocks, and securities.....	1,988	2,011	2,001	12.0	12.2	12.2

Of the banks' total earning assets, as measured by their loans, discounts, and investments, about 80 per cent are loans and about 20 per cent are investments. Of the loans and discounts, by far the largest item is "All other loans and discounts," composed chiefly of commercial paper. This item is in excess of 9 billions and constitutes more than 55 per cent of the banks' total earning assets. Loans secured by stocks and bonds are over 3 billions, or between 18 and 19 per cent of the total, while loans secured by Government obligations are about 5 per cent of total earning assets. In the investment block, "Other bonds, stocks, and securities" amount to about 2 billions, compared with between about 1,300 and 1,400 millions of Government securities. The 2 bil-

lions of other stocks, bonds, and securities, held by reporting member banks on January 21 are to be compared with 3,168 millions of this class of investments held by all member banks on November 15, indicating roughly that about two-thirds of the stocks, bonds, and securities held by member banks are among the assets of the member banks in leading cities from which weekly reports are received.

Turning to a more detailed discussion of developments during the four-week period under review, it appears that the changes for the last week of the past year were essentially different from those for the first three weeks of the present year. The week ending December 31 saw an increase in all classes of loans, due largely to the usual end-of-year resumption of borrowings, and a more than commensurate increase in demand and time deposits, caused apparently by the return flow of currency, which swelled the deposits of the banks' customers and was passed on by the member banks to the Federal Reserve Banks, thereby reducing the outstanding amount of accommodation carried by the latter. For the same week, there is noted an increase of about 15 millions in the reporting banks' holdings of United States bonds and Victory notes, due apparently to purchases from customers desirous to establish losses for income-tax purposes.

During the subsequent three weeks liquidation of loans and investments was practically continuous, affecting all specified classes of loans and investments, except Treasury certificates. United States bond and Victory note holdings show a reduction since December 31 of about 45 millions, while holdings of Treasury certificates show a continuous decline by about 89 millions during the first three weeks of the period under review, largely during the first week in January, when about 135 millions of outstanding certificates matured, and an increase of 55 millions during the fourth week which witnessed the redemption of about 125 millions of certificates matured on January 15 and the allotment on that date of about 310 millions of new loan certificates. Loans secured

by United States Government obligations, after an increase by about 20 millions during the last week in 1920, declined by about 81 millions during the subsequent three weeks; loans supported by corporate securities show a similar course, and at the close of the period were 44 millions less than four weeks before, while other loans and discounts show considerable net liquidation during the last two weeks, with the result that the January 21 total is about 151 millions below the January 7 total. Total loans and investments at the close of the period stood at 16,439 millions, or about 253 millions below the total shown four weeks earlier.

Accommodation of the reporting banks at the Federal Reserve Banks during the first three weeks under review declined from 2,174 to 1,894 millions, or from about 13 to 11.5 per cent of the banks' total loans and investments. For the week ending January 21 the Federal Reserve Banks show an increase by about 40 millions in bills held under discount for the reporting institutions, the total held on that date, 1,934 millions, indicating a reduction during the four weeks of about 240 millions in borrowings from Federal Reserve Banks, a reduction slightly smaller than the net liquidation during the period of aggregate loans and investments.

Reserve balances of reporting banks with the Federal Reserve Banks show comparatively slight fluctuations, and stood at the end as at the beginning of the four weeks at about 1,334 millions.

Cash in vault increased from 356 millions on December 24 to 389 millions on January 7, but declined to 345 millions on January 21. The decrease in cash for the four weeks is thus about 11 millions, but much larger amounts of cash, mainly Federal Reserve currency, passed through the reporting member banks on their way from the general public to the Federal Reserve Banks, which curtailed the circulation of Federal Reserve notes and Federal Reserve Bank notes by over 300 millions during the period.

Principal resources and liabilities 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 Dec. 31, 1920, to Jan. 21, 1921.

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:													
Dec. 31.....	48	114	59	91	80	45	108	35	38	83	51	69	821
Jan. 7.....	49	114	59	89	84	45	115	36	35	82	52	69	829
Jan. 14.....	49	114	59	89	84	45	115	37	35	82	52	69	830
Jan. 21.....	49	114	59	89	84	44	115	37	35	82	52	69	829
Loans secured by United States Government obligations, including bills rediscounted with Federal Reserve Bank:													
Dec. 31.....	50,241	438,909	77,216	71,879	28,403	29,555	97,040	26,840	15,285	28,609	10,268	34,663	908,908
Jan. 7.....	48,067	414,617	76,385	69,461	28,576	25,872	90,655	27,623	16,112	26,955	10,788	34,048	869,159
Jan. 14.....	47,587	392,089	76,074	67,083	29,441	26,501	87,459	26,911	15,056	25,058	9,638	31,919	834,816
Jan. 21.....	46,803	381,465	74,811	66,405	28,390	26,338	94,997	26,943	14,782	25,053	9,843	32,534	828,364
Loans secured by stocks and bonds (other than United States securities):													
Dec. 31.....	204,128	1,377,299	202,862	338,875	112,619	59,381	450,240	126,445	36,801	80,008	38,512	148,733	3,175,906
Jan. 7.....	193,333	1,328,396	198,042	335,313	113,141	59,973	451,379	121,947	37,238	77,079	39,165	152,879	3,107,885
Jan. 14.....	193,463	1,290,666	191,365	339,183	113,049	60,970	448,186	123,590	37,847	77,747	38,655	152,943	3,067,664
Jan. 21.....	189,878	1,311,082	196,059	343,036	111,270	60,000	440,671	122,086	39,002	79,190	38,250	152,196	3,082,720
All other loans and discounts, including bills rediscounted with Federal Reserve Bank:													
Dec. 31.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Jan. 7.....	692,280	3,246,960	407,412	706,003	345,900	366,822	1,437,754	357,525	255,262	432,437	238,398	839,672	9,326,425
Jan. 14.....	681,140	3,236,225	409,841	708,339	340,585	355,265	1,416,454	362,366	247,776	424,891	236,006	815,114	9,234,002
Jan. 21.....	672,284	3,224,234	405,287	717,770	337,385	355,285	1,403,672	357,927	244,286	414,089	233,162	809,267	9,174,648
Total loans and discounts, including bills rediscounted with Federal Reserve Bank:													
Dec. 31.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Jan. 7.....	933,680	4,989,973	681,839	1,110,777	487,617	452,667	1,979,788	507,005	308,612	536,471	288,351	1,026,599	13,303,469
Jan. 14.....	922,190	4,918,980	677,280	1,114,605	483,075	442,736	1,952,099	512,867	300,679	527,696	284,298	999,976	13,136,482
Jan. 21.....	908,965	4,916,781	676,157	1,127,211	477,045	441,623	1,939,340	506,956	298,070	518,332	281,255	993,997	13,085,732
United States bonds:													
Dec. 31.....	33,434	307,464	44,907	101,604	33,872	42,589	85,604	30,476	17,585	39,702	41,128	102,325	910,690
Jan. 7.....	33,230	302,065	45,283	100,727	60,924	41,990	80,656	29,207	16,317	36,563	36,927	94,592	878,481
Jan. 14.....	33,184	300,070	44,905	97,654	59,238	40,307	78,507	29,224	16,116	36,360	36,360	99,739	869,885
Jan. 21.....	32,434	297,032	44,947	97,796	65,595	40,288	80,075	27,966	16,237	35,279	36,774	96,681	871,104
United States Victory notes:													
Dec. 31.....	5,864	97,612	12,170	19,511	7,543	4,398	32,426	2,873	1,042	5,462	2,755	17,423	209,079
Jan. 7.....	6,003	93,234	11,342	20,060	7,692	4,426	33,771	2,422	1,085	4,869	3,017	17,651	205,572
Jan. 14.....	6,005	90,547	11,189	20,199	7,681	4,362	33,991	2,352	1,360	4,999	2,927	15,629	201,241
Jan. 21.....	6,006	91,618	11,288	20,443	7,677	4,292	33,981	2,908	1,351	4,922	2,942	17,025	204,433
United States certificates of indebtedness:													
Dec. 31.....	18,115	146,686	15,099	16,502	7,313	3,140	34,447	4,150	1,677	6,498	2,254	15,718	271,599
Jan. 7.....	15,609	130,021	12,447	13,460	5,910	2,447	25,326	2,374	1,283	5,257	1,839	11,582	227,555
Jan. 14.....	13,692	128,271	11,810	11,835	5,313	2,654	26,043	1,974	505	5,936	1,951	12,116	222,100
Jan. 21.....	19,860	148,072	18,477	17,949	7,096	2,481	33,991	3,295	3,017	6,240	2,049	13,564	277,091
Other bonds, stocks, and securities:													
Dec. 31.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Jan. 7.....	125,978	737,683	155,295	278,787	45,331	35,956	287,300	64,036	20,092	56,090	11,100	170,231	1,987,879
Jan. 14.....	128,639	731,469	157,517	287,637	47,145	36,402	298,219	65,221	19,646	55,504	10,563	172,788	2,010,760
Jan. 21.....	128,948	733,015	155,257	280,282	46,651	36,632	298,740	65,468	19,557	54,640	10,804	171,020	2,001,014
Total loans and discounts, and investments, including bills rediscounted with Federal Reserve Bank:													
Dec. 31.....	1,110,511	6,340,035	913,785	1,547,840	614,060	552,573	2,449,980	576,532	350,925	647,443	343,949	1,302,855	16,750,488
Jan. 7.....	1,114,500	6,252,976	906,206	1,523,811	607,474	537,486	2,406,841	605,134	347,389	639,250	341,234	1,320,655	16,602,956
Jan. 14.....	1,103,710	6,169,337	902,701	1,531,930	602,452	526,461	2,388,859	611,638	338,306	628,726	336,100	1,300,258	16,440,478
Jan. 21.....	1,096,213	6,186,518	906,126	1,543,681	604,064	525,316	2,386,127	607,593	338,212	619,413	333,824	1,292,287	16,439,374
Reserve balance with Federal Reserve Bank:													
Dec. 31.....	77,180	648,885	69,918	99,420	34,544	28,678	184,918	42,235	20,689	45,570	24,465	81,167	1,357,669
Jan. 7.....	79,684	634,756	71,089	102,291	34,191	30,710	190,004	44,379	20,654	49,931	21,210	77,744	1,356,643
Jan. 14.....	79,993	621,002	63,907	99,454	35,061	29,736	187,290	43,014	19,132	43,981	22,748	71,751	1,317,069
Jan. 21.....	81,085	626,600	66,335	103,379	34,196	29,280	182,930	43,718	19,397	46,040	22,620	78,346	1,333,926
Cash in vault:													
Dec. 31.....	23,975	115,352	19,549	35,525	17,373	14,675	62,048	8,207	8,299	14,001	10,791	24,740	354,535
Jan. 7.....	26,276	126,985	19,496	40,251	21,057	13,338	65,442	10,245	8,861	16,954	11,497	28,249	388,651
Jan. 14.....	24,595	125,025	18,405	36,380	17,491	13,402	60,838	9,903	8,637	14,819	11,505	28,141	369,141
Jan. 21.....	23,241	107,809	18,209	36,602	17,466	12,120	58,845	10,138	8,205	14,620	11,008	27,030	345,293
Net demand deposits:													
Dec. 31.....	782,719	4,995,337	661,765	891,407	331,750	246,999	1,309,934	310,887	185,745	393,621	215,259	616,424	10,941,847
Jan. 7.....	784,417	4,953,577	672,893	897,603	340,129	237,691	1,321,867	325,494	187,307	398,574	212,591	606,227	10,938,370
Jan. 14.....	783,568	4,895,677	661,756	908,435	332,965	243,481	1,340,235	332,698	187,780	400,281	213,907	618,276	10,919,059
Jan. 21.....	777,235	4,803,478	659,871	906,050	330,654	237,029	1,299,983	329,579	185,825	400,341	209,467	614,698	10,754,180

1 Comparable figures not available.

Principal resources and liabilities 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 Dec. 31, 1920, to Jan. 21, 1921—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.
Time deposits:													
Dec. 31.....	160,446	441,378	37,029	403,930	108,192	147,260	651,555	130,927	70,880	100,462	58,229	541,969	2,852,257
Jan. 7.....	170,751	470,704	36,976	403,957	108,531	147,604	663,609	137,553	69,814	98,388	59,257	541,771	2,908,915
Jan. 14.....	172,871	477,141	37,003	403,134	113,009	146,684	662,310	147,760	70,007	110,708	59,712	533,091	2,933,430
Jan. 21.....	171,884	456,944	38,206	429,193	114,199	144,727	660,611	141,261	70,053	99,393	58,748	532,963	2,918,182
Government deposits:													
Dec. 31.....	21,317	130,621	20,659	36,020	5,960	2,159	21,381	5,947	3,445	4,148	1,363	9,244	262,264
Jan. 7.....	9,484	58,087	9,167	17,344	2,782	1,250	9,515	2,983	1,507	1,847	602	4,044	118,612
Jan. 14.....	6,451	39,588	6,227	11,394	1,806	735	6,118	1,508	874	629	396	2,729	78,455
Jan. 21.....	20,653	108,840	19,628	15,176	3,186	2,057	19,666	5,760	4,605	4,093	1,572	5,083	210,319
Bills payable with Federal Reserve Bank:													
Secured by United States Government obligations—													
Dec. 31.....	30,318	301,235	45,380	38,124	29,111	28,787	71,155	20,840	7,759	21,087	11,829	23,775	629,410
Jan. 7.....	25,788	283,379	43,601	34,741	23,628	30,470	66,880	17,579	6,383	21,441	12,608	27,096	593,594
Jan. 14.....	19,525	255,136	46,255	25,699	24,150	29,841	66,573	16,515	6,408	16,326	10,686	22,489	539,603
Jan. 21.....	31,142	276,924	44,238	27,089	26,699	28,743	71,309	19,311	6,307	17,651	11,361	17,720	578,494
All other—													
Dec. 31.....				36		72	4,110		1,063	670		100	6,051
Jan. 7.....				36		40	1,100		489	60	130	335	2,190
Jan. 14.....				36		85			1,208		19	75	1,414
Jan. 21.....				36		105			1,224		10		1,375
Bills rediscounted with Federal Reserve Bank:													
Secured by United States Government obligations—													
Dec. 31.....	19,558	124,324	37,813	10,991	3,517	9,183	21,033	5,736	1,969	6,582	1,678	6,466	248,850
Jan. 7.....	19,774	123,106	38,451	12,048	3,373	8,707	20,021	5,637	2,146	6,295	2,397	7,515	249,470
Jan. 14.....	19,558	110,337	33,845	11,032	3,885	8,540	19,117	5,261	1,283	5,559	1,934	6,200	226,501
Jan. 21.....	16,907	105,300	34,799	11,637	2,642	8,968	20,286	5,802	1,288	4,930	1,629	6,965	221,173
All other—													
Dec. 31.....	79,659	406,223	38,750	56,348	42,844	65,651	260,978	51,067	45,271	66,421	21,124	79,406	1,213,742
Jan. 7.....	75,011	429,540	27,984	63,135	43,546	60,302	233,858	51,093	45,872	64,697	27,420	82,155	1,204,613
Jan. 14.....	70,493	403,843	30,332	62,879	40,577	53,234	217,976	50,684	38,690	57,177	26,757	74,306	1,126,948
Jan. 21.....	54,561	460,496	24,573	61,178	39,103	52,005	208,321	50,091	37,141	51,000	23,186	71,014	1,132,669

2. MEMBER BANKS IN FEDERAL RESERVE BANK CITIES.

Number of reporting banks:													
Dec. 31.....	24	72	44	11	9	8	51	13	11	19	8	15	285
Jan. 7.....	25	72	44	10	10	8	52	13	10	19	8	15	286
Jan. 14.....	25	72	44	10	10	8	52	13	10	19	8	15	286
Jan. 21.....	25	72	44	10	10	8	52	13	10	19	8	15	286
Loans secured by United States Government obligations, including bills rediscounted with Federal Reserve Bank:													
Dec. 31.....	42,488	412,504	74,327	19,964	7,271	5,498	67,313	14,578	9,577	10,665	2,336	17,755	684,271
Jan. 7.....	40,627	387,264	73,468	20,404	7,065	3,898	65,628	14,631	9,565	9,158	2,595	16,474	650,777
Jan. 14.....	40,202	365,225	73,222	19,059	7,056	3,959	60,848	14,201	9,414	8,205	1,953	14,482	617,826
Jan. 21.....	39,830	354,463	71,925	19,232	6,805	4,099	67,080	14,016	9,248	8,300	2,341	14,719	612,058
Loans secured by stocks and bonds (other than United States securities):													
Dec. 31.....	159,074	1,222,880	183,388	127,795	14,819	7,278	337,054	87,801	20,622	34,119	9,812	68,521	2,273,163
Jan. 7.....	147,343	1,166,744	178,941	123,421	16,845	10,016	328,483	87,717	21,279	31,858	9,717	69,399	2,191,763
Jan. 14.....	146,583	1,131,969	172,374	121,992	16,844	10,145	326,223	88,873	21,713	31,960	9,378	71,229	2,149,283
Jan. 21.....	143,104	1,146,545	177,217	129,782	15,870	9,104	318,081	87,300	22,255	31,848	9,136	70,082	2,160,324
All other loans and discounts, including bills rediscounted with Federal Reserve Bank:													
Dec. 31.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Jan. 7.....	545,443	2,933,846	368,256	255,960	73,122	62,078	887,841	233,891	120,658	156,215	67,252	415,244	6,119,806
Jan. 14.....	535,601	2,920,770	370,592	263,095	71,909	59,325	881,340	233,510	117,665	148,310	66,148	401,806	6,073,041
Jan. 21.....	525,592	2,910,890	368,526	273,506	71,278	59,848	879,064	230,263	116,078	146,872	64,752	398,874	6,045,513
Total loans and discounts, including bills rediscounted with Federal Reserve Bank:													
Dec. 31.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Jan. 7.....	733,413	4,487,854	620,663	399,785	97,032	75,992	1,281,952	336,239	151,502	197,231	79,564	501,117	8,962,346
Jan. 14.....	722,386	4,417,964	616,158	404,146	95,809	73,429	1,271,411	336,584	148,792	188,475	77,479	487,517	8,840,150
Jan. 21.....	708,526	4,111,898	617,668	422,520	93,953	73,051	1,264,225	331,579	147,581	187,020	76,223	483,675	8,817,925
United States bonds:													
Dec. 31.....	9,096	263,912	33,312	7,231	7,387	4,578	21,284	15,504	4,828	14,725	11,132	59,733	452,722
Jan. 7.....	9,630	260,133	33,370	8,336	7,271	4,587	18,027	14,245	4,821	11,770	8,575	55,711	436,506
Jan. 14.....	9,537	258,107	33,010	7,358	7,344	4,589	15,993	14,143	4,550	10,710	8,400	58,465	432,206
Jan. 21.....	9,742	254,914	33,057	9,547	7,336	4,589	17,766	13,076	4,637	11,535	8,349	56,554	431,152

1 Comparable figures not available.

Principal resources and liabilities 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 Dec. 31, 1920, to Jan. 21, 1921—Con.

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

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
United States Victory notes:													
Dec. 31.....	380	88,347	9,143	1,194	400	137	13,280	714	238	2,983	869	8,024	125,709
Jan. 7.....	524	84,128	8,241	2,293	182	135	12,941	335	236	2,227	851	7,322	119,415
Jan. 14.....	526	81,113	8,041	2,273	182	65	12,899	314	486	2,295	852	6,187	115,233
Jan. 21.....	525	82,088	8,093	2,321	182	66	13,091	937	486	2,257	852	7,863	118,761
United States certificates of indebtedness:													
Dec. 31.....	8,026	135,649	13,549	1,132	378	415	9,974	3,488	569	2,160	1,137	6,324	182,801
Jan. 7.....	6,898	119,376	11,090	2,003	345	465	7,981	1,991	635	1,378	1,017	4,223	157,402
Jan. 14.....	6,170	117,381	10,553	2,170	273	465	8,255	1,735	267	2,173	1,096	4,653	155,191
Jan. 21.....	13,266	137,513	16,851	1,704	386	415	10,774	3,949	2,049	2,458	1,229	5,406	196,000
Other bonds, stocks, and securities:													
Dec. 31.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Jan. 7.....	51,611	571,704	124,815	68,835	3,996	3,121	129,876	39,800	8,382	17,131	3,970	87,787	1,111,028
Jan. 14.....	51,766	559,283	127,465	70,195	3,913	3,245	133,428	41,008	8,206	16,449	3,979	93,559	1,112,496
Jan. 21.....	52,158	562,324	125,328	69,980	3,956	3,159	133,643	41,163	8,210	16,621	4,080	94,689	1,115,311
Total loans and discounts and investments, including bills rediscounted with Federal Reserve Bank:													
Dec. 31.....	801,250	5,614,773	805,155	480,264	106,997	87,119	1,489,697	378,223	169,122	236,206	86,801	644,504	10,900,111
Jan. 7.....	802,076	5,523,225	798,181	481,252	108,826	84,300	1,450,777	392,610	165,576	229,737	93,977	656,160	10,786,697
Jan. 14.....	790,385	5,433,848	795,227	486,142	107,521	81,793	1,441,986	393,784	162,301	220,102	91,806	650,381	10,655,276
Jan. 21.....	784,217	5,448,737	800,997	506,072	105,813	81,280	1,439,499	390,704	163,013	219,891	90,739	648,187	10,679,149
Reserve balance with Federal Reserve Bank:													
Dec. 31.....	60,719	604,725	62,564	24,970	4,429	4,435	134,965	30,604	10,713	14,704	6,638	37,312	996,778
Jan. 7.....	63,992	588,376	65,029	30,319	5,999	5,260	129,804	32,928	9,901	20,763	4,781	33,181	990,333
Jan. 14.....	63,588	571,559	57,167	27,489	6,347	4,169	134,741	31,640	8,859	13,247	5,254	28,455	952,515
Jan. 21.....	65,249	581,935	59,899	29,830	6,297	4,381	131,761	32,356	9,474	15,857	5,660	34,469	977,168
Cash in vault:													
Dec. 31.....	14,628	101,442	15,776	8,784	2,029	2,140	35,565	3,945	2,355	3,275	2,074	9,983	201,996
Jan. 7.....	15,964	111,669	15,697	10,069	2,328	2,352	39,618	4,738	2,700	4,761	2,022	11,400	223,318
Jan. 14.....	15,187	102,765	14,945	9,566	1,809	2,117	36,015	4,648	2,702	3,703	2,034	11,190	206,681
Jan. 21.....	14,148	95,076	14,807	9,865	1,748	2,051	34,310	4,935	2,466	3,473	2,086	10,650	195,615
Net demand deposits:													
Dec. 31.....	602,809	4,505,054	573,490	213,295	51,290	36,641	916,187	220,095	86,181	136,668	59,153	287,517	7,688,380
Jan. 7.....	604,974	4,452,621	587,567	214,112	57,560	37,081	924,722	228,002	88,164	142,964	57,062	281,648	7,676,477
Jan. 14.....	605,919	4,406,118	576,772	217,654	57,469	37,116	935,885	233,514	88,508	142,555	59,319	290,326	7,651,155
Jan. 21.....	600,496	4,307,429	576,148	214,102	54,573	36,694	911,070	228,653	86,470	142,895	56,607	289,526	7,504,663
Time deposits:													
Dec. 31.....	59,034	298,415	25,679	205,391	22,108	21,952	310,961	78,255	28,676	11,141	6,586	253,017	1,321,215
Jan. 7.....	68,753	309,322	25,418	207,658	23,087	21,559	308,232	80,880	28,070	11,161	6,825	255,925	1,346,890
Jan. 14.....	69,720	312,794	25,314	205,137	22,945	21,507	308,663	80,843	28,219	11,064	6,952	247,783	1,340,941
Jan. 21.....	68,406	292,195	26,405	230,521	23,024	21,522	307,739	81,039	28,174	11,011	7,091	248,134	1,345,351
Government deposits:													
Dec. 31.....	14,665	127,355	19,882	9,792	860	44	10,777	5,054	2,673	3,153	1,265	7,776	203,296
Jan. 7.....	6,526	50,400	8,824	4,673	383	40	4,787	2,580	1,164	1,403	560	3,451	90,791
Jan. 14.....	4,438	38,469	5,995	3,037	233	25	3,146	1,230	807	478	380	2,346	60,584
Jan. 21.....	20,324	105,139	19,378	394	371	70	7,393	5,254	3,118	3,712	1,458	4,654	171,265
Bills payable with Federal Reserve Bank:													
Secured by United States Government obligations—													
Dec. 31.....	25,745	268,794	41,602	2,640	6,333	1,141	15,805	13,240	784	11,925	2,772	15,776	406,557
Jan. 7.....	22,364	257,970	39,693	3,529	2,468	1,141	13,559	9,604	826	11,616	3,250	18,598	384,618
Jan. 14.....	15,637	228,075	43,026	4,120	2,852	941	13,825	9,253	1,201	7,352	1,445	13,951	341,678
Jan. 21.....	28,355	252,127	41,238	3,770	4,932	941	15,143	12,449	1,348	7,416	1,700	9,564	378,983
All other—													
Dec. 31.....							4,110						4,110
Jan. 7.....							1,100						1,110
Jan. 14.....													
Jan. 21.....													
Bills rediscounted with Federal Reserve Bank:													
Secured by United States Government obligations—													
Dec. 31.....	18,962	122,106	37,695	954		1,308	12,534	1,659	1,619	3,097	25	4,626	204,585
Jan. 7.....	19,337	121,148	38,333	1,147		1,067	12,288	1,418	1,179	2,928	293	5,463	204,601
Jan. 14.....	19,090	108,326	33,727	1,035		923	12,296	1,156	1,007	2,242	234	4,620	184,656
Jan. 21.....	16,505	103,244	34,681	2,123		854	12,512	1,624	992	2,090	247	5,280	180,152
All other—													
Dec. 31.....	77,302	375,022	35,816	41,442	9,076	11,811	186,874	33,597	31,735	31,957	5,148	45,403	885,183
Jan. 7.....	73,623	408,433	25,178	46,908	10,949	11,139	157,357	32,024	30,459	31,371	11,129	48,159	886,729
Jan. 14.....	69,418	382,280	27,818	48,009	9,271	7,876	148,473	29,549	26,105	27,923	11,367	43,510	831,599
Jan. 21.....	53,221	438,627	22,382	49,257	8,587	7,662	145,346	29,747	26,744	24,874	10,108	43,044	859,599

1 Comparable figures not available.

Principal resources and liabilities 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 Dec. 31, 1920, to Jan. 21, 1921—Con.

3. MEMBERS BANKS IN FEDERAL RESERVE BRANCH CITIES.

[In thousands of dollars.]

	New York district. ²	Cleveland district. ³	Richmond district. ⁴	Atlanta district. ⁵	Chicago district. ⁶	St. Louis district. ⁷	Kansas City district. ⁸	Dallas district. ⁹	San Francisco district. ¹⁰	Total.
Number of reporting banks:										
Dec. 31.....	11	40	18	22	12	18	29	13	45	208
Jan. 7.....	11	40	18	22	13	19	29	14	45	211
Jan. 14.....	11	40	18	22	13	20	29	14	45	212
Jan. 21.....	11	40	18	21	13	20	29	14	45	211
Loans secured by United States Government obligations, including bills rediscounted with Federal Reserve Bank:										
Dec. 31.....	10,487	38,835	8,104	17,136	14,376	10,988	11,364	2,890	15,680	129,860
Jan. 7.....	10,344	37,522	7,815	15,301	10,291	11,648	11,938	2,884	16,247	123,990
Jan. 14.....	10,300	36,768	8,164	15,670	12,317	11,370	11,376	2,784	16,288	125,037
Jan. 21.....	10,486	35,980	7,571	15,465	13,263	11,578	11,151	2,757	16,699	124,950
Loans secured by stocks and bonds (other than United States securities):										
Dec. 31.....	55,925	152,597	32,278	40,158	57,646	35,772	27,141	15,958	72,867	490,342
Jan. 7.....	56,115	152,856	27,784	38,377	64,311	31,523	27,143	15,969	75,086	489,164
Jan. 14.....	55,630	157,298	29,548	39,096	63,165	32,024	27,898	16,017	73,375	494,051
Jan. 21.....	56,251	154,103	29,327	38,517	62,584	32,113	29,129	15,915	74,150	492,689
All other loans and discounts, including bills rediscounted with Federal Reserve Bank:										
Dec. 31.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Jan. 7.....	110,426	308,064	100,088	222,128	230,671	111,556	162,298	68,609	389,491	1,703,331
Jan. 14.....	110,311	303,879	96,523	214,389	217,593	116,842	161,191	67,499	378,901	1,667,128
Jan. 21.....	108,770	301,783	96,127	216,865	212,594	115,606	156,310	66,886	375,964	1,650,905
Total loans and discounts, including bills rediscounted with Federal Reserve Bank:										
Dec. 31.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Jan. 7.....	176,885	498,442	135,687	275,806	305,273	154,727	201,379	87,462	480,824	2,316,485
Jan. 14.....	176,241	497,945	134,235	269,155	293,075	160,236	200,465	86,390	468,564	2,286,216
Jan. 21.....	175,507	491,866	133,025	270,847	288,441	159,297	196,590	85,558	466,813	2,267,444
United States bonds:										
Dec. 31.....	14,890	69,683	14,935	29,329	28,292	13,121	14,022	13,139	35,856	233,267
Jan. 7.....	13,631	68,334	14,721	29,062	26,849	13,058	14,006	12,971	32,201	225,373
Jan. 14.....	13,454	66,517	14,645	28,246	26,711	13,176	12,929	12,591	34,366	222,935
Jan. 21.....	13,615	66,090	14,760	28,420	26,801	13,009	12,846	12,877	33,605	222,023
Victory notes:										
Dec. 31.....	1,833	15,363	2,972	2,853	13,501	2,051	1,143	773	8,737	49,276
Jan. 7.....	1,518	14,310	3,164	3,154	14,884	2,037	1,150	822	9,667	51,206
Jan. 14.....	1,506	14,802	3,164	3,081	15,025	1,988	1,207	832	8,559	50,164
Jan. 21.....	1,605	14,956	3,165	2,820	14,927	1,919	1,144	831	8,284	49,651
United States certificates of indebtedness:										
Dec. 31.....	6,125	11,169	2,674	2,223	17,916	489	2,506	790	8,824	52,716
Jan. 7.....	5,798	8,024	2,165	1,830	11,437	235	2,272	496	7,332	39,589
Jan. 14.....	6,151	6,534	1,766	2,039	11,207	94	2,262	489	7,444	37,986
Jan. 21.....	5,897	13,360	2,227	1,760	15,544	251	2,204	489	8,140	49,872
Other bonds, stocks, and securities:										
Dec. 31.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Jan. 7.....	73,862	174,861	19,463	28,702	111,976	21,032	27,798	3,511	76,734	537,939
Jan. 14.....	75,175	181,443	20,621	28,832	120,134	21,011	28,129	3,271	74,253	552,869
Jan. 21.....	75,029	175,853	20,343	29,212	120,227	21,075	27,018	3,363	70,849	542,969
Total loans and discounts and investments, including bills rediscounted with Federal Reserve Bank:										
Dec. 31.....	278,164	788,393	177,274	348,667	472,254	175,437	246,711	110,041	606,306	3,203,247
Jan. 7.....	271,694	764,471	175,200	339,094	470,419	191,089	246,605	105,262	606,758	3,170,592
Jan. 14.....	272,527	767,241	174,431	331,353	466,152	196,505	244,992	103,783	593,186	3,150,170
Jan. 21.....	271,653	762,125	173,520	333,059	465,940	195,551	239,802	103,118	587,691	3,132,459
Reserve balance with Federal Reserve Bank:										
Dec. 31.....	16,516	56,679	12,288	17,794	24,119	10,406	16,309	8,656	40,139	202,906
Jan. 7.....	16,574	54,602	11,206	19,020	29,288	10,589	17,351	7,589	40,969	207,188
Jan. 14.....	16,923	54,534	11,757	19,741	23,016	10,379	17,227	7,511	39,448	200,536
Jan. 21.....	16,873	55,171	11,348	18,797	23,695	10,500	18,342	7,738	40,139	202,603
Cash in vault:										
Dec. 31.....	3,202	15,659	5,697	8,844	10,383	3,309	6,594	2,871	13,095	69,654
Jan. 7.....	3,290	15,205	6,034	7,096	9,487	4,435	7,494	3,013	15,010	74,064
Jan. 14.....	2,873	16,024	5,459	7,681	8,823	4,208	6,924	3,235	15,035	70,262
Jan. 21.....	2,788	15,923	5,222	6,928	8,931	4,301	7,105	2,710	14,455	68,368
Net demand deposits:										
Dec. 31.....	164,852	508,754	110,070	166,007	176,842	80,762	146,976	66,960	296,993	1,718,216
Jan. 7.....	162,924	513,394	111,143	155,783	171,258	87,765	146,264	65,360	292,519	1,706,410
Jan. 14.....	158,365	521,073	108,601	161,644	176,311	89,718	146,906	64,813	295,227	1,722,658
Jan. 21.....	155,346	520,350	108,262	157,521	164,410	91,349	147,477	64,224	292,928	1,701,867
Time deposits:										
Dec. 31.....	70,382	116,951	18,894	86,966	218,030	42,986	62,769	23,583	273,322	913,883
Jan. 7.....	73,842	115,710	16,319	87,624	225,033	47,046	61,381	24,091	271,437	922,483
Jan. 14.....	75,361	115,422	18,733	86,954	223,520	57,194	61,867	24,218	271,322	934,591
Jan. 21.....	75,719	115,466	18,825	85,706	222,803	50,512	61,997	24,484	270,941	926,453
Government deposits:										
Dec. 31.....	1,057	22,692	2,416	1,816	6,394	863	60	89	1,393	36,780
Jan. 7.....	669	10,964	1,069	1,060	2,840	390	28	38	560	17,618
Jan. 14.....	393	7,251	676	589	1,931	274	10	16	361	11,501
Jan. 21.....	2,134	14,231	1,229	1,816	6,375	506	209	77	372	26,949

Principal resources and liabilities 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 Dec. 31, 1920, to Jan. 21, 1921—Con.

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

[In thousands of dollars.]

	New York district. ²	Cleveland district. ³	Richmond district. ⁴	Atlanta district. ⁵	Chicago district. ⁶	St. Louis district. ⁷	Kansas City district. ⁸	Dallas district. ⁹	San Francisco district. ¹⁰	Total.
Bills payable with Federal Reserve bank:										
Secured by United States Government obligations—										
Dec. 31.....	18,213	33,305	8,734	23,335	30,122	7,078	5,806	3,575	6,473	142,641
Jan. 7.....	15,874	28,600	7,476	24,981	34,398	7,453	5,976	3,761	7,175	135,694
Jan. 14.....	16,419	19,819	7,997	24,526	34,280	6,740	5,153	3,591	7,215	125,740
Jan. 21.....	16,541	21,291	8,745	23,396	38,089	6,342	5,914	3,991	6,640	130,949
All other—										
Dec. 31.....				72			670		100	842
Jan. 7.....				40			60	130	275	505
Jan. 14.....				85				10	75	170
Jan. 21.....				105				10		115
Bills rediscounted with Federal Reserve bank:										
Secured by United States Government obligations—										
Dec. 31.....	1,338	9,150	2,216	5,697	6,071	4,077	1,754	619	1,769	32,691
Jan. 7.....	1,100	10,023	1,994	5,693	5,120	4,219	1,767	555	1,957	32,428
Jan. 14.....	1,169	9,101	2,250	5,560	4,977	4,105	1,687	519	1,512	30,880
Jan. 21.....	1,225	8,708	1,861	6,184	5,920	4,178	1,457	496	1,603	31,622
All other—										
Dec. 31.....	11,869	8,613	13,201	39,482	15,033	16,827	20,524	6,815	29,653	162,017
Jan. 7.....	8,920	8,480	11,968	35,857	17,135	18,464	20,264	8,697	29,366	159,151
Jan. 14.....	9,637	7,578	11,081	32,696	14,774	20,580	17,153	7,986	26,228	147,713
Jan. 21.....	10,514	4,938	10,658	32,133	12,856	19,858	15,532	6,849	23,674	137,012

¹ Comparable figures not available.

² Buffalo.

³ Cincinnati and Pittsburgh.

⁴ Baltimore.

⁵ New Orleans, Jacksonville, Nashville, and Birmingham.

⁶ Detroit.

⁷ Louisville, Memphis, and Little Rock.

⁸ Omaha, Denver, and Oklahoma City.

⁹ El Paso and Houston.

¹⁰ Spokane, Portland, Seattle, Salt Lake City, and Los Angeles.

IMPORTS AND EXPORTS OF GOLD AND SILVER.

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

	Imports.						Exports.					
	During 10 days ending Dec. 20, 1920.	During 11 days ending Dec. 31, 1920.	During month of December, 1920.	During 10 days ending Jan. 10, 1921.	Total, calendar year 1920.	Total, calendar year 1919.	During 10 days ending Dec. 20, 1920.	During 11 days ending Dec. 31, 1920.	During month of December, 1920.	During 10 days ending Jan. 10, 1921.	Total, calendar year 1920.	Total, calendar year 1919.
Belgium.....	\$433	\$15,373	\$15,806	.....	\$368,670	\$831,002	.....	.....	.....	.....	.....	\$31,900
Denmark.....	700	.....	700	.....	200,251	.....	.....	.....	.....	.....	.....	2,002,666
France.....	8,737,061	13,170,988	25,884,460	\$1,338,125	48,738,524	.....	.....	.....	.....	.....	\$10,000	4,152,533
Germany.....	1,188	.....	61	7,703	.....	.....	.....	.....	.....	.....	.....	.....
Greece.....	280,000	.....	280,000	60,000	533,700	95,000	.....	.....	.....	.....	.....	.....
Iceland.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	912	.....
Italy.....	.....	.....	.....	.....	40,107	.....	.....	.....	.....	.....	241,263	454,925
Netherlands.....	.....	430,291	592,026	.....	2,099,356	.....	.....	.....	.....	.....	.....	15,000
Norway.....	.....	.....	.....	.....	3,324	.....	.....	.....	.....	.....	.....	.....
Portugal.....	.....	.....	.....	.....	25,364	.....	.....	.....	.....	.....	.....	.....
Russia in Europe.....	.....	.....	.....	.....	1,268,631	.....	.....	.....	.....	.....	.....	.....
Spain.....	75,519	121,534	197,053	.....	490,543	.....	.....	.....	.....	.....	.....	29,778,000
Sweden.....	1,458	1,319,996	1,321,454	.....	2,036,064	.....	.....	.....	.....	.....	.....	661
Switzerland.....	.....	.....	.....	.....	4,937	.....	.....	.....	.....	.....	2,604	67,570
Turkey in Europe.....	850	.....	850	.....	850	.....	.....	.....	.....	.....	.....	.....
United Kingdom:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
England.....	5,616,273	10,433,521	22,995,152	4,008,398	274,982,197	4,055,739	.....	\$85,565	\$85,565	.....	98,800	2,091,066
Scotland.....	.....	.....	.....	.....	45	.....	.....	.....	.....	.....	.....	.....
Total Europe.....	14,712,294	25,491,703	51,288,689	5,406,584	330,800,266	4,981,741	.....	85,565	85,565	.....	353,579	38,594,321
British Honduras.....	.....	.....	.....	.....	20	.....	.....	.....	.....	.....	.....	12,000
Canada.....	61,833	70,147	156,028	26,315	34,196,287	44,487,390	\$41,571	38,324	193,907	\$23,742	5,557,367	5,706,428
Costa Rica.....	.....	.....	31,651	32,180	608,094	616,583	.....	.....	.....	.....	.....	.....
Guatemala.....	.....	.....	.....	.....	14,872	29,267	.....	.....	.....	.....	.....	.....
Honduras.....	1,400	.....	1,400	5,845	257,414	258,255	.....	.....	.....	.....	19,000	21,300
Nicaragua.....	.....	99,189	101,374	6,018	1,256,594	1,424,217	.....	.....	.....	.....	.....	16,500
Panama.....	18,093	172,434	190,527	19,228	703,645	3,401	.....	.....	.....	.....	.....	1,390,000
Salvador.....	48,310	90,947	276,777	42,000	1,440,537	1,140,911	.....	.....	.....	.....	20,000	3,124,020
Mexico.....	127,374	177,739	409,941	57,346	4,866,163	4,464,140	97,467	89,080	274,142	968,821	18,171,684	10,357,619
Newfoundland.....	.....	.....	.....	.....	221	61	.....	.....	.....	.....	.....	.....
Cuba.....	245	.....	245	.....	15,579	9,593	.....	.....	50,000	.....	650,000	.....
British West Indies.....	1,250	1,225	7,409	.....	268,684	20,785	.....	.....	.....	.....	.....	7,940
Virgin Islands of United States.....	.....	.....	.....	.....	.....	525	.....	.....	.....	.....	10,000	.....
Dominican Republic.....	.....	.....	.....	.....	4,800	.....	.....	.....	.....	.....	47,000	25,000
Dutch West Indies.....	242,543	79,934	416,124	5,000	1,206,881	5,200	.....	.....	.....	.....	.....	.....
Haiti.....	.....	.....	.....	.....	23	.....	.....	.....	.....	.....	.....	.....
Total North America.....	501,048	691,615	1,591,476	193,932	44,839,814	52,460,328	139,038	127,404	518,049	992,563	24,475,051	20,660,807
Argentina.....	.....	.....	.....	.....	1,707,682	102,721	.....	.....	.....	.....	89,995,000	56,560,000
Bolivia.....	.....	42	42	.....	7,416	2,582	.....	.....	.....	.....	.....	2,500,000
Brazil.....	6,440	.....	6,440	190	50,205	26,200	.....	.....	24,250	.....	304,250	525,000
Chile.....	10,658	5,828	16,908	3,178	434,504	233,837	.....	.....	.....	.....	400,000	100,000
Colombia.....	331,026	347,580	928,463	146,362	9,489,812	556,572	.....	.....	.....	.....	700,000	5,263,620
Ecuador.....	39,221	61,375	100,596	.....	624,489	379,911	.....	.....	.....	.....	236,000	.....
British Guiana.....	3,331	.....	44,667	.....	192,814	139,159	.....	.....	.....	.....	.....	5,005
Dutch Guiana.....	.....	.....	.....	6,517	24,728	20,144	.....	.....	.....	.....	6,300	19,795
Peru.....	215,100	57,650	301,167	37,115	1,371,655	814,583	.....	.....	.....	.....	3,653,376	3,383,369
Uruguay.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	12,850,000	9,205,000
Venezuela.....	8,556	9,249	54,291	4,615	592,990	381,981	.....	.....	.....	.....	184,000	12,052,220
Total South America.....	614,332	481,724	1,453,903	197,977	14,496,295	2,657,690	.....	.....	24,250	.....	108,328,926	89,619,009
China.....	.....	.....	.....	.....	1,260	.....	.....	.....	.....	.....	.....	28,286,750
Chosen (Korea).....	.....	.....	.....	.....	.....	1,714	.....	.....	.....	.....	.....	39,109,769
British India.....	.....	.....	.....	8,000	.....	.....	240,178	240,178	.....	.....	6,752,549	34,300,666
Straits Settlements.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	6,683,454	4,209,667
Dutch East Indies.....	.....	.....	.....	75,449	2,955,513	3,851,075	.....	.....	.....	.....	12,085,105	7,365,111
French East Indies.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,290,000	.....
Hongkong.....	.....	.....	.....	.....	30,191,910	10,017,550	1,672,000	195,660	2,183,860	46,720	31,496,872	40,085,969
Japan.....	.....	.....	.....	.....	.....	.....	3,000,000	.....	14,006,385	.....	101,299,476	94,114,189
Russia in Asia.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,000
Total Asia.....	.....	.....	.....	83,449	33,148,683	13,870,339	4,672,000	435,838	16,430,423	46,720	188,894,206	219,208,371
Australia.....	1,459,950	.....	1,459,950	.....	1,946,600	.....	.....	.....	.....	.....	.....	.....
New Zealand.....	287,013	84,686	371,699	.....	2,191,586	1,354,578	.....	.....	.....	.....	.....	.....
Philippine Islands.....	55,959	39,938	95,897	16,642	965,374	581,924	.....	.....	.....	.....	.....	102,500
British East Africa.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	240
British South Africa.....	.....	.....	.....	.....	423	8,150	.....	.....	.....	.....	.....	.....
British West Africa.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	39,446	.....
Canary Islands.....	.....	.....	7,000	.....	7,000	.....	.....	.....	.....	.....	.....	.....
Portuguese Africa.....	67,219	.....	67,219	.....	347,577	619,296	.....	.....	.....	.....	.....	.....
Total, all countries.....	17,697,815	26,789,666	56,335,833	5,898,584	428,743,618	76,534,046	4,811,038	648,807	17,058,287	1,039,283	322,091,208	368,185,248
Excess of imports or exports.....	12,886,777	26,141,058	39,277,745	4,859,301	106,652,609	.....	.....	.....	.....	.....	.....	291,651,202

¹ Includes: Ore and base bullion, \$17,014,000; United States Mint or assay office bars, \$3,346,000; other refined bullion, \$334,059,000; United States coin, \$18,096,000; foreign coin, \$55,729,000.

² Includes: Domestic exports—Ore and base bullion, \$11,000; United States Mint or assay office bars, \$37,200,000; other refined bullion, 1,078,000; coin, \$282,294,000. Foreign exports—Refined bullion, \$823,000; coin, \$635,000.

Excess of gold imports over exports since Aug. 1, 1914, \$886,408,000. Excess of gold exports over imports since June 10, 1919, \$214,611,000.

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

	Imports.						Exports.					
	During 10 days ending Dec. 20, 1920.	During 11 days ending Dec. 31, 1920.	During month of December, 1920.	During 10 days ending Jan. 10, 1921.	Total, calendar year 1920.	Total, calendar year 1919.	During 10 days ending Dec. 20, 1920.	During 11 days ending Dec. 31, 1920.	During month of December, 1920.	During 10 days ending Jan. 10, 1921.	Total, calendar year 1920.	Total, calendar year 1919.
Belgium.....	\$1,529		\$1,529		\$33,957	\$1,797						
Denmark.....												\$684,713
Finland.....												17,438
France.....		\$298	3,584	\$1,228	117,508	75,524					\$32,920	6,588,197
Germany.....	3,619		3,735	2,411	3,735							
Gibraltar.....												
Greece.....					42,240	2,400						
Italy.....					24,026							
Netherlands.....					54,881							2,094,084
Norway.....	200		200		14,653							1,219,430
Portugal.....					7,978							1,950
Spain.....					94,527							228
Sweden.....					31,395						54,960	194,526
Switzerland.....												172,203
United Kingdom—England.....	10	87,500	88,642		925,520	61,746	\$30,700	\$72,400	\$103,100		4,924,778	15,635,386
Total Europe.....	5,358	87,798	97,690	3,639	1,350,400	141,467	30,700	72,400	103,100		5,012,658	26,608,155
British Honduras.....					69,097	269,276						
Canada.....	286,850	20,653	358,988	18,178	3,788,435	7,171,469	21,196	22,739	84,869	\$158,996	7,061,755	7,854,378
Costa Rica.....			2,164	1,882	64,986	163,665						
Guatemala.....					24,534	8		500	500		5,000	5,900
Honduras.....	4,000	3,030	7,030	43,124	2,561,211	2,621,645	10,000		10,000		459,710	205,600
Nicaragua.....		3,136	2,902	14,496	671,921	769,921					3,000	
Panama.....	62		62	412	148,261	89,273					542,000	363,250
Salvador.....	954	203	1,157		3,727,938	1,555,969						1,500
Mexico.....	708,265	864,412	2,891,722	876,987	53,197,337	63,303,437	40,006	22,400	112,316	315,058	3,241,090	1,926,433
Newfoundland.....					11							
British West Indies.....			5		7,022	6,225		700	18,600		46,908	12,628
Cuba.....	3,724		3,724		79,208	82,837	7,000		7,000	279,446	1,259,599	161
Virgin Islands of United States.....						1,105					25,000	
Dominican Republic.....					120,800						316,000	150,000
Dutch West Indies.....			70		2,317	300						
French West Indies.....					20							
Haiti.....					77						9,000	
Total North America.....	1,003,855	891,434	3,267,914	955,079	64,463,164	76,035,141	78,202	46,339	233,285	753,500	12,969,062	10,519,850
Argentina.....					37,324	64,433		450	450		13,173	3,867
Bolivia.....	24,015	5,959	117,841	13,000	1,397,053	132,785						
Brazil.....					1,621	2,155					2,333	2,498
Chile.....	102,314	7,604	181,142	17,668	3,744,351	1,927,324						
Colombia.....	84,953	17,198	105,684	2,955	846,404	271,274						2,000
Ecuador.....	5,638	5,882	11,520		77,273	13,670						
British Guiana.....	7		7		49	121						3,193
Dutch Guiana.....				14	6,390	265					1,402	5,063
Peru.....	51,407	333,837	835,744	154,960	11,990,677	8,862,537						
Venezuela.....	532	18	615	3	905	2,521					10,000	850,000
Total South America.....	268,866	370,498	1,252,553	188,600	18,102,047	11,277,085		450	450		26,908	866,621
China.....					1,295,317		100,001	691,372	1,248,375	829,649	61,347,610	77,583,367
Chosen (Korea).....						3,328						
British India.....									419,197		642,408	109,180,718
Dutch East Indies.....			83,461		2,671,555	1,773,584						
French East Indies.....											4,058,373	
Hongkong.....					1,650	20,000		1,332,931	3,250,980	1,820,610	24,872,571	10,245,351
Japan.....							504,113	825,533			4,673,784	3,946,453
Russia in Asia.....											970	52,759
Turkey in Asia.....					38,511							
Total Asia.....				83,461	4,007,033	1,796,912	100,001	2,528,416	5,744,085	2,650,259	95,595,716	201,008,648
New Zealand.....	78	134	212		12,245	1,566						
Philippine Islands.....	815	429	1,244	243	19,705	12,327						
British South Africa.....					6,097	76,822						
Portuguese Africa.....	6,029		6,029		99,350	68,698					11,880	17,777
Total, all countries.....	1,285,001	1,350,293	4,625,642	1,231,022	88,060,041	89,410,018	208,903	2,647,605	6,080,920	3,403,759	113,616,224	239,021,051
Excess of imports or exports.....	1,076,098							1,297,312	1,455,278	2,172,737	25,556,183	149,611,033

¹ Includes: Ore and base bullion, \$69,846,000; United States Mint or assay office bars, \$3,000; other refined bullion, \$7,869,000; United States coin, \$2,094,000; foreign coin, \$3,248,000.

² Includes: Domestic exports—Ore and base bullion, \$16,000; United States Mint or assay office bars, \$4,351,000; other refined bullion, \$65,877,000; coin, \$14,770,000. Foreign exports—Ore and base bullion, \$24,085,000; coin, \$4,516,000.

Excess of silver exports over imports since Aug. 1, 1914, \$454,928,000.

Estimated general stock of money, money held by the Treasury and by the Federal Reserve System, and all other money in the United States, Jan. 1, 1921.

	General stock.	Held in the United States Treasury as assets of the Government. ¹	Held by or for Federal Reserve Banks and agents.	Held outside United States Treasury and Federal Reserve System.	Amount per capita outside United States Treasury and Federal Reserve System.
Gold coin (including bullion in Treasury)	\$2,784,834,427	\$433,355,085	*\$1,461,644,340	\$356,700,869	
Gold certificates			321,154,009	211,980,124	
Standard silver dollars	269,746,326	17,828,784	*33,668,684	64,659,594	
Silver certificates			80,353,292	71,630,620	
Subsidiary silver	270,536,268	4,946,046		265,590,222	
Treasury notes of 1890				1,605,352	
United States notes	346,681,016	5,359,144	*76,891,321	264,430,551	
Federal Reserve notes	3,735,731,245	11,722,288	374,864,440	3,349,144,517	
Federal Reserve Bank notes	242,164,400	5,566,830	23,347,193	213,250,377	
National bank notes	723,277,222	15,518,080	6,049,215	701,709,927	
Total:					
Jan. 1, 1921	8,372,970,904	494,296,257	2,377,972,494	5,500,702,153	\$51.29
Dec. 1, 1920	8,281,589,486	492,327,078	2,205,258,146	5,584,004,262	52.13
Nov. 1, 1920	8,254,949,120	503,605,555	2,133,993,646	5,617,349,919	52.26
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.

DISCOUNT RATES OF THE FEDERAL RESERVE BANKS.

Rates on paper discounted for member banks approved by the Federal Reserve Board up to Feb. 1, 1921.

Federal Reserve Bank.	Paper maturing within 90 days.				Bankers' acceptances maturing within 3 months.	Agricultural and live-stock paper maturing after 90 days but within 6 months.
	Secured by—		Trade acceptances.	Commercial paper n. e. s.		
	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	5½	5½	6	5½	6
Richmond.....	6	6	6	6	6	6
Atlanta.....	1 6	5½	7	7	6	7
Chicago.....	6	6	7	7	6	7
St. Louis.....	6	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.....	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.

NOTE.—Rates shown for St. Louis, Kansas City, and Dallas are normal rates, applying to discounts not in excess of a basic line 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.

CONDITION OF MEMBER BANKS.

Abstract of condition reports of State bank and trust company members in each Federal Reserve district on Nov. 15, 1920.

[In thousands of dollars.]

	District No. 1 (38 banks).	District No. 2 (132 banks).	District No. 3 (46 banks).	District No. 4 (111 banks).	District No. 5 (55 banks).	District No. 6 (78 banks).	District No. 7 (346 banks).	District No. 8 (89 banks).	District No. 9 (113 banks).	District No. 10 (61 banks) ¹ .	District No. 11 (184 banks).	District No. 12 (196 banks).	Total United States, (1,449 banks).
RESOURCES.													
Loans and discounts.....	451,785	2,118,171	193,833	498,983	113,325	204,705	1,117,461	243,442	82,486	80,174	98,584	510,352	5,713,301
Overdrafts.....	222	903	131	206	202	861	641	379	240	192	787	871	5,695
Customers' liability on account of letters of credit.....		1,416	2	185			27	189	31			83	1,933
Customers' liability on account of acceptances.....	21,064	158,106	1,426	7,361	1,584	6,729	27,745	7,749	43	139		2,812	234,758
Liberty bonds (exclusive of Liberty bonds borrowed).....	16,950	163,424	14,875	31,477	5,325	12,861	49,982	11,040	3,146	6,766	5,453	38,959	360,198
Other United States bonds (exclusive of United States bonds borrowed).....	54	241	27	128	5	79	556	74	135	39	38	6,222	7,598
United States Victory notes.....	5,229	34,314	4,333	8,333	1,435	2,503	30,156	2,291	451	1,868	689	10,395	101,997
United States certificates of indebtedness.....	12,913	77,503	8,561	7,472	531	2,188	30,339	2,775	694	673	1,868	19,344	164,861
War savings and thrift stamps and Treasury savings certificates.....	32	107	24	60	14	66	358	23	99	7	60	105	955
Stock of Federal Reserve bank	2,095	10,685	2,181	3,310	724	1,223	5,307	1,436	374	362	621	2,153	30,471
Other bonds, stocks, etc. (exclusive of securities borrowed).....	97,590	454,918	103,489	172,615	12,395	25,954	236,787	42,039	8,825	12,970	1,295	114,349	1,283,226
Banking house.....	10,205	58,880	8,416	17,858	3,545	8,910	22,024	7,614	1,770	871	2,966	14,617	157,676
Furniture and fixtures.....	1,197	3,358	576	1,524	307	1,358	3,339	945	582	465	1,026	3,374	18,051
Other real estate owned.....	926	6,252	1,907	6,687	627	1,989	1,804	1,176	569	151	1,203	3,229	26,520
Lawful reserve with Federal Reserve Bank.....	43,282	306,625	21,743	43,602	6,537	14,965	92,991	23,899	4,189	6,816	6,572	38,222	609,443
Gold coin and certificates.....	1,393	6,411	387	245	385	194	2,698	618	199	164	118	2,494	15,306
All other cash in vault.....	15,435	47,162	6,010	13,997	2,867	5,553	33,865	4,909	1,815	2,004	3,300	11,495	148,412
Items with Federal Reserve Bank in process of collection	15,395	56,877	5,778	8,685	2,253	6,448	17,394	13,227	463	5,015	1,850	10,130	143,515
Due from banks, bankers, and trust companies.....	21,949	88,723	11,831	36,952	13,209	33,687	83,292	23,825	8,072	14,297	13,254	52,130	401,221
Exchanges for clearing house, also checks on other banks in same place.....	12,229	308,997	2,777	8,174	1,413	9,295	33,611	6,040	905	2,365	1,074	11,636	398,516
Outside checks and other cash items.....	1,843	16,522	479	2,604	507	969	11,969	1,834	412	841	974	5,472	44,426
Approximate interest earned but not collected.....	621	14,134	1,169	1,165	108	452	2,132	873	372	151	180	2,986	24,343
Other assets.....	1,879	111,663	1,211	2,564	157	4,060	16,599	1,176	154	1,291	1,403	6,630	148,787
Total.....	734,288	4,045,392	391,166	874,247	167,455	344,989	1,821,077	397,573	116,026	137,621	143,315	868,060	10,041,209
LIABILITIES.													
Capital stock paid in.....	34,252	170,712	24,535	41,061	14,657	24,525	97,584	27,425	9,502	8,815	14,881	50,031	517,980
Surplus fund.....	37,778	185,326	48,216	69,788	9,448	16,232	80,120	21,446	3,069	3,273	5,893	22,372	502,961
Undivided profits, less expenses and taxes paid.....	13,938	68,720	11,381	18,634	3,957	4,749	28,377	7,262	1,881	1,319	2,415	13,285	175,918
Approximate interest and discount collected but not earned.....	1,791	10,631	478	1,136	310	955	3,068	1,214	186	248	193	1,688	21,898
Amount reserved for taxes accrued.....	1,158	12,052	651	1,706	173	968	5,239	452	134	186	203	695	23,617
Amount reserved for interest accrued.....	1,186	11,901	634	1,372	381	518	3,860	756	103	227	93	2,422	23,453
Due to Federal Reserve Bank.....	811	1,467	176	361	323	120	2	15	35		881	125	4,316
Due to banks, bankers, and trust companies.....	19,024	324,787	8,900	20,178	11,516	32,809	74,251	27,266	7,070	17,395	7,938	26,441	577,575
Certified and cashiers' or treasurers' checks outstanding.....	9,473	210,556	2,118	5,866	2,700	3,655	16,472	2,538	1,326	1,675	1,315	11,146	268,840
Demand deposits.....	436,634	2,277,496	210,819	320,512	67,245	135,121	647,967	157,499	34,162	64,436	79,827	253,612	4,685,330
Time deposits.....	138,292	394,124	52,357	362,548	42,017	94,131	775,574	109,590	49,777	28,487	19,965	456,833	2,523,695
United States deposits.....	3,778	29,768	9,666	11,771	538	992	9,906	3,692	111	1,269	41	2,849	74,381
Bills payable with Federal Reserve Bank.....	11,438	142,821	18,534	7,207	6,385	13,927	42,423	11,264	1,848	5,342	5,400	13,917	280,506
Bills payable other than with Federal Reserve Bank.....	1,652	2,549	328	1,643	6,207	9,071	4,033	13,592	6,727	3,562	3,854	4,830	58,048
Cash letters of credit and travelers' checks outstanding.....	54	11,603	3	81		11	124	19	1	4		98	12,002
Acceptances.....	22,280	163,593	1,426	7,361	1,570	6,841	27,116	8,249	31	121		2,688	241,276
Other liabilities.....	749	27,286	944	3,022	28	364	4,961	5,294	63	1,262	412	5,028	49,413
Total.....	734,288	4,045,392	391,166	874,247	167,455	344,989	1,821,077	397,573	116,026	137,621	143,315	868,060	10,041,209
Liability for rediscounts with Federal Reserve Bank.....	38,296	167,278	13,703	10,643	9,285	48,976	71,552	35,336	4,341	8,391	9,411	18,880	436,093
Liability for rediscounts with other banks.....	46	3,689	17	211	1,747	6,933	3,687	4,803	743	2,766	520	3,528	28,690

¹ One bank not reporting.

Abstract of condition reports of State bank and trust company members of the Federal Reserve System on Nov. 15, 1920, arranged by classes.

[In thousands of dollars.]

	Central reserve city banks.				Other reserve city banks (182 banks).	Country banks (1,203 banks).	Total United States.	
	New York (32 banks).	Chicago (14 banks).	St. Louis (18 banks).	Total (64 banks).			Nov. 15, 1920 (1,449 banks).	June 30, 1920 (1,374 banks).
RESOURCES.								
Loans and discounts.....	1,647,339	456,330	123,958	2,227,627	2,055,222	1,430,452	5,713,301	5,682,754
Overdrafts.....	805	65	47	917	2,095	2,683	5,695	6,133
Customers' liability on account of letters of credit.....	1,323	18	189	1,530	325	78	1,933	1,797
Customers' liability on account of acceptances.....	153,861	26,136	6,270	186,267	43,741	4,750	234,758	235,587
Liberty bonds (exclusive of Liberty bonds borrowed).....	125,596	6,875	4,360	136,831	119,106	104,261	360,198	360,042
Other United States bonds (exclusive of United States bonds borrowed).....	95	162	-----	257	6,694	647	7,598	11,238
United States Victory notes.....	22,299	3,023	410	25,732	44,822	31,443	101,997	104,451
United States certificates of indebtedness.....	61,963	2,773	1,821	66,557	70,045	28,259	164,861	197,263
War savings and thrift stamps and Treasury savings certificates.....	62	24	4	90	253	612	955	1,052
Stock of Federal Reserve Bank.....	8,420	2,356	838	11,614	11,729	7,128	30,471	29,198
Other bonds, stocks, etc. (exclusive of securities borrowed).....	275,046	73,792	29,447	378,285	568,505	336,436	1,283,226	1,273,900
Banking house.....	43,539	3,077	2,959	49,575	66,489	41,612	157,676	148,988
Furniture and fixtures.....	2,125	98	362	2,585	6,610	8,856	18,051	13,522
Other real estate owned.....	3,957	102	239	4,298	14,790	7,432	26,520	24,117
Lawful reserve with Federal Reserve Bank.....	261,374	47,402	16,565	325,341	185,345	98,757	609,443	593,415
Gold coin and certificates.....	5,753	1,654	306	7,713	3,926	3,667	15,306	20,322
All other cash in vault.....	32,204	9,878	1,924	44,006	56,560	47,846	148,412	152,034
Items with Federal Reserve Bank in process of collection.....	39,697	11,294	8,511	59,502	67,021	16,992	143,515	133,007
Due from banks, bankers, and trust companies.....	61,397	33,508	6,627	101,532	180,960	118,729	401,221	431,583
Exchanges for clearing house, also checks on other banks in same place.....	300,339	18,563	3,448	322,350	60,813	15,353	398,516	384,338
Outside checks and other cash items.....	14,345	5,241	1,042	20,628	16,910	6,888	44,426	47,204
Approximate interest earned but not collected.....	11,042	1,099	537	12,678	7,332	4,333	24,343	25,738
Other assets.....	106,845	14,594	328	121,767	18,415	8,605	148,787	129,159
Total.....	3,179,426	718,064	210,192	4,107,682	3,607,708	2,325,819	10,041,209	10,006,842
LIABILITIES.								
Capital stock paid in.....	124,600	37,700	13,475	175,775	188,988	153,217	517,980	493,628
Surplus fund.....	151,841	40,827	15,075	210,743	203,537	88,681	502,961	494,568
Undivided profits, less expenses and taxes paid.....	53,239	12,334	4,075	69,648	60,401	45,869	175,918	150,043
Approximate interest and discount collected but not earned.....	8,498	2,233	747	11,478	7,042	3,378	21,898	19,632
Amount reserved for taxes accrued.....	10,870	4,154	278	15,302	6,478	1,837	23,617	21,346
Amount reserved for interest accrued.....	8,461	1,598	379	10,438	7,142	5,873	23,453	11,104
Due to Federal Reserve Bank.....	627	-----	-----	627	803	2,886	4,316	5,521
Due to banks, bankers, and trust companies.....	295,187	46,979	8,828	350,994	172,968	53,613	577,575	636,346
Certified and cashiers' or treasurers' checks outstanding.....	206,492	8,566	1,474	216,532	39,142	13,166	268,840	218,108
Demand deposits.....	1,822,790	328,978	90,015	2,241,783	1,451,326	992,221	4,685,330	4,851,597
Time deposits.....	158,640	200,276	60,701	419,617	1,248,103	855,975	2,523,695	2,426,035
United States deposits.....	25,674	3,482	3,446	32,602	37,000	4,779	74,381	86,498
Bills payable with Federal Reserve Bank.....	111,405	3,701	4,150	119,256	100,381	60,869	280,506	245,972
Bills payable other than with Federal Reserve Bank.....	1,289	-----	701	1,990	20,351	35,707	58,048	39,986
Cash letters of credit and travelers' checks outstanding.....	11,503	70	19	11,592	382	28	12,002	17,756
Acceptances.....	159,348	25,525	6,770	191,643	44,934	4,699	241,276	242,369
Other liabilities.....	25,962	1,611	59	27,662	18,730	3,021	49,413	46,333
Total.....	3,179,426	718,064	210,192	4,107,682	3,607,708	2,325,819	10,041,209	10,006,842
Liability for rediscounts with Federal Reserve Bank.....	147,162	39,786	14,460	201,408	167,234	67,450	436,092	327,513
Liability for rediscounts with other banks.....	3,673	-----	-----	3,673	13,688	11,329	28,690	16,763
Ratio of reserve with Federal Reserve Bank to net deposit liability (per cent).....	13.1	12.3	15.9	13.1	10.1	7.2	10.7	10.1

¹ One bank not reporting.

Classification of loans and discounts of State bank and trust company members of the Federal Reserve System, as shown by their condition reports for Nov. 15, 1920.

[In thousands of dollars.]

	District No. 1 (38 banks).	District No. 2 (132 banks).	District No. 3 (46 banks).	District No. 4 (111 banks).	District No. 5 (55 banks).	District No. 6 (78 banks).	District No. 7 (346 banks).	District No. 8 (89 banks).	District No. 9 (113 banks).	District No. 10 ¹ (61 banks).	District No. 11 (184 banks).	District No. 12 (196 banks).	Total United States (1,449 banks).
On demand:													
Not secured by collateral.	30,841	59,433	7,471	28,868	2,527	6,512	30,230	8,577	3,726	4,322	3,940	18,031	204,478
Secured by Government war obligations.....	2,444	32,801	5,464	4,700	757	1,087	9,120	2,236	306	127	137	1,806	60,985
Secured by other collateral.....	68,234	632,991	98,417	97,293	15,387	36,589	156,165	36,665	3,820	7,066	8,970	27,206	1,188,803
On time:													
Not secured by collateral.	252,603	998,041	50,101	162,449	59,311	118,830	531,726	115,060	36,364	35,747	33,365	181,625	2,575,222
Secured by Government war obligations.....	20,093	169,112	17,713	18,558	4,628	9,115	31,184	6,789	1,055	4,004	1,946	8,923	293,120
Secured by other collateral.....	64,445	318,582	21,115	74,383	33,609	73,091	198,475	78,230	26,098	30,501	51,714	80,506	1,050,749
Secured by real estate mortgages, or other real estate liens or deeds.....	51,799	58,587	6,768	122,455	7,877	14,585	224,715	33,235	16,037	9,355	8,353	200,058	753,824
Acceptances of other banks discounted.....	2,640	90,931	1,607	784	50	406	23,447	3,962	164	50	90	14,850	138,981
Acceptances of this bank purchased or discounted.....	987	15,102	38	461	211	585	.....	439	.....	129	.....	17	17,969
Loans and discounts not classified.....	.....	.....	.....	.....	.....	252	7,378	.....	.....	30	.....	261	7,921
Total loans and discounts.....	494,086	2,375,580	208,694	509,951	124,357	261,052	1,212,440	285,193	87,570	91,331	108,515	533,283	6,292,052

¹ One bank not reporting.

Abstract of condition reports of all member banks in each Federal Reserve district on Nov. 15, 1920 (including 8,118 national banks and 1,449 State banks and trust companies).

[In thousands of dollars.]

	District No. 1 (434 banks).	District No. 2 (780 banks).	District No. 3 (700 banks).	District No. 4 (870 banks).	District No. 5 (607 banks).	District No. 6 (452 banks).	District No. 7 (1,406 banks).	District No. 8 (568 banks).	District No. 9 (999 banks).	District No. 10 (1,082 banks). ¹	District No. 11 (844 banks).	District No. 12 (825 banks).	Total United States (9,567 banks).
RESOURCES.													
Loans and discounts ²	1,348,874	5,234,764	1,089,832	1,642,446	848,586	647,360	2,728,700	735,408	718,962	929,268	665,033	1,433,427	18,022,660
Overdrafts.....	668	3,198	410	1,098	1,814	1,948	2,936	1,328	1,957	3,332	3,415	2,783	24,887
Customers' liability on account of acceptances.....	69,846	352,036	21,957	20,077	12,343	10,572	70,738	13,389	10,730	5,785	6,839	25,015	619,377
United States Government securities owned ³	165,179	738,717	232,747	285,668	164,900	124,519	370,169	115,842	84,873	130,903	121,167	250,425	2,786,109
Stock of Federal Reserve Bank.....	7,670	26,234	8,455	10,351	5,248	3,966	13,778	4,305	3,382	4,424	4,084	6,847	98,744
Other bonds, stocks, and securities ⁴	242,837	966,939	404,794	452,891	93,220	64,077	427,648	103,017	73,260	84,458	20,906	234,100	3,168,147
Banking house.....	35,569	109,625	35,371	61,610	30,474	23,429	63,731	20,473	19,533	22,810	22,696	44,449	489,770
Furniture and fixtures.....	3,453	8,038	4,219	5,586	3,654	4,556	9,002	3,270	4,250	5,299	5,802	10,150	67,279
Other real estate owned.....	3,350	10,269	5,405	13,580	3,408	4,483	6,231	3,710	4,296	2,792	5,818	9,078	72,420
Lawful reserve with Federal Reserve Bank.....	121,133	717,955	108,938	155,371	57,992	46,973	248,435	69,107	48,291	76,477	51,624	125,254	1,827,450
Cash in vault.....	50,172	154,136	45,924	65,779	31,747	22,267	100,779	20,049	20,373	28,640	25,192	46,009	611,067
Items with Federal Reserve Bank in process of collection.....	48,985	172,151	59,559	67,707	47,924	20,655	72,347	47,679	11,562	50,454	36,637	38,345	674,005
Due from banks, bankers, and trust companies.....	89,872	174,049	95,805	194,553	97,940	95,547	299,023	86,897	98,947	202,747	106,235	232,711	1,774,326
Exchanges for clearing house; also checks on other banks in same place.....	50,073	886,843	42,569	37,425	20,919	19,895	97,546	17,307	14,332	27,272	11,315	47,088	1,272,584
Outside checks and other cash items.....	5,929	35,919	3,566	6,623	6,011	5,612	19,043	3,483	8,354	6,213	7,313	12,798	120,864
Redemption fund and due from United States Treasurer.....	2,421	6,518	3,290	5,607	3,131	2,070	4,331	2,078	1,914	2,421	2,463	3,189	39,433
Approximate interest earned but not collected.....	3,201	24,866	3,570	5,532	1,622	1,426	8,531	2,553	6,561	3,503	2,173	8,038	72,576
Other assets.....	18,772	276,256	7,823	4,916	717	4,589	26,066	1,856	1,672	1,778	1,618	25,672	371,735
Total.....	2,268,004	9,898,513	2,174,234	3,037,820	1,431,650	1,103,944	4,570,034	1,251,751	1,133,299	1,588,576	1,100,230	2,555,378	32,113,433
LIABILITIES.													
Capital stock paid in.....	136,402	412,426	111,829	169,856	101,760	78,491	271,570	92,522	74,845	96,381	86,872	154,206	1,787,160
Surplus fund.....	122,586	490,964	171,380	176,009	73,411	54,176	191,203	52,867	38,633	51,859	49,854	76,011	1,518,953
Undivided profits, less expenses and taxes paid.....	57,309	203,549	49,326	72,427	27,625	19,072	81,351	25,630	23,508	27,757	24,605	47,356	659,515
Approximate interest and discount collected but not earned.....	9,844	33,461	6,106	7,022	4,880	3,509	12,524	4,437	2,977	4,336	3,280	4,074	96,450
Amount reserved for taxes accrued.....	3,270	37,118	3,078	4,304	1,544	2,137	13,131	1,474	2,582	1,619	1,902	2,524	74,683
Amount reserved for interest accrued.....	1,772	17,188	2,863	3,902	2,377	1,543	6,660	1,503	1,634	1,388	522	4,251	45,603
Due to Federal Reserve Bank.....	3,450	6,677	1,671	1,330	8,090	775	2,095	245	43	91	3,357	578	28,402
Due to banks, bankers, and trust companies.....	133,722	1,193,066	169,093	261,490	125,446	88,679	452,974	142,572	94,273	225,619	102,440	212,417	3,201,791
Certified and cashiers' or treasurers' checks outstanding.....	23,132	515,308	13,578	16,461	10,312	6,883	44,827	5,297	15,337	18,496	11,479	33,599	714,709
Demand deposits.....	1,218,600	4,948,933	1,020,730	1,344,665	575,548	453,915	1,830,275	531,264	413,411	767,793	585,025	1,089,321	14,779,480
Time deposits.....	360,032	950,050	422,389	785,091	336,631	254,038	1,309,096	252,874	371,276	248,434	105,578	748,575	6,144,064
United States deposits.....	22,244	85,058	18,054	22,583	6,459	3,830	23,191	7,689	5,070	6,207	3,747	15,699	219,831
Bills payable with Federal Reserve Bank.....	39,469	485,477	92,084	33,443	52,399	55,629	124,756	39,489	18,753	37,853	40,757	43,639	1,063,748
Bills payable other than with Federal Reserve Bank.....	5,578	6,557	2,566	6,536	23,789	24,240	23,347	20,912	22,807	33,414	22,157	20,329	212,232
Cash letters of credit and travelers' checks outstanding.....	172	15,202	129	318	28	123	1,352	38	29	206	158	610	18,365
Acceptances.....	75,759	369,864	23,924	20,148	12,377	10,857	70,809	14,165	10,779	5,787	6,960	26,372	647,801
National bank notes outstanding.....	47,512	85,196	55,555	92,107	59,025	41,144	83,838	42,051	32,117	49,030	47,384	62,432	697,391
United States bonds borrowed.....	5,403	37,321	8,231	15,470	9,095	3,729	19,009	10,773	4,728	9,500	2,489	5,461	131,209
Other bonds and securities borrowed.....	178	188	12	1,099	44	476	636	124	230	949	516	392	4,844
Other liabilities.....	1,570	34,910	1,636	3,559	810	698	7,390	5,825	267	1,857	1,148	7,532	67,202
Total.....	2,268,004	9,898,513	2,174,234	3,037,820	1,431,650	1,103,944	4,570,034	1,251,751	1,133,299	1,588,576	1,100,230	2,555,378	32,113,433
Liability for rediscounts, including those with Federal Reserve Bank. ⁵	105,325	582,661	73,857	55,985	84,270	131,218	359,995	108,897	95,024	125,558	71,477	123,722	1,917,989

¹ One bank not reporting.

² Includes customers' liability on account of letters of credit.

³ Includes United States Government securities borrowed by national banks.

⁴ Includes other bonds and securities borrowed by national banks.

⁵ Includes acceptances of other banks and foreign bills of exchange sold with indorsement or other guaranty by national banks.

Abstract of condition reports of all member banks of the Federal Reserve System on Nov. 15, 1920, arranged by classes (including 8,118 national banks and 1,449 State banks and trust companies).

[In thousands of dollars.]

	Central reserve city banks.				Other reserve city banks (560 banks).	Country banks (8,897 banks). ¹	Total United States.	
	New York (63 banks).	Chicago (24 banks).	St. Louis (23 banks).	Total (110 banks).			Nov. 15, 1920 (9,567 banks).	June 30, 1920 (9,399 banks).
RESOURCES.								
Loans and discounts.....	4,013,493	1,010,416	293,504	5,317,413	5,667,528	7,037,719	18,022,660	18,076,141
Overdrafts.....	2,728	305	69	3,102	5,814	15,971	24,887	22,560
Customers liability on account of letters of credit.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	11,016
Customers' liability on account of acceptances.....	343,374	60,356	10,800	414,530	188,255	16,592	619,377	651,997
United States Government securities owned ²	500,796	40,075	27,556	568,427	776,735	1,440,947	2,786,109	2,941,655
Stock of Federal Reserve Bank.....	19,905	5,172	1,852	26,929	30,998	40,817	98,744	94,485
Other bonds, stocks, and securities ³	518,450	105,857	43,021	667,328	959,025	1,541,794	3,168,147	3,124,897
Banking house.....	74,534	12,174	7,400	94,108	172,089	223,573	489,770	464,634
Furniture and fixtures.....	3,145	115	809	4,069	14,594	48,616	67,279	57,763
Other real estate owned.....	4,788	203	1,865	6,856	28,400	37,164	72,420	69,066
Lawful reserve with Federal Reserve Bank.....	605,953	122,403	36,347	764,703	532,930	529,817	1,827,450	1,838,648
Cash in vault.....	105,511	34,008	4,808	144,327	175,884	290,856	611,067	621,817
Items with Federal Reserve Bank in process of collection.....	127,426	42,286	32,142	201,854	397,749	74,402	674,005	615,116
Due from banks, bankers, and trust companies.....	85,399	119,569	25,510	230,478	708,977	834,871	1,774,326	1,824,041
Exchanges for clearing house, also checks on other banks in same place.....	869,024	62,872	10,885	942,781	260,744	69,059	1,272,584	1,228,799
Outside checks and other cash items.....	30,005	6,930	1,307	38,242	48,270	34,352	120,864	126,269
Redemption fund and due from United States Treasurer.....	3,996	22	512	4,530	10,450	24,453	39,433	38,505
Approximate interest earned, but not collected.....	18,720	1,797	651	21,168	17,359	34,099	72,576	73,728
Other assets.....	269,909	21,857	594	292,360	64,637	14,738	371,735	313,164
Total.....	7,597,156	1,646,417	499,632	9,743,205	10,060,388	12,309,840	32,113,433	32,194,301
LIABILITIES.								
Capital stock paid in.....	289,800	92,250	38,175	420,225	542,267	824,668	1,787,160	1,717,014
Surplus fund.....	371,539	82,777	24,175	478,491	494,095	546,367	1,518,953	1,480,456
Undivided profits, less expenses and taxes paid.....	153,422	26,433	10,424	190,279	185,201	284,035	659,515	561,427
Approximate interest and discount collected, but not earned.....	27,225	7,221	2,144	36,590	32,133	27,727	96,450	93,174
Amount reserved for taxes accrued.....	34,783	9,987	535	45,305	20,940	8,438	74,683	67,689
Amount reserved for interest accrued.....	11,135	1,674	605	13,414	13,312	18,877	45,603	26,474
Due to Federal Reserve Bank.....	926	.....	.....	926	7,309	20,167	28,402	24,682
Due to banks, bankers, and trust companies.....	1,113,990	300,544	73,857	1,488,391	1,357,866	355,534	3,201,791	3,461,016
Certified and cashiers' or treasurers' checks outstanding.....	505,386	24,339	2,511	532,236	115,408	67,065	714,709	648,361
Demand deposits.....	3,817,025	782,357	207,567	4,806,949	4,481,461	5,491,070	14,779,480	15,067,172
Time deposits.....	297,142	215,844	91,113	604,099	1,879,400	3,660,565	6,144,064	5,910,926
United States deposits.....	72,223	10,681	5,935	88,839	94,900	36,092	219,831	260,179
Bills payable with Federal Reserve Bank.....	422,882	22,936	13,264	459,082	315,084	289,582	1,063,748	1,122,067
Bills payable other than with Federal Reserve Bank.....	1,417	.....	701	2,118	73,352	136,762	212,232	155,443
Cash letters of credit and travelers' checks outstanding.....	15,061	1,021	34	16,116	1,593	656	18,365	28,896
Acceptances.....	361,202	60,445	11,475	433,122	197,664	17,015	647,801	673,565
National bank notes outstanding.....	37,348	347	10,100	47,795	170,693	478,903	697,391	687,653
United States Government securities borrowed.....	32,819	5,604	6,755	45,178	52,213	33,818	131,209	130,860
Other bonds and securities borrowed.....	59	.....	.....	59	2,180	2,605	4,844	4,582
Other liabilities.....	31,772	1,957	262	33,991	23,317	9,894	67,202	72,665
Total.....	7,597,156	1,646,417	499,632	9,743,205	10,060,388	12,309,840	32,113,433	32,194,301
Liability for rediscounts, including those with Federal Reserve Bank ⁴	534,443	186,200	56,338	776,981	766,020	374,988	1,917,989	1,558,792
Ratio of reserve with Federal Reserve Bank to net deposit liability (per cent).....	13.5	12.9	14.8	13.5	9.9	7.4	10.1	9.9

¹ One bank not reporting.

² Included in loans and discounts.

³ Includes United States Government securities borrowed by national banks.

⁴ Includes other bonds and securities borrowed by national banks.

⁵ Includes acceptances of other banks and foreign bills of exchange sold with indorsement or other guaranty by national banks.

CONDITION OF PRINCIPAL EUROPEAN BANKS OF ISSUE, 1913-1920.

BANK OF ENGLAND.

[Combined data for issue and banking departments.]

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

[In thousands of dollars.]

	Dec. 31, 1913.	Dec. 30, 1914.	Dec. 29, 1915.	Dec. 27, 1916.	Dec. 26, 1917.	Dec. 25, 1918.	Dec. 31, 1919.	Dec. 29, 1920.
ASSETS.								
Gold and silver.....	170,245	338,191	250,510	264,275	283,899	384,994	444,516	624,216
Government securities:								
Held by issue department.....	89,787	89,787	89,787	89,787	89,787	89,787	89,787	89,787
Held by banking department.....	64,233	72,061	159,816	278,304	283,732	346,037	450,000	524,925
Other securities.....	253,729	516,998	545,416	518,094	461,776	448,399	519,635	418,655
Total.....	577,994	1,017,037	1,045,529	1,150,460	1,119,194	1,269,217	1,503,938	1,657,583
LIABILITIES.								
Proprietors' capital.....	70,822	70,822	70,822	70,822	70,822	70,822	70,822	70,822
Rest (surplus).....	15,827	15,978	16,118	16,111	16,065	15,850	15,923	16,254
Public deposits.....	49,913	131,067	241,755	253,624	204,439	115,059	93,500	69,615
Other deposits.....	297,280	623,182	544,914	616,715	604,232	725,287	879,075	854,334
Seven-day and other bills.....	66	116	87	107	50	50	63	39
Notes in circulation.....	144,086	175,872	171,833	193,081	223,586	342,149	444,555	646,519
Total.....	577,994	1,017,037	1,045,529	1,150,460	1,119,194	1,269,217	1,503,938	1,657,583
Ratio of metallic reserve to deposit and note liabilities combined—per cent.....	34.65	36.36	26.14	24.85	27.50	32.56	31.37	39.75

BANK OF FRANCE.

[From weekly statements of the Bank of France.]

[In thousands of dollars.]

	Dec. 26, 1913.	Dec. 10, 1914. ¹	Dec. 30, 1915.	Dec. 28, 1916.	Dec. 27, 1917.	Dec. 26, 1918.	Dec. 26, 1919.	Dec. 31, 1920.
ASSETS.								
Gold in vault.....	678,857	799,359	967,950	652,885	639,682	664,009	694,847	685,517
Other metallic reserve.....	123,532	67,750	67,953	56,910	47,798	61,441	51,731	51,402
Total vault reserve.....	802,389	867,109	1,035,903	709,795	687,480	725,450	746,578	736,919
Gold held abroad.....				326,766	393,162	393,162	381,808	376,035
Foreign credits.....			203,952	159,330	150,231	450,939	250,247	130,849
Government securities:								
Permanent investments.....	57,900	57,900	57,900	57,900	57,900	57,900	57,900	57,900
Advances to Government since outbreak of war.....		694,800	965,000	1,428,200	2,412,500	3,309,950	4,921,500	5,133,800
Treasury bills discounted (advances to foreign Governments).....			121,590	347,400	621,460	680,518	724,715	768,140
Other Government securities.....	22,766		21,882	21,742	21,805	21,757	21,792	22,160
Loans and discounts.....	294,607	41,165	82,859	119,599	176,009	203,101	248,268	639,086
Bills matured and extended.....		702,040	354,002	258,395	221,395	198,513	120,903	77,959
Advances on bullion, specie, securities, etc.....	149,074	² 150,686	222,320	254,326	236,386	234,633	282,616	424,947
Bank premises.....	8,536		9,702	8,895	8,935	8,960	9,121	9,005
Sundry assets.....	61,761		70,104	97,024	121,111	299,202	371,942	304,753
Total.....	1,397,033		3,145,224	3,789,422	5,108,374	6,584,085	8,137,390	8,681,553
LIABILITIES.								
Capital.....	35,223	35,223	35,223	35,223	35,223	35,223	35,223	35,223
Surplus, including special reserves.....	8,206		8,292	8,292	8,292	8,292	8,294	10,599
Amortization account (Laws 1914, 1917, 1918).....						84,421	135,666	201,034
Dividends unpaid.....	309		4,211	4,853	4,985	973	1,003	5,588
Government deposits.....	77,848	34,075	33,562	2,897	48,609	21,555	14,764	10,919
Other deposits.....	111,796	515,687	409,896	437,124	563,088	457,143	603,973	679,256
Bank notes in circulation.....	1,102,715	1,927,306	2,568,801	3,219,012	4,311,002	5,838,174	7,193,986	7,315,009
Sundry liabilities.....	60,936		85,239	82,021	137,175	138,304	144,481	423,925
Total.....	1,397,033		3,145,224	3,789,422	5,108,374	6,584,085	8,137,390	8,681,553
Ratio of metallic reserve to deposit and note liabilities combined—per cent.....	62.09	35.00	34.39	19.40	13.97	11.48	9.56	9.21

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

GERMAN REICHSBANK.

[From the Deutscher Reichsanzeiger, the Deutscher Oekonomist, and weekly statements of the Reichsbank.]

[In thousands of dollars.]

	Dec. 31, 1913.	Dec. 31, 1914.	Dec. 31, 1915.	Dec. 31, 1916.	Dec. 31, 1917.	Dec. 31, 1918.	Dec. 31, 1919.	Dec. 31, 1920.
ASSETS.								
Gold.....	278,453	498,089	581,954	599,873	572,768	538,808	259,519	260,028
Other metallic reserve.....	65,886	8,774	7,633	3,884	43,161	4,764	4,888	1,375
Total metallic reserve.....	344,339	506,863	589,587	603,757	615,929	543,572	264,407	261,403
Imperial Treasury and Loan Bank certificates.....	10,996	208,250	306,512	100,457	312,920	1,254,599	2,626,217	5,577,852
Notes of other banks.....	3,038	1,264	745	332	160	715	470	387
Bills, checks, and discounted treasury bills.....	354,798	936,903	1,381,189	2,287,124	3,473,873	6,530,491	9,943,548	14,443,024
Advances on collateral.....	22,485	5,443	3,079	2,322	1,217	1,429	2,368	1,057
Securities.....	96,012	8,086	12,227	19,932	21,220	37,159	39,061	43,731
Sundry assets.....	53,582	51,173	64,791	186,622	497,752	569,060	585,876	2,317,239
Total.....	885,250	1,717,982	2,358,130	3,200,546	4,923,071	8,937,025	13,461,947	22,644,693
LIABILITIES.								
Capital paid in.....	42,840	42,840	42,840	42,840	42,840	42,876	42,876	42,876
Surplus.....	16,671	17,726	19,171	20,342	21,453	22,629	23,700	24,834
Notes in circulation.....	617,240	1,200,924	1,646,465	1,917,007	2,729,324	5,285,182	8,503,352	16,389,353
Other liabilities payable on demand.....	188,763	418,144	561,445	1,086,281	1,915,993	3,291,924	4,066,517	5,318,318
Sundry liabilities.....	19,736	38,348	88,209	134,076	213,461	294,414	825,502	869,312
Total.....	885,250	1,717,982	2,358,130	3,200,546	4,923,071	8,937,025	13,461,947	22,644,693
Ratio of metallic reserve to deposit and note liabilities combined—per cent.....	42.72	31.31	26.70	20.10	13.26	6.34	2.10	1.20

BANK OF SPAIN.

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

[In thousands of dollars.]

	Dec. 27, 1913.	Dec. 26, 1914.	Dec. 31, 1915.	Dec. 30, 1916.	Dec. 29, 1917.	Dec. 28, 1918.	Dec. 27, 1919.	Dec. 31, 1920.
ASSETS.								
Gold.....	92,490	110,446	167,375	241,423	379,595	430,072	472,041	474,228
Silver.....	138,282	136,455	145,310	143,021	137,134	123,936	121,686	110,698
Total vault reserve.....	230,772	246,901	312,685	384,444	516,729	554,008	593,727	584,926
Credits abroad.....	37,374	28,474	19,917	17,403	17,253	16,881	12,819	15,929
Loans, discounts, and advances.....	151,588	154,820	128,801	129,515	141,166	220,999	312,939	367,397
Government securities:								
Charter 1891.....	28,950	28,950	28,950	28,950	28,950	28,950	28,950	28,950
Charter 1899.....	19,300	19,300	19,300	19,300	19,300	19,300	19,300	19,300
Other.....	66,476	66,476	66,476	66,476	66,476	66,484	66,484	66,484
Sundry assets.....	18,844	29,144	31,331	25,200	16,591	43,704	8,753	77,486
Total.....	553,304	574,065	607,460	671,288	806,465	950,326	1,042,972	1,160,472
LIABILITIES.								
Capital.....	28,950	28,950	28,950	28,950	28,950	28,950	28,950	28,950
Surplus.....	3,860	3,860	4,632	5,018	5,018	11,194	11,580	12,159
Government deposits.....	30,052	21,855	8,661	8,656	12,112	11,933	25,113	15,932
Other deposits.....	92,029	117,832	137,176	146,846	185,233	225,032	199,770	225,711
Notes in circulation.....	371,385	379,258	405,334	455,496	537,088	640,030	744,266	834,066
Sundry liabilities.....	27,028	22,310	22,707	26,322	38,064	33,187	33,293	42,754
Total.....	553,304	574,065	607,460	671,288	806,465	950,326	1,042,972	1,160,472
Ratio of metallic reserve to deposit and note liabilities combined—per cent.....	46.76	47.58	56.73	62.92	70.36	63.17	61.26	54.33

BANK OF BELGIUM.

[In thousands of dollars.]

	Dec. 31, 1913.	Dec. 30, 1919.	Dec. 29, 1920.
ASSETS.			
Gold.....	48,062	51,417	51,438
Silver.....	10,879	5,192	5,389
Total metallic reserve.....	58,941	56,609	56,827
Foreign exchange and foreign credits.....	32,159	11,531	5,497
Bills discounted.....	122,515	75,716	146,041
Public securities.....	11,294	11,783	11,941
Investment of surplus.....	7,959	9,175	9,408
Advances on national public securities.....	11,860	12,126	24,459
Loans secured by foreign credits.....		16,396	16,338
Provincial bonds, taken over by the State (law of Nov. 14, 1919).....		92,640	92,640
Funds held for the National Institution of Savings.....	2,282		
Advances to the Government for the retirement of marks deposited with the bank.....		1,119,400	1,061,500
Bank premises, furniture, and fixtures, net, i. e., less depreciation.....	2,890	2,971	3,008
Sundry assets.....	1,823	473	502
Total.....	251,723	1,408,820	1,428,161
LIABILITIES.			
Capital.....	9,650	9,650	9,650
Surplus.....	8,064	9,183	9,409
Notes in circulation.....	206,010	919,414	1,181,013
Deposits in current account;			
Government, including specie deposits.....	1,850	42,061	17,266
Other.....	22,600	427,816	209,434
Funds due to the National Institution of Savings.....	2,298		
Sundry liabilities.....	1,251	696	1,389
Total.....	251,723	1,408,820	1,428,161
Ratio of metallic reserve to deposit and note liabilities combined—per cent.....	25.6	4.1	4.0

NOTE.—Figures for the period 1914 to 1918 not available.

BANK OF THE NETHERLANDS.

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

[In thousands of dollars.]

	Mar. 31, 1914.	Mar. 31, 1915.	Dec. 31, 1915.	Dec. 30, 1916.	Dec. 29, 1917.	Dec. 28, 1918.	Dec. 27, 1919.	Dec. 27, 1920.
ASSETS.								
Gold coin and bullion.....	64,346	116,097	172,531	236,216	280,690	277,155	256,204	255,729
Silver.....	3,866	751	2,491	2,808	2,825	3,435	2,453	8,518
Total vault reserve.....	68,212	116,848	175,022	239,024	283,515	280,590	258,657	264,247
Loans and discounts.....	22,348	28,791	30,692	26,807	32,891	97,964	67,883	79,123
Foreign bills.....	7,657	3	1,007	3,225	3,232	3,590	19,438	21,207
Advances.....	38,151	81,503	37,619	34,373	43,194	56,085	100,547	99,538
Government securities.....	50	368		4,654		1,499	4,921	5,560
Other securities.....	3,619	3,334	3,588	3,657	3,649	3,560	3,399	3,364
Bank premises.....	723	643	643	563	589	712	1,331	1,445
Sundry assets.....	638	3,674	9,974	28,577	26,256	35,821	16,344	9,026
Total.....	141,398	235,164	258,545	340,880	393,326	479,821	472,520	483,510
LIABILITIES.								
Capital.....	8,040	8,040	8,040	8,040	8,040	8,040	8,040	8,040
Surplus.....	2,011	2,010	2,010	2,072	2,104	2,042	2,010	2,010
Notes in circulation.....	125,768	189,916	231,976	304,868	357,860	429,717	415,158	431,002
Interest bearing certificates.....	750	695	1,395	1,503	1,434	824	700	774
Government deposits.....			2,204		8,677			
Other deposits.....	3,613	33,282	9,764	21,940	12,683	35,368	41,142	34,275
Sundry liabilities.....	1,216	1,221	3,156	2,457	2,298	3,630	5,470	7,409
Total.....	141,398	235,164	258,545	340,880	393,326	479,821	472,520	483,510
Ratio of metallic reserve to deposit and note liabilities combined—per cent.....	52.42	52.19	71.34	72.80	74.44	60.20	56.60	56.70

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