

# FEDERAL RESERVE BULLETIN

ISSUED BY THE  
FEDERAL RESERVE BOARD  
AT WASHINGTON

DECEMBER, 1920



WASHINGTON  
GOVERNMENT PRINTING OFFICE  
1920

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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.

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# FEDERAL RESERVE BULLETIN

VOL. 6

DECEMBER, 1920.

No. 12

## REVIEW OF THE MONTH.

Fiscal operations of the Government during the month of November have shown a gross income of \$275,420,812 on ordinary account and a gross expenditure of \$426,092,313 on ordinary account, the result accordingly being a net deficit of \$150,671,501. The Treasury Department on November 8 offered an issue of certificates of indebtedness amounting to \$200,000,000, which was oversubscribed to the extent of more than \$92,000,000. The amount allotted as announced on Wednesday, November 17, was \$232,124,000. The rate named was 5½ per cent. Seven of the Federal Reserve districts oversubscribed their quota.

Question having arisen in some quarters as to the advisability of relaxing the requirements of the Government relative to the payment on December 15 of the fourth installment of income and excess profits taxes, the Secretary of the Treasury made public on November 22 a statement in which he outlined certain aspects of the present position of the Treasury, saying in part:

"The revenue act provides for the payment of income and profits taxes in four quarterly installments due on March 15, June 15, September 15, and December 15. The taxes due on December 15, 1920, represent chiefly the final installment due in respect to income and profits of the taxable year 1919. Taxpayers have already had nearly 12 months' grace as to this final installment and have had every opportunity to make provision for its payment by setting up the necessary reserves or purchasing Treasury certificates of indebtedness. The Treasury Department, moreover, has adjusted its financial program to the tax payment dates provided by the revenue act of 1918. There are outstanding nearly \$700,000,000 of certificates maturing on December 15, 1920, and \$300,000,000 additional mature on January 3 and January 15, 1921. On December 15 there will also become payable the semiannual interest on the first Liberty loan and the Victory

Liberty loan, aggregating about \$140,000,000. To meet these heavy maturities of principal and interest and at the same time provide for the current requirements of the Government, enlarged as they are by the extraordinary burdens imposed upon the Treasury in connection with payments to the railroads, the Treasury relies chiefly on the income and profits taxes payable on December 15. This installment is not expected to exceed \$650,000,000. The Treasury must finance its further requirements, so far as they are not covered by ordinary current receipts, through issues of Treasury certificates of indebtedness. It would be impossible to defer the payment of the December installment of taxes without forcing the Treasury to offer Treasury certificates in prohibitive amounts."

The year 1920 has been a period of decided advance in the process of economic readjustment consequent upon the conditions left by the war. Production had been developed to a very high point as a result of war necessities, besides being diverted into channels different from those normal in peace time. It was, therefore, inevitable that a period of readjustment involving some decrease in output, at least temporarily, should ensue. On former occasions, when problems of a similar sort have been met with, the process of readjustment from a war to a peace-time level of business has been extremely rigorous. Conditions during the present period of readjustment have by comparison been tolerable. Production during the latter part of the year has, it is true, fallen off in some branches following upon the readjustment of the price structure. Fundamental alterations in the distribution of labor between trades and employments have also been a feature of recent months. In the banking field the advance of the volume of deposits has changed during the recent months into a recession, although Federal Reserve note circulation was about \$200,000,000 larger at the close of November than at the end of July. It is also to be noted that there has been a marked change in the composition of bank portfolios resulting

from the gradual retirement of long-term or speculative paper and the substitution of paper based upon bona fide commercial transactions growing out of the actual purchase and sale of goods. In international trade the conditions which led to an excessive development of exporting business have been in process of change, and a return to more normal conditions is now in progress. So far as concerns the European countries the year has been noteworthy in international trade for a decided evidence of increase of productive power which, although interrupted from time to time by internal difficulties of one kind or another, has nevertheless been the dominant feature in the foreign economic movement.

Very sharp reduction in prices coupled with heavy decreases in production, extensive unemployment, and business reaction, often involving bank failures, have been the outstanding features of readjustment in former years. The transition through which the community is now passing, while necessarily uncomfortable, has thus far been accompanied by only a minimum of the unfavorable symptoms developed on other occasions. While the present process is as yet incomplete and though some lines of business may be expected to pass through a still further period of reorganization, there is good reason for believing that with our present strong banking structure the difficulty of the transition will not be much further aggravated and that a normal situation will be restored with far less than usual distress. The fiscal situation both at home and abroad is still uncertain due to the fact that, while the war was technically over at the signing of the armistice, it was not over in the financial sense until a long time later, while it has not been possible during the readjustment period to place public finance in any country upon its peace time footing, pending much closer ascertainment of the best method of taxation. The close of the year 1920, however, in spite of the fact that in some branches of economic and financial life there is still much progress to be made before reaching a definite basis for further growth, must nevertheless be regarded as quite unmistakably a turning point in the process of transition from conditions produced

by the war to the normal economic basis of international and industrial life.

In thus estimating the position of the economic organization at the close of the year 1920, very large emphasis should undoubtedly be placed upon the volume of production. It is in the quantity of output supplied by a nation that the best test is found of its true position from the economic standpoint. Although the year 1920 shows a downward movement in some branches of production and trade and a lessening of the activity with which credit media are employed, a gratifying aspect of the year is seen in the fact that the changes thus far reported have been so small, especially when the great activity of production and the great extension of credit which occurred during the war period are borne in mind. Considering the year 1920 in comparison with similar periods, reaction shown by the indexes representing the chief lines of business activity, as already stated, is in most cases relatively minor as compared with the volume of production and trade when at its high point. While much is said of changes in prices and particularly of declines of prices as an indication of economic retrogression, it is to be remembered that the real income of the community is the quantity of goods available for consumption and not the money value of the goods thus produced. The fundamental test of the degree in which conditions which make for prosperity have been regained and former industry restored is found in the indexes which exhibit actual volume of output. Of primary importance are statistics showing the yield of agricultural and manufacturing industries. Next to these are indexes showing the actual movement of goods from producer to consumer. The latter may be best derived from statistics of freight movement, figures showing the activity of money and credit, and data reflecting the activity of wholesale and retail trade. Prices play an important part as a factor in the process of distribution, and the price level is of first significance to the student of business conditions because it aids in definitely determining the profit-making position of the various economic factors of the community as measured in terms of money.

It is true that reductions in wholesale prices in 1920 have greatly lowered the general levels. It should be remembered, however, that far too great stress may be placed upon the level of prices in connection with national conditions, since prices are expressions of relative value and hence of much greater interest to the individual than to the community at large.

Viewed from the standpoint of the volume of commodities rendered available for consumption, the year 1920 has been one of unusual success. As is well known, the output of primary wealth—the product of the farms and, in general, of agricultural enterprise—has been of more than average size. Preliminary estimates have already been furnished for this output in former months. The figures of the Department of Agriculture, made available at the opening of November, are substantially the same as those which have already been published for October 1 and, as pointed out in past issues, exhibit in most lines a substantial advance above the average of recent years, and in some important crops constitute the largest output ever produced. In the case of corn, the only product for which the November estimates differ from those of October, the estimated output, although showing a decline of about 17,000,000 bushels, still remains the largest on record.

While the situation as to agriculture is practically beyond question, the work of the year in respect to manufacturing is less clear. According to some investigators, however, the output of the country, whether as measured in the aggregate or per capita, was probably close to high-water mark at the close of spring. The facts would indicate that in the more distinctly manufacturing and industrial lines there had been subsequent to the heavy war production a natural decrease in, and readjustment of, output which became evident shortly after the opening of 1919 and which continued for several months thereafter. The requirements of, buyers did not dominate market conditions, but there subsequently developed shortages in various lines. Of this situation the final result was a considerable increase in productive activity, although in

some lines, such as those of textile production, a so-called “sellers’ market” eventually developed. That this situation had not become well established until the spring of 1920 was far advanced is not singular. This period of higher production was apparently reaching its peak during the early months of 1920. Since the late spring of the year 1920, however, there has been in progress a certain decrease in output. The condition of different industries in this regard is by no means uniform, although it may be seen most clearly in textiles. Shipbuilding, and very recently the iron and steel industries, exhibit an influence of the same kind. The decrease in unfilled orders on the part of the United States Steel Corporation, which has been in progress ever since about the beginning of August, points clearly not only to a relative decrease in the activity of these basic industries but also to a falling off in that of other industries which are practically dependent upon them. Building construction may be ranked as one of the latter. Exactly how far the shrinkage in production has gone can, of course, be stated only conjecturally as an aggregate figure, but light on the present situation is furnished by the Board’s index of production, which makes the following showing:

	Sept., 1920.		Oct., 1920.		Oct., 1919.	
	Total.	Relative.	Total.	Relative.	Total.	Relative.
Receipts of live stock at 15 western markets (in thousands of head).....	5,266	75.6	5,355	76.9	6,962	100
Receipts of grain at 17 interior centers (in thousands of bushels).....	110,111	116.0	95,955	101.1	94,901	100
Sight receipts of cotton (in thousands of bales).....	772	42.1	1,463	79.7	1,835	100
Shipments of lumber reported by 3 associations (in millions of feet).....	716	85.3	699	83.3	839	100
Bituminous-coal production (in thousands of short tons).....	51,093	90.8	50,744	90.2	56,243	100
Anthracite-coal production (in thousands of short tons).....	5,125	60.6	7,645	90.4	8,459	100
Crude-petroleum production (in thousands of barrels).....	37,889	113.7	39,838	119.6	33,319	100
Pig-iron production (in thousands of long tons).....	3,129	167.9	3,293	176.7	1,864	100
Steel-ingot production (in thousands of long tons).....	3,000	.....	3,016	.....	.....	.....
Cotton consumption (in thousands of bales)....	458	82.4	400	72.0	556	100
Wool consumption (in thousands of pounds)....	30,928	51.5	33,704	56.2	60,018	100

In order to illustrate clearly the changes in production during the current year there have been prepared and are presented herewith four brief tables showing the situation in agriculture as based upon live stock, grain, and cotton sight receipts during the year 1920; the production of bituminous and anthracite coal and of crude petroleum; the output of pig iron and steel ingots and the unfilled orders of the United States Steel Corporation; and the consumption of cotton and wool.

*Movement of agricultural products.*

[Monthly average, 1911-1913=100.]

	Live stock receipts at 15 western markets.	Grain and flour receipts at 17 interior centers.	Cotton sight receipts.
Average for year 1918.....	127	126	74
Average for year 1919.....	129	106	84
1920.			
January.....	139	102	126
February.....	105	99	90
March.....	110	87	64
April.....	90	56	44
May.....	112	74	29
June.....	110	92	21
July.....	100	97	29
August.....	109	114	24
September.....	114	137	61
October.....	116		

*Coal and petroleum.*

[Monthly average, 1911-1913=100.]

	Anthracite coal production.	Bituminous coal production.	Crude petroleum production.
Average for year 1918.....	111	130	155
Average for year 1919.....	97	103	164
1920.			
January.....	100	131	177
February.....	92	116	186
March.....	98	126	190
April.....	88	102	189
May.....	105	107	193
June.....	103	118	195
July.....	105	123	201
August.....	99	131	206
September.....	69	138	198
October.....	103	137	208

*Iron and steel.*

[Monthly average, 1911-1913=100.]

	Pig-iron production.	Steel-ingot production.	Unfilled orders U. S. Steel Corporation.
Average for year 1918.....	138	125	164
Average for year 1919.....	110		114
1920.			
January.....	130	123	176
February.....	138	127	180
March.....	146	137	188
April.....	118	109	197
May.....	129	119	208
June.....	131	123	208
July.....	132	116	211
August.....	136	124	205
September.....	135	124	197
October.....	141	125	187

*Cotton and woolen industries.*

[Pounds.]

	Cotton consumption.	Wool consumption.
Average for year 1918.....	2,573,561,000	50,429,835
Average for year 1919.....	2,466,193,000	45,257,215
1920.		
January.....	2,958,625,000	63,059,862
February.....	2,582,970,000	55,247,652
March.....	2,878,520,000	58,344,602
April.....	2,839,195,000	57,887,832
May.....	2,705,400,000	50,649,381
June.....	2,777,605,000	40,679,920
July.....	2,627,025,000	32,372,064
August.....	2,415,965,000	32,849,956
September.....	2,288,235,000	30,928,337
October.....	1,999,185,000	

While it thus appears that the figures point to some reductions in certain lines of productive activities, the figures thus far available in other lines indicate an actual increase.

Care should be taken in reviewing conditions at the close of the year 1920 and in comparing them with those existing at previous dates throughout the year to differentiate between production changes and trade changes. In all periods of transition it is the latter that are the more obvious. It should steadily be borne in mind that the year 1920 has been a more disturbed period in connection with the movement of goods to market than in production, and that as a result there has been at times congestion and arrested movement of commodities, while at other times the delivery and consumption of products has been steady and satisfactory. In general, the year may be divided into three periods, the first culminating in the early spring or toward the end of April, at which time a peak of congestion had been reached on the railways as the result of bad weather and lack of satisfactory efficiency of railroad personnel aggravated by the tentative or "outlaw" strikes which had been in progress. Thereafter there ensued a period of fairly steady moving of commodities to points of consumption, assisted by the favorable weather in the spring and summer as well as by the increase in efficiency of the railroads of the country. From about September onward the movement of goods again began to show a decline, this being due in the case of agricultural staples to a tendency to hold products at the points of production, while in the case of manu-

factured articles it was probably the outcome of a reluctance or unwillingness on the part of distributors to go on receiving consignments. This situation has been noteworthy from time to time not only with respect to the domestic movement of goods but also in relation to exports. It was worthy of note also that in spite of the large yield in agricultural lines the grain movement has been unexpectedly small, partly in consequence of defective transportation at certain times of the year and partly as a result of a disposition on the part of farmers to hold back their product. Conditions in transportation were reflected in the figures showing the movement of goods last spring and in certain decreases of the same sort for the current autumn, notwithstanding that the ton-mile figures on railways are to-day of large size. In order to present the phase of the business situation reflected in the movement of goods from manufacturer to consumer there has been prepared a table, to show the movement of commodities, of ton-mileage figures for the railways as follows:

*Net ton mileage of United States railways.*

September, 1918.....	38,592,137,000
September, 1919.....	38,860,311,000
January, 1920.....	34,769,722,000
February, 1920.....	32,758,789,000
March, 1920.....	37,990,993,000
April, 1920.....	28,490,595,000
May, 1920.....	37,884,967,000
June, 1920.....	38,179,565,000
July, 1920.....	40,435,508,000
August, 1920.....	42,706,835,000
September, 1920.....	40,999,843,000

In connection with this there should also be considered another table, exhibiting the total movement of certain selected exports as reflected in indexes presenting the total volume of goods shipped as they would be if stated in terms of the price level of 1913. In order to obtain these figures 29 of the most important articles of export were selected whose value in 1913 formed 56.3 per cent of the total value of exports. The export values of these commodities were then reduced for each month of 1920 for which figures are available in the proportion indicated by the index number of prices as compared with the price existing in 1913. Thus, for example, if the value of the exports in July,

1920, be represented by 100, while the price level at that date was 200 as compared with the level of 100 in 1913, the figure 100 would be divided by 2. With the column exhibiting exports in this way has also been associated a corresponding column representing import conditions based on 25 of the most important imports whose value in 1913 formed 47.7 per cent of total imports.

*Actual and adjusted values of imports and exports.*

[Monthly average values, 1913=100.]

	Value of total imports.	Value of imports of selected commodities at 1913 prices.	Value of total domestic exports.	Value of exports of selected commodities at 1913 prices.
<b>1919.</b>				
January.....	142.6	111.4	299.9	124.7
February.....	157.4	128.0	281.4	99.0
March.....	179.1	161.8	290.3	106.1
April.....	182.7	169.3	333.3	129.3
May.....	220.2	194.9	290.4	111.4
June.....	196.1	165.7	445.0	174.7
July.....	230.1	192.3	273.5	110.9
August.....	205.7	147.8	311.0	117.5
September.....	291.4	217.5	285.3	103.9
October.....	269.0	193.2	304.2	104.2
November.....	284.4	198.1	357.7	126.7
December.....	254.8	172.4	327.6	114.6
<b>1920.</b>				
January.....	317.2	217.3	352.5	112.9
February.....	313.0	213.1	309.9	98.7
March.....	350.8	247.2	393.6	128.9
April.....	331.8	212.7	329.7	107.1
May.....	288.5	162.3	356.2	112.5
June.....	370.1	191.3	302.5	91.1
July.....	359.6	178.4	313.9	101.3
August.....	343.8	178.1	280.2	87.3
September.....	243.4	129.1	291.7	88.6

An examination of the index numbers for the value of imports and exports as thus given leads to the conclusion that with price fluctuation eliminated in the way already outlined our export volume for 1920 is on a lower level, some of the months for the period being lower than the average monthly figure for 1913. The volume of imports, however, is higher than the 1913 level, a fact which illustrates the statement often made that the reaction subsequent to the war which had been generally predicted by economists is now in progress. The figures for imports and exports, both when measured in volume and when measured in values, have shown an absolute tendency to fall off, although the growth of imports up to the present time has been greater than that of exports when adjusted values are taken as a basis for comparison. The year 1920 must undoubtedly be regarded as a period of transition from war conditions to peace conditions in our foreign trade.

These changes are most clearly illustrated when the influence of price fluctuations is eliminated from the figures in order to place them on a comparative basis of volume.

It is also worthy of note in this connection that after a period of steady growth during the first eight months of the year in the amount of shipping actually engaged in carrying our foreign commerce a certain reaction has now set in, as may be seen from the following table:

*Tonnage of vessels cleared in the foreign trade.*

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Net tonnage.			Relative.	Percentage American to total.	Relative.
	American.	Foreign.	Total.			
September, 1918	2,009,194	2,290,872	4,300,066	111	46.7	185
September, 1919	2,627,480	2,481,676	5,109,156	131	51.4	203
1920.						
January.....	1,933,385	1,949,798	3,883,183	100	49.8	197
February.....	1,702,407	1,628,212	3,330,619	92	51.1	202
March.....	2,040,031	2,040,538	4,080,569	105	50.0	198
April.....	2,504,038	1,960,634	4,464,672	115	56.1	222
May.....	2,729,790	2,436,247	5,166,037	133	52.8	209
June.....	3,199,274	3,141,913	6,341,187	163	50.5	200
July.....	3,302,538	3,616,052	6,918,590	178	47.7	189
August.....	3,616,267	3,929,602	7,545,869	194	47.9	190
September.....	3,421,531	3,513,599	6,935,130	178	49.3	195

As is seen from the table, however, the tonnage figures thus far available show an actual increase in the amount of shipping required to carry our trade as compared with any preceding month during the whole course of the calendar year, excepting only February and September.

The activity of retail trade is usually regarded as a direct index of the attitude of consumers with respect to the price level and is looked to by students of the business situation not merely for the purpose of obtaining a test of business conditions from the retail trade standpoint, but also of affording an indirect index of the probable rate at which stocks of goods will pass off through retail trade channels into the hands of consumers. For a good many months past the Board has been developing a retail trade index based upon figures concerning stocks of goods, turnover, and other important items furnished by a specified number of leading retail establishments in the several Federal Reserve districts. A study of these figures, and especially a comparison of cumu-

lative single percentages designed to embody not only the returns of the current month but also accumulated results of preceding months, point to a decline in sales, which has not, it would seem, gone to very great length thus far, in some districts amounting merely to the curtailment or abolition of a seasonal increase of the volume of business which would otherwise have been expected, the remaining volume being higher than that of the preceding year. The tendency, however, in other districts has been distinctly downward, and at the present time the Board's index points clearly to a limitation of the active buying of consumers which was so noticeable during 1919 and the earlier part of 1920. This bears out the general impression already existing with respect to retail trade conditions as indicated by many reports of a general nature furnished by expert observers in the various branches of trade. The activity of retail trade is of special interest at the present time, because it usually is one of the last elements in the business situation to show the effects of those factors which make for depression or reduction. Curtailment of purchasing power does not usually occur, at least in full measure, until reductions of employment and lowering of prices have resulted in lessening the incomes of buyers who are thereby induced to suspend or limit their purchases. Accordingly, a definite reaction in retail trade seldom presents itself until after readjustment has made considerable progress in manufacturing and even in wholesale activity. This is for the reason that the decline in retail trade makes itself felt in some districts at a date considerably later than that which appears to mark the turning point in production by manufacturers. The following table presents the combined results of the Board's study of the retail trade situation during the past year.

*Retail trade activity—Per cent of increase in net sales of department stores in 1920 over 1919.*

District.	Jan. 1, 1920, to close of—						July 1, 1920, to close of—			
	Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.
No. 1.	34.8	32.5	31.6	27.5	25.8	26.2	19.9	15.1	15.2	10.1
No. 3.	22.2	20.3	26.2	20.5	30.9	31.0	23.8	24.9	19.6	17.3
No. 4.	36.0	38.2	33.6	32.1	34.6	29.9	27.3	25.9	23.9	
No. 12.	51.7	46.5	41.0	36.9	34.7	33.2	21.2	21.4	19.8	16.8

Figures showing the development of retail trade are not, however, indicative of more than the superficial attitude of buyers with respect to consumption goods. They may be subject to other very special influences, as is seen from the fact that the prompt reduction of prices to consumers may at times result in the temporary and perhaps deceptive increase of buying on the part of consumers who believe it wise to "stock up" in advance of actual needs. A better analysis of the general activity of trade throughout the whole economic structure is afforded by the study of figures showing the actual use made of the mechanism of exchange or, in other words, the extent to which exchange media have been used for the purpose of transferring goods from sellers to buyers. It is with a view to developing this phase of the situation that use has frequently been made in the past of data showing the per capita volume of money in circulation—an imperfect index of the activity of exchange. Better than this, but still unsatisfactory, is the practice of analyzing clearing-house figures. Early in its effort to provide a satisfactory review of business conditions the Federal Reserve Board instituted a system of statistics showing debits to individual depositors' account throughout the country, relying upon the clearing-house banks of the various clearing centers for this information. The figures thus accumulated are of large value in affording evidence as to the degree of activity in the use of banking media and are accordingly deserving of unusually careful study. They indicate a decline in total debits to individual account. Total figures for the United States increased from 34.7 billions in January, 1919, to 45.4 billions in December, 1919, this being the peak of the movement. The returns for January, 1920, at 45.1 billions were nearly as large, but thereafter an almost continuous decline set in. The low point in the movement was apparently reached in August, 1920, with 36.3 billions, since which time minor advances have taken place. It should be recalled, however, that the organization of the New York Stock Exchange clearing house has to some extent altered the reports from district No. 2. These facts may be more clearly set forth in a table designed to show the move-

ment of the figures during the years 1919 and 1920, which is herewith presented:

*Bank transactions as shown by debits to individual account.*

[In millions of dollars, i. e., 000,000 omitted.]

District.	Jan., 1919.	Feb., 1919.	Mar., 1919.	Apr., 1919.	May, 1919.	June, 1919.	July, 1919.
No. 1.....	1,717	1,355	1,570	1,514	1,766	1,863	1,989
No. 2.....	13,683	14,927	17,189	17,859	21,418	21,613	22,953
No. 3.....	1,633	1,318	1,562	1,495	1,649	1,673	1,768
No. 4.....	2,115	1,709	1,931	1,998	2,119	2,272	2,403
No. 5.....	640	549	574	595	652	722	779
No. 6.....	910	735	781	772	885	872	897
No. 7.....	3,975	3,307	3,713	3,732	4,180	4,217	4,556
No. 8.....	1,027	837	875	868	919	934	1,032
No. 9.....	713	477	584	629	661	614	646
No. 10.....	1,134	1,002	1,131	1,092	1,242	1,125	1,321
No. 11.....	536	420	454	468	543	541	580
No. 12.....	1,709	1,450	1,680	1,620	1,862	1,748	1,994
Total..	34,792	28,086	32,044	32,642	37,896	38,194	40,918

District.	Aug., 1919.	Sept., 1919.	Oct., 1919.	Nov., 1919.	Dec., 1919.	Jan., 1920.	Feb., 1920.
No. 1.....	1,712	1,788	2,246	2,181	2,354	2,277	1,760
No. 2.....	20,471	21,366	24,846	24,442	25,013	24,321	18,606
No. 3.....	1,612	1,780	1,853	1,766	1,970	2,034	1,631
No. 4.....	2,136	2,358	2,411	2,283	2,621	2,626	2,186
No. 5.....	722	729	862	831	846	913	729
No. 6.....	838	918	1,170	1,142	1,218	1,299	1,019
No. 7.....	4,328	4,552	4,777	4,704	4,959	5,134	4,320
No. 8.....	916	945	1,073	1,043	1,111	1,224	1,008
No. 9.....	648	821	852	753	770	736	672
No. 10.....	1,322	1,276	1,348	1,347	1,409	1,481	1,241
No. 11.....	554	611	743	764	786	743	584
No. 12.....	1,977	2,099	2,344	2,227	2,436	2,396	2,030
Total..	37,236	39,243	44,525	43,483	45,493	45,184	35,706

District.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.
No. 1.....	2,082	2,103	2,151	2,021	2,084	1,761	1,876	2,106
No. 2.....	22,919	21,991	21,376	20,208	19,791	18,007	18,237	20,817
No. 3.....	1,947	1,939	1,946	1,942	1,914	1,818	1,795	1,927
No. 4.....	2,616	2,608	2,556	2,667	2,757	2,424	2,269	2,109
No. 5.....	828	816	841	805	823	743	742	805
No. 6.....	1,174	1,143	1,132	1,036	1,053	970	1,009	1,046
No. 7.....	5,388	4,953	5,111	5,045	5,277	4,774	5,010	5,122
No. 8.....	1,115	1,054	1,055	997	987	917	957	1,006
No. 9.....	702	698	727	686	708	655	802	890
No. 10.....	1,451	1,313	1,408	1,333	1,323	1,327	1,390	1,420
No. 11.....	670	633	652	614	652	645	726	786
No. 12.....	2,472	2,347	2,420	2,425	2,541	2,293	2,382	2,469
Total..	43,364	41,598	41,375	39,779	39,910	36,334	37,195	40,503

NOTE.—Monthly figures are prorated from weekly data shown each month in the FEDERAL RESERVE BULLETIN. Caution is necessary in their interpretation, as the number of reporting centers varies slightly.

It should, of course, be understood that the decline in debits to individual account which is thus presented has no necessary relation to the credit or "money" situation. The total amount of bank deposits as well as the volume of notes in circulation have been slowly on the increase within recent months. The figures showing debits to individual account to which reference is made herein are essentially figures showing a "turnover" of credit, or constitute a factor in what economists describe as "velocity of circulation." They indicate not

the total amount of credit which is available for the use of the individual or business establishment, but the decrease in the activity with which such credit has been used by its owners.

The downward trend of exchange during 1920

**Production and foreign exchange.** appeared to have reached the low point toward the middle of November, when sterling was

quoted below 3.40. As may be seen from the graphic representation already published in the last issue (p. 1159), the movement of practically all European exchanges has been steadily downward and practically on parallel lines since early in the year. The sharp depression which was brought about in the early part of November was attributed by experts to the necessity of financing considerable quantities of grain and cotton bills growing out of the shipments of this year's products at a time when, as already pointed out in former issues, there was a very large outstanding indebtedness on the books of foreign banks and business houses, which resulted in creating an overhanging supply of exchange, which was at times "dumped" in the market whenever a slight upward trend suggested the possibility of converting foreign currencies into dollars at even a tolerably favorable rate. This, of course, was a situation primarily applicable only to European exchanges. Nevertheless, in relations with South American countries the situation was equally unfavorable, due to conditions already set forth and including depression of prices as well as the disturbance of our foreign trade relationships with those countries. In a general way it may be said that the year 1920 has been a period of practically steady deterioration in exchange conditions, as reflected in the constantly growing open balances in favor of the United States which are being carried in an increasingly large list of foreign nations.

Foreign exchange conditions during the year 1920 throw interesting light upon the bearing of exchange rates on international trade. They show that abnormally low quotations of foreign currencies tend to reduce the export shipments of the nation, particularly when these low quotations are the result of unpaid balances which give rise to a quantity of exchange that may be thrown upon the market at any given moment. The exchange situa-

tion is therefore in some measure responsible for the slowing down of the export trade of the United States, and illustrates once more the necessity of action designed to bring about soundness in international financial relations. Another phase of present conditions which deserves particular attention is seen in the fact that as things stand the amount of our exports would seem to be quite closely conditioned upon the amount of our imports. As our banking and mercantile credit situation becomes more and more saturated with foreign credit, or, in other words, reaches a position where it is difficult to extend any more accommodation—certainly no more long-term accommodation—to foreigners, the natural inference would seem to be that current and future shipments of our goods abroad would be paid for in very large measure with contemporary shipments of goods to this country. Such a situation is evidently developing, as is seen in the study of foreign trade already presented. The facts as thus set forth afford a satisfactory explanation of the steady increase in our importations from abroad and furnish a warrant for the opinions of those who have believed that there would be a larger movement of goods into the United States as the result of the extensive credits which have in the past been granted foreign countries.

Price movements have already been incidentally referred to as a factor affecting readjustment. The remarkable changes of 1920, however, require some special attention. In the case of wholesale prices, readjustment has occurred in a more striking fashion than in perhaps any other field. In January prices in the United States stood at 242 per cent of the pre-war level, according to the Federal Reserve Board index number. They continued to advance until April, when the index number stood at 263. May prices were at approximately the same high level, but since that time the decline has been quite considerable. By October the Board's number had fallen to 208, showing a decline of 21 per cent from the peak.

More or less similar readjustments have been made in foreign prices during the same period. British prices reached their peak in April and have been on the decline since then, the

reductions in the past two months being especially noteworthy. Canadian prices have shown tendencies very similar to those in the United States. In Japan the drop in prices has been more extreme, the difference between the March and October index numbers amounting to 30 per cent.

France and Italy show somewhat different fluctuations. In both countries prices reached their peak in April of this year, receding from these high points during the next two months, but increasing again recently. But even in these two cases the index numbers are at slightly lower points than last spring. In the following table are presented index numbers for January, April, and October:

*Wholesale price indexes.*

[Average prices, 1913=100.]

	Jan., 1920.	Apr., 1920.	Oct., 1920.
United States.....	242	263	208
United Kingdom.....	288	313	282
France.....	487	584	503
Italy.....	504	679	665
Sweden.....	319	354	346
Canada.....	248	261	234
Japan.....	301	300	226
India.....	218	200	206
Australia.....	203	217	.....

Within the past month further developments in South American trade have occurred which tend to emphasize the real character of our foreign trade problem. A moratorium had already been declared by Cuba on October 10 and has been in effect ever since then. Meanwhile other moratoria or what amounts to such a suspension have been put into effect in several of the South American countries, notably in Paraguay. The immediate cause of trouble has been found in the rapid decline of staple products, such as sugar, hides, rubber, coffee, wool, and other chief exports, while the demoralization of exchange rates upon the United States has made it difficult, in some cases next to impossible, for South American importers to purchase dollars with which to pay for their North American importations and yet leave themselves in position to dispose of the goods at prices which will appeal to the community. Decline in prices, lack of stability in exchange, and consequent inability to sell imported

goods on home markets, have been the principal factors of the transition period in our dealings with South America. In order to remedy these conditions desire has been expressed in various South American countries that loans in their favor shall be floated in our market. The extent to which such expectations might be satisfied would depend very largely, of course, upon the degree in which the credit thus to be extended actually furnished a means of effectually paying current obligations. The real point of the situation is that many of the South American countries which produce staples, such as sugar, coffee, rubber, and others which have greatly fallen in price, find themselves without the means of meeting obligations which they had contracted on the assumption that their commodities would command a much higher price, or, in other words, they find the sale of these articles slow in the United States because of the slackening of demand for goods which has left many concerns more than fully equipped with quantities of raw material. The South American countries are thus, through a combination of special circumstances, placed in somewhat the same position as the nations of Europe. They lack paying power because what they have for sale is for the moment not sufficiently high priced and not sufficiently salable to enable them to equalize their trade balance with the United States. The situation for the time being is thus similar to that of such European countries as are not as yet in position to export in any degree or are insufficiently prepared to meet their recurring interest obligations and pay for their current importations from the United States. The decline of prices thus exerts an unexpected influence upon our foreign business by limiting the field of our markets in those countries from which we draw staples which have suffered the most severe recession as a result of recent alterations in the price level.

During the month ending November 10 the net inward movement of gold was \$62,519,000, as compared with a net inward movement of \$56,503,000 for the month ending October 10. Net imports of gold since August 1, 1914,

**Gold and silver movements.**

were \$816,229,000, as may be seen from the following exhibit:

[In thousands of dollars.]

	Imports.	Exports.	Excess of imports over exports.
Aug. 1 to Dec. 31, 1914.....	23,253	104,972	<sup>1</sup> 81,719
Jan. 1 to Dec. 31, 1915.....	451,955	31,426	420,529
Jan. 1 to Dec. 31, 1916.....	685,745	155,793	529,952
Jan. 1 to Dec. 31, 1917.....	553,713	372,171	181,542
Jan. 1 to Dec. 31, 1918.....	61,950	40,848	21,102
Jan. 1 to Dec. 31, 1919.....	76,534	368,185	<sup>1</sup> 291,651
Jan. 1 to Nov. 10, 1920.....	333,775	297,301	36,474
Total.....	2,186,925	1,370,696	816,229

<sup>1</sup> Excess of exports over imports.

England furnished \$82,053,000, or over 86 per cent, and France \$5,571,000 of the \$95,060,000 of gold imported during the monthly period ending November 10, Columbia, Canada, Sweden, Australia, and Mexico furnishing most of the remainder. Of the gold exports, amounting to \$32,541,000, over 85 per cent, or \$27,942,000, was consigned to Japan, \$3,000,000 to China, and the remainder principally to Hongkong, Mexico, and Canada. Since the removal of the gold embargo on June 9, 1919, total gold exports have amounted to approximately \$651,097,000. Of this total, \$174,407,000 was consigned to Japan, \$146,555,000 to Argentina, \$69,330,000 to Hongkong, \$67,396,000 to China, \$40,812,000 to British India, \$29,778,000 to Spain, and the remainder principally to Mexico, Uruguay, the Dutch East Indies, the Straits Settlements, Canada, and Venezuela.

During the same monthly period the net outward movement of silver was \$282,000, as compared with a net inward movement of \$1,308,000 for the month ending September 10. Net exports of silver since August 1, 1914, were \$454,571,000, as may be seen from the following exhibit:

[In thousands of dollars.]

	Imports.	Exports.	Excess of exports over imports.
Aug. 1 to Dec. 31, 1914.....	12,129	22,182	10,053
Jan. 1 to Dec. 31, 1915.....	34,484	53,599	19,115
Jan. 1 to Dec. 31, 1916.....	32,263	70,595	38,332
Jan. 1 to Dec. 31, 1917.....	53,340	54,131	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 Nov. 10, 1920.....	79,856	105,055	25,199
Total.....	372,858	827,429	454,571

Mexico furnished \$2,288,000, or almost one-half, and Peru \$1,038,000 of the \$4,645,000 of silver imported during the monthly period ending November 10, most of the remainder coming from Chile, Bolivia, Honduras, and Canada. Of the silver exports, amounting to \$4,927,000, about 45 per cent, or \$2,246,000, was consigned to Japan, \$1,555,000 to China, and the remainder principally to Hongkong, Mexico, and Canada.

Substantial credit liquidation and some decrease in borrowings from Federal Reserve Banks are the salient features of developments in the banking field during the five weeks between October 15 and November 19, as indicated by the weekly reports of about 825 member banks in leading cities.

As against an increase of over 11 millions in the holdings of United States war securities proper, i. e., Liberty bonds and Victory notes, the reporting banks show a reduction of 16.4 millions in their holdings of Treasury certificates, notwithstanding the substantial increase in these holdings shown on November 19 following the most recent certificate issue. All classes of loans show considerable reductions—loans supported by Government war obligations by about 30 millions, loans supported by corporate securities by about 120 millions, and all other loans and investments, composed largely of commercial loans and discounts, by 336 millions. Total loans and investments on November 19 stood at 16,794 millions, or about 490 millions below the total shown five weeks previous. Member banks in New York City show larger liquidation of loans secured by corporate obligations and a reduction of 287 millions in total loans and investments. Accommodation of all reporting institutions at the Federal Reserve Banks during the first three weeks under review fluctuated within moderate limits, reaching a high of 2,278 millions on November 5. During the following two weeks these banks were able to reduce their loans from their Reserve Banks by 159 millions, or to 12.6 per cent of their total loans and investments, compared with 13 per cent on October 15. For the New York City banks this ratio continued practically unchanged at slightly over 14.5 per cent.

For the five weeks between October 22 and November 26 the Federal Reserve Banks show a decrease of about 14 millions in their holdings of discounted paper. Holdings of acceptances purchased in open market declined from 300.7 to 247.7 millions, liquidation of this class of paper being heaviest during the second part of November, when in consequence of the lower call-money rates the investment demand for prime bankers' acceptances largely increased. Fluctuations in the totals of Treasury certificates held reflect chiefly the amounts of special certificates held by the Reserve Banks to cover advances to the Government pending collection of funds from depository institutions. The total of such special certificates reached the high figure of 64 millions on November 19, following the large disbursements of the Government in interest payments and in the redemption of loan certificates, but declined to 21 millions by the following Friday.

A considerable decrease is shown in the volume of interbank rediscounting, the total of paper held under discount for other Reserve Banks by the Boston, Philadelphia, and Cleveland banks showing an almost continuous reduction from 243.1 to 154.1 millions. On November 1 the Atlanta bank abolished its graduated discount rates and raised its rate on 90-day paper to 7 per cent. This change apparently has not yet had any effect upon the volume of discount operations, total discounts of this bank showing a nominal increase between October 29 and November 26 from 176.8 to 177.2 millions, while rediscounts with other Reserve Banks increased meanwhile from 36.1 to 40.2 millions. For the three Reserve Banks of St. Louis, Kansas City, and Dallas, which continued to apply graduated rates during November, a reduction of total discounts from 429.1 to 378.9 millions, as against a reduction from 115 to 67.9 millions in bills rediscounted with other Reserve Banks, is seen.

Net deposits show but a moderate change since October 22, the November 26 figure of 1,623.6 millions being only one million below the October 22 total. Federal Reserve note

circulation, after a practically continuous reduction during the first four weeks of the period, resumed its upward trend during the following week, with the result that the November 26 total of 3,325.6 millions shows a further expansion of 18.2 millions for the week, though a reduction of 30.6 millions since October 22. Gold with foreign agencies shows a further reduction from 80.4 to 70.2 millions, the latter total including 3.3 millions of gold held "earmarked" for account of the Federal Reserve Banks by the Bank of France. Total gold reserves, as the result of further net gold imports, mainly from Great Britain, reached a total of 2,023.9 millions, a gain for the period of 29.3 millions, while total cash reserves show an even larger gain for the five weeks from 2,157.3 to 2,195.3 millions.

The banks' reserve ratio shows a decline between October 22 and November 5 from 43.3 to 43 per cent. During the following weeks, because of the considerable reduction in note and deposit liabilities and the gain in reserves, the ratio rose to 44.4 per cent, which is only 1 per cent below the maximum shown for January 9 of the present year.

The usual quarterly session of the Federal Reserve Board with the Federal Advisory Council occurred on November 15. Eight districts were represented, those not so represented being New York, San Francisco, Dallas, and Kansas City. The session was devoted to a general consideration of credit and banking conditions as existing at this time throughout the country, and the reports showed a reassuring condition of soundness as well as concurrence on the part of those present in the credit policy which is being followed by the reserve system in general.

During the month sessions of the special committee of the Federal Reserve Agents, nominated at the annual conference in October, for the purpose of considering general questions relating to business conditions reports have been in progress.

## BUSINESS, INDUSTRY, AND FINANCE, NOVEMBER, 1920.

The month of November has continued the period of readjustment in business. Prices have continued their decline, the Board's general index showing a net loss for the month of 18 points. The activity of manufacturing in many lines has been still further reduced and there has been some increase in unemployment. There has been a corresponding reduction of buying power which is reflecting itself in a noticeable way in a lessening in the volume of trade, particularly in the volume of wholesale trade. While business failures have continued to increase as compared with a year ago, the total growth in assets of failed concerns has been moderate. Banks have been able to extend credit in reasonable volume, with the result that losses due to shrinkage of inventory values have been carried without producing an undue measure of commercial embarrassment. In the agricultural regions an outstanding feature of the month has been the retardation of the movement of products to market, which has resulted in a slowing down of collections and in a reduced liquidity of commercial paper. In some of the leading agricultural States bank failures have been reported. The general opinion of bankers and financiers is to the effect that the process of readjustment has been kept under control and has produced as little economic disturbance as might reasonably have been expected. It is impossible to estimate the extent to which the completion of the readjustment process may involve further slackening of employment or the increase of commercial embarrassments. Favorable elements in the immediate situation are the improvement in transportation conditions and the easing of credit conditions. Freight congestion is reported practically at an end and both staples and coal are moving steadily to market as shipped.

In district No. 1 (Boston) there is an "unmistakably widespread curtailment of production," but the money situation is reported satisfactory.

In district No. 2 (New York), while price declines and cancellation of orders have continued with "substantial interruptions and readjustments in many industries," the orderly manner in which these readjustments have proceeded "has been greatly facilitated by the existence of the present machinery for the maintenance of credit flexibility." The volume of credit demand is falling off.

In district No. 3 (Philadelphia) there has been "little change in the general condition of

business" during the past month, but while factories have in many instances closed or reduced their time, "the retail trade is now making an encouraging beginning" in readjustment and "a ready response" to lower prices is manifested.

In district No. 4 (Cleveland) "the physical difficulties that have tended to interfere with production have largely disappeared" and the chief obstacle to progress is found in the failure to bring about a thorough readjustment of prices. Iron and steel demand has been "tapering off."

In district No. 5 (Richmond), despite reduction in prices and improvement in transportation, the month has shown "no pronounced developments."

In district No. 6 (Atlanta) agricultural conditions have continued favorable throughout the district despite some shrinkage in yield as compared with previous prospects. Coal production has increased and there has been a beginning toward the more systematic financing of the export trade.

In district No. 7 (Chicago) "indices of business conditions point to a considerable let-down in general activity." Uncertainty prevails in many lines, while failure to bring about greater uniformity in prices is an obstacle to recovery. There is a lowering of cost of production and a reduction in the volume of employment.

In district No. 8 (St. Louis) the tendency of business has been to slow down, with the readjustment movement gaining considerable momentum. The price recessions have given rise to some hesitation and uncertainty both on the part of merchants and the public. The yields of the leading agricultural products were large and "fall farm operations have progressed well."

In district No. 9 (Minneapolis) the grain movement has continued favorable and the physical volume of trade increased as compared with September, although less than a year ago. Prices have still further declined, but financial conditions continue stable.

In district No. 10 (Kansas City) the month has shown no "decided change in the tendency toward a general readjustment of business." Agricultural and other prices have fallen off there as elsewhere.

In district No. 11 (Dallas) the general movement was a continuance of that of the preceding month, with further shrinkage in wholesale trade but with improvement in retail trade and

collections. The sowing of winter wheat has increased and the movement of cotton has become heavier.

In district No. 12 (San Francisco) agricultural prospects are favorable and the movement of products to market is proceeding normally. Retail trade is larger than last year or than during the preceding month. Some industries show curtailment, especially lumber and mining. General conditions in the district are still reasonably good.

Harvesting of this year's large crops is nearing completion in most sections. Favorable weather has aided materially in maturing and harvesting the crops. The rains which have been general have left the soil in good condition for seeding. In district No. 9 (Minneapolis) about 21 per cent of the corn is going into silage, while Montana is utilizing about 35 per cent of its acreage for forage and fodder and about 6 per cent for grazing. As frost did not appear until late, the corn is practically matured with very little damage. Some injury to corn is indicated in the unharvested lowland fields of Oklahoma, due to heavy rain. In all sections corn is of good quality. Seeding of winter wheat in district No. 8 (St. Louis) "is practically completed, and the early sown grain has made good growth and is in fine condition to enter the cold weather." On the Pacific coast "timely rains during October and early November have facilitated extensive sowing of winter wheat and have replenished power and irrigation reservoirs."

While the production of tobacco this season is exceptionally heavy, there is more than usual of the low grades due to damage of different kinds. In Kentucky from 15 to 25 per cent of the Burley crop will be more or less affected, while in Tennessee the color is bad and the quality is rather low. It is generally reported that the farmers are dissatisfied with the price of tobacco, and this has manifested itself in a tendency toward slower marketing. The opening of the Burley tobacco markets, which usually occurs early in December, will probably be postponed until after the first of the year. Manufacturers of tobacco in district No. 5 (Richmond) report a slowing of demand from both domestic and foreign buyers. The weather generally has been favorable to the picking of fruits on the Pacific coast, and the rains have helped to size up the fruit. Carload shipments of navel oranges are already moving out of northern California.

In district No. 11 (Dallas) the heavy rains in some sections have slowed up cotton picking and some damage has been done to the open cotton. "In many localities it is reported that picking operations will not be resumed until

the open cotton goes through a period of sun bleaching to remove the effects of weather damage." In south Texas the harvesting of what is said to be the largest cotton crop on record in that section is nearing completion. Cotton picking is finished in Florida, and nearly so in Alabama, South Carolina, Mississippi, and Louisiana, but in upper Georgia the boll weevil has increased 50 per cent. In Oklahoma "the fields are still white with unpicked lint and less than half has been picked thus far." Opening of the bolls and picking have been retarded, but picking has been resumed, with the supply of pickers still inadequate. Throughout the cotton section it is reported on the whole that there has been a heavily increased movement of cotton, but in district No. 5 (Richmond) a tendency has developed toward the forming of a crop-holding movement. The number of bales of cotton ginned prior to November 1, 1920, is considerably larger than for the corresponding period last year, the figures being 7,471,352 bales for 1920 and 6,305,054 bales for 1919.

Receipts of live stock continue much lighter than last year, and the downward trend of live-stock prices in general continues. Receipts of cattle and calves at 15 western markets during October were 1,628,564 head, corresponding to an index number of 162, as compared with 1,736,009 head during September, corresponding to an index number of 172, and 2,317,487 head during October, 1919, corresponding to an index number of 230. Receipts of hogs during October were 1,836,748 head, as compared with 1,597,622 head during September and 2,160,079 head during October, 1919, the respective index numbers being 84, 73, and 98. October receipts of sheep were slightly less than during September, being 1,865,330 head as compared with 1,893,312 head, and 2,405,511 head during October, 1919, the respective index numbers being 136, 139, and 176. In all markets of district No. 10 (Kansas City), "with the exception of a heavy run of feeder lambs from Utah and Nevada to Colorado and eastern feed lots, the receipts of live stock have been light." At Fort Worth, October receipts of sheep since 1910 have not been as small as they were this year. Heavy runs of live stock in district No. 9 (Minneapolis) are indicated from the West, and grass fed cattle predominated at all times. The quality of cattle received at South St. Paul is reported as the poorest for a number of years. From that district it is stated that "the demand for stock cars in the West has been very heavy, and serious complaint has been made of shortage in some places." All live-stock prices, except lamb and mutton, declined in that

market in October and the declines continued into November. Downward price movements continued to feature the course of trade in district No. 11 (Dallas), although the market steadied toward the end of the month. While the limited supply of good corn fattened killers held prices to the highest levels of the year in district No. 10 (Kansas City), prices of all butcher grades were depressed during the early part of October, although subsequently rising, and the price of hogs reached the lowest figure of the year. Live stock in all sections is generally reported in excellent condition. In district No. 10 (Kansas City) "range and pasture conditions continue better than for some years past because of general rains." The abundant hay crop gives additional promise of winter and spring feeding, but up to the present time less stocks are reported as going to feed lots. In district No. 11 (Dallas) the ranges in Arizona, New Mexico, the Panhandle, and southwest Texas show a general trend toward improvement as a result of heavy rains, and the stock water supply has been replenished.

In point of volume the movement of grain to market has been practically the same as last year, although the total crop is larger this year. In California, however, the decreased acreage during the season just past has been considered as the cause of low receipts, together with the long threshing season due to heavy rains, and the receipts are below those of last year. A factor in the present situation has been the continued decreases in the prices of the various grains. Thus in Minneapolis, No. 1 dark northern cash wheat was quoted on October 30 at \$2.13½ to \$2.17½ as compared with \$2.35½ to \$2.45½ on September 30. In district No. 10 (Kansas City) the receipts of wheat during October, while slightly larger than last year, showed a 20 per cent decrease from the heavy marketings in September. While this is attributed largely to the drop in prices, it is recalled that the slump in wheat receipts between September and October in 1919 was about 40 per cent at the markets of these districts. In Minneapolis total receipts of all grains during October, amounting to 25,367,870 bushels, were 6 per cent larger than in September and about 17 per cent larger than in October, 1919. Indications point to a speeding up of the movement in the case of wheat and flax. Wheat receipts during October were an increase of about 20 per cent over September, while receipts of flax more than doubled. "A year ago there was great difficulty in securing railroad equipment with which to move the grain. Complaints of difficulty in securing cars this year have been few and widely scattered." The following statement from district No. 10

(Kansas City) fairly characterizes the situation throughout the grain belt as a whole: "The reports seem to indicate that a larger proportion than usual of farmers are holding wheat for marketing in the winter and spring or for higher prices, though it is apparent that many farmers are inclined to let as much of their wheat go at prevailing prices as will enable them to meet their financial obligations."

Milling activity in district No. 10 (Kansas City) has decreased on account of the slow demand for flour. Mills in the district operated at 62 per cent of capacity during October, as against 86 per cent in October, 1919. Similarly, mills in district No. 9 (Minneapolis) are operating at about 50 per cent of capacity, as against about 75 per cent last year, although the output during the five weeks ending October 30 was 28 per cent larger than during the five weeks ending September 25. Flour movements were likewise greater in October than in September, although considerably less than during October, 1919. Combined shipments from Minneapolis and Duluth during October were 2,378,773 barrels, as compared with 1,834,189 barrels during September and 3,481,899 barrels during October, 1919. Fluctuations in wheat prices at Kansas City had a somewhat depressing effect on milling activity. Heavy purchasing of flour was absent, even though prices were weaker, but there was a slight improvement at the end of the month. Flour prices have generally followed the trend of the wheat market, hard wheat patents on November 6 being quoted at Kansas City at \$10.50 to \$10.70, as against \$11.30 to \$11.45 on October 2. Business in St. Louis is of a hand-to-mouth sort, particularly in the south. Mill operation in the district from the middle of October on ranged from 40 to 50 per cent of capacity.

"The dominant feature of the bituminous coal business," states the report from district No. 3 (Philadelphia), "is the fact that the situation has turned, with rather startling rapidity, from a problem of production and transportation to a question of markets." Prices are declining, the curtailment of industrial activity in some industries has cut down consumption, and the demand for export tonnage has fallen off considerably. Production in general has been well maintained throughout the country, amounting to 50,744,000 tons during October, as against 51,093,000 tons in September and 56,243,000 tons in October, 1919, the respective index numbers being 137, 138, and 152. In spite of the several holidays during November, production in general continues at a high level. The reports to the United States Geological Survey of loss of

time on account of absence of market, however, indicated recently that "in general it may still be said that the market is sufficiently active to absorb all the coal offered for shipment," the only losses from this cause being west of the Mississippi. From Kansas City it is stated that while the demand for steam coal has softened to some extent since September, there has been no radical change in prices. In Alabama production has steadily increased in spite of the fact that the strike is still on in that field, and production is now only 25,000 tons under the usual output. The price of coke, both furnace and foundry, has fallen greatly. The market is characterized from district No. 3 (Philadelphia) as "sluggish," and production in district No. 4 (Cleveland) has fallen off somewhat. From district No. 6 (Atlanta), however, it is stated that prices "show but little change." Production of anthracite coal during October amounted to 7,645,000 tons, corresponding to an index number of 103, as compared with 5,125,000 tons during September and 8,459,000 tons during October, 1919, the respective index numbers being 69 and 114. There was a much sharper decrease in output at the opening of November than in the case of bituminous coal. Production to date is 3,750,000 tons less than last year, although prior to the strike it was 200,000 tons ahead of the output for the corresponding period of the previous year. A noticeable return to the anthracite mines of men who had drifted into other industries is reported from district No. 3 (Philadelphia). Trade sources state that independent operators still obtain "fancy prices." With respect to the situation regarding fuel for domestic use, householders' bins in district No. 8 (St. Louis) are rapidly being filled, while in district No. 5 (Richmond) there appears to be plenty of coal available for houses, although public utilities are operating on narrow margins.

In district No. 10 (Kansas City) it is reported that uncertainty was felt during October concerning the prices of refined petroleum products. The demand for fuel oil from factories and steam plants is increasing, while the recent slump in the demand for kerosene is giving way under a stronger domestic demand for use in heating stoves. Gasoline is showing weakness because of large stocks laid in before the recent change in freight rates and a disposition on the part of certain refiners to make prices which will move gasoline, rather than to hold it in stock. The retail tank station business this year to date is reported as about 40 per cent larger than last year in the district. Apprehension is also reflected among operators and refiners over lack of interest in prospect-

ing new fields, causing a lull in developments, although stocks are now increasing slightly. Production in Oklahoma and Kansas during October was 12,768,125 barrels, as compared with 12,023,250 barrels during September. Production in district No. 11 (Dallas) during October was 12,280,197 barrels, an increase of 790,687 barrels over the figure for September. "A marked improvement in drilling results was a noticeable feature in the district's oil industry." Wells completed during October in district No. 10 (Kansas City) numbered 1,060, with a daily production of 95,738 barrels, as compared with 1,048 wells in September, showing a daily production of 83,917 barrels.

In the face of falling prices and declining demand, production of iron and steel has been further curtailed. These tendencies have been noticeable, in particular in the case of the independent producers. Many companies have recently been operating at about 50 to 75 per cent of capacity, while some plants of special character, such as those producing material required by the automobile industry, are on an even lower basis. At the close of October, 28 more furnaces were idle than at the opening of the month, and this has been considerably increased during November. Consumers are hesitant, and operate on a hand-to-mouth basis. Specifications on existing contracts are more sluggish. Prices of pig iron have declined, being closely related to the decline in the price of coke. Lower prices are reported in the warehouse steel market. There has been a tendency to reduce the spread between quotations of independent mills and the minimum schedule. Exceptions are tubular goods, for which there is a heavy demand, and wire products, which are less active but are holding firm. A noticeable decrease in the demand for wire rope during the past four weeks is reported from district No. 3 (Philadelphia), due to a falling off in drilling operations and the condition of the lumber industry in the Northwest. Interest has centered recently in the announcement of the leading interest that no changes would be made in its minimum quotations under present conditions, and the announcements by leading independents of prices based on the minimum schedule. Structural steel orders during October were only 25½ per cent of capacity, and were the smallest since April, 1919. Conditions in the industry are reflected in the decline in the unfilled orders of the United States Steel Corporation, which amounted to 9,836,852 tons at the close of October, corresponding to an index number of 187, as compared with 10,374,804 tons at the close of September, corresponding to an index number of 197.

Both pig-iron and steel-ingot production during October, however, were greater than during September, daily pig-iron production being somewhat larger and daily steel-ingot production somewhat smaller. The figure in the case of pig iron was 3,292,557 tons, as compared with 3,129,323 during September, the respective index numbers being 142 and 135. A lesser increase was remarked in the case of steel ingots, production rising from 2,999,551 tons in September to 3,015,982 tons in October, corresponding to index numbers of 124 and 125, respectively.

The nonferrous-metal industries are also passing through a period of small demand and declining prices. Stocks of copper are reported large, and there has been curtailment of output by producers. Output of the metal in district No. 9 (Minneapolis) during October, according to reports from companies producing about 75 per cent of the total output of the district, was 94 per cent of the September figure and 67 per cent of that in October, 1919. It is stated that a decrease in export demand has affected the volume of production. Copper production in district No. 12 (San Francisco) is about 60 per cent of normal, certain mines in Arizona having ceased operations and others curtailed output. Lead has generally been believed to be in a somewhat better position than either zinc or copper. Producers in the Joplin district shut down their mills during the last two weeks of October, the shutdown being the most complete ever attempted in the district. Reports state that it is intended to run only three days a week, and as a result to do away with the large surplus stock maintained in the district since last year.

The depression in the textile industries continues to manifest itself in further shutdowns and more extensive curtailments of working time. It is difficult to estimate the percentage of capacity in operation, as mills are working not only below capacity but on part time and some are closed for indefinite periods. One large New Bedford cotton mill reports operations at only 20 per cent of capacity, another at 44 per cent, while one of the largest Lowell corporations is running 60 per cent of its machinery for four days a week, and a large Maine mill is using 75 per cent of its machinery at one-half to two-thirds time. General estimates indicate that the cotton mills in district No. 1 (Boston) are operating from 30 per cent to 40 per cent of capacity and even so are manufacturing largely for stock instead of being engaged upon current orders. The United States Census reports that the amount of cotton consumed in the six New England States

in October was 133,140 bales, or 15,302 bales less than in September. The amount of cotton held in the mills at the close of the month was 463,369 bales, or 68,084 less than reported for September. In district No. 5 (Richmond) jobbers and retailers are said to be buying practically nothing. Cotton middling is selling at 17 cents on the markets of North and South Carolina. In district No. 3 (Philadelphia) no change in the cotton-yarn situation during the month has occurred. Apparently there is not sufficient buying demand to establish a market.

District No. 1 (Boston) states that there is practically no demand for raw wool and consequently no stabilization of prices. South American wools are somewhere around prewar levels; domestic wools, although showing sharp declines from the peak prices, are nevertheless well above prewar levels. Curtailment of production persists in woolen mills as in other textile lines. It is said, however, that a certain amount of buying has recently been done by woolen mills in district No. 1 (Boston), although there is as yet no indication of renewed activity. District No. 3 (Philadelphia) asserts that demand for woolen yarns is virtually nonexistent. Reporting firms are either closed or operating at reduced capacity, the maximum for any reporting concern being 57 per cent of capacity. The goods are being produced chiefly for stock.

In underwear lines the situation is similar. District No. 3 (Philadelphia) says: "It is doubtful whether more than 25 per cent of the productive capacity of the mills in this district is now being maintained." Statistics received from 20 reporting mills bear out this statement, as the value of the products manufactured by these mills fell 12.8 per cent during October as compared with September, while the latter month witnessed a decline of 27.5 per cent from August totals. The value of the output was 42.1 per cent less than in October a year ago. Unfilled orders at the end of the month were 71.2 per cent below the figures for a year ago, whereas at the end of September they were 47.6 per cent below the amount for the corresponding month of the preceding year. There were no records of orders booked during the month, and those already placed have been canceled to a great extent. Price revisions early in October were without effect and were discontinued. Carpet and rug manufacturers in district No. 3 (Philadelphia) are also faced with a similar situation—negligible current orders and extensive cancellations of those already placed. Many of these mills are closed while a few are running at anywhere from 25 per cent to 75 per cent of capacity. Reports received directly from 39 hosiery

firms in district No. 3 (Philadelphia) which sell to the wholesale trade show a decline of 69 per cent in the selling value of goods manufactured during the month of October as compared with October, 1919, while the value of finished products on hand at the end of the month is 98.2 per cent greater than a year ago, even at present selling prices. Unfilled orders on hand (selling price) at the end of the month show a diminution of 85.1 per cent as compared with October, 1919, and of 47.2 per cent as compared with the preceding month. Orders are said to consist principally of requests for a few numbers to fill in broken lines. Operations are at a low ebb and there are many complete shut-downs. Seven hosiery firms selling to the retail trade show reductions in value of output of 50.4 per cent as compared with October, 1919. There was an increase of 46.1 per cent in the value of finished products on hand at the end of the month, while unfilled orders (at the end of the month) were 71.8 per cent less than in September. Statistics of unfilled orders for October a year ago are not available but the reduction in September orders at the end of the month as compared with September, 1919, was 71.6 per cent.

Reports covering the month of October have been received from 33 firms belonging to the National Association of Finishers of Cotton Fabrics. The total number of finished yards billed during the month, including white goods, dyed goods, and printed fabrics, amounted to 46,233,000 yards as compared with 58,670,000 yards reported by the same firms for September. The average per cent of capacity in operation for all reporting districts was 33, but in district No. 1 (Boston) and No. 2 (New York) the returns averaged only 26 per cent and 27 per cent, respectively. In district No. 3 (Philadelphia) the average rose to 53 per cent. The total average number of days of work ahead for all reporting districts at the end of October amounted to 4.4 days, as compared with 6.9 days at the end of September. District No. 1 (Boston) reported an average of 2.6 days of work ahead; district No. 2 (New York) an average of 5 days, and district No. 3 (Philadelphia) an average of 6.8 days.

Twenty-seven representative mills reporting to the Association of Knit Goods Manufacturers had unfilled orders amounting to 137,685 dozen at the beginning of October, as compared with 340,444 dozen on September 1. Production during October totaled 159,124 dozen, whereas 250,316 dozen were manufactured in September. Shipments were 113,446 dozen in October, 228,089 dozen in September, while cancellations amounted to 25,668 dozen and 26,089 dozen, respectively.

Thus far there have been no indications of revival in the silk industry. The fact that this is normally a dull period of the year, together with uncertainty as to the outcome of the attempts of the Japanese Government to stabilize prices, are mentioned as factors that contribute to stagnation. Prices of raw silk in New York are said to be about the same as the minimum established in Japan, Shinshu No. 1 selling for about \$6.25 per pound. Stocks in local warehouses are said to amount to about 50,000 bales. District No. 2 (New York) says that at Paterson, N. J., during the week ending November 8, a total of only 90,920 loom hours was achieved, or 8.6 per cent of the maximum possible on the basis of a 44-hour week. Bradstreets announces that there have been 126 failures of small concerns in Paterson, while about 150 plants are closed.

Manufacturers of men's clothing have announced reductions varying from 33 per cent to 50 per cent in the price of winter clothing. Rochester manufacturers have shown spring lines at prices 25 per cent to 33 per cent below those for the fall and winter, but so far few orders have been placed. As makers of women's suits and dresses have no surplus stocks, prices have not been reduced to the same extent.

In the leather industry few changes have occurred during the month. No large orders for future delivery are being placed, chiefly because of the lack of demand from boot and shoe manufacturers. In consequence, quotations for hides and skins continue to drop. Kansas City quotations on hides are below the 1911-1914 average, while certain grades of hides are at the lowest level reached since 1905. On November 12 No. 1 wet salted hides sold in St. Louis at 7 cents per pound, as compared with 9 cents a month ago and 41 cents in 1919. According to the report from district No. 1 (Boston), however, several large tanning concerns have recently entered the market and are stated to have bought considerable quantities of raw stock. Tanneries in district No. 3 (Philadelphia) are being worked at greatly reduced capacity or else are closed down.

In district No. 1 (Boston) the boot and shoe industry is said to be not over 50 per cent normal, and although reports from a majority of concerns making returns show orders somewhat larger than a month ago, they are principally for immediate sale. In district No. 3 (Philadelphia) the situation is about the same. District No. 8 (St. Louis) says that shipments of boots and shoes in October and during the first half of November were close to a year ago, but new business had declined anywhere

from 40 per cent to 75 per cent, as compared with a year ago, and factory output had been reduced from 25 per cent to 40 per cent. There is considerable complaint of returns and cancellations.

Further recessions in wholesale trade are shown by the statistics compiled from the returns made by firms in eight of the twelve Federal Reserve districts. As compared with October a year ago, the declines on the whole are much more general and much more pronounced, except in the case of hardware and drugs. But even in hardware lines recessions have occurred in districts No. 6 (Atlanta) and No. 12 (San Francisco), amounting to 8.8 per cent with 9 firms reporting in district No. 6 (Atlanta) and 4.4 per cent with 23 firms reporting in district No. 12 (San Francisco). On the other hand, increases in hardware sales reported by districts No. 3 (Philadelphia), No. 4 (Cleveland), and No. 5 (Richmond) are slight as compared with returns for a year ago, whereas in September they were considerably in excess of the sales for the same month of the preceding year.

In wholesale groceries all reporting districts except district No. 12 (San Francisco), show declines in October sales as compared with October, 1919, while in the month of September only one district (Dallas) reported declines as compared with September, 1919. In district No. 3 (Philadelphia) 20 wholesale hardware dealers report a negligible decrease in the volume of net sales as compared with September, but sales are still 6.7 per cent above October, 1919. Total prices have not changed greatly, but collections are somewhat slower. Reports from 50 wholesale grocery firms in district No. 3 (Philadelphia) show net sales to be 11.1 per cent less than in September and 11.2 per cent less than in October, 1919. It is stated that declines are general and are not confined to a limited number of establishments. In district No. 4 (Cleveland) declines in the volume of net sales of wholesale dry goods firms (4 firms reporting) and wholesale grocery firms (3 firms reporting) as compared with a year ago amount to 27.5 per cent and 10.8 per cent, respectively, while hardware sales have been maintained, being 2 per cent in excess of the levels of 1919. In district No. 5 (Richmond) decreases have been especially heavy in wholesale dry goods, sales being 40.5 per cent below September sales and 47.4 per cent below sales for October, 1919. Wholesale shoe lines, with 8 firms reporting, show declines of 16.3 per cent as compared with September and of 36.3 per cent as compared with a year ago. In furniture lines, however, increases of 7.5 per cent and 12.2

per cent, respectively, are recorded for 4 firms. Collections are reported to be about as satisfactory as they were a month ago. In district No. 6 (Atlanta) a decline has occurred in all four lines for which reports are received, namely, groceries, dry goods, hardware, and shoes, not only as compared with the preceding month, but also as compared with October, 1919. The average declines in sales of wholesale shoe firms dropped 36.4 per cent from the preceding month and 32 per cent from the totals of a year ago, while the declines for wholesale dry goods dropped 38.8 per cent and 46.2 per cent, respectively. In groceries the decline was slight as compared with September, being only 1.3 per cent, but amounting to 26.1 per cent as compared with October, 1919. There is said to be little buying for spring requirements in any line reporting. In district No. 7 (Chicago) declines are recorded as compared with October, 1919 for dry goods, shoes, and groceries, amounting to 34 per cent for dry goods, 13 firms reporting, 32.6 per cent for shoes, 9 firms reporting, and 15.2 per cent for groceries, 25 firms reporting. In district No. 10 (Kansas City) reductions in the volume of sales for reporting grocery, hardware, and furniture concerns are found both as compared with October, 1919, and with the preceding month. In district No. 12 (San Francisco) all reporting lines showed declines in net sales as compared with September, the declines being greatest in automobile tires and dry goods, amounting to 18.8 per cent and 17.5 per cent, respectively, while in wholesale drugs and groceries the declines were only 1.3 per cent and 2.3 per cent. On the other hand, although sales as compared with the preceding year were less in automobile tires, shoes, dry goods, hardware, and furniture lines, increases were reported in stationery, drug, and grocery lines, amounting to 21.9 per cent in the case of stationery, 12 per cent in drugs, and 9.6 per cent in groceries. Current unfilled orders are reported to be much smaller in the stationery business.

In retail trade the "reduction sales" which were prominent in some districts during September became somewhat general during October, but in some sections these sales are still "spotty." Cold weather in most sections has stimulated the buying of clothing, but in general the usual seasonal demand is still lacking. There is generally reported a decided determination on the part of the public to wait until prices come down, and this is characterized by some as a "consumers' strike." Stores generally are reducing stocks and making no attempts to replenish them. Outstanding orders are declining, and retailers are ordering

only what is needed to meet day-to-day requirements. While prices are slowly but generally declining, it is still felt that present declines have not paralleled declines in wholesale prices. "Shoppers" are confining buying to necessities and staples. There is a tendency for retailers, according to the majority of reports, to endeavor to realize on goods at as near the present level of prices as possible. The holiday trade is generally expected to move a considerable part of the present stocks. The volume of trade in general has been better maintained in the case of department stores than in the case of stores dealing in special commodities only. The volume of trade during October as compared with October, 1919, differs somewhat in the different districts. In district No. 1 (Boston) there is no change, but in district No. 2 (New York) it has increased, and likewise in district No. 6 (Atlanta), with the exception of the city of Atlanta. In district No. 10 (Kansas City) a decrease of 1.03 per cent is shown, and in district No. 9 (Minneapolis) a decrease of 3.2 per cent, while in district No. 11 (Dallas) the increase is roughly 16 per cent, and in district No. 12 (San Francisco), 8.2 per cent.

October and early November price changes were more general and extreme than for any other period since the readjustment in prices commenced. The Board's index number registered 208 in October as compared with 264 in May, when prices were at their peak, and 226 in September. The radical change between September and October was due to the weakening in iron and steel prices, which had previously remained firm, and the more extreme revisions in cereal, textile, lumber, and non-ferrous metals prices. By November 20 reductions had been made in bituminous coal prices, and here and there cement, brick, and paper showed signs of weakening. Instability of price was marked in practically all commodities during this period. Even in those industries where large reductions had been made earlier in the year there was apparently little confidence in existing values. Where the revision in prices has only just begun this feeling of uncertainty is equally prevalent. Industrial inactivity accounts in large measure for the revisions in coal, iron and steel, and other metal prices. The decline in export trade is at least in part responsible for the fall in prices of cereals, meats, cotton, lumber, and copper. Surplus stocks in such lines as wool and copper have helped to bring about the revisions in these commodities.

Although all reports indicate that retail prices in particular lines have been cut, it is generally admitted that revisions have not

been made on the same scale as in wholesale trade.

So far there is no evidence of a revival of activity in the lumber industry, as contracts continue to fall off and new orders to decline in volume, despite price recessions. In district No. 1 (Boston) some lumber mills have closed down entirely and curtailments are general in the absence of demand. Prices are said to be from 25 per cent to 40 per cent below previous levels. In district No. 6 (Atlanta) a number of mills are closed, shipments are exceeding orders and production, and stocks are being reduced in consequence. The 143 mills belonging to the Southern Pine Association reporting from district No. 6 (Atlanta) have a normal weekly production of 90,837,000 feet, but the output for the week ending October 29 was only 58,665,000 feet, or 35.4 per cent below normal, while shipments amounted to 60,939,000 feet and orders, 44,673,000 feet. District No. 8 (St. Louis) estimated on the basis of data on hand that 50 per cent of the mills in the Mississippi Valley had closed. The market for hardwood was reported to be inactive and there was a great spread in prices for yellow pine. In district No. 9 (Minneapolis) special reports from 13 lumber manufacturers giving cut, stocks, and shipments show that lumber cut and shipments declined while stocks increased. There has been a marked decrease in unfilled orders. The combined statistics (given in thousands of board feet) are as follows:

	October.	September.	Per cent, October of Sep- tember.	October, 1919.	Per cent, October, 1920, of October, 1919.
Lumber cut.....	23,882	24,853	98.1	23,986	99.5
Stocks.....	154,622	141,431	109.2	134,478	115.0
Shipments.....	11,260	16,602	67.8	28,338	39.7

Thirty-two reporting mills in district No. 11 (Dallas) belonging to the Southern Pine Association, which have a normal weekly output of 20,116,000 feet, reported an average weekly cut of only 12,058,000 feet for the four-week period ending October 29, and shipments amounting to 11,982,000 feet. Unfilled orders amounted to slightly more than two weeks' normal production, or 43,101,000 feet. Reports from the four associations of lumber producers in district No. 12 (San Francisco) show continued inactivity in the industry. It is stated that railroad buying, principally of ties, and California requirements constituted the principal items for northwestern lumber. Figures of cut, shipments, and orders (in

thousands of board feet) of the associated mills in district No. 12 were as follows:

	West Coast Lumbermen's Association.		Western Pine Manufacturers' Association.	
	Four weeks ending Oct. 23.	Preceding four weeks.	Four weeks ending Oct. 23.	Preceding four weeks.
Average number.....	120	123	36	32
Cut.....	274,685	286,440	103,806	102,763
Shipments.....	235,356	233,220	53,745	65,340
Orders.....	213,315	202,008	32,625	33,075

	California White and Sugar Pine Manufacturers' Association.		California Redwood Association.	
	Four weeks ending Oct. 23.	Preceding four weeks.	Four weeks ending Oct. 23.	Preceding four weeks.
Average number.....	8	8	10	10
Cut.....	38,821	43,529	24,906	26,029
Shipments.....	14,336	17,113	16,059	17,626
Orders.....	9,185	12,789	22,605	19,388

Furniture factories in district No. 5 (Richmond) are receiving few orders. They are either shut down or running below normal, while in district No. 8 (St. Louis) buying is confined almost exclusively to buying for immediate use. Jobbers and retailers are placing no orders for stock.

As might be surmised from the lack of demand for lumber and other building materials, further general declines in building activity are noted in October. In district No. 1 (Boston), with the exception of Hartford, Manchester (New Hampshire), and Fitchburg, all 12 reporting cities show decreases in the value of permits issued as compared with October, 1919. Exceptional construction work in Hartford and Manchester raised the total valuation, however, above the figures for the same month last year. Applications for building permits, including alterations and repairs, in 36 cities in Massachusetts were 27.3 per cent less in October than in September, falling from \$6,269,000 to \$4,558,000. In district No. 2 (New York) contracts for buildings, as reported by the F. W. Dodge Co. for New York State and northern New Jersey, amounted to \$49,207,000 in October, as compared with \$59,818,000 in September. District No. 3 (Philadelphia) reports that the total number of permits issued amounted to 2,310 in October, as compared with 1,190 for the same month a year ago. Estimated cost of construction was \$4,804,735 in October, 1920, and \$8,246,000 in October,

1919. In Philadelphia the value of building permits was \$4,840,000 in October, 1919, and \$2,590,000 in October of this year. In district No. 4 (Cleveland) building permits for new construction amounted to 479 in number, with a total value of \$6,028,000, in October, 1920, whereas 2,596 permits were issued in October, 1919, with a total value of \$13,869,000. Permits for repairs and alterations were slightly in excess of those for 1919 in point of value. Declines in the valuation of permits have been general in district No. 5 (Richmond), as compared with a year ago, the totals for new construction and repairs in 22 cities of the district being \$8,504,000 in October, 1919, and only \$4,453,000 in October, 1920—a drop of 47.6 per cent. In permits for alterations there was a slight increase, from \$1,178,000 to \$1,409,000. In district No. 6 (Atlanta) decreases in the valuation of permits are reported from a majority of cities from which returns are secured. Of the 33 cities reporting in district No. 7 (Chicago), only five show an increase in the value of permits as compared with October, 1919, the decrease being in excess of 60 per cent in the majority of cases. Very little building is in progress in district No. 8 (St. Louis), the five leading cities showing sharp declines in value of permits issued, as compared with a year ago. In rural districts, it is said, new building has been either postponed or abandoned. The situation in district No. 9 (Minneapolis) is rather unusual in that permits granted in the 9 largest cities increased 5 per cent in number and 43 per cent in value for September, but the volume was nevertheless only about 75 per cent that of October, 1919. A very heavy increase in Sioux Falls, where permits were valued at \$429,000 in September, has markedly affected the average. Actual total values for all 9 cities were \$3,311,000 in October, \$2,312,000 in September, and \$4,304,000 in October, 1919. In district No. 10 (Kansas City) there was an increase in building operations as compared with September, but total valuations in October were 48.7 per cent below the corresponding totals for October, 1919, for the 17 reporting cities. In district No. 11 (Dallas) a large number of permits was issued in October, but the valuation was smaller than for the preceding month. For the district as a whole there has been a decrease of 60.1 per cent in the value of permits as compared with October, 1919, the actual totals being \$6,526,000 and \$2,604,000, respectively. Of the 9 reporting cities, only Beaumont registers an increase, Galveston showing a decline of 76.2 per cent,

Houston 64.8 per cent, and Dallas 57.2 per cent. The falling off in building activity, which was only apparent in the Pacific Northwest in September, became general throughout district No. 12 (San Francisco) in October. Building permits in the 19 principal cities averaged 15.8 per cent less by value and 9.9 per cent less in number than for the preceding month, the decrease being less pronounced, however, in the interior than on the coast. There was an increase, as compared with October, 1919, of 18.1 per cent by value and 29.5 per cent in number of permits issued.

In the industrial sections of the country unemployment continues to increase and has assumed large proportions in the textile districts and in centers of boot and shoe manufacture. In some parts of the country wage decreases have accompanied the decline in employment, while elsewhere reductions of wages have not yet been much in evidence. Massachusetts official statistics on unemployment as of September 30, based upon returns from 1,103 trade-unions with a membership of 255,000, show that the percentage of unemployment in the textile industry was then 26.3 per cent, and in boots and shoes 40.9 per cent. The total percentage for the State was 19.3 per cent of union membership, the highest since March, 1908. Wage reductions of 15 per cent to 20 per cent in textile plants in many New England centers are also reported, although recently the Manufacturers' Association of Fall River and the Textile Council agreed upon the maintenance of existing wage schedules following the expiration of the present agreement. In district No. 2 (New York) it is estimated that there was a decline of about 5 per cent in the number employed in November as compared with the preceding month. This estimate is based on preliminary figures from the New York State Industrial Commission, supplemented by data obtained from employers and labor unions. The New York State Industrial Commission finds that while 358,806 persons were employed in factories in a selected list of industries on August 1, there remained only 212,616 on November 10, a decrease of 146,190. However, as the intention was to select those industries which had been most affected by declines in business activity, the statistics have to be taken with reservations. In Paterson, N. J., 25,000 silk workers are reported to be unemployed. In district No. 3 (Philadelphia) unemployment is increasing in many lines, notably among textile mill workers. In district No. 4 (Cleveland) there is also increasing unemployment. In district No. 5 (Richmond) "there is a marked increase in unemployment of both skilled and unskilled labor." A num-

ber of cotton mills in North and South Carolina have reduced wages about 15 per cent. In district No. 7 (Chicago) unemployment is increasing in automobile centers, while a considerable number of the 45,000 garment workers in the district are idle for at least part of the time. District No. 8 (St. Louis) reports a surplus of labor in practically all lines, but more particularly in lumbering, transportation, clothing, and shoe manufacturing. Wage reductions, however, have been insignificant. District No. 10 (Kansas City) does not think that unemployment is greater than usual for the season, and district No. 12 (San Francisco) reports little more than customary unemployment, with no unemployment of skilled labor reported, although there is a decrease in the labor turnover. In the agricultural regions, on the contrary, the supply of labor has not been excessive in relation to the demand. Indeed, in some parts of the country reports of shortage are still heard, while wages have been generally maintained at a high point. Cotton pickers and corn huskers are scarce in district No. 5 (Richmond). It is reported from district No. 6 (Atlanta) that farm labor in Louisiana is barely sufficient to harvest the crops, while district No. 12 (San Francisco) says that in the Mesa, Phoenix, and Yuma sections there is a shortage of cotton pickers.

Financial developments during the month have shown stability and successful readjustment to conditions. The outstanding development has been a reduction of rates of interest both on call and time funds and to a moderate extent for commercial paper. Some decrease in the demand for bankers' acceptances has occurred, although a considerable number of new customers in this field have been noted in the financial centers. Country banks have been active buyers of commercial paper during the month. As was to be expected, a curtailment has occurred in the amount of inter-reserve-bank rediscount operations, and despite the withholding of crops from market in some parts of the West the process of liquidating farmers' obligations and of moving the funds to the cities to meet obligations there has made some progress. The season has been characterized by the heavier volume of applications made by out-of-town to city banks for advances, but with the approach of the end of the year some relative lessening in the volume of these requirements is naturally observed. Foreign exchange during the month has been unsettled and irregular. Quotations for sterling, francs, and lire have on the whole tended downward, although from time to time there have been reactions toward higher levels which, however, were usually not long main-

tained. Continued heavy exports of staple products have thrown upon the market large volumes of bills which, together with the overhanging balance of exchange carried upon the books of foreign banks and business houses, have tended to prevent the market from reacting in any prominent or sustained way to higher values. There has been a decline in the activity of debits to individual deposit account in the clearing-house banks reporting to the Board, which may be interpreted as reflecting the lessened volume of general business. Investment demand has been lower and declining prices for stocks have tended to discourage buyers of securities. The situation in the stock market has been parallel to the condition prevailing in commodity markets generally, liquidation in the one being reflected in heavier selling and a lower level of values in the other.

In export trade the outstanding feature of the month has been seen in the growth of cancellation of orders, especially from South American points, which has tended to subject export enterprises to uncertainty. One effect of this situation has been to cause banks to exercise greater caution in connection with the purchase of drafts. Nevertheless the total volume of exports has been tolerably well maintained as a result of the large movement of staples to foreign and especially to European ports.

### SPECIAL REPORTS.

#### CONDITION OF WHOLESALE TRADE.

*Percentage of increase (or decrease) in net sales in October, 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.	-11.1	50	.....	.....	- 2.2	20	.....	.....	.....	.....
No. 4.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 5.	- 9.2	10	-40.5	.....	- 9.2	9	-16.3	8	+ 7.5	4
No. 6.	- 1.3	8	-38.8	.....	-10.2	9	-36.4	5	.....	.....
No. 7.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 10.	-11.0	3	.....	.....	-14.0	3	.....	.....	-21.0	3
No. 11.	- 8.0	6	-34.0	.....	.....	.....	.....	.....	- 9.0	2
No. 12.	- 2.3	27	-17.5	12	- 3.9	23	- 5.6	12	- 8.7	18

*Percentage of increase (or decrease) in net sales in October, 1920, as compared with the preceding month—Continued.*

District.	Drugs.		Auto supplies.		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.	Per cent.	Number of firms.
No. 3.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 4.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 5.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 6.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 7.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 10.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 11.	- 2.0	5	+ 4.0	4	.....	.....	-34.0	2	.....	.....
No. 12.	- 1.3	6	.....	.....	-11.5	17	.....	.....	-18.8	13

*Percentage of increase (or decrease) in net sales in October, 1920, as compared with October, 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.	-11.2	50	.....	.....	+ 6.7	20	.....	.....	.....	.....
No. 4.	-10.8	3	-27.5	.....	+ 2.0	4	.....	.....	.....	.....
No. 5.	- 3.2	10	-47.4	.....	+ 6.3	9	-36.3	8	+12.2	4
No. 6.	-26.1	8	-46.2	.....	- 8.8	9	-32.0	5	.....	.....
No. 7.	-15.2	25	-34.0	13	.....	.....	-32.6	9	.....	.....
No. 10.	-26.0	3	.....	.....	- 2.0	3	.....	.....	-20.0	3
No. 11.	-17.0	6	-19.0	4	.....	.....	.....	.....	-24.0	2
No. 12.	+ 9.6	25	-15.4	12	- 4.4	23	-22.2	13	- 4.2	19

District.	Drugs.		Auto supplies.		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.	Per cent.	Number of firms.
No. 3.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 4.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 5.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 6.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 7.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 10.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 11.	+15.0	5	+ 5.0	4	.....	.....	-50.0	2	.....	.....
No. 12.	+12.0	7	.....	.....	+21.9	18	.....	.....	-27.9	13

# **PRODUCTION REPORT OF THE KNIT GOODS MANUFACTURERS OF AMERICA.**

*Total production of winter and summer underwear for the 6 months ending Oct. 31, 1920.*

	Number of mills reporting.	Actual production (dozens).	Per cent of normal.
May.....	48	678,287	82.2
June.....	54	560,034	80.3
July.....	57	583,190	73.4
August.....	64	585,071	67.3
September.....	63	606,257	74.2
October.....	62	393,422	50.4

*Order and production report for month ending Oct. 31, 1920.*

Number of mills reporting.....	29
Unfilled orders first of month (dozens).....	148,898
New orders received during month (dozens).....	79,438
<b>Total (A) (dozens).....</b>	<b>228,336</b>
Shipments during month (dozens).....	123,882
Cancellations during month (dozens).....	28,017
<b>Total (B) (dozens).....</b>	<b>151,899</b>
Balance orders on hand Nov. 1 (A minus B).....	76,437

*For the month (33 mills).*

	Dozens.	Per cent of actual production.
Orders.....	79,438	25.4
Shipments.....	123,882	39.6
Cancellations.....	28,017	8.9
Production.....	183,711	58.7

Twenty-seven representative mills which reported for September and October furnish the data for the following tables:

[In dozens.]

	September.	October.	Loss.	Gain.
Unfilled orders first of month.....	340,444	137,685	202,759	.....
New orders.....	17,662	44,650	.....	26,988
Shipments.....	228,089	113,446	114,643	.....
Cancellations.....	26,089	25,668	421	.....
Production.....	250,316	159,124	91,192	.....

## **FINISHED COTTON FABRICS.**

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

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

It is probably fair to state that in the absence of having specific detail at hand, but according to our best estimate, it is probably well within the fact that the figures given for the various classes of work would cover approximately the following percentages of the entire industry: White goods, 70 per cent; dyed goods, 60 per cent; printed goods, 30 per cent.

The figures given represent reports from exactly the same finishers for the two months, both for the totals and for the subdivisions, and therefore are strictly comparable.

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

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

	September, 1920.				October, 1920.			
	White goods.	Dyed goods.	Printed goods.	Total.	White goods.	Dyed goods.	Printed goods.	Total.
Total finished yards billed during month:								
District 1.....	10,384,678	11,624,175	9,690,103	33,813,789	8,013,004	9,014,636	4,924,251	23,220,197
2.....	2,081,937	787,792	551,127	6,573,892	1,991,749	625,529	459,240	5,670,189
3.....	6,035,052	4,746,897	.....	10,781,949	6,656,895	3,695,909	.....	10,352,804
5.....	4,767,537	94,582	.....	4,862,119	4,250,307	50,957	.....	4,301,264
6.....	37,665	986,093	.....	1,023,758	25,460	523,846	.....	549,306
8.....	.....	.....	.....	1,614,872	.....	.....	.....	2,140,077
Total.....	23,306,869	18,239,539	10,241,230	58,670,379	20,937,415	14,910,877	5,383,491	46,233,837
Total finishing charges billed during month:								
District 1.....	\$224,537	\$497,744	\$650,320	\$1,558,885	\$187,368	\$415,783	\$308,059	\$998,242
2.....	41,812	26,746	25,101	192,546	40,120	25,294	13,639	155,732
3.....	234,695	183,467	.....	434,134	256,829	135,549	.....	466,795
5.....	98,185	1,835	.....	100,020	88,961	783	.....	89,744
6.....	749	37,813	.....	38,562	561	21,087	.....	21,648
8.....	.....	.....	.....	27,693	.....	.....	.....	33,978
Total.....	599,978	747,605	675,424	2,351,840	573,839	598,496	321,698	1,706,139
Total average per cent of capacity operated:								
District 1.....	46	34	31	36	32	30	20	26
2.....	41	19	47	33	35	13	42	27
3.....	82	30	.....	53	82	31	.....	53
5.....	74	.....	.....	74	55	.....	.....	55
6.....	.....	.....	.....	59	.....	.....	.....	33
8.....	.....	.....	.....	72	.....	.....	.....	81
Average for all districts.....	57	31	34	41	46	28	23	33
Total gray yardage of finishing orders received:								
District 1.....	8,819,825	7,771,112	3,743,385	21,688,638	6,197,932	6,158,694	2,282,297	15,610,148
2.....	2,398,403	903,225	1,564,039	5,802,899	774,917	632,377	349,596	3,050,898
3.....	6,518,929	2,963,242	.....	9,991,674	4,678,913	2,740,454	.....	7,902,503
5.....	3,658,050	47,251	.....	3,705,301	1,928,287	134	.....	1,928,421
6.....	31,895	256,330	.....	288,225	31,308	135,095	.....	166,403
8.....	.....	.....	.....	2,291,351	.....	.....	.....	1,801,109
Total.....	21,427,102	11,941,180	5,307,424	43,768,088	13,611,357	9,666,754	2,631,893	30,439,480
Number of cases of finished goods shipped to customers (case equal approximately 3,000 yards):								
District 1.....	3,366	3,101	2,027	16,141	2,709	2,536	1,169	12,193
2.....	1,066	.....	.....	2,940	856	.....	.....	2,589
3.....	2,314	1,520	.....	4,299	2,136	1,460	.....	3,867
5.....	1,729	.....	.....	2,588	1,915	.....	.....	2,551
6.....	.....	.....	.....	236	.....	.....	.....	202
8.....	.....	.....	.....	.....	.....	.....	.....	.....
Total.....	8,475	4,624	2,027	26,204	7,616	3,996	1,169	21,402
Number of cases of finished goods held in storage at end of month:								
District 1.....	4,417	4,990	4,261	23,493	5,021	5,416	4,051	24,235
2.....	1,106	.....	.....	4,128	1,133	.....	.....	4,226
3.....	451	349	.....	5,812	500	355	.....	5,957
5.....	544	.....	.....	1,980	510	.....	.....	2,164
6.....	.....	.....	.....	.....	.....	.....	.....	.....
8.....	.....	.....	.....	664	.....	.....	.....	1,121
Total.....	6,518	5,339	4,261	36,077	7,164	5,771	4,051	37,703
Total average work ahead at end of month, expressed in days:								
District 1.....	6.2	4.1	6.9	5.3	4.2	2.1	1.4	2.6
2.....	15.2	2.9	19.0	8.0	10.6	1.9	10.0	5.0
3.....	13.9	7.0	.....	9.9	10.0	4.8	.....	6.8
5.....	10.9	.....	.....	10.9	13.0	.....	.....	13.0
6.....	.....	.....	.....	2.6	.....	.....	.....	2.3
8.....	.....	.....	.....	16.0	.....	.....	.....	20.0
Average for all districts.....	9.4	4.5	8.7	6.9	7.3	2.6	2.6	4.4

## THE INTERNATIONAL FINANCIAL CONFERENCE AT BRUSSELS.

The financial conference, called by the Council of the League of Nations originally for July 23 at Brussels, was finally held on September 24, and lasted from that date until October 8. Delegates were sent not only from the countries which are members of the league but also from former enemy countries with the exception of Turkey, and from certain of the newer States, including Finland, Luxemburg, Esthonia, Latvia, and Lithuania. Russia did not send delegations and the United States was only unofficially represented.

The difficulties which have of late exhibited themselves in American foreign trade give a special interest to the outcome at the Brussels conference, detailed information concerning which has only recently been received in the United States. There are presented herewith the outstanding facts concerning the action of the conference. Of particular interest in this connection are the reports of the four committees which offered carefully prepared results of investigation and discussion, while among the various schemes laid before the conference, that of M. Ter Meulen, of Holland, is the one which has apparently received most approval from American observers. As will be noted from the digest of the findings of the conference, the essence of the plan of M. Ter Meulen—as indeed that of various other students of the situation—is found in the segregation of assets which form the basis of government guaranties and which, therefore, afford to foreign lenders about all the security that they could possibly expect to get under any conditions. The merit of the discussions at the Brussels conference would seem to be chiefly in the fact that they recognized the necessity of putting advances of capital into the form of long-term investments and were prepared to ascertain the kinds of protection for such investment which would to the best advantage and in just measure tempt foreigners—especially Americans—to purchase securities whose proceeds might be used in paying for raw materials and fixed capital needed by the borrowing countries. The Brussels conference having no definite authority to do more than recommend, the final decision in the matter is practically before the League of Nations, which from November 15 onward, was in session at Geneva. As was recognized throughout the Brussels conference the principal obstacle to obtaining any very definite settlement of the issues at stake before that conference was found in the fact that neither the amount nor the method of paying the German indemnities had been determined upon.

The work of the conference was divided into two parts—first, the presentation of statistical statements regarding the economic and financial conditions of the countries represented, and, second, the conferences of the various commissions assigned to specific problems. For the purposes of reporting, the members of the conference were divided into the following six groups: First, neutrals; second, continental allies; third, conquered nations; fourth, new nations; fifth, England, the British Empire, and Japan; sixth, miscellaneous. Four committees were appointed for the purpose of developing the conclusions of the conference on the following subjects: (1) Public finance; (2) currency and exchange; (3) international trade; (4) international credits. The question of reparations and interallied war debts were excluded from discussion at the conference.

Preliminary to the meeting of the conference memoranda were prepared by economists in various countries and submitted to the conference for its consideration. Prof. G. Cassel, of Stockholm, presented a memorandum on The World's Monetary Problems. The recommendations of M. Ter Meulen, of Holland, were for the most part accepted by the Commission on International Credits and incorporated in its resolution. Closely related to M. Ter Meulen's recommendation is that of M. Delacroix, former prime minister and minister of public finance for Belgium, in his memorandum proposing the establishment of an international bank. An analysis of the difficulties connected with the problem are set forth by Prof. A. C. Pigou, of Cambridge. Excerpts from Prof. Cassel's report are published below:

### WORLD'S MONETARY PROBLEMS.

(By Gustav Cassel.)

\* \* \* \* \*

### THE PROCESS OF INFLATION.

The war has been financed by all countries involved, to a great extent, by means of creating more money, which has been, more or less directly, handed over to the exchequer, partly in the form of new issues of bank notes or State paper money; partly in the form of extended bank credits, which could be used as means of payment. The latter method has indirectly caused a corresponding increase of the circulating medium of exchange to satisfy the increased demand for cash for smaller payments; for the proportion between the payments in bank credits and those in cash has, as stated above, been pretty constant as determined by the customs of each people.

The result of the creation of new money has been, in both cases, that a new buying capacity has been put at the disposal of the Government. The total buying capacity of the community having in this way been increased without a corresponding increase in the commodities to be bought, a general rise in prices has followed. With higher prices, the need for means of payment has been increased proportionally, and the mass of the medium

of exchange which could be kept in circulation has, therefore, at every time been proportional to the general level of prices. But the *primus motor* to the enhancement of prices has always been the creation of an artificial buying capacity.

Under normal conditions, it should be observed, a fresh buying capacity is created only by production and marketing of commodities and services of a corresponding value, and such buying capacity does not tend to raise prices. As artificial, we must then denote a buying capacity which is not based on such production and which must, therefore, lead to a rise in prices. \* \* \*

However, Government finance is not the only factor to be taken account of in the process of inflation. Every extension of bank credits beyond the limit set by the fresh savings put at the disposal of the banks is apt to cause inflation. A certain restriction of the credit giving of the banks is therefore always necessary. This restriction is achieved partly by discriminating between the demands for credit, partly by a reduction of their amount, and partly by the rates of discount or interest charged. Where these means are not applied with sufficient severity the credit giving will involve the creation of artificial buying capacity; and if such practice is made possible by a supply of legal tender adapted to it, the result must inevitably be an inflation of the currency. This is in fact what has been going on since the war in a good many countries. \* \* \*

In all countries the rates of discount of the central banks have been kept far beneath the heights which would have corresponded to the extraordinary scarcity of capital caused by the war and by extravagant State expenditure after the war. The rate of interest has, as all other prices, the fundamental function in social economy of restricting demand so far as the limited supply requires. With a too low rate of interest the equilibrium of the capital market is disturbed, and a need for artificial restriction of the demand for capital arises, expressing itself in schemes for bureaucratic control of the use of capital, "rationing of capital," etc. Such means are always more or less pernicious for the wholesome growth of economic life, but they are seldom effective enough to bring about the necessary restriction of the demand for capital. And as long as the banks, and ultimately the central banks, have to meet greater demands than can be satisfied by real savings, an arbitrary creation of bank money is inevitable. Thus the result of an endeavor to keep down the bank rate beneath the point which the real scarcity of capital would require must always be an inflation. \* \* \*

#### INTERNATIONAL EXCHANGES—PURCHASING POWER PARITIES.

Given a normal freedom of trade between two countries A and B, a rate of exchange will establish itself between them and this rate will, smaller fluctuations apart, remain unaltered as long as no alterations in the purchasing power of either currency is made and no special hindrances are imposed upon the trade. But as soon as an inflation takes place in the money of A and the purchasing power of this money is therefore diminished, the value of the A-money in B must necessarily be reduced in the same proportion. And if the B-money is inflated and its purchasing power is lowered, the valuation of the A-money in B will clearly increase in the same proportion. If, e. g., the inflation in A has been in the proportion of 320 to 100 and the inflation in B has been in the proportion of 240 to 100, the new rate of exchange will be three-fourths of the old rate (approximately the case of England and the United States). Hence the following rule: When two currencies have been inflated, the new normal rate of exchange will be equal to the old rate multiplied by the quotient between the degrees of inflation of both countries. There will, of course, always be fluctuations

from this new normal rate, and in a period of transition these fluctuations are apt to be rather wide. But the rate calculated in the way indicated must be regarded as the new parity between the currencies. This parity may be called the purchasing power parity, as it is determined by the quotient of the purchasing powers of the different currencies.

During the war the buying capacity of the different monetary standards has, owing to the over-abundant supply of means of payment, been much reduced, though in very different proportions. Consequently the purchasing power parities have undergone very important alterations and are now quite different from the parities which were in force before the war. There is no reason to believe that exchanges will ever be restored generally to their old parities. These old parities have, in fact, lost their old significance and can no longer in any respect be regarded as normal. The constant references still made to them are a most serious hindrance against a clear understanding of what has really happened to the world's monetary standards. In statistics likewise it is only confusing to retain the old custom of converting foreign money on the basis of the prewar parities.

The purchasing power parities represent the true equilibrium of the exchanges, and it is, therefore, of great practical value to know these parities. It is, in fact, to them we have to refer when we wish to get an idea of the real value of currencies whose exchanges are subject to arbitrary and sometimes wild fluctuations. Every care should therefore be taken to ascertain the rate of inflation of each country, as measured by the increase of circulation or by the rise of prices, and from these data calculate the purchasing power parities of the different currencies. Such figures, based on monthly mean inflation in different countries ought to be laid before the world some few days after the end of each month. \* \* \*

#### ABNORMAL DEVIATIONS OF THE EXCHANGES.

In the earlier part of the war, when a certain amount of freedom still was left for international trade, the actual rates of the exchanges used to coincide fairly well with the purchasing power parities. But later the sharp restrictions of the trade between nations have often distorted the exchanges from these parities. If trade between two countries is more hampered in one direction than in the other, the value of the money of the country whose export is relatively more restricted will fall, in the other country, beneath the purchasing power parity. This result is only in accordance with our general conception of the rate of exchange as an expression of the valuation of a means of securing the supply of foreign commodities; if this supply is made artificially difficult, the actual value of the foreign currency must sink in proportion. There are many instances of such abnormal deviations of the exchanges. Thus, the inflation in the United States has without doubt been much smaller than in Sweden, and the dollar has kept much more of its old purchasing power than the Swedish crown. The purchasing power parity must therefore have risen considerably above the old parity of kroner 3.73 for the dollar. But the actual rate fell, during the time of the severest war restrictions of American exports to Sweden, far beneath this old parity, the mean monthly rate for November, 1917, being as low as kroner 2.55. As soon as the restrictions were removed, the dollar exchange rose to a height corresponding to the purchasing power parity and even for a short time above it. The explanation of the temporary undervaluation of the dollar is to be sought in the absence of any immediate employment for dollars in Swedish possession. \* \* \*

We can imagine several other factors which might depress the international value of a currency beneath its purchasing power parity. But if there is no special hindrance against export from a country, every undervaluation of its currency will obviously call forth an increase of its export tending to counteract this under-

valuation. For as soon as the currency of a country is undervalued in comparison with its purchasing power parity there will be a special profit in buying this currency and using the money to procure commodities from that country. The stimulus thus given to the demand must very soon bring the price of the currency up to the purchasing power parity. Therefore, where no extra restrictions on the export of a country are imposed, other causes depressing the exchange beneath the purchasing power parity can have only a temporary effect.

As instances of such depressing tendencies we can quote: A distrust in the future of a monetary standard, leading to a discounting of an anticipated fall of the internal value of the money; operations of speculators, etc. By far the most important of these depressing factors is, however, the practice of selling out the currency of a country abroad. This practice has, during the last year, reached such proportions and become such a prominent factor in the international monetary situation that it is necessary to devote special attention to it.

The whole operation can best be studied in the case of Germany. German marks have been sold out abroad on an enormous scale, and at almost any price they would fetch. As the central government, local bodies, banks, and business enterprises were in absolute need of foreign means of payment, and these did not seem to be procurable in any other way, the country was driven to this selling out of its currency. The process must be looked upon as a substitute—a bad substitute, indeed—for the more regular device of securing foreign loans. As lenders could not be found, Germany turned to a new class of investors, the speculators in currency, and offered them, instead of a high rate of interest, the inducement of an extraordinary low rate of exchange. Of course, the speculators suffered heavy losses as the exchange went down step by step. But new ranks of speculators were always ready to believe that "the bottom has been reached"; as a matter of fact, the last of them have made enormous profits. The selling out of marks is said to have been considerably increased by the endeavors to evade in this way an exorbitant taxation.

Now, this process, carried on on such a scale, inevitably must have a tendency to depress the German mark beneath its purchasing power parity. Such a depression has also taken place, at certain periods, to a most alarming degree. When the mark was at its lowest international value it had certainly not more than a third or a fourth part of the value which would have corresponded to its internal purchasing power. It would, under such circumstances, have been extraordinarily profitable to use German marks for buying in the cheap German markets. In fact, almost everything could then have been exported from Germany with great advantage. This was, of course, an impossible situation for Germany. She was simply compelled to protect her scanty supplies of food and raw materials, and thus to prohibit exports of them. In regard to other commodities she tried to defend herself against buyers, seeking to take advantage of the low exchanges, by raising prices for foreigners to some multiple of the inland price. These measures, however, must, according to what has been stated above, have the effect of pressing down, permanently, the exchange value of the mark beneath its purchasing power parity.

On the other side, the measures have not been quite effective. It has not been possible to prevent the enormous buying capacity put into the hands of foreigners from reverting, to a certain extent, to Germany and making itself felt on its internal market, by forcing up prices even for inland buyers. This means, however, that the internal purchasing power of the German mark has been reduced. In fact, the general rise of prices in Germany during the last 12 months has been enormous. But then, of course, the purchasing power parities of the mark have been proportionally cut down.

From these experiences it seems clear enough what disastrous effects are connected with an endeavor to sell out a

currency of a country to foreign speculators. Although the case of Germany is the most conspicuous, the practice has by no means been restricted to that country. Other countries which have been tempted on the same downward road should now see the necessity of stopping the process.

#### EFFECTS ON INTERNATIONAL TRADE.

Every alteration in the purchasing power parity of the exchange between two countries naturally must have a disturbing influence on their mutual trade. But as soon as this parity has been stabilized at a certain level it is of no importance whether this level is high or low. Thus, the export trade of a country is not hampered by low quotations of the foreign exchanges as long as these quotations only correspond to a high level of prices in foreign countries or a low level at home; nor is it specially stimulated by high quotations of the foreign exchanges as long as these only correspond to the relative purchasing power of the monetary standards quoted. Likewise, low prices on foreign currencies do not mean an encouragement of imports from them or a handicap for the home producer, provided these exchanges are a true expression for the purchasing power of the foreign money; on the same condition, high prices of foreign currencies do not in any way hamper the import from them. In fact, the terms "high" or "low" exchanges have no sense in themselves; if they are to be used they must obviously refer to the normal rates of exchange, i. e., to the purchasing power parities. But when used, as is generally the case, in reference to old parities which have lost all real significance they are in the highest degree misleading.

Equally clear it is that every deviation of the actual rates of exchange from the purchasing power parities must cause considerable disturbances in international trade. The export from A to B must be very much hampered if the money of B is quoted in A lower than would correspond to the general level of prices in B as compared with that in A. At the same time, the import to A from B would get an artificial stimulus from such a quotation. True, both these effects would tend to enhance the value of the B money in A and to bring it up again to its purchasing power parity, which shows that this parity is the true point of equilibrium for the exchanges.

But in reality this restoration to equilibrium may take a long time, especially if the forces depressing the exchange are strong and work continually. And this period may prove very disturbing for trade and industry in both countries. Generally the country which has got its money undervalued is regarded as the sufferer, and the difficulties of its position are clear to everybody. In fact, however, it is not much better for the country whose currency is overvalued, such a country being exposed to quite a new sort of dumping of the most reckless and incalculable kind, and at the same time very much hampered in its export trade. Most European countries have had such disagreeable experiences of the extraordinary depression of the German mark during the winter 1919-20, while Germany herself has had to go through all the sufferings and curious disturbances of a country exposed to an abnormal undervaluation of its currency. But this is by no means the only case. There has been, in the first months of 1920, a very substantial undervaluation of the French franc and the Italian lira in relation to British, American, and neutral currencies. It is obviously of great importance that the fullest light should be thrown upon the causes of these abnormal movements of the exchanges and on their effects on trade.

Here we have, however, first of all, to emphasize the general truth that exchanges are disturbing to international trade only in so far as they deviate from their purchasing power parities. To judge the present exchanges from the point of view of the prewar parities is a grave mistake, which is, however, incessantly repeated, even in otherwise sound expositions of the monetary situation. The result is that people often represent an exchange as

being against a country when the opposite is the case, and vice versa. In questions of such vital practical bearing no obscurity in regard to first principles can be allowed without serious risk, and it seems, therefore, highly desirable that a full understanding on this point should be arrived at. The world will never come back to the pre-war parities, and we shall therefore, in any case, sooner or later have to accustom ourselves to look upon the new purchasing power parities which, we may hope, will gradually crystallize themselves out of the present muddle as the true parities.

The months of May and June of 1920 have witnessed a very sharp rise of the German mark. One could have imagined that this recovery should have been a great advantage for Germany, as well as for the countries trading with Germany, and, to a certain extent, this has undoubtedly been the case. But the very alteration and its suddenness have in reality proved almost fatal not only to the international trade of Germany, but also to her production and her whole internal economic life. These consequences have naturally been aggravated by the violent daily fluctuations of the exchanges which have taken place and which seem to have become worse and more incalculable than ever.

These experiences and similar experiences in regard to other currencies seem to show that exchanges which are very much depressed beneath their purchasing power parities are liable to more violent and arbitrary fluctuations than exchanges which move in the vicinity of their purchasing power parity.

Certainly a situation which allows such fluctuations of the exchanges is quite intolerable; the complete impossibility of making an ordinary business calculation or an economic forecast of any kind threatens not only international trade, but the whole economic life of a continually growing part of the world with a complete breakdown.

When the exchanges move against a country—i. e., when the currency of the country sinks in international value—people generally explain it as a result of an adverse balance of trade. But this explanation is obviously inadequate if the deviation of the exchanges is considerable and has more than a quite temporary character. For if a country buys more from another than it sells to it, the balance must be paid in some way; say, by export of securities or by loans in the other country. Thus the balance of payments must on the whole equalize itself, and there is no reason for a definite alteration in the rates of exchange. Should such an alteration occur, it must generally be taken as a proof of an inflation which has brought down the internal value of the monetary unit of the country and raised its general level of prices. With an unaltered price level and an adverse rate of exchange the country's export trade should get a strong stimulus, which would tend to bring the exchange back soon enough to its normal rate.

On the other hand, if an inflation has taken place a new normal equilibrium of the exchanges must establish itself, quite irrespective of any balance of trade. If, e. g., the French inflation is 600 (in comparison with 100 before the war) and the English inflation is 300, it is altogether superfluous to look for another cause to explain the normal rate having doubled from 25 francs for the pound to 50 francs. (These figures are, of course, somewhat simplified, but may be taken as representing the essential of what has really happened.) If then, in addition, France suffers from an adverse balance of trade, this balance must be paid for by fresh credits or by export of securities, and no further depression of the franc will follow. Were the country really cut off from all normal ways of procuring means of payment, and were it for this reason turning to sell out its own currency abroad to speculators, that would without doubt be a factor tending to a further depression of the international value of the franc. But even then a definite depression beneath the purchasing power parity could only take place if the export of com-

modities from France were particularly restricted and the foreign holders of francs thereby cut off from a free use of their purchasing power on the French market. This ought to make it clear that an adverse balance of trade, or even, more generally, an adverse balance of daily obligations, is quite insufficient as an explanation of any lasting depression of the exchange value of the currency of the country.

Now, if we are bound, on these grounds, to abandon altogether the popular theory of trade balances as an explanation of the movements of international exchanges since the beginning of the war, another very popular theory has to be buried, too, viz, the theory that depressed exchanges can be corrected by an adjustment of the trade balance. In fact, it is very generally believed that a country which has seen the price of its money abroad sink very much below its prewar parity will be able, after the war, to restore the old exchanges only by increasing its exports. This will certainly be possible if the low quotations of the money of the country have been caused exclusively by one-sided hindrances against its exports. But if they are signs of a deteriorated internal value of the money, no development of the export of the country can better the exchanges. These will in the future be governed exclusively by the purchasing power parities, and will therefore only be improved if the country succeeds in reducing its inflation, and thus in giving its monetary unit a higher internal value. But this is, as we shall see, a very complicated process, involving difficulties of another kind than that of increasing exports.

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#### STABILIZATION OF THE DIFFERENT MONETARY STANDARDS.

The problem of stopping inflation is obviously, in the first instance, a problem for each country to decide for itself. By carrying through such a policy the country will be able to attain a stabilized standard of value; and whatever may be the further aims of the monetary policy of the country, this is undoubtedly the first thing to be done.

The general means of keeping up a monetary standard is the sufficient limitation of the supply of means of payment in that standard. The principal regulator of this supply is the rate of discount. In the whole world the rates of discount have been too low during the war. The real scarcity of capital would have commanded a much higher interest than the 5 or 6 per cent which have generally prevailed but which have only been the results of a continual falsification of the money market. Even now, after the war, the world's need of capital is so great, in comparison with the scanty supply, that a real equilibrium can be attained only by the aid of higher rates of interest than those generally prevailing. This has begun to be more and more recognized, as is shown by the latest increases of the discount rates of some central banks up to 7 per cent. But still there are many countries lagging behind in this regard in the belief, as it seems, that they can really afford the convenience of a much lower rate, and curiously enough these countries are by no means always among the richest. \* \* \*

The first condition which must be fulfilled, if a stabilization of prices shall be attained, is, therefore, that the rate of interest at which the banks lend their money shall, broadly at least, correspond to the real scarcity of capital.

Besides the rate of interest, there are other means for enforcing the necessary restriction on the demand for capital. The banks always discriminate between the proposals for which their accommodation is sought, and in periods of particular scarcity of capital it is only natural that this discrimination is made more severe than usual. It seems sound, under present circumstances to discriminate particularly against a use of capital which, though preferable enough, will require a long time to become remunerative; or which involves mainly the strength-

ening of a monopoly without adding materially to the productive capacity of the community; or which is calculated to serve a demand for luxuries which now ought to be excluded. But the proposition that is sometimes put forward that the banks should restrain their fresh advances to purposes of "public utility," refusing assistance even to the most profitable bargains or enterprises, seems thoroughly unsound, considering that it must be a rather important public interest—particularly in a poor country or in times of distress—that capital shall be used, generally, in the most profitable way. The device of using capital for "public utility" has, in reality, proved itself to lead to particularly wasteful dispositions of capital, without due regard to the actual limits of supply, and, therefore, to be one of the most prominent factors in the process of inflation.

The bureaucratic control of the use of capital which has been introduced in some countries does not seem capable of doing much good. If the rate of interest is kept so high as to correspond to the real scarcity of capital, there will be no need for a further restriction of the demand on bureaucratic lines. And if bureaucratic regulation is to supply the additional restriction of the market which a too low bank rate makes necessary, it seems almost sure that the employment of the available capital in the community will be rather uneconomical. Besides, the control itself must be a serious hindrance against trade and enterprise, and, therefore, must diminish the effectivity of the business life of the country. \* \* \*

M. Delacroix, former prime minister and minister of finance for Belgium, presented a memorandum to the conference, which has been widely discussed, on the subject of an international bank of issue.

#### ESTABLISHMENT OF AN INTERNATIONAL BANK.

(By M. Delacroix.)

\* \* \* \* \*

#### AN INTERNATIONAL BANK OF ISSUE.

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

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

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

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

#### THE POSITION OF THE CENTRAL POWERS.

Moreover, the Central Powers, who are under the jurisdiction of the reparations commission, must nevertheless be allowed a certain amount of free export. Germans must be allowed to deal with their foreign agents in order to sell their produce and obtain a supply of essential raw material. The powers of the reparations commission can not be widened to that extent. Therefore, another organization is necessary, independent of the reparations commission, which can control this free commerce from a purely financial point of view.

#### THE EFFECTS OF THE BOND ISSUE.

Doubtless the exchange market as it now exists will remain independent of the international bank of issue, but as a large number of international transactions will be carried out in the way described above, rises in the exchange will be retarded, and the exchange market will no longer have a continual tendency to rise. Further, States will gradually come to understand how vital it is to them to equalize their balance of trade and, consequently, to limit imports to strictly necessary goods. States with a depreciated exchange having thus obtained bonds from the bank of issue will be able to obtain abroad, by this means, goods essential for their food supply and the raw material for their industries and for transport services, etc. It will be clearly understood that these bonds can only be issued for the purchase of produce or goods, and not for purchase of gold. Foreign traders to whom these bonds are offered in payment will endeavor to discount them through private banks. They will have no difficulty in doing so as the security will be first class, equal in value to gold, and secured by guarantees under international control. The system, therefore, does not entail the undesirable necessity of fresh inflations of currency. Securities will consist either of rights over customs duties, harvests, mineral products, or any produce from which a return can be foreseen in a relatively short time, and which will allow the bonds to be redeemed at a not too distant date.

#### THE INTERNATIONAL BANK WILL ACT AS A CLEARING HOUSE.

The working of the bank will, moreover, allow rapid circulation of these bonds. The resumption of work ought to result in the reestablishment of the financial balance of each of the States affected by the crisis. The international bank will thus be a huge clearing house, with branches in each country which belongs to it. The number of bonds given to each country will be determined by general agreement, and the clearing house will keep them at the disposal of the different countries who call for them as and when they need them. The bonds assigned will be handed over by the Government to the branch of the clearing house with instructions not to allow them to be used except for essential needs. At the same time steps could be taken to insure that the payments received for foreign sales of manufactured goods by those who import raw material should be put at the disposal of the branch of the clearing house and dealt with at the same rate as that fixed for the bonds.

#### THE IMPORTANCE OF COUNTRIES PROVIDING RAW MATERIALS.

Without the assistance of the chief holders of raw materials and gold (American and neutral countries) it will be difficult to remedy the disease. But even without this assistance, an arrangement on a smaller scale between countries with depreciated exchanges would be most desirable and useful.

The difficult point will be the assessment of the number of bonds to be given to each country.

We must, above all, take into account the possibility of repayment, by means of the produce of industry, of the sums lent to borrowing States. The "coefficient of productivity" must, therefore, be taken into account.

In an additional memorandum Prof. Pigou, of Cambridge, has set forth the salient difficulties connected with the whole problem of international loans.

#### MEMORANDUM ON CREDIT, CURRENCY, AND EXCHANGE FLUCTUATIONS.

(By A. C. Pigou.)

\* \* \* There are three principal alternative methods under which a loan with international sanction might be raised: (1) It might be offered for subscription on the markets of the world under an international guaranty; (2) it might be subscribed directly by certain of the financially stronger governments; or (3) the administrative authority might issue guaranteed bonds to borrowing governments which these borrowers could then sell upon the market. These plans will now be considered in turn. \* \* \*

The third plan is in substance that submitted by M. Delacroix. Under this plan the guaranteeing authority would not raise subscriptions at all, but would emit interest-bearing bonds, secured in the first place on the pledge of repayment, accompanied perhaps by collateral of the borrowing governments, and in the second place by the guarantee of the international authority. These bonds would then be issued by the government to which a loan had been granted as means of payment for foreign purchases. This means, in effect, that they would be sold for cash either to members of the general public or to bankers in stronger countries. This plan has the advantage that it can not well end in a fiasco. Bonds of this kind are practically bound to be salable at a price. It is thus certain that funds really would be raised for the countries in need. If the League of Nations issued a 5 per cent loan for subscription, there might be hardly any response, but if it in effect issues 5 per cent bonds and offers them on the market, not at a fixed issue price but at whatever price the market decides to pay for the bonds, there is bound to be a response. If the bonds sold in the market at less than par, the borrowing government would, of course, have to pay for the accommodation thus obtained a net rate of interest correspondingly in excess of the nominal rate borne by the bond. This, however, would merely register the fact that capital is very dear. Except by way of gift, which is not now in question, countries in difficulties can not reasonably look to obtain capital on terms better than these on which it will be subscribed under an international guaranty.

If the conditions of loans operated under an international guaranty were made sufficiently stringent, the risk to the guarantors would not be very large. Nevertheless, it would, of course, be necessary to define strictly the terms of the guaranty and to determine the limit of liability of each guaranteeing government.

The second problem \* \* \* was that of determining the principles in accordance with which the internationally raised loan should be distributed. Plainly the leading criteria must be, for consumption loans, urgency of need, and for production loans, probable productivity in the near future. Account must be taken of the fact that certain countries are so short of materials that their labor and factory equipment can not be got to work and that therefore a large mass of productive power is involuntarily idle; that others, while perhaps possessing raw material, are short of machines, factory tools, agricultural implements, etc., so that their labor can not be applied to their

material and natural resources in a really effective manner; and that yet others are so short of the apparatus of transport, adequately repaired railway lines, wagons, engines, and the necessary spare parts that such resources in food, material (including coal), etc., as they have or receive can not be taken without prolonged delays to the places where it is most wanted. Thus there would be scheduled (1) food up to a minimum required to conserve working power; (2) agricultural implements to enable food to be produced at home up to a minimum; (3) material to enable factories to get to work up to a minimum; (4) machines for depleted factories. These things would take precedence of everything else as being the conditions precedent to productivity. Then might come long period work to restore regions so devastated that no effect can be produced for some years; to rebuild factories or build new ones, and so on. Statistical inquiry would have to be made to determine the amount of the needs of the several countries under the different categories. The distribution of available funds would have in the main to be based upon the result of this inquiry. Essential food needs and needs for capital required to set existing capital working should in the general interest be satisfied before the needs for restoration and rebuilding of devastated areas, the effective renewal of which would necessarily take a long time.

There remains the problem of the conditions to be imposed in connection with the loans. It is evident that no grants should be made except for the purpose of purchasing essential articles, necessary food, raw material for industry, transport equipment, or the mechanical equipment of factories and farms. This condition would not, however, always be sufficient. A loan made for the purchase of these things might be so used as to enable the home resources of borrowing countries to be wasted in unessential purposes, which, but for the loan, would have had to be postponed in favor of efforts to meet essential needs. In this way, though in form the loan would be devoted to essential needs, in reality it would not be. Further conditions might therefore be found on occasions to be necessary.

It goes without saying that some discretion on this matter would have to be left to the authority entrusted with the administration of the loan, and it is not, therefore, suggested that the same conditions should be imposed in connection with every grant. Nevertheless, it may be useful to pass in review certain conditions which naturally suggest themselves as appropriate.

(a) First, as a condition of a grant from the international loan, the administering authority should require the borrowing country to take means to insure that its citizens are not at the same time themselves making loans or investments abroad.

Investment of capital abroad may be stopped by direct prohibition against making loans to foreigners or taking up shares in foreign companies. It would be necessary also to forbid the purchase from foreigners of existing shares, whether in foreign or in domestic companies. The same result could be achieved otherwise by (1) prohibiting the export of any securities except against goods, and (2) prohibiting the export of goods except on condition that the proceeds shall be brought in either goods or in foreign exchange within some limited time (e. g., in Greece), the foreign exchange thereafter only being made available to importers of essential goods.

(b) Secondly, it seems reasonable that loans should be conditional on the borrowing countries conserving such foreign exchange as they hold either in payment for exports of their goods or for the sale abroad of securities held by their citizens for essential purchases. This condition could be enforced by the prohibition of luxury imports and, ultimately, by compulsion upon all receivers of foreign exchange to sell it in a central institution which, in turn, would only resell to persons contracting to bring in imports scheduled as essential. It should be pointed out, however, that a policy of excluding luxury imports may

defeat its own purpose unless it is accompanied by a similar prohibition against the home manufacture of luxury goods for home consumption. For, if nothing were done except to prohibit the import of luxuries, rich people desirous of these or similar things might offer high prices for home varieties of them. In certain circumstances this would mean that the real cost in capital and labor involved in getting them by direct manufacture would be bigger than the real cost of making the exports with which they used to be bought. It might happen, therefore, that a prohibition of luxury imports would cause exports to fall off by more than the amount formerly employed to buy the luxuries; so that, as a final result of the prohibition, the country would be less, and not better, able to buy necessities for itself abroad. These considerations show that the case for making a prohibition of luxury imports unaccompanied by general sumptuary legislation, a condition of international assistance, is less strong than it appears to be at first sight.

(c) Thirdly, in the particular conditions of the present time there is a third form of waste of resources which it may be well to preclude in the conditions of a loan. In Germany and Austria, owing to an exchange collapse out of proportion to the rise of domestic prices, it pays individuals to sell goods to foreigners for export at very much less than their foreign value. Clearly, here what is required is not, indeed, to prohibit exports, but to insure that export sales are made at prices roughly corresponding with the world market, the special profit in domestic currency being taken in an export tax or otherwise by the government.

(d) Fourthly, it can be no part of the duty of a body set up by the League of Nations indirectly to finance war or the upbuilding of military establishments. It may well be held, therefore, that no loan should be made to a nation engaged in war or in "unreasonable military preparations." In practice, however, the task of deciding what preparations are in fact unreasonable would often present insuperable difficulties. The same sort of difficulty attaches to the imposition of such a condition as that a borrowing government must be taking reasonable means to balance its budget or to check the expansion of its currency.

(e) Finally, the loans would have to be in terms of gold and not of the borrowing country's currency. The interest payable on them, as well as the principal, would have to be exempt from all taxation in that country so long as they were held by foreigners. They would have to take precedence over, or at least to rank with, other debts of the borrowing governments. In some circumstances a lien on customs or on industrial concerns might be required as security for the payment of the interest due on them.

#### RESOLUTIONS OF COMMITTEES.

The resolutions of the four committees appointed for the study of public finance, currency and exchange, international trade, and international credits are quoted in full below. The annex to the resolutions of the commission on international credits gives the suggestions of M. Ter Meulen which were accepted by that committee.

#### RESOLUTIONS PROPOSED BY THE COMMISSION ON PUBLIC FINANCE.

I. Thirty-nine nations have in turn placed before the international financial conference a statement of their financial position. The examination of these statements brings out the extreme gravity of the general situation of

public finance throughout the world, and particularly in Europe. Their import may be summed up in the statement that 3 out of every 4 of the countries represented at this conference, and 11 out of 12 of the European countries, anticipate a budget deficit in the present year. Public opinion is largely responsible for this situation. The close connection between these budget deficits and the cost of living, which is causing such suffering and unrest throughout the world, is far from being grasped. Nearly every government is being pressed to incur fresh expenditure; largely on palliatives which aggravate the very evils against which they are directed. The first step is to bring public opinion in every country to realize the essential facts of the situation and particularly the need for reestablishing public finances on a sound basis as a preliminary to the execution of those social reforms which the world demands.

II. Public attention should be especially drawn to the fact that the reduction of prices and the restoration of prosperity is dependent on the increase of production, and that the continual excess of government expenditure over revenue represented by budget deficits is one of the most serious obstacles to such increase of production, as it must sooner or later involve the following consequences:

(a) Further inflation of credit and currency.

(b) A further depreciation in the purchasing power of the domestic currency, and a still greater instability of the foreign exchanges.

(c) A further rise in prices and in the cost of living.

The country which accepts the policy of budget deficits is treading the slippery path which leads to general ruin; to escape from that path no sacrifice is too great.

III. It is therefore imperative that every government should, as the first social and financial reform, on which all others depend—

(a) Restrict its ordinary recurrent expenditure, including the service of the debt to such an amount as can be covered by its ordinary revenue.

(b) Rigidly reduce all expenditure on armaments in so far as such reduction is compatible with the preservation of national security.

(c) Abandon all unproductive extraordinary expenditure.

(d) Restrict even productive extraordinary expenditure to the lowest possible amount.

IV. The Supreme Council of the Allied Powers in its pronouncement on the 8th March declared that "Armies should everywhere be reduced to a peace footing, that armaments should be limited to the lowest possible figure compatible with national security, and that the League of Nations should be invited to consider, as soon as possible, proposals to this end." The statements presented to the conference show that, on an average, some 20 per cent of the national expenditure is still being devoted to the maintenance of armaments and the preparations for war. The conference desires to affirm with the utmost emphasis that the world can not afford this expenditure. Only by a frank policy of mutual cooperation can the nations hope to regain their old prosperity; and in order to secure that result the whole resources of each country must be devoted to strictly productive purposes.

The conference accordingly recommends most earnestly to the council of the League of Nations the desirability of conferring at once with the several governments concerned, with a view to securing a general and agreed reduction of the crushing burden which, on their existing scale, armaments still impose on the impoverished peoples of the world, sapping their resources and imperiling their recovery from the ravages of war. The conference hopes that the assembly of the League which is about to meet will take energetic action to this end.

V. While recognizing the practical difficulties in the way of immediate action in all cases, the conference considers that every government should abandon at the earliest practicable date all uneconomical and artificial measure

which conceal from the people the true economic situation; such measures include—

(a) The artificial cheapening of bread and other food-stuffs, and of coal and other materials by selling them below cost price to the public, and the provision of unemployment subsidies of such a character as to demoralize rather than encourage industry.

(b) The maintenance of railway fares, postal rates, and charges for other government services on a basis which is insufficient to cover the cost of the services given, including annual charges on capital account.

VI. In so far as, after every effort has been made, it is impossible to cut down expenditure within the limits of existing revenues, fresh taxation must be imposed to meet the deficit, and this process must be ruthlessly continued until the revenue is at least sufficient to meet the full amount of the ordinary current expenditure. The conference considers that the relative advantages of the various possible means of increasing the national revenue, whether by direct or indirect taxation or by a capital levy (to be devoted to the repayment of debt), depend upon the special economic conditions obtaining in each country, and that in consequence each country must decide for itself on the methods which are best suited to its own internal economy.

VII. If the above principles are accepted and applied loans will not be required for recurrent ordinary expenditure; borrowing for that purpose must cease. In a number of countries, however, although the ordinary charges can be met from revenue, heavy extraordinary expenditure must at the present time be undertaken on capital account. This applies more especially in the case of those countries devastated during the war, whose reconstruction charges can not possibly be met from ordinary receipts. The restoration of the devastated areas is of capital importance for the reestablishment of normal economic conditions; and loans for this purpose are not only unavoidable but justifiable. But in view of the shortage of capital it will be difficult to secure the sums required even for this purpose, and only the most urgent schemes should be pressed forward immediately.

VIII. The means by which loans are raised are no less important than the purposes for which they are destined. In future the loans which are required for urgent capital purposes must be met out of the real savings of the people. But those savings have, as it were, been pledged for many years ahead by the credits created during the war, and the first step to raising fresh money must be to fund the undigested floating obligations with which the markets are burdened. These principles apply both to internal and to external borrowing, and in regard to the latter we suggest that it would be in the general interest for the creditor countries to give such facilities as may be possible to the debtor countries to fund their floating obligations at the earliest possible date.

IX. In order to enlist public interest it is essential to give the greatest publicity possible to the situation of the public finances of each State.

The conference is, therefore, of the opinion that the work already accomplished by the secretariat in its comparative study of public finances should be continued, and it suggests that the Council of the League of Nations should request all its members and all the nations represented at this conference to furnish it regularly not only with budget estimates and final budget figures, but also with a half-yearly account of actual receipts and expenditure. At the same time, countries should be urged to supply as complete information as is possible on the existing system of taxation, and any suggestions which may appear to each State to be useful for the financial education of the public opinion of the world.

With the aid of the information thus obtained the League of Nations would be enabled to prepare pamphlets for periodical publication, setting out the comparative financial position of the countries of the world, and explaining the various systems of taxation in force.

X. The conference is of opinion that the strict application of the principles outlined above is the necessary condition for the reestablishment of public finances on a sound basis. A country which does not contrive as soon as possible to attain the execution of these principles is doomed beyond hope of recovery. To enable Governments, however, to give effect to these principles, all classes of the community must contribute their share. Industry must be so organized as to encourage the maximum production on the part of capital and labor, as by such production alone will labor be able to obtain those improved conditions of life which it is the aim of every country to secure for its people. All classes of the population, and particularly the wealthy, must be prepared willingly to accept the changes necessary to remedy the present situation. Above all, to fill up the gap between the supply of and the demand for commodities, it is the duty of every patriotic citizen to practice the strictest possible economy and so to contribute his maximum effort to the common weal. Such private action is the indispensable basis for the fiscal measures required to restore public finances.

#### RESOLUTIONS PROPOSED BY THE COMMISSION ON CURRENCY AND EXCHANGE.

The currency of a country, in the sense of the immediate purchasing power of the community, includes (a) the actual legal tender money in existence, and (b) any promises to pay legal tender, such as bank balances—which are available for ordinary daily transactions.

The currencies of all belligerent, and of many other countries, though in greatly varying degrees, have since the beginning of the war been expended artificially, regardless of the usual restraints upon such expansion (to which we refer later) and without any corresponding increase in the real wealth upon which their purchasing power was based; indeed, in most cases, in spite of a serious reduction in such wealth.

It should be clearly understood that this artificial and unrestrained expansion, or "inflation" as it is called, of the currency or of the titles to immediate purchasing power, does not and can not add to the total real purchasing power in existence, so that its effect must be to reduce the purchasing power of each unit of the currency. It is, in fact, a form of debasing the currency.

The effect of it has been to intensify, in terms of the inflated currencies, the general rise in prices, so that a greater amount of such currency is needed to procure the accustomed supply of goods and services. Where this additional currency was procured by further "inflation" (i. e., by printing more paper money or creating fresh credit) there arose what has been called a "vicious spiral" of constantly rising prices and wages and constantly increasing inflation, with the resulting disorganization of all business, dislocation of the exchanges, a progressive increase in the cost of living, and consequent labor unrest.

#### 1. Therefore:

*It is of the utmost importance that the growth of inflation should be stopped*, and this, although no doubt very difficult to do immediately in some countries, could quickly be accomplished by (1) abstaining from increasing the currency (in its broadest sense as defined above), and (2) by increasing the real wealth upon which such currency is based.

The cessation of increase in the currency should not be achieved merely by restricting the issue of legal tender. Such a step, if unaccompanied by other measures, would be apt to aggravate the situation by causing a monetary crisis. It is necessary to address ourselves to the causes underlying the necessity for the additional currency.

The chief cause in most countries is that the Governments, finding themselves unable to meet their expenditures out of revenue, have been tempted to resort to the artificial creation of fresh purchasing power, either by the direct issue of additional legal tender money or more frequently by obtaining—especially from the banks of issue, which in some cases are unable and in others unwilling to

refuse them—credits which must themselves be satisfied in legal tender money. We say, therefore, that—

II. *Governments must limit their expenditure to their revenue. (We are not considering here the financial operations carried out in conjunction with the reconstruction of the devastated areas.)*

III. *Banks, and especially banks of issue, should be freed from political pressure and should be conducted solely on the lines of prudent finance.*

But the Governments are not the only offenders in this respect; other parties, and especially in some countries the municipalities and other local authorities, have raised excessive credits which in the same way multiply the titles to purchasing power.

Nor will it be sufficient for the purpose of checking further inflation that additional issues of legal tender currency or the granting of additional credits should cease, since the floating debts of Government and other authorities constitute in themselves a form of potential currency in that, except in so far as they are constantly renewed, their amount will come to swell the total currency in existence; consequently—

IV. *The creation of additional credit should cease and Governments and municipalities should not only not increase their floating debts, but should begin to repay or fund them by degrees.*

In normal times the natural and most effective regulator of the volume and distribution of credit is the rate of interest which the central banks of issue are compelled, for the sake of self-preservation and in duty to the community, to raise when credit is unduly expanding. It is true that high money rates would be expensive to Governments which have large floating debts, but we see no reason why the community in its collective capacity (*i. e.*, the Government) should be less subject to the normal measure for restricting credit than the individual members of the community. In some countries, however, the financial machinery has become so abnormal that it may be difficult for such corrective measure to be immediately applied. We recommend, therefore, that—

V. *Until credit can be controlled merely by the normal influence of the rate of interest it should only be granted for real economic needs.*

It is impossible to lay down any rule as to the "proper rates" of discount or interest for different countries. These rates will depend not only on the supply and demand at different times, but also on other factors often of a psychological nature. It may, indeed, confidently be said that when once the arbitrary increase of inflation ceases and when the banks of issue are able successfully to perform their normal functions, rates will find their own proper level.

The complementary steps for arresting the increase of inflation by increasing the wealth on which the currency is based may be summed up in the words: Increased production and decreased consumption.

The most intensive production possible is required in order to make good the waste of war and arrest inflation, and thus to reduce the cost of living; yet we are witnessing in many countries production below the normal, together with those frequent strikes which aggravate instead of help to cure the present shortage and dearth of commodities. When diminution in the Government's demands frees more credits for trade and for the recuperation of the world, when inflation has ceased and prices cease to rise, and when the general unsettlement caused by the war subsides, it is probable that great improvement will be seen in productive activity. Yet, in our opinion, the production of wealth is in many countries suffering from a cause which it is more directly in the power of Governments to remove, such as various forms of control often imposed by them as a war measure and which has not yet been completely relaxed. In some cases business has even been taken by Governments out of the hands of the private trader, whose enterprise and experience are a far more potent instrument for the recuperation of the country.

Another urgent need is the freest possible international exchange of commodities. With this another commission will deal, but we feel that our recommendations here on inflation would not be complete without adding that—

VI. *Commerce should as soon as possible be freed from control, and impediments to international trade removed.*

Equally urgent is the necessity for decreased consumption in an impoverished world where so much has been destroyed and where productive power has been impaired. It is therefore specially important at present that, both on public and private account, and not only in impoverished countries, but in every part of the world—

VII. *All superfluous expenditure should be avoided.*

To attain this end the enlightenment of public opinion is the most powerful lever. If the wise control of credit brings dear money, this result will in itself help to promote economy.

We pass now from inflation and its remedies to the other points submitted to us.

Without entering into the question whether gold is or is not the ideal common standard of value, we consider it most important that the world should have some common standard, and that, as gold is to-day the nominal standard of the civilized world—

VIII. *It is highly desirable that the countries which have lapsed from an effective gold standard should return thereto.*

It is impossible to say how or when all the older countries would be able to return to their former measure of effective gold standard, or how long it would take the newly formed countries to establish such a standard. But, in our opinion—

IX. *It is useless to attempt to fix the ratio of existing fiduciary currencies to their nominal gold value; as, unless the condition of the country concerned were sufficiently favorable to make the fixing of such ratio unnecessary, it could not be maintained.*

The reversion to, or establishment of, an effective gold standard would in many cases demand enormous deflation and it is certain that such—

X. *Deflation, if and when undertaken, must be carried out gradually and with great caution; otherwise the disturbance to trade and credit might prove disastrous.*

XI. *We can not recommend any attempt to stabilize the value of gold and we seriously doubt whether such attempt could succeed; but this question might well be submitted to the committee to which we refer later, if it should be appointed.*

XII. *We believe that neither an international currency nor an international unit of account would serve any useful purpose or remove any of the difficulties from which international exchange suffers to-day.*

XIII. *We can find no justification for supporting the idea that foreign holders of bank notes or bank balances should be treated differently from national holders.*

XIV. *In countries where there is no central bank of issue, one should be established, and if the assistance of foreign capital were required for the promotion of such a bank, some form of international control might be required.*

XV. *Attempts to limit fluctuations in exchange by imposing artificial control on exchange operations are futile and mischievous. In so far as they are effective they do not accurately reflect the real conditions of the market, tend to remove natural correctives to such fluctuations, and interfere with free dealings in forward exchange which are so necessary to enable traders to eliminate from their calculations a margin to cover risk of exchange, which would otherwise contribute to the rise in prices. Moreover, all Government interference with trade, including exchange, tends to impede that improvement of the economic conditions of a country, by which alone a healthy and stable exchange can be secured.*

We support the suggestion that—

XVI. *A committee should be set up both for continuing the collection of the valuable financial statistics that have been furnished for this conference and also the further investigation of currency policy.*

## RESOLUTIONS PROPOSED BY THE COMMISSION ON INTERNATIONAL TRADE.

I. The international financial conference affirms that the first condition for the resumption of international trade is the restoration of real peace, the conclusion of the wars which are still being waged, and the assured maintenance of peace for the future. The continuance of the atmosphere of war and of preparations for war is fatal to the development of that mutual trust which is essential to the resumption of normal trading relations. The security of internal conditions is scarcely less important, as foreign trade can not prosper in a country whose internal conditions do not inspire confidence. The conference trusts that the League of Nations will lose no opportunity to secure the full restoration and continued maintenance of peace.

II. The international financial conference affirms that the improvement of the financial position largely depends on the general restoration as soon as possible of good will between the various nations; and in particular it indorses the declaration of the Supreme Council of the 8th March last "that the States which have been created or enlarged as a result of the war should at once reestablish full and friendly cooperation, and arrange for the unrestricted interchange of commodities in order that the essential unity of European economic life may not be impaired by the erection of artificial economic barriers."

III. The conference recommends that, within such limits and at such time as may appear possible, each country should aim at the progressive restoration of that freedom of commerce which prevailed before the war, including the withdrawal of artificial restrictions on, and discriminations of price against, external trade.

IV. The international financial conference expresses its conviction that the instability of the exchanges constitutes a great hindrance to the resumption of normal international trade.

V. The international financial conference would welcome any action which can be taken by the League of Nations to enable the countries, which under present conditions can not purchase the necessary supplies for their reconstruction, temporarily to obtain commercial credits on an approved basis for this purpose.

VI. The international financial conference expresses the conviction that the repair, improvement, and economical use of the transport systems of the world, and particularly of countries affected by the war, are of vital importance to the restoration of international trade.

## RESOLUTIONS PROPOSED BY THE COMMISSION ON INTERNATIONAL CREDITS.

I. The conference recognizes in the first place that the difficulties which at present lie in the way of international credit operations arise almost exclusively out of the disturbance caused by the war, and that the normal working of financial markets can not be completely reestablished unless peaceful relations are restored between all nations, unless the outstanding financial questions resulting from the war are made the subject of a definite settlement, and unless this settlement is put into execution.

II. The conference is, moreover, of opinion that the revival of credit requires as primary conditions the restoration of order in public finance, the cessation of inflation, the purging of currencies, and the freedom of commercial transactions. The resolutions of the Commission on International Credits are therefore based on the resolutions of the other commissions.

III. The conference recognizes, however, that this general improvement in the situation requires a considerable period of time, and that in present circumstances it is not possible for certain countries to restore their economic activity without assistance from abroad. This assistance is required for periods which exceed the normal term of commercial operations.

IV. The conference is of opinion that in principle the resources out of which this assistance is to be provided should be found from the savings of the lending countries and must not result in undue increase of the fiduciary circulation—that is to say, in the creation or extension of a disproportion between means of payment and the genuine requirements of business.

V. The conference believes, on the other hand, that this assistance can only be effectively accorded to countries which are prepared to assist one another in the restoration of economic life, and to make every effort to bring about within their own frontiers the sincere collaboration of all groups of citizens and to secure conditions which give to work and thrift liberty to produce their full results.

VI. The conference does not believe that, apart from particular decisions dictated by national interests or by considerations of humanity, credits should be accorded directly by Governments.

VII. It appears to the conference that one of the chief obstacles to the granting of credits is the absence in borrowing countries of sufficient security for ultimate repayment. The conference therefore studied with attention in the light of the general considerations enumerated above, all the proposals presented with a view to creating guarantees which would provide satisfactory security for exporters.

The conference has been forced to recognize that no single system could by itself suffice to provide for the many different needs of the various countries, and that it is necessary to indicate a series of measures sufficiently elastic to be adapted afterwards to every variety of circumstances.

For these reasons the conference decided to make the following recommendations:

VIII. An international organization should be formed and placed at the disposal of States desiring to have resort to credit for the purpose of paying for their essential imports. These States would then notify the assets which they are prepared to pledge as security for the sake of obtaining credit, and would come to an understanding with the international organization as to the conditions under which these assets would be administered.

The bonds issued against this guarantee would be used as collateral for credits intended to cover the cost of commodities.

A plan based upon these principles is developed in the annex. It has been devised to enable States to facilitate the obtaining of commercial credits by their nationals. It is easy to see that the scheme is susceptible of development in various directions, and that some of its provisions might be adapted so as to facilitate the extension of credit direct to public corporations.

A committee of financiers and business men should be nominated forthwith by the Council of the League of Nations for the purpose of defining the measures necessary to give practical effect to this proposal.

IX. It has been represented to the conference that more complete results might be achieved if the bonds used as collateral were to carry some international guarantee.

The conference sees no objection to the further consideration of this proposal. The committee referred to in Paragraph VIII above might usefully consider the conditions under which it could be applied.

X. It has also been represented to the conference that an extension on international lines of the existing system of export credit insurance would in many instances be of great value in developing trade with countries where political and social conditions give rise to an anxiety which is often exaggerated by exporters. The conference believes that an extension of this kind is worthy of consideration, and that it should be examined in detail by experts.

XI. The attention of the conference has been called to the present system of "finishing credits (Veredlungskredit)"; that is to say, of credits under which a lien in favor of the exporter or a banker is maintained on the raw

material in all its different stages and upon the proceeds of the manufactured article. This system has suffered greatly owing to the lack in many countries of sufficient legal protection for the exporter throughout the various stages of importation, manufacture, reexportation, and sale. The conference would suggest that the council draw the attention of the different Governments to this question, and summon an advisory body of legal experts and business men to specify the legislative action which it would be desirable to take in order to attain the desired object in each of the countries concerned.

XII. Apart from the above-mentioned proposals which the conference recommends the League of Nations to adopt, and if possible to apply in practice, the conference believes that the activities of the league might usefully be directed toward promoting certain reforms, and collecting the relevant information required to facilitate credit operations. In this connection the conference considers it well to draw attention to the advantages of making progress under each of the following heads:

- (1) Unification of the laws relating to bills of exchange and bills of lading;
- (2) The reciprocal treatment of the branches of foreign banks in different countries;
- (3) The publication of financial information in a clear, comparative form;
- (4) The examination of claims by the holders of bonds the interest on which is in arrears;
- (5) An international understanding on the subject of lost, stolen, or destroyed securities;
- (6) The establishment of an international clearing house;
- (7) An international understanding which would insure the due payment by everyone of his full share of taxation and would avoid the imposition of double taxation, at present an obstacle to the placing of investments abroad.

XIII. During the course of its deliberations the conference could not fail to be impressed by the fact that all, or almost all, of the many proposals submitted for its consideration require at some stage the active intervention of the League of Nations. The conference is unanimously in sympathy with this tendency, and believes that it is desirable to extend to the problems of finance that international cooperation which the League of Nations has inaugurated, and which it is attempting to promote in order to improve the general situation and maintain the peace of the world.

#### ANNEX.

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 auspice 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.

3. The commission shall have the power to appoint subcommissions and to charge them with the exercise of its authority in participating (*intéressés*) countries or groups of countries.

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

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

6. The participating Government shall then be authorized to prepare bonds to the gold value approved by the commission, each in one specific currency to be determined on the issue of the bond.

7. The date of maturity and the rate of interest to be borne by these bonds shall be determined by the participating Government in agreement with the commission.

8. The service of these bonds shall be secured out of the revenue of the assigned assets.

9. The assigned assets shall in the first instance be administered by the participating Government or by the international commission, as that commission may in each case determine.

10. The commission shall at any time have the right of making direct representations to the Council of the League of Nations as to the desirability of transferring the administration of the assigned assets either from the commission to the participating Government or from the participating Government to the commission.

11. The decision of the Council of the League of Nations on this question shall be binding.

12. After the preparation of these bonds the participating Government shall have the right to loan the bonds to its own nationals, for use by them as collateral security for importations.

13. The bonds shall be made out in such currencies and in such denominations as are applicable to the particular transaction in respect of which they are issued.

14. The participating Government shall be free to take or not to take security for the loan of these bonds from the nationals to whom they are lent.

15. The maturity and the rate of interest of the loan of the bonds shall be fixed by agreement between the participating Government and the borrower of the bonds; they need not be the same as the maturity and the rate of interest of the bonds themselves.

16. When making application to his Government for a loan of these bonds, the importer must furnish proof that he has previously obtained from the international commission express permission to enter into the transaction for which the bonds are to be given as collateral.

17. Each bond, before it is handed over by the participating Government to the importer, shall be countersigned by the commission in proof of registration.

18. Having obtained the consent of the commission and received from them the countersigned bonds, the importer will pledge these bonds to the exporter in a foreign country for the period of the transaction.

19. The exporter will return to him on their due dates the coupons of the pledged bonds, and the bonds themselves on the completion of the transaction.

20. On receipt of the coupons and the bonds respectively, the importer will return them to his Government.

21. Bonds returned to the participating Government shall be canceled and may subsequently be replaced by other bonds, either in the same or in a different currency, up to an equivalent amount.

22. The exporter, or if he has pledged the bonds the institution with which he has repledged them acting on his behalf, would be free, in the event of the importer not fulfilling the terms of his contract, to hold until maturity the bonds given as collateral by the importer, or to sell them in accordance with the custom in his country in case of default.

23. In the second alternative an option of repurchasing the bonds direct must first be given for a short period to the Government which issued them.

24. If a sale is resorted to and results in a surplus beyond what is necessary to cover the claims of the exporter upon the importer, the exporter shall be held accountable for that surplus to the Government which issues the bonds.

25. The revenues from the assigned assets shall be applied as follows to the service of the bonds.

26. Out of these revenues, the commission or the participating Government, as the case may be, shall purchase foreign currencies sufficient to meet at their due date the coupons on all bonds any time outstanding in the different foreign currencies.

27. In addition they shall establish abroad in the appropriate currencies a sinking fund calculated to redeem at maturity 10 per cent of the bonds outstanding in each of the different countries.

28. Further, in addition to the amounts provided for payment of coupons and for the endowment of the sinking fund, they shall establish out of the assigned revenues a special reserve in one or more foreign currencies for the redemption of bonds sold in accordance with paragraph 22.

29. The amount to be set aside for the special reserve shall in each case be determined by the commission.

30. Any surplus remaining at the end of each year after the provision of these services shall be at the free disposal of the participating Government.

31. A participating Government shall have the right to offer its own bonds as collateral for credits obtained for the purpose of importations on Government account. The previous assent of the commission will in these cases also be required for the particular importations desired by the participating Government.

32. If a participating Government which has been in control of its assigned revenues should fail to fulfill its obligations, the exporter concerned will notify the commission and the commission will apply to the Council of the League of Nations for the transfer of the management of the assigned revenues to the commission.

33. The consent of the commission is necessary whenever bonds secured on the assigned assets are given as collateral and shall as a rule be accorded only for the import of raw materials and primary necessities.

34. The commission may, however, at its discretion, sanction in advance the importation of specified quantities of such goods.

35. Even in the case of imports under such a general sanction a notification of the particular transaction must be registered with the commission.

36. The assent of the commission must also be obtained in every case to the term of the credit which it is proposed to open.

#### REPORT OF THE INTERNATIONAL FINANCIAL CONFERENCE.

The president of the conference on October 8 presented the following report:

In accordance with arrangements made by the Council of the League of Nations the international financial conference met at Brussels on Friday, September 24, 1920, in the Chamber of Deputies, which was generously placed at its disposal by the Belgian Government and the president of the chamber.

The discussions of the conference, which sat until October 8, have been governed by the resolution passed by the Council of the League in February, 1920:

"The League of Nations shall convene an international conference with a view to studying the financial crisis and looking for the means of remedying and of mitigating the dangerous consequences arising from it," and by the further instruction approved by the council on August 5, 1920, to the effect that "none of the questions which are the subject of the present negotiations between the Allies and Germany should be discussed at the conference."

The members of the conference, 86 in number, while appointed by their several Governments, attended as experts and not as spokesmen of official policy. They were drawn from those with both private and official experience and the conditions of their appointment permitted them to give the conference the full benefit of their knowledge and to express their personal opinions with freedom. The members so attending represented the following 39 countries: Argentina, Armenia, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, China, Czecho-Slovakia, Denmark, Estonia, Finland, France, Germany, Greece,

Guatemala, Holland, Hungary, India, Italy, Japan, Latvia, Lithuania, Luxemburg, New Zealand, Norway, Peru, Poland, Portugal, Roumania, Serb-Croat-Slovene State, South Africa, Spain, Sweden, Switzerland, United Kingdom, United States of America, Uruguay.

#### I. REVIEW OF THE SITUATION.

Some of the financial ills from which the world is suffering are common to all nations. But the severity of the malady and the effects which it has produced on the body politic have varied immensely in proportion to the degree in which each nation has been immersed in the maelstrom of the war. In order, therefore, to get a complete and balanced picture of the situation, the conference first devoted itself to hearing an exposition of the financial situation of each of the 39 countries represented. These statements constitute Volume III of this report.

Certain of the belligerent countries of Europe (Belgium, Bulgaria, France, Germany, Great Britain, Greece, Italy, and Portugal) unable to cover the expenses of the war from their national current revenue, find their balance sheet burdened with an enormous volume of both internal and external debt, the amount of the latter being still undetermined in the case of Germany. The total external debt of the European belligerents converted into dollars at par amounts to about 155 milliard dollars compared with about 17 milliard dollars in 1913, which, even when full allowance is made for the depreciation of money, represents a tremendous burden in proportion to the total national income of the belligerent countries. The external debt, amounting to about 11 milliard dollars due to the United States, to 1½ milliard pounds sterling due to Great Britain, presents an even more difficult financial problem because in nearly every case it is payable in a currency which is less depreciated than that of the country concerned.

The Government expenditure of these belligerent countries has increased in proportions which vary between 500 and 1,500 per cent, the present figures amounting to between 20 and 40 per cent of the total national income. The higher of these percentages represents the expenditure of France, which includes in her budget a very large sum for the restoration of her devastated provinces.

In all cases vigorous efforts have been made to introduce an orderly fiscal system into State finance by the imposition of fresh taxation—mostly in the form of direct taxes—and the ordinary revenues are in most cases now equal to or not far short of the ordinary expenditure. But except in the case of Great Britain there is still a very large gap between the total income and expenditure.

All of these countries have lost a very large proportion of their prewar holdings of gold and have enormously increased their paper currencies. This process of inflation, which has been reduced by Great Britain and checked by France, still continues in other countries. Except in the case of Germany and her allies, whose imports were prevented by the blockade, all these countries have during the war had an enormous excess of imports over exports. This excess increased in some cases after the armistice, but it is now diminishing. Indeed, in almost every case there is now a perceptible growth of exports.

During the war the exchanges of these countries did not reflect their real economic position, as artificial measures were in most cases taken to stabilize them; but the exchanges rapidly deteriorated when these measures were given up in 1919. This depreciation continued for 12 months. Since the spring of this year there have been appreciable variations, but on the balance the net movement has been toward improvement.

As a result of the war a number of new States have been created, while certain existing States, some of which were belligerents, have had their territories profoundly modified. Among these are Austria, Czecho-Slovakia, Estonia, Finland, Hungary, Latvia, Lithuania, Poland,

Roumania, and Serbia. For none of these countries, except Finland, is there a definite basis of comparison. All of them have received as a legacy of the war extremely depreciated currencies. In most cases the machinery of an orderly State revenue system is not yet in operation, and with enormous expenditure upon food relief, armaments, and in some cases actual war, there is no sign yet of any possibility of a budget equilibrium. In many of these countries the printing press is still in operation. On the other hand several of them are predominantly agricultural. Their productive powers may recover rapidly, and a single good harvest, especially with the present high price of food, is likely to strengthen both their financial and their economic position. In the case of Austria, whose economic life has been more completely disintegrated than elsewhere, the situation is peculiarly difficult.

In the countries of Europe which were neutral during the war, including Denmark, Sweden, Holland, Luxembourg, Norway, Spain, and Switzerland, the position is essentially different; but the financial difficulties are also serious. In some cases heavy expenditure was incurred by these countries directly in consequence of the war, and they have had largely to increase their internal debt. But in most cases the budget difficulties are due to the growth of Government expenditures caused by the rise of prices and the provision of subsidies to prevent this rise pressing too heavily on the general population. This expenditure has in some cases been met by increased taxation, but in the case of Holland, Switzerland, and Spain there are considerable deficits, and in the two latter cases no equilibrium is yet in sight. The trade position of these countries also presents peculiar difficulties. During the war their trade balances were very favorable, owing to the demand for their products from the belligerent nations and the stoppage of their imports. The result was an accumulation of gold, which led to an expansion of currency and a rise of prices almost as serious as that which for entirely different reasons took place in the belligerent countries. Since the war the trade situation has been reversed, as these countries have been importing the goods required to replenish stocks, and, owing in part to the premium to which their exchanges have risen as compared with the depreciated currencies of the belligerent nations, the maintenance of their exports has become difficult. To some extent, therefore, the favorable factors in the situation of these countries are actually an embarrassment.

The countries outside Europe have on the whole the most favorable economic position. Though special conditions affect certain of them, especially China, in general it may be said that they have benefited by the ready disposal of their products to the nations of Europe. Their trade balances have been very favorable, and their exchanges have improved relatively to those of European countries. They have in many cases been able to pay off a large proportion of their external debts and, on the other hand, have made large loans to their former creditors. This is particularly the case with the United States, to whom most of the countries of Europe are now heavily indebted. But, as in the case of European neutrals, their accumulation of gold has led to a rise in prices and has rendered more difficult the maintenance of the volume of their exports. Their future economic position, therefore, is vitally dependent on the restoration of the purchasing power of their European customers. It must also be kept in view that many of these countries, especially in the new hemisphere, have immense unfulfilled demands for capital expenditure, and the world-wide shortage of capital at the present time constitutes a serious handicap to their development.

It is noteworthy, however, that, different as are the conditions in these different groups of countries, certain features are common to practically every country of the world as a consequence of the destruction and dislocation of the war. In every country the purchasing power of the national currency has diminished and the cost of living

in terms of that currency has increased. With few exceptions, neutral as well as belligerent countries suspended the gold basis of their currency. Even where the gold basis has been retained the purchasing value of the currency has declined, for the value of gold itself in terms of commodities has diminished to about one-half.

In every country international trade has been impeded, dislocated, and diverted from its normal channels. The inability of Europe to export during the war forced the normal purchasers of her goods to look elsewhere for their requirements, to develop production in unaccustomed channels at home or in other countries overseas. Simultaneously Europe's need for imports compelled the sale of her capital holdings abroad, which are not, therefore, now available for her present needs. The instability and depreciation of exchanges resulting from these and other causes have impeded the trade of both seller and buyer. Countries with unfavorable exchanges have found it difficult to buy raw materials, and those with favorable exchanges have found in them an obstacle to the sale of their exports. With half the world producing less than it consumes and having insufficient exports to pay for its imports, credits alone can bridge the gulf between seller and buyer, and credits are rendered difficult by the very causes which make them necessary. Finally, every country finds impediments to its international trade in the new economic barriers which have been imposed during and since the war.

## II. THE LIMITS OF FINANCIAL REMEDIES.

Such, in the briefest outline, is the economic and financial condition of the world which was presented to the conference in vivid detail by the reports from the 39 countries attending it.

The members of the conference were conscious that, limited to the sphere of finance both by their terms of reference and their personal qualifications, they could only deal with a part of the problem which faced the Governments and peoples of the world.

Finance is, after all, only a reflection of commercial and economic life—a part only, though an essential part, of its mechanism. The wealth of the world consists of the products of man's work, and the sum total of human prosperity can be increased only by an increase of production. All that any official or organized action can do is to create conditions which are favorable to production, and of those the most important fall outside the sphere of finance.

First and foremost, the world needs peace. The conference affirms most emphatically that the first condition for the world's recovery is the restoration of real peace, the conclusion of the wars which are still being waged, and the assured maintenance of peace for the future. The continuance of the atmosphere of war and of preparations for war is fatal to the development of that mutual trust which is essential to the resumption of normal trading relations.

The world must resolve the rivalries and animosities which have been the inevitable legacy of the struggle by which Europe has been torn. This the conference ventures to hope is no vain aspiration. The fact that for the first time since 1914 representatives of belligerents and neutrals alike have met in conference is a good omen for the future. The world needs the inauguration of a new era of cooperation and good will between nations if it is to repair the destruction of those years of struggle, if indeed it is ever to secure the survival of its civilization.

If the first condition of recovery is peace between the countries of the world, the next is peace within each of them and the establishment of conditions which will allay the social unrest that is at present impeding and reducing production and which will restore social content and with it the will and the desire to work.

Among the conditions, however, which are essential if a maximum production is to be attained is the existence

of a system which facilitates the exchange of commodities and their equitable distribution, and within this third sphere lies the task of finance and the especial problems which the conference has had to consider.

### III. RECOMMENDATIONS OF THE CONFERENCE.

The conference divided the work, involved in the examination of these problems into four parts and intrusted special commissions of its members with the task of making a detailed study and preparing specific recommendations with regard to (a) public finance and (b) currency and exchange, (c) international trade and commerce, and (d) international action with special reference to credits.

The recommendations of these committees which have been unanimously approved by the conference are given in full at the end of this report and they require to be considered as a whole with the detailed arguments on which they are based.

The substance of these recommendations may be summarized as follows:

#### GENERAL FINANCIAL CONSIDERATIONS.

The first step is to bring public opinion in every country to realize the essential facts of the situation and particularly the need of reestablishing public finances on a sound basis as a preliminary to the execution of those social reforms which the world demands.

Nearly every Government is being pressed to incur fresh expenditure, largely on palliatives which aggravate the very evils against which they are directed. The country which accepts the policy of budget deficits is treading the slippery path which leads to general ruin; to escape from that path no sacrifice is too great.

The statements presented to the conference show that on an average some 20 per cent of the national expenditure is still being devoted to the maintenance of armaments and to preparations for war. The conference desires to affirm with the utmost emphasis that the world can not afford this expenditure. Only by a frank policy of mutual cooperation can the nations hope to regain their old prosperity, and to secure that result the whole resources of each country must be devoted to strictly productive purposes. The conference accordingly recommends most earnestly to the Council of the League of Nations the desirability of conferring at once with the several Governments concerned, with a view to securing a general and agreed reduction of the crushing burden which, on their existing scale, armaments still impose on the impoverished people of the world, sapping their resources and imperiling their recovery from the ravages of war. The conference hopes that the assembly of the league which is about to meet will take energetic action to this end.

It is also of the greatest importance that every Government should abandon at the earliest practicable date all uneconomical and artificial measures which conceal from the people the true economic situation.

To enable Governments, however, to give effect to the principles of sound finance all classes of the community must contribute their share. Industry must be so organized as to encourage the maximum production on the part both of capital and of labor, as by such production alone will those improved conditions of life be obtained which it is the aim of every country to secure for its people. All classes of the population, and particularly the wealthy, must be prepared willingly to accept the charges necessary to remedy the present situation. Above all, to fill up the gap between the supply of and the demand for commodities, it is the duty of every patriotic citizen to practice the strictest possible economy and so to contribute his maximum effort to the common weal. Such private action is the indispensable basis for the fiscal measures required to restore public finances.

The conference moreover strongly indorses the declaration of the supreme council of the 8th of March last, "that the States which have been created or enlarged as the result of the war should at once reestablish full and friendly cooperation and arrange for the unrestricted interchange of commodities in order that the essential unity of European economic life may not be impaired by the erection of artificial economic barriers." Each country should aim at the progressive restoration of that freedom of commerce which prevailed before the war, including the withdrawal of artificial restrictions on, and discriminations of price against, external trade.

#### REVENUE AND EXPENDITURE.

Where it is impossible to keep expenditure within the limits of existing revenue fresh taxation must be imposed to meet the deficit, and this process must be ruthlessly continued until the revenue is at least sufficient to meet the full amount of the recurrent ordinary expenditure. The relative advantages of the various possible methods of taxation depend on the special economic conditions obtaining in each country, and each country must decide for itself on the methods best suited to its own internal economy.

In future the loans which are required for urgent capital purposes must be met out of the real savings of the people. But these savings have, as it were, been pledged for many years ahead by the credits created during the war, and the first step to raising fresh money must be to fund the undigested floating obligations with which the markets are burdened.

#### CESSATION OF INFLATION.

It is of the utmost importance that the growth of "inflation" should be stopped. It should be clearly understood that this artificial and unrestrained expansion of the currency does not and can not add to the total real purchasing power in existence, so that its effect must be to reduce the purchasing power of each unit of the currency. Inflation is in fact an unscientific and ill-adjusted method of taxation.

The effect of it has been to intensify, in terms of the inflated currencies, the general rise in prices, so that a greater amount of such currency is needed to procure the accustomed supplies of goods and services. Where this additional currency was procured by further "inflation"—i. e., by printing more paper money or creating fresh credit—there arose what has been called a "vicious spiral" of constantly rising prices and wages, and constantly increasing inflation with the resulting disorganization of all business, dislocation of the exchange, a progressive increase in the cost of living and consequent labor unrest.

It is highly desirable that the countries which have lapsed from an effective gold standard should return thereto. It is impossible to say how or when all the older countries would be able to return to their former measure of effective gold standard or how long it would take the newly formed countries to establish such a standard. But in the opinion of the conference it is useless to attempt to fix the ratio of existing fiduciary currencies to their normal gold value. Unless the condition of the country concerned was sufficiently favorable to make the fixing of such a ratio unnecessary, it could not be maintained.

The reversion to, or establishment of, an effective gold standard by any means other than devaluation would in many cases demand enormous deflation, and it is certain that such deflation, if and when undertaken, must be carried out gradually and with great caution, otherwise the disturbance to trade and credit might prove disastrous.

The conference does not recommend any attempt to stabilize the value of gold and gravely doubts whether any such attempt could succeed. It believes that neither

an international currency nor an international unit of account would serve any useful purpose or remove any of the difficulties from which international exchange suffers to-day.

#### CENTRAL BANKS OF ISSUE.

The conference is of opinion that in countries where there is no central bank of issue, one should be established, and if the assistance of foreign capital were required for the promotion of such a bank, some form of international control might be necessary.

Attempts to limit fluctuations in exchange by imposing artificial control on exchange operations are futile and mischievous. In so far as they are effective they falsify the market, tend to remove natural correctives to such fluctuations and interfere with free dealings in forward exchange which are so necessary to enable traders to eliminate from their calculations a margin to cover the risks of exchange, which would otherwise contribute to the rise in prices.

#### EXTERNAL CREDITS.

The conference recognizes, however, that any general improvement in the situation requires a considerable period of time, and that in present circumstances it is not possible for certain countries to restore their economic activity without assistance from abroad. This assistance is required for periods which exceed the normal term of commercial operations.

This assistance, however, can only be effectively accorded to countries which are prepared to cooperate with one another in the restoration of economic life and to make every effort to bring about within their own frontiers the sincere collaboration of all groups of citizens and to secure conditions which give to work and thrift liberty to produce their full results.

The conference does not believe that apart from the particular decisions dictated by national interests or by considerations of humanity, credits should be accorded directly by governments.

#### NEW CREDIT ORGANIZATION.

The conference makes the following recommendations: An international organization should be formed and placed at the disposal of States desiring to have resort to credit for the purpose of paying for their essential imports. These States would then notify the assets which they are prepared to pledge as security for the sake of obtaining these credits and would come to an understanding with the international organization as to the conditions under which these assets would be administered.

The bonds issued against this guaranty would be used as collateral for credits intended to cover the cost of commodities.

A plan, the details of which are set out in the annex to this report, is unanimously recommended by the conference, which considers that a committee of financiers and business men should be nominated forthwith by the Council of the League of Nations for the purpose of defining the measures necessary to give practical effect to this proposal.

#### EXPORT CREDIT INSURANCE.

An extension on international lines of the existing system of export credit insurance would also in many instances be of great value in developing trade with countries where the uncertainty of political and social conditions give rise to a lack of confidence. The conference believes that an extension of this system is worthy of consideration and that it should be further examined in detail by experts.

#### FINISHING CREDITS.

The attention of the conference has also been called to the present system of "finishing credits"—that is to say, of credits under which a lien in favor of the exporter or a banker is maintained on the raw material in all its different stages and upon the proceeds of the manufactured article.

The council of the league is recommended to draw the attention of the different Governments to this question and to summon an advisory body of legal experts and business men to specify the legislative action needed to attain the desired object in each of the countries concerned.

#### MISCELLANEOUS PROPOSALS.

Apart from the above-mentioned proposals, the conference believes that the activities of the league might usefully be directed toward promoting certain reforms and collecting the relevant information required to facilitate credit operations. In this connection the conference considers it well to draw attention to the advantages of making progress under each of the following heads:

Unification of the laws relating to bills of exchange and bills of lading.

The reciprocal treatment of the branches of foreign banks in different countries.

The publication of financial information in a clear, comparative form.

The examination of claims by the holders of bonds, the interest on which is in arrear.

An international understanding on the subject of lost, stolen, or destroyed securities.

The establishment of an international clearing house.

An international understanding which, while insuring the due payment by everyone of his full share of taxation, would avoid the imposition of double taxation which is at present an obstacle to the placing of investments abroad.

It will be seen that these recommendations involve both internal action by the several Governments and also international cooperation. For the measures taken in their respective countries the several Governments are and must, of course, remain responsible, though on certain questions the conference has ventured respectfully to tender to them its advice.

The conference is unanimous, however, in believing that national action is not by itself sufficient. International cooperation, of which the conference itself is the first effort and example, must continue and develop, and in this the League of Nations must take the initiative. The specific recommendations now made, such as the proposal to form a new international credits organization, are only instances of the measures of international cooperation which require to be elaborated in more detail.

The work of the present conference has been a commencement only. It will be necessary to follow up the diagnosis now arrived at by a systematic study of the comparative progress made in the solution of the present difficulties and by continued collaboration in devising new proposals to meet new circumstances as they develop. For this purpose and for the work of a continuous character which each of the commissions has recommended within its own sphere, a permanent organization will be necessary, and it may be desirable for the conference itself to meet again at a later date.

In this connection, the terms of reference of the present conference were, as already stated, limited by the council of the league. The conference has never sought to overstep the limits which the Council of the League of Nations set to the scope of its deliberations. It, however, feels justified in associating itself with the hope expressed by M. Léon Bourgeois in his report to the council of April 5 last, to the effect that the economic uncertainty which besets alike the countries which are entitled to receive and the countries which are under an obligation to pay

reparation claims may speedily be removed, since the settlement of this question is indispensable not only for the reconstruction of the countries devastated by the war—a matter of capital importance to the reestablishment of Europe's economic equilibrium—but also for the recovery of the States on whom the burden of this reparation lies.

#### IV. THE UNANIMOUS CHARACTER OF THE RECOMMENDATIONS.

Some of the recommendations of the conference may appear axiomatic in character rather than original contributions to the financial problem of the world. Their adoption, however, would mean a fundamental change in the policies of the great majority of European countries. It may, for example, seem almost a platitude to say that it is essential that Governments should meet their ordinary current expenditure out of their ordinary current revenue, and that, if they do not do so, the inflation and an increased cost of living are inevitable. In nearly 3 out of 4 of the countries represented at the conference, however, and in nearly 11 out of 12 of European countries, budgets do not at present balance and many of them show no prospect of doing so in the near future.

In these circumstances the recommendations made collectively and unanimously by the conference may perhaps claim a special force and significance.

The members of the conference venture to call special attention to the way in which, selected by the Governments of 39 countries representing about 75 per cent of the population of the world, they have been able through this fortnight's discussion to arrive at a general agreement as to the main features of the world's economic and financial position, and some at least of the most important measures urgently required for its restoration. They therefore have been able to give to their suggestions the force of collective and unanimous recommendations.

Whatever may be the future of our positive proposals, the conference can not have been in vain. It has been a gathering unique in the history of the world. It has not been a gathering of statesmen, working at the solution of political difficulties in the interest of their particular countries; it has been a gathering of experts from all nations working for the solution of the common problem of the whole world. Such differences and divergencies of view as may have existed were brought to the common stock, and all alike have benefited by the interchange of views which resulted. As the work of the conference and its commissions proceeded, there developed a spirit of close and intimate cooperation such as might scarcely have been thought possible. That cooperation is in itself a factor of the utmost importance. Each country has had the opportunity of presenting to the rest of the world its special difficulties, its particular anxieties, and all have contributed toward finding a solution.

#### REMARKS OF THE AMERICAN REPRESENTATIVE.

An extract from the remarks of Mr. Boyden, unofficial representative of the United States of America, at the afternoon session of Tuesday, September 28, of the International Financial Conference, held in Brussels, 1920, is printed below:

\* \* \* I can refer the gentlemen present, many of whom have doubtless in their minds the possibility of aid in the way of credit or otherwise from the United States, to the policy of our Government in that respect, which has been expressed in the letter from Mr. Glass, which is contained in the first printed document which was presented to this conference. That letter expresses the official opinion of our Treasury. It was

confirmed by the present Secretary of the Treasury, Mr. Houston, shortly after he took office, and so I do not go beyond my authority for a statement of our governmental position with regard to the possibility of Government loans and refer you to those authorized Government statements. Beyond that there will always be the friendly and charitable spirit of the American people; that has been enormous, it continues, and my personal faith is that it will continue, and yet, after all, the result of charity can but be small. Further, there is the possibility of relations in ordinary business ways. America is a business nation, America is always ready for business, and America will be ready to do business even more than she is now doing with Europe whenever conditions are such that business can be done, but at present it is my personal view that Americans will find it difficult to convince themselves in large numbers and to great amounts that Europe under present conditions is a good business risk. I ask you, gentlemen, to bear in mind first that Americans as a whole have never accustomed themselves to sending their money into foreign countries; that is an unfortunate fact from the present point of view. We, as individuals who have surpluses to invest, have always found opportunities for investment at home and have never grown into the habit largely of sending our money abroad. When you add to that the fact that Europe has gone through this terrible war and recognize the conditions which one sees in Europe, you have in your mind's eye a picture of conditions which will enable you as financiers to see something in the way in which Americans regard investment abroad; and yet that investment is now going on and will continue to go on, but only to the extent that our business men find it is justified by the conditions. Our business men will see that it is justified by the conditions as they see and realize how much Europe is actually doing now and has done already to readjust these conditions, and as they see a growing feeling of harmony and unity among these separated States in Europe.

If America could see advance toward something in the way of economic union among the different States of Europe; if America could see gradually coming about a decrease in the hostility which reigns to a large extent among these different States, you would then find the psychology of the American business man very much changed as to conditions over here. The contrast between these States over in Europe, separated by customs boundaries, separated by laws of demarkation between different nationalities jealous of each other, separated in every way—the contrast, I say, between that condition of things and the state of things which exists between our States of the United States is a striking one to the American. He sees how the absence of these boundaries enables the United States to do business from the Atlantic to the Pacific, from the boundary of Mexico to the boundary of Canada, and how much that facilitates the ordinary interchange of business commodities and all the relations of life. He sees contrasted with that, over here in Europe, the different States, each working largely for itself and all failing to work in harmony. When you see growing out of this situation something more in the way of union among the States in Europe you will see this change of which I speak, in the psychology of the American business man. And this conference, gentlemen, will have something to do toward leading to that state of things. The fact that you gentlemen representing these different countries are able to gather in this hall and talk together in the friendly spirit in which you are talking, and will talk, will aid in that. The fact that the league has invited here representatives of the nations who were vanquished in this war will help America to appreciate that there is a chance that Europe may get together. I congratulate the league on the fact that it has taken this step and that we are to-day to listen to the representatives of the vanquished nations. When a struggle like this has ended it is for the victors to go more than half way, and I

am glad that the league has done something in the way of going to meet those men against whom we were fighting as we believe for correct principles. That union, gentlemen, will come. One of the members spoke yesterday of the fact that union in South Africa had brought about good results. We in America always have in our minds the fact that some 60 years ago our country was divided over a fight regarding principles which were held sacred both by the North and by the South, and that to-day our country is as united as any country in the world, and that the ravages and passions which were aroused by that time have disappeared. So we look forward to something of that kind. It will take time, but we hope that all you gentlemen will take away from this convention this idea, that cooperation in Europe is one of the foundation principles of European rehabilitation; that the spirit of good will is an economic principle which it is worth while for this convention to emphasize; and that this convention may well take for one of its mottoes, for one of its resolutions, the language which you all see behind the President, "l'union fait la force."

### Adjusting Salaries of Bank Employees to Meet Changes in the Cost of Living.

The following is a description of a plan devised for ascertaining changes in the cost of living of bank employees, with a view to affording a basis for changes in salaries in accordance with such changes in the cost of living. It is based upon certain information obtained by the Division of Analysis and Research in a study made some time ago and represents in substance part of the report of the division.

The problems involved in measuring changes in the cost of living are twofold.

(1) The determination of changes in prices of various classes of consumption goods, and

(2) The determination (in order to give proper weighting to such price changes) of the percentage of the total expenditures of a typical family or individual going toward food, rent, clothing, etc., in each salary group which is considered. Any single set of such figures would, of course, be confined to one locality, but the method would be substantially accurate and would be applicable to other sections as well.

It should be noted that this study does not consider the extent to which salaries in the past have been adjusted to changes in the cost of living, nor does it attempt to compare present salaries with any minimum cost of living standard, such as has been prepared by the Bureau of Labor Statistics for Washington, D. C., as well as for various coal mining centers.

*Measurement of price fluctuations.*—The Bureau of Labor Statistics has been preparing at intervals of six months reports showing percentage price changes since December, 1914, of the various classes of consumption goods, namely, food, rent, clothing, etc., for fourteen or more cities throughout the United States. It is thought that this material furnishes the

best information available relative to retail price changes. It would appear that information covering price changes at six months interval would be sufficient for the purpose at hand.

*Determination of proportion of expenditures for various purposes.*—A questionnaire was prepared and distributed to all employees of Federal Reserve Banks receiving salaries of less than \$5,000 per annum, requesting certain information relative to expenditures for the calendar year 1919. The questionnaire was divided into two sections, one to be filled in by married individuals, heads of families, and all others who for one reason or another could best give the expenditures of a family group rather than their own individual expenditures, the other to be used by those giving their own individual expenditures. Allowing for the discard of faulty schedules, the following are the total number of schedules which were found usable:

Federal Reserve district.	Families.	Individuals.				Total.
		Not living at home.		Living at home.		
		Males.	Females.	Males.	Females.	
1.....	115	11	11	86	149	372
2.....	819	51	71	401	806	2,148
3.....	79	7	11	33	48	178
4.....	144	24	27	97	172	464
5.....	59	11	41	60	124	295
6.....	57	22	20	32	41	172
7.....	227	20	38	66	105	156
8.....	100	22	30	45	76	273
9.....	40	17	19	31	57	164
10.....	70	17	31	32	40	190
11.....	97	45	21	35	22	220
12.....	94	12	26	16	40	188
Total...	1,901	259	346	934	1,680	5,120

A basis was thus afforded for determining the proportionate expenditures for each purpose in each of the cities in which Federal Reserve Banks are located. The salary groups which were employed are as follows:

Under \$600.	\$2,400 and under \$2,700.
\$600 and under \$900.	\$2,700 and under \$3,000.
\$900 and under \$1,200.	\$3,000 and under \$3,300.
\$1,200 and under \$1,500.	\$3,300 and under \$3,600.
\$1,500 and under \$1,800.	\$3,600 and under \$3,900.
\$1,800 and under \$2,100.	\$3,900 and over.
\$2,100 and under \$2,400.	

Little dependency is to be placed on the information relative to individuals in the salary groups under \$600, for the reason that the majority of these employees were of working age only a part of the calendar year 1919, and thus for the major part of the year they were not working, but usually attending school. The returns from those who gave family expenditures have been tabulated separately. The returns from those who gave their individual

expenditures have been divided (1) on the basis of whether the individual was living with the immediate family or nearest relatives, (2) by sex. In the case of those who live with the family or nearest relatives it would have been impossible to separate food from rent cost, so that the individual was therefore asked to give the sum paid regularly each week to the family in lieu of board and lodging, and the amount spent for food outside of the home. In tabulating these returns these two items were added and the resulting figures entitled "food and rent."

This information relative to expenditures of employees of Federal Reserve Banks should be representative of the expenditures of bank em-

ployees in general. For any one of these cities then, were it desired by an individual institution to follow changes in the cost of living, it would be necessary to take the price changes furnished by the Bureau of Labor Statistics at six months intervals, and to weight these according to the percentage distribution of expenditures shown for the employees of the particular salary group under consideration. In this manner it would be possible to obtain changes for the entire employees of the institution receiving less than \$5,000 per annum.

The following figures for the Federal Reserve Bank of New York show the general character of the data, and are representative of the results obtained.

*Analysis of returns on questionnaire relative to expenditures during calendar year 1919 of employees of the Federal Reserve Bank of New York.*

SECTION I. RETURNS OF THOSE WHO GAVE EXPENDITURES FOR THE FAMILY GROUP RATHER THAN FOR THEMSELVES INDIVIDUALLY (MAJORITY FOR THE WHOLE OR A PART OF THE YEAR WERE MARRIED AND LIVING WITH HUSBAND OR WIFE, OR WERE THE MAJOR SUPPORT OF THE FAMILY GROUP IN WHICH THEY LIVED).

Salary group.	Number of cases.	Expenditures for—												Total expenditures, average amount.
		Rent.		Heat and light.		Food.		Clothing.		Furniture and house furnishing.		Miscellaneous.		
		Average amount.	Per cent of total expenditure.	Average amount.	Per cent of total expenditure.	Average amount.	Per cent of total expenditure.	Average amount.	Per cent of total expenditure.	Average amount.	Per cent of total expenditure.	Average amount.	Per cent of total expenditure.	
\$600 and under \$900.....	7	\$291	26.5	\$50	4.5	\$419	38.1	\$179	16.2	\$4	.4	\$158	14.3	\$1,101
\$900 and under \$1,200.....	26	349	22.2	60	3.8	677	43.0	212	13.4	31	1.9	248	15.7	1,577
\$1,200 and under \$1,500.....	68	339	18.6	73	4.0	821	45.0	236	13.0	111	6.1	244	13.4	1,824
\$1,500 and under \$1,800.....	95	334	17.3	73	3.8	878	45.4	276	14.3	92	4.8	283	14.6	1,936
\$1,800 and under \$2,100.....	166	379	17.4	77	3.6	924	42.3	294	13.5	147	6.7	362	16.6	2,183
\$2,100 and under \$2,400.....	182	436	17.9	84	3.4	960	39.4	390	15.1	135	5.5	453	18.6	2,437
\$2,400 and under \$2,700.....	99	463	17.9	84	3.2	1,035	40.1	398	15.4	141	5.5	463	17.9	2,584
\$2,700 and under \$3,000.....	57	476	15.8	95	3.2	1,206	39.9	516	17.1	184	6.1	544	18.0	3,021
\$3,000 and under \$3,300.....	49	491	15.6	127	4.0	1,177	37.4	534	16.9	264	8.4	557	17.7	3,150
\$3,300 and under \$3,600.....	20	641	19.4	126	3.8	1,076	32.5	552	16.7	159	4.8	757	22.9	3,311
\$3,600 and under \$3,900.....	18	543	15.4	123	3.5	1,297	36.7	549	15.6	129	3.7	891	25.2	3,532
\$3,900 and over.....	32	633	14.6	118	2.7	1,557	35.9	722	16.7	215	5.0	1,091	25.2	4,336

SECTION II. RETURNS OF THOSE WHO GAVE THEIR EXPENDITURES AS INDIVIDUALS RATHER THAN FAMILY EXPENDITURES. CLASSIFIED BY SEX.

*A.—Returns of those who, for the major portion of the year, did not live with immediate family or nearest relatives.*

Salary group.	Number of cases.	Expenditures for—								Total expenditures, average amount.
		Rent.		Food.		Clothing.		Miscellaneous.		
		Average amount.	Per cent of total expenditure.	Average amount.	Per cent of total expenditure.	Average amount.	Per cent of total expenditure.	Average amount.	Per cent of total expenditure.	
MALE.										
Under \$600.....	5	\$317	19.7	\$599	37.3	\$257	16.0	\$433	26.9	\$1,606
\$600 and under \$900.....	3	182	23.7	304	39.4	133	17.3	151	19.6	770
\$900 and under \$1,200.....	7	171	14.6	540	46.0	194	16.6	268	22.9	1,173
\$1,200 and under \$1,500.....	10	255	17.3	613	41.5	198	13.4	412	27.8	1,478
\$1,500 and under \$1,800.....	7	348	22.2	632	40.4	238	15.3	346	27.1	1,564
\$1,800 and under \$2,100.....	5	358	19.4	615	33.3	229	12.4	644	34.9	1,846
\$2,100 and under \$2,400.....	6	341	17.8	743	38.7	296	14.4	559	29.2	1,919
\$2,400 and over.....	8	524	18.3	929	32.4	316	11.0	1,097	38.3	2,866
FEMALE.										
Under \$600.....	1	368	20.9	550	31.2	388	22.0	459	26.0	1,765
\$600 and under \$900.....	4	212	19.1	380	34.3	222	20.1	294	26.6	1,108
\$900 and under \$1,200.....	35	246	20.6	452	38.0	267	22.4	226	19.0	1,191
\$1,200 and under \$1,500.....	14	333	23.5	485	34.2	274	19.3	327	23.0	1,419
\$1,500 and under \$1,800.....	9	298	20.3	512	35.0	284	19.4	374	25.5	1,468
\$1,800 and under \$2,100.....	5	443	26.8	548	33.1	360	21.8	303	18.3	1,654
\$2,100 and under \$2,400.....	2	352	19.2	501	27.3	300	16.4	682	37.1	1,835
\$2,400 and over.....	1	468	22.9	728	35.6	465	22.7	384	18.8	2,045

## SECTION II. RETURNS OF THOSE WHO GAVE THEIR EXPENDITURES AS INDIVIDUALS RATHER THAN FAMILY EXPENDITURES. CLASSIFIED BY SEX—Continued.

*B.—Returns of those who, for the major portion of the year, lived with immediate family or nearest relative.*

Salary group.	N umber of cases.	Expenditures for—						Total expendi- tures, average amount.
		Food and rent.		Clothing.		Miscellaneous.		
		Average amount.	Per cent of total expendi- ture.	Average amount.	Per cent of total expendi- ture.	Average amount.	Per cent of total expendi- ture.	
MALES.								
Under \$600.....	16	\$612	58.1	\$205	19.5	\$236	22.4	\$1,053
\$600 and under \$900.....	54	601	55.4	216	19.9	268	24.8	1,085
\$900 and under \$1,200.....	130	681	58.8	215	18.5	263	22.7	1,159
\$1,200 and under \$1,500.....	79	814	57.9	247	17.5	346	24.6	1,407
\$1,500 and under \$1,800.....	61	984	59.0	250	15.8	401	25.3	1,585
\$1,800 and under \$2,100.....	33	1,081	57.2	277	14.7	533	28.2	1,891
\$2,100 and under \$2,400.....	19	1,073	54.2	281	14.2	626	31.6	1,980
\$2,400 and over.....	9	1,306	54.1	290	12.0	818	33.9	2,414
FEMALES.								
Under \$600.....	19	454	50.9	268	30.1	170	19.1	892
\$600 and under \$900.....	94	520	51.0	306	30.0	193	19.0	1,019
\$900 and under \$1,200.....	477	606	51.7	339	29.0	226	19.3	1,171
\$1,200 and under \$1,500.....	170	722	52.8	369	27.0	277	20.2	1,368
\$1,500 and under \$1,800.....	34	804	50.8	406	25.7	374	23.6	1,584
\$1,800 and under \$2,100.....	7	849	50.0	427	25.2	422	24.8	1,694
\$2,100 and under \$2,400.....	8	862	48.0	460	25.6	472	26.3	1,794
\$2,400 and over.....	2	781	42.6	358	19.5	697	38.0	1,836

**Gold Reserves of Principal Banks of Issue, 1910–1920.**

In the table below are shown the amounts of gold reserves held by the banks of issue and by the Governments of the leading countries of the world, the amounts held by the Governments being limited to the gold held as reserve against currency. The table is in continuation of one published in the FEDERAL RESERVE BULLETIN for February, 1919, page 140. The figures represent actual vault holdings, exclusive of gold held abroad and of foreign credits.

Figures for the United States include:

(1) Amounts of gold held in the Treasury of the United States at the end of the calendar year and reported among the free assets of the Government, i. e., exclusive of gold cover for gold certificates outstanding, also of amounts of gold held for redemption of Federal Reserve notes.

(2) Amounts of gold held by the national banks and reported in their statements to the comptroller nearest the close of the years 1910–1916. Of the clearing-house certificates reported by the national banks 60 per cent was estimated to represent gold.

(3) At the close of 1914–1920 gold holdings of the Federal Reserve Banks. These holdings are exclusive of the amounts of gold held by foreign agencies, but include amounts of the banks' and agents' redemption funds held in the Treasury.

A summary of the figures showing gold holdings in 1913 and in 1920, by countries arranged in groups, is shown below. Russia

is not included in this table because no recent figures are at hand.

Aggregate gold holdings show an increase of 3,075 millions, or about 97 per cent, for the seven-year period. This growth of gold reserves in central institutions represents in part the result of efforts made by the Governments to withdraw gold from general circulation and to concentrate it in the banks of issue, where it supports fiduciary currency and also is available when international gold payments are to be made.

Most of the allied countries show gains in gold, though Italy, Belgium, Rumania and Canada report smaller amounts than seven years earlier. The largest increases in gold holdings in this group are shown for the United States, England, and Japan.

The German Reichsbank shows a loss of 19 millions of gold between December 31, 1913, and October 23, 1920. This decrease below the prewar amount is not, however, a measure of the loss of gold by Germany. When the war broke out gold was gathered into the vaults of the central bank from all over the country, the aggregate holdings of the Reichsbank reaching 600 millions at the end of 1916. During the summer of 1917 and the spring of 1918 considerable shipments of gold were made by the Reichsbank to neighboring neutral countries to pay for food and other supplies and to improve the exchange position of the mark, so that by the middle of September, 1918, the gold holdings of the Reichsbank had decreased to 559 million dollars. Following the Brest-Litovsk treaty about 50 millions of gold were

added to the Reichsbank's gold reserves, which reached a total of 607 millions at about the time of the armistice (Nov. 7, 1918). Since then the Reichsbank has lost about 340 millions, a large portion of which was paid out for food after the lifting of the allied blockade. A loss of 206 millions shown for the Austro-Hungarian Bank represents chiefly gold transferred to Germany and figuring among the gold accretions of the Reichsbank during the early period of the war. In the case of Russia the latest available figures are for 1917; since that time large amounts of the gold have left the country, and there are no reliable figures as to the amounts still in Russia. Shipments of gold to obtain credits in Great Britain for the purchase of war materials between October, 1914, and the early part of 1917 decreased the Russian stock of gold by about 330 million dollars. Gold to the amount of 333 million dollars is known to have fallen into the hands of the Kolchak Government, about 123 millions of which was paid for military supplies to Allied Governments and to an Anglo-American syndicate. Part of the remaining 210 millions was recaptured by Bolshevik troops. From the above data, published by the former Russian assistant minister of finance, Novitsky, in the New York Times of July 4, 1920, it appears that the Bolshevik authorities at one time or another controlled, in addition to over 60 millions of Rumanian gold, between 400 and 500 millions of gold formerly held by the Russian State Bank. Practically the entire gold reserve of the Rumanian Central Bank

was transferred to Russia for safekeeping during the German invasion, and has not yet been returned.

All the neutral countries show large gains in gold for the period, the aggregate gain being about 1,034 millions. The largest additions to gold reserves among neutral countries are reported by Spain, Netherlands, and Argentina.

*Central gold reserves of leading countries, 1920 and 1913.*

[In millions of dollars.]

Country.	1920	1913	Change between 1913 and 1920.	
			Increase.	Decrease.
Total.....	6,256	3,181	3,075	.....
Allied countries, total.....	4,436	2,170	2,266	.....
United States.....	2,098	692	1,406	.....
England.....	738	170	568	.....
France.....	683	679	4	.....
Italy.....	204	288	.....	84
Belgium.....	51	59	.....	8
Rumania.....	.....	29	.....	29
Canada.....	95	115	.....	20
Japan.....	451	65	386	.....
India.....	116	73	43	.....
Central Powers, total.....	305	530	.....	225
Germany.....	260	279	.....	19
Austro-Hungary.....	45	251	.....	206
Neutral countries, total.....	1,515	481	1,034	.....
Sweden.....	76	27	49	.....
Norway.....	39	13	26	.....
Denmark.....	61	20	41	.....
Netherlands.....	256	61	195	.....
Spain.....	474	92	382	.....
Switzerland.....	104	33	71	.....
Argentina.....	416	225	191	.....
Java.....	89	10	79	.....

*Movement of the gold reserves of the principal countries, 1910-1920.*

[In thousands of dollars.]

	United States Treasury, national banks, and Federal Reserve Banks.	Bank of England and currency note reserves.	Bank of France.	Russian State Bank.	Italy: note reserves of the 3 banks of issue and of the National Treasury.	Bank of Belgium.	German Reichsbank.	Austro-Hungarian Bank.	Bank of Sweden.	Bank of Norway.
Dec. 31--										
1910.....	644,443	152,892	632,924	634,300	273,991	39,816	157,459	267,543	21,535	9,711
1911.....	658,925	157,860	618,855	648,500	288,515	48,092	173,352	261,732	22,758	10,844
1912.....	661,543	147,594	619,009	683,900	294,803	55,423	184,998	245,113	26,816	10,814
1913.....	691,514	170,245	678,856	786,800	288,103	59,131	278,687	251,421	27,372	12,846
1914.....	827,703	428,221	802,591	803,400	299,759	56,619	498,508	213,757	29,088	11,181
1915.....	1,312,329	389,205	967,950	831,200	293,453	.....	581,954	138,758	33,385	18,028
1916.....	1,442,229	402,970	652,885	758,396	255,772	.....	599,873	58,759	49,183	33,027
1917.....	1,739,750	422,594	639,682	<sup>a</sup> 667,041	238,931	.....	572,768	53,717	65,513	31,214
1918.....	2,245,720	523,632	664,017	.....	243,566	.....	538,861	53,074	76,532	32,691
1919.....	2,097,713	583,211	694,847	.....	203,441	51,417	259,519	45,111	75,350	39,590
Latest available date in 1920.....	<sup>1</sup> 2,097,843	<sup>2</sup> 738,243	<sup>3</sup> 682,711	.....	<sup>4</sup> 203,654	<sup>5</sup> 51,435	<sup>6</sup> 260,032	<sup>7</sup> 45,180	<sup>8</sup> 75,689	<sup>9</sup> 39,481

	Bank of Denmark.	Bank of Netherlands.	Bank of Spain.	Bank of Switzerland.	Canadian Government reserves.	Conversion fund of the Argentine Government.	Domestic gold reserves of the Bank of Japan and of the Government.	India Government rupee reserve held in India.	Bank of Java.	National Bank of Rumania.	Total.
Dec. 31--											
1910.....	18,319	49,948	79,280	30,034	74,789	179,447	67,360	<sup>13</sup> 30,103	.....	( <sup>21</sup> )	3,363,894
1911.....	18,556	56,426	80,693	31,009	100,631	182,394	66,228	<sup>13</sup> 75,688	<sup>13</sup> 10,582	( <sup>21</sup> )	3,511,640
1912.....	19,465	65,092	84,384	33,416	104,077	215,031	67,814	<sup>13</sup> 95,293	<sup>13</sup> 16,046	( <sup>21</sup> )	3,630,571
1913.....	19,666	60,898	92,490	32,801	115,375	224,989	64,963	<sup>13</sup> 72,780	<sup>13</sup> 10,027	29,242	3,968,206
1914.....	24,506	83,663	110,444	45,922	94,626	213,906	64,062	<sup>13</sup> 30,202	<sup>13</sup> 12,418	29,714	4,680,290
1915.....	29,833	172,530	166,414	48,275	120,335	<sup>14</sup> 228,939	68,187	<sup>13</sup> 41,361	<sup>13</sup> 18,804	36,264	5,497,204
1916.....	42,847	236,217	241,424	66,585	119,598	<sup>14</sup> 251,158	113,411	<sup>13</sup> 38,636	<sup>13</sup> 28,984	22	5,391,976
1917.....	46,611	280,689	379,597	69,025	120,143	<sup>14</sup> 252,390	229,981	<sup>13</sup> 86,712	<sup>13</sup> 37,051	.....	5,933,409
1918.....	52,159	277,155	430,072	80,041	121,261	<sup>14</sup> 269,628	225,821	<sup>13</sup> 63,842	<sup>13</sup> 51,600	2	5,949,674
1919.....	60,807	256,204	472,041	99,779	119,212	<sup>14</sup> 299,119	349,947	<sup>13</sup> 96,205	<sup>13</sup> 69,817	200	5,873,530
Latest available date in 1920.....	<sup>10</sup> 60,994	<sup>11</sup> 255,809	<sup>12</sup> 473,660	<sup>15</sup> 104,376	<sup>16</sup> 95,206	<sup>14</sup> 415,828	<sup>18</sup> 450,644	<sup>19</sup> 115,632	<sup>20</sup> 83,819	<sup>22</sup> 329	6,255,565

<sup>a</sup> Oct. 16-29.<sup>1</sup> Nov. 29.<sup>2</sup> Oct. 27.<sup>3</sup> Oct. 28.<sup>4</sup> June 30.<sup>5</sup> Oct. 28.<sup>6</sup> Oct. 23.<sup>7</sup> Aug. 23.<sup>8</sup> Oct. 23.<sup>9</sup> Nov. 8.<sup>10</sup> Oct. 30.<sup>11</sup> Oct. 18.<sup>12</sup> Nov. 6.<sup>13</sup> Mar. 31 of the following year.<sup>14</sup> Exclusive of the gold held in the Argentine legations abroad, and the 10,000,000 gold pesos in the conversion fund of the Banco de la Nacion.<sup>15</sup> Oct. 30.<sup>16</sup> Sept. 30.<sup>17</sup> July 30 (see Revista de Economia Argentina, p. 71)<sup>18</sup> Oct. 15.<sup>19</sup> Oct. 15.<sup>20</sup> Sept. 25.<sup>21</sup> Figures for vault holdings not available.<sup>22</sup> July 17.

### New Currency Law for British India.

India's coinage and paper currency laws have recently been amended. Following is the resolution promulgating the new law:

#### RESOLUTION.

The rate at which the sovereign and the half-sovereign are legal tender in India has been altered from Rs. 15 to Rs. 10 per sovereign by the Indian Coinage (amendment) Act No. XXXVI of 1920. Also the Indian Paper Currency (amendment) Act No. XLV of 1920 authorizes the issue of currency notes against sovereigns and half-sovereigns at the new rate of Rs. 10 per sovereign and against gold bullion at the corresponding rate of rupee 1 for 11.30016 grains troy of fine gold. The Government of India have accordingly decided that, with effect from the 1st October, 1920, sovereigns and half-sovereigns shall be valued at the rate of Rs. 10 per sovereign and gold bullion at rupee 1 for 11.30016 grains troy of fine gold in all Government accounts, inclusive of the accounts of the paper currency and gold standard reserves.

(2) Gold mohurs will however continue to be valued at Rs. 15 each in all Government accounts except those of the paper currency reserve. Mohurs can now be held in that reserve at their bullion value only, and when it becomes necessary to place mohurs in the reserve hereafter the difference between their equivalent at the 15-rupee rate and the value at which they can be held in the reserve will be treated as an item of expenditure of Government.

(3) All gold and securities held in the paper currency reserve on the 1st October, 1920, will be revalued in accordance with the provisions of the Paper Currency (amendment) Act No. XLV of 1920, and the deficiency in the reserve resulting from the revaluation will be made up by 12 months' Treasury bills of the Government of India issued by the controller of the currency to the reserve.

### Foreign Branches.

There is given below a list of the foreign banking corporations organized under State laws doing business under agreement with the Federal Reserve Board, and their foreign branches; foreign banking corporations organized under section 25 (a) of the Federal Reserve Act; and foreign branches of national banks, as of November 18, 1920:

#### BANKS DOING BUSINESS UNDER AGREEMENT WITH THE FEDERAL RESERVE BOARD.

American Foreign Banking Corporation, New York City:  
 Brussels, Belgium.  
 Buenos Aires, Argentina.  
 Cali, Colombia.  
 Cristobal, Canal Zone.  
 Harbin, Manchuria.  
 Havana, Cuba.  
 La Vega, Dominican Republic.  
 Manila, Philippine Islands.  
 Panama City, Republic of Panama.  
 Puerto Plata, Dominican Republic.  
 Port-au-Prince, Haiti.  
 Rio de Janeiro, Brazil.  
 Sanchez, Dominican Republic.  
 San Francisco de Macoris, Dominican Republic.  
 San Pedro de Macoris, Dominican Republic.  
 San Pedro Sula, Republic of Honduras.  
 Santiago de Los Caballeros, Dominican Republic.  
 Santo Domingo, Dominican Republic.

Mercantile Bank of the Americas (Inc.), New York City:  
 Paris, France.

Barcelona, Spain.

Madrid, Spain.

Hamburg, Germany.

Affiliated institutions—

Mercantile Overseas Corporation—

Guyaquil, Ecuador.

Banco Mercantil Americano de Colombia—

Bogota, Barranquilla, Cartagena, Medellin, Cali,

Girardot, Manizales, Honda, Armenia, Bucaramanga, and Cucuta, Colombia.

Banco Mercantil Americano del Peru—

Lima, Arequipa, Chiclayo, Callao, Trujillo, and

Piura, Peru.

Banco Mercantil Americano de Caracas—

Caracas, La Guayra, Maracaibo, Puerto Cabello, and Valencia, Venezuela.

American Mercantile Bank of Brazil—

Para and Pernambuco, Brazil.

National Bank of Nicaragua—

Managua, Bluefields, Leon, and Granada, Nicaragua.

Banco Mercantil Americano de Cuba—

Havana and Ciego de Avila, Cuba.

Banco Mercantil de Costa Rica—

San Jose, Costa Rica.

Banco Atlantida—

La Ceiba, Tegucigalpa, San Pedro Sula, Puerto Cortez, and Tela, Honduras.

(A branch office is also maintained by the Mercantile Bank of the Americas (Inc.) in New Orleans, La.)

Asia Banking Corporation, New York City:

Canton, China.

Changsha, China.

Hankow, China.

Hongkong, China.

Manila, Philippine Islands.

Peking, China.

Shanghai, China.

Tientsin, China.

International Banking Corporation, New York City:

Canton, China.

Hankow, China.

Harbin, China.

Hongkong, China.

Peking, China.

Shanghai, China.

Tientsin, China.

Tsingtao, China.

London, England.

Lyons, France.

Bombay, India.

Calcutta, India.

Rangoon, India.

Yokohama, Japan.

Kobe, Japan.

Batavia, Java.

Soerabaya, Java.

Panama, Republic of Panama.

Colon, Republic of Panama.

Cebu, Philippine Islands.

Manila, Philippine Islands.

Singapore, Straits Settlements.

Santo Domingo, Dominican Republic.

Sanchez, Dominican Republic.

San Pedro de Macoris, Dominican Republic.

Santiago, Dominican Republic.

Barahona, Dominican Republic.

Puerto Plata, Dominican Republic.

(A branch office is also maintained by the International Banking Corporation in San Francisco, Calif.)

Park-Union Foreign Banking Corporation, New York City:  
Paris, France.  
Shanghai, China.  
Tokyo, Japan.  
Yokohama, Japan.

(Branch offices are also maintained in San Francisco, Calif., and Seattle, Wash., by the Park-Union Foreign Banking Corporation.)

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

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

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

#### FOREIGN BANKING CORPORATIONS ORGANIZED UNDER SECTION 25 (a) OF FEDERAL RESERVE ACT.

First Federal Foreign Banking Corporation, New York City.

#### FOREIGN BRANCHES OF NATIONAL BANKS.

National City Bank, New York City:

Buenos Aires, Argentina.  
Plaza Once, Buenos Aires, Argentina.  
Rosario, Argentina.  
Brussels, Belgium.  
Antwerp, Belgium.  
Bahia, Brazil.  
Pernambuco, Brazil.  
Porto Alegre, Brazil.  
Rio de Janeiro, Brazil.  
Santos, Brazil.  
Sao Paulo, Brazil.  
Barranquilla, Colombia.  
Bogota, Colombia.  
Medellin, Colombia.  
Santiago, Chile.  
Valparaiso, Chile.  
Artemisa, Cuba.  
Bayamo, Cuba.  
Caibarien, Cuba.  
Camaguey, Cuba.  
Cardenas, Cuba.  
Ciego de Avila, Cuba.  
Cienfuegos, Cuba.  
Colon, Cuba.  
Cruces, Cuba.  
Cuatro Caminos, Habana, Cuba.  
Galiano, Habana, Cuba.  
Guantanamo, Cuba.  
Habana, Cuba.  
Manzanillo, Cuba.  
Matanzas, Cuba.  
Nuevitas, Cuba.  
Pinar del Rio, Cuba.  
Placetas del Norte, Cuba.  
Remedios, Cuba.  
Sagua la Grande, Cuba.  
Sancti Spiritus, Cuba.  
Santa Clara, Cuba.  
Santiago, Cuba.  
Union de Reyes, Cuba.  
Yaguajay, Cuba.  
London, England.  
Genoa, Italy.  
Lima, Peru.  
San Juan, Porto Rico.  
Ponce, Porto Rico.  
Barcelona, Spain.  
Madrid, Spain.

National City Bank, New York City—Continued.

Cape Town, South Africa.  
Port of Spain, Trinidad.  
Calle Rondeau, Montevideo, Uruguay.  
Montevideo, Uruguay.  
Caracas, Venezuela.  
Ciudad Bolivar, Venezuela.  
Maracaibo, Venezuela.

Temporarily closed—

Moscow, Russia.

Petrograd, Russia.

First National Bank, Boston, Mass.

Buenos Aires, Argentina.

#### 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 November, 1920.

One thousand four hundred and sixty-two State institutions are now members of the system, having a total capital of \$506,873,000, total surplus of \$498,932,930, and total resources of \$10,127,714,260.

Name of bank.	Capital.	Surplus.	Total resources.
<i>District No. 4.</i>			
Adena Commercial & Savings Bank, Adena, Ohio .....	\$60,000	.....	\$108,553
<i>District No. 5.</i>			
Farmers Bank & Trust Co., Forest City, N. C. ....	100,000	\$75,000	1,347,778
<i>District No. 6.</i>			
Commerce Bank & Trust Co., Commerce, Ga. ....	100,000	.....	326,635
Bank of Donalsonville, Donalsonville, Ga. ....	100,000	50,000	724,939
Lagrange Banking & Trust Co., Lagrange, Ga. ....	250,000	650,000	4,071,433
<i>District No. 7.</i>			
Citizens State Bank, Early, Iowa. ....	30,000	33,000	421,149
Magnolia Savings Bank, Magnolia, Iowa. ....	25,000	10,000	320,837
Security Trust & Savings Bank, Shenandoah, Iowa. ....	60,000	6,000	395,254
The Hamilton County State Bank, Webster City, Iowa. ....	100,000	30,000	1,663,582
Stratford State Bank, Stratford, Wis. ....	50,000	10,000	459,396
<i>District No. 8.</i>			
Saline Trust & Savings Bank, Harrisburg, Ill. ....	100,000	50,000	867,840
<i>District No. 10.</i>			
The Fidelity State Bank, Aurora, Nebr. ....	50,000	15,000	907,888
Meadow Grove State Bank, Meadow Grove, Nebr. ....	25,000	5,000	331,992
<i>District No. 11.</i>			
Bay City Bank & Trust Co., Bay City, Tex. ....	65,000	10,000	807,460
First State Bank, Bishop, Tex. ....	25,000	10,000	235,131
<i>District No. 12.</i>			
The Commercial Bank of Turlock, Turlock, Calif. ....	75,000	35,000	1,111,725
J. N. Ireland & Co., Bankers, Malad City, Idaho. ....	40,000	12,500	612,913
Madras State Bank, Madras, Oreg. ....	25,000	18,000	309,972
Jackson County Bank, Medford, Oreg. ....	100,000	20,000	1,218,732

*Withdrawal.*—First Trust & Savings Bank, Winamac, Ind.

*Conversion.*—The Superior Savings & Trust Co., Cleveland, Ohio, to the Superior National Bank & Trust Co. of Cleveland, Ohio.

*Voluntary liquidation.*—Leon Savings Bank, Leon, Iowa.  
*Change of place of business.*—The Farmers and Stock-growers Bank of Sweet, Gem County, Idaho, has removed its place of business to Montour, Gem County, Idaho.

### 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 November, 1920:

#### DISTRICT No. 2.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics:  
 The Second National Bank of Hoboken, Hoboken, N. J.  
 The First National Bank of Ridgewood, Ridgewood, N. J.

#### DISTRICT No. 3.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics:  
 The County National Bank of Lock Haven, Lock Haven, Pa.  
 The First National Bank, Merchantville, N. J.  
 Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver:  
 The Broad Street National Bank, Philadelphia, Pa.

#### DISTRICT No. 4.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver:  
 The Central National Bank of Cleveland, Cleveland, Ohio.  
 The Superior National Bank and Trust Company, Cleveland, Ohio.  
 Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver and committee of estates of lunatics:  
 The First National Bank, Sharon, Pa.

#### DISTRICT No. 7.

Guardian of estates, assignee, receiver, committee of estates of lunatics:  
 The Des Moines National Bank, Des Moines, Iowa.  
 Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver and committee of estates of lunatics:  
 The First National Bank, Aurelia, Iowa.

#### DISTRICT No. 8.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics:  
 The St. Claire National Bank of Belleville, Belleville, Ill.  
 The First National Bank of Marion, Marion, Ill.

#### DISTRICT No. 10.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics:  
 The First National Bank, Emerson, Nebr.  
 The First National Bank of Randolph, Randolph, Nebr.  
 Trustee, executor, registrar of stocks and bonds and guardian of estates:  
 The First National Bank, Marysville, Mo.

### Acceptances to 100 Per Cent.

Since the issuance of the November 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:

Security National Bank of Oklahoma City, Okla.

### Commercial Failures Reported.

The tendency toward increase in the country's business mortality has become more sharply defined, and the 746 commercial failures reported to R. G. Dun & Co. during three weeks of November materially exceed the 408 defaults of the same period of 1919. The returns for Octo-

ber, the latest month for which complete statistics are available, disclose 923 insolvencies for \$38,914,659 of liabilities, as against only 463 failures for less than \$7,000,000 in the corresponding month of last year. It thus appears that the October defaults are practically double in number those of that month of 1919, while the expansion in the indebtedness is relatively much greater, owing to an unusual number of insolvencies of exceptional magnitude. The October failures, moreover, are larger in number than those of any month since March, 1918, and the liabilities are the heaviest of all months back to April of 1915. Separated according to Federal Reserve districts, the October statement shows more failures than in that month of 1919 in every instance, except in the sixth district, where there is no change, and in the ninth district, where a reduction of one default is seen. Aside from the first district, where there is a moderate decrease, the October liabilities show increases in every case, and some of the differences are striking.

#### Failures during October.

Districts.	Number.		Liabilities.	
	1920	1919	1920	1919
First.....	59	50	\$938,595	\$1,016,079
Second.....	275	86	15,462,866	1,650,441
Third.....	27	24	2,902,609	341,294
Fourth.....	69	49	1,953,886	763,723
Fifth.....	58	21	1,644,702	119,567
Sixth.....	38	38	613,307	256,923
Seventh.....	122	59	6,259,566	715,161
Eighth.....	47	23	1,280,507	249,471
Ninth.....	16	17	83,769	64,709
Tenth.....	41	27	775,366	361,861
Eleventh.....	42	22	2,947,957	203,516
Twelfth.....	129	47	4,071,529	1,069,216
Total.....	923	463	38,914,659	6,871,966

### 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 October 30, to November 26, 1920, inclusive:

	Banks.	Amount.
New charters issued to.....	16	
With capital of.....		\$2,110,000
Increase of capital approved for.....	18	
With new capital of.....		890,000
Aggregate number of new charters and banks increasing capital.....	34	
With aggregate of new capital authorized.....		3,000,000
Number of banks liquidating (other than those consolidating with other national banks under the act of June 3, 1864).....	6	
Capital of same banks.....		2,225,000
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).....	6	
Aggregate capital reduction.....		2,225,000
Consolidation of national banks under the act of Nov. 7, 1918.....	2	
Capital.....		710,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was.....		3,000,000
Against this there was a reduction of capital owing to liquidation (other than for consolidation with other national banks under the act of June 3, 1864), and reductions of capital of.....		2,225,000
Net increases.....		775,000

## RULINGS OF THE FEDERAL RESERVE BOARD.

### Acceptances against domestic shipping documents.

The Federal Reserve Board has been asked to rule upon the eligibility of bankers' acceptances created under the following circumstances:

Cottonseed oil is sold and shipped by a mill to a refiner. The mill draws a sight draft upon the refiner and attaches the bill of lading covering the cottonseed oil shipped. Upon receipt of the sight draft with bill of lading attached, the refiner pays the sight draft and retains the bill of lading. The refiner desires to draw 90-day drafts for acceptance by his bank, the bill of lading to be attached to the draft at the time of acceptance but to be returned to the refiner immediately thereafter. The facts which have been presented to the Board do not indicate how long a period of time it takes for the completion of the shipment from the mill to the refiner, but it is to be inferred that the shipment will be concluded shortly after the drawing of the drafts by the refiner. In fact it is urged that the drafts must be drawn for 90 days, because it will require at least that time before the refiner can refine the cottonseed oil and reship the finished product and receive payment therefor.

The Federal Reserve Board is of the opinion that drafts drawn under these or similar circumstances are not eligible for rediscount by Federal Reserve Banks.

The Board has heretofore ruled that drafts drawn by the purchaser of goods and secured at the time of acceptance by bills of lading covering the goods bought are not eligible unless the proceeds are to be used to pay for the goods. (FEDERAL RESERVE BULLETIN, May, 1917, p. 380; FEDERAL RESERVE BULLETIN, Jan., 1920, p. 66.) Under the facts which have been presented to the Board in the present case, it is not clear whether the refiner is to use the proceeds of the bankers' acceptance to pay the mill for the cottonseed oil covered by the bill of lading. If not, the acceptance would be ineligible upon this ground.

Furthermore, even though it should appear that the refiner is to use the proceeds of the draft to pay for the cottonseed oil purchased, the circumstances would not, in the Board's opinion, justify the issuance of a 90-day acceptance credit, since it is apparent that the credit is desired for the purpose of adding to the working capital of the borrower rather than to finance the shipment of goods during the period that the shipment is continuing. A credit for such a purpose should, of course, be

granted upon the borrower's promissory note rather than by means of bankers' acceptances.

In the ruling in the January, 1920, BULLETIN it was said with reference to certain renewal acceptances "the spirit of the law does not contemplate that acceptances based upon the domestic shipment of goods shall be used as a cloak to finance the carrying of those goods throughout the process of manufacture into finished products." The principle there stated is equally applicable to original acceptances based upon the domestic shipment of goods.

Regulation A of the Board's regulations, series of 1920, provides in section B, subdivision (c) (2) that—

Although a Federal Reserve Bank may rediscount an acceptance having a maturity at the time of rediscount of not more than three months, exclusive of days of grace, it may decline to rediscount any acceptance the maturity of which is in excess of the actual or customary period of credit required to finance the underlying transaction or which is in excess of that period reasonably necessary to finance such transaction.

Where bankers' acceptances are drawn against bills of lading, the underlying transaction is, of course, the domestic shipment of the goods covered by the bill of lading. The period during which the acceptances are to run should, therefore, have some relation to the period of time actually required for the shipment. The acceptance of drafts secured by bills of lading for the primary purpose of providing the borrower with working capital during the period required to manufacture and resell the goods covered by the bills of lading is an abuse of the domestic acceptance privilege, which should be carefully guarded against; and Federal Reserve Banks should decline to rediscount or purchase acceptances made for such purpose.

### Agricultural implement paper.

The Federal Reserve Board receives from time to time inquiries with reference to the eligibility for rediscount by Federal Reserve Banks of paper arising out of the purchase of agricultural implements and farm machinery of various kinds. In view of these inquiries the Board has made the following ruling:

*Definition of eligible commercial and agricultural paper.*—The regulations of the Federal Reserve Board define eligible commercial and agricultural paper as notes, drafts, or bills of exchange which have been issued or drawn, or the proceeds of which have been used or are to be used in the first instance, in producing, pur-

chasing, carrying, or marketing goods (including goods, wares, merchandise, or agricultural products, including live stock) in one or more of the steps of the process of production, manufacture, or distribution. If a note, draft, or bill of exchange has been issued or drawn, or the proceeds have been or are to be used, for an agricultural purpose, that note, draft, or bill of exchange may be eligible for rediscount if it has a maturity at the time of rediscount of not more than six months, exclusive of days of grace. On the other hand, if a note, draft, or bill of exchange has been issued or drawn, or the proceeds have been or are to be used for a commercial purpose, it will not be eligible for rediscount if it has a maturity at the time of rediscount in excess of 90 days, exclusive of days of grace. The Board's regulations further provide that no note, draft, or bill of exchange is eligible for rediscount if the proceeds have been or are to be used for permanent or fixed investments of any kind, such as land, buildings, fixed machinery, or for any other capital purpose.

*Two general classes of eligible agricultural and commercial paper.*—It will be observed that there are two general classes of eligible agricultural and commercial paper—(1) paper which is eligible because issued or drawn for an agricultural or commercial purpose, and (2) paper which is eligible because the proceeds have been or are to be used for an agricultural or commercial purpose.

*Notes given in payment for articles purchased.*—Since the purchase and sale of goods of any character is a commercial transaction from the standpoint of the seller, a note of a buyer given to the seller in payment for articles purchased is a note which has been "issued or drawn" for a commercial purpose. Such a note may, therefore, be eligible for rediscount irrespective of whether or not the articles purchased will constitute a permanent or fixed investment in the hands of the ultimate producer. This is true whether the buyer is a dealer, purchasing articles for resale, or is a farmer, purchasing articles for his own use.

*Notes the proceeds of which are used to purchase articles.*—If a note is not "issued or drawn" for a commercial or agricultural purpose, its eligibility or ineligibility for rediscount must be determined by the purpose for which the proceeds have been or are to be used. The use of proceeds to purchase goods for resale is a commercial purpose, even though the articles are of such a character that they must be considered permanent investments in the hands of those who ultimately purchased them. Consequently, the note of a dealer, discounted by him at his local bank to provide

funds to purchase articles for resale, may be eligible for rediscount as commercial paper irrespective of the character of such articles. A note of a farmer, however, discounted by him at his local bank to provide funds with which to purchase articles for agricultural uses is eligible or ineligible for rediscount according to the character of such articles. The farmer's note is ineligible for rediscount if the articles are in the nature of a permanent or fixed investment; but, on the other hand, if they are articles which are for agricultural uses and which have to be replaced from time to time, the farmer's note may be eligible for rediscount as agricultural paper.

*Articles in the nature of permanent or fixed investments.*—Whether or not given articles are in the nature of permanent or fixed investments, as that term is used in the Board's regulations, is a question which depends upon the circumstances in each particular case. The Board has ruled that farm tools, agricultural implements and machinery, and other farm-operating equipment do not constitute permanent or fixed investments when they are of such a character that they have to be replaced within a comparatively short time, so that it may be assumed that a farmer will have to spend a certain amount of money annually and regularly for the purchase and replacement of equipment of this kind (FEDERAL RESERVE BULLETIN, Feb., 1916, p. 67). So, also, the Board has specifically ruled that a tractor, like horses and mules, bought for farm work and purchased with several years' use in view, does not constitute a permanent, or fixed investment, and that a note the proceeds of which are used to pay for such a tractor may be eligible agricultural paper (FEDERAL RESERVE BULLETIN, Apr., 1918, p. 309). On the other hand, the Board has ruled that a silo is a permanent or fixed investment, and that a note the proceeds of which have been used to build a silo is not eligible agricultural paper (FEDERAL RESERVE BULLETIN, Oct., 1918, p. 971). The Board has also ruled, upon the basis of the facts in the particular case, that an electric system furnishing light and power for an individual farm is in the nature of a permanent or fixed investment within the meaning of the Board's regulations.

*Distinction between agricultural paper and commercial paper.*—The purchase and sale of any articles or commodities including agricultural products is a commercial rather than an agricultural transaction. Consequently the note of a dealer, whether it is given in payment for articles or commodities purchased for resale or is discounted by the dealer at his bank to provide funds with which to pur-

chase such articles or commodities, can be eligible for rediscount only as commercial paper, even though the articles or commodities will be used by the ultimate purchasers for agricultural purposes. Such a note can be eligible for rediscount, therefore, only when it has a maturity at the time of rediscount of not more than 90 days. The note of a farmer, however, given in payment for articles or commodities purchased, may be considered agricultural paper which is eligible for rediscount when it has a maturity at the time of rediscount of not exceeding six months, provided that the articles or commodities purchased are to be used by the farmer for agricultural purposes and are not in the nature of permanent or fixed investments. So also, of course, the note of a farmer, discounted by him at his local bank for the purpose of providing funds to purchase such articles or commodities, may be eligible for rediscount as agricultural paper when it has a maturity at the time of rediscount of not more than six months. Since the purchase and sale of agricultural products is a commercial rather than an agricultural transaction, a note given to a farmer in payment for agricultural products grown by him can not be eligible for rediscount as agricultural

paper, but may be eligible as commercial paper if it has a maturity at the time of rediscount of not more than 90 days.

*Same principles apply to drafts as to notes.*—In the foregoing statements and discussions of hypothetical cases where payment for goods purchased is made by the buyer giving to the seller a negotiable instrument representing the buyer's obligations, it has been assumed for the sake of brevity that the negotiable instrument would be a note of the buyer. As a matter of fact, in such cases the buyer may either make his own note or accept a draft drawn on him by the seller. In either case, however, the same principles will apply in determining whether the instrument representing the buyer's obligation is commercial paper, which can not be rediscounted if it has a maturity in excess of 90 days, or agricultural paper, which may be rediscounted with a maturity not in excess of six months.

*No obligation to rediscount paper even though eligible.*—It should be understood, of course, that even though a bill or note may technically be eligible for rediscount, a Federal Reserve Bank is under no obligation to rediscount it, but may accept it or refuse it in the exercise of its discretionary power.

## LAW DEPARTMENT.

### **Right of Federal Reserve Banks to collect checks drawn on nonmember banks not remitting at par.**

The following is the opinion, filed November 19, 1920, of the United States Circuit Court of Appeals, Fifth Circuit, in the so-called "Par Clearance" case instituted against the Federal Reserve Bank of Atlanta, last January. The opinion affirms the decision of the District Court of the Northern District of Georgia (see opinion published on page 496 of the May, 1920, BULLETIN) and, in a full discussion of the points at issue, holds that the Federal Reserve Banks have the right to collect checks, drawn on nonmember banks which refuse to remit at par, by having such checks presented at the counters of the drawee banks, and that the case is one of which the United States district court has jurisdiction.

IN THE UNITED STATES CIRCUIT COURT OF APPEALS, FIFTH CIRCUIT.

American Bank & Trust Company, et al., appellants, v. Federal Reserve Bank of Atlanta, Ga., et al., appellees.

Before Walker and Bryan, circuit judges, and Grubb, district judge.

GRUBB, District Judge:

This is an appeal from a decree in equity of the District Court of the United States for the Northern District of Georgia, dismissing the bill or petition for want of equity.

The suit was originally brought in the Superior Court of Fulton County, Ga., and was removed to the District Court of the United States for the Northern District of Georgia, by the appellee, the Federal Reserve Bank of Atlanta. The appellants were State banks of Georgia, not members of the Federal Reserve System. The relief prayed for in the petition filed in the State court, was an injunction against the appellees, restraining them from collecting checks drawn on appellants "except in the usual and ordinary channel of collecting checks through correspondent banks or clearing houses," the purpose being to prevent collection through agents presenting the checks over the banks' counter. The appellants moved to remand the cause to the State court, which was denied, and the bill was dismissed on the appellees' motion to dismiss for want of equity. The appeal presents the questions of the correctness of the rulings of the district court (1) in refusing to remand the case, and (2) in dismissing the bill on the merits.

(1) The jurisdictional amount is conceded to be present. There was no diversity of citizenship claimed. Removal was granted because the cause was considered to be one arising under the Constitution and laws of the United States. This because (1) the defendant, the Federal Reserve Bank, was incorporated under an act of Congress, and was neither a railroad corporation nor a national banking association; and (2) because the appellants' petition or bill, as amended, introduced a Federal question into the record, in that it charged the acts of the defendants, sought to be enjoined, to be ultra vires of the powers of the appellee, the Reserve Bank, granted by the Federal Reserve Act and its amendments. If the district court had original jurisdiction of the cause of action for either or both of the reasons mentioned, the cause was properly removed. The appellants contend that the Federal Reserve Bank is a national banking association, the presence

of which as a party defendant would not introduce a question arising under the laws of the United States, and that there is no other such question presented by the appellants' petition or bill.

We think the United States district court had original jurisdiction of the cause of action for both of the reasons assigned. The case of *Osborn v. Bank of the United States* (9th Wheat., 738), supported by many subsequent decisions of the Supreme Court, settles the question of the jurisdiction of the Federal court in cases in which one of the parties is a corporation, which owes its creation to an act of Congress, unless another act of Congress has withdrawn such jurisdiction. Nor is it important whether the Federal incorporation occupies the position of plaintiff or of defendant in the action. This is true unless a long line of Supreme Court decisions, in which jurisdiction was sustained upon this ground, without reference to the position of the corporation in the line-up of the parties, be disregarded. From this, follows the right of a Federal incorporation, made a defendant in a cause in a State court, to remove the cause to the Federal court, unless prohibited by an act of Congress. (*Texas & Pacific Railway Co. v. Cody*, 166 U. S., 606-609; *Washington & Idaho R. R. Co. v. Coeur D'Alene Ry. Co.*, 160 U. S., 177-193.) Congress has withdrawn jurisdiction only in cases of railroad companies and national banking associations. The contention of appellants is that the Federal Reserve Bank of Atlanta is a national banking association within the meaning of the act of July 12, 1882 (c. 290); the judiciary act of March 3, 1887, as corrected by the act of August 13, 1888 (c. 886, sec. 4); and by section 24 of the Judicial Code of 1911. The prohibiting clause of the latter is: "And all national banking associations established under the laws of the United States shall for the purpose of all other actions against them, real, personal, or mixed, and all suits in equity, be deemed citizens of the States in which they are respectively located." If this language applies to the Federal Reserve Banks, it withdraws jurisdiction from the Federal courts, in cases in which they are parties, and in which no other ground of jurisdiction appears in the record. We do not think it can be held to apply. At the time of the original limitation of jurisdiction in the act of July 12, 1882, and at the time of its renewals in the judiciary act of 1887, and in the Judicial Code of 1911, Federal Reserve Banks were unknown.

The only national banking associations, then existent, were the national banks organized under the national banking laws. The question is whether Congress intended to include within this designation banks to be subsequently created of the nature of the Federal Reserve Banks. The answer will depend upon the result of a comparison instituted between the national banks and the reserve banks, and is to be determined, not so much by points of identity (for all banks have many such) but by points of difference. The important differences between national banks and reserve banks, so far as the solution of this question is concerned are (1) the disparity in the number of each class and (2) that the reserve banks are banks of deposit and discount for other banks only and not for the general public. There are many other important differences but we think the two mentioned are determinative. The one class, small in number, acts as governmental fiscal agencies with no general clientele; the other class serves the public generally and locally, and are necessarily numerous. That all the provisions of the national banking act could be made applicable appropriately or safely to the class of reserve banks, is clearly impossible. Yet the same reasoning that would apply the limitation of jurisdiction imposed upon national banks to reserve banks would make it necessary to apply all other limitations against and grants in favor of national banks to reserve banks. If the Reserve Banks are national banking associations within the meaning of the act of July 12, 1882, and its successors, for one purpose, they are so for all purposes

of the national banking laws. Such a conclusion would be a dangerous one, and lead to unforeseeable consequences. We think it safer to conclude that Congress intended national banking associations to include only those that were then being created or those of a kindred nature that might thereafter be created; and that the differences between ordinary banks of deposit and discount with the public as customers and banks whose only permissible stockholders and customers are the Government and other banks, and which are more governmental agencies than private institutions; are not within the purview of national banking associations, as contemplated by Congress when it enacted the limitation upon the jurisdiction of national banking associations. In view of the paucity in number of the reserve banks, and their more intimate relation to the Government, and their more remote contact with the general public, Congress may well have found reason not to withdraw the jurisdiction of the Federal courts from them by reason of their Federal incorporation; though it had done so in the case of national banks. There is no express withholding of such jurisdiction. To imply it would necessarily lead to other implications so far reaching and difficult to anticipate that we do not think it should be implied.

If the fact of Federal incorporation of the Reserve Banks confers jurisdiction on the Federal court, the fact that the officers of the appellee bank are made individual codefendants with it and that they are citizens of Georgia does not prevent removal. (*Matter of Dunn*, 212 U. S., 374.)

(2) The amendment to the bill or petition of appellants charged that the acts of the appellees sought to be enjoined, if committed, would be committed in excess of the powers of the Federal Reserve Bank of Atlanta, and in violation of the provision of the Federal Reserve Act. Paragraph 9 of the amendment charges that "the coercive measures, now threatened, are not only not authorized or required by the terms of the Federal Reserve Act, which includes the charter of defendant reserve bank, but express provision is found therein for the performance of all clearing-house functions, therein imposed in the regular way and through orderly banking channels, applicable to nonmember banks as well as member banks. Wherefore plaintiffs charge that the threatened coercive measures are ultra vires the charter of defendant Reserve Bank and the execution thereof by the individual defendants would be illegal and should be enjoined." The purpose of the petition or bill was not to enforce the collection of compensation for services availed of by the defendant Reserve Bank at their reasonable value under the common law right. It was to compel the defendant bank to avail itself of such services or, as an alternative, to abstain from handling the plaintiffs' check for collection. The bill prayed that the defendant bank be enjoined from presenting petitioners' or plaintiffs' checks for collection in any but the usual way through correspondence and remittance. Section 13 of the Federal Reserve Act provided that "no such charges (for remission) shall be made against the Federal Reserve Banks." Appellants' contention is that this prohibition prevents the Federal Reserve Banks from expending money in any way for the collection and remission of the proceeds of checks and drafts drawn on nonmember and nondepositing banks and that any attempt to collect such checks and drafts by presenting them over the counter to drawee banks which would not remit for them at par was unauthorized and ultra vires of the powers of the Reserve Banks under the Federal Reserve Act; and appellants ask that the defendant bank be enjoined from handling such checks and drafts in the manner stated for that reason. Appellee, the Reserve Bank, asserts its right under the same provision of the Federal Reserve Act to collect such checks and drafts by any method, provided it makes no payments to remitting banks for services in remitting. Plaintiffs, cause of action was the alleged wrong asserted by them to be caused by such collections. One ground upon which

the wrong was urged is that the Reserve Bank is forbidden by the Reserve Act to make collection of checks and drafts in this manner. This presents for decision the proper construction of the quoted provisions of the Federal Reserve Act, and it was presented in the plaintiffs' own statement of their cause of action in the amendment to the bill and not as a suggested or anticipated defense which the defendants might be expected to set up as an answer to the plaintiffs' cause of action. The solution of this question depends upon the construction to be given sections 13 and 16 of the Federal Reserve Act and not merely to a chartered power of the defendant bank. The plaintiffs having injected this Federal question into their statement of their cause of action the case was thereby made removable as one arising under the laws of the United States.

We think the district court of the United States properly entertained jurisdiction for both reasons.

Coming to the merits, the appellants' cause of action is the prevention by injunction of the Federal Reserve Bank of Atlanta from collecting checks drawn on appellants' banks, in any other way than by correspondence and the remitting of the proceeds of the check by the bank on which it was drawn. The usage of the complaining banks had been to make a deduction from the amount of the check in remitting the proceeds to cover the so-called "exchange" or cost of remitting. This charge could only be applied in cases in which the check was forwarded through the mails to the drawee bank. If the check was presented over the counter of the drawee bank either by the payee or his agent, the full amount of the check was required to be paid, and the drawee bank was defeated in its endeavor to collect exchange on it. The purpose of the bill was to prevent the Federal Reserve Bank from handling checks on appellants and on other nonmember State banks except through the regular channel of correspondence or clearing. Section 13 of the Federal Reserve Act as amended prohibited the Federal Reserve Bank from paying for the cost of remission. Consequently it was disabled from collecting through the regular channel from all banks which insisted on deducting for the cost of remission. In the case of all such banks it had the alternatives of not handling their checks at all or of presenting them for collection over the counters of the drawee banks by agents, express companies, or the postal authorities. One contention of the appellants is that the Federal Reserve Act prohibited the Reserve Banks from handling any check, the collection of which entailed any expense, to whomsoever payable; and that their endeavor to collect checks by presenting them at the counter of the drawee was ultra vires, because expense was necessarily incident to that method. Another contention of appellants is that though the Federal Reserve Bank had the lawful right to handle such checks it was making or intending to make an oppressive use of its right, by so exercising it as to amount to coercion or duress and with a wrongful and malicious motive.

If the Federal Reserve Bank had availed itself of the services of the complaining banks in the remission of the proceeds of checks sent them for collection through the mails, in view of their known usage to deduct for exchange it would have been liable for the reasonable value of such services, except for the statutory inhibition against it. The purpose of the bill, however, is not to collect compensation for services rendered and to which the banks had a property right; but to compel the Federal Reserve Bank to avail itself of services, which it was unwilling to and disabled from accepting, by restraining it from using any method which did not require the use of such services. Complain- ing banks had no property right that was infringed by the refusal of the Federal Reserve Bank to avail itself of their services in remitting or that a court of equity could be called upon to protect. It was under no legal duty to accept the services of the complaining banks, even had there been no statutory obstacle to its doing so. It also had the legal right to present the checks of the complaining banks to them for payment singly or in numbers over their

counters and it was the absolute duty of the complaining banks to pay the full amount of such checks without deduction, when so presented. This is disputed by appellants only because of the statutory prohibition against the Federal Reserve Banks paying the cost of remission of the proceeds of checks collected by it. It is contended that this provision not only prohibited the Reserve Banks from paying exchange to remitting banks on which the checks were drawn, but also from paying expense of any kind or to any person for collecting checks; and that as a consequence the Federal Reserve Banks were without power to handle any checks for collection, where such collection was attended with expense of any kind. If so, it would follow that the endeavor to collect checks over the counter through paid agents was within the prohibition of the Federal Reserve Act as amended and ultra vires. Whether appellants' construction of the prohibiting clause is correct depends upon the purpose it was intended to subserve. Appellants' contention is that its purpose was to conserve the assets of the Reserve Bank. Appellees' contention is that it was to aid in accomplishing a uniform par clearance system. In view of the purpose of Congress to effect the latter object, we think the appellees' construction is the correct one, and that the prohibition is limited to a charge against and payment of the charge to a remitting bank, and does not prevent the Federal Reserve Banks from expending money for collection of checks in any other way in an endeavor to accomplish a uniform system of par clearance. It follows that the acts of the Federal Reserve Bank complained of are within its legal powers. Conceding that they were ultra vires solely because entailing an unauthorized disposition of the banks' assets, the appellants and intervenors, who were neither stockholders nor creditors of the Reserve Bank, would have no standing to complain of such a disposition, because of a collateral injury to them. The right to make complaint on that ground would be confined to the United States or to individuals who were injured by the depletion of the banks' assets. If the purpose of the prohibition was altogether to save expense to the Federal Reserve Banks and if the statute evinced no policy to prevent the Reserve Banks from handling checks of nonmembers and nondepositing banks, if it incurred no expense, the mere incidental injury that appellants suffered from the handling of such checks would give it no right to complain of an expenditure from which it could suffer no injury. The Federal Reserve Act does not only not evince a purpose to deny to the Reserve Bank the power to collect checks of nonmember and nondepositing banks, but exhibits a general policy to encourage a uniform and universal system, of par clearance, which could only be accomplished by conferring power upon the Reserve Bank to handle checks drawn on all banks upon any terms that might be essential except the payment to the remitting bank of compensation for remitting.

The appellants contend further that, even if the Federal Reserve Bank had the right to handle checks of nonmember banks by presenting over the counter, it could not exercise that right oppressively; that it was threatening to do so, and should therefore have been enjoined. The prayer of the bill is not limited to an oppressive use of the method complained of but extends to any use of it whatsoever. The bill seeks to enjoin the appellee bank "from collecting or attempting to collect any check against petitioners or against any other bank in like condition, who may become a party hereto, except in the usual and ordinary channel of collecting checks through correspondent banks or clearing houses, said channels being well established and well understood by defendants and all others familiar with the banking business." Appellants' complaint is of the method and not of an abuse of it. The effect of the writ prayed for would be to entirely prevent the appellee bank from collecting checks in any other way than by transmission to the drawee bank, and the remission of the proceeds by the drawee bank through the

mails; and so to prevent their collection by presentation over the counter even though presented regularly and without accumulation.

The right to the relief sought is also based upon the doctrine of conspiracy. An illegal conspiracy is not predicable upon the doing of a lawful thing by lawful means, even when done in concert or combination. The bill fails to show a concert or combination that would amount to a conspiracy in law, though its object or the means by which it was to be accomplished were unlawful. The acts complained of were those of the defendant, the Federal Reserve Bank. No legal conspiracy could exist between it and its officers, the other defendants. The amended bill charges a conspiracy between the Federal Reserve Bank of Atlanta and the Federal Banks of other districts, upon the theory that all the Federal Reserve Banks are under control of the Federal Reserve Board. The Federal Reserve Banks of other districts have no power to act upon the petitioners or the intervenors. Their jurisdiction in that respect is confined to their own districts. Being without power to injure the complaining banks they could not be members of a conspiracy against such banks. The members of the Federal Reserve Board are not charged as conspirators. That other Federal Reserve Banks had taken coercive steps against State banks in their districts to enforce the par clearance policy, as charged on hearsay information in the amended bill, has no bearing on the cause of action relied upon by appellants in this case. Appellants can take nothing from the doctrine of conspiracy.

The principle that one must so use his property as not to unnecessarily and maliciously injure his neighbor, even though his act is otherwise lawful, is also invoked. Conceding that the accumulating of checks, and their presentation, when accumulated, with the intent to embarrass and injure the drawee bank, might constitute an actionable wrong and one that might be prevented by injunction; we do not think the amended bill presents any such case. There is no specific charge in the bill of any threat to present the checks in any accumulated or oppressive man-

ner, on which a court of equity would be justified in acting. Nor does the bill charge the appellee bank with acting from a merely malicious motive if that is material. It does aver that the purpose of the appellee was to compel the appellants to accept the lesser of two evils and to remit at par for checks drawn upon it. If this charge was borne out by the exhibits, which it is not, it would not constitute legal duress, on which a legal complaint could be predicated. The exhibits show that the adoption of a system of universal par clearance was advocated in good faith by the appellee bank as a proper banking policy, and as well by Congress and the Federal Reserve Board. The adoption of appropriate means by the appellee bank to accomplish this end can not with any propriety be attributed to malice on its part against appellants and other banks in like condition. Nor does the adoption of the method of presenting checks over the counters of the drawee bank imply an attempt to coerce them into becoming member or depositing banks. The Federal Reserve Bank was interested to supply a universal clearance at par for its member and depositing banks. It could accomplish this only by accepting from its member and depositing banks all checks tendered it by them upon whatever banks drawn. If drawn upon a nonmember and nondepositing bank, which refused to remit at par, it was disabled under the statute from handling such checks through the method of transmission of the checks and remittance of the proceeds through the mails. It could only collect such checks by presentation in person to the drawee bank. It is therefore reasonable to suppose that its declared purpose of making such presentations was in furtherance of its policy of furnishing complete clearing facilities to its member banks, and was not for the purpose of injuring or destroying the drawee banks, or of coercing them into becoming member or depositing banks with it. It constituted an essential step without which universal par clearance was not possible of accomplishment.

We conclude that the district court had jurisdiction and that its decree dismissing the bill for want of equity was without error and it is therefore affirmed.

**RETAIL TRADE.**

In the following tables is given a summary of the results obtained during the past few months in the 12 Federal Reserve districts on the regular retail trade index form from representative department stores. In districts Nos. 1, 5, 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 October the tables are based on reports from 24 stores in district No. 1, 17 in district No. 2, 38 in district No. 3, 16 in district No. 4, 24 in district No. 5, 9 in district No. 6, 6 in district No. 7, 6 in district No. 8, 10 in district No. 9, 12 in district No. 10, 17 in district No. 11, and 28 in district No. 12. The number of stores reporting varies from month to month, due to the inclusion of new stores 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.																	
	Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Jan. 1, 1920, to close of—					July 1, 1920, to end of—			
										Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.
District No. 1:																		
Boston.....	15.4	38.9	16.8	19.4	27.8	16.3	11.6	16.0	0.1	24.9	30.7	26.1	24.7	25.3	16.3	24.1	15.9	9.7
Outside.....	36.1	29.4	26.0	25.5	28.5	27.2	9.1	14.7	2.2	41.6	36.4	33.1	30.5	30.0	27.2	18.1	16.9	11.1
District.....	18.3	37.5	18.5	20.7	28.0	19.9	10.9	15.4	.6	32.5	31.6	27.5	25.8	26.2	19.9	15.1	15.2	10.1
District No. 2:																		
N. Y. City and Brooklyn.	29.9	66.6	15.0	41.1	26.4	22.4	10.9	13.2	1.7	39.8	59.3	35.0	35.3	32.7	22.4	13.0	3.6	5.2
Outside.....	50.4	22.4	22.8	32.3	26.9	26.4	16.9	16.9	15.4	.....	38.1	33.6	30.1	31.7	26.9	27.1	23.4	19.6
District.....	.....	64.8	15.8	35.4	28.4	24.4	15.9	3.6	6.2	.....	57.0	34.9	33.7	33.8	24.4	17.5	10.2	10.0
District No. 3.....	17.6	37.5	12.4	50.7	34.3	23.8	22.6	15.2	15.8	20.3	26.2	20.5	30.9	31.0	23.8	24.9	19.6	17.3
District No. 4.....	28.6	45.5	18.4	31.3	31.5	29.9	25.7	24.6	20.8	36.0	38.2	33.6	32.1	34.6	29.9	27.3	25.9	23.9
District No. 5.....	14.2	27.1	.9	11.0	21.4	15.7	20.9	7.5	12.4	5.3	12.1	8.8	9.3	11.4	15.7	21.1	14.1	13.6
District No. 6.....	.....	27.4	23.4	31.0	24.3	11.6	27.6	12.6	25.1	.....	29.9	22.0	28.1	29.3	11.6	19.6	16.9	19.7
District No. 7.....	51.7	65.2	33.3	49.7	59.6	41.2	33.2	28.6	8.3	50.7	57.4	43.5	49.6	58.7	41.2	29.6	35.5	32.6
District No. 8.....	.....	.....	.....	.....	.....	20.8	11.8	10.5	.....	.....	.....	.....	.....	.....	.....	18.0	16.8	16.5
District No. 9.....	.....	.....	17.0	4.3	11.8	11.6	8.8	.3	12.9	.....	19.8	5.6	12.0	11.6	.....	.....	.....	.....
District No. 10.....	.....	24.6	19.6	10.9	12.9	14.1	9.9	7.8	11.9	.....	26.9	24.9	21.2	17.9	14.1	14.2	11.1	5.2
District No. 11.....	.....	.....	.....	.....	.....	25.9	25.6	12.4	16.0	.....	.....	.....	.....	.....	25.9	25.2	20.9	21.6
District No. 12:																		
Los Angeles.....	51.6	58.4	43.6	38.2	39.0	35.1	48.9	29.1	19.3	68.3	61.2	56.1	52.2	49.8	35.1	42.4	37.9	33.9
San Francisco.....	26.9	35.4	28.5	40.9	23.6	21.0	18.6	10.4	11.5	58.9	39.7	36.6	37.6	35.3	21.0	19.6	17.3	15.4
Oakland.....	27.4	31.0	14.9	17.1	15.2	16.9	15.3	.....	22.0	34.8	32.3	27.9	25.6	23.3	16.9	14.7	.....	21.3
Sacramento.....	22.6	65.1	33.9	34.3	32.1	20.1	3.1	.....	9.9	36.6	60.9	47.5	39.4	38.3	20.1	13.3	.....	16.1
Seattle.....	22.4	19.2	4.3	6.3	11.1	.2	18.0	14.5	14.6	23.0	21.8	16.2	13.9	13.4	.2	14.4	14.2	17.3
Spokane.....	23.6	19.8	10.9	48.8	62.8	22.7	12.7	.....	4.6	30.1	26.8	23.1	29.1	35.7	22.7	16.8	.....	9.4
Salt Lake City.....	11.5	10.5	7.1	26.4	18.3	20.6	11.6	.....	8.9	18.1	15.1	12.8	16.4	14.7	20.6	16.1	.....	14.0
District.....	31.1	37.8	13.8	31.2	27.8	21.2	21.7	14.5	8.2	46.5	41.0	36.9	34.7	33.2	21.2	21.4	19.8	16.8

<sup>1</sup> 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.							
	Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.
District No. 1:																		
Boston.....	38.1	42.3	45.2	44.5	43.8	32.1	26.3	20.7	9.5	7.4	9.9	4.0	13.4	15.6	17.0	4.9	9.5	14.2
Outside.....	37.5	44.9	43.2	43.8	36.3	30.4	26.4	21.7	15.9	9.7	11.9	2.8	11.8	15.1	.2	3.2	9.7	3.0
District.....	38.0	42.8	44.7	44.3	41.4	31.5	26.4	21.0	11.6	7.8	10.2	3.7	12.9	15.5	14.7	4.3	9.5	11.8
District No. 2:																		
New York City and																		
Brooklyn.....	49.6	69.6	53.8	47.9	45.5	46.2	30.7	18.0	17.2	8.4	27.9	1.3	16.6	15.4	14.3	7.3	5.7	1.0
Outside.....	.....	60.6	51.6	51.7	38.4	30.9	26.3	20.2	15.6	.....	9.3	11.4	11.7	17.7	4.6	5.6	9.3	1.4
District.....	.....	68.6	53.6	49.1	43.2	39.5	29.3	18.7	16.7	.....	25.8	1.4	15.0	16.1	1.5	6.8	6.9	.5
District No. 3.....	16.4	24.3	25.7	30.4	26.7	28.4	31.0	20.6	16.0	7.0	12.3	5.4	16.7	13.0	3.3	6.2	8.4	.9
District No. 4.....	48.6	56.1	63.9	57.0	53.3	48.3	40.4	34.0	34.9	45.1	11.6	7.3	1.9	11.0	11.4	9.4	9.2	4.8
District No. 5.....	57.0	51.5	59.5	67.1	57.2	44.6	29.6	21.1	15.1	10.5	14.1	1.1	2.3	19.2	2.5	2.3	10.2	.1
District No. 6.....	.....	41.1	29.9	50.2	47.2	51.6	39.8	37.2	30.1	.....	4.7	3.0	1.5	15.6	5.6	5.4	13.1	.8
District No. 7.....	51.8	64.9	39.9	49.7	77.1	70.1	64.1	55.5	51.7	55.9	10.1	.0	2.1	.0	8.4	14.6	4.8	1.0
District No. 8.....	.....	.....	.....	.....	.....	.....	24.2	35.4	30.5	.....	.....	.....	.....	.....	.....	5.6	11.6	1.8
District No. 9.....	.....	.....	27.6	18.7	30.7	12.6	17.7	22.6	12.0	.....	.....	4.7	.8	3.1	14.7	2.9	6.9	.5
District No. 10.....	.....	38.9	43.3	40.7	39.6	43.6	39.1	29.1	25.0	.....	7.8	3.1	16.1	18.8	8.9	9.8	4.6	11.9
District No. 11.....	.....	.....	.....	.....	.....	69.5	59.5	52.8	42.3	.....	.....	.....	.....	.....	8.3	22.3	6.6	13.0
District No. 12:																		
Los Angeles.....	42.1	58.3	64.9	65.0	62.9	47.5	31.2	33.4	21.6	12.1	7.8	3.7	1.5	1.4	1.8	12.5	13.7	.2
San Francisco.....	59.4	62.2	60.7	54.9	58.5	43.1	27.1	16.2	15.4	12.7	6.1	2.4	16.5	15.2	1.5	1.4	7.4	15.4
Oakland.....	27.7	35.2	34.4	29.7	33.9	27.7	22.5	.....	8.3	18.6	6.5	1.5	1.6	12.6	12.9	2.3	.....	.6
Sacramento.....	37.1	61.8	29.4	34.1	.....	.....	11.4	.....	17.5	.....	3.7	.....	11.5	1.1	.....	9.8	.....	.3
Seattle.....	53.7	53.8	55.5	46.7	35.6	23.4	18.4	3.9	.....	11.8	14.9	.....	16.7	18.7	14.2	1.9	6.3	2.8
Spokane.....	35.0	63.3	39.0	59.6	57.3	45.8	45.5	.....	40.1	10.9	27.9	140.2	15.7	14.4	1.8	9.1	.....	12.7
District.....	48.4	58.0	56.5	52.6	52.5	40.1	25.3	20.6	15.6	14.0	9.6	.....	14.7	13.0	1.8	.7	4.9	1.2

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—					Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	
	Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.											
District No. 1:																				
Boston.....	382.2	509.5	389.8	348.4	339.2	419.2	447.1	412.7	388.4	19.6	18.8	15.8	15.4	15.4	18.5	13.7	11.4	7.5		
Outside.....	402.5	320.5	464.7	442.5	431.7	436.4	472.1	485.9	482.6	19.7	18.6	15.5	7.5	10.0	9.1	14.2	14.7	10.8		
District.....	385.5	389.9	405.2	366.5	358.0	425.1	455.1	433.5	415.6	19.6	18.7	15.7	12.7	12.3	12.0	14.0	13.1	9.1		
District No. 2:																				
New York City and Brooklyn																				
Outside.....	405.6	384.7	403.1	392.4	379.9	390.0	489.3	613.7	479.4	22.9	18.8	17.6	15.5	16.8	15.7	16.8	14.7	9.2		
		372.3	392.8	415.7	349.5	485.8	506.3	492.1	441.3		20.3	21.8	13.9	17.7	18.9	14.3	12.0	6.6		
District.....		383.4	402.0	399.4	369.9	440.1	496.7	573.9	466.9		19.0	18.2	14.8	17.2	17.4	15.9	13.6	8.1		
District No. 3.....		380.0	347.0	382.6	357.5	399.8	471.2	500.3	437.2	27.9	24.8	23.5	17.6	19.3	19.8	14.2	10.1	5.9		
District No. 4.....	386.3	369.1	439.0	362.8	362.3	403.6	412.7	468.8	466.8	18.6	19.4	34.8	13.2	16.2	18.9	17.0	13.3	7.6		
District No. 5.....	456.8	423.8	422.2	421.5	407.0	505.9	560.7	512.9	459.0	20.4	16.9	12.1	9.9	9.7	16.1	14.8	8.4	7.1		
District No. 6.....									403.9		20.9	20.1	20.6	17.0	17.4	15.6	11.0	6.9		
District No. 7.....		298.6	332.5	305.8	328.3	432.7	427.9	410.7	371.0	29.7	31.4	31.2	31.9	19.5	19.3	23.2	15.7	5.1		
District No. 8.....							432.6	377.0	396.8							17.2	9.2	6.1		
District No. 9.....			189.4	31.8	109.0	107.9			337.6			9.6	19.5	20.0		13.7	9.1		12.4	
District No. 10.....		337.6	272.1	285.4	353.7	384.1	334.0	340.4	343.3		14.6	18.0	5.4	25.3		15.6	9.7	8.8	3.1	
District No. 11.....							425.5	523.9	454.0							18.6	12.7	10.0	4.1	
District No. 12:																				
Los Angeles.....	418.3	468.3	390.7	480.4	481.3	522.5	454.2	486.0	462.5	37.1	33.9	39.0	29.7	23.2	22.8	15.5	12.0	9.3		
San Francisco.....	477.5	494.9	492.3	469.8	508.8	539.9	512.8	511.5	511.9	31.9	31.0	27.7	23.9	26.0	25.9	21.1	10.8	13.6		
Oakland.....	581.6	610.7	585.2	589.5	573.8	625.1	598.3		732.5											
Sacramento.....				533.4	531.3		423.3		387.4											
Seattle.....	665.0	542.6	527.9	539.7	524.6	470.2	532.7	508.0	502.5	22.6	17.6	17.2	14.2	16.3	16.3	12.2	8.6	6.4		
Spokane.....	755.9	605.8	528.8	605.4	579.4	652.6	675.5		579.0	40.6	34.7		31.1	25.1	29.9					
Salt Lake City.....															18.7					
District.....	534.7	515.3	456.0	508.0	516.0	536.5	489.6	504.0	467.3	31.7	27.2	21.6	23.2	23.1	22.3	14.2	9.5	9.8		

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.<sup>1</sup>

Total exports, after a slight increase during September, showed a large increase during October. This increase was noted in every class of exports, being practically the same in each case. Total imports on the other hand showed a further large decrease. Although the imports of consumers' goods showed a slight increase, the imports of both raw materials and producers' goods showed a very large decrease, more than offsetting the increase of consumer's goods.

*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 com- modities).		Consumers' goods (7 com- modities).		Grand total exports (29 com- modities).		Raw materials (10 commodities).		Producers' goods (12 com- modities).		Consumers' goods (3 com- modities).		Grand total imports (25 com- modities).	
	Value.	Index num- ber.	Value.	Index num- ber.	Value.	Index num- ber.	Value.	Index num- ber.	Value.	Index num- ber.	Value.	Index num- ber.	Value.	Index num- ber.	Value.	Index num- ber.
1913.																
January....	100,027	116.8	11,762	101.4	30,715	100.9	142,504	111.6	61,347	121.9	40,107	108.3	14,219	108.0	115,673	115.1
February....	71,074	83.0	12,266	105.8	30,790	101.2	114,130	89.4	55,332	110.0	41,060	110.9	14,335	108.9	110,727	110.1
March.....	61,681	72.0	11,836	102.1	28,698	94.3	102,215	80.1	55,555	110.4	45,753	123.6	13,378	101.6	114,686	114.1
April.....	71,446	83.0	14,128	121.8	28,708	94.3	114,282	89.5	52,271	103.9	42,346	114.4	10,896	82.7	105,513	104.9
May.....	68,556	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...	126,536	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....	70,240	82.0	16,844	145.2	45,983	151.1	133,067	104.2	99,127	196.9	74,730	201.9	20,386	154.8	194,243	193.2
November...	99,589	116.3	15,740	135.7	46,473	152.7	161,802	126.7	98,690	196.1	79,198	213.9	21,254	161.4	199,142	198.1
December...	89,585	104.6	13,208	113.9	43,563	143.1	146,356	114.6	79,965	158.9	71,886	194.2	21,521	163.4	173,372	172.4
Year.....	914,121	88.9	215,024	154.5	688,237	188.4	1,817,382	118.6	951,508	157.5	857,498	193.0	254,975	161.4	2,063,981	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	163,138	162.3
June.....	55,200	64.5	14,663	126.4	46,113	151.5	115,976	91.1	75,225	149.5	95,699	258.5	21,463	163.0	192,387	191.3
July.....	66,924	78.1	19,138	165.0	43,325	142.4	129,387	101.3	60,942	121.0	93,910	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....	101,669	118.7	17,649	152.2	37,859	124.4	157,177	123.1	44,866	89.1	48,683	131.5	17,613	133.8	111,162	110.6

<sup>1</sup> An additional list of 11 commodities of imports is given in October BULLETIN.

WHOLESALE PRICES ABROAD.<sup>1</sup>*Index numbers of wholesale prices (all commodities).*

[1913=100.]

	United States; Federal Reserve Board (90 quotations).	United States; Bureau of Labor Statistics (328 quotations).	United Kingdom; Statist (45 commodities).	France; Bulletin de la Statistique Générale (45 commodities).	Italy; Prof. Bachi (40 commodities).	Sweden; Svensk Handels-tidning (47 quotations).	Japan; Bank of Japan for Tokyo (56 commodities).	Australia; Commonwealth Bureau Census and Statistics (92 commodities).	Canada; Department of Labor (272 quotations).	Calcutta, India; Department of Statistics (75 commodities).
1913.....	100	100	100	100	100	<sup>2</sup> 100	100	.....	100	.....
1914.....	100	100	101	101	95	116	96	<sup>3</sup> 100	101	<sup>4</sup> 100
1915.....	101	101	126	137	133	145	97	141	110	.....
1916.....	124	124	159	187	202	185	117	132	135	.....
1917.....	174	206	262	299	244	244	149	<sup>5</sup> 155	177	.....
1918.....	197	226	339	409	339	339	197	170	206	.....
1919.....	215	242	356	364	330	240	180	217	.....	.....
1919.										
October.....	212	223	264	382	388	307	271	200	222	.....
November.....	219	230	271	405	436	308	280	199	227	.....
December.....	226	238	276	423	455	317	288	197	238	.....
1920.										
January.....	242	248	288	487	504	319	301	203	248	218
February.....	242	249	306	522	556	342	313	206	254	209
March.....	248	253	307	555	619	354	321	209	258	198
April.....	263	265	313	584	679	354	300	217	261	200
May.....	264	272	305	550	659	361	272	225	263	210
June.....	258	269	300	493	615	366	248	233	258	206
July.....	250	262	299	496	613	363	239	234	256	209
August.....	234	250	298	501	632	365	235	236	244	209
September.....	226	242	292	526	660	362	230	230	241	208
October.....	208	225	282	503	665	346	226	.....	234	206

<sup>1</sup> 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.

<sup>2</sup> July 1, 1913, to June 30, 1914=100.

<sup>3</sup> July, 1914=100.

<sup>4</sup> End of July, 1914=100.

<sup>5</sup> Last six months of 1917.

Business depression appears to have become more general in foreign countries during October than was the case in earlier months. In spite of the instability of prices and exchange rates, production and trade in most countries increased during the first part of 1920. This was strikingly the case with the leading European countries. In recent months, however, a change has set in, October reports emphasizing the curtailment of production and the decrease in trade. Prices began to decline pretty generally in the spring, but in many cases the rate of decline was gradual as compared with the previous rate of increase, and it was not until the last six weeks that the movement became very widespread. Food and fuel prices are still at approximately the old high levels in most European countries. In Italy prices as a whole are still rising and the same is the case with Germany, although both countries have been through a period of falling prices during the year. In England, Canada, Japan, and the United States prices have been falling uninterruptedly for several months, while in Sweden and Australia the shift downward is of recent date. In France prices have fluctuated during the year but were declining in October.

## ENGLAND.

As in the United States, prices in England declined more rapidly in October than at any time since the downward movement began. Practically all lines have now been affected by the readjustment except meats and coal. Where prices have been fixed by the Government, as is the case with wheat, they have not as yet been reduced. Although the Statist index shows an advance for vegetable foods as a whole, the reports from the American consul in London show downward movement of all of the leading cereals with the exception in wheat. Sugar and coffee likewise declined during the month of October, but butter and meats increased. As was the case in practically all markets of the world, cotton, wool, and hides continued to decline and uncertainty was prevalent in the silk markets. Authoritative quotations on semifinished and finished textiles are exceedingly hard to obtain, but all reports seem to show a wide variation in quotations, depending apparently on the eagerness of individual sellers to liquidate. In the Egyptian cotton industry output has been curtailed for some time, and early in December the section of the trade using American cotton announced

a weekly reduction in working hours from 48 to 24. Throughout the coal strike it is reported that the latter group worked at not more than one-half normal capacity. The falling off in prices of all kinds of wool has been exceedingly great, but as the level was originally several times higher than before the war, prices on Australian wools are still well above the 1913 level. The South American staple is nearer the prewar level.

After a period of great activity, the iron and steel industries have also begun to curtail production. Price cutting had not become prevalent until very recently, but within the past few weeks leading quotations of pig iron and semifinished steel products have shown considerable reductions. Copper, zinc, tin, and lead have also been affected during the recent period of falling prices. Gasoline, rubber and certain important chemicals are also slightly lower than during recent months.

It may be concluded, therefore, that except in industries which are more or less controlled, the price decline has been general. The extent of price cutting, however, seems to have been less great than in the United States. The index number of wholesale prices published by the Statist, follows:

*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:								
October....	260	226	322	253	222	305	284	270
November..	266	226	332	258	226	325	292	280
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	318	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

The coal strike which ended on November 8 had a serious effect not only on the production of coal but also on that of practically all industrial commodities. Coal production for October is the lowest of any month during the year. Pig-iron production and that of steel ingots and castings were likewise at the low levels of the year, showing very striking reductions from recent months.

Although more than half of the miners voted against the agreement arrived at be-

tween their delegates and the Government for the adjustment of the strike, it was decided that it should be called off and the terms of the agreement put into effect. This involves an increase of 2s. a shift to all persons of 18 years or over, 1s. to persons of 16 or 17, and 9d. to persons under 16, this schedule to be effective at once and to last until the first of January. These increases will continue in effect during January only if the money returns from the export trade justify it. As was stated in the November BULLETIN, a national committee is to be created whose duty it will be to prepare a scheme for submission to the Government not later than March, 1921, for regulation of wages in the industry. The terms of settlement which have now reached this country in their official form show the situation to be somewhat different from that reported by the press at earlier dates. Although coal production is one factor taken into consideration in adjusting the wage schedule, another important factor is that of the quantity exported. Portions of the agreement are published below:

The basis on which the advance shall be adjusted is as follows: If the weekly average of the proceeds of export coal during the test period are maintained at the weekly average of the proceeds of export coal during the September quarter the advance shall be 1s., 6d., and 4½d., respectively. If (after deduction of the cost of extra output) they exceed the September figure, an additional 6d., 3d., and 2½d., respectively, will be paid for every complete £288,000 of the excess.

(c) For this purpose the amount of export coal in each period shall be assumed to be the excess of the tonnage produced over the rate of 219,000,000 tons annually; the proceeds shall be calculated by multiplying that excess tonnage by the average f. o. b. price as shown in the trade and navigation accounts for the quarter ended 30th September, 1920; and the cost of extra output shall be taken as 15s. per ton for each ton produced in excess of the rate of output for the quarter ended 30th September, 1920.

(d) As part of the settlement hereby concluded, the Government undertake to make an order under section (3) of the mining industry act which shall provide for the variation of the one-tenth share of the excess profits of the industry payable to the owners under the coal mines (emergency) act by the deduction therefrom or addition thereto of one quarter of said tenth part for each 6d. by which the men's advance is reduced or increased.

In other words, if from export coal during future months the returns continue to be on the same scale as those of the September quarter, the miners will receive 1s. more than under the old schedule. For every increase in weekly export returns of £288,000 above the average for the September quarter, the individual miner will receive 6d. per shift above the 1s. already mentioned. For the purpose of arriving at an estimate of coal exported, the surplus over the coal consumed at home in the early months of 1920 was used as a basis.

1920	Deposit and note accounts.				Government floating debt.			Discount rates.	
	Bank notes. <sup>1</sup>	Currency notes and certificates outstanding.	Deposits, public and other.	Coin and bullion. <sup>2</sup>	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	138,846	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.....	106,234	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	1,085,000	241,000	1,326,000	6½	7½

<sup>1</sup> Less notes in currency note reserve.<sup>2</sup> Held by the Bank of England and by the Treasury as note reserve.

The situation of the Bank of England during October was not strikingly different from that of previous months, although deposits throughout the month were at a higher point than at any time since the first two weeks in August. The ratio of reserves to liabilities stood at approximately 10 per cent for the month except for the first week, when it was under 9 per cent. Bank note circulation was at about the same level as during September, and currency note circulation about 2 million pounds greater than at the end of September. Holdings of coin and bullion have been almost stationary since July.

A considerable change is to be noted, however, in the situation with regard to the floating debt, which stood at the end of October at the highest point of the year. This is accounted for by the repayment of the Anglo-French loan. No striking change has been made in policy with regard to the floating debt, but a new bond issue was placed on November 1 and the old series withdrawn. During the 6 months since the first series was placed, only 11 million pounds have been subscribed. The new bond issue is being placed on exactly the same terms as the first one, the chancellor of the exchequer stating that if these bonds were made more attractive, housing loans could not be successfully placed.

In regard to foreign trade, developments of the month have been of considerable interest. Harmony has not been obtained in the matter of the Russian trade agreement. On November 20 the State Department gave out the text of the proposed agreement, but this appears to have been merely a tentative draft, not the final agreement. Much controversy has been raised in England over the original draft because it does not provide for the repayment by the Soviet Government of state, municipal, and other money debts of the former Russian Government but merely for payment "in

respect of goods supplied or services rendered to it (the Soviet Government) or to the former Government of Russia." The revised draft has not yet been published, but because of the importance of the question article 8 of the original draft is published below.

(8) The Russian Soviet Government hereby declares that it recognizes its liability to pay compensation to British subjects in respect of goods supplied or services rendered to it or to the former Government of Russia, or to Russian citizens, for which payment has not been made owing to the Russian revolution. The detailed mode of discharging this liability, together with all other questions with regard to the liability of each of the parties toward the other party or its nationals, shall be regulated by the treaty referred to in the preamble.

The British Government makes a corresponding declaration.

A renewed interest in the provisions for the advancing of export credits by the British Board of Trade has resulted from the decline in foreign and domestic trade during recent months. According to the original law passed in the early autumn of 1919, 26,000,000 pounds sterling were made available for advances by the Board of Trade to exporters of commodities to foreign countries. The loans were intended to finance shipments to foreign governments as well as to individuals in foreign countries. Provision was made for advancing up to 80 per cent of the cost of the goods. At the end of September, 1920, only a very small portion of this sum had been used by exporters, because, until recently, manufacturers were engaged to capacity on transactions which could be financed by ordinary banking methods. According to the new regulations, the Board of Trade will make advances up to 100 per cent in approved cases, but has a recourse of 20 per cent from the exporter. In other words, the risk of the exporter is as great as under the old provision, but the amount of the advance has been increased by 20 per cent. Advances

are limited to two years, with a possibility of renewal, and manufactured articles only come within the provision of the law. Twenty-six million pounds sterling is the limit of advances which may be outstanding at any one time.

The following countries constitute the list of nations to whom credits will be extended: Finland, Latvia, Esthonia, Lithuania, Poland, Czechoslovakia, Jugo-Slavia, Rumania, Georgia, Armenia, and Bulgaria.

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	2 22,657	676	766	.....
February.....	170,514	85,964	22,604	19,435	656	811	.....
March.....	176,648	103,699	27,031	19,505	710	854	3,394,425
April.....	167,154	106,252	20,407	17,131	655	779	.....
May.....	166,816	119,319	20,260	2 22,131	738	848	.....
June.....	170,491	116,352	20,124	19,048	726	745	3,578,000
July.....	163,342	137,452	17,848	2 22,926	750	800	.....
August.....	153,255	114,903	13,368	16,970	752	709	.....
September.....	152,692	117,456	13,351	18,885	741	884	3,731,000
October.....	149,389	112,295	16,134	14,044	533	544	.....

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

<sup>2</sup> Five weeks in the month.

The total value of foreign trade continued to decline, returns for the month of October showing a falling off in total imports and total exports. Reexports were 3 million pounds greater than during the preceding month. Among the leading groups of commodities which are exported, cotton yarns and manufactures show the most striking decline. During the month of July exports in this line of goods were valued at approximately 40 million pounds. During the month of September cotton yarns and manufactures to the amount of 38 million pounds were exported. During October, on the other hand, exports of this item had decreased to 32 million pounds. A somewhat similar decrease is found in the case of woolen yarns and manufactures, which were exported to the value of 14 million pounds in July as compared with 10 million pounds in October. The export of coal was naturally considerably decreased, the July figure being approximately 9 million pounds, the October figure 6 million pounds. There has been a very material decline also in the value of the exports of iron and steel, of coke, and of manufactures of vehicles, including locomotives, ships, and aircraft.<sup>1</sup>

<sup>1</sup> *Errata.*—In the November BULLETIN, it was stated that exports of rubber manufactures in September were valued at 7,800,000 pounds. This was a mistake, the figure applying to the value of exported vehicles during September; the export of rubber manufactures amounted to only 927,000 pounds.

	Average percentage increase in cost of living, <sup>1</sup> base, July, 1914.	Per cent of trade-union members unemployed (membership 1,636,012 at end of September).
1920.		
January.....	125	2.9
February.....	130	1.6
March.....	130	1.1
April.....	132	.9
May.....	141	1.1
June.....	150	1.2
July.....	152	1.4
August.....	155	1.6
September.....	161	2.2
October.....	164	5.3
November.....	176	.....

<sup>1</sup> 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 most striking aspects of the financial and industrial situation in France during October were the increased prices of some important food products, the decline in prices of raw materials, and the increasing credit stringency in France.

Various reasons are assigned for the last-named phase of the situation. It undoubtedly is due in part to the fact that world prices for some important raw materials have declined and that a great deal of capital is tied up in stocks of finished goods which can not be dis-

posed of at prices which will cover their original cost. There are other reasons for the stringency in France, however. One of these is set forth in a memorandum recently drawn up by the Chamber of Commerce of Lyons. This document comments on the fact that there has been very little revival in France of the practice of discounting commercial paper, which disappeared there during the war, "because deliveries were then made only for cash, and the State, the principal buyer of everything, settled with its contractors in paper without fixed dates." The purchasers who have become accustomed to paying in cash are now actually requiring credit, but are refusing to have their bills discounted at the banks, thus compelling the sellers of goods to try to find the credit they require in other ways. The memorandum protests against this procedure and urges the banking and commercial world to help in stopping it.

In speaking of the credit stringency, M. Robineau, the governor of the Bank of France, said recently that while he is opposed to placing credit at the disposal of those who wish to use it for holding merchandise and raising prices, he is quite ready to assist manufacturers and merchants whose operations are "free from the spirit of pure speculation." He pointed out that the discount operations of the bank have increased from 1,100,000,000 francs before the war to 2,300,000,000 francs at present.

It is difficult to tell from the statements of the private banks how much the credits they extend to industry have increased in the last two years, since they report in one item bills discounted and short-term government securities held (bons de la défense nationale). The figures on "debits in current account," although smaller in amount, are more illuminating. They represent the overdrafts, often covered by securities or other collateral, which French banks allow their active business customers.

*Debits in current account.*

[In thousands of francs.]

	Dec. 31, 1918.	Dec. 31, 1919.	Aug. 31, 1920.
Crédit Lyonnais.....	662,466	1,098,769	1,425,597
Comptoir National d'Escompte de Paris.....	201,752	495,921	543,254
Société Générale.....	663,971	986,640	1,454,463

As the above table shows, there have been marked gains in these "current accounts" since the armistice, although the increase is not altogether due to more active trade, but probably to the rise in prices during the period concerned.

The following table consolidates the individual tables, showing the condition of French commercial banks, published in the October issue of the BULLETIN and carries them up to August 31, 1920, the latest date for which such statements are available:

*Development of the commercial banks of France.*

[Total for Le Crédit Lyonnais, Le Comptoir National d'Escompte de Paris, and Le Société Générale pour Favoriser le Développement du Commerce et de l'Industrie en France.]

[In thousands of francs.]

	Dec. 31—							Aug. 31, 1920.
	1913	1914	1915	1916	1917	1918	1919	
ASSETS.								
Cash in vaults and balance at banks .....	470,967	1,208,940	998,746	1,051,926	1,255,503	859,274	1,063,852	1,239,436
Bills discounted and short-time national defense securities.....	3,493,548	1,308,615	1,911,976	2,530,965	3,804,424	4,636,405	8,299,412	8,756,985
Advances on securities, including stock exchange loans.....	1,058,257	920,172	682,379	636,133	632,292	587,780	746,254	790,750
Debits in current account.....	1,463,905	1,297,598	1,034,724	1,010,517	1,190,315	1,528,189	2,581,330	3,423,314
Securities, including rentes.....	63,200	68,647	92,842	86,203	80,826	79,356	81,995	79,508
Forward exchange operations <sup>1, 2</sup> .....			42,480	177,638	107,597	207,794	226,591	231,621
Due from banks and bankers <sup>2</sup> .....	94,277	109,881	80,937	90,853	89,271	92,895	162,841	182,986
Customers' liabilities on acceptances <sup>2</sup> .....	175,076	31,269	49,002	54,008	47,195	23,408	83,514	89,270
Financial participations <sup>2, 3</sup> .....	74,869	72,645	68,447	60,628	56,960	54,834	54,536	54,710
Coupons uncollected <sup>2</sup> .....	42,300	16,440	19,139	11,591	19,458	39,739	35,351	20,117
Agencies outside of Europe <sup>2</sup> .....	17,575	7,094	3,782	3,756	7,729	2,912	3,924	
Real estate.....	101,410	104,297	105,288	105,316	105,350	105,475	107,263	106,422
Sundry assets <sup>1, 2</sup> .....	119,005	25,904	101,771	114,093	123,513	154,903	203,849	189,542
Total.....	7,174,389	5,171,502	5,191,513	5,933,627	7,520,413	8,372,964	13,650,712	15,164,661
LIABILITIES.								
Capital paid in.....	700,000	700,000	700,000	700,000	700,000	700,000	700,000	732,038
Reserve.....	328,861	343,400	333,937	267,929	268,582	269,268	295,062	318,780
Deposits (checking accounts, deposit certificates payable at sight, discount account).....	2,071,097	1,355,141	1,336,010	1,659,703	2,192,327	2,579,301	4,166,845	4,785,373
Credits in current account.....	3,066,837	2,212,779	2,074,338	2,441,959	3,576,394	3,918,388	7,288,116	8,035,653
Deposits payable at fixed date.....	296,865	320,140	304,286	2,299,386	284,950	279,558	302,358	294,228
Acceptance liabilities.....	493,032	150,195	113,997	89,464	91,657	53,995	171,817	200,829
Uncollected funds <sup>1</sup> .....			98,315	95,566	82,455	94,440	129,373	158,245
Forward exchange operations <sup>1, 2</sup> .....			42,480	177,638	107,597	207,794	226,591	231,621
Agencies outside of Europe <sup>2</sup> .....								1,041
Profit and loss <sup>1, 2</sup> .....	18,371	14,754	29,319	33,423	37,790	42,454	25,429	10,910
Sundry liabilities.....	199,326	75,093	158,331	168,559	178,661	227,766	345,121	395,943
Total.....	7,174,389	5,171,502	5,191,513	5,933,627	7,520,413	8,372,964	13,650,712	15,164,661

<sup>1</sup> Le Crédit Lyonnais.

<sup>2</sup> Le Comptoir National d'Escompte de Paris.

<sup>3</sup> Le Société Générale pour Favoriser le Développement du Commerce et de l'Industrie en France.

<sup>4</sup> This increase is due to the fact that the Comptoir National d'Escompte de Paris recently authorized an increase of 50,000,000 francs in its capital, of which 32,038,000 had been paid in on August 31, 1920.

There is an interesting contrast between the situation of the private banks and that of the Bank of France. Deposits of the latter bank have increased about 300 per cent and note circulation over 500 per cent since 1913, while deposits of the three private banks have increased only 136 per cent, their credits in current account 161 per cent and their cash in vault and balances at banks 161 per cent in the same period.

The new loan, proceeds from which are to make up the deficit in the 1920 extraordinary budget, opened October 20. It is reported that subscriptions so far have been very satisfactory, but no official figures are available on the amounts subscribed. Meanwhile the finance commission of the Chamber of Deputies is at work pruning the estimates for the 1921

budget. The tax receipts for October amounted to 1,332,000,000 francs, 212,000,000 francs more than those of the month previous, but 57,000,000 francs less than the budget estimate for October. The deficit in receipts from the tax on total business turnover was only 226,000,000 francs in October, as compared with 407,000,000 francs in September. Receipts from registration and stamp taxes, and from Government monopolies were, on the other hand, much larger than had been expected.

The note circulation of the Bank of France reached its peak October 7, when it stood at 39,567,000,000 francs. It declined after that date to 39,084,000,000 francs on October 28 and stood at 38,806,700,000 on November 35. The gold and silver reserves of the bank made slight gains during the month.

*French financial situation.*

[In francs.]

	Bank of France.					Situation of the Government.		
	Gold reserves (000,000's)	Silver reserves (000,000's)	Deposits <sup>1</sup> (000,000's)	Circulation (000,000's)	Advances to the Government for purposes of the war <sup>2</sup> (000,000's)	Government revenue <sup>3</sup> (000,000's)	Public debt (000,000's)	Price of 3 per cent perpetual rente.
1913, average.....	3,343	629	830	5,665	.....	320	35,000	86.773
1920, end of—								
January.....	4,3,602	255	3,172	37,583	25,300	885	206,616	58.75
February.....	4,3,603	251	3,277	37,889	25,800	794	.....	57.60
March.....	4,3,606	247	4,039	37,569	26,300	859	.....	58.82
April.....	4,3,608	244	3,469	37,688	25,300	1,057	.....	57.40
May.....	4,3,609	240	3,751	37,915	26,050	857	.....	59.35
June.....	4,3,610	241	3,653	37,544	26,000	908	.....	57.25
July.....	4,3,611	248	3,416	37,696	25,550	1,109	233,729	58.90
August.....	4,3,612	255	3,267	37,905	25,800	882	.....	56.30
September.....	4,3,531	256	3,307	39,208	26,600	1,120	.....	54.15
October.....	3,537	264	3,474	39,084	26,600	1,332	.....	56.20

<sup>1</sup> Includes Treasury and individual deposits.

<sup>2</sup> Under the laws of Aug. 5 and Dec. 26, 1914, July 10, 1915, and Feb. 16, 1917.

<sup>3</sup> From indirect taxation and Government monopolies.

<sup>4</sup> Not including about 1,978 million francs held abroad.

<sup>5</sup> As of Dec. 31, 1919.

<sup>6</sup> Foreign debt calculated at par.

The exchange situation continues to hinder foreign trade transactions. The value of the English pound rose in Paris from 52.31 francs on September 30 to 54.68½ on October 28, and by November 30 had reached 57.65 francs. The dollar rose from 15.08 francs to 15.715 in

October and stood at 16.495 francs the last day of November. Italian exchange fell at the beginning of October to 57½ francs to the lira, but it recovered by the last of the month to 59 francs. The mark fell from 24 francs on October 1 to 21¼ francs on October 28.

The following table shows the course of French prices as reported by 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, end of—								
October.....	402	337	268	353	295	554	403	405
November.....	424	351	271	369	323	620	415	435
December.....	432	380	278	375	357	649	419	454
1920:								
January.....	452	432	419	440	413	787	465	525
February.....	484	474	436	474	444	828	503	561
March.....	500	516	439	498	460	884	548	600
April.....	522	511	429	506	498	953	587	646
May.....	480	480	424	472	459	841	601	614
June.....	482	400	392	434	428	734	517	540
July.....	501	370	405	432	469	746	500	548
August.....	515	359	399	432	475	737	524	558
September.....	531	412	544	487	468	715	540	558
October.....	533	428	422	472	453	637	527	528

There were two trends in French commodity prices during October. Prices for meat, eggs, milk, butter, cheese, margarine, and potatoes rose, while prices for nonferrous metal (excepting lead), iron and steel prices, prices for sugar, raw cotton, raw wool, and crude rubber declined.

The reduction of iron and steel prices resulted from the cut in the price of foundry coke announced by the Government the first of October. The slump in other metal prices was due in part to the fear that a serious coal shortage might result from the English strike and in part to conditions in the world metal markets. Lead prices rose steadily from 209 francs per 100 kilos in Paris on October 2 to 225.75 francs on October 30.

Cotton prices in Havre fell from 492 francs for 50 kilos on October 2 to 404 francs October 16, and closed the month at 430 francs. Stocks of cotton at Havre on October 30 amounted to 117,348 bales, as compared with 140,686 bales a year ago at this time. Wool prices at Havre fell steadily during the month. Buenos Aires fine wool, which was quoted at 11.50 francs per kilo October 2, had fallen to 9.80 francs October 30.

At Lyons inactivity was general throughout the month. Silk production has been somewhat reduced, and the price of Cevennes raw silk fell from 275 francs per kilo the last of September to a nominal price of 245 francs October 22.

In sympathy with world prices the decline in sugar prices during the month has been very

rapid. The Chambre Syndicale du Commerce a Sucre at Paris quoted No. 3 white sugar for immediate delivery at 338 francs per 100 kilos on October 5 and at 245 francs November 3.

Meanwhile increasing unemployment is reported. A recent cable states that official statistics on the subject place the number of former workers now unemployed in France at 125,000. The greatest depression has occurred in the metal, textile, and leather industries. The Syndicate of the Metallurgists of the Seine reports that of its 160,000 workers normally employed in Paris, 25 per cent are actually without work. The Government has been attempting to relieve unemployment by transferring men released from industry to reconstruction work in the devastated districts.

The following table was taken from a document recently published by the French finance ministry, giving details as to the quantity and value of French foreign trade for the first eight months of this year.

*Exports from France, January through August.*

	In metric tons.			In thousands of francs.		
	1913	1919	1920	1913 <sup>1</sup>	1919 <sup>2</sup>	1920 <sup>2</sup>
Broad silks.....	4,261	3,439	5,736	274,676	807,805	1,381,944
Cotton cloth.....	35,992	10,047	32,112	244,847	273,352	831,287
Woolen cloth.....	13,687	2,393	9,251	147,824	111,718	412,359
Clothes of all kinds..	4,973	1,844	5,602	158,520	370,400	1,031,911
Yarns.....	35,527	5,107	17,716	147,441	97,451	398,460
Raw wool and wool waste.....	55,600	3,676	28,246	212,421	78,523	627,800
Leather.....	10,012	3,560	12,159	95,083	129,440	333,501
Furs.....	1,049	857	869	60,449	248,608	268,835
Leather manufactures	3,072	1,791	5,198	54,916	168,572	356,901
Wines.....	125,575	78,036	144,208	130,591	225,203	337,814
Perfumes and soaps..	34,278	11,631	34,093	31,652	91,542	251,269
Pig iron, iron and steel.....	665,310	35,799	961,562	55,394	21,085	507,063
Machines and machinery.....	54,807	31,795	51,872	80,800	157,442	308,999
Automobiles.....	17,560	1,531	30,522	154,279	33,010	798,971
Tools and metal manufactures.....	104,343	19,472	81,733	93,482	85,828	307,105
Manufactures of rubber and gutta-percha.....	4,733	5,756	11,527	68,333	143,799	284,038
Chemical products...	655,060	104,037	594,682	132,802	122,913	742,636
Paper and paper manufactures.....	43,275	19,903	35,465	106,581	134,501	235,337

<sup>1</sup> Valued at 1913 rates.

<sup>2</sup> Valued at 1919 rates.

These figures show in striking fashion the actual increase in the quantities of goods exported in the first eight months in 1920 as compared with 1919. In the cases of broad silks, clothes of all kinds, leather, leather manufactures, wines, pig iron, iron and steel, automobiles, and manufactures of rubber and gutta-percha exports have been larger than in the same period of 1913. The increase in pig iron and iron and steel is particularly striking, and is due in part to the accession of Alsace-Lorraine.

The following table gives total values for French foreign trade of the year:

*Foreign trade of France.<sup>1</sup>*

[In thousands of francs.]

	Imports.				Exports.				
	Food.	Raw materials.	Manufactured articles.	Total.	Food.	Raw materials.	Manufactured articles.	Parcel post.	Total.
1913 average <sup>2</sup> .....	151,465	412,144	138,169	701,778	69,908	154,841	301,420	47,182	573,351
1919 average <sup>3</sup> .....	719,122	1,101,811	660,610	2,481,543	80,805	161,401	440,314	43,577	726,097
1920:									
January.....	538,365	985,410	478,408	2,002,183	84,561	187,626	415,007	35,204	722,398
February.....	653,630	1,336,987	651,299	2,641,916	150,060	347,480	767,423	58,866	1,323,829
March.....	871,857	1,478,987	772,007	3,122,851	114,223	349,521	834,031	39,884	1,337,659
April.....	665,799	1,398,592	813,216	2,887,607	125,678	353,344	844,901	52,987	1,376,910
May.....	547,825	1,193,960	644,911	2,385,696	103,355	348,361	726,654	31,658	1,210,028
June <sup>4</sup> .....	558,951	1,302,867	726,856	2,588,674	216,849	421,735	1,100,931	69,862	1,809,377
July <sup>5</sup> .....									
August <sup>6</sup> .....	723,749	1,171,091	905,613	2,800,453	210,888	440,482	1,631,883	116,255	2,399,508
September.....	608,822	1,294,160	724,894	2,627,876	229,892	446,131	1,363,469	112,081	2,151,573
October <sup>7</sup> .....	667,709	1,243,294	684,442	2,595,445	262,808	297,464	1,597,808		2,332,652

<sup>1</sup> Not including gold, silver, or the reexport trade.<sup>2</sup> Calculated in 1913 value units.<sup>3</sup> Calculated in 1918 value units.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> Calculated in 1919 value units.<sup>7</sup> October figures subject to revision.

## GERMANY.

The Reichstag began its fall session on October 27, when it was addressed by Herr Wirth, the finance minister, who spoke at length on Government waste and extravagance and Germany's debts. On that date the funded debt stood at 91 billion marks, the floating debt at 157 billion marks, and by spring the finance minister prophesied that the railroad and other debts would add 40 billion marks more, making a total of 308 billions. The following day the Reichstag started work on the budget for the fiscal year ending March, 1921. Almost every department of the Government reports a large deficit for last year. Only one, the economic ministry, shows a surplus. Government departments have been forbidden to undertake work entailing new expenditures without the permission of the finance minister. The possibility of a forced loan for the purpose of improving the fiscal situation is still discussed.

German tax receipts from April 1, 1920 (the beginning of the fiscal year), through June, 1920, were reported on November 1 to have been as follows:

[In thousands of marks.]		
	Receipts, April-June, 1920.	Increase over the same period in 1919.
General.....	3,535,903	1,969,292
Post and telegraph.....	695,717	372,483
Railroad.....	3,687,515	2,604,642
	7,929,135	4,946,417

The most important of the general taxes are as follows:

[In thousands of marks.]

	Receipts, April-June, 1920.
Sales tax (law of 1918).....	254,194
Extraordinary war levy (1919).....	204,245
Customs (Aufgeld).....	382,666
Coal tax.....	891,565
Tobacco tax.....	285,266
	2,017,936

The Reichsbank statements for October show that notes in circulation and Darlehnskassenscheine reached a high point for the year on October 16 and have declined since that date. Deposits were larger on September 30 than they had been since June 30. Since that date they have fluctuated, but have not risen to the height of the September 30 figure.

## Reichsbank.

[In millions of marks.]

	Reserves.		Note circulation.	Deposits.
	Gold.	Reichs- und Darlehnskassenscheine.		
June 6, 1919.....	1,302	8,268	28,218	9,151
1920.				
May 15.....	1,092	15,546	48,948	16,451
May 31.....	1,092	15,907	50,017	17,024
June 15.....	1,092	16,189	50,809	15,313
June 30.....	1,092	17,252	53,975	23,414
July 15.....	1,092	17,210	53,847	14,851
July 31.....	1,092	17,874	55,969	17,282
Aug. 14.....	1,092	17,964	56,462	15,573
Aug. 31.....	1,092	18,686	58,401	15,772
Sept. 7.....	1,092	18,650	58,752	12,074
Sept. 17.....	1,092	18,849	58,928	17,207
Sept. 23.....	1,092	18,980	59,264	14,217
Sept. 30.....	1,092	19,861	61,735	20,054
Oct. 7.....	1,092	19,949	62,078	13,172
Oct. 15.....	1,092	20,435	62,129	16,415
Oct. 23.....	1,092	20,214	62,066	12,347
Oct. 30.....	1,092	21,341	63,596	17,945

From the quotations available in this country it appears that the general trend of prices in Germany during October was upward. Exceptions to this movement are prices for raw cotton and iron and steel. The price of cotton fluctuated, rising from 59 marks per kilo on September 20, falling again to 45 marks on October 14, and rising to 49 marks by October 30. On November 1 iron and steel prices were increased by the Eisenwirtschaftsbund 15-18 per cent. Prices for important grades have, according to the Frankfurter Zeitung, been as follows since 1914:

*German iron and steel prices.*

[In marks per ton.]

	Be- fore the war.	Janu- ary, 1919.	Dec. 1, 1919.	Feb. 1, 1920.	Apr. 1, 1920.	June 1, 1920.	Aug. 1, 1920.	Nov. 1, 1920.
Ingots.....	83-90	265	1,430	2,255	2,650	2,435	2,140	1,770
Billets.....	95	300	1,500	2,325	3,125	2,725	2,365	1,995
Formed steel.....	112	320	1,715	2,620	3,620	3,320	2,740	2,340
Bar iron.....	98-100	335	1,745	2,650	3,650	3,200	2,840	2,440
Medium plates.....	110	420	2,545	4,470	5,535	4,775	4,060	3,360

Prices for most nonferrous metals increased in Germany during October, although they were still far below the high levels of the early part of this year. This recent advance is contrary to the general trend of metal prices in other countries. Since most of these metals are imported into Germany, the change was probably caused by the unfavorable rise in exchange rates during the month. The following table shows metal prices in 1920:

*German metal prices in 1920.*

	Feb. 17.	June 22.	July 23.	Aug. 20.	Sept. 23.	Oct. 21.
Aluminum.....	6,300	2,400	2,200	2,800	2,700	3,250
Antimony.....	2,400	850	725	900	900	875
Lead.....	1,750	425	475	620	680	745
Copper (refined).....	3,550	1,125	1,200	1,500	2,000	2,050
Nickel.....	8,200	3,800	3,600	4,000	3,800	4,650
Zinc.....	1,450	525	640	750	890	910
Tin.....	14,600	4,200	4,450	5,150	6,150	6,150
Quicksilver.....	280	70	90	83	103	112

Hide prices also increased during the month, but a report dated November 1 stated that the rise seemed to have been arrested. Shoe prices, which began to decline in May, rose sharply in October, although they are still below the prices of April.

Cotton yarn, which was quoted at 77½ marks on September 11, rose to 92½ on October 23, and the price of cotton cloth rose slightly from August and September levels. Prices for silks also increased throughout the month.

Among the prices controlled by the Government few changes were made in October. The price of raw sugar was increased to 210 marks

per 100 kilos the first of the month, however, and the maximum price for potatoes was also raised.

In general, reports seem to show that there was very little activity in German business in October. The iron and steel works had orders from Russia and some other foreign countries, but few domestic orders. Shoe factories were well supplied with orders, but in the textile and other industries unemployment was reported.

Coal production in the Ruhr reached its maximum for this year in September. Monthly figures are as follows:

*Ruhr coal production.*

	Tons.
January.....	6,660,000
February.....	6,880,000
March.....	6,400,000
April.....	6,510,000
May.....	7,090,000
June.....	7,450,000
July.....	7,560,000
August.....	7,290,000
September.....	7,590,000

German industry reports lack of coal in consequence of the increased deliveries to the allies since the Spa agreement. According to an official estimate, August deliveries to domestic industries were less than those for July by the following amounts:

	Tons.
To electric light works.....	143,600
To gas works.....	107,400
To state railroads.....	318,100
To other railroads.....	2,600
To other industries.....	312,300
For household purposes <sup>2</sup> .....	100,000
Total.....	884,000

<sup>1</sup> Coke computed on the basis on tons of coal.

<sup>2</sup> Estimated.

The following figures on German bankruptcies indicate that the withdrawal of Government support is beginning to be felt by weaker concerns, although the latest figure (that for the third quarter of 1920), is only about one-fifth of the prewar quarterly figures.

*Bankruptcies in Germany, by quarters.*

	1911	1912	1913	1914	1915	1918	1919	1920
First quarter.....	2,411	2,341	2,721	2,428	1,594	241	285	207
Second quarter.....	2,188	2,312	2,558	2,062	1,232	218	263	240
Third quarter.....	2,015	2,141	2,222	1,616	990	145	209	422
Fourth quarter.....	2,128	2,424	2,222	1,633	778	203	258	.....
Entire year.....	8,742	9,218	9,725	7,739	4,594	807	1,015	.....
First to third quar- ter.....	6,614	6,794	7,501	6,106	3,816	604	757	869

Exchange rates were increasingly unfavorable to Germany during October. The English pound was worth 214.25 marks the last of September and 249.75 marks the last of October; the dollar rose from 68.180 marks to 72.555 in the same period.

	Berlin exchange on 1—								
	Holland.	Brussels.	Christiania.	Stockholm.	Italy.	London.	New York.	Paris.	Switzerland.
Marks to the.....	Florin.	Franc.	Crown.	Crown.	Lira.	Pounds sterling.	Dollar.	Franc.	Franc.
Par.....	1.70	0.80	1.25	1.125	0.80	20.40	4.20	0.80	0.80
End of— 1920.									
January.....	36.465	<sup>2</sup> 6.990	17.480	<sup>1</sup> 18.980	<sup>2</sup> 5.995	<sup>2</sup> 324.750	.....	<sup>2</sup> 7.193	17.48
February.....	35.960	7.168	16.733	18.130	5.245	331.150	97.900	6.908	15.685
March.....	26.470	5.095	13.780	15.400	3.446	278.700	71.900	4.720	12.585
April.....	21.178	3.646	11.188	12.388	2.498	223.250	58.650	3.446	10.388
May.....	11.988	2.372	6.044	7.193	1.948	134.850	34.950	2.897	6.244
June.....	13.586	3.307	6.269	8.492	2.313	151.850	38.450	3.137	6.968
July.....	14.136	3.422	6.634	8.841	2.248	156.300	41.450	3.207	7.073
August.....	15.734	3.636	7.043	9.900	2.298	177.300	49.900	4.465	8.242
September.....	18.931	4.336	8.616	12.183	2.572	214.250	61.180	4.121	9.915
October.....	21.878	4.825	9.815	13.896	2.647	249.750	72.555	4.525	11.239

<sup>1</sup> Last Wednesday in month quotations.<sup>2</sup> Frankfort exchange.

## JAPAN.

The new import tariff law, promulgated on July 27, became effective on August 1 of this year. The purposes of the law are chiefly to facilitate Japanese trade in eastern markets, to protect Japanese manufacturers, and to develop infant industries which sprang up during the war. The minister of finance, in introducing the bill in the Diet, stated that "the principal features of the law are: (1) To furnish a good measure of protection to dye and drug industries; these industries were first seriously undertaken by Japanese during the course of the great war, are still in their infancy, and require reasonable protection. (2) To facilitate the importation of certain raw materials which are essential to her fundamental industries; consequently a number of articles have been added to the free list. (3) To prevent dumping by foreign traders, and for this purpose a series of surtaxes have been arranged for. (4) In order to compensate for increased rates on liquors of domestic production, the duties on imported liquors are raised."

A summary of the amendments follows:

## Import tariff.

[Yen, \$0.498; kin, 1.32277 pounds avoirdupois; liter, 1.05668 U. S. liquid quarts.]

Articles.	Rate of duty (in yens).	
	New.	Old.
Sake (per 100 liters).....	24.20	17.00
Chinese liquors, fermented (per 100 liters).....	24.20	17.00
Beer, ale, porter, and stout (per 100 liters).....	16.40	12.00
Wines in bottle (per 100 liters).....	47.80	40.00
Wines in other receptacles (per 100 liters):		
A. Containing less than 14 per cent of alcohol—		
a. Containing less than 1 gram of grape sugar in 100 cubic cm. at 15° C.....	22.80	15.00
b. Others.....	27.80	20.00
B. Others.....	37.80	30.00
Champagne and other sparkling wines (100 liters).....	108.00	100.00

## Import tariff—Continued.

Articles.	Rate of duty (in yens).	
	New.	Old.
Alcoholic beverage not otherwise provided for:		
1. Containing less than 7 per cent alcohol at 15° C.....	27.80	20.00
2. Others.....		
A. In bottles.....	124.00	110.00
B. In other receptacles.....	73.90	60.00
Silkworm egg, cards.....	Free.	(1)
Oil seeds (except panlownia seeds).....	Free.	(1)
Salt.....	Free.	(2)
Furs of sheep and goats (per 100 kin):		
Tanned.....	9.40	9.40
Other.....	Free.	(3)
Tortoise shells (per 100 kin).....	Free.	(3)
Olive oil, in can or barrel (per 100 kin).....	Free.	1.70
Animal fats (per 100 kin):		
Beef tallow.....	Free.	.80
Vegetable tallow or wax obtained from the seeds of the "Stillingia sebifera" (per 100 kin).....	Free.	6.00
Licorice (per 100 kin).....	Free.	2.00
Ipecacuanha root (per 100 kin).....	Free.	82.00
Cassia and cinnamon bark (per 100 kin).....	Free.	(1)
Cinchona bark (per 100 kin).....	Free.	6.65
Ruytan or gentian root (per 100 kin).....	Free.	2.85
Rhubarb (per 100 kin).....	Free.	2.60
Apricot seed and bitter almond (per 100 kin).....	Free.	(1)
Nux vomica (per 100 kin).....	Free.	(1)
Ergot of rye (per 100 kin).....	Free.	14.30
Cloves (per 100 kin).....	Free.	6.10
Licorice extract.....	(5)	(1)
Bromine.....	(5)	(1)
Salicylic and acetyl salicylic acid (per 100 kin).....	(5)	11.60
Salicylate of sodio-theobromine (per 100 kin).....	(5)	14.10
Hydrobromic acid, potassium bromide, and other bromides not otherwise provided for (per 100 kin).....	(5)	10.00
Alcohol (per liter).....	(5)	.73
Denatured alcohol (per liter).....	1.00	.73
Antifebrin (per 100 kin).....	(5)	11.00
Chemical products derived from the fractional distillation of coal tar, except carboic acid, salicylic acid, bakelite, and medical drugs, and essences other than benzaldehyde, nitrobenzol, and nitratoluol (per 100 kin).....	(5)	2.75
Alcoholic medical preparations (per liter).....	1.00	.73
Artificial indigo.....	(5)	(5)
Coal-tar dyes not otherwise provided for (per 100 kin).....	(5)	7.00
Pitch and asphalt (per 100 kin).....	Free.	.55
Gypsum, uncalcined (per 100 kin).....	Free.	.06

<sup>1</sup> Not specified in free list before.<sup>2</sup> 40 per cent ad valorem.<sup>3</sup> The present rates vary from 1.30 to 1.34 yen per 100 kin.<sup>4</sup> 20 per cent ad valorem.<sup>5</sup> 10 per cent ad valorem.<sup>6</sup> 35 per cent ad valorem.<sup>7</sup> Applicable only to aniline salt or hydrochlorate of aniline.<sup>8</sup> Dry, 40 yen per 100 kin. Liquid or paste, 20 per cent ad valorem.

*Import tariff—Continued.*

Articles.	Rate of duty (in yens).	
	New.	Old.
Minerals and manufactures thereof, not otherwise provided for:		
(1) Unworked.....	Free.	(9)
(2) Other—Powdered or calcined.....	Free.	(9)
Ores, matte, bottom, and mineral dust.....	Free.	Free.
Platinum, iridium, osmium, palladium, radium, indium, and ruthenium.....	Free.	(10)
Copper, waste or old, fit only for remanufacturing (per 100 kin).....	Free.	1.30
Lead, waste or old, fit only for remanufacturing (per 100 kin).....	Free.	.30
Tin, waste or old, fit only for remanufacturing.....	Free.	(9)
Brass and bronze, waste or old, fit only for remanufacturing (per 100 kin).....	Free.	2.25
Metal or woodworking machinery, not otherwise provided for, including rolling machines, drawing machines, nail-making machines, molding machines, flanging machines, bending machines, riveting machines, etc., each weighing not more than (per 100 kin):		
(1) 25 kilos.....	50.00	37.50
(2) 50 kilos.....	30.00	22.50
(3) 100 kilos.....	19.10	14.30
(4) 250 kilos.....	17.10	12.80
(5) 500 kilos.....	15.10	11.30
(6) 1,000 kilos.....	13.10	9.80
(7) 2,500 kilos.....	9.10	6.80
(8) 5,000 kilos.....	8.00	6.00
(9) 50,000 kilos.....	5.10	3.80
(10) Other.....	4.70	3.50
Wood:		
(1) Cut, sawed, or split, simply—		
f-1. Pine, fir, and cedar—Cedar less than 20 by 7 cm. by 7 mm.....	Free.	Free.
f-2. Other—		
(a) Not exceeding 65 mm. in thickness (per cubic meter).....	Free.	3.10
(b) Other (per cubic meter).....	Free.	1.80
(2) Other—Match splint.....	Free.	(11)
Wheat bran (per cubic meter).....	Free.	.30
Rice bran (per cubic meter).....	Free.	.06

<sup>9</sup> 10 per cent ad valorem.

<sup>10</sup> 5 per cent ad valorem.

<sup>11</sup> Various rates according to degree of manufacture.

<sup>12</sup> 25 per cent ad valorem.

Wholesale prices in Tokyo were 2.2 per cent lower in October than in September and 30 per cent lower than in March, when prices reached the highest point in the history of the country. The index stands at approximately the same point as in June, 1919, namely, about three times the prewar level.

Ever since last March, when the depression set in, both exports and imports have been decreasing in value; this has been especially the case with imports. Total exports during the 10 months ending October 31 amounted to 1,756,000,000 yen, and total imports during the same period to 2,123,000,000 yen, leaving an adverse balance of 367,000,000 yen. Exports during October were 134,000,000 yen and imports during the same month 108,000,000 yen. The change in prices in practically all countries can account in only a small measure for the decrease in the total value of trade.

According to the official review of the 28 important items on Japan's export lists, 19 registered gains during the nine months of the year ended by September 30, as compared

with the same period of 1919, including cotton tissues, silk fabrics, cotton yarns, refined sugar, porcelain, toys, coal, braids, timber, glass and glassware, cotton knit goods, waste silk, Portland cement, tea, buttons, matches, hats and caps, paper, and rice. The nine important items showing a decrease were raw silk, beans and peas, copper, starch, woolen cloth, spelter, leather manufactures, beer, and iron and steel materials and shapes, raw silk registering the greatest decrease, namely, 40,000,000 yen. Of the 28 important commodities on the import list, 21 registered gains. These are almost all raw materials, fertilizers, and machinery, and were purchased before the crisis in anticipation of postwar prosperity. They include raw cotton, wool, oil cakes, iron and steel shapes, beans and peas, Chilean saltpeter, sugar, woolen cloth, skins and hides, machinery, paper pulp, coal-tar dyes, leathers, hemp and flax, cotton tissues, rails, coal, iron nails, iron pipes and tubes, soda ash and caustic soda, and petroleum. The importation of these items has been heavily reduced in recent months.

## ITALY.

Recent estimates of the receipts and expenditures of the Italian Government for the fiscal year beginning last July show a deficit of approximately 14,000,000,000 lire. Ordinary expenditures are now estimated at 15,468,000,000 lire, extraordinary expenditures, consisting of amortization of public debt, pensions, compensation for damages caused by the war, food supply, etc., are estimated at 11,222,000,000 lire, making a total expenditure of 26,690,000,000 lire. Total receipts, on the other hand, are now estimated at 12,946,000,000, of which 11,446,000,000 will be obtained from ordinary sources and 1,500,000,000 from sales of war materials, etc.

The combined ordinary and extraordinary receipts would thus appear insufficient to cover even the ordinary expenditures, and the total deficit amounts to 13,744,000,000 lire. In order to reduce the deficit, the commission on finance recommends economy in administration, better enforcement of taxes on silk fabrics, gloves, and wine, the enactment of new taxes on consumption, and, above all, an increase in the price of bread, so that the subsidy may be decreased.

During the discussion of the budget in the Senate at the session of September 24, a group of senators made a motion to invite the Government to solve the problem of the bread subsidy with a view to reducing the deficit. Premier Giolitti, however, refused to commit

himself to any measure that might bring about an increase in the price of bread and reserved for the Government the right to propose other sources of revenue as a means of improving the fiscal situation; he mentioned, in particular, a possible increase of the tax on wines.

The importance of the bread subsidy in national finances for the year 1920-21, and the general situation with regard to the supply of grain, has been discussed in various statements given out by the ministry of agriculture and the commissioner on food supply during August and September.

Italy's annual requirement of wheat is estimated at about 70 million quintals. Last August this year's wheat crop was provisionally estimated by the ministry of agriculture at 40,065,000 quintals, that of 1919 having been about 46,204,000 quintals, and the average annual crop for the period 1909-1919, 47,663,000 quintals. Later information shows that the estimate of the ministry of agriculture was rather too high.

There will thus need to be imported, in 1920-21, 30 million quintals of wheat. At 225 lire the quintal (a little under the price of last August), this will amount to 6,750,000,000 lire. The requisition of 13 million quintals within the country, at an average price of 110 lire, will cost an additional 1,430,000,000 lire, the total thus amounting to 8,180,000,000 lire. On the

other hand, the proceeds of the sale of wheat by the Government are estimated at about 2,580,000,000 lire. The net charge upon the Government will thus be about 5,600,000,000 lire. Should the prices which prevailed at the end of August be maintained, the charge would be increased by an additional 750,000,000 lire.

Since August there has been a material decline in prices of foreign cereals, but at the same time Italian currency has depreciated abroad. The value of the actual estimates is somewhat vitiated, therefore, although the importance of the bread subsidy in Italian finances is not changed.

Contrary to the situation in most other countries, with the important exception of Germany, prices in Italy are still advancing. The index number for all commodities registered 665 per cent of the prewar level in October of this year. The high level of prices is largely accounted for by the prices of metals and fuel. Textile prices are also at a very high level. Food prices remain largely controlled, and although they have advanced during the past year the increase has not been at the same rate as that of materials for manufacture. Coincident with this rise in prices the lira has depreciated excessively in foreign markets. During the first week of November lire were worth 3.66½-3.47 cents in the New York market as compared with a par of 19.3 cents.

*Group index numbers—Italy.*

Prof. Bachi. [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.....						June.....	445	511	742	917	534
October.....	326	366	499	459	341	July.....	434	508	759	903	542
November.....	328	371	633	568	351	August.....	445	510	794	957	540
December.....	338	373	658	584	405	September.....	459	520	837	1,040	541
						October.....	446	502	810	1,092	572

**AUSTRALIA.**

The following comment regarding the formation of a note-issue department in the Commonwealth Bank of Australia is taken from a correspondent's letter from Melbourne, dated September 3, to the London Economist:

The Commonwealth Government has introduced a bill one of the main features of which is to compel the banks (with the exception of the Commonwealth Bank of Australia) to hold up a portion of their deposits in Australian notes, the administration of which is to be transferred from the Treasury to a note-issue department of the Commonwealth Bank of Australia. The note-issue de-

partment is to be managed by a board of directors composed of the governor of the bank and three other directors appointed by the Government. Every bank other than the Commonwealth Bank is to be compelled to hold "in the form of Australian notes an amount not less than 20 per cent of the deposits which it holds, repayable at call of less than six months' notice, and 10 per cent of deposits it holds repayable at six months' or longer notice." As the word "deposits" is not defined, it would appear to include deposits in London or elsewhere outside Australia as well as those within Australia. The board of the Commonwealth Bank is required to hold not less than one-fourth of the amount of notes outstanding in gold coin and bullion, and is empowered to invest the remainder or any part thereof (a) on deposit with any other bank, or (b) in securities of the United Kingdom, or of the

Commonwealth or of a State, or (c) in the ordinary business of the bank. The power conferred upon the Commonwealth Bank by clause (c) is a new feature. Power is reserved to the Governor-General of the Commonwealth to transfer the control of and responsibility for the whole or part of the Australian note issue from the board of the Commonwealth Bank to the treasurer, whenever in his (the Governor-General's) opinion an emergency has arisen which renders it desirable in the public interest so to do, and to retransfer the note issue to the board of the Commonwealth Bank when the emergency has ceased. Apart from the board to be established under this bill, which will have to do only with the note issue, the Commonwealth Bank of Australia has no board of directors, but is managed solely by the governor of the bank with the assistance of the deputy governor and the staff.

## BELGIUM.

A summary of the 1920 budget for Belgium, which finally became law on August 16, 1920, shows a deficit of 5,589,000,000 francs for the year. Ordinary expenditures amount to 2,788,000,000 francs, extraordinary normal to 453,000,000 francs, and extraordinary war expenditures to 6,115,000,000. Receipts of all sorts total 3,767,000,000 francs.

## RECEIPTS.

Ordinary:	Francs.
Direct taxes.....	421,530,000
Customs and excises.....	315,300,500
Registration.....	289,500,000
Port and canal tolls.....	3,120,000
Railroads.....	600,000,000
Posts, telegraphs, and telephones.....	73,592,120
Ostend-Dover service.....	4,000,000
Antwerp-Tete de Flandre.....	400,000

Ordinary—Continued.	Francs.
Internal transportation.....	29,660,000
Capital and revenue.....	60,803,385
Reimbursements.....	21,207,924
Exceptional:	
Tax on war profits.....	300,000,000
War booty.....	80,000,000
Sale of army stocks.....	20,000,000
Received from Germany for occupation expenses.....	95,000,000
Passports.....	230,000
Extraordinary:	
Normal.....	1,750,000
War sale of objects recovered in Germany.....	20,000,000
Appropriation.....	1,359,000,000
Office des Regions Devastees.....	71,500,000
Miscellaneous.....	752,000
	<u>3,767,345,929</u>

## EXPENDITURES.

Ordinary:	
Public debt.....	529,699,779
Salaries and civil list.....	8,583,633
Ministerial budgets.....	2,249,589,259
	<u>2,787,872,671</u>
Extraordinary normal:	
Ministries.....	453,082,525
War expenditures:	
Public debt.....	597,015,000
Ministerial budgets.....	5,518,122,481
	<u>9,356,092,677</u>
Total expenditures.....	3,767,345,929
Total receipts.....	5,588,746,748

In a law of January 27, 1920, the Government was authorized to borrow 5,000,000,000 francs, of which one-half was obtained in February and March through the floating of a premium loan, and it was reported in September that the rest will be raised by the placing of 2,500,000,000 francs in the form of 5 per cent treasury notes payable in six months.

## 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.									
October.....	230	211	313	181	161	231	174	264	220
November.....	240	219	325	179	164	236	176	299	220
December.....	244	234	335	181	169	253	179	303	220
1920.									
January.....	246	253	350	184	177	268	189	324	227
February.....	237	244	356	187	189	300	197	329	227
March.....	239	246	355	192	192	325	205	329	230
April.....	246	270	353	213	195	341	212	331	238
May.....	244	287	347	235	193	341	215	339	246
June.....	245	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

*Group index numbers—Australian Commonwealth—Bureau of Census and Statistics.*

[July, 1914=100.]

Date.	Metals and coal.	Textiles, leather, etc.	Agri-cultural products.	Dairy products.	Groceries and tobacco.	Meat.	Building materials.	Chemicals.
July, 1914.....	100	100	100	100	100	100	100	100
1915.....	117	93	202	127	110	150	116	149
1916.....	154	131	113	124	127	155	136	172
1917.....	213	207	110	116	131	155	194	243
1918.....	220	232	135	121	138	147	245	315
1919.								
September.....	182	225	200	138	149	152	259	263
October.....	186	243	236	141	152	154	271	272
November.....	184	254	238	142	151	132	278	267
December.....	186	259	224	142	156	132	281	266
1920.								
January.....	189	273	227	143	156	147	282	268
February.....	192	283	226	149	161	149	287	272
March.....	205	281	226	162	160	136	298	280
April.....	205	277	234	169	192	160	298	280
May.....	214	265	252	177	197	170	307	297
June.....	214	260	261	187	195	208	307	297
July.....	211	252	244	188	193	261	307	283
August.....	209	251	238	189	193	284	312	282
September.....	211	222	231	209	196	273	295	276

*Group index numbers—Canadian Department of Labor.<sup>1</sup>*

[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.												
October.....	232	180	204	178	228	290	252	165	225	188	201	198
November.....	240	176	221	240	230	298	252	171	232	194	201	181
December.....	251	182	230	240	232	306	231	181	232	224	209	189
1920.												
January.....	269	195	228	265	245	316	237	191	235	232	212	190
February.....	275	195	216	290	251	321	245	199	231	243	215	189
March.....	280	198	206	295	254	322	222	210	237	268	215	194
April.....	291	200	196	316	264	366	239	214	237	268	245	201
May.....	301	207	189	358	275	323	215	213	237	294	257	203
June.....	302	206	183	338	274	314	186	207	238	295	279	206
July.....	292	211	194	295	283	305	183	209	242	282	294	218
August.....	271	204	198	142	277	300	173	209	243	285	298	218
September.....	254	202	202	190	261	296	169	207	259	273	296	217
October.....	229	194	207	177	249	292	156	203	259	265	211	211

<sup>1</sup> Unimportant groups omitted.

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

[End of July, 1914=100.]

Date.	Building materials.	Manufactured articles.	Metals.	Hides and skins.	Cotton manufactures.	Raw cotton.	Jute manufactures.	Other textiles.	Oils.	Raw jute.	Oil seeds.	Tea.	Sugar.	Pulses.	Cereals.	Other foods.
End of July, 1914..	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August, 1918.....			317	83		240	328	240		89	96		95	179		<sup>1</sup> 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

<sup>1</sup> Includes pulses.*Group index numbers—Sweden, Svensk Handelstidning.*

[1913=100.]

Date.	Vegetable food.	Animal food.	Raw materials for agriculture.	Coal.	Metals.	Building material.	Paper pulp.	Hides and leather.	Textiles.	Oils.
1913-14.....	100	100	100	100	100	100	100	100	100	100
1914 <sup>1</sup> .....	136	101	114	123	109	104		118	103	111
1915.....	151	140	161	177	166	118	116	158	116	120
1916.....	152	182	180	266	272	165	233	229	166	149
1917.....	181	205	198	551	405	215	267	206	247	212
1918.....	221	419	304	856	398	275	300	195		
1919.										
October.....	230	360	323	893	213	281	292	223	308	170
November.....	230	361	317	840	225	280	316	228	328	204
December.....	241	362	319	840	237	294	343	258	350	204
1920.										
January.....	248	328	317	864	248	295	388	258	353	204
February.....	273	305	319	936	259	371	476	269	380	226
March.....	270	304	318	960	291	367	682	268	380	275
April.....	265	284	320	1,008	283	367	767	263	368	275
May.....	269	283	320	1,069	324	367	788	252	374	275
June.....	250	273	311	1,252	318	381	778	212	368	303
July.....	252	277	312	1,252	293	388	767	202	336	303
August.....	271	307	310	1,117	286	388	756	191	328	322
September.....	273	312	308	1,085	273	388	753	180	310	340
October.....	258	306	309	1,026	256	390	740	166	250	340

<sup>1</sup> Average for six months ending Dec. 31, 1914.

### WHOLESALE PRICES IN THE UNITED STATES.

The Federal Reserve Board's all-commodities index of wholesale prices registered 208 in October, 1920, as compared with 212 in October, 1919, and 264 in May, 1920. The Bureau of Labor Statistics' index number registered 225 in October, 1920, as compared with 222 in October, 1919, and 272 in May, 1920. Although the two indexes differ as to the present level of wholesale prices, in both cases they show prices in the autumn of 1920 at about the same level as in the autumn of 1919. In other words prices are back again at about the same place as they were before the very material increases of last winter and spring had taken place. Both indexes show also that although prices have receded 15 or 20 per cent from their peak they are still considerably higher than at any time during the war.

Prices of goods which are imported into the United States have declined more than any other group in the Board's index. A 42 per cent drop occurred in this group between May and October. This was due to the very rapid decline in such commodities as sugar, coffee, rubber, hides, silk, wool, and tin; some of these commodities have decreased in price 50 per cent or more during the past six months.

During October all the commodities included in the index declined in price except Canadian lumber and Formosa tea which were unchanged, and Mexican sisal which advanced during the month.

In the case of goods exported from the United States, a 31 per cent decrease since last April is indicated by the Board's index. Domestic goods as a whole declined only 20 per cent during the same period, a fact which seems to show that the price situation has been largely controlled by the foreign-trade situation. Exports and imports have depreciated considerably more than commodities which do not enter into foreign trade. During the past month nearly all important commodities which the United States exported decreased in price. Exceptions to this were coal, kerosene, gasoline, and lard.

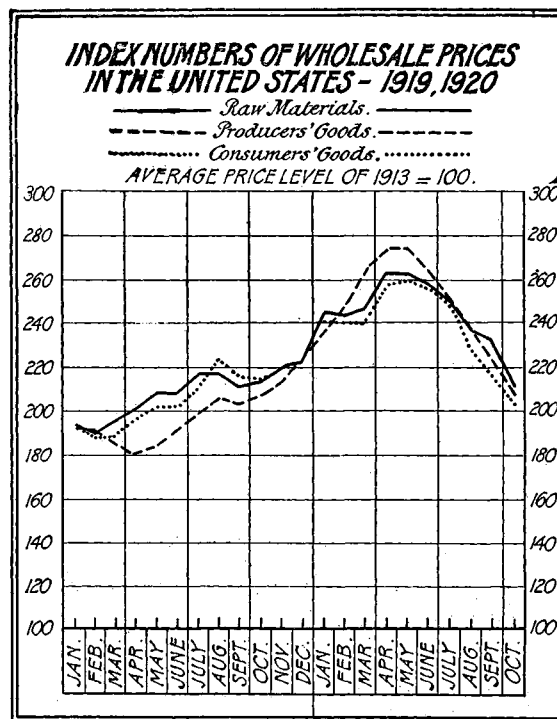
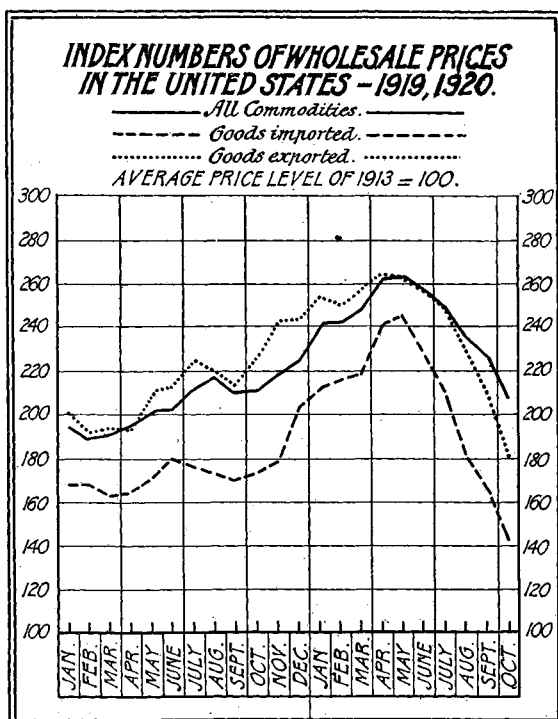
The rate of decline has been approximately the same in raw materials, producers' goods, and consumers' goods.

In making up the index for October quotations were obtained for all commodities included in the index with the exception of one grade of raw wool, namely, Sidney and Geelong Merinos, 64's at Boston. No wool of this grade was received in that market during the month.

*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



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
October, 1914.....	100	105	96	90	98	95	103	99
October, 1915.....	105	105	92	98	101	102	102	102
October, 1916.....	152	122	96	137	129	149	135	134
October, 1917.....	228	190	129	153	179	181	178	181
October, 1918.....	240	211	143	184	199	204	214	205
October, 1919.....	254	212	234	184	220	211	228	222
January, 1920.....	291	213	273	190	239	245	259	248
February, 1920.....	278	206	315	194	240	246	256	248
March, 1920.....	288	200	348	197	247	246	263	253
April, 1920.....	304	196	367	224	260	263	280	265
May, 1920.....	314	179	367	234	260	271	285	272
June, 1920.....	301	186	363	245	261	262	279	268
July, 1920.....	287	184	359	250	258	251	272	263
August, 1920.....	259	181	351	258	251	238	250	250
September, 1920.....	232	186	344	270	248	224	240	242
October, 1920.....	191	172	339	265	230	209	224	225

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 October, 1920, compared with like figures for October 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	\$0.8071	103	\$0.8210	83	\$9.2188	108	\$0.1938	105
October, 1914.....	.7266	118	.0692	54	1.1020	126	1.1086	112	9.4313	111	.2125	116
October, 1915.....	.6335	103	.1203	95	1.0190	117	1.1325	115	8.8750	104	.2650	144
October, 1916.....	.9463	154	.1723	136	1.7569	201	1.6809	170	9.9050	116	.2663	145
October, 1917.....	1.9620	319	.2659	209	2.1700	248	2.1700	220	14.6750	173	.3375	184
October, 1918.....	1.3270	216	.3150	248	2.2155	254	2.2345	227	17.8563	210	.3000	163
October, 1919.....	1.3888	226	.3538	279	2.6250	301	2.2394	227	17.5938	207	.4820	262
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	320	3.0063	344	2.7725	281	13.9063	163	.3613	196
May, 1920.....	1.9825	322	.4035	318	3.0750	352	2.9750	302	12.6000	148	.3538	192
June, 1920.....	1.8390	299	.4030	317	2.9000	332	2.8850	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	233	15.2500	179	.2840	154
October, 1920.....	.8778	143	.2088	164	2.1063	241	2.2047	224	14.6875	173	.2550	139

Year and month.	Hogs, light, Chicago.		Wool, Ohio, 1-3 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
October, 1914.....	7.9313	94	.4583	97	24.2500	100	42.0000	94	5.1947	103	2.2000	100
October, 1915.....	8.0125	95	.6000	127	20.5000	85	38.0000	85	5.1826	102	2.2000	100
October, 1916.....	9.6550	114	.6857	146	23.7500	98	39.0000	87	5.6744	112	3.7500	170
October, 1917.....	17.5550	208	1.3571	288	30.5000	126	57.0000	128	6.1426	121	3.3000	150
October, 1918.....	18.0938	214	1.4365	305	.....	.....	63.0000	141	6.9000	136	4.1000	186
October, 1919.....	14.7250	174	1.2634	268	44.0000	182	100.0000	224	8.4135	166	4.5000	205
January, 1920.....	15.1250	179	1.2364	263	53.0000	219	112.0000	251	8.4291	167	4.1000	186
February, 1920.....	14.9813	177	1.2364	263	57.0000	235	139.0000	312	8.4118	166	4.1000	186
March, 1920.....	15.5000	183	1.2364	263	57.0000	235	139.0000	312	8.4109	166	4.1000	186
April, 1920.....	15.7125	186	1.2000	255	57.0000	235	160.0000	359	8.4368	167	5.5000	250
May, 1920.....	14.7550	175	1.1636	247	57.0000	235	160.0000	359	8.9964	178	6.0000	273
June, 1920.....	15.3500	182	1.0000	212	57.0000	235	160.0000	359	9.3672	185	6.0000	273
July, 1920.....	15.8875	188	.9091	193	57.0000	235	160.0000	359	9.4580	187	6.0000	273
August, 1920.....	15.7350	186	.8727	185	57.0000	235	157.0000	352	9.6087	190	6.0000	273
September, 1920.....	17.0688	202	.8364	178	57.0000	235	157.0000	352	10.4363	206	7.1000	323
October, 1920.....	14.7875	175	.7273	154	57.0000	235	152.0000	341	10.4732	207	7.1000	323

Year and month.	Coal, Pocahon- tas, 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.	Rela- tive price.	Average price per short ton.	Rela- tive price.	Average price per pound.	Rela- tive price.	Average price per pound.	Rela- tive price.	Average price per barrel.	Rela- tive price.	Average price per long ton.	Rela- tive price.
July, 1914.....	\$3.0000	100	\$1.8750	77	\$0.1340	85	\$0.0390	89	\$1.7500	71	\$13.0000	88
October, 1914.....	3.0000	100	1.0750	69	.1170	74	.0375	85	1.4500	59	12.8100	87
October, 1915.....	2.8500	95	2.0000	82	.1800	114	.0450	102	1.7000	69	15.0000	102
October, 1916.....	4.5000	150	3.1250	128	.2850	181	.0705	160	2.4000	98	19.8800	135
October, 1917.....	3.9080	130	6.0000	246	.2350	149	.0795	181	3.5000	143	33.0000	224
October, 1918.....	4.6320	154	6.0000	246	.2600	165	.0805	183	4.0000	163	33.0000	224
October, 1919.....	5.1490	171	4.8250	198	.2172	138	.0643	146	4.2500	173	25.7500	175
January, 1920.....	4.6320	154	6.0000	246	.1931	123	.0872	198	5.0625	207	37.7500	255
February, 1920.....	4.6320	154	6.0000	246	.1906	121	.0881	200	5.5125	225	42.2500	287
March, 1920.....	4.6320	154	6.0000	246	.1858	118	.0923	210	6.1000	249	41.6000	283
April, 1920.....	6.4800	216	10.5000	430	.1919	122	.0896	204	6.1000	249	42.5000	289
May, 1920.....	6.4800	216	12.0000	492	.1906	121	.0856	195	6.1000	249	43.2500	294
June, 1920.....	6.4800	216	14.3000	586	.1900	121	.0848	193	6.1000	249	44.0000	299
July, 1920.....	6.4800	216	14.3750	589	.1900	121	.0860	195	6.1000	249	45.7500	311
August, 1920.....	6.4800	216	15.5500	637	.1900	121	.0898	204	6.1000	249	48.1000	327
September, 1920.....	7.2800	243	15.3125	628	.1869	119	.0816	185	6.1000	249	48.5000	330
October, 1920.....	7.2800	243	14.3125	587	.1675	106	.0731	166	6.1000	249	43.7500	298

*Average monthly wholesale prices of commodities—Continued.*

Year and month.	Cotton yarns, northern cones, 10/1.		Leather, sole, hemlock No. 1.		Steel billets, Bessemer, Pittsburgh.		Steel plates, tank, Pitts- burgh.		Steel rails, open hearth, Pittsburgh.		Worsted yarns, 2-32's cross- bred.	
	Average price per pound.	Rela- tive price.	Average price per pound.	Rela- tive price.	Average price per long ton.	Rela- tive price.	Average price per pound.	Rela- tive price.	Average price per long ton.	Rela- tive price.	Average price per pound.	Rela- tive price.
July, 1914.....	\$0.2150	97	\$0.3050	108	\$19.0000	74	\$0.0113	76	\$30.0000	100	\$0.6500	84
October, 1914.....	.1700	77			20.0000	78	.0115	78	30.0000	100	.6300	81
October, 1915.....	.1950	88	.3200	113	24.6300	96	.0140	95	30.0000	100	.8500	119
October, 1916.....	.3000	136	.4050	144	46.2500	179	.0350	236	35.0000	117	1.1500	148
October, 1917.....	.4200	190	.4600	163	49.3750	191	.0325	220	40.0000	133	1.8000	232
October, 1918.....	.6100	276	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
October, 1919.....	.6111	276	.5700	202	38.5000	149	.0261	176	47.0000	157	1.7500	225
January, 1920.....	.7271	329	.5600	199	48.0000	186	.0274	185	50.7500	169	2.2500	290
February, 1920.....	.7465	337	.5700	202	55.2500	214	.0350	236	54.5000	182	2.2500	290
March, 1920.....	.7549	341	.5700	202	60.0000	233	.0365	247	54.5000	182	2.2000	283
April, 1920.....	.7784	352	.5700	202	60.0000	233	.0375	253	54.5000	182	2.2000	283
May, 1920.....	.7672	347	.5700	202	60.0000	233	.0375	253	54.5000	182	2.0000	258
June, 1920.....	.7299	330	.5700	202	60.0000	233	.0355	240	54.5000	182	2.0000	258
July, 1920.....	.7009	317	.5700	202	62.5000	242	.0338	228	54.5000	182	1.7500	225
August, 1920.....	.6310	285	.5500	195	61.0000	237	.0325	220	54.5000	182	1.7500	225
September, 1920.....	.5429	245	.5100	181	58.7500	228	.0325	220	54.5000	182	1.6000	206
October, 1920.....	.4343	196	.4900	174	55.0000	213	.0309	209	54.5000	182	1.5000	193

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, granu- lated, New York.	
	Average price per pound.	Rela- tive price.	Average price per pound.	Rela- tive price.	Average price per barrel.	Rela- tive price.	Average price per pound.	Rela- tive price.	Average price per gallon.	Rela- tive price.	Average price per pound.	Rela- tive price.
July, 1914.....	\$0.1350	104	\$0.0882	79	\$4.5938	100	\$0.1769	106	\$0.1200	97	\$0.0420	98
October, 1914.....	.1438	111	.0656	59	5.7563	126	.1719	103	.1200	97	.0593	139
October, 1915.....	.1375	106	.0675	61	5.5188	120	.1613	97	.1200	97	.0497	116
October, 1916.....	.1375	106	.0950	85	9.2800	202	.1935	116	.1200	97	.0708	166
October, 1917.....	.1900	147	.0850	76	10.5000	229	.2860	172	.1300	105	.0818	192
October, 1918.....	.2450	189	.1040	93	10.2100	223	.3361	202	.1750	142	.0882	207
October, 1919.....	.2290	177	.1650	148	12.0313	262	.2900	174	.2200	178	.0882	207
January, 1920.....	.2320	179	.1628	146	14.4438	315	.2944	177	.2240	182	.1537	360
February, 1920.....	.2125	164	.1478	133	13.5375	295	.3056	184	.2400	195	.1495	350
March, 1920.....	.2050	158	.1500	135	13.1650	287	.3155	190	.2500	203	.1372	321
April, 1920.....	.2090	161	.1514	136	14.2813	312	.3313	199	.2600	211	.1919	449
May, 1920.....	.1950	151	.1559	140	15.0313	328	.3556	214	.2600	211	.2247	526
June, 1920.....	.2225	172	.1498	135	14.1600	309	.3650	220	.2600	211	.2120	497
July, 1920.....	.2550	197	.1306	117	13.6688	298	.3769	227	.2600	211	.1910	447
August, 1920.....	.2550	197	.0936	84	12.2350	267	.3725	224	.2600	211	.1490	349
September, 1920.....	.2600	201	.0819	74	12.5938	275	.3634	219	.2750	223	.1426	334
October, 1920.....	.2520	195	.0759	68	11.2063	244	.3575	215	.2900	235	.1078	252

# DISCOUNT AND INTEREST RATES.

In the following table are presented actual discount and interest rates prevailing during the 30-day period ending November 15, 1920, in the various cities in which the several Federal Reserve Banks and their branches are located. A complete description of the several types of paper for which quotations are given will be found in the September, 1918, and October, 1918, FEDERAL RESERVE] BULLETINS. Quotations for new types of paper will be

added from time to time as deemed of interest.

As was the case during the previous period, no marked tendencies in rates on the whole are exhibited. Changes are scattered, and are found only in a relatively small number of centers. Neither any particular centers or types of paper show significant changes. Present rates continue higher in almost all centers than rates during the same period of 1919.

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

District No.	City.	Prime commercial paper.								Interbank loans.	Bankers' acceptances. 60 to 90 days.				Collateral loans—stock exchange or other current.						Cattle loans.	Secured by warehouse receipts, etc.	Ordinary loans to customers secured by Liberty bonds and certificates of indebtedness.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
		Customers.				Open market.					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.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
		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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	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.	H. L. C.</

<sup>1</sup> Rates for demand paper secured by prime bankers' acceptances, high 6½, low 5½, customary 5½-6.

<sup>2</sup> No report.

DECEMBER, 1920.

FEDERAL RESERVE BULLETIN.

1329

## PHYSICAL VOLUME OF TRADE.

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

In the textile industry there has been an indication of a further decline in activity during October and the usual seasonal activity is lacking. Wool consumption during October showed an increase when compared with September, but was only about half the amount consumed during October, 1919. The percentage of idle woolen machinery on the 1st of November, although less in some cases, showed a tendency to increase when compared with October 1. The percentage of idle woolen machinery still continues very much greater than during the corresponding period of 1919. Cotton consumption declined considerably, both when compared with September, 1920, and October, 1919. The number of cotton spindles active during the month also showed a decrease, both when compared with last month and the same month a year ago. Imports of raw silk during October showed a further large decrease and are still considerably less than the amount imported during October, 1919.

After a continued increase since March, 1920, the production of bituminous coal during October showed a slight decrease and was considerably less than the production during October, 1919. On the other hand, the production of anthracite coal showed a very large increase during October, but was somewhat less than the production during October, 1919. However, it is to be remembered that the coal strike occurred during September, 1920. Crude petroleum production, after falling off during September, showed a decided increase during October and was considerably larger than the production figure for October, 1919. Pig-iron production showed a slight decline for November when compared with the large production during October, but was very much greater than the production during November, 1919. Steel-ingot production during November fell considerably when compared with October. The unfilled orders of United States Steel Corporation at the close of November showed a further decrease when compared with October, but were well above the figure for November, 1919.

Receipts of lumber at Chicago and St. Louis showed an increase during October when compared with September, 1920, but were considerably below the receipts for October, 1919, while shipments showed a decrease both when compared with September, 1920, and October, 1919. Receipts and shipments at these cities during November showed a decline both when compared with October, 1920, and November, 1919. There was a considerable decrease in the production of southern pine, western pine, and North Carolina pine both when compared with September, 1920, and October, 1919. The production of eastern white pine decreased during October, but was considerably above the figure for the same month a year ago. The production of Douglas fir increased during October, but showed a decided falling off when compared with October, 1919. California shipments of citrus fruits showed a further decline during October and were only about one-half the amount shipped during October, 1919. Shipments of deciduous fruits showed a still further increase during October and were more than twice the figure for October, 1919. Receipts of raw sugar at the North Atlantic ports remained practically the same as last month and were considerably less than the receipts during the same month a year ago, while meltings showed a considerable decrease both when compared with last month and the same month a year ago. Stocks of raw sugar at the close of October at these ports showed a slight decrease, but were slightly above the stocks at the close of October, 1919.

Receipts and shipments of live stock at 15 western markets during October showed an increase over September, but were in every case less than the respective figures for October, 1919. Stocker and feeder shipments from 35 markets showed the usual seasonal increase, but still reflected the generally lighter movement during 1920. Receipts of grain and flour at 17 interior markets showed a decided falling off during October and were less than the receipts during the same month a year ago. Cotton sight receipts showed the seasonal movement, but were somewhat lighter than during October, 1919.

The railroad net-ton mileage during September showed a considerable decrease, but was still above the figure for September, 1919. The tonnage of vessels cleared during October showed a further decrease when compared with September, but was considerably above the figure for October, 1919.

*Live-stock movements.*

[Bureau of Markets.]

	Receipts.					Shipments.				
	Cattle and calves, 60 markets.	Hogs, 60 markets.	Sheep, 60 markets.	Horses and mules, 44 markets.	Total, all kinds.	Cattle and calves, 54 markets.	Hogs, 54 markets.	Sheep, 54 markets.	Horses and mules, 44 markets.	Total, all kinds.
	Head.	Head.	Head.	Head.	Head.	Head.	Head.	Head.	Head.	Head.
October, 1919.....	2,989,090	3,144,831	3,605,198	124,496	9,863,615	1,532,877	1,104,302	2,162,886	125,700	4,925,765
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	2,955,506
June.....	1,870,121	3,741,202	1,532,450	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	1,045,470	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

*Receipts and shipments of live stock at 15 western markets.*

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

## RECEIPTS.

[Monthly average, 1911-1913=100.]

	Cattle and calves.		Hogs.		Sheep.		Horses and mules.		Total, all kinds.	
	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.
October, 1919.....	2,317,487	230	2,160,079	98	2,405,511	176	78,940	171	6,962,017	151
1920.										
January.....	1,400,631	139	3,912,449	178	1,035,591	76	90,022	196	6,438,093	139
February.....	1,038,082	114	2,440,154	119	948,116	74	75,488	176	4,531,850	105
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.....	1,203,656	120	3,128,249	142	796,160	58	24,889	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	4,631,373	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

## SHIPMENTS.

October, 1919.....	1,155,575	284	655,220	135	1,385,774	275	80,528	196	3,277,097	228
1920.										
January.....	548,841	135	1,026,763	212	403,382	80	89,990	219	2,068,976	144
February.....	427,608	113	814,253	180	331,012	71	78,540	205	1,654,413	123
March.....	418,310	103	923,523	191	238,878	59	61,625	150	1,702,339	119
April.....	414,937	102	712,087	147	373,381	74	31,348	76	1,531,783	107
May.....	515,062	127	822,907	170	316,002	63	24,937	59	1,678,038	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	644,557	128	27,728	68	1,918,407	134
August.....	640,235	157	627,670	130	839,342	179	52,163	127	2,219,470	155
September.....	819,371	202	540,812	112	1,027,510	204	40,890	100	2,428,583	169
October.....	865,327	213	584,720	121	1,192,912	237	24,051	59	2,668,032	186

*Shipments of stockers and feeders from 35 markets.*

	Cattle and calves.	Hogs.	Sheep.	Total, all kinds.		Cattle and calves.	Hogs.	Sheep.	Total, all kinds.
October, 1919.....	830,825	106,625	1,384,404	2,321,854	May.....	291,895	66,144	252,221	610,260
1920.					June.....	270,053	42,156	226,696	538,905
January.....	346,430	80,719	300,449	727,598	July.....	217,292	25,826	322,869	565,987
February.....	237,939	82,981	140,219	461,139	August.....	279,402	34,479	567,430	881,311
March.....	240,121	104,962	135,246	480,329	September.....	474,852	44,483	789,773	1,309,108
April.....	242,996	72,834	267,664	583,494	October.....	573,136	59,155	1,055,370	1,687,661

*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.
October, 1919..	1,793,784	271	31,178,216	2,513	3,402,422	127	56,462,312	337	13,090,972	88	41,016,518	93	3,804,290	86
1920.														
January.....	1,081,643	163	22,872,223	1,844	1,670,500	63	77,501,002	463	13,905,923	93	38,823,902	88	4,251,187	96
February.....	735,132	119	13,010,793	1,124	1,631,457	65	75,891,195	486	24,217,706	174	36,644,906	89	3,710,308	90
March.....	847,397	128	6,036,166	487	2,290,835	86	75,002,410	448	31,088,859	208	69,429,785	158	3,160,456	71
April.....	1,606,737	243	17,687,306	1,426	2,241,460	84	24,356,349	145	15,640,236	105	40,758,401	93	2,784,535	63
May.....	5,976,493	902	4,304,038	347	3,056,449	114	5,412,338	301	17,896,764	120	55,544,483	126	3,816,157	86
June.....	6,787,622	1,024	12,528,669	1,010	2,563,702	96	60,730,935	363	21,277,089	143	45,069,517	102	3,962,649	90
July.....	5,217,838	788	5,506,812	444	1,973,004	74	31,562,761	188	8,385,089	56	47,061,422	107	2,926,247	66
August.....	1,231,070	186	343,352	28	2,152,982	81	23,333,156	139	9,360,469	63	31,020,802	71	2,257,511	51
September.....	244,261	37	1,964,543	158	1,613,657	60	41,371,561	247	8,997,124	60	46,326,353	105	3,279,902	74
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

*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. <sup>1</sup>	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
October, 1919	51,006,164	189	12,493,107		56,225,633,414	112	4,472,397		404,436,326		61,94,901,408		122,3,468,787	177	110,510,950	127
1920.																
January.....	25,074,624	93	24,139,094		108,20,925,941	104	4,378,610		396,3,298,544		46,77,816,813		100,2,298,692	117	88,160,927	102
February.....	18,115,324	72	26,051,855		124,20,575,654	109	3,263,686		316,2,470,622		37,70,477,141		97,2,059,421	113	79,744,536	99
March.....	18,007,798	67	24,306,196		108,19,149,624	95	3,548,739		321,2,928,440		41,67,940,797		87,1,617,544	83	75,219,745	87
April.....	15,260,236	57	11,326,509		50,12,952,593	64	2,914,553		263,2,245,881		31,44,699,772		57,888,423	45	48,697,676	56
May.....	20,510,063	76	12,107,950		54,16,724,389	83	3,758,507		340,2,690,076		38,55,790,985		72,1,913,075	98	64,399,823	74
June.....	21,020,640	78	27,251,166		121,14,260,053	71	3,177,770		287,2,721,367		38,68,430,996		89,2,113,979	108	80,057,876	92
July.....	23,714,399	110	20,824,268		93,18,734,180	93	3,036,026		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.....	45,408,825	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

<sup>1</sup> Flour reduced to its equivalent in wheat on basis of 4½ bushels to barrel.

*Shipments of grain and flour at 14 interior centers.*

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

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. <sup>1</sup>	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
October, 1919	26,168,190	170	7,111,877		50,16,706,440	110	1,426,528		202,3,087,951		79,54,500,986		110,5,975,971	176	81,392,856	126
1920.																
January.....	17,514,087	114	12,326,051		87,15,822,099	104	3,685,914		521,2,007,718		51,51,355,869		104,4,140,314	122	69,987,282	108
February.....	14,114,215	98	11,977,640		91,13,073,089	92	2,113,505		320,1,306,340		36,42,584,789		92,3,156,962	100	56,791,118	94
March.....	11,027,336	71	11,165,894		79,14,243,957	94	3,062,530		433,1,574,887		40,41,074,604		83,2,960,175	87	54,395,392	81
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

<sup>1</sup> Flour reduced to its equivalent in wheat on basis of 4½ bushels to barrel.

*Receipts of grain and flour at nine seaboard centers.*

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

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

[Monthly average, 1911-1913=100.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. <sup>1</sup>	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1919.																
October.....	14,755,827	117	507,065		14,4,335,088	91	1,717,301	1,209	796,839		48,22,112,070		97,2,521,329	241	33,458,051	122
1920.																
January.....	5,711,009	45	1,491,759		42,2,663,274	56	2,643,611	1,861	1,297,839		78,13,807,492		61,1,561,693	150	20,835,111	76
February.....	4,898,690	42	1,244,393		38,2,331,246	53	3,212,668	2,423	1,315,291		85,13,002,288		61,1,102,606	113	17,964,015	70
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		55,843,016	81	16,228,605	59
May.....	10,621,723	84	767,332		22,2,382,271	50	5,117,806	3,602	556,764		34,19,445,896		86,1,301,211	125	25,301,346	92
June.....	13,374,721	106	1,878,334		53,3,194,897	67	6,506,053	4,579	1,191,767		72,26,145,772		115,1,486,365	142	32,834,415	120
July.....	18,710,633	149	3,305,542		93,3,499,101	74	5,048,019	3,553	2,098,083		126,32,661,378		144,1,660,849	159	40,135,198	146
August.....	28,098,022	223	1,576,842		44,2,671,365	56	3,407,799	2,398	2,289,791		138,38,043,819		168,1,390,077	133	44,299,166	162
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

<sup>1</sup> 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.
October..... 1919.	25,322,242	82,240	1,898,271	483,270	3,079,360	30,865,383
January..... 1920.	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

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

*Cotton.*

[New Orleans Cotton Exchange.]

[Crop years 1911-1913=100.]

	Sight receipts.		Port receipts.		Overland movement.		American spinners' takings.		Stocks at ports and interior towns at close of month.	
	Bales.	Relative.	Bales.	Relative.	Bales.	Relative.	Bales.	Relative.	Bales.	Relative.
August..... 1919-20.	327,061	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	110,232	105	621,784	137	2,340,881	199
November.....	2,445,698	195	1,178,443	128	245,237	233	1,155,324	254	2,610,383	222
December.....	2,218,773	177	1,069,696	116	242,940	231	1,214,337	267	2,765,040	235
January.....	1,583,473	126	982,030	107	235,233	195	793,453	175	2,470,486	210
February.....	1,050,964	90	725,515	85	138,084	141	374,693	88	2,510,482	213
March.....	796,632	64	621,808	68	108,573	103	270,269	59	2,276,737	193
April.....	552,943	44	499,187	54	48,565	46	276,835	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	1,461,009	124
August..... 1920-21.	308,262	25	159,586	17	25,322	24	251,841	55	1,365,397	116
September.....	771,590	62	443,149	48	17,324	16	254,460	56	1,607,602	136
October.....	1,463,041	117	971,334	106	79,830	76	337,780	85	2,101,839	178

*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.
October, 1919.....	2,706	111	572	141	3,278	115	5,529
January..... 1920.	2,457	100	630	156	3,087	108	123
February.....	2,683	118	852	225	3,535	133	139
March.....	4,715	193	651	161	5,366	188	155
April.....	3,720	152	508	125	4,228	148	22
May.....	5,048	206	1,353	334	6,401	225	24
June.....	3,294	135	1,576	389	4,870	171	1,263
July.....	2,822	115	664	164	3,486	122	3,179
August.....	1,707	70	751	185	2,458	86	7,239
September.....	1,409	58	464	115	1,873	66	9,021
October.....	752	31	925	228	1,677	59	11,880

*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.	Rela- tive.	Tons.	Rela- tive.	Tons.	Rela- tive.		Tons.	Rela- tive.	Tons.	Rela- tive.	Tons.	Rela- tive.
October, 1919..	233,650	127	216,000	118	63,181	37	1920.						
1920.							May.....	254,616	138	286,000	156	60,381	35
January.....	208,554	113	181,000	99	37,986	22	June.....	301,318	164	319,000	174	42,699	25
February.....	316,667	184	269,000	157	85,653	50	July.....	386,328	210	325,000	177	104,027	60
March.....	335,532	182	333,000	182	88,185	51	August.....	308,313	168	287,000	156	125,340	73
April.....	310,580	169	307,000	167	91,765	53	September....	109,302	59	164,000	89	70,642	41
							October.....	109,335	59	114,000	62	65,977	38

*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.
October, 1919.....	19,367	27,389	67,080	186,231	1920.				
1920.					May.....	23,473	6,174	68,163	78,113
January.....	8,300	24,910	47,874	165,927	June.....	33,522	19,654	94,904	108,656
February.....	3,762	17,900	29,303	140,559	July.....	39,158	30,906	117,088	135,979
March.....	1,876	4,819	14,660	103,443	August.....	33,997	27,963	111,497	144,109
April.....	7,644	3,996	27,029	98,517	September.....	32,162	44,396	97,797	176,612
					October.....	30,260	49,885	88,766	195,837

*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.
October, 1919.....	201	421,025	356,124	52	156,828	143,252	124	419,108	339,321	10	12,888	18,139	26	24,055	22,079
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	359,461	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	426,598	19	40,124	30,928	24	19,487	14,877

*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.
October, 1919.....	440,216	95	272,571	107	1920.	313,447	67	195,965	77
November, 1919.....	380,186	82	235,274	93					
January.....	403,604	87	219,783	87					
February.....	421,692	97	224,286	95					
March.....	500,230	108	296,047	117					
April.....	236,975	51	131,933	52					
May.....									
June.....									
July.....									
August.....									
September.....									
October.....									
November.....									

*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.
October, 1919.....	56,243,000	152	8,459,000	114	1,521,000	58
January.....	48,689,000	131	7,366,000	100	1,982,000	76
February.....	40,127,000	116	6,335,000	92	1,731,000	71
March.....	46,792,000	126	7,240,000	98	2,025,000	77
April.....	37,939,000	102	6,543,000	88	1,602,167	61
May.....	39,753,000	107	7,745,000	105	1,689,500	65
June.....	43,710,000	118	7,641,000	103	1,710,333	65
July.....	45,523,000	123	7,785,000	105	1,693,000	65
August.....	48,389,000	131	7,332,000	99	1,776,000	68
September.....	51,093,000	138	5,125,000	69	1,820,000	70
October.....	50,744,000	137	7,645,000	103	2,065,000	79

*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.	
October, 1919.....	33,319,000	174	135,461,000	1920.	36,931,000	193	124,689,000
January.....	33,980,000	177	127,164,000				
February.....	33,212,000	186	126,339,000				
March.....	36,461,000	190	125,597,000				
April.....	36,283,000	189	124,991,000				
May.....							
June.....							
July.....							
August.....							
September.....							
October.....							
November.....							

*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).
September, 1919.....	32,601,044	339,582,564	199,244,293	683,409,674	70,236,692
1920.					
January.....	30,815,160	336,719,157	195,956,392	617,555,156	75,878,635
February.....	29,208,723	322,588,697	194,523,334	589,684,857	74,243,073
March.....	33,592,004	367,137,678	191,110,175	686,945,963	81,818,973
April.....	32,852,040	355,597,451	184,469,017	643,068,785	85,568,064
May.....	34,578,282	381,079,291	180,877,089	707,198,355	89,252,410
June.....	34,906,078	415,158,911	173,581,000	689,878,061	94,964,222
July.....	37,024,052	423,419,770	172,213,511	751,199,898	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	199,140,024	836,700,086	86,230,371

## STOCKS AT CLOSE OF MONTH.

Sept. 30, 1919.....	13,925,441	371,125,419	311,843,057	862,135,385	158,967,070
1920.					
Jan. 31.....	13,200,727	515,934,364	327,548,646	652,080,901	141,690,177
Feb. 29.....	13,500,599	562,996,489	330,120,942	590,322,125	132,759,244
Mar. 31.....	14,346,458	626,393,046	334,617,117	580,182,858	130,630,597
Apr. 30.....	15,145,691	643,552,644	376,358,123	590,687,009	140,355,972
May 31.....	15,331,375	577,671,795	419,077,605	618,939,135	135,882,485
June 30.....	16,172,280	504,055,601	421,343,353	641,968,363	133,212,551
July 31.....	17,086,253	413,279,319	410,853,047	655,152,293	131,866,455
Aug. 31.....	17,960,558	323,239,991	378,548,791	708,608,472	130,797,810
Sept. 30.....	18,830,079	288,195,394	379,300,705	771,126,965	130,449,829

*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.
October, 1919.....	6,201,883	102	1,863,558	80	.....	.....	6,472,668	123
November, 1919.....	3,152,319	52	2,392,350	103	.....	.....	7,128,330	135
1920.								
January.....	.....	.....	3,015,181	130	2,968,102	123	9,285,441	176
February.....	.....	.....	2,978,879	138	2,865,124	127	9,502,081	180
March.....	.....	.....	3,375,907	146	3,299,049	137	9,892,075	188
April.....	230,854	.....	2,739,797	118	2,638,305	109	10,359,747	197
May.....	6,976,085	115	2,985,682	129	2,883,164	119	10,940,466	208
June.....	9,233,566	152	3,043,540	131	2,980,690	126	10,978,817	208
July.....	9,638,606	159	3,067,043	132	2,802,818	116	11,118,468	211
August.....	9,270,763	153	3,147,402	136	3,000,432	124	10,805,038	205
September.....	8,923,482	147	3,129,323	135	2,999,551	124	10,374,804	197
October.....	8,848,986	146	3,292,597	142	3,015,982	125	9,836,852	187
November.....	.....	.....	2,934,908	127	2,638,670	109	9,021,481	171

*Imports of pig tin.*

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Pounds.	Relative.		Pounds.	Relative.
October, 1919.....	16,210,512	178	1920.		
1920.			May.....	9,102,341	100
January.....	8,772,953	97	June.....	11,232,325	124
February.....	13,925,843	164	July.....	17,584,167	193
March.....	11,980,019	132	August.....	11,195,937	123
April.....	10,345,130	114	September.....	9,596,819	106
			October.....	6,741,331	74

*Raw stocks of hides and skins.*

[Bureau of Markets; July, 1920, on, Bureau of the Census.]

[In pieces.]

	Cattle hides.	Calfskins.	Kipskins.	Goat.	Kid.	Cabretta.	Sheep and lamb.
September 30, 1919.....	6,158,289	2,055,084	947,546	16,749,664	823,740	2,736,802	8,661,215
1920.							
Jan. 31.....	6,773,360	1,920,184	1,036,372	13,474,529	927,436	1,893,614	8,902,067
Feb. 29.....	6,559,337	1,859,697	1,141,620	16,481,328	665,524	2,197,683	9,460,914
Mar. 31.....	6,558,300	1,930,218	966,850	15,968,660	468,188	2,047,519	9,227,252
Apr. 30.....	6,072,895	2,281,370	834,711	14,666,590	156,871	1,947,499	8,911,681
May 31.....	5,849,375	2,724,056	924,042	14,131,330	791,150	2,253,785	9,004,621
June 30.....	6,212,946	3,107,393	915,499	14,562,713	60,999	2,070,471	10,993,228
September 30.....	5,093,824	2,526,391	637,417	13,408,277		2,197,149	11,235,417

<sup>1</sup> Figures for kid skins included.*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.		
October, 1919...	556,041	124	34,344,095	60,018,415	16.0	20.7	8.2	5.9	7.7	7.2	3,955,845	193
1920.												
January.....	591,725	132	34,739,071	63,059,862	14.5	18.5	8.8	7.2	9.1	10.2	4,855,989	237
February.....	516,594	123	34,668,043	55,247,652	12.2	17.6	7.6	6.9	7.1	7.9	3,686,121	194
March.....	575,704	128	34,667,747	58,344,602	14.9	19.8	9.8	7.0	10.3	11.7	2,491,651	122
April.....	567,839	126	34,346,737	57,887,832	13.1	16.9	9.6	7.1	9.5	7.0	2,227,857	109
May.....	541,080	120	34,066,236	50,649,381	15.2	18.2	10.6	6.7	11.5	7.0	2,505,798	122
June.....	555,521	124	34,503,754	40,679,920	26.8	22.4	21.1	15.9	23.1	14.2	3,221,177	157
July.....	525,405	117	34,666,842	32,372,064	42.5	32.3	38.0	35.0	42.0	32.7	2,581,920	126
August.....	483,193	107	34,471,515	32,849,956	49.5	29.9	39.6	33.4	45.5	37.6	2,690,630	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.....					46.9	37.7	39.5	32.8	42.8	34.8		

*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.
October, 1919.....	308,710	125,216	89,440	202,524	67,110	34,808	1920.						
1920.							May.....	363,815	129,230	92,856	213,475	70,511	31,575
January.....	302,541	129,663	96,419	211,934	70,109	32,886	June.....	337,115	130,380	94,957	215,131	72,987	31,121
February.....	266,191	114,235	85,532	176,855	61,574	29,202	July.....	312,334	129,853	95,526	218,771	73,487	34,078
March.....	327,143	127,847	95,851	207,863	68,403	33,671	August.....	305,965	128,818	94,424	215,623	75,226	33,122
April.....	350,194	128,269	95,251	199,395	75,347	33,493	September.....	293,913	121,005	94,142	218,743	70,917	34,207
							October.....	319,877	124,818	93,849	196,604	73,100	34,526

*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.	
October, 1919.....	Number. 677,622,154	Number. 64,170,793	Number. 5,028,875,337	Pounds. 39,335,546	1920.	Number. 676,227,828	Number. 59,943,280	Number. 3,953,345,380	Pounds. 34,875,839
1920.					May.....	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	June.....	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	July.....	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	August.....	678,640,116	50,175,599	3,557,482,503	32,094,569
April.....	663,577,579	56,548,853	3,756,989,397	34,327,970	September.....	704,799,089	60,882,760	3,840,334,806	27,123,774
					October.....				

*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.
October, 1919.....	Number. 89	Number. 55	Number. 10,445	Number. 3,715	Number. 14,160	1920.	Number.	Number.	Number.	Number.	Number.
January.....	48	22	4,650	1,914	6,564	May.....	83	112	2,792	1,402	4,194
February.....	43	85	3,960	1,066	5,026	June.....	99	72	2,780	731	3,511
March.....	45	59	3,053	2,040	5,093	July.....	122	54	2,731	434	3,165
April.....	36	96	2,313	1,934	4,247	August.....	114	125	3,409	1,210	4,619
						September.....	126	69	3,953	1,203	5,058
						October.....	198	166	6,309	684	6,993

*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.
October, 1919.....	210	357,519	1,479	1920.			
January.....	115	253,680	1,050	May.....	184	185,145	776
February.....	140	267,231	1,185	June.....	198	267,076	1,105
March.....	170	279,709	1,157	July.....	173	217,239	899
April.....	164	251,442	1,040	August.....	178	259,210	1,073
				September.....	135	261,962	1,084
				October.....	120	227,162	940

*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.			
October, 1919....	2,645,778	2,073,560	4,719,338	121	56.1	222	1920.						
January.....	1,933,385	1,949,798	3,883,183	100	49.8	197	May.....	2,729,790	2,436,247	5,166,037	133	52.8	209
February.....	1,702,407	1,628,212	3,330,619	92	51.1	202	June.....	3,199,274	3,141,913	6,341,187	163	50.5	200
March.....	2,040,031	2,040,538	4,080,569	105	50.0	198	July.....	3,302,538	3,616,052	6,918,590	178	47.7	189
April.....	2,504,038	1,960,634	4,464,672	115	56.1	222	August.....	3,616,267	3,929,602	7,545,869	194	47.9	190
							September.....	3,421,531	3,513,599	6,935,130	178	49.3	195
							October.....	3,334,961	3,199,742	6,534,703	168	51.0	202

*Net ton-miles, revenue and nonrevenue.*

[United States Railroad Administration; March, 1920, on, Interstate Commerce Commission.]

September, 1919.....		38,860,311,000		1920.	
January.....		34,769,722,000		May.....	37,884,967,000
February.....		32,758,789,000		June.....	38,179,565,000
March.....		37,990,993,000		July.....	40,435,508,000
April.....		28,490,595,000		August.....	42,706,835,000
				September.....	40,999,843,000

*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.
October, 1919.....	4,351,059	49	22,252,196	116	1,544,510	133	6,059,450	102	7,063,120	101
November, 1919.....	8,654,903	97	17,388,391	90	1,402,260	121	3,299,532	56	4,201,881	60
1920.										
April.....	6,008,000		4,274,611				162,630		454,726	
May.....	11,904,942	134	13,497,995	70	658,910	57	6,683,820	113	7,483,836	107
June.....	3,076,986	35	5,976,125	31	1,082,521	93	8,707,350	146	9,153,884	131
July.....	3,133,419	35	7,838,470	41	1,171,250	101	9,235,086	156	9,749,701	139
August.....	2,315,909	26	7,512,510	39	1,038,221	89	8,784,821	148	9,278,071	132
September.....	3,102,770	35	11,624,488	60	621,010	53	8,721,412	147	9,290,129	133
October.....	7,198,311	81	28,470,696	148	1,142,991	98	8,656,823	146	9,876,641	141
November.....	9,921,968	111	37,236,311	193	1,317,800	114	5,553,173	94	7,065,488	101

## WESTBOUND.

	Hard coal.		Soft coal.		Total.		Total freight.	
	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.
October, 1919.....	498,505	161	1,848,511	96	2,650,799	107	9,713,919	102
November, 1919.....	466,135	150	307,241	16	932,615	37	5,134,496	54
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

**GOLD SETTLEMENT FUND.**

Seasonal shifting of funds for crop-moving purposes, accompanied by an increased volume of rediscount transactions between Federal Reserve Banks, also the increased volume of fiscal operations of the Government which were particularly heavy during September, are reflected in record totals for both clearings and transfers through the gold settlement fund during the three-month period ending November 18, 1920. Total clearings through the fund aggregated \$21,821,566,124, compared with \$21,035,992,496 shown for the preceding three-month period, while transfers increased from \$1,688,008,156 to \$2,487,123,679. Government operations, affecting both transfers and clearings, included the collection of about 716 millions of income and excess profits taxes on September 15, the redemption during the three-month period of nearly 900 millions of maturing loan and tax certificates and the issuance of over 800

millions of new certificates of indebtedness, also semiannual interest payments on September 15, October 15, and November 15 on the third, fourth, and second Liberty loans aggregating approximately 290 millions. The exceptionally heavy transfers during the week ending on September 23 were composed in part of the transfers of \$140,000,000 to the Federal Reserve Bank of New York for Government account. Sales on September 9 of \$45,000,000 of certificates of indebtedness by the Federal Reserve Bank of New York to the Boston and Cleveland banks and the increasing use of the clearing and collection facilities of the Federal Reserve Banks also account in some measure for the increase in transfers and in clearings through the fund during the period under review.

The Federal Reserve Bank of New York again shows a large net loss of gold through the fund, amounting during the period to \$132,557,621, its net gain through transfers of

\$314,099,077 being more than offset by a net loss through settlements of \$446,656,697. Large net losses are also shown for the Boston and Chicago banks, while the Federal Reserve Banks of Cleveland and San Francisco show particularly heavy gains, the gain by the latter bank being due largely to the transfer of gold to meet withdrawals for export to the Far East.

During the three months under review the banks deposited \$192,145,835, net, of gold in the fund and transferred \$153,778,000 to the Federal Reserve Agents' fund. As a result the balance in the banks' fund increased by \$38,367,835, from \$366,775,601 to \$405,143,436. The balance in the agents' fund increased from \$792,184,860 to \$807,262,893, net transfers from the banks amounting to \$153,778,000, being largely offset by net gold withdrawals aggregating \$138,699,968. At the close of the period under review, November 18, 1920, the aggregate balance in the two funds stood at \$1,212,406,328, an increase of \$53,445,868 over the combined balance shown three months earlier.

Following are figures showing operations through the two funds during the period from August 20 to November 18, 1920, inclusive.

*Amounts of clearings and transfers through the gold settlement fund, by Federal Reserve Banks, from Aug. 20, 1920, to Nov. 18, 1920, both inclusive.*

	Total clearings.	Transfers.
Settlements of—		
Aug. 20-26.....	\$1,617,170,660.73	\$139,172,021.50
Aug. 27-Sept. 2.....	1,564,298,615.00	205,860,624.68
Sept. 3-9.....	1,371,559,276.44	236,973,073.86
Sept. 10-16.....	1,773,084,253.26	137,588,899.27
Sept. 17-23.....	1,891,751,667.67	324,162,871.32
Sept. 24-30.....	1,692,035,125.67	174,048,789.47
Oct. 1-7.....	1,712,016,971.41	178,958,431.61
Oct. 8-14.....	1,574,179,059.27	126,682,837.83
Oct. 15-21.....	2,076,163,301.65	195,392,529.90
Oct. 22-28.....	1,798,435,287.23	191,888,532.04
Oct. 29-Nov. 4.....	1,503,858,465.19	213,869,197.63
Nov. 5-11.....	1,503,182,679.86	213,370,408.98
Nov. 12-18.....	1,743,830,760.86	156,155,460.68
Total.....	21,821,566,124.24	2,487,123,678.77
Previously reported for 1920.....	54,069,502,103.79	4,126,662,247.70
Total since Jan. 1, 1920.....	75,891,068,228.03	6,613,785,926.47
Total for 1919.....	66,053,394,214.47	7,930,857,773.95
Total for 1918.....	45,439,487,000.00	4,812,105,000.00
Total for 1917.....	24,319,200,000.00	2,835,504,000.00

*Clearings and transfers.*

Total for 1920 to date.....	\$82,504,854,154.50
Total for 1919.....	73,984,251,988.42
Total for 1918.....	50,251,592,000.00
Total for 1917.....	27,154,704,000.00
Total for 1916.....	5,533,966,000.00
Total for 1915.....	1,052,649,000.00

Total clearings and transfers from May 20, 1915, to Nov. 18, 1920..... 240,482,017,142.92

*Changes in ownership of gold.*

Federal Reserve Bank.	Total to Aug. 20, 1920.		From Aug. 20, 1920, to Nov. 18, 1920, inclusive.				Total changes from May 21, 1915, to Nov. 19, 1920.	
	Decrease.	Increase.	Balance to credit Aug. 19, 1920, plus net deposits of gold since that date.	Balance Nov. 18, 1920.	Decrease.	Increase.	Decrease.	Increase.
Boston.....		\$67,901,539.05	\$31,560,212.12	\$18,732,842.95	\$12,827,369.17			\$55,074,169.88
New York.....	\$903,205,055.67		211,760,607.70	79,202,986.51	132,557,621.19		\$1,035,762,676.86	
Philadelphia.....		80,835,442.59	35,809,032.09	44,593,484.55		\$8,784,452.46		89,619,895.05
Cleveland.....		217,249,219.11	27,767,900.67	77,884,846.45		50,116,945.78		267,366,164.89
Richmond.....		11,948,511.93	12,951,912.96	14,232,433.78		1,280,520.82		13,229,032.75
Atlanta.....		39,666,443.64	<sup>1</sup> 4,230,401.83	3,580,444.08		7,810,845.91		47,477,289.55
Chicago.....		35,700,078.39	85,565,027.02	58,795,286.27	26,769,740.75			8,930,337.64
St. Louis.....		64,574,511.71	<sup>1</sup> 827,525.40	13,567,991.70		14,395,517.10		78,970,028.81
Minneapolis.....	11,132,158.18		6,161,321.94	9,169,679.54		3,008,357.60	8,123,800.58	
Kansas City.....		29,160,658.51	23,010,564.32	25,496,307.95		2,485,743.63		31,646,402.14
Dallas.....		24,017,252.42	4,780,886.34	4,123,500.44	657,385.90			23,359,866.52
San Francisco.....		343,283,556.50	<sup>1</sup> 29,166,102.46	55,763,631.25		84,929,733.71		428,213,290.21
Total.....	914,337,213.85	914,337,213.85	405,143,435.47	405,143,435.47	172,812,117.01	172,812,117.01	1,043,886,477.44	1,043,886,477.44

<sup>1</sup> Excess of withdrawals over balance Aug. 19, 1920, and deposits since that date.

Combined statement from Aug. 20, 1920, to Nov. 18, 1920, both inclusive.

## GOLD SETTLEMENT FUND.

Federal Reserve Bank of—	Balance last statement, Aug. 19, 1920.	Gold withdrawals.	Gold deposits.	Aggregate withdrawals and transfers to agent's fund.	Aggregate deposits and transfers from agent's fund.	Transfers.	
						Debits.	Credits.
Boston.....	\$28,584,594.62	\$2,004,382.50	\$10,000,000.00	\$67,004,382.50	\$70,000,000.00	\$577,480,012.69	\$388,291,931.38
New York.....	35,349,353.45	24,189,945.75	172,601,200.00	54,189,945.75	230,601,200.00	189,838,568.96	503,937,643.46
Philadelphia.....	46,462,549.59	2,691,217.50	32,037,700.00	55,691,217.50	45,037,700.00	156,913,288.49	102,854,347.31
Cleveland.....	65,972,959.32	19,867,188.65	3,662,130.00	41,867,188.65	3,662,130.00	644,516,490.24	358,686,270.42
Richmond.....	18,798,108.05	1,927,194.58	11,581,000.00	17,427,195.09	11,581,000.00	251,277,225.36	272,000,000.00
Atlanta.....	4,600,948.57	787,300.40	24,155,950.00	34,987,300.40	26,155,950.00	42,559,239.28	149,364,624.43
Chicago.....	81,232,325.52	1,901,298.50	26,234,000.00	21,901,298.50	26,234,000.00	115,049,712.33	60,000,745.67
St. Louis.....	8,124,694.10	9,554,019.50	6,001,800.00	17,854,019.50	8,901,800.00	38,960,318.78	128,498,966.50
Minneapolis.....	5,991,071.94	2,446,750.00	867,000.00	2,896,750.00	3,067,000.00	70,244,747.40	111,000,000.00
Kansas City.....	25,678,029.93	1,882,710.61	7,215,245.00	9,882,710.61	7,215,245.00	176,900,951.15	184,233,335.20
Dallas.....	5,109,786.34	2,114,440.00	8,785,540.00	9,114,440.00	8,785,540.00	205,676,042.64	210,564,601.90
San Francisco.....	40,891,180.04	73,129,282.50	31,500,000.00	118,129,282.50	48,072,000.00	17,707,083.45	17,691,212.50
Total.....	366,775,601.47	142,495,730.49	334,641,565.00	450,945,731.00	489,313,565.00	2,487,123,678.77	2,487,123,678.77

Federal Reserve Bank of—	Settlements from Aug. 20, 1920, to Nov. 18, 1920, both inclusive.				Balance in fund at close of business Nov. 18, 1920.	Summary of changes in ownership of gold by banks through transfers and settlements.	
	Net debits.	Total debits.	Total credits.	Net credits.		Decrease.	Increase.
Boston.....		\$1,657,345,517.24	\$1,833,706,229.38	\$176,360,712.14	\$18,732,842.95	\$12,827,369.17	
New York.....	\$446,656,697.69	6,044,866,168.99	5,598,209,471.30		79,202,986.51	132,557,621.19	
Philadelphia.....		2,066,652,647.99	2,129,496,041.63	62,843,393.64	44,593,484.55		\$8,784,452.46
Cleveland.....		1,871,811,751.05	2,207,758,916.65	335,947,165.60	77,884,846.45		50,116,945.78
Richmond.....	19,442,253.82	1,752,474,988.02	1,733,032,734.20		14,232,433.78		1,280,520.82
Atlanta.....	98,994,539.24	773,216,033.02	674,221,493.78		3,580,444.08		7,810,845.91
Chicago.....		2,806,180,214.59	2,834,459,440.50	28,279,225.91	58,795,286.27	26,769,740.75	
St. Louis.....	75,143,130.62	1,607,908,811.90	1,532,765,681.28		13,567,991.70		14,395,517.10
Minneapolis.....	37,746,895.00	506,093,231.60	468,346,336.60		9,169,679.54		3,008,357.60
Kansas City.....	4,846,640.42	1,222,629,413.17	1,217,782,772.75		25,496,307.95		2,485,743.63
Dallas.....	5,545,945.16	790,602,672.23	785,056,627.07		4,123,500.44	657,385.90	
San Francisco.....		721,784,774.44	806,730,379.10	84,945,604.66	55,763,631.25		84,929,733.71
Total.....	688,376,101.95	21,821,566,124.24	21,821,566,124.24	688,376,101.95	405,143,435.47	172,812,117.01	172,812,117.01

## FEDERAL RESERVE AGENTS' FUND.

Federal Reserve Agent at—	Balance last statement, Aug. 19, 1920.	Gold withdrawals.	Gold deposits.	Withdrawals for transfers to bank.	Deposits through transfers from bank.	Total withdrawals.	Total deposits.	Balance at close of business Nov. 18, 1920.
Boston.....	\$112,000,000	\$27,000,000	\$15,000,000.00	\$60,000,000	\$65,000,000.00	\$87,000,000	\$80,000,000.00	\$105,000,000
New York.....	63,000,000	10,000,000		58,000,000	30,000,000.00	68,000,000	30,000,000.00	25,000,000
Philadelphia.....	91,389,260	30,000,000		13,000,000	53,000,000.00	43,000,000	53,000,000.00	101,389,260
Cleveland.....	100,000,000	12,000,000			22,000,000.00	12,000,000	22,000,000.00	110,000,000
Richmond.....	42,500,000	24,000,000	11,500,032.49		15,500,000.51	24,000,000	27,000,033.00	45,500,033
Atlanta.....	43,500,000	18,700,000		2,000,000	34,200,000.00	20,700,000	34,200,000.00	57,000,000
Chicago.....	162,144,500	41,000,000	35,000,000.00	2,900,000	20,300,000.00	41,000,000	55,000,000.00	176,144,500
St. Louis.....	37,530,600	24,000,000	21,500,000.00		8,300,000.00	26,900,000	29,800,000.00	40,430,600
Minneapolis.....	15,950,000	3,000,000		2,200,000	450,000.00	5,200,000	450,000.00	11,200,000
Kansas City.....	35,360,000	14,000,000			8,000,000.00	14,000,000	15,000,000.00	36,360,000
Dallas.....	10,734,000	12,000,000	8,000,000.00		7,000,000.00	12,000,000	15,000,000.00	13,734,000
San Francisco.....	78,076,500	21,000,000		16,572,000	45,000,000.00	37,572,000	45,000,000.00	85,504,500
Total.....	792,184,860	236,700,000	98,000,032.49	154,672,000	308,450,000.51	391,372,000	406,450,033.00	807,262,893

## BANK DEBITS DURING OCTOBER–NOVEMBER.

Aggregate debits to individual account, as reported by 156 important clearing-house associations, fluctuated between 8,719 millions for the week ending November 3 and 9,983 millions for the week ending November 15, which saw heavy financial operations by the Government in connection with interest payments on the fourth Liberty loan and the issuance and redemption of Treasury certificates. The average of debits for the five weeks ending November 24 was 9,364 millions compared with an average of 9,270 millions for the preceding four weeks. The larger average volume of debits is more than accounted for by an increase in the average for New York City clearing-house banks from 4,616 to 4,730

millions, this increase in New York apparently reflecting chiefly the larger volume of stock exchange transactions during recent weeks.

A comparison with average figures for the five corresponding weeks in 1919 shows a reduction for New York City banks of about 1,042 millions, or from 5,772 to 4,730 millions, while for the other reporting centers this year's average of 4,634 millions was only slightly below the average of 4,673 reported for the five-week period of the preceding year. The lower figures for New York City banks are due apparently, to a large extent, to the operation of the Stock Exchange Clearing House which greatly reduced the volume of checks issued in payment for purchases of securities.

*Debits to individual accounts at clearing-house banks.*

## SUMMARY BY FEDERAL RESERVE DISTRICTS.

[In thousands of dollars.]

Federal Reserve district.	Number of centers included.	1920 Week ending—					1919 Week ending—				
		Oct. 27.	Nov. 3.	Nov. 10.	Nov. 17.	Nov. 24.	Oct. 29.	Nov. 5.	Nov. 12.	Nov. 19.	Nov. 26.
Boston.....	13	485,116	499,568	454,290	512,825	437,057	468,649	535,952	473,292	600,130	508,324
New York.....	7	4,768,617	4,458,256	5,066,558	5,236,714	4,878,262	5,847,376	5,571,802	6,460,158	6,174,690	5,496,580
Philadelphia.....	13	445,228	405,990	452,959	449,704	439,987	423,328	374,314	455,692	449,653	412,569
Cleveland.....	14	646,322	584,191	593,699	628,331	604,318	533,327	517,268	560,503	554,189	551,799
Richmond.....	7	179,247	183,129	190,478	194,181	174,283	185,968	192,653	206,209	223,047	194,969
Atlanta.....	15	233,115	225,258	238,157	237,719	223,719	268,223	277,775	257,054	298,236	265,108
Chicago.....	23	1,121,526	1,007,391	1,116,134	1,175,663	979,128	1,019,713	1,108,759	1,070,763	1,207,125	1,164,155
St. Louis.....	5	217,919	204,431	219,061	234,073	206,483	219,983	239,161	244,640	277,075	240,438
Minneapolis.....	11	191,756	171,229	220,219	209,780	189,823	178,735	192,272	175,998	187,120	179,535
Kansas City.....	15	319,031	297,134	313,175	333,021	322,973	307,840	309,599	298,226	351,607	338,504
Dallas.....	13	179,318	168,715	173,015	163,257	161,771	174,242	168,585	177,112	200,590	188,134
San Francisco.....	20	556,285	513,314	577,448	607,941	542,619	523,037	537,344	444,443	610,286	550,923
Total.....	156	9,343,480	8,718,606	9,615,193	9,982,531	9,160,423	10,150,421	10,025,484	10,824,090	11,133,748	10,091,038

NOTE.—Figures for the following centers, while shown in the body of statement, are not included in the summary, complete data for these centers not being available each week under review: Manchester, N. H.; Washington, D. C.; Huntington, W. Va.; Moline, Ill.; Sioux Falls, S. Dak.; Cheyenne, Wyo.

## DATA FOR EACH REPORTING CENTER.

[In thousands of dollars.]

Federal Reserve district.	1920 Week ending—					1919 Week ending—				
	Oct. 27.	Nov. 3.	Nov. 10.	Nov. 17.	Nov. 24.	Oct. 29.	Nov. 5.	Nov. 12.	Nov. 19.	Nov. 26.
No. 1—Boston:										
Bangor.....	3,874	3,789	3,879	4,435	3,619	3,154	3,312	3,157	3,531	3,128
Boston.....	302,983	316,992	288,345	338,499	282,557	314,920	352,914	312,038	409,286	347,560
Fall River.....	7,682	11,293	9,708	8,751	7,091	10,238	16,238	11,138	13,095	14,230
Hartford.....	23,422	26,935	23,239	26,908	18,590	23,135	23,861	24,160	23,030	16,790
Holyoke.....	4,080	4,856	4,731	4,341	4,297	3,523	4,317	4,104	4,119	4,629
Lowell.....	5,681	7,041	6,477	6,272	5,239	5,108	6,933	5,041	6,415	9,679
Manchester.....	4,474	4,829	4,694	6,836	5,029					
New Bedford.....	8,061	10,257	7,586	7,468	6,879	7,761	11,427	7,976	12,002	9,130
New Haven.....	21,785	21,603	19,698	19,932	19,081	16,002	18,325	18,146	19,969	16,347
Portland.....	11,341	9,273	9,876	9,862	9,266	7,029	7,876	7,188	8,928	6,828
Providence.....	50,756	38,904	36,828	37,743	38,550	35,338	40,623	38,206	45,136	35,259
Springfield.....	16,677	21,475	18,444	19,963	16,348	16,898	23,669	17,216	19,495	17,768
Waterbury.....	8,100	6,338	8,125	8,063	6,831	6,901	8,146	9,247	9,502	7,722
Worcester.....	20,674	20,812	17,359	20,618	18,709	18,642	18,311	15,675	25,622	19,254
No. 2—New York:										
Albany.....	20,875	16,336	25,004	19,662	16,943	20,230	17,110	20,200	12,919	17,207
Binghamton.....	4,160	4,123	4,580	4,218	3,991	3,556	3,463	4,416	4,543	3,615
Buffalo.....	69,314	67,459	73,480	74,660	71,307	61,923	61,499	68,634	69,232	67,359
New York.....	4,620,664	4,315,498	4,906,375	5,076,964	4,732,177	5,713,194	5,437,575	6,313,998	6,028,439	5,264,902
Passaic.....	5,204	4,867	5,992	5,648	5,613	5,325	4,594	5,334	6,692	5,075
Rochester.....	31,622	30,553	32,220	37,077	31,972	27,859	32,002	30,192	35,525	22,970
Syracuse.....	16,778	19,420	18,907	18,485	16,259	15,289	15,559	17,384	17,340	15,452

## Debits to individual accounts at clearing-house banks—Continued.

## DATA FOR EACH REPORTING CENTER—Continued.

(In thousands of dollars.)

Federal Reserve district.	1920 Week ending—					1919 Week ending—				
	Oct. 27.	Nov. 3.	Nov. 10.	Nov. 17.	Nov. 24.	Oct. 29.	Nov. 5.	Nov. 12.	Nov. 19.	Nov. 26.
<b>No. 3—Philadelphia:</b>										
Altoona.....	3,980	2,849	3,160	3,104	3,420	3,456	2,910	4,060	3,145	3,740
Chester.....	5,200	4,953	5,816	5,581	5,517	4,658	3,748	5,453	5,011	4,848
Harrisburg.....	2,500	2,738	2,760	3,060	2,064	4,183	4,190	3,600	4,670	3,610
Johnstown.....	4,964	4,853	5,490	6,040	5,240	3,164	2,922	3,580	3,616	2,786
Lancaster.....	5,912	5,402	6,005	5,855	5,077	5,363	4,976	5,599	5,741	5,316
Philadelphia.....	363,500	331,198	365,736	367,877	360,450	348,588	307,602	374,474	370,800	335,399
Reading.....	4,330	4,039	4,627	4,702	3,856	3,580	3,756	4,735	3,791	4,044
Scranton.....	18,221	13,309	19,133	13,976	16,544	14,707	10,937	17,125	13,123	17,568
Trenton.....	12,099	11,717	13,618	13,817	12,339	10,086	9,938	11,932	11,673	11,101
Wilkes-Barre.....	9,540	9,543	10,233	9,290	9,000	8,408	6,984	7,383	9,713	8,277
Williamsport.....	4,167	3,906	4,568	4,330	3,795	3,355	3,433	3,879	4,058	3,462
Wilmington.....	6,566	7,068	7,364	7,441	8,488	10,036	9,488	10,086	10,330	8,614
York.....	4,249	4,415	4,449	4,631	4,197	3,744	3,430	3,786	3,982	3,804
<b>No. 4—Cleveland:</b>										
Akron.....	19,636	17,937	18,543	18,528	14,436	25,034	25,945	27,049	28,193	27,517
Cincinnati.....	66,271	62,239	58,905	67,668	64,356	57,307	57,155	60,637	63,436	63,094
Cleveland.....	177,855	181,622	161,910	187,032	167,691	154,521	162,212	167,781	177,970	161,696
Columbus.....	29,749	27,810	27,828	29,865	30,127	27,228	27,341	28,059	29,594	26,185
Dayton.....	11,182	11,153	11,581	11,724	10,638	11,126	11,746	12,038	12,573	11,415
Erie.....	8,160	7,489	8,590	8,579	8,531	6,333	6,469	7,126	7,152	6,706
Greensburg.....	7,314	6,020	2,669	5,636	5,811	8,431	3,494	4,042	4,660	5,447
Lexington.....	4,594	5,453	4,543	4,892	3,757	4,340	5,165	4,705	5,858	3,387
Oil City.....	3,524	3,400	4,370	3,800	3,182	2,599	3,108	2,246	2,415	2,517
Pittsburgh.....	258,406	204,233	238,803	225,358	240,325	188,666	164,778	185,644	178,325	194,441
Springfield.....	3,657	3,062	3,084	3,294	3,324	3,151	3,956	3,721	3,372	3,025
Toledo.....	30,281	29,002	24,357	35,371	27,957	24,455	26,000	34,969	24,219	27,730
Wheeling.....	10,624	10,014	10,508	10,118	12,173	7,665	8,686	8,011	9,283	5,862
Youngstown.....	15,069	14,757	18,008	16,495	12,010	12,471	11,213	14,495	12,139	12,477
<b>No. 5—Richmond:</b>										
Baltimore.....	109,788	110,483	108,690	109,056	99,428	94,554	91,306	105,011	119,971	104,006
Charleston.....	6,900	6,220	6,250	7,150	6,980	12,611	14,273	13,505	12,070	10,889
Charlotte.....	7,037	8,206	8,164	15,192	7,139	9,500	8,700	8,300	10,300	8,500
Columbia.....	5,461	6,168	6,915	6,004	5,338	11,064	10,255	9,491	9,939	8,853
Huntington.....	6,293	5,945	6,700	7,136	7,207					
Norfolk.....	17,702	17,044	19,844	19,926	20,068	20,665	25,482	28,997	26,768	23,404
Raleigh.....	3,806	3,960	5,000	3,890	4,100	4,850	6,335	5,700	4,900	5,300
Richmond.....	28,559	31,108	35,615	34,963	31,220	32,724	36,302	35,405	39,099	34,017
Washington.....	33,366	38,052	37,031	39,510	34,697					
<b>No. 6—Atlanta:</b>										
Atlanta.....	28,184	29,234	27,921	29,258	26,790	35,948	37,928	38,685	38,291	36,977
Augusta.....	8,513	9,127	8,075	8,242	7,459	12,958	12,893	14,026	16,115	14,398
Birmingham.....	18,521	18,456	17,478	19,125	17,771	16,124	15,980	14,827	16,844	16,462
Chatanooga.....	10,824	11,560	11,515	11,982	10,784	12,135	13,166	11,831	14,129	11,646
Jacksonville.....	12,825	13,826	12,960	13,162	11,078	12,776	11,853	10,454	14,887	12,889
Knoxville.....	7,561	6,753	6,779	7,371	8,090	5,765	6,807	6,305	7,490	5,865
Macon.....	5,839	5,427	5,473	5,959	4,643	9,697	10,186	8,868	10,992	8,731
Mobile.....	7,435	13,947	6,747	7,355	6,802	8,758	9,616	9,783	9,525	7,833
Montgomery.....	4,125	4,327	4,095	4,185	3,846	6,266	6,873	6,702	7,185	6,252
Nashville.....	23,477	20,405	25,957	24,328	22,973	21,600	23,379	21,305	30,094	24,621
New Orleans.....	80,326	65,123	85,088	77,378	77,649	82,864	89,699	77,962	97,918	82,955
Pensacola.....	2,023	2,351	2,306	1,833	1,839	2,191	2,656	2,066	2,507	2,343
Savannah.....	15,853	16,257	15,703	18,589	15,767	34,398	28,804	25,875	24,620	26,598
Tampa.....	5,928	6,880	6,400	6,633	6,682	4,752	5,367	4,605	5,231	5,605
Vicksburg.....	1,681	1,585	1,660	1,641	1,546	1,991	2,568	2,860	2,408	1,933
<b>No. 7—Chicago:</b>										
Bay City.....	3,122	2,820	2,863	3,395	3,559	2,915	3,668	3,318	4,206	3,690
Bloomington.....	2,278	2,479	2,413	2,587	1,997	2,691	2,760	2,586	2,858	2,268
Cedar Rapids.....	12,354	9,549	12,908	9,980	10,277	8,412	9,741	10,443	12,317	7,537
Chicago.....	739,647	648,623	723,849	758,503	642,040	677,446	722,789	689,392	773,120	828,342
Davenport.....	8,508	6,887	7,289	8,490	6,580	7,628	8,831	8,338	7,128	6,217
Decatur.....	3,332	2,832	3,627	3,607	3,360	3,278	3,597	3,687	3,847	3,136
Des Moines.....	19,177	14,792	21,568	17,990	17,189	20,726	21,633	20,943	19,882	19,778
Detroit.....	140,494	130,754	136,690	158,107	118,293	118,975	145,956	139,065	183,553	115,932
Dubuque.....	3,784	3,132	4,269	2,620	3,738	2,275	2,381	2,597	2,980	2,660
Flint.....	6,734	7,201	6,677	5,745	5,703	9,653	10,943	9,223	11,931	10,086
Fort Wayne.....	7,098	7,536	8,524	7,855	7,891	7,250	7,470	6,755	7,726	6,363
Grand Rapids.....	22,062	23,623	22,739	21,291	21,599	18,720	17,880	20,459	18,848	16,438
Indianapolis.....	34,574	30,624	36,961	37,721	33,053	31,722	34,374	36,392	39,032	34,870
Jackson.....	4,127	4,463	3,539	4,359	4,209	4,802	4,593	4,821	4,896	5,208
Kalamazoo.....	5,474	5,328	5,735	5,854	5,250	3,897	4,382	4,308	4,922	4,462
Lansing.....	5,070	5,995	5,519	4,670	5,969	5,338	5,732	6,177	6,223	6,334
Milwaukee.....	62,574	61,614	60,262	80,266	53,730	55,272	58,750	57,070	60,168	53,880
Moline.....	2,498	1,913	2,847	2,681	2,849					
Peoria.....	9,477	8,194	9,593	8,907	7,330	8,995	10,120	11,857	10,473	8,816
Rockford.....	5,644	6,077	6,152	6,107	4,710	5,038	5,947	5,655	5,466	5,860
Sioux City.....	13,928	13,125	13,109	14,559	12,397	12,805	13,746	15,459	13,829	10,203
South Bend.....	5,987	5,970	5,145	5,739	3,949	4,725	4,197	3,981	3,519	3,139
Springfield.....	2,990	2,749	3,530	3,636	3,122	3,367	5,832	4,952	6,870	5,043
Waterloo.....	3,091	3,024	4,173	3,675	3,183	3,583	3,437	3,280	3,331	3,893
<b>No. 8—St. Louis:</b>										
Evansville.....	5,515	5,140	5,475	5,681	4,674	4,053	4,416	5,745	5,526	4,409
Little Rock.....	11,296	12,071	8,474	12,570	12,038	9,897	10,335	10,008	11,734	10,406
Louisville.....	25,743	26,378	26,557	29,605	22,910	30,651	34,861	36,888	38,625	28,432
Memphis.....	31,628	29,113	32,868	33,021	30,016	40,280	43,558	39,505	53,091	44,478
St. Louis.....	143,737	131,729	145,687	153,196	136,845	135,102	145,991	152,494	168,099	152,713

## Debits to individual accounts at clearing-house banks—Continued.

## DATA FOR EACH REPORTING CENTER—Continued.

[In thousands of dollars.]

Federal Reserve district.	1920 Week ending—					1919 Week ending—				
	Oct. 27.	Nov. 3.	Nov. 10.	Nov. 17.	Nov. 24.	Oct. 29.	Nov. 5.	Nov. 12.	Nov. 19.	Nov. 26.
<b>No. 9—Minneapolis:</b>										
Aberdeen.....	1,824	1,732	2,275	1,911	1,319	1,723	2,142	1,515	988	1,420
Billings.....	2,608	1,629	3,010	3,262	2,961	2,285	2,582	2,710	2,880	2,787
Duluth.....	38,656	35,536	44,297	39,010	36,931	20,560	27,628	21,185	19,618	16,271
Fargo.....	3,675	3,844	3,868	3,572	3,028	7,654	9,515	8,765	9,167	2,796
Grand Forks.....	1,727	1,873	2,158	1,993	1,797	1,989	2,973	2,003	2,275	1,931
Great Falls.....	2,714	2,528	3,792	3,257	3,148	2,197	2,611	2,943	3,183	3,542
Helena.....	2,162	2,674	3,279	2,614	2,639	2,531	2,737	3,009	3,014	2,378
Minneapolis.....	95,917	83,458	112,360	105,547	99,482	101,836	94,816	92,179	101,698	101,181
St. Paul.....	38,436	31,402	41,155	44,751	39,113	34,743	43,611	38,504	41,820	44,137
Sioux Falls.....	5,600	5,200	5,400	6,400	5,000					
Superior.....	2,770	2,463	2,565	2,326	2,253	1,985	2,353	1,980	2,036	1,844
Winona.....	1,267	1,090	1,460	1,537	1,152	1,232	1,304	1,205	441	1,248
<b>No. 10—Kansas City:</b>										
Atchison.....	439	342	426	388	384	490	548	477	532	580
Bartlesville.....	3,743	3,959	3,106	3,930	3,695	2,789	3,727	2,912	3,474	2,478
Cheyenne.....	1,915	2,343	2,216	1,979	2,050					2,399
Colorado Springs.....	2,760	2,750	3,305	3,110	4,618	3,023	3,336	2,882	3,602	3,061
Denver.....	55,471	49,502	51,130	51,149	53,006	38,212	41,715	38,438	55,115	52,285
Joplin.....	2,954	2,890	3,207	2,493	3,166	2,506	3,175	3,817	3,831	3,258
Kansas City, Kans.....	4,189	4,017	4,528	4,497	4,131	2,955	2,988	3,346	3,184	3,301
Kansas City, Mo.....	88,324	88,597	94,385	99,403	92,910	94,798	101,150	91,362	107,138	108,313
Muskogee.....	5,772	5,252	4,924	7,989	5,227	6,247	7,082	7,127	7,303	7,561
Oklahoma City.....	29,715	23,642	26,439	26,269	32,425	18,225	18,154	18,951	19,798	19,917
Omaha.....	50,572	49,861	54,037	50,665	52,646	74,374	61,020	57,788	62,710	59,759
Pueblo.....	4,726	3,992	6,760	16,814	17,809	2,866	3,718	4,593	17,278	8,738
St. Joseph.....	18,892	19,624	19,215	17,012	16,176	18,408	19,414	22,116	22,097	21,300
Topeka.....	3,763	3,919	4,311	3,635	2,947	5,651	6,467	6,019	6,163	5,779
Tulsa.....	29,829	26,932	26,841	32,587	24,486	24,610	24,896	13,677	13,611	28,715
Wichita.....	11,882	11,855	10,561	13,080	9,347	12,617	12,209	24,721	25,771	11,080
<b>No. 11—Dallas:</b>										
Albuquerque.....	1,688	1,898	2,310	2,218	2,011	1,798	1,967	2,035	2,225	1,952
Austin.....	4,275	4,445	3,595	4,308	3,723	4,098	4,402	4,818	4,922	5,158
Beaumont.....	4,071	4,410	4,503	4,112	4,520	3,788	4,800	4,330	4,248	4,738
Dallas.....	48,061	47,486	46,832	44,981	45,201	49,275	49,329	52,367	59,849	54,297
El Paso.....	9,811	9,631	10,440	9,626	10,228	7,362	7,551	10,155	9,686	9,428
Fort Worth.....	28,461	22,397	26,986	26,860	25,181	24,808	24,984	27,017	29,281	31,467
Galveston.....	13,821	12,577	12,688	12,539	12,711	12,793	14,243	12,930	14,509	12,269
Houston.....	45,032	43,081	39,143	33,902	31,426	45,775	37,863	39,244	46,257	41,944
San Antonio.....	8,018	6,797	9,037	7,988	8,021	7,622	7,908	8,596	9,980	9,275
Shreveport.....	7,710	8,426	9,035	8,295	7,973	10,442	7,915	8,948	10,506	9,979
Texarkana.....	1,878	1,846	2,481	2,714	1,928	1,548	1,665	1,688	2,273	1,746
Tucson.....	1,485	1,501	1,887	1,464	1,633	1,287	983	1,424	725	1,569
Waco.....	4,977	4,220	4,078	4,250	4,235	3,646	4,975	3,560	6,129	4,312
<b>No. 12—San Francisco:</b>										
Berkeley.....	2,449	2,111	3,940	2,946	2,718	2,245	2,799	2,696	2,945	2,247
Boise.....	2,753	2,678	3,358	3,323	3,091	4,250	3,854	4,068	5,537	3,452
Fresno.....	18,672	16,432	17,448	20,795	15,559	11,780	14,354	11,299	15,511	11,545
Long Beach.....	5,092	5,344	5,547	6,332	4,783	3,414	4,119	3,599	4,784	4,311
Los Angeles.....	102,800	98,219	103,365	112,998	104,200	81,957	85,274	72,933	105,130	95,478
Oakland.....	19,187	19,476	21,406	20,581	20,115	16,744	19,130	17,569	20,691	16,954
Ogden.....	3,912	6,001	4,085	6,147	6,657	3,754	4,205	4,005	6,717	6,206
Pasadena.....	5,026	4,324	6,018	5,540	5,890	3,692	4,531	3,826	5,477	4,574
Portland.....	42,007	49,143	48,767	49,113	41,828	52,970	47,495	38,637	59,730	49,042
Reno.....	2,868	2,253	2,782	3,344	3,421	3,469	3,497	3,254	3,154	3,120
Sacramento.....	17,519	16,221	21,030	23,047	14,329	13,077	15,090	14,452	19,828	17,208
Salt Lake City.....	18,565	17,153	18,340	19,700	18,508	16,649	18,253	18,093	22,611	22,036
San Diego.....	7,675	7,128	8,905	9,382	7,845	4,967	5,790	4,511	6,579	4,571
San Francisco.....	224,000	194,634	231,066	238,683	221,472	208,603	210,702	162,639	223,178	215,540
San Jose.....	7,533	7,008	6,857	7,545	4,669	7,653	8,421	6,982	9,277	6,633
Seattle.....	40,849	39,832	39,608	41,631	37,138	49,844	52,737	44,940	58,408	56,911
Spokane.....	14,766	11,452	14,223	14,725	13,275	13,229	14,697	12,162	14,832	11,818
Stockton.....	5,459	4,971	4,288	7,107	4,221	9,052	6,514	5,380	7,846	5,092
Tacoma.....	11,067	10,397	12,142	11,316	9,634	11,590	10,514	9,402	13,161	10,123
Yakima.....	4,086	3,537	4,173	3,683	3,266	4,098	4,468	3,996	4,890	4,062

## DISCOUNT AND OPEN-MARKET OPERATIONS OF THE FEDERAL RESERVE BANKS DURING OCTOBER, 1920.

Discount and open-market operations of the Federal Reserve Banks during October and September, 1920 and 1919, are shown in summary form for the system as a whole in the table below. Detailed figures for each Federal Reserve Bank for the most recent month are given on pages 1347-1349:

*Summary of discount and open-market operations of Federal Reserve Banks in October and September, 1920 and 1919.*

[In thousands of dollars.]

	1920		1919	
	Octo-ber.	Sep-tem-ber.	Octo-ber.	Sep-tem-ber.
Total discount and open-market purchases.....	8,013,263	8,446,264	8,468,032	8,801,291
Discounts—total.....	7,548,456	7,298,969	8,060,318	6,726,155
Secured by Government war obligations.....	4,305,307	4,164,115	7,348,942	6,238,286
Otherwise secured and unsecured—total.....	3,243,149	3,134,854	711,376	487,869
Commercial n. e. s., agricul-tural and live-stock paper.....	3,213,736	3,109,778	694,040	476,862
Trade acceptances.....	19,157	17,131	16,064	10,619
Bankers' acceptances.....	10,256	7,945	1,272	388
Average maturity (in days).....	13.26	14.27	9.54	9.44
Average rate (365-day basis), per cent.....	6.40	6.33	4.19	4.18
Open-market operations:				
Bills purchased—total.....	281,832	257,988	335,262	205,048
Bankers' acceptances—total.....	269,284	249,268	329,864	201,962
In the domestic trade.....	66,244	52,961	81,819	48,557
In the foreign trade.....	203,040	196,307	248,045	153,405
Trade acceptances—total.....	1,670	2,130	4,989	2,773
In the domestic trade.....	735	203	1,938	2,479
In the foreign trade.....	935	1,927	3,051	2,294
Dollar exchange.....	10,878	6,590	409	313
Average maturity (in days).....	35.51	41.71	48.36	46.15
Average rate (365-day basis), per cent.....	6.05	6.04	4.26	4.25
United States securities pur-chased:				
Bonds.....	48			
Certificates of indebtedness.....	182,927	889,307	72,452	1,870,088

Discount operations of the Federal Reserve Banks in October aggregated 7,548 millions, or 249 millions more than the month before, though 512 millions less than in October of the preceding year. The figures in the table are exclusive of bills discounted for other Federal Reserve Banks, which totaled 393 millions during October and 440 millions during September of this year, and 127 millions during October and 189 millions during September, 1919.

Discounts of paper secured by Government war obligations, including Treasury certificates, were larger by 141 millions in October than in September, while other discounts increased by 108 millions. Trade acceptances discounted in October totaled 19 millions, as against 17 millions in September; bankers' acceptances aggregated 10 millions in October, compared with 8 millions in September; and all other discounts, including commercial, agricultural, and live-

stock paper, aggregated 3,213 millions, as against 3,110 millions the month before, and 694 millions in October of last year.

The average maturity of all paper discounted in October figures out at 13.26 days after discount by the Federal Reserve Banks, compared with 14.27 days in September and 9.54 days in October of the past year. The increase in average maturity, as compared with 1919, is due mainly to the fact that a larger proportion of the paper discounted by the Reserve Banks for member banks consists of rediscounted customers' paper of varying maturities, the proportion of member banks' 15-day collateral notes being smaller than a year ago. The average rate of discount was 6.40 per cent, marking a slight increase from the September average of 6.33 per cent. In 1919 the average rate for October was 4.19 per cent, and for September 4.18 per cent.

Total bills purchased in October were 24 millions above the September amount, the volume of bankers' acceptances purchased being about 20 millions larger and that of dollar exchange about 4 millions larger than the month before, while trade acceptances declined somewhat in amount. Of the bankers' acceptances purchased 66 millions were in the domestic trade and 203 millions in the foreign trade.

The average maturity of all paper purchased by Federal Reserve Banks in October was 35.51 days, compared with 41.71 days in September and 48.36 days in October, 1919. Average maturity of purchased paper varied decidedly for the different Federal Reserve Banks: At the New York and Boston banks, where a large proportion of the acceptances are held under 15-day repurchase agreements, the maturities averaged 24.03 days, while at the other Reserve Banks average maturities were much higher, the highest averages being 69.79 days reported for the Minneapolis bank and 67.51 days for the Philadelphia bank. The rate charged on purchased paper varied from  $5\frac{1}{2}$  to  $7\frac{1}{2}$  per cent, the average for the month being 6.05 per cent, compared with 4.26 per cent for October of last year.

During the month under review, 33 banks were added to the membership of the system, the total number of member banks increasing from 9,525 on the last day of September to 9,558 on the last day of October, while the number of member banks accommodated through discount of paper increased from 4,758 in September to 4,952 in October. The number of member banks in each district at the end

of October and of September 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.	
	Oct. 31.	Sept. 30.	October.	September.	October.	September.
Boston.....	434	434	217	219	50.0	50.5
New York.....	780	776	306	323	39.2	42.9
Philadelphia.....	697	694	310	348	44.5	50.1
Cleveland.....	869	866	248	258	28.5	29.8
Richmond.....	610	610	340	356	55.7	58.4
Atlanta.....	449	446	323	310	71.9	69.5
Chicago.....	1,404	1,404	848	772	60.3	55.0
St. Louis.....	569	569	310	303	54.5	53.2
Minneapolis.....	997	988	508	410	51.0	41.5
Kansas City.....	1,084	1,080	614	547	56.6	50.6
Dallas.....	844	841	542	521	64.2	61.9
San Francisco.....	821	817	386	391	47.0	47.9
Total.....	9,558	9,525	4,952	4,758	51.8	50.0

An additional statement shows the growth in membership of the system from month to month from October, 1919, to October, 1920, the number of member banks accommodated during each month, and the proportion of member banks receiving accommodation. It will be seen that during the year 681 members were added to the system, and that the number of banks accommodated in October of the current year was the largest on record, 4,952, or 51.8 per cent of the total number of banks in the system. The proportions of banks accommodated was considerably higher for the southern and middle western Reserve Banks than for those in the east and the far west. The lowest percentage, 28.5 per cent, is reported for the Cleveland bank, and the highest, 71.9 per cent, for the Atlanta bank.

Year and month.	Number of member banks at end of month.	Member banks accommodated during month.	
		Number.	Per cent.
1919.			
October.....	8,977	3,839	42.8
November.....	9,009	3,649	40.5
December.....	9,069	3,659	40.3
1920.			
January.....	9,112	3,461	38.0
February.....	9,161	3,338	36.4
March.....	9,227	3,670	39.8
April.....	9,271	4,175	45.0
May.....	9,329	4,645	49.8
June.....	9,395	4,948	52.7
July.....	9,458	4,858	51.4
August.....	9,487	4,780	50.4
September.....	9,525	4,758	50.0
October.....	9,558	4,952	51.8

Federal Reserve Bank holdings of discounted and purchased paper, by classes, at the end of October and September, 1920 and 1919, are shown in detail on page 1349, and are summarized in the following table:

*Summary of discounted and purchased paper held by the Federal Reserve Banks at the end of October and of September, 1920 and 1919.<sup>1</sup>*

[In thousands of dollars.]

	1920, end of—		1919, end of—	
	October.	September.	October.	September.
Discounted paper, total.....	2,801,297	2,704,464	2,128,547	1,882,282
Secured by Government war obligations.....	1,203,905	1,220,423	1,681,082	1,572,503
Otherwise secured and unsecured, total.....	1,597,392	1,484,041	447,465	309,779
Commercial paper, n. e. s. ....	1,322,049	1,229,465	874,758	238,134
Agricultural paper.....	131,528	120,998	28,447	32,932
Live-stock paper.....	109,121	103,426	27,028	27,273
Trade acceptances.....	23,155	22,080	16,261	10,961
Bankers' acceptances.....	11,539	8,072	971	479
Purchased paper, total.....	299,487	301,211	394,355	300,129
Bankers' acceptances, total.....	296,070	298,223	387,617	297,153
Member banks.....	194,908	200,976	271,701	208,784
Nonmember trust companies.....	1,869	3,009	8,021	8,255
Nonmember State banks.....	37,642	38,939	36,707	24,821
Private bankers.....	33,787	29,788	42,677	33,420
Foreign bank branches and agencies.....	27,864	25,511	28,511	21,873
Trade acceptances, total.....	3,417	2,988	6,738	2,976
Domestic.....	644	207	1,740	591
Foreign.....	2,773	2,781	4,998	2,385

<sup>1</sup> For discounted paper the figures are for the last Friday of each month; for purchased paper for the last day of each month.

Among the principal changes between September and October in holdings of discounted paper the following are to be noted: A decrease of 17 millions in paper secured by Government war obligations, accompanied by an increase of 113 millions in paper not so secured. Holdings of agricultural paper were about 11 millions larger and those of live-stock paper about 6 millions larger than the month before, increases of 1 million in trade acceptances on hand and of 3 millions in bankers' acceptances held also being shown. The increase in commercial paper held was 93 millions for the month. Holdings of purchased paper were 299 millions at the end of October, compared with 301 millions at the end of September.

A table showing average daily holdings of the principal classes of earning assets and annual rates of return for each month from October, 1919, to October, 1920, is given below. October figures by Federal Reserve Banks are shown on page 1348.

During October, 1919, average daily holdings of discounted bills were 2,073 millions, while during October, 1920, they were 713 millions larger, or 2,786 millions. While there were temporary recessions in January and June, the general upward tendency continued throughout the period under review, in spite of the fact that the average rate of discount rose continuously from 4.15 per cent for October, 1919, to 6.34 per cent for the most recent month. Average holdings of purchased bills,

on the other hand, reached a maximum of 576 millions in January of this year and declined steadily since that time, totaling only 304 millions during October. The rate of earnings on purchased paper rose from 4.22 per cent in October, 1919, to 6.07 per cent in July, 1920, and has remained approximately at that level since. No marked fluctuations either in average holdings or in rate of earnings are noted for United States securities.

*Average daily holdings by Federal Reserve Banks of each class of earning assets, and annual rate of earnings; monthly figures, October, 1919, to October, 1920.*

Year and month.	Average daily holdings (in millions of dollars).				Year and month.	Annual rate of earnings from—			
	All classes of earning assets.	Discounted bills.	Purchased bills.	United States securities.		All classes of earning assets.	Discounted bills.	Purchased bills.	United States securities.
1919.					1919.	Per cent.	Per cent.	Per cent.	Per cent.
October.....	2,709	2,073	340	296	October.....	3.95	4.15	4.22	2.18
November.....	2,908	2,146	455	307	November.....	4.16	4.40	4.33	2.22
December.....	3,034	2,157	550	327	December.....	4.29	4.55	4.54	2.19
1920.					1920.				
January.....	3,044	2,143	576	325	January.....	4.46	4.71	4.79	2.18
February.....	3,158	2,302	547	309	February.....	4.88	5.20	5.06	2.18
March.....	3,208	2,383	481	344	March.....	5.12	5.49	5.47	2.10
April.....	3,192	2,440	420	332	April.....	5.23	5.58	5.70	2.10
May.....	3,256	2,538	416	302	May.....	5.36	5.66	5.77	2.22
June.....	3,210	2,461	401	348	June.....	5.51	5.89	5.98	2.24
July.....	3,201	2,519	364	318	July.....	5.71	6.11	6.07	2.15
August.....	3,234	2,605	326	303	August.....	5.81	6.19	6.07	2.22
September.....	3,317	2,677	314	326	September.....	5.83	6.22	6.06	2.35
October.....	3,395	2,786	304	305	October.....	5.94	6.34	6.07	2.20

*Total discount and open-market operations of each Federal Reserve Bank during October, 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.	October, 1920.	October, 1919.
Boston.....	\$337,362,021	\$29,068,813		\$46,817,500	\$413,248,334	\$432,396,299
New York.....	4,914,285,965	145,283,478		76,660,000	5,136,229,443	4,660,916,510
Philadelphia.....	374,913,501	8,765,355	\$48,000	23,576,500	407,303,356	1,155,157,238
Cleveland.....	170,536,687	24,045,906		5,000,000	199,582,593	337,833,565
Richmond.....	240,870,499	3,745,000		4,000,000	248,615,499	325,092,997
Atlanta.....	226,884,442	2,959,767		1,000,000	230,844,209	216,636,862
Chicago.....	487,434,416	27,335,649		20,527,500	535,297,565	455,306,043
St. Louis.....	208,162,884	2,101,938		408,500	210,673,322	223,927,323
Minneapolis.....	83,030,732	482,750		484,500	83,997,982	112,823,897
Kansas City.....	163,968,589	2,078,481		3,300,500	169,347,570	172,215,594
Dallas.....	113,553,296	1,395,000			114,948,296	138,814,107
San Francisco.....	227,453,203	34,569,740		1,152,000	263,174,943	236,911,796
Total October, 1920.....	7,548,456,235	281,831,877	48,000	182,927,000	8,013,263,112	
Total October, 1919.....	8,060,317,969	335,261,712	50	72,452,500		8,468,032,231
Total 10 months ending October 31, 1920.....	67,976,281,169	2,732,695,806	288,600	6,439,443,000	77,148,708,575	
Total 10 months ending October 31, 1919.....	64,468,598,764	2,083,773,404	1,752,025	3,920,914,500		70,475,039,693

<sup>1</sup> Includes \$1,000 of municipal warrants.

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

Federal Reserve Bank.	Average daily holdings of—			
	Discounted bills.	Purchased bills.	United States securities.	Total.
Boston.....	\$172,630,679	\$35,836,064	\$24,098,242	\$232,564,985
New York.....	950,581,967	85,859,297	73,603,300	1,110,044,564
Philadelphia.....	174,145,655	17,714,583	33,287,445	225,147,683
Cleveland.....	218,432,933	45,563,154	24,244,166	288,240,253
Richmond.....	110,777,909	5,923,520	13,623,832	130,325,261
Atlanta.....	128,973,299	2,376,556	15,816,612	147,166,467
Chicago.....	468,593,795	45,929,718	44,907,568	559,431,081
St. Louis.....	117,730,488	1,378,440	18,487,755	137,596,683
Minneapolis.....	85,402,000	1,351,000	8,613,000	95,366,000
Kansas City.....	110,925,822	2,780,844	21,790,590	135,497,246
Dallas.....	77,082,612	896,855	12,289,419	90,268,886
San Francisco.....	170,938,712	58,370,812	13,821,531	243,131,055
Total, October, 1920.....	2,786,215,871	303,980,843	304,563,450	3,394,760,164
Total, October, 1919.....	2,073,415,643	340,188,783	295,725,153	2,709,329,579

Federal Reserve Bank.	Earnings from—				Calculated annual rate of earnings from—			
	Discounted bills.	Purchased bills.	United States securities.	Total.	Discounted bills.	Purchased bills.	United States securities.	Total.
Boston.....	\$973,684	\$186,562	\$42,549	\$1,202,795	Per cent. 6.66	Per cent. 6.15	Per cent. 2.08	Per cent. 6.11
New York.....	5,155,359	438,215	160,468	5,754,042	6.40	6.03	2.57	6.12
Philadelphia.....	862,616	91,920	61,323	1,015,859	5.84	6.12	2.17	5.32
Cleveland.....	1,207,040	237,705	42,339	1,487,084	6.51	6.14	2.06	6.07
Richmond.....	547,586	30,825	23,201	601,612	5.84	6.14	2.01	5.45
Atlanta.....	652,721	11,893	26,102	690,716	6.17	6.11	2.01	5.73
Chicago.....	2,642,512	234,166	79,562	2,956,240	6.66	6.02	2.09	6.24
St. Louis.....	583,998	7,338	32,967	624,303	5.86	6.29	2.09	5.36
Minneapolis.....	485,017	7,602	14,731	507,350	6.69	6.63	2.01	6.26
Kansas City.....	602,077	14,261	39,081	655,419	6.41	6.06	2.12	5.71
Dallas.....	374,171	4,469	21,708	400,348	5.73	5.79	2.08	5.24
San Francisco.....	867,182	298,758	24,094	1,190,034	5.99	6.04	2.06	5.78
Total, October, 1920.....	14,953,963	1,563,714	568,125	17,085,802	6.34	6.07	2.20	5.94
Total, October, 1919.....	7,317,609	1,219,359	547,895	9,084,863	4.15	4.22	2.18	3.95

*Bills discounted during the month of October, 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 in days.	Average rate (365-day basis.)
		Secured by Government war obligations.	Otherwise secured.						
Boston.....	\$10,438,905	\$259,865,920	.....	\$155,546	.....	\$66,901,650	\$337,362,021	12.37	Per cent. 6.44
New York.....	67,469,182	2,468,023,390	.....	1 3,663,154	* \$5,683,634	2,369,446,605	4,914,285,965	6.95	6.47
Philadelphia.....	31,126,744	221,498,877	.....	351,216	375,000	121,561,664	374,913,501	15.82	5.59
Cleveland.....	5,804,290	114,010,893	.....	\$402,500	2,220,426	47,096,078	170,536,687	19.43	5.88
Richmond.....	3,896,256	199,145,330	1,061,800	1,243,726	.....	35,523,387	240,870,499	15.42	5.98
Atlanta.....	8,388,538	136,955,860	676,000	1,808,182	160,332	78,895,530	226,884,442	25.20	6.22
Chicago.....	9,976,898	261,382,698	777,822	2,967,859	221,445	212,107,694	487,434,416	38.42	6.72
St. Louis.....	6,212,291	117,052,740	147,000	1,701,243	930,700	82,118,910	208,162,884	26.40	6.10
Minneapolis.....	2,273,996	32,944,150	2,293,910	536,743	1,999	44,979,934	83,030,732	45.80	6.81
Kansas City.....	5,611,998	91,874,041	1,029,918	913,887	49,360	63,889,385	163,968,589	39.87	7.13
Dallas.....	1,190,313	82,721,722	1,461,100	1,110,659	.....	27,069,502	113,553,296	28.59	5.91
San Francisco.....	3,968,943	163,472,749	799,059	2,484,671	1,831,427	54,896,354	227,453,203	23.38	5.98
Total, Oct., 1920.....	156,358,354	4,148,948,370	9,249,109	10,157,312	10,256,397	3,204,486,093	7,548,456,235	13.26	6.40
Total, Oct., 1919.....	164,222,840	7,184,719,069	45,649,017	16,064,284	1,271,426	648,391,333	8,060,317,969	9.54	4.19

<sup>1</sup> Includes \$1,172,608 in the foreign trade.

<sup>2</sup> Includes \$15,000 in dollar exchange bills.

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

Federal Reserve Bank.	Bankers' acceptances.			Trade acceptances.			Dollar exchange bills.	Total bills purchased.	Average maturity in days.	Average rate (365 day basis).
	Domestic.	Foreign.	Total.	Domestic.	Foreign.	Total.				
										<i>Per cent.</i>
Boston.....	\$9,609,611	\$19,109,202	\$28,718,813				\$350,000	\$29,068,813	24.03	6.22
New York.....	29,027,244	107,592,943	136,620,187	\$534,801	\$719,057	\$1,253,858	7,409,433	145,283,478	24.03	5.96
Philadelphia.....	1,182,987	6,607,368	7,790,355				975,000	8,765,355	67.51	6.10
Cleveland.....	7,321,359	16,074,547	23,395,906	200,000		200,000	450,000	24,045,906	49.76	6.05
Richmond.....	538,800	3,206,200	3,745,000					3,745,000	50.77	6.08
Atlanta.....	938,348	2,021,419	2,959,767					2,959,767	45.69	6.08
Chicago.....	7,588,945	18,956,704	26,545,649				790,000	27,335,649	60.12	6.11
St. Louis.....	1,961,938	140,000	2,101,938					2,101,938	42.00	6.16
Minneapolis.....	282,750	200,000	482,750					482,750	69.79	6.08
Kansas City.....	37,500	2,040,981	2,078,481					2,078,481	60.17	6.59
Dallas.....	1,395,000		1,395,000					1,395,000	37.82	6.08
San Francisco.....	6,359,171	27,091,002	33,450,173		215,851	215,851	903,716	34,569,740	50.96	6.05
Total, Oct., 1920.....	66,243,653	203,040,366	269,284,019	734,801	934,908	1,669,709	10,878,149	281,831,877	35.51	6.05
Total, Oct., 1919.....	81,818,557	248,045,528	329,864,085	1,937,551	3,051,436	4,988,990	408,637	335,261,712	48.36	4.26

*Discounted bills, including member banks' collateral notes, held by each Federal Reserve Bank on the last Friday in October, 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.	Commercial paper n. e. s.	Total.
				Secured by Government war obligations.	Otherwise secured.				
Boston.....			18,084	77,022		152	23	95,836	191,117
New York.....	76		140,349	375,598		3,831	6,435	410,934	937,223
Philadelphia.....	262	10	38,532	76,934		397	150	59,404	175,689
Cleveland.....	715	147	11,293	51,815	77	2,243	556	154,337	221,183
Richmond.....	9,187	205	6,663	33,693	909	1,808		60,070	112,535
Atlanta.....	17,051	2,182	13,559	55,402	133	1,469	197	50,680	140,673
Chicago.....	33,768		19,812	125,138	389	4,418	394	279,918	463,837
St. Louis.....	4,496	3,567	10,683	33,245	81	1,587	1,889	65,006	120,654
Minneapolis.....	16,375	44,661	5,006	3,657	1,159	448		13,364	84,670
Kansas City.....	13,365	32,671	9,587	24,238	305	1,843	55	33,713	115,777
Dallas.....	15,772	14,559	3,080	17,130	341	757	99	25,900	77,638
San Francisco.....	20,461		6,085	47,300	255	4,202	2,241	68,638	160,301
Total, 1920.....	131,528	109,121	282,733	921,172	3,649	23,155	11,539	1,318,400	2,801,297
Total, 1919.....	28,447	27,028	208,362	1,472,720	18,987	16,261	971	355,771	2,128,547

*Acceptances purchased by each Federal Reserve Bank and held on Oct. 30, 1920, distributed by classes of accepting institutions.*

[In thousands of dollars.]

Federal Reserve Bank.	Bankers' acceptances.					Trade acceptances.			Total.
	Member bank.	Non-member trust company.	Non-member State Bank.	Private bank.	Foreign bank branches and agencies.	Total.	Domestic.	Foreign.	
Boston.....	28,496	125	718	2,238	478	32,055			32,055
New York.....	50,384	1,141	14,039	12,380	7,846	85,790	591	2,166	88,547
Philadelphia.....	11,168		3,460	2,705	1,919	19,252			19,252
Cleveland.....	20,478	199	6,802	6,374	6,797	40,650			40,650
Richmond.....	5,611					5,611			5,611
Atlanta.....	2,294					2,294			2,294
Chicago.....	38,412	225	3,621	2,066	267	44,591			44,591
St. Louis.....	1,118		370			1,488			1,488
Minneapolis.....	1,398					1,398			1,398
Kansas City.....	2,301					2,301			2,301
Dallas.....	1,070					1,070			1,070
San Francisco.....	32,178	179	8,757	7,899	10,557	59,570	53	607	60,230
Total:									
Oct. 30, 1920.....	194,908	1,869	137,767	33,662	27,864	298,070	644	2,773	299,487
Sept. 30, 1920.....	200,976	3,009	138,939	29,788	25,511	298,223	207	2,781	301,211
Oct. 31, 1919.....	271,701	8,021	36,707	42,677	28,511	387,617	1,740	4,998	394,355
Oct. 31, 1918.....	314,719	2,949	11,669	30,242	14,006	373,585	3,947	5,057	382,589

<sup>1</sup> Includes \$2,134,000 acceptances of corporations organized under Edge Act.

<sup>2</sup> Includes \$1,233,000 acceptances of corporations organized under Edge Act.

# OPERATIONS OF THE FEDERAL RESERVE CLEARING SYSTEM FROM OCT. 16 TO NOV. 15, 1920.

[Amounts in thousands of dollars.]

Federal Reserve Bank or branch.	Items drawn on banks in own district.				Items drawn on Treasurer of United States.		Total.	Items forwarded to other Federal Reserve Banks and branches.		Items forwarded to parent bank or to branch in same district.		
	Located in Federal Reserve Bank and branch cities.		Located outside Federal Reserve Bank and branch cities.									
	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.
Boston <sup>1</sup> .....	647,437	683,114	2,989,541	465,887	137,422	44,183	3,774,400	1,193,184	133,086	64,829	.....	.....
New York.....	1,070,754	2,165,276	4,094,586	1,322,977	1,064,580	124,284	6,229,920	3,612,537	1,013,240	642,592	23,997	9,254
Buffalo.....	169,561	116,063	367,899	57,337	15,076	.....	552,536	174,231	129,103	35,024	29,414	23,384
Philadelphia.....	1,484,216	890,335	1,915,474	272,647	188,764	30,042	3,588,454	1,193,024	837,626	226,352	.....	.....
Cleveland <sup>3</sup> .....	335,302	286,196	1,138,229	193,423	63,248	5,916	1,536,779	485,535	39,146	31,264	36,439	15,418
Cincinnati <sup>2</sup> .....	165,329	161,973	772,468	98,358	58,887	4,430	996,684	264,761	15,846	21,014	9,913	4,825
Pittsburgh.....	319,888	380,898	774,327	110,584	47,722	6,382	1,141,937	497,864	59,615	49,617	28,756	9,813
Richmond <sup>2</sup> .....	108,293	175,516	1,587,107	307,931	51,399	7,378	1,746,799	490,825	129,118	75,850	33,092	12,635
Baltimore <sup>2</sup> .....	205,122	195,964	686,020	92,677	55,390	16,011	946,532	304,652	157,432	119,597	9,872	10,228
Atlanta <sup>3</sup> .....	97,267	80,800	312,491	67,780	30,255	4,100	440,013	152,680	23,042	18,749	49,253	10,038
Birmingham.....	42,306	26,143	140,237	13,881	14,163	1,270	196,706	41,294	17,937	12,776	26,069	52,074
Jacksonville <sup>2</sup> .....	33,882	20,789	126,295	16,337	10,529	911	170,706	38,037	26,230	9,410	5,926	2,450
Nashville <sup>1</sup> .....	41,809	36,876	199,529	24,345	16,416	1,473	257,754	62,694	27,475	5,450	11,894	1,868
New Orleans <sup>2</sup> .....	59,625	64,848	111,921	16,934	18,900	2,517	190,446	84,299	40,395	12,144	6,032	1,091
Chicago.....	723,524	769,841	3,339,276	415,178	410,852	28,099	4,473,652	1,213,118	306,503	43,067	10,311	3,649
Detroit.....	229,059	194,812	364,521	48,266	35,987	4,117	629,567	247,195	10,102	6,452	6,125	2,025
St. Louis.....	243,204	276,907	1,308,604	105,425	154,227	9,482	1,706,035	391,814	26,913	7,009	12,799	1,745
Little Rock.....	42,969	30,211	291,108	22,373	7,365	1,302	341,442	53,886	7,568	2,390	28,448	4,668
Louisville.....	84,618	69,613	356,264	27,438	42,149	3,387	483,031	100,438	7,211	1,485	3,411	426
Memphis.....	70,357	41,107	167,071	15,073	9,461	1,633	246,889	57,813	2,169	760	3,388	1,119
Minneapolis.....	288,787	181,873	1,817,352	143,995	49,586	3,178	2,155,725	329,046	116,448	44,937	.....	.....
Kansas City.....	243,518	334,896	1,987,166	146,097	144,594	11,956	2,375,278	492,949	262,166	65,635	96,664	24,002
Denver <sup>2</sup> .....	77,235	79,245	350,687	31,467	20,161	2,772	448,083	113,484	81,266	19,201	43,363	20,316
Oklahoma City.....	50,959	74,140	910,696	107,784	.....	.....	961,655	181,924	49,482	13,769	23,926	16,356
Omaha.....	88,202	67,227	529,985	46,637	55,795	2,425	673,982	116,289	32,773	8,373	19,393	8,788
Dallas <sup>2</sup> .....	90,725	93,720	1,649,680	316,689	28,132	3,362	1,768,537	413,771	86,346	42,657	55,590	10,303
El Paso <sup>2</sup> .....	32,348	12,412	127,640	14,072	13,116	2,450	173,104	28,934	18,543	7,364	13,056	2,555
Houston <sup>2</sup> .....	65,200	52,792	361,461	52,111	96,659	1,893	523,320	106,796	20,647	32,819	8,846	2,209
San Francisco <sup>2</sup> .....	117,267	114,006	343,047	37,123	53,004	63,698	513,318	214,827	26,605	4,990	44,758	7,967
Los Angeles <sup>2</sup> .....	178,559	102,642	716,503	65,898	22,529	7,741	917,591	176,281	62,518	9,261	32,399	5,826
Portland <sup>2</sup> .....	54,576	41,914	197,856	15,028	18,264	3,901	270,696	60,843	2,952	1,617	30,816	5,539
Salt Lake City <sup>2</sup> .....	60,219	33,340	366,169	43,052	14,282	2,055	440,670	78,447	12,838	20,606	8,958	12,573
Seattle <sup>1</sup> .....	60,392	45,453	210,191	19,529	28,916	9,255	299,499	74,237	15,265	6,543	31,875	7,095
Spokane <sup>2</sup> .....	31,675	22,748	176,865	15,768	11,828	1,862	220,368	40,378	9,317	2,949	19,495	6,889
Total:												
Oct. 16 to Nov. 15, 1920.	7,614,184	7,923,690	30,788,266	4,750,101	2,989,658	414,295	41,392,108	13,088,087	3,806,923	1,666,552	764,278	297,128
Sept. 16 to Oct. 15, 1920.	7,543,851	8,213,121	30,612,929	5,033,939	2,510,644	427,398	40,667,424	13,674,458	3,784,378	1,773,070	794,991	305,812
Oct. 16 to Nov. 15, 1919.	6,196,752	7,438,529	22,382,854	5,006,048	2,822,482	973,862	31,402,088	13,418,439	3,126,287	1,754,892	725,909	331,101

Federal Reserve district.	Number of member banks in district Nov. 15.		Number of nonmember banks on par list Nov. 15.		Number of incorporated banks other than mutual savings banks not on par list Nov. 15.	
	1920	1919	1920	1919	1920	1919
Boston.....	434	430	258	243	.....	.....
New York.....	782	751	323	321	.....	.....
Philadelphia.....	700	676	437	411	.....	.....
Cleveland.....	871	841	1,077	1,063	.....	27
Richmond.....	611	582	1,264	450	340	1,021
Atlanta.....	454	429	412	347	1,206	1,220
Chicago.....	1,404	1,366	4,278	3,522	.....	673
St. Louis.....	569	533	2,526	2,127	181	529
Minneapolis.....	996	915	2,925	1,493	.....	1,395
Kansas City.....	1,083	1,028	3,398	3,038	.....	262
Dallas.....	846	757	1,261	905	.....	267
San Francisco.....	824	700	1,029	940	.....	121
Total.....	9,574	9,008	19,188	14,860	1,727	5,515

<sup>1</sup> Number of business days in period, 23.

<sup>2</sup> Number of business days in period, 24.

<sup>3</sup> Number of business days in period, 26.

<sup>4</sup> Includes 7,100 items, amounting to \$2,206,000 forwarded direct to member banks in other Federal Reserve districts.

<sup>5</sup> Includes 7,078 items, amounting to \$2,640,000 forwarded direct to member banks in other Federal Reserve districts.

<sup>6</sup> Includes 5,578 items, amounting to \$4,468,000 forwarded direct to member banks in other Federal Reserve districts.

NOTE.—Number of business days in period was 25 except as otherwise indicated by notes 1, 2, and 3.

## CHANGES IN CONDITION OF FEDERAL RESERVE BANKS.

For the five weeks between October 22 and November 26 the Federal Reserve Banks report a relatively moderate reduction in their holdings of discounted paper, from 2,749.2 to 2,735.1 millions. After an increase of 77.6 millions during the first two weeks under review, discounted paper on hand shows a decline of 42 millions for the week ending November 12 and of 111.4 millions during the following week, when Government disbursements were extraordinarily heavy. These disbursements included payment on and after November 15 of the semiannual interest on the second Liberty loan bonds; also the redemption of the capital and interest coupons of about 93.5 millions of loan certificates issued six months previous. On the same date the Government issued a new series of 6-month loan certificates aggregating 232 millions. Payment for this issue by the banks was made chiefly in the customary manner, i. e., by crediting the Government account, and it was only when the Government began to draw against its bank credits that the latter's borrowings from the Reserve Banks resumed their upward course, as witnessed by an increase of 62 millions during the week ending November 26 in the total of discounted paper held by the Federal Reserve Banks. No appreciable change is shown in the absolute or relative holdings of paper secured by Government war obligations, including Treasury certificates, fluctuations in the holdings of this class of paper coinciding with changes in the aggregate amounts of discounts held, and the ratio of war paper to total discounts on hand during the entire period continuing practically unchanged at slightly over 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 five weeks under review:

*Principal asset and liability items of the 12 Federal Reserve Banks combined on Fridays, Oct. 22 to Nov. 26, 1920.*

[In millions of dollars.]

	Oct. 22.	Oct. 29.	Nov. 5.	Nov. 12.	Nov. 19.	Nov. 26.
<b>Reserves:</b>						
Total.....	2,157	2,168	2,170	2,180	2,180	2,195
Gold.....	1,995	2,003	2,002	2,009	2,008	2,024
<b>Bills discounted:</b>						
Total.....	2,749	2,801	2,827	2,785	2,673	2,735
Secured by Government war obligations.....	1,199	1,204	1,215	1,181	1,159	1,192
All other.....	1,550	1,597	1,612	1,604	1,514	1,543
<b>Bills bought in open market.....</b>	<b>301</b>	<b>298</b>	<b>300</b>	<b>288</b>	<b>275</b>	<b>248</b>
Certificates of indebtedness.....	281	269	268	269	331	294
Total earning assets.....	3,358	3,396	3,422	3,369	3,307	3,304
Government deposits.....	15	19	47	18	12	16
Members' reserve deposits.....	1,779	1,806	1,777	1,802	1,782	1,712
Net deposits.....	1,624	1,675	1,695	1,675	1,633	1,624
Federal Reserve notes in circulation.....	3,356	3,351	3,354	3,329	3,307	3,326
Federal Reserve Bank notes in circulation.....	214	215	215	215	214	215
Reserve percentages.....	43.3	43.1	43.0	43.6	44.1	44.4

Of the total holdings of paper secured by Government war obligations the largest share, viz, about 53 per cent, is represented by paper secured by Liberty bonds, the percentage varying but little during the period, while the amount held at the close of the period, 630 millions, was about 6 millions less than five weeks before. Paper secured by Victory notes constituted between 27 and 28 per cent of the total of war paper held, the November 26 holdings of 318.2 millions being 4.2 millions below the October 22 total. Federal Reserve Bank holdings of paper secured by Treasury certificates show but little change during the five weeks under review, the total held being in the neighborhood of 244 millions and constituting about 20 per cent of the total amount of war paper held.

Considerable increases in the holdings of 15-day paper are shown on November 5 and 26, when the share of the shortest-term paper in the total discounts held came near and exceeded 60 per cent. Changes in the holdings of 30-day and 60-day paper were relatively moderate, while a large reduction is shown in the total of 90-day paper held on the last two Fridays, the ratio of this class of paper to total discounts held on November 26 falling below 9 per cent from over 13 per cent five weeks earlier. A steady growth is shown in the amount of 6-month agricultural and live-stock paper held, the November 26 holdings of 51.7 millions showing an increase of 28.7 millions since October 22.

Holdings of acceptances purchased in open market declined from 300.7 to 247.7 millions, liquidation being heaviest during the second part of November, when as a result of the decline in call-money rates the investment demand for prime bank acceptances showed a considerable increase. Fluctuations in the totals of Treasury certificates held reflect largely the amounts of special certificates held by the Reserve Banks to cover advances to the Government pending collection of funds from depositary institutions. On October 22 the banks held 10 millions of such certificates; on November 19, following the large disbursements on Government account, the total went up to 64 millions held by seven Reserve Banks, while by the following Friday the total had been reduced to 21 millions, held by the Philadelphia, Cleveland, and San Francisco banks.

Considerable reduction in the volume of interbank rediscounting is noted, the total of paper held under discount for other Reserve Banks showing an almost continuous reduction from 243.1 to 154.1 millions, held by the Boston, Philadelphia, and Cleveland banks. The latter bank reports on November 26 a

total of 112.1 millions (137.9 millions on October 22) held under discount for other Reserve Banks, compared with 95.8 millions held for its own member banks (79.3 millions on October 22). Discounts held by the Boston bank for other Reserve Banks declined during the five weeks from 72.9 to 27.2 millions, while discounts held for its own members went up from 101.2 to 144.9 millions. The list of accommodated Reserve Banks includes besides the New York bank six other Reserve Banks in the South and Middle West. On November 1 the Atlanta bank abolished its graduated discount rates and raised its 90-day paper rate to 7 per cent. This change in discount policy is not yet reflected statistically, total discounts, including paper rediscounted with other Reserve Banks, showing an increase between October 29 and November 26 from 176.8 to 177.2 millions, while rediscounts with other Reserve Banks went up in the meantime from 36.1 to 40.2 millions. For the three Reserve Banks of St. Louis, Kansas City, and Dallas, which continued to apply graduated rates during November, a reduction of gross discounts from 429.1 to 378.9 millions, and a reduction from 115 to 67.9 millions in bills rediscounted with other Reserve Banks are noted.

Holdings of acceptances purchased from other Reserve Banks decreased from 24.3 to 14.4 millions, composed of bank acceptances purchased from the New York bank and held by the Boston, Philadelphia, and San Francisco Reserve Banks. There continue to be reported aggregate guarantor's liabilities of 16.2 millions on bank acceptances held for account of foreign correspondents.

Changes in the several classes of deposits were relatively moderate, with the consequence that calculated net deposits show a fluctuation dur-

ing the period between a high of 1,694.9 millions on November 5 and a low of 1,623.6 millions on November 26. Federal Reserve note circulation, after a practically continuous reduction during the first four weeks, resumed its upward trend during the following week, the November 26 total of 3,325.5 millions indicating an expansion of 18.2 millions for the week, though a reduction of 30.6 millions for the five weeks under review. Considerable reductions in outstanding Federal Reserve note circulation are reported by the Boston, Chicago, and Dallas banks, while the New York, Cleveland, Richmond, and San Francisco banks report on November 26 higher circulation figures than five weeks previous. Federal Reserve bank note circulation figures show only moderate changes—the November 26 total of 214.6 millions being 0.8 million larger than the October 22 total. Gold with foreign agencies shows a further reduction, from 80.4 to 70.2 millions, as the result of transfer of earmarked gold from the Bank of England to the Federal Reserve Banks. The total of this item includes at present also 3.3 millions of gold held earmarked for account of the Federal Reserve Banks by the Bank of France. Total gold reserves, as the result of further net gold imports mainly from Great Britain, show a gain from 1,994.6 to 2,023.9 millions, while total cash reserves show an even larger increase during the period from 2,157.3 to 2,195.3 millions.

The banks' reserve ratio declined from 43.3 per cent on October 22 to 43 per cent on November 5. During the following weeks, largely in consequence of loan liquidation and the gain in reserves, the ratio shows a gradual rise to 44.4 per cent, the highest percentage attained since July 23 and only 1 per cent below the maximum shown for January 9 of the present year.

*Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Oct. 29 to Nov. 26, 1920.*

[In thousands of dollars.]

RESOURCES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Gold and gold certificates:													
Oct. 29.....	8,023	82,470	1,326	10,538	2,455	6,434	24,448	2,805	7,235	692	4,975	13,448	164,819
Nov. 5.....	8,033	92,153	1,308	10,542	2,465	6,547	22,635	4,781	7,211	686	5,080	13,261	174,702
Nov. 12.....	7,993	86,909	1,298	10,256	2,477	6,660	21,751	4,754	7,238	720	5,121	14,637	169,814
Nov. 19.....	7,825	87,038	1,330	10,348	2,485	6,735	21,912	3,625	7,246	749	6,153	14,820	170,266
Nov. 26.....	7,806	99,490	1,308	10,365	2,496	6,376	21,967	3,577	7,281	766	6,332	14,883	182,647
Gold settlement fund—Federal Reserve Board:													
Oct. 29.....	30,299	66,250	53,820	78,342	28,956	7,546	62,866	12,118	9,949	22,622	3,812	39,583	416,163
Nov. 5.....	55,721	57,410	42,293	70,126	27,584	6,037	55,081	15,540	10,791	22,605	5,997	48,799	417,984
Nov. 12.....	25,467	60,440	53,744	85,113	20,981	4,375	56,096	13,324	10,061	20,014	8,371	51,089	409,075
Nov. 19.....	37,192	75,969	42,704	71,412	18,846	4,575	53,891	12,585	10,130	24,610	4,417	44,347	400,678
Nov. 26.....	54,654	74,128	46,414	83,221	21,089	4,692	49,647	15,028	8,317	21,468	4,789	27,780	411,227
Gold with foreign agencies:													
Oct. 29.....	5,468	27,276	5,992	6,142	3,670	2,696	8,913	3,520	2,022	3,595	1,947	3,445	74,686
Nov. 5.....	5,674	28,315	6,218	6,373	3,808	2,798	9,249	3,653	2,099	3,731	2,021	3,575	77,514
Nov. 12.....	5,639	28,347	6,180	6,334	3,785	2,781	9,192	3,631	2,086	3,708	2,008	3,553	77,244
Nov. 19.....	5,424	27,268	5,944	6,093	3,641	2,675	8,842	3,493	2,006	3,567	1,932	3,418	74,303
Nov. 26.....	5,140	25,638	5,633	5,774	3,450	2,535	8,380	3,309	1,901	3,380	1,831	3,239	70,210

## Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Oct. 29 to Nov. 26, 1920—Continued.

[In thousands of dollars.]

## RESOURCES.—Continued.

	Boston.	New York.	Phila- del- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chi- cago.	St. Louis.	Minne- apolis.	Kan- sas City.	Dallas.	San Fran- cisco.	Total.
<b>Gold with Federal Reserve agents:</b>													
Oct. 29.....	130,705	262,733	116,778	142,065	41,604	64,668	176,381	48,816	26,851	41,320	28,560	94,637	1,175,118
Nov. 5.....	128,237	251,920	119,097	142,626	39,630	64,127	172,407	49,167	26,184	40,080	27,588	91,233	1,152,346
Nov. 12.....	134,650	250,751	117,198	153,069	51,401	63,217	169,003	48,189	26,540	39,237	26,629	97,814	1,177,689
Nov. 19.....	124,961	250,002	119,666	163,459	48,999	63,426	184,022	48,920	26,035	41,104	24,189	110,963	1,205,746
Nov. 26.....	123,356	249,032	122,191	161,358	46,980	61,184	188,100	48,068	26,290	39,921	22,982	108,219	1,197,681
<b>Gold redemption fund:</b>													
Oct. 29.....	20,076	37,965	12,511	15,253	11,611	6,759	35,459	5,794	3,293	4,088	7,263	12,432	172,504
Nov. 5.....	21,883	37,955	13,356	13,708	12,648	7,046	38,916	6,478	3,959	4,849	7,908	10,421	179,127
Nov. 12.....	19,693	38,374	13,702	14,175	5,689	8,246	41,611	6,221	3,257	5,230	8,608	10,050	174,856
Nov. 19.....	18,718	38,000	14,930	12,294	7,261	6,989	25,144	5,711	3,719	3,882	9,646	10,823	157,117
Nov. 26.....	19,648	38,009	9,867	13,081	8,434	8,478	30,517	6,047	3,437	4,446	10,451	9,775	162,181
<b>Total gold reserves:</b>													
Oct. 29.....	194,571	476,694	190,427	252,340	88,296	88,103	308,067	73,053	49,350	72,317	46,557	163,545	2,003,320
Nov. 5.....	219,548	467,753	182,272	243,375	86,135	86,555	298,288	79,619	50,244	71,951	48,594	167,339	2,001,673
Nov. 12.....	193,442	464,821	192,122	268,947	84,333	85,279	297,653	76,110	49,182	68,909	50,737	177,143	2,008,678
Nov. 19.....	194,120	478,277	184,574	263,606	81,232	84,400	293,811	74,334	49,136	73,912	46,337	184,371	2,008,110
Nov. 26.....	210,604	486,288	185,413	273,799	82,449	83,265	298,611	76,029	47,226	69,981	46,385	163,896	2,023,946
<b>Legal-tender notes, silver, etc.:</b>													
Oct. 29.....	8,604	129,916	717	1,980	497	1,616	8,375	7,309	88	1,918	3,177	521	164,718
Nov. 5.....	9,970	131,070	455	1,962	486	1,626	9,798	7,292	52	1,847	3,108	390	168,056
Nov. 12.....	10,606	132,380	365	1,962	322	1,723	11,117	7,025	82	1,945	3,334	472	171,333
Nov. 19.....	9,993	132,589	501	1,981	474	1,791	11,594	6,933	184	1,977	3,616	494	172,118
Nov. 26.....	8,886	133,297	492	2,051	301	1,977	10,882	6,768	274	2,220	3,796	420	171,364
<b>Total reserves:</b>													
Oct. 29.....	203,175	606,610	191,144	254,320	88,793	89,719	316,442	80,362	49,438	74,235	49,734	164,066	2,168,038
Nov. 5.....	229,518	598,823	182,727	245,337	86,621	88,181	308,086	86,911	50,296	73,798	51,702	167,729	2,169,729
Nov. 12.....	204,048	597,201	192,487	270,909	84,655	87,002	308,770	83,135	49,264	70,854	54,071	177,615	2,180,011
Nov. 19.....	204,113	610,857	185,075	265,587	81,706	86,191	305,405	81,267	49,320	75,889	49,953	184,865	2,180,228
Nov. 26.....	219,490	619,585	185,905	275,850	82,750	85,242	309,493	82,797	47,500	72,201	50,181	164,316	2,195,310
<b>Bills discounted:<sup>1</sup></b>													
<b>Secured by Government war obligations—</b>													
Oct. 29.....	95,106	515,947	115,466	63,108	40,356	68,961	144,950	43,928	8,663	33,825	20,210	53,385	1,203,905
Nov. 5.....	84,322	513,943	114,290	71,187	44,062	67,497	142,928	45,000	11,545	37,657	27,989	54,681	1,215,101
Nov. 12.....	86,277	482,183	113,915	72,874	48,150	67,613	141,576	49,073	11,154	31,745	27,089	49,328	1,180,977
Nov. 19.....	78,219	469,383	118,967	66,575	47,378	68,665	147,533	50,462	12,350	31,879	21,836	45,660	1,158,907
Nov. 26.....	78,288	465,027	121,613	95,567	51,042	69,495	149,481	49,825	11,712	26,569	20,986	52,820	1,192,425
<b>All other:</b>													
Oct. 29.....	96,011	421,276	60,223	158,075	72,179	71,712	318,887	76,726	76,007	81,952	57,428	106,916	1,597,392
Nov. 5.....	86,397	429,620	67,231	158,583	71,399	71,897	336,736	73,531	71,732	81,537	52,253	110,808	1,611,724
Nov. 12.....	96,880	469,356	60,537	136,658	68,989	70,713	321,326	68,202	72,740	80,763	50,769	106,840	1,603,773
Nov. 19.....	89,712	426,546	49,071	123,089	64,781	69,838	308,121	69,849	72,792	83,439	51,880	105,349	1,514,467
Nov. 26.....	93,877	436,760	50,008	112,305	64,457	67,531	328,976	70,344	68,850	87,095	56,154	106,618	1,542,975
<b>Bills bought in open market:<sup>2</sup></b>													
Oct. 29.....	31,985	88,546	19,252	39,956	5,663	2,253	44,221	1,488	1,398	2,313	1,070	60,230	298,375
Nov. 5.....	27,294	92,682	24,579	39,727	5,637	2,125	42,336	1,933	1,409	2,316	815	58,916	299,769
Nov. 12.....	30,247	91,899	23,561	35,772	5,434	2,244	37,763	1,639	1,549	2,335	610	54,801	287,854
Nov. 19.....	29,869	95,322	21,043	34,055	5,466	2,150	30,417	1,489	1,290	2,334	315	51,477	275,227
Nov. 26.....	23,055	77,990	17,560	31,201	5,679	2,409	28,091	1,365	1,490	1,818	215	56,830	247,703
<b>U. S. Government bonds:</b>													
Oct. 29.....	555	1,462	1,434	834	1,233	113	4,490	1,153	116	8,867	3,979	2,632	26,868
Nov. 5.....	553	1,462	1,434	834	1,233	113	4,490	1,153	116	8,866	3,979	2,632	26,865
Nov. 12.....	552	1,462	1,434	833	1,233	114	4,490	1,153	115	8,866	3,979	2,632	26,863
Nov. 19.....	552	1,467	1,434	834	1,233	114	4,490	1,153	116	8,867	3,979	2,632	26,871
Nov. 26.....	552	1,467	1,434	833	1,233	114	4,489	1,153	116	8,867	3,979	2,632	26,869
<b>U. S. Victory notes:</b>													
Oct. 29.....	5	50	.....	10	.....	3	.....	.....	.....	1	.....	.....	69
Nov. 5.....	5	50	.....	10	.....	3	.....	.....	.....	1	.....	.....	69
Nov. 12.....	5	50	.....	10	.....	3	.....	.....	.....	1	.....	.....	69
Nov. 19.....	5	50	.....	10	.....	3	.....	.....	.....	1	.....	.....	69
Nov. 26.....	5	50	.....	10	.....	3	.....	.....	.....	1	.....	.....	69
<b>U. S. certificates of indebtedness:</b>													
Oct. 29.....	21,520	68,247	30,696	23,299	12,262	15,666	39,618	17,216	8,481	12,828	8,300	11,301	269,434
Nov. 5.....	21,484	67,054	30,508	23,299	12,262	15,666	39,612	17,255	8,481	12,826	8,300	11,300	268,047
Nov. 12.....	21,692	68,164	30,451	23,299	12,262	15,666	39,612	17,256	8,482	12,826	8,300	11,300	269,310
Nov. 19.....	33,057	76,129	44,550	34,299	14,262	15,665	48,895	17,286	8,486	12,826	8,300	17,399	331,154
Nov. 26.....	24,321	70,706	44,285	23,299	12,262	15,667	39,650	17,547	8,496	12,821	8,300	16,322	293,676
<b>Total earning assets:</b>													
Oct. 29.....	245,182	1,095,528	227,071	285,282	131,693	153,708	552,166	140,511	94,665	139,786	90,987	234,464	3,396,043
Nov. 5.....	220,055	1,104,811	238,042	293,640	134,593	157,301	566,102	138,872	93,283	143,103	93,336	238,337	3,421,575
Nov. 12.....	235,653	1,113,114	229,898	269,446	136,068	156,353	544,767	137,323	94,040	136,536	90,747	224,901	3,368,846
Nov. 19.....	231,414	1,068,897	235,065	258,862	133,120	156,435	539,456	140,239	95,034	139,346	86,310	222,517	3,306,695
Nov. 26.....	220,098	1,052,000	234,900	263,215	134,673	155,219	550,687	140,234	90,664	137,171	89,634	225,222	3,303,717
<b>Bank premises:</b>													
Oct. 29.....	2,098	4,102	657	1,178	1,285	623	2,142	866	603	885	1,323	231	15,993
Nov. 5.....	2,129	4,114	657	1,182	1,326	623	2,142	866	603	885	1,323	231	16,081
Nov. 12.....	2,203	4,114	683	1,563	1,326	623	2,142	866	613	885	1,328	231	16,577
Nov. 19.....	2,362	4,116	683	1,565	1,334	623	2,342	891	631	915	1,354	231	17,047
Nov. 26.....	2,391	4,208	683	1,565	1,334	625	2,342	891	631	915	1,517	231	17,333
<b>Uncollected items and other deductions from gross deposits:</b>													
Oct. 29.....	54,990	147,075	63,589	74,639	59,150	29,337	94,366	40,503	22,501	60,295	51,916	44,615	742,976
Nov. 5.....	53,755	160,037	72,179	75,414	62,095	29,190	101,465	46,451	26,925	63,629	53,341	43,479	787,960
Nov. 12.....	58,648	157,754	61,973	74,403	65,689	30,079	97,595	46,085	26,858	62,066	49,666	41,461	772,277
Nov. 19.....	57,635	155,641	65,058	83,976	67,758	30,829	102,482	45,197	26,034	68,905	52,796	48,113	804,424
Nov. 26.....	53,917	135,447	63,626	72,955	67,083	25,539	85,523	35,534	24,763	56,870	46,623	41,501	709,401

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Oct. 29 to Nov. 26, 1920—Continued.

[In thousands of dollars.]

RESOURCES—Continued.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
5 per cent redemption fund against Federal Reserve Bank notes:													
Oct. 29.....	1,072	2,620	1,300	1,139	451	503	2,467	623	512	916	586	665	12,854
Nov. 5.....	1,072	2,616	1,300	1,139	451	507	1,798	623	386	916	586	665	12,059
Nov. 12.....	1,072	2,597	1,300	1,139	451	503	1,665	623	573	916	586	665	12,090
Nov. 19.....	1,072	2,609	1,300	1,139	451	491	2,059	623	465	916	586	665	12,376
Nov. 26.....	1,072	2,627	1,300	1,139	451	471	1,363	623	328	916	586	665	11,541
All other resources:													
Oct. 29.....	537	1,022	651	320	289	216	639	390	109	263	908	359	5,703
Nov. 5.....	462	851	646	266	411	216	833	404	128	274	1,109	432	6,032
Nov. 12.....	529	1,070	782	274	744	264	747	423	181	304	911	561	6,790
Nov. 19.....	558	859	793	282	291	198	718	436	210	315	889	481	6,030
Nov. 26.....	509	1,195	949	364	312	225	1,084	449	263	267	897	673	7,187
Total resources:													
Oct. 29.....	507,054	1,856,957	484,412	616,878	281,661	279,106	968,222	263,255	167,828	276,380	199,454	444,400	6,341,607
Nov. 5.....	506,991	1,871,252	495,551	616,978	285,497	276,018	980,426	274,127	171,621	282,705	201,397	450,873	6,413,436
Nov. 12.....	502,153	1,875,850	487,123	617,734	288,933	274,824	955,686	268,455	171,529	271,561	197,309	445,434	6,356,591
Nov. 19.....	497,154	1,842,979	487,974	611,411	284,660	274,767	952,462	268,653	171,694	286,286	191,888	456,872	6,326,800
Nov. 26.....	497,477	1,815,062	487,363	615,088	286,603	267,341	950,492	260,528	164,149	268,340	189,438	442,608	6,244,489
<sup>1</sup> Includes bills discounted for other Federal Reserve Banks:													
Oct. 29.....	81,199	.....	27,129	138,750	.....	.....	.....	.....	.....	.....	.....	.....	247,078
Nov. 5.....	51,389	.....	32,550	141,232	.....	.....	.....	.....	.....	.....	.....	.....	225,171
Nov. 12.....	55,414	.....	24,503	120,266	.....	.....	.....	.....	.....	.....	.....	.....	200,183
Nov. 19.....	35,604	.....	16,352	111,984	.....	.....	.....	.....	.....	.....	.....	.....	163,940
Nov. 26.....	27,217	.....	14,760	112,106	.....	.....	.....	.....	.....	.....	.....	.....	154,083
<sup>2</sup> Includes bankers' acceptances bought from other Federal Reserve Banks without their indorsement:													
Oct. 29.....	3,197	.....	10,072	.....	.....	.....	.....	.....	.....	.....	.....	93	13,362
Nov. 5.....	.....	.....	14,833	.....	.....	.....	.....	.....	.....	.....	.....	50	14,883
Nov. 12.....	7,000	.....	12,736	.....	.....	.....	.....	.....	.....	.....	.....	.....	19,736
Nov. 19.....	7,017	.....	10,282	.....	.....	.....	.....	.....	.....	.....	.....	.....	17,299
Nov. 26.....	437	.....	6,998	.....	.....	.....	.....	.....	.....	.....	.....	6,917	14,352

LIABILITIES.

Capital paid in:													
Oct. 29.....	7,669	25,244	8,426	10,300	5,257	3,960	13,766	4,306	3,385	4,506	4,052	6,882	97,753
Nov. 5.....	7,669	25,249	8,426	10,318	5,258	3,995	13,766	4,307	3,387	4,507	4,083	6,859	97,824
Nov. 12.....	7,669	26,240	8,426	10,320	5,268	4,000	13,777	4,308	3,388	4,507	4,083	6,861	98,847
Nov. 19.....	7,669	26,247	8,469	10,352	5,272	4,009	13,784	4,332	3,394	4,447	4,085	6,869	98,929
Nov. 26.....	7,669	26,245	8,490	10,352	5,277	4,013	13,813	4,346	3,396	4,456	4,085	6,878	99,020
Surplus fund:													
Oct. 29.....	12,351	51,308	13,069	13,712	8,067	7,050	23,917	5,884	5,178	8,395	4,152	11,662	164,745
Nov. 5.....	12,351	51,308	13,069	13,712	8,067	7,050	23,917	5,884	5,178	8,395	4,152	11,662	164,745
Nov. 12.....	12,351	51,308	13,069	13,712	8,067	7,050	23,917	5,884	5,178	8,395	4,152	11,662	164,745
Nov. 19.....	12,351	51,308	13,069	13,712	8,067	7,050	23,917	5,884	5,178	8,395	4,152	11,662	164,745
Nov. 26.....	12,351	51,308	13,069	13,712	8,067	7,050	23,917	5,884	5,178	8,395	4,152	11,662	164,745
Government deposits:													
Oct. 29.....	1,688	4,556	2,129	987	1,681	438	765	1,920	883	1,731	851	1,125	18,754
Nov. 5.....	3,905	14,730	3,872	3,280	863	1,162	5,757	3,771	1,618	3,227	2,150	3,043	47,378
Nov. 12.....	1,188	3,834	2,396	1,626	1,039	580	1,219	910	439	1,921	1,749	944	17,845
Nov. 19.....	768	255	947	254	1,062	1,181	456	1,559	1,503	2,493	1,614	167	12,259
Nov. 26.....	598	913	1,177	647	1,226	1,336	947	2,192	1,268	2,318	1,950	1,337	15,909
Due to members—reserve account:													
Oct. 29.....	122,470	703,701	106,806	150,584	59,341	49,283	258,978	60,921	44,534	77,214	52,694	119,135	1,805,661
Nov. 5.....	120,303	683,343	110,702	154,444	59,207	46,148	250,085	62,118	42,510	76,876	50,326	121,194	1,777,256
Nov. 12.....	120,615	712,744	112,813	150,276	55,646	47,192	249,820	63,308	46,262	78,628	49,742	114,818	1,801,864
Nov. 19.....	115,443	688,639	113,466	150,378	58,475	45,136	247,727	63,589	44,884	81,965	49,579	122,525	1,781,806
Nov. 26.....	113,602	660,024	107,433	147,838	56,908	47,190	244,075	62,116	42,732	71,747	47,277	110,832	1,711,774
Deferred availability items:													
Oct. 29.....	43,428	101,358	53,373	60,874	46,709	23,308	63,562	38,283	20,309	53,460	32,470	34,673	571,807
Nov. 5.....	44,999	110,085	60,303	59,865	51,882	23,325	76,472	44,774	24,915	59,455	40,268	34,983	631,326
Nov. 12.....	46,658	110,025	49,922	60,884	57,422	21,993	66,292	41,841	22,717	49,429	39,577	34,864	601,624
Nov. 19.....	47,105	108,592	53,036	64,239	52,082	25,206	69,234	41,927	23,171	60,090	35,574	36,615	616,871
Nov. 26.....	48,008	103,996	55,194	59,762	53,591	16,926	67,010	35,158	18,291	53,597	37,142	33,757	582,432
Other deposits, including foreign Government credits:													
Oct. 29.....	740	12,572	920	461	255	315	1,317	589	306	418	342	3,072	21,307
Nov. 5.....	879	18,154	1,121	411	248	197	1,715	601	301	359	272	2,665	26,923
Nov. 12.....	550	16,869	1,242	436	305	207	1,353	681	246	409	315	3,095	25,708
Nov. 19.....	832	16,352	885	586	248	216	1,792	566	343	479	322	3,607	26,228
Nov. 26.....	562	13,140	1,441	409	306	250	1,877	573	552	415	372	3,030	22,927
Total gross deposits:													
Oct. 29.....	168,326	822,187	163,228	212,906	107,986	73,344	324,622	101,713	66,032	132,823	86,357	158,005	2,417,529
Nov. 5.....	170,086	826,312	175,998	218,000	112,200	70,832	334,029	111,264	69,344	139,917	93,016	161,885	2,482,883
Nov. 12.....	169,011	843,472	166,373	213,222	114,412	69,972	318,684	106,740	69,664	130,387	91,383	153,721	2,447,041
Nov. 19.....	164,148	813,838	168,334	215,457	111,867	71,739	319,209	107,641	69,901	145,027	87,089	162,914	2,437,164
Nov. 26.....	162,770	778,073	165,211	208,656	112,031	65,702	313,909	100,039	62,843	128,077	86,741	148,956	2,333,042

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Oct. 29 to Nov. 26, 1920—Continued.

[In thousands of dollars.]

## LIABILITIES—Continued.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
<b>Federal Reserve notes in actual circulation:</b>													
Oct. 29.....	296,168	876,706	273,266	352,123	146,116	177,734	554,186	137,898	82,714	111,575	91,071	251,746	3,351,303
Nov. 5.....	293,735	886,709	271,319	346,776	145,550	176,676	556,455	138,629	83,190	110,750	90,265	254,126	3,354,180
Nov. 12.....	289,041	872,609	272,469	351,659	146,700	176,195	546,615	137,348	82,729	109,161	87,797	256,662	3,328,985
Nov. 19.....	288,696	869,621	271,054	342,885	144,816	174,078	542,200	136,804	82,609	109,329	86,584	258,759	3,307,435
Nov. 26.....	290,116	876,321	273,194	352,873	146,492	172,398	544,759	136,167	82,137	108,336	84,464	258,281	3,325,538
<b>Federal Reserve bank notes in circulation—net liability:</b>													
Oct. 29.....	17,324	39,617	21,619	21,763	11,524	13,934	37,205	10,451	7,934	15,377	7,615	10,598	214,961
Nov. 5.....	17,672	38,678	21,658	21,874	11,589	14,153	37,026	10,599	7,894	15,218	7,545	10,627	214,533
Nov. 12.....	18,369	38,226	21,594	22,224	11,623	14,176	37,220	10,572	7,853	15,086	7,484	10,653	215,080
Nov. 19.....	18,434	36,897	21,673	22,276	11,630	14,267	37,339	10,512	7,798	14,925	7,525	10,605	213,881
Nov. 26.....	18,520	37,139	21,916	22,515	11,638	14,449	37,539	10,374	7,758	14,793	7,464	10,505	214,610
<b>All other liabilities:</b>													
Oct. 29.....	5,216	41,895	4,804	6,074	2,711	3,084	14,526	3,003	2,585	3,704	2,207	5,507	95,316
Nov. 5.....	5,478	42,996	5,081	6,298	2,833	3,312	15,233	3,444	2,628	3,918	2,336	5,714	99,271
Nov. 12.....	5,712	43,995	5,192	6,597	2,863	3,431	15,473	3,603	2,717	4,025	2,410	5,875	101,893
Nov. 19.....	5,856	45,068	5,375	6,729	3,008	3,624	16,013	3,480	2,814	4,163	2,453	6,063	104,646
Nov. 26.....	6,051	45,976	5,449	6,980	3,098	3,729	16,555	3,718	2,837	4,283	2,532	6,326	107,534
<b>Total liabilities:</b>													
Oct. 29.....	507,054	1,856,957	484,412	616,878	281,661	279,106	968,222	263,255	167,828	276,380	195,454	444,400	6,341,607
Nov. 5.....	506,991	1,871,252	495,551	616,978	285,497	276,018	980,426	274,127	171,621	282,705	201,397	450,873	6,413,436
Nov. 12.....	502,153	1,875,850	487,123	617,734	288,933	274,824	955,686	268,455	171,529	271,561	197,309	445,434	6,356,591
Nov. 19.....	497,154	1,842,979	487,974	611,411	284,660	274,767	952,462	268,653	171,694	286,286	191,888	456,872	6,326,800
Nov. 26.....	497,477	1,815,062	487,363	615,088	286,603	267,341	950,492	260,528	164,149	268,340	189,438	442,608	6,244,489
<b>MEMORANDA.</b>													
<b>Ratio of total reserves to net deposit and Federal Reserve notes liabilities combined—per cent:</b>													
Oct. 29.....	49.6	39.1	51.3	51.9	45.5	40.5	40.3	40.4	39.2	40.3	39.6	44.9	43.1
Nov. 5.....	56.0	38.6	48.7	50.1	44.3	40.4	39.0	42.7	40.0	39.5	39.8	45.0	43.0
Nov. 12.....	51.1	38.3	51.1	55.2	43.3	40.3	40.2	42.0	39.2	39.9	41.7	48.1	43.6
Nov. 19.....	51.6	40.0	49.4	56.0	43.2	40.1	40.2	40.8	39.0	40.9	41.3	49.5	44.1
Nov. 26.....	55.0	40.8	49.6	56.5	43.2	40.1	40.0	41.3	39.5	40.2	40.3	44.9	44.4
<b>Contingent liability as indorser on discounted paper, rediscounted with other Federal Reserve Banks:</b>													
Oct. 29.....		48,000			14,275	36,122	7,050	37,305	26,603	44,895	32,828		247,078
Nov. 5.....		44,700			10,000	37,508	3,000	34,433	25,023	41,878	28,629		225,171
Nov. 12.....		38,000			9,520	35,141		23,680	26,250	40,503	27,089		200,183
Nov. 19.....		14,750			10,000	38,845		16,739	25,830	29,969	27,807		163,940
Nov. 26.....		10,150			10,000	40,216		12,793	25,860	28,464	26,600		154,083
<b>Bankers' acceptances sold to other Federal Reserve Banks without indorsement:</b>													
Oct. 29.....		13,362											13,362
Nov. 5.....		14,883											14,883
Nov. 12.....		19,736											19,736
Nov. 19.....		17,299											17,299
Nov. 26.....		14,352											14,352
<b>Contingent liability on bills purchased for foreign correspondents:</b>													
Oct. 29.....	1,168	6,080	1,280	1,312	784	576	1,904	752	432	768	416	736	16,208
Nov. 5.....	1,168	6,078	1,280	1,312	784	576	1,904	752	432	768	416	736	16,206
Nov. 12.....	1,168	6,076	1,280	1,312	784	576	1,904	752	432	768	416	736	16,204
Nov. 19.....	1,168	6,072	1,280	1,312	784	576	1,904	752	432	768	416	736	16,200
Nov. 26.....	1,168	6,071	1,280	1,312	784	576	1,904	752	432	768	416	736	16,199

Maturities of bills discounted and bought, also of Treasury certificates of indebtedness held by the 12 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.
<b>Bills discounted:</b>						
Oct. 29.....	1,591,408	300,671	512,062	368,446	28,710	2,801,297
Nov. 5.....	1,635,658	277,975	504,721	375,876	32,595	2,826,825
Nov. 12.....	1,599,696	301,964	508,238	338,166	36,686	2,784,750
Nov. 19.....	1,567,959	306,981	515,532	234,289	48,613	2,673,374
Nov. 26.....	1,650,801	296,096	501,627	235,181	51,695	2,735,400
<b>Bills bought:</b>						
Oct. 29.....	115,046	73,439	82,560	27,330		298,375
Nov. 5.....	131,993	68,556	76,589	22,631		299,769
Nov. 12.....	119,593	64,595	83,612	20,054		287,854
Nov. 19.....	97,488	62,281	96,948	18,510		275,227
Nov. 26.....	78,663	62,111	90,601	16,328		247,703
<b>United States certificates of indebtedness:</b>						
Oct. 29.....	15,370	8,100	28,883	14,135	202,946	269,434
Nov. 5.....	12,178	10,597	26,419	10,927	205,926	265,047
Nov. 12.....	16,592	12,499	24,850	8,947	206,422	269,310
Nov. 19.....	30,051	12,922	12,411	4,921	220,549	331,154
Nov. 26.....	35,027	22,045	12,385	3,920	220,299	293,676

## FEDERAL RESERVE NOTES.

Federal Reserve Agents' accounts at close of business on Fridays, Oct. 29 to Nov. 26, 1920.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
<b>RESOURCES.</b>													
Federal Reserve notes on hand:													
Oct. 29.....	117,300	141,000	35,280	30,000	23,339	58,875	60,600	19,380	7,645	7,560	12,780	4,880	518,649
Nov. 5.....	117,300	139,830	34,280	30,000	26,159	59,535	129,160	16,980	12,805	7,360	12,690	4,680	590,749
Nov. 12.....	120,500	139,800	35,680	32,000	27,519	61,295	132,040	16,980	12,265	8,460	13,470	4,380	604,389
Nov. 19.....	116,500	143,000	33,680	32,200	27,019	63,565	126,200	16,220	11,605	7,640	14,320	4,380	593,329
Nov. 26.....	110,200	168,000	39,680	30,100	25,329	62,195	128,360	18,220	11,505	7,340	14,320	3,380	618,629
Federal Reserve notes outstanding:													
Oct. 29.....	312,492	986,339	284,386	370,252	151,479	183,492	632,736	156,370	84,377	117,457	95,369	291,421	3,666,170
Nov. 5.....	310,024	991,176	282,705	369,013	152,045	182,231	630,202	157,521	84,550	116,417	94,497	289,067	3,659,448
Nov. 12.....	303,238	999,449	285,706	370,756	151,816	183,521	629,958	156,014	84,446	114,473	92,758	290,893	3,660,033
Nov. 19.....	302,548	991,577	287,073	369,866	151,414	179,461	637,057	156,155	84,601	114,661	93,469	292,606	3,657,488
Nov. 26.....	303,243	996,447	284,598	371,065	151,585	177,209	632,175	155,382	83,756	113,777	89,261	294,783	3,653,281
Collateral security for Federal Reserve notes outstanding:													
Gold and gold certificates—													
Oct. 29.....	5,900	209,608	.....	32,025	.....	3,500	.....	3,860	13,052	.....	9,831	.....	277,776
Nov. 5.....	5,900	209,608	.....	32,025	.....	3,500	.....	5,860	13,052	.....	7,831	.....	277,776
Nov. 12.....	5,900	209,608	.....	32,025	.....	3,500	.....	5,860	13,052	.....	6,831	.....	276,776
Nov. 19.....	5,900	209,608	.....	32,005	.....	3,500	.....	6,860	13,052	.....	5,831	.....	276,756
Nov. 26.....	5,900	209,608	.....	32,005	.....	3,500	.....	6,860	13,052	.....	5,331	.....	276,256
Gold redemption fund—													
Oct. 29.....	19,835	8,125	15,389	20,040	3,104	3,168	8,236	3,925	1,599	3,960	5,995	13,876	107,222
Nov. 5.....	17,337	17,312	17,708	20,631	1,130	4,627	8,263	3,776	932	2,720	5,023	19,672	119,101
Nov. 12.....	18,750	16,143	15,809	21,044	2,901	2,717	8,858	3,789	1,288	3,877	6,064	16,863	118,103
Nov. 19.....	19,061	15,394	18,277	21,454	3,499	2,926	7,877	4,129	1,783	2,744	6,624	15,856	119,624
Nov. 26.....	17,456	14,424	15,802	19,353	1,480	2,684	8,955	4,077	2,038	3,561	5,917	13,610	109,357
Gold settlement fund—Federal Reserve Board—													
Oct. 29.....	105,000	45,000	101,389	90,000	38,500	58,000	168,145	41,031	12,200	37,360	12,734	80,761	790,120
Nov. 5.....	105,000	25,000	101,389	90,000	38,500	56,000	164,144	39,531	12,200	37,360	14,734	71,611	755,469
Nov. 12.....	110,000	25,000	101,389	100,000	48,500	57,000	160,145	38,531	12,200	35,360	13,734	80,951	782,810
Nov. 19.....	100,000	25,000	101,389	110,000	45,500	57,000	176,145	37,931	11,200	38,360	11,734	95,107	809,366
Nov. 26.....	100,000	25,000	106,389	110,000	45,500	55,000	179,145	37,131	11,200	36,360	11,734	94,609	812,068
Eligible paper—													
Amount required—													
Oct. 29.....	181,787	723,606	167,608	228,187	109,875	118,824	456,355	107,554	57,526	76,137	66,809	196,784	2,491,052
Nov. 5.....	181,787	739,256	163,608	226,387	112,415	118,104	457,795	108,354	58,366	76,337	66,909	197,784	2,507,102
Nov. 12.....	168,588	748,698	168,508	217,687	100,415	117,304	460,955	107,834	57,906	75,236	66,129	193,084	2,482,344
Nov. 19.....	177,587	741,575	167,407	206,407	102,415	116,035	453,035	107,235	58,566	73,557	66,280	181,643	2,451,742
Nov. 26.....	179,887	747,415	162,407	209,707	104,605	116,025	444,075	107,314	57,466	73,856	66,279	186,564	2,455,600
Excess amount held—													
Oct. 29.....	41,315	269,094	5,558	24,683	6,395	24,070	51,650	14,329	12,330	41,679	11,899	6,592	509,594
Nov. 5.....	16,226	269,112	29,157	36,230	7,164	23,350	64,104	11,972	14,814	45,057	14,148	16,069	541,444
Nov. 12.....	44,816	259,488	3,229	24,952	19,191	23,291	39,646	11,029	10,202	39,474	12,339	4,303	491,919
Nov. 19.....	20,213	212,335	9,191	11,755	14,610	24,601	32,925	14,438	6,591	44,095	7,751	9,654	408,159
Nov. 26.....	15,363	195,049	7,676	24,263	11,225	23,391	62,431	13,973	6,972	41,589	11,076	21,055	434,063
Total resources:													
Oct. 29.....	783,599	2,382,772	609,610	795,187	332,692	449,929	1,377,722	346,449	188,729	284,153	215,427	594,314	8,360,583
Nov. 5.....	753,574	2,388,264	625,847	804,256	337,413	447,388	1,453,668	343,994	196,719	285,251	215,832	598,883	8,451,089
Nov. 12.....	771,792	2,398,186	610,321	798,464	350,342	445,587	1,431,602	340,037	191,359	276,880	211,325	590,479	8,416,374
Nov. 19.....	741,809	2,338,489	617,017	783,687	344,457	444,088	1,433,239	342,968	187,398	281,057	203,009	599,246	8,316,464
Nov. 26.....	732,049	2,355,943	616,552	796,493	339,724	440,004	1,455,141	342,957	185,989	276,483	203,918	614,001	8,359,254
<b>LIABILITIES.</b>													
Federal Reserve notes received from Comptroller of the Currency—gross:													
Oct. 29.....	726,400	2,308,300	660,380	690,520	380,480	405,980	1,161,180	383,400	181,720	262,020	196,160	524,960	7,881,500
Nov. 5.....	726,400	2,314,900	660,380	691,720	385,840	406,420	1,231,180	384,300	187,720	262,020	196,160	525,760	7,972,800
Nov. 12.....	726,400	2,326,500	666,680	697,020	388,200	408,380	1,237,220	384,780	187,720	262,020	196,160	530,760	8,011,840
Nov. 19.....	726,400	2,330,200	668,580	699,920	389,700	408,380	1,243,460	385,820	187,720	262,520	196,160	534,320	8,033,180
Nov. 26.....	727,400	2,362,400	674,580	701,120	390,200	410,000	1,246,660	389,100	187,720	262,520	196,160	538,240	8,086,100
Less amounts returned for destruction:													
Oct. 29.....	296,608	1,180,961	340,714	290,268	205,662	163,613	467,844	207,650	89,698	137,003	88,001	228,659	3,696,681
Nov. 5.....	299,076	1,183,924	343,395	292,707	207,636	164,654	471,818	209,799	90,365	138,243	88,973	232,013	3,722,603
Nov. 12.....	302,662	1,187,251	345,294	294,264	208,855	166,564	475,222	211,786	91,009	139,087	89,932	235,482	3,747,418
Nov. 19.....	307,352	1,195,623	347,827	297,854	211,267	168,354	483,203	213,445	91,514	140,219	91,371	237,334	3,782,363
Nov. 26.....	313,957	1,197,953	350,302	299,955	213,286	170,596	486,125	215,498	92,459	141,403	92,579	240,077	3,814,190
Net amount of Federal Reserve notes received from Comptroller of the Currency:													
Oct. 29.....	429,792	1,127,339	319,665	400,252	174,818	242,367	693,336	175,750	92,022	125,017	108,159	296,301	4,184,819
Nov. 5.....	427,324	1,130,976	316,985	399,013	178,204	241,766	759,362	174,501	97,355	123,777	107,187	293,747	4,250,197
Nov. 12.....	423,738	1,139,249	321,383	402,756	179,335	241,816	761,998	172,994	96,711	122,933	106,228	295,278	4,264,422
Nov. 19.....	419,048	1,134,577	320,753	402,066	178,433	240,026	763,257	172,375	96,206	122,301	104,789	296,986	4,250,817
Nov. 26.....	413,443	1,164,447	324,278	401,165	176,914	239,404	760,535	173,602	95,261	121,117	103,581	298,163	4,271,910

*Federal Reserve Agents' accounts at close of business on Fridays, Oct. 29 to Nov. 26, 1920—Continued.*

(In thousands of dollars.)

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
<b>LIABILITIES—continued.</b>													
Collateral received from Federal Reserve Bank:													
Gold—													
Oct. 29.....	130,705	262,733	116,778	142,065	41,604	64,668	176,381	48,816	26,851	41,320	28,560	94,637	1,175,118
Nov. 5.....	128,237	251,920	119,097	142,626	39,630	64,127	172,407	49,167	26,184	40,080	27,588	91,283	1,152,346
Nov. 12.....	134,650	250,751	117,198	153,069	51,401	63,217	169,003	48,180	26,540	39,237	26,629	97,814	1,177,689
Nov. 19.....	124,961	250,002	119,666	163,459	48,999	63,426	184,022	48,920	26,035	41,104	24,189	110,963	1,205,746
Nov. 26.....	123,356	249,032	122,191	161,358	46,980	61,184	188,100	48,068	26,290	39,921	22,982	108,219	1,197,681
Eligible paper—													
Oct. 29.....	223,102	992,700	173,166	252,870	116,270	142,894	508,005	121,883	69,856	117,816	78,708	203,376	3,000,646
Nov. 5.....	198,013	1,005,368	189,765	262,617	119,579	141,495	521,899	120,326	73,180	121,394	81,057	213,853	3,048,546
Nov. 12.....	213,404	1,008,186	171,737	242,639	119,606	140,554	500,601	118,863	68,108	114,710	78,468	197,387	2,974,263
Nov. 19.....	197,890	953,910	176,598	218,162	117,025	140,636	485,960	121,673	65,157	117,652	74,031	191,297	2,859,901
Nov. 26.....	195,250	942,464	170,083	233,970	115,830	139,416	506,506	121,287	64,438	115,445	77,355	207,619	2,889,663
Total liabilities:													
Oct. 29.....	783,599	2,382,772	609,610	795,187	332,692	449,929	1,377,722	346,449	188,729	284,153	215,427	594,314	8,360,583
Nov. 5.....	753,574	2,388,264	625,847	804,256	337,413	447,388	1,453,668	343,994	196,719	285,251	215,832	598,883	8,451,089
Nov. 12.....	771,792	2,398,186	610,321	798,464	350,342	445,587	1,431,602	340,037	191,359	276,880	211,325	590,479	8,416,374
Nov. 19.....	741,809	2,338,489	617,017	783,687	344,457	444,088	1,433,239	342,968	187,398	281,057	203,009	599,246	8,316,464
Nov. 26.....	732,049	2,355,943	616,552	795,493	339,724	440,004	1,455,141	342,957	185,989	276,483	203,918	614,001	8,359,254

**CONDITION OF MEMBER BANKS IN LEADING CITIES.**

Substantial liquidation of principal loan accounts, as reflected in an aggregate reduction of nearly 500 millions in total loans and investments of about 825 member banks in leading cities, is the most salient feature of banking development for the weeks between October 15 and November 19. Net deposits show a commensurate reduction, while liquidation of borrowings from the Federal Reserve Banks set in only later during the period and did not attain the same proportion as the re-

duction in the banks' own loan and deposit accounts.

Government credit operations, especially about the end of the period under review, were quite considerable in volume but did not differ in character from those described in previous reviews and apparently affected but little the general situation. In the following exhibit are shown the weekly changes in the principal asset and liability items of all reporting member banks for the five weeks under review.

*Resources and liabilities of member banks in leading cities on Fridays from Oct. 15 to Nov. 19, 1920.*

(In millions of dollars.)

	Oct. 15.	Oct. 22.	Oct. 29.	Nov. 5.	Nov. 12.	Nov. 19.
Number of banks.....	822	823	823	823	825	824
United States bonds.....	877	878	876	879	880	885
United States Victory notes.....	191	193	193	194	195	195
United States certificates of indebtedness.....	362	314	295	285	278	345
Total United States securities owned.....	1,430	1,385	1,364	1,358	1,353	1,425
Loans secured by Government war obligations, including rediscounts with Federal Reserve Bank.....	924	915	912	911	909	894
Loans secured by corporate stocks and bonds.....	3,162	3,106	3,142	3,087	3,049	3,044
All other loans and investments, including rediscounts with Federal Reserve Bank.....	11,768	11,697	11,599	11,579	11,521	11,430
Total loans and investments, including rediscounts with Federal Reserve Bank.....	17,234	17,103	17,017	16,935	16,832	16,793
Reserve balance with Federal Reserve Bank.....	1,422	1,333	1,365	1,335	1,370	1,344
Cash in vault.....	381	377	367	357	384	378
Net demand deposits.....	11,473	11,241	11,172	11,094	11,122	10,992
Time deposits.....	2,808	2,815	2,805	2,817	2,810	2,786
Government deposits.....	188	152	81	45	30	173
Bills discounted and rediscounted with Federal Reserve Bank, total.....	2,249	2,204	2,244	2,278	2,228	2,119
Secured by Government war obligations.....	928	930	929	942	905	884
All other.....	1,321	1,274	1,315	1,336	1,323	1,235

As against an increase of over 11 millions in the holdings of United States war securities proper, i. e., Liberty bonds and Victory notes, the reporting banks show a reduction of 16.4 millions in their holdings of Treasury certificates, notwithstanding the substantial increase in these holdings shown on November 19 following the most recent certificate issue. For the member banks in New York City a reduction for the five weeks of over 2 millions in Liberty bonds and Victory notes as against an increase of over 12 millions in Treasury certificates are noted.

All classes of loans show considerable reductions—loans supported by Government obligations by about 30 millions, loans supported by corporate securities by about 118 millions, and commercial loans and discounts (composing the bulk of the item "All other loans and investments") by about 338 millions. Total loans and investments, accordingly, on November 19 stood at 16,793 millions, or about 490 millions below the total shown five weeks previous. Member banks in New York City show larger liquidation of loans collateralized by Government and corporate securities and a reduction of over 135 millions in other loans and investments, curtailment of loans secured by stocks and bonds reflecting largely the heavy selling of stock exchange securities during November, while other loans and investments of the New York banks fell off more heavily during the last week in October and the week ending November 19. The ratio of combined holdings of United States war securities and loans supported by such securities to total loans and investments shows a rise from about 12 to 12.2 per cent for all reporting banks and from about 15 to 15.3 per cent for member banks in New York City.

Government deposits show a gradual decline from over 188 millions on October 15 to less than 30 millions on November 12. On the following Friday, following the allotment of the

November 15 certificate issue, these deposits were replenished to the extent of 173 millions. Other demand deposits (net) of the reporting banks followed a downward course nearly in keeping with loans and investments, the reduction of this item for the five weeks being over 480 millions. Time deposits show but slight fluctuation during the first four weeks and at the close of the period were 22 millions below the October 15 total. For the New York City banks moderate reductions in Government and time deposits and a decline of 255 millions in net demand deposits are shown.

Accommodation of all reporting institutions at the Federal Reserve Banks during the first three weeks under review fluctuated within moderate limits, reaching a high of 2,278 millions on November 5. During the following two weeks the banks were able to reduce their loans from their reserve banks by 159 millions, or to 12.6 per cent of their total loans and investments, compared with 13 per cent on October 15. For the New York City banks this ratio remained practically unchanged at slightly over 14.5 per cent.

Reserve balances show a sharp decline of over 89 millions for the week ending October 22, this decline corresponding to reductions of over 181 millions in total loans and investments, of 232 millions in net demand deposits, and of 45 millions in the bank's borrowings from the Federal Reserve Banks. Fluctuations during the subsequent weeks were within narrower limits, the November 19 total of the item, 1,344 millions, being about 78 millions below the October 15 total. Cash in vault at the close of the period stood at 378 millions, an increase of 7 millions since the middle of October. Reserve balances of the New York members show a decline of 73 millions for the week ending October 22, the total shown on that date, 567 millions, being a low record for the year. Their cash holdings show an increase of about 2.5 millions for the period.

*Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve Branch cities, as at close of business on Fridays from Oct. 22 to Nov. 19, 1920.*

#### 1. ALL REPORTING MEMBER BANKS.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Number of reporting banks:													
Oct. 22.....	48	115	59	92	81	46	108	35	37	83	51	68	823
Oct. 29.....	48	115	59	92	81	46	108	35	37	83	51	68	823
Nov. 5.....	48	115	59	92	81	46	108	35	37	83	51	68	823
Nov. 12.....	48	115	59	93	81	46	108	35	38	83	51	68	825
Nov. 19.....	48	115	59	93	80	46	108	35	38	83	51	68	824
United States bonds to secure circulation:													
Oct. 22.....	12,609	46,663	11,347	42,295	28,908	14,380	21,550	16,623	7,371	14,701	19,573	32,648	268,668
Oct. 29.....	12,610	46,663	11,347	42,400	28,908	14,455	21,552	16,623	7,371	14,701	19,573	32,648	268,851
Nov. 5.....	12,610	46,959	11,347	42,428	29,008	14,530	21,551	16,422	7,370	14,751	19,573	32,648	269,197
Nov. 12.....	12,610	47,459	11,347	42,428	29,008	14,530	21,551	16,432	7,371	14,751	19,573	32,623	269,683
Nov. 19.....	12,610	47,459	11,347	42,440	28,958	14,580	21,548	16,422	7,371	14,751	19,573	32,648	269,707

*Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve Branch cities, as at close of business on Fridays from Oct. 22 to Nov. 19, 1920—Continued.*

## 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.
Other United States bonds, including Liberty bonds:													
Oct. 22.....	18,255	253,113	29,076	62,107	33,429	28,111	51,722	13,217	9,894	23,812	22,354	64,114	609,204
Oct. 29.....	19,425	248,439	30,122	61,179	33,453	28,080	51,313	13,533	9,877	23,742	22,451	65,772	607,386
Nov. 5.....	19,622	250,278	29,543	60,995	33,796	28,298	51,696	13,353	9,883	23,519	22,666	66,438	610,087
Nov. 12.....	19,174	252,726	29,669	60,967	33,529	27,969	51,926	13,373	9,816	23,509	21,981	65,717	610,356
Nov. 19.....	19,801	249,924	30,194	61,620	33,903	28,002	54,395	13,577	10,073	23,448	22,451	67,354	614,742
United States Victory notes:													
Oct. 22.....	5,938	83,426	9,168	18,861	7,048	4,033	39,054	2,689	1,025	5,004	3,181	14,067	193,494
Oct. 29.....	5,838	83,500	9,218	19,064	6,887	4,019	38,574	2,705	1,069	5,097	3,076	14,339	193,386
Nov. 5.....	5,840	83,440	9,301	19,182	6,819	3,996	38,640	2,720	1,056	5,186	3,072	14,375	193,627
Nov. 12.....	5,801	84,105	9,425	19,217	6,856	4,023	38,835	2,735	1,053	5,240	3,191	14,736	195,217
Nov. 19.....	5,850	84,256	9,791	19,389	6,754	3,960	38,408	2,721	1,038	5,170	3,224	14,915	195,496
United States certificates of indebtedness:													
Oct. 22.....	21,666	152,597	16,115	15,355	7,234	6,706	53,289	3,842	2,028	7,233	5,009	22,798	313,872
Oct. 29.....	15,526	147,242	13,774	14,014	7,118	6,624	51,275	3,695	1,923	6,803	4,980	22,019	294,993
Nov. 5.....	16,101	142,750	13,514	13,300	7,094	6,520	46,311	3,853	2,010	6,729	5,379	21,662	283,223
Nov. 12.....	15,416	137,128	13,280	12,111	7,052	6,456	46,917	4,077	1,855	6,709	5,206	21,847	278,054
Nov. 19.....	19,911	179,229	16,923	16,593	7,822	6,754	52,154	4,687	1,636	7,166	5,904	26,203	345,402
Total United States securities owned:													
Oct. 22.....	58,468	535,799	65,706	138,618	76,619	53,230	165,615	36,371	20,318	50,750	50,117	133,627	1,385,238
Oct. 29.....	53,399	525,844	64,461	136,657	76,366	53,178	162,714	36,556	20,240	50,343	50,080	134,778	1,364,616
Nov. 5.....	54,173	523,427	63,705	135,905	76,717	53,344	158,198	36,348	20,319	50,185	50,690	135,123	1,358,134
Nov. 12.....	53,001	521,418	63,721	134,723	76,445	52,978	159,229	36,617	20,095	50,209	49,951	134,923	1,359,310
Nov. 19.....	58,172	560,808	68,255	140,402	77,437	53,296	166,505	37,407	20,138	50,535	51,212	141,120	1,425,347
Loans secured by Government war obligations, including rediscounts with Federal Reserve Bank:													
Oct. 22.....	47,384	451,223	70,896	70,429	29,895	32,036	90,293	31,694	15,802	29,087	10,828	34,840	914,407
Oct. 29.....	46,982	438,565	76,945	69,478	30,024	31,423	95,441	32,232	16,569	29,381	10,284	34,224	911,548
Nov. 5.....	46,924	438,890	75,995	70,985	30,796	31,385	92,635	31,743	17,224	30,407	10,029	34,155	911,168
Nov. 12.....	46,200	438,883	75,775	68,892	29,844	31,845	95,280	31,940	17,011	30,492	9,721	32,819	908,702
Nov. 19.....	45,825	422,170	74,017	68,443	29,950	31,066	96,858	32,854	17,053	31,311	10,558	33,807	893,912
Loans secured by stocks and bonds other than United States securities:													
Oct. 22.....	194,377	1,311,665	214,341	328,673	108,188	59,680	453,409	138,584	31,150	80,918	39,456	145,462	3,105,903
Oct. 29.....	197,680	1,359,100	212,864	327,329	108,747	58,802	449,315	127,442	30,983	82,000	40,637	147,077	3,141,976
Nov. 5.....	198,136	1,298,701	212,566	330,534	113,501	58,752	449,040	127,651	31,116	81,142	39,944	146,431	3,087,514
Nov. 12.....	196,642	1,267,917	211,520	329,013	114,285	59,104	445,905	127,261	31,897	79,824	37,698	147,952	3,049,918
Nov. 19.....	197,555	1,243,662	214,695	331,465	113,409	60,608	452,611	127,283	33,832	82,727	37,920	148,244	3,044,011
All other loans and investments, including rediscounts with Federal Reserve Bank:													
Oct. 22.....	817,689	4,170,229	590,076	979,530	407,911	427,738	1,807,573	409,180	298,519	520,755	272,147	995,965	11,697,312
Oct. 29.....	816,725	4,087,314	588,161	983,644	403,293	425,437	1,800,459	407,392	298,941	528,395	267,757	991,758	11,599,276
Nov. 5.....	815,386	4,078,657	591,455	988,557	396,980	423,670	1,795,207	408,439	301,638	528,307	265,021	985,203	11,578,520
Nov. 12.....	804,741	4,076,341	590,315	975,869	395,628	408,914	1,784,561	399,692	302,499	526,599	264,757	990,726	11,520,642
Nov. 19.....	809,389	4,041,933	584,521	972,969	388,840	412,904	1,754,087	395,614	297,986	514,276	260,095	997,690	11,430,304
Total loans and investments, including rediscounts with Federal Reserve Bank:													
Oct. 22.....	1,117,918	6,468,916	941,019	1,517,250	622,613	572,684	2,516,890	615,829	365,789	681,510	372,548	1,309,894	17,102,860
Oct. 29.....	1,114,786	6,410,823	942,431	1,517,108	618,430	568,840	2,507,929	603,622	366,733	690,119	368,758	1,307,837	17,017,416
Nov. 5.....	1,114,619	6,339,675	943,721	1,525,981	617,994	567,151	2,495,080	604,181	370,297	690,041	365,684	1,300,912	16,935,336
Nov. 12.....	1,100,584	6,304,559	941,331	1,508,497	616,202	552,841	2,484,975	595,510	371,502	687,124	362,127	1,306,420	16,831,672
Nov. 19.....	1,110,941	6,268,633	941,488	1,513,279	609,636	557,874	2,470,061	593,158	369,009	678,849	359,785	1,320,861	16,793,574
Reserve balances with Federal Reserve Bank:													
Oct. 22.....	84,098	612,410	70,501	104,007	35,840	28,823	186,066	38,449	17,372	44,304	25,482	85,863	1,333,215
Oct. 29.....	84,018	645,594	65,512	104,159	36,700	32,052	189,752	37,336	20,185	41,762	24,539	83,613	1,365,222
Nov. 5.....	82,266	619,656	69,112	105,753	35,323	28,852	186,642	38,231	18,084	43,610	24,565	83,141	1,335,235
Nov. 12.....	81,464	654,911	72,093	101,398	33,562	29,594	185,061	40,350	21,367	45,128	21,592	83,408	1,369,928
Nov. 19.....	80,221	629,783	71,606	101,668	34,826	27,900	182,324	40,303	20,567	48,364	24,345	82,044	1,345,951
Cash in vault:													
Oct. 22.....	26,763	121,021	18,010	38,058	18,583	13,942	66,358	10,087	9,528	15,100	12,680	27,361	377,491
Oct. 29.....	24,796	116,776	18,719	36,088	17,570	14,507	65,223	9,813	9,258	15,755	12,054	26,438	366,997
Nov. 5.....	25,343	125,852	18,901	38,962	18,708	13,908	72,477	10,088	9,348	15,294	12,207	26,323	387,411
Nov. 12.....	25,172	125,210	19,478	35,859	18,969	13,840	68,743	10,066	9,485	15,197	13,547	27,972	383,538
Nov. 19.....	25,369	124,482	19,633	38,320	18,295	13,441	66,563	9,584	9,408	14,681	11,640	26,808	378,224
Net demand deposits on which reserve is computed:													
Oct. 22.....	848,232	5,012,334	698,017	956,753	339,003	249,829	1,379,715	300,495	187,998	394,088	226,793	647,381	11,240,588
Oct. 29.....	832,298	4,993,980	684,743	950,397	339,698	246,026	1,370,489	298,192	196,702	391,723	224,172	643,581	11,172,001
Nov. 5.....	819,986	4,928,657	689,300	962,009	339,937	245,800	1,356,189	300,586	195,684	394,927	219,877	641,352	11,094,304
Nov. 12.....	819,019	4,915,610	694,716	947,750	339,142	249,467	1,363,660	301,465	198,375	408,221	224,639	659,881	11,121,945
Nov. 19.....	797,313	4,876,940	685,316	941,389	335,318	245,737	1,348,244	304,857	190,272	400,373	221,474	645,040	10,992,273

Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve Branch cities, as at close of business on Fridays from Oct. 22 to Nov. 19, 1920—Continued.

## 1. ALL REPORTING MEMBER BANKS—Continued.

(In thousands of dollars.)

	Boston.	New York.	Philadel- phia.	Cleve- land.	Rien- mond.	At- lanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Franc- isco.	Total.
<b>Time deposits:</b>													
Oct. 22.....	159,158	474,118	39,712	380,379	106,199	148,479	636,621	128,767	68,747	96,988	55,664	519,727	2,814,559
Oct. 29.....	162,445	458,556	39,244	382,012	107,644	148,183	634,764	129,235	68,733	98,213	56,302	519,916	2,805,247
Nov. 5.....	164,203	458,284	39,896	383,050	108,708	148,326	637,848	130,283	68,470	99,029	57,109	521,389	2,816,595
Nov. 12.....	153,504	455,883	39,711	385,045	108,696	149,888	638,514	129,563	68,747	99,359	57,236	523,794	2,809,940
Nov. 19.....	133,107	452,475	39,564	386,413	107,955	150,704	639,184	128,042	68,553	100,076	57,638	522,334	2,786,045
<b>Government deposits:</b>													
Oct. 22.....	11,949	73,892	15,593	15,716	2,396	1,345	13,661	3,661	1,202	3,533	1,676	7,225	151,849
Oct. 29.....	7,649	30,900	10,363	10,522	1,422	968	8,773	2,045	492	2,238	1,196	4,163	80,731
Nov. 5.....	4,286	17,372	5,819	5,714	917	653	4,951	1,139	276	1,256	670	2,359	45,412
Nov. 12.....	2,138	8,677	2,899	9,474	528	381	2,451	571	137	632	456	1,181	29,525
Nov. 19.....	13,524	75,664	11,541	24,754	2,818	1,257	18,893	6,500	2,766	2,170	1,605	11,724	173,216
<b>Bills payable with Federal Reserve Bank:</b>													
<b>Secured by United States war obligations—</b>													
Oct. 22.....	23,411	352,831	42,445	13,960	29,084	30,603	82,981	21,582	6,071	22,846	17,345	31,493	674,652
Oct. 29.....	23,038	347,740	42,482	18,996	26,583	32,145	81,132	21,688	5,751	24,130	19,306	29,678	672,669
Nov. 5.....	26,333	345,251	44,422	27,421	26,118	32,115	80,496	22,087	5,893	23,856	20,402	31,303	685,197
Nov. 12.....	28,289	314,123	43,253	26,553	30,688	29,133	79,781	22,575	5,899	22,750	18,710	26,592	648,346
Nov. 19.....	26,942	309,913	47,646	18,956	30,014	31,572	83,524	22,704	5,516	18,864	16,144	21,987	633,782
<b>All other—</b>													
Oct. 22.....				36		756			533	1,295		85	2,705
Oct. 29.....				36	600	721			433	265		85	2,140
Nov. 5.....				36		918			150	325		270	1,699
Nov. 12.....				36		807			450	325		320	1,938
Nov. 19.....				36	510	668			564	25		185	1,988
<b>Bills rediscounted with Federal Reserve Bank:</b>													
<b>Secured by United States war obligations—</b>													
Oct. 22.....	12,314	140,673	34,385	9,615	4,674	10,959	16,602	8,864	1,886	7,771	2,461	4,711	254,915
Oct. 29.....	13,062	138,629	35,765	10,613	4,607	10,735	16,511	8,761	2,637	8,431	2,037	4,887	256,675
Nov. 5.....	15,182	139,768	37,082	8,385	4,471	10,857	15,131	7,969	2,900	9,146	1,481	4,409	256,781
Nov. 12.....	16,316	139,516	37,325	8,676	4,160	10,450	14,507	7,982	2,929	9,065	1,720	4,361	257,007
Nov. 19.....	15,731	131,658	36,864	8,382	3,891	10,572	16,133	8,887	2,832	8,891	1,718	4,487	250,056
<b>All other—</b>													
Oct. 22.....	45,755	423,517	27,966	40,397	46,264	76,839	275,164	85,460	66,607	83,267	29,798	70,390	1,271,424
Oct. 29.....	52,354	459,879	35,799	38,505	44,924	76,756	270,132	84,060	65,742	83,689	29,133	71,775	1,312,778
Nov. 5.....	56,392	465,052	33,564	38,000	45,931	75,262	282,353	85,107	64,477	85,175	27,962	75,483	1,334,758
Nov. 12.....	59,687	498,176	34,747	38,044	44,378	70,865	262,469	70,748	66,110	77,959	26,700	71,101	1,320,984
Nov. 19.....	68,961	432,582	32,025	35,304	39,736	71,231	247,350	67,463	66,789	75,416	25,252	71,319	1,233,428

## 2. MEMBER BANKS IN FEDERAL RESERVE BANK CITIES.

(In thousands of dollars.)

<b>Number of reporting banks:</b>													
Oct. 22.....	24	72	44	12	9	8	51	13	10	19	8	15	285
Oct. 29.....	24	72	44	12	9	8	51	13	10	19	8	15	285
Nov. 5.....	24	72	44	12	9	8	51	13	10	19	8	15	285
Nov. 12.....	24	72	44	13	9	8	51	13	11	19	8	15	287
Nov. 19.....	24	72	44	13	9	8	51	13	11	19	8	15	287
<b>United States bonds to secure circulation:</b>													
Oct. 22.....	2,281	36,966	7,337	3,671	2,776	3,100	1,439	9,993	2,791	4,276	4,560	16,650	95,840
Oct. 29.....	2,281	36,966	7,337	3,671	2,776	3,100	1,440	9,993	2,791	4,276	4,560	16,650	95,841
Nov. 5.....	2,281	37,362	7,337	3,671	2,776	3,100	1,439	9,792	2,791	4,276	4,560	16,650	96,035
Nov. 12.....	2,281	37,862	7,337	3,671	2,776	3,100	1,439	9,802	2,791	4,276	4,560	16,650	96,545
Nov. 19.....	2,281	37,862	7,337	3,671	2,776	3,100	1,438	9,792	2,791	4,276	4,560	16,650	96,534
<b>Other United States bonds, including Liberty bonds:</b>													
Oct. 22.....	6,800	221,006	22,203	7,759	4,685	1,537	16,484	5,270	1,900	8,228	6,375	38,854	341,101
Oct. 29.....	6,867	216,486	23,251	7,756	4,696	1,537	16,465	5,377	1,885	8,190	6,552	39,097	338,159
Nov. 5.....	6,940	218,375	22,672	7,786	4,696	1,537	17,001	5,163	1,905	8,180	6,772	41,070	342,097
Nov. 12.....	6,018	220,392	22,764	7,781	4,685	1,537	17,223	5,128	1,827	8,186	6,443	40,427	342,411
Nov. 19.....	6,636	217,399	23,131	7,776	4,685	1,537	18,023	5,309	1,992	8,133	6,426	41,730	342,777
<b>United States Victory notes:</b>													
Oct. 22.....	561	74,034	6,649	2,333	153	176	11,084	536	216	2,522	860	5,966	105,090
Oct. 29.....	461	74,010	6,696	2,339	153	176	11,174	547	216	2,627	758	6,068	105,225
Nov. 5.....	464	73,934	6,708	2,338	153	175	11,166	547	221	2,639	758	5,843	104,946
Nov. 12.....	426	74,600	6,828	2,338	153	175	11,491	556	216	2,665	868	6,053	106,369
Nov. 19.....	472	74,628	7,023	2,338	153	175	11,807	528	221	2,681	905	6,145	107,079
<b>United States certificates of indebtedness:</b>													
Oct. 22.....	11,143	137,753	14,816	1,646	541	532	18,377	2,654	477	2,574	1,356	12,628	204,497
Oct. 29.....	5,796	132,558	12,506	1,438	530	532	17,745	2,580	563	2,119	1,296	11,757	189,420
Nov. 5.....	6,680	128,188	12,248	1,392	530	507	15,836	2,876	680	2,070	1,540	11,611	184,168
Nov. 12.....	6,854	122,620	11,996	1,378	530	502	16,540	2,596	387	2,018	1,388	11,695	178,504
Nov. 19.....	9,252	163,286	15,253	2,168	486	502	19,029	3,489	281	1,907	2,123	15,485	233,261

Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve Branch cities, as at close of business on Fridays from Oct. 22 to Nov. 19, 1920—Continued.

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

[In thousands of dollars.]

	Boston.	New York.	Philadel- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total.
<b>Total United States securities owned:</b>													
Oct. 22.....	20,785	469,750	51,005	15,409	8,155	5,345	47,384	18,453	5,384	17,600	13,151	74,098	746,528
Oct. 29.....	15,405	460,020	49,790	15,204	8,155	5,345	46,824	18,407	5,455	17,212	13,166	73,572	728,645
Nov. 5.....	16,365	457,859	48,965	15,187	8,155	5,319	45,442	18,378	5,377	17,165	13,630	75,204	727,246
Nov. 12.....	15,579	455,474	48,925	15,168	8,144	5,314	46,693	18,082	5,221	17,145	13,259	74,825	728,829
Nov. 19.....	18,641	493,175	52,744	15,953	8,100	5,314	50,297	19,118	5,285	16,997	14,014	80,010	779,648
<b>Loans secured by Government war obligations, including rediscounts with Federal Reserve Bank:</b>													
Oct. 22.....	39,471	422,995	67,367	18,911	7,796	6,905	59,426	19,231	9,679	11,971	2,825	16,415	682,992
Oct. 29.....	38,694	410,604	73,325	18,806	7,739	6,876	63,208	19,390	9,927	12,149	2,724	15,880	679,322
Nov. 5.....	39,096	411,201	72,396	18,971	8,351	6,560	60,614	18,958	10,345	12,628	2,972	14,979	677,069
Nov. 12.....	38,484	411,494	72,557	19,470	7,665	6,502	63,110	19,017	10,074	12,447	2,247	15,036	678,103
Nov. 19.....	38,506	394,723	70,893	19,100	7,805	6,449	65,076	19,459	9,976	12,532	2,615	15,300	662,434
<b>Loans secured by stocks and bonds other than United States securities:</b>													
Oct. 22.....	146,233	1,162,316	194,789	112,386	15,439	6,452	337,961	88,371	16,277	33,750	12,605	69,104	2,195,683
Oct. 29.....	149,680	1,206,383	193,048	112,345	15,324	6,422	335,184	88,113	16,264	33,643	12,597	68,957	2,237,960
Nov. 5.....	150,525	1,147,200	192,877	113,748	14,788	6,607	335,479	88,271	16,473	33,360	11,946	68,192	2,179,466
Nov. 12.....	149,463	1,111,751	191,780	115,984	15,444	7,129	332,762	87,635	17,126	31,994	9,729	69,337	2,140,134
Nov. 19.....	152,044	1,091,195	194,808	116,392	15,383	7,327	340,590	87,681	17,013	33,410	9,644	68,755	2,134,242
<b>All other loans and investments, including rediscounts with Federal Reserve Bank:</b>													
Oct. 22.....	593,690	3,682,640	519,830	308,241	82,086	74,532	1,075,952	272,416	146,560	183,248	69,266	490,360	7,498,821
Oct. 29.....	591,016	3,603,496	517,240	309,146	78,589	74,380	1,063,643	270,461	147,370	185,238	68,812	481,873	7,391,264
Nov. 5.....	591,049	3,595,185	520,088	311,180	77,303	73,662	1,061,798	272,773	145,155	185,092	67,551	479,626	7,380,462
Nov. 12.....	580,161	3,596,333	518,244	311,245	76,700	72,563	1,051,243	265,528	145,875	187,559	69,776	481,381	7,355,608
Nov. 19.....	585,456	3,563,401	513,594	309,466	74,329	70,424	1,041,162	262,304	145,338	180,341	68,032	489,475	7,303,322
<b>Total loans and investments, including rediscounts with Federal Reserve Bank:</b>													
Oct. 22.....	800,179	5,737,710	832,991	454,947	113,476	93,234	1,520,723	398,471	177,900	246,569	97,847	549,977	11,124,024
Oct. 29.....	794,795	5,680,503	833,403	455,501	109,807	93,023	1,508,859	396,461	179,016	248,242	97,299	540,282	11,037,191
Nov. 5.....	797,035	5,611,445	834,326	459,086	108,597	92,148	1,503,333	398,380	177,548	248,245	96,099	538,001	10,964,243
Nov. 12.....	783,687	5,575,052	831,506	461,867	107,953	91,508	1,493,808	390,262	178,296	249,145	95,011	540,579	10,898,674
Nov. 19.....	794,647	5,542,494	832,039	460,911	105,617	89,514	1,497,125	388,562	177,612	243,280	94,305	553,540	10,879,646
<b>Reserve balances with Federal Reserve Bank:</b>													
Oct. 22.....	66,600	567,804	63,582	29,856	5,980	5,210	134,785	28,817	7,670	16,078	6,969	41,250	974,601
Oct. 29.....	66,772	603,782	59,251	31,166	6,118	6,529	135,153	27,768	7,775	13,084	6,637	39,037	1,003,072
Nov. 5.....	65,260	579,841	62,559	29,440	5,248	5,242	134,780	28,075	7,824	14,803	6,938	38,621	978,631
Nov. 12.....	64,124	612,731	65,711	29,110	4,946	5,545	131,562	29,593	10,452	16,255	5,463	39,263	1,014,755
Nov. 19.....	63,918	589,453	64,283	26,257	5,583	5,095	131,392	29,987	9,052	17,398	6,321	39,021	987,760
<b>Cash in vault:</b>													
Oct. 22.....	16,207	106,200	14,212	9,604	1,671	2,538	38,818	5,076	3,201	4,009	2,336	10,792	214,664
Oct. 29.....	14,985	102,819	14,552	9,696	1,703	2,208	37,647	5,057	3,186	4,184	1,976	10,603	208,616
Nov. 5.....	15,353	110,342	14,841	9,406	1,879	2,323	43,179	5,166	2,997	4,381	2,029	10,671	222,567
Nov. 12.....	14,833	110,811	15,980	9,486	2,042	2,277	39,750	4,930	3,176	3,922	2,110	10,505	219,822
Nov. 19.....	15,128	110,443	15,861	9,324	1,573	2,223	38,590	4,828	2,817	3,910	2,014	10,483	217,194
<b>Net demand deposits on which reserve is computed:</b>													
Oct. 22.....	647,151	4,513,490	610,289	235,347	54,343	40,169	948,855	210,397	82,222	135,977	65,883	318,813	7,862,936
Oct. 29.....	639,395	4,506,067	596,568	239,475	55,681	39,454	942,140	207,945	84,679	134,257	63,687	313,959	7,823,307
Nov. 5.....	629,245	4,436,063	600,315	241,203	55,064	39,296	937,514	209,690	83,081	135,083	61,960	311,785	7,740,299
Nov. 12.....	628,548	4,427,331	608,005	240,977	53,054	40,648	942,034	207,156	85,518	143,779	63,443	312,943	7,753,436
Nov. 19.....	612,409	4,392,760	599,649	233,322	54,309	38,452	932,126	212,505	81,447	138,935	62,890	311,949	7,670,753
<b>Time deposits:</b>													
Oct. 22.....	60,266	335,907	29,180	183,243	21,702	21,244	292,807	76,642	26,020	10,696	5,461	239,538	1,302,706
Oct. 29.....	61,406	318,231	28,609	183,863	21,714	21,222	291,110	76,934	25,961	11,250	5,890	239,724	1,285,914
Nov. 5.....	61,195	317,616	29,204	184,106	22,529	21,370	293,468	77,423	26,324	11,193	6,291	239,979	1,290,698
Nov. 12.....	51,276	314,550	28,893	185,365	22,536	21,616	294,757	77,536	26,444	11,282	6,347	240,375	1,280,977
Nov. 19.....	57,681	312,137	28,751	186,147	22,512	21,681	297,165	77,750	26,390	11,329	6,373	240,032	1,287,948
<b>Government deposits:</b>													
Oct. 22.....	8,036	70,293	15,140	1,921	449	164	6,538	2,909	245	2,560	1,228	6,835	116,318
Oct. 29.....	4,964	28,560	10,052	787	332	42	4,202	1,583	68	1,485	822	4,099	56,996
Nov. 5.....	2,791	16,059	5,645	444	182	24	2,383	891	38	834	461	2,306	32,058
Nov. 12.....	1,389	8,022	2,814	2,296	105	12	1,172	446	19	418	349	1,151	18,193
Nov. 19.....	10,696	72,744	10,591	6,271	315	73	10,682	5,585	1,238	1,623	1,510	10,687	132,015
<b>Bills payable with Federal Reserve Bank:</b>													
Secured by United States war obligations—													
Oct. 22.....	21,299	321,429	39,261	830	5,138	1,280	25,266	12,428	527	11,718	4,203	17,696	461,075
Oct. 29.....	20,031	316,266	39,638	830	4,126	1,130	24,236	12,911	568	12,016	4,578	15,238	451,568
Nov. 5.....	22,057	314,797	41,573	630	3,292	1,250	23,686	12,833	550	11,720	5,461	16,747	454,596
Nov. 12.....	23,072	278,594	39,424	1,542	6,950	1,250	23,713	13,438	748	9,587	4,354	15,545	418,217
Nov. 19.....	22,614	275,092	43,485	2,430	6,697	1,250	25,340	13,495	338	9,456	3,471	13,199	416,867

Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve Branch cities, as at close of business on Fridays from Oct. 22 to Nov. 19, 1920—Continued.

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

[In thousands of dollars.]

	Boston.	New York.	Philadel- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total.
<b>Bills payable with Federal Reserve Bank—Continued.</b>													
All other—													
Oct. 22.....										800			800
Oct. 29.....													
Nov. 5.....													
Nov. 12.....													
Nov. 19.....													
<b>Bills rediscounted with Federal Reserve Bank:</b>													
Secured by United States war obligations—													
Oct. 22.....	11,822	136,984	34,176	2,229		1,912	9,412	4,562	1,377	4,227	518	3,017	210,236
Oct. 29.....	12,514	135,476	35,461	2,597		2,093	8,967	4,506	1,694	4,540	529	3,173	211,550
Nov. 5.....	14,677	136,786	36,778	2,450		1,797	7,526	3,821	1,756	4,977	338	2,718	213,624
Nov. 12.....	15,824	136,506	37,076	2,646		1,680	6,854	3,788	1,697	4,702	313	2,690	213,776
Nov. 19.....	15,661	128,782	36,640	2,457		1,555	8,932	4,409	1,700	4,604	219	2,638	207,597
All other—													
Oct. 22.....	45,585	397,690	25,940	32,132	11,871	14,635	197,571	60,925	49,901	38,042	10,203	35,313	919,808
Oct. 29.....	51,922	429,865	33,777	29,752	11,757	15,396	191,100	60,031	47,988	39,135	10,016	35,952	956,691
Nov. 5.....	56,225	438,884	31,896	28,356	11,175	14,498	196,333	62,210	47,807	40,461	10,112	40,552	978,509
Nov. 12.....	58,886	466,514	33,020	30,522	8,945	14,061	178,322	49,363	50,111	35,612	10,020	37,547	972,923
Nov. 19.....	67,856	402,225	30,332	27,243	6,610	12,556	171,994	46,570	49,897	35,682	9,314	37,896	898,175

## 3. MEMBER BANKS IN FEDERAL RESERVE BRANCH CITIES.

[In thousands of dollars.]

	New York district. <sup>1</sup>	Cleve- land district. <sup>2</sup>	Rich- mond district. <sup>3</sup>	Atlanta district. <sup>4</sup>	Chicago district. <sup>5</sup>	St. Louis district. <sup>6</sup>	Kansas City district. <sup>7</sup>	Dallas district. <sup>8</sup>	San Fran- cisco district. <sup>9</sup>	Total.
<b>Number of reporting banks:</b>										
Oct. 22.....	11	40	18	23	12	18	29	13	44	208
Oct. 29.....	11	40	18	23	12	18	29	13	44	208
Nov. 5.....	11	40	18	23	12	18	29	13	44	208
Nov. 12.....	11	40	18	23	12	18	29	13	44	208
Nov. 19.....	11	40	18	23	12	18	29	13	44	208
<b>United States bonds to secure circulation:</b>										
Oct. 22.....	1,599	25,209	5,608	6,980	1,905	5,280	5,398	7,108	13,185	72,272
Oct. 29.....	1,599	25,209	5,608	7,030	1,905	5,280	5,398	7,108	13,185	72,322
Nov. 5.....	1,599	25,237	5,608	7,030	1,905	5,280	5,398	7,108	13,185	72,350
Nov. 12.....	1,599	25,237	5,608	7,030	1,905	5,280	5,398	7,108	13,185	72,350
Nov. 19.....	1,599	25,249	5,608	7,030	1,905	5,280	5,398	7,108	13,185	72,362
<b>Other United States bonds, including Liberty bonds:</b>										
Oct. 22.....	10,557	43,024	9,054	22,136	18,189	7,418	9,098	7,253	21,773	148,502
Oct. 29.....	10,939	41,950	9,054	22,158	17,925	7,628	9,113	7,232	23,195	149,194
Nov. 5.....	10,898	41,730	9,038	22,344	17,914	7,682	9,010	7,233	21,916	147,765
Nov. 12.....	11,279	41,590	9,081	22,318	17,857	7,737	8,953	7,233	21,843	147,891
Nov. 19.....	11,456	42,485	9,210	22,352	19,311	7,760	8,946	7,237	22,176	150,933
<b>United States Victory notes:</b>										
Oct. 22.....	2,031	13,440	2,704	2,635	19,103	2,041	1,121	1,196	7,644	51,015
Oct. 29.....	2,118	13,630	2,686	2,621	18,609	2,047	1,137	1,194	7,814	51,856
Nov. 5.....	2,138	13,753	2,680	2,567	18,610	2,071	1,191	1,194	8,081	52,315
Nov. 12.....	2,144	13,670	2,687	2,657	18,608	2,077	1,202	1,194	8,234	52,473
Nov. 19.....	2,265	13,836	2,680	2,592	18,608	2,091	1,100	1,193	8,320	52,685
<b>United States certificates of indebtedness:</b>										
Oct. 22.....	8,064	10,266	1,021	5,929	26,159	1,047	2,766	1,885	8,998	66,135
Oct. 29.....	7,939	9,420	916	5,832	24,831	974	2,794	1,885	9,195	63,786
Nov. 5.....	7,877	8,669	906	5,753	22,262	834	2,794	2,000	8,954	60,079
Nov. 12.....	7,859	7,826	750	5,694	21,769	1,338	2,807	2,000	8,785	58,828
Nov. 19.....	9,405	10,937	1,098	5,922	24,819	1,030	3,352	2,058	9,279	67,900
<b>Total United States securities owned:</b>										
Oct. 22.....	22,251	91,039	18,387	37,680	65,356	15,786	18,383	17,442	51,600	338,824
Oct. 29.....	22,595	90,209	18,264	37,641	63,270	15,929	18,442	17,419	53,389	337,158
Nov. 5.....	22,512	89,389	18,232	37,724	60,721	15,867	18,383	17,535	52,136	332,509
Nov. 12.....	22,881	88,323	18,126	37,699	60,139	16,432	18,360	17,535	52,047	331,542
Nov. 19.....	24,725	92,507	18,596	37,896	64,643	16,161	18,796	1,596	52,960	343,880
<b>Loans secured by Government war obligations, including rediscounts with Federal Reserve Bank:</b>										
Oct. 22.....	11,314	40,608	8,886	19,267	14,725	11,169	11,242	3,019	17,242	137,472
Oct. 29.....	11,114	39,989	9,108	18,901	16,020	11,386	11,011	2,921	17,184	137,634
Nov. 5.....	10,928	39,404	8,933	18,900	15,618	11,346	11,326	2,559	16,978	135,992
Nov. 12.....	10,809	38,706	8,871	19,039	15,698	11,471	11,383	2,395	16,401	134,773
Nov. 19.....	10,778	38,702	8,605	18,468	15,335	11,960	11,920	2,795	17,169	135,732

*Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve Branch cities, as at close of business on Fridays from Oct. 22 to Nov. 19, 1920—Continued.*

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

[In thousands of dollars.]

	New York district. <sup>1</sup>	Cleveland district. <sup>2</sup>	Richmond district. <sup>3</sup>	Atlanta district. <sup>4</sup>	Chicago district. <sup>5</sup>	St. Louis district. <sup>6</sup>	Kansas City district. <sup>7</sup>	Dallas district. <sup>8</sup>	San Francisco district. <sup>9</sup>	Total.
Loans secured by stocks and bonds other than United States securities:										
Oct. 22.....	53,672	154,858	31,840	39,762	59,294	47,277	28,515	14,717	68,202	498,137
Oct. 29.....	55,541	153,736	31,821	38,894	58,446	36,423	29,223	15,963	69,596	489,643
Nov. 5.....	54,973	157,931	31,984	38,624	58,091	36,479	29,083	15,716	70,959	493,840
Nov. 12.....	56,087	151,992	31,876	38,529	57,687	35,716	28,924	15,825	70,382	488,018
Nov. 19.....	56,225	152,767	32,372	39,987	57,311	36,683	30,741	15,775	71,636	493,497
All other loans and investments, including rediscounts with Federal Reserve Bank:										
Oct. 22.....	193,951	497,292	121,676	263,508	350,852	120,287	202,779	85,354	470,436	2,306,135
Oct. 29.....	191,552	497,445	120,680	263,871	353,120	120,608	204,913	83,223	475,036	2,310,448
Nov. 5.....	193,956	501,529	118,996	262,166	350,559	120,245	204,420	82,679	470,229	2,304,779
Nov. 12.....	193,465	489,983	119,414	260,881	351,294	118,266	202,755	81,016	473,752	2,290,826
Nov. 19.....	192,355	489,881	117,414	255,372	340,059	117,423	199,097	78,785	471,925	2,262,311
Total loans and investments, including rediscounts with Federal Reserve Bank:										
Oct. 22.....	281,188	784,697	180,789	360,217	490,227	194,519	280,919	120,532	607,480	3,280,568
Oct. 29.....	280,802	781,379	179,873	359,307	490,856	184,346	263,589	119,526	615,205	3,274,883
Nov. 5.....	282,369	788,253	178,145	357,414	484,989	183,937	263,222	118,489	610,302	3,267,120
Nov. 12.....	283,242	769,004	178,287	356,148	484,818	182,885	261,422	116,771	612,582	3,245,159
Nov. 19.....	284,083	773,857	176,987	351,723	477,348	182,227	260,554	114,951	613,690	3,235,420
Reserve balances with Federal Reserve Bank:										
Oct. 22.....	16,432	56,109	12,819	16,621	25,356	8,534	17,735	8,406	41,182	203,194
Oct. 29.....	16,224	55,461	13,837	19,233	27,030	8,576	17,420	8,348	40,738	206,867
Nov. 5.....	13,858	58,316	12,214	17,160	26,086	9,347	17,175	8,089	41,251	203,496
Nov. 12.....	15,807	54,291	11,105	18,005	25,909	9,619	17,736	7,581	40,261	200,314
Nov. 19.....	15,304	57,398	12,461	16,801	25,323	9,274	18,651	8,140	39,757	203,109
Cash in vault:										
Oct. 22.....	3,353	16,266	6,212	7,414	12,388	4,072	6,378	3,645	14,667	74,395
Oct. 29.....	3,063	15,688	5,864	8,258	11,462	3,882	6,589	3,298	13,939	72,043
Nov. 5.....	4,020	17,866	6,190	7,617	13,146	3,906	6,366	3,338	13,877	76,326
Nov. 12.....	3,604	15,989	6,315	7,452	12,519	4,145	6,573	4,176	15,163	75,936
Nov. 19.....	3,534	17,578	6,250	7,329	12,015	3,762	6,342	3,307	14,444	74,561
Net demand deposits on which reserve is computed:										
Oct. 22.....	168,578	540,187	111,807	159,146	198,371	79,121	146,539	66,366	297,374	1,767,489
Oct. 29.....	165,637	533,418	112,613	157,237	196,227	79,253	146,479	67,329	297,946	1,756,139
Nov. 5.....	169,017	539,931	110,790	157,104	187,524	79,762	147,650	65,405	298,237	1,755,420
Nov. 12.....	166,229	525,822	109,195	159,409	191,498	83,073	149,731	65,767	314,278	1,765,002
Nov. 19.....	163,555	530,010	108,905	158,935	190,156	81,007	152,175	66,977	301,090	1,752,810
Time deposits:										
Oct. 22.....	67,510	117,928	19,210	88,009	225,335	42,608	58,713	22,844	266,261	908,418
Oct. 29.....	68,589	118,319	19,229	87,920	224,652	42,745	58,939	22,934	266,309	909,636
Nov. 5.....	68,570	118,624	19,013	87,817	225,081	43,336	60,733	23,175	267,483	913,832
Nov. 12.....	69,771	119,000	19,006	89,181	223,808	42,480	60,869	23,323	269,151	916,589
Nov. 19.....	69,752	119,301	18,884	89,983	222,104	40,803	61,156	23,397	268,089	913,469
Government deposits:										
Oct. 22.....	2,684	13,182	1,250	1,081	4,465	747	522	441	370	21,742
Oct. 29.....	1,899	9,337	710	823	2,925	462	464	374	59	17,053
Nov. 5.....	1,066	5,047	527	568	1,644	248	261	209	50	9,620
Nov. 12.....	533	5,664	310	313	822	125	131	107	29	8,034
Nov. 19.....	1,985	16,384	1,709	938	6,400	915	509	67	338	29,245
Bills payable with Federal Reserve Bank:										
Secured by United States war obligations—										
Oct. 22.....	16,955	11,311	7,270	24,903	35,593	8,827	7,452	6,855	12,194	131,360
Oct. 29.....	15,675	15,189	7,027	26,398	35,067	8,525	8,368	7,915	13,002	137,166
Nov. 5.....	17,091	24,155	6,886	26,238	33,858	8,952	8,463	8,115	13,118	146,876
Nov. 12.....	17,851	22,643	8,118	23,452	33,149	8,785	9,260	7,630	9,683	140,571
Nov. 19.....	19,188	14,527	7,286	25,859	35,315	8,857	5,238	5,760	7,699	129,729
All other—										
Oct. 22.....				756			495		85	1,336
Oct. 29.....				721			265		85	1,071
Nov. 5.....				918			325		270	1,513
Nov. 12.....				807			325		320	1,452
Nov. 19.....				668			25		185	878
Bills rediscounted with Federal Reserve Bank:										
Secured by United States war obligations—										
Oct. 22.....	2,596	6,599	2,648	7,384	4,159	4,302	1,909	926	1,548	32,071
Oct. 29.....	2,072	7,085	2,791	7,132	4,551	4,255	1,882	817	1,567	32,152
Nov. 5.....	1,872	5,092	2,515	7,455	4,627	4,148	2,082	633	1,523	29,947
Nov. 12.....	1,887	5,292	2,315	7,119	4,659	4,194	2,116	512	1,501	29,595
Nov. 19.....	1,817	5,255	1,960	7,287	4,263	4,478	1,962	574	1,689	29,285
All other—										
Oct. 22.....	10,742	4,749	15,405	50,386	14,145	23,350	28,785	9,619	30,085	187,266
Oct. 29.....	14,348	4,899	14,379	49,501	13,837	23,004	26,953	9,188	30,787	186,896
Nov. 5.....	11,046	5,947	14,983	48,647	21,734	22,080	26,893	8,573	30,015	189,918
Nov. 12.....	14,713	3,545	15,746	45,218	20,114	20,775	25,155	7,460	28,880	181,606
Nov. 19.....	15,575	4,171	14,105	46,372	13,596	20,306	23,570	6,648	29,169	173,512

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

# IMPORTS AND EXPORTS OF GOLD AND SILVER.

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

	Imports.						Exports.					
	During 10 days ending Oct. 20, 1920.	During 11 days ending Oct. 31, 1920.	During month of October, 1920.	During 10 days ending Nov. 10, 1920.	From Jan. 1 to Nov. 10, 1920.	From Jan. 1 to Nov. 10, 1919.	During 10 days ending Oct. 20, 1920.	During 11 days ending Oct. 31, 1920.	During month of October, 1920.	During 10 days ending Nov. 10, 1920.	From Jan. 1 to Nov. 10, 1920.	From Jan. 1 to Nov. 10, 1919.
Belgium.....	\$13,834		\$13,834	\$1,900	\$352,864	\$422,242						\$31,900
Denmark.....	257		257		199,551							2,002,666
France.....	2,781,071	\$299,329	3,080,400	2,490,710	22,158,754							4,016,019
Germany.....	6,515		6,515		6,515						\$10,000	
Greece.....					128,700	95,000						
Iceland.....											912	
Italy.....					40,107						241,263	277,514
Netherlands.....			1,158		1,163,121							15,000
Norway.....					3,324							
Portugal.....					25,364							
Russia in Europe.....			24,489		1,268,631							
Spain.....		62,821	62,821	42,585	238,322							28,070,000
Sweden.....	354,944		354,944	358,627	714,610						661	
Switzerland.....					4,937						2,604	67,570
United Kingdom:												
England.....	26,663,950	42,309,743	108,326,617	13,079,548	218,382,243	3,552,896					13,235	2,082,824
Scotland.....					45							
Total Europe.....	29,820,571	42,671,893	111,871,035	15,973,370	244,687,088	4,070,138					268,014	36,564,154
British Honduras.....					20							10,000
Canada.....	471,243	667,261	1,155,097	344,864	33,378,901	33,834,920	\$131,499	\$171,167	\$595,785	\$128,587	5,015,216	4,616,223
Costa Rica.....	7,784		49,505	35,907	575,024	611,479						
Guatemala.....					14,872	8,267						
Honduras.....	12,295	1,255	44,395		229,497	258,255					19,000	21,300
Nicaragua.....	22,534	46,121	122,565	1,345	1,080,335	1,208,178						16,500
Panama.....	53,440	194,668	306,258	17,870	498,312	3,401						390,000
Salvador.....	271		151,902		1,057,938	681,594					20,000	3,098,020
Mexico.....	118,023	147,507	361,929	178,162	4,153,275	3,983,132	263,050	77,250	617,249	157,331	17,705,798	7,756,592
Newfoundland.....	221		221		61							
Cuba.....	328		328		15,090	5,085					500,000	
British West Indies.....	26,293	15,070	48,793	34,438	260,347	18,838		25,000	75,000			7,940
Virgin Islands of United States.....					525						10,000	
Dominican Republic.....	4,680	120	4,800		4,800			5,000	5,000		44,000	10,000
Dutch West Indies.....	130,367	51,906	182,273	25,495	539,649	5,200						
Haiti.....		10	10		23							
Total North America.....	847,479	1,123,918	2,276,445	789,983	41,808,304	40,618,935	394,549	278,417	1,293,034	285,918	23,314,014	15,926,575
Argentina.....				44,578	1,707,682	102,158					89,995,000	32,960,000
Bolivia.....	496		496		7,374	1,069						2,500,000
Brazil.....		8,221	8,221	10,959	43,765	26,200					280,000	425,000
Chile.....	4,502	5,750	16,022	1,940	380,664	218,060					400,000	100,000
Colombia.....	326,824	1,207,770	1,724,416	777,026	6,545,251	552,024					700,000	4,953,620
Ecuador.....			32,929		523,893	379,911			50,000	30,000	236,000	
British Guiana.....	11,304		11,985	23,672	146,177	120,554						5,005
Dutch Guiana.....				15,454	23,399	20,144					6,300	19,795
Peru.....	262,726	60,050	325,164	14,324	1,043,309	709,531					3,653,376	2,893,369
Uruguay.....											12,850,000	7,405,000
Venezuela.....	45,767	74,870	122,160	8,557	494,832	258,711					184,000	11,232,220
Total South America.....	651,619	1,356,661	2,241,393	896,510	10,916,346	2,388,362			50,000	30,000	108,304,676	62,494,009

China.....					1,260		3,000,000		3,000,000		28,286,750	32,656,908
Chosen (Korea).....						1,714						
British India.....							8,630		8,630		6,512,371	27,630,133
Straits Settlements.....											6,683,454	1,194,667
Dutch East Indies.....	176,573		176,573		2,849,567	3,416,333					12,065,105	6,521,000
French East Indies.....											2,290,000	
Hongkong.....					30,191,910	10,000,000	259,510	133,300	510,360	208,850	29,243,862	31,573,046
Japan.....							9,829,210	6,600,005	21,069,215	11,512,851	80,293,091	73,578,715
Russia in Asia.....												23,000
Total Asia.....	176,573		176,573		33,042,737	13,418,047	13,097,350	6,733,305	24,588,205	11,721,701	165,374,633	173,177,469
Australia.....				486,650	486,650							
New Zealand.....	82,971		123,868	63,348	1,734,227	683,123						
Philippine Islands.....	56,834	15,853	72,687	45,786	818,685	489,173						102,500
British East Africa.....												240
British South Africa.....				423	423	8,150						
British West Africa.....											39,446	
Portuguese Africa.....					280,358	499,324						
Total, all countries.....	31,636,047	45,168,325	116,762,001	18,256,070	1,333,774,818	62,175,252	13,491,899	7,011,722	25,931,239	12,037,619	2,297,300,783	288,264,947
Excess imports or exports.....	18,144,148	38,156,603	90,830,762	6,218,451	36,474,035							226,089,695

Excess of gold imports over exports since Aug. 1, 1914, \$816,229,000. Excess of gold exports over imports since June 10, 1919, \$284,790,000.

<sup>1</sup> Includes: Ore and base bullion, \$15,023,000; United States Mint or Assay Office bars, \$3,846,000; other bullion, refined, \$247,062,000; United States coin, \$16,216,000; foreign coin, \$51,628,000.

<sup>2</sup> Includes: Domestic exports—Ore and base bullion, \$11,000; United States Mint or Assay Office bars, \$34,979,000; other bullion, refined, \$1,063,000; coin, \$260,179,000. Foreign exports—Bullion, refined, \$498,000; coin, \$571,000.

DECEMBER, 1920.

FEDERAL RESERVE BULLETIN.

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

	Imports.						Exports.					
	During 10 days ending Oct. 20, 1920.	During 11 days ending Oct. 31, 1920.	During month of October, 1920.	During 10 days ending Nov. 10, 1920.	From Jan. 1 to Nov. 10, 1920.	From Jan. 1 to Nov. 10, 1919.	During 10 days ending Oct. 20, 1920.	During 11 days ending Oct. 31, 1920.	During month of October, 1920.	During 10 days ending Nov. 10, 1920.	From Jan. 1 to Nov. 10, 1920.	From Jan. 1 to Nov. 10, 1919.
Belgium.....	\$24,267		\$24,267		\$32,428	\$1,797						\$599,857
Denmark.....												17,438
Finland.....												6,588,197
France.....	2,010		2,760	\$3,503	112,153	17,176					\$32,920	
Greece.....		\$42,240	42,240		42,240							
Italy.....					24,026							
Netherlands.....					54,861							1,092,497
Norway.....					14,453							1,219,430
Portugal.....					7,978							1,950
Spain.....		1,834	1,834		69,682							228
Sweden.....					31,395						54,960	111,430
Switzerland.....												172,203
United Kingdom—England.....	1,979	11,088	14,164	1,725	816,950	37,824	\$146,605	\$81,190	\$227,795	\$2,500	4,821,678	15,324,282
Total Europe.....	28,256	55,162	83,265	5,228	1,206,166	56,797	146,605	81,190	227,795	2,500	4,909,558	25,127,512
British Honduras.....		5,730	5,730		69,097	255,637						
Canada.....	44,348	58,709	147,753	39,941	3,355,418	6,230,640	46,474	52,787	145,649	51,639	6,508,950	4,415,618
Costa Rica.....	535		3,882	2,014	6,802	153,672						
Guatemala.....					24,534	5					4,500	5,400
Honduras.....	235,107	11	532,016		2,280,610	2,575,241				5	391,510	177,550
Nicaragua.....	18,137	56	36,419	25	632,590	742,480					3,000	
Panama.....	1,576		3,902	6,938	148,199	89,273					542,000	249,250
Salvador.....	30,782		30,782	9,900	3,725,765	355,757						1,500
Mexico.....	812,815	667,542	2,622,626	808,037	48,225,248	52,854,154	90,120	72,723	181,112	26,050	3,047,074	1,195,233
Newfoundland.....						11						
British West Indies.....					7,017	6,225					27,356	10,328
Cuba.....	5,123		5,123		71,638	59,374	741	8,535	9,276	3,000	1,250,904	161
Virgin Islands of United States.....					120,800	1,105					25,000	
Dominican Republic.....					2,097	300	4,500	50,000	54,500		316,000	150,000
Dutch West Indies.....	200	30	230		20							
French West Indies.....		77	77		77						9,000	
Haiti.....												
Total North America.....	1,148,623	732,155	3,388,540	866,855	58,725,912	63,323,877	141,835	184,045	390,537	80,694	12,125,294	6,205,060
Argentina.....				7,429	35,492	61,446		585	585		12,723	2,230
Bolivia.....	216,218	25,000	251,298	13,000	1,260,812	108,487						
Brazil.....		940		888	1,621	2,155					2,333	852
Chile.....	3,829	357,301	528,672	4,322	3,130,526	1,571,180						
Colombia.....	35,177	13,859	49,399	626	694,263	196,170						2,000
Ecuador.....	2,941		8,090		65,753	13,670						
British Guiana.....				42	121							2,493
Dutch Guiana.....					6,390	265					1,402	5,063
Peru.....	100,000	395,330	516,752	542,852	10,846,052	7,600,266					10,000	50,000
Venezuela.....		41	85		185	598						
Total South America.....	358,165	792,471	1,355,236	568,617	16,050,136	9,554,358		585	585		26,458	62,638
China.....				5,343	1,295,317		1,271,399	283,627	2,824,081		59,241,013	39,351,245
Chosen (Korea).....						3,328					223,211	109,180,718
British India.....												
Dutch East Indies.....	81,553		81,553		2,408,890	1,543,116					4,058,373	
French East Indies.....											20,610,359	6,369,880
Hongkong.....					1,650		113,284	206,253	431,469	164,740	3,848,251	3,946,453
Japan.....							1,191,500	638,234	1,829,734	416,005		

Russia in Asia.....										970	52,759
Turkey in Asia.....				38,511							
Total Asia.....	81,553		81,553	5,343	3,744,368	1,546,444	2,576,183	1,128,114	5,085,284	580,745	87,982,177
New Zealand.....	50		50	228	11,992	586					
Philippine Islands.....	1,151	255	1,406	519	17,777	10,505					
British South Africa.....					6,097	76,822					
British West Africa.....							4,400		4,400		11,880
Portuguese Africa.....					93,321	52,252					
Total, all countries.....	1,617,798	1,580,043	4,912,050	1,446,790	179,855,769	74,621,641	2,869,023	1,393,934	5,708,601	663,939	2105,055,367
Excess imports or exports.....		186,109		782,851			1,251,225		796,551		25,199,598
											115,674,624

Excess of silver exports over imports since Aug. 1, 1914, \$454,571,000.

<sup>1</sup> Includes: Ore and base bullion, \$63,040,000; United States Mint or Assay Office bars, \$3,000; other bullion, refined, \$7,031,000; United States coin, \$1,831,000; foreign coin, \$7,951,000.

<sup>2</sup> Includes: Domestic exports—ore and base bullion, \$16,000; United States Mint or Assay Office bars, \$4,348,000; other bullion, refined, \$60,073,000; coin, \$14,537,000. Foreign exports—ore and base bullion, \$1,000; bullion, refined, \$21,756,000; coin, \$4,324,000.

*General stock of money in the United States, money held by the Treasury and the Federal Reserve System, and all other money in the United States, Nov. 1, 1920.*

	General stock.	Held in the United States Treasury as assets of the Government. <sup>1</sup>	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).....	\$2,739,043,566	\$435,891,220	<sup>2</sup> \$1,324,328,816	\$421,819,032	
Gold certificates.....			325,600,190	231,404,308	
Standard silver dollars.....	269,857,494	13,636,962	<sup>3</sup> 26,646,010	89,724,794	
Silver certificates.....			77,837,252	60,384,609	
Subsidiary silver.....	264,697,830	3,141,698		261,556,132	
Treasury notes of 1890.....				1,627,867	
United States notes.....	346,681,016	8,181,712	<sup>4</sup> 60,763,726	277,735,578	
Federal Reserve notes.....	3,663,517,685	23,750,109	292,952,755	3,346,814,821	
Federal Reserve Bank notes.....	238,601,900	3,680,824	23,661,882	211,259,194	
National bank notes.....	732,549,629	15,323,030	2,203,015	715,023,584	
<b>Total:</b>					
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	455,884,277	2,031,514,938	5,479,681,005	51.06
Aug. 1, 1920.....	7,927,844,377	483,821,265	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

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Includes subsidiary silver.

<sup>4</sup> Includes Treasury notes of 1890.

### FEDERAL RESERVE BANK DISCOUNT RATES.

*Rates on paper discounted for member banks approved by the Federal Reserve Board up to Dec. 1, 1920.*

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.....	<sup>1</sup> 6	5½	6	6	5½	6
Cleveland.....	<sup>1</sup> 6	5½	5½	6	5½	6
Richmond.....	<sup>1</sup> 6	6	6	6	6	6
Atlanta.....	<sup>1</sup> 6	5½	7	7	6	7
Chicago.....	<sup>1</sup> 6	6	7	7	6	7
St. Louis.....	<sup>2</sup> 5½	5½	6	6	5½	6
Minneapolis.....	5½	6	6½	7	6	7
Kansas City.....	<sup>1</sup> 6	6	6	6	5½	6
Dallas.....	<sup>1</sup> 6	5½	6	6	5½	6
San Francisco.....	<sup>1</sup> 6	6	6	6	6	6

<sup>1</sup> Discount rate corresponds to interest rate borne by certificates pledged as collateral, with minimum of 5 per cent in the case of Philadelphia, Atlanta, Kansas City, and Dallas, and 5½ per cent in the case of Cleveland, Richmond, Chicago, and San Francisco.

<sup>2</sup> 5½ per cent on paper secured by 5½ per cent certificates and 5 per cent on paper secured by 4½ and 5 per cent certificates.

NOTE.—Rates shown for St. Louis, Kansas City, and Dallas are normal rates, applying to discounts not in excess of 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.

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