

*Annual average price of a fine ounce of silver, 1910-1919, based upon London quotations at par rate of exchange for the years 1910 to 1917, inclusive, and on New York quotations thereafter; also bullion value of 371½ grains of pure silver (contents of silver dollar) at the average annual prices quoted.*

[Data furnished by the Director of the Mint.]

Year.	Average annual price of ounce of silver	Value of pure silver in a silver dollar.
1910.....	\$0.54077	\$0.41825
1911.....	.53928	.41709
1912.....	.61470	.47543
1913.....	.60458	.46780
1914.....	.55312	.42780
1915.....	.51892	.40135
1916.....	.68647	.53094
1917.....	.89525	.69242
1918.....	.98446	.76142
1919.....	1.12085	.86691

*Average monthly New York prices of fine bar silver per ounce.*

Year and month.	Average New York price of fine bar silver per ounce.	Year and month.	Average New York price of fine bar silver per ounce.
1918.		1919.	
January.....	\$0.93927	January.....	\$1.01588
February.....	.89514	February.....	1.01500
March.....	.92728	March.....	1.01475
April.....	.98394	April.....	1.01500
May.....	1.00003	May.....	1.08020
June.....	1.00010	June.....	1.11402
July.....	1.00000	July.....	1.07332
August.....	1.00692	August.....	1.12386
September.....	1.01482	September.....	1.15636
October.....	1.01500	October.....	1.20692
November.....	1.01500	November.....	1.30446
December.....	1.01587	December.....	1.33072
Average for year....	.98446	Average for year....	1.12085

The situation has been such as to tend to stimulate the movement of our exports to oriental countries in precisely the same way that the unfavorable conditions of exchange in relation to Europe have tended to hamper the sale of our goods in those countries in which the dollar was at a premium. The brief table already furnished at an earlier point in this issue shows how the dollar in trade with oriental nations has tended to fall below par, just as exchanges upon the European belligerents have shown the dollar at a quotation very far above par. At the same time there has been heavy exportation of silver from the United States to oriental countries, the aggregate shipments of the metal between January 1 and

December 10, 1919, showing a net excess of exports of about \$145,000,000. In view of the conditions thus indicated by the movement of silver bullion out of the country to the Orient, announcement was made on December 6 that under arrangements made between the Treasury and the Federal Reserve Board standard silver dollars that are free in the Treasury will until further notice be delivered against other forms of money to the Division of Foreign Exchange of the Federal Reserve Board, which will through the Federal Reserve Bank of New York, cooperating with the branches of American banks in the Orient, employ such dollars in regulating our exchanges with silver standard countries. It was noted that the arrangement referred to can not of course affect the redemption of outstanding silver certificates in standard silver dollars.

Further changes in the price level have occurred during the month of December. The index number

of the Bureau of Labor for the month of November showed an upward movement of 7 points, while Sauerbeck's index number for Great Britain shows a parallel movement of 8 points as compared with 1913 as a base, or 7 points compared with its original base. These changes continue to be of large importance, as has been noted by the BULLETIN in the past, in their bearing upon both economic and social conditions through their influence on wages and other forms of income. They are also exercising an influence upon investment conditions. As prices advance and money loses in its purchasing power, the market tendency is to increase the rate of interest to be required for the use of capital. There has been some indication of changes in this regard as evidenced in the lowered value of investment securities. Careful analysis of the situation, however, shows that the change in the cost of capital which has occurred during the past few months has been far less than that which has taken place in the value of goods. A survey of the situation recently made for the Federal Reserve Board would indicate the following results: