

### STATISTICAL WORK OF THE FEDERAL RESERVE BOARD IN 1922-23.

Chief among the new statistical services established by the Federal Reserve Board during the year from July, 1922, to June, 1923, are the construction of a production index, of price indexes for Canada, France, and Japan, and of an index of wholesale trade for the United States.

The index of production in basic industries was developed by the Federal Reserve Board with the cooperation of the Federal Reserve Banks of Boston, New York, and Philadelphia. It was made by combining 22 separate series of monthly data. After correcting them to make allowance for customary seasonal variations in output the series were weighted according to production reported by the Bureau of the Census for the year 1919, which was used as a base. As most of the series were available since January, 1913, the index was computed from that date, so that it is a measure of monthly production activity in the United States for a period of over 10 years. The methods used in this study, together with complete results, were published in the BULLETIN for December, 1922. Considerable work has also been done upon an index of annual production from the year 1890 to date, but no results of this study have yet been published.

The three new price indexes were prepared in continuation of the work of constructing indexes for international price comparisons, index numbers for the United States and Great Britain having been compiled before. For each country the commodities included in the index were selected in such a way as to be representative of its domestic and foreign trade. Two systems of grouping were used, one classification by goods produced, goods imported, and goods exported, and a second classification by raw materials, producers' goods, and consumers' goods. The new price indexes were described in the issues of the FEDERAL RESERVE BULLETIN for July, August, and September, 1922.

The index of wholesale trade developed during the year is a decided innovation. Prior to 1922 the only data available on this subject were certain series of percentage changes for groups of reporting firms in a few Federal reserve districts. During 1922 all of the 12 Federal reserve banks commenced collecting monthly data of dollar sales for from 1 to 11 lines of wholesale business, and reports are now being received regularly from about 1,200 firms. Most of these firms have also reported annual sales for the years commencing with 1919 and their monthly sales from January,

1919, to date. From these data the Federal Reserve Board has compiled an index of wholesale trade based on sales of firms in 10 Federal reserve districts and in 6 lines of business. The base for this index is the year 1919, and it is weighted both by districts and by lines of trade. Indexes of sales of department stores and stocks of department stores since January, 1919, have also been constructed. The wholesale trade index was described in the BULLETIN for April, 1923, and the index of department store stocks in the BULLETIN for February, 1923.

Beginning with February, 1923, the FEDERAL RESERVE BULLETIN has carried a table entitled "The trend of business abroad." This table brings together in condensed form the principal available items relating to credit, prices, foreign exchange, production, and trade for the United Kingdom, France, Germany, and the United States.

Commencing with March, 1923, the items "due to banks" and "due from banks" were added to the statistical reports of member banks in leading cities as shown in the BULLETIN. In the same issue of the BULLETIN a monthly compilation of debits to individual accounts by Federal reserve districts was first published. These monthly figures are compiled from reports of 141 selected cities and are now being published regularly. Prior to this only weekly figures were made available. Banking statistics for all of the banks and trust companies compiled from reports of State bank commissioners as of December 29, 1922, were published in the BULLETIN for April, 1923, and similar data as of April 3 of the present year are published in this issue. This is the only information available on which to base estimates of condition for practically all banks in the country and it will be published quarterly hereafter in the BULLETIN. For the earlier period similar annual figures compiled by the Comptroller of the Currency are available, but only for the end of each fiscal year. Commencing with the present issue of the BULLETIN, statistics of net demand deposits and time deposits for one date each month will be published for banks in each Federal reserve district, classified by the size of cities in which the banks are located.

Since July, 1922, additional series of wholesale price index numbers for four countries, retail food prices for 14 countries, cost of living statistics for 16 countries, 12 series of foreign industrial data, and statistics of imports and exports of five foreign countries have been added to the data published periodically in the BULLETIN. Monthly tables of industrial statis-

tics for Canada and Japan have also been published regularly in addition to the countries already included. There have also been added 42 series of statistics for United States industries, and the number of reporting wholesale and retail firms has been largely increased. The board has also commenced to issue each month press releases dealing with the condition of wholesale trade, savings deposits, and foreign exchange rates.

### DEPOSITS OF ALL MEMBER BANKS.

In order to be able to follow more closely the credit developments in the different Federal reserve districts the Federal Reserve Board has arranged with the reserve banks to compile for one day near the end of each month figures of time deposits and demand deposits of all member banks in each district, classified by the size of cities in which they are located. These monthly figures will supplement the information available on call dates and will make it possible to compare every month the developments at banks in leading cities reporting weekly with those at banks outside of these cities.

The following statement shows for May 23, 1923, the number of banks and of time and demand deposits by size of city for the country as a whole:

	[Amounts in millions.]				
	Banks in cities having population of—				
	Total.	Less than 5,000.	5,000 to 14,999.	15,000 to 99,999.	100,000 or over.
Number of banks.....	9,836	6,486	1,506	1,100	744
Time deposits.....	8,334	1,480	918	1,707	4,230
Net demand deposits.....	15,927	1,600	1,070	2,060	11,197
Percentage of total:					
Number of banks.....	100	65.9	15.3	11.2	7.6
Time deposits.....	100	17.8	11.0	20.5	50.7
Net demand deposits.....	100	10.1	6.7	12.9	70.3

It will be noted that nearly two-thirds of all member banks are located in towns having a population of less than 5,000 and that these banks have about 10 per cent of net demand deposits and about 18 per cent of time deposits. Member banks in cities of 100,000 population and over, on the other hand, constitute only 7.6 per cent of the total number, but hold about 70 per cent of net demand deposits and 50 per cent of time deposits. In large cities demand deposits are nearly three times as large as time deposits, while in the small cities the difference between the two classes of deposits is relatively small.

The ratio of net demand deposits to time deposits varies considerably in the several

Federal reserve districts, the two classes of deposits being approximately equal in the Minneapolis and San Francisco districts, while in the New York and Dallas districts net demand deposits are more than three times as large as time deposits. In the New York district the preponderance of net demand deposits is due chiefly to the banks located in cities of 100,000 population and over, while in the Dallas district time deposits are relatively small in each group of cities. In the Minneapolis district 800 banks out of 986 are located in towns of less than 5,000 inhabitants, and it is the preponderance of time deposits over net demand deposits in these small-town banks that accounts for the relationship between time and demand deposits in the district as a whole.

The following table shows the totals of net demand deposits and time deposits on call dates beginning with June 30, 1919, and on April 25 and May 23, 1923. This table presents a retrospective view of the growth of the two classes of deposits since the middle of 1919:

DEMAND AND TIME DEPOSITS OF ALL MEMBER BANKS.  
[In thousands of dollars.]

Date.	Net demand deposits.	Time deposits.
1919:		
June 30.....	14,700,393	4,343,382
Nov. 17.....	16,246,425	5,049,493
Dec. 31.....	16,563,421	5,304,793
1920:		
May 4.....	16,389,471	5,747,532
June 30.....	16,393,405	5,910,926
Nov. 15.....	15,906,145	6,144,064
Dec. 29.....	15,326,865	6,187,921
1921:		
Apr. 28.....	14,370,647	6,343,443
June 30.....	14,295,527	6,368,632
Dec. 31.....	14,433,047	6,450,629
1922:		
Mar. 10.....	14,479,460	6,662,398
June 30.....	15,509,071	7,164,670
Dec. 29.....	16,186,984	7,544,881
1923:		
Apr. 3.....	16,098,171	8,142,574
Apr. 25.....	15,800,089	8,257,274
May 23.....	15,924,897	8,334,471

The table brings out the fact that, while demand deposits increased by \$1,225,000,000, or about 8 per cent, in the period of approximately four years, time deposits increased by \$3,991,000,000, or about 92 per cent, during the same period. A further difference is that demand deposits increased rapidly during the latter half of 1919, then declined until the middle of 1921, increased again until the end of 1922 and declined during the first three months of 1923; while time deposits show an uninterrupted growth throughout the period, though the rate of increase is not uniform.

Following is a table showing net demand and time deposits for April 25 and May 23, 1923, by Federal reserve districts and by size of cities: