Report on Business Conditions

Second Federal Reserve District

From the Federal Reserve Agent at New York to the Federal Reserve Board

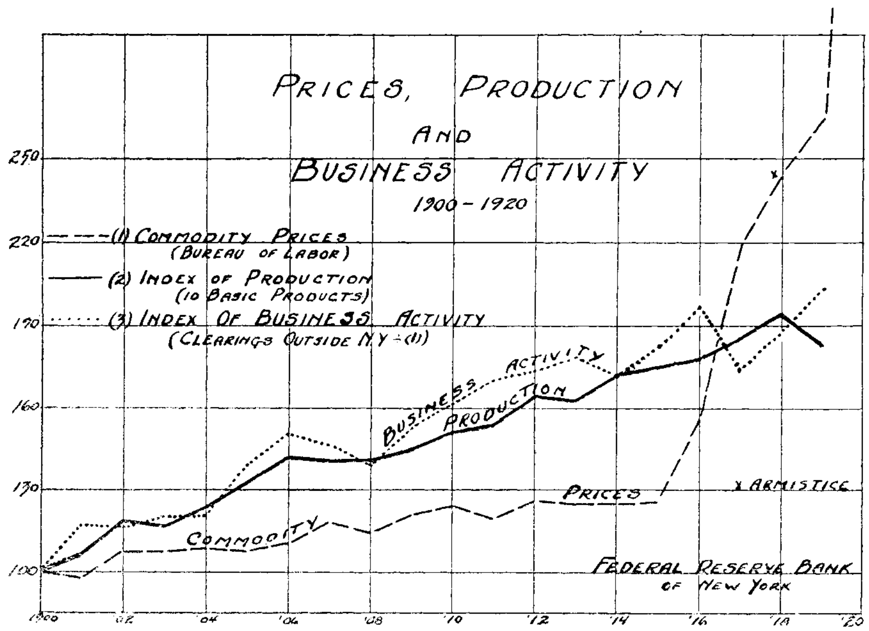
New York, March 20, 1920

Credit and Banking

The conservative attitude of the banks and many business houses towards further expansion has been continued through the past thirty days. Among the New York City banks there was a gradual reduction of loans during more than half of the period, but latterly, with renewed stock market activity, they rose again, barely above the level of a month ago. As in the previous four weeks, bank credit outside of this district continued to expand. The loans of all banks in the country reporting to the Federal Reserve Board stood on March 12 at their highest point, 15,908 millions. On the same date the loans of the 73 reporting banks of New York City stood at 557 millions below the peak reached last October 10. A very large part of the reduction was directly due to stock market liquidation, for on March 12 loans on stocks and bonds of New York City banks showed a reduction from the high point of last fall of 200 millions, or more than 14 per cent.

The loans of the New York City banks stand now at practically the same level as a year ago, so that all of the intervening expansion of bank loans has been neutralized. For the country at large the reverse is true. Exact comparisons for all the banks in the Federal Reserve System are difficult on account of the admission of new member banks; but it is well known that the loans and deposits of the national banks of the country reflect very closely the general banking conditions of the whole country. On December 31, 1918, following the armistice, national bank loans stood at 9,919 millions. On December 31, 1919, these loans stood at 11,786 millions an increase of 1,867 millions, or close to 20 per cent. Since the close of 1919, the country-wide expansion has continued, and the growth in the total loans of the banks of the country, both National and State, in the last fifteen months may be estimated with reasonable conservatism at a minimum of 5 billions. In this expansion, taken as a whole, the New York City banks had almost no part.

It should be observed that this great expansion, with declining gold holdings and diminishing bank reserves, took place not with a concurrent expansion but with a slight contraction in the volume of the nation's production and trade. An index figure of national production in ten of its most important basic commodities prepared by this bank indicates that for the year 1919 there was a decline in volume of about 6 per cent. from 1918, when production for the country was at its high point. This compares closely with a corresponding estimate from a competent source of the country's total trade in 1919, computed from the traffic of the railways, lake and seagoing tonnage, bank clearings, and the like. This bank's index of production is charted above, and a detailed explanation appears elsewhere in this report.



An expansion of 20 per cent. in the credit structure with a contraction in production and trade has one primary effect—that is, rising prices, which in turn bring a demand for further credit together with high wages, high costs of production, and the general unsettlement which comes invariably with a serious change in the purchasing power of the dollar. This loss of equilibrium continues until expansion of credit is checked, and until the production of goods overtakes the demand.

The normal and gradual check to the expansion of credit is to increase the rates for credit. The effect of the increase of rates which took place following the action of the Federal Reserve Banks in raising their discount rates is already beginning to be felt. The following table shows the movement of the volume of credit of the reporting banks in New York City, as indicated both in their loan and deposit accounts, and gives also the loans and deposits of all reporting banks in the country, including this district:

LOANS, ETC., AND DEPOSITS

(In Millions)

	73 Reporting Banks in New York City*		809 Reporting Banks All Districts	
	Total Loans and Investments	Total Deposits	Total Loans and Investments	Total Deposits
Mar. 19, 1920	5,288	5,018	15,831	14,312
Mar. 12, 1920	5,293	4,985	15,912	14,318
Mar. 5, 1920	5,247	4,919	15,811	14,147
Feb. 27, 1920	5,248	4,881	15,731	14,024
Feb. 20, 1920	5,281	4,878	15,732	13,986
Oct. 10, 1919	5,850 (highest)	5,397	15,476	13,699
Mar. 7, 1919	5,226	4,655	14,137	12,223

*The number of reporting banks throughout the country increased from 757 on January 3, 1919, to 809 on March 19, 1920. In the same time the reporting banks in this district increased from 65 to 73.

The contraction in bank credit in this district indicated above has only a partial counterpart in the loan accounts of the Federal Reserve Bank of New York. The loans and investments of this bank stood at their high point on February 27, when the total was 1,148 millions, to which should be added 48 millions of paper which this bank had rediscounted with other Federal Reserve Banks and carried as a contingent liability. By March 19, however, the total of these two items had been reduced to 1,069 millions, a decrease in three weeks of 127 millions of bank borrowings, which was owing very largely to the redemption of certificates of indebtedness maturing on March 15 and partly to a temporary repletion of funds pending the collection of checks drawn in payment of income taxes. The rediscounts which this bank made with other Federal Reserve Banks in order to restore its reserves, were at their high point on March 12, when they stood at 85 millions, but on March 19 were down to slightly less than 20 millions.

The gold reserves of this bank stood on March 19 at 477 millions as compared with 527 millions on February 20, and a high point of 880 millions in 1918. Since February 20 gold has been withdrawn from this bank for export, chiefly to South America, in the amount of $33,610,000, and $6,000,000 has been received from Canada. This bank's circulation of Federal Reserve notes has undergone a slight increase in the four weeks, from $817,400,000 on February 20 to $837,700,000 on March 19, about $10,000,000 above the high point for 1919, reached at the end of the year.

The effect of these movements has been a gradual improvement in the figures published weekly showing the ratio of reserves to combined net deposit and note liability, which stood on February 20 at a low point of 37.1. The corresponding figure on March 19 was 38.8.

Bank clearings for the first week of the period were the lowest in any week since late in the summer of 1919. The increase at the close of the period, particularly in New York City, reflected renewed stock exchange activity. The totals for each week of the current period were as follows:

(000 OMITTED)

Week Ended	New York City	Six Cities Outside New York City	Entire District
Feb. 25	$3,750,232	$131,975	$3,882,207
Mar. 3	5,190,718	158,223	5,348,941
Mar. 10	4,473,374	123,859	4,597,233
Mar. 17	5,258,759	151,972	5,410,731

Money Rates

In general, conditions in the stock exchange money market have been more stable than during the preceding period, and rates have averaged below the figures quoted during January and February. In the last week of February, when money rates were at their maximum for the current period, 10 per cent. was the highest rate for call loan renewals, and 15 per cent. was the highest for new loans. This compares with renewal quotations at 17 per cent. for several days early in February, when new loans were made as high as 25 per cent. The somewhat easier conditions which have prevailed this month are attributable, in large part, to the greatly diminished activity in the stock market during the first two weeks, and later to the maturing throughout the country of about $840,000,000 certificates of indebtedness, of which approximately $268,000,000 were redeemed in this district. The activity of the stock market together with the prospective demand for funds for tax payments was reflected in a rise in call money rates Friday, March 12, to 15 per cent., but following the payment of certificates and pending the collection of checks drawn in payment of taxes, rates eased off gradually to 7 and 6 per cent. Time loans, which had been practically unobtainable at from 9 to 10 per cent. on all-industrial and 8 to 9 per cent. on mixed collateral, with lenders in most cases demanding payment of maturing obligations, have lately been renewed more freely at 8 per cent. on mixed collateral and 8½ per cent. on all-industrial, but little new money is forthcoming.

Offering rates for commercial paper and acceptances, taking the period as a whole, have been firmer, indicating the true position of the money market. Commercial paper distribution continues considerably below the normal volume, though dealers recently have reported larger sales. The market advanced to a 7 per cent. level, but lately rates have shaded towards 6¾ per cent. for best paper. Few city banks are buying. Acceptances moved slowly through the greater part of the period, with a broader sale reported outside during the last two weeks, particularly to savings banks and industrial and country banks. Dealers are making special efforts to encourage the drawing of bills in small units, as they find a readier market under present conditions. Their offering rates for prime bills were advanced to 6 and 6⅛ per cent. early in the period, while the Federal Reserve Bank raised its minimum purchase rate for prime indorsed bills one-quarter of 1 per cent. and is now buying at from 5½ to 5¾ per cent. according to maturities.

The Stock Market

The decline in stock prices, which had been in progress since November, was sharply reversed during the past thirty days. In a rapid rise, mainly in the final two weeks of the period, the market recovered nearly all of the losses sustained during the drastic liquidation of the latter part of January and February. Chief among the influences contributing to this movement were easier money conditions, the adoption of the Railway Bill, and the return of the railroads to private ownership, stronger foreign exchanges, and the decisions of the Supreme Court in the Steel Corporation, the stock dividend, and the railway valuation cases. The most important in its effect on the market was the stock dividend decision, which fixed the status of stock dividends as free from income taxes under the present law, and therefore opened the way for the declaration of such dividends by many corporations which have recently added materially to their capital out of earnings.

Not since the speculative movement of last fall has the market displayed such activity. Daily sales after the first week in March averaged well over a million shares, and on two occasions the total fell just short of two million shares. Prices to March 20 of the active speculative stocks advanced 50 to 100 points or more, while an average of twenty-five industrial stocks, from a low level of 101, reached in the second week of February, rose 23 points to 124, or only 3 points below the highest price average thus far this year. Twenty-five railroad stocks averaged 10 points above the lowest prices on record for this group, which had been reached during the February liquidation.

February stock sales aggregated 21,729,000 shares. This is the largest total on record for that month since 1905, and represents an increse of 2,075,000 shares over the January total, but is approximately 2,000,000 below the figures for December.

The Bond Market

The general movement of bond prices has been upward during the past thirty days, amounting to an advance of approximately 2 points in the average of 40 listed issues from the record low levels reached during the second week in February. The average, however, is still roughly 2 points below the high point of the year established in January and approxmately 6 points below the price level at this time last year. Practically all classes of bonds suffered a temporary setback in the latter part of February. Liberty issues showed the sharpest reactions at that time, establishing new low records for the 3½ per cents., the first and second 4 per cents., and both Victory issues. Subsequently these issues made substantial progress in recovery.

Strength of the Anglo-French loan and Japanese sterling bonds was noteworthy in the foreign government group. Anglo-French bonds advanced to above 98, as compared with a low price of 93½ early in February, on strong buying much of which was reported to have originated with the British Government. Preparation for meeting this issue at maturity was a later factor influential in the rise. The Japanese issues apparently have been influenced largely by the fluctuations in sterling exchange. The Japanese Government is reported to be buying these bonds in London but we have learned of no orders of this character placed in this market for several months. Total bond sales for February were $300,400,000, which, though a record for that month, is $62,000,000 below the total of January sales.

The sale in this market of European internal securities rendered attractive by prevailing rates of foreign exchange is reported to be increasing in volume, though it is probable that the total volume of this business is exaggerated. Inquiry among dealers is basis for the estimate that $600,000 to $650,000 a day would amply cover the aggregate. German municipal obligations have been particularly in demand. Canadian bonds payable in Canada or in New York continue to enjoy a good market here. It is estimated that approximately $138,000,000 of Canadian municipal and provincial obligations and of the Canadian Victory loan have been sold since the first of October.

New Financing

New corporate financing during January and February, though below the high level attained in October, was still heavy. The high record in October was $391,000,000. February issues aggregated $202,528,000, a considerable shrinkage since the sharp January rise to $338,000,000, but approximately level with the December amount, $223,000,000. It is estimated that between 25 and 35 per cent. of last month's issues were used to refund or pay off maturing obligations. March maturities, according to estimates, approximate $59,000,000, against $91,000,000 during February.

The new issues were put out on bases to yield high returns, necessitated by the scarcity of money. The general level of rates for prime issues which command sales are from ½ to 1 per cent. above the level of a month ago, and reflect the submission of borrowers to the conditions of the money supply.

Foreign Exchanges

Quotations for the principal European exchanges have followed an erratic course in the last four weeks. Sterling, which touched a low point of 3.18 in February, rose to 3.81 and then lost about one-half of its advance, with a subsequent recovery to near the high figure of the movement. Francs, which had reached a figure of 15.15 to the dollar, rose to 12.94, and a similar recovery took place in lire, which rose from 19.72 to 17.48. There was a sensational rise in marks from the low of 1.01 to 1.66, with a subsequent relapse to around 1.30. A part of this general recovery was probably due to a speculative rebound from the low figures reported in February, which had carried French, English, and Italian exchange very markedly below any approximate parity which might be calculated from the relative price level of these countries and our own. For example, since 1914 English prices have risen something like 200 per cent. as against our 148 per cent., the February index figure reported by the Bureau of Labor. This means that relative to prices prevailing in 1914 it now requires the equivalent of $300 in English money to purchase goods to the amount of $250 in America, which implies a price level difference of only about 16 per cent. It is evident from this that a depreciation of English exchange, extending to more than double this, was the product of the temporary pressure of bills and probably also of speculative pressure rather than the reflection of the relative value of the two currencies. Particularly important factors in the rise of sterling were the reports that gold shipments were under way from London to New York, and the assurances given by the British Government of the payment at maturity in October of $500,000,000 Anglo-French bonds.

FOREIGN EXCHANGE RATES

WEEK ENDED	FEBRUARY 21		FEBRUARY 28		MARCH 6		MARCH 13	
	High	Low	High	Low	High	Low	High	Low
England	3.47¼	3.35¼	3.41¼	3.35¼	3.68¾	3.40½	3.81	3.53
France	13.22	14.38	14.12	14.34	13.60	14.24	12.94	14.02
Italy	17.65	18.30	18.14	18.38	17.84	18.34	17.48	18.17
Spain	17.52	17.20	17.40	17.30	18.00	17.40	18.00	17.65
Argentina	43.25	43.25	43.75	43.50	43.65	43.50	43.65	43.25
China (Hong Kong)	98.50	97.00	97.00	96.00	101.00	97.00	100.00	94.00
China (Shanghai)	149.00	147.00	147.00	143.00	152.00	143.00	146.00	133.00
Japan	48.125	48.00	48.00	47.75	48.00	47.125	48.75	47.00

Our Foreign Trade

February exports were about 10 per cent. larger in dollar value than a year ago, while imports were tending upwards in much greater proportion. Department of Commerce returns for February show exports for $646 millions as compared with $722 millions in January and $586 millions in February one year ago. Imports were $467 millions as compared with $474 millions in January and $235 millions in February of one year ago.

For the three months of November, December and January, the increase, in the value of exports, was about 26 per cent., or slightly above the increase in average prices during the year. Imports on the other hand showed a quite considerable increase, by volume more than one-half over the 1918-1919 period. From Europe the increases in the value of imports were notable; 418 per cent. from Great Britain, and 395 per cent. from France; while in volume our exports to those countries decreased slightly.

There is a persistent but erroneous belief that the war brought great changes in the direction of our trade. For the same three months of 1913-1914, Europe took about two-thirds of our exports and sent us nearly one-half of our imports. This winter its proportion of our exports was very nearly the same. On the other hand, the percentage of the value of our imports declined very considerably, falling to about one-quarter of the total. The largest increase in imports was in the direction of Asia, which actually sent us this winter more goods than Europe. They were more than double that of even a year ago, while on the other hand the proportion of our exports going to Asia changed very little. A comparison for the principal divisions and countries follows:

Division and Country	AMOUNT—IMPORTS Nov.-Jan. 1918-19	Nov.-Jan. 1919-20	Per Cent. Increase	AMOUNT—EXPORTS Nov.-Jan. 1918-19	Nov.-Jan. 1919-20	Per Cent. Increase
Grand Total	$674,886,554	$1,279,465,990	89.6	$1,710,674,706	$2,155,382,162	26.0
Europe	67,952,346	319,676,847	370.5	1,029,692,311	1,389,720,085	35.0
South America	138,861,398	215,788,107	55.4	111,024,537	104,967,075	5.4*
Asia	157,838,721	347,334,407	120.1	149,882,171	194,301,245	29.6
France	10,398,930	51,539,249	395.6	187,867,750	213,724,945	13.8
United Kingdom	26,968,516	139,869,919	418.6	526,013,806	626,451,491	19.1
Canada	122,531,741	143,588,719	17.2	215,455,502	219,483,657	1.9
Japan	64,775,545	150,258,173	132.0	91,284,556	125,622,760	37.6

*Decrease.

Present Tendencies in Foreign Trade

It is reported to us that there is a somewhat slackening demand from foreign countries where our dealings have been largest. There have been few cancellations of orders contracted by importers abroad, and there have been few, if any, demands for concessions on losses resulting from the gyrations in foreign exchange, but some decline in forward orders. England is reported as turning elsewhere for supplies; especially to South America. Principally this has affected our grain movements to Britain and the Continent which have felt the expansion of shipments from Argentina and Chile. Exports of cotton to the British Isles are still heavy; but Germany, formerly a heavy purchaser, is returning to the market very slowly. The embargo and the recent strike are influences adverse to a large outflow of coal. In the iron and steel trade the situation is somewhat more active. All European countries are in the market for rails and rolling stock in general. Shippers of crude oils and petroleum products, also, are finding little difficulty in placing orders abroad and are expecting an increased demand, with the same true, to a less extent, of manufactured articles. France and Germany are purchasers of copper on a slightly increasing scale. Simultaneously there has been a heavy decline in foreign orders of packers' products. The losses in tonnage have fallen largely on our shipping and a growing supply of bottoms is reported with a corresponding decrease of marine freight rates. Foreign buying of leather dwindled considerably during January and February, although a fairly good business had been done up to the time of the severe breaks of sterling below $4. There is still a demand, though not general, for light and patent leathers, due to the fact that this is practically the only market for such leathers. Foodstuffs are moving slowly, and storage warehouses have in many cases reported that the bulk of goods on hand were products of this class, the outward movement of which had been checked by the declining rates of exchange.

Canadian Trade

While Canada's exports since 1914 have steadily exceeded her imports, her trade balance with the United States has been adverse. Canada's imports from the United States during January were $74,500,000 as against $71,000,000 in December, and $57,000,000 in January, 1919. Exports to the United States were $43,500,000 in January compared with $41,000,000 a year ago. Her trade with the United

States, excluding imports and exports of capital, during the last three years is given in the following table, which shows a diminishing balance adverse to Canada:

	IMPORTS	EXPORTS	BALANCE
1917	$829,845,747	$401,479,287	$428,366,460
1918	741,336,304	433,182,149	308,154,155
1919	740,580,225	454,686,294	285,893,931

The percentage of her total imports received from the United States has risen from 59 per cent. in 1910 to 82 per cent. in 1919.

Canada is also a constant importer of capital, and while before the war, the greater part of this came from England, the United States has now become the chief source of such funds. Total Canadian bond sales in the United States increased from $54,000,000 in 1914 to $199,000,000 in 1919 while such sales in United Kingdom decreased from $186,000,000 in 1914 to $5,000,000 in 1919. It is estimated that the total American investment in Canada approximates $1,250,000,000.

The course of exchange between the United States and Canada, however, cannot be explained solely by the trade and financial relations between these two countries. Practically all exchange transactions between Canada and England are made through New York and even in normal times sterling exchange in Canada depends on sterling in New York. When sterling exchange reached its lowest levels around the first of February, New York funds in Canada reached a premium of 17 per cent. and have now decreased to approximately 12 per cent. as sterling has gradually recovered.

It is reported that some American firms share with their customers in Canada one half the loss due to depreciated exchange, and in many cases long credits are granted with the expectation that all exchanges will tend to normal levels. Another practice that helps to maintain a common level of prices in the two countries while exchange is at a discount is that many American firms practically ignore the exchange in quoting prices and do not withdraw their funds from Canada but allow them to remain there for investment.

Prices and Production and Business Activity

The chart reproduced on the first page of this report is designed to show the rate of increase in the volume of production of ten of the most important basic commodities of this country from 1900, compared with the prices of a large number of commodities and the general trade movement as reflected in bank clearings outside of New York City. The line showing the physical volume of production includes the basic products, cotton, corn, wheat, wool, pig iron, copper, lead, coal, petroleum and sugar. The second giving the index of bank clearings outside of New York, represents the nominal amount of clearings divided by the Bureau of Labor's index figure for commodity prices so as to eliminate the distorting influence of the heavy rise in the price level during and since the war. New York City bank clearings are omitted so that the factor of stock market operations may be excluded as far as possible. The third line gives the Bureau of Labor's commodity index itself. It will be seen that during the war the rate at which production increased was almost exactly the same as for pre-war years and even at a lesser rate than, for example, for the years from 1903-06. The decrease for 1919, though the sharpest in any of the twenty years shown, was under 6 per cent. If we regard speculation in commodities as an inseparable part of "trade" the index of bank clearings is generally regarded as an excellent barometer of business activity. This index likewise shows no remarkable rate of expansion during the war. Contrary to the production curve it shows a slight increase for 1919 over the previous year but it is to be observed that this is not borne out by figures of railway traffic and similar indices of business volume. The one very striking fact that stands out is the extraordinary rise in prices which began towards the close of 1915 and has continued with only a brief recession up to the present time.

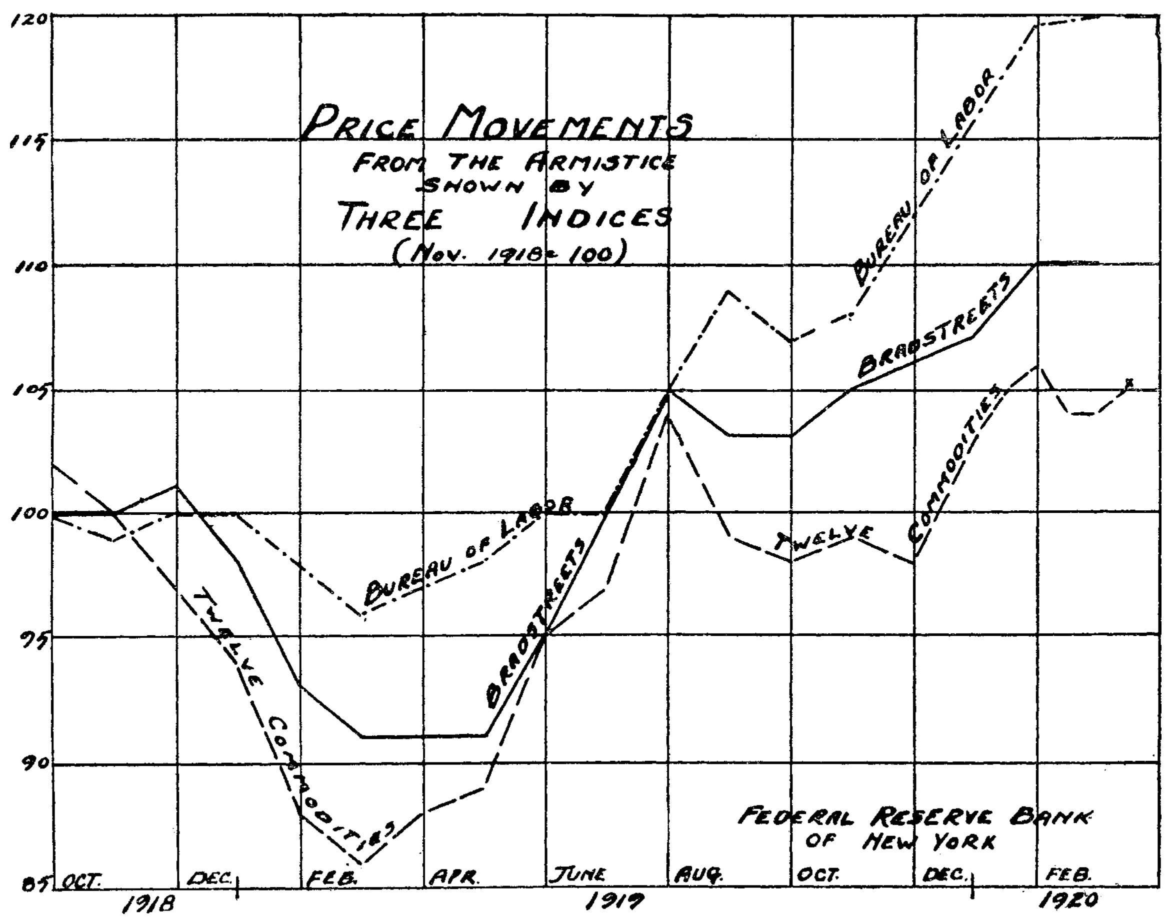
Retail Trade

Retail buying has been somewhat quieter than in the month preceding and stocks are slightly larger on an average than a month ago. Sales totals are not bounding ahead as rapidly and some stores are attempting to remedy this decrease of sales units by having special reduction sales. In some quarters consumers are turning from higher priced goods, while in others cheaper grade merchandise is a drug on the market. There is some evidence that the ultimate consumer is cutting down his purchases except when necessity forces him to buy. The retail jewelry business seems to have lost but little momentum in spite of the five months strike settled early this month. Prices for jewelry have been upward, and likewise for clothing, and though the impression is that the general price peak may be near at hand, little tangible evidence has thus far presented itself in retail trade. Prices that do retreat are about offset by others which advance. Credit-giving is being watched more closely.

Commodity Prices For the first time since last December Dun's and Bradstreet's indices as of March 1 failed to record a further increase in the level of wholesale commodity prices, while an index of twelve basic commodity prices maintained by this bank shows a slight decline from the high level of February first. A comparison of the movements of this latter index with that of two other price indices is given in the diagram shown below. This index is made up from the twelve most important basic commodities, in which the markets and speculation are freest and price changes the most rapid. It includes the three largest crops, corn, cotton and wheat; the three chief metals, iron, copper and lead; the two chief fuels, coal and petroleum; and hogs, hides, rubber, sugar and lumber. It will be seen that since the armistice, this basic index shows no such sharp advance, as for example; the Bureau of Labor index, which is made up of nearly four hundred commodities, and includes many manufactured or finished articles. While the latter since the armistice has risen 20 per cent., our basic commodity index has risen less than 5 per cent.

The momentum of the great price rise in the last four years has been cumulative in its effect on the general level of wages and costs, and has carried them out of proportion with the prices of basic materials, on which both the wages and industries of the country rest. This is generally the aftermath of such a rise, or fall. In general, speculative prices will move more rapidly than wages, and reach their turn sooner. If our basic index holds below the high point of February 1, it will probably definitely indicate that the peak of wages and costs of manufacture has been reached.

Failures Commercial failures for February, as reported by Dun's Agency, were the smallest yet recorded for that month. For this district there were but 75 failures with liabilities of $1,062 322 as compared with 102 failures one year ago with liabilities of $2,686,546. This was a decline even from the low record of January.



Cotton Spot cotton this month touched a new level at 41 cents., slightly above the point reached in December, which was the highest figure known in New York since 1866. This is in the face of the fact that while exports are well above those of last year, they are still far below those of pre-war years. Domestic mill-takings for February, 516,594 bales, continued the high rate for January, and brought the total for the season from August 1 to 3,659,795 bales, or about 10 per cent. more than a year previous. Exports for the same period increased over 40 per cent. A serious shortage of labor is reported in the south, with a threatened further curtailment of acreage, if not of production; but this is not yet in evidence, and early reports to the National Ginners' Association indicate some acreage increase.

Iron and Metals Figures for February steel production indicate that the output is still considerably below the peak attained during the war. This is in spite of the high prices prevailing and a material increase in wages. The unfilled tonnage of the Steel Corporation is still increasing, and stands at the highest figure for the last 18 months. Both Bessemer billets and open hearth are quoted at $60 to $65 at Pittsburg, and Bessemer pig at around $43. All the mills are far behind their orders and all accounts agree that the demand is considerably in advance of the supply. In appearance only the conservatism of the steel companies has prevented a runaway market. British prices have likewise shown an advancing tendency during the month. Pig iron is now being quoted at £10 and over, or nominally about 15 per cent. above American prices, a striking example of the price changes which the war has wrought. There has been no notable change in the copper market, and producers continue to quote 18½ cents for March and April deliveries. Some forward business has also been accepted at the same figures. Production is now reckoned at not over 60 per cent. of maximum, which has resulted in a large reduction of surplus stocks. Lead production has not materially increased though prices remain high, with a quotation of 9¼ cents at New York. In zinc there has been an active demand and the market is steady at 8¾ cents. The tin market is steady at about 63 cents, New York quotations. The index figure for the metal group in Dun's list on March first stood at the highest point since the armistice.

Building Operations Prospects for continued activity in building are shown in the reports of contemplated projects given by the F. W. Dodge Company, which for this district were almost as high as in January, reaching a total of $104,654,800. Actual contracts awarded, however, amounted only to $36,374 800, which was less than half those of January.

Immigration Alien arrivals and departures at the Port of New York continue to disappoint the expectations of a resumption of our immigration influx. For the seven months since last July the total of alien emigrants exceeded the incomers by more than 57,000. The figures follow:

	IMMIGRATION	EMIGRATION
July	9,432	25,354
August	9,430	32,901
September	20,577	29,746
October	24,641	25,300
November	17,557	36,459
December	34,529	21,996
January	25,057	25,051
February	22,086	24,379
Total	163,309	221,186

Current advices to the principal steamship lines here indicate no immediate change in prevailing conditions. This is a matter of more than ordinary interest. There never was in the United States a time of more general employment at high wages than now. Yet in the face of this, fifteen months after hostilities definitely ended, there were fewer arrivals in February than departures. Many aliens who had been in this country during the war were attracted home by the natural wish to look after their families and the remnants of their families' property. It is to be noted also that a large number of the returning aliens carried with them very handsome war earnings. They found excited speculation in land, and many who returned early made fortunes in the rise.

Employment According to the preliminary analysis of February reports received from manufacturers in New York State by the State Industrial Commission, there appears to have been a slight decline in the amount of employment in New York factories. The decrease reported, however, amounts to little more than 1 per cent. but is the first decline shown in four months and compares with a reported increase of 3 per cent. in both November and December. The average weekly earnings of factory workers in February continued at peak and shows an increase of 20 per cent. over February, 1919, and 113 per cent. over 1915. Indications for March are for a still further increase. A strike of coastwise longshoremen was begun on March 20 with demands for wage increases of from 10 to 15 per cent.