

# FEDERAL RESERVE BULLETIN

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AT WASHINGTON

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AUGUST, 1920



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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. The second edition contains detailed analyses of business conditions, special articles, review of foreign banking, and complete statistics showing the condition of Federal Reserve Banks. For this second edition the Board has fixed a subscription price of \$4 per annum to cover the cost of paper and printing. Single copies will be sold at 40 cents. Foreign postage should be added when it will be required. Remittances should be made to the Federal Reserve Board. Member banks desiring to have the BULLETIN supplied to their officers and directors may have it sent to not less than 10 names at a subscription price of \$2 per annum.

No complete sets of the BULLETIN for 1915, 1916, or 1917 are available.

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# FEDERAL RESERVE BULLETIN

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## REVIEW OF THE MONTH.

Relatively slight activity in the money market has been necessary on the part of the Government during the month of July.

Redemption of certificates of indebtedness falling due up to July 15 has continued, but the fiscal operations of the month have been really little more than a continuation of those of the last month of the past fiscal year. On July 21 Secretary Houston announced that subscriptions for the 5½ per cent Treasury certificates of indebtedness dated July 15, 1920, which had previously been announced, and maturing January 15, 1921, as well as the issue dated July 15, 1920, and maturing March 15, 1921, had been closed on Tuesday, July 20. Reports received from the 12 Federal Reserve Banks showed that the combined issue, which was for \$200,000,000, had been oversubscribed to the extent of \$1,061,500, allotments being as follows:

	Total subscrip- tions allotted.
New York.....	\$90,391,500
San Francisco.....	15,000,000
Philadelphia.....	14,250,000
Kansas City.....	8,005,500
Cleveland.....	14,154,500
St. Louis.....	6,002,500
Boston.....	12,638,500
Chicago.....	18,221,500
Atlanta.....	3,211,000
Richmond.....	3,745,000
Dallas.....	1,687,500
Minneapolis.....	1,754,000
Treasury.....	12,000,000
Total.....	201,061,500

July receipts on ordinary account amounted to \$230,366,525, while disbursements on ordinary account were \$306,501,839, a difference of \$76,135,314. Inasmuch as Government withdrawals from banks during the month have been relatively light as compared with June, the effect of Treasury operations upon the

banking situation has been distinctly less influential than during the recent past.

The Secretary of the Treasury in a statement issued July 26 reviews the developments in the Treasury situation which have taken place during the past year. In sketching the outcome of the 12 months' operations he says:

"On the basis of daily Treasury statements, the total ordinary receipts for the fiscal year ended June 30 amounted to \$6,694,565,388.88, and current ordinary disbursements amounted to \$6,766,444,461.09, leaving a net current deficit of only \$71,879,072.21 for the fiscal year 1920, the first full fiscal year after hostilities ceased. After taking into account the special deposit of the War Finance Corporation, resulting from its redemption of United States securities, the net ordinary disbursements for the fiscal year 1920 were \$6,403,343,841.21, leaving an adjusted surplus of \$291,221,547.67 for the fiscal year.

"The operations incident to the handling of the maturities of Treasury certificates from June 15 to July 15 have now been completed and have resulted in further reductions in both the gross debt and the floating debt of the United States. The gross debt on June 30, on the basis of daily Treasury statements, amounted to \$24,299,321,467.07, as against \$25,484,506,160.05 at the end of the previous fiscal year on June 30, 1919, and \$26,596,701,648.01 on August 31, 1919, when the gross debt was at its peak. In other words, the gross debt on June 30, 1920, had been reduced by \$2,297,380,180.94 from its peak on August 31, 1919, and by \$1,185,184,692.98 from the figure on June 30, 1919. On July 20, 1920, on the basis of daily Treasury statements, the gross debt amounted to \$24,264,309,321.54, showing a further reduction of about \$35,000,000 after taking into account the \$201,061,500 face amount of Treasury certificates issued under date of July 15. The floating debt on June 30 amounted to \$2,485,552,500, as against \$3,267,878,500 on June 30, 1919, and \$3,938,225,000 on August 31, 1919. On July 20, 1920, the loan and tax certificates outstanding amounted to \$2,453,946,500, showing a further

reduction of about \$31,000,000 as the result of the redemption of loan certificates since the close of the fiscal year 1920 in the amount of some \$232,000,000 and the issue of loan and tax certificates dated July 15 in the amount of some \$201,000,000.

"Further issues of Treasury certificates will be offered as necessary from time to time to provide for the current requirements of the Government and to meet maturities of Treasury certificates now outstanding. The amounts of these issues will depend in large measure upon the extent of the burden imposed by the transportation act of 1920, in connection with the return of the railroads to private control, including particularly the liability on the guaranty, which is as yet unascertainable."

In speaking of the furtherance of the effort to secure a wide distribution and retention of Liberty bonds by private investors, Secretary Houston on July 21 made acknowledgment of action taken by the Montreal convention of the American Federation of Labor. At that meeting it had been urged that members of labor organizations continue holders of bonds at present prices by way of sustaining the thrift and savings campaign of the Government.

In the letter of July 21 already referred to Secretary Houston said:

"Nowhere are Liberty bonds more widely distributed than among the ranks of organized labor. Both the Treasury Department and the American Federation of Labor are desirous of protecting the holders of these Government obligations. They can protect those who hold their bonds and buy more, but they can not protect those who sell at present prices. But if the principles adopted by your organization are followed out by the Nation, all holders of bonds will be protected, for the basic, intrinsic value of the securities backed by the good faith and total resources of the Nation is unchanged and will remain unchanged."

The month of July has been, unmistakably, a period of business and credit transition. This situation is emphasized by the reports of Federal Reserve agents on business conditions, of which a condensed summary is given in this issue. The transition has been marked and characteristic not only as regards industrial developments themselves, but also as regards credit. It has been particularly exemplified

in the relationship between business and lending conditions. Notable among the month's developments has been a tendency on the part of commercial rates of interest to go to slightly higher figures, notwithstanding the maintenance of the same rates of rediscount at Federal Reserve institutions; the further development, although still upon a very moderate scale, of unemployment in some lines of business due to cancellation of orders and poor transportation of fuel and materials; the liquidation of stocks of commodities which had been held upon a speculative basis; and the gradual elimination from banks of paper collateralized by such goods. In connection with the last of these developments should be noted a sustained tendency toward the payment and cancellation of paper collateralized by Government war obligations, as well as by corporate stocks and bonds. The pronounced checking of speculation and the restriction of operations in securities and stocks to a very low level has been a decisive element in the financial centers and particularly in New York. Coupled with these conditions has come, according to general agreement, a definite if slight increase in general efficiency and an equally positive, though limited, curtailment of extravagant expenditure and unnecessary borrowing. These factors, if maintained as an influence in the general business and credit situation, will mark the turn from the period of "peak" inflation to a period of restoration of sounder conditions. The difficulty in both the industrial and credit situation is still found in the lack of available means of transportation which will permit of the regular and steady movement of goods to market and of fuel and materials to points of manufacture and consumption. According not only to reports made by Federal Reserve agents but also those of other observers, there has been some improvement in transportation during the month and some relief of the congestion which had been a notable feature at the outset of the month, but this improvement has been upon a relatively small scale. Fuel reserves continue to be of the most limited character and it is evident that

much more energetic action will have to be taken if industrial conditions are to be made safe for the coming winter. This condition of affairs has a very important bearing upon the credit outlook because of the fact that it still remains true that large accumulations of goods at producing or distributing points must in great measure be carried by advances made by banks. The distinct improvement in agricultural conditions which now promises a very large return in many lines, tends to emphasize this state of affairs because of the fact that considerable proportions of last year's staple crops are still held over at points of production and distribution. A further accumulation of goods, such as is feared in some Federal Reserve districts, would result not only in taxing the carrying capacity of the warehouses and other places of storage, but would also impose a further strain of serious character upon the credit resources of Federal Reserve Banks.

The months of June and July have been a period of important changes in prices as well as of modification of industrial conditions.

#### Changes of prices.

These price changes may be summed up as declines in basic materials, notably wool, leather, silk, and a variety of materials, accompanied at the same time by advances in foodstuffs. In the field of retail prices there have been downward tendencies in such articles as clothing, shoes, and other consumable staples, although few or none in foods. The index number of wholesale prices constructed for the Board shows a decline for the month of June of 6 points, now standing at 258. This tendency has been paralleled by a similar trend in British prices. Sauerbeck's index number, made public on July 20, shows a decline of 4.3 points from the preceding month, although even with this moderate reduction the index number in question is more than 57 points ahead of the peak reached during the war period. While there are some differences between the Sauerbeck number and that of the Economist, the general tendency of the two is parallel, both indicating a downward drift. The main difference between the two is

found in the field of textiles, where there has been a greater decrease in some lines represented in the Economist number than in those embodied in Sauerbeck's.

An idea of the extent to which staple raw materials have fallen in the United States during the past month is furnished by the following compilation, in which some representative prices are presented for purposes of comparison:

	April.	May.	June.	July.
Raw silk, Japanese, Filatures Shinshu, No. 1, 13-15 (per pound).....	\$13.60	\$11.35	\$8.35	\$7.40
Raw wool, Ohio, fine unwashed, delaine (per pound).....	.95	.80	.70	.68
Print cloths, 39 inches, 80 by 80, 4 yards per pound (per yard).....	.3300	.3100	.2950	.2587
Calfskins, 7-9 pounds (per skin to tanners).....	6.4375	5.7500	4.0625	3.6812
Goatskins, Rio Hache (per pound).....	.7375	.6650	.4750	.3917

The downward tendency of prices thus referred to is not to be explained by reference to any one cause or set of causes, but is the outcome of a complex of factors. In wool the termination of the period of Government control in various parts of the world and the steady marketing of the raw supply held by the Government of the United States as the result of war purchases has had an important effect. Large stocks of leather and hides which had accumulated during preceding months, coupled with a falling off in consumption demand for leather products directly resulting from the very high retail prices which were being charged, are currently regarded as primarily responsible for the shrinkage of leather values. In silk, as is well known, there had been extensive speculation, and large stocks of the staple had been carried by oriental interests, with the result that consumption both in the United States and abroad was being quite materially curtailed. The financial difficulties in Japan which developed during the spring of 1920 were in part the outcome of heavy operations in raw silk, and the cutting of silk prices to a point 50 per cent below the values of last winter is to be ascribed to the collapse of these speculative operations, as well as to the influence of the

withdrawal of bank credits in oriental countries and to the decline of demand for silk by consumers both here and elsewhere.

It remains true that there is at the present time a wide gap between the new level of raw material values and the prevailing level of retail prices. During the month it has been pointed out by industrial leaders that the high price of goods has been due only in part to high costs of material and has in very large degree been the outcome of high capital charges and very great advances in the wages of labor. For these reasons consumers have been discouraged from taking the view that shrinkage in retail values was immediately to be expected as a result of reductions in the wholesale field. It is true, however, that the saving afforded by manufacturers through lessened cost of materials and increased efficiency of labor must eventually be reflected in a downward movement of retail prices. For the coming autumn and winter season it is likely, however, that this downward movement will be evident in comparatively small degree. Indeed, in many lines higher retail prices are predicted, due to the fact that purchases for the autumn and winter trade had already been contracted for at the old level of values, the changes in the price of materials at the present time showing their effect not earlier than the spring of 1921.

As had been noted in former issues, the general manufacturing organization of the country had succeeded in enlarging its efficiency and its percentage of output in an unexpected way during the early spring of this year. The following condensed table recapitulates some essential elements in the industrial situation as shown by the Board's index numbers representing the physical volume of trade for June:

	May, 1920.		June, 1920.		June, 1919.	
	Total.	Relative.	Total.	Relative.	Total.	Relative.
Receipts of live stock at 15 western markets (in thousands of head)....	5,160	96.8	5,064	95.0	5,329	100
Receipts of grain at 17 interior centers (in thousands of bushels)....	64,400	82.6	80,058	102.7	77,996	100
Shipment of lumber reported by 3 associations (in millions of feet).....	863	96.7	685	76.7	893	100
Bituminous coal production (in thousands of short tons).....	39,059	101.3	44,463	115.3	38,547	100
Crude petroleum production (in thousands of barrels).....	36,859	116.5	37,219	117.6	31,644	100
Pig iron production (in thousands of long tons).....	2,986	141.1	3,044	143.9	2,115	100
Steel ingot production (in thousands of long tons).....	2,883	129.9	2,981	134.3	2,219	100
Cotton consumption (in thousands of bales)....	541	114.1	556	117.3	474	100
Wool consumption (in thousands of pounds)....	50,649	103.6	40,679	83.3	48,850	100

In reviewing the industrial situation at present, however, special attention should be given to the position of certain important staple industries. In iron and steel, in spite of the presence of a large volume of unfilled orders on the books of some concerns, shortage of fuel and materials has tended to prevent a maximum of output from being maintained. In the woolen industry during the past month temporary suspension of operation has been announced, due to the fact that cancellations of orders and uncertainty in the industrial outlook made it undesirable to proceed, pending a further development of the readjustment process. There is difference of opinion about the actual coal situation, but general agreement as to the fact that supplies of coal at many important distributive points have been very low. Important manufacturing establishments and public utilities have had difficulty in obtaining their current supplies in some instances due to the fact that they were working under low-price contracts of long standing. The situation is in part attributed



to the increasing demand for coal, not only for domestic use but also for export. The large number of new mines that have been opened within the recent past has necessarily required an increased number of coal cars, while the fact that production of such cars has not been maintained during the past two or three years has made the available supply less adequate for all working mines. Activity of production necessarily makes correspondingly heavy demands upon the available coal supply and tends to create shortage. Up to the 1st of July the output of bituminous coal for the year had been 257,095,000 tons, as compared with 214,959,000 tons during the corresponding period in 1919, while anthracite had been produced to the extent of 42,777,000 tons, as compared with 39,392,000 tons for the first half of 1919. Efforts to improve the efficiency of transportation have been vigorously in progress during the past month and some success has been obtained, but according to current reports the movement of freight on many lines is still much below normal. What amounts to a practical embargo upon export coal has also been established as a result of priority and other orders which have given the advantage to domestic consumers and have made it difficult to obtain coal for foreign shipment. The result of these measures should in the near future be to restore the activity of manufacturing at those points where it has been restricted in consequence of insufficient fuel supply. Attainment of this result should be further assisted in so far as transportation improvement results in a better distribution of raw materials.

Exactly how far the transportation situation has changed may be better understood from a comparison of ton-mileage figures for past months. Preliminary estimates indicate smaller activities in June than in May, but

**Transportation situation.**

greater activities in both months than in the corresponding period of 1919.

How far the lowered efficiency of transportation has been due to an unsatisfactory labor situation can not be precisely stated. The action of the Railway Labor Board in handing down on July 20 a decision in the pending wage adjustment cases may, it is hoped, bring about a better condition of affairs. The substance of the award is to grant an increase in wages which for the United States as a whole is estimated at about \$600,000,000 and which amounts to an average advance of about 21 per cent upon the scale of wages previously existing. This award represents, roughly, 55 to 60 per cent of the maximum amounts which had been recommended by organizations of the railway employees. If it should result in improving the operating efficiency of the lines, its effect will naturally be that of relieving congestion and facilitating the more rapid movement of freight to destination. Results in this direction can not, however, be expected before the lapse of perhaps another month.

Meanwhile there is undoubtedly a continuation of difficulty at shipping points which calls for energetic action. According to Federal Reserve agents, the quantity of grain which is being carried at primary markets is much in excess of that which was in stock at the corresponding period a year ago. The great improvement in agricultural prospects for the present summer and autumn is an important factor in the maintenance of the country's prosperity, but tends to render the transportation problem even more difficult than before.

The extent of the existing transportation congestion is difficult to measure statistically. Data showing the acceleration or the retardation of specific commodity movements from month to month do not adequately reflect the seriousness of the situation because they often fail to take account of

normal seasonal changes in receipts and shipments, as in the case of grain. Moreover, no allowance can be made for goods that would be in transit if there were any prospect of moving them. This is especially true, for example, in the lumbering regions of the Pacific coast and the Northwest. Even though new orders have been received, stocks are augmented, while shipments fall to still lower percentages of output. In the Dallas district production figures of the Southern Pine Association show a marked curtailment in output, which is 65 per cent of normal for the month of June, while shipments are only 80 per cent of cut. Similarly, in the San Francisco district, 122 mills of the West Coast Lumbermen's Association have shipments 18.6 per cent below the cut, which in its turn is 7.5 per cent less than normal.

When coal, lead, and zinc mines, for example, are working at only 50 per cent capacity, or are even closed entirely because of inability to move their output, it throws no light on the existing congestion to show that current ore movements have slightly or even greatly increased in amount.

The policy of Federal Reserve Banks in seeking to shift applications for accommodation from unessential to essential branches of business has been further prosecuted during the past month, but has been applied with a maximum of consideration for the maintenance of productive activity in all parts of the country. Governor Harding, in reply to an inquiry, has made the following statement of the Board's purposes in its application of the present rate policy:

"The Federal Reserve Board," he says, "deemed it its duty to exert its power in the direction of curbing the expansion of credit used for speculative or nonessential purposes without interfering with maximum production along essential lines. In the adjustment of trade and industry to the new basis of essential production suspension of operations and some hardship from unemployment may result, but in view of the serious shortage of goods in all lines and the pressing demands of consumers the

world over a readjustment should be effected without undue delay and with a minimum of friction and unrest."

Summarizing the outcome to the present time, Governor Harding expresses the opinion that as a result of the measures thus far adopted "further expansion of bank credits has apparently been checked, though the volume of loans and discounts of neither member banks nor of Federal Reserve Banks has been materially reduced."

The opinion that a turning of the tide of expansion has occurred has likewise been expressed by Hon. A. B. Hepburn, of the Federal Advisory Council, who, in a statement to the press on July 16, indicated his belief that there had been a decided shifting of credit from unessential to essential lines and a more favorable banking position. "I do not look," said Mr. Hepburn, "for any acute money stringency in the fall. People are now looking to the future, taking an account of stock, curtailing their commitments, and exercising a more wholesome, conservative judgment."

This analysis of the case is corroborated by the views of others. The result in question is being attained only in part through the direct influence of higher rates of interest and discount and in part through the application of judicious methods of limiting unessential or unnecessary credits. In speaking of this phase of the matter Governor Harding, in the communication already referred to, says that "the Board has taken the position that it is not sufficiently close to the actual day-to-day requirements of business to undertake to lay down rules as to what loans are for essential purposes and what loans are not. The Federal Reserve Banks in their dealings with member banks are better situated in this respect, but ultimately the main responsibility of such decisions must rest with the commercial banks themselves, which in their dealings with customers are in a position to ascertain the purpose of each loan and to decide whether this purpose is essential or not." This is the position which has been uniformly adhered to by the Federal Reserve Board ever since the

development of a necessity of restricting credit during the war. At that time such restriction of credit was accompanied by limitations upon transportation and use of fuel and materials which were determined upon a basis of war necessity. The use of this method of selection or discrimination has long since passed by with the closing of the war, and at present the standard of essentiality is necessarily different from that which existed during the time when war demands were at their height. As pointed out in the letter already referred to, the problem is one which can best be dealt with by bankers who are themselves close to the actual requirements of their customers.

Development of bank portfolios, both at Federal Reserve Banks and member banks during the month of July, has on the whole indicated the application at least of a check to expansion, although not a definite decline in accommodation. Two criteria may be cited as indicative of the general drift in this direction, the first that of reserve ratios at the several Federal Reserve Banks, the second that of investment conditions at member banks. The following brief compilation reviews the course of the reserve ratio during the month of July:

*Ratio of total reserves to net deposit and Federal Reserve note liabilities in 12 Federal Reserve Banks.*

July 2.....	42.8
July 9.....	43.1
July 16.....	43.9
July 23.....	44.4
July 30.....	44.2

This change in ratios should be studied in connection with the course of development during the past month in the portfolios of member banks. The following table which contains data furnished in former issues provides an indication of the trend of the banking situation for the country as a whole:

[In thousands of dollars.]				
Date.	Number of banks reporting.	Loans (including rediscounts) and investments (including United States securities).	Rediscounts and bills payable with Federal Reserve Banks.	Net demand deposits.
1920.				
July 2.....	814	16,929	2,056	11,486
July 9.....	814	16,901	2,051	11,461
July 16.....	814	16,934	1,990	11,552
July 23.....	814	16,903	1,953	11,416
July 30.....	814	16,884	1,972	11,388

The figures thus furnished show a distinct upward movement in the reserve ratio at Federal Reserve Banks, which has been progressively higher with each succeeding week in the month, excepting for a minor reaction at the close. By the side of this development should be placed the fact indicated in the table relating to member bank condition that there has been a steady, although moderate, decline in the rediscounts and bills payable with Federal Reserve Banks. Together with advance in the reserve ratio there may be noted a gradual decline in the gross amount of obligations payable to Federal Reserve Banks, and while the reduction has been moderate, it nevertheless seems to indicate a turning of the tide away from inflated conditions. The situation is somewhat different when attention is given to the item of loans and investments carried by member banks on behalf of their customers. This figure shows that the total amount of advances made by the member banks in selected cities is about holding its own, while the same view of the situation is confirmed by a study of the figures showing net demand deposits.

Export and import figures for the month of June, made available by the Department of Commerce on July 24, show a reaction in export trade of a kind which has long been predicted. Whereas our "favorable balance of

Foreign trade financing.

trade" for the month of May amounted to approximately \$315,000,000, this balance for the month of June fell to \$78,000,000, while a favorable balance for the 12 months ending June, 1919, of about \$4,136,000,000, was reduced for the 12 months ending June, 1920, to \$2,872,000,000. In considering the latter figures it should be borne in mind that the 12 months ending June, 1920, include a part of the time during which the effects of Government advances to foreign countries were still being felt. The substance of the figures may be presented in compact form in the following brief table:

	June—		
	1920	1919	
<b>Imports:</b>			
Free of duty.....	\$277,000,000	\$195,549,458	
Dutiable.....	276,000,000	97,366,085	
<b>Total.....</b>	<b>553,000,000</b>	<b>292,915,543</b>	
<b>Exports:</b>			
Domestic.....	617,000,000	907,968,086	
Foreign.....	14,000,000	20,411,117	
<b>Total.....</b>	<b>631,000,000</b>	<b>928,379,203</b>	
<b>Excess of exports.....</b>	<b>78,000,000</b>	<b>635,463,660</b>	

	12 months ended June—		Increase.
	1920	1919	
<b>Imports:</b>			
Free of duty.....	\$3,405,235,628	\$2,230,222,808	\$1,175,012,820
Dutiable.....	1,833,510,952	865,497,260	968,013,692
<b>Total.....</b>	<b>5,238,746,580</b>	<b>3,095,720,068</b>	<b>2,143,026,512</b>
<b>Exports:</b>			
Domestic.....	7,950,335,672	7,081,461,938	868,873,734
Foreign.....	160,840,459	150,820,748	10,019,711
<b>Total.....</b>	<b>8,111,176,131</b>	<b>7,232,282,686</b>	<b>878,893,445</b>
<b>Excess of exports.....</b>	<b>2,872,429,551</b>	<b>4,136,562,618</b>	

There are numerous factors which confirm the belief that our excessive export balance is now in process of being still further curtailed. The very high prices which have prevailed in the United States for many months and which until recently have shown indication of advancing to still higher levels have undoubtedly tended to discourage a good many foreign buyers who would otherwise have sought to supply themselves in this market but who have

found it impossible to contend against the combined handicap furnished by the high domestic prices and the increment resulting from unfavorable exchange conditions. Shipping concerns testify that shortage of freight for export is more pronounced than it has been for some time past, and while this is in part due to embargoes or what amounts to such upon coal and other heavy freight, as the result of the transportation "tie-up," there is every reason to ascribe it, in part at least, to the general competitive conditions already referred to. In this same connection, mention should be made of the fact that, as money stringency has become more pronounced and rates higher, there has been an increasing indisposition on the part of commercial banks to furnish financial facilities designed to take care of the movement of goods abroad. More conservative banking institutions engaged in the export trade have taken pains to cover their foreign exchange commitments as rapidly as they were incurred, and even in the face of the rather more stable conditions of exchange that prevailed during the latter part of June and the first weeks in July, they were disinclined to carry very large balances in foreign currency. Perhaps this indisposition to incur obligations on foreign exchange account has been as pronounced during the recent past as at any time heretofore, if not more so. On the other hand, banking institutions expressly devoting themselves to foreign trade have found it difficult to continue the extension of accommodation under as favorable conditions as heretofore. The sale of their acceptances—a resource upon which they have necessarily relied in large part to carry on their operations—has naturally been hampered by the high rates for money, while they have found in some cases the effort to offer foreign balances as security unsatisfactory to local buyers of their paper. Such attempts as have been made on a small scale to place foreign securities in the United States have been successful only when a very high rate of interest was offered. Of this situation a notable example has been afforded in the case of the Swiss loan which

was placed during the early part of July at a market rate of 8 per cent.

Under the terms of the Phelan Act adopted by Congress on April 13, 1920, provision was made for the application of graduated rates of rediscount, rising from a base rate to be established at the option of the board of directors of a Federal Reserve Bank, according as the applications for rediscount filed by member banks exceeded a specified or base line to which the normal or basic discount rate was applicable. Since the adoption of the Phelan Act the new plan has been put into effect by four Federal Reserve Banks. The basic line which has been adopted by the Atlanta, St. Louis, and Kansas City banks is two and one-half times a sum equal to 65 per cent of the member bank's average reserve balance plus its paid-in subscription to the capital stock of the Federal Reserve Bank both calculated over a fixed period either preceding or identical with the period to which the basic line applies. For the Dallas district, however, a basic discount line was adopted equal to the paid-in capital and surplus of the member bank. Atlanta and St. Louis apply the normal rate, i. e., the generally effective rate to all offerings for rediscount and apply a progressive "super-rate" at the end of the reserve computation period to the average borrowings in excess of the basic line, while Kansas City and Dallas impose the "super-rate" upon such part of the current offering as may, together with outstanding borrowings, be in excess of the basic line. As a scale of rates, all four banks have adopted an increase of one-half of 1 per cent for anything up to 25 per cent in excess of the basic line, with 1 per cent for the second 25 per cent excess, and so on upward. Exceptions to this progressive rate plan were generally made in case of member-bank collateral notes secured by Government obligations, although some variation in method of making exceptions has been introduced in the four banks where the plan has been in effect. As illustrative of the working of the plan a concrete example may be

cited. A bank with a normal line of \$100,000 and borrowings of \$200,000 would be charged an excess or super-rate of one-half of 1 per cent on \$25,000, 1 per cent on an equal amount, 1½ per cent on a like amount, and 2 per cent on the final \$25,000. All paper under discount on the date the progressive rates became effective was exempted from the application of the super-rate, although counted as part of the general credit structure in determining the scale of super-rates applicable to new loans or to renewals. The working of the plan is of considerable interest because of the fact that it has not been applied in all districts, while there has been difference of opinion as to the theoretical advantages of it. The following table affords a general view of the operation of this system for the past two months:

*Discounted and purchased bills held by groups of Federal Reserve Banks.*

	Group 1.		Group 2.		Group 3.		Total.
	A	B	A	B	A	B	
May 28.....	1,752	1,686	424	510	762	742	2,938
June 4.....	1,794	1,732	420	499	760	743	2,974
June 11.....	1,769	1,706	415	488	742	732	2,926
June 18.....	1,603	1,564	405	456	686	674	2,694
June 25.....	1,708	1,682	415	468	707	680	2,830
July 2.....	1,793	1,785	421	475	721	675	2,935
July 9.....	1,777	1,782	421	462	736	690	2,934
July 16.....	1,729	1,705	413	484	705	658	2,847
July 23.....	1,709	1,685	414	501	700	637	2,823
July 30.....	1,708	1,677	413	515	716	645	2,837

Group 1 shows totals for the Boston, New York, Chicago, and Minneapolis Federal Reserve Banks, all of which have raised their commercial discount rate to 7 per cent.

Group 2 shows totals for the Atlanta, St. Louis, Kansas City, and Dallas Federal Reserve Banks, all of which have adopted a system of progressive discount rates.

Group 3 shows totals for the remaining four banks, i. e., the Federal Reserve Banks of Philadelphia, Cleveland, Richmond, and San Francisco, which have neither raised their discount rates during the more recent period nor adopted a system of progressive discount rates.

Column A shows actual totals of discounted and purchased bills held. Column B shows adjusted totals of discounted and purchased bills, i. e., exclusive of bills discounted for or bought from other Federal Reserve Banks, and including bills discounted for or bought from other Federal Reserve Banks.

A noteworthy development of the past few months whose results are only just coming definitely to light is found in the rapid increase of American investment abroad. This investment has been of special interest in connection with the taking over of shares in German enterprises by American concerns. Notable

among such undertakings is the arrangement concluded between New York steamship interests and the former Hamburg-American line, purchases of a large block of stock in the Vienna Kreditanstalt, such shares being held by two well-known New York banking houses, the establishment of a close working relationship between the electrical industry of the United States and that of Germany, and the introduction of somewhat similar arrangements based upon mutual control between the tire manufacturers of the United States and the German rubber and tire-producing factories. In a number of other lines, less significant, although important, alliances have been concluded. Under these arrangements American concerns supply capital which will be used for the reorganization and rejuvenation of the foreign enterprises, depleted as these have been in their resources and opportunities as a result of the war. Such arrangements have an important effect financially, inasmuch as they undoubtedly result in transferring to the United States a considerable portion of foreign financing. Had not such relations been established, the foreign enterprises which had become affiliated to American concerns would have had to supply themselves with raw material and current capital and would have been obliged to finance such shipments. As things stand, the obligations representing the financing may more easily be placed through the American concerns which have assumed this responsibility for, or control over, foreign houses. This in a sense will convert a large block of foreign financing into domestic financing. To operations of this kind special weight must be given in explaining the recent unexpected stability of German currency.

There is, however, an easily reached limit in the development of operations of this description. Such a limit is found in the fact that in all foreign countries there is a disposition to

avoid a situation in which control of an extensive kind will be exercised by outside concerns. There is no European country, least of all Germany, in which an extensive invasion on the part of American capital is likely to be looked upon with favor. How far the present movement of international purchase of securities and international control of industrial enterprises is likely to go thus becomes distinctly conjectural, with some well-defined limits clearly in sight. Before the present movement toward the establishment of closer relationships with Germany is completed, it is, however, quite possible that steps will have been taken for the purpose of reorganizing German currency and banking relationships in a way that will lay the foundation for a more stable and satisfactory state of things.

During the month of July the foreign exchange market has been comparatively inactive, the feature of the first half of the month being a slightly stronger movement in most of the European currencies, while during the second half of the period reaction was noted. The outstanding event of the month in connection with foreign exchange was the conference at Spa in which the allied premiers placed before representatives of the German Government various demands with respect to the enforcement of the Treaty of Versailles. In oriental exchange the chief interest has centered about the movement of the price of silver, which early in July trended downward and later moved in the opposite direction, eventually reaching a maximum for the month of 95 cents. In the South American field the principal event of importance has been the break in Argentine exchange resulting from the action of the Government of that country in prohibiting the exportation of gold and terminating the arrangement whereby payments were made in the United States through the embassy of Argentina. The following compila-

tion continues similar figures for preceding months furnished in former issues:

*Foreign exchange rates.*

	June 26.		July 3.		July 10.	
	High.	Low.	High.	Low.	High.	Low.
England.....	3.99½	3.95½	3.96½	3.94½	3.95	3.93½
France.....	8.61	7.99	8.52	8.18	8.55	8.30
Italy.....	6.21	6.05	6.18	5.89	6.18	6.03
Spain.....	16.75	16.64	16.68	16.40	16.40	16.20
Argentina.....	42.10	41.50	41.90	41.50	41.75	41.25
China (Hongkong).....	75.75	72.75	75.50	73.75	74.00	72.00
China (Shanghai).....	105.00	99.00	105.50	103.00	104.00	103.00
Japan (Yokohama).....	51.25	51.25	51.25	51.25	51.375	51.25
Germany.....	2.74	2.65	2.65	2.59	2.66	2.62
Switzerland.....	18.21	18.15	18.15	18.08	18.02	17.95
Sweden (Stockholm).....	21.93	21.80	22.08	21.90	22.15	22.00
Holland.....	35.937	35.625	35.50	35.25	35.375	35.25
Belgium.....	8.73	8.33	8.87	8.63	9.03	8.91

	July 17.		July 24.	
	High.	Low.	High.	Low.
England.....	3.94½	3.86½	3.84½	3.75½
France.....	8.44	8.22	8.285	7.47
Italy.....	6.02	5.88	5.81	5.30
Spain.....	16.13	16.04	15.88	15.68
Argentina.....	41.375	41.125	40.85	39.10
China (Hongkong).....	74.50	72.75	74.00	72.00
China (Shanghai).....	104.50	102.00	104.00	100.50
Japan (Yokohama).....	51.50	51.375	51.375	51.375
Germany.....	2.63	2.54	2.56	2.32
Switzerland.....	17.95	17.67	17.51	17.24
Sweden (Stockholm).....	22.10	22.00	22.00	21.40
Holland.....	35.25	34.875	34.875	34.3125
Belgium.....	9.03	8.81	8.715	7.98

Contrary to what had been expected, there has been but little further movement of gold into the United States. Some small shipments received in the course of ordinary exchange operations and aggregating only about \$10,018,000 for the month ending July 20 have represented the net inward movement. It had been predicted in not a few quarters that the exchange situation would require large shipments to the United States for the purpose of providing a means of liquidating the maturities of the early autumn in connection with the Anglo-French loan obligations. These expectations have been disappointed, largely, it is stated, because of the success that has been had in arranging for the adjustment of the loan obligations by other methods. There has been no official announcement on the subject.

In connection with silver, continued purchases have been in progress under the terms of the Pittman Act, the aggregate up to the close of July amounting to 9,639,000 ounces.

Apparently the effect of these purchases has been to help the general market price of silver by relieving the world market of some portion of the supply which would otherwise have had to be taken care of, and to this situation may possibly be attributed the advance of about 5 cents in the price of silver per ounce which has occurred during the month. On the strength of these Treasury purchases the prediction is now made in many quarters that a greater degree of stability will be assured. Assuming that the Treasury Department is under obligation to purchase in all some 270,000,000 ounces of silver in order to make up the amount provided under the terms of the Pittman Act during the war, and assuming further that the annual production in the United States is about 60,000,000 ounces, it would appear that the average annual production of domestic silver mines for the coming five years would find a market at the rate of \$1 per ounce. This condition of affairs is by some regarded as likely effectually to "stabilize" the silver-mining industry and to some extent the price of silver over the period in question.

On July 5 there convened at Spa, Belgium, a conference between the premiers of the allied nations opposed to Germany during the recent war and representatives of the German Government for the purpose of discussing the conditions of enforcement of the peace treaty. As in the case of the former conference at Hythe, England, at which, however, only the allied premiers were present, no definite official announcement was made. The outcome at Spa has apparently not as yet had much direct influence on the course of exchange, although this may be due to the fact that arrangements are still necessarily in a tentative condition. Rumors of unpromising conditions on the Polish frontier tended to weaken exchange values.

Meantime the German fiscal and currency situation continues difficult, and the industrial conditions in Germany have scarcely improved. The total annual budget of Germany

**The Spa conference.**

for the current year is 52,500,000,000 marks, of which only 25,000,000,000 marks are expected to be provided by taxation. It would seem that 10,000,000,000 marks were made available from the preceding financial year to meet part of the extraordinary expenditures. On the other hand, the issues of the Reichsbank have shown a steady tendency to increase on account of the enormous additions to the floating debt which are being made in order to provide for the current needs of the Government. These Reichsbank issues were on June 15 officially stated at 50,809,000,000 marks, an increase since the 15th of January last of not less than 15,125,000,000 marks. The value of the mark in the United States has continued to hold its own with an unexpected degree of firmness and stability during the past few weeks, being quoted during the month of July most of the time above 2.30 cents per mark. This, however, is in no small measure due to investment and speculative conditions which have resulted in the transfer of large quantities of American capital to Germany. It can not be taken as having more than an indirect relationship to the general exchange situation. The low value of the mark and the increasing difficulty in equalizing the German budget and in obtaining a more satisfactory condition of affairs in the currency circulation raises a serious problem with respect to the circumstances under which the indebtedness to the Allies is actually to be paid, since, as now appears clear, such payment must in the last resort take the form of shipments of goods. It is with these conditions in mind that some eminent foreign authorities have lately proposed plans contemplating the institution of an elaborate and semipermanent system of barter designed to serve the purpose of carrying on the trade between Germany and the foreign countries.

During the month ending July 10 the net inward movement of gold was

**Gold and silver movements.** \$11,517,000, as compared with a net inward movement of \$19,785,000 for the month ending June 10. Net imports of gold since August 1, 1914, were \$708,584,000, 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 July 10, 1920.....	134,086	205,257	<sup>1</sup> 71,171
Total.....	1,987,236	1,278,652	708,584

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

Canada furnished \$8,219,000, or about one-third, and England and Hongkong each \$6,600,000, of the \$24,483,000 of gold imported during the monthly period ending July 10; Colombia, New Zealand, France, Mexico, and Peru furnishing most of the remainder. Of the gold exports, amounting to \$12,966,000, about three-fifths, or \$7,568,000, was consigned to Japan, \$2,223,000 to Hongkong, and \$1,200,000 to the Dutch East Indies, most of the remainder going to Mexico, British India, and Canada. Since the removal of the gold embargo on June 9, 1919, total gold exports have amounted to approximately \$559,000,000. Of this total, \$146,555,000 was consigned to Argentina, \$110,445,000 to Japan, \$65,211,000 to Hongkong, \$55,396,000 to China, \$39,661,000 to British India, \$29,778,000 to Spain, and the remainder principally to Uruguay; Mexico, the Dutch East Indies, the Straits Settlements, Canada, and Venezuela.

During the same monthly period the net inward movement of silver was \$2,235,000, as compared with a net inward movement of \$1,409,000 for the month ending June 10. Net exports of silver since August 1, 1914, were \$453,364,000, 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	84,131	30,791
Jan. 1 to Dec. 31, 1918.....	71,376	252,846	181,470
Jan. 1 to Dec. 31, 1919.....	89,410	239,021	149,611
Jan. 1 to July 10, 1920.....	58,517	82,509	23,992
Total.....	351,519	804,883	453,364



Mexico furnished \$4,002,000, or over three-fifths, and Peru \$1,071,000, of the \$6,438,000 of silver imported during the monthly period ending July 10, most of the remainder coming from China, the Dutch East Indies, Chile, and Canada. Of the silver exports, amounting to \$4,203,000, about three-fifths, or \$2,507,000, was consigned to China, and the remainder principally to Hongkong, Canada, and Mexico.

Changes in the principal loan and investment accounts of 814 reporting member banks between June 18 and July 16 reflect largely the character and volume of Treasury operations, including the issue on July 15 of over 200 millions of loan and tax certificates, the redemption on July 1 and 15 of the outstanding balances of over 284 millions of loan certificates issued three months before, besides the current withdrawals of funds from depositary institutions during the period under review. The effect of these operations is seen in a reduction from 1,588 to 1,544 millions in the banks' United States security holdings (most of the decrease being shown under the head of Treasury certificates) and in a decrease from 1,026 to about 1,000 millions in loans secured by United States war obligations. The banks were also able to reduce by about 66 millions their loans secured by stocks and bonds. On the other hand, all other loans and investments, including commercial loans and discounts proper, show a further expansion of 116 millions. Total loans and investments, accordingly, show a decrease for the period of 20 millions. Accommodation of reporting member banks, as shown on the books of the Federal Reserve Banks, increased during the period from 1,833 to 1,990 millions, or from 10.8 to 11.7 per cent of the reporting banks' total loans and investments. For the New York City banks an increase in this ratio from 9.7 to 12 per cent may be noted.

Principal changes in the condition of the Federal Reserve Banks between June 25 and July 23, include a reduction of 30.6 millions in loans secured by United States war obligations, as against an increase of 68.7 millions in other

discounts. Holdings of purchased acceptances, owing to the growing investment demand for this class of paper by country banks, savings banks, and other corporations, declined 45.6 millions, while Treasury certificates on hand fell off 37.5 millions, this reduction representing in part the net amount of special temporary certificates redeemed by the Treasury during the period.

Interbank discounting shows but little change in total volume during the period, the total of discounts held on July 23 by the Boston, New York, and Cleveland banks, 123.2 millions, being slightly less than the June 25 total and 7.5 millions below the high figure reported on July 2. The Chicago bank, which on June 25 reported an indorser's liability on rediscounted paper of about 25 millions, no longer figures among the list of rediscounting banks, which on July 23 included the Federal Reserve Banks of Richmond, Atlanta, St. Louis, Minneapolis, Kansas City, and Dallas. It may also be noted that four of these banks, viz, those at Atlanta, St. Louis, Kansas City, and Dallas, which during the entire period have been applying progressive discount rates, show an increase of 36.5 millions in their rediscounts with other Federal Reserve Banks, this increase more than offsetting the increase in the discounts for their member banks. During the period the New York and Chicago banks sold considerable amounts of acceptances out of their own portfolios, and on July 23 acceptance holdings of the Boston, Philadelphia, Cleveland, and San Francisco banks include 42.5 millions of bank acceptances bought from the above two banks.

Government deposits at the Federal Reserve Banks varied between 21.7 millions on July 2 and 11.7 millions on July 16, while net deposits fluctuated between 1,754.9 on July 2 and 1,685.6 millions on July 23, the latter figure being 36.6 millions below the June 25 total. An expansion by 64.2 millions in Federal Reserve note circulation during the first two weeks was followed by a considerable return flow of notes during the latter two weeks, so that the net increase in Federal Reserve note circulation for the four weeks amounts to only

1.5 millions. The banks' gold reserves, in consequence of further gold imports, show a gain of 13.9 millions, while total cash reserves, owing mainly to further silver deposits by the Government, increased by 25.4 millions. After reaching the low level of 42.8 per cent on July 2, the banks' reserve ratio assumed an upward course, and on July 23 stood at 44.4 per cent, a gain of 0.8 per cent over the June 25 level.

Under orders executed by the President, dated July 23, 1920, Hon.

**Personnel changes.** W. P. G. Harding was redesignated as Governor of the Federal Reserve Board for the period ending August 10, 1922, and Hon. Edmund Platt was designated as Vice Governor of the Board for

the period July 23, 1920, to August 10, 1922. Mr. Walter S. Logan has been appointed General Counsel of the Federal Reserve Board, succeeding Mr. George L. Harrison, who resigned to become Deputy Governor of the Federal Reserve Bank of New York.

The Oklahoma City branch of the Federal Reserve Bank of Kansas City **Oklahoma City branch opened.** was opened for business on August 2, with Mr. C. E. Daniel as manager. This branch was authorized by the Federal Reserve Board in January of this year. The directors are as follows: Mr. William Mee, Mr. E. K. Thurmond, Mr. C. E. Daniel, Mr. Dorset Carter, and Mr. P. C. Dings.

**BUSINESS, INDUSTRY, AND FINANCE, JULY, 1920.**

Uncertainty has been characteristic of the month of July in the business field. Some districts report that the price-cutting movement begun in May and continued through June is slowing down, while in other districts reduction of prices is reported still in progress. Industrial activity in many lines has been shortened in consequence of lowered demand, cancellation of orders, and general readjustment. In some districts, however, production continues upon old orders which are still on the books despite the fact that new business has fallen off. In the agricultural regions improved crop conditions and the development of a more confident tone in business are reported to have brought about a turn distinctly for the better. Speculation in commodities is, in many parts of the country, reported to have been greatly reduced, and in some practically eliminated. There is a general feeling that extravagant buying is at least less extreme and dangerous than it was some time ago, while labor in many parts of the country is reported as increasing in efficiency and a better spirit of cooperation exists between employer and employee. From the credit standpoint there is general expression of the belief that unessential demands have been reduced, and that even where there has been no lessening in the volume of loans the advances that are being currently made are in a much greater proportion to those which grow out of bona fide commercial and agricultural necessities than at any time for many months past. Transportation continues to be, perhaps, the least satisfactory phase of the month's development, and while there has been some improvement in certain sections of the country it is still true that there is great congestion, and that in consequence of it an undue and unnecessarily severe strain has been brought to bear upon credit for the purpose of making possible the carrying of goods which would otherwise have gone to market and would have been liquidated.

Probably the most hopeful element in the outlook during the month has been the continued improvement in crop prospects in general, and the special improvement seen in certain important agricultural lines. District No. 9 (Minneapolis) reports both winter and spring wheat in a healthy condition, with the

prospect of a yield considerably above normal and an indicated yield of 186,000,000 bushels of spring wheat, 7,500,000 bushels of winter wheat, and 273,500,000 bushels of oats. District No. 10 (Kansas City) estimates a combined crop of winter and spring wheat of 260,000,000 bushels, with oats at 185,000,000 bushels and corn at 400,000,000 bushels. In the Middle West generally the crop output is improving and in many sections corn "never looked better." Wheat and oats also hold out excellent prospects. District No. 8 (St. Louis) reports wheat low in quantity but high in quality, corn in favorable condition, oats bearing out optimistic estimates, and hay the most satisfactory ever raised in the region. Cotton is improving and labor conditions better than expected. The combined condition of all crops in the district as reported by the Department of Agriculture is 95.8 per cent. On the Pacific coast spring wheat is now estimated at about 50,000,000 bushels, or 10,000,000 bushels more than 1919. The special local crops, such as beans, sugar beets, and others, are particularly promising, but the rice crop has received serious injury. Favorable weather during the past month has considerably improved the condition of deciduous fruits in the Northwest. Oranges will be considerably lower than last year; lemons about the same. The price of vegetable oils has declined considerably.

In live stock, conditions appear to be exceptionally good the country over. District No. 10 (Kansas City) reports excellent pasturing conditions, but states that prospects for any material increase in the supply of animals during the autumn and winter are not encouraging because of the length of time required to build up the industry after the inroads suffered during the war. District No. 11 (Dallas) reports excellent range conditions, with stock making satisfactory progress practically throughout the district and prices materially higher at the close of June. In other parts of the country the live-stock situation is also encouraging. Receipts of cattle at 15 primary markets during June were 1,290,265 head, corresponding to an index number of 128, as compared with 1,209,656 head during May and 1,122,782 head during June, 1919, the respective index numbers being 120 and 111. Receipts of hogs amounted to 2,746,390 head

during June, corresponding to an index number of 125, as compared with 3,128,249 head during May and 3,061,838 head during June, 1919, the respective index numbers being 142 and 139. Receipts of sheep for June were 1,006,528 head, as compared with 796,160 head during May and 1,116,003 head during June, 1919, the respective index numbers being 74, 58, and 82. In district No. 10 (Kansas City) the movement of live stock to the markets in June was less than in May and less than in June of last year, but trade in cattle was more encouraging to shippers than in any previous month of this year. Purchases of cattle by packers during June were smaller than in May or in June of last year, but prices have improved in most branches of the business, except sheep. In district No. 11 (Dallas) there was a heavy movement of cattle and hogs to market during June, figures in some lines reaching record proportions. Prices at Fort Worth registered a sharp recovery during June and this tended to enlarge subsequent shipments, the influx of animals weakening the market so that by the opening of July much of the gain recorded had been lost. The hog market, however, reached the highest point since last November. Gross receipts both of cattle and calves were larger than in May or than in June, 1919, while hogs and sheep fell off as compared with both preceding periods.

The movement of grain has been retarded by the car-shortage situation. In district No. 9 (Minneapolis), however, there was an improvement of about one-fourth in the number of cars for grain and flour forwarded as compared with the month of May, and the number of cars received was about the same. The very moderate improvement over May was the result of strenuous efforts to secure empty grain cars by virtue of the priority orders. Wheat receipts at Minneapolis during June show a falling off of 3 per cent from the May figures, and receipts of corn show an increase of 119 per cent. The movement of wheat and corn during the present crop year commencing September 1, 1919, has been substantially the same as during the preceding crop year, but the movement of the other grains is about 43 per cent of the movement of the previous year. Price declines were noted in Minneapolis during June for grain and flour, with the exception of oats and barley, which showed slight increases.

The wool and woolen outlook has been of special importance during the past month. In raw wool the inactivity which has been characteristic of the past six weeks con-

tinues and the market has become entirely a buyers' market. The raw wools are in numerous instances being quoted at 30 per cent below the level of last January in district No. 3 (Philadelphia). In district No. 1 (Boston) dealers in raw materials are placing practically no orders and such wool as is going into the market is being received on a consignment basis. "It is still felt that with more wool in the world than was ever before known prices have not yet reached bottom." Goods returned to the mills together with cancellations are estimated at \$100,000,000. An encouraging feature in the situation is the willingness of wool dealers to extend longer time and to accept cancellations of orders. In the woolen and worsted goods industry yarn spinners are having but few inquiries for their product, while for finished textiles conditions are equally discouraging. In district No. 3 (Philadelphia) "there is no demand for the product and the closing of plants is general; while some manufacturers feel that activity will be resumed in the early fall, others have no hope for a decided improvement in conditions until after the presidential election." Nevertheless, it is believed that "when business is resumed, manufacturing conditions should be much more favorable than those prevailing during the first six months of the year. The raw material supply is plentiful and lower in price, and labor conditions show signs of real improvement." Collections in the industry generally are slowing up. The strain, however, has on the whole been well borne by the industry.

In cotton goods there has been a reduction of activity. In the Massachusetts cotton-mill region demand continues light and many mills report supplies of raw cotton sufficient to last until next year. The better crop prospects in the South have reduced any anxiety that was felt concerning prospective scarcity. Prices are about 50 per cent more than in 1914 for the best grades. In district No. 3 (Philadelphia) little or no interest is shown by cotton yarn interests in the raw staple, while manufacturers are placing few orders for yarns. Curtailment of production is prevalent. Prices for cotton products have been steadily declining and are now on a price level equal to that of last autumn. In New Bedford (Mass.) mills have on hand sufficient cotton to run until the latter part of August. There has been a softening in the yarn market, and in Fall River orders are not coming in freely. In Lowell mills are still running on full time. Some houses in different parts of

the country have made commitments for fall goods at prices higher than prevailed in the autumn of 1919, while others are refusing to place orders freely. The chances seem to favor a still further reduction of activity in the industry. In small wares conditions have not much changed during the past month; prices are about the same, collections are slower, and volume of buying is slowing up. Predictions are made that prices of cotton small wares will be higher this fall than last and higher this coming spring than the spring just past. Some concerns, however, have begun cutting prices. According to reports received from 29 mills belonging to the Association of Knit Goods Manufacturers, cancellations during the month have exceeded new orders for the same period, the former amounting to 25,599 dozen, against 18,609 dozen. Production during the month was 590,664 dozen, and shipments 175,682 dozen.

The past month has seen but little improvement in the depressed situation existing in leather and shoes a month earlier. Shoe manufacturers are not placing many orders with leather dealers. July is usually a dull period in any case, but the dullness began earlier and is lasting longer this year. A great curtailment of operations both in the manufacture of leather and in that of shoes is noted in New England. Manufacturers, however, on the whole, anticipate a brisk autumn business due to belated orders, and they also look for a greater demand for shoes of grades other than the finest. Export shipments are believed likely to fall off. In district No. 3 (Philadelphia) curtailment which exists in the Massachusetts region likewise prevails. There is conflicting opinion throughout the trade as to the outlook, some believing that a sudden autumn demand will spring up, others that retailers are sufficiently well stocked to "carry on" for a good while to come. Manufacturing conditions in the shoe industry are fairly satisfactory. In the Middle West "shoe manufacturers have been marking time," and output is only 30 per cent to 40 per cent of that of a year ago, but conditions are considered better than in the East. Retailers' stocks are depleted. In the Virginia shoe-producing district manufacturers are not getting their usual orders. Cancellations are still an important factor. In district No. 8 (St. Louis) the shoe industry is now, however, swinging to a more certain basis. Manufacturers and distributors are showing increase in volume and value of business.

Cancellations have decreased, raw materials are more abundant, and labor is ample. Collections vary a good deal.

The serious condition in which the iron and steel industry is now placed as the result of railroad congestion and shortage of raw material and fuel is illustrated by the statement made by the Cleveland district that "traffic conditions in the iron and steel industry during the past month have reached a more acute stage and have become a matter of constant struggle to keep plants in operation and finished material moving." The piling up of unshipped product in mill and furnace yards has continued, and there is also a large tonnage of semifinished material which is stacked up in work yards. It is estimated that 2,000,000 tons of iron and steel are tied up in the hands of the producers throughout the country. In district No. 4 (Cleveland) there have been few cancellations of unshipped products, but many mills are regulating their operations entirely in accordance with the ability of the buyer to furnish transportation. Thousands of motor trucks have been put into service hauling material from mills to points where cars are available or even to consumers' plants. Crude material production in that district has kept up quite well, the restriction of output applying most severely to the finishing operations. In district No. 3 (Philadelphia) the transportation situation has so thoroughly tied up the iron and steel industry that the entire situation centers on the question of getting movement of products. While many plants are running at 100 per cent of capacity, a continued lack of cars will force a reduction, possibly by two-thirds at the end of another six weeks. Pig iron continues in active demand, but it is impossible to procure coke in any quantity. If demand were to be taken as a criterion of the outlook, manufacturers would think it excellent, but their stocks of material and fuel have been so seriously depleted that the shipping prospect is very questionable. In the Birmingham district (district No. 6, Atlanta) transportation difficulties are slightly improved, but apprehension still exists as to the supply of raw material. The greater number of sales are in small lots and domestic business is being given practically sole attention. Consumption of pig iron is again showing improvement. Confidence is expressed that the pig-iron market will be firm for several years to come and that export business will be substantial. Production during June was 3,043,540

tons, as compared with 2,985,682 tons during May and 2,114,863 tons during June, 1919, the respective index numbers being 131, 129, and 91. The unfilled orders of the United States Steel Corporation at the close of June were 10,978,817 tons, as compared with 10,940,466 tons at the close of May, the index number for both months being 208.

The coal outlook is closely connected with the entire manufacturing situation, but particularly with iron and steel prospects. In district No. 3 (Philadelphia) the car supply is still inadequate, the general situation is discouraging, and both domestic consumers and plants face a serious situation. The output in Pennsylvania and West Virginia is 50 per cent of normal, while in Ohio, Indiana, and Illinois it is still smaller. Exports of coal which have been mentioned as one cause of the present difficulty are an inadequate explanation, the real source of trouble being insufficient production in relation to demand. Our output for the nation at large is now about 9,000,000 tons of coal per week, but current demands show a need for 11,000,000 tons. Prices have been advanced. In the Birmingham district (district No. 6, Atlanta) coal production is still lagging, strikes at domestic mines being partly responsible. There is also an undercurrent of unrest among the coal miners in Pennsylvania, with local labor troubles. In district No. 4 (Cleveland) the movement of coal is unsatisfactory, shipments to the Northwest up to July 1 being more than 5,000,000 tons below the corresponding figure a year ago, and there has been little increase during July. Coke shortage is widespread, and the high price of coke has been an important factor affecting the activities of many iron and steel plants. Spot coke has been selling from \$18 to \$20 at the ovens. Production of bituminous coal during June was 44,462,500 tons, corresponding to an index number of 120, as compared with 39,059,000 tons during May and 38,547,000 tons during June, 1919, the respective index numbers being 105 and 104. The production of anthracite coal for June amounted to 7,754,000 tons, compared with 7,639,000 tons during May and 7,251,000 tons during June, 1919.

More active petroleum exploitation is gradually bringing up the production of crude oil. Pipe-line runs in Oklahoma and Kansas are now beginning to exceed shipments, and reserve stocks are getting back to something like normal. This may be partly due to inability of refiners to get tank cars, but the output

itself is increasing. June was the best month of the year in crude-oil production. In district No. 10 (Kansas City) the output for that month was worth over \$40,000,000, and new wells completed numbered 1,136. In district No. 11 (Dallas) June operations, however, showed a "slump." There were 169 less completions than in May, but the total production, about 11,500,000 barrels, was only about 250,000 below May. In June 650 wells were completed in the eleventh district. In district No. 12 (San Francisco) the June production was slightly less than in May, being 273,000 barrels per day, while shipments exceeded production, stored stocks declining 120,000 barrels. There is a shortage of gasoline, and buyers have raised prices for crude oil.

Metal mining conditions during the month have not been uniform. In district No. 10 (Kansas City) the half-year period ending June 30 shows an increase in the value of lead and zinc shipments over 1919, in spite of adverse productive conditions. Shipments of zinc ores declined during June, and there was a tendency to decline both in price and volume of shipments of zinc. Metal mining in Colorado has suffered from a shortage of labor. Little new prospecting is in progress.

One notable feature of the business situation during the month has been a change in labor conditions. An important factor in this connection has been the development of unemployment in various parts of the country. This unemployment has been apparently chiefly due to three factors. Where poor transportation prevented deliveries of fuel and raw materials some plants have been obliged to curtail operations and thereby reduce opportunities for employment pending better conditions; in other manufacturing districts the shutting down of mills as a result of cancellation of orders and lack of demand has also thrown considerable forces of men out of work; elsewhere, inability to obtain capital for construction and consequent abandonment or suspension of undertakings that had been contemplated have produced a certain amount of unemployment, with some shifting of workers from one occupation to another. An effect of the changed labor situation which has been the subject of quite general comment in the various Federal Reserve districts is an increase in the efficiency of labor. One of the largest producing companies in district No. 4 (Cleveland) reports the "greatest four months in our history of pounds produced per man." In district No. 1 (Boston) "labor is less insistent in its demands,"

and during the first half of July only ten new strikes were reported to the Massachusetts department of labor, but two of these involving any considerable number of men. During the latter part of June and the first two weeks of July there was a marked decrease in the demand for factory help. The Boston Public Employment Office reports a surplus of machinists, mechanics, and general factory workers. Retrenchment in Government manufacturing operations has released some labor. Unskilled labor is also more plentiful than heretofore. District No. 6 (Atlanta) reports that all parts of the district are seriously short of farm hands, but for the country as a whole the farm labor supply is reported as more adequate. In district No. 5 (Richmond) there is considerable sporadic unemployment, but this is believed to be due largely to irregular transportation. In the extreme southern part of the country a better supply of agricultural labor has resulted from the slackening of industrial production. In New York there has been a distinct, though not large, decrease in employment, and this is more noticeable than usual at this season in the clothing trades. The labor difficulties at the port of New York have been reduced. Generally speaking, conditions are more stable than they were several months ago. Local shortage of unskilled labor due to the scarcity of immigrant hands is observable. There is less complaint than usual of labor conditions on the Pacific coast, district No. 12 (San Francisco) reporting "no strikes or labor disturbances of any importance in this district." A notable event of the month has been the decision of the Railway Wage Adjustment Board, which has resulted in awarding a wage increase to railway workers estimated to aggregate \$600,000,000, and presumed to represent an average increase of 21 per cent or over for railway employees as a whole, although the increase granted has been greatest in the lower paid grades of employment.

There appears to be no difference of opinion concerning the causes that are responsible for the difficulties that hamper building operations. The hindrances are summed up under the all-inclusive heads of high prices of structural materials and heavy labor costs; transportation troubles that make the securing of supplies problematical; and inability to obtain funds for financing contemplated projects, especially residential structures. It is true that, although all these factors are operative, reports from certain districts are inclined to stress some one factor while minimizing the importance of others. The situation in the

West and Southwest appears to be much more favorable than in other parts of the country, districts No. 11 (Dallas) and No. 12 (San Francisco) both reporting increased activity in the month of June as compared with May. District No. 1 (Boston) emphasizes the shortage of lumber and other structural materials resulting from congested traffic conditions, and predicts that prices will remain high, probably into the spring of 1921. However, the total value of building permits in 13 principal cities outside Boston showed an increase of 47.1 per cent in amount for the first six months of 1920, as compared with the same period in 1919, although the actual number of permits declined from 3,614 to 3,440. District No. 2 (New York) thinks that the principal deterrent to the execution of housing programs is scarcity of mortgage money, the New York situation being made worse by the fact that industrial projects have secured the limited amount of labor and materials available. District No. 4 (Cleveland), although stating that there has been some improvement in securing raw materials, especially cement, during the last two weeks, through the use of lake vessels, says that building operations are very low for the season and the outlook for the fall is uncertain. In district No. 5 (Richmond) no improvement is noted—a decrease in value of permits issued as compared with May is recorded. As for building materials, it becomes increasingly difficult to secure them, and a number of lumber mills have shut down because of inability to make deliveries, while cement, crushed stone, steel, brick, etc., are practically impossible of acquisition. Cessation of construction in Richmond is threatened unless the local situation is relieved. In district No. 6 (Atlanta), on the other hand, there has been an increase in the value of permits in some of the large cities such as Atlanta, Augusta, Savannah, and Mobile. A marked drop in the total volume of building permits in New Orleans was no doubt the result of the local carpenters' strike, of which mention has been made elsewhere. In district No. 8 (St. Louis), as a result of better weather and improvement in transportation, work already begun has been resumed or continued, but new projects are few. There is no improvement in the housing situation. Labor troubles have also been experienced. Both in the Minneapolis and the Kansas City districts the June reports show a reduction in building permits by number and value as compared with May. In district No. 11 (Dallas), on the other hand, improvement has occurred in June, an increase

of 15 per cent in total valuations over the month of May being noted, although the total is 16 per cent below the record for June a year ago. For the first six months of the year the 1920 valuations exceeded those of 1919 by 147 per cent. Similarly in district No. 12 (San Francisco) building is active, permits issued in 19 cities showing valuation increases of 7.7 per cent as compared with May and 63.3 per cent as compared with June a year ago. For the six-month period an increase of 107.17 per cent was recorded.

Financially, the developments of the month show improvement. District No. 2 (New York) reports that "the tremendous expansion in loans and discounts which took place last year has been very largely checked" and that in the New York district it "has been wholly checked." Reports of the Comptroller of the Currency show that up to May 4 some increase in loans was still occurring in the country banks, but at a lessened rate than previously. Speculative activity has also subsided. The number of shares sold on the New York Stock Exchange has declined in the past few months to not much more than a quarter of the average activity of last autumn, while bank clearings in New York City have declined about 25 per cent in district No. 7 (Chicago), while commercial paper commands the highest rate in years, collections are generally good, and speculation not only in stocks and commodities but also in farm lands has been checked, at least temporarily. The activity in banking turnovers is on the decline as compared with June, although larger than in 1919. Borrowing at the banks

continues in large proportions and there is no prospect of relief from high rates. In the South there has been some success in eliminating loans on United States obligations, while other loans and investments show a slight increase up to July 23, and this tendency is apparently continuing. Money rates continue very high. In the principal manufacturing districts there has been no marked change in the credit situation, and any surplus credit at one point is immediately absorbed by demand at some other point. Large stocks in the hands of merchants and manufacturers have combined with the difficult money market to force many realizing sales. Collections are still good. In New England loans secured by stocks and bonds have decreased materially, about one-half of the decrease being in paper secured by corporate bonds and stocks. Borrowings from the Federal Reserve Banks show a decline. The total turnover as shown by charges against deposit accounts is about the same as during the preceding month. Investment securities show a fairly consistent level, though perhaps with a slightly downward tendency. The bill market in New York and other financial centers has been quite active, with good demand for prime bills. Rates have changed but little in commercial paper, but have had a somewhat stronger tendency. Call money rates have been tolerably stable around 8 per cent. The reserve ratio of the Federal Reserve Banks has tended on the whole to reach a more satisfactory figure, the average for the four report periods ending with July 23 being 43.6 per cent.



## SPECIAL REPORTS ON BUSINESS CONDITIONS.

## THE COAL SHORTAGE.

Statements concerning the seriousness of the coal shortage are somewhat conflicting. Reports from district No. 2 (New York) and district No. 4 (Cleveland) are rather optimistic, both stating that there has been an accelerated carrying movement. But it is evident that production as well as distribution falls far short of needs, and in nonproducing regions, such as district No. 1 (Boston) and district No. 9 (Minneapolis), prospects for speedy betterment are poor.

The chief hindrance to increased output has obviously been lack of coal cars, although a few strikes of slight importance have been noted in the reports as slowing down production. The strikes which are just assuming serious importance in district No. 7 (Chicago) can hardly have made their influence felt as yet.

District No. 1 (Boston) emphasizes the persistence of transportation troubles, which have resulted not only in a shortage of coal but of other raw materials upon which the industries of New England depend for their existence.

District No. 2 (New York) stresses the fact that the movement of coal has been greater during the first half of this year than it was during the same period a year ago. This fact does not, however, mitigate the seriousness of the actual shortage. It merely shows that abnormally heavy consumptive demands have been the cause of the existing fuel crisis.

The New York report says: "Freight movement on the leading railroads in this district has steadily improved during the past month and most of the roads report increases from week to week in the loaded freight-car movement on their various lines. The freight congestion which continued for a number of weeks after the April strike had lost its force has been entirely cleared away on all but one road. Nevertheless, every road now is handling its freight on the license system, because the volume of freight offered has often been beyond the physical capacity of the roads.

"Particularly noteworthy is the increase this year in the movement of coal. All the larger carriers of coal report an increased movement of coal from the mines this year and there has been a gradual weekly increase in the past two months in the volume of coal carried. One

large carrier of anthracite, for instance, moved 5 per cent more coal in the first two weeks of July than during the same period last year. Two leading carriers of bituminous report increases for June of this year over June of 1919 of 7.2 per cent and 17.8 per cent, respectively. These indications are confirmed by the statistics of the United States Geological Survey, which show an increase of 19.6 per cent in the amount of coal produced and moved in the first six months of this year as compared with the corresponding period a year ago."

Nevertheless, in view of depleted stocks and present unsatisfactory conditions at the mines, the outlook is an anxious one, as the report from district No. 3 (Philadelphia) indicates.

"The output in Pennsylvania and West Virginia is 50 per cent of normal, and in Ohio, Indiana, and Illinois it is still lower. Retailers are reported to be limiting their buying to supplies shipped on contract, with the result that low stocks are general and the possibility of a domestic fuel shortage increases. The tonnage going to the Northwest is in unsatisfactory volume, and it is a question whether enough will be shipped to that region to supply the domestic consumers and the industrial needs of the district.

"The matter of distribution of the coal mined will assume a greater importance as the summer months go by, for it is generally conceded now that even with the best efforts in effecting good car supply all serious danger facing next winter has not been averted and a proper allotment of such coal as will be available is of the utmost importance. Producers are not now free to ship their product to places where, in some cases, it is most needed, as they are bound by contract and must ship pro rata on each contract, irrespective of the public advantage to be gained by supplying certain consumers.

"Three of the larger and well-known coal companies have advanced their prices for stove and chestnut, mine basis, and are charging \$7.65 to \$7.90, while some of the independent concerns average about 75 cents higher. The market holds strong for steam sizes of anthracite, influenced by the bituminous scarcity, and is expected to remain so through the fall.

"With reference to labor, there is still an undercurrent of unrest among the coal miners of Pennsylvania. It is reported that 10 col-

lieries in this district, having a yearly output of 200,000 tons of coal and employing 8,500 men and boys, are idle as the result of a strike inaugurated by the miners because the company refused to abolish the contract system by which contractors, or 'pushers,' are given all the richest places to work and that the ordinary miners get what is left, many of them being unable to earn fair wages. Although one of the miners' demands now being considered by the Anthracite Mine Commission is the abolition of the contract system, the strikers refuse to lay their case before that body.

"If some radical change for the better does not soon take place, the coal situation for next winter looks very grave. It is hoped that the railroads will be able to devise some means whereby the channels of transportation can be cleared in order to be able to move coal more quickly."

District No. 4 (Cleveland) notes an improvement in the coal situation, although conceding the probability that the shortage in the Northwest can not be made good.

"The Interstate Commerce Commission's priority order governing the use of coal cars for use other than for coal purposes has resulted in a distinct improvement in the coal situation, although complete mine operation is not yet possible. Manufacturers are making every effort to accumulate coal for next winter's operations, as the spring of 1920 found reserve stocks of coal almost depleted by reason of transportation difficulties and the miners' strike during the past winter. While the original order was effective for 30 days, it has been extended for a similar period, which should be reflected in a still further improvement.

"Coke production is being stimulated by the record high prices obtaining—quotations being as high as \$18.50 for Connellsville foundry coke.

"That there will be a shortage of coal in the Northwest is pretty certain, as the movement up to July 1 was over 5,000,000 tons less than it was last year for the same period, and the loss will be greater on August 1, as there was not much increase in shipments in July. That means that the movement from now on will have to be more than doubled in order to reach last season's total, and even then the supply would be short, as the requirements will be greater than they were in 1919. It is up to the mine operators and the railroads to get the coal forward, as there is plenty of dock and vessel capacity to handle the business."

The report from district No. 5 (Richmond) is by no means optimistic.

"The coal situation is causing much worry throughout the entire country. It would seem from all information coming to us that it is a transportation problem almost entirely, and that there will be little improvement until traffic conditions are bettered. Car shortage, railroad strikes, embargoes—all these operate to keep down production. We have a report from a mine capable of producing more than 1,200 tons a day, but during June this mine was able to work less than 10 days and in May only 10½ days. Another mine belonging to the same company and capable of producing approximately 800 tons per working day was able to work only 69 hours in June. The mines can not operate unless they can secure cars to haul away their product, both because they do not have storage space for the coal and because they can not finance their operations without prompt collections."

District No. 6 (Atlanta) says that "the coke output is a little better the second week of July than previously; the coal shortage is noted at one or two places where coke ovens are supplied. The coal production in Atlanta is still lagging, strikes at domestic mines and two or three commercial iron company mines playing havoc."

In district No. 7 (Chicago) "the fuel problem is causing considerable apprehension. While heretofore manufacturing plants and consumers of steam coal have been able to obtain sufficient coal from time to time to cover their requirements, the situation has changed, and there now is active competition between manufacturers for the coal available, with a resultant upward tendency in prices. Few, if any, plants have been able to secure a sufficient surplus of coal to protect them against delays due to interruptions of transportation during the winter months. None of the railroads has been able to accumulate the usual amount of storage coal, and most of them have no storage coal whatever.

"Unless this situation is relieved before cold weather sets in, the fuel shortage is likely to prove a serious handicap to manufacturing. The coal production last year, it will be recalled, was the smallest of any year since 1915, and the present year started with the storage bins empty and about one-half of the usual amount of coal on the docks on Lake Superior and Lake Michigan. These dock supplies were exhausted before navigation opened. The movement of coal on the Lakes to Superior and Michigan

docks up to the end of June was 3,620,000 tons, compared with 8,800,000 tons for the same period in 1919 and 7,270,000 tons in 1918.

"The scarcity of low sulphur coal, usually obtained from eastern Kentucky, western Pennsylvania, and West Virginia, is retarding the manufacture of steel in this district. The movement of this coal has been hindered by the car situation. Inadequate transportation, whether due to car shortage, insufficient motive power, or labor shortage, is still playing an important part in the general situation and has an adverse influence at a time when the country is woefully underproduced in many lines of manufacture. There is still a shortage of raw materials, which seriously delays the finished product."

The Minneapolis report brings additional evidence to support the view that the extreme shortage in the Northwest is likely to persist.

"The problem of securing adequate fuel supplies for the northwestern States is more dependent upon the condition of lake transportation than ever before, owing to difficulties in rail transportation. The receipts of coal at Duluth and Superior Harbor during the month of June, 1920, were 911,211 short tons, as compared with 455,806 short tons in May, 1920, or an increase over the month of May of practically 100 per cent. The total coal receipts between the opening of navigation and the end of June, 1920, were 1,388,017 tons, as compared with 3,781,772 tons on the same date in 1919. The receipts for the current year are therefore 36.7 per cent of one year ago.

"A closer analysis of the total receipts for the current year to date as compared with one year ago shows that the receipts of soft coal have been 29.1 per cent and hard coal 92.2 per cent. If the improvement shown in June over May continues, there will probably be no difficulty in securing enough anthracite coal for residence heating purposes, but the problem of securing bituminous coal for industrial usage is serious. It must be borne in mind that the docks were clean at the opening of this navigation year, whereas a year ago substantial stocks were on hand. The monthly improvement will need, therefore, to be constantly accelerated, and steps are being taken to secure an improvement in the delivery of coal to the ports on Lake Erie, the lack of which has been the chief cause for the small receipts of this year compared with last."

District No. 10 (Kansas City) unequivocally states that "coal production seems from all

reports to have hit a snag, or at least the output shows no perceptible sign of improvement. The biggest factor, it is shown by reports from all fields, is the transportation disability. At the mines of this district there was some slight improvement in the supply of cars, but as a matter of fact the car situation is acute in Missouri, Kansas, and Oklahoma and is proving a serious hindrance to the production movement of coal. Loss on account of labor disturbances is now very low, though there are some scattered strikes here and there. And with the shortage of production and distribution there is no prospect of an easement of prices."

#### EMPLOYMENT CONDITIONS.

As was to be expected, following the extensive shutdowns and curtailment of operations in the New England district, unemployment among certain classes of labor is now reported from that section. In other districts also unemployment has developed here and there in those industries, primarily textiles and boots and shoes, which have felt the effect of cancellations. As a result of special circumstances, such as labor troubles or, more usually, traffic congestion, particularly severe in district No. 4 (Cleveland), some surplus of labor is also reported. The enforced unemployment in mining regions, likewise a result of the transportation problem, has been referred to elsewhere.

It is significant that the lack of farm labor is not so pressing a problem in all parts of the country as it was feared it would be, although district No. 6 (Atlanta) and district No. 7 (Chicago) report a persistent shortage, while district No. 12 (San Francisco) notes the importation of Mexican laborers to take care of the cotton crop.

District No. 1 (Boston) reports as follows:

"During the first fortnight of July only 10 new strikes were reported to the Massachusetts department of labor, but two of which involved any considerable number of workers, indicating that conditions are more nearly normal in this respect than they have been for many months. During the latter part of June and the first two weeks of July a very marked decrease in the demand for factory help has occurred, and while such a lull is normally expected at this season, it is more pronounced at the present time than during the past three or four years; the Boston public employment office reports a surplus of machin-

ists, mechanics, clerks, and general factory workers looking for employment.

"At the end of the Government fiscal year, June 30, Congress having determined to retrench in certain lines of war expenditures as a part of the program to get the country back upon a peace basis, the Watertown Arsenal was forced to release over 2,000 men, a large number of them skilled machinists; there has continued, however, an active demand for shipyard workers at the Fore River (Quincy, Mass.) plant of the Bethlehem Ship Building Co., and the current business of the machine shops, tool and hardware making industries of Massachusetts and Connecticut continues on such scales of activity that they have been able to absorb a good part of the supply of skilled labor released from Government work. There has been only nominal closing of factories and mills in the Bridgeport section, and where there has been short time or complete shutdowns it has been for the purpose of taking inventory or because of unsatisfactory shipping conditions. In New Britain, manufacturing largely builders' hardware, factories are running full time, with some shortage of labor, and labor conditions generally satisfactory, with no strikes and none threatened. The situation in Hartford is also reported as satisfactory, except for a shortage of unskilled labor and unwillingness of some workmen to turn out a full week's work, piecework earnings being high. In New Hampshire numerous woolen, worsted, and shoe factories have been on short-time schedules, and some which have remained on full time will be obliged to curtail unless new orders are received soon. Unskilled labor is more plentiful in Rhode Island.

"Difficulties in procuring cans and tin plate, due to transportation delays, have caused a shutdown of American sardine canneries along the Maine coast, affecting, it is said, 10,000 men and women employed in these plants. In the textile and shoe and leather centers factories have been altogether closed down or are running on short time, with thousands of operatives out of employment or living on reduced earnings even if at higher wage rates; purchasing power in these communities is therefore beginning to show signs of diminishing, though no serious inroads have yet apparently been made on savings deposits nor are Liberty bonds being generally sacrificed by small holders."

In district No. 2 (New York) "there was a distinct though not large decrease in employ-

ment during the past month. The closing of some mills of a large woolen company threw a number out of employment, and the dullness in textile and leather industries resulted in other factories reducing their working forces. Unemployment in the clothing trades is still much greater than is usual at this season of the year, and the hope of a settlement of the strike of fur makers in New York City has not been realized. The shoe industry showed an increase of employment during June, but this was due to the settlement of a strike at Rochester. The Pennsylvania Railroad's announcement on July 19 that it would lay off about 12,000 of its employees in the eastern region will apply to several thousand in this district.

"A strike of 1,000 longshoremen engaged in the deep-sea trade lasted only one day, but the strike of longshoremen and lightermen in the coastwise trade continues. There have been several minor labor disturbances, but generally conditions are more stable than they were several months ago. There are frequent reports that labor is more efficient, that the increase in unemployment has made some think greater efforts were necessary to hold their jobs.

"There is a surplus of untrained male office help, due in part to the number of students seeking employment during vacation; but there are still local shortages of unskilled hands, caused to some extent by the scarcity of immigrant labor, and opportunity for employment for 4,000 or more is reported in the Syracuse district.

"In spite of the prevailing conditions, the average weekly earnings during June of factory workers in this State increased. The June average, as reported to the New York State Industrial Commission, was \$28.77, an increase of 32 cents over May. During the past year the average increase was 28 per cent, ranging from 21 to 36 per cent, while in the six years from June, 1914, to June, 1920, the average increase was 127 per cent, ranging from 96 per cent to 153 per cent.

"Few large changes in weekly earnings occurred from May to June this year, but numerous slight increases were reported. The largest gain was \$3.27 in the cotton-goods industry, due to a general increase of 15 per cent in wage rates, and earnings in the iron and steel industry reached the record average of \$43.12. There was a decrease of \$3.15 in the earnings of fur workers, and slight decreases in other industries where increased activity resulted in the hiring of a number of lower-paid workers."

In district No. 3 (Philadelphia) there is considerable unemployment in the knit-goods industry, while strikes have closed down some carpet and rug mills. On the other hand, there is a shortage of unskilled labor in certain lines, such as pottery.

In district No. 4 (Cleveland) "unemployment is becoming more common, and a marked increase in the efficiency of labor is observed. One of the largest producing companies in this district reports that 'we have had the greatest four months in our history of pounds produced per man.' In the city of Akron alone from 12,000 to 15,000 men have been laid off. Akron warehouses are full of automobile tubes and casings which can not reach the markets."

District No. 5 (Richmond) states that "glass manufacturers report difficulty in securing sufficient laborers, and a large manufacturer of steel products complains that present-day labor is too much inclined to float from job to job. Inability of coal-mining companies to run full time, due to car shortage, appears to be causing considerable unrest among the miners; the men employed in the few mines which are able to run more nearly at capacity seem to be much better contented than those working in mines which can market only enough coal to keep running a few days each month. It would seem from numerous reports received that many laborers are now being, or soon will be, laid off or forced to work only three or four days each week because of inability of manufacturers to secure raw materials or to get finished products to market. Several letters state that if the transportation system of the country be made to function properly there will be full-time work for everyone, and the increased production will reduce general prices sufficiently to remove most of labor's complaints."

In district No. 6 (Atlanta) the labor shortage continues in the rural districts, while extensive strikes are reported from New Orleans. "There appears," it is said, "to be no relief from the shortage of farm labor which has existed from the beginning of the war. Reports continue to indicate that all parts of the district are seriously short of farm hands, and this will result in smaller crops than would otherwise be produced. Abandonment of some cotton acreage is predicted, and the shortage seems to be general throughout the district."

"One Mississippi city reports public improvements are being held up indefinitely because of inability to obtain the necessary labor.

"After a month's duration the carpenters' strike in New Orleans was ended the last of June, and building has been resumed with renewed zest in an effort to make up for the time lost. The first of July, however, brought a strike of street-car men for an 83 per cent increase and a signed contract. This demand has receded to a 54 per cent increase, which has not been granted. Cars are being operated with considerable regularity under the existing conditions by forces recruited from other cities and some local men.

"The metal workers' strike at New Orleans since May 18 continues with renewed force and some violence. The Metal Trade Association has offered 90 cents an hour, but workers will accept nothing less than their original demand of \$1. Several machinery companies have been obliged to sublet contracts to other cities, especially orders for sugar machinery in Cuba, where it must be installed and tested in time for the beginning of the sugar season in December.

"The coastwise longshoremen's strike, also in New Orleans, continues, but is not so severely felt owing to the declaration of open shop by some steamship companies, and in this way a comparatively full working force has been recruited."

District No. 7 (Chicago) likewise emphasizes the lack of farm labor.

"The absorption of labor by the automobile industry and by other lines of endeavor offering abnormally profitable and excessively high wages has seriously hampered the ability of producers of other commodities to profitably maintain their production schedules. Thousands of farms over the Middle West are idle for this reason."

In district No. 8 (St. Louis), on the contrary, "so far as can be learned there is no lack of labor, skilled or unskilled. In certain instances plant operation has been curtailed and there have been temporary shutdowns, the latter being due, however, to inability to obtain raw materials or fuel. This district has had no indefinite suspensions, as in the case of textile plants in the East.

"The predicted record shortage of labor for harvest and general agricultural operations this season has not been verified in anything like the magnitude suggested. On the contrary, where wheat has been harvested and other crops garnered there has in general been ample hands for handling the work. In only a relatively few localities have farmers suffered from lack of help. In industrial and general

lines labor is also reported more plentiful. Actual unemployment in this district is negligible, Federal and State commissioners reporting that idleness coming under their observation thus far is voluntary or due to strikes. Closing down of or curtailment at eastern plants has resulted in a drift of surplus workers in this direction which largely relieved existing deficiencies. Wages remain about stationary as compared with a month ago, except in segregated instances where advances are reported. There have been minor strikes in the district, the most serious of which embrace the building trades in St. Louis. Officials of labor unions report a growing tendency toward thrift and saving among their members. To the south agricultural labor is less abundant than elsewhere in the district. Employment agencies find no improvement in the supply of domestic help, and lack of this variety of labor is acute in the smaller towns and rural districts."

District No. 10 (Kansas City) reports "cessation of operations in the zinc and lead mining regions, although some of the released labor apparently has found occupation elsewhere. The last week of the month was marked by a complete closing down of the entire mining district, only two mines operating in the entire Oklahoma field. This action was brought about by the realization of the inability to ship ores, the difficulty of obtaining labor, which was rapidly deserting the mines for the harvest fields, the desire to curtail production in order to stabilize the market and eliminate the huge stock of surplus ores existing in the fields. The shutdown is scheduled for two weeks, no mines intending starting up earlier than the 12th of July. This is the most complete shutdown in the history of the industry, and coming coincident with the holiday season of Independence Day it makes it less harmful for the unemployed than would otherwise have resulted.

"The metal-mining conditions in Colorado have been marked during the past month by a considerable shortage of labor in practically all the mining districts of the State. It is particularly acute in Cripple Creek, and in connection with the other difficulties of the gold producers will probably result in a very much decreased production of gold for the year. A few new operations are reported from various parts of the State, but the larger mines are finding it difficult to keep up production on account of the impossibility of obtaining a

sufficient number of men. There is very little prospecting going on, and consequently not much chance of anything new being found this season.

"The reports all tend to show a marked improvement in the harvest labor supply this season as compared with the difficulties experienced last year. This is said to be due to many reasons. One of the most important was increased efficiency of Federal, State, and city employment agencies and of civic bodies in sending able-bodied men to the harvest fields. In Oklahoma a 'Save the grain committee,' with N. R. Graham as chairman, did very effective work toward solving the harvest labor problem by enlisting for this purpose the cooperation of former Liberty loan chairmen and workers in every county in that State. Hundreds of men employed in the mines in Missouri, Oklahoma, and Kansas helped in the wheat harvest. No trouble was experienced in Kansas on account of shortage of harvest hands, except in the northwestern part of the State; but the release of men from the harvest in the southern and central sections of the State early in July eased up the situation. Another big factor in the solution of the harvest labor problem was a closer cooperation of the country town people and the farmers by which other activities were suspended temporarily in many communities in order that the wheat might be taken care of."

District No. 11 (Dallas) reports an increase in the labor supply and says: "Labor conditions have been gradually improving, according to reports received. The slackening in construction work and various other industrial activities has had a tendency to stimulate competition for employment, resulting in a greater efficiency as well as supply of labor."

In district No. 12 (San Francisco) "there are at the moment no strikes or labor disturbances of any importance, although in some sections it is reported that there is a tendency for radical propaganda to increase.

"With the exception of the cotton-growing regions in southern California and Arizona, the supply of labor about equals the demand. Cotton growers are importing Mexican labor for use during the picking season, which will be returned to Mexico at the close of the season. This procedure will apparently insure sufficient labor to take care of the crop as it matures."

## CONDITION OF WHOLESALE TRADE IN JUNE.

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

District.	Groceries.	Number of firms.	Dry goods.	Number of firms.	Hardware.	Number of firms.	Shoes.	Number of firms.
	<i>P. ct.</i>		<i>P. ct.</i>		<i>P. ct.</i>		<i>P. ct.</i>	
No. 4.....	- 5.2	8	- 4.7	6	- 7.1	7	- 5.1	5
No. 6.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 7.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 10.....	+21.2	5	.....	.....	.....	.....	.....	.....
No. 11.....	+ 4.0	.....	-24.0	2	- 2.0	4	.....	.....
No. 12.....	-22.1	26	-14.0	11	- 0.8	20	-10.8	14

District.	Drugs.	Number of firms.	Furniture.	Number of firms.	Auto supplies.	Number of firms.	Stationers.	Number of firms.
	<i>P. ct.</i>		<i>P. ct.</i>		<i>P. ct.</i>		<i>P. ct.</i>	
No. 4.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 6.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 7.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 10.....	- 9.0	2	- 3.8	4	.....	.....	.....	.....
No. 11.....	+ 1.0	.....	-16.0	3	+25.0	5	.....	.....
No. 12.....	.....	.....	.....	.....	.....	.....	.....	.....

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

District.	Groceries.	Number of firms.	Dry goods.	Number of firms.	Hardware.	Number of firms.	Shoes.	Number of firms.
	<i>P. ct.</i>		<i>P. ct.</i>		<i>P. ct.</i>		<i>P. ct.</i>	
No. 4.....	+47.8	15	+11.5	3	+37.2	5	.....	.....
No. 6.....	+27.4	8	-18.7	6	+42.8	7	+10.2	5
No. 7.....	+35.1	29	+31.4	11	.....	.....	-3.0	5
No. 10.....	+48.0	3	.....	.....	.....	.....	.....	.....
No. 11.....	+ 4.0	5	-32.0	2	+16.0	4	.....	.....
No. 12.....	+ 0.0	26	+22.3	11	+31.9	20	- 5.9	14

District.	Drugs.	Number of firms.	Furniture.	Number of firms.	Auto supplies.	Number of firms.	Stationers.	Number of firms.
	<i>P. ct.</i>		<i>P. ct.</i>		<i>P. ct.</i>		<i>P. ct.</i>	
No. 4.....	+53.4	6	.....	.....	.....	.....	.....	.....
No. 6.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 7.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 10.....	+31.0	2	+ 6.3	4	.....	.....	.....	.....
No. 11.....	+52.0	4	- 2.0	3	+50.0	5	.....	.....
No. 12.....	.....	.....	+ 2.7	9	.....	.....	+27.1	13

## DISTRICT NO. 4 (CLEVELAND).

Wholesale trade continues to show substantial gains over the volume of trade during the early months last year, as indicated by reports from dealers.

Dry goods dealers predict lower prices except in such merchandise as has been oversold and in which production is backward.

Wholesale hardware dealers report that purchases are confined largely to goods needed for

immediate wants, and that while prices are not now advancing generally there is no particular point of weakness. The weight of opinion is that prices will decline rather than advance.

Grocery dealers report nearly 50 per cent increase in net sales, a considerable part of which is said by some to have been represented by large sales of sugar. The tendency is toward cautious purchasing on the part of both wholesalers and retailers. Buying of canned goods, notwithstanding high prices, is said to average up to that of former years. Dealers are practically a unit in declaring that price concessions can not be made in their line. Collections are reported as especially good.

Sales of drugs show a substantial increase, and the tendency seems to be to lower prices.

## DISTRICT NO. 6 (ATLANTA).

There appears to have been a strengthening of the determination on the part of the public generally to delay buying until further declines in prices take place. This is reflected in the fact that the volume of sales by wholesale firms during the month of June is appreciably below the figures for May, and in some instances even below the sales for June of last year.

Wholesale grocery firms report their customers are buying cautiously for immediate delivery, with the expectation of lower prices at an early date. There is fear that canned goods will be scarce and high, but the trend of prices generally is downward.

Wholesale dry goods merchants are of the opinion that manufacturers are making abnormally large profits, that prices are too high to allow retailers any profit, and many are making only necessary purchases, believing that merchandise will decline in price before the fall months. There was a general decrease in volume of sales by wholesale hardware firms. The opinion appears to be that although prices have reached the peak, there is no immediate prospect of decline in any appreciable amount. Wholesale shoe companies report that as high as 25 per cent of orders for fall delivery have been canceled on account of some decline in prices of leather and because of some unfavorable local crop reports. Retailers expect declines in prices, but wholesale firms appear to doubt any early reductions.

## DISTRICT NO. 10 (KANSAS CITY).

While the wholesale trade in dry goods is quiet, the June reports show an increase of

advance orders for fall shipments. One house puts the increase at 100 per cent over June, 1919, but mentions as a fact that the amount of advance orders increased mainly on account of advanced prices. Production is reported as increasing, with a downward trend of prices. Both wholesalers and retailers are buying stocks cautiously.

In the wholesale furniture trade the combined reports for four leading houses in this district show June sales averaged 3.8 per cent less than in May and 6.3 per cent more than in June of last year. Goods are coming in more freely at some centers, but are still scarce at others. While it is felt that prices have reached their highest peak, there are no declines in sight.

Drug wholesalers are reported to be buying heavily on account of slow freight deliveries, while retailers are buying liberally. At present prices are advancing more than they are declining.

The three wholesale grocery firms that reported said that retailers were buying cautiously on account of a downward tendency of prices. Unfilled orders were not large.

#### DISTRICT NO. 11 (DALLAS).

Wholesalers in this district report that retail merchants continued their previous policy of cautious buying during the month of June. Immediate needs of the trade seemed to dominate most transactions, although in some lines renewed interest in "futures" began to be manifested toward the end of the month. Net sales for the month of June, as compared with the preceding month, showed losses in various lines ranging from 6 per cent to 24 per cent, although gains were reported by dealers in groceries and automobile supplies.

As compared with orders booked in June, 1919, the past month's reports show an increase in all lines except furniture and dry goods. The higher price levels of the present, however, must be considered in measuring the physical turnover in June, 1919, and June, 1920, by the dollar volume of sales.

A feature of interest in the June wholesale reports is the evidence they afford of heavy accumulations of stocks. Both as compared

with stocks a year ago and those on hand at the end of May, 1920, a marked increase is shown. This situation seems to reflect a conviction on the part of the wholesalers, based largely on the favorable crop outlook in this district, that despite financial restrictions and price resistance there will be a brisk trade this fall in all lines of business. In fact, many of them are confidently predicting this in their reports to the monthly review.

Many complaints are being voiced by wholesale houses on the subject of the transportation service. The slowness and uncertainty of deliveries greatly handicapped operations in June, according to advices from reporting firms. With the approach of the crop-moving season it is feared that the situation will become still more acute, and retailers are being advised to anticipate, as far as possible, their merchandise needs for the period in which the roads will be heavily engaged in moving the products of the farm.

#### DISTRICT NO. 12 (SAN FRANCISCO).

Both retail and wholesale trade activity as reported by representative stores in this district was smaller during June than during May, although larger than during June, 1919. Sales by 71 representative wholesale firms were 15.6 per cent smaller by value during June than during May, and 11.7 per cent greater during June, 1920, than during June, 1919. Approximately 37 per cent of the increases over June of 1919 were due to price increases. Total sales of reporting wholesale firms averaged by value 38.1 per cent greater during the first six months of 1920 than during the first six months of 1919.

The decrease in wholesale trade as compared with May was greatest in dry goods and grocery lines, the respective percentage decreases being 14 per cent and 22.1 per cent. As compared with May, the general level of wholesale and retail prices has been practically stationary; although the wholesale silk market is still very weak, wholesale sugar and shoe prices have shown a slightly downward tendency and wholesale stationers report that prices are tending slightly upward. The detailed table, giving percentage changes by cities, follows.



**Condition of Wholesale Trade During June, 1920, in Federal Reserve District No. 12.**

(1a) *Percentage of increase or decrease in net sales for June, 1920, over June, 1919.*

	Hard-ware.	Dry goods.	Grocer-ies.	Shoes.	Sta-tion-ery.	Furni-ture.	Total. <sup>1</sup>
Los Angeles.....	43.0	.....	<sup>2</sup> 4.9	34.7	.....	<sup>2</sup> 34.4	15.5
Sacramento.....	45.2	.....	5.2	.....	.....	.....	18.0
San Francisco.....	39.2	22.1	4.6	<sup>2</sup> 3.3	.....	.....	12.4
Portland.....	23.3	23.9	<sup>2</sup> 7.1	<sup>2</sup> 34.0	.....	12.1	5.4
Salt Lake City.....	.....	.....	<sup>2</sup> 13.5	.....	.....	.....	<sup>2</sup> 11.2
Seattle.....	25.8	33.9	3.9	.....	14.5	.....	21.4
Spokane.....	54.9	22.6	<sup>2</sup> 3.0	.....	26.1	.....	8.5
Tacoma.....	37.7	.....	17.2	.....	.....	73.9	17.8
District.....	31.9	22.3	0.0002	<sup>2</sup> 5.9	27.1	8.7	11.7

(1b) *Percentage of increase in net sales January 1-June 30, 1920, over same period 1919.*

	Hard-ware.	Dry goods.	Grocer-ies.	Shoes.	Sta-tion-ery.	Furni-ture.	Total. <sup>1</sup>
Los Angeles.....	65.5	.....	38.5	40.8	.....	54.7	47.8
Sacramento.....	53.2	.....	20.9	.....	.....	.....	30.3
San Francisco.....	56.7	55.6	34.8	20.4	.....	.....	42.3
Portland.....	36.4	27.7	32.6	<sup>2</sup> 1.9	.....	78.5	33.3
Salt Lake City.....	.....	.....	23.4	.....	.....	.....	26.2
Seattle.....	28.6	75.5	24.3	.....	23.5	.....	33.7
Spokane.....	89.2	53.3	32.2	.....	40.9	.....	38.0
Tacoma.....	24.2	.....	21.9	.....	.....	94.6	28.8
District.....	46.3	54.0	31.6	22.1	36.9	58.8	38.1

(1c) *Percentage of increase or decrease in net sales for June, 1920, over May, 1920.*

	Hard-ware.	Dry goods.	Grocer-ies.	Shoes.	Total. <sup>1</sup>
Los Angeles.....	<sup>2</sup> 2.7	.....	<sup>2</sup> 28.3	.....	<sup>2</sup> 19.0
Sacramento.....	7.3	.....	1.0	.....	4.0
San Francisco.....	1.5	<sup>2</sup> 24.8	<sup>2</sup> 14.5	<sup>2</sup> 7.2	<sup>2</sup> 14.2
Portland.....	<sup>2</sup> 9.2	24.6	<sup>2</sup> 41.7	<sup>2</sup> 15.7	<sup>2</sup> 28.1
Salt Lake City.....	.....	.....	<sup>2</sup> 11.0	.....	<sup>2</sup> 9.5
Seattle.....	6.1	7.4	<sup>2</sup> 17.4	.....	1.0
Spokane.....	0.9	1.0	<sup>2</sup> 18.5	.....	<sup>2</sup> 16.0
Tacoma.....	<sup>2</sup> 3.8	.....	<sup>2</sup> 5.8	.....	<sup>2</sup> 7.9
District.....	<sup>2</sup> 0.8	<sup>2</sup> 14.0	<sup>2</sup> 22.1	<sup>2</sup> 10.8	<sup>2</sup> 15.6

Drugs: District, 3.8 per cent.

<sup>1</sup> Includes reporting drug firms. <sup>2</sup> Decrease.

(2) *Character of buying demand.*

All firms report customers buying for current use and the increase or decrease in sales occurring mostly in essentials. Several firms report a noticeable decrease in the sale of luxuries. Conservative buying by customers is also noted.

(3) *Comment on price changes.*

**Hardware.**—Forty-three per cent of reporting firms report an upward movement in prices, characterized as "slight" by nearly one-half of these firms. Twenty-five per cent report prices generally firm with some increases, and 32

per cent report prices firm with no changes of importance. No declines are reported.

**Dry goods.**—Twenty-eight per cent report an upward movement in some lines; 36 per cent report prices firm; 36 per cent report a decline in some lines, particularly silks. Cotton goods are reported as firm or advancing, while woolen goods show a weak tendency.

**Groceries.**—Fifty per cent report an upward tendency; 29 per cent report prices firm; 21 per cent show a downward tendency. Many firms note especially the decline in sugar prices, and several report a falling off in sugar sales.

**Drugs.**—Seventy-two per cent report prices firm, while 28 per cent report a few reductions.

**Shoes.**—Eighteen per cent report prices firm; 55 per cent report a downward tendency in some lines; 27 per cent report prices generally declined. Several firms reported a falling off in sales in high-priced goods and price reductions in these goods.

**Stationery.**—Eighty-one per cent report advances or an upward tendency, while 19 per cent report prices firm. An advance in paper, due partly to a shortage of pulp, is reported. No declines are noted.

**Furniture.**—Fifty per cent report advances; 10 per cent report prices firm but with an upward tendency; 40 per cent report prices firm with practically no changes. Some firms state that prices will probably increase further owing to the increase in the cost of lumber and wages of labor, while others report a tendency for prices to settle down, with a falling off in the buying demand.

(4) *Collections.*

	Excel-lent.	Good.	Fair.	Poor.
Hardware.....	Per cent.	Per cent.	Per cent.	Per cent.
Dry goods.....	.....	78	17	5
Groceries.....	.....	35	45	.....
Drugs.....	10	62	28	.....
Shoes.....	14	57	29	.....
Stationery.....	.....	54	46	.....
Furniture.....	17	54	29	.....
	.....	77	23	.....

**TERMS OF SALE.**

The following is the fifth of a series of articles giving data as to current practice and recent history of terms of sale in the principal industries. Acknowledgment is due the many business houses, individuals, trade periodicals, and trade associations who have courteously furnished the information.

**WHOLESALE DRY GOODS.**

Dry goods jobbing is exceedingly complex. Many different classes of goods are handled, and the business of individual jobbers differs somewhat. Houses are of several types.<sup>1</sup> First are the large nation-wide general dry goods jobbers, located in the larger markets, in particular in Chicago and St. Louis and in the Mississippi

<sup>1</sup> This classification is substantially similar to that of Cherington, *The Wool Industry*, pp. 142 ff.

Valley, who cater to buyers throughout the entire country. Larger stocks are carried, with greater range in quality and selection, and the volume of business done enables each to conduct practically a specialty business in each department, while a large mill shipment business is also done, shipments being direct from mill to retailer. Second are local general jobbers, located in important railroad centers, and covering a more limited territory, being found in the upper Mississippi Valley, the central South, and on the Pacific coast, though rarely in the territory accessible to New York. Third are smaller local jobbers, covering a more restricted territory, and found to a considerable extent in the South. The differences between the three types are largely in the extent of territory covered. In the second and third, however, certain differences may also appear according to the territory in which the house is located, and a corresponding difference in the character of goods handled. Thus heavier goods, such as blankets, flannels, and woolen underwear play a larger rôle in the North and Northwest, and these items carry a later dating than do the regular items. Likewise, it has been suggested that eastern houses have a larger percentage of their business in finer and more expensive goods in which the style factor plays a larger rôle than is the case in other sections of the country. Most eastern jobbers cover limited territories, and their customers are in close proximity to the market, so that most of their buying is done in the market and from open stock, whereas in the West sales for future delivery play a larger rôle.

In order to clarify the discussion the various items which are handled may be classified as follows: Piece goods, notions, white goods and linens, ladies' ready to wear, men's furnishings, hosiery and underwear, and floor coverings. Of each of these there may be several subdivisions. Leading houses will have departments organized along these or other general lines, although the plan of departmentalization may vary greatly from house to house, and the notion department in certain houses, for example, may include many other items such as jewelry, laces, and embroideries, veilings, dress trimmings, buttons, umbrellas, etc., as well as those recognized as regular notion items. Following are the classifications of departments in two leading houses:

1. Domestics.
2. Dress goods.
3. Silks and velvets.
4. Upholstery.
5. Cabinet hardware.
6. Blankets, flannels, linings.

1. Domestics.
2. Woolen goods, including blankets and flannels.
3. Short length cotton piece goods.
4. Curtains and draperies.
5. Dress goods.

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| <ol style="list-style-type: none"> <li>7. Furs.</li> <li>8. Cloaks, suits, waists.</li> <li>9. Muslin underwear.</li> <li>10. Knit underwear.</li> <li>11. Hosiery.</li> <li>12. Gloves.</li> <li>13. Linens.</li> <li>14. White goods.</li> <li>15. Notions and trimmings.</li> <li>16. Umbrellas and ribbons.</li> <li>17. Yarns, thread, and knit goods.</li> <li>18. Rugs, carpets, and oilcloths.</li> <li>19. Furniture.</li> <li>20. Laces, embroideries, and lace curtains.</li> </ol> | <ol style="list-style-type: none"> <li>6. Silks.</li> <li>7. Wash goods.</li> <li>8. Prints, ginghams, and percales.</li> <li>9. Linings.</li> <li>10. Linens, damasks, laces, and embroideries.</li> <li>11. Ribbons, notions, etc.</li> <li>12. Underwear, sweaters, gloves, ties.</li> <li>13. Hosiery.</li> <li>14. Ladies' ready to wear.</li> <li>15. Shirts.</li> <li>16. Overalls, pants, and duck clothing.</li> </ol> |
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For the present purpose, another significant classification which should be noted is that into staple and fancy items, cotton piece goods, thus for example, being of both descriptions. It may be remarked, however, that the volume of piece goods handled has decreased greatly over a period of years. In addition to the regular distributors mentioned above, during the past two years, "loft" or "secondary" distributors have grown up who find an outlet for their merchandise through the channels of regular jobbers and also to manufacturers of garments who could not secure sufficient quantities of merchandise through the regular mill channels.

As in other leading jobbing lines, great interest has been displayed in the terms upon which merchandise is purchased, and both of the leading associations have considered the matter, though from somewhat different points of view. The National Wholesale Dry Goods Association has considered primarily the adequacy of the cash discount or cash premium allowed on separate articles. Its several divisions, in particular the Jobbers Association of Notion Buyers, have regularly communicated in the past with manufacturers whose discounts, both cash and trade, were unsatisfactory, or who announced a decrease in or elimination of the same. The Southern Wholesale Dry Goods Association has considered rather the question of a uniform set of terms to apply to all purchases. The committee appointed to deal with the matter, which existed for several years, recommended uniform terms of 2 per cent 10 days, 60 days extra, instead of the variety of terms actually in use. In 1919 the report of the steering committee to deal with factors, commission merchants, and manufacturers, and appointed for the purpose of improving relations between the two groups, again recommended, among other things, "a minimum cash discount of 2 per cent, with minimum dating of 60 days on all commodities." Since the opening of the war period the problem has assumed new importance as a result of the curtailment of terms and decrease of discounts by houses selling the jobber. Thus, it is stated

that 10-day terms have frequently been quoted or, where 60 days was still given, such high rate of anticipation attached as practically to force payment within 10 days. Coupled with this has been the demand that the wholesaler take goods far in advance of the season for immediate payment. While this has been due in part to the efforts of purchasers to obtain advance deliveries for fear of later shortage, it has been pointed out that the effect has been to force wholesalers in many cases to finance several seasons' goods at the same time, thus financing two-thirds of their business in two months' time. The situation has been aggravated by the billing of goods by mills prior to delivery to the transportation company, in the event of embargoes or refusal of the carrier to receive the goods. He himself has found it necessary to continue to carry the retailer, and his regular terms on the whole have shown relatively little change. "Summed up briefly," then, it has been stated that "the wholesale dry goods house is to-day bearing both the burdens of the manufacturer and of the retailer."

The Southern Wholesale Dry Goods Association alone has taken formal action in adopting a set of maximum terms upon which it is recommended that goods be sold. After discussion at each of its previous conventions, in 1915 terms were adopted at Nashville of 2 per cent 10 days, net 30 days, on season shipments, with dating of October 1 and April 1 for shipments after June 1 and January 1, respectively. Intermediate shipments carried 60 days extra, terms on them being 2 per cent 10 days, 60 days extra, net 90 days. In 1916 and 1917 these terms were reaffirmed, and in the latter year an interpretation was added, stating that June to July and January to February shipments carried the season datings, while shipments during August to December and during March to June carried the terms for intermediate shipments. At these conventions the members practically universally expressed satisfaction with the terms, and in a considerable number of cases favored the adoption of even shorter terms. It has been stated that more than 90 per cent of the membership were making terms less than the maximum outlined in the Nashville resolution. Thus, instances of the omission of net 30 days on season terms were reported, as well as the use of 2 per cent 10 days, 30 days extra. In 1917 some houses had eliminated the 10 days on season shipments, making terms October 1 and April 1 with 2 per cent discount, as well as on intermediate shipments, 2 per cent 60 days thus

being given. Several instances of longer terms were reported, such as 2 per cent 10 days, net 60 days, on shipments bearing season dating, as well as 3 per cent 10 days October 1. Some houses, in particular in Tennessee and at New Orleans, reported difficulty in enforcing the terms, due to competitive conditions.

The feeling in favor of shorter terms resulted in a revision of the terms in 1918 at the New Orleans convention. The 10 days on season shipments were omitted, making terms on season bills 2 per cent October 1 and April 1, and due net November 1 and May 1. Intermediate shipments carried terms of 2 per cent 10 days net 60 days but exception was made of department stores, which were to be granted 60 days extra on such shipments. The latter concession, which was intended to be used merely where competition forced the naming of such terms, however, seemed to have been "misunderstood, misinterpreted, and generally has caused confusion and dissatisfaction," to quote the report of the committee on terms at the 1919 convention. Accordingly the committee, while recommending the same season terms, favored 2 per cent 60 days on intermediate shipments, but strongly recommended that bale goods and all intermediate shipments of other goods as far as possible be billed on terms of 2 per cent 10 days, net 60 days. The longer terms on intermediate shipments were specified in view of the fact that certain of the members had previously employed them, and they also were felt to be necessary to enable those coming in contact with the larger markets to meet these terms. An unsuccessful effort was made by certain members so situated to reinstate the 10 days which the New Orleans terms had withdrawn. It is understood that there has been no subsequent change in the formal terms.

The several territorial divisions of the association have also interested themselves in the subject and have passed resolutions indorsing the recommended terms, as well as made recommendations to the association's committee on terms. In 1919 a large majority of eastern Tennessee houses were reported to have terms of 2 per cent 30 days, net 60 days, and on sales to department stores 2 per cent 60 days, net 90 days. West Virginia houses, which had first adopted terms of 30 days extra, 2 per cent 10 days, net 60 days, in consequence of subsequent adoption of 2 per cent 10 days, 60 days extra, net 90 days, by outside jobbers, recommended the adoption of such terms. Terms have also been adopted locally in cer-

tain cases, Cincinnati houses, through their association in 1918, adopting terms similar to those of the Southern Dry Goods Association.

The matter of terms of sale has been discussed at many of the conventions of the National Wholesale Dry Goods Association. Complaint has been made at various times of the tendency of purchasers to deduct discounts when running somewhat beyond the discount period, as well as to endeavor to deduct discounts and add interest instead when taking longer time, such as, for example, with terms of four months or with note settlements. In 1913 it was suggested by several members that formal action be taken, but nothing was done. In 1914 the necessity of curtailing season datings in order to afford an increased margin of profit was emphasized. The old datings were largely continued by jobbers, although they had been eliminated by manufacturers. Jobbers' cash discounts were stated not to differ much from manufacturers' although some jobbers had eliminated the old regular terms and employed net terms instead. With the pronounced shortening of terms by manufacturers during the war, increased stress was placed upon the necessity of a corresponding shortening in jobbers' terms. Additional emphasis was lent by the steadily rising cost of doing business. The adjustment of terms on each line exactly to correspond with manufacturers is not, however, possible in all cases, inasmuch as jobbers' terms are in many cases the same for all kinds of a general type of goods. At the 1918 meeting various houses cited instances of shortening of terms, such as moving the season dating forward one month from May 1 and November 1 to April and October 1, elimination of 60 days extra, and of 10 days time on season terms, and use of net 10 days in place of 2 per cent 10 days.

General agreement, however, existed as to the undersirability of concerted action, and this was reiterated at the meeting held in July, 1918, the "consensus of opinion being that a nationwide uniform set of terms would not be possible for all sellers of dry goods, underwear, hosiery, notions, and kindred goods." At the meeting earlier in the year, the secretary had been instructed to collect the terms of members, which was done. While great variety appeared, the compilation showed a decrease in the time given and a tendency to closer terms. It was stated to be "a proven fact that the 'terms situation' was in better shape than at any previous period," and that "the improvement might reasonably be expected to continue."

While there was an effort at further shortening, terms at present, however, are stated to be substantially on the same basis as indicated in the survey.

We may proceed to examine in greater detail the terms of the 135 houses which are given in this survey. The general terms are 2 per cent 10 days, 60 days extra, for many years recognized as the regular dry goods terms. While in many cases no terms beyond the 70-day period are formally quoted, and bills are due net after 70 days, in other cases net 90 days or net 4 months is frequently specified, though there has been a tendency toward the first-named net terms. Anticipation at the rate of 6 per cent per annum is generally permitted, which gives a cash discount of 3 per cent 10 days, which, in fact, is quoted by some houses, as well as in some cases, 1 per cent 10 days, net 30 days. Season datings most frequently specified are April 1 and October 1, in general for shipments made prior to two months before the dating, thus being February 1 and August 1 for the datings given, after which time the regular 60 days' extra terms are given. Certain houses, however, employ other season datings, in particular May 1 and November 1, for the general line, while several instances of earlier datings, such as February 1 and March 1 and August 1 and September 1, were also noted. Orders bearing the season dating in general carry no further dating, although in certain cases 60 days extra was also given, mainly by houses having the earlier season datings and practically nullifying the same. In all sections houses are found which do not employ the regular terms or which have no season datings. In part this is the result of a shortening of terms in recent years, and one house states that there has been a decided tendency to eliminate season datings during the last two years, while in part it is a reflection of the character of business done. Some houses noted that they had recently revised their terms, while others either were contemplating or favored revision. Thus, in some cases, 30 days extra in place of 60 days was given to new accounts, and in St. Louis several leading houses had eliminated the 10 days of grace on season datings, bills then being subject to 2 per cent discount for payment on October 1, while in certain cases, for example, in Los Angeles, houses had eliminated these 10 days in connection with the regular terms. Some houses then sold on terms of 2 per cent 10 days or 2 per cent 30 days net 60 days, while terms of 2 per cent 10 days, 1 per cent 30 days net 60 days,

were also found, and an effort was being made in northern New York to obtain the adoption of such terms by jobbers. Jobbers handling primarily special lines such as hosiery and underwear, or men's furnishings, also depart in some cases from the regular terms, following the manufacturer's terms on these items, which will be indicated below. Certain markets, such as St. Louis and Baltimore, have been known in the past for their liberality in the matter of terms, but the former has advanced the customary dating from May 1 and November 1 to April 1 and October 1 during the last few years. Jobbers located at smaller centers in various sections in a number of cases instance the competition of a larger neighboring market as forcing the granting of 60 days extra, a November 1 season dating, etc.

The extent to which houses classify their business and extend different terms on each class would appear to vary roughly to some extent with the size of the market. Houses located in the smaller centers in many cases have but one set of terms to apply to their entire business. In the larger markets, in particular those of the Middle West, distinction in general is made between spring goods and fall goods, certain of which in each case bear a dating one month later, factory or manufactured goods produced by the house itself, and mill shipments, while staples in certain cases are also distinguished. In between these two extremes there is wide variety, many houses having a lesser number of types, and in certain sections, such as in the East, the entire range of types is frequently not found. Classification presents a twofold aspect, certain goods having both different discounts and net terms, while with others the difference is merely in the season dating. Mill shipments in general bear terms of net 30 days, although some houses give net 60 days or net 60 days on certain items only, such as towels and white goods, while giving net 30 days on other items. Little uniformity appears in the terms on overalls, work shirts, and similar items, instances noted being net 30 days or 60 days, in some cases with a discount of 1 per cent 10 days, 2 per cent 10 days, and 2 per cent 10 days 60 days extra, but no season dating in general is given on these lines. Terms on yarns, spool cotton, and thread also vary somewhat, instances of 1 per cent and 2 per cent 10 days net 30 days and 60 days being reported, without season dating. Terms on floor coverings are as a rule 4 per cent 10 days, 60 days extra.

In part, classification results from an effort to shorten terms or reduce discounts to correspond to manufacturers' changes in terms with respect to certain items. Thus, certain houses give no season dating on some items like prints, domestics, percales, gingham, and sheetings, in some cases only on specified brands. Some houses, in addition, have eliminated the cash discount, and bill these and similar items on terms of net 60 days, while others have advanced the season dating one month, from April 1 and October 1 to March 1 and September 1. This tendency is also seen in connection with certain items such as hosiery and knit underwear, which, while frequently continuing to bear a season dating, in the case of many other houses are sold without such dating, or bear merely terms such as net 10 days or 1 per cent 10 days, 30 days or 60 days extra, similar discounts being applied also by certain houses in connection with the season dating. Certain items, however, frequently carry the later season datings of May 1 and November 1. Among these may be noted laces and embroideries, white goods, cloaks, and furs (which in some cases carry December 1 dating), blankets, underwear (when a dating is given), sweater coats, and fancy knit goods. These items are of a twofold character, being either heavier goods, which will be wanted for later fall use, or style items. Some eastern houses report a later shipment date in lieu of season datings, while some houses extend additional time on shipments to more distant territories, one house, for example, extending one month's extra dating on its Montana business.

Collections naturally vary with the different seasons of the year, payments being concentrated largely in the spring and fall. As fall sales are heavier than spring sales, they are heavier in the fall, this being noted alike for each of the various parts of the country. In certain agricultural sections, such as the Dakotas and Montana, this will be accentuated by the fact that accounts are carried to some extent until the fall, and certain houses selling such sections report a larger proportion of accounts in the summer which do not take the discount. The movement of merchandise with the majority of wholesale dry goods houses is about 40 per cent in the first six months of the year and 60 per cent in the last six months.

The following figures show the proportion of their total annual receipts received by three houses during each month of the year. It should be noted, however, that the data are

not strictly comparable, inasmuch as the terms of the houses differ somewhat:

	Jan.	Feb.	Mar.	Apr.	May.	June.
New England <sup>1</sup> .....	7.0	5.6	6.5	7.4	8.3	8.3
Northwest.....	5.6	5.0	5.4	7.0	7.0	5.7
North Pacific coast.....	6.0	6.1	5.1	6.1	6.6	6.6

	July.	Aug.	Sept.	Oct.	Nov.	Dec.
New England <sup>1</sup> .....	7.7	7.5	8.4	9.5	11.5	12.3
Northwest.....	6.6	7.0	8.7	12.0	18.0	12.0
North Pacific coast.....	7.8	7.9	10.8	13.8	11.8	11.5

<sup>1</sup> Another New England house also notes that payments drag from about Jan. 15 to Mar. 15 and from July 1 to Sept. 1.

A leading authority states that on an average about 50 per cent of the accounts of retailers with wholesalers are discounted, and about 20 per cent are anticipated at the usual anticipation rate of 6 per cent, dependent upon locality and trade conditions. Several New England houses report that from 25 to 30 per cent of the number of accounts anticipate, 60 to 65 per cent pay at the due date (i. e., in 70 days), and 10 per cent run beyond. Several northwestern houses agree that 40 to 45 per cent of their accounts discount, and one states that 30 per cent pay at maturity, while the balance require more or less banking accommodation. One southwestern house has 66.75 per cent of its accounts anticipated and discounted, and 33.25 per cent paid at the net period, while another has 10 per cent of its accounts paid in 10 days, 40 per cent in up to 30 days, and 20 per cent in 31 to 60 days, and the balance in 61 days to 4 months.

Interest has been displayed in the trade acceptance by both trade associations. The national association has sent out considerable descriptive literature, while the 1918 convention of the southern association adopted a resolution favoring it, and several members who were employing it reported themselves well pleased with it. At the 1919 convention 20 members present at one of the meetings stated that they used acceptances. On the whole, however, as in other jobbing lines, the instrument is not used by the majority of houses.

#### MEN'S WEAR WOOLEN AND WORSTED JOBBING.

As is the case with goods for women's wear, woolsens and worsteds for men's wear find their way into consumption via one of two channels—the jobber who sells to the small tailor and the ready-made clothing manufacturer.

The latter industry developed earlier than did the women's ready-made industry, which consequently has drawn most of its forms and methods of operations from it, and a greater portion of men's clothing is factory made. In 1900 the output of men's clothing as a factory product was already valued at twice the custom product. The number of factory-made garments would be even greater, inasmuch as the relatively higher priced garments are made by the tailor.

The jobbers of men's wear woolsens and worsteds and tailors' trimmings are of two principal kinds. Due to the scarcity existing in the cloth markets during the last few years, and the great number of resales, the class of traders existing alongside of the so-called "old-line" jobber has assumed particular importance in this branch of the textile industry also. The principal markets in which trading occurs are New York, which is by far the largest, Boston, Philadelphia, and Chicago. With such concerns terms vary greatly, and the question is largely a price problem. A large percentage, however, is stated to sell on terms of net 30 days, although spot cash or net 10 days, net 60 days, and net 4 months are also given. Some houses of this description note a decrease in the length of terms during the past few years, instances of change from 4 months to 60 days and from 60 days to 30 days being reported.

The old-line jobbers, through their association, in January, 1918, adopted a resolution effective March 1, 1918, in favor of terms of 7 per cent 10 days, 6 per cent 30 days, 5 per cent 60 days. Invoices were to be dated ahead about two months, December deliveries thus bearing February 1 dating, with the exception that January-February deliveries bear April 1 and July-August deliveries bear October 1 dating, no goods being dated March 1 or September 1. Bills are due net in four months after the dating, and are subject to an interest charge of 6 per cent per annum thereafter. The same rate of interest is allowed for anticipation. On goods sold at net prices, no longer dating and no longer time is given. Goods shipped to Pacific coast territory, however, may bear longer dating, April 1 on December shipments, October 1 on June shipments, and 30 days extra on shipments during the other months. Although the matter of terms had been frequently discussed, no action had been taken prior to 1918, and no regular terms existed, although the terms which were adopted at that time, namely 7 per cent 10 days, 6 per

cent 30 days, and 5 per cent 60 days, had been previously in general employed.

In addition there are book houses who put up sample books of the fabrics which they have purchased from the mills. The tailor displays the book to his customer, who selects the style he desires, and the tailor then orders a suit length of the style from the book house. There is stated to be little difference in the relative strength of the book house and the regular jobber as a link in the distributive chain in the various sections of the country. Certain book houses combine jobbing with their regular business to a greater or lesser extent. The customer of the book house requires little credit, due to the fact that he shifts to it the burden of stocking the goods. In consequence, a large portion send cash with order or accept C. O. D. shipments, while some remit on receipt of goods or when sending the next order, and others receive 10 days, end of month terms or 30 days. The same principle underlies the granting of time as in the case of proximo terms, namely to group invoices in the case of frequent shipments. The annoyance incident to C. O. D. shipments is also avoided. Orders for large quantities of material bear 30 or 60 days, and only rarely are longer terms extended, such as 90 days in the case of orders for stock. For years a discount of 7 per cent has been granted, but this was abolished in certain cases last year.

#### MEN'S CLOTHING.

Manufacturers of men's ready-to-wear clothing may be divided into several classes. The first distinction is between makers of trade-marked clothing and makers of clothing unidentified by either trade-mark or label. The former will feel to a greater extent the desirability of greater concentration of work under their direct supervision, and the large inside factory is in fact on the increase everywhere but in New York. On the other hand, particularly in that center, the system of contracting is still largely employed. Between the two, the medium-sized house, it is felt in some quarters, is being driven out, due to the disadvantages inherent in its competition with both the small manufacturer on low grade and the large manufacturer on better grade garments. The relative capital of the typical cutting house is small compared with its turnover and in consequence "the whole structure rests on the ready saleability of the cutter's product,"<sup>1</sup> the chain extending from retailer through cutter to manufacturer of cloth.

As is well known, the industry is distinctly seasonal, although during the past two years activities have continued to a greater extent over the entire 12 months. The duration of the spring season is from about November 15 to May 15, the cloth being bought during the previous June, July, and August, and the salesmen soliciting orders during September, October, and November. Deliveries are generally made after January 1, being heaviest in February and March, and reorders follow in the spring. The cloth for the fall season is bought in December, January, and February, orders are received during March, April, and May, and deliveries are heaviest in August and September. Little, in particular in the higher-priced lines, is made for stock.

There is no standardization of terms in the industry. It has been the practice for the manufacturer to date shipments ahead, so as to permit the retailer to dispose of part of his purchases before being required to pay the manufacturer. Thus up to recent years terms were mostly 9 per cent for cash within 10 days, or 7 per cent 10 days, with December 1 dating on fall goods and June 1 dating on spring goods. In certain cases, however, the dating was November 1 or November 15 on fall goods and May 1 or May 15 on spring goods. Some houses have distinguished further between different classes of goods, suits, for example, being dated November 1 and overcoats December 1, or May 1 being specified on spring goods and June 1 on distinctly summer goods. Late shipments, for example, after April 1 or April 10 on spring and October 1 or October 10 on fall goods, in many cases bore terms of 7 per cent 10 days, 60 days extra, or 7 per cent 60 days. In certain cases 7 per cent e. o. m. has been given instead. Tradition in the industry sanctioned terms of 6 per cent 30 days, 5 per cent 60 days, and net 4 months. In some cases, however, 7 per cent 10 days, 5 per cent 30 days, and 4 per cent 60 days was given. Some manufacturers have considered accounts as due net at the close of 90 days. Other manufacturers, although permitting 30 days or longer settlements with correspondingly reduced discounts, have given formal terms of only 7 per cent 10 days, and have thus been able to insist upon payment of accounts of financially involved customers at any time after the expiration of the initial 10-day period. Anticipation has been generally permitted at the rate of 6 per cent per annum.

During the last few years many manufacturers have shortened terms, although the larger number continue to employ the regular

<sup>1</sup>Cherington, *The Wool Industry*, p. 204.

terms. Some have eliminated the dating entirely, while others have granted datings that would not be so far advanced in the season. Some manufacturers give no terms longer than 5 per cent 30 days, or 5 per cent 60 days without dating. There has also been a tendency away from the high discounts which were formerly almost universal. Some manufacturers, while retaining season dating terms, give only 8 per cent for immediate payment, others 7 per cent 10 days, and 5 per cent for payment on dating dates, such as June 1 and December 1, or specify that accounts, while bearing the customary 7 per cent discount at the dating period, are due net in 30 days thereafter. The principal controversy, however, concerns the use of so-called "net terms." By the phrase is meant merely terms where the discounts are small, and correspond to the cash discounts generally in vogue in other lines. An instance is afforded by the terms of 2 per cent 10 days, net 60 days, without season dating, now employed by certain manufacturers. Other houses employing these terms give datings, such as April 1. The use of such terms at times when making quantity sales to large dealers is also noted. A study made several years ago states that some high-grade clothing is sold on net 10 day terms,<sup>1</sup> and some manufacturers give terms of net 10 days with July 1 dating on summer clothing. Several houses which had adopted shorter terms are reported to have gone back to the longer terms in 1919.<sup>2</sup>

The subject of standardization of terms has been discussed for some time by committees of manufacturers and retailers. The latter prefer standardization in the regular or old way, and have objected strongly to the introduction of net terms, which are favored by some wholesalers. Other wholesalers, however, believe that the higher discount terms have tended to accelerate collections. In consequence, no definite arrangement has been consummated. The opinion has been expressed that the many changes just noted in terms in the industry during recent years do not represent any real standardization, but have been made from the point of view of the individual house.

Lack of rigid adherence to terms in the past was noted.<sup>3</sup> Retailers, it has been said, often

bought on one basis and wished to settle on another. The liberal credit policy followed, due in some measure to keen competition, encouraged merchants who were inexperienced and possessed inadequate capital to engage in the retailing of clothing, and who then required the manufacturer's aid in carrying the merchandise. The long terms forced the manufacturer to carry the retailer, although a goodly percentage of the latter were in a position to take the best discounts. On the other hand, because of the high discounts given, wrongful deduction of discounts was frequent. Thus some retailers expected to give notes bearing interest at 6 per cent per annum, while obtaining the full cash discount, and succeeded in obtaining such concessions from manufacturers. During the last two years, however, and in particular during the past year, collections have improved greatly and there have been very few failures among retailers. The retailer has done a large volume of business at high prices, while payments by him have also been stimulated through a desire to obtain his full allotment of merchandise. The question has been raised as to what extent the merchants who would have failed in the absence of the unusual trade activity of the last few years will remain on a permanently improved basis when conditions become more normal, or whether they will again slip back.

The manufacture of trousers may be considered as a separate branch, although the number of houses making trousers exclusively has declined during the past two decades. Advantages accrue from the addition of other lines, such as summer clothing and overcoats, and these combinations are found as well as combination with the manufacture of work clothing. Regular clothing manufacturers also make trousers to a greater or lesser extent. Trousers bear either terms of 7 per cent 10 days, 6 per cent 30 days, and 5 per cent 60 days, which are stated to have been largely initiated by clothing manufacturers, or terms of net 60 days, with a discount of 2 per cent 10 days in some cases, or in other cases 1 per cent 10 days, 30 days extra. Some manufacturers give only net 30 days. Inasmuch as trousers are also distinctly seasonal, a spring dating of April 1 or May 1 and a fall dating of September 1, October 1, or November 1 are generally given for January to February and June to July or August shipments, respectively.

Terms for work clothing range from net 30 days to 2 per cent 10 days, net 60 days. In general, however, terms are stated to be 1 per cent 10 days, 30 days extra, net 60 days. Some

<sup>1</sup> Bureau of Foreign and Domestic Commerce, Miscellaneous Series No. 34.

<sup>2</sup> It is stated that in view of the present high money requirements, recent developments in the industry have not operated appreciably to change terms. There undoubtedly, however, have been many "close-out" sales, in particular by smaller manufacturers, such sales often being made on a spot cash basis.

<sup>3</sup> The material in this paragraph relative to conditions in the past has been taken from a paper on Datings and Discounts, read by Mr. Ira D. Kingsbury before the convention of the National Association of Clothiers June, 1914. The paper is reproduced in the Bureau of Foreign and Domestic Commerce, Miscellaneous Series No. 34.



years ago 1 per cent 10 days, 60 days extra was also given. One house selling on terms of net 60 days gives 30 days extra on a trade acceptance settlement. The same datings as in the case of trousers are given to some extent, and in both branches anticipation at the rate of 6 per cent per annum is permitted in certain cases.

In recent years the tailor to the trade, who in a central factory makes clothes to measure, which are ordered through retailers or agents in the various sections of the country, has been an increasingly important factor in the industry. In addition to his regular business, he is often employed by large retailers to make up clothes after their own styling, just as is the regular manufacturer who does not feature his own name. Although found in all sections of the country, the tailor to the trade branch is stated to be considerably larger in the Southwest than either the ready-made or merchant tailoring branches. As is to be expected, it is relatively stronger in the smaller than in the larger centers.

Distinction in terms is made by the tailor to the trade according to the credit rating of the customer. Those with good rating in general receive net 30-day terms, monthly settlement, for example, by the 10th, being permitted in certain cases. During the war one of the leading houses lengthened the 30 days to 60 days. Some houses provide 10-day terms for purchasers of lesser rating. A deposit, such as \$5 per suit and \$1 per pair of single trousers, when placing the order, and C. O. D. terms are generally required in the case of those who do not have a rating sufficient to entitle them to credit on open account. While the larger houses do the majority of their business upon 30-day terms, certain houses are known in the trade as C. O. D. houses and deal almost entirely with unrated merchants. In certain cases cash in advance is required, or else a guaranty, the regular monthly settlement being permitted in the latter case. Some houses allow a cash discount, such as 2 per cent 10 days or 3 per cent cash in advance. Regular ready-made clothing manufacturers in certain cases sell also made-to-measure garments, terms being net 30 days or in some instances net cash.

Jobbing in men's ready-made clothing is very small. In the study above referred to, data obtained from 64 manufacturers showed that 98.21 per cent of the output was sold to retailers and only 1.29 per cent to jobbers. The latter are stated to be largely disappearing, except where they have goods made up for themselves to be sold under their own labels. The cheaper goods are mainly handled, the manufacturers of

trade-marked clothing selling their product direct to the retailer, in general granting the latter exclusive agencies. Even in small-town and country trade, which is now their chief field of activity, their work is confined mainly to the sale of working clothes. A few jobbers also exist who dispose of slow lines for manufacturers on commission, or else purchase the same outright. Terms of jobbers are reported to vary greatly, and no definite statement can be made.

#### WOMEN'S OUTER GARMENTS.

There are several distinct branches in the women's garment industry. Cloak and suit manufacturers generally do not make skirts, although there is a distinct tendency for them to do so. The same manufacturer at times makes both skirts or suits and dresses, although the large majority of manufacturers confine their attention to either article. It is estimated that 95 per cent of ladies' waist manufacturers specialize in this product. There are thus the cloak and suit, skirt, dress, and waist branches, each of which has its distinct identity. In addition to the manufacturers, there are so-called "jobbers" or stock houses, who however practically create their own styles, furnish their own materials, and have their garments made up by submanufacturers and contractors. Contracting in the industry, while it figures largely, is however less important than for men's wear, due to the greater number of small cutting concerns.

Jobbers are found in all the larger centers where the manufacturers are located. New York is the largest center in the cloak and suit industry, its output being estimated in the census of 1910 at approximately 70 per cent of the total output of the industry, and it produces finer goods than other centers. Cleveland is noted for the production of staple articles, and Philadelphia, Boston, and Chicago are also large centers. St. Louis is the second largest center in the skirt industry. There are many jobbers, but no stock houses, and there are relatively few small concerns, as is the case in New York and elsewhere. The principal dress centers include New York, Chicago, Philadelphia, St. Louis, Cleveland, Cincinnati, Boston, and Los Angeles.

The industry differs in some important particulars from the men's clothing industry. There are fewer trade-marked lines, and the agency and branch store are not employed. The larger New York stores are stated to seek the smaller manufacturers rather than the larger factories for the greater part of their

stock, and have a large part in the creation of their styles. The time between orders by the store and delivery by the cutter is very short, and cutters endeavor to keep goods in process of manufacture as small as possible, seldom getting far ahead of orders actually in hand.

Sales are made to department stores, specialty shops, and catalogue houses. Seasons differ somewhat. Cloak and suit orders in New York are placed from July 15 to October 15 and from January 15 to about two weeks before Easter, shipments occurring respectively in August, September, and October and February and March. The dulllest months are December and June. In Cleveland, however, orders are stated to be taken further in advance of the season and deliveries made earlier, beginning about July 1 and January 1, and being heaviest from July 15 to September 15 and in February and March respectively. In the skirt industry heaviest sales are made in July and August and in January and February, heaviest deliveries being approximately one month later. These seasons must be further subdivided in view of the change in the separate skirt business from a staple character to the manufacture of novelties for sport wear, etc., which has made it necessary to carry a far larger stock. St. Louis has selling seasons running from June 15 to August 1 and from December 1 through January and in some years through the early days of February, heaviest deliveries being from August 1 to September 15 and in February respectively for fall and spring seasons. October, November, and December are the dull months in the skirt industry.

In the dress industry there are four seasons. These extend roughly from the middle of June to the middle of August or September, from the middle of September to the 1st of November, from December until the middle of March, and from the middle of March until about the 1st of June, deliveries being made approximately one month later. The dull months are June and November. Seasons, of course, differ according to the character of the garment and the material employed. Thus winter-resort fabrics will precede summer cotton garments and sport wear, while midwinter wear and fur-trimmed garments are somewhat earlier than garments for formal functions and evening wear. It is generally believed that there has been a tendency during the last two years for seasons to become interlocking. Selling for the fall waist season occurs in July and August and for spring in

January and February, heaviest deliveries being in August and September and in March, April, and May, respectively, although the business is practically continuous.

In New York City, the Garment Conference Council of Wholesalers and Retailers adopted a resolution in July, 1917, fixing maximum terms, which was later confirmed by the respective local associations of cloak and suit manufacturers, dress and waist manufacturers, and garment "jobbers," and concurred in by various associations of retailers. Terms had previously been very mixed, ranging from net up to discounts as high as 16 per cent, and the abuse prevailed of deduction of excess discounts by purchasers. In the dress and waist industries 10 per cent was called regular. The maximum terms adopted were 6 per cent 10 days, 7 per cent 30 days, 8 per cent 60 days, or so-called "net" terms, namely, 2 per cent 10 days, 1 per cent 30 days, net 60 days, the price being advanced correspondingly in the former case to compensate for the difference in discount. A strictly net basis is also permitted, as are e. o. m. 10 day terms. The endeavor was first made to offer merely a 2 per cent discount, but in consequence of the opposition of the retailers, who favor a high discount (as also in men's clothing), a compromise was effected after about a month whereby the two optional sets of terms were specified. It has been stated that the majority of cloak and suit and skirt manufacturers selling low-priced garments offer only the low discount and short dating. Few dress and waist houses in the association employ the "net" or strictly net terms. The length of time given will vary with the individual credit risk, and thus some buyers receive only 30 days, etc.

Cloak and suit manufacturers in the Cleveland market, however, have adopted no uniform terms, although "the consensus of opinion has been to sell as nearly as possible on a net basis with 60 to 90 days dating," while at the same time offering a reasonable cash discount. Up to about 10 years ago the majority of houses sold on terms of from 7 to 10 per cent 10 days, with proportional discounts for payments within 60 days and 90 days. Terms now range from 2 per cent 10 days, net 30 days, to 5 per cent 10 days, 2 per cent 10 days, 60 days extra, but the majority give terms of 4 per cent 10 days or 2 per cent 10 days, 60 days extra. Many houses give season datings of March 1 and September 1, the dating on suits in some cases being one month earlier than on coats. The difference in practice be-

tween New York and Cleveland with respect to dating corresponds to the difference in practice noted above with respect to orders and deliveries, there being no heavy purchasing in advance in New York, and goods being ordered for delivery when needed.

It is stated that skirt manufacturers in New York who are not members of the manufacturers' association in general adhere to the terms adopted by the garment conference, although they are reported often to give extra terms. Prevailing terms among St. Louis houses are fairly uniformly 3 per cent 10 days, 2 per cent 30 days, although special terms of 8 per cent 10 days to 10 per cent 10 days are allowed to firms of exceptional credit. Jobbers' terms in the main are 2 per cent 10 days, net 60 days. While some members of the trade claim that terms were formerly flat 3 per cent, but that about 4 years ago eastern competition forced concessions during several seasons, terms on the whole show no great changes during the past decade. The city trade, which amounts to but a small portion of the total, receives e. o. m. 10 day terms. In other markets it is reported that 10 per cent 10 days is largely given.

The standard maximum terms were not accepted by all New York City dress houses which belonged to the dress and waist association. Prior to that time discounts ranged from 3 per cent up to as much as 16 per cent in some cases, while 10 per cent was called regular, as was noted above. Terms of houses in New York which are not members of the local association, as well as of houses located in other markets, vary greatly, and instances are found of net terms of 10, 30, and 40 days, while discounts range from 2 per cent to 8 per cent, e. o. m. terms or 30 days extra being given in some cases, as well as graded discounts (in general not over 2) such as 2 per cent 10 days, 1 per cent 30 days, net 60 days, or 3 per cent 10 days, 2 per cent 30 days, and special terms according to account. While many state that differences in terms are primarily due to the policy of the individual house, others distinguish between cheaper dresses, which are stated to be generally sold on shorter terms and lesser discounts, and medium and fine dresses. Thus one authority states the former are sold more largely on terms of net 10 days or 2 per cent 10 days, the latter on terms of 8 per cent 10 days, in some cases with e. o. m. terms or 30 days extra, and some extremely high-priced dresses on terms of 8 per cent 10 days extra or 7 per

cent 10 days 60 days extra. It is also agreed that the last few years in general have witnessed a shortening of terms and an abolition of the old extremely high discounts.

Waists are generally sold on terms of 8 per cent 10 days, in some cases with e. o. m. terms for the better grade and 2 per cent 10 days for the cheaper grade. It is stated that there is a general tendency to eliminate the 60-day clause. Collections on the whole are reported fairly prompt, payment on the average being made within 30 days from receipt of goods.

#### FUR MANUFACTURING.

Raw and dressed furs are purchased by manufacturers from importers and dealers. At times manufacturers import their raw materials extensively, but the great bulk of the business is done through dealers. Both manufacturers and dealers have their raw furs dressed by "dressers and dyers," which is a separate branch of the industry. The business in the past has been a one-season business, but in recent years the fashion for summer furs has given the industry two seasons.

The matter of standardizing terms in the industry has been discussed for eight years or more, but no formal action has ever been taken, and it is very generally conceded that the establishment of fixed rules in regard to the matter would be extremely difficult if not entirely impracticable.

The prevailing terms are 2 per cent 10 days or 7 per cent 10 days December 1, and 2 per cent 10 days January 1, on merchandise shipped after July 1, and 7 per cent 10 days July 1 on merchandise shipped prior to that date. Houses making fine goods usually give 7 per cent 10 days with both datings, while houses making cheap goods give 2 per cent 10 days December 1 and 7 per cent 10 days July 1. As there are more firms making cheap goods than fine, more goods with the December dating bear 2 per cent than a 7 per cent discount. It has been suggested that the existence of a 7 per cent discount with the July 1 dating may be due to the fact that when the fur trade was a one-season business special inducements were necessary to stimulate early orders, and these persisted even after the industry had assumed a two-season character.

Variations from these terms are, however, frequent. The customer with a poor credit rating may have to take a lower discount, although this is not generally practiced. Ex-

ceptionally large discounts, such as 6, 8, 10, 12, and up to 16 per cent, are given in certain cases where desired by large retailers. During the year much larger use of the trade acceptance by manufacturers is reported, although it is not by any means a general trade practice. Large use is made of it in the purchase of skins from importers or dealers.

Prior to 1912 over 50 per cent of the total product was shipped on memorandum or consignment. Serious abuses, however, resulted, and in that year a rule was adopted in the trade of prohibiting the practice. Shipment of goods on approval, to remain not longer than three days in the customer's hands, is, however, permitted. It is estimated that not over 10 per cent of the product at present is shipped on memorandum, the greater part of which is on three days' approval.

#### MILLINERY.

The organization of the millinery industry is complex. There are four principal branches. Of these the millinery jobbers are the chief, but the term is somewhat inaccurate, for many of them make their own hats, in large part import their specialties, and sell feathers, etc., direct to the retail trade. There are also hat manufacturers who make untrimmed and banded hats, which are made by machine and not by hand, and who sell almost exclusively to large jobbers, or in a very few cases to large retailers. The trimmed-hat houses manufacture trimmed hats and sell almost exclusively to retail dealers. In addition, there are specialty houses handling flowers, feathers, etc.

The hat manufacturers who sell to the jobbers have a seasonable business lasting from three to four and one-half months each season. The trimmed-hat manufacturers have a longer season, owing to the scarcity of trimmed hats, their season lasting about 10 months each year. At the present time there is an active and well defined movement on foot, sponsored by the Millinery Chamber of Commerce of the United States, looking toward the establishment of a 12 months' business for all branches of the millinery industry, with a resultant sale of seasonable millinery for each season of the year. It is stated that this movement is meeting with great success.

Terms of millinery jobbers are now fairly standardized. First among their organizations to adopt terms was the Millinery Jobbers' Association in 1900, which now covers the territory between Columbus and Denver,

and St. Paul and Dallas. The terms as revised in 1910 called for a maximum dating of April 15 and October 15 on goods shipped prior to February 15 and August 15, respectively. On goods shipped subsequent to these dates it was optional with members to allow 60 days dating, the discounts being 6 per cent 10 days, 5 per cent 30 days, and 4 per cent 60 days from value date. Anticipation at the rate of 6 per cent per annum was permitted.

Beginning with the spring season, 1918, datings were fixed at April 1 and October 1 for shipments prior to February 1 and August 1, respectively, while the clause relating to goods shipped subsequent to these dates remained unchanged. The terms of 4 per cent 60 days were, however, eliminated, and a clause instead substituted providing that no discount was to be allowed after 30 days.

One of the principal purposes in the formation of the National Millinery Association in the East, covering the Atlantic seaboard from Boston to Atlanta, in the winter of 1917, was to improve credit conditions, in particular in view of the high percentage of bad-debt losses. Prior to that time terms varied greatly, but most houses are stated to have given terms of 7 per cent 10 days, 6 per cent 30 days, with May 1 and November 1 datings. From Boston it is stated that terms had been usually 7 per cent 10 days, 5 per cent 30 days, with datings of April 15 and October 15, and a flat 60-day dating to all large accounts. In Baltimore, in addition to 7 per cent 10 days and 5 per cent 30 days, 4 per cent 60 days, 2 per cent 90 days, and net 4 months were given, with 60 days dating, as well as net terms of 2 per cent 10 days, 1 per cent 30 days, net 60 days, strictly net 30-day terms, and without discount privilege according to price quoted. In Atlanta terms were 7 per cent 10 days, 5 per cent 30 days, with April 1 and October 1 datings on shipments prior to February 1 and August 1, respectively, and 60 days extra on subsequent shipments.

The datings and shipment dates fixed by the National Millinery Association are identical with those of the Millinery Jobbers' Association. Terms of 4 per cent 60 days were, however, permitted, no discount being allowed after 60 days, and terms of 7 per cent 10 days e. o. m. were permitted. At the same time, a similar change was made by houses on the Pacific Coast, the datings being changed from April 15 and October 15 to April 1 and October 1, and terms being specified as 6 per cent 10 days, with anticipation at the rate of 6 per

cent per annum, or 7 per cent 10 days quoted. Sixty days extra has been given on other than early shipments.

The hat manufacturers have terms, which have been in effect for many years, of 6 per cent 10 days, 5 per cent 30 days, with datings at March 1 and September 1, and no datings thereafter, other than e. o. m. terms in some cases.

Trimmed-hat houses on July 1, 1917, through their association adopted terms of 6 per cent 10 days, 60 days extra, or 7 per cent 10 days. Terms previously in use were 7 per cent 10 days, 60 days extra, or 8 per cent 10 days, and many houses are still employing these terms. In 1919 several millinery jobbers reported the use of net terms on trimmed hats, and a committee on discounts was accordingly appointed by the Millinery Jobbers' Association, but at the recent convention it was decided not to sell them net.

Among the specialty items, flowers and feathers are sold on terms of 7 per cent 10 days, with May 1 and November 1 dating, or 10 per cent 10 days e. o. m.

The trade acceptance is little used in the industry. It was adopted in June, 1919, by the Raw Ostrich Feather Importers' Association, for use where requested by the seller on all accounts not liquidated by the 10th of the month following purchase, terms being 10 per cent 10 days (e. o. m. in some cases), 9 per cent 30 days, 8 per cent 60 days, 7½ per cent 90 days, 7 per cent 4 months. This association urged the use of trade acceptances in a letter in 1919 to the Millinery Jobbers' Association, but the latter did not deem them practical for the millinery business at that time. Millinery braids were sold to millinery jobbers and hat manufacturers upon terms of 6 per cent 10 days, with datings of April 1 and October 1, but practice as to payments is stated to be very lax. On March 1, 1920, purchasers were advised that the season dating would be eliminated, and terms would be 8 per cent 10th e. o. m. or 6 per cent 10th e. o. m., 60 days extra, but the effect is stated to have been nullified through instructions given by customers to ship goods on January 1, making due dates and discounts 8 per cent February 10, or 6 per cent April 10.

#### MEN'S HATS.

The principal branches of the men's hat industry, aside from the preparation of the raw material, are the manufacture of felt hats, straw hats, Panama and fiber body hats,

and cloth headwear. The interests of these branches are closely interwoven. Manufacturers sell to jobbers and to retailers direct, a few, but usually of large producing capacity, selling to jobbers almost entirely, while others sell only to retailers and others have their accounts almost equally divided. Of an estimated production of finished hats amounting to 10,000 dozen per day, about 40 per cent is stated to go to the jobbing trade, and the remaining 60 per cent to the retail trade,<sup>1</sup> one-third of this 60 per cent being the output of manufacturers who buy the bodies. In addition, there is an estimated production of 800 dozen bodies per day sold to small and medium sized factories throughout the country for finishing and trimming. The quality of products sold to jobbers is reported much lower on the average than of that sold to the retailer direct, but it has been stated that with the constantly rising prices the proportion of better grade hats being sold to jobbers has materially increased. Retailers sold direct will naturally be located more largely in the larger centers.

Turning to the several branches, the manufacture of felt hats is divided into several distinct branches, in the manner just indicated. Certain manufacturers manufacture or purchase hatter's fur, making their own hat bodies and finishing and trimming the hats complete ready for sale, but others manufacture or purchase hatter's fur and manufacture only the hat bodies in the rough, which are sold to and become the raw material for the third class, known in the trade as dry shops, who finish and trim the hats complete ready for sale.

Considerable variation in terms is found as between different firms, although in each branch of the industry certain terms are recognized as regular. Standard terms of manufacturers of hat bodies in the rough are net 30 days, while it is stated that formerly up to net 90 days was given.

There is no general difference in the terms on which manufacturers who engage in the entire process and the dry shops sell. Standard terms to jobbers are 10 per cent 10 days, e. o. m., with sliding scale of reduced discounts for various periods of deferred payments. In years of business depression the discounts have been known to be increased to 12½ per cent, and in exceptional instances to 15 and even to 17 per cent. For many years standard terms

<sup>1</sup> One authority, however, places the percentages for felt hats at 20 per cent and 80 per cent, respectively.

to retailers were 7 per cent 10 days, 6 per cent 30 days, with a loss of 1 per cent per month for further deferred payments, and these terms are still most generally observed. In recent years a number of manufacturers changed to terms of 2 per cent 10 days, net 30 days, and various authorities report either a general decrease in the discount or shortening of terms, one manufacturer selling to retailers thus reporting elimination of the 60 days extra formerly given on all shipments. There is also a considerable number of manufacturers who transact their business on terms of 6 per cent 10 days, 5 per cent 30 days, and net thereafter, while others employ terms such as net 10 days and net 30 days. It has been stated that manufacturers of the medium and cheaper grades have granted larger discounts than manufacturers of the finer grades. It is reported that eastern manufacturers generally grant an additional time allowance, such as 30 days extra, to Pacific coast purchasers, while to accounts located in the territory west of the Mississippi River and east of the Rocky Mountains certain manufacturers grant 20 days additional.

Silk hats are reported to be generally sold on net terms.

The straw-braid hat industry before the war was distinctive in that the manufacturers booked the majority of orders from the early part of July to the early part of October, for the entire season's business, running from July to July. Shipments were made at the discretion of the purchaser, and for many years terms were 7 per cent 10 days May 1 to the jobber, and 6 per cent 10 days, 5 per cent 30 days, June 1, to the retailer. The bulk of shipments were made during March and April, necessitating storage by the manufacturer until that time. In 1917 the three larger Baltimore manufacturers found great difficulty in making their shipments at the customary time, due to transportation conditions. In consequence, for the year commencing July, 1918, straw-hat manufacturers with few exceptions decided upon revision of their methods, requiring the purchaser to take the goods as they came from the factory. In order to encourage early purchasing, shipment, and payment, terms were changed to 10 per cent for payments on or before October 10, 1918, with a decrease in discount of 1 per cent per month for later payments, thus making the lowest discount 2 per cent for payments after May 10 and before June 10. Manufacturers, in addition, were enabled at their option, in case of

financial stringency, to bring their bills due on any date upon demand. For the season commencing July 1, 1918, a decision, however, was reached to return to the old terms but to allow also an additional 2 per cent to purchasers taking goods as they came from the factory.

Terms of manufacturers of panama and fiber body hats, while not strictly uniform, in general are 2 per cent 10 days, net 30 days May 1, although in some instances May 1 net is specified. Some manufacturers producing straw hats also grant the same terms on panama and fiber body hats as on straw-braid hats, which have been noted above.

The trade acceptance is reported to be little used by manufacturers of men's hats, and is employed by perhaps less than 5 per cent of the number of manufacturers, although some firms employ it with very great success. As to collections, it is estimated very roughly that 75 per cent of buyers take the highest discount and 20 per cent pay on a 30-day basis, although another estimate places the figure for those taking the highest discount at 50 to 60 per cent for the felt-hat industry. Individual manufacturers in this industry report individual percentages ranging from 65 to 75, and over 80 per cent taking the highest discount, 30 per cent and 15 per cent taking the second discount, and 2.2 per cent and 5 per cent taking over 30 days. Additional time taken beyond 30 days will almost always affect credit standing adversely.

Jobbers' terms are largely 2 per cent 10 days, 30 days extra, but deduction of the discount by purchasers is permitted even if payment is made at the expiration of 90 days. Some houses grant Pacific coast customers 60 days extra in place of 30 days. It is stated that prior to about four years ago high discounts prevailed, such as 6 per cent or 7 per cent 10 days, 60 days extra.

#### MEN'S FURNISHINGS.

*Collars and shirts.*—A study made several years ago<sup>1</sup> showed that of the output of 42 reporting establishments, 59 per cent was sold direct to retailers, as against 39 per cent to jobbers. The practice varied with the individual firms, 17 selling their entire product to retailers, as against 4 to jobbers, while 11 other establishments also sold part of their output to jobbers. By far the greater proportion of high-grade lines of shirts is sold direct to the

<sup>1</sup> U. S. Bureau of Foreign and Domestic Commerce, Miscellaneous Series, No. 36.

retailer, the portion sold to jobbers consisting very largely of work shirts and low-priced lines. It has been estimated that from 80 to 85 per cent of the output of collars is sold direct to the retail trade. Jobbers are stated to have been formerly of much greater importance in the industry than at present. Manufacturers of shirts frequently also make other products, such as pajamas, men's muslin underwear, boys' blouses, and overalls.

Terms of sale of collars are quite uniformly 6 per cent 10 days, 5 per cent 30 days, while in the case of shirts considerable variety is found, the study quoted above reporting terms to jobbers as usually 2 per cent 10 days, 60 days extra, and to retailers, by the greater number of manufacturers, as 2 per cent 10 days or 6 per cent 10 days, both with 60 days extra,<sup>1</sup> but ranging from net 10 days to 8 per cent 10 days, 60 days extra. Certain of the manufacturers of finer grade goods selling direct to the retail trade report elimination during the last decade of the 60 or 90 days extra dating on collars which prevailed to some extent prior to the war. This dating is now given by certain of these manufacturers only on season orders. Some manufacturers of this class of goods report a change in their terms on shirts from 6 per cent 10 days, 5 per cent 30 days to 2 per cent 10 days, 60 days extra. The above study states that terms on shirts in considerable measure depend upon the quality of merchandise and the importance of the customer, concessions being made on new accounts or important sales, while demands for extra discount and dating were frequent. The trade acceptance is not employed by the great majority of manufacturers. A high percentage of discounts is noted. It is reported that collections in the industry are generally prompt, though varying of course with general business conditions. A leading manufacturer estimates that 40 per cent pay within the 10 or 30 day discount period, 20 per cent pay within 60 days, 20 per cent within 90 days, and the balance in one or two months thereafter, while another reports his receivables as averaging 45 to 50 days' sales.

*Men's neckwear.*—It has been estimated that by far the larger proportion of men's neckwear, at least 80 per cent, is sold direct to retailers by manufacturers. Certain of the firms selling the jobber also sell the large retailers, in particular department stores. As a general rule, neckwear sold to the jobber is of a lower

grade. A number of manufacturers produce also allied lines, such as handkerchiefs, mufflers, etc.

Prevailing terms among the larger manufacturers are stated to be 6 per cent 10 days or 5 per cent 10 days, 60 days extra, a considerable number of manufacturers giving 7 per cent 10 days, 60 days extra (or 8 per cent 10 days) up to the middle of the war period, when they reduced the discount to the former figure. It is reported, however, that a large amount of neckwear is sold upon terms of 6 per cent 10 days, 60 days extra, 7 per cent 10 days also being granted in such cases. Some manufacturers employing these terms reduced the discount to 2 per cent or 1 per cent several years ago, in order, it is stated, to enable the sale of goods by jobbers at accustomed prices per dozen. In certain cases e. o. m. terms are given, and some manufacturers quote only terms of 10 days. The trade acceptance is infrequently employed. In most cases the related lines which are manufactured are sold on the same terms as the neckwear.

*Suspenders, belts, and garters.*—It has been estimated that of the cheaper grades of suspenders and belts 70 per cent is sold by manufacturers to jobbers, while of the better grades 90 per cent is sold direct to the retailer. For garters 70 per cent or more is estimated to be sold to jobbers, in particular of the better grades while low-priced garters are stated to be sold primarily direct to chain stores handling low-priced merchandise.

Terms are reported to vary from 1 per cent 10 days without further dating to 7 per cent, 60 days extra, the majority of manufacturers selling on terms of 2 per cent 10 days, 60 days extra. E. o. m. terms are given in certain cases. It is stated that up to three or four years ago certain manufacturers who sold the retail trade employed terms of 6 per cent 10 days or 7 per cent 10 days, 60 days extra, but that most of them have since changed to 2 per cent 10 days, 60 days extra. Little use is made of the trade acceptance. Several leading manufacturers granting 60 days extra report that from 80 to 90 per cent of accounts are paid within 70 days.

#### CORSETS.

Corsets, corset waists, and brassières are sold by the manufacturer almost entirely direct to the retailer. Trade-marked goods are not sold to the jobber. The amount handled by the latter is confined to the lower grades and does

<sup>1</sup> Certain manufacturers from whom data were obtained in the present study report, however, that 90 days extra is also given.

not, it is stated, exceed at the most 5 per cent of the output.

Terms to retailers are largely 6 per cent 10 days, 60 days extra, although a few manufacturers allow a discount of 7 per cent instead, and a very small number, who usually do only a local business, have terms of 2 per cent 10 days, net 30 days. On the Pacific coast goods shipped from manufacturer's Pacific coast offices carry terms of 2 per cent 10 days, 60 days extra, inasmuch as merchandise is shipped f. o. b. point of purchase, and the 4 per cent differential covers the difference in freight charges to the manufacturer. There has been no change in the above terms for many years. Terms to jobbers, however, vary with the individual manufacturer from 1 per cent 10 days, 60 days extra, up to 7 per cent 10 days, 60 days extra.

#### CLOTH UNDERWEAR.

The larger manufacturers of cloth underwear deal very largely through the jobber, while there is a tendency for the smaller manufacturers to sell directly to the retailer. While a little higher class of garment is possibly sold direct to the retailer, of whom there are a large number, smaller manufacturers tend to make more or less staple articles, as the manufacture of fancy goods requires more capital. It has been estimated roughly that about half of the total output of cloth underwear is sold to jobbers and half to retailers. There may be a tendency to more direct selling by manufacturers of women's garments, some estimates placing the proportion thereof sold to retailers at about two-thirds.

Manufacturers' terms of sale for cloth underwear to the jobber are relatively standardized at either 2 per cent 10 days, 60 days extra, or net 10 days, 60 days extra. While some of the largest manufacturers employ the net terms, it has been estimated that as much as 90 per cent of the total business is done on the former terms. Aside from poor risks not entitled to credit and one manufacturer (also making nightwear), who quotes 2 per cent 10 days, net 60 days, the only exception reported to the above terms was for some manufacturers of women's and children's underwear, whose terms instead are similar to the regular dry goods terms (with season dating), as will be noted below.

Terms to the retailer in general are even more largely 2 per cent 10 days, 60 days extra. Exceptions noted (employed by manufacturers also making nightwear) include 30 days extra instead of 60 days and 2½ per cent or 3 per cent discount in place of the 2 per cent, with net

terms of 60 days. The only marked change in terms reported during the last 25 years has been the elimination of the season datings of May 1 and October 1, with terms of 2 per cent 10 days, by the larger manufacturers.

Some manufacturers of women's cotton cloth and muslin underwear sell on terms of 8 per cent 10 days, 7 per cent 10 days, 60 days extra, to both jobbers and retailers, while others have regular terms of 3 per cent 10 days, 2 per cent 10 days, 60 days extra, but quote jobbers who so desire 8 per cent 10 days, adjusting the price accordingly. One manufacturer grants jobbers January 1 dating on merchandise manufactured during the summer months for January delivery, while in some cases the use of the regular dry goods season datings of April 1 and October 1 are reported by houses employing terms of net 10 days, 60 days extra.

Nightwear terms are similar. The former terms of 6 per cent 10 days, 60 days extra, are stated to have been changed to 3 per cent 10 days, 2 per cent 10 days, 60 days extra, in addition to which terms of net 10 days, 60 days extra, are also in use. In addition to the exceptions remarked above, the employment of terms of 5 per cent 10 days is reported. Very little use of the trade acceptance is reported in the cloth underwear and nightwear industry.

#### GLOVES.

Distributive methods in the glove industry show little change during the last 25 years. Several estimates place the proportion of the output sold by manufacturers to retailers at 50 per cent or more, figured on the basis of dozens rather than dollars, and of this total 20 per cent are men's gloves. It has been estimated that 75 per cent of the output of work gloves and heavy gloves is sold to jobbers, while of the better grade of gloves 75 per cent is sold to retailers. In general, manufacturers of high-grade leather gloves sell exclusively to retailers and employ their own salesmen rather than work through selling agents. A larger jobbing business is stated to be done in the West than in the East.

Prior to about 1915 manufacturers' terms of sale were largely 6 per cent 10 days, 60 days extra to retailers, and 6 per cent 10 days, 5 per cent 30 days, with season datings of May 1 and November 1 to jobbers, with 30 days extra between seasons. Some manufacturers employed terms of 2 per cent 10 days, 60 days extra, or 7 per cent 10 days, which in certain cases have been retained. During the war, however, terms were largely changed to net



10 days, but have since been generally lengthened to net 30 days or in some cases net 60 days, with the exception of the poorer credit risks, who largely are still quoted terms of net 10 days. The larger manufacturers make no distinction in terms according to locality, but it is reported that in some instances eastern buyers may be quoted net 10 days, whereas western buyers of equal credit standing may obtain net 30 days from the same manufacturer, and that some other manufacturers do not vary their terms but make the adjustment by changing the shipping dates. It is estimated that today 75 per cent of the business is done on net terms. In general buyers taking additional time are charged interest at the rate of 6 per cent per annum. Some manufacturers, however, have retained terms of 6 per cent 10 days, 5 per cent 30 days, 30 days extra, while terms of several manufacturers were given as 7 per cent 10 days, 6 per cent 30 days e. o. m., or as 2 per cent 10 days, net 60 days. The season dating has largely disappeared in the leather-glove industry, and is only found occasionally when a manufacturer wishes to ship before the regular season for deliveries. The trade acceptance is little used in the industry, although one manufacturer stated that he employed it in connection with 25 per cent of his business.

#### Amendment to Clayton Antitrust Act.

House bill 13138, amending section 8 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," known as the Clayton Antitrust Act, was approved by the President May 26, 1920. The act follows.

[PUBLIC—No. 225—66TH CONGRESS (H. R. 13138).]

AN ACT To amend section 8 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended May 15, 1916.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of an Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended by the Act of May 15, 1916, be further amended by inserting in the proviso at the end of the second clause of said section after the word "prohibit" the words "any private banker or," so that the proviso as amended shall read:*

*"And provided further, That nothing in this Act shall prohibit any private banker or any officer, director, or employee of any member bank or class A director of a Federal reserve bank, who shall first procure the consent of the Federal Reserve Board, which board is hereby*

authorized, at its discretion, to grant, withhold, or revoke such consent, from being an officer, director, or employee of not more than two other banks, banking associations, or trust companies, whether organized under the laws of the United States or any State, if such other bank, banking association, or trust company is not in substantial competition with such banker or member bank.

"The consent of the Federal Reserve Board may be procured before the person applying therefor has been elected as a class A director of a Federal reserve bank or as a director of any member bank."

Approved, May 26, 1920.

#### ECONOMIC AND FINANCIAL CONDITIONS IN BRAZIL.

Brazil has an area of over 3.3 million square miles, and occupies nearly one-half of the South American Continent. Her territory equals that of the United States, including all the outlying possessions, excepting only Alaska. Her population, however, numbers only about 24 million people; that is, about 7.4 per square mile as compared with 30.9 for the United States. Large portions of the tropical and mountainous territory included in the boundaries of Brazil are very thinly populated, the greater part of the population being concentrated near the seaboard, except in the States of Minas Geraes, São Paulo, and Rio Grande do Sul.

In prewar years Brazil's chief place in the markets of the world was as a producer of coffee and rubber, the former constituting about 63 per cent of her exports, and the latter about 20 per cent more. This dependence of Brazil's foreign commerce on two articles of export resulted in a serious dislocation of her business and financial conditions when, at the outbreak of the war, the demand for coffee declined, and the problem of securing shipping space for exports was at times fraught with difficulties. Overproduction of coffee, followed by a drop in price, together with the injury to the rubber industry caused by oriental competition, had created an unfavorable position in Brazil during the years preceding the war, and the sudden interruption of her normal business increased still further the difficulties of the Republic. But Brazil is endowed with vast natural resources, and the shock produced by the war has had the result of encouraging Brazil to diversify her agricultural production. Stock raising, wool and hide production, the cultivation of rice, corn, beans, cassava meal, cocoa, tobacco, and yerba maté received a powerful impetus from the decline in the

demand for coffee, together with the difficulty of importing from abroad the food required for domestic consumption. As a consequence, Brazil emerges from the world conflict not only as a practically self-supporting country in so far as food is concerned—wheat being the only article of food of which Brazil does not produce a sufficient quantity to meet her domestic requirements—but also as an exporter of meat, sugar, cocoa, beans, and other food products. The production of minerals, especially manganese, has also greatly increased since prewar days. At the same time the difficulty of importing manufactured articles from Europe during the war has resulted in the development of domestic industries in Brazil, such as meat packing, cotton mills, shoe factories, and lumber mills.

#### MONETARY SYSTEM.

Brazil's monetary system is based on a gold milreis of 0.82207 grams of fine gold, with a par value of \$0.5462, or 27 pence in British money. The gold milreis, however, does not circulate, and only small quantities of coins of 5, 10, and 20 milreis are in existence. The principal currency of the country is the paper milreis, which is issued by the Government and is inconvertible. Against this paper money the treasury has been accumulating a guaranty and retirement fund at the Caixa de Amortização, which is discussed below.

The desire on the part of the Government to stabilize the price of coffee, as well as to prevent excessive fluctuations in exchange, resulted in the creation on December 6, 1906, of a conversion office (Caixa de Conversão). This office began operation on the basis of a loan of 15 million pounds from England, its functions being to receive gold and issue convertible notes at the rate of 1 milreis for 15 pence in gold (raised in 1910 to 16 pence). These notes are legal tender and were redeemable on demand at the conversion office in gold, which must not be used for any other purpose. The notes were used in part for the purchase of coffee, thus maintaining its price. While the convertible notes were made legal tender, old contracts made on the basis of a milreis worth 27 pence continued to be payable on that basis.

The original limit of the amount of gold that the conversion office was authorized to receive was 20 million pounds sterling, or 320 million milreis (320,000 conto of reis) at the rate of 16

milreis per pound sterling. After this amount was reached the rate of exchange could be raised by law. As a matter of fact, this rate was raised to 16 pence per milreis on December, 31, 1910, and the limit of gold deposits in the office was raised to 60 million pounds, corresponding to 900 million milreis in convertible notes at the rate of 15 milreis per pound sterling, or 16 pence per milreis. This change in the conversion rate resulted in a debit of the Government to the conversion office amounting to about 19 million milreis, with the consequence that the gold in the conversion office fell short by that amount of covering the outstanding convertible notes.

In addition to affording a means for the stabilization of coffee prices (valorization) the conversion office during the prewar period served as an agency for the conversion of international currency—gold—into Brazilian paper currency, or vice versa, and tended to regulate fluctuations in exchange rates. When the exchange value of the paper milreis would fall below the fixed amount of 16 pence, the holders of convertible notes would find it profitable to exchange them at the conversion office for the guaranteed amount of gold. The gold thus removed from the conversion office would be used for international payments, and this would tend to raise the exchange rate. On the other hand, when the value of the paper milreis rose above 16 pence, it would become more valuable than gold, and the public would take gold to the conversion office to exchange it for notes. This withdrawal of gold from circulation would in turn have a tendency to lower exchange rates. In this manner the conversion office exercised a steadying influence on the exchange value of Brazilian currency.

At the outbreak of the war, however, when exchange rates were steadily falling, the run on the conversion office became serious, and the Government was forced to suspend conversion operations and to close the office. This suspension is still in force. At the same time the Treasury itself purchased convertible notes in the market with inconvertible notes at a premium, and released equivalent amounts of gold from the conversion office, some of this gold being used for export and to support exchange, while large amounts were transferred to the guarantee fund for inconvertible notes.

The amounts of convertible and of inconvertible notes at the end of each year, from 1911–1919, is given in the table following.

## Note circulation of Brazil.

[In 1,000 paper milreis.]

December 31—	Convertible.	Inconvertible.	Total.
1911.....	378,843	612,519	991,002
1912.....	406,036	607,025	1,013,061
1913.....	295,347	601,488	896,835
1914.....	157,787	822,496	980,283
1915.....	94,560	982,090	1,076,650
1916.....	94,560	1,122,560	1,217,120
1917.....	94,560	1,389,415	1,483,975
1918.....	20,912	1,679,176	1,700,088
1919.....	20,912	1,729,002	1,749,974

The maximum amount of convertible notes outstanding at the end of any year was 406 millions at the end of 1912. At the end of 1913, it was 295 millions; at the end of 1914, 157 millions. Large scale redemption in 1915 reduced the amount to 95 millions, at which figure it remained stationary until the end of 1917, to fall to 21 millions in the following year, which is the amount outstanding at the present time.

The gold in the conversion office decreased proportionately, the difference between the gold and the notes on each date being 19 millions, representing the above-mentioned debit of the treasury to the office. At the end of 1918 and 1919 the total amount of gold was only 1.6 millions against 21 millions of outstanding notes.

Gold exports from Brazil amounted to about 126 million milreis in 1914, and to about 98 millions in 1915, but since that time the exports have been insignificant, the gold withdrawn from the conversion fund being for the most part transferred to the guaranty fund. Nearly all the convertible notes have thus been withdrawn from circulation and their gold cover has been in part exported and in part transferred to the general guaranty fund for inconvertible paper currency.

By a law of April, 1918, the treasury was authorized to issue against the gold transferred from the conversion office five times its value in inconvertible notes. Thus, when 60 millions of convertible notes were withdrawn from circulation on October 2, 1918, a corresponding amount of gold was released at the conversion office. This gold, however, amounting to 60 million milreis on the basis of 16 pence per milreis, was worth only 35.6 millions on the basis of 27 pence per milreis, the original gold parity of the milreis at which rate the transfer was made. The 35.6 millions in the guaranty fund enabled the Government to issue 177.8 millions in inconvertible notes, of which 60

millions took the place of the retired convertible notes and 117.8 millions was new circulation. As a consequence of this procedure and of the issuance of much larger additional amounts of uncovered notes for various purposes on the authority of different decrees, the amount of inconvertible paper currency increased from 600 millions in 1913 to 822 millions in 1914, 982 in 1915, 1,679 millions at the end of 1918, and 1,729 millions at the end of 1919, at which figure approximately it stands at the present time.

Gold holdings of the Government in the guaranty fund amounted to about 48 million milreis at the end of 1919 and constitute about 3 per cent of the paper money in circulation. Around this nucleus the Government hopes ultimately to build up a sufficient gold reserve to insure the redemption of all the outstanding inconvertible notes.

## FOREIGN TRADE AND FOREIGN EXCHANGE.

Brazil, like other South American countries, had a favorable merchandise trade balance in normal times, offset by interest payments on its foreign debt and on investments by foreign countries in Brazil. The years preceding the outbreak of the war were years of very large production of coffee, accompanied by a drop in price, and were also marked by demoralization of the rubber market. This resulted in a decline in the value of exports which totaled 973 million milreis in 1913, as against 1,007 millions of imports, the merchandise trade balance thus being unfavorable to Brazil during that year.

## Foreign trade of Brazil during the years 1910-1919.

[In 1,000 paper milreis.]

Year.	Imports.	Exports.	Difference between imports and exports.
1910.....	713,863	939,413	+225,550
1911.....	793,716	1,003,925	+210,208
1912.....	951,370	1,119,737	+168,367
1913.....	1,007,495	972,731	-34,765
1914.....	561,853	750,980	+189,127
1915.....	582,996	1,022,634	+439,638
1916.....	810,759	1,136,883	+229,749
1917.....	837,738	1,192,175	+354,437
1918.....	989,405	1,137,100	+147,695
1919.....	1,334,358	2,178,719	+844,361

Exports declined still further when the war broke out and were only 751 millions in 1914, but imports were reduced even more, because European countries could not spare goods for Brazil, so that the trade balance was favorable

to that country by 189 million milreis in 1914. It is notable that, while the value of exports in 1914 was decidedly below the 1913 figure, the quantity of exports did not materially decline, the principal reason for the decrease in value being the drop in the price of coffee from 6½ milreis for 10 kilos (22.4 pounds) in 1913 to 4½ milreis in 1914. During 1914 Brazil exported about 114 million milreis in gold, and the gold holdings of the conversion office dropped from 276 million to 138 million.

The demand for coffee was decidedly reduced by the war, first, because Germany, which had been a large importer of Brazilian coffee, was altogether eliminated as a customer, and, secondly, because allied belligerents in Europe reduced their consumption of coffee as a nonessential.

Rubber exports also suffered a decline because of the difficulty of securing transportation and of the growing competition of oriental rubber. Brazilian rubber is considered the best in the world, but its production is still in the elementary stage of pure exploitation and has not been organized as a systematic, self-perpetuating industry. In spite of the decline in rubber and in coffee exports, the value of exports from Brazil increased in 1915 and continued to grow throughout the period under discussion, the exports for each of the war years, 1915-1918, being over 1 billion milreis, while in 1919 they amounted to considerably over 2 billion milreis. Imports also increased in value after 1915, but not as rapidly as exports, and Brazil had a favorable merchandise balance every year from 1914 to 1919. The increase of exports was due to the growth in the production and exports of foodstuffs other than coffee. Thus the export of frozen beef, which had been insignificant before the war, amounted to over 9 thousand tons in 1915, 35 thousand tons in 1917, 71 thousand tons in 1918, and 73 thousand tons during the first 10 months of 1919. Meat was shipped largely to Italy, France, and the United Kingdom. Considerable quantities of sugar, beans, cassava meal, and yerba maté were also exported, the latter largely to other South American countries. On December 3, 1917, a convention was entered into between the Brazilian and the French Governments by which the latter took over 30 of the German ships seized in Brazilian waters. France agreed to have these ships make at least 40 trips from Brazil to Europe and at least 35 from Europe to Brazil during the period December 3, 1918, to March 3, 1919. A cash payment of 110 million francs was also

to be made by the French Government, and in addition the French Government agreed to purchase 2 million bags of coffee for 100 million francs. This agreement, besides bringing funds to Brazil, helped to overcome the difficulties in the way of exporting Brazilian products, and also had a favorable effect on the coffee market.

On the basis of merchandise exports alone Brazil's trade balance was favorable throughout the war period, but the war had brought to a stop the constant flow of foreign capital to Brazil, which had helped to develop the country, and, while creating an increasing amount of obligations for interest and dividend payments, acted as a temporary offset against imports of manufactured goods. The total amount of foreign capital invested in Brazil is estimated at 2 billion dollars. A set of figures, published in the *Gazeta da Bolsa*, shows the estimated amounts of foreign capital invested in Brazil during each year from 1908-1918. These amounts were 28 million pounds in 1908, 20 millions in 1909, 33 millions in 1910, 38 millions in 1911, 25 millions in 1912, and 41 millions in 1913, but only 6 millions in 1914, and about 1 million in the three years 1915-1918 combined. With this stream of new capital cut off, Brazil found it difficult to meet the interest payments on her foreign debt and arranged for a funding loan, as will be explained later. At the same time foreign investments in Brazilian industries continued to earn returns which called for settlement, and Brazil, in spite of a favorable merchandise balance, had a decidedly unfavorable balance of international payments. Hence the drop in exchange rates. In January, 1914, sight drafts on London were quoted at 15½ pence per milreis. In July of the same year the quotation was only slightly below that amount. In August it dropped to 14½, in September to 13, and in October to 10½, the lowest level recorded during the period under review. A gradual rise brought the milreis up to 13¾ pence in March, 1919. It should be noted that this decline of the milreis in terms of British currency was in the face of an increasing depreciation of sterling itself. The value of the milreis declined also in terms of French francs, but in the case of Italy the depreciation of the lira considerably more than offset the decrease in the value of the milreis. Owing to the fact that dollar and sterling exchanges were linked in New York through the pegging arrangement, their course was parallel as long as this arrangement lasted. When in March, 1919, the European exchanges in

New York were "unpegged," the value of the milreis in terms of European currencies immediately began to rise, as these currencies, deprived of official support in New York, sought the lower levels in harmony with the adverse trade balances and currency inflation in the respective countries. In terms of pence the milreis rose from  $13\frac{3}{4}$  in March to  $17\frac{3}{4}$  in December, 1919, and to  $18\frac{1}{4}$  in March, 1920. The French franc, which was worth 715 reis in March, 1919, was only worth 276 reis in March, 1920. The decline of the Italian lira was even greater; from 613 reis per lira in March, 1919, exchange had declined to 216 reis per lira in March of this year. Dollar exchange was quoted in Brazil throughout the more recent period under review at a figure above the 3.083 milreis, which is the equivalent of 16 pence in British currency.

In spite of the fact that Brazil's exports to the United States each year from 1914 to 1919 were far in excess of her imports from this country, as America was a heavy importer of Brazilian coffee and rubber, the value of the dollar in the Brazilian market rose from 3.180 milreis in July, 1914, just before the outbreak of the war, to 4.328 milreis in April, 1917, when the United States became a belligerent. From that time until February, 1918, the rate declined to 3.765 milreis, in sympathy with the decline in the rates on other allied countries. During the summer of 1918 rates on all allied countries, including the United States, had an upward tendency, as the fortunes of war had turned in their favor. Since the "unpegging" of the exchanges in New York in March, 1919, dollar exchange has fluctuated in Brazil but has not shown a pronounced upward or downward tendency. The fact that the United States has maintained the gold standard and is the only important free gold market, has had a tendency to overcome the traditional dependence of Brazil on British currency as a standard of exchange. Some Brazilian contracts have recently been made with reference to dollar exchange, and the loan to Italy mentioned below is made on a dollar basis and is to be handled through the Guaranty Trust Co. In December, 1919, the Brazilian Government issued an order to the effect that customs duties, which previously had been calculated in terms of sterling, should henceforth be figured on the basis of dollars, since sterling had ceased to represent gold value.

The general favorable developments in Brazilian exchange during the last year are due in part to the great increase in her exports,

after the cessation of hostilities made more ships available, but also to the increase in the price of coffee caused by the decrease in production following the heavy frost of 1918 which killed nearly one-half of the coffee-bearing trees. Prior to that time Brazil suffered from overproduction and was unable to dispose of the large stocks of coffee accumulated under the valorization plan. Reduced coffee planting, improved prices, and diversification of agricultural production are reacting favorably on Brazil's economic conditions and on the exchange value of her currency.

#### BANKS.

The leading bank in Brazil is the semiofficial Banco do Brasil, organized in 1905. A bank under the same name was chartered as early as 1809, was frequently reorganized under different names, and immediately before the 1905 reorganization was known as the Banco da Republica. The paid-in capital of the Bank of Brazil is 45 million milreis, owned in equal shares by the Government and by the stockholders of the old Banco da Republica. Additional stock of 25 millions to be sold to the public is authorized but has not been issued. There is a reserve fund of 8 million milreis. The bank acts as fiscal agent of the Government. It also conducts a regular commercial business and engages in foreign exchange transactions. The bank has a branch in London and has a loan of 1 million pounds sterling from the Brazilian Government for the purpose of exchange operations in the London market. As holder of half of the bank's stock, the Government receives half of the profits, and uses them for the redemption of paper money. The business of the bank has expanded decidedly during the war period. Its discounts increased from about 51 million milreis in 1913 to 114 millions in 1919. Its loans on current account increased from 31 millions to 123 millions, and the amounts due from its agents in Brazil and in Europe increased from 67 millions to 125 millions. At the same time its demand deposits increased from 66 millions to 143 millions. The bank's profits have for some years been between 8 and 10 per cent. While the Bank of Brazil has not the privilege of issuing notes, there is a clause in its charter providing that in case any bank is granted that privilege the Bank of Brazil is to have the monopoly of note issue. A reorganization of the bank as a bank of issue and rediscount, modeled after the pattern of European central

banks and of our own Federal Reserve Banks, is now under discussion. The present minister of finance, Señor Homero Baptista, was formerly president of the Bank of Brazil, and is favorable to this reorganization. Recent reports from Brazil indicate that such a plan was discussed and unanimously approved by the directors of the bank at a meeting on April 30. Outside the Bank of Brazil there are many large domestic banks, of which the Banco da Provincia do Rio Grande do Sul, the Banco Commercial da Provincia do Rio Grande do Sul, the Banco do Commercio e Industrias de São Paulo, and the Banco Mercantil do Rio de Janeiro are the most important.

Banks controlled by foreign capital are also prominent in Brazil, as in other South American countries. These banks engage in general commercial business, deal extensively in foreign exchange, and act as agents for the interests of their nationals in Brazil.

Banks in Brazil are chartered under a general statute applying to all joint stock companies, and, outside of the requirement of publication monthly of a statement of condition, are not subject to governmental supervision. During the war daily reports of foreign exchange transactions were required. Branches of foreign banks must have a specified portion of the home institution's capital assigned as capital to the Brazilian branch. Foreign banks are subject to the same taxes as domestic banks.

Of the foreign banks, the three controlled by British capital, the London and Brazilian Bank, the London and River Plate Bank, and the British Bank for South America, which has recently been amalgamated with the Anglo-South American Bank, are the oldest and most influential.

Brazil's financial relations to England are very close, most of the foreign investments in Brazil are British, and the external national debt has been floated and is held to a large extent in England. The predominance of British influence in Brazil's finances is indicated by the fact that its official foreign exchange rates are in terms of British currency and that the conversion office redeems notes at a fixed rate in sterling. A tendency to break away from sterling as a standard of value has, however, recently become manifest, as mentioned above.

German capital was represented in Brazil by three important banks affiliated with the three great German commercial banks, the Deutsche Bank, the Dresdner Bank, and the Discontogesellschaft. The banks were actively interested

in the development of electric industries in Brazil. As Brazil was at war with Germany, these banks were first placed under governmental control and later liquidated after 1917, but they have now resumed operations. Important banking concerns, representing French and Dutch capital, are also in operation in Brazil, the French banks being particularly interested in railroad development. The principal French bank is the Banque Française et Italienne, while the important Banco Nacional Ultramarino represents Portuguese capital.

There were eight new foreign banks and branches opened during the period under discussion, besides one domestic bank; three American banks, namely, the National City Bank, the American Mercantile Bank, and the American Foreign Banking Corporation; one Dutch bank, one Portuguese bank, a branch of the Japanese Yokohama Specie Bank, one Scandinavian bank, and a branch of the Royal Bank of Canada.

A table is attached showing the assets and liabilities of the principal banks in the Rio de Janeiro on December 31, 1919. It should be noted that for banks whose head offices are not in the capital figures for the Rio office alone are included, so that the table is indicative of the relative importance of the banks in that city, but not of their aggregate resources in Brazil. Another table showing assets and liabilities of the banks in São Paulo is included for comparison; also two tables showing aggregate assets and liabilities of domestic and foreign banks, respectively, on December 31, 1913 to 1918.

The banks in Brazil hold a large proportion of cash reserves to demand deposits, chiefly because in the absence of a central bank of issue and rediscount each bank must carry sufficient reserves in its own vaults for all contingencies. Taking all the banks combined, their ratio of cash to deposits was 45.1 per cent in 1913 and 45.7 per cent in 1919. It is of interest to note, however, that the percentage for the domestic banks increased from 34.3 per cent to 43.4 per cent, while that of the foreign banks declined from 65.3 per cent to 48.5 per cent. Among the foreign banks it appears that the more newly established institutions carry much smaller percentages of reserve. The average for five new banks is 34.3 in 1919 as against 50.7 per cent for the other bank. The Portuguese bank's ratio of reserves is the lowest, amounting to only 14.77 per cent.

## PUBLIC FINANCE.

Like many new countries, Brazil has for many years past annually exceeded its receipts by its expenditures, with the consequence that the national debt has been steadily increasing. On December 31, 1918, Brazil's foreign debt amounted to 116 million pounds sterling, while its domestic debt, issued in the form of short-term bonds (apolicies), amounted to over a billion milreis, with an additional 356 millions of floating indebtedness.

The State governments of Brazil also had very considerable debts, amounting in the aggregate to about 1,200,000,000 milreis.

The principal sources of revenue of the National Government are import duties, while the principal sources of revenue of the States are export duties. In 1914 Brazil arranged for a funding loan of 15 million pounds, which relieved it from the necessity of paying interest on its foreign debt until the end of 1917, and of amortizing any portion of this debt until 1927. This loan is secured by a second lien on the customs receipts at Rio de Janeiro, the first claim on these receipts being represented by the funding loan of 1898, of which about 8 million pounds are still outstanding. In case the receipts at the port of Rio de Janeiro are insufficient, receipts at other ports are also pledged.

Furthermore, Brazil, like Argentina, is confronted by the fact that while European countries have almost unlimited need of Brazil's products they are not in a position to pay cash, and Brazil, if she wishes to sell her products, will have to make arrangements for granting

credits to the purchasers. An agreement has already been reported by which the Brazilian Government extends a 6-months' credit of 100 million milreis to Italy for the purpose of enabling that country to purchase goods in Brazil.

As a consequence of the war, Brazil is thus beginning to figure as an international creditor, while she still continues to be a debtor on a large scale. With a large domestic and foreign debt, and a circulation of 1.8 billions of paper milreis, against which less than 3 per cent gold cover is at present available, Brazil faces the necessity of a radical reorganization of its fiscal policy. This is fully realized by the present administration, and plans for a revised system of taxation are being developed.

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## Exchange rates on foreign centers at Rio de Janeiro, 1914-1919.

	London.		Paris.	Italy.	New York.	Buenos Aires.
	d. per milreis.	Rs. per £.	Rs. per fr.	Rs. per lira.	Es. per dollar.	Rs. per pa-per peso.
1914.						
January.....	15 $\frac{1}{2}$	15,050	601	600	3,121	.....
February.....	15 $\frac{1}{2}$	15,025	601	597	3,120	.....
March.....	15 $\frac{1}{2}$	15,025	601	602	3,118	.....
April.....	15 $\frac{1}{2}$	15,166	608	609	3,162	.....
May.....	15 $\frac{1}{2}$	15,100	608	610	3,162	.....
June.....	15 $\frac{1}{2}$	15,087	602	600	3,100	.....
July.....	15 $\frac{1}{2}$	15,075	601	600	3,180	.....
August.....	14 $\frac{1}{2}$	16,565	661	651	3,105	.....
September.....	13 $\frac{1}{2}$	.....	747	754	3,800	.....
October.....	10 $\frac{1}{2}$	23,050	908	872	4,610	.....
November.....	13 $\frac{1}{2}$	18,100	731	718	3,747	.....
December.....	13 $\frac{1}{2}$	17,662	728	702	3,713	.....
1915.						
January.....	13 $\frac{1}{2}$	16,850	700	684	3,603	.....
February.....	13 $\frac{1}{2}$	17,400	715	702	3,730	.....
March.....	12 $\frac{1}{2}$	18,300	776	723	4,030	.....
April.....	12 $\frac{1}{2}$	18,425	746	691	3,932	.....
May.....	12 $\frac{1}{2}$	19,150	764	709	4,043	1,782
June.....	11 $\frac{1}{2}$	20,300	793	730	4,286	1,786
July.....	12 $\frac{1}{2}$	19,350	729	667	4,033	1,696
August.....	12 $\frac{1}{2}$	19,050	715	644	4,050	1,679
September.....	11 $\frac{1}{2}$	21,500	745	693	4,501	1,795
October.....	11 $\frac{1}{2}$	20,383	738	687	4,279	1,776
November.....	12 $\frac{1}{2}$	20,350	724	670	4,285	1,740
December.....	12 $\frac{1}{2}$	20,350	727	662	4,278	1,758

## Exchange rates on foreign centers at Rio de Janeiro, 1911-1919—Continued.

	London.		Paris.	Italy.	New York.	Buenos Aires.
	<i>d. per milreis.</i>	<i>Rs. per £.</i>	<i>Rs. per fr.</i>	<i>Rs. per lira.</i>	<i>Rs. per dollar.</i>	<i>Rs. per pa-per peso.</i>
1916.						
January.....	11 $\frac{1}{2}$	20,350	733	655	4,298	1,778
February.....	11 $\frac{1}{2}$	21,250	759	671	4,473	1,855
March.....	11 $\frac{1}{2}$	20,950	733	646	3,310	1,805
April.....	13 $\frac{1}{2}$	21,050	736	669	4,393	1,835
May.....	11 $\frac{1}{2}$	20,775	738	699	4,372	1,825
June.....	12 $\frac{1}{2}$	19,800	702	656	4,164	1,740
July.....	12 $\frac{1}{2}$	19,866	702	655	4,155	1,734
August.....	12 $\frac{1}{2}$	19,950	700	639	4,120	1,709
September.....	12 $\frac{1}{2}$	19,800	702	644	4,141	1,722
October.....	12 $\frac{1}{2}$	19,750	719	655	4,188	1,744
November.....	12 $\frac{1}{2}$	20,450	725	649	4,215	1,762
December.....	11 $\frac{1}{2}$	21,212	742	654	4,325	1,800
1917.						
January.....	11 $\frac{1}{2}$	21,100	733	623	4,263	1,781
February.....	11 $\frac{1}{2}$	20,800	732	613	4,259	1,900
March.....	11 $\frac{1}{2}$	21,300	742	591	4,332	1,935
April.....	11 $\frac{1}{2}$	21,300	742	575	4,328	1,900
May.....	12 $\frac{1}{2}$	19,300	706	588	4,031	1,756
June.....	13 $\frac{1}{2}$	19,900	666	546	3,800	1,740
July.....	13 $\frac{1}{2}$	19,750	653	521	3,766	1,712
August.....	12 $\frac{1}{2}$	20,150	684	549	3,918	1,756
September.....	12 $\frac{1}{2}$	20,300	688	540	3,957	1,745
October.....	12 $\frac{1}{2}$	20,000	684	526	3,945	1,730
November.....	12 $\frac{1}{2}$	20,850	686	508	3,925	1,810
December.....	13 $\frac{1}{2}$	20,950	661	482	3,804	1,836
1918.						
January.....	13 $\frac{1}{2}$	21,000	654	454	3,726	1,765
February.....	13 $\frac{1}{2}$	20,700	660	449	3,765	1,693
March.....	13 $\frac{1}{2}$	20,700	671	442	3,827	1,690
April.....	13 $\frac{1}{2}$	21,300	676	450	3,860	1,733
May.....	12 $\frac{1}{2}$	22,000	691	444	3,935	1,770
June.....	12 $\frac{1}{2}$	22,100	685	435	3,907	1,780
July.....	12 $\frac{1}{2}$	24,650	706	442	4,021	1,813
August.....	12 $\frac{1}{2}$	24,050	728	471	4,171	1,870
September.....	12 $\frac{1}{2}$	24,700	759	688	4,188	1,890
October.....	12 $\frac{1}{2}$	.....	747	642	4,066	.....
November.....	12 $\frac{1}{2}$	24,550	751	641	4,040	1,832
December.....	13 $\frac{1}{2}$	20,950	689	597	3,752	1,705
1919.						
January.....	13 $\frac{1}{2}$	21,250	699	602	3,797	1,735
February.....	12 $\frac{1}{2}$	22,700	718	616	3,910	1,760
March.....	13 $\frac{1}{2}$	23,000	715	613	3,882	1,750
April.....	13 $\frac{1}{2}$	23,050	679	574	4,016	1,750
May.....	13 $\frac{1}{2}$	22,650	615	497	3,680	1,646
June.....	14 $\frac{1}{2}$	22,850	578	472	3,645	1,615
July.....	14 $\frac{1}{2}$	20,700	567	463	3,683	1,590
August.....	14 $\frac{1}{2}$	21,000	505	437	4,073	1,772
September.....	14 $\frac{1}{2}$	21,050	506	429	4,038	1,715
October.....	14 $\frac{1}{2}$	20,300	475	412	3,965	1,675
November.....	14 $\frac{1}{2}$	20,200	444	372	3,904	1,677
December.....	17 $\frac{1}{2}$	20,000	333	293	3,706	1,615
1920.						
January.....	17 $\frac{1}{2}$	20,050	333	275	3,656	1,600
February.....	18 $\frac{1}{2}$	20,550	278	222	3,909	1,735
March.....	18 $\frac{1}{2}$	20,700	276	216	3,915	1,732



*Assets and liabilities of the Banco do Brasil on Dec. 31, 1913, Nov. 30, 1914, and Dec. 31, 1915-1919.*

[In 1,000 paper milreis.]

	1913	1914	1915	1916	1917	1918	1919
<b>ASSETS.</b>							
Government securities in guaranty or reserve fund.....	13,631	12,647	4,686	5,073	5,933	8,978	8,266
Loans in current accounts.....	30,648	36,440	33,703	41,973	51,946	110,551	123,146
Bills discounted.....	50,875	36,108	16,330	39,209	46,165	169,520	113,779
Bills receivable.....	4,597	4,152	5,504	17,968	21,074	83,159	96,550
Foreign and domestic credits.....						89,321	86,701
Due from agents in Brazil and in Europe.....	66,975	130,301	62,830	72,865	97,044	191,467	125,446
Bank stock.....			10,410	10,490	10,490	10,490	10,490
Other stock.....			12,083	12,663	11,677	4,425	2,704
Stock in liquidation.....	4,923	5,220	4,191	3,628	3,438	2,492	5,463
Bank buildings and furnishings.....	1,430	1,430	1,430	1,435	1,435	1,663	2,307
Various accounts.....	13,668	12,890	8,468	23,276	33,765	110,123	182,526
Cash in the vault.....	40,668	29,075	29,780	40,639	31,409	76,482	69,152
<b>Total.....</b>	<b>227,415</b>	<b>268,261</b>	<b>189,495</b>	<b>269,222</b>	<b>314,376</b>	<b>858,671</b>	<b>826,530</b>
<b>LIABILITIES.</b>							
Capital paid in.....	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Surplus.....	3,925	4,291	4,902	5,509	6,139	7,386	8,865
Deposits, not interest bearing.....	8,280	54,410	69	36,884	19,217	52,701	23,788
Deposits, interest bearing.....	57,834	53,548	57,789	53,511	60,706	119,376	119,222
Deposits, time.....	74,997	6,022	696	1,237	1,389	12,395	17,922
Current accounts.....	122	281	197	1,128	1,459	1,664	1,519
Due to agents in Brazil and in Europe.....	6,499	80,394	2,061	1,320	10,835	72,994	38,420
Bills payable, interest bearing.....			4,607	8,277	7,563	13,193	18,115
Government deposits, judicial.....	1,201	5,359	1,350	1,207	1,308	2,471	1,513
Government exchange account.....	8,889	8,889	8,889	8,889	8,889	8,889	8,889
Other Government deposits.....	8,668	44					
Dividends, payable, accumulated.....	2,786	596	604	651	686	749	796
Dividends, undivided.....			1,800	1,800	1,800	1,800	2,250
Various accounts.....	5,443	5,339	57,983	100,331	144,791	508,933	523,823
Profit and loss.....	3,491	4,029	3,548	3,478	4,594	4,766	8,427
<b>Total.....</b>	<b>227,415</b>	<b>268,261</b>	<b>189,495</b>	<b>269,222</b>	<b>314,376</b>	<b>858,671</b>	<b>826,531</b>

*Principal assets and liabilities of the banks in Rio de Janeiro on Dec. 31, 1919.*

[In 1,000 paper milreis.]

**ASSETS.**

	Bills discounted.	Loans in current accounts.	Bills receivable.	Securities held in trust.	Securities deposited.	Due from head office and branches.	Securities owned by the bank.	Mortgages on real estate.	Cash.	Various accounts.	Total assets.
London and Brazilian Bank (Ltd.).....	1,636	12,763	21,467	16,586	115,917	18,751			11,832	907	199,859
London and River Plate Bank.....	2,911	10,777	21,198	4,584	89,987	7,640			6,482	689	144,268
British Bank of South America.....	5,392	17,703	20,829	56,647		12,452			12,119	4,947	130,089
Brasilianische Bank für Deutschland..	3,813	4,122	4,639	2,852	9,788	21,246			3,757	2,931	53,148
Banco Hollandes da America do Sul...	1,845	19,596	28,325		99,278	36,564			4,262	2,095	191,965
Banco Allemão Transatlantico.....	989	2,831	929	574	8,381	8,172			3,112	4,522	29,410
Banco Nacional Ultramarino.....	8,214	53,180	27,639		66,598	23,073			11,933	145,051	335,688
Banco Germanico.....	1,239	5,280	5,480		4,823	7,101			2,001	2,523	28,447
National City Bank of New York.....	9,821	44,376	34,680		82,187	131,767			19,765	5,784	328,380
Banco Español del Rio de la Plata.....	1,914	1,879	2,796	1,795	917	10,516			11,728	773	32,318
Banco Portugues do Brasil.....	7,178	46,061	24,226	135,540	60	15,442	1,205		13,683	52,069	295,464
American Foreign Banking Corporation	1,814	7,717	3,763		3,311	14,722			4,193	1,146	36,666
Yokohama Specie Bank.....	3,030	107	445	68		295			2,167	29	6,141
Royal Bank of Canada.....	1,918	3,054	3,320		97	4,353			4,025	4,321	21,088
Banco do Brasil.....	113,779	123,146	96,550	196,721	97,435	212,147	23,768		69,152	187,988	1,120,686
Banco do Commercio.....	5,127	2,941	1,657	5,255	59,934	1,854	4,720	190	4,139	482	86,299
Banco da Lavoura e do Comercio do Brasil.....	9,316	2,004	580	878	27,594		1,545	110	1,666	7,399	51,092
Banco Credito Rural.....	23	322		90	265		1,397		50	93	2,240
Banco Commercial do Rio de Janeiro..	6,578	7,808	4,405	23,521	52,999		5,743	796	5,572	2,765	110,187
Banco Mercantil.....	35,896	14,982	3,527	39,122	67,764	6,285			26,316	7,037	200,929
Banco da Provincia do Rio Grande do Sul.....	18,413	5,719	2,497		15,921	15,312			11,645	1,559	71,065
Banco Nacional Brasileiro.....	6,191	4,615	3,250	8,492	32,990	218	498		1,634	549	58,437
Banco Pelotanse.....	5,404	4,284	8,887	8,290	1,453	2,817			2,225	406	33,766
<b>Total foreign banks.....</b>	<b>51,714</b>	<b>229,446</b>	<b>199,736</b>	<b>218,646</b>	<b>481,344</b>	<b>312,094</b>	<b>1,205</b>		<b>110,959</b>	<b>227,787</b>	<b>1,832,931</b>
<b>Total domestic banks.....</b>	<b>200,727</b>	<b>165,821</b>	<b>121,353</b>	<b>282,369</b>	<b>356,355</b>	<b>238,633</b>	<b>37,671</b>	<b>1,096</b>	<b>122,398</b>	<b>208,278</b>	<b>1,734,701</b>
<b>Total domestic and foreign banks.</b>	<b>252,441</b>	<b>395,267</b>	<b>321,089</b>	<b>501,015</b>	<b>837,699</b>	<b>550,727</b>	<b>38,876</b>	<b>1,096</b>	<b>233,357</b>	<b>436,065</b>	<b>3,567,632</b>

## Principal assets and liabilities of the banks in Rio de Janeiro on Dec. 31, 1919—Continued.

## LIABILITIES.

	Capital paid in.	Surplus.	Sight deposits.	Time deposits.	Securities deposited in guaranty.	Due to head office and branches.	Various accounts.	Total liabilities
London & Brazilian Bank (Ltd.)	13,334		15,345	11,099	132,502	3,553	24,026	199,859
London & River Plate Bank	1,500		14,825	5,104	94,571	5,915	22,353	144,268
British Bank of South America	8,889		14,422	19,702	78,574	7,890	612	130,089
Brasilianische Bank für Deutschland	15,000		4,488	2,120	17,279	4,341	9,920	53,148
Banco Hollandes da America do Sul	2,000		27,179	2,343	125,828	31,623	2,992	191,965
Banco Allemão-Transatlantico	3,675		2,666	1,325	9,883	7,633	4,228	29,410
Banco Nacional Ultramarino	3,000		26,290	30,089	66,598	42,531	167,180	335,688
Banco Germanico	2,205		6,501		10,303	7,993	1,445	28,447
National City Bank of New York	3,082		50,499	14,271	116,867	140,914	2,747	328,380
Banco Español del Río de la Plata	800			2,691	5,508	22,884	435	32,318
Banco Portugues do Brasil	25,000	3,015	39,200	18,597	159,826	2,241	47,585	295,464
American Foreign Banking Corporation	4,613		2,824	313	7,074	20,739	1,103	36,666
Yokohama Specie Bank	1,000		1,170	679	121	3,016	155	6,141
Royal Bank of Canada	3,933		5,945	702	3,417	3,002	4,089	21,088
Banco do Brasil	45,000	8,864	144,529	36,037	304,557	38,420	543,279	1,120,686
Banco do Commercio	7,000	285	9,266	1,346	64,983	1,656	1,763	86,299
Banco da Lavoura e do Commercio do Brasil	5,000	521	3,143		28,557		13,871	51,092
Banco Credito Rural	1,322	248	98		265		307	2,240
Banco Commercial do Rio de Janeiro	9,000	141	14,241	857	81,713		4,235	110,187
Banco Mercantil	4,990	736	40,740	35,907	116,607		1,949	200,929
Banco da Provincia do Rio Grande do Sul			10,655	18,698	27,552	11,420	2,740	71,065
Banco Nacional Brasileiro	2,000	344	10,215		44,519	32	1,327	58,437
Banco Pelotanse				8,011	9,743	6,643	9,369	33,766
Total foreign banks	88,031	3,015	211,354	109,035	828,351	304,275	288,870	1,832,931
Total domestic banks	74,312	11,139	232,887	100,856	678,496	58,171	578,840	1,734,701
Total foreign and domestic banks	162,343	14,154	444,241	209,891	1,506,847	362,446	867,710	3,567,632

## Principal assets and liabilities of the banks in São Paulo on June 30, 1919.

[In 1,000 paper pesos.]

## ASSETS.

	Bills dis-counted.	Bills receiv-able.	Bills guar-anteed.	Current accounts, secured and other.	Due from domes-tic corre-spond-ents.	Due from foreign corre-spond-ents.	Securi-ties held in trust.	Cash.	Col-lateral held against ad-vances.	Due from head office, branches, and agen-cies.	Other assets.	Total assets.
Banca France e Italiana per l'America del Sud.	39,541	39,151	21,206	36,691	52,988	34,434	204,750	39,541		2,140	42,974	513,416
Banco Commercial do Estado de São Paulo.	24,988	22,317	40,943	37,530	3,080	7,446	27,964	29,997		17,890	1,693	214,848
Banco de Credito Hypotecario e Agricola do Estado de São Paulo.	9,168	619	40	38,300	8,409	1,683		249	88,321		7,109	153,898
Banco de São Paulo.	11,964	8,390	10,670	7,983	457			3,992			2,111	45,567
Banco do Commercio e Industria de São Paulo.	56,823	7,358	82,160	45,760		5,732	33,279	39,502			5,681	276,295
Banco Nacional da Cidade de Nova York.	7,657	21,816	19,012	15,883	429	8,216	40,193	7,726		3,305	2,671	126,928
Banco Nacional Ultramarino.	23,064	44,052	55,908	57,861	2,606	15,948	21,740	15,224		18,284	104,218	358,905
Banque Française pour le Brésil.	1,518	3,563	5,338	10,371			2,712	2,125	10,349		1,212	38,179
Banque Italo-Belge.	6,015	14,203	26,823	18,877	12,719	1,197	6,329	12,964		26,343	2,651	128,121
Brasilianische Bank für Deutschland.	697	988	4,423	2,503	65	900	14,150	5,825		1,900	1,665	33,116
British Bank of South America (Ltd.).	6,836	9,065	6,002	8,239	304	5	14,414	9,122	11,211	1,707	610	67,565
London and Brazilian Bank (Ltd.).	16,075	18,576	31,487	20,259			49,890	14,694		7,060	1,084	159,125
London and River Plate Bank (Ltd.).	2,667	15,135	6,452	3,554			31,024	2,780	1,716	1,367	181	64,876
Total	207,063	205,233	310,464	303,811	81,057	75,591	446,445	183,741	111,597	81,208	173,639	2,180,839

Principal assets and liabilities of the banks in São Paulo on June 30, 1919—Continued.

LIABILITIES.

	Paid in capital.	Demand deposits.	Time deposits and deposits payable upon notice.	Due to head office, branches, and agencies.	Bills payable.	Due to correspondents, domestic and foreign.	Guarantees.	Deferred credits.	Other liabilities.	Total liabilities.
Banca Francese e Italiana per l'America del Sud.....	7,500	149,549	22,186	2,438	.....	2,496	204,750	63,978	60,519	513,416
Banco Commercial do Estado de São Paulo.....	12,000	68,880	4,628	19,171	.....	1,272	68,908	22,317	17,672	214,848
Banco de Credito Hypotecario e Agricola do Estado de São Paulo.....	3,188	33,029	17	.....	.....	.....	88,361	619	28,684	153,898
Banco de São Paulo.....	5,000	14,231	3,105	.....	.....	1,043	19,047	.....	3,141	45,567
Banco do Commercio e Industria de São Paulo.....	20,000	102,170	12,213	.....	.....	909	82,160	40,636	18,207	276,295
Banco Nacional da Cidade de Nova York.....	.....	15,389	2,033	13,783	2	11,463	59,204	21,816	3,248	126,938
Banco Nacional Ultramarino.....	3,000	49,834	42,285	16,458	398	21,055	77,648	.....	148,227	358,905
Banque Française pour le Brésil.....	2,000	4,822	1,422	7,113	.....	.....	18,399	3,563	860	38,179
Banque Italo-Belge.....	5,527	24,690	2,786	34,450	.....	3,006	37,983	10,667	9,012	128,121
Brasilianische Bank für Deutschland.....	.....	1,650	1,494	893	.....	6,441	18,573	988	3,077	33,116
British Bank of South America (Ltd.).....	.....	12,092	3,676	11,034	38	457	31,627	7,826	815	67,565
London and Brazilian Bank (Ltd.).....	.....	35,047	11,220	7,149	55	.....	81,377	.....	24,277	159,125
London and River Plate Bank (Ltd.).....	500	5,613	80	4,060	33	.....	39,191	.....	15,389	64,866
<b>Total.....</b>	<b>58,715</b>	<b>516,996</b>	<b>107,145</b>	<b>116,548</b>	<b>526</b>	<b>48,142</b>	<b>827,228</b>	<b>172,410</b>	<b>333,128</b>	<b>2,180,839</b>

Assets and liabilities of domestic banks in Brazil on Dec. 31, 1913-1918.

[In 1,000 paper milreis.]

	1913	1914	1915	1916	1917	1918
ASSETS.						
Bills discounted.....	180,286	195,081	168,990	234,016	284,224	391,918
Loans in current accounts.....	236,571	214,579	214,547	272,158	334,103	442,868
Bills receivable.....	63,237	82,214	75,592	109,652	132,702	187,112
Securities held in trust.....	264,549	408,235	353,020	406,090	407,992	438,745
Securities deposited.....	282,939	310,145	334,505	386,104	495,892	537,403
Due from branches and correspondents.....	169,215	140,082	148,283	183,360	260,217	438,777
Securities owned.....	66,850	68,956	82,801	85,132	89,744	108,878
Mortgages on real estate.....	97,768	107,719	110,914	120,523	132,395	128,050
Cash.....	106,060	138,258	156,619	175,071	203,852	215,147
Various assets.....	56,328	45,887	49,058	66,248	77,345	95,752
<b>Total assets.....</b>	<b>1,543,982</b>	<b>1,711,156</b>	<b>1,514,329</b>	<b>2,038,443</b>	<b>2,418,466</b>	<b>2,984,650</b>
LIABILITIES.						
Capital paid in.....	165,164	174,507	173,898	177,002	190,590	227,128
Surplus.....	39,136	40,507	43,925	49,405	54,412	66,150
Demand deposits.....	310,205	214,499	191,576	306,792	422,199	578,925
Time deposits.....	99,619	151,597	144,580	231,913	210,817	294,982
Securities in trust deposit.....	653,193	895,145	827,873	956,092	1,075,728	1,155,127
Due to branches and correspondents.....	131,554	183,497	128,216	78,486	154,384	297,472
Mortgages on real estate.....	24,630	4,634	4,469	4,269	9,189	9,555
Various liabilities.....	120,603	114,892	179,792	234,484	301,144	362,261
<b>Total liabilities.....</b>	<b>1,543,982</b>	<b>1,711,156</b>	<b>1,514,329</b>	<b>2,038,443</b>	<b>2,418,466</b>	<b>2,984,650</b>

*Assets and liabilities of foreign banks in Brazil on Dec. 31, 1913-1918.*

[In 1,000 paper milreis.]

	1913	1914	1915	1916	1917	1918
ASSETS.						
Bills discounted.....	114,164	67,058	74,231	97,602	134,312	173,912
Loans in current account.....	203,741	177,250	174,613	190,226	218,463	358,767
Bills receivable.....	269,945	214,021	208,793	241,835	242,153	370,655
Securities held in trust.....	322,037	299,348	291,477	296,417	297,676	380,061
Securities deposited.....	414,837	469,297	591,448	616,365	631,075	798,704
Due from branches and correspondents.....	157,136	154,881	214,541	212,541	228,919	323,324
Securities owned.....					1,335	1,435
Cash.....	108,212	173,253	184,564	164,793	183,352	277,193
Various assets.....	20,284	50,901	92,817	90,311	79,017	130,358
Total assets.....	1,589,177	1,606,007	1,832,484	1,279,996	2,014,302	2,814,409
LIABILITIES.						
Capital paid in.....	60,439	61,892	66,664	72,574	76,439	86,734
Surplus.....					412	654
Demand deposits.....	161,932	174,732	248,307	268,755	290,141	480,428
Time deposits.....	153,679	109,145	128,780	117,799	147,791	205,825
Securities in trust deposits.....	855,823	842,293	990,883	1,029,950	1,054,720	1,346,204
Due to branches and correspondents.....	162,952	196,815	168,740	182,265	232,602	346,190
Various liabilities.....	181,230	173,008	229,110	238,433	212,197	348,374
Total liabilities.....	1,589,177	1,606,007	1,832,484	1,279,996	2,014,302	2,814,409

**GENERAL STOCK OF MONEY IN THE UNITED STATES.**

Developments in the money situation in the United States since 1917 are shown in the subjoined tables and charts. The amount and distribution by classes of the general stock of money is shown by five bars in the chart for five significant dates in connection with the war, namely, July 1, 1914, before the outbreak of the war; April 1, 1917, about the time of the entry of the United States into the war; April 1, 1918, about the time of the adoption of the so-called Pittman Act, under whose provisions large amounts of silver were exported to the Orient; June 1, 1919, immediately before the removal of the gold embargo; and July 1, 1920.

The changes in our stock of money caused by the war and by the inauguration of the Federal Reserve System are clearly shown in the bars. Between the outbreak of the war and April, 1917, our stock of gold increased by 1.2 billions as the result of favorable trade balances and payments in gold by foreign governments for munitions and supplies purchased in America. Between April, 1917, and June, 1919, comparatively little change in the stock of gold is shown, because the entry of the United States into the war stopped the inflow of gold from the Allies, since the United States supplied them with goods on credit, and also stopped its outflow, as in the autumn of 1917 an embargo was placed on gold exports. When this embargo was removed on June 9, 1919, considerable amounts of gold began to leave

the country in settlement of trade balances with the Orient and South America, and the stock of gold on July 1, 1920, was 2,688 millions or 404 millions less than before the removal of the embargo.

The stock of silver, which remained steady at between 560 and 570 millions until the Pittman Act was passed, shows a decline of about 260 millions in the following year and a further decline of about 40 millions since June 1, 1919, the stock on July 1 of this year being about 269 millions. Subsidiary silver shows a steady but comparatively moderate increase throughout the period.

United States notes remained constant at 347 millions, while national-bank notes fluctuated slightly and aggregated on July 1, 1920, about 32 millions less than the 1914 total.

Two kinds of Federal Reserve currency, Federal Reserve notes and Federal Reserve Bank notes, make their appearance first in the bar for July 1, 1917, and show a constant and rapid growth from that time to the present, when the total stock of the former is about 3,406 millions and that of the latter about 201 millions.

To sum up, between 1914 and 1920 the total stock of money in the United States increased from 3,736 to 7,887 millions. This increase of 4,151 millions is the result of a net addition of 897 millions to the stock of gold, of 76 millions to the stock of subsidiary silver, and of the introduction of 3,607 millions of Federal Reserve currency, offset by losses of about 297 millions in the stock of silver and of about 32 millions in the stock of national-bank notes.

Another table with illustrative chart shows data for the first of each month from April, 1917, to June, 1920, regarding the amounts of money held by the Treasury and by the Federal Reserve Banks and the amounts held outside, i. e., in the tills of the banks and of industrial and commercial establishments, also in the pockets of the people. The latter amounts are shown above the zero line on the chart, and the amounts held by the Treasury and the Federal Reserve Banks are shown below that line, the total shaded area thus representing the entire stock of money in the country. The money outside the Treasury and the Federal Reserve Banks is divided into two classes—Federal Reserve notes and all other money. It will be noted that during the 40 months covered by the chart the money outside of the Treasury and the Federal Reserve Banks increased, with seasonal fluctuations, from 4,101 millions to 5,381 millions, or by about 1,280 millions. During the same period Federal Reserve note circulation increased from 357 to 3,121 millions, an increase of 2,764 millions, while all other money in circulation declined from 3,744 to 2,260 millions, a

decrease of 1,484 millions. It is apparent, therefore, that of the 2,764 millions of new Federal Reserve notes more than one-half, 1,484 millions, took the place of other money in circulation, while less than one-half, 1,280 millions, represents the net addition to the circulating medium. Of the money displaced from actual circulation gold (including gold certificates) and silver (including silver certificates) constitute the major portion.

It will be noted below the zero line that gold held by the Treasury and by the Federal Reserve Banks increased from 1,099 millions on April 1, 1917, to 2,012 millions on July 1, 1920, an increase of 913 millions, while other money so held increased from 113 millions to 494 millions, an increase of 381 millions. It appears, therefore, that of the total increase in the stock of money from April 1, 1917, to July 1, 1920, amounting to 2,575 millions, slightly more than one-half (1,295 millions) represents additions to the money held by the Treasury and by the Federal Reserve Banks, while slightly less than one-half (1,280 millions) represents additions to actual circulation.

*General stock of money in the United States.*

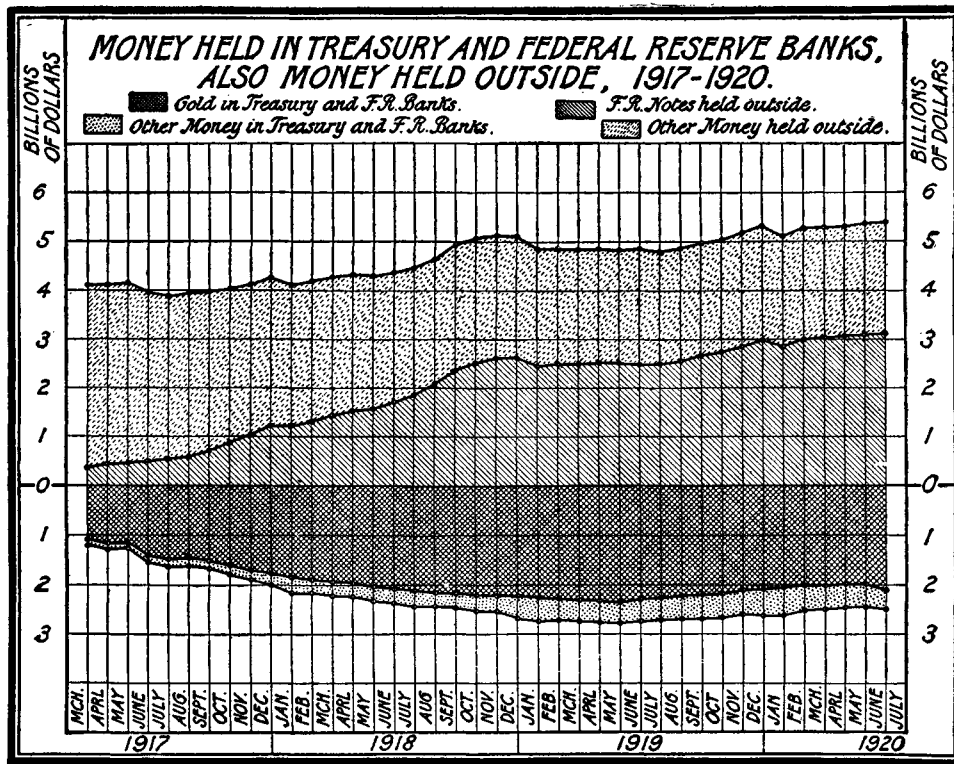
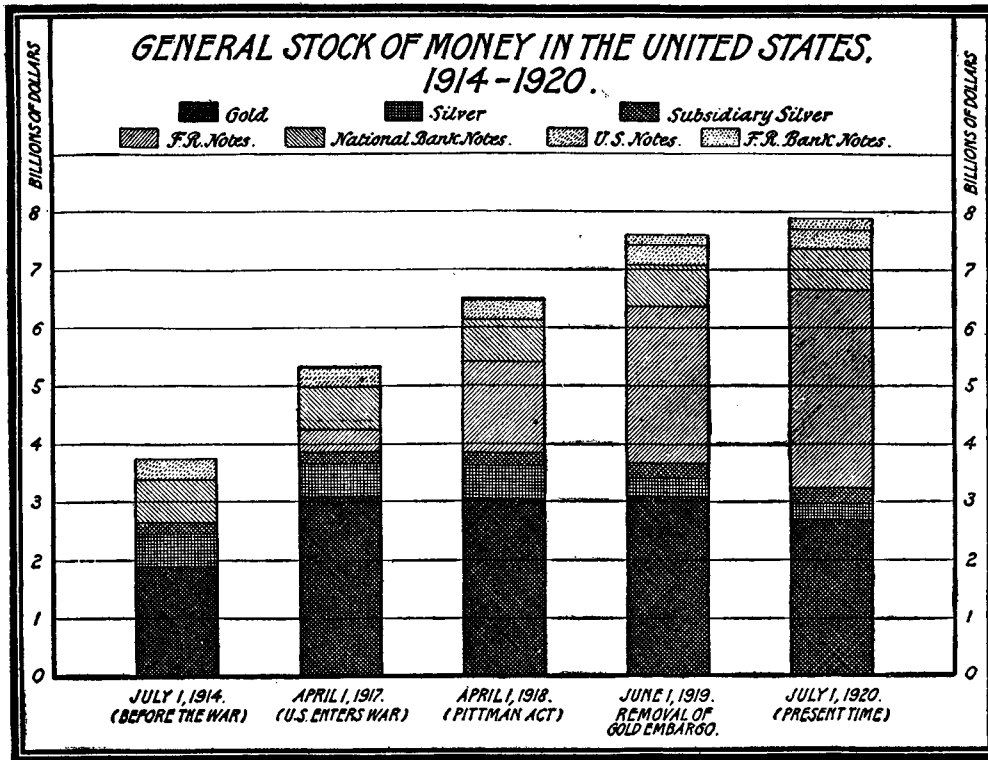
[In thousands of dollars.]

	July 1, 1914.	Apr. 1, 1917.	Apr. 1, 1918.	June 1, 1919.	July 1, 1920.
Federal Reserve Bank notes .....		11,226	11,662	175,220	201,226
United States notes .....	346,681	346,681	346,681	346,681	346,681
National bank notes .....	750,672	717,563	720,920	722,765	719,038
Federal Reserve notes .....		383,147	1,563,969	2,702,716	3,405,877
Subsidiary silver .....	182,316	196,317	225,972	243,680	258,048
Silver .....	565,834	568,270	568,270	808,979	268,799
Gold .....	1,890,678	3,088,905	3,042,708	3,092,038	2,687,513
<b>Total, all money .....</b>	<b>3,736,181</b>	<b>5,312,109</b>	<b>6,480,182</b>	<b>7,592,079</b>	<b>7,887,182</b>

## Money held in Treasury and Federal Reserve Banks and outside.

[In thousands of dollars.]

Date. (First of the month figures.)	Money held in United States Treasury as assets of the Government and in Federal Reserve Banks.			Money held outside United States Treas- ury and Federal Reserve Banks.		
	Gold and gold cer- tificates.	All other money.	Total.	Federal Reserve notes.	All other money.	Total.
1917.						
April.....	1,098,953	112,180	1,211,133	357,239	3,743,737	4,100,976
May.....	1,173,455	124,291	1,297,746	421,175	3,696,040	4,117,215
June.....	1,150,515	122,072	1,272,587	463,509	3,689,322	4,152,831
July.....	1,403,734	130,818	1,534,552	508,077	3,437,361	3,945,458
August.....	1,475,903	168,348	1,644,251	594,833	3,334,209	3,868,042
September.....	1,453,383	160,258	1,613,641	595,638	3,344,362	3,940,020
October.....	1,521,557	150,335	1,671,892	701,093	3,269,280	3,970,373
November.....	1,625,647	162,743	1,788,390	858,297	3,177,167	4,035,464
December.....	1,715,509	179,432	1,894,941	1,043,483	3,037,704	4,131,187
1918.						
January.....	1,770,348	230,266	2,000,614	1,227,553	3,028,031	4,255,584
February.....	1,854,734	311,945	2,166,679	1,210,964	2,893,960	4,104,924
March.....	1,884,613	273,440	2,158,053	1,320,432	2,873,063	4,193,495
April.....	1,929,750	283,631	2,213,381	1,431,856	2,834,945	4,268,801
May.....	1,970,827	259,960	2,230,787	1,525,355	2,784,813	4,310,168
June.....	2,030,285	301,834	2,332,119	1,577,437	2,705,452	4,282,889
July.....	2,085,071	289,416	2,374,487	1,711,509	2,656,230	4,367,739
August.....	2,133,808	311,446	2,445,254	1,855,351	2,594,485	4,449,836
September.....	2,166,018	274,291	2,440,309	2,090,806	2,561,840	4,652,646
October.....	2,173,362	291,659	2,465,021	2,365,006	2,560,981	4,925,987
November.....	2,205,477	319,043	2,524,520	2,531,813	2,533,840	5,065,653
December.....	2,218,799	320,793	2,539,592	2,607,438	2,522,547	5,129,985
1919.						
January.....	2,207,895	467,759	2,675,654	2,631,977	2,473,163	5,105,140
February.....	2,264,878	477,711	2,742,589	2,443,357	2,425,683	4,869,040
March.....	2,277,797	437,083	2,714,880	2,475,284	2,376,136	4,851,420
April.....	2,314,540	431,240	2,745,780	2,502,622	2,338,351	4,840,973
May.....	2,323,406	445,752	2,769,158	2,521,144	2,324,447	4,845,591
June.....	2,352,893	430,273	2,783,166	2,506,177	2,302,736	4,808,913
July.....	2,295,174	450,954	2,746,128	2,494,051	2,348,295	4,842,346
August.....	2,262,946	468,054	2,731,000	2,503,571	2,290,545	4,794,116
September.....	2,227,597	483,049	2,710,646	2,561,703	2,291,356	4,853,059
October.....	2,195,399	508,523	2,703,922	2,669,732	2,289,243	4,958,975
November.....	2,177,024	510,627	2,687,651	2,738,914	2,294,996	5,033,910
December.....	2,117,618	493,303	2,610,921	2,840,305	2,331,918	5,172,223
1920.						
January.....	2,091,054	558,257	2,649,311	2,987,225	2,324,784	5,312,009
February.....	2,055,735	579,060	2,634,795	2,844,891	2,265,083	5,109,974
March.....	2,007,045	521,408	2,528,451	2,909,690	2,278,171	5,277,861
April.....	2,000,056	487,749	2,487,805	3,032,401	2,240,940	5,273,341
May.....	1,981,490	483,592	2,465,082	3,062,455	2,225,417	5,290,872
June.....	1,989,763	461,620	2,451,383	3,101,432	2,251,714	5,353,146
July.....	2,011,967	494,362	2,506,329	3,121,242	2,259,611	5,380,853



### EARNINGS AND EXPENSES OF FEDERAL RESERVE BANKS.

Total earnings of the Federal Reserve Banks for the six months ending June 30, 1920, were \$81,778,352, compared with \$46,690,577 for the corresponding period in 1919, while total current expenses for the first six months of the present year were \$13,195,241, compared with \$9,061,746 in 1919. Current expenses for the six-month period under review include \$10,714,924, expenses of operation proper; \$1,285,438, the cost including expressage, insurance, and other expenses incident to the issue and redemption of Federal Reserve currency; \$473,678, taxes on Federal Reserve Bank note circulation; \$680,281, the cost of furniture and equipment bought during the period, and \$40,920, miscellaneous minor expenses. Current expenses shown are exclusive of the expenses of the fiscal agency departments, which are treated separately, being reimbursable by the Government.

During the first six months of the present year the Federal Reserve Banks, assisting the Government in its fiscal operations, expended a total of \$3,397,148, compared with \$11,119,274 during the corresponding period in 1919. There was also due to the banks from the Treasury at the beginning of the year a total of \$3,587,167, disbursed by the banks during the past calendar year. Reimbursements received by the banks since January 1, 1920, totaled \$5,568,914, leaving thus a reimbursable balance on June 30 of \$1,415,401.

Current net earnings of the banks, i. e., the excess of earnings over current expenses, totaled \$68,583,111, or at the yearly rate of 151.2 per cent on an average paid-in capital of \$91,165,000, compared with 92 per cent for the corresponding period in 1919, and 55.9 per cent in 1918. After crediting \$343,667 direct to profit and loss the banks had available for dividends, surplus, and franchise taxes a total of \$68,926,778. Out of this total came dividends at the annual rate of 6 per cent for the six months, \$2,734,959. Of the remainder, \$6,603,738 was carried to profit and loss, and \$44,625,563 to surplus; moreover, the New York bank, whose surplus is in excess of 100 per cent of its subscribed capital, in accordance with amended section 7 of the Federal Reserve Act, reserved \$14,962,518 as a franchise tax to the Government. For each of the Federal Reserve Banks

and the system as a whole the ratios of surplus to subscribed capital stand as follows:

	Per cent.		Per cent.
Boston.....	82.0	St. Louis.....	69.1
New York.....	104.0	Minneapolis.....	79.2
Philadelphia.....	78.5	Kansas City.....	97.4
Cleveland.....	67.7	Dallas.....	55.4
Richmond.....	83.6	San Francisco.....	90.8
Atlanta.....	93.3		
Chicago.....	90.0	System.....	87.1

Of the total earnings for the six months of the present year about 78.7 per cent, as against 82.1 in 1919, came from discounts, largely war paper; bills purchased in open market, largely bankers' acceptances, contributed 15.6 per cent of the total earnings, as against 11 per cent in 1919; United States securities, largely Treasury certificates, 4.3 per cent, as against 5 per cent for the first half of 1919. Combined earnings from these three sources account for about 99 per cent of the six-months' earnings of the banks, the balance being made up of net earnings from bank transfers, penalties and interest on deficient reserves, collection charges, profits on sales of foreign coin, and sundry minor profits.

Of the total expenses of operation of the banks proper, exclusive of their fiscal agency departments, \$5,455,812, or nearly 51 per cent, as against 45 per cent in 1919, went as salaries to the clerical staff. This amount is exclusive of \$313,777, composed chiefly of the amount of extra pay for overtime work and \$60,211, the premium paid by the banks for life insurance of the employees. Salaries of bank officers totaled \$881,364, or 8.2 per cent of the banks' operating expenses for the six months of the present year, as against 9.8 per cent in 1919. Printing and stationery account for 5.7 per cent of the total expense of operation, and postage and expressage for 4.6 per cent. Contributions of the banks for the support of the Federal Reserve Board totaled \$519,257, or 4.8 per cent of the operating expenses, compared with 4.5 per cent in 1919.

Rent paid for the first six months of the present year totaled \$361,385, or about one-third more than for the first six months in 1919. In addition, the banks show an increase for the present year of \$3,269,063 in their investments in bank premises. All of them own either all or a part of the premises occupied by them as banking quarters, or else have purchased ground on which they propose to erect permanent bank buildings for their own use.



Earnings and expenses of each Federal Reserve Bank for the six months ending June 30, 1920.

EARNINGS.

	Boston.	New York.	Philadel- phia.	Cleve- land.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total.
Discounted bills.....	\$4,466,423	\$21,120,722	\$5,417,649	\$4,367,998	\$2,691,248	\$2,864,646	\$10,556,549	\$2,821,065	\$1,958,250	\$2,946,393	\$1,817,658	\$3,300,769	\$64,329,370
Purchased bills.....	758,291	5,097,152	119,937	1,694,833	288,451	253,363	1,754,868	212,929	137,747	123,425	53,802	2,229,694	12,724,492
United States securities.....	237,877	981,798	351,268	277,359	139,122	159,367	503,943	194,951	94,631	273,868	140,092	164,815	3,519,091
Transfers, net earnings.....				39,912			161,468		30,523	1,750	132,056	85,616	447,825
Deficient reserve penalties (includ- ing interest).....	21,618	78,174	34,066	48,881	100,054	44,109	71,549	45,065	25,756	85,202	35,276	53,646	643,396
Sundry profits.....	4,677	58,932	13,235	606	643	13,188	3,552	11,748	7,265	128	165	39	114,178
<b>Total earnings.....</b>	<b>5,488,886</b>	<b>27,336,778</b>	<b>5,936,155</b>	<b>6,429,589</b>	<b>3,219,518</b>	<b>3,334,673</b>	<b>13,051,929</b>	<b>3,285,758</b>	<b>2,254,172</b>	<b>3,427,266</b>	<b>2,179,049</b>	<b>5,834,579</b>	<b>81,778,352</b>

CURRENT EXPENSES.

<b>Expenses of operation:</b>													
Assessments, account expenses of Federal Reserve Board.....	\$38,666	\$168,682	\$41,828	\$46,555	\$25,531	\$20,302	\$66,764	\$19,520	\$16,607	\$25,329	\$16,167	\$33,306	\$519,257
Federal Advisory Council (fees and traveling expenses).....	252	700	297	767	380	607	617	600	415	260	400	939	6,234
Governors' conferences (includ- ing traveling expenses).....	147	112	122	109	214	243	233	109	141	484	391	878	3,183
Federal Reserve Agents' confer- ences (including traveling ex- penses).....	140	375		68								669	1,252
<b>Salaries—</b>													
Bank officers.....	58,450	177,731	60,010	71,907	43,135	77,572	105,835	57,100	33,755	48,768	55,125	91,976	881,364
Clerical staff.....	349,323	1,708,367	374,022	359,923	260,310	205,456	771,192	274,767	115,475	300,992	297,783	408,202	5,455,812
Special officers and watch- men.....	8,753	77,621	31,681	13,400	6,279	7,508	41,589	9,324	6,834	12,967	7,737	13,026	236,719
All other.....	3,945	78,533	40,045	48,834	13,928	10,613	53,485	12,429	7,146	12,670	15,936	16,213	313,777
Life-insurance premiums (em- ployees' group insurance).....	480	12,493	6,746	6,267	2,519	1,322	7,927	3,150	1,094	7,138	2,812	8,263	60,211
Directors' fees.....	2,300	11,890	2,200	1,610	1,745	1,795	2,420	3,215	1,970	3,340	1,200	3,180	36,865
Per diem allowances.....	1,267		350	460	350	2,395	510	1,040	330	3,710	445	418	11,275
Traveling expenses.....	926	2,264	722	950	698	2,663	1,851	1,680	819	2,534	1,380	939	17,426
Officers' and clerks' traveling expenses.....	5,235	8,362	2,702	8,787	9,043	6,955	18,764	14,783	6,809	11,081	16,670	13,453	122,644
Legal fees.....	1,923	8,324	1,272		570	1,928	3,750	1,500	1,375	1,500	1,250	1,960	25,352
Rent.....	32,422	144,168	8,180	30,049	4,132	9,150	68,211	22,007	9,129	19,633	7,451	6,853	361,385
Taxes and fire insurance.....	963	552	9,822	872	5,177	2,586	129	1,707	92	192	2,074	4,360	28,526
Telephone.....	5,812	15,380	7,521	3,993	1,497	1,666	8,988	3,025	1,438	2,372	1,833	4,407	57,932
Telegraph.....	4,926	21,138	4,728	11,954	9,946	23,144	26,749	20,782	4,053	13,601	23,274	30,805	195,100
Postage.....	31,866	56,104	26,149	35,507	29,404	24,442	58,123	40,430	28,031	55,127	32,468	37,883	455,534
Expressage.....	439	2,116	266	704	573	954	5,232	1,052	6,426	1,095	18,548	2,684	40,089
Insurance and premiums on fidelity bonds.....	2,607	13,798	31,604	22,499	1,938	12,315	32,133	10,789	9,628	19,870	3,765	22,763	183,709
Light, heat, and power.....	7,634	1,279	9,985	2,617	3,785	3,237	10,825	3,121		2,753	2,607	4,415	52,258
Printing and stationery.....	31,198	118,996	55,017	51,928	27,957	34,977	88,356	35,222	23,710	40,312	30,921	76,394	614,988
Repairs and alterations.....	288	30,678	7,492	9,371	8,831	2,584	48,575	4,762	2,467	6,343	8,760	38,686	168,837
Currency shipments to and from member and nonmember banks and between the Fed- eral Reserve Bank and its branch or branches.....	45,126	46,066	34,936	20,144	11,380	19,746	41,261	12,636	4,632	12,335	12,456	15,954	276,672
Currency shipments (other than Federal Reserve and Federal Reserve bank notes) to and from Washington or a sub- treasury.....	20,217	67,019	15,891	19,995	10,616	9,431	24,559	13,403	6,861	14,082	8,104	12,576	222,754
All other.....	28,504	86,362	17,987	18,124	9,215	20,355	67,772	15,565	15,464	21,906	43,431	20,994	365,769
<b>Total expenses of operation...</b>	<b>683,899</b>	<b>2,859,110</b>	<b>791,575</b>	<b>787,394</b>	<b>489,153</b>	<b>503,946</b>	<b>1,555,850</b>	<b>583,718</b>	<b>334,701</b>	<b>640,394</b>	<b>612,988</b>	<b>872,190</b>	<b>10,714,924</b>

<sup>1</sup> Debit.

Earnings and expenses of each Federal Reserve Bank for the six months ending June 30, 1920—Continued.

CURRENT EXPENSES—Continued.

	Boston.	New York.	Philadel- phia.	Cleve- land.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas. City.	Dallas.	San Francisco.	Total.
Federal Reserve currency (original cost, including shipping charges).....	\$130,110	\$187,672	\$110,632	\$139,954	\$53,971	\$63,440	\$193,474	\$95,015	\$16,026	\$34,919	\$37,393	\$115,104	\$1,182,710
Miscellaneous charges account Federal Reserve currency.....	14,132	17,842	8,378	6,216	7,212	6,184	10,382	15,463	1,633	3,278	3,278	8,730	102,728
Taxes on Federal Reserve Bank note circulation.....	42,000	95,393	49,990	41,351	20,991	26,654	74,969	24,500	14,427	41,724	20,826	20,853	473,678
Furniture and equipment.....	9,764	89,695	40,167	51,623	33,311	24,219	173,821	62,203	20,505	49,872	33,449	86,652	680,281
Bank premises.....	9,113		90				31,717						40,920
Total current expenses.....	889,018	3,249,712	1,000,832	1,026,538	609,638	629,443	2,040,213	780,899	337,292	770,187	707,934	1,103,535	13,195,241
Current net earnings.....	4,599,868	24,087,066	4,935,323	5,403,051	2,609,880	2,705,230	11,011,716	2,504,859	1,866,880	2,657,079	1,471,115	4,731,044	68,583,111
Ratio of current net earnings to average paid-in capital, per cent..	127.0	203.6	121.8	110.0	113.6	151.5	173.7	121.4	118.0	128.1	83.5	156.8	151.3
Credits to profit and loss on account of—													
Amounts previously deducted from current net earnings for assessment account expenses Federal Reserve Board, Jan.—June, 1920.....	38,666	168,682	41,828	46,555	25,531	20,302	66,764	19,520	16,607		16,167	33,306	493,928
All other, net.....	15,586	346	101	16,691	181	985	1,093			482	133,960	13,869	150,261
Net credits to profit and loss.....	54,252	169,028	41,932	29,864	25,350	19,317	65,671	19,520	16,607	482	117,793	19,437	343,667
Net amount available for dividends, surplus, etc.....	4,654,120	24,256,094	4,977,255	5,432,915	2,635,230	2,724,547	11,077,387	2,524,379	1,883,487	2,657,561	1,353,322	4,750,481	68,926,778
Dividends paid.....	218,423	713,738	244,410	296,248	138,672	107,725	382,404	124,543	95,441	125,089	106,285	181,981	2,734,959
Carried to profit and loss.....	443,570	2,354,236	469,091	513,667	249,656	261,822	1,069,498	239,984	178,805	253,247	124,704	445,458	6,603,738
Carried to surplus.....	3,992,127	6,225,602	4,263,754	4,623,000	2,246,902	2,355,000	9,625,485	2,159,852	1,609,241	2,279,225	1,122,333	4,123,042	44,623,563
Reserved for franchise tax.....		14,962,518											14,962,518

<sup>1</sup> Net debit.

FISCAL AGENCY DEPARTMENT DISBURSEMENTS OF EACH FEDERAL RESERVE BANK AND AMOUNTS REIMBURSED DURING THE 6 MONTHS ENDING JUNE 30, 1920, ALSO BALANCES REIMBURSABLE BY THE UNITED STATES TREASURY ON JULY 1, 1920.

	Boston.	New York.	Philadel- phia.	Cleveland.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Total disbursements during the six months ending June 30, 1920.....	\$234,925	\$867,101	\$206,683	\$228,884	\$262,453	\$131,741	\$565,173	\$151,267	\$121,595	\$203,653	\$128,550	\$295,123	\$3,397,148
Amounts reimbursable Jan. 1, 1920.....	185,777	977,835	117,817	330,386	252,823	121,787	532,481	106,457	129,285	407,176	213,594	211,749	3,587,167
Total.....	420,702	1,844,936	324,500	559,270	515,276	253,528	1,097,654	257,724	250,880	610,829	342,144	506,872	6,984,315
Reimbursements received since Jan. 1, 1920.....	335,307	1,553,129	277,605	436,305	486,985	195,175	832,594	203,866	200,237	465,741	308,256	273,714	5,568,914
Balance reimbursable July 1, 1920.....	85,395	291,807	46,895	122,965	28,291	58,353	265,060	53,858	50,643	145,088	33,888	233,158	1,415,401

Earnings and current expenses of each Federal Reserve Bank, by months, from January to June, 1920.

EARNINGS.

	Boston.	New York.	Philadel- phia.	Cleveland.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
January.....	\$783,325	\$3,999,906	\$894,031	\$912,525	\$493,729	\$463,201	\$1,607,501	\$465,699	\$339,915	\$515,580	\$314,948	\$879,796	\$11,670,166
February.....	885,683	4,266,985	932,022	1,003,026	503,739	496,878	1,804,334	495,848	320,334	499,680	296,338	883,027	12,378,494
March.....	963,600	4,791,127	1,061,375	1,151,285	576,205	582,599	2,251,441	586,861	352,255	569,608	349,842	928,564	14,134,762
April.....	907,418	4,433,053	1,007,745	1,126,698	535,380	553,332	2,381,120	572,925	387,158	595,980	378,544	1,042,771	13,922,124
May.....	922,195	4,858,822	1,060,427	1,151,006	555,193	629,890	2,480,203	603,925	421,323	639,643	401,237	1,112,401	14,841,265
June.....	1,026,665	4,986,885	1,010,555	1,054,439	555,272	608,773	2,527,330	555,500	433,187	616,775	438,140	988,020	14,831,541
Total.....	5,488,886	27,336,778	5,936,155	6,429,589	3,219,518	3,334,673	13,051,929	3,235,758	2,254,172	3,427,266	2,179,049	5,834,379	81,778,352

CURRENT EXPENSES.

January.....	\$115,388	\$439,637	\$117,685	\$105,973	\$67,618	\$72,436	\$265,718	\$110,124	\$50,784	\$101,222	\$97,822	\$112,650	\$1,657,057
February.....	123,185	445,486	133,845	134,500	78,743	92,044	260,031	111,134	56,116	110,495	102,600	115,914	1,764,094
March <sup>1</sup> .....	159,170	721,094	137,748	214,047	110,233	125,740	381,891	125,331	60,173	144,918	132,612	155,847	2,498,893
April.....	137,591	492,397	119,258	148,765	94,458	87,465	300,494	121,742	54,653	145,338	108,664	138,922	1,949,747
May.....	149,965	482,593	141,449	155,356	91,604	85,633	351,337	117,661	56,178	118,192	118,754	138,825	2,007,547
June <sup>1</sup> .....	203,719	668,505	350,847	267,897	166,982	166,125	480,742	194,907	109,388	150,022	147,482	441,377	3,347,993
Total.....	889,018	3,249,712	1,000,832	1,026,538	609,638	629,443	2,040,213	780,899	387,292	770,187	707,934	1,103,535	13,195,241

<sup>1</sup> Increases shown for the month of March are due to the payment of additional compensation to employees, and for the month of June to special charges on account of cost of Federal Reserve currency and furniture and equipment, also to additional compensation paid to employees.

## July Crop Report by Federal Reserve Districts.

Forecasts of crop production issued by the Bureau of Crop Estimates, United States Department of Agriculture, as of July 1, are

shown in the table below, together with estimates of production in 1919 and 5-year averages for 1915-1919.

*Production of corn, wheat, cotton, oats, and hay, by Federal Reserve districts—July 1, 1920, forecast of the Bureau of Crop Estimates.*

[In thousands of units of measurement.]

Federal Reserve district.	Corn (bushels).			Total wheat (bushels).			Winter wheat (bushels).			Spring wheat (bushels).		
	Forecast for 1920.	Estimate for 1919.	Average for 1915-1919.	Forecast for 1920.	Estimate for 1919.	Average for 1915-1919.	Forecast for 1920.	Estimate for 1919.	Average for 1915-1919.	Forecast for 1920.	Estimate for 1919.	Average for 1915-1919.
Boston.....	7,055	10,276	8,896	456	480	380	.....	.....	.....	456	480	380
New York.....	34,729	41,089	32,897	11,546	12,493	10,404	10,890	11,743	10,054	656	750	350
Philadelphia.....	55,446	66,444	58,841	24,269	25,922	23,344	23,945	25,606	23,281	324	316	63
Cleveland.....	187,846	212,297	194,147	34,788	63,748	48,051	34,217	62,714	47,780	571	1,034	271
Richmond.....	180,805	188,994	195,343	35,891	37,094	41,952	35,891	37,094	41,952	.....	.....	.....
Atlanta.....	230,761	240,315	250,162	6,676	10,326	10,830	6,676	10,326	10,830	.....	.....	.....
Chicago.....	859,627	927,852	886,088	65,803	112,202	83,392	50,018	93,062	70,743	15,785	19,140	12,649
St. Louis.....	398,851	380,722	421,391	55,837	108,022	78,328	55,004	107,021	77,937	.....	1,001	.....
Minneapolis.....	241,114	242,363	211,129	209,535	135,094	209,823	8,379	5,757	13,753	201,156	129,337	196,070
Kansas City.....	402,781	372,870	392,546	245,270	300,994	217,430	224,357	284,531	201,404	20,913	16,463	16,026
Dallas.....	170,709	225,743	150,641	16,285	33,605	19,771	15,504	32,707	19,228	781	698	543
San Francisco.....	9,179	8,485	7,332	103,244	101,008	88,356	53,364	61,075	52,027	49,880	39,933	36,329
Total.....	2,778,903	2,917,450	2,809,413	809,600	940,988	832,061	518,245	731,636	568,989	291,355	209,352	263,072

Federal Reserve district.	Cotton (bales).			Oats (bushels).			Hay, tame and wild (tons).		
	Forecast for 1920.	Estimate for 1919.	Average for 1915-1919.	Forecast for 1920.	Estimate for 1919.	Average for 1915-1919.	Forecast for 1920.	Estimate for 1919.	Average for 1915-1919.
Boston.....	.....	.....	.....	12,600	12,123	10,957	4,160	4,912	4,882
New York.....	.....	.....	.....	42,149	31,856	44,190	5,664	7,073	6,686
Philadelphia.....	.....	.....	.....	24,742	23,214	25,518	2,989	3,155	3,266
Cleveland.....	.....	.....	.....	71,522	70,279	84,240	5,463	6,089	6,410
Richmond.....	2,079	2,372	2,040	26,826	26,397	25,635	4,088	4,916	4,036
Atlanta.....	2,751	2,816	3,044	29,101	29,008	32,546	4,184	4,272	3,350
Chicago.....	.....	.....	.....	454,323	461,082	572,006	15,899	18,629	18,563
St. Louis.....	1,906	1,789	1,935	67,302	63,595	70,007	7,117	8,124	7,498
Minneapolis.....	.....	.....	.....	289,700	208,857	284,134	9,654	17,245	16,626
Kansas City.....	860	832	711	186,366	182,677	185,475	13,367	19,907	17,969
Dallas.....	3,779	3,097	3,588	41,419	99,004	53,782	1,419	2,309	1,582
San Francisco.....	180	117	77	46,015	40,219	47,026	11,449	12,035	12,452
Total.....	211,566	211,030	211,403	1,322,065	1,248,311	1,435,456	84,813	108,666	103,300

<sup>1</sup> In addition, the following amounts were estimated grown in Lower California (Mexico): 1920, 91,000 bales; 1919, 52,000 bales.  
<sup>2</sup> Cotton grown outside of cotton belt included as follows: 1920, 11,000 bales; 1919, 7,000 bales; 1915-1919 average, 8,000 bales.

Forecasts of corn production show an aggregate for this year of 2,779 million bushels, or 138 millions less than in 1919, a reduction of 4.7 per cent from last year's production and of 1.1 per cent from the five-year average. The wheat crop is expected to amount to about 810 million bushels, an improvement of 30 million bushels over the June estimate, due to the better prospects both for winter wheat and spring wheat, the forecast, however, being still 131 millions, or 13.9 per cent, below last year's estimate, but only 22 millions below the five-year average.

Cotton prospects are good, the forecast of 11,566,000 bales being over one-half million bales above last year's estimate and 163,000 bales above the average for the five years 1915-1919. The crop of oats is expected to be better than last year by 74 million bushels, but still below the five-year average by 113 million bushels, while the forecast of the hay crop places it at 85 million tons, 24 millions below the 1919 production and 18 millions below the average for the past five years.

**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 July. One thousand four hundred and one State institutions are now members of the system, having a total capital of \$494,909,578, total surplus of \$491,135,450, and total resources of \$9,840,912,065.

	Capital.	Surplus.	Total resources.
<i>District No. 5.</i>			
Northeastern Trust Co., Reading, Pa.	\$250,000	\$25,000	\$688,937
<i>District No. 5.</i>			
United Loan & Trust Co., Lynchburg, Va.	300,000	200,000	1,655,840
Petersburg Savings & Trust Co., Petersburg, Va.	1,000,000	100,000	6,290,654
<i>District No. 6.</i>			
The Bank of Pittsview, Pittsview, Ala.	25,000	2,500	139,966
The Peoples Bank, Carrollton, Ga.	60,000	27,000	594,065
Wartrace Bank & Trust Co., Wartrace, Tenn.	25,000		47,949
<i>District No. 7.</i>			
First State Savings Bank, Mount Carroll, Ill.	50,000	50,000	636,997
<i>District No. 8.</i>			
Monroe County Bank, Brinkley, Ark.	50,000	5,000	322,210
Bank of Russellville, Russellville, Ark.	75,000	37,750	585,607
Cass Avenue Bank, St. Louis, Mo.	200,000	50,000	3,368,836
<i>District No. 9.</i>			
Farmers & Merchants State Bank, Eureka, Mont.	25,000	13,000	451,388
<i>District No. 10.</i>			
The Stockgrowers Bank, Evanston, Wyo.	50,000	35,000	714,265
Uinta County State Bank, Mountain View, Wyo.	40,000	4,000	146,717
<i>District No. 11.</i>			
The Celina State Bank, Celina, Tex.	35,000	7,500	248,333
Dallas County State Bank, Dallas, Tex.	250,000	105,000	1,613,411
State Bank & Trust Co., Houston, Tex.	200,000		2,495,286
First State Bank, Leakey, Tex.	25,000		71,809
First State Bank, Matador, Tex.	25,000	12,500	403,610
Citizens State Bank, Maypearl, Tex.	25,000	15,000	241,642
Bank of Commerce & Trust Co., Mercedes, Tex.	50,000	5,000	187,045
Farmers Guaranty State Bank, North Zulch, Tex.	25,000		158,657
Merchants State Bank, Port Arthur, Tex.	100,000	40,000	1,705,708
First State Bank, Roaring Springs, Tex.	25,000	15,000	189,192
Central Trust Co., San Antonio, Tex.	1,000,000	150,000	9,880,315
Guaranty State Bank & Trust Co., Waxahachie, Tex.	200,000	15,000	1,640,670
Farmers State Bank, Georgetown, Tex.	50,000	50,000	666,658
<i>District No. 12.</i>			
Farmers State Bank Tetonia, Idaho.	25,000	2,500	114,875
The Rideout Bank, Marysville, Calif.	250,000	308,930	5,843,632
Security Trust Co., Bakersfield, Calif.	500,000	220,000	7,129,622
Mercantile Trust Co., San Francisco, Calif.	4,000,000	3,000,000	70,753,510

**WITHDRAWAL.**

The Lincoln County Bank, Merrill, Wis., has withdrawn from membership.

**CONVERSION.**

The Northern Savings Bank, Fargo, N. Dak., into the Northern National Bank.

**CONSOLIDATION.**

The Savings Union Bank & Trust Co., a member bank, the Mercantile Trust Co., a nonmember, and the Mercantile National Bank, San Francisco, Calif., have consolidated under a new charter as the Mercantile Trust Co., San Francisco, which company has been admitted to membership.

**VOLUNTARY LIQUIDATION.**

Scandinavian American Bank, Astoria, Oreg.

**Acceptances to 100 Per Cent.**

Since the issuance of the July BULLETIN the following banks have been authorized by the Federal Reserve Board to accept drafts and bills of exchange up to 100 per cent of their capital and surplus:

- Citizens National Bank, Baltimore, Md.
- Maryland Trust Company, Baltimore, Md.
- Commercial National Bank, Sherman, Tex.
- Lincoln Trust Co., New York City.

**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 June 26 to July 30, 1920, inclusive:

	Banks.	
New charters issued to.....	34	
With capital of.....		\$2,190,000
Increase of capital approved for.....	91	
With new capital of.....		14,345,000
Aggregate number of new charters and banks increasing capital.....	125	
With aggregate of new capital authorized.....		16,535,000
Number of banks liquidating (other than those consolidating with other national banks under the act of June 3, 1864)....	7	
Capital of same banks.....		2,380,000
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).....	7	
Aggregate capital reduction.....		2,380,000
Consolidation of national banks under the act of Nov. 7, 1918.....	0	
Capital.....		0
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was.....		16,535,000
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.....		2,380,000
Net increases.....		14,155,000

**Commercial Failures Reported.**

The tendency toward increase in the country's business mortality has recently become more marked, and the 384 commercial failures reported to R. G. Dun & Co. in three weeks of July considerably exceed the 287 defaults of the

same period of 1919. During June, the latest month for which complete statistics are available, there were 674 insolvencies for \$32,990,965 of liabilities, whereas the 485 reverses of June, last year, represented a low month record up to that time, and the indebtedness involved by these failures was less than \$9,500,000. Separated according to Federal Reserve districts, the June returns disclose more insolvencies than in that month of 1919 in 10 of the 12 districts, the exceptions being the first and third districts, and in the latter district a difference of only one failure appears. The statement of liabilities, moreover, reveals smaller amounts than in June, 1919, only in the third and fifth districts, a number of defaults of unusual size accounting for large increases in several instances.

*Failures during June.*

District.	Number.		Liabilities.	
	1920	1919	1920	1919
First.....	55	61	\$1,783,684	\$765,929
Second.....	164	104	16,218,230	4,040,301
Third.....	26	27	219,092	295,163
Fourth.....	65	44	975,973	597,244
Fifth.....	37	30	314,156	1,001,355
Sixth.....	30	20	459,562	302,869
Seventh.....	69	56	2,742,755	933,669
Eighth.....	34	15	2,283,002	351,947
Ninth.....	21	10	306,250	67,969
Tenth.....	22	9	281,255	31,832
Eleventh.....	35	31	278,668	210,444
Twelfth.....	116	78	7,128,338	883,999
Total.....	674	485	32,990,965	9,482,721

**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 July, 1920:

DISTRICT No. 1.

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

DISTRICT No. 2.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:  
The Black River National Bank, Lowville, N. Y.

Trustee, executor, administrator, guardian of estates, assignee, receiver, committee of estates of lunatics:  
Suffern National Bank, Suffern, N. Y.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:  
New York State National Bank, Albany, N. Y.

DISTRICT No. 4.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:  
Citizens National Bank, Piqua, Ohio.

DISTRICT No. 5.

Executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:  
Commercial National Bank, Charleston, S. C.

DISTRICT No. 6.

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

DISTRICT No. 7.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:  
First National Bank, Elmhurst, Ill.  
The National Bank of Pontiac, Mich.  
First National Bank, Antigo, Wis.  
National Bank of Manitowoc, Wis.  
Marine National Bank, Milwaukee, Wis.  
National Exchange Bank of Milwaukee, Wis.  
American National Bank, Ripon, Wis.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, and receiver:  
First National Bank, Henry, Ill.  
Executor, administrator, guardian of estates, assignee, and receiver:  
First National Bank, Bancroft, Iowa.

DISTRICT No. 10.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:  
Lamar National Bank, Lamar, Colo.  
Commercial National Bank & Trust Co., Emporia, Kans.  
First National Bank, Lawton, Okla.

DISTRICT No. 12.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:  
First National Bank, Pasco, Wash.  
National Bank of Tacoma, Wash.

**PRINCIPAL BOOKS AND ARTICLES RELATING TO BANKING AND CURRENCY RECEIVED AT THE FEDERAL RESERVE BOARD LIBRARY DURING THE MONTH ENDING JULY 15, 1920.**

Alabama. Laws, statutes, etc.  
Combined banking laws of the State of Alabama. In effect Jan. 1, 1920. 1919. 41 p.  
Arizona. Laws, statutes, etc.  
Banking laws of the State of Arizona. July 1, 1919. 18 p.  
Arnold, Julian.  
Salient facts about China. 1920. 8 p.  
Brady, John E.  
Digest of the Banking law journal. . . a classified digest of legal decisions published in the Banking law journal, from the time of its foundation in 1889 to June, 1919. 1919. 408 p.  
Carles, Frederick.  
Essentials of investment; the analysis of a bond circular. 1919. 84 p.  
Chamberlain, Lawrence.  
Principles of bond investment. 1911. 551 p.  
Conyngton, Thomas, and Louis Bergh.  
Business law. 1920. 431 p.  
Friedman, Elisha M.  
International commerce and reconstruction. 1920. 432 p.  
Hobson, J. A.  
Taxation in the new state. 1920. 254 p.  
Parker, William.  
The Paris bourse and French finance: with reference to organized speculation in New York. (Columbia University studies in history, economics and public law, v. 89, no. 3.) 1920. 116 p.  
Reichsbank. Statistische Abteilung. Berlin.  
Die deutschen Abrechnungsstellen im Jahre 1919, auf Veranlassung der Berliner Abrechnungsstelle, bearbeitet in der Statistischen Abteilung der Reichsbank. 1920. 55 p.  
Spalding, William F.  
A primer of foreign exchange. 1919. 107 p.

SERIALS.

Jahrbuch für Gesetzgebung, Verwaltung und Volkswirtschaft. Ed. by Schmoller. Jahrgang 40-42 complete.  
Maryland. Bank commissioner.  
. . . Annual report . . . showing the condition of the State banks, trust companies, and savings institutions for the period ending February 1, 1920.

BANK REPORTS, 1919.

Bank of Chosen, Seoul.  
. . . Semi-annual report. . . 1919, 2d half.  
Banque de France, Paris.  
. . . Compte rendu au nom du conseil général de la banque et rapport de MM les censeurs, 1919.  
Commonwealth bank of Australia, Sydney.  
. . . Aggregate balance sheet. . . 1919.  
Nationalbanken i Kjøbenhavn.  
Nationalbankens regnskab for . . . 1918-19.  
Nederlandsche bank, Amsterdam.  
. . . Verslag door den president en door de commissarissen . . . 1919-20.  
Norges bank, Christiania.  
Regnskab . . . 1919.  
*Other bank reports.*—Anglo-South American bank, limited, London.  
Bank of Liverpool and Martins, limited, Liverpool. Bank of Montreal.  
The Canadian bank of commerce, Toronto. Chartered bank of India, Australia, and China, London. Comptoir national d'escompte de Paris. Crédit Lyonnais, Lyons. Hongkong and Shanghai banking corporation, Hongkong. Ionian bank, limited, London. Kjøbenhavns handelsbank i Kjøbenhavn. London and River Plate bank, limited, London. London joint city and midland bank, limited, London. Manchester and Liverpool district banking company, limited, Manchester. National bank of India, limited, London. The State savings bank of Victoria, Melbourne.

NEW PERIODICALS.

Board of trade journal. London. Frankfurter zeitung, Frankfurt. Living age. Boston. Plutus, Berlin.

## RULINGS OF THE FEDERAL RESERVE BOARD.

### Acceptance of drafts drawn for the purpose of furnishing dollar exchange.

Under the provisions of Regulation C, Series of 1917, subdivision (B), it is provided that any member bank desiring to accept drafts drawn by banks or bankers in foreign countries for the purpose of furnishing dollar exchange shall first make application to the Federal Reserve Board setting forth the usages of trade in the respective countries in which the drawer banks or bankers are located, and under the terms of the law no member bank may accept such drafts unless it is required by the usages of trade in the country in which the drawer bank is located.

If a national bank wishes to make such an application with respect to a country as to which no previous application has been granted, it should submit to the Board evidence that the usages of trade in that country are such as to

require the drawing of drafts of this character. The Board has heretofore ruled that there is nothing in the provisions of section 13 of the Federal Reserve Act which can be construed to permit the acceptance by member banks of drafts drawn merely for the purpose of correcting adverse exchange conditions. An application can not be granted, therefore, if it appears that the drafts are to be drawn not because the usages of trade so require but merely because dollar exchange is at a premium in the country where the drafts are to be drawn. This ruling, of course, has no bearing upon the question of whether particular drafts are eligible for acceptance by member banks under those provisions of section 13 of the Federal Reserve Act which relate to the acceptance of drafts which grow out of transactions involving the importation or exportation of goods.

## LAW DEPARTMENT.

### Agencies of national banks for purpose of accepting drafts.

The following is a ruling made by the Comptroller of the Currency under date of July 16, 1920, in response to a request from the Governor of the Federal Reserve Board for an opinion as to the right of a national bank located in California to appoint an agent in New York to accept, in behalf of the bank, drafts drawn on it payable in New York and to pay such drafts out of the funds deposited in New York under the control of the agent.

Receipt is acknowledged of your letter of July 16, which raises the question of the right of a national bank located in California to appoint an agent in New York to accept in behalf of the bank drafts drawn on it payable in New York and to pay such drafts out of the funds deposited in New York under the control of the agent.

You state as this is a matter within the jurisdiction of my office you would like to be advised as to the answer which shall be made.

Frequent requests have been received from national banking associations to establish agencies for the transaction of a part of their business at points other than the banking house, and it has been the uniform practice of the office to decline approving such requests.

In December, 1919, a national bank in New York requested to be authorized to establish an agency in that city to receive deposits from its customers and accom-

panied the request with a brief of counsel insisting that the establishment of such an agency would not be in violation of the National Bank Act.

Notwithstanding previous rulings of the office, in view of the urgent request of the bank and of its counsel, the matter was referred to the Solicitor of the Treasury, and under date of December 9, 1919, an opinion was received from him stating that such action would be in violation of the National Bank Act, and that the request of the bank could not be approved without legislative sanction.

Section 5190, U. S. R. S., provides in part that "the usual business of each national banking association shall be transacted at an office or banking house located in the place specified in its organization certificate." This has been construed by the Attorney General and by the Solicitor of the Treasury to mean one place or house.

It would perhaps not be questioned that accepting and paying drafts is a part of the usual business of a national bank, and it has been held in the case of *Armstrong v. Second National Bank* (38 Fed., 883) that an arrangement by the bank to provide for the cashing of checks drawn upon it at any other place than its office or banking house would be in violation of section 5190.

The same rule would seem to apply to the payment of drafts as to the payment of checks.

It is also my opinion that it would be bad policy on the part of a bank to authorize the accepting of drafts drawn upon it by an agent authorized by power of attorney who is not an officer of the bank.

For these reasons I am of opinion that the request of the California bank should not be approved, and if approved would be in violation of section 5190, U. S. R. S.

### WHOLESALE PRICES IN THE UNITED STATES.

In continuation of figures shown in the July BULLETIN, there are presented below monthly index numbers of wholesale prices for the period July, 1919, to June, 1920, compared with like figures for June of previous years; also for July, 1914, the month immediately preceding the outbreak of the great war. The general index number is that of the United States Bureau of Labor Statistics. In addition there are presented separate numbers for certain particular classes of commodities, in accordance with plans announced in previous issues of the BULLETIN.

In the construction of the index number for June, the only change in the list of commodities has been the omission of the quotations for pails and tubs. Index numbers for June are provisional, due to the fact that certain data were not received in time to render them available for use in the calculations.

For the first month since September, 1919, wholesale prices show a decrease from the previous month. The general index number of the Bureau of Labor Statistics stands at 269 for the month of June, as compared with 272 for the month of May. While the index numbers for the other two principal groups of commodities decreased, the index number for the group of raw materials remains unchanged at 260, showing an increase amounting to only 0.1 per cent. Diversity, however, is exhibited in the changes in the numbers for the subgroups included under this head. Increase is shown in the case of animal products and mineral products from 179 to 186 and from 234 to 244, or 3.6 per cent and 3.9 per cent, respectively, the latter being a new record figure. Among the commodities included in the former subgroup, decreases in the prices of various classes of sheep and poultry, hides and wool were more than offset by increases in the prices of cattle, hogs, and silk. The increase in the index number for the mineral products subgroup was due to increases

in the prices of various classes of bituminous coal and coke, pig iron, and phosphate rock, which more than offset decreases in the prices of pig tin and zinc and sulphur. The number for the subgroup of farm products decreased 4.1 per cent, from the record figure of 314 to 301, due to decreases in the prices of various grades of spring and winter wheat, corn and barley, hay, flaxseed, and tobacco, which were not offset by increases in the prices of oats, rye, and bluestem wheat. An increase in the price of yellow poplar was more than counterbalanced by decreases in the prices of Douglas fir and plain white oak, the index number for June standing at 363, which is 3 points, or 1 per cent, less than the May record figure.

The index number for the group of producers' goods has decreased from the record figure of 271 to 265, or 2 per cent. Among the commodities included in the group, increases in price occurred in the case of wood alcohol, alum and glycerin, brick and lime, cottonseed meal, lubricating oil and gasoline, and wood pulp, while decreases were noted for a more numerous list of commodities, including cotton and worsted yarns, chrome calf leather, sugar, bran, oleo oil, rubber, hemp and jute, steel plates, lath and shingles, linseed oil, rosin and turpentine, and soda ash.

An approximately equal decrease, namely, 2.1 per cent, is noted in the index number for the group of consumers' goods, which now stands at 279, as compared with the record figure of 285 for the month of May. Decrease in price occurred for an extended list of commodities, among which may be mentioned various meats, such as bacon and mess pork, lamb and mutton and poultry, granulated sugar, wheat flour, butter, cheese and eggs, onions and potatoes, oleomargarine and peanuts, cottonseed oil, boots and shoes, print cloths, sheetings and shirtings, trousers and carpets. Increases in price occurred chiefly in the case of foodstuffs, and among such commodities were included fresh beef and hams, beans, corn meal, glucose, fresh milk at New York, canned corn, bananas, lemons, prunes and raisins, and starch.

*Index numbers of wholesale prices in the United States for principal classes of commodities.*

[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
June, 1915.....	107	102	93	96	100	98	100	100
June, 1916.....	111	122	97	117	113	142	117	119
June, 1917.....	229	166	120	212	187	196	178	185
June, 1918.....	234	203	138	173	192	195	199	193
June, 1919.....	250	217	156	173	203	196	217	207
July, 1919.....	261	233	166	177	214	202	230	219
August, 1919.....	251	235	193	180	218	212	241	222
September, 1919.....	240	215	227	184	216	212	226	221
October, 1919.....	254	212	234	184	220	211	228	222
November, 1919.....	276	212	239	153	226	216	239	230
December, 1919.....	288	209	259	186	233	228	242	238
January, 1920.....	291	213	273	190	239	245	259	248
February, 1920.....	278	206	315	194	240	246	256	248
March, 1920.....	288	200	348	197	247	246	263	253
April, 1920.....	304	196	367	224	260	263	280	266
May, 1920.....	314	179	367	234	260	271	285	272
June, 1920.....	301	186	363	244	260	265	280	269



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 July, 1919, to June, 1920, compared with like figures for June

of previous years; also for July, 1914, the month immediately preceding the outbreak of the great war. 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.	Relative price.	Average price per pound.	Relative price.	Average price per bushel.	Relative price.	Average price per bushel.	Relative price.	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.
July, 1914.....	\$0. 7044	114	\$0. 1331	105	\$0. 8971	103	\$0. 8210	83	\$9. 2188	108	\$0. 1938	105
June, 1915.....	. 7355	119	. 0911	72	1. 2869	147	1. 2265	124	8. 9563	105	. 2325	126
June, 1916.....	. 7341	119	. 1280	101	1. 1143	128	1. 0413	106	10. 2625	121	. 2675	145
June, 1917.....	1. 7119	278	. 2421	191	2. 6935	308	2. 6388	268	12. 5500	148	. 3300	179
June, 1918.....	1. 5125	246	. 3066	241	2. 1700	248	2. 1700	220	17. 1750	202	. 3300	179
June, 1919.....	1. 7563	285	. 3185	251	2. 4575	281	2. 3613	239	15. 4600	182	. 4075	222
July, 1919.....	1. 9075	310	. 3377	266	2. 6800	307	2. 2580	229	16. 8888	198	. 4860	264
August, 1919.....	1. 9213	312	. 3125	246	2. 5256	289	2. 2394	227	17. 6375	207	. 5200	283
September, 1919.....	1. 5410	250	. 3078	242	2. 5350	290	2. 2385	227	16. 8050	198	. 4638	252
October, 1919.....	1. 3888	226	. 3538	279	2. 6250	301	2. 2394	227	17. 5938	207	. 4820	262
November, 1919.....	1. 4875	242	. 3963	312	2. 8250	323	2. 2881	232	17. 5000	206	. 4688	255
December, 1919.....	1. 4485	235	. 3990	314	3. 0300	347	2. 4490	248	17. 0750	201	. 4100	223
January, 1920.....	1. 4750	240	. 4035	318	2. 9313	336	2. 6338	267	15. 9375	187	. 4000	218
February, 1920.....	1. 4125	229	. 3944	311	2. 6975	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	329	3. 0093	344	2. 7725	281	13. 9063	163	. 3613	196
May, 1920.....	1. 9825	322	. 4038	318	3. 0750	352	2. 9750	302	12. 6000	148	. 3538	192
June, 1920.....	1. 8390	299	. 4030	317	2. 9000	332	2. 8950	294	15. 0313	177	. 3410	185

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.	Relative price.	Average price per pound.	Relative price.	Average price per M feet.	Relative price.	Average price per M feet.	Relative price.	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.
July, 1914.....	\$8. 7563	104	\$0. 4444	94	\$24. 5000	101	\$42. 0000	94	\$4. 9726	98	\$2. 2000	100
June, 1915.....	7. 5781	90	. 5571	118	20. 5000	85	40. 0000	90	4. 8300	95	.....	.....
June, 1916.....	9. 3813	111	. 6714	143	.....	.....	39. 0000	87	5. 3713	106	.....	.....
June, 1917.....	15. 2125	180	1. 1000	234	26. 0000	107	50. 0000	112	5. 7884	114	6. 0000	273
June, 1918.....	15. 5250	184	1. 4182	301	34. 5000	142	.....	.....	6. 3212	125	3. 7500	170
June, 1919.....	20. 7800	246	1. 1818	251	36. 0000	149	68. 0000	152	8. 1174	160	4. 0000	182
July, 1919.....	22. 3875	265	1. 2364	263	41. 0000	169	73. 0000	164	8. 1881	162	4. 0000	182
August, 1919.....	21. 6125	256	1. 2364	263	.....	.....	78. 0000	175	8. 3145	164	4. 0000	182
September, 1919.....	18. 2100	215	1. 2182	259	43. 0000	177	95. 0000	213	8. 4020	166	4. 5000	205
October, 1919.....	14. 7250	174	1. 2361	263	44. 0000	182	100. 0000	224	8. 4135	166	4. 5000	205
November, 1919.....	14. 1438	167	1. 2545	266	44. 0000	182	100. 0000	224	8. 4273	167	4. 1000	186
December, 1919.....	13. 6800	162	1. 2545	266	48. 0000	198	112. 0000	251	8. 4098	166	4. 1000	186
January, 1920.....	15. 1250	179	1. 2364	263	53. 0000	219	112. 0000	251	8. 4291	167	4. 1000	186
February, 1920.....	14. 9813	177	1. 2364	263	57. 0000	235	139. 0000	312	8. 4118	166	4. 1000	186
March, 1920.....	15. 5000	183	1. 2364	263	57. 0000	235	139. 0000	312	8. 4109	166	4. 1000	186
April, 1920.....	15. 7125	186	1. 2000	255	57. 0000	235	160. 0000	359	8. 4368	167	5. 5000	250
May, 1920.....	14. 7550	175	1. 1636	247	57. 0000	235	160. 0000	359	8. 9964	178	6. 0000	273
June, 1920.....	15. 3500	182	1. 0000	212	57. 0000	235	160. 0000	359	.....	.....	6. 0000	273

## Average monthly wholesale prices of commodities—Continued.

[Average price for 1913=100.]

Year and month.	Coal, Pocahontas, Norfolk.		Coke, Connellsville.		Copper, ingot, electrolytic, New York.		Lead, pig, desilverized, New York.		Petroleum, crude, Pennsylvania, at wells.		Pig iron, basic.	
	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per long ton.	Relative price.
July, 1914	\$3.0000	100	\$1.8750	77	\$0.1340	85	\$0.0390	89	\$1.7500	71	\$13.0000	88
June, 1915					.1875	119	.0490	111			12.5900	86
June, 1916			2.6250	108	.2800	178	.0725	165			18.0000	122
June, 1917	7.0000	233	9.5000	359	.3250	207	.1150	261	3.1000	127	48.7500	332
June, 1918	4.2320	141	6.0000	246	.2350	149	.0723	165	4.0000	163	32.0000	218
June, 1919	5.1400	171	4.0000	164	.1756	112	.0530	120	4.0000	163	25.7500	175
July, 1919	5.1400	171	4.0950	168	.2150	137	.0561	123	4.0000	163	25.7500	175
August, 1919			4.2188	173	.2281	145	.0579	132	4.0000	163	25.7500	175
September, 1919			4.5920	188	.2220	141	.0609	138	4.2500	173	25.7500	175
October, 1919	5.1400	171	4.8250	195	.2172	138	.0643	146	4.2500	173	25.7500	175
November, 1919	4.6320	154	5.9375	243	.2038	130	.0676	154	4.4375	181	28.3125	379
December, 1919	4.6320	154	6.0500	248	.1873	119	.0718	163	4.6000	188	34.6000	213
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

Year and month.	Cotton yarns, northern cones, 10/1.		Leather, sole, hemlock No. 1.		Steel billets, Bessemer, Pittsburgh.		Steel plates, tank, Pittsburgh.		Steel rails, open hearth, Pittsburgh.		Worsted yarns, 2-32's cross-bred.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per long ton.	Relative price.	Average price per pound.	Relative price.	Average price per long ton.	Relative price.	Average price per pound.	Relative price.
July, 1914	\$0.2150	97	\$0.3050	108	\$19.0000	74	\$0.0113	76	\$30.0000	100	\$0.6500	84
June, 1915	.1650	75	.2950	105	20.5000	79	.0115	78			.8200	106
June, 1916	.2500	113	.3700	131	43.5000	169	.0345	233	35.0000	117	1.1000	142
June, 1917	.3750	169	.5800	206	98.7500	383	.0700	473			1.5500	200
June, 1918	.6437	291	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
June, 1919	.5608	253	.5300	188	38.5000	149	.0265	179	47.0000	157	1.6000	206
July, 1919	.5912	267	.5300	188	38.5000	149	.0265	179	47.0000	157	1.6000	206
August, 1919	.6130	277	.5700	202	38.5000	149	.0265	179	47.0000	157	1.6242	209
September, 1919	.5903	267	.5700	202	38.5000	149	.0253	171	47.0000	157	1.7500	225
October, 1919	.6111	276	.5700	202	38.5000	149	.0261	176	47.0000	157	1.7500	225
November, 1919	.6648	300	.5700	202	41.3750	160	.0265	179	47.0000	157	2.2000	283
December, 1919	.6986	316	.5700	202	46.4000	180	.0265	179	47.0000	157	2.2000	283
January, 1920	.7271	329	.5600	199	48.0000	186	.0274	185	50.7500	169	2.2500	290
February, 1920	.7465	337	.5700	202	55.2500	214	.0350	236	54.5000	182	2.2500	290
March, 1920	.7549	341	.5700	202	60.0000	233	.0365	247	54.5000	182	2.2000	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

Year and month.	Beef, carcass, good native steers, Chicago.		Coffee, Rio, No. 7.		Flour, wheat, standard patents (1918, standard war), Minneapolis.		Hams, smoked, Chicago.		Illuminating oil, 150° fire test, New York.		Sugar, granulated, New York.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per pound.	Relative price.	Average price per gallon.	Relative price.	Average price per pound.	Relative price.
July, 1914	\$0.1350	104	\$0.0882	79	\$4.5938	100	\$0.1769	106	\$0.1200	97	\$0.0420	98
June, 1915	.1253	97	.0700	63	6.5950	144	.1585	95	.1200	97	.0588	138
June, 1916	.1415	109	.0988	89	5.7625	126	.1850	111	.1200	97	.0736	172
June, 1917	.1615	125	.1038	93	13.8938	303	.2594	156	.1200	97	.0754	177
June, 1918	.2338	181	.0841	76	9.8250	214	.2994	180	.1710	139	.0731	171
June, 1919	.2025	156	.2114	190	12.0125	262	.3806	220	.2000	162	.0882	207
July, 1919	.2075	160	.2303	207	12.1550	265	.3835	231	.2050	166	.0882	207
August, 1919	.2350	181	.2150	193	12.0063	262	.3828	231	.2180	177	.0882	207
September, 1919	.2275	176	.1663	149	11.8200	254	.3480	209	.2200	178	.0882	207
October, 1919	.2290	177	.1650	148	12.0313	262	.2900	174	.2200	178	.0882	207
November, 1919	.2350	181	.1697	152	12.9500	283	.2659	172	.2200	178	.0882	207
December, 1919	.2350	181	.1518	136	14.0250	306	.2888	174	.2200	178	.1085	254
January, 1920	.2320	179	.1628	146	14.4438	315	.2944	177	.2240	182	.1537	360
February, 1920	.2125	164	.1478	133	13.5375	295	.3056	184	.2400	195	.1495	350
March, 1920	.2050	158	.1500	135	13.1650	287	.3155	190	.2500	203	.1372	321
April, 1920	.2090	161	.1514	136	14.2813	312	.3313	199	.2600	211	.1919	449
May, 1920	.1950	151	.1559	140	15.0313	328	.3556	214	.2600	211	.2247	526
June, 1920	.2225	172	.1498	135	14.1600	309	.3650	220	.2600	211	.2120	497

**RETAIL TRADE.**

In the following tables is given a summary of the results obtained during the past few months in districts Nos. 1, 2, 3, 4, 5, 6, 7, 10, and 12, on the regular retail trade index form from representative department stores. In districts Nos. 1, 5, and 12 the data were received in (and averages computed from) actual amounts (dollars). In districts Nos. 2, 3, 4, 5, 6, 7, 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 June, the tables are based on reports from 23 stores in district No. 1, 18 in district No. 2, 14 in district No. 3, 16 in district No. 4, 9 in district No. 5, 11 in district No. 6, 7 in district No. 7, 11 in district No. 10, and 32 in district No. 12. For the earlier months the number of stores varied somewhat, due to the

inclusion of new stores from time to time in the reporting list.

In district No. 11 inquiries made of several stores in a number of lines brought the following average results:

*June, 1920, retail trade, compared with May, 1920, and June, 1919.*

[+increase; -decrease.]

	Compared with—	Sales.	Selling price.	Stocks at end of month.
		<i>Per cent. Same.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Groceries.....	May, 1920... June, 1919... June, 1920... June, 1919...	+67 +27 +41	Same. +12 -20	..... +10 +42
Furniture.....	May, 1920... June, 1919... June, 1920... June, 1919...	+1 +34 -10	Same. +15 Same.	..... +19 +10
Shoes.....	May, 1920... June, 1919... June, 1920... June, 1919...	+32 -5 +44	-20 -5 +21	+27 -1 +8
Clothing.....	May, 1920... June, 1919... June, 1920... June, 1919...	+6 +37	Same. +21	Same. +3
Dry goods.....	May, 1920... June, 1919... June, 1920... June, 1919...	+6 +37	Same. +21	Same. +3
Hardware.....	May, 1920... June, 1919... June, 1920... June, 1919...	+6 +37	Same. +21	Same. +3

*Condition of retail trade in Federal Reserve districts Nos. 1, 2, 3, 4, 5, 6, 7, 10, and 12.*

[Percentage of increase.]

District and city.	Comparison of net sales with those of corresponding period previous year.																
	July 1, 1919, to close of—										Jan. 1, 1920, to close of—						
	October, 1919.	November, 1919.	December, 1919.	January, 1920.	February, 1920.	March, 1920.	April, 1920.	May, 1920.	June, 1920.	October, 1919.	November, 1919.	December, 1919.	February, 1920.	March, 1920.	April, 1920.	May, 1920.	June, 1920.
District No. 1:																	
Boston.....	52.0	.....	42.3	33.2	15.4	38.9	16.8	19.4	27.8	33.0	.....	36.3	24.9	30.7	26.1	24.7	25.3
Outside.....	.....	.....	41.9	43.5	36.1	29.4	26.0	25.5	28.5	.....	.....	38.5	41.6	36.4	33.1	30.5	30.0
District.....	.....	.....	42.1	34.8	18.3	37.5	18.5	20.7	28.0	.....	.....	37.2	32.5	31.6	27.5	25.8	26.2
District No. 2:																	
New York City and Brooklyn.....	.....	.....	49.2	54.6	29.9	66.6	15.0	41.1	26.4	.....	.....	49.7	39.8	59.3	35.0	35.3	32.7
Outside.....	.....	.....	.....	.....	.....	50.4	22.4	22.8	32.3	.....	.....	.....	.....	38.1	33.6	30.1	31.7
District.....	.....	.....	.....	.....	.....	64.8	15.8	35.4	28.4	.....	.....	.....	.....	57.0	34.9	33.7	33.8
District No. 3.....	.....	.....	.....	22.2	17.6	37.5	12.4	50.7	34.3	.....	.....	.....	20.3	26.2	20.5	30.9	31.0
District No. 4.....	.....	.....	.....	.....	28.6	45.5	18.4	31.3	31.5	.....	.....	.....	36.0	38.2	33.6	32.1	34.6
District No. 5.....	.....	.....	.....	.....	14.2	23.1	3.9	11.0	21.4	.....	.....	.....	5.3	12.1	8.8	9.3	11.4
District No. 6.....	.....	.....	.....	.....	.....	27.4	23.4	31.0	24.3	.....	.....	.....	.....	29.9	22.0	28.1	29.3
District No. 7.....	.....	.....	.....	48.2	51.7	65.2	33.3	49.7	59.6	.....	.....	.....	50.7	57.4	43.5	49.6	58.7
District No. 10.....	.....	.....	.....	.....	.....	24.6	19.6	10.9	12.9	.....	.....	.....	.....	26.9	24.9	21.2	17.9
District No. 12:																	
Los Angeles.....	110.6	88.7	77.3	83.8	51.6	58.4	43.6	38.2	39.0	69.9	77.2	77.3	68.3	61.2	56.1	52.2	49.8
San Francisco.....	92.3	45.2	54.6	53.5	26.9	35.4	28.5	40.9	23.6	46.5	46.3	47.1	58.9	39.7	36.6	37.6	35.3
Oakland.....	68.5	30.3	29.8	41.4	27.4	31.0	14.9	17.1	15.2	32.3	31.9	31.9	34.8	32.3	27.9	25.6	23.2
Sacramento.....	69.2	36.6	50.7	54.2	22.6	65.1	33.9	34.4	32.1	35.7	35.7	39.5	36.6	60.9	47.5	39.4	38.3
Seattle.....	50.6	21.0	28.6	23.9	22.4	19.2	4.3	6.3	11.1	31.6	29.5	29.3	23.0	21.8	16.2	13.9	13.4
Spokane.....	176.0	46.4	77.1	36.2	23.6	19.8	10.9	48.8	62.8	99.9	70.4	72.0	30.1	26.8	23.1	29.1	35.7
Salt Lake City.....	44.8	42.7	32.3	23.8	11.5	10.5	7.1	26.4	18.3	24.8	32.0	29.2	18.1	15.1	12.8	16.4	14.7
District.....	82.0	46.1	50.7	51.7	31.1	37.8	13.8	31.2	27.8	46.9	47.5	47.0	46.5	41.0	36.9	34.7	33.2

Condition of retail trade in Federal Reserve districts Nos. 1, 2, 3, 4, 5, 6, 7, 10, and 12—Continued.

[Percentage of increase.]

District and city.	Stocks at end of month compared with—																	
	Same month previous year.									Previous month.								
	Oct., 1919.	Nov., 1919.	Dec., 1919.	Jan., 1920.	Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.	Oct., 1919.	Nov., 1919.	Dec., 1919.	Jan., 1920.	Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.
District No. 1:																		
Boston.....	4.9		25.4	29.7	38.1	42.3	45.2	44.5	43.8	7.5		10.9	15.2	7.4	9.9	4.0	13.4	15.6
Outside.....			24.9	28.4	37.5	44.9	43.2	43.8	36.3			13.8	13.7	9.7	11.9	2.8	11.8	15.1
District.....			25.2	29.6	38.0	42.8	44.7	44.3	41.4			16.1	15.1	7.8	10.2	3.7	12.9	15.5
District No. 2:																		
New York City and Brooklyn.....			36.4	44.0	49.6	69.6	53.8	47.9	45.5			10.4	11.9	8.4	27.9	1.3	16.6	15.4
Outside.....						60.6	51.6	51.7	38.4						9.3	11.4	11.7	17.7
District.....						68.6	53.6	49.1	43.2						25.8	1.4	15.0	16.1
District No. 3.....				9.9	16.4	24.3	25.7	30.4	26.7				13.4	7.0	12.3	5.4	16.7	13.0
District No. 4.....					48.6	56.1	63.9	57.0	53.3					45.1	11.6	7.3	1.9	11.0
District No. 5.....					57.0	51.5	59.5	67.1	57.2					10.5	14.1	1.1	2.3	19.2
District No. 6.....						41.1	29.9	50.2	47.2						4.7	3.0	1.5	15.6
District No. 7.....				42.7	51.8	64.9	39.9	49.7	77.1				14.7	55.9	10.1		2.1	.0
District No. 10.....						38.9	43.3	40.7	39.6						7.8	3.1	16.1	18.8
District No. 12:																		
Los Angeles.....	12.9	19.5	31.0	44.0	42.1	58.3	64.9	65.0	62.9	5.6	10.7	10.9	9.7	12.1	7.8	3.7	1.5	1.4
San Francisco.....	15.5	20.5	32.7	45.9	59.4	62.2	60.7	54.9	58.5	9.7	2.2	11.1	4.7	12.7	6.1	2.4	16.5	15.2
Oakland.....	1.4	4.9	9.2	10.6	27.7	35.2	34.4	29.7	33.9	5.4	.2	9.7	18.4	18.6	6.5	1.5	1.6	12.6
Sacramento.....	14.6	.3			37.1	61.8	29.4	34.1		3.7	16.1				3.7		1.5	0.1
Seattle.....	15.2	15.3	31.4	44.5	53.7	53.8	55.5	46.7	35.6	6.5	12.9	18.9	12.0	11.8	14.9		16.7	18.7
Spokane.....		13.8	13.2	25.4	35.0	63.3	39.0	59.6	57.3		3.4	15.6	9.4	10.9	27.9	140.2	15.7	14.4
District.....	11.9	17.5	28.5	38.0	48.4	58.0	56.5	52.6	52.5	6.5	1.3	13.3	2.6	14.0	9.6		14.7	13.0

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.									
	July 1, 1919, to end of—					Jan. 1, 1920, to end of—					Oct., 1919.	Nov., 1919.	Dec., 1919.	Jan., 1920.	Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.	
	Oct., 1919.	Nov., 1919.	Dec., 1919.	Jan., 1920.	Feb., 1920.	Mar., 1920.	Apr., 1920.	May, 1920.	June, 1920.											
District No. 1:																				
Boston.....	367.4		360.7	320.8	382.2	509.5	389.8	348.4	359.2	19.4			24.8	26.5	19.6	18.8	15.8	15.4	15.4	
Outside.....			413.9	229.8	402.5	320.5	404.7	442.5	431.7				13.7	16.7	19.7	18.6	15.5	7.5	10.0	
District.....			382.1	306.0	385.5	389.9	405.2	366.5	358.0				23.1	24.0	19.6	18.7	15.7	12.7	12.3	
District No. 2:																				
New York City and Brooklyn.....			343.4	336.9	405.6	334.7	403.1	392.4	379.9				36.3	22.8	22.9	18.8	17.6	15.5	16.8	
Outside.....						372.3	392.8	415.7	349.5							20.3	21.8	13.9	17.7	
District.....						383.4	402.0	399.4	369.9							19.0	18.2	14.8	17.2	
District No. 3.....						380.0	347.0	382.6	357.5				21.0	27.9	24.8	23.5	17.6	19.3		
District No. 4.....					386.3	369.1	439.0	362.8	362.3					18.6	19.4	34.8	13.2	16.2		
District No. 5.....					456.8	423.8	422.2	421.5	407.0					20.4	16.9	12.1	9.9	9.7		
District No. 6.....															20.9	20.1	20.6	17.0		
District No. 7.....						298.6	332.5	305.8	328.3				18.1	29.7	31.4	31.2	31.9	19.5		
District No. 10.....						337.6	272.1	285.4	353.7						14.6	18.0	5.4	25.3		
District No. 12:																				
Los Angeles.....	495.6	485.6	424.3	422.7	418.3	468.3	390.7	480.4	481.3	45.1	53.5	48.1	33.3	37.1	33.9	39.0	29.7	26.2		
San Francisco.....	442.8	453.0	403.1	405.2	477.5	494.9	492.3	469.8	508.8	25.8	29.5	28.1	18.2	31.9	31.0	27.7	23.9	26.0		
Oakland.....	558.3	559.1	600.2	490.6	581.6	610.7	585.2	589.5	573.8											
Sacramento.....	355.9	339.3						533.4	531.3											
Seattle.....	422.3	432.0	378.0	427.1	665.0	542.6	527.9	539.7	524.6	25.1	22.1	32.2	18.4	22.6	17.6	17.2	14.2	16.3		
Spokane.....		462.4	411.5	508.8	755.9	605.8	528.8	605.4	579.4		20.0	34.5	37.2	40.6	34.7		31.1	25.1		
Salt Lake City.....										16.8	11.4	8.2								
District.....	459.3	463.1	422.6	429.0	534.7	515.3	456.0	508.0	516.0	29.6	29.2	32.3	28.0	31.7	27.2	21.6	23.2	23.1		

<sup>1</sup> 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 14 of the most important imports the value of which in 1913 formed 40.6 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. The month of May was marked by a decline in the exports of raw materials. However, the in-

crease in the exports of producers' and consumers' goods more than compensated for the decrease in raw materials. The index of goods imported shows a very marked decline for the month of May. While all classes of goods show a decrease, the largest decrease is seen in consumers' goods.

The month of June, 1920, was marked by a large increase in the imports of all classes of goods and a concomitant decrease in the exports of all classes of goods. The increase in imports was most marked in consumers' goods, although the increase in imports of producers' goods and raw materials was considerable. The decline of all classes of exports was shown, but the most marked decrease was in consumers' 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 commodities).		Consumers' goods (7 commodities).		Grand total exports (29 commodities).		Raw materials (6 commodities).		Producers' goods (6 commodities).		Consumers' goods (2 commodities).		Grand total imports (14 commodities).	
	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.
<b>1913.</b>																
January.....	100,027	116.8	11,762	101.4	30,715	100.9	142,504	111.6	50,336	123.8	32,545	105.0	12,080	107.6	94,961	114.6
February.....	71,074	83.0	12,266	105.8	30,790	101.2	114,130	89.4	45,175	111.1	34,308	110.7	11,865	105.7	91,348	110.2
March.....	61,681	72.0	11,836	102.1	28,698	94.3	102,215	80.1	46,079	113.3	37,824	122.0	10,145	90.4	84,048	113.5
April.....	71,446	83.0	14,128	121.8	28,708	94.3	114,282	89.5	42,785	105.2	36,216	116.9	8,983	80.0	97,984	106.2
May.....	68,856	80.4	11,661	100.6	29,923	98.3	110,440	86.5	38,111	93.7	32,601	105.2	6,127	54.6	76,839	92.7
June.....	46,963	54.8	11,612	100.1	28,242	92.8	86,817	68.0	32,793	80.6	33,790	109.0	6,843	60.9	73,426	88.6
July.....	51,325	59.9	11,109	95.8	27,686	91.0	90,120	70.6	31,681	77.9	31,178	100.6	7,557	67.3	70,416	85.0
August.....	74,869	87.4	11,547	99.5	29,370	96.5	115,786	90.7	35,194	86.6	34,223	110.4	9,438	84.1	78,855	95.1
September.....	103,614	120.9	10,622	91.6	32,190	105.8	146,426	114.7	42,588	104.7	35,137	113.4	14,068	125.3	91,793	110.8
October.....	137,772	160.9	12,608	108.7	34,612	113.8	184,992	144.9	36,842	90.6	18,331	59.2	14,695	130.9	69,868	84.3
November.....	126,836	148.1	9,987	86.1	31,246	102.7	168,069	131.6	37,465	92.1	22,353	72.1	13,892	123.8	73,710	88.9
December.....	113,326	132.3	10,053	86.7	33,089	108.7	156,468	122.5	48,886	120.2	23,406	75.5	19,028	169.5	91,320	110.2
Year.....	1,027,789	100.0	139,191	100.0	365,269	100.0	1,532,249	100.0	487,935	100.0	371,912	100.0	134,721	100.0	994,568	100.0
<b>1919.</b>																
January.....	84,066	98.2	18,444	159.0	56,748	186.4	159,258	124.7	38,273	94.1	45,892	148.1	12,115	107.9	96,280	116.2
February.....	58,488	68.3	14,598	125.9	53,338	175.2	126,424	99.0	35,074	86.3	60,653	195.7	12,056	107.4	107,783	130.0
March.....	57,659	67.3	16,161	139.3	61,585	202.3	135,405	106.1	39,396	96.9	78,773	254.2	21,768	193.9	139,937	168.8
April.....	65,112	76.0	19,356	166.9	80,639	264.9	165,107	129.3	51,280	126.1	81,409	262.7	13,222	117.8	145,911	176.0
May.....	67,595	78.9	15,972	137.7	58,731	192.9	142,298	111.4	71,831	176.7	84,538	272.8	15,949	142.1	172,318	208.0
June.....	94,660	110.5	28,658	247.1	95,917	315.1	219,235	171.7	73,401	180.5	57,244	184.7	12,208	108.7	142,853	172.4
July.....	71,918	84.0	16,943	146.1	50,531	166.0	139,392	109.1	72,974	179.5	72,172	232.9	21,555	192.0	166,701	201.1
August.....	81,302	94.9	19,578	168.8	49,548	162.8	150,428	117.8	77,988	191.8	36,460	117.6	17,525	156.1	131,973	159.2
September.....	70,209	82.0	19,365	167.0	43,108	141.6	132,682	103.9	109,761	269.9	60,884	196.4	20,779	185.1	191,424	231.0
October.....	70,240	82.0	16,844	145.2	45,983	151.1	133,067	104.2	88,701	218.2	64,921	209.5	17,198	153.2	170,820	206.1
November.....	99,589	116.3	15,741	135.7	46,473	152.7	161,803	126.7	84,424	207.6	69,554	224.4	17,060	152.0	171,038	206.4
December.....	89,585	104.6	13,208	113.9	43,563	143.1	146,356	114.6	64,252	158.0	60,994	196.8	14,831	132.1	140,077	169.0
Year.....	910,423	88.6	214,868	154.4	686,164	187.9	1,811,455	118.2	807,355	165.5	773,494	208.0	196,266	145.7	1,777,115	178.7
<b>1920.</b>																
January.....	93,141	108.7	15,647	134.9	35,406	116.3	144,194	112.9	90,433	222.4	82,014	264.6	17,874	159.2	190,321	229.6
February.....	70,130	81.9	14,198	122.4	41,645	136.8	125,973	98.7	75,597	185.9	99,502	321.0	14,241	126.9	189,340	228.4
March.....	90,805	106.0	17,279	149.0	56,428	185.4	164,512	128.9	77,966	191.7	117,188	378.1	19,260	171.6	214,414	258.7
April.....	68,048	79.4	17,063	147.1	51,689	169.8	136,800	107.1	77,288	190.1	89,684	289.4	21,347	190.1	188,319	227.2
May.....	63,650	74.3	17,546	151.3	62,457	205.2	143,653	112.5	45,967	113.0	74,811	241.4	11,140	98.5	131,918	159.2
June.....	55,446	64.7	14,663	126.4	46,117	151.5	116,226	91.1	55,965	137.6	87,205	281.4	18,437	163.0	161,607	195.0

### WHOLESALE PRICES ABROAD.<sup>1</sup>

Wholesale prices declined in the leading industrial countries of the world during June. The revision occurred apparently without much regard to the currency or fiscal conditions of the countries concerned. Beginning with the fall in the prices of nonferrous metals, silk, and wool, the movement extended to other lines as well. Foods and fuel have in general remained unaffected. The cause for the movement is to be found partly in the restriction of credit for speculative purposes and partly in conditions peculiar to the different lines.

Index numbers of wholesale prices (all commodities).

[1913=100.]

	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.	Japan; Bank of Japan for Tokyo (56 commodities).	Australia; Commonwealth Bureau of Census and Statistics (92 commodities).	Canada; Department of Labor (272 quotations).	Calcutta, India; Department of Statistics (75 commodities).
1913..	100	100	100	100	100	100	100	100	
1914..	100	101	101	95	116	96	<sup>1</sup> 100	<sup>2</sup> 100	
1915..	101	126	137	133	145	97	141	110	
1916..	124	159	187	202	185	117	132	135	
1917..	174	206	262	299	244	149	<sup>2</sup> 155	177	
1918..	197	226	339	409	339	197	170	206	
1919.									
Jan...	203	224	348	324	369	214	172	212	
Feb...	197	220	340	320	358	213	168	207	
Mar...	201	217	337	324	354	206	169	205	
Apr...	203	217	332	329	339	206	171	206	
May...	207	229	325	336	330	214	172	210	
June...	207	235	329	356	324	228	173	210	
July...	218	243	349	359	320	247	176	218	
Aug...	226	250	347	368	321	251	182	223	
Sept...	221	252	360	370	319	257	185	223	
Oct...	223	264	382	388	307	271	200	222	
Nov...	230	271	405	436	308	280	199	227	
Dec...	238	276	423	455	317	288	197	240	
1920.									
Jan...	248	288	487	504	319	301	203	248	
Feb...	249	306	522	556	342	313	206	254	
Mar...	253	307	555	619	354	321	209	253	
Apr...	265	313	584	679	354	300	217	261	
May...	272	305	550	659	361	272	225	263	
June...	269	300	493	614	366	248	233	258	

<sup>1</sup> July, 1914=100.      <sup>2</sup> Last six months of 1917.

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

#### ENGLAND.

The Statist index number for England shows a 5-point price decrease for June as compared with an 8-point decrease in May. The Econo-

<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.

mist index number also shows a decrease for the two months, but differs from the Statist in that it shows a considerably greater decrease for June than for May. The Economist number shows a heavy decline in textiles which may account for the difference. Clearly the upward trend of prices which began in April of last year has definitely come to an end, and prices are slowly descending.

June 30 brought the first quarter of the British fiscal year to an end and showed an expenditure of £284,000,000 for the period and an income of £315,000,000. This means a reduction of £116,000,000 from the expenditures for the same period in 1919 and an increase of £129,000,000 in the revenue. During the quarter the floating debt was reduced by £18,000,000, from £1,312,000,000 to £1,294,000,000.

Early in the month of June, the Government was forced to make heavy drafts on the Bank of England to meet the interest falling due on the 5 per cent war loan. As the month progressed, temporary advances declined until June 30, when they again reached a high point. Treasury bills were not in active demand because of the pressure for money at the end of the half year, but after July 1 larger sales were anticipated.

[In millions of pounds sterling.]

	Treasury bills.	Temporary advances.	Total floating debt.
1920.			
June 5 .....	1,071	235	1,306
12 .....	1,077	224	1,301
19 .....	1,078	213	1,291
26 .....	1,070	218	1,288
30 .....	1,050	244	1,294

The slight interest shown in the 5-15 year Treasury bonds, subscriptions for which amounted to only £7,660,000 on June 26, has been discouraging to those looking for floating debt reduction from this source. Nor is the levy on increases in capital during the war to be introduced by the Government, because, according to the Chancellor of the Exchequer, this form of taxation will not yield enough to justify it as a method of floating debt reduction. The increase to 60 per cent in the excess profits duty will be in effect for at least one year.

With an addition of £5,427,000 of coin and bullion to the holdings of the Bank of England and an increase of only £13,084,000 in currency and bank note circulation between

May 26 and June 30, a further rise in the official discount rate is apparently not considered likely. The London Economist is of the opinion that practically the entire stock of gold in the country has now been concentrated in the Bank of England. With currency note circulation at £357,356,000 on June 30, a margin of only about £5,000,000 remains between the maximum fiduciary issue (fixed at £320,600,000 for 1920) and the currency note circulation (subtracting from the latter £28,500,000 of gold and £13,400,000 bank notes in the redemption account).

[In thousands of pounds sterling.]

	Currency notes.	Bank of England notes. <sup>1</sup>	Total notes.	Coin and bullion in Bank of England.
1920.				
May 26.....	348,316	103,614	451,930	112,455
June 2.....	351,051	104,957	456,008	114,459
9.....	353,496	104,317	457,813	116,707
16.....	354,096	103,766	457,862	117,690
23.....	354,012	104,840	458,852	117,815
30.....	357,356	106,658	464,014	117,882

<sup>1</sup> Less notes in currency notes account.

The investment situation has not changed strikingly during June. Gilt edged securities were declining but not so much as more speculative industrial issues. It was estimated that at the end of May something like £20,000,000 had been invested in municipal, county, and other housing loans. Apparently with a view to increasing subscriptions, the Chancellor of the Exchequer announced that he would propose legislation to allow him to turn over savings certificate loans to housing purposes.

Never has there been a period equal to the first six months of this year as regards capital issues. The London Joint City and Midland report for June gives a total of £241,000,000 in capital issues for the period. Of this amount only 11 per cent was for foreign countries, a situation in striking contrast to that of 1913 when nearly 85 per cent of the issues went abroad.

Improvement in sterling exchange on New York continued through June. One encouraging feature of the recent situation is the much narrower range of the fluctuations.

*British foreign exchange.*

	New York.	Paris.	Italy.	Berlin.
	Pounds sterling to—			
	Dollars.	Francs.	Lire.	Marks.
Par.....	4.8665	25.225	25.225	20.43
January.....	3.6904	42.9375	51.2375	239.375
February.....	3.4612	48.2125	60.3812	327.750
March.....	3.6907	52.3375	70.4700	304.100
April.....	3.9181	63.2337	88.0000	239.500
May.....	3.8462	56.7125	76.3120	183.870
June.....	3.9421	48.9200	66.9550	154.700

Average of weekly quotations from London Times.

Although improvement is shown in francs and lire during the last three months, the quotations for June are considerably less favorable to these countries than those of January last. German exchange, on the other hand, has shown very remarkable improvement during each successive month. Important factors leading to the improvement in sterling in New York, South America, and the Far East were mentioned in a recent speech of the Chancellor of the Exchequer before Parliament:

- (1) The payment of the English share of the Anglo-French loan.
- (2) The redemption of half the \$100,000,000 Argentine loan.
- (3) The prospective payment of 20,000,000 yen to Japan.

The trade figures for June were not so favorable as those of May. The second quarter of the year, however, shows a decrease in imports as compared with the first quarter of 1920, and an increase in exports combined with reexports. Invisible exports may, in fact, compensate for the adverse balances of May and June.

[Value in thousands of pounds sterling.]

	Imports.		Exports.		Reexports.	
	1919	1920	1919	1920	1919	1920
January.....	134,546	183,498	47,313	105,880	4,560	25,464
February.....	106,689	170,514	46,915	85,964	5,119	22,604
March.....	105,753	176,648	53,109	103,699	8,949	27,031
April.....	112,066	167,154	58,482	106,252	13,346	20,407
May.....	135,612	166,816	64,345	119,319	11,495	20,266
June.....	122,946	170,491	64,562	116,352	11,964	20,124

Of great ultimate importance as regards the future trend of prices and trade is the decision of the Government to open up trade with Russia as soon as satisfactory arrangements can be made. Trade returns for May show a certain quantity of hides as coming from there. Imports from Germany likewise point to a resumption of trading with the Central Empires, a fact which will eventually have a salutary effect upon English and continental prices.

Railway and terminal congestion have played an important part in slowing down activity. The restrictions on the export of coal, combined with the glut of imports, are given as the main cause of dock congestion by the Ministry of Transport. Weekly coal production has not been up to the standards of the first quarter of the year, except during the week of June 19.

*Weekly production of coal.*

	Tons.
June 5.....	4, 718, 000
June 12.....	4, 770, 000
June 19.....	4, 874, 000
June 26.....	4, 686, 000
July 3.....	4, 735, 000
July 10.....	4, 676, 000

Pig iron and ingot production for June were likewise below the May averages. In the case of pig iron the decrease is not very great and the actual quantity produced is more than during any other month of the year except May. Ingot production, on the other hand, is less than during any of the earlier months, a fact which bears out trade reports to the effect that finished steel is beginning to feel the break in demand which occurred earlier in textiles, leather, etc.

*Production of pig iron and steel ingots.*

[Thousands of metric tons.]

	Pig iron.	Ingots and castings.
1913 (monthly average).....	869	1 649
1919.		
January.....	672	730
February.....	636	746
March.....	702	770
April.....	658	690
May.....	682	767
June.....	669	641
1920.		
January.....	676	766
February.....	656	811
March.....	710	854
April.....	655	779
May.....	738	848
June.....	726	745

<sup>1</sup> Crude steel.

British shipping tonnage under construction on June 30 was appreciably greater than on March 31, but reports from official labor bureaus were to the effect that lack of raw materials had caused considerable idleness in the shipyards.

*Tonnage under construction.*

March 31, 1919.....	2, 254, 845
June 30, 1919.....	2, 524, 050
Sept. 30, 1919.....	2, 816, 773
Dec. 31, 1919.....	2, 994, 249
Mar. 31, 1920.....	3, 394, 425
June 30, 1920.....	3, 578, 000

Employment of skilled workers continued very good in May, according to returns made to the Ministry of Labor by trade unions.

*Percentage of trade-union unemployment (1,572,085 membership).*

End of—	1918	1919	1920
January.....	1.0	2.4	2.9
February.....	.9	2.8	1.6
March.....	1.2	2.9	1.1
April.....	.9	2.8	.9
May.....	.9	2.1	1.1

Considering the price situation in greater detail, the salient facts to be noted are (1) a slight fall in average wholesale prices in May and June, accompanied by a continued rise in the cost of living; (2) the fall in wholesale prices in both months was mainly due to the fall in prices of textiles and nonferrous metals, the prices of foodstuffs continuing to advance.

*Group index numbers—United Kingdom, Statist.*

[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.								
January.....	249	226	221	234	159	245	246	218
February.....	250	226	221	235	156	242	235	212
March.....	240	205	238	223	154	235	246	213
April.....	243	206	229	223	154	239	243	213
May.....	245	208	236	226	177	254	258	230
June.....	246	208	244	229	182	258	271	238
July.....	244	208	275	231	203	257	283	249
August.....	255	208	320	242	206	273	283	255
September.....	258	208	328	245	206	287	278	257
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



*Index number of the cost of living.*

[Food, rent, clothing, fuel, and light, etc.]

[Base, July, 1914.]

Date.	1918	1919	1920
January.....	85- 90	120	125
February.....	90	120	130
March.....	90	115	130
April.....	90- 95	110	132
May.....	95-100	105	141
June.....	100	105	150

Most recent trade reports seem to indicate that the May and June depression in trade and prices of cotton, wool, and hides is beginning to give way, and that buying on a limited scale at approximately June prices has commenced. Iron and steel prices, which were unaffected in May and June, seem to be less strong in July, quotations for Cleveland pig iron being the same as in June, and hard steel billets slightly below those of the preceding month. Among leading foods, ham and butter seem to be the only ones which have declined in price, while prices of such commodities as sugar and coffee are considerably higher.

Control of domestic meat prices was lifted in June and the industry freed from a large measure of Government supervision. The Food Ministry still holds considerable stocks of imported meats, which are being sold at fixed wholesale and retail prices. Imported mutton has been reduced in price, but advances are anticipated in the home-grown meats.

The relationship of Government to industry has been very much under discussion during the month because of the introduction in Parliament of a bill for the management of the coal industry and the publication of a white paper by the Ministry of Transport giving the Government's plan for the reorganization of the railway system. The introduction of the coal bill was preceded by the removal of central control of domestic distribution of coal and of prices at wholesale and retail. Pithead prices continue fixed, and the quantity allowed for export is limited.

The new bill for the management of the industry contains the following provisions:

(1) A ministry of mines is created under the board of trade.

(2) Export of coal and the pithead price for consumption in the British Isles is to be controlled for one year after August 31, 1920.

(3) Pit committees are created, representing the owners, managers, and workers in the mines (workers to form at least one-half the

membership) to handle local questions such as increase in output, welfare, disputes, etc.

(4) District committees are created with equal representation for management and workers to handle similar questions for the district.

(5) Area boards are created with equal representation for management and workers to decide questions of remuneration of workers in the area, having regard to the profits of the industry within the area.

(6) A national board is created with equal representation for management and workers to decide questions of policy.

Neither owners nor workers approve of the bill. Complaints against it are mainly to the effect that the bill provides for nationalization but does not state how capital is to be obtained; that the arrangement for adjustment of wages by areas is unfair; and that the industry will be disintegrated thereby instead of coordinated.

Following are some of the recommendations regarding the unification of the railway system:

(1) The railway companies of England and Wales to be divided into six groups, with a seventh for Scotland.

(2) Each group railway will have a board of management upon which the shareholders will form the majority. The rest of the board will consist of employees, one-third of whom will be administrative officers and two-thirds workers.

(3) Government guaranty to cease, rates and fares to be fixed to produce a net revenue substantially equivalent, on a prewar basis, to the net income of all the companies absorbed.

(4) Surplus revenue to be taken by the State and used for light railway development.

(5) Machinery to be set up for fixing rates and charges, wages, and working conditions.

## FRANCE.

Changes in the financial and industrial condition of France during June were not as striking as those which occurred during May. Foreign exchange rates improved slightly and prices continued to decline. In general the condition of the country was encouraging. The shortage of coal continued, but crops were reported excellent, with reconstruction in the devastated regions progressing rapidly. The financial situation of the Government was greatly strengthened at the end of the month through the passage by both the Chamber of Deputies and the Senate of new taxes which will balance the 1920 budget. M. Francois Marsal, French Minister of Finance, announces that he

has arranged for a systematic organization of the tax collecting so that all persons with an income of more than 5,000 francs a year will contribute to the support of the Government. The new taxes went into effect immediately.

The Bank of France made slight gains during June. The gold reserve of the bank increased 816,000 francs between May 27 and June 24, and note circulation decreased 370,930,000 francs in the same period. The Government received 907,000,000 francs from indirect taxes and monopolies during June, an amount 277,000,000 francs greater than budget estimates. Tax receipts for the first six months of 1920 have been 1,915,000,000 francs greater than receipts for the same period in 1919. With the enactment of the new taxes, receipts for July should be even larger.

*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.	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	288	231	281	283	460	420	387
1919.								
January.....	337	321	231	313	271	416	428	376
February....	343	321	236	316	243	399	420	360
March.....	438	277	236	337	246	322	404	337
April.....	436	277	236	336	243	335	387	330
May.....	397	275	238	319	231	346	390	330
June.....	381	268	255	313	236	372	398	344
July.....	372	336	257	338	267	406	395	358
August.....	360	309	263	323	273	434	398	367
September..	387	308	264	334	279	476	402	381
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

The French public continues to restrict consumption in the hope of lower prices. Cotton and silk, cacao and coffee, oats and barley, lead, zinc, tin, and copper all declined in price during June, but in most cases the decrease was not as great as during May. The shortage of fuel prevented a pronounced decline in the price of

articles manufactured with the aid of large amounts of coal.

The provision of the country with fuel continues to be one of its most serious problems. However, the Spa conference should result in increased deliveries of coal from Germany, and it is thought that labor difficulties in the French mines have been settled, so that the amount of coal available in France should be much larger by fall. The following figures show the progressive decline of coal receipts in 1920:

*Coal available in France in 1920—Production and imports.*

	Metric tons.
January.....	<sup>1</sup> 3,991,486
February.....	<sup>1</sup> 3,954,301
March.....	<sup>1</sup> 3,781,544
April.....	<sup>1</sup> 3,603,602
May.....	3,352,177

French coal production was 620,000 tons less in May than in April as a result of the miners' strike from May 1 to May 20. The total receipts of coal in that month were divided as follows:

*Coal available in France in May.*

	Metric tons.
French coal.....	806,285
Sarre coal.....	587,180
English coal.....	1,154,530
Belgian coal.....	68,405
German coal.....	551,812
American coal.....	183,965
Total.....	3,352,177

The French wheat crop for 1920 is estimated as 50 per cent larger than the 1919 crop. Barley and oats are in excellent condition, and the flax crop is reported as equaling that of 1914. The 1920 crop of silk cocoons is said to be of exceptional quality; no figures as to the quantity of the crop are as yet available.

France's foreign trade balance continues to improve, partly because of the great increase in exports of raw materials and manufactured articles, and also because of the restriction of the imports of luxuries by the French Government.

June figures show that imports for the first six months of the year were only 1,908 million francs greater than for the same period last year, whereas the value of exports was 5,096 million francs greater than during the corresponding period of 1919.

<sup>1</sup> Revised figures.

Figures for the first six months of 1919 and 1920 are as follows:

*French foreign trade, January through June.*

[Millions of francs.]

	1919	1920	Increase or decrease.
<b>Imports:</b>			
Food.....	4,000	3,846	- 154
Raw materials.....	5,852	7,697	+1,845
Manufactured articles.....	3,870	4,087	+ 217
<b>Total.....</b>	<b>13,722</b>	<b>15,630</b>	<b>+1,908</b>
<b>Exports:</b>			
Food.....	318	795	+ 477
Raw materials.....	424	2,208	+1,784
Manufactured articles.....	1,703	4,489	+2,786
Parcels post.....	239	288	+ 49
<b>Total.....</b>	<b>2,684</b>	<b>7,780</b>	<b>+5,096</b>

GERMANY.

No index numbers showing the trend of wholesale prices in Germany are published, but it is apparent from quotations taken from the Frankfurter Zeitung that the decline which has been going on for the past two or three months in other European countries has also occurred in Germany. It would seem that the drop in prices, at least in certain lines, had been more extreme there than in western Europe. The result of this sudden fall in prices, following immediately upon the very recent rise in prices there to an international level, is expected to have a disastrous effect upon production.

The same commodities have been reduced in Germany as elsewhere, namely, nonferrous metals, hides and their products, cotton and cotton goods, and certain vegetables, the price drop occurring in March and April. The fall in prices of iron, steel, and chemicals came a month or so later. The dates given below are only approximate. Quotations are in terms of marks, but the unit is not always known.

	Cotton yarn, 36's.	Cotton cloth, 92 cm. 19/18-36/42.	Calfskins.	Sole leather, cow.	Peas. <sup>1</sup>
<b>1920.</b>			<i>Pounds.</i>	<i>Kilos.</i>	<i>Kilos.</i>
January.....	94	9	39	82½	.....
February.....	172½	18	.....	.....	.....
March.....	182½	18½	51	105	9
April.....	132½	17	.....	.....	5
May.....	92½	11½	.....	.....	4
June.....	87½	10½	7.6-12.05	72½	2.75

<sup>1</sup>Price Aug. 15, 1919, 3½ marks.

	Iron bars.	Plates.	Structural shapes.	Potassium permanganate.	Borax.
<b>1919.</b>				<i>Kilos.</i>	<i>Kilos.</i>
January.....	335	305	320	.....	.....
December.....	1,745	1,505	1,715	.....	.....
<b>1920.</b>					
January.....	2,600	2,265	2,565	.....	.....
April.....	2,802	2,482	2,772	.....	.....
May.....	3,650	3,200	3,620	100	18
June.....	3,200	2,790	3,320	72½	12

Improvement in the value of the mark in London and New York is very striking, but in the absence of foreign trade statistics it is impossible to say to what extent it is due to an increase in bona fide trading, and how much to speculation. Foreign speculation is generally given, however, as the cause for the improvement. Whether the fall in prices in Germany came as a result of the fact that they were too high to tempt foreign purchasers to buy there, or was caused by the fall in prices elsewhere is likewise uncertain. Commodities most strikingly affected are goods entering international trade.

A striking thing to note is that, although prices have fallen in many important lines, the expansion of the currency continues. The note circulation of the Reichsbank, as well as the darlehenskassenscheine, have almost doubled within the year. Gold holdings of the bank have fallen from 1,302 million marks on June 9, 1919, to 1,092 million on June 15, 1920. Deposits have increased 60 per cent during the same period.

*Reichsbank.*

[In millions of marks.]

	Gold.	Darlehenskassenscheine.	Note circulation.	Deposits.
June 9, 1919.....	1,302	8,268	28,218	9,151
May 7, 1920.....	1,092	15,353	48,373	12,934
May 15, 1920.....	1,092	15,546	48,908	16,451
May 23, 1920.....	1,092	15,608	49,127	16,392
May 31, 1920.....	1,092	15,907	50,017	17,024
June 7, 1920.....	1,092	16,115	50,649	13,751
June 15, 1920.....	1,092	16,188	50,809	15,313

ITALY.

The decline in Italian wholesale prices which was first noted in May continued in June. Metals, minerals, and textiles are the commodities responsible for the decline. Foodstuffs continued to rise.

No recent statistics are available showing the condition of the currency, but the fiscal situation is reported as encouraging in that revenues for the first 11 months of the fiscal year ending June 1 show very material increases over the preceding year. Savings deposits are also stated to have shown a very large increase in the course of the first 4 months of the year.

*Group index numbers—Italy.*

Prof. Bachi. [1913=100.]

	Cereals and meats.	Other food-stuffs.	Textiles.	Minerals and metals.	Other goods.
1913.....	100	100	100	100	100
1914.....	102	84	96	100	96
1915.....	132	93	113	207	133
1916.....	156	135	184	380	197
1917.....	215	171	326	596	265
1918.....	315	229	475	750	391
1919.					
January.....	304	300	330	295	422
February.....	305	308	323	295	384
March.....	293	312	331	346	361
April.....	294	330	333	354	349
May.....	293	336	375	360	340
June.....	320	343	378	419	336
July.....	334	332	401	423	342
August.....	332	351	423	424	341
September.....	319	357	429	442	342
October.....	326	366	499	459	341
November.....	328	371	633	568	351
December.....	338	373	658	584	405
1920.					
January.....	363	396	777	671	418
February.....	365	399	840	857	443
March.....	381	418	962	996	489
April.....	395	494	1,064	1,076	535
May.....	441	499	840	1,088	525
June.....	445	507	742	917	534

Exports from January 1 to April 30, expressed in terms of value, amounted to almost twice those of the same period of 1919. As prices did not rise anything like 100 per cent in the same period, it is safe to say that Italian exports have shown a material increase.

The new Giolitti Cabinet, which has been brought in expressly to improve internal economic conditions, has announced the following proposals for the strengthening of the budget and the more equable distribution of taxation:

(1) Law for the conversion of bearer bonds (issued by the Government, the Provinces, the communes, stock companies, or any other institution) into registered bonds.

(2) Law for the taxation in toto of war profits obtained during the period from August 1, 1914, to December 31, 1919.

(3) Law to increase tax on inheritances and donations.

(4) Law to increase taxes on automobiles, motor cycles, and motor boats.

JAPAN.

The index number of the Bank of Japan for June indicates that wholesale prices fell at about the same rate during June as during April and May. The number stood at 248 in June, taking 1913 prices equal to 100. Speculative commodities show extensive reductions from the high points of earlier months. Rice was quoted at 31 yen per koku the middle of June as compared with 51 in early January; Osaka cotton yarn futures were quoted at 350 yen in June, which is about 300 points below the maximum quotation of May; and Yokohama raw silk futures were at 150 yen per 10 kin as compared with 385 yen at the beginning of the year.

Fluctuations have not been as great in other commodities, as shown by the following percentages.

*Index numbers of wholesale prices of principal commodities.*

[Average price for October, 1900=100.]

Months.	Rice.	Raw silk.	Cotton yarns.	Steel.	Copper.	Paper.	Timber.
1919.							
May.....	353	233	475	272	144	488	199
June.....	375	274	544	281	153	488	205
July.....	405	300	623	292	178	488	235
August.....	422	288	625	283	178	488	272
September..	434	296	648	267	163	512	330
October.....	434	336	678	272	173	512	330
November..	442	378	747	258	166	512	330
December..	462	423	706	261	165	515	342
1920.							
January....	461	520	684	283	164	548	424
February...	458	487	730	346	166	590	435
March.....	460	460	744	394	157	625	451
April.....	434	353	589	315	152	625	440
May.....	424	243	410	262	142	542	420

The very unfavorable balance of trade during the first six months of the year will, it is hoped, be wiped out in part by the increase in exports which is anticipated for the second half of the year. Except for the war years, when Japan's favorable balance of trade continued throughout the year, it is characteristic for her to have an excess of imports in the first half of the year, which is balanced by her excess of exports in the second half. The excess of imports over exports during 1920 has been abnormally large, however, amounting to 473,405,000 yen, or 251,000,000 yen greater than during the same period in 1919. The monthly figures are as follows:

[Unit, 1,000 yen.]

Month.	Exports.	Imports.	Excess of imports.
1920.			
January.....	176,347	204,701	28,354
February.....	174,288	270,630	96,342
March.....	193,134	328,500	135,366
April.....	218,792	296,520	77,728
May.....	192,918	293,533	100,615
June.....	183,000	218,000	35,000
<b>Total.....</b>	<b>1,138,479</b>	<b>1,611,884</b>	<b>473,405</b>

In view of the fact that domestic prices have been reduced and that imports of raw materials to be manufactured for export have been large, experts believe that the unfavorable balance of the first half of the year will be decreased by 50 per cent at least by the end of the year. As Japan has annual credits amounting to 300 to 350 million yen from sources other than merchandise, her international trade position is not considered unfavorable.

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

[July, 1914=100.]

Date.	Metals and coal.	Textiles, leather, etc.	Agricultural products.	Dairy products.	Groceries and tobacco.	Meat.	Building materials.	Chemicals.
1914.								
July, 1914.....	100	100	100	100	100	100	100	100
1915.....	117	98	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.								
January.....	218	194	165	126	142	137	265	313
February.....	204	184	166	129	141	132	264	314
March.....	200	185	161	136	142	147	261	309
April.....	195	197	162	136	142	156	248	290
May.....	195	200	162	140	143	148	257	268
June.....	194	214	160	140	144	150	250	273
July.....	186	226	168	141	148	148	243	277
August.....	182	229	190	135	150	145	249	277
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	126	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

*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.										
1913-14.....	100	100	100	100	100	100	100	100	100	100
1914.....	136	101	114	123	109	104	116	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.										
January.....	276	483	356	810	373	293	323	208	.....	.....
February.....	276	448	356	784	341	293	323	208	.....	.....
March.....	276	438	356	814	317	288	323	174	.....	.....
April.....	276	423	367	769	287	288	323	172	.....	.....
May.....	276	417	364	733	246	285	299	172	.....	.....
June.....	276	424	328	746	212	284	286	162	.....	.....
July.....	260	412	334	732	213	284	285	243	.....	.....
August.....	260	396	334	795	214	280	292	247	.....	.....
September.....	555	386	323	893	213	282	289	235	.....	.....
October.....	330	360	323	893	213	281	292	223	308	170
November.....	330	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	350	275
April.....	265	284	320	1,008	283	367	767	263	308	275
May.....	267	283	320	1,069	324	367	783	252	374	275
June.....	250	273	311	1,252	318	381	778	212	368	303

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

*Group index numbers—Canadian Department of Labor.*  
[1913=100.]

Date.	Grains and fodder.	Animals and meats.	Dairy products.	Fruits and vegetables.	Other foods.	Textiles.
1913.						
1913.....	100	100	100	100	100	100
1914.....	114	107	100	99	104	102
1915.....	136	104	105	93	121	114
1916.....	142	121	119	130	136	148
1917.....	206	161	149	233	180	201
1918.....	231	197	168	214	213	273
1919.						
January.....	198	191	191	206	224	293
February.....	192	191	178	188	218	281
March.....	199	198	171	189	219	282
April.....	217	210	184	197	213	284
May.....	231	214	181	209	213	277
June.....	238	214	179	221	215	274
July.....	240	217	186	200	218	279
August.....	243	216	189	210	224	277
September.....	232	201	193	195	227	283
October.....	232	180	204	178	228	290
November.....	240	176	221	240	230	298
December.....	251	182	230	240	232	306
1920.						
January.....	269	195	228	265	245	316
February.....	275	195	216	290	251	321
March.....	280	198	206	295	264	322
April.....	291	200	196	316	264	366
May.....	301	207	189	358	275	323
June.....	302	206	183	338	274	314

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

Group index numbers—Canadian Department of Labor—Con. [1913=100.]

Date.	Hides, leather, etc.	Metals.	Imple-ments.	Build-ing ma-terials, lum-ber.	Fuel and light-ing.	Drugs and chemi-cals.
1913.....	100	100	100	100	100	100
1914.....	105	96	101	100	94	106
1915.....	110	128	106	97	92	160
1916.....	143	167	128	100	113	222
1917.....	168	217	174	118	163	236
1918.....	169	229	213	147	188	250
1919.						
January.....	171	204	229	154	209	240
February.....	161	190	229	155	202	233
March.....	161	172	229	156	199	212
April.....	166	162	223	163	206	210
May.....	202	162	223	163	192	208
June.....	211	161	226	158	194	197
July.....	235	166	226	168	194	195
August.....	260	171	228	170	199	196
September.....	256	171	231	183	200	197
October.....	252	165	225	188	201	198
November.....	252	171	232	194	201	181
December.....	231	181	232	224	209	189
1920.						
January.....	237	191	235	232	212	190
February.....	245	199	231	243	215	189
March.....	222	210	237	268	215	194
April.....	239	214	237	268	245	201
May.....	215	213	237	295	257	203
June.....	186	207	238	295	279	206

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 build-ing materials.	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.									
January.....	222	209	234	170	172	161	191	218	212
February.....	218	197	223	169	168	163	185	218	208
March.....	228	205	216	168	162	165	183	218	217
April.....	235	212	217	167	152	162	178	217	216
May.....	240	216	227	167	152	164	170	217	213
June.....	231	206	258	170	154	175	174	233	212
July.....	246	218	282	171	158	186	171	245	221
August.....	243	228	303	175	161	209	172	259	225
September.....	226	212	306	181	160	229	173	262	217
October.....	230	211	313	181	161	231	174	264	220
November.....	240	219	325	179	184	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	233
May.....	244	287	347	235	193	341	215	339	246
June.....	243	279	335	246	190	337	218	362	247

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

[End of July, 1914=100.]

Date.	Building ma-terials.	Manufactured articles.	Metals.	Hides and skins.	Cotton manu-factures.	Raw cotton.	Jute manu-factures.	Other textiles.
End of July, 1914....	100	100	100	100	100	100	100	100
August, 1918.....	.....	.....	317	83	.....	240	328	240
September, 1918....	.....	.....	314	75	.....	217	331	217
August, 1919.....	.....	.....	224	193	.....	179	225	179
September, 1919....	.....	.....	214	156	.....	215	199	215
1920.								
January.....	118	225	226	253	356	214	181	153
February.....	118	217	215	233	364	185	164	158
March.....	127	218	222	211	351	179	150	159
April.....	114	201	219	209	357	158	170	161
May.....	128	215	248	160	365	135	142	164
June.....	131	233	244	116	364	144	147	164
1920.								
End of July, 1914....	100	100	100	100	100	100	100	100
August, 1918.....	.....	89	96	.....	95	179	.....	119
September, 1918....	.....	105	116	.....	93	196	.....	134
August, 1919.....	.....	143	235	.....	106	271	.....	179
September, 1919....	.....	131	188	.....	109	292	.....	177
1920.								
January.....	159	125	200	96	377	207	167	204
February.....	155	123	190	92	363	191	158	199
March.....	135	118	166	87	321	160	151	192
April.....	116	119	163	90	377	159	156	185
May.....	123	120	169	90	511	150	157	183
June.....	119	83	171	73	482	149	156	180

<sup>1</sup> Includes pulses.

INTERNATIONAL PRICE INDEX.

In the following table are presented wholesale price indexes for groups of commodities in United States markets, computed according to methods described in the May BULLETIN. Similar indexes are under way for England, France, Italy, and Japan.

Index numbers—United States.

[Average prices 1913=100.]

Date.	Goods pro-duced, 72 quo-tations.	Im-port-ed, 18 quo-tations.	Ex-port-ed, 39 quo-tations.	Con-sumed, 86 quo-tations.	Raw mate-rials, 39 quo-tations.	Pro-ducers' goods, 31 quo-tations.	Con-sumers' goods, 20 quo-tations.	All, 90 quotations.
1913.								
January.....	100	105	100	100	99	105	99	100
February.....	100	104	100	100	99	105	99	100
March.....	100	103	99	101	100	105	99	101
April.....	101	101	99	101	101	103	99	101
May.....	100	100	99	100	100	102	99	100
June.....	100	99	100	100	100	101	101	100
July.....	100	99	99	100	98	101	102	100

*Index numbers—United States—Continued.*

[Average prices 1913=100.]

Date.	Goods produced, 72 quotations.	Imported, 18 quotations.	Exported, 39 quotations.	Consumed, 86 quotations.	Raw materials, 39 quotations.	Producers' goods, 31 quotations.	Consumers' goods, 20 quotations.	All, 90 quotations.
1913.								
August....	100	101	99	102	101	100	101	101
September..	101	100	102	101	102	98	101	101
October....	101	98	103	99	102	96	101	100
November..	99	98	102	98	100	95	101	99
December..	98	93	99	96	98	91	99	97
1919.								
January....	197	168	200	195	195	193	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	185	202	202
June.....	204	180	214	202	208	192	202	203
July.....	214	176	224	211	217	200	211	212
August.....	221	174	219	218	217	206	224	218
September..	215	170	212	212	211	203	216	212
October....	215	174	226	212	213	207	214	212
November..	222	179	242	217	220	213	219	219
December..	225	203	243	225	223	223	225	224
1920.								
January....	244	212	254	241	245	236	242	241
February....	244	216	250	242	243	247	240	243
March.....	250	218	256	247	246	263	241	248
April.....	265	242	294	263	263	274	257	263
May.....	266	246	262	264	263	274	261	264
June.....	261	226	256	258	258	265	256	258

Declining prices had become general in June, all groups showing a decrease from the prices of May. In one group only, however, was the decline considerable. Import prices fell from an average of 246 in May (expressed in terms of 1913 prices=100) to 226 in June. This was the first break in the prices of this group of commodities, as a whole, since September, 1919. Silk and wool had been declining for several months but the advance in sugar had been so excessive that it wiped out

the effects of the decline in other commodities on the average for the group. In June, sugar declined in accord with other leading commodities in the group.

Prices of exports have shown no consistent trend during the past 6 months. They declined in February, advanced again in March and April, and have been gradually falling since then but are still above the January level. The decrease in this group as in domestic goods as a whole during the month of June was slight, and prices remain 256 per cent of prices in 1913.

Producers' goods, which were impervious to the influence of the price decline in raw materials and consumers' goods in February, fell more considerably in June than the other two groups. The advance in prices of this group of goods was continuous and very rapid from September, 1919, to May, 1920, the index number standing at 274 in May as compared with 203 in September. At the beginning of the year consumers' goods were relatively higher than producers'; but in May the former number stood at 261 as compared with 274 for producers' goods and 263 for raw materials. The comparative stability of the raw-material index is due to the importance of cereals and live stock in the group. These commodities have been considerably less affected by recent disturbances than industrial goods.

All commodities have declined 6 points during the month, the most considerable decrease since February, 1919. Even with the decline, the number stands at a much higher level than in March, 1920, and 36 per cent higher than in February, 1919. It registers 258, or 11 points lower than the Bureau of Labor Statistics index number.

## DISCOUNT AND INTEREST RATES.

In the following table are presented actual discount and interest rates prevailing during the 30-day period ending July 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.

During the month under review a number of centers show further

increases, in particular for the low and customary rates, for commercial paper purchased in the open market, but the increases in the rates for other types of paper which are shown in certain centers in general are not more frequent than are the decreases shown for the same types of paper in other cities. In many centers rates remain unchanged. Present rates continue higher at almost all centers than rates during the same period of 1919.

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

District.	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.
No. 1....	Boston.....	8 6 7	8 6 7	8 7 8	8 7 8	6 6 6	6 6 6	9 8 8	8 7 7	8 7 8	8 7 8	8 7 8	8 7 8	7 6 6
No. 2....	New York <sup>1</sup> .....	8 6 6-7	8 6 6-7	8 6 6	8 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 4 6
	Buffalo.....	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 4 6-7
No. 3....	Philadelphia.....	6 6 6	6 6 6	8 8 8	8 8 8	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 5 6
No. 4....	Cleveland.....	7 6 7	7 6 7	7 6 7	7 6 7	7 6 6	7 6 6	7 6 7	7 6 7	7 6 7	7 6 7	7 6 7	7 6 7	7 6 6 1/2
	Pittsburgh.....	6 6 6	6 6 6	8 8 8	8 8 8	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6
	Cincinnati.....	7 6 6-6 1/2	7 6 6 1/2	7 6 6 1/2	7 6 6-7	7 6 6	7 6 6	7 6 7	7 6 7	7 6 7	7 6 7	7 6 7	7 6 7	6 6 6
No. 5....	Richmond.....	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6
	Baltimore.....	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6
No. 6....	Atlanta.....	8 6 7	8 6 7	8 6 7	8 6 7	8 6 6	8 6 6	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 5 7
	Birmingham.....	8 6 7	8 6 7	8 8 8	8 8 8	8 6 6	8 6 6	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 6-7
	Jacksonville.....	8 6 7	8 6 7	8 6 8	8 6 8	7 6 6	7 6 6	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 6-7
	New Orleans.....	8 6 7-7 1/2	8 6 7-8	8 8 8	8 8 8	7 6 6 1/2-7	7 6 6 1/2-7	8 6 7-8	8 6 7-8	8 6 7-8	8 6 7-8	8 6 7-8	8 6 7-8	8 6 6-7
	Nashville.....	8 6 7	8 6 7	8 6 7	8 6 7	8 6 6	8 6 6	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	7 6 6
No. 7....	Chicago.....	7 6 7	7 6 7	7 7 7	7 7 7	7 7 7	7 7 7	6 6 5 1/2	6 6 5 1/2	7 6 7	7 6 7	7 6 7	7 6 7	7 6 6
	Detroit.....	7 6 7	7 6 7	8 7 8	8 7 8	7 6 7	7 6 7	7 6 7	7 6 7	7 6 7	7 6 7	7 6 7	7 6 7	7 6 7
No. 8....	St. Louis.....	8 6 7	8 6 7	8 6 7	8 6 7	7 6 6 1/2	7 6 6 1/2	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	7 6 6 1/2
	Louisville.....	6 6 6	6 6 6	8 8 8	8 8 8	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6
	Memphis <sup>2</sup> .....	8 7 7 1/2	8 7 7 1/2	8 7 7	8 7 7	7 6 7	7 6 7	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 7
No. 9....	Little Rock.....	7 7 7	7 7 7	8 7 8	8 7 8	7 7 7	7 7 7	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8	7 7 7
No. 10....	Minneapolis.....	8 6 7	8 6 7	8 8 8	8 8 8	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
	Kansas City.....	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
	Omaha.....	8 7 7 1/2	8 7 7 1/2	8 6 7	8 6 7	8 7 7 1/2	8 7 7 1/2	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8
	Denver.....	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
No. 11....	Dallas.....	8 6 7 1/2	8 6 7 1/2	8 6 7 1/2	8 6 7 1/2	7 6 6 1/2	7 6 6 1/2	8 6 7 1/2	8 6 7 1/2	8 6 7 1/2	8 6 7 1/2	8 6 7 1/2	8 6 7 1/2	8 6 6 1/2
	El Paso.....	10 6 8	10 6 8	9 6 8	9 6 8	8 7 8	8 7 8	9 8 8	9 8 8	10 8 8	10 8 8	10 8 8	10 8 8	10 7 8
	Houston.....	8 6 6 1/2	8 6 6 1/2	8 6 7	8 6 7	6 6 6	6 6 6	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 6 6 1/2
No. 12....	San Francisco.....	7 6 6 1/2	7 6 6 1/2	8 7 8	8 7 8	6 6 6	6 6 6	6 6 6 1/2	6 6 6 1/2	7 6 6 1/2	7 6 6 1/2	7 6 6 1/2	7 6 6 1/2	6 6 6 1/2
	Portland.....	8 6 7	8 6 7	8 6 7	8 6 7	6 6 6 1/2	6 6 6 1/2	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
	Seattle.....	8 6 7	8 6 7	8 7 8	8 7 8	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
	Spokane.....	8 6 7	8 6 7	8 6 7	8 6 7	7 6 7	7 6 7	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 7
	Salt Lake City.....	8 7 8	8 7 8	7 7 7	7 7 7	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8
	Los Angeles.....	8 6 7	8 6 7	7 7 7	8 6 7 1/2	7 6 6	7 6 6	7 6 7	7 6 7	7 6 7	7 6 7	7 6 7	7 6 7	8 6 7

<sup>1</sup> Rates for demand paper secured by prime bankers' acceptances, high 7, low 6, customary 6.  
<sup>2</sup> No report.



**PHYSICAL VOLUME OF TRADE.**

In continuation of tables in the July 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 group there continues some indication of decline in activity. Wool consumption for June, 1920, was materially below that for May, 1920, and for June, 1919, and the percentage of wool machinery idle is considerably larger in June, 1920, as compared with the previous month ago or a year ago. In July, the percentage of wool machinery idle increased. Consumption of cotton, however, in June, 1920, is appreciably greater than that in May, 1920, and very much larger than in June, 1919. Cotton spindles active during the month are also more numerous in June, 1920, than in May, 1920, or June 1919. Imports of raw silk in June, 1920, were considerably in excess of such imports for May, 1920, but less than for June, 1919.

The production of bituminous coal shows considerable increase both as compared with May, 1920, and June, 1919, while the production of crude petroleum likewise shows an increase as compared both with that of a month ago

and the same period last year. In the iron and steel industry the production of pig iron and steel ingots both show some increase in June, 1920, as compared with the previous month and a considerable increase when compared with June, 1919. The unfilled orders of the United States Steel Corporation at the close of June 1920, are approximately the same as at the close of May, 1920, but very much greater than at close of June, 1919. In comparing these figures relative to the iron and steel industries of June of this year with those of June of last year, it should be remembered that at that time the industry was in the midst of the postarmistice depression.

The receipts of lumber at Chicago show a large increase in June, 1920, when compared with May of this year and June of the previous year. California shipments of citrus fruits show a considerable decrease in June, 1920, when compared with May, 1920, and a moderate decrease when compared with June, 1919. Receipts of live stock at 15 western markets show some decrease in June, 1920, when compared with May, 1920, and with June, 1919. The receipts of grain and flour at 17 interior centers for June, 1920, show a marked increase when compared with May, 1920, and some increase when compared with June, 1919.

The tonnage of vessels cleared was considerably greater in June, 1920, than in May, 1920, or June, 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.
<b>1919.</b>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>
June.....	1,580,256	3,812,466	1,685,236	41,839	7,119,797	618,105	1,146,594	734,861	38,787	2,538,347
July.....	2,007,266	2,998,836	2,177,942	48,691	7,232,735	706,843	963,662	997,338	43,738	2,711,581
August.....	2,019,139	2,103,609	3,211,331	81,917	7,415,996	894,816	690,821	2,014,267	74,268	3,674,172
September.....	2,377,054	2,401,677	3,810,441	140,848	8,730,020	1,150,183	860,614	2,406,937	135,724	4,613,458
October.....	2,989,090	3,144,831	3,605,198	124,497	9,863,616	1,532,297	1,103,837	2,159,531	125,701	4,921,366
November.....	2,680,042	3,775,589	2,751,421	140,192	9,347,244	1,374,452	1,308,095	1,597,007	134,679	4,414,233
December.....	2,169,631	5,024,650	2,393,632	86,666	9,674,579	967,130	1,603,292	1,183,602	86,534	3,845,588
<b>1920.</b>										
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.....	1,893,073	3,963,245	1,255,490	82,584	7,104,392	570,323	1,399,485	483,550	87,896	2,541,254
April.....	1,542,150	3,030,801	1,441,072	48,036	6,062,059	593,362	1,119,205	724,718	47,998	2,485,283
May.....	1,766,394	4,234,022	1,421,009	40,901	7,462,326	771,865	1,374,902	769,718	40,021	2,956,506
June.....	1,870,121	3,741,202	1,592,450	33,205	7,236,978	789,982	1,295,973	768,172	34,545	2,888,672

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.
1919.										
June.....	1,122,782	111	3,061,838	139	1,116,003	82	28,058	61	5,328,681	115
July.....	1,527,881	152	2,411,539	110	1,558,767	114	37,646	82	5,535,833	120
August.....	1,541,133	153	1,595,759	73	2,220,229	162	56,926	124	5,414,047	117
September.....	1,871,042	186	1,704,944	78	2,890,831	212	88,003	191	6,554,820	142
October.....	2,317,487	230	2,160,079	98	2,405,511	176	78,940	171	6,962,017	151
November.....	2,046,664	203	2,715,955	124	1,743,189	128	83,838	182	6,589,646	143
December.....	1,650,315	164	3,785,870	172	1,589,237	116	53,173	116	7,078,595	153
1920.										
January.....	1,400,031	139	3,912,449	178	1,035,591	76	90,662	197	6,438,733	139
February.....	1,068,092	114	2,440,154	119	948,116	74	76,048	168	4,532,410	105
March.....	1,203,499	119	2,910,909	132	900,299	66	57,880	126	5,072,587	110
April.....	1,040,903	103	2,150,281	98	928,191	68	31,235	68	4,150,610	90
May.....	1,209,656	120	3,128,249	152	796,160	58	25,469	55	5,159,534	112
June.....	1,290,265	128	2,746,390	125	1,006,528	74	21,316	46	5,064,499	110

SHIPMENTS.

1919.										
June.....	503,354	124	1,005,505	208	465,776	93	24,962	61	1,999,597	139
July.....	515,071	127	691,283	143	694,942	138	32,616	80	1,933,912	135
August.....	650,252	160	455,705	94	1,352,252	269	49,716	122	2,507,925	175
September.....	872,043	214	501,856	104	1,849,958	357	82,984	203	3,306,841	230
October.....	1,154,995	284	654,755	135	1,382,419	275	80,528	197	3,272,697	228
November.....	993,148	244	788,107	163	945,992	188	78,709	192	2,805,956	195
December.....	686,325	169	1,003,682	207	682,439	136	55,551	136	2,427,997	169
1920.										
January.....	548,841	135	1,024,763	212	403,382	80	90,630	221	2,069,616	144
February.....	427,608	113	814,253	180	334,012	71	79,100	207	1,654,973	124
March.....	418,310	103	923,526	191	298,878	59	62,625	153	1,703,339	119
April.....	414,967	102	712,087	147	373,381	74	31,348	76	1,531,783	107
May.....	515,062	127	822,907	170	316,002	63	24,617	60	1,678,588	117
June.....	528,273	130	797,946	165	399,613	79	22,623	55	1,748,455	122

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.
1919.														
June.....	6,574,766	992	15,212,094	1,226	4,768,308	178	172,441,100	1,030	96,854,552	649	114,328,804	260	3,131,639	71
July.....	5,392,104	814	8,680,524	700	3,320,564	124	117,679,193	703	47,452,834	318	68,163,734	155	2,392,515	54
August.....	2,894,361	437	8,075,366	651	2,494,113	93	84,150,778	502	40,147,727	269	48,968,628	111	2,117,796	48
September.....	1,213,709	183	7,285,951	587	3,523,887	132	57,179,511	341	18,209,239	122	36,960,364	84	2,792,439	63
October.....	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
November.....	1,393,233	210	15,694,002	1,265	2,997,652	112	65,288,694	390	16,844,285	113	42,106,339	96	4,934,696	111
December.....	1,886,835	285	6,061,769	489	3,135,069	117	58,982,754	352	15,688,297	105	63,645,722	145	4,125,550	93
1920.														
January.....	1,081,643	163	22,872,223	1,844	1,670,500	63	77,501,002	463	13,905,923	93	38,823,902	88	4,251,187	96
February.....	735,132	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	50,412,388	301	17,896,764	120	55,544,483	126	3,816,157	86
June.....	6,787,622	1,025	12,526,669	1,010	2,563,702	95	60,730,935	363	21,277,089	143	45,069,517	102	3,962,649	90

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.
1919.																
June.....	8,125,034	30	21,098,146	94	24,576,968	122	2,791,618	252	12,878,517	180	69,470,283	89	1,894,599	97	77,995,979	90
July.....	49,612,115	184	12,549,219	56	25,233,109	125	3,105,486	281	8,627,091	120	99,127,020	127	1,572,420	80	106,202,910	122
August.....	80,714,559	299	8,503,282	38	29,774,582	147	3,824,263	345	6,638,871	93	129,455,557	166	2,283,145	117	131,738,702	152
September.....	69,953,295	260	16,267,145	72	26,721,030	132	5,446,371	492	5,294,256	74	123,682,097	159	3,073,034	157	137,510,750	159
October.....	51,006,164	189	12,490,107	56	24,323,974	120	4,472,397	404	4,369,326	61	96,661,968	124	3,468,787	177	112,271,510	129
November.....	35,729,832	133	14,606,137	65	17,699,925	82	2,579,579	233	3,582,873	50	74,198,346	95	3,541,957	181	90,137,153	104
December.....	30,582,779	113	23,983,657	107	15,592,282	77	2,876,636	260	3,769,859	53	76,805,213	99	2,371,262	121	87,475,892	101
1920.																
January.....	25,074,624	93	24,139,094	108	20,925,941	104	4,378,610	396	3,298,544	46	77,816,813	100	2,298,692	117	88,160,927	102
February.....	18,115,324	72	26,051,855	124	20,575,654	109	3,263,886	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	88	2,113,979	108	80,057,876	92

<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.
1919.																
June.....	8,151,872	53	8,629,052	61	15,638,317	103	2,740,593	387	9,588,195	246	44,748,029	91	3,130,826	92	58,836,746	91
July.....	12,423,422	81	8,102,275	57	15,628,503	103	1,546,100	218	9,133,004	234	46,833,304	95	2,589,176	78	58,494,596	90
August.....	36,986,491	240	5,135,459	36	17,919,623	118	1,436,377	208	5,028,674	129	66,506,624	135	3,895,273	112	83,630,353	129
September.....	37,730,048	245	6,622,779	47	16,651,580	110	2,317,740	327	2,943,167	75	66,265,314	134	4,787,300	141	87,808,164	136
October.....	25,813,130	167	7,116,502	50	16,705,015	110	1,426,528	203	3,087,951	79	54,149,126	110	5,975,261	176	81,037,801	125
November.....	20,877,718	135	6,609,629	47	15,582,081	103	3,110,541	439	2,827,956	73	49,007,925	99	5,604,616	165	74,228,697	115
December.....	17,383,075	113	11,509,719	81	12,433,716	82	2,255,139	319	2,624,376	67	46,206,025	94	4,470,122	132	66,321,574	103
1920.																
January.....	17,514,087	114	12,326,051	87	15,822,099	104	3,685,914	521	2,007,718	51	51,355,869	104	4,140,314	122	69,987,282	108
February.....	14,114,215	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	84
April.....	11,058,643	72	5,371,811	38	8,691,440	57	8,811,500	1,245	1,651,509	42	35,584,903	72	1,702,132	50	43,244,497	67
May.....	20,720,121	134	5,939,145	42	20,444,288	135	6,977,479	986	1,488,387	38	55,569,420	112	2,877,122	85	68,516,469	106
June.....	20,242,046	131	10,088,237	71	12,805,056	84	5,428,886	767	1,905,225	49	50,469,450	102	3,071,470	91	67,362,535	104

<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.																
June.....	10,260,075	81	1,051,177	30	10,249,644	216	3,660,255	2,576	6,564,620	396	31,785,771	140	2,340,158	224	42,316,482	154
July.....	5,806,227	46	901,842	25	6,959,186	146	1,478,551	1,041	9,723,852	586	24,869,658	110	1,514,135	145	31,683,266	116
August.....	26,902,757	214	815,132	23	5,676,984	119	61,710	43	4,993,395	301	38,449,978	169	1,385,762	133	44,685,907	163
September.....	28,010,858	222	512,072	14	5,345,464	113	534,301	376	2,171,521	131	36,574,216	161	2,306,213	221	46,952,175	171
October.....	14,755,827	117	507,065	14	4,385,038	91	1,717,301	1,209	796,839	48	22,112,070	97	2,521,329	241	33,458,051	122
November.....	9,152,534	73	438,147	12	3,998,525	84	1,391,024	979	851,651	51	15,831,881	70	1,552,796	149	22,819,463	83
December.....	5,782,777	46	816,630	23	2,991,717	63	1,664,755	1,172	2,309,085	139	13,564,964	60	2,149,458	206	23,237,525	85
1920.																
January.....	5,711,009	45	1,491,759	42	2,663,274	56	2,643,611	1,861	1,297,839	78	13,807,492	61	1,561,693	150	20,835,111	76
February.....	4,898,690	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	1,752,800	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	843,116	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	1,878,284	53	3,194,897	67	6,506,053	4,579	1,191,767	72	26,145,722	115	1,486,365	142	32,834,365	120

<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.
1919.						
June.....	4,180,160	214,079	5,475,856	514,252	6,783,798	17,168,145
July.....	5,557,644	265,196	3,760,063	867,491	5,528,176	15,978,570
August.....	17,396,269	155,491	2,216,989	578,250	5,414,183	25,761,182
September.....	21,171,440	172,254	1,901,510	516,142	4,061,830	27,823,176
October.....	25,322,242	82,240	1,898,271	483,270	3,079,360	30,865,383
November.....	18,728,730	155,490	2,504,833	1,264,494	2,351,012	25,004,559
December.....	13,053,280	279,451	2,435,455	709,276	3,007,379	19,484,841
1920.						
January.....	8,485,491	711,501	2,398,639	2,397,156	2,587,543	16,580,330
February.....	6,634,682	948,239	1,571,209	2,671,743	2,340,787	14,166,660
March.....	6,280,682	851,287	1,351,457	2,389,321	1,891,862	12,764,609
April.....	7,704,155	967,475	389,958	1,944,350	2,034,983	13,040,921
May.....	10,781,927	437,521	819,790	1,883,965	1,071,920	15,001,123
June.....	8,492,819	459,568	901,756	2,036,334	1,193,082	13,082,559

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.
1919-20.										
August.....	313,301	25	238,271	26	49,630	47	302,238	67	1,412,048	120
September.....	584,776	47	260,698	28	26,138	25	300,001	66	1,501,805	127
October.....	1,779,927	142	1,029,331	112	110,202	105	621,784	137	2,340,881	199
November.....	2,369,177	189	1,178,443	128	245,237	233	1,155,324	254	2,616,383	222
December.....	2,147,365	171	1,069,693	116	242,940	231	1,214,337	267	2,765,040	235
January.....	1,526,622	122	982,030	107	205,233	195	793,453	175	2,470,496	210
February.....	1,003,226	86	725,515	85	138,084	141	374,093	88	2,510,482	213
March.....	1,088,882	87	621,808	68	108,573	103	270,269	59	2,276,737	193
April.....	529,880	45	499,187	54	48,565	46	276,805	61	2,148,038	182
May.....	316,633	25	289,809	32	57,661	55	214,678	47	1,913,407	162

California shipments of citrus and deciduous fruits.

[1911-1913=100.]

	Oranges.		Lemons.		Total citrus fruits.		Total deciduous fruits.
	Carloads.	Relative.	Carloads.	Relative.	Carloads.	Relative.	Carloads.
1919.							
June.....	3,648	149	1,520	375	5,168	181	896
July.....	2,568	105	1,038	256	3,606	127	4,199
August.....	1,785	73	496	108	2,221	78	6,601
September.....	1,840	75	414	102	2,254	79	6,781
October.....	2,706	111	572	141	3,278	115	5,529
November.....	3,257	133	442	109	3,699	130	2,141
December.....	3,592	147	271	67	3,863	136	1,197
1920.							
January.....	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	132	1,576	389	4,870	171	1,263

Sugar.

[Data for ports of New York, Boston, Philadelphia.]

[Weekly Statistical Sugar Trade Journal.]

[Tons of 2,240 pounds. Monthly average 1911-1913=100.]

	Receipts.		Meltings.		Raw stocks at close of month.			Receipts.		Meltings.		Raw stocks at close of month.	
	Tons.	Relative.	Tons.	Relative.	Tons.	Relative.		Tons.	Relative.	Tons.	Relative.	Tons.	Relative.
1919.													
June.....	271,875	148	313,000	171	85,193	49							
July.....	204,782	144	292,000	159	57,975	34							
August.....	246,419	134	229,000	125	75,394	44							
September.....	262,137	142	292,000	159	45,531	26							
October.....	233,650	127	216,000	118	63,181	37							
November.....	154,674	84	177,000	96	40,855	24							
December.....	96,342	52	126,765	69	10,432	6							
1920.													
January.....	208,554	113	181,000	99	37,986	22							
February.....	316,667	184	269,000	157	85,663	50							
March.....	335,532	182	333,000	182	88,185	51							
April.....	310,580	169	307,000	167	91,765	53							
May.....	254,616	138	286,000	156	60,381	35							
June.....	301,318	164	319,000	174	50,666	29							

Naval stores.

[Data for Savannah, Jacksonville, and Pensacola.]

[In barrels.]

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

	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.
1919.									
June.....	22,656	33,733	62,955	221,612					
July.....	23,598	30,656	76,561	235,707					
August.....	21,013	24,756	73,402	203,812					
September.....	21,574	27,021	72,616	190,580					
October.....	19,367	27,389	67,080	186,231					
November.....	18,757	28,741	77,125	204,281					
December.....	17,109	30,924	76,792	200,333					
1920.									
January.....	8,300	24,910	47,874	165,927					
February.....	3,762	17,900	29,303	140,559					
March.....	1,876	4,819	14,660	103,443					
April.....	7,644	3,996	27,029	98,517					
May.....	23,473	6,174	68,163	78,113					
June.....	33,522	19,654	94,904	108,656					

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.
1919.															
June.....	204	360,084	426,193	49	156,561	139,923	115	300,410	327,364	12	29,741	26,525	38	20,733	28,865
July.....	206	401,939	466,786	48	148,533	140,680	114	268,634	301,050	9	27,352	22,470	35	22,326	34,191
August.....	204	417,036	423,002	48	152,748	140,236	118	416,422	397,280	11	20,247	26,539	36	27,177	30,159
September.....	202	416,640	372,727	51	154,102	138,537	126	332,905	261,797	12	16,913	22,974	35	33,146	35,468
October.....	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
November.....	202	391,347	344,717	51	110,525	117,472	128	324,511	241,301	11	2,786	21,596	31	24,925	26,926
December.....	198	353,923	363,176	51	65,989	93,377	129	227,331	176,935	11	4,776	17,840	27	19,048	26,241
1920.															
January.....	202	386,481	404,706	53	69,895	144,180	128	327,568	344,568	21	38,007	63,614	25	24,678	26,283
February.....	203	383,239	369,047	51	85,583	147,180	124	332,511	295,934	21	32,551	59,687	15	15,534	15,202
March.....	205	436,944	424,775	50	130,425	156,211	123	342,948	329,012	21	43,771	61,620	24	29,633	29,886
April.....	205	438,056	359,461	51	167,165	133,114	128	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	353,346	20	12,731	26,323	14	15,992	18,657
June.....	204	385,293	287,487	48	197,461	125,770	127	343,801	271,815	20	25,771	41,557	12	14,259	10,481

Receipts and shipments of lumber at Chicago.

[Chicago Board of Trade.]

[Monthly average, 1911-1913=100.]

	Receipts.		Shipments.			Receipts.		Shipments.	
	M feet.	Relative.	M feet.	Relative.		M feet.	Relative.	M feet.	Relative.
1919.									
June.....	184,862	87	80,762	105	January.....	208,145	98	71,233	93
July.....	200,148	94	90,134	118	February.....	235,423	119	81,561	114
August.....	170,385	80	87,953	115	March.....	284,146	134	122,401	160
September.....	205,909	97	93,120	121	April.....	124,725	59	51,495	67
October.....	208,638	98	95,674	125	May.....	187,931	89	89,259	116
November.....	176,972	83	70,175	92	June.....	234,562	111	90,503	118
December.....	226,617	107	79,553	104					

Coal and coke.

[Bituminous coal and coke, U. S. Geological Survey; anthracite coal, Anthracite Bureau of Information.]

[Monthly average, 1911-1913=100.]

	Bituminous coal, estimated monthly production.		Anthracite coal, shipments over 9 roads.		Beehive coke, estimated monthly production.	
	Short tons.	Relative.	Long tons.	Relative.	Short tons.	Relative.
1919.						
June.....	38,547,000	100	5,619,591	100	1,179,563	45
July.....	42,688,000	115	6,052,334	108	1,503,367	57
August.....	42,883,000	116	6,144,144	109	1,733,971	66
September.....	47,402,000	128	5,687,401	101	1,790,466	68
October.....	56,243,000	152	6,560,150	117	1,551,979	59
November.....	18,688,000	50	5,971,671	106	1,680,775	64
December.....	36,612,000	99	6,138,460	109	1,760,800	67
1920.						
January.....	48,689,000	131	5,713,319	102	1,982,000	76
February.....	40,127,000	116	4,913,664	94	1,731,000	71
March.....	46,792,000	126			2,025,000	77
April.....	37,966,000	102			1,602,167	61
May.....	39,059,000	105			1,689,500	65
June.....	44,462,500	120			1,710,333	65

*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.	
1919.				1920.			
June.....	31,644,000	165	133,995,000	January.....	33,980,000	177	127,164,000
July.....	33,894,000	177	140,083,000	February.....	33,212,000	186	126,339,000
August.....	33,862,000	177	136,467,000	March.....	36,461,000	190	125,597,000
September.....	33,667,000	176	137,131,000	April.....	36,201,000	189	124,991,000
October.....	33,319,000	174	135,461,000	May.....	36,839,000	192	124,633,000
November.....	32,114,000	168	131,601,000	June.....	37,219,000	194	126,674,000
December.....	32,508,000	170	127,867,000				

*Total output of oil refineries in United States.*

[Bureau of Mines.]

	Crude oil run (barrels).	Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).
1919.					
June.....	28,920,764	338,336,985	178,974,224	632,205,805	64,636,153
July.....	31,202,522	342,491,757	205,727,239	638,185,469	67,037,414
August.....	32,362,057	326,846,167	219,502,888	685,702,461	72,920,214
September.....	32,601,044	339,582,564	199,244,293	683,409,674	70,236,692
October.....	33,682,968	363,456,747	227,101,346	680,158,446	78,658,410
November.....	32,213,754	338,667,570	214,829,925	663,309,514	75,962,212
December.....	32,427,617	335,659,587	229,476,468	685,084,086	72,040,862
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	365,597,451	184,469,017	643,083,785	85,568,064
May.....	34,578,282	381,079,291	180,877,089	707,198,355	89,282,410

## STOCKS AT CLOSE OF MONTH.

1919.					
June 30.....	16,775,723	593,896,610	252,542,434	811,790,637	175,384,775
July 31.....	15,304,915	514,919,358	279,855,061	817,809,519	173,884,303
Aug. 31.....	15,131,549	434,531,446	296,065,646	830,329,785	170,512,819
Sept. 30.....	13,925,441	371,125,419	311,843,057	862,135,385	158,967,070
Oct. 31.....	14,091,945	354,160,071	329,160,795	823,574,452	152,536,736
Nov. 30.....	13,983,716	378,133,135	347,070,560	791,032,991	149,193,143
Dec. 31.....	13,143,285	446,793,431	339,319,090	714,124,455	137,318,934
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	580,322,125	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	419,077,005	618,939,135	135,882,485

*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 production.		Unfilled orders U. S. Steel Corporation at close of month.	
	Gross tons.	Relative.	Gross tons.	Relative.	Gross tons.	Relative.	Gross tons.	Relative.
1919.								
June.....	7,980,839	132	2,114,863	91	2,219,219	92	4,892,855	93
July.....	9,173,429	151	2,428,511	105	2,508,176	104	5,578,661	106
August.....	4,429,133	73	2,743,388	118	2,746,081	114	6,109,103	116
September.....	8,178,483	135	2,487,065	107	.....	.....	6,284,638	119
October.....	6,201,883	102	1,863,558	80	.....	.....	6,472,668	123
November.....	3,152,319	52	2,392,350	103	.....	.....	7,128,330	135
December.....	.....	.....	2,633,268	114	.....	.....	8,265,366	157
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.....	.....	.....	3,378,907	146	3,299,049	137	9,892,075	188
April.....	230,854	.....	2,739,797	118	2,038,305	109	10,359,747	197
May.....	6,976,085	115	2,985,682	129	2,883,164	119	10,940,406	208
June.....	9,233,566	136	3,043,540	131	2,980,690	123	10,978,817	208

*Imports of pig tin.*

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	1919.		1920.	
	Pounds.	Relative.	Pounds.	Relative.
June.....	112,000	1	8,772,953	97
July.....	113,120	1	13,925,843	164
August.....	9,872,459	109	11,980,019	132
September.....	11,087,403	122	10,345,130	114
October.....	16,210,512	178	9,102,341	100
November.....	15,233,671	168	11,232,325	124
December.....	12,940,125	142	.....	.....

*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.
1919.							
June 30.....	4,606,332	2,285,015	558,033	16,991,195	2,521,016	1,697,754	8,118,702
July 31.....	4,966,081	2,389,368	554,516	15,589,944	1,964,828	2,767,694	6,815,190
Aug. 31.....	5,498,844	2,145,320	585,269	18,263,446	880,276	2,348,769	7,128,885
Sept. 30.....	6,158,289	2,055,084	947,546	16,749,664	823,740	2,736,802	8,661,215
Oct. 31.....	6,436,765	2,007,208	1,097,039	15,302,942	2,239,604	2,574,499	10,122,930
Nov. 30.....	6,918,534	1,844,737	1,188,173	14,248,671	331,389	2,984,084	9,398,712
Dec. 31.....	7,349,146	2,117,442	1,122,156	15,984,179	752,055	2,092,425	9,296,812
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	15,988,660	468,188	2,047,519	9,227,252
Apr. 30.....	6,072,895	2,281,370	834,711	14,696,590	156,871	1,947,499	8,911,981
May 31.....	5,831,341	2,720,610	922,682	14,120,171	791,150	2,253,785	8,978,852
June 30.....	6,212,946	3,107,393	915,499	14,562,713	60,999	2,070,471	10,993,228

NOTE.—Figures for June 30 are provisional.



*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 consumption.		Cotton spindles active during month.	Wool consumption (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.		
<b>1919.</b>												
June.....	74,330	105	33,950,358	48,849,892	29.6	26.6	15.4	12.8	15.2	21.1	3,848,354	188
July.....	510,328	113	34,171,690	54,973,093	22.0	26.0	9.7	7.6	8.9	13.5	5,202,407	254
August.....	502,536	112	34,187,310	48,938,476	22.1	24.9	9.4	6.5	8.9	10.9	3,802,500	186
September.....	91,313	109	31,216,662	52,985,961	19.9	22.8	8.1	5.5	7.9	12.8	6,755,271	330
October.....	555,344	123	34,307,367	10,018,415	16.0	20.7	8.2	5.9	7.7	7.2	3,955,845	193
November.....	490,698	109	34,483,775	52,428,854	14.8	18.2	7.6	5.3	6.7	6.7	4,841,407	237
December.....	511,585	114	34,594,214	55,566,253	13.9	19.1	10.5	5.3	8.4	6.2	3,576,585	175
<b>1920.</b>												
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	34,668,643	55,247,652	12.2	17.6	7.6	6.9	7.1	7.9	3,696,121	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.....					42.5	32.3	38.0	35.0	42.0	32.7		

*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.
<b>1919.</b>							<b>1920.</b>						
June.....	277,142	114,896	71,938	152,957	60,656	27,122	January.....	302,541	129,663	96,419	211,934	70,109	32,886
July.....	240,685	113,929	75,613	169,593	63,709	30,036	February.....	266,191	114,235	85,532	176,855	61,574	29,202
August.....	240,987	113,413	82,737	189,782	64,861	33,122	March.....	327,143	127,847	95,851	207,863	68,403	33,671
September.....	246,915	111,431	81,024	184,897	63,353	31,923	April.....	350,191	128,269	96,251	199,395	75,347	33,493
October.....	308,710	125,216	89,440	202,524	67,110	34,808	May.....	383,815	129,230	92,856	213,473	70,511	31,575
November.....	324,488	116,603	84,085	182,940	63,391	32,408	June.....	337,115	130,380	94,957	215,131	72,987	34,121
December.....	306,617	122,781	88,779	174,649	62,288	31,014							

*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.	
<b>1919.</b>									
June.....	<i>Number.</i>	<i>Number.</i>	<i>Number.</i>	<i>Pounds.</i>	<b>1920.</b>				
July.....	576,976,572	48,855,070	3,140,393,217	31,312,150	January.....	<i>Number.</i>	<i>Number.</i>	<i>Number.</i>	<i>Pounds.</i>
August.....	509,908,339	47,500,287	3,585,030,983	33,838,667	February.....	663,634,243	58,837,900	4,528,760,833	33,608,313
September.....	33,227,393	54,953,647	3,918,403,687	35,568,246	March.....	593,832,200	43,358,500	3,536,117,847	31,531,460
October.....	75,777,829	53,735,960	4,283,247,387	36,623,005	April.....	733,239,958	55,052,100	4,373,778,917	38,422,481
November.....	77,622,154	64,170,793	5,028,875,337	39,335,546	May.....	63,577,579	56,548,853	3,756,989,397	34,327,970
December.....	55,421,893	56,080,813	4,768,598,203	32,965,088		676,227,828	59,943,280	3,953,345,380	34,875,839
	62,046,997	45,491,540	4,578,641,450	29,409,443					

## Output of locomotives and cars.

[Locomotives, United States Railroad Administration; cars, Railway Car Manufacturer's 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.
1919.	Number.	Number.	Number.	Number.	Number.	1920.	Number.	Number.	Number.	Number.	Number.
June.....	160	44	1,785	5,307	7,092	January.....	48	22	4,650	1,914	6,564
July.....	121	73	2,777	6,936	9,713	February.....			3,960	1,066	5,026
August.....	160	173	18,509	5,015	23,524	March.....			3,053	2,040	5,093
September.....	111	51	19,980	4,302	24,282	April.....			2,313	1,934	4,247
October.....	89	55	10,445	3,715	14,160	May.....			2,792	1,402	4,194
November.....	39	23	8,967	2,622	11,589	June.....			2,780	731	3,511
December.....	103	42	4,506	2,428	6,934						

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.
June.....	272	422,889	1,750	January.....	115	253,680	1,050
July.....	245	397,628	1,645	February.....	140	267,231	1,185
August.....	238	455,338	1,884	March.....	170	279,709	1,157
September.....	202	378,858	1,568	April.....	164	251,442	1,040
October.....	210	357,519	1,479	May.....	184	185,145	766
November.....	143	347,051	1,436	June.....	198	267,076	1,105
December.....	149	294,064	1,217				

Tonnage of vessels cleared in the foreign trade.

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Net tonnage.				Per- cent- age Amer- ican to total.	Rela- tive.		Net tonnage.				Per- cent- age Ameri- can to total.	Rela- tive.
	American.	Foreign.	Total.	Rela- tive.				American.	Foreign.	Total.	Rela- tive.		
1919.							1920.						
June.....	2,339,320	2,511,501	4,850,821	125	48.2	191	January.....	1,933,385	1,949,798	3,883,183	100	49.8	197
July.....	2,362,571	2,920,247	5,282,818	136	44.7	177	February.....	1,702,407	1,628,212	3,330,619	92	51.1	202
August.....	2,957,249	2,797,818	5,755,067	148	51.4	203	March.....	1,836,716	2,040,538	3,877,254	100	47.4	187
September.....	2,627,480	2,481,676	5,109,156	131	51.4	203	April.....	2,504,038	1,960,634	4,464,672	115	56.1	222
October.....	2,645,778	2,073,560	4,719,338	121	56.1	222	May.....	2,729,790	2,436,247	5,166,037	133	52.8	209
November.....	2,251,871	1,910,489	4,162,360	107	54.1	214	June.....	3,199,274	3,141,913	6,341,187	163	50.5	200
December.....	2,043,675	1,733,923	3,777,598	97	54.1	214							

Net ton-miles, revenue and nonrevenue.

[United States Railroad Administration.]

1919.		1919.	
February.....	25,629,489,000	November.....	32,539,248,000
July.....	34,914,294,000	December.....	33,462,298,000
August.....	36,361,653,000		
September.....	38,860,311,000	1920.	
October.....	40,343,750,000	January.....	34,769,722,000
		February.....	32,699,143,000

## 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.
June..... 1919.....	6,694,901	75	6,402,051	33	1,031,630	89	8,004,897	135	8,554,979	122
April..... 1920.....	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	33	5,976,125	31	1,082,521	73	8,707,350	105	9,153,884	131

## WESTBOUND.

	Hard coal.		Soft coal.		Total.		Total freight.	
	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.
June..... 1919.....	227,200	73	2,266,984	118	2,664,437	107	11,219,416	118
April..... 1920.....	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	55	10,647,819	112

## BANK TRANSACTIONS DURING JUNE-JULY.

In the attached tables are shown debits to individual account for the four weeks ending July 23 of the present year and for the corresponding weeks of 1919, as reported to the Federal Reserve Banks by the country's more important clearing houses. A recapitulation by Federal Reserve districts presents a comparison of figures for 154 centers for which reports are available both for the 1920 and the 1919 periods under review.

Aggregate debits to individual account for the 154 centers included in the recapitulation fluctuated between 8,589 millions for the five-day week ending July 7 and 9,377 millions for the following week. Except for the smaller total shown for the week ending July 7, which included July 5, a legal holiday in all the districts, the variations in aggregate debits during the period under review were comparatively small, the difference between the largest and the smallest total being only 328 millions, or about 3.5 per cent of the smaller figure.

The statement below presents a comparison of debits in New York City and in 153 other centers for each week of the period under review, together with totals for corresponding weeks in 1919, and percentages showing the

excess or deficiency of 1920 figures as compared with corresponding 1919 amounts.

[In millions of dollars.]

Week ending—	Debits to individual account.					
	In New York.			In 153 other centers.		
	1920	1919	Excess of 1920 over 1919.	1920	1919	Excess of 1920 over 1919.
June 30, 1920.....	4,463	5,069	-12.0	4,587	4,523	1.4
July 2, 1919.....						
July 7, 1920.....	4,060	4,173	- 2.7	4,529	3,526	28.4
July 9, 1919.....						
July 14, 1920.....	4,557	5,580	-18.4	4,821	4,671	3.2
July 16, 1919.....						
July 21, 1920.....	4,383	5,433	-19.4	4,891	4,274	14.2
July 23, 1919.....						

For the 153 centers outside of New York City, debits to individual account are considerably larger for each week of 1920 than for the corresponding week of 1919, the largest difference, amounting to more than a billion dollars, being shown for the weeks ending July 7, 1920, and July 9, 1919. Owing to the continued dullness of the stock exchange, total debits in New

York City are considerably lower for each week of this year compared with the corresponding week of last year. Average figures for the 29 weeks of each year for New York City were 4,748 millions in 1920, as compared with 4,324 millions in 1919, the 1920 amount being 9.8 per

cent above the 1919 figure; while for 147 other centers the 29-week average for 1920 was 4,627 millions, an increase of 23.6 per cent over the corresponding average in 1919 (3,743 millions), the increase representing largely the rise in the general price level.

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

[In thousands of dollars.]

Federal Reserve district.	1920. Week ending—				1919. Week ending—			
	June 30.	July 7.	July 14.	July 21.	July 2.	July 9.	July 16.	July 23.
<b>No. 1—Boston:</b>								
Bangor.....	3,595	3,909	3,790	3,847	2,983	2,715	3,693	2,848
Boston.....	289,517	295,064	322,284	333,990	370,280	249,359	354,871	319,780
Fall River.....	9,785	9,528	9,837	8,926	9,194	6,675	9,300	8,207
Hartford.....	22,121	28,528	27,206	25,863	25,314	19,364	23,601	24,672
Holyoke.....	4,351	4,045	4,631	4,567	4,042	2,926	3,832	3,657
Lowell.....	5,612	5,778	6,530	6,273	5,378	4,273	6,149	4,765
Manchester.....	5,223	5,904	6,284	5,940	.....	.....	.....	.....
New Bedford.....	7,954	7,498	8,668	8,978	6,814	5,323	7,374	6,927
New Haven.....	19,137	21,130	22,611	21,795	16,866	14,151	17,759	18,071
Portland.....	8,463	8,358	7,738	9,675	.....	.....	.....	.....
Providence.....	38,655	39,964	39,287	42,243	34,881	25,772	37,063	35,752
Springfield.....	17,253	17,363	18,471	19,046	11,775	10,200	15,089	15,369
Waterbury.....	7,286	7,814	7,978	7,463	7,456	5,998	7,457	7,596
Worcester.....	18,761	18,304	21,554	21,098	20,238	14,290	19,515	14,167
<b>No. 2—New York:</b>								
Albany.....	19,843	22,324	24,936	25,176	30,511	38,155	11,245	16,553
Binghamton.....	4,598	4,799	4,789	4,984	3,765	3,265	4,188	3,203
Buffalo.....	68,380	78,900	78,553	79,395	76,372	56,162	64,110	61,589
New York.....	4,463,000	4,060,377	4,556,620	4,382,556	5,068,924	4,172,793	5,579,559	5,433,175
Passaic.....	5,124	5,952	5,676	5,841	3,985	3,495	3,421	3,847
Rochester.....	32,169	34,920	30,911	33,412	38,115	23,837	29,317	31,437
Syracuse.....	18,328	21,454	19,589	20,293	16,617	12,968	14,249	14,078
<b>No. 3—Philadelphia:</b>								
Altoona.....	3,528	2,919	2,314	3,330	3,400	2,910	3,697	2,148
Chester.....	5,088	5,567	5,789	5,904	4,742	3,783	4,434	4,058
Harrisburg.....	4,517	2,470	3,468	3,572	3,790	3,906	4,077	3,800
Johnstown.....	5,108	4,142	4,998	4,174	3,697	2,485	3,641	2,919
Lancaster.....	5,496	5,437	6,274	6,563	4,670	3,602	4,788	4,649
Philadelphia.....	372,189	359,956	347,789	349,136	367,886	276,611	362,219	358,851
Reading.....	4,060	5,043	5,894	5,718	4,083	3,158	4,457	3,734
Scranton.....	15,486	15,148	17,074	13,863	13,521	11,245	12,977	11,861
Trenton.....	12,000	11,793	11,620	13,396	9,618	8,272	9,622	9,853
Wilkes-Barre.....	9,609	8,901	10,013	9,483	7,522	5,603	7,360	6,617
Williamsport.....	3,949	4,405	5,480	4,595	3,374	3,060	3,647	3,691
Wilmington.....	9,813	8,230	7,732	8,072	11,036	9,604	10,654	11,024
York.....	4,675	5,117	4,638	4,210	3,444	2,560	3,360	3,580
<b>No. 4—Cleveland:</b>								
Akron.....	30,579	25,605	20,690	26,969	21,119	18,972	22,933	23,623
Cincinnati.....	68,122	67,698	65,712	71,929	62,606	54,136	60,657	58,062
Cleveland.....	171,634	182,243	201,537	205,989	194,161	142,914	200,883	162,210
Columbus.....	30,863	28,333	31,474	31,666	29,978	24,249	32,476	32,884
Dayton.....	11,998	13,152	13,124	12,375	13,728	12,255	12,122	13,102
Erie.....	8,355	7,435	8,372	8,324	6,642	5,836	6,876	6,540
Greensburg.....	6,915	5,211	5,923	8,263	3,247	3,459	4,042	2,842
Lexington.....	4,950	5,246	5,224	5,241	5,369	3,893	3,858	3,901
Oil City.....	3,409	2,833	3,901	3,330	2,762	2,233	3,038	2,740
Pittsburgh.....	232,481	191,768	202,371	209,546	220,161	143,073	180,861	196,839
Springfield.....	3,235	4,257	4,361	3,703	3,486	2,954	3,487	3,291
Toledo.....	33,732	30,784	34,719	35,175	25,939	23,155	30,277	28,353
Wheeling.....	9,045	8,051	9,509	9,798	10,778	8,188	9,589	8,747
Youngstown.....	15,621	17,539	19,070	14,819	15,988	14,577	19,431	14,186
<b>No. 5—Richmond:</b>								
Baltimore.....	111,778	108,543	112,150	106,374	121,076	93,966	117,865	112,315
Charleston.....	9,400	9,875	9,400	9,933	10,217	7,102	8,987	6,969
Charlotte.....	7,872	7,340	8,867	8,856	4,100	4,900	6,200	5,500
Columbia.....	5,577	5,742	5,989	5,771	7,966	6,464	7,170	5,527
Huntington.....	5,563	5,175	6,183	5,708	.....	.....	.....	.....
Norfolk.....	20,356	19,797	21,853	23,371	20,922	17,028	22,451	19,100
Raleigh.....	4,070	3,900	4,258	4,000	3,600	3,500	3,999	3,500
Richmond.....	31,170	29,361	24,834	27,676	22,007	19,831	25,040	24,918
<b>No. 6—Atlanta:</b>								
Atlanta.....	31,579	28,668	30,995	31,896	27,440	23,981	29,637	26,386
Augusta.....	7,925	8,282	7,539	7,669	6,712	7,755	8,175	6,946
Birmingham.....	16,386	17,234	16,845	18,321	14,596	11,372	12,335	12,460
Chattanooga.....	10,330	12,605	12,319	12,906	11,292	9,939	12,535	11,632
Jacksonville.....	12,629	13,936	14,837	14,278	10,718	9,906	10,654	11,015
Knoxville.....	5,863	6,923	7,422	7,717	5,359	5,536	6,122	5,919
Macon.....	5,831	6,390	6,726	8,053	4,261	4,766	8,792	5,715
Mobile.....	7,817	8,013	8,203	8,902	7,599	6,580	7,188	7,310
Montgomery.....	5,590	4,636	5,364	4,880	4,571	4,978	3,700	4,038

Debits to individual account at clearing-house banks—Continued.

[In thousands of dollars.]

Federal Reserve district	1920. Week ending—				1919. Week ending—			
	June 30.	July 7.	July 14.	July 21.	July 2.	July 9.	July 16.	July 23.
<b>No. 6—Atlanta—Continued.</b>								
Nashville.....	24,183	22,374	27,354	24,329	20,587	21,018	21,577	22,684
New Orleans.....	74,284	79,279	74,362	75,886	81,842	60,501	64,376	67,129
Pensacola.....	2,044	2,150	2,481	2,535	2,192	1,646	2,114	2,142
Savannah.....	14,504	15,903	15,186	15,948	13,251	14,270	16,851	17,541
Tampa.....	5,317	6,097	6,216	6,553	4,230	4,234	4,162	3,982
Vicksburg.....	1,883	1,792	1,910	1,763	1,542	1,551	1,550	1,254
<b>No. 7—Chicago:</b>								
Bay City.....	3,265	3,342	3,321	3,302	2,600	2,553	3,567	2,622
Bloomington.....	2,785	2,845	2,854	2,844	3,162	2,559	2,785	2,415
Cedar Rapids.....	6,282	8,600	13,975	11,621	9,774	9,061	9,583	7,281
Chicago.....	722,263	690,499	769,067	816,123	734,388	533,401	790,416	694,491
Davenport.....	7,577	9,789	8,355	7,482	7,472	3,870	6,543	6,153
Decatur.....	4,337	3,905	4,210	4,167	3,079	2,922	3,700	3,497
Des Moines.....	21,409	18,670	25,039	20,884	16,780	17,948	19,267	18,020
Detroit.....	152,731	141,300	159,382	179,234	134,321	98,630	152,327	129,364
Dubuque.....	2,726	4,193	4,153	2,712	2,500	2,560	2,500	2,223
Flint.....	10,007	17,762	11,231	9,816	8,247	8,573	7,471	9,044
Fort Wayne.....	7,860	7,733	8,688	8,104	6,141	5,974	6,386	5,139
Grand Rapids.....	20,830	20,523	21,601	26,158	15,126	18,481	17,231	17,152
Indianapolis.....	41,031	40,896	42,046	43,180	33,985	28,545	47,359	35,546
Jackson.....	3,522	2,496	2,496	4,625	4,043	3,483	3,565	7,073
Kalamazoo.....	5,474	5,461	5,120	5,609	3,837	3,036	3,591	3,491
Lansing.....	7,133	7,562	6,402	6,879	5,112	4,184	4,777	5,162
Milwaukee.....	65,662	65,633	71,692	77,722	66,268	46,731	72,612	41,327
Peoria.....	12,359	11,961	11,930	12,235	13,192	9,502	12,470	11,238
Rockford.....	6,315	7,277	6,882	6,311	5,410	4,549	4,991	4,450
Sioux City.....	16,020	14,166	16,036	18,611	17,399	13,820	17,730	14,695
South Bend.....	5,879	5,361	5,139	5,937	2,152	2,666	4,301	4,151
Springfield.....	5,362	6,568	4,959	4,421	4,211	4,472	3,941	3,994
Waterloo.....	5,258	4,052	4,544	4,673	3,731	3,159	3,750	3,552
<b>No. 8—St. Louis:</b>								
Evansville.....	5,466	6,003	5,603	4,919	5,524	3,934	3,980	4,018
Little Rock.....	8,673	8,647	12,118	10,295	6,616	6,418	9,270	6,417
Louisville.....	37,125	33,429	37,164	32,548	35,884	35,330	37,606	38,091
Memphis.....	28,818	26,882	29,864	30,021	29,609	26,531	32,133	27,708
St. Louis.....	144,978	135,606	153,320	160,981	160,725	104,527	214,693	151,400
<b>No. 9—Minneapolis:</b>								
Aberdeen.....	1,552	1,808	1,840	806	1,530	1,587	2,056	2,498
Billings.....	1,991	2,037	2,037	2,135	1,847	2,133	2,079	2,114
Duluth.....	18,818	16,351	23,866	23,806	27,193	18,626	28,573	21,015
Fargo.....	3,220	4,023	3,892	3,407	2,477	2,641	3,168	5,673
Grand Forks.....	1,395	1,971	1,845	1,602	1,655	1,503	1,716	1,628
Great Falls.....	2,042	2,293	1,932	1,822	1,574	1,774	1,448	1,621
Helena.....	2,081	2,553	2,369	2,368	2,264	2,495	2,457	2,052
Minneapolis.....	81,711	74,967	97,397	87,490	83,663	60,421	83,553	69,200
St. Paul.....	35,606	34,636	38,648	35,996	31,887	29,979	40,804	39,772
Sioux Falls.....	5,734	5,571	6,126	6,057	.....	.....	.....	.....
Superior.....	1,987	2,036	2,036	2,180	1,244	1,115	1,146	1,256
Winona.....	1,003	1,409	1,507	1,409	1,400	1,440	1,173	1,069
<b>No. 10—Kansas City:</b>								
Atchison.....	489	519	762	675	.....	.....	.....	.....
Bartlesville.....	4,686	3,792	3,462	3,403	3,595	2,404	3,007	2,247
Cheyenne.....	1,915	1,882	1,664	1,958	.....	.....	.....	.....
Colorado Springs.....	3,215	2,795	3,474	3,543	4,101	3,634	4,323	4,638
Denver.....	39,077	41,667	43,370	40,655	35,877	24,688	27,689	28,500
Joplin.....	3,155	3,086	3,837	3,249	2,821	2,811	3,603	2,758
Kansas City, Kans.....	4,121	4,507	3,275	4,099	3,687	3,189	2,654	2,376
Kansas City, Mo.....	82,353	79,030	92,198	75,889	97,116	79,623	104,687	114,643
Muskogee.....	5,919	5,868	5,005	5,297	3,950	3,958	4,721	5,380
Oklahoma City.....	22,560	22,759	23,672	24,222	15,063	18,409	22,712	24,275
Omaha.....	58,174	53,353	58,004	57,186	59,898	49,756	59,333	61,971
Pueblo.....	5,404	5,897	4,815	4,375	6,109	5,636	4,415	4,080
St. Joseph.....	16,635	16,906	12,842	14,056	18,088	12,646	16,485	18,112
Topeka.....	3,441	3,671	4,485	4,189	4,827	4,949	5,002	5,281
Tulsa.....	32,287	25,115	31,477	29,449	25,212	27,582	26,203	21,728
Wichita.....	12,072	14,211	15,508	18,713	11,385	13,932	11,457	14,224
<b>No. 11—Dallas:</b>								
Albuquerque.....	1,523	2,114	1,972	1,977	1,803	1,765	1,807	1,802
Austin.....	2,732	3,098	3,285	2,342	6,304	4,992	3,311	2,722
Beaumont.....	3,821	4,509	5,060	4,779	3,493	3,445	3,945	4,450
Dallas.....	33,587	37,843	34,420	36,652	33,268	29,951	38,308	34,134
El Paso.....	8,617	8,279	8,700	8,592	6,931	6,299	6,641	6,354
Fort Worth.....	23,569	24,869	24,897	25,841	20,368	17,883	21,757	24,860
Galveston.....	7,888	10,104	8,945	8,650	8,623	7,713	8,375	8,830
Houston.....	31,960	39,870	44,849	33,136	33,149	29,935	36,781	36,171
San Antonio.....	6,185	6,841	7,677	7,520	4,689	3,144	3,991	3,576
Shreveport.....	8,107	5,678	8,130	8,508	6,224	5,186	7,938	6,288
Texarkana.....	1,615	1,411	2,093	1,422	1,551	1,532	2,581	1,678
Tucson.....	1,782	1,888	1,910	745	1,480	1,530	1,402	1,521
Waco.....	3,860	3,460	4,240	3,860	2,943	3,155	3,415	3,719

## Debits to individual accounts at clearing-house banks—Continued.

[In thousands of dollars.]

Federal Reserve district.	1920. Week ending—				1919. Week ending—			
	June 30.	July 7.	July 14.	July 21.	July 2.	July 9.	July 16.	July 23.
No. 12—San Francisco:								
Berkeley.....	2,134	2,822	3,023	2,731	1,682	2,078	2,431	2,253
Boise.....	3,380	2,873	3,445	3,578	2,978	2,763	4,943	2,931
Fresno.....	8,605	10,832	10,738	10,019	5,044	8,255	8,603	7,395
Long Beach.....	4,317	3,861	5,498	4,942	1,831	4,372	3,480	3,338
Los Angeles.....	98,750	105,010	107,112	106,850	78,665	61,420	79,369	85,630
Oakland.....	32,386	36,388	38,578	37,271	12,402	13,951	14,298	13,417
Ogden.....	3,771	4,474	3,984	3,844	2,481	3,430	3,523	2,756
Pasadena.....	4,954	4,823	5,506	5,361	5,561	4,062	4,167	3,915
Portland.....	41,327	45,411	49,499	46,538	45,138	30,279	43,691	33,448
Reno.....	3,309	3,366	2,992	3,228	1,336	1,980	2,433	2,436
Sacramento.....	13,342	15,977	14,770	15,112	10,295	11,190	12,273	10,487
Salt Lake City.....	17,788	18,362	18,579	18,309	17,699	13,540	19,163	16,058
San Diego.....	7,392	8,795	9,843	8,593	5,537	4,844	6,106	6,726
San Francisco.....	232,759	215,598	229,798	239,562	173,867	157,477	210,320	188,687
San Jose.....	4,905	7,695	6,785	5,856	3,745	5,752	4,167	4,195
Seattle.....	44,302	41,046	47,840	47,428	51,561	37,750	54,031	44,912
Spokane.....	11,073	12,174	13,332	12,527	10,903	10,223	11,339	10,970
Stockton.....	5,180	7,000	6,100	6,559	5,980	6,361	6,453	6,015
Tacoma.....	9,338	10,828	12,473	12,441	10,943	8,132	11,941	11,341
Yakima.....	2,518	2,959	3,280	3,044	2,572	1,900	2,514	2,061

## Recapitulation, by Federal Reserve districts.

[In thousands of dollars.]

Federal Reserve districts.	Number of centers included.	1920. Week ending—				1919. Week ending—			
		June 30.	July 7.	July 14.	July 21.	July 2.	July 9.	July 16.	July 23.
Boston.....	12	444,002	458,925	492,847	504,089	515,221	361,046	505,703	461,811
New York.....	7	4,611,442	4,228,726	4,721,074	4,551,657	5,238,289	4,310,675	5,706,089	5,563,882
Philadelphia.....	13	455,523	439,028	433,083	432,016	440,783	336,799	434,933	426,785
Cleveland.....	14	630,939	590,155	625,987	647,127	615,964	459,894	590,527	557,320
Richmond.....	7	190,223	184,558	187,351	185,981	189,888	152,791	191,712	177,829
Atlanta.....	15	225,665	234,282	237,762	241,636	221,192	187,133	209,768	206,153
Chicago.....	23	1,136,087	1,102,927	1,209,122	1,282,650	1,102,930	830,679	1,200,863	1,032,080
St. Louis.....	5	225,060	210,567	238,069	238,764	238,358	176,740	297,682	227,634
Minneapolis.....	11	151,180	144,038	177,419	163,021	156,734	123,714	168,173	147,898
Kansas City.....	14	293,099	282,657	305,424	288,325	291,729	253,217	299,291	310,213
Dallas.....	13	135,246	149,964	156,178	144,014	130,826	116,530	140,252	136,108
San Francisco.....	20	551,530	563,294	593,175	593,793	450,273	389,789	505,245	458,978
Total.....	154	9,049,996	8,589,121	9,377,491	9,273,073	9,592,187	7,699,007	10,250,238	9,706,691

NOTE.—Figures for the following centers, while shown in the body of the statement, are not included in the recapitulation, complete data for these centers not being available for each week under review: Manchester, N. H.; Portland, Me.; Atchison, Kans.; Cheyenne, Wyo.; Sioux Falls, S. Dak.; Huntington, W. Va.

**DISCOUNT AND OPEN-MARKET OPERATIONS OF THE FEDERAL RESERVE BANKS DURING JUNE, 1920.**

Detailed tables showing the discount and open-market operations of each Federal Reserve Bank during June, 1920, are shown on pages 869 to 871. Following is a summary, for the system as a whole, of the operations in June and May of the current year with comparative figures for 1919:

*Summary of discount and open-market operations of Federal Reserve Banks in June and May, 1920 and 1919.*

[In thousands of dollars.]

	1920		1919	
	June.	May.	June.	May.
Total discounts and open-market purchases.....	7,797,839	6,452,944	6,771,913	7,620,107
Discounts—Total.....	6,336,642	6,135,984	6,328,911	7,385,833
Secured by Government war obligations.....	4,545,248	4,508,435	6,036,277	7,169,366
Otherwise secured and unsecured—Total.....	1,791,394	1,627,549	292,634	216,467
Trade acceptances.....	13,920	16,538	7,949	7,061
Bankers' acceptances.....	9,432	15,254	496	1,112
All other (commercial n. e. s. agricultural and live-stock paper).....	1,768,042	1,595,757	284,189	208,294
Average maturity (in days).....	14.48	14.74	9.79	9.13
Average rate (365-day basis), per cent.....	6.20	5.74	4.19	4.16
Open-market operations:				
Bills purchased—Total.....	285,753	274,237	291,915	147,650
Bankers' acceptances—Total.....	256,184	268,033	290,203	144,505
In the domestic trade.....	62,811	72,768	62,219	37,889
In the foreign trade.....	193,373	195,265	227,984	106,706
Trade acceptances—Total.....	24,419	3,739	1,645	1,896
In the domestic trade.....	1,547	1,015	661	275
In the foreign trade.....	22,872	2,724	984	1,621
Dollar exchange.....	5,150	2,435	67	1,159
Average maturity (in days).....	45.68	44.22	45.60	45.80
Average rate (365-day basis), per cent.....	6.07	5.96	4.24	4.24
United States securities purchased:				
Victory notes.....			278	86
Certificates of indebtedness.....	1,175,444	42,723	150,809	86,538

During the month of June the total of discount operations of the Federal Reserve Banks was about 200 millions larger than during May, and about 8 millions larger than during June, 1919. It should be noted that the totals for discounts in the table are exclusive of bills discounted for other Federal Reserve Banks, which totaled 273 millions during June and 270 millions during May of this year, and 355 millions during June and 258 millions during May of the past year.

While the discounts for the system as a whole were larger in June than in May, the totals for June were smaller for the Boston, Cleveland, Richmond, Atlanta, St. Louis, and San Francisco banks, the decrease for the last-named bank being particularly notable.

Of the total bills discounted by the Federal Reserve Banks the proportion secured by Government war obligations was 72 per cent, compared with 73 per cent the month before and 95 and 97 per cent for June and May, 1919. Discounts of trade acceptances totaled about 2.6 millions less in June than in May of this year, but were about 6 millions above the amount shown for June of last year. Discounted bankers' acceptances also show a decline in June, the total being about 6 millions less than in May, but still about 9 millions more than in June, 1919, when the aggregate of this class of paper discounted was less than one-half million. Discounts of commercial paper proper and of agricultural and live-stock paper totaled 172 millions more in June than in May of this year, the amount for June being 1,484 millions above the corresponding amount for June, 1919.

In June, as in the preceding three months, about 88 per cent of the discounts consisted of 15-day paper, i. e., paper maturing within 15 days after date of discount or rediscount with the Federal Reserve Banks. A year ago this proportion was much higher, viz. 97 per cent in June and 98 per cent in May. Six-month bills, composed of agricultural and live-stock paper, totaled 53 millions in June, as compared with 41 millions the month before and 17 millions during June, 1919. The average maturity of the bills discounted in June figures out at 14.48 days, as compared with 14.74 days in May and 9.79 days in June of last year.

A further increase in the average rate of discount, from 5.74 per cent in May to 6.2 per cent in June, is noted, the average rate for the corresponding months in 1919 being 4.16 and 4.19 per cent. Four of the Federal Reserve Banks adopted before June systems of progressive rates, namely, the Atlanta, St. Louis, Kansas City, and Dallas banks. The average rates of discount were higher in June than in May for each of the Federal Reserve Banks, with the exception of the Kansas City bank, where a system of progressive rates has been in operation since the latter part of April.

Total bills purchased in open market in June were about 12 millions more than the month before, but about 6 millions less than a year before. The increase in June over May of this year was in trade acceptances,

which rose from about 4 to about 24 millions, while bankers' acceptances purchased totaled about 12 millions less in June than in May. Bankers' acceptances in the domestic trade show a decline for the most recent month of about 10 millions, and bankers' acceptances in the foreign trade a decline of about 2 millions, while trade acceptances in the domestic trade increased by about one-half million and trade acceptances in the foreign trade by about 20 millions.

The average maturity of all paper purchased by the Federal Reserve Banks during June was 45.68 days, compared with 44.22 days the month before and with 45.6 days the year before. The average rate charged on acceptances purchased in June was 6.07 per cent, marking an advance from the May average of 5.96 per cent, while for June and for May, 1919, the corresponding rate was 4.24 per cent.

During the month under review 66 banks were added to the membership of the system, the total number of members increasing from 9,329 to 9,395, while the number of banks accommodated through discount of paper increased from 4,645 in May to 4,948 in June. The number of members in each district at the end of June and of May and the number accommodated during each month is shown in the following statement:

Federal Reserve Bank.	Number of member banks in district.		Number of member banks accommodated.	
	June 30.	May 31.	June.	May.
Boston.....	432	432	246	252
New York.....	772	771	365	389
Philadelphia.....	688	687	378	374
Cleveland.....	861	859	296	307
Richmond.....	601	598	377	356
Atlanta.....	438	437	267	254
Chicago.....	1,394	1,389	739	735
St. Louis.....	562	561	297	301
Minneapolis.....	972	961	495	441
Kansas City.....	1,062	1,059	494	471
Dallas.....	812	794	610	404
San Francisco.....	801	781	384	361
Total.....	9,395	9,329	4,948	4,645

Federal Reserve Bank holdings of discounted and purchased bills, by classes of paper, at the end of June and of May, 1920 and 1919, are shown in detail on pages 872 and 873, and are summarized in the table below:

Summary of discounted and purchased paper held by the Federal Reserve Banks at the end of June and of May, 1920 and 1919.<sup>1</sup>

[In thousands of dollars.]

	1920, end of—		1919, end of—	
	June.	May.	June.	May.
Discounted paper—Total.....	2,431,794	2,519,431	1,818,040	1,989,392
Secured by Government war obligations.....	1,277,980	1,447,962	1,573,483	1,802,893
Otherwise secured and unsecured—Total.....	1,153,814	1,071,469	244,557	186,499
Agricultural paper.....	83,193	63,537	30,836	28,619
Live-stock paper.....	84,845	77,154	37,420	30,372
Trade acceptances.....	20,054	21,979	7,803	7,321
Bankers' acceptances.....	25,174	41,841	1,113	1,122
Commercial paper, n. e. s.....	940,568	866,958	167,385	119,065
Purchased paper—Total.....	334,551	420,192	315,993	185,556
Bankers' acceptances—Total.....	372,541	411,427	314,407	183,593
Member banks.....	255,564	275,369	235,519	136,741
Nonmember trust companies.....	1,876	2,954	9,225	2,853
Nonmember State banks.....	54,598	56,187	29,361	18,729
Private banks.....	38,647	47,448	29,648	14,628
Foreign bank branches and agencies.....	21,856	29,469	12,654	10,612
Trade acceptances—Total.....	12,010	8,765	1,586	1,993
Domestic.....	1,939	1,542	382	136
Foreign.....	10,071	7,223	1,204	1,857

<sup>1</sup> For discounts 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 May and June in holdings of discounted paper the following are to be noted: A decrease of 170 millions in paper secured by Government war obligations, partly offset by an increase of 82 millions in paper not so secured. Holdings of agricultural paper were larger by 20 millions at the end of June than at the end of May of this year, while the most recent total of 83 millions was 52 millions in excess of the corresponding amount a year earlier. Live-stock paper shows an increase of 8 millions for the month of June and an increase of 47 millions for the year, while bankers' and trade acceptance holdings were smaller at the end of June of this year than at the end of May, but considerably larger than at the end of June, 1919, the increase for bankers' acceptances being from 7 to 20 millions, and for trade acceptances from about 1 to 25 millions. Holdings of commercial paper not otherwise specified show a further increase, from 867 millions in May to 941 millions in June, the corresponding figures in 1919 being 119 and 167 millions, respectively. While commercial paper constituted only 9.2 per cent of all discounts held at the end of June, 1919, this proportion rose to 34.3 per cent at the end of May and to 38.7 per cent at the end of June of this year.



Holdings of purchased acceptances at the end of June were about 385 millions, marking a decrease of about 35 millions from the end of May of this year but an increase of about 70 millions since June, 1919. While bankers' acceptances held show a decrease of about 39 millions from the end of May to the end of June, trade acceptances increased by about 3 millions. As compared with June, 1919, bankers' acceptances held on the most recent date show an increase of about 58 millions and trade acceptances an increase of over 10 mil-

lions, the holdings of the latter at the end of June of last year having been less than 2 millions. Of the bankers' acceptances held at the end of June 68.6 per cent were acceptances by member banks, 15.1 per cent by nonmember State banks and trust companies, 10.4 per cent by private banks, and 5.9 per cent by foreign bank branches and agencies. Of the trade acceptances held, about 10 millions were based on transactions in the domestic trade and about 2 millions on transactions in the foreign trade.

Total discount and open-market operations of each Federal Reserve Bank during the month of June, 1920.

Federal Reserve Bank.	Bills discounted for member banks.	Bills bought in open market.	United States securities purchased.			Total.	
			Bonds.	Victory notes.	Certificates of indebtedness.	June, 1920.	June, 1919.
Boston.....	\$416,684,913	\$23,960,722			\$53,475,500	\$494,121,135	\$335,725,026
New York.....	3,425,122,642	160,599,278			762,769,500	4,348,461,420	3,354,611,216
Philadelphia.....	496,288,767	1,033,537			28,510,000	525,832,297	1,088,293,030
Cleveland.....	224,297,738	29,244,978			84,527,500	338,070,216	252,156,990
Richmond.....	287,363,052	3,501,948				290,865,000	406,396,036
Atlanta.....	162,751,021	2,979,127				165,730,145	168,556,993
Chicago.....	560,925,938	35,419,808			34,437,500	630,783,246	423,769,919
St. Louis.....	178,176,535	3,215,491			27,168,000	208,560,026	184,850,182
Minneapolis.....	94,757,699	1,424,843			25,321,000	121,503,542	55,528,177
Kansas City.....	142,708,174	1,757,449			9,226,000	153,691,623	142,111,061
Dallas.....	117,230,253	60,000			31,370,000	148,720,253	114,043,122
San Francisco.....	230,275,223	22,585,448			118,639,500	371,500,171	185,901,324
Total, June, 1920.....	6,336,641,955	285,752,619			1,175,444,500	7,797,839,071	
Total, June, 1919.....	6,328,911,530	291,915,446	\$50	\$277,550	150,808,500		6,771,913,076
Total, 6 months ending June 30, 1920.....	38,431,408,230	1,713,703,385	223,050	5,050	4,658,339,000	44,803,708,715	
Total, 6 months ending June 30, 1919.....	33,065,028,179	1,072,767,902	1,327,775	363,450	1,564,655,500		138,704,143,806

<sup>1</sup> Includes \$1,000 municipal warrants.

Average amount of earning assets held by each Federal Reserve Bank during June, 1920, earnings from each class of earning assets, and annual rates of earnings on basis of June, 1920, returns.

	Average daily holdings of the several classes of earning assets.				Earnings from—				Calculated annual rate of earnings from—			
	Discounted bills.	Purchased bills.	United States securities.	Total.	Discounted bills.	Purchased bills.	United States securities.	Total.	Discounted bills.	Purchased bills.	United States securities.	Total.
Boston.....	\$158,915,248	\$31,899,755	\$24,062,292	\$214,877,295	\$758,836	\$157,872	\$40,871	\$957,579	Per ct.	Per ct.	Per ct.	Per ct.
New York.....	788,272,697	183,358,598	104,413,843	1,076,045,138	3,843,939	900,441	216,567	4,960,947	5.83	6.04	2.07	5.44
Philadelphia.....	205,214,643	1,985,078	34,525,450	241,705,171	924,905	9,731	64,634	999,270	5.95	5.99	2.53	5.62
Cleveland.....	161,770,746	55,712,608	27,222,283	244,705,637	754,719	274,056	46,556	1,075,331	5.50	6.04	2.28	5.04
Richmond.....	97,383,865	8,865,330	13,494,210	119,743,405	468,981	44,636	22,254	535,871	5.69	6.00	2.09	5.38
Atlanta.....	114,709,207	4,981,629	15,882,483	135,573,319	541,130	24,908	26,215	592,253	5.88	6.14	2.01	5.46
Chicago.....	427,021,228	54,609,762	45,217,484	526,848,474	2,128,317	268,019	77,733	2,474,069	5.76	6.10	2.01	5.33
St. Louis.....	106,641,474	3,637,191	19,212,567	129,491,232	490,315	17,778	32,974	541,067	6.08	5.99	2.10	5.73
Minneapolis.....	73,248,000	4,039,000	9,457,000	86,744,000	378,309	17,242	15,720	411,271	5.61	5.96	2.09	5.10
Kansas City.....	109,515,689	1,773,343	22,247,400	133,536,432	554,548	8,623	38,986	602,157	6.30	5.21	2.03	5.78
Dallas.....	73,806,819	708,007	13,420,300	87,935,126	345,373	3,599	22,929	371,901	6.18	5.93	2.14	5.50
San Francisco.....	144,521,967	49,633,508	18,289,783	212,445,258	698,423	239,855	31,741	970,049	5.69	6.10	2.07	5.14
Total, June, 1920.....	2,461,021,583	401,183,809	347,445,095	3,209,650,487	11,887,795	1,966,790	637,180	14,491,765	5.89	5.98	2.24	5.51
Total, June, 1919.....	1,842,111,951	246,157,789	235,722,335	2,323,992,075	6,361,387	848,092	451,324	7,660,803	4.20	4.19	2.33	4.01

Bills discounted during the month of June, 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.	All other (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.....	\$12,289,026	\$337,099,120	.....	\$414,809	\$489,639	\$66,392,319	\$416,684,013	12.99	6.24
New York.....	64,056,828	2,355,679,526	.....	12,142,998	2,065,065	1,001,178,225	3,425,122,642	7.10	6.19
Philadelphia.....	16,013,900	359,097,886	.....	354,533	291,550	120,530,898	496,288,767	12.32	5.51
Cleveland.....	7,421,322	179,480,080	\$767,000	1,217,192	177,528	35,234,616	224,297,738	17.31	5.75
Richmond.....	3,399,082	239,109,667	1,141,500	1,803,878	.....	41,908,925	287,863,052	15.74	5.95
Atlanta.....	4,406,562	113,706,135	490,000	1,924,958	253,444	41,969,922	162,751,021	25.59	5.82
Chicago.....	16,198,818	329,900,321	2,021,900	1,222,262	460,999	211,121,638	560,925,938	35.75	6.64
St. Louis.....	7,606,355	102,899,084	290,600	743,548	726,900	65,910,048	178,176,535	26.38	5.94
Minneapolis.....	1,189,056	45,514,640	1,510,000	374,736	.....	46,169,267	94,757,699	43.62	6.78
Kansas City.....	4,499,367	98,860,223	511,800	1,001,913	30,021	37,804,850	142,708,174	35.02	6.72
Dallas.....	1,579,826	89,923,728	459,000	729,460	153,074	24,445,165	117,290,253	29.11	5.95
San Francisco.....	1,866,123	153,450,985	1,029,800	1,990,016	4,783,302	67,154,997	230,275,223	26.22	5.93
Total, June, 1920.....	140,526,265	4,404,721,395	8,221,600	13,920,303	9,431,522	1,759,820,870	6,336,641,955	14.48	6.20
Total, June, 1919.....	134,483,163	5,901,794,546	20,272,961	7,948,697	496,352	263,915,811	6,328,911,530	9.79	4.19

<sup>1</sup> Includes \$88,000 in the foreign trade.    <sup>2</sup> Includes \$65,000 of dollar exchange bills.    <sup>3</sup> Includes \$42,750 in the foreign trade.

Bankers' and trade acceptances in the foreign and domestic trade and dollar exchange bills purchased during the month of June, 1920; also average rates and maturities of 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).
	In the domestic trade.	In the foreign trade.	Total.	In the domestic trade.	In the foreign trade.	Total.				
Boston.....	\$11,467,425	\$12,488,297	\$23,955,722	.....	.....	.....	\$5,000	\$23,960,722	32.91	6.15
New York.....	27,477,744	105,244,645	132,722,389	\$1,484,767	\$22,055,797	\$23,540,564	4,306,325	160,569,278	39.49	6.06
Philadelphia.....	321,900	711,630	1,033,530	.....	.....	.....	.....	1,033,530	50.27	5.99
Cleveland.....	6,743,442	22,371,536	29,114,978	.....	.....	.....	130,000	29,244,978	56.02	6.03
Richmond.....	684,000	2,817,948	3,501,948	.....	.....	.....	.....	3,501,948	47.72	6.08
Atlanta.....	2,268,117	711,007	2,979,124	.....	.....	.....	.....	2,979,124	66.83	6.08
Chicago.....	7,474,571	27,311,857	34,786,428	.....	.....	.....	633,380	35,419,808	64.58	6.12
St. Louis.....	2,795,491	420,000	3,215,491	.....	.....	.....	.....	3,215,491	37.21	6.20
Minneapolis.....	95,000	1,329,843	1,424,843	.....	.....	.....	.....	1,424,843	57.32	6.06
Kansas City.....	.....	1,757,449	1,757,449	.....	.....	.....	.....	1,757,449	66.43	6.08
Dallas.....	60,000	.....	60,000	.....	.....	.....	.....	60,000	38.00	6.08
San Francisco.....	3,422,845	18,208,765	21,631,610	62,307	816,531	878,838	75,000	22,585,448	56.33	6.00
Total, June, 1920.....	62,810,535	193,372,977	256,183,512	1,547,074	22,872,328	24,419,402	5,149,705	285,752,619	45.72	6.07
Total, June, 1919.....	62,218,856	227,983,824	290,202,680	661,269	983,940	1,645,209	67,557	291,915,446	45.60	4.24

Amount of bills discounted and acceptances bought by each Federal Reserve Bank during April, May, and June, 1920 and 1919, distributed by maturities.

Federal Reserve Bank.	15-day maturities.			30-day maturities.			60-day maturities.		
	Discounts.	Acceptances.	Total.	Discounts.	Acceptances.	Total.	Discounts.	Acceptances.	Total.
Boston.....	\$1,001,301,420	\$32,318,195	\$1,033,619,615	\$38,674,783	\$10,303,757	\$48,978,540	\$64,590,550	\$28,005,688	\$92,596,238
New York.....	9,401,501,512	151,769,926	9,553,271,438	38,299,109	67,651,212	105,950,321	77,301,220	88,684,335	165,985,555
Philadelphia.....	1,409,690,230	112,500	1,409,802,730	16,720,865	410,950	17,131,815	16,484,528	644,991	17,129,519
Cleveland.....	630,151,397	6,095,740	636,247,137	15,968,689	7,772,574	23,741,263	33,610,137	31,656,504	65,266,641
Richmond.....	779,749,494	1,090,984	780,840,478	18,720,926	1,442,153	20,163,079	39,476,840	6,560,602	46,037,442
Atlanta.....	378,725,564	708,050	379,433,614	16,153,384	1,747,600	17,900,984	32,293,745	3,948,687	36,242,432
Chicago.....	1,029,558,847	16,647,693	1,046,206,540	66,908,458	4,763,392	71,671,850	156,723,963	38,600,484	195,324,447
St. Louis.....	442,675,777	4,411,035	447,086,812	23,998,468	70,662	24,069,130	100,031,451	1,325,669	101,357,120
Minneapolis.....	144,891,914	96,919	144,988,833	20,853,141	781,402	21,634,543	26,319,759	2,184,350	28,504,109
Kansas City.....	282,146,761	.....	282,146,761	13,885,293	232,328	13,617,621	32,611,329	1,678,406	34,289,735
Dallas.....	270,378,131	.....	270,378,131	4,938,323	109,635	5,047,958	17,985,391	1,193,675	19,179,066
San Francisco.....	708,200,994	2,539,962	710,760,956	19,743,108	12,262,977	32,006,085	45,813,713	44,640,662	90,454,375
Total three months ending:									
June 30, 1920.....	16,478,972,041	215,811,004	16,694,783,045	294,364,547	107,548,642	401,913,189	643,242,626	249,124,053	892,366,679
June 30, 1919.....	19,090,756,531	142,253,112	19,233,009,643	53,349,156	99,603,995	152,953,151	118,415,536	189,360,820	307,776,356

Amount of bills discounted and acceptances bought by each Federal Reserve Bank during April, May, and June, 1920 and 1919, distributed by maturities—Continued.

Federal Reserve Bank.	90-day maturities.			Over 90-day maturities.			Total.		
	Discounts.	Acceptances.	Total.	Discounts.	Acceptances.	Total.	Discounts.	Acceptances.	Total.
Boston.....	\$79,258,769	\$11,791,160	\$91,049,929	\$27,978	.....	\$27,978	\$1,183,853,500	\$82,418,800	\$1,266,272,300
New York.....	254,830,731	105,316,354	360,147,085	92,214	.....	92,214	9,772,024,786	413,421,827	10,185,446,613
Philadelphia.....	82,575,965	1,360,892	83,936,857	15,339	.....	15,339	1,525,486,927	2,529,333	1,528,016,260
Cleveland.....	46,787,786	33,938,387	80,726,173	242,137	.....	242,137	726,760,146	79,463,205	806,223,351
Richmond.....	33,436,604	4,790,622	38,227,226	2,976,534	.....	2,976,534	874,360,398	13,884,361	888,244,759
Atlanta.....	59,702,407	3,880,173	63,582,580	6,684,623	.....	6,684,623	493,559,723	10,284,510	503,844,233
Chicago.....	323,518,218	30,828,050	354,346,268	20,188,393	.....	20,188,393	1,596,897,879	90,839,619	1,687,737,498
St. Louis.....	75,704,434	4,163,865	79,868,299	3,850,876	.....	3,850,876	646,261,006	9,971,231	656,232,237
Minneapolis.....	62,396,838	3,120,260	65,517,098	17,251,419	.....	17,251,419	271,713,071	6,182,931	277,896,002
Kansas City.....	52,896,800	925,691	53,822,491	37,219,556	.....	37,219,556	413,259,739	2,836,425	421,096,164
Dallas.....	26,945,306	780,000	27,725,306	15,417,977	.....	15,417,977	335,665,128	2,083,310	337,748,438
San Francisco.....	64,254,463	34,204,546	98,459,009	19,512,063	.....	19,512,063	857,524,341	93,668,147	951,192,488
Total three months ending:									
June 30, 1920..	1,162,308,321	235,100,000	1,397,408,321	123,479,109	.....	123,479,109	18,702,366,644	807,583,699	19,509,950,343
June 30, 1919..	307,526,069	148,936,620	456,502,689	46,098,934	.....	46,098,934	19,616,146,226	580,204,547	20,196,350,773

Rediscounts and sales of discounted and purchased paper between Federal Reserve Banks from Apr. 1 to June 30, 1920.

[In thousands of dollars.]

Discounted or purchased by Federal Reserve Bank of—	Rediscounted or sold by Federal Reserve Bank of—											
	New York.		Philadelphia.		Richmond.			Atlanta.		Chicago.		
	April.	June.	April.	May.	April.	May.	June.	May.	June.	April.	May.	June.
Boston.....		5,003	29,500				30,000	30,000				
New York.....			27,500	3,500	15,000	45,000		10,802	14,002	50,500	38,000	28,011
Cleveland.....			5,000		40,000		60,000	3,000	6,850	23,000	15,000	18,000
Minneapolis.....			5,000									
Dallas.....					20,000							
San Francisco.....	2,371											
Total.....	2,371	5,003	67,000	3,500	75,000	75,000	90,000	13,802	20,852	73,500	53,000	46,011
Purchased bills.....	2,371	5,003										11
Discounted bills.....			67,000	3,500	75,000	75,000	90,000	13,802	20,852	73,500	53,000	46,000

Discounted or purchased by Federal Reserve Bank of—	Rediscounted or sold by Federal Reserve Bank of—												
	St. Louis.			Minneapolis.			Kansas City.			Dallas.			San Francisco.
	April.	May.	June.	April.	May.	June.	April.	May.	June.	April.	May.	June.	April.
Boston.....	30,000	5,000	3,000			1,500	6,000	8,000	13,000				9,000
New York.....	15,000	25,000	5,000	13,500	12,500	16,000	16,000	24,000	23,000	3,000	18,000	10,000	10,058
Cleveland.....	21,000	5,000		5,000	27,500	26,500			6,000			3,000	
Minneapolis.....													
Dallas.....													
San Francisco.....	7,500									1,000			
Total.....	73,500	35,000	8,000	18,500	40,000	44,000	22,000	32,000	42,000	4,000	18,000	22,000	10,058
Purchased bills.....	6,000												10,058
Discounted bills.....	67,500	35,000	8,000	18,500	40,000	44,000	22,000	32,000	42,000	4,000	18,000	22,000	

## Rediscounts and sales of discounted and purchased paper between Federal Reserve Banks from Apr. 1 to June 30, 1920—Contd.

Discounted or purchased by Federal Reserve Bank of—	Rediscounted or sold by all Federal Reserve Banks.						Rediscounted or sold by all Federal Reserve Banks since Jan. 1, 1920.		
	April.	May.	June.	Total.	Purchased bills.	Discounted bills.	Total.	Purchased bills.	Discounted bills.
Boston.....	57,500	43,000	61,503	162,003	5,003	157,000	232,582	8,582	224,000
New York.....	158,558	131,892	96,013	386,373	10,069	376,304	392,271	10,967	381,304
Cleveland.....	94,000	95,500	12,359	391,859	6,000	385,859	428,607	29,657	398,950
Atlanta.....							57,087	5,087	52,000
Chicago.....							173,590	5,090	168,500
St. Louis.....							13,000		13,000
Minneapolis.....	5,000			5,000		5,000	40,029		45,029
Kansas City.....							25,049	5,049	20,000
Dallas.....	20,000			20,000		20,000	143,000		143,000
San Francisco.....	10,871			10,871	2,371	8,500	29,279	5,779	23,500
<b>Total.....</b>	<b>345,929</b>	<b>270,302</b>	<b>277,866</b>	<b>894,097</b>			<b>1,534,494</b>		
Purchased bills.....	18,429		5,014		23,443			70,211	
Discounted bills.....	327,500	270,302	272,852			870,654			1,464,283

## Discounted bills, including member banks' collateral notes, held by each Federal Reserve Bank, on the last Friday in June, 1920, distributed by classes.

[In thousands of dollars.]

Federal Reserve Bank.	Agricultural paper.	Live-stock paper.	Customers' paper secured by Government war obligations.	Member banks' collateral notes.		Trade acceptances.	Bankers' acceptances.	All other (commercial paper n. e. s.).	Total.
				Secured by Government obligations.	Otherwise secured.				
Boston.....	13		30,880	55,316		358	769	58,880	146,216
New York.....	624		140,043	378,460		3,739	12,523	246,173	781,562
Philadelphia.....	278	3	62,871	98,363		816	371	27,719	190,421
Cleveland.....	140	269	17,077	102,500	151	1,657	325	51,291	173,410
Richmond.....	4,439	142	8,991	39,311	768	1,506		43,910	99,067
Atlanta.....	5,412	1,718	7,695	41,289	165	2,059	1,959	53,761	114,058
Chicago.....	27,706		18,413	112,334	272	3,491	2,970	261,769	426,955
St. Louis.....	2,297	1,958	14,772	39,899	147	1,137	993	45,546	106,679
Minneapolis.....	9,663	20,707	2,491	2,605	732	420		35,507	72,125
Kansas City.....	7,454	35,243	7,234	26,053	227	919	66	32,942	110,138
Dallas.....	11,236	10,862	2,122	27,106	269	681	243	20,956	73,475
San Francisco.....	13,931	13,943	3,246	38,979	192	3,251	4,955	59,191	137,688
<b>Total:</b>									
June, 1920.....	83,193	84,845	315,835	962,145	2,923	20,034	25,174	937,645	2,431,794
May, 1920.....	63,537	77,154	326,473	1,121,489	3,154	21,979	41,841	863,804	2,519,431
June, 1919.....	30,836	37,420	232,818	1,340,665	13,983	7,803	1,113	153,402	1,818,040
May, 1919.....	28,619	30,372	187,633	1,615,210	9,628	7,321	1,122	109,437	1,989,392
<b>Percentage distribution by class of paper:</b>									
June, 1920.....	3.4	3.5	13.0	39.6	0.1	0.8	1.0	38.6	100
May, 1920.....	2.5	3.1	12.9	44.5	0.1	0.9	1.7	34.3	100
June, 1919.....	1.7	2.1	12.8	73.7	0.8	0.4	0.1	8.4	100
May, 1919.....	1.4	1.5	9.4	81.2	0.5	0.4	0.1	5.5	100

*Acceptances purchased by each Federal Reserve Bank and held on June 30, 1920, distributed by class of accepting institutions.*

[In thousands of dollars.]

Federal Reserve Bank.	Bankers' acceptances.					Trade acceptances.			Grand total.	
	Member banks.	Non-member trust companies.	Non-member State banks.	Private banks.	Foreign banks, branches, and agencies.	Total.	Domes-tic.	Foreign.		Total.
Boston.....	26,967	146	1,814	3,862	273	33,062				33,062
New York.....	104,337	1,730	37,954	23,641	14,214	181,876	1,692	8,557	10,249	192,125
Philadelphia.....	1,280		118	27		1,425				1,425
Cleveland.....	28,240		10,288	8,263	4,618	51,409	96		96	51,505
Richmond.....	7,056					7,056				7,056
Atlanta.....	4,080					4,080				4,080
Chicago.....	51,887		342	1,109	187	53,525				53,525
St. Louis.....	3,302		100			3,402				3,402
Minneapolis.....	1,663		269		302	2,234				2,234
Kansas City.....	2,161					2,161				2,161
Dallas.....	405					405				405
San Francisco.....	24,186		3,713	1,745	2,262	31,906	151	1,514	1,665	33,571
<b>Total:</b>										
June 30, 1920.....	255,564	1,876	54,598	38,647	21,856	372,541	1,939	10,071	12,010	384,551
May 31, 1920.....	275,369	2,954	56,187	47,448	29,469	411,427	1,542	7,223	8,765	420,192
Apr. 30, 1920.....	270,808	1,237	45,055	48,549	31,210	396,859	600	9,788	10,388	407,247
Mar. 31, 1920.....	282,339	1,389	55,390	51,012	23,654	413,784	572	5,566	6,138	419,922
Feb. 29, 1920.....	364,940	2,100	70,127	60,218	33,440	530,825	580	4,800	5,380	536,205
Jan. 31, 1920.....	383,375	6,134	68,592	61,218	36,203	555,522	1,893	4,595	6,488	562,010
June 30, 1919.....	233,519	9,225	29,361	29,648	12,654	314,407	382	1,204	1,586	315,993
June 30, 1918.....	173,698	1,992	459	21,478	12,315	209,942		7,418	7,418	217,360

**OPERATIONS OF THE FEDERAL RESERVE CLEARING SYSTEM FROM JUNE 16 TO JULY 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 their 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.....	658,820	727,643	2,834,264	493,911	147,895	17,093	3,640,979	1,238,647	107,624	85,191		
New York.....	1,013,337	2,256,547	3,845,365	1,321,947	906,231	479,176	5,764,933	4,057,670	906,975	622,736	24,612	10,448
Buffalo.....	146,283	113,783	337,490	62,838	15,727	1,214	499,500	177,835	142,129	34,840	31,173	21,303
Philadelphia.....	1,336,484	921,511	1,893,325	276,381	161,936	53,604	3,391,745	1,251,496	713,524	233,906		
Cleveland.....	313,109	304,946	1,078,507	209,543	52,693	6,766	1,444,309	521,254	21,276	39,964	45,015	17,110
Cincinnati.....	153,567	165,784	745,167	99,091	43,047	3,978	941,781	268,853	14,074	14,115	9,346	6,782
Pittsburgh.....	291,158	345,865	781,999	119,165	47,206	7,627	1,120,363	472,657	61,536	46,172	31,977	9,135
Richmond.....	96,020	163,738	1,405,822	299,261	45,577	8,334	1,547,419	471,333	115,166	81,071	9,421	9,308
Baltimore.....	186,441	190,744	660,290	84,928	50,556	13,889	897,287	289,761	147,035	122,734	9,245	10,429
Atlanta.....	95,722	81,648	299,453	66,546	23,513	6,102	418,688	154,296	19,251	18,190	54,676	12,293
Birmingham.....	42,898	23,588	133,294	12,752	10,821	1,268	187,013	37,608	15,463	11,743	25,196	39,959
Jacksonville.....	26,493	20,694	113,161	15,618	9,501	1,474	149,155	37,786	27,474	8,161	7,422	2,551
Nashville.....	46,843	44,724	183,536	24,676	11,198	1,662	241,577	71,062	26,690	4,939	11,465	2,155
New Orleans.....	52,568	61,328	97,979	16,716	16,552	4,078	167,099	82,122	42,541	13,494	7,218	1,513
Chicago.....	767,350	842,303	3,247,246	451,500	333,032	30,831	4,347,628	1,324,634	287,142	49,732	12,358	10,256
Detroit.....	201,826	214,231	343,206	52,755	32,558	13,500	577,590	280,486	8,872	8,857	6,767	3,361
St. Louis.....	207,984	261,168	1,226,671	105,607	106,325	8,896	1,540,980	375,671	23,552	8,711	24,484	3,145
Little Rock.....	42,332	24,851	243,230	19,354	6,324	1,816	291,886	46,021	8,136	2,198	31,938	4,332
Louisville.....	84,373	66,751	331,244	26,307	22,230	4,739	437,847	97,797	12,141	2,368	4,260	677
Memphis.....	65,601	34,210	139,442	11,490	8,684	1,422	213,727	47,122	2,053	963	3,122	1,182
Minneapolis.....	209,673	155,791	1,431,435	121,371	38,395	4,309	1,679,503	281,471	85,162	38,057		
Kansas City.....	332,417	370,458	2,363,162	289,149	87,982	6,363	2,783,561	665,970	252,241	83,618	64,313	14,623
Denver.....	70,375	64,271	301,283	23,009	18,288	2,702	389,946	89,982	85,923	20,253	49,315	17,416
Omaha.....	94,423	68,724	479,805	43,528	41,669	3,378	615,897	115,630	35,259	9,202	20,341	8,002
Dallas.....	74,954	72,495	1,469,335	251,978	24,637	2,773	1,568,926	327,246	86,415	38,913	56,789	9,651
El Paso.....	27,547	12,381	125,612	14,631	12,155	2,280	165,314	29,292	21,314	8,782	14,801	3,271
Houston.....	66,198	48,372	325,987	35,895	14,842	2,005	407,027	86,272	12,633	3,645	9,418	2,830
San Francisco.....	113,618	108,962	270,382	29,979	44,582	202,465	428,582	341,406	24,336	4,654	61,995	13,075
Los Angeles.....	109,611	84,059	444,654	46,342	19,897	10,889	574,162	141,290	52,482	7,874	25,910	5,568
Portland.....	48,947	38,198	165,515	12,273	17,973	7,457	232,435	57,929	2,586	1,914	25,606	4,597
Salt Lake City.....	42,907	30,220	364,222	33,579	12,201	2,712	419,330	66,511	4,887	15,613	6,980	9,360
Seattle.....	63,075	50,217	186,092	16,527	25,338	11,412	274,505	78,156	16,535	6,152	33,798	5,969
Spokane.....	26,386	18,062	149,542	12,657	9,417	1,007	185,345	31,726	5,879	2,728	17,139	5,106
June 16 to July 15, 1920.....	7,109,340	7,988,267	28,017,717	4,701,304	2,418,982	927,221	37,546,039	13,616,792	13,388,306	1,651,490	736,000	265,407
May 16 to June 15, 1920.....	7,010,705	7,679,173	27,476,667	4,652,646	1,965,436	509,831	36,452,808	12,841,650	13,429,896	1,645,107	708,352	253,058
June 16 to July 15, 1919.....	4,960,503	6,361,832	17,028,180	3,776,434	2,350,545	1,224,428	24,369,228	11,362,694	12,364,338	1,417,259	472,146	258,846

<sup>1</sup> Includes 7,313 items amounting to \$2,073,000, forwarded direct to member banks in other Federal Reserve districts.

<sup>2</sup> Includes 6,662 items, amounting to \$2,021,000, forwarded direct to member banks in other Federal Reserve districts.

<sup>3</sup> Includes 4,405 items, amounting to \$2,846,000, forwarded direct to member banks in other Federal Reserve districts.

NOTE.—Number of business days in period 25, except for Baltimore and Minneapolis, which had 24.

Federal Reserve district.	Number of member banks in district July 15.		Number of nonmember banks on par list July 15.		Number of incorporated banks other than mutual savings banks not on par list July 15.	
	1920	1919	1920	1919	1920	1919
	Boston.....	432	429	256	241	
New York.....	774	735	324	319		
Philadelphia.....	688	669	427	406		
Cleveland.....	860	826	1,077	911		154
Richmond.....	606	574	762	349	781	1,081
Atlanta.....	440	424	433	333	1,181	1,241
Chicago.....	1,395	1,356	4,238	3,067		1,098
St. Louis.....	564	519	2,517	1,606	174	1,055
Minneapolis.....	976	887	2,903	1,318		1,548
Kansas City.....	1,065	1,007	3,388	2,290		953
Dallas.....	822	746	1,238	321		853
San Francisco.....	801	676	1,042	910		154
Total.....	9,423	8,848	18,605	12,071	2,136	8,167

## CHANGES IN CONDITION OF FEDERAL RESERVE BANKS.

Loan operations of the Federal Reserve Banks during the four-week period between June 25 and July 23, as measured by the amounts of discounted bills held at the close of each week, moved within relatively moderate limits, following an upward course during the first two weeks and a downward course during the last two weeks under review. As a consequence, the July 23 total of 2,469.9 millions of discounted bills held by the Federal Reserve Banks shows an increase of 38.1 millions over the corresponding June 25 total. Weekly changes in these totals reflect largely the character and volume of the Treasury's operations, including the issue and redemption of certificates and the deposits of funds with and withdrawals from Government depositories. Redemption operations included the redemption on July 1 of the balance of about 200 millions of 3-months' loan certificates; also the redemption two weeks later of about 84 millions of loan certificates also issued three months before. On the latter date the Government issued slightly over 200 millions of loan and tax certificates, the net result of these operations being a substantial reduction in the amount of certificates held by the member banks and incidentally a moderate decrease of loans secured by such certificates carried by the Federal Reserve Banks for their members. July 23 holdings of bills secured by United States war obligations, 1,247.4 millions, were 30.6 millions less than the June 25 holdings, while the holdings of other discounted bills show an increase during the four weeks of 68.7 millions.

From 52.6 per cent on June 25, the share of war paper in the total discounts held by the Federal Reserve Banks declined to slightly over 50 per cent on July 23. All classes of war paper held on the latest date were below the corresponding totals shown four weeks earlier. Thus, loans secured by Liberty bonds declined from 611.8 to 600.5 millions, loans secured by Victory notes from 298.3 to 297.2 millions, and loans secured by Treasury certificates from 367.9 to 349.7 millions.

For the first two weeks of the period an increase of about 154 millions is seen in the amount of 15-day paper, accompanied by a reduction of about 50 millions in the holdings of 30-day paper and smaller changes in the holdings of paper of longer maturities. For the last two weeks bills of all maturities, except 90-day paper, have shown substantial reduc-

tions. Of the June 25 total of 2,431.8 millions, 15-day paper constituted 52.8 per cent, while of the total discounts held four weeks later, the share of 15-day paper had gone up to 57.6 per cent.

Holdings of purchased acceptances, apparently because of the growing investment demand for prime bills by country banks, savings banks, insurance companies, and industrial corporations, show a continuous decrease from 399.2 to 353.5 millions. Almost 90 per cent of these bills are in the portfolios of the Boston, New York, Cleveland, Chicago, and San Francisco banks, the New York bank acting as agent of the other banks in purchasing and distributing the bulk of this class of paper. Changes in the totals of Treasury certificate holdings represent largely amounts of special certificates redeemed or given to the Federal Reserve Banks to cover temporary advances by the latter to the Treasury pending receipt of funds from depository institutions.

Discounted bills held by the several Federal Reserve Banks include amounts held under discount for other Federal Reserve Banks. During the four weeks under review the amounts of paper, largely 15-day bills, thus held varied between a maximum of 130.9 millions on July 2, and a minimum of 123.2 millions on July 23, the latter being 1.7 millions below the June 25 total. No change is shown in the number of discounting banks, which includes those at Boston, New York, and Cleveland. The number of rediscounting Federal Reserve Banks declined from seven to six. The Chicago bank, which on June 25 had about 25 millions of rediscounted paper outstanding, no longer figures among the list of rediscounting banks, which on July 23 included the Reserve Banks of Richmond, Atlanta, St. Louis, Minneapolis, Kansas City, and Dallas. It may be noted in this connection that four of these banks, viz, those at Atlanta, St. Louis, Kansas City, and Dallas, which have been applying progressive discount rates during the period under review, show an increase for the period in their rediscounts with other Federal Reserve Banks from 51.4 to 87.9 millions. This somewhat more than offsets the increase in discounts granted to member banks by these four Reserve Banks.

Holdings of acceptances purchased from other Federal Reserve Banks show an increase from 6.6 to 42.5 millions, the latter amount representing acceptances sold by the New

York and Chicago banks without indorsement from their own portfolios to the Boston, Philadelphia, Cleveland, and San Francisco banks. No change is shown by the Federal Reserve Banks in the amount of guarantor's liability of 16.2 millions on bills purchased for account of foreign correspondents.

Government deposits varied between 21.7 millions on July 2, and 11.7 millions on July 16, members' reserve deposits show a variation between 1,874.2 and 1,825.6 millions on July 2 and 23, respectively, while other deposits, largely because of the partial withdrawal of the deposit standing to the credit of the Argentine Government, show a steady reduction from 70 millions on June 25 to about 49 millions on July 23. Net deposits, after reaching a high level of 1,754.9 millions on July 2, declined steadily to 1,685.6 millions on July 23, or 36.6 millions below the total shown four weeks earlier. Federal Reserve note circulation shows an ex-

pansion of 64.2 millions during the first two weeks and reached a maximum for the year of 3,180.9 millions on July 9, as a consequence of the heavy demand for currency incident to holiday travel. The return flow of these notes during the following two weeks was almost equal in volume to the increase in circulation for the two previous weeks, and the volume of circulation reported on July 23, 3,118.2 millions, was only 1.5 millions in excess of the total shown four weeks before. The banks' gold reserves, in consequence of further gold imports, show a gain of 13.9 millions, while total cash reserves, owing mainly to substantial silver deposits by the Government, show a gain of 25.4 millions. The banks' reserve ratio, after a decline from 43.6 to 42.8 per cent on July 2, shows a steady rise, reaching on July 23 the high level of 44.4 per cent, a gain of 0.8 per cent as compared with the June 25 reserve percentage.

*Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, July 2 to July 23, 1920.*

RESOURCES.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
<b>Gold and gold certificates:</b>													
July 2.....	11,540	83,504	1,123	10,074	2,380	7,971	24,142	3,454	7,237	481	5,275	13,995	171,176
July 9.....	11,600	82,217	1,156	10,117	2,398	8,067	24,250	3,488	7,207	498	5,311	12,620	168,929
July 16.....	11,679	82,078	1,151	10,195	2,425	8,153	24,249	3,340	7,231	512	5,488	12,266	168,767
July 23.....	11,760	89,113	1,166	10,227	2,454	7,669	24,396	3,301	7,238	533	5,472	17,200	180,529
<b>Gold settlement fund, Federal Reserve Board:</b>													
July 2.....	22,458	103,090	50,519	51,706	20,015	10,443	60,735	8,394	6,660	26,561	10,705	31,474	402,760
July 9.....	36,716	83,980	45,320	60,057	19,940	4,220	62,924	8,951	4,812	25,832	5,971	44,037	402,760
July 16.....	44,759	83,143	46,933	66,563	15,456	5,104	49,719	5,808	8,758	26,301	6,072	35,289	393,905
July 23.....	49,651	60,381	36,612	73,395	17,301	5,808	68,271	12,476	5,956	23,811	7,317	36,366	387,345
<b>Gold with foreign agencies:</b>													
July 2.....	8,142	40,932	8,922	9,146	5,465	4,015	13,272	5,242	3,011	5,353	2,900	5,131	111,531
July 9.....	8,142	40,932	8,922	9,146	5,465	4,015	13,272	5,242	3,011	5,353	2,900	5,131	111,531
July 16.....	8,142	40,932	8,922	9,146	5,465	4,015	13,272	5,242	3,011	5,353	2,900	5,131	111,531
July 23.....	8,142	40,932	8,922	9,146	5,465	4,015	13,272	5,242	3,011	5,353	2,900	5,131	111,531
<b>Gold with Federal Reserve agents:</b>													
July 2.....	122,485	282,362	88,294	149,233	38,908	48,466	169,381	45,873	31,806	36,913	24,477	108,746	1,146,944
July 9.....	119,620	281,827	91,790	149,550	43,029	50,566	167,547	46,374	32,278	36,795	25,555	100,171	1,145,102
July 16.....	121,152	280,907	89,605	149,207	41,107	50,182	164,447	45,358	32,077	36,599	29,431	112,803	1,152,875
July 23.....	128,670	280,222	107,672	150,539	39,215	48,261	160,670	44,744	31,691	36,694	28,488	103,349	1,160,215
<b>Gold redemption fund:</b>													
July 2.....	14,861	33,914	14,961	3,006	7,960	8,020	31,177	5,043	18	3,430	8,039	8,856	139,285
July 9.....	17,285	35,979	15,452	1,921	5,963	6,278	32,629	5,217	22	4,248	8,589	9,411	142,994
July 16.....	15,016	35,917	15,946	3,729	7,006	6,675	35,262	5,304	195	4,106	4,278	10,909	144,343
July 23.....	16,948	35,971	10,331	2,877	8,131	7,824	38,608	5,565	75	3,573	3,755	9,993	143,651
<b>Total gold reserves:</b>													
July 2.....	179,486	543,802	163,819	223,165	74,728	78,915	298,707	68,006	48,732	72,738	51,396	163,202	1,971,696
July 9.....	193,363	524,935	162,640	230,791	76,795	73,146	300,622	69,272	47,330	72,726	48,326	171,370	1,971,316
July 16.....	200,748	522,977	162,557	238,840	71,459	74,129	286,949	65,052	51,272	72,871	48,169	176,398	1,971,421
July 23.....	215,171	496,619	164,703	246,184	72,566	73,577	305,217	71,328	47,971	69,964	47,932	172,039	1,983,271
<b>Legal tender notes, silver, etc:</b>													
July 2.....	7,390	107,200	384	1,621	90	1,518	8,222	7,516	58	1,602	1,466	738	137,805
July 9.....	6,900	106,846	222	1,580	101	1,366	8,632	7,331	170	1,630	1,342	757	136,877
July 16.....	7,150	116,388	270	1,758	138	1,743	8,871	7,351	106	1,651	1,384	816	147,626
July 23.....	7,364	119,015	256	1,857	69	1,839	8,693	7,444	172	1,833	1,241	958	150,741
<b>Total reserves:</b>													
July 2.....	186,876	651,002	164,203	224,786	74,818	80,433	306,929	75,522	48,790	74,340	52,862	163,940	2,109,501
July 9.....	200,263	631,781	162,862	232,371	76,896	74,512	309,254	76,603	47,500	74,356	49,668	172,127	2,108,193
July 16.....	217,898	639,365	162,827	240,598	71,597	75,872	295,820	72,403	51,378	74,522	49,553	177,214	2,119,047
July 23.....	222,535	615,634	164,959	248,041	72,635	75,416	313,910	78,772	48,143	71,797	49,173	172,997	2,134,012







*Maturities of bills discounted and bought, also of Treasury certificates of indebtedness.*

[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>						
July 2.....	1,389,732	291,845	511,758	261,835	90,024	2,545,194
July 9.....	1,437,411	285,693	486,603	272,743	79,143	2,561,593
July 16.....	1,437,321	241,400	449,893	284,650	76,884	2,490,148
July 23.....	1,422,134	240,829	416,780	316,347	73,817	2,469,907
<b>Bills bought:</b>						
July 2.....	109,527	76,971	158,984	44,603	.....	390,085
July 9.....	105,303	67,968	163,173	36,147	.....	372,591
July 16.....	101,612	72,802	142,024	40,033	.....	356,471
July 23.....	97,177	88,680	138,714	28,972	.....	353,543
<b>United States certificates of indebtedness:</b>						
July 2.....	53,794	4,400	17,600	28,023	205,562	309,379
July 9.....	26,705	6,600	19,400	36,533	192,704	281,942
July 16.....	36,987	5,600	36,975	31,252	183,368	294,182
July 23.....	31,136	13,773	23,680	43,945	175,375	287,909



Amounts of Federal Reserve notes received from and returned to other Federal Reserve Banks for redemption or credit during the period Jan. 1 to June 30, 1920.

Federal Reserve Bank.	Boston.		New York.		Philadelphia.		Cleveland.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....			\$25,844,000	\$20,773,250	\$2,766,600	\$2,880,750	\$1,532,900	\$963,000
New York.....	\$28,672,050	\$26,124,000			32,160,350	28,567,850	20,960,000	9,464,000
Philadelphia.....	2,683,500	2,880,400	26,581,000	23,090,100			5,683,500	4,982,500
Cleveland.....	1,131,800	1,558,100	10,716,500	12,689,400	6,231,300	6,083,750		
Richmond.....	1,851,000	1,382,600	9,057,750	8,474,600	5,705,250	5,134,750	4,535,250	2,344,000
Atlanta.....	1,203,350	1,267,600	7,373,050	5,549,500	1,587,100	1,973,000	3,237,800	1,676,000
Chicago.....	2,478,200	2,884,700	13,650,000	17,893,650	2,704,500	3,604,250	10,573,500	9,018,000
St. Louis.....	708,250	507,400	4,632,075	2,474,700	993,995	784,005	4,140,675	1,162,500
Minneapolis.....	224,000	425,000	1,260,000	1,736,550	332,000	363,500	495,500	605,000
Kansas City.....	370,800	537,300	2,580,100	2,179,650	435,700	677,500	1,027,950	923,000
Dallas.....	246,150	448,000	2,157,950	1,879,050	361,600	560,250	647,750	566,500
San Francisco.....	929,930	559,100	6,063,375	6,386,700	1,002,710	691,640	1,493,265	486,000
<b>Total:</b>								
Jan. 1 to June 30, 1920.....	40,498,600	38,574,200	109,922,300	103,127,150	54,181,105	51,321,245	54,328,000	32,190,500
Jan. 1 to June 30, 1919.....	26,682,025	44,681,350	119,395,210	134,780,450	30,292,445	49,496,550	46,522,285	34,306,400
Jan. 1 to June 30, 1918.....	8,896,980	12,021,750	48,728,590	47,657,450	18,376,580	23,414,160	15,933,030	7,261,200

Federal Reserve Bank.	Richmond.		Atlanta.		Chicago.		St. Louis.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$1,402,550	\$1,769,750	\$1,262,100	\$1,161,200	\$2,911,000	\$2,526,000	\$509,900	\$707,230.00
New York.....	14,237,100	8,777,000	8,558,000	7,349,950	23,740,200	13,790,000	3,659,500	4,737,300.00
Philadelphia.....	4,800,000	5,882,500	1,827,250	1,617,900	3,342,750	3,013,500	675,250	1,088,290.00
Cleveland.....	2,828,400	4,364,250	1,781,500	3,156,950	10,333,900	10,862,500	1,423,300	4,161,240.00
Richmond.....			6,442,000	4,317,200	4,006,250	2,032,500	1,455,000	1,156,265.00
Atlanta.....	4,570,400	6,175,000			4,977,100	3,145,000	6,970,300	5,176,705.00
Chicago.....	2,056,500	3,848,750	3,083,000	4,548,450			7,079,500	17,164,850.00
St. Louis.....	1,164,905	1,387,750	5,203,950	7,209,550	17,041,750	7,128,500		
Minneapolis.....	1,171,500	430,500	226,500	481,200	7,624,000	10,914,000	417,500	968,645.00
Kansas City.....	567,000	1,166,750	904,250	1,039,600	6,877,300	5,941,500	4,113,650	5,398,230.00
Dallas.....	384,350	1,152,500	2,336,100	2,811,350	1,913,250	1,697,500	2,406,850	4,376,097.50
San Francisco.....	816,880	305,000	1,394,730	638,100	6,626,265	4,856,000	1,322,475	1,430,790.00
<b>Total:</b>								
Jan. 1 to June 30, 1920.....	32,999,585	35,259,750	33,019,380	34,331,450	89,413,765	65,907,000	30,033,225	46,365,642.50
Jan. 1 to June 30, 1919.....	38,251,890	42,483,000	28,815,230	28,619,355	69,956,730	61,755,000	24,751,040	37,368,050.00
Jan. 1 to June 30, 1918.....	12,049,500	10,910,550	10,211,880	11,392,750	19,390,780	21,924,100	6,404,560	16,473,030.00

Federal Reserve Bank.	Minneapolis.		Kansas City.		Dallas.		San Francisco.		Total.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$423,000	\$218,500	\$544,100	\$356,800	\$449,960.00	\$259,300	\$654,800	\$1,138,975	\$38,300,910.00	\$32,754,755.00
New York.....	2,825,550	1,288,500	3,429,350	2,587,600	2,656,200.00	2,066,550	9,359,500	6,582,335	150,257,800.00	111,335,085.00
Philadelphia.....	349,500	243,000	658,750	477,200	522,500.00	357,450	621,500	1,120,450	47,745,500.00	44,753,290.00
Cleveland.....	724,000	504,000	1,074,000	1,026,950	549,500.00	595,500	536,500	1,613,430	37,330,700.00	46,626,070.00
Richmond.....	433,750	171,500	1,199,250	439,300	1,144,000.00	364,500	313,000	855,065	36,162,500.00	26,672,280.00
Atlanta.....	472,550	233,000	1,071,350	916,250	2,707,450.00	2,229,200	644,900	1,466,420	34,821,350.00	29,807,675.00
Chicago.....	10,904,500	7,702,500	5,894,000	6,877,300	1,669,000.00	1,726,500	4,796,500	6,973,310	64,889,200.00	82,242,260.00
St. Louis.....	963,145	431,000	5,341,235	4,113,650	4,199,692.50	2,301,850	1,452,230	1,393,310	45,841,972.50	28,894,215.00
Minneapolis.....			1,063,500	1,549,350	179,500.00	287,550	1,848,000	2,624,585	13,742,000.00	20,375,880.00
Kansas City.....	1,562,550	1,105,000			3,339,550.00	2,412,900	2,655,650	3,582,255	24,434,000.00	24,963,685.00
Dallas.....	291,300	201,850	2,663,450	3,425,450			2,072,450	1,876,735	15,481,200.00	18,995,282.50
San Francisco.....	2,602,620	1,691,000	3,498,015	2,655,150	1,811,435.00	1,619,550			27,562,200.00	21,319,030.00
<b>Total:</b>										
Jan. 1 to June 30, 1920.....	21,552,465	13,789,850	26,437,000	24,425,000	19,228,787.50	14,220,850	24,955,030	29,226,870	536,569,332.50	488,739,507.50
Jan. 1 to June 30, 1919.....	19,570,570	14,971,500	27,024,840	15,372,900	12,397,460.00	8,151,500	19,793,670	16,206,695	463,453,395.00	487,292,750.00
Jan. 1 to June 30, 1918.....	7,192,465	1,804,000	19,485,725	3,299,905	5,971,680.00	7,122,250	6,278,700	3,301,610	178,920,470.00	166,582,755.00

### CONDITION OF MEMBER BANKS IN LEADING CITIES.

A summary of changes during the four weeks ending July 16 in the principal resources and liabilities of 814 member banks in leading cities is given below:

*Resources and liabilities of 814 member banks in leading cities, June 18 to July 16, 1920.*

(In millions of dollars.)

	June 18.	June 25.	July 2.	July 9.	July 16.
United States bonds.....	877	880	879	879	877
United States Victory notes.....	200	198	198	196	194
United States certificates of indebtedness.....	511	483	420	399	473
Total United States securities owned.....	1,588	1,561	1,497	1,474	1,544
Loans secured by Government war obligations (including rediscounts with Federal Reserve Bank).....	1,026	1,026	1,023	1,012	1,000
Loans secured by corporate stocks and bonds.....	3,113	3,107	3,119	3,080	3,047
All other loans and investments (including rediscounts with Federal Reserve Bank).....	11,227	11,272	11,285	11,335	11,343
Total loans and investments (including rediscounts with Federal Reserve Bank).....	16,954	16,966	16,925	16,901	16,934
Reserve balances with Federal Reserve Banks.....	1,368	1,394	1,446	1,403	1,422
Cash in vault.....	366	358	358	394	368
Net demand deposits.....	11,513	11,344	11,486	11,461	11,552
Time deposits.....	2,684	2,692	2,700	2,699	2,698
Government deposits.....	268	263	108	44	122
Bills discounted and rediscounted with Federal Reserve Banks:					
Total.....	1,833	1,946	2,056	2,051	1,990
Secured by Government war obligations.....	956	996	1,020	1,011	984
All other.....	877	950	1,036	1,040	1,006

Moderate liquidation of loans secured by Government war obligations and by corporate stocks and bonds, accompanied by a steady and considerable growth of other loans and investments, including commercial and industrial loans, characterizes the period under review. The banks' borrowings from the Federal Reserve Banks, after showing an increase of 223 millions during the two weeks immediately following June 18, declined by 66 millions in the subsequent two weeks, and stood on July 16 at 1,990 millions, as compared with 1,833 millions four weeks earlier.

Holdings of Treasury certificates show a decline for each of the first three weeks of the period under review, the largest diminution being reported for the week ending July 2, during which the Treasury redeemed about 154 millions of certificates. The last week included in the table saw an increase of 74 millions in Treasury certificate holdings caused by the issue on July 15 of over 200 millions of loan and tax certificates. On the same date the Treasury redeemed about 75 millions of loan

certificates. On July 16 the amount of Treasury certificates held was 473 millions, comparable with 511 millions on June 18.

Holdings of paper secured by United States war obligations underwent little change for the first two weeks under review, but show a decline of about 23 millions for the last two weeks, while loans secured by corporate stocks and bonds, owing largely to the dullness of the stock market and the consequent diminution of demand for speculative loans, show a reduction from 3,113 millions at the beginning to 3,047 millions at the end of the four weeks. Other loans and investments, including commercial and industrial loans proper, on the other hand, show a constant expansion, and stood at 11,343 millions on July 16, an increase of about 116 millions during the four-week period. The net result of these changes in the different classes of earning assets is a decrease of total loans and investments of all reporting banks by 20 millions. As compared with the total of 16,589 millions reported under this head at the beginning of the year, the amount on the most recent Friday was 16,934 millions, indicating an increase of 345 millions for a period somewhat over one-half of the current calendar year. For the same period the reporting member banks in New York City show a decrease in loans and investments of about 165 millions, or from 5,849 to 5,684 millions, this decrease being the result of a decline of 126 millions in Government securities held, of 145 millions in loans secured by United States war obligations, and of 284 millions in loans secured by corporate stocks and bonds, partly offset by an expansion of 390 millions in the item "all other loans and investments," which includes commercial loans and discounts proper.

Government deposits show little change for the first week of the period, but a sharp decline for the second and third weeks, apparently in connection with the redemption of Treasury certificates, while the credit given to the Government on the books of member banks for the certificates issued on July 15 accounts for the considerable increase in Government deposits shown for the week ending July 16. Other demand deposits (net) show fluctuations between 11,344 millions on June 25 and 11,552 millions on July 16, the amount on that date being about 39 millions larger than four weeks earlier, but 57 millions less than the total shown for the beginning of the year. Similar fluctuations are shown in the net demand deposits of the New York City banks, their total on July 16 being 35 millions lower than the June

18 total, and 39 millions lower than at the beginning of the year. Time deposits show comparatively slight changes for the four weeks, the total at the end of the period, 2,698 millions, being about 14 millions above the June 18 amount.

Total accommodation of reporting member banks at Federal Reserve Banks, as shown on the books of the latter, was lower on June 18, as the result of June 15 tax payments and Treasury operations in connection with the issue and redemption of loan and tax certificates, than at any date since January 23. Two weeks later the amount was 223 millions larger than on June 18, but the last two weeks of the review period saw a reduction of 66 millions in borrowings by member banks, the amount on July 16 being 1,990 millions, or 157 millions more than four weeks earlier. The borrowings of reporting banks in New York City show a net increase of 136 millions for the four weeks, the

aggregate on July 16—686 millions—being about 13 millions less than the corresponding total at the beginning of the year. Paper secured by Government war obligations, which constituted about 52 per cent of the discounts by Federal Reserve Banks for all reporting member banks on June 18, formed about 49 per cent of the total on July 16, as compared with 65 per cent on January 2. This ratio for the New York City banks was 67 per cent at the beginning of the year, as well as on June 18, and 65 per cent on the latest reporting date.

Reserve balances of the reporting banks at the Federal Reserve Banks aggregated 1,422 millions on July 16, showing an increase of 54 millions for the four-week period, while cash in vault, after considerable fluctuations, totaled 368 millions on the most recent date, showing only a slight increase of 2 millions as compared with the total reported four weeks earlier.

*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 June 25 to July 16, 1920.*

I. ALL REPORTING MEMBER BANKS.

[In thousands of dollars.]

	Boston.	New York.	Phila- del- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
<b>Number of reporting banks:</b>													
June 25.....	46	114	57	92	82	47	107	35	35	83	48	68	814
July 2.....	46	114	57	92	82	47	107	35	35	83	48	68	814
July 9.....	46	114	57	92	82	47	107	35	35	83	48	68	814
July 16.....	46	114	56	92	82	47	107	35	35	83	49	68	814
<b>United States bonds to secure circulation:</b>													
June 25.....	12,311	46,658	11,347	41,874	28,232	14,185	21,550	16,924	7,321	15,316	19,573	34,492	269,783
July 2.....	12,311	46,658	11,347	41,874	28,282	14,185	21,549	16,924	7,321	15,358	19,573	34,485	269,867
July 9.....	12,311	46,658	11,347	42,842	28,302	14,185	21,549	16,896	7,271	15,358	19,574	34,485	270,778
July 16.....	12,311	46,658	11,347	42,413	28,300	14,235	21,550	16,925	7,321	15,358	19,573	32,535	268,526
<b>Other United States bonds, including Liberty bonds:</b>													
June 25.....	13,994	253,839	30,387	60,050	33,958	28,168	62,706	12,796	9,830	21,972	20,811	61,377	609,897
July 2.....	13,946	253,813	29,634	59,911	33,903	28,097	60,889	12,763	9,728	24,467	20,741	61,526	609,409
July 9.....	13,945	253,495	29,550	60,086	34,106	28,224	59,414	12,779	8,900	23,346	21,188	63,487	608,520
July 16.....	13,347	251,892	29,359	60,210	33,998	28,309	60,898	13,250	9,480	23,267	21,248	63,215	608,383
<b>United States Victory notes:</b>													
June 25.....	7,087	85,384	9,200	19,515	7,957	4,126	40,058	2,835	1,335	4,520	3,374	12,734	198,125
July 2.....	6,993	86,583	9,059	19,353	7,730	4,093	39,901	2,816	1,048	4,918	3,239	12,567	198,310
July 9.....	7,554	83,013	8,982	19,344	7,881	3,075	39,834	2,704	1,733	4,464	3,326	13,087	195,897
July 16.....	7,360	82,778	8,863	19,326	7,666	4,228	39,754	2,781	1,351	4,521	3,537	12,701	194,366
<b>United States certificates of indebtedness:</b>													
June 25.....	29,037	241,022	35,730	33,568	13,732	9,868	63,978	5,775	6,540	8,356	6,535	28,985	483,124
July 2.....	23,249	220,124	24,021	24,743	12,991	9,017	56,197	4,043	5,004	7,649	5,950	26,966	419,954
July 9.....	21,078	205,847	21,711	23,358	12,751	9,202	56,248	3,656	4,459	9,211	5,836	25,594	398,951
July 16.....	25,420	260,738	27,613	25,270	12,763	8,915	59,753	6,137	3,321	10,456	4,824	27,595	472,805
<b>Total United States securities owned:</b>													
June 25.....	62,429	626,903	86,664	155,016	83,879	56,345	188,292	38,330	25,026	50,164	50,293	137,588	1,560,929
July 2.....	56,499	607,178	74,061	145,891	82,906	55,392	178,527	36,546	23,101	52,392	49,503	135,544	1,497,540
July 9.....	54,888	589,013	71,590	145,630	83,040	55,586	177,045	36,035	22,363	52,379	49,924	136,653	1,474,146
July 16.....	58,438	641,976	77,182	147,219	82,727	55,687	181,955	39,093	21,473	53,602	49,182	135,546	1,544,080
<b>Loans secured by Government war obligations, including rediscounts with Federal Reserve Bank:</b>													
June 25.....	53,733	593,367	96,856	76,718	33,932	28,495	105,697	38,359	18,144	27,463	9,629	33,898	1,026,291
July 2.....	55,521	495,996	96,204	78,788	32,805	28,138	111,289	37,112	17,388	27,340	10,222	32,699	1,023,447
July 9.....	54,088	497,060	92,267	79,844	33,312	27,292	104,790	36,482	16,893	27,041	10,217	33,015	1,012,301
July 16.....	52,541	486,312	89,518	77,559	33,269	27,581	111,210	35,564	16,569	26,523	9,892	33,791	1,000,329

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 June 25 to July 16, 1920—Con.

I. 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.
<b>Loans secured by stocks and bonds other than United States securities:</b>													
June 25.....	188,440	1,329,176	205,278	328,967	107,392	61,634	463,580	128,462	31,550	79,591	36,887	146,068	3,107,025
July 2.....	192,049	1,342,002	199,672	336,991	104,714	59,672	464,409	127,935	30,589	80,627	36,617	144,189	3,119,466
July 9.....	187,534	1,309,634	201,053	333,589	105,420	59,682	462,217	127,107	30,371	80,679	36,801	145,706	3,079,793
July 16.....	185,601	1,290,333	199,987	330,156	105,682	60,736	458,707	123,542	30,820	80,202	37,360	143,668	3,046,794
<b>All other loans and investments, including rediscounts with Federal Reserve Bank:</b>													
June 25.....	800,795	3,954,160	563,868	928,282	390,521	413,946	1,781,390	411,943	292,037	508,253	241,540	985,000	11,271,735
July 2.....	791,645	3,958,472	580,865	920,352	388,750	410,267	1,789,753	409,808	288,833	512,966	244,671	988,207	11,284,609
July 9.....	795,227	3,984,476	584,218	932,767	388,919	416,500	1,788,159	410,904	289,755	510,312	244,716	989,046	11,334,999
July 16.....	799,718	3,990,166	581,494	929,864	386,794	413,214	1,784,646	409,422	290,589	513,606	254,324	989,159	11,342,996
<b>Total loans and investments, including rediscounts with Federal Reserve Bank:</b>													
June 25.....	1,105,397	6,413,606	952,666	1,488,983	615,724	560,420	2,538,959	617,094	366,757	665,471	338,349	1,302,554	16,965,980
July 2.....	1,095,714	6,403,648	950,802	1,482,617	609,175	553,469	2,543,978	611,401	359,861	673,345	341,013	1,300,639	16,925,062
July 9.....	1,091,737	6,380,183	949,128	1,491,830	610,691	559,060	2,532,211	610,528	359,382	670,411	341,658	1,304,420	16,901,239
July 16.....	1,096,298	6,408,787	948,181	1,484,798	608,472	557,218	2,536,518	607,621	359,451	673,933	350,758	1,302,164	16,934,199
<b>Reserve balances with Federal Reserve Bank:</b>													
June 25.....	81,676	685,972	66,207	94,443	35,123	33,579	184,537	42,358	18,449	44,498	23,968	82,899	1,393,709
July 2.....	81,899	719,059	69,101	100,509	35,731	33,359	188,879	40,340	21,781	49,293	24,520	81,242	1,445,713
July 9.....	83,430	676,758	68,696	98,949	37,805	31,119	192,160	40,064	20,198	45,040	25,397	83,082	1,402,700
July 16.....	83,351	693,380	67,502	98,466	35,955	31,107	191,704	39,630	21,099	46,147	25,983	87,582	1,421,906
<b>Cash in vault:</b>													
June 25.....	24,183	120,166	16,216	31,514	16,946	12,994	63,933	9,470	9,206	14,885	10,910	27,637	358,060
July 2.....	23,691	116,993	15,862	33,416	18,832	13,664	65,779	9,811	8,710	13,855	10,736	26,903	358,252
July 9.....	25,408	132,454	18,266	34,313	19,164	13,997	71,006	10,565	10,131	15,320	11,683	31,751	394,048
July 16.....	24,827	122,016	15,914	34,103	17,061	12,701	67,204	9,456	9,975	13,815	11,593	29,183	367,853
<b>Net demand deposits on which reserve is computed:</b>													
June 25.....	818,241	5,219,623	662,888	867,816	335,181	269,859	1,378,932	320,436	209,673	410,020	223,285	628,174	11,344,128
July 2.....	821,565	5,292,471	676,852	893,911	336,088	272,145	1,397,171	312,892	213,863	426,662	223,497	619,074	11,486,191
July 9.....	825,480	5,239,382	670,841	898,997	340,211	271,367	1,396,286	321,099	213,430	426,702	229,869	630,775	11,461,439
July 16.....	839,594	5,247,798	672,455	909,495	342,856	270,605	1,430,410	321,327	215,496	425,677	233,502	642,600	11,551,815
<b>Time deposits:</b>													
June 25.....	140,780	417,491	32,981	365,090	104,986	152,651	624,181	124,484	64,327	98,990	49,279	516,640	2,691,880
July 2.....	139,219	418,817	33,178	366,872	105,149	152,614	626,094	126,446	64,044	97,828	49,452	520,658	2,700,371
July 9.....	138,737	419,864	33,181	364,725	105,125	151,106	627,033	125,623	63,806	97,100	49,498	523,171	2,698,969
July 16.....	139,048	422,049	33,332	365,339	105,244	151,184	625,544	124,596	63,274	96,674	54,313	517,882	2,698,479
<b>Government deposits:</b>													
June 25.....	19,631	129,675	17,918	22,760	3,480	3,955	30,299	7,544	907	9,243	2,891	14,558	262,861
July 2.....	7,934	52,515	7,246	9,483	1,397	2,503	12,455	3,031	365	3,751	1,173	5,937	107,790
July 9.....	3,175	21,139	2,889	4,481	550	995	5,228	1,204	138	1,508	453	2,344	44,104
July 16.....	7,958	79,121	6,551	7,197	1,006	1,827	4,719	3,308	138	5,813	508	3,415	121,561
<b>Bills payable with Federal Reserve Bank:</b>													
<b>Secured by United States war obligations—</b>													
June 25.....	30,342	309,369	62,458	46,701	40,306	30,826	94,568	21,779	8,781	26,188	14,190	21,705	707,213
July 2.....	31,751	349,412	54,978	45,941	35,358	32,396	90,567	21,433	6,972	27,475	14,545	29,744	749,572
July 9.....	23,546	352,280	54,406	43,109	40,640	31,837	91,593	20,168	5,430	26,759	15,730	28,347	733,845
July 16.....	20,057	356,962	54,918	38,574	36,194	32,115	91,830	21,035	3,278	26,873	14,863	23,049	719,748
<b>All other—</b>													
June 25.....					100	441			350	85		135	1,111
July 2.....				111	1,154	386			350	60		285	2,346
July 9.....				111	690	336	600	174	450	85		85	2,531
July 16.....				36	100	729		174	450	25		85	1,599
<b>Bills rediscounted with Federal Reserve Bank:</b>													
<b>Secured by United States war obligations—</b>													
June 25.....	23,563	134,451	59,506	14,827	6,897	7,672	16,343	12,835	3,169	6,311	1,238	2,322	289,134
July 2.....	24,653	129,822	58,076	14,684	5,913	6,063	15,050	12,619	2,426	6,419	1,874	2,292	279,891
July 9.....	23,683	131,484	54,590	15,892	6,030	5,669	14,806	11,769	2,494	6,037	1,862	2,471	276,787
July 16.....	20,149	129,875	48,769	14,862	5,291	6,036	15,039	11,368	2,256	6,106	1,721	2,857	264,329
<b>All other—</b>													
June 25.....	52,813	290,324	25,468	42,852	35,143	50,039	257,735	62,715	50,942	58,486	16,329	65,683	948,519
July 2.....	60,168	271,148	32,408	44,564	37,406	46,902	274,857	69,063	51,437	59,830	18,201	67,607	1,033,621
July 9.....	58,629	269,411	35,757	44,581	38,079	45,706	279,206	67,316	52,522	56,007	19,851	70,959	1,035,024
July 16.....	54,255	258,574	37,661	42,332	38,082	50,333	262,367	67,247	49,104	57,870	19,792	66,570	1,004,187



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 June 25 to July 16, 1920—Con.

2. MEMBER BANKS IN FEDERAL RESERVE BANK CITIES.

[In thousands of dollars.]

	Boston.	New York.	Phila-del-phia.	Cleve-land.	Rich-mond.	At-lanta.	Chicago.	St. Louis.	Minne-apolis.	Kansas City.	Dallas.	San Fran-cisco.	Total.
Number of reporting banks:													
June 25.....	22	72	42	12	9	8	50	13	9	20	7	16	280
July 2.....	22	72	42	12	9	8	50	13	9	20	7	16	280
July 9.....	22	72	42	12	9	8	50	13	9	20	7	15	279
July 16.....	22	72	41	12	9	8	50	13	9	20	7	15	278
United States bonds to secure circulation:													
June 25.....	2,281	36,961	7,337	3,664	2,782	3,100	1,438	10,294	2,791	4,946	4,560	18,500	98,654
July 2.....	2,281	36,961	7,337	3,664	2,782	3,100	1,438	10,294	2,791	4,958	4,560	18,500	98,666
July 9.....	2,281	36,961	7,337	3,664	2,782	3,100	1,438	10,266	2,791	4,958	4,560	18,500	98,638
July 16.....	2,281	36,961	7,337	3,664	2,782	3,100	1,438	10,295	2,791	4,958	4,560	16,550	96,717
Other United States bonds, including Liberty bonds:													
June 25.....	5,181	221,092	23,099	7,385	4,767	1,738	25,199	4,678	1,831	7,153	5,813	36,961	344,897
July 2.....	5,140	220,560	22,289	7,472	4,706	1,841	24,690	4,657	1,869	9,103	5,830	37,133	345,290
July 9.....	5,153	220,629	22,240	7,466	4,706	1,837	22,923	4,708	1,818	7,799	5,946	39,363	344,588
July 16.....	4,545	218,825	22,049	7,470	4,706	1,837	23,838	5,139	1,544	7,935	5,809	38,390	342,087
United States Victory notes:													
June 25.....	342	75,638	6,562	2,179	199	217	12,388	622	181	2,455	904	4,325	106,012
July 2.....	346	77,000	6,441	2,252	198	136	12,226	624	181	2,826	805	4,121	107,224
July 9.....	823	73,533	6,440	2,246	198	128	12,292	535	181	2,401	809	4,221	103,807
July 16.....	623	73,310	6,323	2,241	195	128	12,366	613	507	2,465	946	4,152	103,869
United States certificates of indebtedness:													
June 25.....	19,435	223,003	33,176	5,965	1,446	1,226	24,048	3,976	2,173	3,179	1,834	14,549	334,010
July 2.....	14,182	203,782	21,006	4,740	1,190	1,221	21,023	2,701	1,469	2,551	1,457	13,885	289,837
July 9.....	12,227	189,597	19,546	4,750	1,183	1,221	19,777	2,449	1,347	4,142	1,343	12,873	270,455
July 16.....	15,811	243,490	25,433	4,665	1,286	1,216	22,034	4,807	703	5,085	1,166	13,858	339,554
Total United States securities owned:													
June 25.....	27,239	556,694	70,174	19,193	9,194	6,281	63,073	19,570	6,976	17,733	13,111	74,335	883,573
July 2.....	21,949	538,303	57,673	18,128	8,876	6,298	59,377	18,276	6,340	19,438	12,650	73,709	841,017
July 9.....	20,484	520,720	55,563	18,126	8,869	6,286	56,430	17,958	6,137	19,300	12,658	74,957	817,488
July 16.....	23,260	572,586	61,142	18,040	8,969	6,281	59,676	20,854	5,545	20,443	12,481	72,950	882,227
Loans secured by Government war obligations, including rediscounts with Federal Reserve Bank:													
June 25.....	44,907	474,175	92,123	19,069	9,367	5,555	71,556	25,502	9,170	11,620	2,749	16,574	782,367
July 2.....	46,226	466,884	91,539	20,910	9,428	5,781	78,150	23,945	9,117	11,421	2,673	15,846	781,920
July 9.....	45,210	466,685	87,609	21,149	10,013	5,671	73,125	23,019	9,184	11,690	2,682	16,149	772,186
July 16.....	43,999	454,427	84,881	21,075	10,052	5,564	75,885	21,826	9,094	11,576	2,570	16,804	757,753
Loans secured by stocks and bonds, other than United States securities:													
June 25.....	146,139	1,175,820	185,597	115,499	15,058	7,709	344,547	89,561	13,856	34,152	10,338	69,517	2,207,793
July 2.....	146,834	1,186,362	180,346	116,388	15,027	6,768	345,691	88,998	13,607	34,712	9,692	68,716	2,213,141
July 9.....	141,819	1,151,534	181,695	119,136	14,795	6,804	344,589	88,787	13,337	34,983	9,647	70,975	2,178,101
July 16.....	140,499	1,134,789	180,992	116,625	14,246	6,935	341,253	85,223	13,294	34,604	9,918	68,705	2,147,083
All other loans and investments, including rediscounts with Federal Reserve Bank:													
June 25.....	576,725	3,486,948	494,013	289,585	74,334	70,789	1,069,918	278,522	141,673	178,209	55,102	484,550	7,209,368
July 2.....	573,597	3,491,814	509,883	286,586	74,567	72,032	1,070,359	277,998	140,836	179,011	57,230	487,130	7,221,043
July 9.....	575,949	3,524,610	513,381	291,385	73,604	71,307	1,076,885	279,484	142,104	179,569	57,634	485,583	7,271,495
July 16.....	579,449	3,522,254	516,260	295,752	75,159	73,424	1,068,504	279,408	141,576	182,869	57,783	486,701	7,279,134
Total loans and investments, including rediscounts with Federal Reserve Bank:													
June 25.....	795,010	5,693,637	841,907	443,346	107,953	90,334	1,549,094	413,155	171,675	241,714	81,300	644,976	11,074,101
July 2.....	788,006	5,683,363	839,441	442,012	107,898	90,879	1,553,577	409,217	169,900	244,582	82,245	645,401	11,057,121
July 9.....	783,462	5,663,549	838,248	449,796	107,281	90,068	1,551,029	409,248	170,762	245,542	82,621	647,664	11,039,270
July 16.....	787,207	5,684,056	843,275	451,492	108,426	92,204	1,545,318	407,306	169,509	249,492	82,752	645,160	11,066,197
Reserve balances with Federal Reserve Bank:													
June 25.....	65,808	642,952	59,671	25,435	4,780	5,488	133,084	31,650	7,045	13,777	6,241	39,190	1,035,121
July 2.....	66,001	674,113	62,056	29,315	5,702	5,278	135,246	30,360	10,064	17,997	5,407	37,181	1,078,720
July 9.....	67,253	682,818	62,602	25,015	6,322	4,990	137,938	29,987	9,145	14,842	7,255	38,604	1,036,771
July 16.....	66,580	646,808	61,276	26,212	5,618	5,642	132,675	29,879	9,181	14,457	6,512	41,464	1,046,304
Cash in vault:													
June 25.....	14,657	106,679	12,855	8,652	1,729	2,212	35,163	5,064	2,841	3,840	1,953	10,565	206,210
July 2.....	14,071	102,029	12,277	9,551	1,596	2,211	36,363	5,097	2,493	3,575	1,780	10,590	201,633
July 9.....	14,988	116,414	14,341	9,684	1,907	2,268	39,868	5,677	3,241	3,926	2,033	12,127	226,474
July 16.....	14,200	107,471	12,386	9,109	1,774	2,086	36,391	4,903	3,352	3,472	1,780	10,907	207,831

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 June 25 to July 16, 1920—Con.

2. MEMBER BANKS IN FEDERAL RESERVE BANK CITIES—Continued.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Net demand deposits on which reserve is computed:													
June 25.....	633,149	4,705,010	575,476	213,026	47,980	43,124	951,116	226,349	88,681	133,700	62,434	294,464	7,974,509
July 2.....	631,255	4,763,981	587,312	225,216	53,047	42,081	962,857	219,817	90,592	146,926	64,141	290,418	8,083,643
July 9.....	635,521	4,718,953	582,265	224,932	51,720	44,128	961,607	235,348	89,908	146,674	63,962	298,126	8,043,150
July 16.....	647,633	4,726,330	583,271	227,862	51,994	44,589	971,343	229,538	91,311	144,293	65,277	299,462	8,082,309
Time deposits:													
June 25.....	45,623	303,559	23,320	172,631	21,275	22,381	281,660	74,347	23,108	12,040	5,014	241,445	1,226,403
July 2.....	43,811	302,162	22,311	174,353	21,339	22,209	283,950	75,694	23,010	11,778	5,008	244,746	1,231,263
July 9.....	43,660	300,592	21,264	172,824	21,243	21,747	284,413	75,368	23,157	11,667	5,021	247,064	1,229,360
July 16.....	43,904	299,965	23,397	172,863	21,292	21,418	282,900	74,438	22,665	11,664	5,024	242,755	1,221,325
Government deposits:													
June 25.....	14,293	126,176	16,590	4,934	479	345	14,863	6,887	650	7,173	2,455	11,966	206,841
July 2.....	5,801	51,037	6,711	2,251	195	138	6,061	2,764	261	2,912	994	4,910	84,095
July 9.....	2,316	20,440	2,676	1,638	75	51	2,590	1,114	97	1,166	389	1,952	33,904
July 16.....	6,012	77,605	6,338	634	365	36	2,788	3,106	97	5,070	348	3,120	105,519
Bills payable with Federal Reserve Bank:													
Secured by United States war obligations—													
June 25.....	27,696	271,197	58,343	10,921	7,978	1,664	38,097	13,376	1,906	15,951	103	9,642	456,874
July 2.....	29,114	311,834	50,522	10,104	4,158	1,680	32,997	13,965	1,299	16,280	203	14,373	486,529
July 9.....	19,274	320,205	49,965	9,000	7,216	1,382	32,911	13,395	414	16,073	2,203	14,733	486,771
July 16.....	17,800	320,011	50,477	8,899	5,796	1,597	33,695	14,139	383	15,690	1,953	11,476	481,316
All other—													
June 25.....													
July 2.....							600						600
July 9.....													
July 16.....													
Bills rediscounted with Federal Reserve Bank:													
Secured by United States war obligations—													
June 25.....	22,016	131,027	58,758	3,561	1,223	962	8,881	7,792	1,814	3,684	511	1,116	241,345
July 2.....	23,625	126,331	57,334	3,509	1,183	1,167	8,567	7,136	1,557	3,626	481	870	235,386
July 9.....	22,821	126,927	53,873	3,892	1,137	1,180	9,340	6,524	1,516	3,512	473	954	232,149
July 16.....	19,512	124,102	48,051	4,073	713	1,140	9,127	5,838	1,535	3,617	432	1,401	219,541
All other—													
June 25.....	50,594	209,619	24,348	30,448	10,667	8,000	191,598	44,272	35,795	27,309	3,485	34,245	669,780
July 2.....	58,933	250,499	30,840	31,457	10,480	8,917	204,020	56,718	36,479	27,732	3,369	36,967	750,411
July 9.....	57,423	258,289	34,633	31,358	9,961	7,721	206,785	49,802	36,874	27,598	4,387	36,612	761,443
July 16.....	53,182	241,973	36,537	33,143	10,597	9,930	194,695	49,872	34,238	29,746	4,271	34,930	733,114

3. MEMBER BANKS IN FEDERAL RESERVE BRANCH CITIES.

[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.
Number of reporting banks:										
June 25.....	10	40	19	24	12	18	19	12	44	198
July 2.....	10	40	19	24	12	18	19	12	44	198
July 9.....	10	40	19	24	12	18	19	12	44	198
July 16.....	10	40	19	24	12	18	19	12	44	198
United States bonds to secure circulation:										
June 25.....	1,599	24,896	5,608	6,930	1,905	5,280	4,387	7,108	13,192	70,905
July 2.....	1,599	24,896	5,608	6,930	1,905	5,280	4,387	7,108	13,185	70,898
July 9.....	1,599	25,864	5,608	6,930	1,905	5,280	4,387	7,108	13,185	71,866
July 16.....	1,599	25,435	5,608	6,930	1,905	5,280	4,387	7,108	13,185	71,437
Other United States bonds, including Liberty bonds:										
June 25.....	11,352	41,181	9,168	22,549	17,626	7,600	5,579	7,240	21,214	143,509
July 2.....	11,457	41,296	9,149	22,358	17,603	7,583	5,668	7,232	21,189	143,535
July 9.....	11,444	41,140	9,271	22,479	17,615	7,551	5,633	7,233	20,731	143,097
July 16.....	11,444	41,283	9,217	22,350	17,585	7,552	5,731	7,240	21,433	143,835
United States Victory notes:										
June 25.....	2,109	14,244	2,876	2,897	18,553	2,165	644	1,197	7,668	52,293
July 2.....	1,995	14,029	2,874	2,938	18,609	2,093	611	1,204	7,635	51,988
July 9.....	1,927	14,011	2,872	2,862	18,578	2,068	591	1,227	8,088	52,224
July 16.....	1,923	14,042	2,848	2,922	18,523	2,063	593	1,203	7,512	51,629
United States certificates of indebtedness:										
June 25.....	12,313	19,819	3,181	7,548	29,984	1,644	3,395	2,824	12,373	93,081
July 2.....	10,777	14,364	3,081	6,754	27,187	1,212	3,349	2,614	11,553	80,891
July 9.....	10,769	13,520	3,081	6,899	28,394	1,077	3,338	2,614	11,198	80,890
July 16.....	11,492	15,991	2,780	6,627	28,251	1,197	3,676	1,679	11,944	83,637

<sup>1</sup> Buffalo.

<sup>2</sup> Pittsburgh and Cincinnati.

<sup>3</sup> Baltimore.

<sup>4</sup> New Orleans, Birmingham, Jacksonville, and Nashville.

<sup>5</sup> Detroit.

<sup>6</sup> Louisville, Memphis, and Little Rock.

<sup>7</sup> Omaha and Denver.

<sup>8</sup> El Paso and Houston.

<sup>9</sup> Spokane, Portland, Seattle, Salt Lake City, and Los Angeles.

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 June 25 to July 16, 1920—Con.

3. MEMBER BANKS IN FEDERAL RESERVE BRANCH CITIES—Continued.  
[In thousands of dollars.]

	New York district.	Cleveland district.	Rich- mon d district.	Atlan- ta district.	Chicago district.	St. Louis district.	Kansas City district.	Dallas district.	San Francisco district.	Total.
<b>Total United States securities owned:</b>										
June 25.....	27,373	100,140	20,833	39,924	68,068	16,629	14,005	18,369	54,447	359,788
July 2.....	25,828	94,585	20,712	38,980	65,304	16,168	14,015	18,158	53,562	347,312
July 9.....	25,739	94,535	20,832	39,170	66,492	15,676	13,949	18,182	53,202	348,077
July 16.....	26,458	96,751	20,453	38,829	66,264	16,092	14,387	17,230	54,074	350,538
<b>Loans secured by Government war obligations, including redemptions with Federal Reserve Banks:</b>										
June 25.....	9,859	46,144	9,582	17,158	14,708	11,530	10,103	2,678	16,486	138,241
July 2.....	9,873	46,500	9,439	16,726	13,575	11,571	9,909	2,853	15,969	136,415
July 9.....	10,783	47,058	9,575	15,749	13,434	11,883	9,268	2,909	15,963	136,622
July 16.....	12,410	44,852	9,108	16,712	17,356	12,315	9,059	2,909	16,131	140,852
<b>Loans secured by other securities, other than United States war obligations:</b>										
June 25.....	52,272	153,642	32,170	41,636	59,586	35,899	21,757	15,594	70,554	483,110
July 2.....	52,047	150,901	31,170	43,960	59,988	35,952	21,756	15,442	69,541	484,957
July 9.....	52,781	154,407	31,326	40,160	58,006	35,202	22,118	15,451	68,454	480,011
July 16.....	52,904	153,691	32,563	40,488	59,026	35,274	22,178	15,287	68,929	480,340
<b>All other loans and investments, including redemptions with Federal Reserve Banks:</b>										
June 25.....	180,823	467,143	121,242	255,962	339,206	117,045	158,086	77,796	464,097	2,181,400
July 2.....	179,710	463,647	119,266	252,325	349,843	115,663	159,223	79,016	465,145	2,174,844
July 9.....	173,697	469,716	119,812	255,291	346,919	114,947	158,020	79,448	464,112	2,174,878
July 16.....	180,508	464,362	120,256	254,049	343,854	113,403	159,522	82,231	464,515	2,182,700
<b>Total loans and investments, including redemptions with Federal Reserve Banks:</b>										
June 25.....	270,320	767,069	183,827	354,680	481,568	181,102	203,951	114,437	605,584	3,162,539
July 2.....	267,458	751,633	180,587	348,091	458,816	179,354	204,903	115,469	604,217	3,143,528
July 9.....	262,090	765,696	181,545	350,292	479,871	178,108	203,355	115,990	602,731	3,139,588
July 16.....	272,280	759,656	182,380	350,078	486,500	177,084	205,146	117,657	603,649	3,154,430
<b>Reserve balances with Federal Reserve Banks:</b>										
June 25.....	17,479	51,920	12,968	21,937	26,271	9,523	13,958	8,388	40,384	202,828
July 2.....	18,533	52,970	12,593	21,610	27,262	8,850	14,718	8,328	40,890	205,754
July 9.....	17,223	56,098	13,447	20,134	26,935	9,014	13,154	7,808	41,210	205,523
July 16.....	16,994	51,183	12,717	19,832	30,444	8,865	14,706	7,814	42,551	208,106
<b>Cash in vault:</b>										
June 25.....	2,994	12,972	5,288	6,818	13,191	3,738	5,279	2,889	15,320	68,489
July 2.....	4,112	14,597	4,877	7,428	13,690	3,791	5,070	3,231	14,595	71,301
July 9.....	3,921	14,122	5,904	7,671	14,467	4,078	5,402	3,512	17,626	76,704
July 16.....	3,691	14,232	5,596	7,012	14,098	3,676	4,985	3,304	16,501	73,005
<b>Net demand deposits on which reserve is computed:</b>										
June 25.....	176,915	483,479	113,432	174,275	197,179	83,852	124,267	66,201	304,023	1,723,623
July 2.....	176,654	494,442	107,846	178,898	200,084	82,813	124,850	65,083	299,457	1,730,127
July 9.....	177,637	495,854	108,921	175,339	200,638	85,420	125,568	68,231	301,137	1,738,155
July 16.....	173,515	502,747	110,780	174,022	221,488	81,583	126,708	67,877	311,105	1,769,825
<b>Time deposits:</b>										
June 25.....	45,836	116,774	19,209	90,513	223,965	40,661	50,942	21,940	262,678	872,518
July 2.....	48,551	116,934	18,948	90,231	223,626	41,308	50,444	22,007	263,339	875,388
July 9.....	50,684	116,458	18,982	90,211	224,970	40,829	50,158	21,907	262,668	876,247
July 16.....	53,376	116,473	19,643	90,785	224,359	40,787	49,791	21,862	261,773	878,849
<b>Government deposits:</b>										
June 25.....	1,588	14,865	400	2,881	10,600	657	1,490	329	2,035	34,905
July 2.....	643	6,225	160	2,074	4,392	267	597	155	801	15,314
July 9.....	379	2,864	60	835	1,817	90	240	58	302	6,645
July 16.....	510	5,754	290	1,763	402	202	621	150	275	9,967
<b>Bills payable with Federal Reserve Bank:</b>										
<b>Secured by United States war obligations—</b>										
June 25.....	23,441	31,903	12,505	24,513	32,479	8,088	4,945	7,594	10,806	156,364
July 2.....	22,440	32,670	10,981	26,037	34,750	7,063	5,773	7,694	14,176	161,564
July 9.....	15,074	31,077	13,687	25,376	36,226	6,458	5,259	7,529	12,326	153,012
July 16.....	19,756	26,735	10,940	25,469	36,169	6,586	6,232	6,829	10,335	149,051
<b>All other—</b>										
June 25.....			100	441			85		135	761
July 2.....				386			60		285	731
July 9.....				336			85		85	506
July 16.....				729			25		85	839
<b>Bills rediscounted with Federal Reserve Bank:</b>										
<b>Secured by United States war obligations—</b>										
June 25.....	1,282	9,875	2,849	5,680	3,585	4,786	1,500	378	1,072	31,016
July 2.....	1,354	9,903	2,534	3,911	2,590	4,948	1,497	544	1,284	28,565
July 9.....	2,431	10,713	2,842	3,405	2,274	4,734	1,292	585	1,376	29,652
July 16.....	3,579	9,480	2,411	3,951	2,817	5,191	1,313	583	1,384	30,709
<b>All other—</b>										
June 25.....	10,249	7,531	12,029	33,874	11,857	17,581	18,961	6,364	25,745	144,191
July 2.....	11,386	7,783	13,459	29,657	14,459	17,576	19,739	8,100	25,331	147,520
July 9.....	1,601	7,321	14,706	29,508	16,723	16,378	16,199	7,862	28,808	139,306
July 16.....	8,090	3,615	14,531	32,128	13,369	16,494	16,465	8,145	26,537	139,374

## 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 June 20, 1920.	During 10 days ending June 30, 1920.	During month of June, 1920.	During 10 days ending July 10, 1920.	From Jan. 1 to July 10, 1920.	From Jan. 1 to July 10, 1919.	During 10 days ending June 20, 1920.	During 10 days ending June 30, 1920.	During month of June, 1920.	During 10 days ending July 10, 1920.	From Jan. 1 to July 10, 1920.	From Jan. 1 to July 10, 1919.
Belgium.....					\$335,906							
France.....		\$336,500	\$336,500	\$16,585	710,940							\$387,193
Germany.....										\$10,000		
Greece.....		40,000	40,000		110,000						912	
Iceland.....											241,263	60,000
Italy.....		107	107		40,107		\$39,924	\$39,924				
Netherlands.....					1,161,428							
Norway.....					3,324							
Portugal.....			11,771		25,364							25,850,000
Spain.....												661
Sweden.....											1,100	
Switzerland.....			4,937		4,937							
United Kingdom—England.....	\$1,087	4,294,740	4,296,840	2,301,700	62,700,668	\$10,853				13,235		589,294
Total Europe.....	1,087	4,671,347	4,690,155	2,318,285	65,092,074	10,853	39,924	39,924		266,510		26,887,148
British Honduras.....					20							
Canada.....	4,056,596	4,126,228	8,379,589	36,538	27,458,298	32,278,567	71,610	\$128,033	255,196	\$87,672	2,830,397	543,893
Costa Rica.....	51,334		54,763	40,519	377,554	389,717						
Guatemala.....			5,519	9,353	14,872							
Honduras.....	3,828		17,967	995	131,829	182,509					19,000	21,000
Nicaragua.....	26,860	45,310	135,032	31,609	699,510	780,671						
Panama.....	1,338		1,338		41,308	1,771						
Salvador.....			12,009	7,896	148,487	419,184					20,000	1,000
Mexico.....	53,072	92,923	246,524	162,558	2,335,678	2,741,529	253,570	462,975	1,295,130	238,710	15,398,041	5,004,362
Newfoundland.....						61						
Cuba.....	327		327		4,827	3,100		50,000	50,000		125,000	
British West Indies.....		9,500	9,500		87,249	18,838						7,940
Virgin Islands of U. S.....											10,000	
Dominican Republic.....							13,000		13,000	10,000	39,000	
Dutch West Indies.....	16,990	16,050	33,040		129,040							
Total North America.....	4,210,345	4,290,011	8,895,608	289,468	31,428,672	36,815,947	338,180	641,008	1,613,326	336,382	18,441,438	5,578,195
Argentina.....	15,259	1,020	16,279	11,099	57,718	68,144					89,995,000	32,460,000
Bolivia.....				630	6,172	1,069						1,500,000
Brazil.....	20,000		20,000		24,585	18,363					280,000	50,000
Chile.....	2,214	59,303	99,243		325,290	146,116					400,000	100,000
Colombia.....	37,520	826,392	865,088	69,201	1,485,312	532,254					700,000	4,332,295
Ecuador.....			45,440		400,632	334,764					130,000	
British Guiana.....		8,800	8,800	4,331	71,940	79,694						5,005
Dutch Guiana.....						15,272						19,795
Peru.....	107,470	17,044	145,423	12,433	515,366	550,273						1,918,067
Uruguay.....											12,850,000	7,405,000
Venezuela.....		42,174	42,174	1,031	269,796	123,193					334,000	7,949,720
Total South America.....	182,463	955,333	1,197,007	144,165	3,156,801	1,869,142					104,689,000	55,739,882
China.....					1,260						16,286,750	830,167
British India.....							108,325	510,000	618,325		5,360,088	1,249,822
Straits Settlements.....											6,683,454	
Dutch East Indies.....			97,368		2,485,147	1,651,003		700,000	1,700,000	500,000	12,045,105	1,647,000
Hongkong.....			6,576,087		30,191,910	10,000,000	23,390	763,810	848,300	1,435,820	25,125,502	3,886,920
Japan.....								500,000	7,568,471	16,330,658	17,024,393	
Total Asia.....				6,674,455	32,678,317	11,651,003	131,715	1,973,810	3,666,625	9,504,291	81,831,557	24,638,302
New Zealand.....	386,451	48,464	434,915	107,440	1,036,454							
Philippine Islands.....	48,939	53,341	102,280	100,642	486,217	256,527						
British South Africa.....						8,150						
British West Africa.....											28,038	
Portuguese Africa.....					206,107	372,010						
Total, all countries.....	4,829,285	10,018,496	15,319,965	9,634,455	134,085,642	50,983,632	509,819	2,614,818	5,319,875	9,840,673	205,256,543	112,843,527

<sup>1</sup>Includes: Ore and base bullion, \$10,706,000; United States mint or assay office bars, \$3,846,000; bullion refined, \$62,151,000; United States coin, \$10,868,000; foreign coin, \$46,515,000.

<sup>2</sup>Includes: Domestic exports—ore and base bullion, \$10,000; United States mint or assay office bars, \$14,280,000; bullion refined, \$993,000; coin, \$189,627,000. Foreign exports—coin, \$347,000.

Excess of gold exports over imports since Jan. 1, 1920, \$71,171,000. Excess of gold imports over exports since Aug. 1, 1914, \$708,584,000. Excess of gold exports over imports since June 10, 1919, \$392,435,000.

## Silver imports into and exports from the United States, distributed by countries.

	Imports.						Exports.					
	During 10 days ending June 20, 1920.	During 10 days ending June 30, 1920.	During month of June, 1920.	During 10 days ending July 10, 1920.	From Jan. 1 to July 10, 1920.	From Jan. 1 to July 10, 1919.	During 10 days ending June 20, 1920.	During 10 days ending June 30, 1920.	During month of June, 1920.	During 10 days ending July 10, 1920.	From Jan. 1 to July 10, 1920.	From Jan. 1 to July 10, 1919.
Denmark.....												\$587,897
France.....			\$8,000	\$12,531	\$77,491	\$11,100		\$15,000	\$15,000		\$32,920	5,704,066
Italy.....		\$24,026	24,026		24,026							
Netherlands.....	\$309		300		30,820							
Norway.....					14,453							1,086,406
Portugal.....					7,978							1,950
Spain.....			2,690									228
Sweden.....										42,260		93,870
Switzerland.....												172,203
United Kingdom—England.....	6,009	36,593	42,593		786,039	21,934			\$216,380	2,308,931		12,264,298
<b>Total Europe.....</b>	<b>6,300</b>	<b>60,619</b>	<b>77,609</b>	<b>12,531</b>	<b>940,807</b>	<b>33,034</b>	<b>15,000</b>	<b>15,000</b>	<b>216,380</b>	<b>2,384,111</b>		<b>19,910,918</b>
British Honduras.....		24,197	24,197		63,367	218,382						
Canada.....	44,439	61,875	229,824	26,807	2,095,276	4,448,546	\$89,609	285,251	417,283	44,343	5,624,213	1,773,221
Costa Rica.....	4,278		4,817	3,382	47,194	31,503						
Guatemala.....			25	31	20,036			1,500	1,500		3,500	2,400
Honduras.....	100,852		228,384	12,717	1,540,131	1,334,659		5,000	15,000		371,505	67,050
Nicaragua.....	7,906		60,729	18,425	478,821	510,284				3,000	3,000	
Panama.....	1,466		3,628		31,915	76,349	1,000		1,000		542,000	184,200
Salvador.....	14,000		44,251	22,567	3,565,127	220,187						
Mexico.....	1,026,360	1,509,799	4,285,400	1,465,943	36,236,218	30,209,154	141,950	168,741	396,906	94,998	2,434,436	853,660
Newfoundland.....						11						
British West Indies.....					6,949	2,294		425		425		17,680
Cuba.....	5,477		5,477		45,671	52,189			149,782	19,387		10,328
Virgin Islands of U. S.....												25,000
Dominican Republic.....					84,800						197,000	105,000
Dutch West Indies.....					1,200							
French West Indies.....					20							
Haiti.....											4,000	
<b>Total North America.....</b>	<b>1,204,778</b>	<b>1,595,871</b>	<b>4,886,732</b>	<b>1,549,872</b>	<b>44,216,725</b>	<b>37,103,560</b>	<b>232,984</b>	<b>460,492</b>	<b>981,896</b>	<b>161,728</b>	<b>10,161,470</b>	<b>2,995,909</b>
Argentina.....	8,811	330	9,141	1,226	20,876	41,203		604	604	9,187	11,492	743
Bolivia.....	1,700		13,819	62,216	739,364	105,968						
Brazil.....					293	1,527					2,333	852
Chile.....	17,221	205,586	341,954	274	1,977,692	1,071,277						
Colombia.....	54,309		58,663	27,364	254,606	115,292						2,000
Ecuador.....	11,442		11,442	4,554	45,426	11,163						
British Guiana.....					6,380	33						2,493
Dutch Guiana.....											1,002	4,440
Peru.....	519,785	303,357	1,152,637	253,719	7,739,665	5,194,088						
Venezuela.....		35	35		68	280					10,000	
<b>Total South America.....</b>	<b>613,268</b>	<b>509,308</b>	<b>1,587,691</b>	<b>349,353</b>	<b>10,784,370</b>	<b>6,540,831</b>	<b>604</b>	<b>604</b>	<b>9,187</b>	<b>24,827</b>		<b>10,528</b>
China.....				278,000	289,974		2,507,311	2,507,311			48,850,194	8,863,146
British India.....											223,211	108,273,177
Dutch East Indies.....				248,126	2,130,875	642,248						
French East Indies.....											4,058,373	
Hongkong.....					1,650		598,647	910,803			16,800,267	2,665,561
Japan.....											40	
Russia in Asia.....											970	52,759
Turkey in Asia.....					38,511							
<b>Total Asia.....</b>				<b>526,126</b>	<b>2,461,010</b>	<b>642,248</b>	<b>3,105,958</b>	<b>3,418,114</b>			<b>69,933,055</b>	<b>119,854,643</b>
New Zealand.....	7,483	69	7,552		11,216							
Philippine Islands.....	1,113	874	1,987		10,026	5,498						
British South Africa.....					6,097	76,822						
British West Africa.....										5,480		
Portuguese Africa.....					86,657	37,736						
<b>Total, all countries.....</b>	<b>1,832,942</b>	<b>2,166,741</b>	<b>6,561,571</b>	<b>2,437,882</b>	<b>58,516,908</b>	<b>44,439,729</b>	<b>232,984</b>	<b>3,582,054</b>	<b>4,415,614</b>	<b>387,295</b>	<b>82,508,943</b>	<b>142,771,998</b>

<sup>1</sup> Includes: Ore and base bullion, \$46,443,000; United States mint or assay office bars, \$3,000; bullion refined, \$4,583,000; United States coin, \$603,000; foreign coin, \$6,885,000.

<sup>2</sup> Includes: Domestic exports—Ore and base bullion, \$6,000; United States mint or assay office bars, \$3,444,000; bullion refined, \$47,686,000; coin, \$13,874,000. Foreign exports—Ore and base bullion, \$1,000; bullion refined, \$13,995,000; coin, \$3,503,000.

Excess of silver exports over imports since Jan. 1, 1920, \$23,992,000. Excess of silver exports over imports since Aug. 1, 1914, \$453,364,000.

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, July 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) <sup>2</sup> .....	82,687,512,862	\$401,208,993	\$1,286,314,977	\$415,407,769	.....
Gold certificates.....	.....	.....	224,443,510	260,137,613	.....
Standard silver dollar.....	268,798,600	14,641,786	360,644,265	73,331,323	.....
Silver certificates.....	.....	.....	20,172,438	98,349,336	.....
Subsidiary silver.....	25,918,156	6,944,072	.....	251,104,384	.....
Treasury notes of 1890.....	.....	.....	.....	1,656,355	.....
United States notes.....	3,157,771,130	9,381,223	457,692,317	279,697,476	.....
Federal Reserve notes.....	3,157,771,130	27,678,893	256,936,480	3,121,241,747	.....
Federal Reserve Bank notes.....	201,225,860	2,470,609	12,080,544	186,654,617	.....
National Bank notes.....	719,037,730	22,691,896	3,077,053	693,268,781	.....
<b>Total:</b>					
July 1, 1920.....	7,887,181,586	485,057,472	2,021,271,614	5,380,852,500	\$50 19
June 1, 1920.....	7,894,528,384	462,799,326	1,988,583,225	5,353,145,833	50 00
May 1, 1920.....	7,755,953,906	488,928,232	1,976,153,519	5,290,872,155	49 45
Apr. 1, 1920.....	7,761,146,018	503,309,633	1,984,495,464	5,273,340,916	49 33
Mar. 1, 1920.....	7,896,311,880	546,960,744	1,981,490,058	5,277,861,078	49 41
Feb. 1, 1920.....	7,744,769,263	625,142,749	2,009,651,988	5,109,974,526	47 88
Jan. 1, 1920.....	7,961,320,139	604,888,833	2,044,422,303	5,312,009,003	49 81
July 1, 1919.....	7,588,478,771	578,848,013	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	359,124,750	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> Includes 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 July 31, 1920.

Federal Reserve Bank.	Discounted bills maturing within 90 days (including member banks' 15-day collateral notes) secured by—		Bankers' acceptances maturing within 3 months.	Trade acceptances maturing within 90 days.	Discounted bills secured otherwise than by Government war obligations, also unsecured, maturing within—	
	Treasury certificates of indebtedness.	Liberty bonds and Victory notes.			90 days (including member banks' 15-day collateral notes).	91 to 180 days (agricultural and live-stock paper).
Boston.....	5½	6	.....	7	7	7
New York.....	5½	6	6	7	7	7
Philadelphia.....	1 6	5½	5½	6	6	6
Cleveland.....	5½	5¾	5½	5¾	6	6
Richmond.....	1 6	6	6	6	6	6
Atlanta.....	1 6	5½	5½	6	6	6
Chicago.....	1 6	6	6	7	7	7
St. Louis.....	2 5½	5½	5½	6	6	6
Minneapolis.....	5½	6	6	6½	7	7
Kansas City.....	1 6	5½	5½	6	6	6
Dallas.....	1 6	5½	5½	6	6	6
San Francisco.....	1 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 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 4¾ and 5 per cent certificates.

NOTE.—Rates shown for Atlanta, St. Louis, Kansas City, and Dallas are normal rates, applying to discounts not in excess of basic lines 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.



Statement showing aggregate resources, etc., of all banking institutions under State control—Continued.

State.	Date of report.	Number of institutions.	Capital.	Surplus.	Undivided profits.	Capital, surplus, and undivided profits.	Deposits.	Loans and discounts.	Bonds, stocks, securities, etc.	Total resources.
Statement of Comptroller of the Currency gives totals for all national banks on Feb. 23, 1920.....		7,933	\$1,182,082,000.00	\$944,126,000.00	\$404,443,000.00	\$2,530,651,000.00	\$16,965,122,000.00	\$11,994,523,000.00	\$4,430,268,000.00	\$21,862,540,000.00
Excess of State banking institutions.....		14,028	220,283,014.88	498,715,633.68	193,626,221.99	625,372,426.57	7,224,486,399.21	2,696,210,234.30	3,994,954,280.42	7,161,555,838.83
Increase shown by State banking institutions over statement compiled in January, 1920, from latest figures available at that time.....		933	94,476,426.88	109,950,184.82	51,934,137.14	256,360,748.84	2,556,786,387.40	2,433,598,707.90	<sup>2</sup> 72,300,731.04	3,058,420,002.53
Increase shown by all national banks over statement by Comptroller of the Currency for June 30, 1919.....		148	29,419,000.00	71,900,000.00	31,794,000.00	133,113,000.00	1,040,257,000.00	909,061,000.00	<sup>2</sup> 617,253,000.00	1,062,990,000.00
Excess increase of State banking institutions.....		785	65,057,426.88	38,050,184.82	20,140,137.14	123,247,748.84	1,516,529,387.40	1,524,537,707.90	<sup>1</sup> 544,952,268.96	1,995,430,002.53

<sup>1</sup> Excess national banks.

<sup>2</sup> Decrease.



## CONDITION OF LEADING FOREIGN BANKS OF ISSUE, ABOUT END OF JUNE, 1913-1920.

## BANK OF ENGLAND.

[Combined data for issue and banking departments.]

[From the London Economist and weekly statements of the Bank of England.]

[In thousands of dollars.]

	June 25, 1913.	June 24, 1914.	June 30, 1915.	June 29, 1916.	June 27, 1917.	June 26, 1918.	June 25, 1919.	June 30, 1920.
<b>ASSETS.</b>								
Gold and silver.....	186,956	194,310	253,506	298,706	279,989	317,432	427,332	573,673
Government securities:								
Held by the issue department.....	89,787	89,787	89,787	89,787	89,787	89,787	89,787	89,787
Held by the banking department.....	62,087	53,755	248,401	205,303	220,306	251,365	325,184	438,370
Other securities.....	176,124	194,636	744,160	424,909	487,750	490,543	393,228	502,164
Total.....	514,954	532,488	1,335,854	1,018,705	1,077,832	1,149,127	1,235,531	1,603,994
<b>LIABILITIES.</b>								
Proprietors' capital.....	70,822	70,822	70,822	70,822	70,822	70,822	70,822	70,822
Rest (surplus).....	15,806	15,378	15,023	15,573	15,626	15,884	15,714	15,865
Public deposits.....	87,753	87,958	396,693	239,816	190,587	174,119	97,544	76,638
Other deposits.....	201,006	218,584	684,492	517,655	608,931	627,044	670,336	856,344
Seven-day and other bills.....	127	63	268	136	131	49	63	63
Notes in circulation.....	139,440	139,683	168,556	174,703	191,735	261,209	331,052	584,262
Total.....	514,954	532,488	1,335,854	1,018,705	1,077,832	1,149,127	1,235,531	1,603,994
Ratio of metallic reserve to deposit and note liabilities combined—per cent.....	43.7	43.5	20.3	32.0	28.2	29.9	37.2	37.8

## BANK OF FRANCE.

[From L'Economiste Français and weekly statements of the Bank of France.]

[In thousands of dollars.]

	June 26, 1913.	June 25, 1914.	June 24, 1915.	June 29, 1916.	June 28, 1917.	June 27, 1918.	June 26, 1919.	June 24, 1920.
<b>ASSETS.</b>								
Gold in vault.....	640,181	767,309	757,944	866,995	627,877	648,816	689,516	606,651
Other metallic reserve.....	120,364	123,200	71,947	66,383	50,157	50,050	58,607	66,486
Total metallic vault reserve.....	760,545	890,509	829,891	933,378	678,034	698,866	748,123	743,137
Gold held abroad.....				52,314	392,712	397,987	381,808	381,808
Foreign credits.....			149,005	136,920	139,860	267,234	327,723	165,915
Government securities:								
Permanent investments.....	57,900	57,900	57,900	57,900	57,900	57,900	57,900	57,900
Advances to the Government since out-break of war.....			1,158,000	1,524,700	2,045,800	3,560,850	4,487,250	5,018,000
Treasury bills discounted (advances to foreign governments.).....			44,390	220,020	503,730	662,955	702,520	745,945
Other Government securities.....	22,732	22,687	22,369	21,571	21,645	21,767	21,558	19,535
Loans and discounts.....	319,645	311,075	50,063	86,557	107,766	262,995	168,858	344,876
Bills matured and extended.....			438,677	283,482	230,529	207,746	155,950	100,917
Advances on bullion, specie, securities, etc.....	144,634	143,437	120,564	232,764	218,522	183,269	246,842	359,193
Bank premises.....	8,108	9,220	9,587	8,848	8,918	8,951	8,990	8,957
Sundry assets.....	53,761	57,844	55,742	67,149	110,447	187,851	296,912	393,328
Total.....	1,367,325	1,492,672	2,936,188	3,625,603	4,515,863	6,518,371	7,604,434	8,339,511
<b>LIABILITIES.</b>								
Capital.....	35,223	35,223	35,223	35,223	35,223	35,223	35,223	35,223
Surplus, including special reserves.....	8,206	8,206	8,292	8,292	8,292	8,292	8,294	8,294
Dividends unpaid.....	3,796	289	572	4,815	4,922	5,051	5,248	862
Government deposits.....	86,925	56,805	10,485	7,387	6,467	7,164	9,519	14,484
Other deposits.....	141,256	196,226	439,061	438,020	527,559	775,716	648,872	690,557
Bank notes in circulation.....	1,041,991	1,129,493	2,336,201	3,050,492	3,825,859	5,510,232	6,647,306	7,245,974
Sundry liabilities.....	49,898	66,430	106,354	80,774	107,541	176,693	249,972	344,117
Total.....	1,367,325	1,492,672	2,936,188	3,625,603	4,515,863	6,518,371	7,604,434	8,339,511
Ratio of metallic reserve to deposit and note liabilities combined—per cent.....	59.9	64.4	29.8	26.7	15.6	11.1	10.2	9.3

## Condition of leading foreign banks of issue, about end of June, 1913-1920—Continued.

## GERMAN REICHSBANK.

[From Die Bank, the Deutscher Oekonomist, and the Berliner Börsen-Courier.]

[In thousands of dollars.]

	June 30, 1913.	June 30, 1914.	June 30, 1915.	June 29, 1916.	June 30, 1917.	June 29, 1918.	June 30, 1919.	June 30, 1920.
<b>ASSETS.</b>								
Gold.....	257,472	311,137	568,737	587,330	585,329	558,866	265,927	260,047
Other metallic reserve.....	67,268	77,272	11,124	7,408	15,205	28,771	4,751	778
Total metallic vault reserve.....	324,740	388,409	579,861	594,738	600,534	587,637	270,678	260,825
Imperial Treasury and Loan Bank certificates.....	3,328	11,876	120,989	149,899	107,261	425,332	2,157,726	4,109,334
Notes of other banks.....	3,277	2,303	1,554	1,096	476	244	772	478
Bills, checks, and discounted treasury bills.....	358,577	288,876	1,171,409	1,574,550	2,611,268	3,971,016	7,930,363	12,137,269
Advances on collateral.....	30,466	17,063	3,730	2,691	2,096	1,359	1,493	1,923
Securities.....	24,236	87,423	4,845	11,505	25,059	25,512	29,781	81,517
Sundry assets.....	45,517	51,977	46,477	91,326	291,652	443,709	625,762	2,786,968
Total.....	790,141	847,927	1,928,865	2,425,805	3,638,346	5,454,809	11,016,575	19,378,614
<b>LIABILITIES.</b>								
Capital paid in.....	42,876	42,876	42,876	42,876	42,876	42,876	42,876	42,876
Surplus.....	16,885	17,741	19,187	20,366	21,471	22,588	23,700	24,834
Notes in circulation.....	551,854	573,247	1,391,168	1,724,687	2,072,030	2,978,967	7,138,470	12,856,874
Other liabilities payable on demand.....	165,882	204,446	428,592	564,701	1,356,001	2,188,982	3,270,400	5,577,204
Sundry liabilities.....	12,844	9,617	47,042	73,175	149,968	222,396	541,129	876,826
Total.....	790,141	847,927	1,928,865	2,425,805	3,638,346	5,454,809	11,016,575	19,378,614
Ratio of metallic reserve to deposit and note liabilities combined (per cent).....	45.2	49.9	31.9	26.0	17.5	11.4	2.6	1.4

## BANK OF THE NETHERLANDS.

[From the Amsterdam Algemeen Handelsblad, and weekly statements of the Bank of the Netherlands.]

[In thousands of dollars.]

	June 28, 1913.	June 27, 1914.	June 26, 1915.	June 24, 1916.	June 30, 1917.	June 29, 1918.	June 28, 1919.	June 28, 1920.
<b>ASSETS.</b>								
Gold coin and bullion.....	58,405	64,572	139,549	221,914	251,945	288,459	264,404	255,794
Silver.....	3,592	3,762	956	3,380	2,997	3,092	3,302	5,586
Total metallic vault reserve.....	61,997	68,334	140,505	225,294	254,942	291,551	267,706	261,380
Loans and discounts.....	31,223	26,709	29,553	17,010	21,163	17,614	43,794	47,135
Foreign bills.....	6,638	8,009	928	3,250	3,138	3,117	10,269	19,979
Advances.....	32,967	23,719	47,856	32,193	31,817	49,079	90,525	119,385
Government securities.....	4,636	5,256	1,372	1,844	1,844	1,836	.....	5,486
Other securities.....	3,609	3,616	3,614	3,680	3,670	3,640	3,440	3,043
Bank premises.....	804	723	643	563	589	712	1,332	1,445
Sundry assets.....	413	345	3,735	20,176	26,609	36,284	33,171	16,768
Total.....	142,287	136,711	228,206	302,171	343,772	403,833	450,237	474,621
<b>LIABILITIES.</b>								
Capital.....	8,040	8,040	8,040	8,040	8,040	8,040	8,040	8,040
Surplus.....	2,010	2,011	2,010	2,072	2,104	2,042	2,010	2,010
Notes in circulation.....	125,876	123,073	194,507	253,625	307,218	372,789	409,267	403,933
Interest-bearing certificates.....	933	870	621	1,004	1,503	777	1,430	775
Government deposits.....	.....	.....	.....	7,964	.....	.....	6,087	.....
Other deposits.....	4,649	2,046	22,073	28,776	24,094	19,543	22,003	57,774
Sundry liabilities.....	779	671	955	690	813	642	1,400	2,089
Total.....	142,287	136,711	228,206	302,171	343,772	403,833	450,237	474,621
Ratio of metallic reserve to deposit and note liabilities combined (per cent).....	47.5	54.6	64.9	77.6	76.9	74.3	61.2	56.6

## Condition of leading foreign banks of issue, about end of June 1913-1920—Continued.

## BANK OF SPAIN.

[From weekly statements of the Bank of Spain, and España Económica y Financiera.]

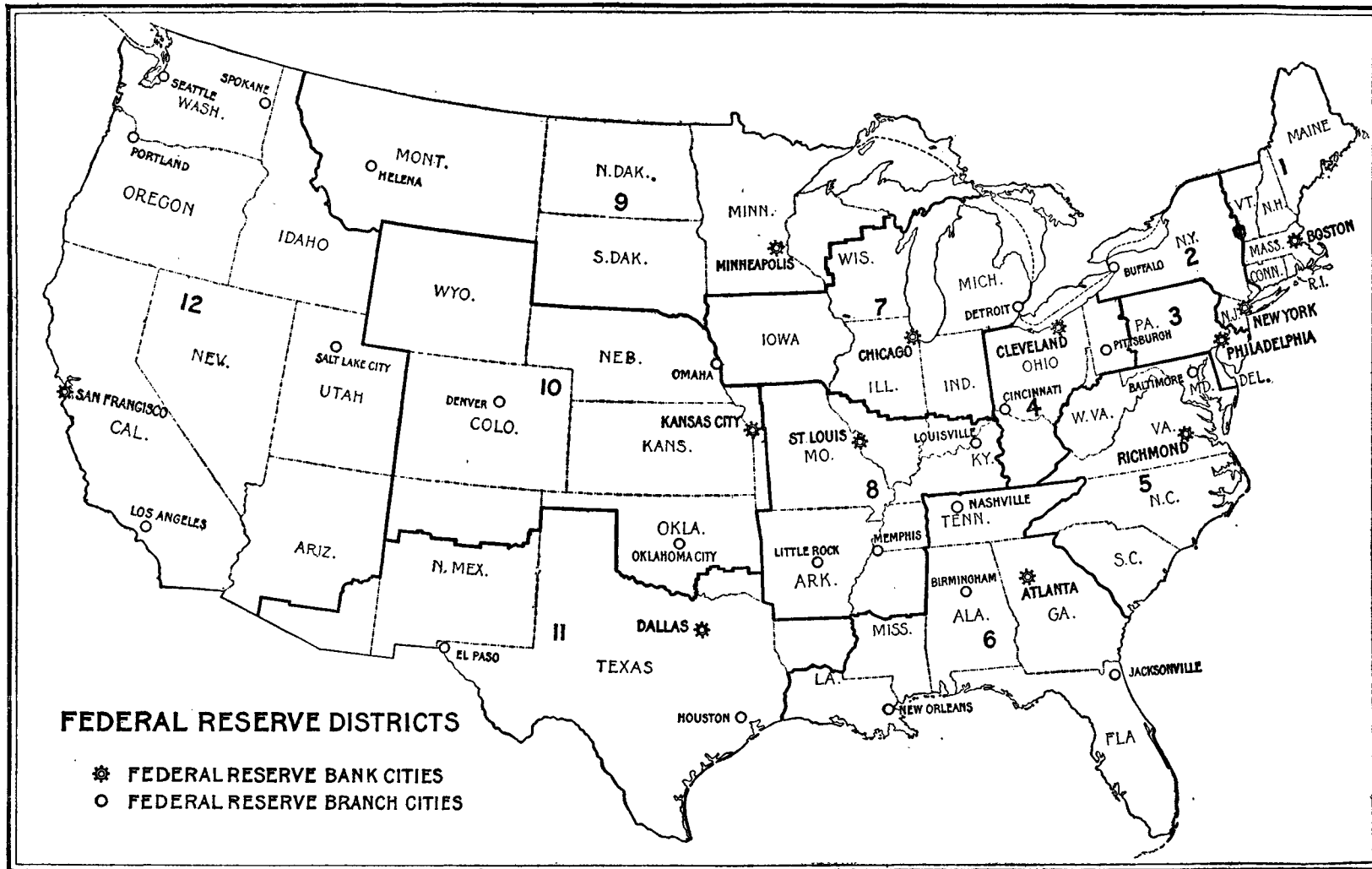
[In thousands of dollars.]

	June 28, 1913.	June 27, 1914.	June 26, 1915.	June 24, 1916.	June 30, 1917.	June 28, 1918.	June 28, 1919.	June 26, 1920.
ASSETS.								
Gold.....	88,208	102,599	133,086	199,168	303,837	405,533	438,349	473,344
Silver.....	145,628	141,085	144,193	148,034	145,838	135,916	126,711	119,765
Total metallic vault reserve.....	233,836	243,684	277,279	347,202	449,675	541,449	565,060	593,109
Credits abroad.....	37,377	34,614	23,829	18,847	17,729	19,434	17,094	9,936
Loans, discounts, and advances.....	127,535	133,021	132,416	114,184	146,891	166,301	316,163	293,122
Government securities:								
Charter 1891.....	28,950	28,950	28,950	28,950	28,950	28,950	28,950	28,950
Charter 1899.....	19,300	19,300	19,300	19,300	19,300	19,300	19,300	19,300
Other.....	66,483	66,475	66,475	66,475	66,477	66,477	66,484	66,484
Sundry assets.....	19,015	17,391	43,364	35,518	11,240	9,195	13,969	41,593
Total.....	532,496	543,435	591,613	630,476	740,262	851,106	1,027,020	1,052,494
LIABILITIES.								
Capital.....	28,950	28,950	28,950	28,950	28,950	28,950	28,950	28,950
Surplus.....	3,860	3,860	4,246	4,632	5,018	11,194	11,580	11,966
Government deposits.....	30,235	32,382	24,024	11,260	41,953	8,947	87,043	9,869
Other deposits.....	85,841	93,675	131,989	149,046	153,797	213,918	189,799	223,860
Notes in circulation.....	354,792	365,186	380,596	415,298	478,147	561,819	678,685	747,324
Sundry liabilities.....	28,818	19,382	21,808	21,290	32,397	26,278	30,963	30,525
Total.....	532,496	543,435	591,613	630,476	740,262	851,106	1,027,020	1,052,494
Ratio of metallic reserve to deposit and note liabilities combined—per cent.....	49.7	49.6	51.7	60.3	66.7	69.0	59.1	60.5

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The branch at Helena, Mont., has been authorized by the Federal Reserve Board, but is not yet open for business.