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The FEDERAL RESERVE BULLETIN is the Board's medium of communication with member banks of the Federal Reserve System and is the only official organ or periodical publication of the Board. It is printed in two editions, of which the first contains the regular official announcements, the national review of business conditions, and other general matter, and is distributed without charge to the member banks of the Federal Reserve System. Additional copies may be had at a subscription price of \$1.50 per annum.

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.

No complete sets of the BULLETIN for 1915, 1916, 1917, or 1918 are available.

TABLE OF CONTENTS.

	Page.
General summary:	
Review of the month.....	1
Business, industry, and finance, December, 1922.....	7
Interbank deposits.....	25
The first three years of German reparation: Part III—Modifications of the treaty.....	29
Finance companies.....	37
Report on stabilization of the mark.....	45
Official:	
Rulings of the Federal Reserve Board—	
Amendment to Regulation B.....	19
Law department—	
Petition for rehearing denied in Richmond par clearance case.....	20
Exercise of fiduciary powers by national banks located in Pennsylvania.....	20
Right of Federal reserve bank to charge back forged Government check.....	22
State banks admitted to system.....	24
Fiduciary powers granted to national banks.....	24
Charters issued to national banks.....	24
Election of directors of Federal reserve banks.....	24
Appointment of Federal reserve agents.....	25
Business and financial conditions abroad:	
United Kingdom—The course of prices.....	50
France—The internal floating debt—Prices.....	53
Germany—Currency stabilization—Prices—Foreign trade.....	61
Argentina and Brazil.....	69, 72
Mexico—Recent banking developments.....	73
Price movement and volume of trade:	
International wholesale price index—United States, England, France, Canada, and Japan.....	78
Wholesale prices of individual commodities in the United States.....	80
Comparative wholesale prices in principal countries.....	82
Comparative retail prices and cost of living in principal countries.....	86
Indexes of industrial activity—United Kingdom, France, Germany, Sweden, and Japan.....	87
Foreign trade of principal countries.....	89
Foreign trade index.....	92
Ocean freight rates.....	93
Report of associated knit underwear manufacturers of America.....	93
Production and shipments of finished cotton fabrics.....	94
Physical volume of trade.....	95
Building statistics.....	100
Retail trade.....	101
Wholesale trade.....	105
Commercial failures.....	93
Banking and financial statistics:	
Domestic—	
Discount and open-market operations of Federal reserve banks.....	106
Condition of Federal reserve banks.....	112
Federal reserve note account.....	116
Condition of member banks in leading cities.....	117
Savings deposits.....	92
Bank debits.....	121
Operations of the Federal reserve clearing system.....	125
Gold settlement fund.....	127
Gold and silver imports and exports.....	126
Money in circulation.....	127
Discount rates approved by the Federal Reserve Board.....	126
Discount and interest rates in various centers.....	128
Foreign exchange rates.....	129
Foreign—England, France, Italy, Germany, Norway, Sweden, Japan, and Argentina.....	132
Charts:	
Index of production in basic industries.....	7
Index numbers of wholesale prices.....	7
Volume of payments by check.....	8
Bank credit.....	8
International wholesale price index—Federal Reserve Board.....	77
Index numbers of domestic business.....	95
Monthly sales of department stores and mail-order houses.....	101
German mark rate.....	129
Foreign exchange index.....	130

FEDERAL RESERVE BULLETIN

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No. 1

REVIEW OF THE MONTH.

The year 1922 is significant in the banking and financial history of the country as marking the close of a protracted period

of liquidation. Shortly after **Banking and credit during 1922.** the middle of the year a renewed demand for credit for commercial purposes resulted in increased borrowings both at member banks and Federal reserve banks and in an advance of money rates. This turn in the course of credit demand occurring after a year and a half of loan liquidation reflects a change in underlying business conditions. In view of the fact that the volume of business has been expanding continuously for about a year, there is less occasion for surprise in the recent increase in the credit requirements than in the fact that the demand for additional funds was not felt sooner and on a larger scale. Loan liquidation indeed continued for almost a year after industrial operations increased in volume, and the increase in bank loans has not up to the present been in proportion to the increased volume of current business transactions. Few questions are of greater practical importance in their bearing upon banking policies during the coming year than the question whether or not this turn from liquidation to loan expansion represents the beginning of a definite and continuous upward trend in the demand for credit.

An advance of money rates during the last quarter of the year, when seasonal requirements for funds are large, is not in itself significant unless accompanied by other changes in the banking and business situation. The particular importance, therefore, of these changes in credit demands arises from the character of coincident changes in other economic conditions. It was not until the end of July

that the upward turn in the demand for credit became manifest through a change in the volume and character of banking operations. At that time the commercial loans of member banks in industrial and financial centers began to increase after declining for more than 18 months, while purchases of securities and loans on stocks and bonds, which had been increasing for a similar period, ceased to advance. Borrowings by member banks at Federal reserve banks turned sharply upward and the volume of Federal reserve notes in circulation responded to an increased demand. Early in August interest rates on practically all classes of loans in the New York market advanced and the market prices of bonds declined slightly; in September rates on bankers' acceptances rose; and throughout the remainder of the year money rates were maintained at a somewhat higher level.

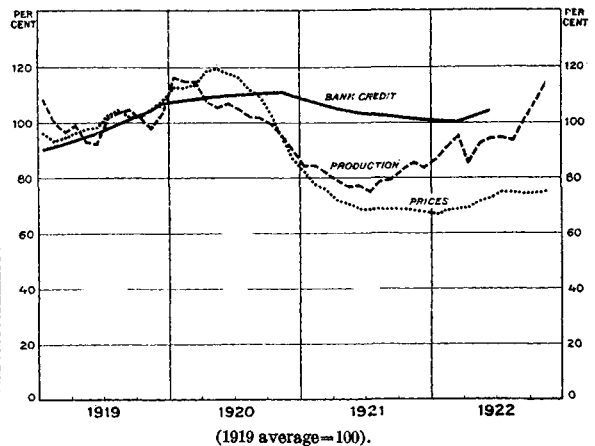
Events during recent years throw light upon the relation between the demand for bank credit and the general

Bank credit, pro- trend of business. While not **duction and prices.** all the factors determining credit requirements can be accurately measured, yet a definite sequence of change in the relationship among certain of those factors and the general course of business can be observed. In the autumn of 1920 the volume of loans of member banks and of Federal reserve banks reached its peak five months after prices had begun to decline, and nearly a year after industrial activity had slackened. Similarly, in 1921 the increase in the production of basic commodities preceded the rise in prices by six months and antedated the expansion of commercial loans by a full year.

The reasons for the lag in the changes in the demand for bank credit behind the changes in

production and prices may be found in the character of the business situation prevailing at the time. In 1920, when prices began their abrupt decline, loans continued to increase, chiefly because business concerns were unable to meet their obligations to the banks and in fact were applicants for additional credit. The banks in turn, finding their own resources inadequate to meet these demands, borrowed heavily from Federal reserve banks. Furthermore, since the early stages of the business reaction came at crop-moving time, the seasonal requirements for currency added to the credit strain, as the additional notes had to be obtained by member banks through borrowing from the Federal reserve banks. When the course of business turned upward in the latter part of 1921, the revival of industrial activity enabled many borrowers to repay their "frozen" loans, the liquidation being facilitated by the increase in trade. Member bank funds thus released were used to reduce their indebtedness with Federal reserve banks. This resulted in a continuous reduction of member bank borrowings from the Federal reserve banks until the end of July, 1922. The continued decline in the volume of borrowing for commercial purposes, in spite of a revival in many lines of industry which had been under way for nearly a year, is accounted for partly by the fact that many corporations issued bonds and used the funds secured through their sale to pay off their bank loans. Another effect of these flotations was seen in the increase of loans secured by stocks and bonds made largely by banks in financial centers. The increase in these loans preceded the increase in commercial borrowings, partly because of advances made to investors in the new securities, but also because of the increased activity of the stock and bond markets. The fact that during the liquidation business concerns reduced their inventories and accumulated bank balances was a further cause leading to postponement of borrowing. Both on the upward and the downward trend of business, therefore, the tendency has been for the changes in bank credit to lag behind the changes in prices and production.

Changes in the volume of bank credit as related to the volume of production and the level of prices for the years 1919 to 1922 are shown graphically in the following chart. The fluctuations in production are measured by an index recently constructed by the Federal Reserve Board for the purpose of furnishing a prompt indication of change in the physical volume of trade. A description of the method of construction and a list of the commodities included were presented in an article published in the December, 1922, issue of the FEDERAL RESERVE BULLETIN. The index of bank credit is based on the total loans (including rediscounts) and investments of all member banks. This information is available only four times a year, but the figures are more representative than any other figures available of the total volume of credit extended by member banks. The price index is that of the Bureau of Labor Statistics, the prices of 1919, for the sake of comparability, taken as 100.



Prices.—U. S. Bureau of Labor Statistics index number of wholesale prices.

Production.—Index of production in basic industries; combination of 22 individual series corrected for seasonal variation.

Bank credit.—Total loans and investments of all member banks on call dates.

The chart indicates that the production of basic commodities began to decline in January, 1920, and prices turned downward in the following May, while total loans and investments of member banks continued to advance until November. On the upward turn production began increasing in July, 1921, six months be-

fore prices reached their low point, while the volume of member bank credit continued to decline until March, 1922.

The curves differ from each other both with respect to the dates of their turning points and to the relative extent of their declines and subsequent advances. Prices declined 44.2 per cent between May, 1920, and January, 1922; production fell off 35.1 per cent between January, 1920, and July, 1921; while the reduction in loans and investments at member banks between November 15, 1920, and March 10, 1922, was only 9.6 per cent. Since the low points production has shown the most rapid rate of advance, the figures for November, 1922, showing a 55 per cent increase over July, 1921. Prices rose 13 per cent between January, 1922, and November, 1922. On June 30, 1922, the latest reporting date for all member banks, the total of their loans and investments was 4 per cent greater than at the low point on March 10, 1922.

One reason for the relatively slight extent of the increase in the total volume of member bank credit in 1922 is that it suffered only a slight reduction in 1921 when compared with the decline in prices and production. Also the relatively lower level of prices has made it possible to finance the steadily expanding volume of production and trade with a smaller amount of bank credit in 1922 than in 1920. On June 30, 1922, the latest date for which information is available for all member banks, loans and investments were only 6 per cent below the 1920 peak, while prices were 37 per cent lower than their high point in 1920. Loans and investments for national banks at the September 15 call show a reduction since June 30 in central reserve cities and further increases for banks outside those cities.

The financing of the larger volume of business during 1922 without a corresponding increase in bank loans was also facilitated by the fact that liquidation continued in some lines of business and released funds for expansion in others. Also the purchase of securities by the banks from their customers had the

effect of adding to the volume of liquid funds available for current operations.

Credit extended by banks to the public is measured by their total loans and investments. Between November, 1920, and March, 1922, this total declined as a net result of loan liquidation accompanied but not entirely offset by increasing purchases of investment securities. Except for the high point reached in March, 1919, when the banks temporarily held unusually large amounts of United States securities, the total of securities owned by member banks on June 30, 1922, was the largest ever recorded. The extent to which the purchases of Government and corporate securities by all member banks offset the reduction in their loans is shown in the following table:

[In millions of dollars.]

	Total loans and investments.	Loans.	Investments.		
			Total.	United States securities.	Other bonds and securities.
Nov. 15, 1920.....	25,895	19,941	5,954	2,786	3,168
Mar. 10, 1922.....	23,404	17,176	6,258	2,755	3,503
June 30, 1922.....	24,344	17,282	7,062	3,247	3,815

Differences in the extent of loan liquidation and of increase in security holdings are seen between the various classes of banks. Loan reduction and the increase in security holdings were least at country banks and greatest at banks in central reserve cities, but there were also differences between the banks in investment policies pursued in the selection of securities purchased; country banks increased their total holdings of securities and reduced their holdings of United States securities, while banks in central reserve cities purchased large amounts of United States obligations and smaller quantities of other securities. The following comparison shows the extent of loan reduction from the peak to the low point for each class of banks and the change in the character of their investment holdings.

[In millions of dollars.]

	Total loans and investments.	Loans.	Investments.		
			Total.	United States securities.	Other bonds and investments.
Total, all member banks:					
Nov. 15, 1920.....	25,895	19,941	5,954	2,786	3,168
Mar. 10, 1922.....	23,404	17,146	6,258	2,755	3,503
Central reserve cities:					
Nov. 15, 1920.....	7,329	6,094	1,235	568	667
Mar. 10, 1922.....	6,219	4,817	1,402	691	711
Reserve cities:					
Nov. 15, 1920.....	8,170	6,434	1,736	777	959
Mar. 10, 1922.....	7,347	5,558	1,789	758	1,031
Country banks:					
Nov. 15, 1920.....	10,396	7,413	2,983	1,441	1,542
Mar. 10, 1922.....	9,838	6,771	3,067	1,306	1,761

All member banks combined, seeking employment for their excess funds and following their own investment policies, increased their holdings of United States securities by over a half billion dollars during the year ended June 30, 1922. Even with this increase, however, their total holdings were approximately \$800,000,000 less than on the corresponding date three years earlier, and even with the reduction that has taken place in the total of United States indebtedness the percentage of the total outstanding debt owned by member banks was less on that date than on June 30, 1919. A comparison of these figures is presented in the following table:

[In millions of dollars.]

	United States securities owned by all member banks.	Total United States interest-bearing debt outstanding.	Percentage of total debt owned by member banks.
June 30, 1919.....	4,037	25,234	16.0
June 30, 1920.....	2,942	24,061	12.2
June 30, 1921.....	2,661	23,737	11.2
June 30, 1922.....	3,247	22,711	14.3

The funds used by member banks during 1922 in the purchase of securities arose partly from loan liquidation and partly from an increase in deposits. Early in the liquidation period the decline in loans was accompanied by a decrease in deposits, but later deposits increased and excess funds accumulated. While the loans of member banks in leading

cities declined until the end of July, 1922, deposits began to increase as early as September, 1921. In the financial centers the increase of deposits represented to some extent the growth of balances due interior banks, and the use of these balances in the money market was partly responsible for the decline of interest rates. During the nine months ending on June 21, 1922, deposits of member banks in leading cities increased by \$1,359,000,000, or about 14 per cent, while loans declined \$659,000,000, or about 6 per cent. The rise in the ratio of deposits to loans from 84 per cent on January 7, 1921, to 102.8 per cent on June 21, 1921, was indicative of the easier credit conditions. This growth of deposits during the period of loan liquidation provided funds with which member banks paid off their obligations with the reserve banks and which they invested in Government and other securities.

Member banks continued to reduce their borrowings at Federal reserve banks until the end of July, 1922, when total discounts reached the low point of \$380,000,000, a decrease during the first seven months of the year of \$700,000,000. This decline in discounts, however, did not result in a corresponding reduction in total earning assets, since during the same period the reserve banks increased their holdings of United States securities and acceptances by \$339,000,000. Throughout the year a relative stability of the reserve banks' earning assets resulted from the purchase of Government securities and acceptances with funds released through the reduction of discounts. At the opening of the year total discounts constituted 77 per cent of earning assets and United States securities and acceptances combined, 23 per cent; at the end of July discounts had declined to 35 per cent of the earning assets and United States securities and acceptances increased to 65 per cent; but at the end of the year, as a result of increased borrowing by member banks, discounts increased again to 47 per cent and other classes of assets decreased to 52 per cent. It is doubtless true that the purchases of Government securities

and acceptances by the reserve banks by increasing available funds in the market were an indirect influence in making it possible for member banks to reduce their borrowings.

An important influence on the domestic credit situation during the past two years has

**Gold imports
and the credit
situation.**

been exerted by the importation of large amounts of gold. Net gold imports in 1922 amounted to about \$225,000,000, compared with about \$667,000,000 in 1921. The difference is due chiefly to the fact that nearly all the gold outside of carefully guarded central reserves and tenaciously held private hoards had found its way to the United States prior to 1922. Only newly mined gold was available for export during the past year, and its supply was reduced by the strike in the Rand. Also the revival of trade in India caused a substantial movement of gold to that country. Toward the end of the year, moreover, gold was exported to Canada as the result of the temporary rise of the Canadian dollar above parity. But the further addition to our gold stock, even though smaller than the year before, nevertheless exercised a decided effect on domestic credit. In normal times, with the world on a gold basis, a movement of gold into a country immediately starts a set of forces in operation which soon arrests the current. Interest rates in the importing country decline, exchange rates become unfavorable, and gold begins to move in the opposite direction. But with a free gold market in this country practically alone and with most of the world's currencies far below their par values, gold has continued to come to the United States in large amounts, while the operation of the normal correctives has been slow and uncertain. Still, our price level has advanced and that in England has declined; the rate of sterling exchange has gone up from \$4.30 in September, 1921, to \$4.61 in December, 1922, and the average value of the dollar in the international market has receded from 167 per cent of par in September, 1921, on the basis of 17 leading currencies, not including Germany, to 144 per cent in December, 1922.

In spite of this evidence of the operation of economic correctives, the steady, though diminishing, stream of gold to our shores continues to add funds to our domestic supply. In 1921 the imported gold was entirely absorbed by the reserve banks, whose earning assets declined by nearly \$1,000,000,000 more than the stock of gold increased, indicating that the reduction of borrowings from the reserve banks had more than offset the influence of the gold imports on the total volume of credit. In 1922 the situation was different. While the net importation of gold totaled \$225,000,000, the decline in earning assets of the reserve banks, measuring the total of reserve bank credit in the market, was nearly \$100,000,000 less. Available credit at the disposal of American banks has thus been augmented during the past year by the importation of gold. The persistent import of gold from abroad, in the absence of normal correctives, and in conjunction with influences at work in the domestic credit situation, makes the problem of credit control in this country more than usually difficult.

TREASURY FINANCE.

Finance operations of the Treasury during December were centered around the 15th of the month, when the fourth installment of income and excess-profits taxes fell due. The Treasury had called for redemption on that date about \$700,000,000 of 4½ per cent Victory notes. There also fell due on the same date about \$200,000,000 of Treasury certificates, the outstanding balance of a total of \$443,500,000 of tax certificates issued 12 months and 6½ months before. Other obligations falling on that date included about \$100,000,000 for interest on the public debt.

In order to provide for the immediate cash requirements and to cover war-savings certificates to be redeemed in cash at the beginning of 1923, the Treasury issued two series of Treasury certificates, one bearing 3½ per cent interest and maturing in 3 months and the other bearing 4 per cent interest and maturing in 1 year. and

a series of Treasury notes bearing $4\frac{1}{2}$ per cent interest and maturing in $2\frac{1}{2}$ years. The combined offerings of notes and certificates were for \$700,000,000, or thereabouts, with the right reserved to the Treasury to allot additional notes in exchange for $4\frac{1}{4}$ per cent Victory notes. Under date of December 19 the Treasury announced that all subscriptions for Treasury certificates of both series and for Treasury notes for which $4\frac{1}{4}$ per cent Victory notes or Treasury certificates had been tendered in payment had been allotted in full, but that subscriptions for the Treasury notes had been allotted in full only up to amounts not exceeding \$500,000 for any one subscriber. Allotments on subscriptions in larger amounts were made upon a graduated scale. Aggregate allotments under the several offerings were \$780,164,100, distributed as follows: $3\frac{1}{2}$ per cent certificates, \$113,743,000; 4 per cent certificates, \$197,233,000, and $4\frac{1}{2}$ per cent notes \$469,188,100, as against a total subscription of \$848,387,700, as may be seen from the following table showing the distribution of both subscriptions and allotments of the three issues, by Federal reserve districts:

Treasury and Federal reserve districts.	Subscriptions received.	Subscriptions allotted.		
		Treasury notes, series C-1923.	Treasury certificates, series TM2-1923.	Treasury certificates, series TD-1923.
Treasury.....	\$163,500	\$163,500		
Boston.....	49,534,700	29,826,800	\$13,266,000	\$6,248,000
New York.....	374,993,700	147,021,700	69,682,500	132,289,500
Philadelphia.....	59,230,400	47,063,400	1,644,000	4,641,500
Cleveland.....	72,622,000	43,673,700	6,313,000	10,559,000
Richmond.....	21,439,600	15,781,600	1,833,000	2,275,000
Atlanta.....	20,635,400	16,319,900	888,500	3,177,000
Chicago.....	103,877,500	71,436,100	3,521,000	20,768,000
St. Louis.....	30,562,100	24,203,200	945,500	4,846,500
Minneapolis.....	13,971,000	11,852,000	497,500	1,621,500
Kansas City.....	25,256,900	17,961,000	2,189,500	3,216,500
Dallas.....	21,632,300	13,790,800	4,889,500	3,002,000
San Francisco.....	54,368,600	30,094,400	8,073,000	4,588,500
Total.....	848,387,700	469,188,100	113,743,000	197,233,000

In a letter addressed to the banks of the country on December 7, Secretary Mellon out-

lined the purpose of these operations and described the Government's plan of financing as follows:

With the completion of the December financing, the Treasury will thus have provided for most of the short-dated debt maturing this fiscal year. Aside from the balance of war-savings certificates that may remain to be refunded there will only be the issues of Treasury certificates maturing March 15 and June 15, 1923, both covered by the estimated tax payments to be received in those months, and the remaining uncalled Victory notes, amounting to about \$894,000,000 on November 30, 1922. Exchanges of these notes for the new Treasury notes now offered, and advance redemptions and retirements for the sinking fund and on other accounts, may be expected to reduce the outstanding amount of uncalled Victory notes still further before their maturity.

I think you will find it interesting in this connection to know about the improved prospects of the Treasury for this fiscal year and the next fiscal year. The budget which was presented to Congress on Monday shows that according to the latest revised estimates of receipts and expenditures the deficit for the current fiscal year has already been reduced to about \$274,000,000 as compared with an indicated deficit of about \$697,000,000 at the beginning of the fiscal year, and at the same time holds out a real hope that by the end of the year the deficit can be entirely overcome by still further reductions in expenditure and increases of receipts, arising partly from further realization on Government-owned securities and property and partly from increased collections of customs and internal taxes. The actual receipts and expenditures of the Government for the first five months of the current fiscal year, through November 30, 1922, support these estimates. Total ordinary receipts to that date, on the basis of daily Treasury statements, amounted to \$1,404,776,456.64, as compared with total expenditures chargeable against ordinary receipts amounting to \$1,514,314,770.80, leaving a deficit for the first five months of only \$109,538,314.16. By the end of December this deficit should be overcome by the quarterly payment of income and profits taxes which falls due in that month, thus leaving a balanced budget, or perhaps even a small surplus, for the first six months of the fiscal year 1923. The prospects for the second half of the year are likewise favorable. The budget estimates for the next fiscal year, 1924, indicate a surplus of about \$180,000,000, and though it is still too early to forecast the actual results, this indicated surplus gives some margin to take care of any deficit that may possibly remain at the close of the present year, or, if this year closes with a balanced budget or a small surplus, can be applied to the retirement of debt maturing within the fiscal year 1924. For both years 1923 and 1924 the budget provides for the regular sinking fund requirements and other public debt expenditures chargeable against ordinary receipts, so that any surplus that can be realized in either year will mean additional retirements of debt.

The Treasury is accordingly financing its December maturities on a short-term basis, believing that the prospects for the next year or two indicate the probability of substantial retirements of early maturing debt out of current receipts.

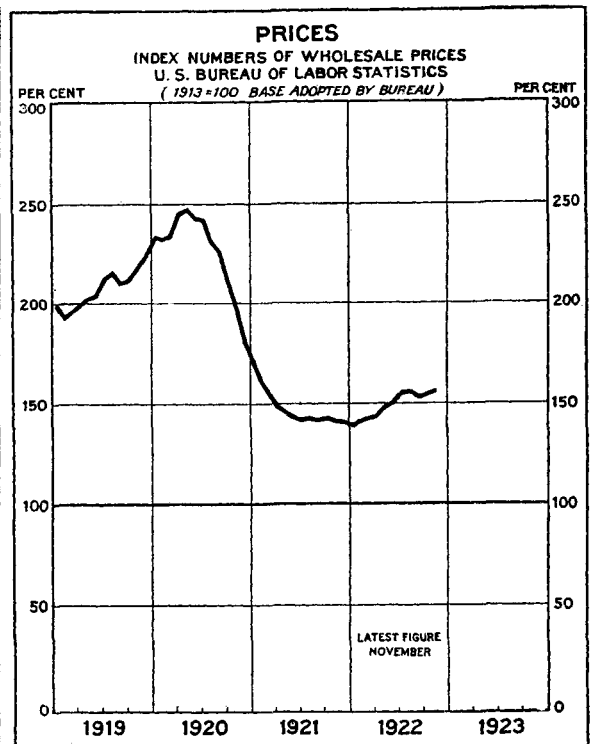
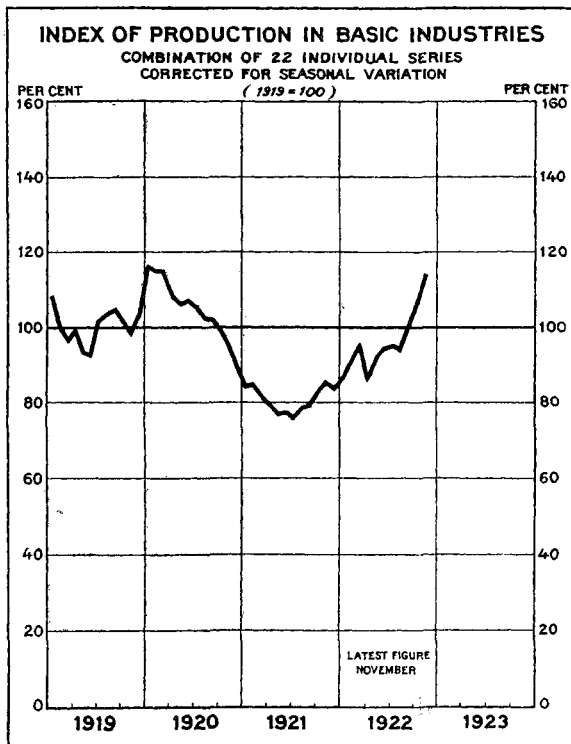
BUSINESS, INDUSTRY, AND FINANCE, DECEMBER, 1922.

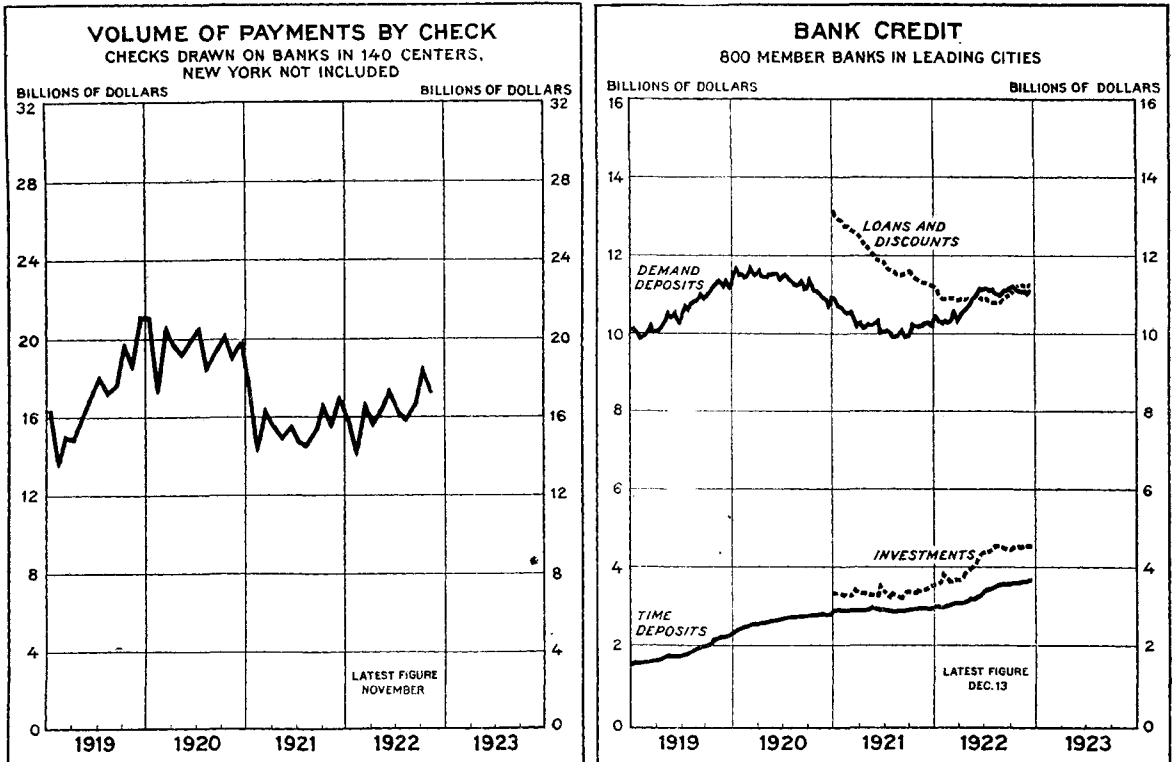
The volume of production and employment continued upward in November, and prices registered a further advance.

Production.—Contrary to the usual trend at this season of the year, production in basic industries in November continued to increase. Since July, 1921, when production was lower than at any time in recent years, there has been an almost uninterrupted rise month by month. The index, illustrated in the chart, in which allowance has been made for seasonal changes, shows that production in basic industries during November was 55 per cent higher than in July, 1921, and 8 per cent higher than in October, 1922. The chief advances from October to November were in mill consumption of cotton, which reached a monthly total exceeded only once since 1917, and in the production of pig iron, which was larger than at any time in the past two years. Building operations were maintained on a large scale, despite the approach of winter.

Final estimates for the year placed the yield of all principal crops ahead of 1921, except that of corn, which was unusually large in 1921. As a result of these larger yields and the higher prices as well, the total farm value of crops grown in 1922, based on prices received at the farm, as of December 1, is estimated to be 25 per cent larger than in 1921, but 17 per cent less than in 1920.

Increased production was accompanied by continued heavy freight movement. The total number of railroad cars loaded during November was substantially larger than in the corresponding month of previous years, although 5 per cent less than in October. The decline in the demand for cars and a further decrease in the proportion of cars out of repair have resulted in a considerable reduction in the freight-car shortage.





Demand for labor continued to increase, as shown by the volume of employment at industrial establishments. Local shortages of labor were reported by steel mills, textile mills, and building contractors in eastern districts, but some surplus of common labor was reported from agricultural districts.

Wholesale prices.—Wholesale prices advanced during November and reached the highest level since March, 1921. The rise of two points in the Bureau of Labor Statistics index to 156 was due chiefly to advances in the prices of farm products, foods, and clothing, which rose to the highest point of the year. These advances more than offset the decline in the prices of fuels and metals.

Volume of trade.—Wholesale trade in lines reporting to Federal reserve banks was substantially larger during November than in the corresponding month last year. Sales of department stores and mail-order houses during November were also larger than a year ago, and reports of Christmas trade thus far received indicate sales larger than in either 1920 or 1921. The volume of payments by check was 7 per cent smaller in November than in October, due partly to the smaller number of business days, but was 10 per cent larger than in November, 1921.

Bank credit.—During the period between November 22 and December 20, Federal reserve banks have been called upon to supply the extra currency needs of holiday trade, and this demand is reflected in an increase of \$157,000,000 in Federal reserve note circulation, bringing the total to the highest point for the year. A decline of \$43,000,000 in gold reserves is largely due to increased use of gold for currency purposes. The total earning assets of the Federal reserve banks rose during the period \$145,000,000, partly in response to the demand for currency and partly in consequence of heavy Government debt operations on December 15.

In the four weeks prior to December 13 the loans and investments of member banks in leading cities were little changed, though in the latter part of the period a renewed demand was manifested for commercial loans, offset to some extent by a decline in investments.

AGRICULTURE.

The final estimates of the Department of Agriculture place the crops of wheat, oats, rye, and barley above those of last year, with substantially increased farm values. Corn, though it amounted to less than last year's bumper crop, shows a 47 per cent increase in farm value. Record production was made in rye, white and sweet potatoes, and hay. All crops, based on their farm value December 1, are worth \$7,572,890,000, or \$1,842,978,000 more than their value in 1921. Cotton, tobacco, and grains are enjoying the most satisfactory prices, whereas the potato crop, though considerably larger than last year's, is worth 34 per cent less.

The areas sown to winter wheat and to rye this fall were 46,069,000 acres and 5,508,000 acres, reductions compared with last year of 3.2 per cent and 11.3 per cent, respectively. The condition of winter wheat on December 1 was 79.5, as compared with 76.0 a year ago and a 10-year average of 87.9. Drought retarded growth and reduced expected acreage of wheat and other fall-sown grains in some sections of district No. 10 (Kansas City). However, in the larger areas of the grain-producing regions, where conditions during the fall were favorable to rapid growth, the wheat has gone into the winter in excellent condition. Winter crops have been making good progress in district No. 8 (St. Louis) and in district No. 12 (San Francisco). Reports from all the cereal-producing States of the former district show less Hessian-fly damage than usual, owing to general observance of fly-free dates in seeding. The greater portion of the corn crop is housed and unusually large quantities are being cribbed for feeding on farms.

Grain Movements.

November grain receipts at 17 interior centers showed the usual seasonal decline, but amounted to 103,497,694 bushels, or 76 per cent more than a year ago. Receipts of wheat totaled 43,779,375 bushels, a decrease of only 10 per cent, compared with October, and showed actual increases at Omaha and St. Louis. Corn receipts were 24,021,799 bushels, 66 per cent above the November average for the years 1919-1921. Receipts of rye maintained their unprecedented level and, as a result of largely increased receipts at Chicago, approximated the October total.

Cotton.

The final estimate of the cotton crop is 9,964,000 bales, a reduction of 171,000 bales

from previous estimates. Although materially smaller than the average for recent years, the year's crop is the fourth most valuable ever grown. On December 20 the price of middling upland at New Orleans was 26 cents, as compared with 25.87 cents on November 15. Cotton ginned prior to December 1 amounted to 9,318,144 bales, as compared with 7,639,961 bales and 10,141,293 bales during the corresponding periods in 1921 and 1920. Stocks on hand at mills and public warehouses on November 30 totaled 5,919,520 bales, as compared with 6,948,300 bales a year ago. Increased shipments of cotton abroad during the last few months have been in part responsible for the gain in total exports.

The Oklahoma State Board of Agriculture reports an estimated saving to cotton growers of \$24,000,000 through the campaign against the weevil during the fall of 1921 and the spring of 1922. The fight is to be continued throughout the cotton regions of the Southwest, and similar campaigns are planned against the chinch bug and Hessian fly by bankers and business men cooperating with the farmers.

Tobacco.

The December estimate places the tobacco crop at 1,324,840,000 pounds, representing a farm value of \$306,162,000. The increased value compared with last year is a result both of the larger yield and of higher prices which prevailed in all markets. Total sale for producers previous to December 1, 1922, are estimated at 166,600,589 pounds—about 51 per cent of the estimated production.

Cigar manufacturers in district No. 3 (Philadelphia) report a slight seasonal slackening of demand, but appreciably less than is usual during the month. The holiday business has been very large, in excess of 1921 according to the majority of cigar makers. Owing to the small stocks held by jobbers and dealers, the present rate of production will probably continue during January, as some manufacturers will be glad to accumulate a stock of cigars. Prices have remained firm, with slight advances on cigars imported from the West Indies. Prices of leaf tobacco have also held firm and range from 15 to 40 per cent higher than last year, with relatively better prices being obtained for common and medium than for fine grades. No scarcity of any grade of tobacco except Havana is reported. The quality of Connecticut shade-grown leaf has turned out to be much better than was anticipated earlier in the fall, and has been bought very heavily during the month.

Fruit.

Shipments of citrus fruit from California during November, 1922, were slightly greater than during the same month last year. The price of oranges was considerably lower than during October or November, 1921, but a shortage of lemons maintained lemon prices at a high level. The condition of the fruit in Florida has been improved by cooler weather in recent weeks. There is an active demand at satisfactory prices, and shipments from Florida are in excess of those of last year, in spite of continued reports of shortage of refrigerator cars. The apple crop in district No. 12 (San Francisco) has been unusually slow in coming to market, first on account of car shortage and now because growers are unwilling to market their fruit at prevailing prices, which are low as a result of the large supply of apples in the East.

Live stock.

Movement of live stock to market showed the usual seasonal decline, but was very much heavier than during the corresponding period in 1921. Receipts of cattle and calves, hogs, sheep, horses, and mules were larger than those of last November, but hog receipts alone registered an increase over last month. November receipts of cattle and calves decreased 21 per cent as compared with last month, and receipts of sheep decreased 29 per cent, while receipts of hogs increased 24 per cent.

Improvement in the condition of cattle and of ranges is reported from all stock-raising districts, and was particularly marked in district No. 11 (Dallas). A fairly general rainfall in Texas has benefited pasturage, and this improvement, accompanied by mild weather, has lessened the necessity for feeding. The condition of live stock in district No. 8 (St. Louis) is exceptionally good. Reduced receipts during November at the principal markets in district No. 10 (Kansas City) indicate an abatement in the heavy movement of cattle from the southwest range country. However, the situation is still grave, as the rains and snows came too late to benefit the ranges, and the supply of feed grown is insufficient for the winter. In Oklahoma improved wheat pasture and mild weather have done much to counteract the effects of scarce and high-priced feeds. Range conditions in district No. 12 (San Francisco) were greatly improved by rains and light snows of November and early December, and live stock are reported to have entered the winter in good condition. Winter feeding has begun and, with few excep-

tions, supplies of hay are ample in this district. The movement of stockers and feeders to the country is not as heavy as in October, but heavier than a year ago, and demand, especially in the Pacific Northwest, continues to gain strength. Broader demand for the better grades of stocker and feeder cattle was a significant feature of the November trade in district No. 11 (Dallas).

MINING.**Coal.**

Operations at coal mines have been maintained at a high level ever since September. November production of bituminous coal totaled 45,262,000 tons, as compared with 45,154,000 tons in October and 35,955,000 tons in November, 1921. Despite the drastic curtailment for four months due to the strike, aggregate bituminous production has been almost as large in 1922 as in 1921, although much smaller than in other recent years. Production is still much hampered by car shortage, particularly in the West Virginia and Kentucky fields. The cold weather in December brought an active demand for steam coal from large industrial users and also from householders who are unable to secure anthracite. Sales of high volatile gas coals, on the other hand, diminished in the early part of December, as railroads and public utilities had covered their immediate needs and shipments through the Lakes were stopped for the season. As a result of this variation in demand, district No. 3 (Philadelphia) reports that the price of steam coals increased about 50 cents a ton during December, while the quotations for high volatile gas coals were from 25 cents to \$1 a ton lower.

Production of anthracite coal amounted to 8,385,000 tons in November, as compared with 8,530,000 tons in October and 6,859,000 tons in November, 1921. The mine output in the first two weeks of December was at a slightly higher rate than in November and is the largest on record for this season of the year. Car supply has been reasonably adequate, although district No. 3 (Philadelphia) reports that the poor condition of cars and locomotives in the Scranton district has caused some mines to reduce their output. As a result of the decision of the United States Supreme Court that the Kohler Act is unconstitutional, several mines under the city of Scranton have resumed operations. Some price advances were recorded at mines and retail yards during December, but these tend to be small on account of the close supervision of Government agents.

Manufacture of beehive coke expanded 30 per cent during November, while the output of

by-product plants was 4 per cent larger than in October. This increased supply is being rapidly absorbed by industrial users, who have been increasing their operations, and by retail coal dealers who are selling it to householders as a substitute for anthracite coal. The result of this enlarged demand was the ending of the decline in coke prices which had continued for four months and an upward movement in the third week of December.

Petroleum.

Average daily production of petroleum continues to increase and totaled 1,596,000 barrels in November, as compared with 1,524,000 barrels in October. Stocks of oil at the end of November totaled 275,856,000 barrels, which was an increase of 1,418,000 barrels for the month. The number of new wells completed increased from 1,388 in October to 1,450 in November. The number of new wells completed in district No. 10 (Kansas City) increased by 58 during November, and the daily new production showed an increase of 16 per cent for the month. Drilling operations, however, showed a slight seasonal decline, from 2,370 rigs and wells on November 1 to 2,307 on December 1. The daily average production in the States of Kansas, Oklahoma, Wyoming, and Colorado increased 7 per cent during November. Productive activity also increased in district No. 12 (San Francisco). Daily average production was 8 per cent larger in November than in October, while new production showed an increase of 16 per cent. Consumption was slightly higher than in October, but stocks showed a further accumulation.

The petroleum fields of district No. 11 (Dallas) report a reduction of activity during November. The daily average production for the entire district was 7 per cent smaller than in October, most of the curtailment occurring in the Texas coastal field. The number of new wells completed decreased by 67 in November and the initial production was 14 per cent less. Price advances were reported early in December in the North Louisiana district, and the price of Mexia oil was raised from \$1.25 per barrel to \$1.35 per barrel on December 15.

There has recently been a considerable decline in the demand for gasoline and asphalt, but other refinery products are selling well. Sales of lubricating oils have been increasing steadily for several months, as a result of improvement in the general industrial situation. Demand for kerosene has also been strong, as a result of extensive use of small heating stoves this winter.

Metals.

The copper market has been strong during December, and prices have shown a distinct upward tendency. Refined electrolytic copper delivered at New York was quoted at 14.625 cents on December 19, as compared with 13.90 cents on November 20. This advance in prices is ascribed to a steady decline in the quantity of surplus metal, to the rise in sterling exchange, and to the reported negotiations concerning a loan to Germany. Mine production of copper totaled 102,593,000 pounds in November, which was 1 per cent less than in October, but over four and one-half times as large as in November, 1921.

The price of zinc softened considerably in the last week of November, but showed some recovery in December. Lead prices, on the other hand, were well maintained until the third week of December, when imports from Mexico and Canada caused some weakening in the demand. Production of slab zinc aggregated 40,200 tons in November, an increase of less than 1 per cent, while the production of lead was about 3 per cent greater than in October. District No. 10 (Kansas City) reports that there was a marked improvement in prices of both zinc and lead ores during November, which resulted in increased mining operations. Shipping facilities have been much improved, due to an arrangement with the railroads by which coal gondola cars are used to ship metal ore east.

Silver production was further curtailed in November and aggregated 4,869,905 ounces, which was 6 per cent less than in October and 12 per cent less than the maximum output of August. Factory consumption of tin was 14 per cent less in November than in October.

MANUFACTURES.

Food products.

Production of wheat flour during November amounted to 13,424,000 barrels, compared with 13,581,000 barrels in October and 10,166,000 barrels in November, 1921. Production of 11 leading mills in district No. 8 (St. Louis) was 385,306 barrels, the largest output for any month this year, and an increase of 5 per cent and of 48 per cent as compared with last month and November last year. Demand, both foreign and domestic, was very slack, however, until after the first week in December, when advances in the price of wheat stimulated buying. Thirty millers in district No. 7 (Chicago) produced 386,195 barrels of flour, increases of 4.5 per cent and 49 per cent as compared with last month and November, 1921.

District No. 10 (Kansas City) reports a total output of 2,014,252 barrels, a decrease of 2.5 per cent compared with last month, but an increase of 27 per cent compared with the corresponding period a year ago. A moderate export demand was reported, but domestic buying was curtailed by uncertainty as to delivery and by the approach of the inventory period. In district No. 9 (Minneapolis) production of flour increased from 3,057,988 barrels in October to 3,103,178 barrels in November, which is 33 per cent larger than last November's output.

Fifty packing companies in the United States reporting to district No. 7 (Chicago) show a decrease of 22.4 per cent in dollar sales compared with October, but an increase of 16.7 per cent over a year ago. The same condition prevails in district No. 10 (Kansas City), reflecting decreased slaughtering operations. Hog purchases by packers, however, were 20.8 per cent more than during October, and the largest number purchased in any month since June. With wholesale prices of all meats, except lamb, relatively low, the packers report an increased demand for their products, owing to increased employment and improved business conditions. Export demand also continues active and reduced shipments are the result of limited supplies. Consigned stocks of lard already abroad continue to decline because of the rapidity in the sale of consignments on arrival, and unusually heavy demand for fats was a feature of the month's trade. Cold-storage supplies are lower than they have been for some months, but stocks of pork and lard at Kansas City showed an increase compared with last month and with a year ago.

Textiles.

Although a slight seasonal check has been noted in the buying of many textile products, demand is still good, and production has been maintained at a high point. In fact, many mills throughout the country have been operating night shifts, and the consumption of raw cotton by mills during November totaled 577,561 bales, which, with the exception of January, 1920, is the largest figure attained since November, 1917. Furthermore, the volume of unfilled orders on the books of many of the mills on November 29 was reported by districts No. 3 (Philadelphia), No. 5 (Richmond), and No. 6 (Atlanta) to be sufficient to insure production at close to capacity for the next few months. In the Atlanta district unfilled orders for goods were smaller than at the end of October, but those for goods and yarns exceeded the corresponding figures for

November 30, 1921, by 77 per cent and 114 per cent, respectively. Production and shipments by the same mills were greater than during October and from 20 to 50 per cent larger than during November of last year. Stocks, on the other hand, were smaller. Reports from finishers of cotton fabrics from various sections of the country indicate that a larger volume of business was done in November than in October.

In woolen textiles, also, production increased during November, as indicated by statistics of raw wool consumption and of active machinery. Woolen spindles were no more active than in October, but considerably more so than during last November. Worsted spindles, on the other hand, continued the recovery from last spring's slump and were 90 per cent active in November. The greatest improvement occurred in loom activity—both the wide and the narrow looms were over 80 per cent active, the highest point reached since the spring of 1920. The mill consumption of wool during November was 63,313,000 pounds, expressed in terms of grease equivalent, showing an increase of 6.8 per cent above the figure for October, and an increase of 18 per cent above that for last November. District No. 3 (Philadelphia) reports that in spite of the usual mid-winter lull, evident in December, sufficient orders had been previously booked by spinners to keep nearly all available spindles in operation. Furthermore, finished stocks are low. The raw wool market in district No. 7 (Chicago) was active during November, but shipments from Chicago were only two-thirds of those of October. Prices of raw wools, particularly the medium grades, and also of yarns, have remained firm since their recent rise.

Deliveries of raw silk to American mills during November, 35,467 bales, although 6 per cent less than in October, exceeded all figures recorded for previous months. Imports fell off from the maximum reached in October, but were larger than deliveries, and stocks in warehouses attained a new high point of 47,159 bales. The demand for both broad and thrown silk was greater this fall than a year ago, and mill production in district No. 3 (Philadelphia) averaged about 75 per cent of capacity early in December. Reports from the Philadelphia district, however, indicate that there was some recession in demand, largely seasonal, after November 15. Loom activity among the mills in Paterson was slightly higher on December 16 than on November 18, and in the North Hudson section during the same period there was also an increase in operations. The raw silk

market, according to reports from district No. 3 (Philadelphia), has weakened since November 1, and rising prices were halted. Quotations on finished goods were also lowered.

Seasonal declines occurred in the demand for clothing during November, according to reports from districts No. 2 (New York), No. 7 (Chicago), and No. 8 (St. Louis). Data from the New York district indicate that the sales of women's clothing are relatively better than those of men's apparel, as the former showed an increase of 54 per cent as compared with November, 1921, whereas the latter decreased 7 per cent. Orders booked, production, and shipments by seven tailors to the trade in district No. 7 (Chicago) were all less than the corresponding figures for October, but about 70 per cent above those for November of last year.

Production of underwear by 33 mills during November increased 14 per cent as compared with October. Unfilled orders increased 20 per cent and shipments 15 per cent. Production by 49 mills totaled 599,891 dozens, as compared with 702,614 dozens by 57 mills in November, 1921, giving about the same average output per mill. Mills in district No. 3 (Philadelphia) reported decreases in production both as compared with October and with November, 1921. Orders booked for winter underwear, however, were over four times as large and unfilled orders were nearly five times as large as a year ago. Shipments were also larger than during last November.

Statistics showing conditions in the hosiery industry in districts No. 3 (Philadelphia) and No. 6 (Atlanta) indicate better business in November than during both October and the preceding November. Fewer orders were booked in October by the Philadelphia district manufacturers, but as compared with a year ago this item doubled in both districts, and the volume of unfilled orders on hand at the end of the month was larger, although both shipments and cancellations have also increased.

Iron and steel.

The iron and steel industry continues to report great activity. Mill operations averaged about 80 per cent of capacity in the latter part of December, as compared with 70 per cent of capacity a month previously. Production of pig iron mounted from 2,638,000 tons in October to 2,850,000 tons in November, while output of steel ingots increased from 2,872,000 tons to 2,889,000 tons. The market for steel strengthened during December as a result of a steady flow of new orders for delivery in the

first quarter of 1923 and of improvement in shipping facilities and labor supply. Many railroad embargoes have been removed, and the car supply is more adequate, so that the accumulated tonnage in mill yards is being rapidly reduced. The scarcity of common labor has been somewhat relieved, due to the seasonal reduction in farm work, but numerous wage increases and bonus payments are reported.

Sales of pig iron were heavy during the first week of December, and the large demand resulted in a rise in price quotations. Foreign iron continues to be received at Atlantic ports, but has not seriously diminished the business of domestic producers. Finished steel products are also moving well in district No. 3 (Philadelphia), although there is some reduction in structural steel sales to builders. Orders for sheets continue to exceed shipments at both Pittsburgh and Chicago, and demand for wire and nails in December were exceptionally large for a winter month. Production, shipments, and new orders of stoves and furnaces in district No. 7 (Chicago) declined considerably in November, but were each over twice as large as in November, 1921. November sales of agricultural implements were also larger than in the corresponding month of 1921, although only about one-half as large as in October. Manufacturers of wire rope, stoves, farm implements, railway supplies, and boilers in district No. 8 (St. Louis) all reported sales in November higher than those a year ago, the increases ranging from 18 per cent for boilers to 42 per cent for wire rope.

Automobiles.

Production and shipments of automobiles failed to show their usual seasonal decline in November, and have only moderately curtailed their schedules during the first half of December. The output of passenger cars aggregated 215,408 in November, an increase of 0.6 per cent, while the production of 20,876 trucks was 1.4 per cent greater than the October total. Factory shipments of automobiles were only slightly smaller than in October and were twice as large as in November, 1921. Automobile body manufacturers in district No. 4 (Cleveland) report that many orders for future shipment are being received, and that there is no noticeable decline in factory operations. Sales of truck manufacturers are quite irregular and companies are reducing their production schedules.

Tire manufacturers are still maintaining heavy schedules, as the increased use of closed

cars is resulting in much winter driving, which is particularly hard on tires. Low tire prices have reduced the repairing of old tires and increased the consumption of tires per car during the past year.

Leather and shoes.

Prices of Chicago packer hides dropped sharply in the first week of December, with the result that the volume of sales totaled 570,000 in a single week. Calf and goat skins are also lower, although the imports of goat skins from China are unusually small. Prices of New Zealand sheepskins are still very high and sales have been curtailed.

Sole leather production was 4 per cent less in November than in October, but most of this difference was due to the greater number of working days in October. Both production and sales of leather increased in district No. 7 (Chicago) and sales were larger than a year ago. In district No. 3 (Philadelphia) sales of most kinds of leather decreased in November, due to the desire to reduce inventories. Tanners of sheepskins are operating their plants at capacity. Hat and chamois leather continue to sell freely and demand for fleshings by glove manufacturers is increasing. Belting sales declined slightly in November, but recovered in the early part of December.

Patent leather and suede leather continue to be in general demand for women's shoes. Various designs of cut-outs are the prevailing style feature. Manufacturers in district No. 8 (St. Louis) report that men's shoes are in better demand than women's, due to uncertainty as to spring styles. Shoe production declined in November, but the daily rate of production was higher than in October in districts No. 3 (Philadelphia) and No. 7 (Chicago). Reports from 22 retail shoe stores in the Philadelphia district show that sales were slightly larger in November than in October and that the rate of turnover during the last five months was considerably higher than in the corresponding period of 1921.

Paper.

Production of newsprint during November totaled 127,983 tons, a decrease of 2 per cent from the figure for October and an increase of 10 per cent above that for November of last year. Shipments exceeded production, and stocks were consequently reduced.

October statistics, the latest available for wood pulp and the other grades of paper, show seasonal increases in production, shipments, and consumption of wood pulp. The last two

items reached the highest point in over two years, and stocks on hand at the end of October were the smallest recorded in the last four years. The production of all of the important grades of paper was considerably larger than during any month of 1921, and all except newsprint and paperboard exceeded previous figures for 1922.

Reports from district No. 3 (Philadelphia) indicate a seasonal decline in orders booked by paper manufacturers during December, but most of the mills were operating at capacity on accumulated orders, and a fairly large number of future orders were being received. Wholesalers in district No. 7 (Chicago) report that November sales and stocks on hand at the end of the month were larger than for November, 1921. Consumption of paper in district No. 4 (Cleveland) was large in November, but orders placed with mills fell off in December, preceding the merchants' inventory period.

Lumber.

Unusual activity for late fall was noted in the lumber market during November and early December. With weather favorable for construction, with active buying on the part of railroads, automobile plants, furniture manufacturers, and other industrial users, and with improved transportation facilities, shipments from the mills continued to be large throughout that period. Although good weather permitted production to be maintained at a high point, the output of a number of associations was exceeded by their shipments. Orders were also received by the mills at a steady rate until the middle of December, but about that time some recessions in buying were reported from various local markets. Prices of both the softwoods and the hardwoods advanced during the month ending December 15.

Production during November by 572 mills totaled 1,235,748,000 feet, as compared with 1,306,047,000 feet by 564 mills in October and 812,900,000 feet by 475 mills during last November. Business among the mills of the Southern Pine Association in districts No. 6 (Atlanta) and No. 11 (Dallas) was particularly good during November. Both shipments and orders booked exceeded production in the Atlanta district, and all three of these items were larger than the corresponding figures for October and last November. In district No. 7 (Chicago) purchasing of new railroad equipment was the feature of the lumber industry during November, but the building and indus-

trial demand continued to be strong. Western producers suffered more from transportation difficulties than did the mills in the South. Hence shipments from the associations in district No. 12 (San Francisco) were curtailed during November, and figures of production indicate the usual seasonal declines. All items, however, materially exceeded those of November, 1921. Unfilled orders of most of the associations at the end of November were fairly large.

BUILDING.

Building operations in November were unusually large for that season of the year, due to a marked revival in residential construction. The total value of contracts awarded in seven Federal reserve districts (compiled from statistics gathered by the F. W. Dodge Co.) aggregated \$219,351,000 during November, which was only 1.3 per cent less than in October and was 24 per cent greater than in November, 1921. Decreases from October totals were recorded in the Boston, Philadelphia, Cleveland, and Chicago districts, ranging from 0.03 per cent in district No. 1 (Boston) to 17.2 per cent in district No. 3 (Philadelphia). Increases were reported by the New York, Richmond, and Minneapolis districts, the largest amounting to 19.5 per cent in district No. 2 (New York). The value of residential contracts let increased in November for all districts, except Philadelphia and Richmond, and totaled \$117,515,000 for the seven Federal reserve districts. Statistics of number and value of building permits are published on page 100.

Building material prices continued to rise during November and reached the highest level since January, 1921. Shipments of cement were much smaller than in October and production was slightly curtailed. Brick output has been very large this fall, and district No. 3 (Philadelphia) reports that manufacturers have sufficient orders on hand to keep plants operating at capacity for several weeks.

TRANSPORTATION.

Traffic congestion was materially relieved during November. The average car shortage in the last week of the month was 133,786 cars, as compared with 179,239 cars in the last week of October. The shortage of box cars was reduced about 26 per cent, while the shortage of coal cars was reduced over 9 per cent. There was an increase in the supply

of cars and locomotives, due to a reduction in the amount of bad-order equipment and to an increase in the production of new cars and locomotives. The number of freight cars awaiting repairs on December 1 was 226,288, which was 9.5 per cent less than on November 1, and 34 per cent less than the maximum for 1922 on August 1. The production of locomotives in November totaled 159, an increase of 9.6 per cent. The volume of unfilled orders for locomotives, which has shown an almost uninterrupted growth since January, continued to accumulate.

Car loadings decreased 4.6 per cent in November, but this compares with an average decrease of 17.4 per cent from October to November in the three preceding years. The most substantial reductions occurred in the loadings of ore and of miscellaneous merchandise. Coke loadings increased 18 per cent and were the largest in the year, while loadings of forest products, grain, and coal showed less pronounced gains. The loadings of all the railroad operating groups, except the Pocahontas, decreased during November. The most marked reduction was reported by the northwestern railroads and amounted to about 15 per cent.

TRADE.

Wholesale trade.

Owing to the shortness of the month and a seasonal slackening of buying by retailers in many lines, wholesale trade was less during November than in the preceding month. The recessions in groceries, however, were so small as to be attributed in most cases to the smaller number of business days in November. The greatest declines in sales below the October figures occurred in dry goods, shoes, and auto supplies. As compared with November, 1921, reports from all districts indicate increases in practically every line. The only exceptions were found in the case of shoes and drugs. Sales of the former were smaller than during the same month last year in districts No. 2 (New York), No. 6 (Atlanta), and No. 7 (Chicago), but were materially larger in some of the other districts. Drug sales declined in districts No. 8 (St. Louis) and No. 10 (Kansas City), but in district No. 2 (New York) were larger than for any November of the three preceding years. Trading in hardware and furniture showed increases of from 2 to 25 per cent as compared with November of last year, and sales of farm implements more than

doubled in districts No. 10 (Kansas City) and No. 11 (Dallas). The dry goods business was in most instances materially larger than a year ago, and groceries were moderately so. The table on page 105 gives detailed figures of wholesale trade.

Retail trade.

Retail distribution during November was in slightly smaller volume than during October, but was materially larger than during the corresponding period last year. The usual decline in November sales of clothing was partially counteracted by the increases in Christmas buying during the month. Improved employment conditions and generally higher wages, together with increased distribution of Christmas savings funds have been contributing factors in the larger volume of holiday trade this year. Although utility goods are still in the greatest demand, a marked increase in purchases of luxuries is reported. A survey of department store sales during the first 14 days of December, 1922 and 1921, made by the Federal Reserve Bank of New York, shows an increase of 8 per cent over last year, the same as the November percentage of increase over the corresponding period in 1921. This would indicate that holiday sales have increased in about the same proportion as ordinary sales. As compared with last month, department store sales decreased in districts No. 2 (New York), No. 6 (Atlanta), No. 9 (Minneapolis), No. 11 (Dallas), and No. 12 (San Francisco). Increased sales as compared with last November were reported in all Federal reserve districts except district No. 9 (Minneapolis). Increases ranged from 0.4 per cent in district No. 11 (Dallas) to 16 per cent in districts No. 4 (Cleveland) and No. 7 (Chicago). Stocks increased during the month in all districts except No. 5 (Richmond), No. 10 (Kansas City), and No. 11 (Dallas). Compared with the corresponding date last year, stocks were smaller in all districts except No. 1 (Boston), No. 2 (New York), No. 5 (Richmond), and No. 9 (Minneapolis). The rate of turnover continues to increase, while the ratio of outstanding orders to purchases for 1921 dropped from 8.2 to 7.4 during November.

PRICES.

There were varying indications of the trend of wholesale prices in the United States during November. According to the index of the Federal Reserve Board prices fell 1 point, from 165 in October to 164 in November,

whereas the Bureau of Labor Statistics index showed an increase of 2 points, from 154 in October to 156 in November.

Both indexes, however, showed that almost all agricultural products were still increasing, particularly wheat and cotton. Coal, coke, and pig-iron prices continued their decline. The rise which has occurred in steel products since early spring came to an end with a November drop in most items, except rails, which continued to advance.

It was in the consumers' goods group that the main difference between the two indexes occurred. The Federal Reserve Board index showed that this group remained unchanged, whereas prices of finished goods in the Bureau of Labor index as recomputed by the board showed an increase of 3 points.

The movement of food prices was mainly upward—flour, sugar, coffee, tea, butter, eggs, and apples increasing. There were also increases in the prices of cotton and woolen cloths.

The groups of the Bureau of Labor Statistics index moved as follows: Farm products up 5 points, cloths and clothing up 4 points, foods, chemicals and drugs and house furnishings up 3 points each, building materials and miscellaneous commodities up 2 points, fuel and lighting down 8 points, and metals and metal products down 2 points.

COMMERCIAL FAILURES.

Commercial failures during November were fewer in number, and the liabilities involved were less than during November, 1921. A seasonal increase over the October data occurred in both items. The figures are still rather large as compared with those of 1920 and prior years, but are well below the average for the early months of this year. Liabilities for all districts during November totaled \$40,265,297, showing an increase of 16 per cent over the October figure and a decline of 25 per cent below that of last November. Liabilities were smaller than during October only in districts No. 1 (Boston), No. 9 (Minneapolis), and No. 10 (Kansas City). As compared with a year ago, they were larger in districts No. 1 (Boston), No. 2 (New York), No. 3 (Philadelphia), and No. 8 (St. Louis). The greatest increase within the past year was 24 per cent in district No. 2 (New York), and the greatest decline, amounting to 68 per cent, occurred in district No. 10 (Kansas City). Other large decreases in liabilities were 48 per cent in district No. 6

(Atlanta), 63 per cent in district No. 9 (Minneapolis), and 61 per cent in district No. 11 (Dallas). It will be noted that the four above-mentioned districts are all in agricultural sections. The number of failures exceeded the corresponding data for November, 1921, only in districts No. 1 (Boston), No. 8 (St. Louis), and No. 12 (San Francisco). The number for all districts totaled 1,737 during November, 1,708 during October, and 1,988 during November, 1921. Detailed figures are given in the table on page 93.

EMPLOYMENT.

Industrial concerns in all parts of the United States reported further increases in numbers of employees during November. The United States Employment Service reports that 1,428 firms added 44,653 employees in November, as compared to an increase of 52,867 employees in October. In the three months period ending November 30 these concerns increased their forces by 126,188, or about 8 per cent. Increases were reported in November by 12 of the 14 major industrial groups, and the only serious reduction occurred at plants manufacturing stone, clay, and glass products. The eastern industrial districts report a strong demand for many types of skilled labor and for common labor, whereas the agricultural districts report a growing surplus of common labor.

Employment in the textile and shoe factories of district No. 1 (Boston) increased substantially in November. The construction industry continued to be active, and shortages of craftsmen were reported from many parts of the district. There was also a serious shortage of metal and machine workers in Connecticut, but the machine factories of other New England States were working at considerably less than capacity. Jewelry and silverware factories continued to be operated at capacity, and chair and cordage factories were working overtime. In district No. 2 (New York) unemployment has practically ceased, due to increases in employment in almost all reporting lines. The New York State Department of Labor reports that the number of workers at reporting establishments increased 2 per cent in November. In New Jersey all skilled silk workers are now fully employed and there is a general shortage of building mechanics. A rather general labor shortage developed during November in district No. 3 (Philadelphia). There was a scarcity of male workers in the building trades,

and of cabinet makers and woodworkers, while factories manufacturing textiles, paper boxes, and tobacco reported a shortage of female workers. The demand for common labor far exceeds the supply. The Pennsylvania State Department of Labor reports that there were further reductions in unemployment in the cities of eastern Pennsylvania in the first half of December, which averaged about 30 per cent. Shortages of car builders, machinists, and other classes of steel workers were reported from district No. 4 (Cleveland) during November. Brick manufacturing plants were operating at close to capacity, and rubber and farm implement factories were unusually active for the fall season.

Cotton mills in district No. 5 (Richmond) made further additions to their forces in November. There were also increases in number of employees at establishments manufacturing food, metal products, tobacco, lumber, and fertilizer. A considerable supply of common labor is available as a result of the seasonal reduction in agricultural activity. Textile mills, lumber mills, and coal mines in district No. 6 (Atlanta) continued to increase the number of their employees during November. There is some surplus of labor in Florida, as many transient workmen have arrived recently from other States.

Reports from 162 firms in district No. 7 (Chicago) showed an increase of 2.2 per cent in number of employees. There was a decrease of 0.9 per cent in the average pay per worker during November, due to an increase in the proportion of unskilled workers. The chief gains in employment occurred at metal mills and at tanneries. Seasonal reductions in employment were reported by tailoring establishments and manufacturers of knit goods and apparel. In district No. 8 (St. Louis) employment at shoe factories and meat-packing establishments reached in November the highest total for the current year. Railroads, lead and zinc mines, and steel mills also increased their forces. Flour mills have reduced the number of their employees in both the St. Louis and Minneapolis districts, due to a shortage of shipping facilities. Many agricultural laborers in district No. 9 (Minneapolis) have been employed at lumber camps since the close of the harvest. Plants manufacturing building materials and mining machinery in district No. 10 (Kansas City) increased their forces in November and are now operating at capacity. Sugar factories and farms, on the other hand, are releasing a considerable number of workers.

Textile mills, metal factories, railroad shops, and oil companies in district No. 11 (Dallas) increased the number of their employees during November. Surpluses of building craftsmen and of common labor were reported. A surplus of unskilled labor has also developed in many sections of district No. 12 (San Francisco), on account of the seasonal decline of agricultural work and fruit canning. Lumber mills in California report some shortage of labor, while those in Washington are reducing their forces.

FOREIGN TRADE.

A further increase during November in the value of goods exported from the United States brought the figures for that month to the highest level reached since March, 1921. The November total of \$383,000,000 represents an increase of \$12,000,000 over the preceding month and of \$89,000,000 over November, 1921. Compared also with the monthly average of \$311,000,000 during the first 10 months of 1922, the latest export figures are distinctly favorable. For the 11 months ending with November the 1922 total is somewhat lower than for the same period of 1921, but is approximately 55 per cent higher than for 1913. Import figures are not yet available for October or November, 1922, on account of delays in compiling the reports since the new tariff law went into effect.

GOLD AND SILVER MOVEMENTS.

Net gold imports for November, \$14,877,000, show a considerable increase over the corresponding October figure of \$3,274,000, though falling below the average of about \$20,000,000 for the preceding 10 months. Of the gross gold imports of \$18,308,000 for the month, \$11,763,000 came from England, \$1,911,000 from France, and \$1,368,000 from China. Smaller amounts of gold imports for the month, all below \$1,000,000, are credited to Canada, Mexico, and Egypt. Of the gold exports for November about 64 per cent, or \$2,193,000, were consigned to Canada, considerable shipments going also to Colombia and Hongkong. Net gold imports for the 11 months of the present year totaled \$214,565,000, compared with \$637,853,000 for the corresponding period in 1921. Net imports of gold since August 1, 1914, totaled \$1,756,654,000, as shown in the following exhibit:

[In thousands of dollars.]

	Imports.	Exports.	Excess of imports.
Aug. 1, 1914, to Dec. 31, 1918.....	1,776,616	705,210	1,071,406
Jan. 1 to Dec. 31, 1919.....	76,534	368,185	¹ 291,651
Jan. 1 to Dec. 31, 1920.....	417,068	322,091	94,977
Jan. 1 to Dec. 31, 1921.....	691,248	23,891	667,357
Jan. 1 to Nov. 30, 1922.....	248,730	34,165	214,565
Total.....	3,210,196	1,453,542	1,756,654

¹ Excess of exports.

Both silver imports, \$5,855,000, and silver exports, \$6,599,000, were larger in November than in October and were in excess of the average for the preceding 10 months. Silver imports for the month came largely from Mexico and Canada, while silver exports were consigned largely to the Far East and England. Figures for the 11 months of the present year show net silver imports of \$7,065,000, compared with net imports of \$13,296,000 for the corresponding period in 1921, but as against large excesses of exports for the corresponding periods in 1918 and 1919, when large amounts of silver were shipped to India and China, and as against normal moderate excesses of exports for the pre-war years. This change is due to the working of the Pittman Act, under which the Government has purchased, at a fixed rate of \$1 per ounce, practically the entire silver output of the country. In view of the much lower price of silver prevailing in the international market, no silver of domestic extraction has been exported during the past two years. On the other hand, some silver of foreign origin has been used in the domestic arts, and this accounts for the excess of silver imports over exports shown for the present year and for 1921.

Net exports of silver since August, 1914, totaled \$436,196,000, as may be seen from the following exhibit:

[In thousands of dollars.]

	Imports.	Exports.	Excess of exports.
Aug. 1, 1914, to Dec. 31, 1918.....	203,592	483,353	279,761
Jan. 1 to Dec. 31, 1919.....	89,410	239,021	149,611
Jan. 1 to Dec. 31, 1920.....	88,060	113,616	25,556
Jan. 1 to Dec. 31, 1921.....	63,242	51,575	¹ 11,667
Jan. 1 to Nov. 30, 1922.....	62,959	55,894	¹ 7,065
Total.....	507,263	943,459	436,196

¹ Excess of imports.

RULINGS OF THE FEDERAL RESERVE BOARD.

Amendment to Regulation B.

On December 19, 1922, the Federal Reserve Board transmitted to Federal reserve banks its Regulation B, Series of 1922, superseding Regulation B, Series of 1921. The board's letter of transmittal and the amended regulation are set forth below:

WASHINGTON, December 19, 1922.

The Federal Reserve Board transmits herewith its Regulation B, Series of 1922, superseding Regulation B, Series of 1921, relating to open-market purchases by Federal reserve banks of bills of exchange, trade acceptances, and bankers' acceptances under section 14 of the Federal reserve act.

This new regulation is issued for the purpose of permitting Federal reserve banks until further notice to purchase in the open market, with or without the indorsement of member banks, bankers' acceptances with maturities not in excess of six months which are drawn by growers, or by cooperative marketing associations composed exclusively of growers, of nonperishable, readily marketable, staple agricultural products, to finance the orderly marketing of such products grown by such growers and secured at the time of acceptance by warehouse, terminal, or other similar receipts issued by parties independent of the borrowers and conveying security title to such products. This purpose is effected by the addition of a new paragraph at the end of Part II of said regulation, and the addition of this paragraph constitutes the only amendment to the regulation.

The board was moved to take this action by a desire to provide more ample facilities for financing the orderly marketing of staple agricultural products, especially by cooperative marketing associations. This is in accordance with the principle heretofore recognized by the board that the carrying of agricultural products for such periods as are reasonably necessary in order to assist the orderly marketing thereof is a proper step in the process of distribution. There is a material distinction, however, between carrying agricultural products for such periods as are reasonably necessary to effect orderly marketing, and mere speculative withholding from the market in the hope ultimately of obtaining a higher price. Before purchasing such acceptances, therefore, Federal reserve banks should assure themselves that the agricultural products underlying the transaction are not being held for speculation but are being marketed in an orderly manner or stored as part of the process of orderly marketing. Care should also be exercised by Federal reserve banks in purchasing acceptances of long maturities, in order that the liquidity of the aggregate investments held by them should not be affected.

By order of the Federal Reserve Board.

WM. W. HOXTON, *Secretary.*

REGULATION B, SERIES OF 1922.

(Superseding Regulation B of 1921.)

OPEN MARKET PURCHASES OF BILLS OF EXCHANGE, TRADE ACCEPTANCES, AND BANKERS' ACCEPTANCES UNDER SECTION 14.

I. *General statutory provisions.*

Section 14 of the Federal reserve act provides that Federal reserve banks under rules and regulations to be prescribed by the Federal Reserve Board may purchase and sell in the open market, at home or abroad, from or to domestic or foreign banks, firms, corporations, or individuals, bankers' acceptances, and bills of exchange of the kinds and maturities made eligible by the act for rediscount, with or without the indorsement of a member bank.

II. *General character of bills and acceptances eligible.*

The Federal Reserve Board, exercising its statutory right to regulate the purchase of bills of exchange and acceptances, has determined that a bill of exchange or acceptance, to be eligible for purchase by Federal reserve banks under this provision of section 14, must have been accepted by the drawee prior to such purchase unless it is either accompanied or secured by shipping documents or by warehouse, terminal, or other similar receipt conveying security title or bears a satisfactory banking indorsement, and must conform to the relative requirements of Regulation A, except that—

(a) A banker's acceptance growing out of a transaction involving the importation or exportation of goods may be purchased if it has a maturity not in excess of six months, exclusive of days of grace, provided that it conforms in other respects to the relative requirements of Regulation A;

(b) A banker's acceptance growing out of a transaction involving the storage within the United States of goods actually under contract for sale and not yet delivered or paid for may be purchased, provided that the acceptor is secured by the pledge of such goods; and provided further, that the acceptance conforms in other respects to the relative requirements of Regulation A; and

(c) A banker's acceptance drawn by a grower, or by a cooperative marketing association composed exclusively of growers, of nonperishable, readily marketable, staple agricultural products, to finance the orderly marketing of such products grown by such grower or growers and secured at the time of acceptance by a warehouse, terminal, or other similar receipt, issued by a party independent of the borrower and conveying security title to such products, may be purchased if it has a maturity at the time of purchase not in excess of six months, exclusive of days of grace; provided, that the acceptor remains secured throughout the life of the acceptance, and that the acceptance conforms in other respects to the relevant requirements of Regulation A.

III. *Statements.*

A bill of exchange, unless indorsed by a member bank, is not eligible for purchase until a satisfactory statement has been furnished of the financial condition of one or more of the parties thereto.

A banker's acceptance, unless accepted or indorsed by a member bank, is not eligible for purchase until the acceptor has furnished a satisfactory statement of its financial condition in form to be approved by the Federal reserve bank and has agreed in writing with a Federal reserve bank to inform it upon request concerning the transaction underlying the acceptance.

LAW DEPARTMENT.

Petition for rehearing denied in Richmond par clearance case.

The Supreme Court of North Carolina, on December 13, 1922, dismissed the petition of the plaintiffs for a rehearing in the case of *Farmers & Merchants Bank et al. v. Federal Reserve Bank of Richmond*, 112 S. E. 252, and has reaffirmed its former decision dismissing the injunction issued by the lower court against the Federal Reserve Bank of Richmond and declaring unconstitutional the act of the Legislature of North Carolina ratified February 5, 1921, which sought to authorize State banks to impose exchange charges on, and remit by exchange drafts for, checks forwarded through Federal reserve banks.

The court dismissed the petition by a mere memorandum decision and did not modify or supplement its former opinion, which was published in the *FEDERAL RESERVE BULLETIN* for June, 1922 (page 175 of the short edition and page 701 of the final edition).

Exercise of fiduciary powers by national banks located in Pennsylvania.

Below is the opinion of the Superior Court of Pennsylvania rendered November 23, 1922, in the case of the *Estate of Edna Frisbie Turner*, upholding the right of national banks to act in fiduciary capacities in the State of Pennsylvania:

IN THE SUPERIOR COURT OF PENNSYLVANIA.

Estate of Edna Frisbie Turner. Nos. 232, 233, 234, October term, 1922. Appeals of Corn Exchange National Bank of Philadelphia, individually and as guardian of estates of Dudley B. Turner, jr., and Edna Frisbie Turner, minors, from decree of Orphans' Court of Philadelphia County. Nos. 99 and 100. Filed Nov. 23, 1922. Opinion by LINN, J.:

This appeal challenges the refusal to approve a national bank as a fiduciary. Approval was denied on the single ground that the Federal legislation conferring fiduciary powers on national banks is "in contravention of the law and established practice of this Commonwealth."

The question arose in distributing the estate of Edna Frisbie Turner, deceased, letters testamentary having been granted in 1920. Her minor children were beneficiaries under her will. In 1921 the court below appointed the Rittenhouse Trust Co., a corporation of Pennsylvania, guardian of the estates of the minors. On May 3, 1922, the account of the executors came on for adjudication. It showed a balance for the minors. The executors' petition for distribution stated that since its appointment as guardian the Rittenhouse Trust Co. was converted into a national bank, and, thereafter was consolidated into the Corn Exchange National Bank. Distribution to the bank, as guardian, was therefore asked.

In referring to the subject, the auditing judge said: "In the matter of the National Bank of Germantown, 30 District Rep. 603, it appears that this court has refused to recognize or approve national banks for appointment as fiduciaries by this court. It does not appear that the

merged corporation Corn Exchange National Bank has been approved by this court for appointment as a fiduciary. The award to the Turner minors will therefore be made subject to the merged corporation being approved, and in the event of their failing to obtain the approval of this court, the award will be payable to a succeeding guardian when duly appointed and qualified."

Accordingly the bank then filed a petition drawn pursuant to the proper rule of court, setting forth its incorporation under the national banking law, various facts concerning its management and assets, and the consolidation with the Rittenhouse National Bank, formerly the Rittenhouse Trust Co.; that it was authorized by the Federal Reserve Board to transact a general fiduciary business; had complied with the law of Pennsylvania governing the transaction of such business; had accepted the provisions of the act of May 9, 1889, P. L. 159, and also of the act of May 20, 1921, P. L. 991, making itself subject to supervision and examination by the Banking Department of Pennsylvania the same as corporations of Pennsylvania. A number of evidential exhibits were attached to the petition, among them a stipulation under rule 21, by which the applicant "hereby stipulates and undertakes irrevocably that securities and other property received by the corporation both in a fiduciary capacity and from the person or persons for whom it is surety shall not be taken out of the jurisdiction of the court and shall be kept separate and apart from all money, securities, and property of the said bank so that the same can at all times be easily identified as belonging to the estate of the person or persons for whose account the same has been received, and that the trust funds received by said bank, either as fiduciary or for the person or persons for whom it is surety, shall be deposited in a separate account in a bank or banks or trust company or trust companies other than said Corn Exchange National Bank of Philadelphia, of good standing in Philadelphia County."

On the same day the petition was refused for reasons previously given in the case of the National Bank of Germantown (*supra*). From that refusal this appeal to No. 232, October term, 1922, was taken.

Three days later, the bank, as guardian of the estates of the children, filed another petition setting forth that pursuant to "the adjudication of the executors' account," its petition for approval as fiduciary under rule 21 had been filed and dismissed; that it was advised by counsel that by specified acts of Congress with the approval of the Federal Reserve Board, it was authorized to transact a fiduciary business, and having accepted the provisions of applicable State law specified, it was "fully qualified and authorized to continue to act as guardian of the estates of Dudley B. Turner, jr., and Edna Frisbie Turner, minors, and in all other fiduciary capacities, and that the dismissal of the petition for approval under Rule 21 was without legal justification or authority." Petitioner asked for an order directing the executors to pay to it as guardian of the estate of the minors, the money awarded to them by the adjudication. By supplemental adjudication, this petition was dismissed for the reasons previously given. Exceptions to these adjudications were then filed; after they were dismissed, two appeals were taken, one by the bank as guardian, the other individually (Nos. 233 and 234, October term, 1922). The appeals were argued together and shall be so disposed of.

As no particular or special objection to petitioner is made, we need consider in the light of the record the problem as thus stated by the court below: "The question is, therefore, raised as to whether this court should approve them (national banks) for appointment in fiduciary capacities and accept them as surety. We should approve them unless the Federal acts are in contravention of the law and

established practice of this Commonwealth." In re National Bank of Germantown, 30 District Reports, 603.

The act of Congress approved December 13, 1913, enacted that "The Federal Reserve Board shall be authorized and empowered * * * (k) to grant by special permit to national banks applying therefor when not in contravention of State or local law, the right to act as trustee, executor, administrator, or registrar of stocks and bonds under such rules and regulations as the said board may prescribe" (c. 6, sec. 11, par. k. 38 Stats. 251; U. S. Comp. Stats. 1918, s. 9794). Later some definition of the words "In contravention of State or local law" became desirable, and was supplied by an amendment of September 26, 1918 (40 Stats. 967, U. S. Comp. Stats. 1918 Suppl. 9497 k). It was as follows: "(k) To grant by special permit to national banks applying therefor, when not in contravention of State or local law, the right to act as trustee, executor, administrator, registrar of stocks and bonds, guardians of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State in which the national bank is located.

"Whenever the laws of such State authorize or permit the exercise of any or all of the foregoing powers by State banks, trust companies, or other corporations which compete with national banks, the granting to and the exercise of such powers by national banks shall not be deemed to be in contravention of State or local law within the meaning of this act.

"National banks exercising any or all of the powers enumerated in this subsection shall segregate all assets held in any fiduciary capacity from the general assets of the bank and shall keep a separate set of books and records showing in proper detail all transactions engaged in under authority of this subsection. Such books and records shall be open to inspection by the State authorities to the same extent as the books and records of corporations organized under State law which exercise fiduciary powers, but nothing in this act shall be construed as authorizing the State authorities to examine the books, records, and assets of the national bank which are not held in trust under authority of this subsection.

"No national bank shall receive in its trust department deposits of current funds subject to check or the deposit of checks, drafts, bills of exchange, or other items for collection or exchange purposes. Funds deposited or held in trust by the bank awaiting investment shall be carried in a separate account and shall not be used by the bank in the conduct of its business unless it shall first set aside in the trust department United States bonds or other securities approved by the Federal Reserve Board.

"In the event of the failure of such bank the owners of the funds held in trust for investment shall have a lien on the bonds or other securities so set apart in addition to their claim against the estate of the bank.

"Whenever the laws of a State require corporations acting in a fiduciary capacity to deposit securities with the State authorities, for the protection of private or court trusts, national banks so acting shall be required to make similar deposits and securities so deposited shall be held for the protection of private or court trusts, as provided by the State law.

"National banks in such cases shall not be required to execute the bond usually required of individuals if State corporations under similar circumstances are exempt from this requirement.

"National banks shall have the power to execute such bond when so required by the laws of the State.

"In any case in which the laws of a State require that a corporation acting as trustee, executor, administrator, or in any capacity specified in this section, shall take an oath or make an affidavit, the president, vice president, cashier,

or trust officer of such national bank may take the necessary oath or execute the necessary affidavit.

"It shall be unlawful for any national banking association to lend any officer, director, or employee any funds held in trust under the powers conferred by this section. Any officer, director, or employee making such loan, or to whom such loan is made, may be fined not more than \$5,000 or imprisoned not more than five years, or may be both fined and imprisoned, in the discretion of the court.

"In passing upon applications for permission to exercise the powers enumerated in this subsection, the Federal Reserve Board may take into consideration the amount of capital and surplus of the applying bank, whether or not such capital and surplus is sufficient under the circumstances of the case, the needs of the community to be served, and any other facts and circumstances that seem to it proper, and may grant or refuse the application accordingly; provided, that no permit shall be issued by any national banking association having a capital and surplus less than the capital and surplus required by State law of State banks, trust companies, and corporations exercising such powers."

Since Congress has provided that if the State law authorize or permit the exercise of * * * (guardianship) by State banks, trust companies, or other corporations which compete with national banks, "the granting to and the exercise of such powers by national banks shall not be deemed to be in contravention of State or local law within the meaning of this act," the decision of these appeals must depend on whether Pennsylvania permits such competing corporations to act in that capacity; if the State law so provides, the national bank must be permitted to enjoy fiduciary powers. As familiar State laws confer that power on such corporations, the learned court below misinterpreted the acts of Congress in holding them to be in contravention of the State law.

The Federal legislation is constitutional, *First National Bank v. Fellows*, 244 U. S. 416, and the congressional power is plenary. Except as Congress permits, a State can not stand in the way of corporate activity so authorized by Congress; such authority confers immunity from State interference, legislative or judicial; *N. P. R. Co. v. North Dakota*, 250 U. S. 135, and *Telephone Co. v. South Dakota*, 250 U. S. 163; *Second Employers' Liability cases*, 223 U. S. 1; *P. & R. Rwy. Co. v. Polk*, 256 U. S. 332, 335.

The effect of the amendment of 1918 on the act of 1913, as a mere rearrangement of the words will show, was to authorize the Federal Reserve Board to grant by special permit to national banks applying therefor (having the required "capital and surplus," supra), the right to act in any fiduciary capacity in which State banks or other corporations which come into competition with national banks are permitted to act under the laws of the State in which the national bank is located, *whenever the laws of such State authorize or permit the exercise of any or all such powers by State banks or other corporations competing with national banks*. The congressional definition or determination of what shall not be considered in contravention of State law, for the purposes of the enactment, takes no account of the fact that details of administration in the Federal system may or may not differ from administrative matters prescribed in the State system. Congress was the sole judge of the means appropriate to the end to be accomplished by the exercise of this additional power conferred on national banks; Congress knew that throughout the States widely divergent systems of fiduciary law prevailed. The administrative differences in which the court below found decisive conflict between State and Federal law may be important elements in the competition for business and in the market may or may not operate in favor of the State corporations, but these differences in themselves are not sufficient to deprive a national bank of the enjoyment of fiduciary powers, and particularly is that so in the circumstances disclosed by this record. See *First National Bank*

v. Fellows (supra); *People v. Russell*, 283 Ill. 520, compared with the prior decision of the same court in *People v. Brady*, 271 Ill. 100; *Woodbury's Appeal*, 78 N. H. 50; *Hamilton v. State*, 94 Conn. 648; *Stanchfield's estate*, 171 Wis. 553; *In re Mollineaux*, 179 N. Y. Supp. 90; *Fidelity, etc., Trust Company v. Enright*, 264 Fed. 236.

The first reason given to support its conclusion that the Federal statute was in contravention of the State law was based on comparison of provisions of the two systems concerning the deposit of trust funds. The Federal provision has been quoted. For the State, the acts of May 9, 1889, P. L. 159, and June 27, 1895, P. L. 402, provide that such "companies shall keep all trust funds and investments separate and apart from the assets of the companies, and all investments made by the said companies as fiduciaries shall be so designated as that the trust to which such investments shall belong shall be clearly known." In addition, we are advised the State banking department requires trust funds to be deposited in a separate bank. The acts of Congress and the State laws are not alike, but a difference in permitted corporate management does not establish that the Federal statute is in contravention of the State law in the light of the explicit congressional definition of those words, and the difference is further unimportant in the decision of this case, because the record shows that petitioner has agreed to comply with the State law on the subject. The petition also contains a stipulation whereby petitioner irrevocably covenants with the court below pursuant to rule 21, that it will not remove securities or other property by it held in a fiduciary capacity out of the jurisdiction of the court and that it will deposit trust funds in a separate account with another bank or trust company.

The second point of alleged conflict the court found by comparing the part of section 11 k (supra), authorizing examination by State examiners of the affairs of a national bank, with the State law of May 21, 1919, P. L. 209, providing in section 14 (a) for examination by State examiners; but the record shows that petitioner has stipulated both with the court and with the State banking department that the State banking department shall make like examination of all its property and assets as is made in the case of State banks. The record also shows that petitioner has filed a stipulation with the banking department to be and remain subject to supervision by that department to the same extent as State corporations pursuant to the act of May 20, 1921, P. L. 991, entitled "Restricting the appointment of corporate fiduciaries by testators or by any court or register of wills to corporations fully subject to supervision and examination by the banking department."

The learned court below found its third conflict "in the case of insolvency or suspension of a national bank." The Federal law provides that in such cases the Comptroller of the Currency appoint a receiver who, under the direction of the comptroller shall take possession, administer, etc., pursuant to appropriate judicial action. The practice has long prevailed and is well understood. The court remarks that such receiver will not be under the control of the State courts. But, as to the court below, it would seem that the Federal court supervising a receivership under the national banking law is neither more nor less foreign than a State court supervising a receiver appointed by the banking commissioner administering the affairs of a State bank pursuant to State law.

It was for Congress to determine whether the details of corporate management prescribed by it were better adapted for the exercise of the plenary Federal power it desired exerted, than other methods of corporate administration effective in the States, but its provisions for the conduct of business or the administration in insolvency, though different from the State system, can not be regarded as in contravention of State law within the terms of the amendment of 1918.

The orders appealed from are reversed and the record remitted with instructions to enter an order consistent with this opinion.

Porter, J., dissents.

Gawthrop, J., did not hear the argument and did not participate in the decision.

Right of Federal reserve bank to charge back forged Government check.

Below is printed the opinion of the Circuit Court of Appeals for the Second Circuit, rendered October 31, 1922, by Hon. Martin T. Manton, circuit judge, in the case of *Closter National Bank v. Federal Reserve Bank of New York*, upholding the right of the Federal reserve bank to charge to the member bank the amount of a check on the Treasurer of the United States, returned by the Treasury Department because of forgery.

The Federal Reserve Bank of New York received for collection from the Closter National Bank a check on the Treasurer of the United States. The check was duly credited and forwarded for payment. More than a year later the Federal reserve bank was notified that the check was a forgery. Thereupon the amount of the check was charged to the Closter National Bank, which then brought an action against the Federal reserve bank to recover this amount.

The court held that under the terms of the collection agreement as contained in a circular letter issued by the Federal reserve bank, the latter could at any time and unconditionally charge back the amount of this check to the Closter National Bank and, therefore, judgment was entered for the Federal reserve bank.

UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT.

CLOSTER NATIONAL BANK, plaintiff in error, }
against
 FEDERAL RESERVE BANK OF NEW YORK, }
 defendant in error.

Before: ROGERS, MANTON, and MAYER, circuit judges.

Writ of error from the United States District Court for the Southern District of New York. Action by plaintiff against the defendant to recover the amount of a check drawn on the Treasurer of the United States.

Judgment for defendant; plaintiff appeals. Affirmed.

MANTON, circuit judge.

On March 31, 1919, a check was drawn on the Treasurer of the United States purporting to be for \$4,000. It was presented to the plaintiff in error by one representing himself to be the payee therein named, and it was endorsed "Pay to the order of any bank or trust company. March 31, 1919. Endorsements guaranteed. The Closter National Bank, Closter, N. J." This paper was sent on April 3, 1919, to the defendant in error for collection. The plaintiff in error was a member of the second Federal reserve district located outside of the State of New York, and elected to collect the check in question through the defendant in error, but did so under the terms and conditions of a circular letter known as No. 37, dated December 29, 1915, and which reads as follows:

"Member banks of this district located outside of the city of New York are notified that on and after January 1, 1916, they may include in their remittances to the Federal Reserve Bank of New York for immediate credit at par, but subject to final payment by the Treasurer of the United States, all Government warrants and checks drawn on the Treasurer of the United States. Member banks situated in New York City for the present and until further notified by us are requested to collect such items through the assistant treasurer of the United States in New York in accordance with the present practice. When the facilities of the Federal reserve bank for handling Government deposits have been further developed, member banks in New York City will be notified that Government warrants and checks may be sent to this bank through the clearing house subject to final payment by the Treasurer of the United States.

"The Government has for many years exercised the right of returning at any time warrants and checks, which for any cause have not been considered good; and we have been advised that this practice will be continued.

"In view of this situation the Federal Reserve Bank of New York, as a condition of receiving Government warrants and checks on the Treasurer of the United States from member banks for credit, reserves the right to charge back and return to the depositor at any time and unconditionally any such item deposited with the Federal Reserve Bank of New York.

"Your attention is specially invited to the above condition."

The check was entered to the credit of the account of the plaintiff in error in defendant in error's bank. It was thereupon forwarded to the Treasurer of the United States for payment. The check passed through in ordinary course and after bore a signature and symbol number, and then the check was perforated as follows: "Paid 4-4-19-M9." The signature of the drawer was compared and, in due course and in accordance with the usual custom, it was audited by the disbursing officer who issued it, and it was examined by the Inspector General of the Army. Upon this audit and examination the Treasurer of the United States notified the defendant in error by letter of May 19, 1920, over a year after the deposit of the check by the plaintiff in error with the defendant in error for collection, that the check had been altered and the indorsement of the payee forged. This letter sent to the defendant in error was accompanied by a photostatic copy of the check in question and a request was made that the Treasurer of the United States be credited with the amount of the item. In accordance with the practice prevailing in the bank of the defendant in error the Treasurer was credited with the item of \$4,000 and within 30 days thereafter he was paid this amount. The plaintiff in error was notified by the defendant in error of the Treasurer's statement that the check was forged and altered, and there was forwarded to the plaintiff in error, with its photostatic copy of the check, a notice of the charge of the amount to the plaintiff in error's account. Thereupon the plaintiff in error objected to the charge and denied liability for the forgery. It resulted in the present action.

The contract between the parties embraces the contents and obligations imposed by the circular letter No. 37. The defendant in error was appointed depository and fiscal agent of the United States, and it offered to certain member banks of the second Federal reserve district the option of presenting for payment checks and warrants on the Treasurer of the United States through it, but it made the terms as set forth in the circular above. The plaintiff in error was free to accept or refuse to accept the services of the defendant in error as it saw fit. It might have used other available means for collecting Government checks and warrants if it so desired. While immediately crediting the account of the plaintiff in error with the defendant

in error, it was always subjected to final payment by the Treasurer. Crediting the account accorded an advantage to the member banks in affording means for making funds promptly available. In undertaking this service, the defendant in error became a collecting agent. Under the terms of the circular, defendant in error had the right, should the United States at any time not pay, to return such check for any reason which the Government might consider good, and the defendant in error could at any time and unconditionally charge back the amount credited to the plaintiff in error, at the same time returning the item so charged back. The right to do so was indefinite as to time; it might be done at any time and unconditionally. It was with this understanding and agreement that the defendant in error gave credit and accepted the obligation to perform this service for the plaintiff in error.

But it is contended that the defendant in error's right to charge back the item is dependent upon its showing that the item was in fact a forgery and alteration as claimed by the Treasurer. By the terms of the collection agreement under which the defendant in error performed the service, the collection agent had the right, if it acted in good faith, to charge back the item to the plaintiff in error's account without the necessity of establishing a forgery or alteration of the warrant. The memorandum credit accorded by the agreement of which the circular letter is a part, was always qualified by the clause "subject to final payment." And by that clause the Government has for many years exercised the right of returning at any time, warrants and checks which, for any cause, have not been considered good and the plaintiff in error was notified that this practice would be continued as a condition of receiving Government warrants and checks on the Treasurer of the United States from member banks for credit, with "the right to charge back at any time and return to the depositor at any time and unconditionally any such item deposited with the Federal reserve bank." To place any other construction upon the terms of the circular would be to treat the phrase quoted as surplusage. Under the law the Treasurer might recover if he paid the warrant because of the forgery and therefore, as a matter of law, the item was not finally paid.

In the *United States v. Exchange National Bank* (214 U. S. 302) the United States was held not to be chargeable with knowledge of the signatures of persons entitled to pension checks and that it could recover from a bank receiving payment from a subtreasury on checks to which the names of payees had been forged.

In *Cooke v. United States* (91 U. S. 389) the court laid down the rule governing the right of the Treasurer to repudiate payments of counterfeiting items, and said that if presentation is made at the time when a complete examination can not be had, such payment is tentative and does not amount to an adoption, and that further inquiry may be made and if the paper is found to be a counterfeit, it may be returned within a reasonable time and that a reasonable time is dependent upon the circumstances of each particular case; but that until a reasonable time has in fact elapsed, the law will not impute negligence on account of delay.

And in the instant case, this warrant was presented at a time when the War Department was in a great rush of business owing to an accumulation incident to the conduct of the war.

In *Onondaga Bank v. United States* (64 Fed. 703) the Government was allowed to recover after two years had elapsed between payment and discovery of the forgery. We think the plaintiff in error may not recover under any of the terms of the contract under which the service of collection was performed, nor may it recover against the defendant in error by reason of any neglect or unreasonable delay on the part of the defendant in error.

Judgment affirmed.

State Banks and Trust Companies.

Admissions.

The following list shows the State banks and trust companies which were admitted to membership in the Federal reserve system during the month ending December 31, 1922, on which date 1,652 State institutions were members of the system:

	Capital.	Surplus.	Total resources.
<i>District No. 6.</i>			
Farmers & Merchants Bank, Eatonton, Ga.....	\$25,000		\$26,257
<i>District No. 8.</i>			
City Trust Co., St. Louis, Mo.....	200,000	\$45,000	1,820,518
Laclede Trust Co., St. Louis, Mo.....	200,000	35,000	1,698,849
<i>District No. 10.</i>			
Bankers Trust Co., Denver, Colo....	1,000,000	250,000	4,265,518

Voluntary liquidation.—Farmers & Merchants Bank, Rupert, Idaho.
Withdrawal.—Merchants & Planters Bank, Whitecastle, La.
Bank closed.—Bank of Hansen, Hansen, Idaho.

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 November 25 to December 29, 1922, inclusive:

	Number of banks.	Amount of capital.
New charters issued.....	7	\$875,000
Restored to solvency.....	2	50,000
Increase of capital approved.....	36	8,615,000
Aggregate of new charters, banks restored to solvency, and banks increasing capital.....	45	9,540,000
Liquidations.....	12	1,450,000
Reducing capital.....	3	150,000
Total liquidations and reductions of capital.....	15	1,600,000
Consolidations of national banks under act of Nov. 7, 1918.....	1	200,000
Aggregate increased capital for period.....		9,540,000
Reduction of capital owing to liquidations, etc.....		1,600,000
Net increase.....		7,940,000

Fiduciary Powers Granted to National Banks.

During the month of December the Federal Reserve Board approved applications of the national banks listed below for permission to exercise one or more of the fiduciary powers named in section 11 (k) of the Federal reserve act as amended, as follows:

- Trustee.
- Executor.
- Administrator.
- Registrar of stocks and bonds.
- Guardian of estates.
- Assignee.
- Receiver.
- Committee of estates of lunatics.
- In any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State in which the bank is located.

The numerals opposite the name of each bank indicate the power or powers it is authorized to exercise, as given below:

Place.	District No.	Name of bank.	Powers granted.
Washington, N. J.	2	First National Bank.....	1 to 9.
Salem, N. J.	3	City National Bank.....	1 to 9.
Waynesboro, Pa.	3	Citizens National Bank.....	1 to 9.
Mount Carmel, Pa.	3	First National Bank.....	1 to 9.
Charlotte, N. C.	5	Charlotte National Bank.....	1 to 9.
Greenville, S. C.	5	Woodside National Bank.....	1 to 9.
Miami Beach, Fla.	6	Miami Beach First National Bank.....	1 to 9.
Alexandria, Minn.	9	First National Bank.....	1 to 9.
Hutchinson, Minn.	9	Farmers National Bank.....	1 to 9.
Joplin, Mo.	10	Joplin National Bank.....	1 to 9.
Wenatchee, Wash.	12	First National Bank.....	1 to 9.

Election of Directors.

The following directors of Federal reserve banks have been elected for the three-year term beginning January 1, 1923:

- District No. 1—Boston:
 Class A—Frederick S. Chamberlain, New Britain, Conn.
 Class B—E. R. Morse, Proctor, Vt.
 Class C—Jesse H. Metcalf, Providence, R. I.
- District No. 2—New York:
 Class A—Gates W. McGarrah, New York, N. Y.
 Class B—Owen D. Young, New York, N. Y.
 Class C—Pierre Jay, New York, N. Y.
- District No. 3—Philadelphia:
 Class A—John C. Cosgrove, Johnstown, Pa.
 Class B—Alba B. Johnson, Philadelphia, Pa.
 Class C—H. B. Thompson, Wilmington, Del.
- District No. 4—Cleveland:
 Class A—Chess Lambertson, Franklin, Pa.
 Class B—R. P. Wright, Erie, Pa.
 Class C—L. B. Williams, Cleveland, Ohio.
- District No. 5—Richmond:
 Class A—John F. Bruton, Wilson, N. C.
 Class B—Edwin C. Graham, Washington, D. C.
 Class C—Robert Lassiter, Charlotte, N. C.
- District No. 6—Atlanta:
 Class A—Oscar Newton, Jackson, Miss.
 Class B—W. H. Hartford, Nashville, Tenn.
 Class C—W. H. Kettig, Birmingham, Ala.
- District No. 7—Chicago:
 Class A—Chas. H. McNider, Mason City, Iowa.
 Class B—S. T. Crapo, Detroit, Mich.
 Class C—F. C. Ball, Munice, Ind.
- District No. 8—St. Louis:
 Class A—John C. Martin, Salem, Ill.
 Class B—W. B. Plunkett, Little Rock, Ark.
 Class C—C. P. J. Mooney, Memphis, Tenn.
- District No. 9—Minneapolis:
 Class A—Theodore Wold, Minneapolis, Minn.
 Class B—F. R. Bigelow, St. Paul, Minn.
 Class C—George W. McCormick, Menominee, Mich.
- District No. 10—Kansas City:
 Class A—Frank W. Sponahle, Paola, Kans.
 Class B—M. L. McClure, Kansas City, Mo.
 Class C—Fred O. Roof, Denver, Colo.
- District No. 11—Dallas:
 Class A—W. H. Patrick, Clarendon, Tex.
 Class B—Marion Sansom, Fort Worth, Tex.
 Class C—Clarence E. Linz,¹ Dallas, Tex.
- District No. 12—San Francisco:
 Class A—C. K. McIntosh, San Francisco, Calif.
 Class B—Elmer H. Cox, Madera, Calif.
 Class C—William Sproule, San Francisco, Calif.

¹ Elected to fill unexpired term of W. F. Ramsey, deceased. Term expires Dec. 31, 1923.

Federal Reserve Agents.

The Federal Reserve Board has redesignated the following-named class C directors as Federal reserve agent and chairman of the board of directors of Federal reserve banks:

Boston—Frederick H. Curtiss.
 New York—Pierre Jay.
 Philadelphia—R. L. Austin.
 Cleveland—D. C. Wills.
 Richmond—Caldwell Hardy.
 Atlanta—J. A. McCord.
 Chicago—Wm. A. Heath.
 St. Louis—Wm. McC. Martin.
 Minneapolis—John H. Rich.
 Kansas City—Asa E. Ramsay.
 Dallas—W. B. Newsome.
 San Francisco—John Perrin.

INTERBANK DEPOSITS.

Although the establishment of Federal reserve banks loosened the tie between country banks and their city correspondents, nevertheless these correspondents still perform important functions for the country banks. Of these functions the one that is of greatest consequence from the point of view of the money market is the holding of country bankers' balances by the large banks in New York City and other financial centers. These balances represent in the main funds not required at a given time by the banks in the interior for the accommodation of their customers. These surplus funds are transferred to New York, whence they can be recalled on demand, and where they draw interest at the customary rate of about 2 per cent. The city banks keep these funds liquid by loaning them out largely upon call against stock exchange security. Part of these funds is loaned out by the New York banks on account of their correspondents, and amounts so loaned are deducted from the deposits of the out-of-town banks, while another part is placed by the New York banks on their own account and is included in the total of amounts due to banks and bankers.

Statistics of amounts due to and due from banks and bankers are available for all member banks on call dates and are shown in an attached table for every call date from June 30, 1919, to June 30, 1922. Similar figures are also available for reporting member banks in leading cities for every week and are shown below, by Federal reserve districts, for a period beginning with April 30, 1920. These figures have never been printed before and are pre-

sented in full in order to be available for future reference. A table is also given showing by weeks since April 2, 1920, corresponding figures and relevant selected items in the statement of the New York City member banks and of the New York Federal Reserve Bank. While no statistics of stock exchange loans are available for publication, it may be stated that in general the trend of these loans is closely parallel to the trend of amounts due to banks and bankers.

The figures for all member banks on call dates show that the maximum amount of interbank deposits was reached in November and December, 1919. The total amounts due to other banks were over \$4,000,000,000 at that time. From this total the amounts declined until the end of April, 1921, when they stood at \$2,665,000,000, but on June 30 last they had advanced to \$3,124,000,000. By far the larger part of the amounts due from banks and bankers, it will be noted, is shown for banks outside of New York City, and a large proportion for banks outside of central reserve and reserve cities. The trend of this item is the same as of amounts due to banks, but the total involved is much less, owing to the fact that a large part of the balances are due to nonmember banks in the interior, which are not included in the tabulation.

Balances of out-of-town correspondents with New York City banks are an indicator of the extent of credit demand throughout the country, as an increasing demand in the interior results in the withdrawal of New York balances. The year 1920 was one of great credit strain, and country correspondents were withdrawing their balances from the New York bank in considerable amounts, although temporary and seasonal influences made the total balances move up and down throughout the period. The year 1921, on the other hand, was a year of liquidation during which country banks kept their New York balances at a fairly steady level, although toward the end of the year the balances increased. In 1922 the general trend was upward with wide fluctuations.

It may be noted that amounts due to correspondents constitute about one-fourth of demand deposits of the New York banks and are generally more than twice as large as their time deposits. The balances are considerably larger than the reserve deposits kept by the New York banks with the Federal reserve bank, with the consequence that even relatively moderate withdrawals of funds by outside correspondents frequently result in borrowing by

New York banks from their reserve bank. Thus withdrawals of bank balances from New York in 1920 were among the principal causes of the increase in borrowings at the reserve bank. In 1921, however, no relationship between the New York balances and the borrowings from the reserve bank can be traced. During that year liquidation of bank loans was rapid and was effected by the retirement of Federal reserve notes, which declined by over \$200,000,000 from the beginning of 1921 to May, 1922, for the New York bank alone, and the importation of gold, which resulted in an increase of the gold reserves of the New York bank by over \$600,000,000 during the period. In 1922, however, with the gold and note accounts of the reserve bank showing much smaller changes, borrowings from the reserve bank are again affected by changes in out-of-town balances. During the early part of the year the balances increased and the borrowings from the reserve bank declined, while in the latter part of the year balances showed a general downward trend, as borrowings from the reserve bank increased.

Prior to the establishment of the reserve system withdrawals of balances by out-of-town correspondents resulted in the calling of loans by banks in New York and in the creation of a serious money stringency, sometimes, as in the fall of 1907, amounting to panic. The New York Federal Reserve Bank partly relieves the member banks of the necessity of calling their loans to meet the strain caused by the withdrawal of balances. Instead of calling their loans the banks now borrow from

the reserve bank, thus reducing the fluctuations in the supply of funds on the New York market.

INTERBANK DEPOSITS OF ALL MEMBER BANKS.

(Dates of calls.)

DUE TO BANKS AND BANKERS.

[In thousands of dollars.]

Date.	New York City.	Other central reserve and reserve cities.	Country banks.	Total.
June 30, 1919.....	1,372,314	1,879,372	398,816	3,650,502
Nov. 17, 1919.....	1,389,357	2,169,442	519,816	4,078,615
Dec. 31, 1919.....	1,380,096	2,189,367	521,937	4,091,400
May 4, 1920.....	1,207,407	1,837,434	429,518	3,524,359
June 30, 1920.....	1,319,575	1,762,099	379,342	3,461,016
Nov. 15, 1920.....	1,113,990	1,732,267	355,534	3,201,791
Dec. 29, 1920.....	1,073,863	1,650,536	337,905	3,062,304
Apr. 28, 1921.....	938,577	1,425,139	301,131	2,664,847
June 30, 1921.....	1,018,789	1,381,183	288,124	2,688,096
Dec. 31, 1921.....	1,036,068	1,499,314	299,263	2,834,645
Mar. 10, 1922.....	1,060,762	1,749,439	331,761	3,141,962
June 30, 1922.....	1,084,805	1,706,183	332,753	3,123,741

DUE FROM BANKS AND BANKERS.

Date.	New York City.	Other central reserve and reserve cities.	Country banks.	Total.
June 30, 1919.....	290,255	958,841	875,978	2,125,074
Nov. 17, 1919.....	328,738	1,175,125	1,071,493	2,575,356
Dec. 31, 1919.....	350,571	1,121,866	1,046,272	2,518,709
May 4, 1920.....	117,940	867,652	888,581	1,874,173
June 30, 1920.....	130,689	867,538	825,814	1,824,041
Nov. 15, 1920.....	85,399	854,056	834,871	1,774,326
Dec. 29, 1920.....	91,535	744,727	740,360	1,576,622
Apr. 28, 1921.....	77,673	622,141	625,172	1,324,986
June 30, 1921.....	109,264	634,109	610,241	1,353,614
Dec. 31, 1921.....	72,123	697,108	680,406	1,449,637
Mar. 10, 1922.....	65,205	807,100	741,613	1,613,918
June 30, 1922.....	72,546	826,193	748,034	1,646,773

SELECTED ITEMS FOR REPORTING MEMBER BANKS IN NEW YORK CITY AND FOR FEDERAL RESERVE BANK OF NEW YORK.

[In thousands of dollars.]

Table with 6 columns: Date, Reporting member banks in New York City (Due to banks and bankers, Reserves with Federal reserve bank, Accommodation at Federal reserve bank), Federal Bank New York (Federal reserve note circulation), Reserve of New York (Total cash reserves). Rows cover dates from Apr 2 1920 to Aug 10 1921.

SELECTED ITEMS FOR REPORTING MEMBER BANKS IN NEW YORK CITY AND FOR FEDERAL RESERVE BANK OF NEW YORK—Continued.

[In thousands of dollars.]

Table with 6 columns: Date, Reporting member banks in New York City (Due to banks and bankers, Reserves with Federal reserve bank, Accommodation at Federal reserve bank), Federal Bank New York (Federal reserve note circulation), Reserve of New York (Total cash reserves). Rows cover dates from Aug 17 1921 to Dec 27 1922.

THE FIRST THREE YEARS OF GERMAN REPARATION.

PART III.—MODIFICATIONS OF THE TREATY.

THE SPA AGREEMENT.

This article will be concerned in the main with the negotiations subsequent to the second Conference of London, which concluded with the acceptance of the Reparation Commission's decision by Germany on May 11, 1921; for, with the qualification noted in the preceding articles, no true modifications of the treaty of Versailles could take place until the Reparation Commission had announced its decision. Prior to this date, however, one important concession had been made to Germany in the matter of coal deliveries. This was at the Spa Conference, in July, 1920.

It will be recalled that, under the treaty, Germany's liability in coal was, for 1920-21: To France, say, 25,000,000 tons; to Belgium, 8,000,000 tons; to Italy, 6,000,000 tons. Despite periodic reductions by [the Reparation Commission of the deliveries] required from Germany, the actual deliveries had invariably fallen short of the demands. In fact, at the time of the conference, Germany was delivering at only one-half of the required rate. Yet, at the same time, it appeared that without the consent of the commission, contracts were being made with dealers in Switzerland and Holland involving the delivery of 35,000 and 80,000 tons per month, respectively. The German delegates at first professed their inability to deliver more than 1,100,000 tons per month, while the Allies offered as a temporary concession the delivery of 2,000,000 tons per month for the next six months. Later Germany proposed to deliver 1,400,000 tons per month from October 1, 1920, and 1,700,000 from October 1, 1921, on condition that the food situation had improved by that time. The food problem was always to the fore in this connection, for it was clearly perceived that German production could never increase to the necessary dimensions without an increase in the food supplies for the miners. It was reported by the London Times on July 16 that Mr. Lloyd George and Herr Stinnes had made a bargain that, if the Germans on their side would raise their offer to 2,000,000 tons, the Allies would increase the price at which the deliveries were estimated. Accordingly the Germans made a proposal to deliver 2,000,000 tons on several conditions. First, that the Allies would pay to Germany,

in cash, the difference between the German pit-head price¹ and the world market price of coal; second, that the Allies' intention of establishing a commission to supervise coal movements be abandoned; third, that a mixed Allied and German commission be set up at Essen to study the condition of the mines; fourth, that the Allies provide a fund for feeding German miners and improving the housing conditions.

Ultimately terms for the next six months² were imposed, the main features of which were as follows:

(1) Germany to deliver 2,000,000 tons per month.

(2) A premium of 5 gold marks per ton to be paid by the party receiving the coal in addition to the price as fixed in the treaty, to be expended in providing foodstuffs for German miners.

(3) A joint commission to be set up at Essen to seek means of improving the conditions of the miners, with a view to greater efficiency.

(4) The Allies to make advances to Germany to the extent of the difference between the price mentioned in (2) above and the German or British export price f. o. b. port (whichever be lower), such advances to enjoy an absolute priority over all other claims of the Allies against Germany. These advances were to be in the form of credit, not of cash.

(5) If the first three months' deliveries fell short, the Allies would proceed to occupy the Ruhr Valley or some other hitherto unoccupied area.

(6) A permanent delegation of the Reparation Commission was set up in Berlin, to pass upon the production and distribution plans submitted by the German authorities in providing for the deliveries to the Allies.

In January, 1921, the Spa agreement lapsed, and with it the credits allowed to Germany, the payments of 5 gold marks per ton, and the reduced demands for deliveries. Hence there was an automatic reversion to the terms of the treaty which have not since been revised in any permanently important respect. The fixing of the demands since that time seems to have been based partly upon German capacity to deliver and partly upon world market conditions, and the arrangements made were in all cases merely temporary. A return to the pre-

¹ The German price was artificially kept down by Government regulation. On the authority of Mr. Keynes, the difference between the German pithead price and the British export price was about 70 shillings per ton (100 shillings less 30 shillings) at this time.

² The period of the agreement is important, for at its conclusion the terms thereof lapsed, and the treaty conditions came into force again.

war avenues of trade was marked by a Franco-German agreement, in August, 1921, that France would deliver 3,500,000 tons of Saar coal annually to Germany. The Wiesbaden³ agreement provided that, if France did not require all the coal she was entitled to under the treaty, Germany might export the unrequired amount and pay France on the German delivery basis. Then in January, 1922, the coal demands were fixed at 5,750,000 tons per quarter, which is somewhat lower than the Spa demand and very materially below the treaty demands. There were in addition various price adjustments made, such as that of August, 1921, when the finance ministers decided that France should be charged for sea-borne coal deliveries up to August 31 at the German internal price, instead of the British export price, a distinct concession to France in view of the low price of German coal, kept down by governmental regulation.

THE WIESBADEN AGREEMENT.

The events which, after the Reparation Commission's decision, gave rise to the most lively discussion during 1921 were the conversations between M. Loucheur and Herr Rathenau, at that time the French and German ministers of reconstruction, and the agreement concluded at Wiesbaden which was the outcome thereof. The agreement signed on October 6 is very complicated in its documentation, but may be understood merely as a convention simplifying reparation payments by providing for the direct supply of restoration materials to France. It will be recalled that the treaty provided⁴ for the liquidation of a part of Germany's obligations by deliveries of such materials, for which it was later agreed, the recipient country was to pay over to the commission the fair value thereof in currency or bond coupons within a month of their receipt. The Wiesbaden agreement, in effect, replaced the pertinent parts of the treaty, so far as they related to France, by an arrangement for larger deliveries with partially deferred credit given therefor in Germany's reparation account. Up to May 1, 1926, Germany was to deliver a maximum of goods, including deliveries under unimpaired annexes of the treaty,⁵ valued at 7 billions of gold marks. The deliveries were to be facilitated by a German and a French company, under Government control, but financed in part by private capital.

The former would assemble the material ordered by private individuals through the latter, and undertake its transmission to suitable terminals, whence the French company would deliver it to the individuals whose orders it was executing. The French company would dispose of the material solely for rebuilding the devastated regions, and would fix the prices at such a figure as would not compete unreasonably with the French private interests, which had been strongly opposed to the agreement. Germany's interests were protected by the provision that the deliveries were to be "compatible with the possibilities of production in Germany, and subject to the limitations as to supplies of raw materials" and "in accord with the requirements necessary for Germany to maintain her social and economic life." The prices with which Germany was to be credited were to be fixed by mutual consent, or, failing agreement, by a commission of three, comprising one German and one French nominee, with a mutually acceptable third member, or, failing that, a nominee of the Swiss President. A price list was to be fixed every three months, the prices to correspond with French internal prices, less customs and transportation charges. In addition, provision was made for the execution of orders given by individuals, not through the company, but to a private German producer.

The deferred-payment scheme contained a blanket provision that in no case should Germany be credited with more than 1 billion gold marks in any one year. Secondly, Germany would only be given immediate credit for a maximum of 45 per cent of the values of the year's deliveries if these were less than 1 billion gold marks, or 35 per cent if they were more. The former limitation applied to treaty and agreement provisions together, the latter to agreement provisions only. So that in effect they meant that a minimum of 55 or 65 per cent, as the case might be, would be carried forward, to be credited by installments. This balance was to carry interest at 5 per cent per annum, and would be wiped out in 10 equal yearly installments, from May 1, 1926—that is, from the end of the opening period of the agreement. But it was expressly provided that in no case should France be debited in any one year with a total of agreement and treaty deliveries in excess of her agreed proportion of reparation payments (52 per cent). Provision was made for the renewal of the agreement beyond the four and a half years of its present life.

³ See below.

⁴ Annex IV; see November, 1922, BULLETIN, p. 1293.

⁵ Annexes III, V, VI; see November, 1922, BULLETIN, p. 1294.

In addition to the general part of the agreement, there were added four supplementary agreements. One of these, dealing with coal, has already been outlined above. Another provided for the closing of the animals account by the delivery of 62,000 horses, 25,000 cows, 25,000 sheep, 20,000 hives of bees;⁶ another for the liquidation of Germany's liabilities in respect of restitution of industrial materials by delivery of 120,000 tons of machinery as ordered, with a payment of 158,000,000 of marks in gold;⁷ and the fourth for the delivery of 6,000 railroad cars to satisfy France's rolling stock claims.⁸

This agreement could not, of course, be put into effect until the consent of the other Allies had been obtained. Hence it was forwarded to the Reparation Commission for its consideration. The commission, in its decision of October 20, entirely approved the principles underlying the agreement, but saw in it certain departures from the terms of the treaty, in that it violated in particular the provision for division of the reparation receipts among the Allies as agreed "on a basis of general equity and the rights of each," and that giving the commission power to fix the value of goods delivered by Germany.⁸ Having no power to authorize these departures then, the commission referred the memorandum to the Governments represented on it, with a recommendation that it should receive a favorable examination.

On October 26 the British member of the commission, Sir John Bradbury, submitted to his Government a report on the proposed agreement, in which he showed that Germany was by the agreement taking upon herself heavier burdens than had been laid on her by the London decision. In view of the fact, then, that that decision, made so recently, "represented, in the opinion of the * * * commission * * * the maximum burden * * * Germany could be expected to be able to bear," the agreement was liable to prejudice the fulfillment of Germany's other obligations. In case of default on these latter, it was then probable that Germany would plead her agreement obligations in extenuation. This would involve, in fact, an alteration in the division of receipts, especially favorable to France. According to Sir John Bradbury's report, the Allies would, in effect, be advancing sums to France at 5 per cent, on the security,

not of the French Government, but of the French share of future reparation receipts.

Sir John Bradbury, then, supported by the Belgian and Italian delegates on the commission, recommended certain safeguards against the possible ill effects of the agreement. First, there should be a definite period, of not more than seven years after the conclusion of the deliveries, beyond which no new deferment of debit should be made. Second, that the aggregate deferred debit against France should be limited to, say, 4 billions of gold marks. Third, France should be required to pay to the general reparation account, from time to time, any amount of the deferred debits, which might be necessary to secure to the other Allies their agreed shares of the reparation receipts.

For some time no action was taken in this matter, but in March, 1921, the allied finance ministers, at their meeting at Paris, considered the agreement in detail. It is interesting to note how far the safeguards suggested by Sir John Bradbury were applied. In the first place, the agreement was approved for a period of three years, the amount remaining due at the end of 1924 and interest thereon to be canceled in 10 equal annuities, beginning May 1, 1926, by debits to France's reparation account. Further, the amounts deferred were not to exceed 350 millions of gold marks in 1922, and 750 millions in 1923 and 1924 each, so that the total deferred on May 1, 1926, could not be more than, say, 2,100 millions of gold marks. The revised draft of the agreement was finally approved by the commission in June, 1922, after provisions had been inserted for facilitating private deals, in particular the placing of orders directly with the German manufacturer. In the following month the commission notified the German Government that the agreement would come into operation on July 20.

The application of the Wiesbaden agreement was, then, the first arrangement which recognized the advisability of cutting down the demands for cash, and of making arrangements for larger deliveries of such goods as would not seriously injure the Allies' trade, and as would accelerate the restoration of the devastated areas of France to their former productive capacity.

THE CANNES CONFERENCE.

The next step in the direction of the readjustment of the Allies' demands was made at the Cannes Conference. The holding of the conference was decided upon by the French and British premiers in conversations at Boulogne

⁶ Article 238, and Annex IV; see November, 1922, BULLETIN, p. 1292, col. 1, and p. 1293.

⁷ Annex IV; see November, 1922, BULLETIN, p. 1293.

⁸ Annex II; see November, 1922, BULLETIN, p. 1291, col. 2.

in December, 1921. No details of the policy to be pursued were published, but M. Briand announced that "the two countries were determined to act together." "We have already laid down broad lines," he said, "and will only have to complete the details at Cannes." Just prior to this, however, the French Foreign Office had issued a statement embodying the principles which should govern the conversations. The first expressed France's willingness to abandon the London schedule of payments in favor of a new one, which would not, however, reduce Germany's payments; the next to reduce the armies of occupation (which were now seen to absorb the larger part of the receipts) provided Great Britain were to give absolute guarantees of support in the event of future German aggression. The third stated that France would assist in the improvement of the economic situation (by reducing tariffs, for example), recognizing that Great Britain was as concerned over trade prospects as was France over reparation. Again recognizing this fact, France was ready to undertake joint measures with Great Britain looking to the economic and industrial restoration of Germany. Lastly, and perhaps most important, France, while unwilling to reduce the reparation claims, was prepared to grant Germany every possible facility for making deliveries in satisfaction thereof.

Upon this basis, it may be assumed, then, the Supreme Council met at Cannes on January 8, 1922, one of its objects being to arrange a schedule of payments for 1922. It was here that it was decided to call a conference at Genoa, to which Germany and Russia were to be invited to send delegates, and it was this decision which brought about the resignation of M. Briand, rendering the conference to some extent abortive. On January 11 the French Senate committee for foreign affairs telegraphed to M. Briand what seemed to them to be the four essentials of any agreement on reparation which might be made with Great Britain. Such agreement must recognize that the economic and financial reconstruction of France was essential to European recovery; that there must be no reduction of the reparation demands of May, 1921, and no modification of Belgian priority; it must give definite assurance that French rights would be respected at Genoa, and must guarantee French security. Despite M. Briand's consequent resignation, however, and the Supreme Council's failure to take definite action on adjourn-

ment as to reparation, the meeting was not wholly unfruitful in this matter. The immediate fact was that the Reparation Commission granted Germany a provisional delay on the payments due on January 15 and February 15, one of the conditions being the payment every 10 days of 31,000,000 of gold marks.¹⁰ But beyond this, general agreement had been reached on the proposed program of 720,000,000 in cash and 1,750,000,000 in kind for the year 1922. Of the cash Great Britain was to receive 159,000,000, of which she would lend 139,000,000 to France. The remainder would go toward the liquidation of Belgium's prior claims.

M. Poincaré, who succeeded M. Briand, would agree to participate in the Genoa Conference only on condition that there should be no discussion there of reparation. Early in February he telegraphed to Mr. Lloyd George that France felt unable to send delegates if any of the invited Governments let it be understood that they did not entirely accept the conditions arranged at Cannes, precluding the discussion of existing peace treaties. Hence the matter of reparation was now back in the hands of the commission. Mr. Lloyd George did, as a matter of fact, call a meeting at Genoa of the signatories of the Versailles treaty to consider what steps should be taken should Germany default on May 31, but the invitation being flatly rejected by the French, even this project did not succeed in getting so much as private discussion of reparation at Genoa.⁹

On February 28, 1922, a provisional accord was reached with Germany whereby payment would be made of 720 millions in cash and 1,450 millions in kind. This represented a reduction of perhaps one-third from the London program. On March 21 the commission issued its decision embodying details of this schedule. Germany having already paid 282,000,000 in 10-day cash installments, there remained 438,000,000 to be paid during the rest of the year. On April 15, 18,000,000 was to be paid, 50,000,000 monthly from May 15 to October 15, inclusive, and 60,000,000 each on November 15 and December 15. Of the goods payments, 950,000,000 were to go to France and 500,000,000 to the other Allies, as far as orders might be placed. Merchandise delivered to the armies of occupation was to be credited to their expenses account, and not to reparation. Attached to this partial moratorium were numerous conditions,¹¹

⁹ An account of the Genoa Conference was given in the FEDERAL RESERVE BULLETIN for May, 1922, p. 549.

¹⁰ This arrangement will be dealt with more fully in the following article of the series on "Fulfillment of the Treaty."

¹¹ See final article of the series on "Fulfillment of the Treaty."

which gave rise to long correspondence between Germany and the Allies. But the decision was finally approved on May 31.

Even this program, however, did not last long. On July 11 it was decided to reduce the installment due on the 15th of that month to 32,000,000, the balance of 18,000,000 being credited on account of recent deliveries of dye-stuffs under the terms of the treaty. This fact is significant in view of the rigidity of the cash demands formulated in the partial moratorium decision.

MORATORIUM NEGOTIATIONS AND THE THIRD LONDON CONFERENCE.

On July 12, 1922, Germany laid before the commission a formal request for a moratorium of two and one-half years and a resumption of the loan negotiations which had recently broken down. For some days past Herren Fischer and Schröder had been conferring with the commission on this matter, the outcome being the reduction of the July installment and the application for a moratorium. The commission, however, deferred consideration of the larger question until the report of the guarantees committee, appointed under the commission's May 1, 1921, protocol,¹² should have been presented and examined.

Having thus expressed its inability to make further cash reparation payments, the German Government went further by asking, on July 19, that the monthly payments in respect of pre-war debts, by the clearing-house mechanism, be reduced from £2,000,000¹³ to £500,000 up to December 31, 1922. Added to this was a request that payments for damages to property rights and interests in Germany of nationals of the Allies be suspended. This request was refused by the allied compensation office on July 25.

On the following day the guarantees committee announced that Germany had agreed to certain measures of financial control¹⁴ over receipts and expenses, the floating debt, and the export of capital. The significant fact regarding this agreement is that in his formal acceptance Chancellor Wirth consented to the control for the period of the expected moratorium, to be determined at the pending London Conference.

The failure to reduce the compensation demands, and the reduction, on July 21, of the

coal deliveries for August, September, and October to 1,725,000 tons per month, gave mixed indications for the coming conference. But a far more important fact was the issuance on August 1 of the Balfour note,¹⁵ which was immediately taken as a full exposé of Britain's attitude on the reparation problem. This document was the first official recognition of the inseparability of interallied debts and reparation.

The note was addressed to the French Government, but identical notes, varying only in name of the addressee, were sent to Italy, Jugoslavia, Rumania, Portugal, and Greece. A copy was presented to the American embassy for transmission to Washington.

The British Government began by expressing its recognition of its obligations with respect to its debt to the United States, but announced that while doing so it was forced to modify the course which, in other circumstances, it might have wished to pursue. "They can not treat the repayment of the Anglo-American loan," said the note, "as if it were an isolated incident in which only the United States and Great Britain had any concern." The principles were enunciated that "their (the Allies') debts were incurred, their loans were made, not for the separate advantage of particular States, but for the great purpose common to them all," and that the United States' loans to Great Britain were largely in effect loans to the Allies on Great Britain's security.

Accordingly, Great Britain did not intend to ask more from her debtors than was necessary to pay her creditors. At the same time, she could hardly be content with less. She could not be expected to forego all, and at the same time pay all, since her people were suffering from an unparalleled burden of taxation, want of employment, and diminution in the national wealth. The amount demanded of France was therefore to depend more on the demands to be made on Great Britain by the United States than on the French debts to the United Kingdom.

The policy favored by the Government was to surrender Britain's share of reparation and cancel all interallied debts, but there was no desire to profit by a less satisfactory settlement. Of the alternatives, it was believed a general settlement would be of much greater value than the "most successful enforcement of legal obligations."

Following a great deal of unofficial discussion and criticism and supplementary statements by

¹² See December, 1922, BULLETIN, p. 1425.

¹³ This sum was agreed upon with all the Allies on June 10, 1921.

¹⁴ This will be more fully discussed in the final article of the series on "Fulfillment of the Treaty."

¹⁵ The full text of Lord Balfour's note was reprinted in the September, 1922, issue of the BULLETIN.

members of the British Cabinet of Great Britain's determined intention to pay her debt to the United States, the allied premiers assembled at London on August 7. At the outset Premier Poincaré announced France's refusal to agree to a moratorium without further guarantees from Germany. The specific proposals, which included the establishment of a customs barrier on the eastern boundary of the occupied area, the seizure of State-owned forests and mines on the left of the Rhine, and the payment of the 26 per cent export levy direct to the Reparation Commission instead of to the allied treasuries, were referred to a committee of experts, which, after careful examination, rejected them as unproductive, by a 4 to 1 majority. The proposal that Germany should hand over a share in industrial enterprises was also unfavorably reported.

The British proposals included a moratorium on cash payments until the end of 1922, measures to prevent the export of capital, to establish the autonomy of the Reichsbank, to consolidate the floating debt, and to exercise control over German finances. A more permanent proposal was to reduce the total cash reparation demands to not more than 26 per cent of exports in future years, while leaving further scope for payments in kind.

At this juncture of deadlock Signor Schanzer, obviously influenced by the Balfour note, proposed the placing of the question of an immediate moratorium in the hands of the Reparation Commission, a permanent settlement not to be made until the various countries had completed their debt funding negotiations with the United States.

This compromise failed to produce agreement, however, and the conference adjourned, on August 14, without any definite steps toward settlement having been taken.

The August 15 payment having been postponed, pending a decision at London, it was not until August 31 that the Reparation Commission decided to relieve Germany from further cash payments in 1922. The British delegate's proposal to grant this relief without guarantees was rejected. Germany was to furnish suitable guarantees for the payment of 6 months' treasury bills, which were to be delivered to the Belgian Government, to whom the immediate payments were due, in lieu of cash payments. Such guarantees were to be agreed upon between the German and Belgian Governments, and, failing agreement, gold was to be deposited as a guarantee. The decision on Germany's application for a 2½ years' mora-

torium was to be deferred until financial reforms, involving budget equilibrium and currency rehabilitation, were carried out.

Germany at first failed to give the Belgian Government satisfactory guarantees. The deposit of 100,000,000 gold marks was accordingly demanded and refused. A declaration of voluntary default was threatened by the Reparation Commission, but finally, on September 18, the Reichsbank announced its willingness to guarantee the treasury bills. This offer, which was put forward after private business negotiations between the Reichsbank and the Bank of England, was accepted by Belgium the following day. The French delegate on the Reparation Commission, however, refused to join in ratifying the arrangement, it being held that the guarantees were insufficient, and that the burden transferred by the 6 months' bills to 1923 would mean a burden on Germany which might be used as an excuse for asking relief from 1923 payments.

THE INTERNAL SITUATION IN GERMANY.

For some time past the financial position in Germany had been cause for anxiety to the Allies. It was now critical. The reparation committee, doubtless influenced by the failure of the experts to arrange a loan, in June,¹⁶ and the report of the guarantees committee, took account, in the decision just outlined, of the fact that "the German State has lost its credit and the mark has depreciated continuously." This question of currency depreciation, with all its ramifications, now became uppermost.

With the problem of stabilization in mind, Sir John Bradbury, the British representative on the Reparation Commission, put forward a proposal, made public on October 14, under which, for a period of two years, or possibly longer, Germany was to furnish 5-year treasury bonds in place of cash payments. The commission was to be reorganized, with the inclusion of a United States representative, and removed to Berlin, in order to be in closer touch with the German Government. The relief granted to Germany would enable the Allies to fix an exchange value for the mark, by means of an arrangement under which the Reichsbank would sell gold for paper marks at a rate to be determined by a mixed commission. It was recognized, of course, that such a scheme would be impracticable unless the Reichsbank were relieved from making new discounts for Government expenditures.

¹⁶ See final article on "Fulfillment of the treaty."

This scheme the French delegate was instructed by his Cabinet to oppose. The French plan called for complete and rigid control of finances and the power to veto expenditure and regulate taxation. The Reparation Commission's powers were to be limited to the application of guarantees and reforms in Germany. The Reichsbank would be under interallied control and forbidden to discount further treasury bills, while the treasury would not have power to raise loans without the consent of the guarantees committee. The calling of an international meeting was urged, to formulate a comprehensive settlement of interallied debts and reparation and to fix the payments for 1923 and 1924.

With these plans held over, Germany was granted some relief by a decision of the allied clearing offices freeing her from further payments under this procedure (for the settlement of pre-war debts) until July, 1923.

So critical had the position now become that at the end of October the Reparation Commission itself went to Berlin to investigate financial conditions for itself and to consult the German Government on measures of stabilization of the mark and its incidents. The commission's investigations continued well into November.

At the same time a committee of private experts, called together by the German Government, was also examining the situation. On November 8 the majority report¹⁷ of the committee, signed by R. H. Brand, G. Cassel, J. W. Jenks, and J. M. Keynes, was presented. Upon the hypothesis that stabilization of the mark was equally as essential to Germany's creditors as to Germany itself, it expressed the view that, granted certain concessions by the creditors, stabilization was possible. But such an end "must primarily depend upon Germany's own efforts and own resources and on resolute action by her own Government." Two obstacles were in the way therefore—the budgets of the Versailles treaty and the financial methods of the German Government during and after the war. Regarding the former, a moratorium until such time as payments could be made "from a real surplus and not from the proceeds of fresh inflation" was a *sine qua non*. The requisite period would be at least two years and the moratorium must cover kind deliveries as well as cash payments. Furthermore, while stabilization must be begun immediately, in view of the risks of inaction, any scheme could only be provisional

until "final settlement on the reparation question at an early date on lines capable of being carried out." To overcome the second obstacle, the report advocated the setting up of an independent board of exchange control within the Reichsbank, with an adequate gold supply from the Reichsbank's reserves. So long as any of this gold was unpledged, the board was to purchase paper marks at a fixed rate. A definite maximum was to be fixed for the floating debt, and Government requirements, which would otherwise be met by increasing the floating debt, were to be supplied by funded loans. No modification of these rules was to be made without the consent of the Reparation Commission.

The minority report,¹⁸ signed by L. Dubois, B. Kamenka, and G. Vissering, likewise recommended the suspension of cash payments until stability was reached. To attain the end, however, it suggested the creation of a new standard of value in the shape of a gold mark, to be issued by a "specie bank," founded upon the Reichsbank's gold reserves. It further advocated the extension to Germany of an international bank credit of 500,000,000 gold marks.

A memorandum, signed by the banker members of the committee, R. H. Brand, L. Dubois, and G. Vissering, recommended the formation of an international banking syndicate with a capital of 500 millions of gold marks in the form of credit acceptances guaranteed by the Reichsbank, 500,000,000 further Reichsbank participation in supporting action. Germany would require a moratorium until repayment of the syndicate's advances.

The outcome of these independent inquiries was that on November 13 Germany made a proposal to the Reparation Commission based upon the Brand-Dubois-Vissering plan, a copy of which was appended to the communication. It expressed the willingness of the Reichsbank to advance 500,000,000 gold marks to the Government toward a stabilization loan, provided an equal amount were forthcoming from abroad, and subject to the conditions laid down by the experts. As necessary concessions to Germany there was to be a moratorium covering cash payments for three or four years. The moratorium would also cover deliveries in kind, except such as were required for the rehabilitation of the devastated areas. Even these, however, were to be continued only so long as they involved no increase in the floating debt.

There were now before the powers, then, various schemes for the amelioration of the critical

¹⁷ The full text is reprinted on p. 45 of this issue.

¹⁸ The full text is reprinted on p. 47 of this issue.

situation in Germany and the generally unhealthy economic conditions throughout Europe. Whether of British, French, German, or joint origin, all these plans had this common end in view. Suggestions had become prolific when the time came for fixing the schedule of payments for 1923, but little material improvement had been gained from the measures already employed. Such was the result of more than three years of consideration of the problem of making good the material losses of the war.

THE UNITED STATES AND REPARATION.

No treatment of the general topic of reparation would be complete without a statement of the steps taken by the United States Government in dealing with the matter of its own claims against Germany and of its connection with the European negotiations.

On March 2, 1921, the Secretary of State placed before Congress a provisional total of the American war losses. The aggregate claims, consisting in large part of losses through submarine warfare, were estimated at \$180,000,000. At the same time, an estimate of American interests in Germany, consisting of securities, bank deposits, real estate, debts, etc., placed the total at \$191,000,000. The Versailles treaty being rejected, the United States of course sent in no claims to the Reparation Commission, as did the other Allies. Unofficial observers represented the United States on the various commissions until February, 1921, when Mr. W. H. Boyden was withdrawn from the Reparation Commission, where he had held a seat as unofficial representative of the United States.

At this point the United States enters on a new period with regard to the question of European reparation, her support being sought both by Germany and the Allies. In February, 1921, the French Government sent a note to M. Jusserand, its Ambassador in Washington, instructing him to "present the allied indemnity proposals in a more favorable light," with a view to obtaining American help in the matter of reparation. Then in March a long informal memorandum was sent to the United States Government by Doctor Simons, asserting Germany's urgent desire to reach an accord with the Allies, recognizing Germany's liability to make reparation, and refuting the charge of reluctance in so doing. The note pointed out that Germany's offers of labor and material had been ignored,¹⁹ but expressed her intention of making a new proposal to France along those lines.

It asserted that an international loan was the only solution to the problem of reparation payments, and announced Germany's willingness to assume part of the debts of the Allies. To this memorandum, while ignoring the questions of loans and assumption of debts, the Secretary of State replied (March 29) that "this Government stands with the Allies in holding Germany responsible for the war, and therefore morally bound to make reparation so far as may be possible." The next step was taken on April 24, when, after the first ultimatum of London, Germany made the proposition, outlined in the preceding article of this series,²⁰ submitting it to the United States for consideration looking to its transmission to the Allies. This transmission the United States, as related, refused to undertake, finding in the proposal "no acceptable basis of discussion."

Following these negotiations, early in May, 1921, an invitation was sent by the Allies to the United States Government to appoint representatives on the Supreme Council, the Reparation Commission, and the Council of Ambassadors. The invitation was at once accepted, Mr. Harvey, the Ambassador in London, being appointed United States representative on the Supreme Council, Mr. Herrick, Ambassador in Paris, on the Council of Ambassadors, and Mr. W. H. Boyden reappointed as representative in an unofficial capacity, on the Reparation Commission.

The United States did not, however, set up any machinery for the purpose of securing reparation. The treaty of Berlin, signed in August, 1921, has been outlined in the addendum to Article I. It will be recalled that the United States retained the "rights, privileges, indemnities, reparations or advantages to which it * * * has become entitled under the terms of the armistice signed November 11, 1918, * * * or which under the treaty of Versailles have been stipulated for its * * * benefit." Article II names the specific parts of the treaty under which the United States reserves its rights. These include Part VIII, in which are enumerated the damages for which Germany is to pay, among them being pensions and allowances. The status of the United States on the Reparation Commission is dealt with in section (4), which reads: "While the United States is privileged to participate in the Reparation Commission, * * * the United States is not bound to participate in any such commission unless it shall elect to do so."

¹⁹ First conference of London. See December, 1922, BULLETIN, p. 1424.

²⁰ See December, 1922, BULLETIN, p. 1425.

In March, 1922, almost immediately after the invitation to attend the Genoa Conference had been declined by the Secretary of State, a demand was sent to the meeting of Allied Finance Ministers for reimbursement for expenses incurred in connection with the army of occupation. The total expenditure of the United States Government up to April 30, 1921, had been \$275,324,192, of which the balance due from Germany was \$240,744,512. This sum was therefore claimed from the Allies out of the amounts so far received from Germany, which (according to the treaty of Versailles) were to be allocated first to the defraying of expenses of the armies of occupation. The Finance Ministers took no action on this matter, it being considered outside the scope of their powers. In a note to the United States Government they suggested that the matter should be referred to the respective Governments through ordinary diplomatic channels, and that in the agreement between the ministers arrived at on March 11, which dealt in part with the division of the first billion marks received from Germany, a clause had been inserted to protect American interests. This clause provided that all agreements on the question of division of receipts were subject to the American rights, as the various Governments might establish them.

In accordance with the suggestion of the Finance Ministers, then, the Secretary of State addressed a note to each of the Governments of Great Britain, France, Italy, Belgium, and Japan. This note stated that the total cost of all the armies of occupation up to May 1, 1921, had been 3,639,282,000 gold marks. The amounts due to Belgium, France, and Italy having been paid in full, there remained outstanding a balance of 1,660,090,000 gold marks, of which 966,374,000 was due to the United States and 693,716,000 to the British Empire. The former was the amount now claimed, inasmuch as it was understood that between May 1 and December 31, 1921, 130,696,000 marks had been appropriated to Great Britain, such appropriations being "expressly made and received subject to the rights of the United States."

In their replies the Allies all recognized the American claim in principle and informed the Secretary of State that negotiations were proceeding among them in order to agree on a common plan. The British reply, for example, stated that "the claim put forward by the United States Government that these expenses should be reimbursed to them is one which His Majesty's Government would not in any circumstances desire to question." The French

Government made no objection to the claim, but raised the question to whom the claim should properly be made—to Germany or to the Allies.

Regarding reparation for her own damages and losses, the first step taken by the United States after the conclusion of the Berlin Treaty²¹ was in the negotiations which culminated in the agreement between the German and United States Governments, signed at Berlin on August 10, 1922. This provided for the setting up of a mixed claims commission, to pass upon and fix the amount of American claims against Germany. The commission was to consist of one representative from each party to the agreement, together with a mutually acceptable umpire, whose decision was final in the event of disagreement between the commissioners. It was to pass upon claims of American citizens in respect of all damage to or seizure of property, rights, and interests, as well as damage to persons, arising out of the war and sustained since July 31, 1914; and upon debts owing by the German Government or German nationals to United States citizens.

The agreement came into force immediately upon its being signed. Germany appointed Doctor Kiesselbach, and the United States Mr. E. B. Parker, as the respective commissioners, while, at the special request of the German Government, another American, Supreme Court Justice Day, was appointed as umpire. In accordance with the terms of the agreement, the commission met in October, and its deliberations are proceeding.

FINANCE COMPANIES.²²

Since about 1900 there has been developed in the United States a group of organizations variously known as finance companies, credit companies, or discount companies. Their business may include one or more of the following: (1) Discounting or buying commercial receivables—i. e., accounts, notes, or acceptances; (2) advancing funds to dealers with which to purchase automobiles (wholesale sale of automobiles); (3) advancing funds to enable dealers to sell automobiles on the installment plan (retail sale of automobiles); (4) advancing

²¹ See November, 1922, BULLETIN, p. 1296.

²² This article presents the result of a study made by the Division of Analysis and Research of the operations of finance companies. That part on discounting receivables is based upon data secured from 20 companies, that on wholesale financing of automobiles on 23 companies, and that on retail financing of automobiles on 60 companies. Acknowledgment is due these organizations for kindly furnishing the information, and to those leading authorities in the field who have read and made suggestions on the tentative draft of this report.

funds to enable dealers to sell furniture, agricultural implements, books, musical instruments, refrigerators, restaurant fixtures, household utensils, electrical appliances, etc., on the installment plan; (5) advancing funds against merchandise. Specialization is noticeable, especially in connection with discounting receivables and financing automobiles. Scarcely any companies undertake all the above classes. The larger firms in the field usually limit themselves to discounting receivables and financing automobiles. It is only with these two classes of business that the present study deals, inasmuch as they comprise the great proportion of the total volume of business done. For clarity in the following study, "finance company" will be used where the general group of companies is referred to; "discount company," in speaking of practices in connection with discounting receivables; and "auto-finance company," in referring to automobile financing.

A recent study (Merrick, *The Modern Credit Co.*) states there are to-day over 125 finance companies in existence with an aggregate capitalization of approximately \$100,000,000 and a volume of business amounting to \$1,200,000,000 annually. An official of one of the largest companies gives a smaller figure in each case—\$65,000,000 capitalization and \$800,000,000 as the volume of business. Another authority places the volume of receivables discounted in the eastern States alone at roughly half a billion dollars a year. The size of the individual company varies greatly, from a capital of a few thousand to several million. The average size of the company specializing in discounting receivables, however, is larger than that financing automobiles, as automobile business as a rule is much easier to obtain and new companies can acquire a reasonable volume in a shorter time. Further, as one writer explains, "sellers of accounts receivable are, generally speaking, larger concerns than the average automobile dealer and will hesitate to place their business with a small or new company." Of the 125 companies mentioned above, 45 are incorporated under the laws of Delaware. In New York a number have incorporated under the banking laws of that State and are subject to regular examination by the State Banking Department. Both preferred and common stock are usually issued.

DISCOUNTING RECEIVABLES.

The range of industries from which receivables are acceptable is large, but most companies

exclude certain lines. One company, for instance, states: "We do not like automobile tires or accessories, musical instruments, or luxuries. We find the furniture accounts unsatisfactory." In another company, "diamonds, furs, jewelry, and concerns selling small invoices to very small trade, like wholesale confectioners, cigars, etc., are practically excluded." The same idea is expressed in more general terms by still another company, which excludes "lines highly specialized; lines lacking intrinsic value; lines not readily re-salable; lines whose value depends on continuity of customers in business." Accounts of municipalities or political subdivisions are not acceptable in some instances, while in others no objection is made. One discount company will not purchase accounts from a concern which sells a large portion of its product to a few firms. Some companies exclude from purchase any receivables of concerns not given first or second class credit rating by either Dun or Bradstreet; others accept a very limited number of customers of the lower ratings. The average net worth of companies selling their accounts is probably not above \$100,000 if based upon the total volume of receivables purchased. The number of companies with a net worth of less than \$100,000 is in the majority. From one-fourth to one-half of the total number of customers of discount companies have used up lines of credit at banks and sell receivables to supplement these lines. In no case is there a general rule that the "seller" maintain an open line of credit with banks, although frequently the discount company advises it. The clientele of the larger discount companies is "fairly constant," although a tendency toward outgrowth of the service by customers is reported by some companies.

The receivables.—Accounts comprise a large proportion of receivables discounted or sold, notes and acceptances aggregating in no case over one-third the total volume. Of the embodied credit, notes comprise the larger amount. Preference for notes or acceptances as contrasted with accounts is about equally divided among the companies, with no noticeable tendency toward one or the other in either the larger or smaller companies. In the purchase of receivables one of two plans may be employed: (1) The debtor may be advised (perhaps on the original invoice) that his account has been sold or assigned and that he will make payment to the discount company, or (2) no notice of the transfer may be given to the debtor. The plans are known as the

"notification" and "nonnotification," respectively. The latter is used in the majority of instances, but since the discount company under this plan must depend upon the integrity of the "seller" in forwarding remittances receivables will at times be taken under the notification plan when they would not be acceptable under the nonnotification.

Procedure in discounting receivables.—When a concern arranges to sell or discount its receivables, a contract is signed which provides, among other things, (1) the charges made and times of payment by the assignor; (2) that, under the nonnotification plan, the assignor permit the company's auditors to call at their pleasure to inspect his books and other records; (3) that the assignor transmit on the day of receipt all original checks, drafts, notes, etc., received in payment or on account of any receivables sold to the company; (4) that the assignor give the company power of attorney to transact any business relating to the assigned receivables, including indorsement of checks, drafts, notes, and other documents with the assignor's name. In addition the assignor gives an actual assignment of his interests and title in the receivables, listing each invoice. Attached to the financial statement which the assignor is also required to fill out is an application for a fidelity bond, which the discount company may take out in any company it desires or carry itself.

It is customary to advance, at time of purchase, about 75 to 80 per cent of the face value of the receivables. The remainder is paid as the accounts are liquidated. One firm states that at times it will advance as high as 85 per cent, while one small company advances only two-thirds of the receivables' face value. The theory underlying a partial instead of a complete advance has been stated as follows:²³

Early in the history of our business experience we concluded that it would not be safe to advance the full face of an invoice, because of the infirmities attached to an open account. At that time manufacturers and wholesale dealers were making approximately 20 per cent on their turnover. As a matter of business, we felt that we could not afford to put more money into an account than our clients had invested. Hence an 80 per cent first payment, and the balance, less discount and deductions taken by the customer, became the fixed standard.

To determine the maximum amount of receivables which will be purchased from any one seller four methods are in use:;

(1) Extend a line of credit and advise the seller thereof.

(2) Set a maximum figure which the seller does not necessarily know.

(3) Have no set maximum but consider each group of receivables separately.

(4) Agree to take care of all shipments so long as the discount company does not believe the seller is unduly expanding.

Some companies employ all methods, but the most frequent is to consider each offering separately. Receivables offered are subject to the same credit investigation in all cases. The size of the discount company is the governing factor of the maximum which can be extended, and accordingly the amount varies a great deal. The minimum is also subject to wide variation among the various companies, one of the larger firms stating "an outstanding balance of less than \$10,000 is not desirable. The average desirable balance more or less continuously outstanding, except in a seasonal business, is from \$50,000 to \$100,000."

Average maturity of the receivables purchased is from 45 to 60 days. In most cases the maximum maturity is 90 days, although in some instances 6 months is allowed. It is the more common practice for the discount company to hold until maturity all notes and acceptances purchased and then collect them itself. In some instances, nevertheless, the seller is allowed to make the collection and the notes or acceptances are released to him under a trust receipt a few days previous to their maturity. In all cases the seller remains contingently liable until the finance company is reimbursed.

Credit work.—The basis upon which receivables are purchased is most frequently the collateral, i.e., the receivables sold or assigned, rather than the credit standing of the "seller." One of the largest firms in the field arranges the credit factors in the order of their importance as follows:

- (1) Lines of business.
- (2) Class of customers.
- (3) Terms of sale; 30-day invoices less hazardous than 4 months.
- (4) Our own experience with the accounts and "seller."
- (5) Financial statement of the "seller."
- (6) Report of our special credit investigators and monthly auditors.
- (7) Responsibility of personal guarantors.

A second large company places the paramount importance upon the financial statement of the buyer. In all cases the financial statement must show a reasonably good financial position on the part of the "seller."

If receivables have been purchased under the nonnotification plan, it is customary for the discount company every 30 or 45 days to check

²³ A. R. Jones, quoted by Merrick, p. 24.

the outstanding accounts on the "seller's" books to detect any discrepancies in the amount remaining due as compared with that shown on the discount company's books. This work is done by the discount company's own auditors, who also prepare a monthly list of unpaid invoices, which the seller signs. The auditors may verify by correspondence with the debtor a part of the receivables outstanding. This practice of auditing or checking is followed by all companies reporting for this study except a few very small ones which do not maintain credit departments. If purchases are made under the notification plan, this checking is not necessary, inasmuch as remittances are made directly to the discount company.

General experience of the companies is that from 10 to 20 per cent of the receivables run past due. One medium-sized company, which gives the figure of those not paid at maturity at from 15 to 20 per cent of the total, states that only 3 or 4 per cent run 30 days past due. In the case of a Baltimore and a Chicago company, the receivables over 60 days past due on June 30, 1922, amounted to only 0.0135 per cent and 0.0127 per cent, respectively. It is the general practice of discount companies to carry the receivables for a certain period after they are due, usually 30 or 60 days, and then if still unpaid to require the "seller" to repurchase them, either by refunding the advance or by substituting new invoices. Loss to the company occurs only in those instances where the "seller" will not repurchase the receivables and where fraud exists. Fraud, according to one of the leading authorities, is the greatest risk in the business, and results in the losses to his company varying according to the moral risk involved instead of by lines of business. In relation to the volume of purchases the total loss is remarkably low, especially in the larger discount companies. One company over a period of about 10 years has had an average annual loss of 0.0012 per cent, and another over a period of five years, less than one-tenth of 1 per cent. Seldom does the loss go over one-half of 1 per cent.

Charges of the discount company.—The usual charge made by discount companies is one-twenty-fifth of 1 per cent a day on the net face amount of receivables, plus a charge of \$5 per \$1,000 on the first \$100,000 of receivables within any 12 successive months. Some exceptions to this are found, as in the case of one company, which charges one-thirtieth of 1 per cent a day, while another makes a flat

charge of 1½ per cent a month. Since only 75 to 80 per cent of the face value of the receivables is advanced, the actual rate charged is correspondingly increased. Some companies in addition make a premium charge for a fidelity bond. This is very small, in one case amounting to between one one-thousandth and one eight-hundredth of 1 per cent on the gross amount of the receivables. The rate quoted includes all charges for both interest and services. In the words of one company the services include:

We retain a very competent attorney for an annual retainer. His office services are at the disposal of our customers free of charge. We also maintain a very efficient credit department and a corps of efficient auditors and accountants who audit the books of our customers at least once a month and instruct the bookkeepers in the proper method of keeping accounts.

Financing the discount company.—Nearly all discount companies supplement their capital to a considerable extent by borrowing. Depository banks are the source most commonly used. Some of the larger companies, however, have established their credit in the open market and borrow a large proportion through it. Individuals who advance funds as an investment furnish a very limited supply. It is customary to have some of the depository banks at points elsewhere than the head office, as this gives a wider spread of credit and, in some instances, offers collection advantages. An average balance of 20 per cent is maintained against loans. A "clean-up" with each bank is made once or twice a year for 30 to 90 days, but funds for the liquidation are usually borrowed from another source rather than through a reduction of indebtedness. It is the practice of some companies to pledge all their receivables with the trustee instead of maintaining a current portfolio.

The most common form of obligation used in borrowing, both with banks and in the open market, is the collateral trust note. Collateral consists of receivables deposited with a trustee, generally a trust company. The usual margin required is 20 per cent, but most companies report they always keep far in excess of this amount. Maturity is usually 6 months, although it may vary from 30 days to 12 months. Notes are issued in series, with denominations of \$500 and multiples thereof. The rate of interest varies from 4½ to 8½ per cent, according to the money market.

The annual volume of business of reporting companies ranges from 5 to 20 times their capital investment. A turnover of 8 to 12 times is most frequent. The total amount of

borrowing at any one time as compared with the discount company's own capital varies. One authority states:

We consider well-managed credit companies with a minimum cash stockholders' investment of about \$2,000,000 can safely borrow four to five times their stockholders' investment, excluding investments in other companies. Companies with less than \$500,000 cash stockholders' investment, we think, should not borrow over from one to two times such investment.

Contrary to this view is the opinion of another official who believes that "the risk in the business is in adverse ratio to the amount of capital invested up to \$300,000, or say \$400,000 or \$500,000, because a smaller concern can not afford to maintain a complete organization, and, above \$500,000 invested capital, the risk increases in the same ratio that the volume increases, by reason of the greater difficulty of supervision."

Many bankers and credit men have been strongly opposed to the business of discount companies. At the same time, the companies sell almost all their collateral trust notes to banks, and the volume so sold is several times their own capital investment. Thus the discount company stands between the bank and the "seller" of receivables, and, in fact, guarantees these advances to the banking system. In other words, it serves as a special agency for providing the supervision necessary in such advances, and also assumes a direct obligation to the banking system in connection with them.

FINANCING AUTOMOBILES.

Operations of finance companies in connection with financing the purchase and sale of automobiles fall into two categories: (1) Advances to assist the dealer in securing cars from the manufacturer, and (2) accommodation enabling the dealer to sell on the installment plan without the necessity of keeping his own capital tied up and so limit his operations. The two plans are known, respectively, as wholesale financing and retail financing. A company may limit its activities to retail financing, or else may operate in both the wholesale and retail fields. Among the companies reporting for this study no examples of limiting accommodation to wholesale purchases are found. Some companies have close connections with automobile manufacturers, and have agreements to finance their specific make of car. Other companies specialize in financing particular makes of cars, or they may limit their operations to the more popular-priced cars. The majority make no limitation either as to make or price.

Statistics of the volume of automobile financing done are not available. Estimates received from authorities in the field as to the percentage of cars sold on installments vary from 50 to 70 per cent of the total number of cars sold. Sales for the past few years have been in excess of 1,500,000 cars annually. In 1920, 1921, and 1922 the wholesale value of the automobiles produced was \$2,233,000,000, \$1,260,000,000, and \$1,558,567,000, respectively. The corresponding number of cars produced in these years was 2,205,197, 1,668,550, and 2,527,000.

Wholesale advances.—Larger auto-finance companies have a definite percentage, usually 80 to 90 per cent of the wholesale price, which will be advanced on every car. Smaller companies, which are less highly organized, determine their advances more upon a consideration of each case separately. Variation in the percentage advanced is augmented as the makes of cars handled increase in number. A certain percentage may be advanced on cars stored in a public warehouse, and another for those kept on the dealer's floor. If a distinction is made, the former is always the larger. The advance on trucks is usually at least 10 per cent lower than on passenger cars, because of a heavier depreciation and slower market. The individual range of the advance is from 60 per cent up to, in one instance, 95 per cent. Most common, judging from the replies received, is 65 to 70 per cent, or roughly, two-thirds the value of the car. The "value" may include various items. In the case of some companies it is merely the list price; in others, the list price plus freight, war tax, and extras.

Maturities vary from one company to another and even within the same company; 30, 60, 90, and 120 days are all common, with 60 and 90 days the prevailing periods for the largest number of companies. The length of the advance depends to a considerable extent upon the season of the year in which the financing is done. Advances made in the winter are for a longer period than those made at a later date.

The majority of loans are made against the dealer's promissory note or acceptance, secured by a chattel mortgage or warehouse receipt. In contrast, however, the autofinance company may secure legal title to the car by purchasing it and giving the dealer a repurchase option. If a car is sold by the dealer before maturity of the paper, the related payments become due immediately. Several companies pledge the notes received from dealers with a trustee as security against collateral trust notes used for borrowing money, and in such in-

stances payments are made by the dealer directly to the trustee.

Retail advances.—In retail financing the percentage which will be advanced is based upon the retail price as contrasted with the wholesale price in the case of wholesale financing. Because of this the amount actually advanced may be as great in one case as the other, although the percentage quoted as a maximum is much smaller in retail financing. The following tabulation gives the usual percentage advanced under each plan by the 20 reporting companies undertaking both types of business:

Wholesale.	Retail.	Wholesale.	Retail.
90.....	60	75.....	66½
85-90.....	70	70-80.....	66½
80-90.....	50-66½	66½.....	66½
80.....	75	66½.....	66½
80.....	66½	66½.....	66½
80.....	66½	66½.....	66½
80.....	66½	66½.....	66½
75-80.....	65	65-95.....	60
75-80.....	66½	62.....	54.8
75.....	60	60-75.....	66½

Payment of the advance is most commonly spread over a period of 6, 8, 10, or 12 months. Installments may fall due monthly or every 3 or 4 months. The former is the most common. The charge of the finance company is customarily added to the selling price of the car and percentages are based upon this total, known as the "time-price."

Wholesale security.—Automobiles may be stored either upon the dealer's floor or in a warehouse. In general, the practice followed will be determined by the dictates of the finance company with which the dealer maintains relations. Companies exercise this supervision because of the difference in the potential risk involved under the two plans. If stored in a warehouse, title to the car rests in a receipt either made out in the name of the finance company or else indorsed over to it, whereas if stored on the dealer's floor the finance company must rely more upon the integrity of the borrower. It is customary to find both plans in operation in the same company as well as a great variation between companies in the percentage stored under each plan. The size of the dealer and the season of the year are both important elements in determining the place of storage if the finance company does not exercise a definite policy.

Some of the largest finance companies secure from the manufacturer of the car a guarantee of payment of the dealer's obligation or an agreement to repurchase the cars by paying the amount advanced plus all charges

and expenses incurred. The majority of the smaller finance companies never secure a guarantee from a manufacturer, but rely entirely upon the value of the physical collateral and the credit risk of the dealer.

Retail security.—In retail financing advances are made on security in actual use and subject to various contingencies. Fire, theft, and collision are all potential risks. Auto-finance companies ordinarily require the car to be insured against fire and theft. Practice varies with regard to collision insurance. Protection against constant depreciation is secured by the margin between the value of the car and the amount advanced being increased as installment payments are made.

Guarantee of payment of the purchaser's obligation by the dealer is more common than a similar guarantee of dealer's obligations by manufacturers in wholesale financing. The guarantee usually takes the form of an indorsement of the promissory note of the purchaser. With some of the cheaper makes of cars a guarantee is not required.

Wholesale legal documents.—The type of legal document used is determined largely by the place of storage of the car and the laws of the State in which the dealer operates. If cars are stored in a public warehouse a warehouse receipt is used. A separate receipt is issued for each car. In contrast, if the car is stored in other than a public warehouse either a chattel mortgage, a trust receipt, a conditional bill of sale, or a lease agreement is used, depending upon which may be the preferred form in the State in which the auto-finance company is operating. Chattel mortgages are the most common.

Most important of the clauses in the document peculiar to automobile financing is one whereby the dealer agrees not to use the car. This provision does not allow the car to be used even for demonstration purposes unless a special permit is secured from the auto-finance company. If the car is used without securing a waiver of this clause, the act is termed "conversion" and is sufficient reason for the auto-finance company to take possession.

Retail legal documents.—In retail financing either a conditional bill of sale, lease agreement, or chattel mortgage is used, depending upon the same factors as just noted under wholesale financing. If cars are sold under either a conditional bill of sale or a lease agreement, title remains with the buyer. Between the two there is a technical legal difference. Under the former there is a sale conditioned by certain specifications, while if the transaction

is evidenced by a lease agreement the law recognizes a contract on the part of the user to rent, rather than to buy, the car. Contrasted to both these forms of documents is the chattel mortgage under which title does pass from the seller to the purchaser immediately, and the seller only maintains a lien as security.

The stipulations and agreements of all three forms are very similar. Each company has its own particular forms, however, and consequently there is some variation in minor points. The following excerpts from a lease agreement are representative of the way the more common points are handled:

The lessee agrees that any equipment, attachments, accessories, or repairs placed upon said motor vehicle shall be and become a correspondent part thereof, and the term motor vehicle whenever used in this agreement shall include said equipment, attachments, accessories, and repairs as though they were in all cases specifically enumerated.

The lessee further agrees to indemnify and save harmless the lessor from any and all loss, or claim for loss or damage to persons or property caused by said motor vehicle, or by the use and operation thereof, and to give immediate written notice to said lessor of any and all loss or damage to or loss of possession of said motor vehicle occasioned by any cause whatsoever.

Said lessee further agrees not to use or permit said motor vehicle to be used for taxicab purposes. Lessee also agrees that he will not in any case dispose of said motor vehicle without the written consent of the lessor indorsed hereon. Said lessee further agrees to use said motor vehicle in a careful and prudent manner, to house and shelter the same, and to make any and all repairs thereon necessary to keep said motor vehicle in first-class condition; and if, in the judgment of the lessor, said motor vehicle is not kept in first-class condition lessor may make such repairs as are necessary and add the cost thereof to amount due lessor hereunder. Lessee agrees to keep said motor vehicle free and clear of any and all liens and encumbrances of any nature whatsoever, including all State, Federal, and local taxes, or charges which may be levied or assessed thereon.

And the lessee hereby agrees that he will use, operate, and control said motor vehicle in strict conformance with all statutes, laws, regulations, and ordinances relating to the use, operation, and control of motor vehicles, and expressly consents that upon failure of lessee by himself, agent, servant, or employee so to do lessor may at his election repossess said motor vehicle and enforce all his rights, privileges, and remedies under this lease, provided lessor is also the holder of the above-mentioned note.

The loss, injury, or destruction of said motor vehicle shall not operate in any manner to release said lessee from payment as provided herein on the note given. Renewals or extensions of the time of payment of the amounts due hereunder or on said note shall not release lessee from the conditions of this agreement.

It is expressly agreed that no assignment by the lessee of his rights or interest in this contract shall be valid without the written consent of the lessor.

Following the above stipulations is the usual agreement regarding procedure and rights in case the terms of the agreement are not complied with, payment not made at maturity, etc.

It is customary in both wholesale and retail financing to give a personal obligation in addition to the document bearing title to the car. Promissory notes are generally used, although some instances of acceptances are found. A separate note may be given for each installment, but more commonly there is only one note for the entire amount, with a schedule of payments embodied within the note.

Wholesale credit work.—There are two distinct credit elements in wholesale financing—first, the value of the collateral, and, second, the financial standing of the dealer. Considerable diversity of opinion exists as to the one deserving the most weight from a credit viewpoint. One authority states "most large companies consider the car itself rather than the dealer." In contrast to this view is the practice of one of the largest companies, which comments as follows:

The dealer's signed financial statement is the basis upon which we determine the extent to which we are willing to finance him. We check up the information submitted by the dealer by means of the various commercial reporting agencies, local banks, the trade, and attorneys. After all this information has been accumulated, it is thoroughly analyzed and items on the statement which appear to be excessive are scaled down. The limit to which we will extend the dealer assistance is determined by the relation between the new scaled quick assets and the current liabilities and the hazard involved. From this you will see the element of the physical collateral is largely a matter of secondary consideration.

The type of business of the auto-finance company, the makes of cars it finances, and its relation to automobile manufactures all have a bearing on credit extension. If the company is operating very closely to the manufacturer, the value of the car is relatively less important. The same condition will exist if the auto-finance company has a guarantee or repurchase agreement from the manufacturer. In addition, the salability of the car, as determined by its popularity and price, is very important.

The percentage of advances in wholesale advancing which run past due is comparatively small. In some instances it is stated there are no delinquencies, but other companies estimate it as high as 5 or 10 per cent of the total accommodations.

Retail credit work.—In retail financing the credit risk of the retail purchaser enters for consideration in addition to the value of the collateral and the financial standing of the dealer. Investigation of the dealer is made through the usual credit channels. It is upon a favorable conclusion from this investigation that accommodation is extended. Auto-finance companies will not consciously finance the purchase of a car which ultimately will prove too heavy a

burden to the purchaser and so necessarily be repossessed by the dealer. Some companies to facilitate their credit work furnish their clients with a complete set of forms for handling a transaction, including in this set a financial statement blank to be filled out by the purchaser and then forwarded to the finance company to be passed upon.

The auto-finance company is ordinarily located in other than the immediate locality of the purchaser and so is confronted with difficulties in securing certain information as to the purchaser's moral character that is highly important in retail automobile sales. For this phase of the investigation the dealer is in a much more favorable position. The company avails itself of this by quite commonly requiring the dealer to indorse his customer's paper. The dealer, therefore, will do a certain amount of credit analysis before requesting the company to finance the transaction.

The importance placed upon the make of car varies with different companies. Some consider it as a relatively unimportant element inasmuch as in a sale to the ultimate user there is not the same contingent element of risk of not being able to dispose of the car that there is in wholesale financing. Other companies look upon the make as of prime importance because of the possibility of loss in case of repossession.

The percentage of past due accounts ranges from a fraction of 1 per cent up to 15 to 20 per cent. The percentage of total cars financed which it is necessary to repossess is very low, in most cases being not more than 1 per cent.

Charges of finance companies.—The charge of auto-finance companies as a general rule approximates 15 per cent on the funds outstanding. One of the leading authorities states that if a company is to make a profit it must charge in excess of 12 per cent. Charges are made for the total advance for the entire time of any part of the loan. Accordingly, while some companies quote a rate of as low as 6 or 8 per cent, the actual charge is correspondingly increased. One company states that at times its charges amount to 36 per cent.

There is very little uniformity among the companies in the method of quoting rates. Some companies, as, for example, those financing only particular makes, have the same rate for all cars they will finance, irrespective of the make or price. Other companies have different rates for different prices or different makes. Fords and Dodges are frequently the subject of particular rates. Further, the company may quote its rate in one of several ways. There may be a discount rate quoted either on

an annual or monthly basis, or there may be a discount rate plus a flat charge, which in turn may or may not vary according to the amount advanced. The rate may include insurance, or this may be charged for in addition. Instead of quoting its charges by a rate as the above, a company may have a fixed sum varying according to the make or price of the car. The charge varies according to whether the car is new or has previously been used; according to whether the payments are made monthly or at less frequent intervals, and according to the initial payment. From one-third to one-half is the customary initial payment required.

Capital of auto-finance companies.—Of the three sources available for securing working capital, i. e., banks, open market, and private investors, banks are used by auto-finance companies in the large majority of cases. Borrowings frequently amount to some three or four times the company's capital. In a few of the reporting companies no outside funds are employed. The business of auto-finance companies, resulting as it does in promissory notes, lends itself readily to furnishing collateral against loans. Collateral trust notes secured by the notes of purchasers of cars are widely used. These are issued in denominations of \$500 and multiples thereof. The customary margin is 20 per cent. Banks are the largest purchasers, discounting them directly from the auto-finance company, rather than buying them from a commercial-paper dealer. Two of the largest reporting companies, nevertheless, dispose of a large portion of their paper through brokers. One of these reports that it "has been quite successful in developing a steadily increasing outside market."

Small auto-finance companies frequently rely upon their lines of credit with their local banking institutions. In such cases these lines are not supplemented by other sources, or by borrowing upon collateral trust notes. The company's obligation to the lender may be either a secured or unsecured promissory note. A balance of 20 per cent of the accommodation is generally required. The companies "clean-up" at least once a year and remain out of debt to the lending institution for two or three months. Seasonal aspects of the business are the main determinants of the maturity of the loans. Some companies borrow on demand, others use a 6-months' time note; 30, 60, and 90 days are the most common maturities. Maturities of collateral trust notes range from 30 days to 6 months, with the longer periods more frequent.

ECONOMIC POSITION OF FINANCE COMPANIES.

In their fundamental characteristics finance companies date back both to the earlier money lenders in the large centers and to the "factors" which for 50 years or more have operated largely in the textile industry. The former were chiefly individuals who advanced funds and took whatever security seemed most satisfactory. Factors often combine finance and merchandising by making sales for the mills which use their services and by advancing funds to the latter for manufacturing operations. These advances are made largely against the manufacturer's bills receivable, which are assigned to the factors. The money lender and the factor still remain, but the business of finance companies has been placed upon a more scientific basis and is now recognized as distinct and separate. Their business has tended more and more to resemble the practices of commercial banks. The relation between the two closely resembles that between cattle loan companies and banks.

There are in the United States a vast number of companies and individuals whose resources, or apparent credit risk, do not measure up to the standard required by banks. It is largely these that the finance company is called upon to finance. It does not necessarily follow that such subjects are not good credit risks, but merely that in so far as the bank is able to investigate, they do not fulfill the usual requirements. In addition, payments of the loans made to this class may be spread over a longer period than that for which a commercial bank will advance funds. The payments, too, are probably in small lots, such as installments, which must be carefully watched and rigidly collected when due. Collateral offered as security is in small lots, such as a group of small accounts receivable. As a result, commercial banks find this class of business unprofitable at the usual rates of interest. If they charged more, it would lead to legal difficulties in some cases, and nearly always to dissension among those borrowers who have to pay the higher rate. Finance companies, however, by dealing only with this class of customers can charge more without causing dissatisfaction among customers. This increased income enables it to carry the investigation further and to protect itself in making a loan, and also to watch developments after the loan is made. In short, finance companies are an intensified part of our commercial banking system.

The organization which has been developed by finance companies to assume such a place in our financial structure is not on the whole different from that found in connection with the loan function of commercial banks. The credit work is along identical lines and is carried out through the same sources. Connected with one loan, however, there will be in most cases relatively much more credit work, especially in connection with discounting receivables. No pyramiding of loans is possible, inasmuch as the companies do not accept deposits and so they actually reduce their cash positions when extending loans. The collections of loans require additional detail work. Payments may be made on an installment basis, as in the case of automobile financing, or they may be made in small lots at irregular intervals as the accounts fall due. Close supervision is essential in either case. Through the ability of finance companies successfully to carry out such closer supervision they are enabled to supplement our commercial banking system and to make for themselves a distinct economic position in our financial organization.

REPORTS OF FOREIGN EXPERTS ON MARK STABILIZATION.

The following is a translation of the full text of the two reports of the foreign experts presented to the German Government. The majority report is dated November 7, 1922, and is signed by R. H. Brand, Gustav Cassel, Jeremiah W. Jenks, and J. M. Keynes. The minority report is dated November 8, 1922, and is signed by G. Vissering, Leopold Dubois, and Boris Kamenka.

THE MAJORITY REPORT.

(1) We are deeply impressed by the vital need of an immediate stabilization of the German mark. It is an essential condition of saving Germany from the threat of complete collapse. It is equally essential in the interests of her creditors, whose claims will otherwise become valueless. Granted certain concessions from these creditors which we indicate below, stabilization is possible. But it must primarily depend upon Germany's own efforts and own resources and on the resolute action of her Government. It is hopeless at this stage to expect it to be accomplished by foreign assistance as its main foundation. Germany must have a constructive policy of her own, even though it involves a risk. No other course is open.

(2) To the question whether stabilization is possible in present conditions we reply, "No." First, for internal reasons, in particular the results of the financial methods adopted by the German Government during and after the war; second, for external reasons, in particular the burdens of the treaty of Versailles.

(3) With the necessary internal action we deal below.

As regards external burdens, we are of the opinion that so long as Germany is not relieved for a period from payments under the treaty of Versailles, any attempt to stabilize the mark would be futile and could only result in the useless dissipation of Germany's ultimate reserves. Such relief is therefore an indispensable prior condition.

The length of the period for which payments must be suspended will depend on the possibility of establishing a surplus in the German budget. The essential principle is that payments must not begin again until they can be made out of a real surplus and not out of proceeds of a fresh inflation. We believe that the period must now be fixed at two years at least. The suspension of payments must include deliveries in kind as well as cash payments.

(4) Any scheme of stabilization can only be regarded as provisional, pending a final settlement of the reparation question at an early date on lines capable of being carried out. Nevertheless, in view of the risks of inaction even for a short further period, we think that stabilization must be begun in advance, if necessary, of a definitive settlement of this question.

(5) With the relief proposed above the success of any scheme of stabilization must depend not on a foreign loan, but rather on industrial and budgetary developments within Germany and on a final settlement of the reparation problem at an early date.

Nevertheless, the support of an international consortium would be of the greatest importance in its effect on public confidence. We think that while the plans of stabilizing the mark are being put into working shape, negotiations should be initiated immediately to obtain such support, perhaps in the form of credits to be utilized in case of need, and that a group of bankers should be called together forthwith to consider the formation of a consortium for the purpose of cooperating in the scheme of stabilization as proposed below.

We wish, however, to make it clear that in our opinion, pending a final settlement of the reparation question on sound lines, no credits can be obtained from a foreign consortium except on a very modest scale to supplement and support Germany's own efforts. No really substantial loan can possibly be obtained from foreign sources until the lenders have an assurance as to the position at the conclusion of the moratorium period, for without such an assurance no sound basis of credit exists.

(6) In the long run, the success of stabilization must depend on the equilibrium of the budget. On the other hand, stabilization is in itself a necessary condition for the recovery of equilibrium.

We have been informed from the German treasury that, if the mark were stabilized and if the budget were relieved of the present extraordinary charges, it would be possible to balance normal revenue and expenditures at any early date. Present conditions have thrown the statistics of the budget into confusion, but we see no reason to doubt the accuracy of this expression of opinion as to what is possible.

The utmost economy in Government expenditures and the utmost rigor in the collection of taxes are of the first importance. Capital expenditure for the public services should not be charged to revenue account but paid for out of internal funded loans. Nevertheless, it is neither necessary nor practicable to prohibit absolutely an increase in the floating debt; and for a brief period it would be possible, with a stabilized mark, to allow just enough further increase to tide over immediate difficulties.

(7) We have found that the principal objection in the minds of many authorities to any scheme of stabilization without a large measure of external support is based on pessimistic conclusions relating to the balance of trade. In present conditions a basis is lacking for any sound statistical conclusions. We have been given many different figures and we doubt if any of them deserve much

credence. In order to form any judgment at all on the amount of the adverse balance, which probably exists for the moment, we are driven to another method of calculation.

* On the debit side of the balance of payments Germany had to cover her adverse balance of trade, her payments under the treaty, and the flight of capital from the country. To meet this she has had to rely on certain items of "invisible exports," foreign credits, and purchases by foreigners of marks and mark assets. Somehow or other these different sets of items must have balanced even during the current year. If the adverse balance of trade has been as large as some people suppose, the purchase of mark assets by foreigners has to be put at an impossibly high figure.

We draw from this the conclusion that the actual trade balance against Germany can not even now be very great, and that, if she is relieved of cash payments under the treaty and of coal imports in replacement of reparation deliveries, it should not be beyond her capacity to pay her way.

We think, therefore, that the state of the trade balance is not a fatal obstacle to stabilization. Moreover, a sound currency is in itself a strong corrective to an adverse balance of trade, and will bring into operation many forces tending toward equilibrium.

There is, however, one concession without which the restoration of Germany's trade equilibrium might impose privations so severe as to risk the breakdown of the practical execution of our plan, namely, the restoration to Germany of normal prerogatives in international trade, as regards her liberty to impose import duties on luxuries and a right to claim most-favored-nation treatment for her exports. Foreign countries may be more willing to modify the existing restrictions when, with the stabilization of the mark, Germany's competition on foreign markets becomes more normal in character.

(8) We conclude that, in the conditions we postulate, an immediate stabilization is possible by means of Germany's own efforts. Indeed, we go further. Certain technical conditions are now present—the large gold reserve, the scarcity of currency, the margin between external depreciation on the one hand and the degree of internal inflation and internal depreciation on the other—which render the position unusually susceptible to control. At the rate of 3,500 marks to the dollar the gold in the Reichsbank now amounts to about twice the value of the note issue. This is an unprecedented situation. No other currency has fallen into decay with so great a potential support still unused.

(9) We think it would be imprudent to attempt the stabilization, which we recommend, except at a low value for the mark, although this value might be appreciably higher than at present. It is impossible to say at the moment what the rate should be. The recent great collapse is mainly due to a failure of confidence, and, if the measures indicated above are taken, a great improvement might occur immediately. As an illustration of our opinion we should, under the conditions existing as we write (7,000 marks to the dollar), regard some rate between 3,000 and 3,500 marks to the dollar as appropriate. But it is necessary to remember that at any such rate as this a great increase in the volume of notes will gradually become necessary as the business of the country reverts to normal conditions. The definite rate to be adopted should be fixed with reference to the internal purchasing power of the mark and to the position of the external exchanges at the date when the plan outlined in the second part of our report is put into operation, the general lines of the plan having been announced some short time previously.

It is evident that, after stabilization is fully accomplished, a new unit, being some multiple of the stabilized paper mark, should be adopted for general convenience.

(1) In return for a suspension of payments under the treaty of Versailles for a period of two years, the German Government should offer to the Reparation Commission the following definite guarantees:

(a) That an independent board of exchange control would be constituted as a special department within the organization of the Reichsbank and that the Reichsbank would hold adequate gold from their reserves at the service of the board.

(b) That so long as any part of such gold is unpledged, paper marks shall be purchased by the board of exchange on demand, at a fixed rate to the dollar, this fixed rate to be determined on the principles outlined in the first part of our report.

(c) That the aggregate value of the net floating debt shall not be increased beyond a definite figure; all other Government requirements for credit to be covered by funded loans.

No modification to be made in the above without the permission of the Reparation Commission.

It would be necessary, further, for the Reparation Commission, on the one hand, and the German Government, on the other, to exempt the resources of the board of exchange from interference.

(2) On the consent of the Reparation Commission being obtained to the above, the following measures to be taken:

(a) The financial cooperation and support of an international financial consortium to be invited.

(b) A foreign currency reserve, on such scale as may be required, to be created on the basis of the gold at the disposal of the board of exchange, in conjunction with the credits which may be negotiated with the international consortium from time to time on such security as may be acceptable.

(c) The abolition of all exchange regulations and the restoration of free and unrestricted dealings in exchange and foreign securities.

(3) The board of exchange to buy and sell foreign exchange on demand (on gold exchange standard principles) against paper marks at fixed rates, the selling rate being not above 5 per cent dearer than the buying rate in the first instance.

(4) The bank rate to be raised to a high rate and dear money to be maintained until stabilization is quite secure; but discounts and advances to be made freely at this rate for regular trade transactions against all normally approved security.

(5) In order to concentrate into its foreign currency reserves as large an amount as possible of the free foreign assets of German nationals under conditions which would inspire confidence:

(a) The board of exchange would issue gold bonds, guaranteed by the Reichsbank, at an adequate rate of interest, repayable in gold in one or two years, in exchange for foreign bank notes, bank balances, etc.

(b) The board of exchange would buy foreign exchange spot and sell it forward at appropriate corresponding rates for various periods.

(6) The additional notes required to carry on the business of the country, as it returns to more normal conditions, would be issued, (a) through trade discounts and trade advances by the Reichsbank, and (b) through the sale of marks by the board of exchange against the receipt of foreign currency and, to the least possible extent and for a period not exceeding six months, against further treasury bills issued to cover the budgetary deficit during the transitional period before the budget can be balanced.

(Signed)

R. H. BRAND.
GUSTAV CASSEL.
JEREMIAH W. JENKS.
J. M. KEYNES.

BERLIN, November 7, 1922.

THE MINORITY REPORT.

Following is the text of the minority report:

Question 1. Is any stabilization of the mark possible in the present circumstances?

We reply: Any permanent stabilization of the mark can not be achieved so long as:

(1) No end has been put to the paper money inflation, the principal cause of which at the present time is the deficit in the German domestic budget and public services.

(2) The balance of payments remains unfavorable in consequence of excess of imports, the flight of capital from the country, the aversion to the mark at home, and the deliveries in kind and cash payments on account of reparations.

Question 2. If not, what essential conditions must be created in order to render stabilization possible?

Our reply is already contained in the answer to the first question. However, some further elaboration appears to us to be advisable:

(1) The devastating effects of paper money inflation made themselves felt in Germany, as elsewhere, when in the course of the war expenditure was no longer met from the ordinary tax revenue, but by inverted borrowing; that is to say, by increasing the floating debt. Later on this inflation was increased by the necessity for procuring foodstuffs, and, finally, by the deficit in the ordinary and extraordinary domestic budget of the State.

Each inflation, however, leads automatically to further inflation, for every time the purchasing power of the paper mark is diminished a larger sum is required to transact the same business.

If the measures taken to stabilize the mark are to have a permanent effect, the causes of inflation, which lie with the Government, must disappear.

This means to say that the domestic budget of the State must actually balance, the actual expenditure must be kept within the limits of the estimates, which should be cut down to the lowest possible figure; if the receipts do not suffice to cover expenditures, new sources of revenue must be opened up. Finally, the extraordinary budget must not be burdened with expenditure for investments of capital which might be avoided or postponed until better times, nor must the estimates for the extraordinary expenditure contain proposals for reparation payments in excess of surplus from the receipts of the ordinary budget.

To obtain this object it will be necessary to exercise the strictest economy in State finance, to decrease the staff of the Government offices and administrative departments, and gradually to diminish direct or indirect subsistence allowances.

(2) Unfortunately, we have no exact statistics regarding Germany's present balance of payments, nor even any trustworthy figures as to the balance of trade. All that can be said is that these balances apparently show a considerable deficit.

What is the cause of this deficit?

(a) The falling off of exports, the reasons for which are said to lie partly at home and partly abroad. Among the causes originating at home the decrease in the power of production consequent upon present labor conditions is mentioned. It is not for us to judge upon internal questions of German legislation, but in our opinion both the Government and people should make every possible effort to regain this power of production.

The most important external cause is said to be the obstacles placed in the way of the import of German goods by foreign countries. This is a very delicate question. Complaints have constantly been heard abroad, and not without reason, of the lively competition of German industry with the industries of the vari-

ous countries during the last few years, which has led to the ruin of several branches of industry.

If Germany wishes the restrictions placed upon her trade to cease, her competition must be normal; that is to say, it must not be based on the cheapness of her goods in consequence of the continual depreciation in her currency.

In any case, however, it may be said that her balance of payments can not be adjusted unless she secures some possibility of developing her export trade.

(b) An abnormal development of imports in the present circumstances.

The mark has depreciated to such an extent that the confidence of Germans in their own currency has been more than shaken. The result has been the cessation of saving and an inclination to spend the mark, either in direct enjoyment or in hoarding up supplies. Were confidence to be restored by the commencement of stabilization, this inducement to import would disappear.

On the other hand, imports are promoted by Germany's obligation to allow certain foreign commodities to enter the country, and it is also facilitated by the so-called "hole in the west." It is obvious that if the German Government remains powerless in this respect, it will have great trouble in seriously controlling imports and effectively restricting them. Moreover, at the present time the imports of one commodity have increased—i. e., of corn; these have been particularly large this year in consequence of the bad harvest in Germany. This factor is only temporary.

Finally, the import of coal is chiefly a result of the obligation to supply coal to the Allies. So long as no other arrangements are made, this cause of an adverse balance will continue to exist.

(c) The flight of German capital abroad and the aversion to the mark at home. We have no data which would enable us to estimate the extent of this. We are, however, of the opinion that, on the one hand, so soon as stabilization of the mark was begun one of the reasons for the flight of capital would be removed and there would be a prospect of a general reflux, and, on the other hand, that German finance legislation should take account of the fact that by the taxation of capital and income in excess of certain limits, the flight of capital is encouraged and can not be entirely prevented by rigorous regulations.

(d) Finally, Germany has been compelled during the last few years and until quite recently to make cash payments and deliveries in kind on account of reparations, which have considerably influenced her balance of payments.

We consider that any attempt to stabilize the mark would be futile unless these payments are suspended until there is a prospect of equilibrium being insured.

To sum up, we would say that, as it is one of the essential conditions of the stabilization of the mark that the balance of payments should no longer be adverse to Germany, the above-mentioned unfavorable factors must be removed. The German Government inform us that if they were relieved for a sufficiently long period from the reparation payments, they are convinced that a noticeable improvement in the situation would speedily set in. We can but take cognizance of their statement.

Question 3. What means should be adopted for stabilization so soon as the essential conditions are fulfilled?

So soon as the essential conditions described above are fulfilled or are on the way to realization, we propose the following measures:

In view of the fact that in the present circumstances the paper mark has entirely lost its character of standard of value, steps must be taken in the immediate future for the creation of a new and stable standard of value. This would best take the form of a new gold mark. In

face of the present impoverishment of the entire economic structure of Germany, it will, however, be advisable to abandon the former unit of value and to select a lower unit, which in order to facilitate conversion, should be equivalent to a component of the pound sterling or the dollar; for instance, one-fortieth of a pound, half a shilling or one-tenth of a dollar. This unit should be called the "new gold mark."

With a view to effecting the stabilization of the mark, it would be advisable to create an independent organization possessing a legal entity, which might, for instance, take the form of a share company and be styled "specie bank," since it would come into existence with the object of introducing new money.

The initial capital would be fixed at 100,000,000 gold marks, which must be subscribed by the Reichsbank in gold. The Reichsbank would receive in exchange the shares of the new "specie bank," so that the assets of the Reichsbank would thus in no wise be diminished.

As, however, the creation would require a considerable period, we believe that in the first instance a committee, consisting of representatives of the Ministry of Finance, of the foreign lenders, and of the Reichsbank, should be formed, in order to start the first operations for stabilization.

Reference to the "specie bank" in the following paragraphs should be taken to apply in the meantime only to this committee.

Stabilization of the mark can only be effected with the assistance of a considerable credit from foreign sources, amounting, for instance, to 500,000,000 gold marks in the old currency. This credit would most suitably be granted by foreign banks in the form of an acceptance credit. It must be placed at the disposal of the "specie bank" which could utilize the advance as required by drawing bills, which would enable it to purchase foreign exchange.

Large banks in the United States of America and in European countries with normal currency would be most suitable to grant this credit. This group might also include banks in other countries, which would be approached with a view to their cooperation and declare themselves willing to participate in the transaction.

Under the auspices of the Reparation Commission there should be brought about at the earliest possible date the appointment of an international committee of bankers, whose task it would be to form a banking consortium, to examine, together with the Reparation Commission and the German Government, the question of the credit in connection with the guaranties to be given.

We consider it advisable at this point to repeat that final stabilization can only be achieved provided that conditions within the country render possible a stabilization de facto, namely:

- (a) By recovering the equilibrium of the budget.
- (b) By restoring a favorable trade balance in favor of Germany or at least by restoring its equilibrium.
- (c) By restoring equilibrium of the balance of payments.

As regards (a): Should it be impossible to balance the budget by increasing the revenue from taxation, an attempt must be made to do so by reducing expenditure. As any considerable addition of revenue will scarcely be possible, the end will probably only be attainable by a reduction of expenditure. In the first place, not only must the deficit disappear in the railway and postal administration (including telephones and telegraphs), so that the earnings will cover the working expenses, but these departments should also show surpluses sufficient to insure an adequate depreciation fund and to provide interest upon the capital invested. Moreover, it is imperatively necessary that the various subsidies payable in consequence of State control, which give rise to a false scale of prices,

should be discontinued at the earliest possible date. Finally, arrangements should be made to reduce the number of Government officials.

As regards extraordinary charges, in so far as these relate to necessary and permanent expenditure on railways, canals, etc., it may be remarked that the funds required should be raised by means of internal long-dated loans. We shall refer to reparation payments further on.

With regard to (b): Every means must be tried to restore a favorable trade balance, which would at the same time exert a beneficial influence on the balance of payments. To this end, in the first place, an increase of production must be obtained, both by improving the working methods, by working at increased pressure, and, if necessary, by prolonging the working hours.

At the same time the question of a reduction of wages should be considered, together with their adaptation to the existing value of money. It can not, however, be expected that the worker would agree to such measures so long as, on the one hand, the bank would buy up mark holdings and banknotes expressed in marks, principally through the concentration of their activity, in the foreign markets.

By suitable action we believe it would be possible effectively to deal with any counteroperations which might be attempted and to obtain a very appreciable improvement in mark exchange on the foreign markets.

To effect an upward movement of the mark is one of the principal objects, as the recent collapse of the mark was mainly due to panic, and the restoration of confidence may speedily bring about a countertendency.

Assuming that it is possible in this way to restore the mark to an appreciably higher level, the following important advantages will result:

(a) A stop will be put to the disproportionately heavy depreciation of the mark.

(b) The mark will be placed on a basis which, compared with the present position, will not represent the absolute depreciation of all mark holdings.

(c) The higher the value at which the mark can be stabilized, the sooner will the note circulation suffice for the requirements of the country.

On the other hand: (a) Definitive adaption of the scale of wages to the new internal value of the mark will require a more or less lengthy period, during which very serious

difficulties will have to be overcome; and (b) an appreciable reduction in prices will be the natural consequence.

Improvement in the economic situation by means of stabilization will also make it easier for the Government to follow a sound economic policy. The budget will then rest upon a secure foundation and equilibrium will be restored.

If all these desirable consequences are taken into consideration, it would certainly appear advisable to make an immediate attempt to effect stabilization, provided there is a reasonable prospect of the above-mentioned conditions being fulfilled at no remote date.

When the mark has attained a sufficiently high value every effort must be made to maintain it at that rate, either by the purchase of foreign exchange when the mark appreciates or by purchase of marks if the rate requires support. This could best be achieved by an exchange office. The "specie bank" might also take over the functions of this office.

The end to be aimed at consists in the restoration of a gold currency. Should a transition period be necessary, it might be advisable to leave the paper mark temporarily in circulation and at the same time to introduce the gold mark as a real currency. We hope, however, that direct transition from paper currency to gold currency may be possible.

It will then be necessary to consider by what method the paper mark notes still in circulation can be exchanged for gold mark notes or corresponding credits. After these measures have been carried out, the abolition of the "specie bank" may be considered, when the Reichsbank would resume sole charge of the issue of notes and the manipulation of the parity of exchange.

During a certain transition period the increase of the floating debt could be entirely prohibited; therefore, the Government should be given an opportunity of increasing the floating debt within certain limits, to be prescribed later, until the favorable effect of stabilization has made itself felt.

The measures to be taken must be initiated forthwith, as otherwise it is to be feared that any action will come too late to have any chance of success.

(Signed)

G. VISSERING.
LEOPOLD DUBOIS.
BORIS KAMENKA.

BUSINESS AND FINANCIAL CONDITIONS ABROAD.

UNITED KINGDOM.

THE COURSE OF PRICES.

During the present year prices in Great Britain have remained comparatively stable. As will be seen from the table below, the net fall between January and November is small, when compared with the heavy drop recorded in 1921. Similarly, the mean deviations from the average for the first 11 months are very much smaller than was the case in 1921. Following this stability there is yet no indication of a rise pointing to any considerable industrial recovery. This long hesitancy suggests that a revival may possibly be delayed owing to the failure of prices of particular classes of goods and services to revert to a normal relationship as between themselves. If one set of prices fails to adjust itself to the general level, this factor may be sufficient to delay recovery.

That some adjustment as between different classes of commodities has taken place is suggested by the fact that the various index numbers of wholesale prices have moved closer together since the peak of the 1920 boom. It will be seen from the table, for instance, that the fall between April, 1920, and November, 1922, has been largest in the case of that index—the Federal Reserve Board's (specially constructed for international comparison)—which reached the highest point during the boom period, and, conversely, has been smallest in the case of the Economist number, which recorded the lowest peak of the four. Since the differences between the various numbers are largely due to the different weights given to the separate classes of commodities, however, it still appears that some one or more classes of commodities or services have failed to align themselves with the rest, restoring the interrelation which characterized the period immediately preceding the war. The object of this discussion is to investigate the several available group price levels, in order, if possible, to segregate such high-priced commodities or services. The method adopted is that of a consideration of the various elements in the cost of production of goods. In this way light is also shed upon the profitableness of the various stages of production.

INDEX NUMBERS OF WHOLESALE PRICES IN GREAT BRITAIN.

[1913=100.]

	1922				1921
	Board of Trade.	Statist.	Economist.	Federal Reserve Board.	Board of Trade.
1922.					
January.....	164	156	159	170	246
February.....	162	155	158	167	225
March.....	160	157	160	168	211
April.....	160	158	159	167	205
May.....	160	159	162	171	202
June.....	160	159	163	169	198
July.....	160	157	163	171	194
August.....	156	152	158	168	190
September.....	154	150	156	165	187
October.....	155	153	158	163	181
November.....	157	153	159	165	173
December.....			158	165	168
Net fall, January-November.....	7	3	0	5	65
Average, first 11 months.....	159	155	160	168	204
Mean deviation.....	2.4	2.5	1.9	2.0	14.4
April, 1920.....	325	313	306	334	.....
Fall, April, 1920-November, 1922.....	168	160	147	169	.....

Spread, April, 1920: 334-306=28.

Spread, November, 1922: 165-153=12.

Spread, averages, January-November, 1922: 168-155=13.

Spread, averages, January-June, 1920: 328-300=28.

Spread, averages, June-November, 1922: 167-154=13.

Element of raw materials.—A considerable amount of data is available as to the prices of the materials used in manufacture. From the table below it appears that both the Statist and Federal Reserve Board index numbers of the prices of raw materials agree substantially. At the same time the gap (due to fundamental differences in mathematical method) between the Board of Trade and Federal Reserve Board figures for imports, in which raw materials predominate, was considerably narrowed during the period from the peak to the present time, while the levels reached tend to confirm the statement that raw materials stand at a level a little more than one-half higher than in 1913—that is, at about the same level as the indexes of general wholesale prices. At the same time, consumers' goods show a wider discrepancy, suggesting a maladjustment between wholesale and retail prices, a subject which will be reverted to at a later stage.

	Peak level.	November, 1922.
Raw materials:		
Statist.....	318 (February, 1920)	148.
Federal Reserve Board.	308 (June, 1920).....	166.
Producers' goods:		
Federal Reserve Board.	409 (April, 1920).....	146.
Consumers' goods:		
Federal Reserve Board.	311 (June, 1920).....	172.
Goods imported:		
Federal Reserve Board.	324 (April, 1920).....	165.
Board of Trade.....	289 (Third quarter, 1920)	157 (Third quarter, 1922).

Element of wages.—Since labor costs absorb a proportion of the prices both of raw materials and manufactured goods which vary widely in different cases, evidence as to the level of wages is not of uniform importance throughout the productive process. Nevertheless, its importance is so considerable in every branch of production that no discussion of costs could afford to omit this element. There are two available sources of information on the subject. The first is the Ministry of Labor, which estimates that the average weekly rates were at the end of September at a level of 75 to 80 per cent above pre-war. This compares with an index of 170–180 at the end of 1920. The second computation, that of Prof. A. L. Bowley, confirms this figure by giving 180 as the level on November 4, 1922, on the same base as that used by the Ministry of Labor. The peak, according to these figures, was 277 in January, 1921.

The rates of increase vary widely, however, from trade to trade, as will be seen from the following individual numbers from which Bowley's index is constructed.

AVERAGE WEEKLY RATES OF WAGES ON NOVEMBER 4, 1922.

[Expressed as percentages of July, 1914, rate.]

Bricklayer.....	168	Cotton.....	181
Bricklayer's laborer...	185	Wool.....	183
Engineering:		Coal.....	123
Fitter.....	146	Docks.....	184
Laborer.....	178	Agriculture.....	184
Compositor.....	231	Mean.....	180
Railways.....	213		

The remarkable correspondence between these two independent computations is continued into the field of living costs. The Ministry of Labor index number shows that the cost of living reached the maximum, 276, in November, 1920, and stood at 180 two years later.

From the point of view of production costs, it should be remembered that indexes of rates

are not conclusive, for during 1919–20 there have been reductions of the hours worked per normal week which would make hourly rates roughly 10 per cent higher than are shown in the index. Incidentally, it should be remembered that the above figures are no index of earnings, owing to the incalculable elements of short time and overtime.

Element of transportation.—Whether paid by seller or buyer, the cost of moving goods inevitably enters into the determination of their final price. Hence it is important that, while freight rates on the British railways never rose so high as the general level of prices, and, indeed, remained practically at their pre-war level until 1920, the reductions made during the present year have not sufficed to bring them into line with commodity prices. The present level is at about 75 per cent above pre-war.¹ This fact is an interesting reflection on the disparity between wholesale and retail prices, suggesting that, as compared with 1913, transportation charges are absorbing too large a proportion of the price paid by the consumer, or, reversing the approach, that transportation charges are so high as to form a deterrent to increased mobility of goods, and hence trade revival.

So far as goods entering into foreign trade must be carried by rail to the port of embarkation, so far is foreign trade, equally with domestic, impeded by high rates. But in the case of foreign commerce this element is very largely neutralized by the low level of shipping freights, which now stand at little more than one quarter of their 1920 levels. This fact is of peculiar significance in view of the comments on the trade situation in the December, 1922, BULLETIN, page 1428, where it was noted that foreign trade appeared to be recovering more rapidly than domestic business activity.

Element of capital.—While not strictly in the nature of a cost of production, yet the price paid, so to speak, for the use of capital is not without its effects on the price paid both for the materials of industry, for the finished product, and for the means by which these commodities are used. The returns on long-term and short-term capital are important both as indicating, in the case of the former, the cost of raising new capital and the extent of profits, and, in that of the latter, the cost of securing accommodation to augment working capital. The low rate of profits accruing at the present time is emphasized by the London Economist

¹See November BULLETIN, p. 1302.

figures of the net profits of industrial companies.² These averaged 11 per cent in 1913, reached 16.8 and 16.6 per cent, respectively, in the quarters ending April and July, 1920, and were only 5.9 per cent in the quarter ending July, 1922. In order to make these figures contemporaneous with other data, it must be remembered that these rates were disclosed, and not earned, during the quarter mentioned. Profits were therefore highest at the beginning of 1920, but are now unquestionably low.

The charges for short-term accommodation show similar symptoms. The rate of discount on six months' trade bills averaged $4\frac{2}{5}$ in 1913 and $7\frac{7}{4}$ in 1920. Since the second half of 1920 and the first of 1921 it has fallen to 3 in July, 1922, rising to $3\frac{3}{8}$ in November. A similar course has been followed by three months' bank bills, which are of peculiar importance to British trade as acceptances. From an average level of $6\frac{7}{6}$ in 1920, $1\frac{3}{2}$ was reached in July, 1922, and a recovery to $2\frac{1}{2}$ was accomplished up to November.

The short-money index³ shows a maximum of 162 (expressed as a percentage of 1913 levels) in February, 1921, a precipitous fall to 48 in July, 1922, and a subsequent rise to 52.5 in the week ending November 3, 1922. All these factors agree, even more than the statistics relative to long-term capital, in setting forth the low but recently rising charges for short-term credit.

Wholesale and retail prices related.—Bearing in mind, then, that of the four factors in price determination which have been considered, wages and inland transportation appear to be above the general level of wholesale prices, it is now necessary to consider the margin between wholesale and retail price levels. Referring back to the first table used in the present discussion, it will be seen that the wholesale index which showed the highest mean deviation from the average over the first 10 months of the year was that of the Board of Trade. The Ministry of Labor's index of the cost of living shows a considerably higher mean deviation, 3.5. The relative instability thus shown is, of course, due to the lag of retail behind wholesale prices, which carried over into 1922 a considerable part of the decline due to liquidation. Between April and November, however, the level of retail prices has been much steadier. Thus, during that period there has

been little adjustment between the two sets of prices.

The following table shows the chief points in the recent history of wholesale and retail prices:

MOVEMENT OF WHOLESALE AND RETAIL PRICES.

	Wholesale prices, Board of Trade (average of 1913=100).	Cost of living, Ministry of Labor (July, 1914=100).
May, 1920 (wholesale prices at peak).....	325.5	241
November, 1920 (cost of living at peak).....	286.9	276
May, 1921.....	201.7	228
November, 1921.....	172.8	203
May, 1922.....	160.4	181
November, 1922.....	157.1	178

If these figures be examined in such a way as to compare the wholesale figure with the retail figure for the next following date, thus allowing to some extent for the lag, it is clear that retail prices never reached the levels attained by wholesale. Their fall, however, was considerably less precipitous, so that by November, 1921, they were at a higher level than wholesale, and this disparity has been maintained, and even widened, by the small drop in wholesale prices during the present year. The result is that, in comparison with pre-war levels, the cost of living is about one-sixth higher than are wholesale prices, while there is no apparent tendency to return to the pre-war relation.

Apart from any question of a permanent readjustment, it appears certain that costs of distribution are absorbing a larger part of the retail prices of commodities than was the case before the war. The level of wages can not be held solely accountable for this fact, since the larger part of the direct wage cost of commodities is absorbed in the process of production. On the other hand, the costs of distribution are largely attributable to inland transportation charges, and these, it has already been shown, are at a disproportionately high level compared with wholesale prices. This, however, can not be the sole factor in the situation, and is emphasized merely on account of the ease with which it can be determined. Other factors, no less important, in particular the high level of taxation, may or may not contribute to this state of affairs.

Conclusion.—So far as this discussion has thrown any light on the present industrial

² See this issue, p. 132.

³ Prepared by the London School of Economics, from bank rate, bankers' deposit rate, three months' bill rate, and day-to-day rate.

situation in Great Britain, it seems that the several disruptions since 1913 between the cost of the different elements which assist in determining the prices of commodities, while of some magnitude, are insufficient to account for the recent stagnation of trade, which is evidenced by the fact that the course of prices gives little indication of any substantial revival.

It is therefore of special significance that, despite some recent improvement in the export trade, the prices of exported commodities remain stable. The Board of Trade index was unchanged as between the second and third quarters of 1922, while the Federal Reserve Board number, despite a temporary mid-year rise, has registered a net fall of 4 points (158 to 154) between January and November. In a country which engages so predominantly in foreign trade, the absence of revival is unlikely to be attributable to price disparity unless very strong evidence be produced to support such a conclusion. This lacking, and export prices failing to show signs of advance in response to accumulating demand, presaging industrial recovery, it may reasonably be concluded that Great Britain's ills are external, rather than internal, and that revival waits upon an amelioration of the economic situation of her foreign markets.

FRANCE.

• THE INTERNAL FLOATING DEBT.⁴

The size and heavy burden of present-day public debts constitute an economic factor second to none in the countries of continental Europe. Among the various items making up these public debts, the floating debt is most likely to be charged with financial dangers. The present article continues the discussion of the general problem of the public debt of France begun in the FEDERAL RESERVE BULLETIN for December, 1922. It is the object of this article to consider in detail the internal floating debt of France, which represents a problem of the first magnitude in contemporary European finance.

On March 31, 1922, the total public debt of France was carried at 316,984,988,953 francs. Of this, 120,488,259,100 francs represented the floating debt, being divided into an internal debt of 87,050,312,100 francs and an external debt of 33,437,947,000 francs. Reduced to percentages, these figures show that on the

date named the floating debt amounted to 38 per cent of the total debt of France; that the internal floating debt is 36 per cent of the total internal indebtedness; and that the external floating debt is 44 per cent of the total external debt. As the external debt is carried at the rate of exchange of the day mentioned, its statement in francs is subject to fluctuation from one time to another with consequent effects upon its ratio to the total indebtedness of the country.

The magnitude of the internal floating debt as well as its ratio to the total indebtedness of the country attracts attention to it as one of the most serious problems of French public finance. The principal items of this internal floating debt are the *bons de la Défense Nationale* and the advances from the Bank of France.

BONS DE LA DÉFENSE NATIONALE.⁵

Issues during the war.—The *bons de la Défense Nationale*⁶ were a very important factor in war finance. It will be recalled that in the summer of 1914 the French Government issued a 3½ per cent amortizable loan, which, owing to the outbreak of the war, was not at all successful. This failure, combined with the generally disturbed conditions in the financial market, made a war loan apparently impossible. The almost unanimous belief that the war would be brief also encouraged a policy of short-term financing. By the law of August 5, 1914, the French Government was given extensive powers for raising extraordinary funds. The chief sources indicated were short-term treasury bills (*bons*) and advances from the Bank of France.

Issues of treasury bills had played an important part in financing the war of 1870, and they had since been resorted to in small volumes. On August 1, 1914, there were 427,000,000 treasury bills in circulation. They were a familiar form of investment to banking institutions, but were little understood by the public. The banks, however, on account of the moratorium and for other reasons, were in no position to purchase them on a large scale.

⁴ In the preparation of this section acknowledgment is due Mr. R. C. Miller, of the United States Bureau of Foreign and Domestic Commerce, who placed at the disposal of the Division of Analysis and Research a detailed report on this subject.

⁶ The figures for the *bons de la Défense Nationale* have been taken, so far as possible, from official sources. Owing, however, to the great volume of these bills, their numerous denominations and maturities, and their wide distribution, exact accuracy is difficult to attain. The figures for the total *bons* outstanding were subject to an official correction of nearly 7,000,000,000 francs early in 1922; but at the time this correction was made there was no statement as to when the original error crept in.

⁴ For an account of French war finance, see FEDERAL RESERVE BULLETIN, February, 1921, page 174.

To meet the needs of the occasion, M. Ribot, Minister of Finance, by the decree of September 13, 1914, announced a special issue of treasury bills, called "bons de la Défense Nationale," and invited public subscription. The bills were issued in denominations of 100, 500, and 1,000 francs, maturing in 3 months, 6 months, and 1 year, but all bearing interest at 5 per cent, payable in advance. They were to be received at par for subscription to future Government loans, with right of preference in such subscription. They might be redeemed at par at maturity or might be renewed. As an additional feature introduced late in 1914, the Bank of France announced that it would discount these bills having not more than three months to maturity, and would advance loans on the longer bills up to 80 per cent of their nominal value. Arrangements were made to facilitate the purchase of these bills so that they could be bought at any branch of the Treasury, at post offices, and banks.

The sale of the bills increased rapidly, though the interest rate on the three-month bills was reduced, and the limits of authorized issue were steadily raised, so that it may be said that the act of setting a limit had only nominal significance. To attract even smaller savings, the decree of August 20, 1915, announced the issue of these bills in denominations of 5 francs and 20 francs. They bore interest at the rate of 2 centimes and 8 centimes per month, respectively, and sold at par, the interest to be added at maturity. Thus a one-year, 5-franc bill would be redeemed at 5.25 francs and a 20-franc bill at 21 francs. On May 1, 1918, bills of one-month maturity were issued bearing interest at $3\frac{1}{2}$ per cent.

The following table shows the subscription and outstanding circulation of bons de la Défense Nationale during the war years:

BONS DE LA DÉFENSE NATIONALE.

[In millions of francs.]

Year.	Subscribed.	Outstanding at end of year.
1914 (from Sept. 15).....	1,697	1,619
1915.....	16,393	6,963
1916.....	27,675	12,574
1917.....	40,099	19,521
1918.....	47,791	22,334
Total subscriptions.....	133,655	

It will be recalled that these bills were receivable at par in subscription to war loans.

This privilege was utilized to a great extent, as is shown by the accompanying table, though it must be noted that the column "treasury bills" also includes the relatively unimportant item of the old type of bons du Trésor.

FUNDING OF THE BONS IN WAR LOANS.

[In millions of francs.]

War loan of—	Net amount.	Actual interest rate.	Subscribed in—	
			Cash.	Treasury bills.
November, 1915.....	13,308	5.73	6,285	2,244
October, 1916.....	10,082	5.71	5,425	3,693
November, 1917.....	10,209	5.83	5,174	4,583
October, 1918.....	22,163	5.68	7,246	13,255
Total.....	55,762		24,130	23,772

This shows very distinctly that the war loans served the purpose, not only of raising new funds, but also on an ever-increasing scale, of funding the floating debt as represented by the treasury bills. In fact, the last war loan, for which the subscriptions in treasury bills were nearly double the cash subscriptions, may be considered very largely as a funding operation. But such funding was rather expensive. The highest rate paid on the bons de la Défense Nationale was 5 per cent. In return for these, accepted at par, the Government exchanged securities (rentes) yielding currently from 5.65 per cent to 5.83 per cent, and without maturity date.

From the data given above, it is possible to reach some conclusions on the floating debt policy during the war years. First, funds were provided for the prosecution of the war at a time when, owing to the weak state of the investment market and the disturbed conditions of the banks resulting from the moratorium, the Government was without other recourse except the issue of paper notes directly or through the Bank of France. By the attractiveness of the terms of the above-mentioned bons and the small denominations in which they were issued, they discouraged hoarding which otherwise might have appeared on a large scale, and might have necessitated greater issues of Government or bank notes. By offering unusual incentives to thrift, they discouraged extravagance and so, to some extent, the competitive bidding up of prices. In addition they performed the true function of a floating debt, namely, to meet by a temporary expedient the requirements of the Government until a more satisfactory disposition of the indebtedness could be provided.

Bons de la Défense Nationale since the war.—The war finished, the French treasury was confronted with a choice between meeting current deficits out of long-term or short-term borrowing. For several reasons the latter course was chosen. Among the reasons which may be cited was the cost of the loan of 1918 and doubt as to the capacity of the country, faced with the problem of readjusting business, to absorb a long-term loan of any magnitude. Probably the expectation of early receipts from German reparations had an influence, as well as a failure to anticipate the enormous expenditures that would be necessitated during the next few years. The result was to continue to place dependence in the *bons de la Défense Nationale*, and from the end of December, 1918, to the end of January, 1920, the *bons* outstanding doubled, increasing from 22,000,000,000 francs to 46,000,000,000 francs. It was only on December 23, 1919, that the Government, through the *Crédit National*, issued a loan, which realized 3,960,000,000 francs. It bore a 5 per cent coupon, but as it was issued at 495 francs (par 500) and is repayable between 1940 and 1995 at 600, besides having lottery features, it is evident that the annual charge was considerably more. Moreover, the actual interest rate on this loan was higher than that carried by the *bons de la Défense Nationale*, none of which were taken in exchange for the 1919 issue.

Despite expectations to the contrary, it was found impossible to effect drastic reductions in the rates of interest on the floating debt. By a decree of December 30, 1918, the rate of interest on the 6-month *bons* was reduced to 4½ per cent, other rates remaining unchanged.

The *bons* attained such popularity that subscription to them has increased enormously since the war. Early in 1919 two more features were added to the bills, which have added to their attractiveness: (1) By the law of January 26, 1919, they might be crossed with two parallel lines (like crossed checks), and bills so crossed could be cashed only through a bank or by members of the bourse; and (2) by indorsement on the face, a particular governmental office might be designated as the sole place of redemption. This precaution was fortified by the further provision of March 18 of the same year that such crossed bills must be indorsed by the person presenting them. The object of these provisions was ostensibly to protect holders from loss or theft; it may also have been to discourage their free negotiation in commercial transactions.

In 1920 the Government issued two large long-term loans, which funded 12,362,000,000 francs more of treasury bills.

FUNDING THE BONS THROUGH POST-WAR LOANS.

[Millions of francs.]

Loan of—	Net amount.	Actual interest rate.	Cash.	Treasury bills.
Feb. 19, 1920.....	15,941	5.75	7,035	8,226
Oct. 20, 1920.....	28,089	6	11,278	4,136
Total.....	44,030	.....	18,313	12,362

These operations again were expensive for the Government, as the loan of October was a 6 per cent issue, sold at par, while that of February, though bearing only a 5 per cent coupon, is redeemable at 150, thus largely increasing the rate to maturity. However, the funding of even 12,000,000,000 francs was of material value in lightening the burden of the floating debt. Since 1920, only one funding operation has been undertaken and that was small. The *Crédit National* offered in November, 1921, a loan to the amount of 3,000,000,000 francs, on which 2,941,000,000 francs net were realized. Of this, 1,070,000,000 francs were subscribed in *bons de la Défense Nationale*, and to this extent it was a funding operation. On this the rate was 6 per cent, the bonds being offered at 498.50 (par 500) repayable at par between 1929 and 1934, but with lottery features, again providing evidence that the state of the money market favored reliance on the *bons de la Défense Nationale*. The Government issued no loans in 1921, other than the two-year treasury bills. The 3 to 5 year issue of October, 1922, could be subscribed only in currency, though it is possible that some of the *bons* may have gone indirectly for such a purpose.⁷

The increase in treasury bills since the war has been steady and rapid. The largest expansion took place in 1919, when the figures rose to 47,934,000,000 francs, owing to the absence of competition with other Government issues. During the next year the increase was very small, leaving the figures at 52,352,000,000 at the end of the year, since investors preferred the two long-term issues referred to above. The time loans, therefore, though they did not succeed in effecting a net reduction in the

⁷ That is, by the subscribers obtaining cash through discounting their *bons* at the Bank of France.

treasury bills at the end of the year, did prevent an undue increase in this item of the floating debt.

In the year 1921, net sales of the bons de la Défense Nationale amounted to 17,064,914,600 francs. If this sum is added to the figures of December 31, 1920, the total outstanding would have been about 68,225,000,000 francs. Owing to the correction of previous figures it was actually 58,500,000,000 francs.

In the spring of 1922 a further attempt was made to reduce the carrying charges of the floating debt. On February 26 the following scale went into effect; 1-month bills, 3 per cent; 3-month bills, 3½ per cent; 6-month bills, 4 per cent; and 1-year bills, 4½ per cent.

As an inducement to holders of 1-month bills to renew, the interest rate is raised to 3.30 when maturity is extended to 2 months and 3.40 when payment is postponed for 3 months from the date of issue. On March 12, 1922, the emission of 5 and 20 franc bills was suspended.

Whether because the interest rate is no longer sufficiently attractive, or because there is a lack of investment capital, sales of bons de la Défense Nationale have shown a decided falling off in 1922, as may be seen from the following table:

SALES OF BONS DE LA DÉFENSE NATIONALE IN 1922.

	Francs.
January.....	1,366,000,000
February.....	305,000,000
March.....	746,000,000
April.....	689,000,000
May.....	1,362,000,000
June.....	919,000,000
July.....	⁸ -1,284,000,000
August.....	411,000,000
September.....	468,000,000
Net total (9 months).....	4,982,000,000

These figures show that the average monthly sales were only about one-third of what they had been in 1921. During 1922 there were three large Government loans, the two of the Crédit National of 4,710,000,000 francs and 3,290,000,000 francs, respectively, and that of the 3-5 year treasury bonds of 8,191,000,000 francs, or approximately 16,000,000,000 francs together.

The terms of these loans, which were considered successful, were, however, so onerous to the Government that the reason for not attempting to employ them as funding issues is evident.

⁸ That is, repayments exceeded the net new sales by this figure.

Problems arising from the bons de la Défense Nationale.—The bons de la Défense Nationale have served as a source of income in amount comparable to that received from taxes and other revenues from 1914 to 1921.

COMPARISON OF INCOME FROM TREASURY BILLS AND TAXATION.

[In millions of francs.]

Year.	Treasury bills.	Taxation, permanent sources.	War profits tax.
1914.....	1,190	4,196	.....
1915.....	4,368	4,130	.....
1916.....	5,643	4,982	.....
1917.....	6,973	5,977	209
1918.....	3,660	6,213	578
1919.....	26,151	9,707	672
1920.....	3,498	14,948	3,224
1921.....	17,065	16,547	3,169
1922.....	.....	¹ 19,831	13,050

¹ Estimated.

The advantage of these bons de la Défense Nationale during the war period have already been summarized. The value of this issue to the Government both during the war and after, justifies the official statement that "the bons de la Défense Nationale were during the war and still are the principal resource of the treasury."

Nevertheless, there are several serious disadvantages in these issues. The outstanding fact is that, even assuming no further increases, there are outstanding over 60,000,000,000 francs of maturities due within 12 months of any given date. Assuming that the maturities are evenly distributed, it requires that maturities of approximately 5,000,000,000 francs be met every month, whether by extension, conversion, or new sales.

The second fact to note is the heavy carrying charges of these bons. On March 31, 1922, when the amount outstanding was 60,839,311,000 francs, the computed annual charge was 2,817,889,400 francs. While the charge is onerous, it is less than that required by an issue of a conversion loan. This is demonstrated by the interest rate on the Government issues noted above, by the rates on the various Crédit National loans floated in recent months, and by the rate on the 3-5 year treasury issue put out in October, 1922. The rate of interest to investors in the last-named issue was 6.38 per cent if redeemed in 3 years and 6.54 per cent if redeemed in 5 years, while the cost for that part of the issue which was disposed of through banks has been unofficially computed at over 6.75 per cent.

A third argument commonly advanced against the bons de la Défense Nationale is that, being easily negotiable, they are in effect and in a greater or less degree a kind of interest-bearing paper currency. There is ample evidence that since the war they have been used to some extent as a circulating medium. It would seem probable that if these bills replaced or supplemented the regular Bank of France notes on a large scale, there would be some reflection of it in prices. A study of price levels does not lend much support to the argument that they circulate freely. At the end of December, 1918, there were about 22,000,000,000 francs of bons outstanding. The bank-note circulation at the same time was about 30,000,000,000 francs. The bons on October 1, 1922, the last available date, were about 63,404,000,000 francs, an increase of about 200 per cent. The circulation was about 37,000,000,000 francs, an increase of about 23 per cent, while the index of wholesale prices as computed by the Statistique Générale for comparable dates are shown in the following table:

INDEX OF WHOLESALE PRICES (STATISTIQUE GÉNÉRALE).

[1913=100.]

Month.	1918	1922
October.....	360	337
November.....	358	352
December.....	353	.....

While such statistics, of course, do not prove that the bons de la Défense Nationale do not circulate as a purchasing power medium, they tend to show that whatever circulation they may have seems to have had little effect on prices during the present time, or, indeed, for the last two years.

Nevertheless, the bons de la Défense Nationale are a medium of enormous potential credit inflation. Under date of November 24, 1914, the general council of the Bank of France issued instructions that the bank could loan money on the one-year and six-month bons up to 80 per cent of their nominal value, and that bons of maturity not exceeding three-months would be discounted. As these bons are issued solely on the credit of the Government, the possibilities involved in this ruling are obvious. As a matter of fact, the statements of the Bank

of France and of the commercial banks do not show that this privilege has been abused; while, on the other hand, it can not be doubted that this feature of the bons has been of great advantage to the Government in attracting inactive funds, both of banks and private individuals.

Beside the bons de la Défense Nationale, there have been issues of ordinary treasury bills of the pre-war type. Their volume on July 31, 1914, was only 427,000,000 francs, almost entirely, if not entirely, held by banks and financial institutions. At no time has the amount outstanding exceeded 3,500,000,000 francs. On April 15, 1922, the figure was 1,413,000,000 francs, though it has since increased somewhat. Ordinary treasury bills to the amount of 542,651,000 francs were sold in September. The ordinary treasury bills present only the normal features common to such issues, and the interest rate is nearly the same as on the bons de la Défense Nationale.

ADVANCES OF THE BANK OF FRANCE.

Although smaller in volume than the receipts from the bons de la Défense Nationale (except in 1914), the advances of the Bank of France to the State were a very important factor in war finance, and still form the second largest item of the interior floating debt.

The following table, from the *Économiste Européen* of August 11, 1922, shows the relative importance of these advances compared with other exceptional resources.

PROPORTIONAL DISTRIBUTION OF THE VARIOUS FINANCIAL RESOURCES OF THE FRENCH GOVERNMENT.

[In percentages.]

Year.	Advances of banks of issue. ¹	Interior loans.	Foreign loans.	Operations to facilitate payments of war claims.
1914.....	62.4	36.9	0.7	.....
1915.....	5.6	80.9	13.5	.....
1916.....	7.9	62.3	29.8	.....
1917.....	14.5	52.2	33.3	.....
1918.....	12.7	64.3	23.0	.....
1919.....	16.3	53.8	22.1	7.8
1920.....	2.0	80.6	8.3	9.1
1921.....	.....	74.2	4.7	21.1
Proportion, 1914-1921..	10.4	65.0	19.0	5.6

¹ Includes relatively unimportant advances by the Bank of Algeria, entirely repaid by Dec. 31, 1920.

The following table shows the actual state of this item from the beginning of the war:

ADVANCES OF THE BANK OF FRANCE FOR WAR PURPOSES.
[Millions of francs.]

Year.	Amount advanced during year.	Outstanding at end of year.
1914.....	3,900	3,900
1915.....	1,100	5,000
1916.....	2,400	7,400
1917.....	5,100	12,500
1918.....	4,650	17,150
1919.....	8,350	25,500
1920.....	1,100	26,600
1921.....	-2,100	24,500
1922.....	-900	23,600

These figures do not include the small permanent pre-war advances of 200,000,000 francs, granted in exchange for its privilege as a bank of issue, on which the State pays no interest.

The dangers involved in financing a war with paper money, issued by the central bank in the form of advances to the State, were recognized in France from the first, particularly in view of the fact that the advances from the Bank of France bore only 1 per cent interest,⁹ while the only possible alternative—the treasury bills—cost 5 per cent. Therefore, the Government resolutely undertook, by the convention of September 21, 1914, to follow the precedents established under similar conditions 42 years before. This convention provided that beginning one year after the cessation of hostilities the advances would bear 3 per cent interest. The 2 per cent excess interest would not go to the profits of the bank, which, it must be remembered, is a private corporation, but into a fund to assist in the amortizing of the advances. Against this amortization fund, however, the Bank of France might charge losses arising from the moratorium—in this respect following the decision of the British Government regarding the Bank of England.

During the war the legal limit of the advances to the State increased irregularly.

LEGAL LIMITS OF ADVANCES TO THE STATE DURING THE WAR.

Date.	Advance authorized.	Total advances authorized.
Aug. 5, 1914.....	2,900	2,900
Dec. 26, 1914.....	3,100	6,000
July 10, 1915.....	3,000	9,000
Feb. 10, 1917.....	3,000	12,000
Oct. 4, 1917.....	3,000	15,000
Apr. 5, 1918.....	3,000	18,000
June 7, 1918.....	3,000	21,000

⁹ The rate was nominally 1 per cent. Actually, owing to a one-eighth per cent tax on the issue, it was only 0.00875 net.

The importance of the table lies in the dates of these authorizations. By the early part of 1915 the sale of bons de la Défense Nationale, and later in the year the obligations de la Défense Nationale, were providing large volumes of funds, while in November, 1915, came the first war loan.

No further demands were made on the Bank of France until February, 1917, a period of about a year and a half. This is at least partly explained by the very large credits obtained abroad in 1916. In 1917, however, despite interior and exterior loans, it was again necessary to appeal to the bank, while in 1918 two advances, one in April and another in June, were required.

At the end of that year the question of renewing the privilege of the Bank of France came up for consideration. The law of December 20, 1918, granting the renewal is given in full in the FEDERAL RESERVE BULLETIN of April, 1919, page 339. By this act, the bank paid 200,000,000 francs in lieu of the tax on war profits, to cover the period from the outbreak of war down to December 31, 1917. For the year 1918, the law being to that extent retroactive, the bank paid into the amortizing fund one-half of the profits of the 1 per cent interest paid by the State, so that its net interest amounted to only 0.4375 per cent for that year. Further, 85 per cent of the profits of the discounting of treasury bills issued against advances to foreign States. As a result of these measures the amortization fund, which had been provided for by the convention of September 21, 1914, made its appearance in the bank statement of December 24, 1918, at 437,414,951.57 francs. It may be stated here that on October 27, 1920, these moratorium losses had been covered, and from that date the amortizing funds could be applied to the advances to the State.

In the early part of 1919 the State again turned to the Bank of France, from which it obtained by the law of March 5 another advance of 3,000,000,000 francs, on which the interest rate was set at 0.75 per cent instead of the nominal 1 per cent. The war being over, considerable public sentiment appeared unfavorable to a continuation of the policy of borrowing from the bank. This was reflected in the convention of April 24, 1919 (law of July 18, 1919), which, though it granted 3,000,000,000 francs, without interest, was intended to be the last advance. It further stipulated that the next loan, whether of rentes or treasury obligations, should be applied to extinguishing this last advance. With this

final convention, the limit of legal advances was raised to 27,000,000,000 francs.

It will be recalled that the convention of September 21, 1914, had stipulated that, beginning a year after the cessation of hostilities, the amortization provision should require an interest rate of 3 per cent on advances. Pursuant to this provision, the 3 per cent rate went into effect beginning with October 24, 1919, while of the 1 per cent on the first 21,000,000,000 of advances and the 0.75 per cent on the next 3,000,000,000, one-half was also carried to amortization. This makes the net rate to the State one-half of 1 per cent on the first 21,000,000,000 francs, and 0.375 per cent on the next 3,000,000,000 francs, from which must be deducted the one-eighth of 1 per cent due the State, as mentioned above.

During the year 1919 the financial needs of the Government were so great and the cost of money so high that no loan, as contemplated by the law of July 18, 1919, was floated, though 1,350,000,000 francs were repaid in several installments to the bank. As a result, the total advances to the State at the end of the year stood within 1,500,000,000 francs of the legal limit (December 24, 1919, 25,500,000,000 francs). During 1920 the advances rose again, and although, as a result of the loan of February, 1920, the advance was reduced from 26,300,000,000 to 25,300,000,000 francs, this figure could not be maintained. Accordingly, a new convention was entered into on April 13, 1920, by which the legal limit of advances was continued to December 31, 1921, at 27,000,000,000 francs, with the proviso that it should be reduced 2,000,000,000 francs on December 31 of each succeeding year, beginning with December 31, 1921. This was confirmed by the convention of December 29, 1920, which was promptly ratified by law. As a result the legal limit of advances was to be 25,000,000,000 francs on January 1, 1922, and 23,000,000,000 francs on January 1, 1923. The legal limit had stood at 27,000,000,000 francs from the law of July 17, 1919, to December 31, 1921. The largest sum actually borrowed at any time was reported in the first week of May, 1921 (26,700,000,000 francs), although the average for 1921 (25,300,000,000 francs) was considerably lower than that for 1920 (26,000,000,000 francs).¹⁰

The amortization fund had reached, on December 28, 1922, a total of 1,335,383,318 francs, of which 527,794,500 francs were attributed to the guarantee fund mentioned earlier in this

article, while the surplus applicable to the amortization of the advances was 796,310,223 francs. On this credit balance of the account, the interest, calculated at the net rate of advance to the State, was 11,278,595 francs.

This policy of amortizing the advances has sometimes been criticized on the ground that it is uneconomical for the State to borrow money at over 6 per cent from its citizens, to extinguish loans from the bank on which it pays less than one-half of 1 per cent. Such criticism arises from misunderstanding both the consequences of these advances and the character of the Bank of France itself. Against these advances, the bank issues its notes, which are, of course, fiat money, though these notes circulate alongside of and are indistinguishable from the notes issued in response to the actual demands of commerce. The gradual extinction of these advances in no way impairs the capacity of the bank to finance the needs of commerce; on the contrary, it enhances the credit of the bank so as to improve that capacity.

It is important, furthermore, to recall the character of the bank itself. The Bank of France is a private, or rather, a quasi-public corporation. The problems of its condition and credit, though closely allied to, are distinct from those of the State. The advances to the State are made against 3-month treasury bills, not differing in essential character from the common type of treasury bills, or even from the *bons de la Défense Nationale*. The difference lies in the fact that against these bills, which have an especially favorable interest rate, the Bank of France, under its privilege, may issue bank notes. Further, the State does not control the bank directly by laws of Parliament; its relations to the bank are governed by conventions or agreements entered into between the Ministry of Finance and the general council of the bank, subject to ratification by law. While the bank works in accord and cooperation with the State, their relations are by no means merely those of principal and agent. This is demonstrated by the nature and tone of the conventions, and notably in such instances as that of the convention of April 24, 1919.

In concluding the discussion of this part of the floating debt, reference is necessary to the statements of its conditions as they fluctuate from week to week. These fluctuations, which may be considerable, are not necessarily indicative of real change. For instance, in the early months of 1922, the statement of the advances showed a remarkable decline, in the

¹⁰ Since this article was written it has been reported that by a convention concluded in the last week of 1922 the reduction for that year will be only 1,000,000,000 francs, making the legal limit for 1923 24,000,000,000 francs.

last week of April standing at 22,100,000,000 francs, or some 2,900,000,000 francs below their authorized limit. This was commonly regarded as evidence of an important change in the State's account with the bank—actually it was but the reflection of a temporary surplus in the treasury occasioned by the receipt of 4,710,000,000 francs through the Crédit National loan of February. As these funds were disbursed for the purpose for which the loan was raised, the State again resorted to the bank for its current needs.

On the other hand, the note circulation, though affected by these advances, is not solely dependent on them. Notes may be issued against treasury bills discounted for advances of the French Government to foreign States; they may be issued in discount of bons de la Défense Nationale maturing in less than 3 months, and they may be issued, as before the war, to meet the needs of commerce. The impossibility of following from week to week the details of these last two items makes any attempt to explain the fluctuations in note circulation by reference to the two forms of advances a matter of conjecture.

NOTE.—On December 28, 1922, the Minister of Finance stated that the floating debt had not increased during 1922. As the monthly figures showed a net increase of 4,892,000,000 francs in bons de la Defense Nationale in the first nine months alone, it appears that this indicated increase must have been largely canceled by using the proceeds of the 3-5 year loan of October. In so far as this loan was used as a funding operation, its terms were heavier than those of any issue previously employed for that purpose.

PRICES.

The sharp rise in French prices during the last quarter of 1922 again brought the price situation into special prominence. Since February, 1922, prices in France show an upward movement, whether measured by the Federal Reserve Board index or that of the Statistique Générale. According to the Federal Reserve Board index, there was a gradual advance to July, a sharp decline for August and September, and an abrupt rise in November. According to the index of the Statistique Générale, the rise has been practically uninterrupted, but was especially abrupt for November, continuing less sharply in December.

Detailed analysis of the index of the Statistique Générale shows that the advance has been most pronounced in animal foods, raw materials, minerals, and textiles. The increase in minerals can be explained, partly at least,

by the fact that this item was very much out of line in February, and its advance from 242 to 311 has partially corrected this position. The cause of this advance probably lies in the increased demand for iron and steel, which was very marked in the fall of 1922. The explanation of the rise in animal foods, raw materials, and textiles is doubtless associated with the exchange situation, and in the case of textiles, with the world price of raw cotton. Small advances occurred in food prices, but it is remarkable that the item of vegetable foods rose only 12 points, while all other items advanced between 24 and 128 points.

Analysis of the Federal Reserve Board index also shows a turning movement in February, though the total change through November being only 23 points. The greatest advance occurred in goods imported, with goods exported a not very close second. This is mostly due to the exchange situation—in the case of exports partly to the increase in textile prices, which form a very considerable item of French exports. The three items of goods produced, producers' goods, and consumers' goods, showed little change. This seems to demonstrate that the price movement reflected in the Federal Reserve Board index is largely a result of the rise in exchange on England and the United States, since goods produced show so little change, while the other two items, producers' goods and consumers' goods, are naturally lagging, as being further removed from the influence of international trade. On the other hand, the index for July is identical with that for November, though the average values of the franc were, respectively, 8.23 cents and 6.86 cents.

PRICE MOVEMENTS IN FRANCE DURING 1922.

Month.	Federal Reserve Board index.			Statistique Générale index.		
	Raw materials.	Producers' goods.	All commodities.	Textiles.	Vegetable foods.	All commodities.
1922.						
January.....	308	229	286	363	239	314
February.....	300	227	283	345	288	306
March.....	305	229	287	326	285	307
April.....	318	228	299	319	310	314
May.....	322	226	302	338	310	317
June.....	327	230	303	372	318	325
July.....	332	236	306	392	293	325
August.....	329	233	297	421	292	331
September.....	323	234	293	418	279	329
October.....	328	235	293	446	283	337
November.....	348	245	306	468	289	352
December.....				473	300	2

GERMANY.

THE CURRENCY STABILIZATION PROBLEM.¹¹

Economic and financial conditions in Germany have been moving in a vicious circle since the war and have recently become so critical that a general discussion of the situation is opportune. The fall of the mark, which has been a disturbing factor in the country's economic life for the past three years, has in recent months threatened to cause a complete economic and political collapse unless effective measures are adopted to stop the operation of the forces making for further depreciation of the currency. Up to the present time the measures undertaken by the German Government to counteract these forces, such as the foreign-exchange bill and the law prohibiting the flight of capital, have been futile. More marks are constantly issued, their value continues to fall, prices advance, a shortage of capital and credit is created, and budgetary estimates of public and private bodies are thrown out of balance. All of these factors are closely interrelated; they are all causes and all effects, and it is impossible to determine what are the original causes and what the primary effects.

Although Germany faces many intricate problems which are closely related, stabilization of the currency appears paramount. So long as the present currency situation continues it is impossible to put the budget on a sound basis, the fixing of real prices and wages is made impossible, and the redistribution of wealth, by which the larger part of the middle class is reduced to poverty, must proceed. Thus, the problem of stabilization becomes a political question which at the present time is the main issue between the two most important political parties in Germany—the Social Democratic Party, representing the large masses of workers, and the People's Party, to which the most important leaders of industry and commerce belong.

Necessity for stabilization.—There is no dispute between the two parties as to the necessity for stabilization. The controversy centers mainly about the time and method of stabilization. The statement, nevertheless, is sometimes made both in Germany and abroad that it is to Germany's advantage not to permit the mark to rise, since the present depreciated state of her currency is the greatest aid to her foreign trade.

¹¹ This study was prepared in the middle of December, prior to the declaration by the Reparation Commission of Germany's voluntary default.

The question of whether or not stabilization is necessary can best be answered by a survey of the effects of inflation on both labor and capital. According to German estimates, despite the fact that mark wages had increased about 80 times, the purchasing power of German wages at the end of November, 1922, was about 50 per cent less than in 1913. Wages of unskilled labor have increased about 130 times, representing a purchasing power of 87 per cent of 1913, while wages of especially skilled workers and professionals have increased 48 times, representing a purchasing power of 32 per cent of 1913.

The effects of the steady depreciation of the currency on capital and the national wealth of Germany may be seen from the following figures:

TOTAL PAR VALUE AND MARKET VALUE OF GERMAN SECURITIES IN PAPER MARKS AND IN GOLD.

(In billions of marks.)

	Par value.	Market value.	Value (in gold).
End of 1913.....	17.4	31.2	31.2
Beginning of January, 1921.....	29.0	118.4	6.6
Beginning of January, 1922.....	50.6	433.3	9.7
Beginning of July, 1922.....	74.9	683.4	7.2
Beginning of September, 1922 ¹	79.0	850.0	2.9

¹ Estimated.

Although one can not gather from these figures a very accurate estimate of Germany's total corporate wealth, since important changes have taken place which may have worked toward a decrease in value, these figures nevertheless give some indication of the actual impoverishment of Germany.

A clearer picture is gained if one compares the index numbers of quotations of German stocks in terms of paper marks and in gold marks.

INDEX OF GERMAN STOCK QUOTATIONS.

	In paper marks.	In gold marks.
Average, 1913.....	100	100.00
January, 1921.....	265	18.33
June, 1921.....	279	16.89
December, 1921.....	582	12.73
May, 1922.....	689	9.97
July, 1922.....	698	5.94
August, 1922.....	864	3.13

Although the value of German securities has increased very rapidly since the middle of October, 1922, owing to the catastrophic decline in the value of the mark during the last few months, its gold value is probably not higher than it was in July or August.

The above figures further show that the prosperity of German industry since the armistice was in most cases only apparent, and that it is impossible to judge Germany's prosperity from the dividends paid or the high capitalization of some of her corporations. The industrial machinery in Germany is operating, but in most cases without any real profit.

The foregoing brief survey of the effects of currency inflation is sufficient to prove the great necessity for stabilization. This necessity is further increased by the attitude of Germany's creditors, who are well aware of the fact that so long as the mark continues to depreciate, Germany will not be in a position either to limit her floating debt or to balance her budget, and will as a consequence be unable to make substantial reparation payments. Stabilization of the currency therefore was urged by the representatives of the Reparation Commission in their last conference with the German Government in Berlin as the first step toward Germany's reconstruction.

Factors in the problem.—Since stabilization of the mark is regarded as of vital importance by both the Germans and the Allies, the question arises what are the factors involved in the solution of this problem and how can they be managed. From the outset it should be borne in mind that the factors involved in the solution of Germany's present difficulties are economic in their nature, while the execution of the various plans of stabilization involves to a large extent political considerations. Even assuming that the political questions could be solved to an extent where they would not undermine the possibilities of stabilizing the mark, the success of stabilization depends upon factors which can not be foreseen, such as the stability of the German Government, its ability to impose a rigorous taxation system and to decrease expenditures.

A solution of the political difficulties, especially of the reparation question, must therefore be regarded as a necessary preliminary to any attempt to solve the economic problems connected with the stabilization of the currency. The statement that measures toward the stabilization of the currency be undertaken, regardless of the attitude of the Reparation Commission, is fallacious, for although it is true that in case the German Government undertook to support the mark with the Reichsbank's gold, temporary stabilization could be attained, the resumption of payments in cash and in kind for reparation account would in a short time deplete the gold stock of the country.

The economic aspects of the stabilization problem may be discussed under two distinct heads, viz, fiscal, such as the budget and balance of payment; and technical, such as gold redemption reserve, the rate of conversion, method of stabilization, etc.

Germany's budget and balance of payments have been controlled since the armistice largely by reparations, and are at the present time in such a confused state that it is almost impossible to state whether they could be balanced in a comparatively short time or not.

The technical currency problem, although more intricate than any of the stabilization schemes carried out during the last 30 years, does not appear to be as difficult as the political and fiscal problems mentioned before. The main question that arises is whether Germany is in a position to stabilize the currency out of her own resources or whether foreign financial aid is necessary. Probably the principal issue under this head is the gold redemption fund. Although opinions differ as to whether or not Germany should risk the gold of the Reichsbank in an attempt to stabilize the currency, the fact remains, nevertheless, that the total value of the gold held by the Reichsbank at the present time (middle of December), amounting to 1,005,000,000 marks, exceeds the total value of the Reichsbank paper notes outstanding by 434,000,000 marks, as may be seen from the following table:

GERMAN MARKS AND GERMAN GOLD SUPPLY.

	Reichsbank notes outstanding (million marks.)	Approximate exchange value of marks (U. S. cents).	Gold value of paper marks outstanding (U. S. dollars).	Gold reserve of the Reichsbank.	
				Millions of marks.	Millions of U. S. dollars.
1921.					
End of—					
First quarter..	69,417	1.60	1,110	1,092	260
Second quarter..	75,321	1.40	1,045	1,092	260
Third quarter..	86,384	.95	821	1,024	244
Fourth quarter	113,639	.52	591	995	237
1922.					
End of—					
First quarter..	130,571	.35	457	997	237
Second quarter	169,212	.32	541	1,004	239
Third quarter..	316,570	.07	223	1,005	239
Fourth quarter (Dec. 15)	970,202	.014	136	1,005	.....

Thus the gold question, which in most cases of stabilization is a very difficult one, depending to a large extent upon the ability of the country to float a gold loan abroad, may to a certain extent be regarded as solved so long as stabilization is carried through at a rate not far in excess of the mark's present exchange

value. In addition, the low valuation of the mark abroad makes it possible for a comparatively small amount of gold to buy practically all paper marks held abroad and thus to eliminate a potential factor of speculation.

Should the stabilization be carried out entirely upon the basis of the Reichsbank's gold, it would in this respect be similar to that of the Russian currency reform under Count Witte, in which case the gold held by the Central Bank exceeded the total market value of the paper notes outstanding. Closely connected with this problem are several others, discussed further on, such as the question whether stabilization should be carried out with or without foreign aid, whether stabilization should be effected immediately, or whether the efforts of the Government should be directed at first toward preventing further depreciation and encouraging a gradual and steady improvement of the currency and leaving the final stabilization to some future date.

Another important problem to be discussed in this connection is the rate at which the mark should be stabilized.

Rate of stabilization.—Stabilization of a currency is in most cases combined with a devaluation of the original par value of the currency, which, in fact, means partial repudiation. The extent of the repudiation depends mainly upon the rate at which the redemption of paper notes into gold is resumed. The fixing of the conversion rate is one of the most important and most difficult problems and involves political as well as economic considerations. Borrowers of money, chief among whom is the Government, are interested in having the rate fixed at a low point, while lenders of money and holders of bonds desire it as high as possible. The rate, however, can not be fixed arbitrarily. Some definite basis for the fixing of such a rate must exist. In Germany at the present time the fixing of the rate is the more difficult since the mark has a different valuation at home and abroad. Industrialists are opposed to any but the current rate, in order to avoid an economic crisis, and the payment of a huge contribution to foreign countries which hold cheaply bought marks. Stabilization at a high rate will make it necessary to reduce wages and salaries of labor and Government employees, which would lead to labor struggles. It is, however, a fundamental condition of any successful stabilization that there be no wage struggles nor strikes for a prolonged time. The opinion of the industrial classes is that if the rate of conversion is to be

based on the external value of the mark, a gradual rise of domestic prices will take place for some time, until the internal and external value of the mark are equalized. If, on the other hand, the rate of conversion is to be based on the domestic value of the mark, a fall in prices is unavoidable, since this would mean a sudden rise in the rate of mark exchange and would affect the prices of imported goods, which are of great importance in Germany. Economists in Germany and abroad are well aware of these difficulties resulting from a too high or too low valuation of the mark, and therefore believe that no definite rate should be fixed at the present time. Many are in favor of fixing the value of the mark within certain limits between the external and internal valuation of the mark. This will eliminate many difficulties which would be unavoidable if the currency were to be fixed at a definite valuation. It may also happen that the rate of conversion after it has been once fixed will have to be changed to a higher or lower level, as the case may be.

To solve the various political and economic questions which Germany is facing, Doctor Wirth, then German Chancellor, in October, 1922, invited Messrs. Brand and Keynes, of Great Britain; Mr. Jenks, of the United States; Mr. Vissering, of Holland; Mr. Dubois, of Switzerland; Mr. Cassel, of Sweden; and Mr. Kamenka, of Russia, to study the German economic situation, with a view to determining how and under what conditions the German mark could be stabilized. These foreign experts met at Berlin at the same time the Reparation Commission held its conferences with the German Government.

The latter placed before the foreign experts the following three questions:

- (1) Is stabilization of the mark possible under the present circumstances?
- (2) If not, what essential conditions must be created in order to render stabilization possible?
- (3) What means should be adopted for stabilization as soon as the essential conditions are fulfilled?

After surveying Germany's economic and financial structure from all points of view the foreign experts submitted two reports, known as the majority and minority reports. The former was signed by Messrs. Brand, Cassel, Jenks, and Keynes, and the latter by Messrs. Vissering, Dubois, and Kamenka. In addition, upon special request of the German Ministry of Finance, Mr. Brand presented a special report in which he set forth his views

with regard to the possibility of Germany obtaining a loan in the London money market.

There is almost no difference between the majority and minority reports as to the necessity of stabilization and the preliminary requisites for stabilization. Both agree that the mark can be stabilized only after a moratorium of deliveries in cash and kind is granted for some time. Once the mark is stabilized they believe the budget can be balanced and an equilibrium of exports and imports brought about; their views, however, as to the methods to be followed in stabilization disagree in several important points. Leading features of the two reports are as follows:¹³

The majority report suggests—

- (1) That the German Government organize a board of exchange as a special department of the Reichsbank, exempt from interference by the Government and the Reparation Commission, which shall redeem paper marks at a fixed rate.
- (2) That Germany's gold reserve and the low valuation of her currency render stabilization practicable.
- (3) That assistance of a foreign consortium is desirable to maintain public confidence, but stabilization should not be made conditional upon such assistance.
- (4) That a slight increase in the floating debt will be necessary at the beginning.
- (5) To stabilize the currency immediately at between 3,000 to 3,500 marks to the dollar, a new unit, some multiple of the present mark, to be established in the future.

The minority report recommends—

- (1) The creation of a new gold mark at about 10 marks to the dollar.
- (2) The establishment of a new specie bank.
- (3) Stabilization of the mark to be carried through only with the assistance of a foreign loan amounting to at least 500,000,000 gold marks.
- (4) That efforts be made to raise the mark to a higher value.
- (5) Stabilization of the mark when it has reached a sufficiently high rate.

The signers of the majority report believe that the first step toward stabilization after a moratorium is granted should be undertaken by the Germans themselves and that the gold reserves should come from the holdings of the Reichsbank. Once the beginning is made by the Germans, it will not be difficult to form a consortium of international bankers to give further aid to the exchange board. They state that the creation of such a fund will have such a strong moral effect upon the mark that in all probability the fund created by the foreign bankers will not have to be used.

The signers of the minority report, on the other hand, state that confidence in the German mark must be established first abroad before it can be established in Germany. To reach this point, they think a foreign loan is

indispensable. Thus, according to their views, the reconstruction of Germany's finances can not be carried out by Germany alone and consequently a foreign loan is one of the preliminaries to gradual stabilization of the mark.

Another vital point of difference is the time of stabilization. The majority report expresses the view that stabilization of the currency should be carried through immediately after the preliminary conditions are fulfilled, and that the rate of redemption should be adapted more or less to the internal purchasing power of the mark, at which the exchange board should redeem marks in gold. The minority report believes that immediate stabilization is not expedient and that the value of the mark even at home is too low at the present time for fixing a final redemption rate. The signers of this report believe that the measures suggested by them, combined with suitable action by the German Government, will result in an upward movement of the mark. A final fixing of the rate should take place only when the value of the outstanding notes will be sufficient to meet all the credit needs of the country.

Thus, the majority report advocates an immediate stabilization, while the minority report advocates a gradual one. Should either scheme be carried out, a sharp decrease in prices will be the immediate result, followed by unemployment, wage reductions, and labor troubles. The scheme of the minority report, however, places the gold reserve in a safer position, since the "specie bank" could not be forced to redeem the notes upon presentation. Furthermore, final stabilization under this scheme would take place only after the internal and external value of the mark had been equalized.

The views of the experts differ also considerably as to the machinery to be set up in order to stabilize the German mark. The minority report is much more intricate. It goes into more detail as to the causes of the present situation and provides also for more numerous measures to be taken. Nevertheless, it leaves many questions unanswered, as, for instance, the lack of a stipulation regarding the rates between the new gold mark and the outstanding paper marks.

The findings of the foreign experts are of very great importance to the understanding of the present financial and economic conditions in Germany. They show that although the settlement of the reparation question is one of the most vital preliminary factors before an attempt to reconstruct Germany's finances can be undertaken, the reconstruction

¹³ For full text of the two reports, see pp. 45-49.

of Germany depends to a very large extent upon Germany herself. In this the views of the foreign experts are opposed to the general opinion of many prominent German business men, who state that aid can come only from abroad. Both reports show more confidence in Germany's ability to recuperate than most Germans have at the present time. Without the confidence of her own nationals, however, Germany's reconstruction is hardly possible.

Attitude of the German Government.—According to the views of the foreign experts, the stabilization of the mark depends to a large extent upon the German Government. It is therefore not without interest to survey the attitude of the German Government toward the proposed currency reform. In its final answer to the members of the Reparation Commission the German Government stated that if for a certain period relief were granted from reparation deliveries both in kind and cash, the Reichsbank was prepared to advance to the German Government 500,000,000 gold marks for the purpose of stabilizing the mark, provided an equal amount should be forthcoming from abroad. The official German views with regard to stabilization are set forth in the memorandum handed to the Reparation Commission on November 13, 1922, which may be summed up as follows:

(1) Final stabilization of the mark can take place only after the reparation question is settled in accordance with Germany's ability to pay. Since, however, due to the confused state of the German currency, such a step is at present impossible, preliminary measures must be taken for the support and improvement of the mark.

(2) Such preliminary steps can not be carried out by Germany alone. The support of foreign countries is indispensable.

(3) The German Reichsbank has declared its willingness to give 500,000,000 gold marks for the project of improving the mark.

(4) The preliminaries for such an improvement are:

(a) That Germany receive a moratorium of payments in kind and cash for a period of three to four years. Deliveries in kind for the devastated regions, so far as they do not cause an increase in the floating debt, to be continued.

(b) That Germany receive for this "supporting scheme" a foreign loan amounting at least to 500,000,000 gold marks.

(5) The Reichsbank considers the foregoing conditions necessary prior to releasing the gold from its reserves. The Reichsbank, however, is unable to guarantee the foreign bank credits.

(6) The money to be advanced by the Reichsbank and by the foreign banks will be administered by an independent board consisting of representatives of the Reichsbank, the foreign banks, and the ministry of finance.

(7) This board will support the value of the currency by buying mark exchange abroad. This measure will tend to improve the mark rate.

(8) When the progress of stabilization is sufficiently advanced, the Government will issue a gold loan. The Government is also ready to float loans abroad.

(9) One half of the proceeds of the internal loan and the full yield of the foreign loan will be utilized to cover the payments in cash and kind due under the treaty of Versailles. The other half of the proceeds of the internal loan will be applied to the requirements of Germany's own budget.

(10) These measures will enable Germany to balance her budget, check the increase of the floating debt, and discontinue the discounting of treasury notes with the Reichsbank. All dispensable departments will be abolished, the number of employees decreased, and the Government enterprises will be organized on a productive basis.

(11) Germany will take all measures to increase production, while retaining the 8-hour day as the normal working day.

(12) After the value of the mark has been improved and stabilized, all protective tariff duties which have been established against German goods are to be abolished.

In order to execute the foregoing plans the German Government proposes:

(a) Final settlement of the amount of Germany's obligations at the earliest possible moment, so that these obligations, together with the liquidation of the loans, can be met from an excess of revenue.

(b) Freedom from payments in cash or kind under the Versailles treaty for a period of between three to four years with the reservations previously mentioned.

(c) Convocation of a conference of international financiers to decide upon the bank credit to be accorded to Germany.

(d) Acceptance of suggestions made by the German Government to the other countries regarding the granting of equal economic rights to Germany.

This memorandum depicts very well the attitude of the German Government toward the reports of the foreign experts and its views as to the reconstruction of Germany. In its main points the views expressed here are similar to those set forth in the minority report. The German Government also concurs in the belief of the minority report, that final stabilization can not be carried through at the present valuation of the mark, but rather that mark exchange should only be supported and improved. In addition, they agree that in order to prevent an entire collapse, foreign aid is necessary and that the carrying through of the various proposals should be based upon the prior receipt of a foreign loan amounting to at least 500,000,000 gold marks.

REQUISITES OF STABILIZATION.

Reform of Germany's currency through stabilization of the mark aims at the reestablishment of the country's economic equilibrium. The reform, if successful, will insure stability of prices, free business from the speculative element which now dominates all transactions, and ultimately will bring about conditions whereby fiscal legislation can have its full effect and in which public revenues will increase in proportion to expenditures. It

should, however, not be overlooked that the success of stabilization depends not so much upon the adopting or enforcing of a definite stabilization scheme, as upon the removal of the causes which have brought about disorderly conditions in the valuation of the currency. The exchange problem at the present time in Germany is therefore not so much a question of currency as of the entire economic position of the country. In order, therefore, better to understand the difficulties involved in the stabilization of the German currency, a brief survey will be made of the three most important factors influencing directly or indirectly the valuation of the German mark, namely, reparations, budget, and balance of payments.

(1) *Reparations.*—The entire problem of reparation has been discussed elsewhere in the FEDERAL RESERVE BULLETIN (see November, 1922, and following issues). In the present study, it is therefore necessary to indicate only the influence of reparation on the currency.

According to official figures issued by the Reparation Commission, the total payments from Germany for reparation account until August 31, 1922, amounted to 4,766,356,000 gold marks, consisting of 1,447,814,000 cash and foreign currency, and of 3,318,542,000 for various kinds of deliveries. Since no definite revenues have been set aside for these payments, they were covered to a very large extent by increases in the amount of treasury bills, which were almost equal to the total increase in the volume of paper notes outstanding. Successive increases in circulation are usually followed by decreases in the value of the mark at home and abroad. Each decrease in the value of the mark, however, necessitates a more rapid increase in the amount of paper notes. Payment, for instance, of 500,000,000 gold marks which at the rate of 1 gold mark to 15 paper marks would mean an expenditure of 7,500 million paper marks, calls for 50 billions at the rate of 1 to 100, and 400 billions at the present rate of 1 to 800. Payments arising out of deliveries in kind increase in the same ratio as home prices. In addition to payments in cash and kind, Germany is bound under the treaty of Versailles to make additional expenditures, such as for the army of occupation, settlements under the clearing schedule, etc. Most of these payments must be made in gold or on a gold basis and have the same results upon the budget, floating debt, volume of currency outstanding, as payments in cash. Thus, as long as these payments are made not but of a surplus of revenues over expenditures, but by increasing the

volume of paper notes, any attempt to stabilize the currency will be futile.

(2) *The budget.*—From the above discussion it is clear how closely the questions of reparations and budget are connected. In fact, it may be said that the critical situation of the German budget and the huge excess of expenditures over revenues are due primarily to the effects of reparations and currency depreciation. As already indicated, each decrease in the value of the mark necessitates an immediate increase in the amount of marks to meet expenditures arising out of reparations or the domestic needs of the Government. Receipts from taxation and other revenues, on the other hand, adjust themselves much more slowly to the depreciation of the currency. According to an estimate of a subcommission of the guarantees committee the returns from the various taxes are distributed as follows:

	Per cent.
Taxes, the returns from which adjust themselves immediately to the internal value of the mark.....	57
Taxes, the returns from which follow the fluctuation of the mark at a greater distance.....	12
Taxes, the returns from which adjust themselves to the internal value of the mark only after a period of about 12 months.....	24
Returns of taxes which are independent of the valuation of the mark.....	7
	100

Thus, while Government expenses increase almost immediately after each drop in the value of the mark, a large part of the receipts do not increase at all or increase only after a considerable length of time. Under these conditions the budgetary deficit must necessarily increase each time that the currency value decreases. In addition, a steady decline in the value of the mark makes the further evasion of taxes possible, for each delay in payment means a decrease of the actual value of the taxes paid.

So long, therefore, as these conditions continue, the issue of paper notes is the only means at the Government's disposal to meet its constantly growing needs, since it can not find the necessary resources either by taxation or by borrowing. The frequently expressed view that the budget should first be balanced before an attempt is made to stabilize the currency can hardly be accepted. For although the effects of the budget upon currency and of the currency upon the budget are mutual, so long as the value of the currency is liable to decrease, no sound basis for revenues and expenditures exist. Each additional decrease in the value of the mark must necessarily increase expenditures, and, since revenues can not be increased so rapidly, an increase in the floating debt and in the

amount of paper notes outstanding is inevitable. The increase of paper notes is again the cause of new economic disturbances with all the effects previously discussed.

The effect of the steady depreciation of the mark upon taxation can be seen from the following comparative figures which show the actual receipts from taxation and their gold value:

PROCEEDS FROM TAXATION DURING THE FISCAL YEAR 1921-22.

	In paper marks.	Gold equivalent.
April, 1921.....	5,356,994,311	353,951,917
June, 1921.....	5,785,013,655	350,526,352
August, 1921.....	5,145,185,243	256,940,411
October, 1921.....	6,185,259,031	177,402,711
December, 1921.....	8,015,259,061	176,910,971
February, 1922.....	9,614,260,468	194,163,684
March, 1922.....	14,065,447,122	211,746,052

Many economists who have studied Germany's financial situation during the last few years believe that, even if Germany were relieved of payments arising out of the peace treaty, she would be unable to balance her budget in the very near future. It is pointed out that the deficit in the budget for the fiscal year 1921-22, arising only from the general administration of the Reich and its undertakings, amounted to about 128 billion paper marks. Most authorities, furthermore, seem to agree that the balancing of the budget should begin with a decrease in Government expenditures, and that new taxes should not be imposed until every effort has been made to decrease expenditures and until balancing the budget by this method has been found impossible—for excessive taxation can not be imposed without affecting adversely the creation of surplus capital upon which the future productive power of the country is based.

(3) *Balance of payments.*—Another important requisite for a stable German currency is the balancing of payments between Germany and the rest of the world. If Germany continues to have an unfavorable balance of payments for a long period, this would result either in the shipping of the country's gold stock abroad or in the floating of loans, which, however, can not continue indefinitely. To make an accurate survey at the present time of Germany's balance of payments is impossible. Many items, such as the flight of capital from Germany and the accumulation of German credits abroad, estimated at between 2 to 8 billion gold marks, and the proceeds from the

sale of paper marks and securities, are unknown. Even the official trade figures published by the German Government are far from reliable.

The equalizing of Germany's balance of payments, however, will be one of the most difficult tasks connected with the stabilization of the German currency. For it should not be overlooked that Germany, whose balance of trade was unfavorable even before the war and could be balanced only by invisible exports, has lost her colonies, the greater part of her fleet, and important iron and coal deposits. It has also ceded more land than indicated by the decrease in population, thus making the country to a much larger extent dependent upon food and raw material imports than ever before. Thus, for instance, at the present time the imports of coal amount to about 45,000,000 gold marks monthly, while before the war coal was exported from Germany on a large scale. In addition, Germany's position as an exporting country has been impaired to a considerable extent by the application of one-sided most-favored-nation clauses and the special tariffs imposed by many nations against the importation of German goods. To what extent the balance of trade is against Germany is shown sufficiently by American trade figures, according to which the total excess of exports over imports from the United States in the trade with Germany from the armistice to the end of September, 1922, amounts to \$770,000,000.

Up to the present time Germany has been able to offset the huge excess of imports over exports by selling large quantities of paper marks and securities. The accumulation of German securities abroad and the purchase of real estate, rights, etc., by foreigners in Germany will, however, be a big item in Germany's balance of payments when interest, dividends, and earnings of these German assets will be shipped abroad.

A reduction in the quantity of imports to an extent sufficient to bring about an equilibrium of Germany's balance of trade is not feasible, as may be seen from the following figures: During the first nine months of 1922, 42 per cent of Germany's total imports were composed of raw materials, 26.5 per cent of foodstuffs and beverages, 14.5 per cent of partly manufactured articles, and 17 per cent of manufactured articles.

No considerable decrease in imports can take place without impairing the standard of living or the productive capacity of the country,

although reduction in the quantity of beverages and manufactured goods could be effected.

In spite of these gloomy aspects of the situation, German officials and economists believe that if relieved from payments on reparation account for a certain period of time, both in cash and in kind, the balance of payments could be equalized by an increase in production and a decrease in imports to such an extent that it would not impair the stability of the currency.

Conclusion.—The stabilization of the German currency appears as the first step toward the breaking of the vicious circle in which currency, reparations, budget, taxation, and, one might say, the entire German economy, are moving. Currency reform, however, if it is to be successful, involves so many other reforms that stabilization of the currency is more or less identical with the satisfactory adjustment of all political and economic problems which Germany is facing. Some of these problems, such as reparation, are of an international character and involve the cooperation not only of Germany and her creditors, but of the entire world. Without placing the reparation problem on an economic basis and within the physical ability of Germany to pay, it is not to be expected that her budget or her international payments can be balanced. So long as revenues and expenditures do not balance, and so long as the total amount of receipts and payments from and to other countries are not brought into reasonable agreement, all efforts to stabilize the value of the mark will prove futile.

Whether or not Germany will be able to solve these problems or to what extent aid is needed is an open question. Even if the political problems are solved favorably to Germany, her Government will still face a formidable task in carrying out the reforms necessary for the rehabilitation of Germany's economic and financial position in the world.

GERMAN PRICE MOVEMENTS.

The rapid decline of the value of the mark during October, November, and the first part of December was immediately followed by an unprecedented increase in prices. The price movement has assumed such a velocity that even retail prices often changed several times during one day. The increase in prices of certain groups of commodities has already exceeded the upward movement of the dollar, as may be seen from the following figures:

GERMAN WHOLESALE PRICE MOVEMENT COMPARED WITH INCREASE IN THE VALUE OF THE DOLLAR IN TERMS OF MARKS.

[Frankfurter Zeitung wholesale price index.]

	Dollar index.	Group I, food-stuffs and luxuries.	Group II, textiles and leather.	Group III, minerals.	Group IV, miscellaneous.	Group V, industrial finished products.	All commodities.
Middle, 1914	100	100	100	100	100	100	100
October, 1922	51,310	38,595	66,157	54,905	32,134	35,025	43,223
November	148,824	88,980	153,896	128,982	72,038	57,683	94,492
December	177,677	144,753	266,622	219,395	134,177	118,385	166,495

The difference between the various groups needs but little explanation. The greatest increase took place in Group II, textiles and leather articles, which are almost entirely imported. The tremendous increase in Group III, minerals, is due to a large extent to the increase in the cost of transportation. An important change as compared with previous periods took place in Group V, industrial finished products, which reflects very well not only an increase in the price of raw materials, but also a decided increase in wages.

The upward movement of wholesale prices was not without effect upon the cost of living. The index (1913-14=100) rose from 19,504 in October to 40,047 in November and to 61,156 in December, an increase of 105.3 and 213.6 per cent, respectively.

The improvement of mark exchange during the middle of December, however, caused the gold prices of many German goods, such as textiles, timber, and clothing to exceed the world market level, since wages and other cost of production items could not be reduced as rapidly as the mark increased in value abroad.

FOREIGN TRADE STATISTICS.

All German postwar foreign trade statistics have been heretofore published in terms of paper marks. In view of the enormous depreciation of the mark and the great fluctuation to which the mark is subject, the Statistisches Reichsamt with the beginning of September, 1922, has adopted a method of publishing the total value of the foreign trade returns only in gold marks. The valuation of the various groups of exports and imports is now omitted entirely. In the "Monatliche Nachweise über den auswärtigen Handel Deutschlands," however, in which a detailed

analysis of all commodities imported and exported is published, the values of the various commodities are still given in terms of paper marks. The method employed by the Statistisches Reichsamt in reducing the values of exports and imports from paper to gold marks is somewhat complicated. The final valuation of imports represents an arithmetic average of the monthly average exchange value of the dollar for the month preceding the importation and the value of these imports on the basis of world market prices, mainly as they are quoted in the London market at the time of importation.

According to this method the values of imports during the first nine months were:

1922	Gold marks.	1922	Gold marks.
January.....	330,400,000	June.....	564,600,000
February.....	359,600,000	July.....	684,800,000
March.....	563,200,000	August.....	545,100,000
April.....	508,000,000	September.....	421,800,000
May.....	565,200,000	January-September	4,542,700,000

Inasmuch as, according to Government regulations, the values of exports may be registered in terms of foreign currencies, about 60 per cent of these exports are originally reported in this form, so that their gold mark value can easily be calculated. Since payments for exports are sometimes made before and sometimes after the time the actual exports have taken place, the Statistisches Reichsamt believes that it is justified in using exchange rates for the month of exports as a basis for converting the paper mark values into terms of gold marks. In this way the Statistisches Reichsamt arrives at the following export figures for the first nine months of the year:

1922	Gold marks.	1922	Gold marks.
January.....	324,600,000	June.....	416,600,000
February.....	297,900,000	July.....	320,800,000
March.....	324,100,000	August.....	242,000,000
April.....	326,800,000	September.....	280,400,000
May.....	391,600,000	January-September	2,924,800,000

ARGENTINA.

Trade conditions.—Recent reports convey the impression that the general economic situation of Argentina has continued to improve in a satisfactory manner. Commercial activity is nevertheless still restricted, with money abundantly available, as is evidenced by the easy absorption of large amounts of "cedulas" issued lately. The exploitation of petroleum is being gradually developed on

an increasingly broader financial basis. The live-stock industry has not materially improved, since the low price of meat continues to be a deterring factor. The Banco de la Nación has announced a reduction of its rate for loans on live stock from 6½ per cent to 6 per cent per annum. The surplus of wheat and linseed from the last harvest, available for export, has been substantially reduced, and the yield of the sugar harvest has been satisfactory. The exportable surplus of wheat as of September 10 amounted to 615,221 tons, against stocks held on August 12 amounting to 1,260,555 tons; while stocks of linseed were reduced from 163,716 tons on August 26, 1922, to 106,803 tons on September 10. The wool season closed on September 30 with a total of exports never before attained. It is of considerable importance to note, however, that wool exports from Argentina to Europe have shown a striking increase since the wool year 1918-19 and that, on the other hand, exports to the United States have been considerably reduced. The following table shows the distribution of wool exports from Argentina by countries of destination.

WOOL EXPORTS FROM ARGENTINA.
(In metric tons.)

Country of destination.	1918-19	1919-20	1920-21	1921-22
Germany.....		11,250	43,480	65,520
France.....	28,120	32,360	16,820	45,660
Great Britain.....	9,970	18,600	19,430	35,180
United States.....	55,800	30,410	38,030	18,270
Italy.....	7,070	8,070	1,800	10,000
Netherlands.....	5,080	5,390	410	260
Belgium.....	4,060	17,660	9,540	20,900
Other countries.....	8,790	3,110	2,750	3,900
Total.....	118,890	126,850	132,260	199,690

With the exception of barley, linseed, corn, and oats, exports of the principal products of Argentina during the first nine months of the year compare most favorably with those of the previous year. Exports of wheat increased from 1,563,400 tons to 3,240,000 tons in that period, while exports of sheepskins increased from 6,600 tons to 21,200 tons. On the other hand, exports of corn during the same period decreased from 2,164,700 tons in 1921 to 1,560,000 tons in 1922 and those of linseed from 1,028,300 tons to 741,000 tons.

Business failures have increased again, after having diminished gradually since March, 1922. Liabilities of business failures in Argentina were last reported in the October issue of the BULLETIN for the month of July, 1922. The

following table shows the liabilities of business failures during the first 10 months of 1920, 1921, and 1922.

[In paper pesos.]

Period.	1920	1921	1922
First quarter.....	11,507,600	31,878,900	33,087,800
Second quarter.....	6,532,600	39,082,900	37,528,700
July.....	3,744,500	12,131,700	6,708,600
August.....	3,021,200	11,778,000	7,421,200
September.....	4,283,300	7,836,600	9,787,400
October.....		16,059,300	11,156,967
Total during the first 10 months.....	1 29,089,200	118,717,400	105,690,667

¹ Total during the first 9 months.

An examination of the above figures demonstrates that a decided increase in the amounts involved in bankruptcies occurs with seasonable regularity.

Government finances.—A law was enacted by the Executive on October 2, extending for the last three months of 1922 the Argentine budget law of 1921. On September 29 the Argentine Congress declared the budget of 1921 operative for the last four months of the year, with certain modifications. The following is a comparison of the estimated Government expenditure for 1921 and 1922:

[In paper pesos.]

Budget items.	Year 1921.	Year 1922.
Ordinary expenditure:		
(a) In cash.....	442,720,065.68	508,914,880.61
(b) In bonds.....	55,436,600.00	37,941,462.96
Subsidies and charity.....	14,753,470.00	19,511,733.00
Total.....	512,910,075.68	566,358,076.57
Authorization to issue bonds of 6 per cent and 1 per cent.....	60,000,000.00	60,000,000.00
Budget estimate of service of the public debt—external and internal.....	124,306,484.94	140,382,384.95

In the October issue of the BULLETIN (p. 1189) a table was published, indicating the annual deficits incurred by the Government of Argentina from 1910 to 1918. As a supplement to that table the following is presented, showing the revenue, expenditures, and deficits of the Government of Argentina for the following three years of 1919, 1920, and 1921:

[In paper pesos.]

Year.	Revenue.	Expenditure.	Deficit.
1919.....	368,365,574	427,910,636	59,545,062
1920.....	481,418,859	503,876,000	22,257,141
1921.....	495,841,787	558,950,000	63,108,213

The deficits for the last three years show a remarkable reduction as compared with the

years 1914 to 1918. These deficits have been covered by the issue of bonds and treasury bills or through advances granted by the Banco de la Nación, which are included in the floating debt of the country. According to data recently published by the department of the accountant general of Argentina the debt of the National Government on July 31, 1922, amounted to 1,888,609,353 paper pesos, of which the foreign consolidated debt constituted 561,537,346 pesos; the consolidated internal debt 698,235,344 pesos, and the floating debt 628,836,663 pesos. Customhouse receipts from January 1 to September 30, 1922, amounted to 148,422,900 paper pesos, as against 148,216,200 pesos during the same period in 1921, or an increase of 206,700 pesos.

The Executive of Argentina has issued a decree providing for the issue of internal bonds by the National Public Credit Bank in an amount not to exceed 60,000,000 paper pesos, bearing interest at 6 per cent and 1 per cent, cumulative amortization annually. The bonds and their coupons will be exempt from all national and municipal taxes. Coupons are payable quarterly. The Administration of the State Railways has closed arrangements with a London firm for a loan of 2,000,000 pounds sterling, payable in 20 years or sooner at the option of the Argentine Government, bearing interest at 6 per cent. A stipulation has been made in the contract to the effect that the Government is to purchase from the bankers railroad material for a total of 500,000 pounds sterling. According to recent estimates the Argentine Government loans maturing before the close of 1922 aggregate 492,516,113 paper pesos, in addition to which the accumulated deficit will amount to about 200,000,000 paper pesos.

The government of the Province of Buenos Aires has decided to ask for bids on a loan of 17,000,000 gold pesos, to be used in the extension and operation of the La Plata-Meridiano V Railway. A large program of public works is under consideration by the Province and the local legislature has been requested to authorize the investment of 25,000,000 paper pesos in the construction of public buildings throughout the Province. The governor has sent a bill to the legislature proposing the issue of a loan for funding the floating debt and to carry out certain public improvements. Authorization for a loan was given by the Chamber of Deputies and has now been passed in an amended form by the Senate and sent back to the Chamber for further action. As adopted by the Senate the bill authorizes the Executive

to float a loan amounting to \$30,000,000, bearing interest at a rate not to exceed 6½ per cent, 1 per cent sinking fund, not obligatory before March, 1924, the issue price to be not less than 92. The proposal for the above loan has not met with the approval of the local financial circles. The deficit in the provincial revenue during the first eight months of 1922 amounted to about 20,000,000 paper pesos.

Authorization has been requested from the local legislature by the executive of the Province of Santa Fé to float an internal loan for 35,000,000 paper pesos, the proceeds to be used for public improvements in the Province. It is proposed to increase the provincial taxation in order to cover the deficit for 1922. The Provinces of Salta, Jujuy, and Mendoza also have under consideration financial projects in the way of loans.

According to the provisions of a decree issued by the minister of public works, an extraordinary credit was opened in favor of the State Railways in the amount of 14,388,490 paper pesos, of which 11,388,490 pesos will be used in reimbursing the Administration of the State Railways for expenditures incurred in the construction of the railroad from Salta to the Chilean border, and the balance to finance the construction until December 31, 1922. A further decree was issued approving the measures taken by the Administration of State Railways in connection with the construction of a system of light railways in Patagonia at an estimated cost of 32,842,754 paper pesos.

Banking conditions.—The Executive of Argentina has requested congressional authority for the establishment of branches or agencies of the Banco de la Nación Argentina in foreign countries. According to the provisions of the message, the voluminous exchange business transacted by the bank and the fact that the bank is the financial agent of the Government make the proposed step necessary. Activity in banking development in Argentina has been noticed lately. The Banco do Brasil opened a branch in Buenos Aires on October 23, 1922. Serious consideration is being given to the organization of an Agrarian National Bank. The purpose of this institution would be to give financial assistance to national production, and the support of the minister of agriculture has been solicited. A new project has also been reported for the organization of a maritime bank, with a capital of 10,000,000 gold pesos, to be engaged in financial operations pertaining to maritime traffic. Favorable consideration has been given by the Government to the proposal.

A very considerable amount of idle money has accumulated in the banks of Argentina during the latter half of 1922. The combined cash balances of the country as of August 31, 1922, show an increase of nearly 50,000,000 paper pesos in deposits, whereas loan operations increased by not more than 20,000,000 pesos. The result has been that cash on hand showed a considerable increase and it stands at about 30 per cent for all banks. Rates of discount are still nominally 6 to 8 per cent. Interest paid on deposits has not dropped, and the majority of the Argentine banks are still competing freely in securing additional deposits. The following table shows the total amount of loans and discounts, deposits, and cash on hand of the Argentine banks, as of December 31, 1921, June 30, 1922, and August 31, 1922.

[In thousands of paper pesos.]

Date.	Discounts and advances.	Deposits.	Cash on hand.
Dec. 31, 1921.....	2,543,400	3,375,100	1,168,500
June 30, 1922.....	2,474,400	3,347,600	1,139,800
Aug. 31, 1922.....	2,502,930	3,376,300	1,120,200

The following statement shows the condition of the Banco de la Nación Argentina at the close of business on September 30, 1922. A previous statement was published in the August, 1922, issue of the BULLETIN (p. 955).

[In Argentine pesos.]

	Gold.	Legal currency.
ASSETS.		
Advances on current accounts.....		373,672,267.93
Bills receivable.....		2,854,290.80
Accounts for collection guaranteed.....		20,196,250.86
Bills discounted.....	7,998.32	563,183,497.65
Rediscounts (laws 9479 and 9577).....		13,431,294.11
Doubtful debts.....		19,035,735.44
Real estate.....		24,495,407.86
National public funds.....	8,758,477.05	21,632,444.15
Mobilization of conversion fund, laws 9479 and 10251.....	20,000,000.00	
Furniture and fixtures.....		1,550,528.49
Due from the treasury, law 10251.....		71,999,663.25
Conversion account.....		64,057,129.29
Due according to the agreement with England and France, law 10350.....	34,266,843.21	
Cash on hand.....	23,344,125.08	402,167,798.69
Other assets.....	1,073,340.00	14,583,504.25
Total.....	87,450,783.66	1,592,859,812.77
LIABILITIES.		
Capital.....		150,038,942.14
Surplus fund.....	24,262,541.67	
Due foreign correspondents.....	448,938.78	
Conversion fund, law 3871.....	30,000,000.00	
Conversion account.....	28,185,139.37	
Mobilization of the conversion fund, laws 9479 and 10251.....		45,454,545.45
Deposits.....	3,277,751.05	1,345,805,149.55
Commissions, interest, and discounts.....	1,276,174.79	38,130,611.77
Due to branches.....	207.04	11,806,981.51
Other liabilities.....	30.96	1,623,582.35
Total.....	87,450,783.66	1,592,859,812.77

BRAZIL.

Foreign exchange.—The continued fall of Brazilian exchange has seriously affected commerce and industry in general and the import trade of Brazil in particular. Although hope for improvement had generally been entertained at the beginning of November, 1922, due to the steady rise in the prices of cotton and rubber, exchange continued to fall, and by the end of the month the dollar quotation had risen to 9 milreis. Only a slight improvement occurred during December, and the general feeling of depression still prevails. Opinions as to the causes of such a depression are at variance. It is certain, however, that there exist at present in Brazil factors, such as the improved foreign trade of the country, the increase in the prices of its products for export, and the financial assistance which Brazil has received lately from abroad, which would be expected to bring about a substantial improvement in the general situation. According to the views of the president of the International Chamber of Commerce of Brazil, the difficult situation through which the country is passing at present is due to the fact that Brazil has not yet fully recovered from the period of liquidation caused by reckless expenditures during the flourishing years of exceptional commercial activity brought about by the war. Others affirm that exchange is not likely to improve until a change of the Government policy with regard to fiscalization and control of exchanges is brought about.

Toward the end of September, 1922, an order was issued by the inspector general of banks prohibiting interbank exchange operations in accordance with article 37 of Decree 14728 of 1921. Far from improving matters, exchange registered a severe drop immediately after the issue of the law in question, and the law was rescinded at the beginning of the following month. On November 10, 1922, new regulations for fiscalization of banks and exchanges were issued by the office of the inspector general in addition to those provided for in the fiscalization laws of March 16, 1921. These were also withdrawn a few days later as a result of the banks' refusal to deal in exchange. According to the opinions of several leading financial authorities in Brazil, notwithstanding that the prohibition of interbank exchange operations has been removed, the position has not changed substantially, since the banks continue to be subject to severe fiscalization, which hinders to a great extent the transaction of legitimate exchange business.

It is understood that the new Government is opposed to the present system of fiscalization, particularly that of exchange.

Foreign trade.—In the October, 1922, issue of the BULLETIN (p. 1191) an account was given of the foreign trade of Brazil during May and June, 1922. The foreign trade figures for the following two months have been released by the Brazilian Department of Statistics. According to them, the import trade of Brazil during July showed a striking decrease as compared with the previous month, but a pronounced increase was shown during August in both volume and value. Exports, on the other hand, showed an increase in volume and value during both months. The value of exports in pounds sterling during August increased proportionally more than the value of imports. With the exception of exports in 1920, figures showing exports and imports for the first eight months of 1922 are greater than corresponding trade figures for the same period of any previous year. Imports from January to August, 1922, are exceeded only by those of the same period of 1913, when a large amount of coal was imported. The following table, giving the volume and value of Brazil's foreign trade during July and August, 1922, will serve to supplement the table showing the foreign trade of Brazil during previous months, published in the October, 1922, BULLETIN.

FOREIGN TRADE OF BRAZIL.

Month.	Metric tons (gross weight).			Value in pounds sterling (000 omitted.)		
	Imports.	Exports.	Excess of imports.	Imports.	Exports.	Excess of exports.
July.....	222,392	180,129	42,263	3,386	4,768	1,382
August.....	283,269	199,130	84,139	4,446	5,537	1,091
Total, January to August...	2,103,260	1,353,921	749,339	30,123	42,058	11,935

The coffee outlook for the 1923-24 crop seems to be quite satisfactory, according to reports from Santos. The São Paulo State Department of Agriculture has given the following as an estimate of the 1922-23 coffee crop:

	Bags.
Total of São Paulo.....	7,140,000
Coffee of Southern Minas.....	795,000
Coffee of Parana.....	55,000
Total.....	7,990,000

After almost complete suspension of operations in the frozen and chilled meat industry in Brazil, an American company, owning the

largest refrigerating plant in the country, has announced that it will resume operations during the month of January, 1923. This plant has been closed for over a year, and the reason given for its reopening is the considerable improvement in the price of meat in European consuming markets.

Government and State finances.—According to a statement issued by the Director of Accounts, submitted to the Minister of Finance, the gold in bars and in coin on October 31 was distributed as follows:

In the general treasury:		In milreis.
Gold in bars.....	132,406	
Coined gold.....	73,102	
Convertible gold notes.....	3,399,393	
		3,604,901
In the amortization office:		
Gold in bars.....	24,643,814	
Coined gold.....	58,477,901	
		83,121,715
With London financial agents (£135,434 6s 5d).		1,203,857
Total.....		87,930,477

The receipts of the Rio de Janeiro custom-house have shown considerable decrease. During 1921 the total receipts amounted to 76,812,586 milreis, against 110,612,265 milreis in 1920. During the first eight months of 1922 the receipts collected amounted to 47,687,859 milreis, and, taking 6,000,000 milreis as a monthly average, at the close of the year the total receipts would amount to less than 72,000,000 milreis.

In the November, 1922, issue of the BULLETIN (p. 1318), it was reported that arrangements were under way for a small loan to the State of Ceara. According to recent reports the loan has been negotiated with a New Orleans firm, bearing interest at 8 per cent and to mature in 25 years. The proceeds of this loan are to be used for irrigation works, the construction of a municipal hall, and other improvements in the capital of the State. A project of the budget for 1923 has been sent to the municipal council by the prefect of the Rio de Janeiro Federal District. The receipts are estimated at 83,049,440 milreis and the expenditures at 88,473,892 milreis, which gives a deficit of 5,423,952 milreis. It has been announced that the State of Bahia has under consideration the floating of an internal loan for 70,000 contos of reis, bearing interest at 5 per cent. The loan is to be floated through the Banco Economico de Bahia.

Banking conditions.—There has been little banking development in Brazil lately. The Brasilianische Bank für Deutschland has taken steps toward the opening of a branch in Novo Hamburgo, in the State of Rio Grande do Sul.

A new bank has been established in the city of Bello Horizonte, the capital of the State of Minas Geraes. The new institution will be called the Banco do Comercio e Industria de Minas Geraes and its capital will amount to 5,000,000 milreis.

The following are the latest statements of the condition of the Banco do Brasil, dated August 31 and September 30, 1922. Statements showing the condition of the institution as of May 31 and June 30, 1922, were published in the October issue of the BULLETIN (p. 1192).

	(In milreis.)	
	Aug. 31, 1922.	Sept. 30, 1922.
ASSETS.		
Capital unpaid.....	986,280	964,200
Premium on shares.....	246,570	241,050
Bills discounted.....	655,580,739	666,651,547
Loans in current account.....	317,978,281	252,630,938
Bills receivable:		
Foreign.....	16,993,543	16,944,354
Domestic.....	158,084,277	161,937,175
Securities in liquidation.....	631,298	615,632
Collateral deposited as security.....	286,679,627	289,727,312
Securities deposited.....	197,696,751	217,855,847
Branches and agencies in Brazil.....	157,431,938	152,451,550
Correspondents abroad.....	14,915,306	18,768,600
Correspondents in Brazil.....	2,672,043	2,706,870
Securities owned by banks.....	75,843,561	66,590,380
Real estate.....	5,939,105	8,296,952
Liquidation of Banco da Republica do Brasil.....	120,255	120,261
Furniture and fixtures.....	1,398,818	1,495,587
Collections in Brazil.....	117,078,965	124,776,968
Rediscount department.....	209,117,463	363,841,161
Sundry accounts.....	10,045,490	11,364,431
Cash:		
In currency.....	136,603,828	119,427,323
In other form.....	8,171	.....
Total assets.....	2,456,002,333	2,477,408,138
LIABILITIES.		
Capital.....	100,000,000	100,000,000
Reserve fund.....	35,193,314	35,199,092
Premium on shares.....	246,570	241,050
Reserve for rediscount department.....	2,327,857	2,327,857
Fund for liquidation of old accounts.....	3,307,803	3,176,799
Profit and loss account.....	4,282,890	4,282,890
Deposits in current account with interest.....	333,422,369	307,012,535
Deposits in limited account.....	44,867,671	45,637,233
Deposits without interest.....	413,697,897	344,581,131
Deposits at fixed dates.....	245,747,999	231,356,705
Securities deposited and in guarantee.....	484,376,378	507,583,159
Branches and agencies in Brazil.....	186,893,454	207,448,529
Correspondents abroad.....	2,319,215	1,325,195
Correspondents in Brazil.....	1,170,820	1,302,123
National treasury, exchange account.....	8,888,889	8,888,889
Bills receivable.....	266,042,730	278,070,650
Compensation for checks (cleared).....	4,685,650	11,853,213
Bonus and dividends.....	1,164,187	1,119,800
Rediscount department.....	296,789,606	361,513,304
Sundry accounts.....	20,577,034	24,487,989
Total liabilities.....	2,456,002,333	2,477,408,138

Recent Banking Developments in Mexico.

The recent banking crisis in Mexico has served again to call attention to the difficulty under which banking institutions are laboring at present in that country. Scarcity of gold for circulation, depreciation of the silver currency, absence of rediscount facilities, an uncertain political situation, lack of supervision over banking, and lack of confidence on the part of the public may be given as the principal reasons for the prevailing conditions.

Rates of interest at present range from 1½ per cent to 2 per cent per month on short-term paper with ample security. Silver was at a discount of as much as 4 per cent in July, 1922. The bulk of deposits is held at present by privately owned banking firms and branches of foreign banks.

During the month of November, 1922, several failures among the first of the above two groups of credit institutions were reported. Of considerable importance has been the suspension of payments by the Banque Française du Mexique, which took place on November 15, 1922, since this institution was considered to be among the largest in the country and operated branches in eight of the most important cities of Mexico. The principal reason for these failures is stated to be the difficulty of obtaining currency within a short period of time, due to the currency stringency which has been felt in Mexico since the establishment of the monetary system of the country on a purely metallic basis. Notwithstanding the high rates of interest which the banks at present in operation charge on their loans, it is evident that their profits are not in proportion to their interest charges, since a considerable amount of cash against deposits must be held by every conservative institution. This is done in order to promote confidence among depositors and to keep the banks as liquid as possible in case of emergency. From the following comparative statement of three of the most important private banking firms in Mexico may be seen the large amount of cash held against deposits.

[In Mexican pesos.]

	Mexico City Banking Corporation, Sept. 30, 1922.	Compañía Bancaria Mexicana, S. A., Dec. 31, 1921.	Compañía Bancaria de Paris y México, S. A., Dec. 31, 1921.
RESOURCES.			
Cash and sight exchange.....	3,057,051	1,625,804	2,727,955
Loans and discounts.....	1,854,724	774,066	3,950,881
Stocks, bonds, and investments..	121,302		312,284
Customers' liability under letters of credit and acceptances.....	1,071,786		
Accounts in current account.....		240,000	
Sundry debtors.....		321,940	3,708,185
Sundry accounts.....	150,000	39,856	1,016,667
Profit and loss account.....			1,607,765
Accounts per contra.....	1,272,076	2,072,611	12,058,545
Total.....	7,526,939	5,074,277	25,382,282
LIABILITIES.			
Capital.....	1,000,000	350,000	8,000,000
Deposits.....	4,071,406	2,333,290	3,990,999
Letters of credit and acceptances..	904,742		
Undivided profits.....	278,715		
Reserve for doubtful loans.....		20,054	
Bills payable.....		16,604	46,112
Sundry creditors.....		272,520	911,266
Sundry accounts.....		9,198	375,361
Accounts per contra.....	1,272,076	2,072,611	12,058,544
Total.....	7,526,939	5,074,277	25,382,282

Since the almost total disruption of the great system of Mexican banks during the first years of internal struggle in Mexico, the tendency among the people has been either to hoard their funds or to deposit them in banks abroad. The total assets of the Mexican banks amounted to about 600,000,000 pesos at the outbreak of the revolution in 1910, but in the following years, due to currency depreciation and official legislation in forcing the banks to accept revolutionary paper currency, their resources were almost wiped out, and after their reserves had been taken over by the Government the banks were finally declared insolvent on September 15, 1916. After that, privately owned banking firms and foreign banking institutions were left to transact the financial business of the country. Private banking houses were established in many cities of the Republic, forming a net of correspondents for the foreign and private banks in Mexico City. The foreign banks also have suffered during the periods of revolution, but so far no signs of retrenchment or abandonment of the field have been noticed.

The first step taken toward banking reorganization was a decree issued by President Obregón on January 31, 1921, establishing the conditions upon which the banks of the Republic might resume operation or be liquidated, depending upon their financial condition. The following is a summary of this decree:

The legal representatives of the banks who desired to participate in the benefits of this decree had within 30 days after the publication thereof to present to the department of the treasury written requests, accompanied by documents showing that according to the provisions of the commercial code, the council of administration of the bank was legally constituted, and that a manager had been appointed.

The period of 30 days prescribed in the preceding article might be extended to 90 days in the case of those banks of which the council of administration was not legally constituted.

The banks were classified as follows: (a) Those whose assets exceeded their liabilities by 10 per cent; (b) those whose assets exceeded their liabilities by less than 10 per cent; (c) those whose assets would not cover their liabilities.

Class (a) institutions might resume operations in accordance with the terms of this decree.

Class (b) institutions might resume operations, but only in so far as might be necessary

to collect their assets and to pay their liabilities according to the terms of this decree.

Class (c) institutions were to be delivered to the appropriate authorities for judicial liquidation, and the same procedure was to be followed with those institutions that did not take advantage of the benefits of articles 2, 3, and 4 of the decree.

The banks referred to in this decree were to comply with the terms of article 28 of the Federal Constitution and those of the general law of institutions of credit and with the regulations of this decree, and the old concessions respectively were not applicable, even for operations initiated prior to May 1, 1917.

Chapter 2 gives the procedure for the liquidation of the assets and liabilities of the banks in classes (a) and (b), and chapter 3 provides for the liquidation of the banks of class (c).

Several of the banks have succeeded in securing authorization to resume operations. Among the most important is the Banco Nacional, which was reopened for business on March 27, 1921.

A law affecting all institutions of credit, domestic and foreign, operating in Mexico, was enacted by the Obregón government on June 23, 1921, obliging them to conform with certain legal provisions for the protection of deposits. The text of the law in reference, which is the only banking law at present in force in Mexico, follows:

ARTICLE I. Institutions of credit, branches of foreign banks and all persons or companies engaged in banking transactions receiving deposits on sight or for a period not exceeding three days, even when this constitutes current accounts, are obliged to keep a metallic reserve in national or foreign gold coin, at the rate of 75 centigrams of pure gold per peso, to cover 33 per cent of their deposits.

ARTICLE II. The remaining 67 per cent of the deposits above mentioned will be used exclusively in the following transactions, which will apply throughout the Republic in all cases:

1. Loans or discounts, provided the due date does not exceed six months, counting from the date of the transaction, which shall be a commercial one.

2. Credits in accounts current, subject to the provisions of the preceding fraction.

3. Drafts payable in 90 days, with at least two responsible signatures.

4. Deposits in other institutions of credit established in the Republic.

5. Shares, bonds of immediately negotiable paper, approved by the treasury department.

ARTICLE III. Deposits in foreign money of legal tender will be guaranteed in the form provided in the preceding articles.

ARTICLE IV. The institutions referred to in the present decree will be under the supervision of the treasury department which will exercise this attribute through inspectors, whose duties and powers are specified by articles 113, 114, 115, 116, and 118 of the law of March 19, 1897, and other corresponding regulations. The expenses incurred by this inspection will be for account of the institutions.

ARTICLE V. The institutions, persons, or companies covered by the present decree will forward their balance sheets monthly to the treasury department and the latter will have these published in the *Diario Oficial*.

TRANSITORY PROVISION.

This decree will commence to be effective from the 15th day of next August (1921).

The provisions of Article I have been modified on account of the recent crisis, and all banks are required to keep a reserve of 50 per cent against total deposits.

Two final tables are presented, the first showing the financial condition of the Banco Nacional de México as of December 31, 1910, and December 31, 1920. The second table shows the financial condition of the Banco de Londres y México on September 15, 1916, the date of its seizure by the Carranza government, and on June 30, 1920, after the bank had been returned to its owners.

FINANCIAL STATEMENT OF THE BANCO NACIONAL DE MÉXICO AS OF DEC. 31, 1910, AND DEC. 31, 1920.
(In Mexican pesos.)

	Dec. 31, 1910.	Dec. 31, 1920.
RESOURCES.		
Cash on hand.....	48,643,286	
In metallic currency.....	64,663	
In notes of other banks.....	166,990	
Amounts disposed of by the secretary of the treasury, as follows—		
To the national treasury.....	18,575,637	
To the "Comisión Refaccionaria de la Laguna".....	500,000	
To the "Comisión Monetaria".....	200,000	
To the "Nacional Monte de Piedad".....	200,000	
	¹ 19,707,291	
Loans against collateral.....	20,420,344	¹ 19,707,291
Loans and discounts.....	24,624,682	13,142,183
Sundry accounts.....	3,369,804	2,050,297
Credits in current accounts.....	40,195,278	3,258,583
Doubtful loans.....		9,495,146
Sundry debtors.....		11,258,102
Bonds, stocks, and securities.....	19,196,035	45,389,657
Other debtor accounts.....	43,633,182	9,360,675
Profit and loss.....		17,283,297
Accounts per contra.....	116,100,603	2,024,488
Total.....	316,183,214	136,105,047
LIABILITIES.		
Capital.....	32,000,000	32,000,000
Reserve fund.....	16,000,000	16,000,000
Reserve fund (special).....	12,000,000	4,572,656
Reserve for doubtful accounts.....		11,258,102
Reserve for doubtful loans.....		14,131,681
Circulation.....	51,418,807	31,503,431
Deposits.....	77,047,294	6,227,272
Bills payable.....	1,276,784	603,416
Rediscounts.....	501,327	
Sundry creditors.....		9,385,776
Sundry accounts.....	103,645	20,000
Judicial deposits.....	873,467	
Other credit accounts.....		7,317,386
Profit and loss.....	6,929,652	
Accounts per contra.....	116,100,603	3,135,327
Total.....	316,183,214	136,105,047

¹ This amount should be classed as "Due from Government." It appears as "Cash on hand" by order of the Government.

FINANCIAL STATEMENT OF THE BANCO DE LONDRES Y
MÉXICO.

[In Mexican pesos.]

	Sept. 15, 1916.	June 30, 1920.
RESOURCES.		
Cash.....	20,458,336	42,737
Investments.....	13,805,996	14,868,523
Buildings.....	2,644,000	2,644,000
Furniture and fixtures.....	32,156	
Due from Government.....	11,705,886	29,232,262
Sundry debtors.....	30,981,533	17,531,006
Sundry debtor accounts.....	2,094,330	7,396,161
Profit and loss account.....	6,477,756	3,776,361
	88,199,993	75,491,050
Accounts per contra.....	66,092,105	22,049,126
Total.....	154,292,099	97,540,176
LIABILITIES.		
Capital.....	21,500,000	21,500,000
Reserve fund.....	5,919,911	5,919,911
Circulation.....	37,163,258	26,156,141
Sundry creditors.....	22,480,811	13,603,121
Sundry credit accounts.....	1,136,013	8,311,877
	88,199,993	75,491,050
Accounts per contra.....	66,092,105	22,049,126
Total.....	154,292,099	97,540,176

It is of importance to note the reduction in the cash holdings of both institutions and the consequent increase in the amounts due from the Government. Notwithstanding the efforts of both institutions, the amount of notes in circulation has not been reduced in proportion to the considerable reduction of other operations. The notes of the Mexican banks are

quoted in Mexico City at a nominal value. The notes of the National Bank are quoted at present at about one-half of their par value and those of the Banco de Londres are quoted at about one-fourth of their par value.

With the exception of the opening of a small banking house in the port of Salina Cruz and a branch of the Bank of Montreal in Veracruz, no reports have been received which would indicate that there are signs of banking development in Mexico at present. The establishment of a central bank of discount and issue has been discussed lately, but nothing definite has been reported.

In February, 1921, President Obregón submitted a bill to Congress proposing an amendment to article 28 of the Querétaro constitution, providing for the establishment of eight banks of issue throughout the country instead of a large central institution in Mexico City. The establishment of the latter was to be postponed until the finances of the country were rehabilitated. However, no legislative action has been taken on the matter, and the banks at present in existence in Mexico continue to operate without counting upon assistance in case of emergency and without efficient supervision. It is certain, however, that prompt action on the subject of banking reorganization is becoming imperative if confidence in the credit institutions is to be restored and trade intercourse is to be facilitated.

PRICE MOVEMENT AND VOLUME OF TRADE.

INTERNATIONAL WHOLESALE PRICE INDEX.

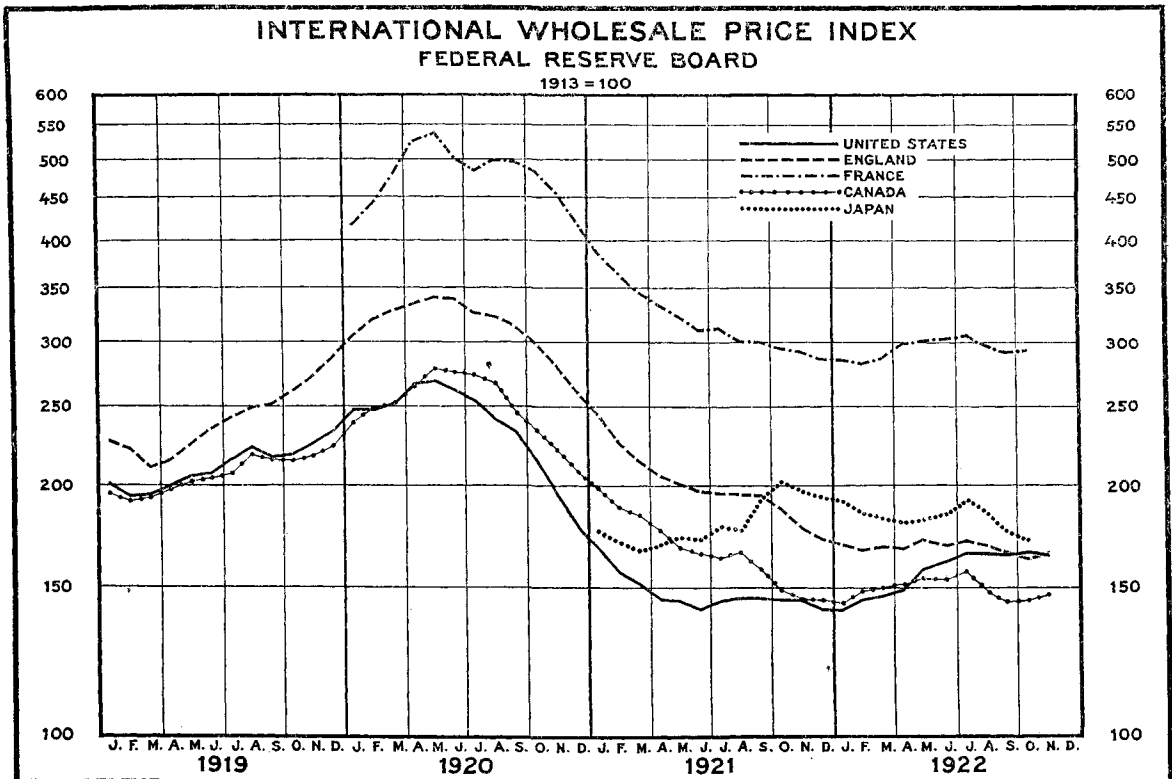
The general trend of wholesale prices in November for most countries was upward, as shown by the indexes of the Federal Reserve Board. There was a 2 point increase in English and Canadian prices and a 13 point rise in French prices. With the exception of a rise of 12 points in the French index in April, 1922, France has experienced no such rise in prices since they were approaching the 1920 peak. The American index as a whole showed a slight decline, but the general tendency of prices was to increase. Japanese prices, on the other hand, showed a definite decline of 2 points.

When converted to a gold basis, the indexes indicate a similar level of prices in the United States and Japan, and in Canada and England. Due to the continued drop in the value of the franc, prices of French goods in terms of dollars have fallen to their previous low point of a year ago.

In England, France, and Canada there were price increases of goods in all stages of manufacture, while in Japan raw materials rose and producers' and consumers' goods declined, and in the United States there were practically no changes.

In general, the prices of commodities entering into foreign trade, both imports and exports, moved upward in November. Especially in the United States and France have there been steady increases in these commodities since the early spring.

Treating the several countries as a whole, a material advance occurred in the prices of agricultural and metal products, and in textiles. Coal prices declined generally, except in France and Japan where November brought no changes. On the other hand, there was a widespread decline in iron and steel prices.



INTERNATIONAL WHOLESALE PRICE INDEX—FEDERAL RESERVE BOARD.

Year and month.	Based on prices in respective currencies.					Converted to gold basis.				
	United States.	England.	France.	Canada.	Japan.	United States.	England.	France.	Canada.	Japan.
1913, average.....	100	100	100	100	100	100	100	100	100	100
1919, average.....	211	241	277	207	181	211	221	222	199	199
1920, average.....	239	314	478	250	181	239	242	185	223	223
1921, average.....	148	201	321	167	181	148	159	124	150	175
1921.										
November.....	145	177	292	145	197	145	144	109	133	189
December.....	142	172	287	145	193	142	147	117	135	186
1922.										
January.....	142	170	286	144	191	142	148	121	137	181
February.....	146	167	283	149	185	146	150	128	145	176
March.....	147	168	287	150	182	147	151	134	145	173
April.....	149	167	299	152	180	149	151	143	148	171
May.....	158	171	302	154	180	158	156	143	152	171
June.....	161	169	303	153	184	161	154	138	151	176
July.....	165	171	306	154	192	165	156	131	152	184
August.....	165	168	297	149	184	165	154	123	149	176
September.....	164	165	293	144	176	164	150	116	144	169
October.....	165	163	293	145	171	165	148	112	145	165
November.....	164	165	306	147	169	164	151	109	147	164
December.....	164	165	.....	147	.....	164	157	.....	146	.....

INDEX NUMBERS OF WHOLESALE PRICES IN THE UNITED STATES.¹

[Average prices in 1913=100.]

Year and month.	Goods produced.	Goods imported.	Goods exported.	Raw materials.	Producers' goods.	Consumers' goods.	All commodities.
1919, average.....	214	174	221	209	198	221	211
1920, average.....	242	191	235	235	237	244	239
1921, average.....	148	108	136	141	142	160	148
1921.							
November.....	142	108	143	141	128	157	145
December.....	140	111	141	140	127	153	142
1922.							
January.....	139	110	139	141	127	150	142
February.....	143	110	142	145	127	155	145
March.....	144	111	144	147	126	157	147
April.....	146	115	144	150	129	156	149
May.....	155	119	155	164	137	160	158
June.....	158	124	163	167	141	164	161
July.....	162	128	165	177	143	163	165
August.....	162	127	162	184	144	156	165
September.....	161	128	157	181	147	154	164
October.....	161	135	163	179	150	156	165
November.....	160	137	173	177	150	156	164
December.....	160	138	174	177	149	157	164

¹ A complete description of the United States index number, as originally published, may be found in the May, 1920, BULLETIN, pages 499-503. Revisions in prices or weights appear in the BULLETINS for June, 1920; June, 1921; and May, 1922.

INDEX NUMBERS OF WHOLESALE PRICES IN ENGLAND.¹

[Average prices in 1913=100.]

Year and month.	Goods produced.	Goods imported.	Goods exported.	Raw materials.	Producers' goods.	Consumers' goods.	All commodities.	Converted to gold basis.
1919, average.....	238	247	275	226	261	241	241	221
1920, average.....	315	294	438	291	355	292	314	242
1921, average.....	207	171	183	197	178	219	201	159
1921.								
November.....	182	154	164	177	153	191	177	144
December.....	176	152	158	173	147	186	172	147
1922.								
January.....	174	149	158	171	147	181	170	148
February.....	171	148	151	168	144	181	167	150
March.....	172	147	153	170	142	183	168	151
April.....	171	148	152	167	143	183	167	151
May.....	175	153	155	169	146	191	171	156
June.....	172	154	158	167	148	186	169	154
July.....	172	158	158	168	147	190	171	156
August.....	170	155	159	170	143	183	168	154
September.....	165	157	154	166	143	177	165	150
October.....	160	161	149	165	144	170	163	148
November.....	161	165	154	166	146	172	165	151
December.....	163	163	157	166	146	175	165	157

¹ A complete description of the British index may be found in the February, 1922, issue of the BULLETIN, pages 147-153.

INDEX NUMBERS OF WHOLESALE PRICES IN FRANCE.¹
[Average prices in 1913=100.]

Year and month.	Goods produced.	Goods imported.	Goods exported.	Raw materials.	Producers' goods.	Consumers' goods.	All commodities.	Converted to gold basis.
1920, average.....	466	536	512	506	433	474	478	185
1921, average.....	322	313	288	341	248	348	321	124
1921.								
November.....	290	304	294	315	233	305	292	109
December.....	284	303	283	313	230	294	287	117
1922.								
January.....	284	295	277	308	229	299	296	121
February.....	282	286	275	300	227	300	285	128
March.....	288	282	272	305	229	306	287	134
April.....	302	282	274	318	228	327	299	143
May.....	305	288	279	322	226	333	302	143
June.....	305	295	292	327	230	327	303	138
July.....	306	308	297	332	236	325	306	131
August.....	295	309	296	329	233	303	297	123
September.....	287	320	301	323	234	296	293	116
October.....	285	333	308	328	235	290	293	112
November.....	295	362	336	348	245	296	306	109

¹ A complete description of the French index may be found in the August, 1922, issue of the BULLETIN, pp. 922-929.

INDEX NUMBERS OF WHOLESALE PRICES IN CANADA.¹
[Average prices in 1913=100.]

Year and month.	Goods produced.	Goods imported.	Goods exported.	Raw materials.	Producers' goods.	Consumers' goods.	All commodities.	Converted to gold basis.
1919, average.....	207	204	220	197	188	227	207	199
1920, average.....	249	253	268	235	255	270	250	223
1921, average.....	168	164	181	155	174	183	167	150
1921.								
November.....	144	151	138	131	152	164	145	133
December.....	144	151	137	131	149	164	145	135
1922.								
January.....	143	151	139	132	147	161	144	137
February.....	148	150	152	138	147	164	149	145
March.....	150	150	151	140	146	166	150	145
April.....	152	151	153	142	146	169	152	148
May.....	153	157	154	145	147	168	154	152
June.....	151	162	149	143	150	168	153	151
July.....	153	165	154	143	152	171	154	152
August.....	146	166	144	136	154	166	149	149
September.....	140	170	133	133	154	157	144	144
October.....	141	171	134	134	155	168	145	145
November.....	143	165	138	135	157	160	147	147
December.....	143	167	138	135	157	161	147	146

¹ A complete description of the Canadian index may be found in the July, 1922, issue of the BULLETIN, pp. 801-806.

INDEX NUMBERS OF WHOLESALE PRICES IN JAPAN.¹
[Average prices in 1913=100.]

Year and month.	Goods produced.	Goods imported.	Goods exported.	Raw materials.	Producers' goods.	Consumers' goods.	All commodities.	Converted to gold basis.
1921, average.....	186	154	173	154	188	193	181	175
1921.								
November.....	204	162	183	167	193	215	197	189
December.....	201	154	192	167	192	209	193	186
1922.								
January.....	198	153	197	168	191	203	191	181
February.....	192	151	186	163	183	198	185	176
March.....	187	153	175	157	183	195	182	173
April.....	186	151	176	157	183	192	180	171
May.....	185	157	183	164	182	189	180	171
June.....	188	166	192	168	191	191	184	176
July.....	197	167	196	170	195	203	192	184
August.....	189	160	189	161	187	196	184	176
September.....	180	156	189	159	177	185	176	169
October.....	173	159	195	166	171	174	171	165
November.....	170	166	194	173	168	167	169	164

¹ A complete description of the Japanese index may be found in the September, 1922, issue of the BULLETIN, pp. 1052-1059.

WHOLESALE PRICES OF INDIVIDUAL COMMODITIES IN THE UNITED STATES.

In order to give a more concrete illustration of actual price movements in the United States, there are presented in the following table monthly actual and relative figures for certain commodities of a basic character. The prices have in most cases been obtained from the records of the United States Bureau of Labor Statistics. This table is published in the BULLETIN at quarterly intervals.

[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.		Hogs, light, 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.	Average price per 100 pounds.	Relative price.
1913.....	\$0.616	100	\$0.127	100	\$0.874	100	\$0.986	100	\$8.507	100	\$0.184	100	\$8.454	100
1914.....	.683	111	.113	89	1.003	115	1.005	102	9.039	106	.196	107	8.382	99
1915.....	.722	117	.096	76	1.306	150	1.307	132	8.702	102	.242	132	7.187	85
1916.....	.812	132	.141	111	1.411	162	1.351	137	9.573	113	.262	142	9.400	111
1917.....	1.620	263	.226	178	2.325	266	2.278	231	12.809	151	.327	178	15.459	183
1918.....	1.522	247	.319	246	2.191	251	2.210	224	16.368	192	.300	163	17.663	209
1919.....	1.580	257	.319	251	2.566	294	2.537	259	17.496	206	.393	214	18.326	217
1920.....	1.397	227	.330	260	2.558	293	2.523	256	14.486	170	.312	170	14.711	174
1921.....	.595	92	.141	111	1.466	168	1.435	146	8.780	103	.139	76	8.891	105
1922.....	.614	100	.204	161	1.345	154	1.238	126	9.438	111	.180	98	9.727	115
1921.														
October.....	.465	76	.191	151	1.319	151	1.194	121	8.875	104	.148	81	8.180	97
November.....	.473	77	.175	138	1.254	144	1.176	119	8.563	101	.158	86	6.869	81
December.....	.467	76	.171	135	1.259	144	1.177	119	8.219	97	.165	90	7.025	83
1922.														
January.....	.474	77	.165	130	1.300	149	1.196	121	8.150	96	.165	90	8.160	97
February.....	.557	91	.166	130	1.522	174	1.382	140	8.638	102	.160	87	10.263	121
March.....	.561	91	.167	131	1.500	172	1.357	138	8.731	103	.139	75	10.588	125
April.....	.576	94	.168	132	1.563	179	1.391	141	8.406	99	.134	73	10.800	124
May.....	.609	99	.194	153	1.589	182	1.356	137	8.615	101	.146	79	10.660	120
June.....	.601	98	.217	171	1.419	143	1.160	118	8.863	104	.168	91	10.600	126
July.....	.637	103	.221	174	1.423	148	1.152	117	9.700	114	.182	99	10.695	127
August.....	.617	100	.216	170	1.186	135	1.057	107	10.375	122	.201	109	9.556	114
September.....	.627	102	.209	164	1.083	124	1.071	109	10.713	126	.213	116	9.694	115
October.....	.686	112	.221	174	1.132	130	1.177	119	10.245	120	.227	123	9.430	112
November.....	.717	117	.255	201	1.215	139	1.273	129	10.500	123	.228	124	8.206	97
December.....	.722	117	.254	200	1.251	143	1.325	134	10.581	124	.204	121	8.269	98
Year and month.	Wool, Ohio, 1-3 grades, scoured, eastern markets.		Yellow pine flooring, New York.		Coal, bituminous, run of mine, f. o. b. spot at mines, Pittsburgh.		Coal, bituminous, Pocahontas, f. o. b. spot at mines, Columbus.		Coke, Connellsville, at furnace.		Copper, ingot, electrolytic, New York.		Lead, pig, desilverized, New York.	
	Average price per pound.	Relative price.	Average price per M feet manufactured.	Relative price.	Average price per short ton.	Relative price.	Average price per short ton.	Relative price.	Average price per short ton.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.
1913.....	\$0.471	100	\$44.591	100	\$1.320	100	\$1.571	100	\$2.440	100	\$0.157	100	\$0.044	100
1914.....	.440	93	42.750	96	.....	.....	.....	.....	1.808	74	.134	85	.039	88
1915.....	.571	121	39.591	89	.....	.....	.....	.....	1.785	73	.173	110	.046	104
1916.....	.680	144	39.375	88	.....	.....	.....	.....	3.246	133	.275	175	.068	155
1917.....	1.145	243	50.909	114	.....	.....	.....	.....	8.250	338	.294	187	.091	207
1918.....	1.439	306	60.750	136	.....	.....	.....	.....	6.000	246	.247	157	.074	169
1919.....	1.189	248	78.833	177	.....	.....	.....	.....	4.738	194	.191	122	.058	131
1920.....	.971	203	145.417	326	6.043	458	5.839	375	10.816	443	.180	114	.081	184
1921.....	.508	108	93.708	210	2.203	167	3.180	202	3.636	149	.126	80	.046	104
1922.....	.782	166	94.583	212	2.813	213	4.048	258	7.136	293	.134	85	.058	132
1921.														
October.....	.473	100	90.000	202	2.180	165	2.680	171	3.275	134	.127	81	.047	107
November.....	.509	108	91.000	204	2.150	163	2.450	156	2.970	122	.130	83	.047	107
December.....	.527	112	95.500	214	2.150	163	2.195	140	2.750	113	.136	86	.047	107
1922.														
January.....	.582	124	95.500	214	2.150	163	2.150	137	2.750	113	.136	86	.047	107
February.....	.673	143	95.500	214	2.150	163	2.075	132	3.038	125	.129	82	.047	107
March.....	.727	154	95.500	214	2.038	154	1.825	116	3.250	133	.127	81	.047	107
April.....	.727	154	95.500	214	2.000	152	1.975	126	4.475	183	.126	80	.051	116
May.....	.727	154	90.000	202	.....	.....	2.750	175	6.000	246	.132	84	.055	125
June.....	.746	158	90.000	202	.....	.....	3.306	210	6.750	277	.136	86	.058	132
July.....	.818	174	92.500	207	.....	.....	4.965	315	10.750	441	.137	87	.058	132
August.....	.818	174	92.500	207	.....	.....	5.688	362	12.800	525	.138	87	.059	133
September.....	.836	178	92.500	207	4.600	349	5.750	366	11.125	456	.138	87	.062	140
October.....	.836	178	92.500	207	3.675	278	5.938	378	9.800	402	.137	87	.067	151
November.....	.946	201	100.500	225	3.163	240	6.125	390	7.188	295	.136	87	.072	165
December.....	.946	201	102.500	230	2.725	206	6.038	384	7.000	287	.141	90	.073	166

1 On Toledo market, average for last 6 months of 1913.

WHOLESALE PRICES OF INDIVIDUAL COMMODITIES IN THE UNITED STATES—Continued.

Year and month.	Petroleum, crude, Pennsylvania, at wells.		Pig iron, basic, Mahoning and Shenango Valley, at furnace.		Cotton yarns, northern cones, 10/1 Boston.		Leather, sole, hemlock, No. 1, Chicago.		Steel billets, Bessemer, Pittsburgh.		Steel plates, tank, Pittsburg.		Steel rails, open-hearth, Pittsburgh.	
	Average price per barrel.	Relative price.	Average price per long ton.	Relative price.	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.
1913.....	\$2.450	100	\$14.706	100	\$0.221	100	\$0.282	100	\$25.789	100	\$0.015	100	\$30.000	100
1914.....	1.917	78	12.873	88	.197	89	.302	107	20.078	78	.012	78	30.000	100
1915.....	1.529	62	13.741	93	.173	78	.309	110	22.441	87	.013	86	30.000	100
1916.....	2.483	101	19.768	134	.265	120	.388	138	43.946	170	.032	219	33.333	111
1917.....	3.200	131	38.904	265	.397	179	.635	190	69.856	271	.056	376	40.000	133
1918.....	3.974	162	32.509	221	.600	271	.484	172	47.300	183	.032	219	56.150	187
1919.....	4.135	169	27.697	188	.534	241	.528	187	40.539	157	.027	183	49.264	164
1920.....	5.975	244	42.269	287	.625	282	.534	189	56.260	218	.033	222	53.827	179
1921.....	3.314	135	21.668	147	.290	131	.358	127	34.385	133	.019	130	45.654	152
1922.....	3.173	130	24.264	165	.361	163	.350	124	33.990	132	.017	117	40.692	136
1921.														
October.....	3.125	128	19.188	130	.383	173	.340	121	29.000	112	.016	108	45.250	151
November.....	3.900	159	19.000	129	.366	165	.340	121	29.000	112	.015	103	40.000	133
December.....	4.000	163	18.625	127	.339	153	.340	121	29.000	112	.015	101	40.000	133
1922.														
January.....	3.300	135	18.150	123	.326	147	.340	121	28.000	109	.015	101	40.000	133
February.....	3.250	133	17.750	121	.313	141	.350	124	28.000	109	.014	94	40.000	133
March.....	3.250	133	17.938	122	.314	142	.350	124	28.000	109	.014	94	40.000	133
April.....	3.250	133	20.000	136	.314	142	.350	124	29.500	114	.015	100	40.000	133
May.....	3.250	133	24.600	167	.331	150	.350	124	34.000	132	.016	105	40.000	133
June.....	3.500	143	25.000	170	.360	163	.360	128	35.000	136	.016	108	40.000	133
July.....	3.313	135	24.250	165	.378	171	.350	124	35.000	136	.017	115	40.000	133
August.....	3.000	122	26.600	181	.387	175	.350	124	36.100	140	.019	127	40.000	133
September.....	3.000	122	32.625	222	.373	168	.350	124	39.500	153	.021	142	40.000	133
October.....	3.000	122	30.900	210	.391	177	.350	124	40.000	155	.021	142	42.250	141
November.....	3.000	122	27.750	189	.420	190	.350	124	37.750	146	.020	135	43.000	143
December.....	3.000	122	24.813	169	.430	192	.350	124	36.500	142	.020	132	43.000	143
Year and month.	Worsted yarns, 2-3's crossbred, Philadelphia.		Beef, carcass, good native steers, Chicago.		Coffee, Rio, No. 7, New York.		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 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.
1913.....	\$0.777	100	\$0.130	100	\$0.111	100	\$4.584	100	\$0.166	100	\$0.123	100	\$0.043	100
1914.....	.640	82	.136	105	.082	73	5.096	111	.167	100	.120	97	.047	110
1915.....	.788	101	.129	100	.075	67	6.663	145	.153	92	.121	98	.056	130
1916.....	1.050	135	.138	107	.092	83	7.264	158	.185	111	.122	99	.069	161
1917.....	1.556	200	.167	129	.093	83	11.391	249	.252	152	.124	101	.077	181
1918.....	2.109	272	.221	171	.097	88	10.131	221	.318	191	.170	137	.078	183
1919.....	1.627	210	.233	180	.179	160	11.993	262	.343	207	.200	163	.089	209
1920.....	1.825	235	.230	178	.120	108	12.675	277	.334	201	.263	213	.127	297
1921.....	1.179	152	.163	126	.072	65	8.326	182	.268	161	.243	197	.062	144
1922.....	1.413	182	.150	116	.103	92	7.282	159	.264	159	.208	169	.089	139
1921.														
October.....	1.150	148	.164	127	.081	73	7.425	162	.237	143	.232	188	.052	122
November.....	1.150	148	.173	133	.088	79	7.170	156	.224	135	.240	195	.052	121
December.....	1.250	161	.164	127	.093	84	6.881	150	.215	129	.240	195	.050	117
1922.														
January.....	1.277	164	.154	119	.096	87	7.000	153	.221	133	.218	176	.048	112
February.....	1.300	167	.145	112	.090	81	7.975	174	.267	161	.210	170	.049	115
March.....	1.250	161	.145	112	.096	86	7.813	170	.306	184	.210	170	.052	121
April.....	1.300	167	.145	112	.108	97	8.144	178	.309	186	.202	164	.052	122
May.....	1.350	174	.145	112	.110	99	8.060	176	.313	188	.199	161	.053	123
June.....	1.427	184	.145	112	.110	99	7.500	164	.313	188	.200	162	.059	138
July.....	1.400	180	.148	114	.104	93	7.788	170	.301	181	.200	162	.066	155
August.....	1.400	180	.155	120	.100	90	6.995	153	.264	159	.200	162	.067	157
September.....	1.450	187	.155	120	.102	92	6.344	138	.235	141	.202	164	.063	146
October.....	1.500	193	.155	120	.102	92	6.435	140	.232	140	.215	174	.066	154
November.....	1.650	212	.155	120	.108	97	6.713	146	.213	128	.220	178	.068	160
December.....	1.650	212	.155	120	.111	100	6.775	148	.206	124	.220	178	.069	162

COMPARATIVE WHOLESALE PRICE LEVELS IN PRINCIPAL COUNTRIES.

ALL-COMMODITIES INDEX NUMBERS.¹

Year and month.	EUROPE.											Switzerland; Dr. J. Lorenz. ¹	
	Belgium; Ministry of Labor. ²	Bulgaria; General Statistical Bureau.	Denmark; Finans-tidende. ³	France; General Statistical Bureau. ⁴	Germany; Frankfurter Zeitung. ⁵	Germany; Federal Statistical Bureau. ⁶	Italy; Riccardo Bachi. ⁷	Netherlands; Central Bureau of Statistics. ⁸	Norway (Christiania); Oekonomisk Revue. ⁹	Poland; Central Statistical Office.	Spain; Institute of Geography and Statistics. ¹⁰		Sweden; Göteborgs Handels och Sjöfartstidning. ¹¹
	(128)		(33)	(45)	(98)	(38)	(100)	(53)	(93)	(58)	(74)		(47)	(71)
1913.....	100	100	100	100	100	100	100	100	100	100	100	100	100
1914.....	¹³ 100	103	¹⁴ 100	101	¹⁵ 100	106	95	105	¹⁶ 115	¹⁷ 100	101	¹² 100	116
1915.....		137		137		142	133	145	¹⁸ 159		119		145
1916.....		¹⁸ 268		187		153	202	222	¹⁸ 233		141		185
1917.....		¹⁸ 667		262		179	299	286	¹⁸ 341		166		244
1918.....		¹⁸ 830		339		217	409	392	¹⁸ 345		207		339
1919.....		¹⁸ 1,166		357		416	364	297	¹⁸ 322		204		340
1920.....		1,940		510		1,965	624	282	¹³ 377		221		337
1921.....		2,006		250		2,130	578	181	¹⁸ 269		190		211
1922.....	367		179	327	32,715	34,182			220				195
1921.													166
November.....	374	2,061	186	332		3,416	595	165	276		184	174	182
December.....	369	2,185	188	326		3,487	595	165	269		183	172	178
1922.													
January.....	366	2,172	178	314	4,217	3,665	577	161	260	59,231	179	170	176
April.....	344	2,514	178	314	6,703	6,355	527	161	236	75,106	178	165	163
May.....	348	2,695	177	317	7,384	6,458	524	165	231	78,634	176	164	161
June.....	3 6	2,436	179	325	7,851	7,030	537	167	230	87,694	177	164	160
July.....	360	2,489	180	325	9,102	10,059	558	162	232	101,587	174	165	161
August.....	360	2,526	180	331	13,978	19,202	571	155	227	135,786	174	163	163
September.....	364	2,531	178	329	29,116	28,698	582	153	225	152,365	173	158	163
October.....	385	2,558	176	337	43,223	56,601	601	156	221	201,326		155	163
November.....	408	2,564	180	352	94,492	115,100	596	158	221	275,647		154	169
December.....	407		182	362	166,495	147,480	580		220				170

Year and month.	EUROPE—continued.			NORTH AMERICA.		ASIA AND OCEANIA.					AFRICA.		
	United Kingdom; Board of Trade.	United Kingdom; Economic- Board. ⁴	United Kingdom; Statist. ⁴	United States; Bureau of Labor Statistics.	Canada; Department of Labor. ¹¹	Australia; Bureau of Census and Statistics. ⁴	China (Shanghai); Ministry of Finance. ²⁰	Dutch East Indies; Statistical Bureau.	India (Calcutta); Department of Statistics. ⁶	Japan (Tokyo); Bank of Japan. ⁶	New Zealand; Department of Statistics.	Egypt (Cairo); Department of Statistics.	South Africa; Office of Census and Statistics.
	(150)	(44)	(45)	(404)	(271)	(92)	(147)		(75)	(56)	(106)	(23)	(187)
1913.....	100	100	100	100	100		²¹ 100	²² 100	²³ 100	100	100	²⁴ 100	²⁵ 100
1914.....		99	101	98	101	¹⁵ 100				96	104		
1915.....		123	126	101	110	141				97	123		102
1916.....		161	159	127	135	132				117	134		124
1917.....		204	206	177	177	155				147	147		168
1918.....		225	226	194	206	170				¹⁸ 232	192		207
1919.....		235	242	206	217	180	133	¹⁸ 281	198	236	178		225
1920.....	307	283	295	226	246	218	140	¹⁸ 226	204	259	212		299
1921.....	197	181	188	147	182	167	145	186	181	200	201		171
1921.													
November.....	173	165	161	141	168	151	144	170	180	214	191	171	
December.....	168	162	157	140	170	148	146	166	180	209	188	160	
1922.													
January.....	164	159	156	138	168	147	149	164	178	206	186	156	
April.....	160	159	158	143	166	148	148	164	182	197	180	148	132
May.....	160	162	159	148	167	155	146	166	187	194	177	141	
June.....	160	163	159	150	165	156	144	167	183	197	175	139	
July.....	160	163	157	155	166	157	144	168	181	201	177	138	131
August.....	156	158	152	155	164	155	142	162	178	195	177	139	
September.....	154	156	150	153	163	158	140	159	176	193	174	133	
October.....	155	158	153	154	162	159	143	163	177	190		140	133
November.....	157	159	153	156	164		143		178	188		144	
December.....		158		156	165		149					147	

¹ The number of commodities or quotations used in the computation of each index is indicated by figures in parentheses at head of each column.

² Average of last half of month.

³ First of month.

⁴ End of month.

⁵ Beginning of month—not always the 1st.

⁶ Average for the month.

⁷ 38 commodities prior to 1920; 76 commodities during 1921. End of month.

⁸ Based upon price of 52 commodities during 1920; 53 during 1921.

⁹ End of year and end of month.

¹⁰ 15th of the month.

¹¹ Middle of month.

¹² July 1, 1913, to June 30, 1914=100.

¹³ April, 1914=100.

¹⁴ July 1, 1912, to June 30, 1914=100.

¹⁵ July, 1914=100.

¹⁶ Dec. 31, 1913, to June 30, 1914=100.

¹⁷ January, 1914=100.

¹⁸ December figure.

¹⁹ January figure.

²⁰ As of last Wednesday in month.

²¹ February, 1913=100.

²² As of Jan. 1.

²³ End of July, 1914=100.

²⁴ Jan. 1, 1913, to July 31, 1914=100.

²⁵ Average for year.

The foreign index numbers published on the preceding page are constructed by various foreign statistical offices, and are sent to the Federal Reserve Board by cable. The BULLETIN for January, 1920, contains a description of the French, Australian, Japanese, and Canadian indexes. A description of the method used in the construction of the Swedish index number appeared in the BULLETIN for February, 1921; the British index number, compiled by the Board of Trade, was described in the March, 1921, BULLETIN; and the Italian index number was discussed in the April, 1921, issue. The December, 1921, BULLETIN contains a description of the index published by the Federal Statistical Bureau for Germany, and the indexes for Switzerland, Netherlands, Norway, Bulgaria, Egypt, the Union of South Africa, and the Dominion of New Zealand. The index number for the Dutch East Indies was described in the BULLETIN for March, 1922, that for Poland in the BULLETIN for July, 1922, while a description of the Belgian index may be found in the October, 1922, issue. The revised index of the United States Bureau of Labor Statistics was first published in the July, 1922, BULLETIN; and a description of the Frankfurter Zeitung's new index was given in the issue for September, 1922. A revised set of figures for the Board of Trade index from 1920 to date was published in the BULLETIN for December, 1922, p. 1460.

Lack of space prevents the publication of group index numbers for many of these countries except occasionally, but such figures may be obtained from the Division of Analysis and Research at any time upon request. Reference may be made to the September, 1922,

BULLETIN for a more complete series of group index numbers than appears in this issue.

The index numbers for Germany (Frankfurter Zeitung) and for Egypt have recently been revised and corrected. A complete table showing the revisions for the Frankfurter Zeitung index will be found on page 85. The index for Egypt is as follows:

[1914=100.]		
Month.	1921	1922
January.....	204	156
February.....	180	152
March.....	171	153
April.....	172	148
May.....	170	141
June.....	161	139
July.....	159	138
August.....	158	139
September.....	169	138
October.....	180	140
November.....	171	144
December.....	160	147

A description of the international price index numbers of the Federal Reserve Board for the United States, England, Canada, France, and Japan may be found in the BULLETINS for May, 1920; February, 1922; July, 1922; August, 1922; and September, 1922, respectively. A comparative summary table showing the Board's international index for these five countries appears on page 78.

Index numbers showing the price levels of separate groups of commodities in the United States and a few foreign countries are presented on the following pages. Group index numbers computed by the Federal Reserve Board as part of its international series of price indexes will be found on pages 78 and 79 of this issue.

GROUP INDEX NUMBERS—UNITED STATES—COMMODITIES IN BUREAU OF LABOR STATISTICS INDEX REGROUPED BY FEDERAL RESERVE BOARD.

Year and month.	Raw materials.					Producers' goods. (117)	Consumers' goods. (199)	All commodities. (404)
	Agricultural products. (21)	Animal products. (21)	Forest products. (11)	Mineral products. (35)	Total raw materials. (88)			
	1913.....	100	100	100	100			
1919.....	250	221	211	180	218	179	211	206
1920.....	255	186	312	236	229	214	231	226
1921.....	134	110	166	185	142	135	159	147
1921.								
November.....	130	105	175	178	137	125	153	141
December.....	130	103	169	179	137	125	151	140
1922.								
January.....	130	109	167	178	139	123	146	138
February.....	140	121	166	177	146	118	148	141
March.....	141	122	165	178	147	120	150	142
April.....	145	120	167	180	143	122	149	143
May.....	152	122	174	202	157	125	150	148
June.....	146	123	186	211	159	127	151	150
July.....	147	130	188	241	171	129	152	155
August.....	138	127	191	261	173	129	149	155
September.....	136	132	199	236	168	132	160	153
October.....	147	132	204	218	166	135	152	154
November.....	160	129	207	209	166	136	155	156
December.....	161	128	211	208	167	135	157	156

GROUP INDEX NUMBERS—UNITED STATES—BUREAU OF LABOR STATISTICS.

Year and month.	Farm products.	Foods.	Cloths and clothing.	Fuel and lighting.	Metals and metal products.	Building materials.	Chemicals and drugs.	House furnishing goods.	Miscellaneous.	All commodities.
	(56)	(110)	(65)	(20)	(37)	(41)	(43)	(31)	(25)	(404)
1913.....	100	100	100	100	100	100	100	100	100	100
1919.....	231	207	253	181	162	201	169	184	175	206
1920.....	218	220	295	241	192	264	200	254	196	226
1921.....	124	144	180	199	129	165	136	195	128	147
1921.										
November.....	121	139	180	197	114	163	129	178	119	141
December.....	120	136	180	199	113	158	127	178	121	140
1922.										
January.....	122	131	176	195	112	157	124	178	117	138
February.....	131	135	174	191	120	156	123	177	117	141
March.....	130	137	172	191	109	155	125	175	117	142
April.....	129	137	171	194	113	156	124	175	116	143
May.....	132	138	175	216	119	160	122	176	116	148
June.....	131	140	179	225	120	167	122	176	114	150
July.....	135	142	180	254	121	170	121	173	114	155
August.....	131	138	181	271	126	172	122	173	115	155
September.....	133	138	183	244	134	180	124	173	116	153
October.....	138	140	188	226	135	183	124	176	120	154
November.....	143	143	192	218	133	185	127	179	122	156
December.....	145	144	194	216	131	185	130	182	122	156

REVISED GROUP INDEX NUMBERS—UNITED KINGDOM—BOARD OF TRADE.

Year and month.	Cereals.	Meat and fish.	Other foods.	Total food.	Iron and steel.	Other metals and minerals.	Cotton.	Other textiles.	Other articles.	Total not food.	All articles.
	(17)	(17)	(19)	(53)	(24)	(20)	(16)	(15)	(22)	(97)	(150)
1913 average.....	100	100	100	100	100	100	100	100	100	100	100
1920 average.....	273	263	279	272	358	252	480	359	273	329	307
1921 average.....	194	219	214	209	210	179	192	172	196	191	197
1921.											
November.....	158	178	195	177	160	153	199	167	183	171	173
1922.											
August.....	151	169	161	160	133	142	186	165	160	154	156
September.....	143	174	152	156	132	140	185	168	160	153	154
October.....	145	169	157	157	131	139	184	170	165	154	155
November.....	144	173	162	160	131	139	193	172	168	156	157

GROUP INDEX NUMBERS—FRANCE—GENERAL STATISTICAL BUREAU.

Year and month.	Animal foods.	Vegetable foods.	Sugar, coffee, and cocoa.	All foods.	Minerals.	Textiles.	Sundries.	All industrial materials.	All commodities.
	(8)	(8)	(4)	(20)	(7)	(6)	(12)	(25)	(45)
1913 average.....	100	100	100	100	100	100	100	100	100
1919 average.....	392	313	253	336	272	444	405	373	357
1920 average.....	503	427	422	459	449	737	524	550	510
1921 average.....	380	330	343	355	275	355	374	338	345
1922 average.....	349	295	329	325	270	390	338	329	327
1921.									
December.....	324	303	300	313	269	375	364	337	326
1922.									
September.....	346	279	333	318	279	418	341	339	329
October.....	341	283	311	313	309	446	347	357	337
November.....	365	289	345	331	305	468	363	369	352
December.....	387	300	364	349	311	473	365	373	362

GROUP INDEX NUMBERS—GERMANY—FEDERAL STATISTICAL BUREAU.

Year and month.	Goods produced.	Goods imported.	All commodities.	Year and month.	Goods produced.	Goods imported.	All commodities.
	(16)	(22)	(38)		(16)	(22)	(39)
1913 average.....	100	100	100	1922.			
1919 average.....	385	558	416	June.....	6,540	9,479	7,030
1920 average.....	1,253	2,652	1,486	July.....	9,300	13,854	10,059
1921 average.....	1,786	2,533	1,911	August.....	16,545	32,491	19,202
1922 average.....	29,655	56,818	34,182	September.....	25,815	43,113	28,698
1921.				October.....	49,853	90,343	56,601
December.....	3,170	5,071	3,487	November.....	95,290	214,150	115,100
				December.....	128,330	243,230	147,430

GROUP INDEX NUMBERS—GERMANY—FRANKFURTER ZEITUNG.

Year and month. ¹	Foodstuffs and luxuries. (26)	Textile and leather. (16)	Minerals. (18)	Miscellaneous. (17)	Industrial finished products. (21)	All commodities. (98)
July, 1914.....	100	100	100	100	100	100
January, 1920.....	1,972	3,407	2,749	1,101	1,465	1,965
January, 1921.....	2,019	3,840	2,780	1,776	1,704	2,130
1922.						
January.....	3,840	7,168	5,178	3,149	3,347	4,217
February.....	4,300	7,722	5,525	3,492	3,581	4,599
March.....	5,211	8,492	6,810	4,201	4,060	5,420
April.....	6,330	8,551	8,585	5,288	4,972	6,703
May.....	6,649	9,228	9,305	5,961	5,982	7,384
June.....	6,967	9,626	10,141	6,413	6,341	7,851
July.....	8,323	11,001	12,168	6,881	7,292	9,102
August.....	13,691	19,661	18,355	10,993	10,001	13,978
September.....	29,175	32,184	42,648	21,605	22,664	29,116
October.....	38,595	66,157	54,905	32,134	35,025	43,223
November.....	88,980	153,896	128,982	72,038	57,683	94,492
December.....	144,753	266,622	219,395	134,177	118,385	166,495
1923.						
January.....	175,845	320,632	262,212	177,752	151,793	205,417

¹ Beginning of month—not always the 1st.

GROUP INDEX NUMBERS—ITALY—RICCARDO BACHI.

Year and month.	Vegetable foods. (25)	Animal foods. (13)	Chemicals. (11)	Textiles. (12)	Minerals and metals. (16)	Building materials. (6)	Other vegetable products. (5)	Sundries. (12)	All commodities. (100)
1920 average.....	100	100	100	100	100	100	100	100	100
1922 average.....	110	105	71	74	62	83	113	92	90
1922.									
January.....	112	114	73	72	64	92	112	94	92
September.....	112	110	70	80	65	81	120	95	93
October.....	113	114	72	85	69	86	124	98	96
November.....	112	112	71	82	67	88	127	98	96
December.....	110	110	69	78	65	88	129	94	93

GROUP INDEX NUMBERS—SWEDEN—GÖTEBORGS HANDELS OCH SJÖFARTSTIDNING.

[July 1, 1913-June 30, 1914=100.]

Year and month.	Vegetable foods (16)	Animal foods. (7)	Raw materials for agriculture. (5)	Coal. (2)	Metals. (5)	Building materials. (7)	Wood pulp. (3)	Hides and leather. (5)	Textiles. (5)	Oils. (2)	All commodities. (47)
1913-14.....	100	100	100	100	100	100	100	100	100	100	100
1919.....	261	409	340	804	258	286	308	211	.....	.....	330
1920.....	262	296	312	1,007	278	371	675	215	324	291	347
1921.....	210	220	227	285	159	243	310	107	144	228	211
1921.											
November.....	161	196	197	194	133	239	181	108	149	179	174
1922.											
August.....	168	168	162	167	123	213	149	90	170	154	163
September.....	146	179	160	169	119	215	154	90	171	150	158
October.....	143	166	158	169	117	216	160	91	176	150	155
November.....	132	171	159	175	117	208	178	89	194	150	154

GROUP INDEX NUMBERS—CANADA—DEPARTMENT OF LABOR.

Year and month.	Grains and fodder. (15)	Animals and meats. (17)	Dairy products. (9)	Fruits and vegetables. (20)	Other foods. (25)	Textiles. (20)	Hides, leather, etc. (11)	Metals. (23)	Implements. (10)	Building materials, lumber. (14)	Fuel and lighting. (10)	Drugs and chemicals. (16)	All commodities. (264)
1913.....	100	100	100	100	100	100	100	100	100	100	100	100	100
1919.....	227	199	192	206	222	285	213	173	228	171	201	205	217
1920.....	263	198	204	261	258	303	192	203	245	208	255	204	246
1921.....	150	149	157	172	181	189	110	150	240	211	218	177	182
1921.													
November.....	125	113	158	176	158	179	100	140	232	180	211	165	168
1922.													
August.....	130	138	120	156	152	181	105	142	216	179	257	161	164
September.....	121	132	128	137	156	181	105	144	218	179	243	160	163
October.....	119	131	141	139	153	183	103	146	218	180	232	159	162
November.....	126	125	152	155	153	185	106	147	218	181	221	160	164
December.....	127	127	160	159	153	182	102	148	218	184	225	160	165

COMPARATIVE RETAIL PRICES IN PRINCIPAL COUNTRIES.

In the following table are presented statistics showing the trend of retail prices and the cost of living in the United States and certain other countries:

INDEX NUMBERS OF RETAIL PRICES AND COST OF LIVING.

Year and month.	Retail prices.						Cost of living.									
	United States.	Canada.	Czechoslovakia.	France (Paris).	Italy.	Sweden.	Austria (Vienna).	Belgium.	Germany (46 cities).	Germany (Berlin).	Poland.	Switzerland.	United Kingdom.	India (Bombay).	New Zealand.	South Africa.
1914.....	¹ 100	100	³ 100	³ 100	² 100	⁸ 100	³ 100	⁴ 100	⁵ 100	⁶ 100	³ 100	⁷ 100	³ 100	³ 100	⁸ 100	³ 100
1920.....	199	215	.....	371	454	298	.....	.....	813	1,080	.....	.....	249	.....	.....	155
1921.....	150	164	.....	337	548	237	.....	434	1,047	1,236	28,622	210	226	173	.....	133
1921.																
September.....	150	159	1,428	329	542	228	.....	422	1,062	1,212	39,817	203	220	185	162	130
October.....	150	155	.....	331	581	218	.....	439	1,146	1,340	48,656	199	210	183	161	128
November.....	149	149	.....	326	583	211	.....	451	1,397	1,767	47,628	192	203	182	160	127
December.....	147	148	.....	323	555	202	53,300	447	1,550	1,934	46,740	189	199	179	158	124
1922.																
January.....	139	149	1,467	319	576	190	66,900	418	1,640	1,903	46,883	186	192	173	157	122
February.....	139	143	1,461	307	559	189	77,000	394	1,989	2,177	48,085	175	188	165	156	120
March.....	136	142	1,414	294	546	185	77,800	372	2,302	2,740	52,358	170	186	165	153	120
April.....	136	138	1,415	304	524	182	87,200	368	3,175	3,177	58,627	162	182	162	152	122
May.....	136	138	1,444	317	530	178	109,300	365	3,462	3,455	63,914	156	181	163	152	122
June.....	138	137	1,475	307	.....	179	187,100	373	3,779	4,149	68,406	155	180	163	151	121
July.....	139	138	1,430	297	522	179	264,500	372	4,990	6,122	78,798	159	184	165	150	120
August.....	136	141	1,290	289	531	181	593,200	369	7,029	10,271	90,823	154	181	164	150	120
September.....	137	139	1,105	291	.....	180	1,130,600	384	11,376	16,368	107,663	154	179	165	150	120
October.....	140	138	1,016	290	.....	178	1,033,200	706	19,504	26,069	128,415	155	178	162	149	121
November.....	142	.....	984	297	.....	170	.....	.....	40,047	56,497	.....	.....	180	.....	.....	.....
December.....	144	.....	.....	305	.....	.....	.....	.....	61,156	86,785	.....	.....	180	.....	.....	.....

¹ Average for the month.² Average for 1913.³ July.⁴ Apr. 15, 1914=100.⁵ 1913-1914=100.⁶ August, 1913-July, 1914=100.⁷ June.⁸ 1909-1913=100.

Retail prices.—The American index number, constructed by the Bureau of Labor Statistics, was based upon the retail prices of 22 articles of food, weighted according to family consumption, until January, 1921, when it was increased to 43 articles reported by dealers in 51 important cities. The method of weighting continues the same, although the actual "weight" applied has been changed. The original basis, that of the year 1913, has been shifted to July, 1914.

The index number for Czechoslovakia is based on the retail prices of 23 commodities including foodstuffs, fuel, petroleum, and soap.

The retail price index for Paris, compiled by the French General Statistical Office, consists of retail prices of 13 different commodities, weighted according to the average annual consumption of a workingman's family of four persons. Eleven of the commodities included in this index are foods, and the other two are kerosene and alcohol.

The Italian retail price index for the most important cities, computed by the Italian Ministry of Labor, consists of retail prices of 21 commodities. Of the commodities included, 20 are foods and the other commodity is charcoal.

The Swedish index number consists of the retail prices of foodstuffs, fuel, and lighting and is based upon the prices of 51 articles in 44 towns (in 1920, 50 articles in 49 towns), weighted according to the budget of a workingman's family which before the war had a yearly income of 2,000 kronor.

Cost of living.—The Austrian index, computed by the Paritätische Kommission, includes food, clothing, fuel, lighting, and rent. Prices, collected from cooperative associations and firms, are those ruling on Vienna markets. An average is obtained for each article and weighted according to the theoretical weekly expenditure of a normal person.

The Belgian index number of cost of living, constructed by the Ministry of Labor, consists of the retail prices of 30 commodities, weighted according to a standard budget based on an inquiry into the expenditures of 848 families of the laboring and small middle classes.

The German cost of living index for 46 cities is furnished by the Federal Statistical Bureau and includes food, fuel, light, and rent.

The Berlin index, computed by Dr. R. Kuczynski, is based on the minimum cost of subsistence for a working-class family of four persons in Berlin. The groups included in the budget are food, clothing, heating, lighting, and rent.

The Polish Central Statistical Office furnishes an index including food, clothing, heating, lighting, rent, and miscellaneous expenditures. Official prices are used for State-controlled goods, but when the official ration is less than a standard budget the balance is reckoned at the trade price. The system of weighting is according to a theoretical budget for a working-class family of four persons in Warsaw.

The Swiss index number, computed by the social statistics service of the Bureau of Labor, is based on an investigation into household budgets made in 1920, and refers to about one-third of the entire cost of living of the family of a skilled worker.

The British index number of the cost of living, constructed by the Ministry of Labor, consists of the retail prices not only of foodstuffs, but of other articles as well. Retail clothing prices, rents, and the cost of fuel, lighting, and miscellaneous household items are also taken into consideration. The index number is weighted according to the importance of the items in the budgets of working-class families.

The Indian index, including food, clothing, heating, lighting, and rent, is computed by the labor office secretariat. Prices are collected twice a week from 10 retailers in Bombay. The index is weighted according to the average aggregate expenditure of the whole of India during five years before the war.

The index number for New Zealand includes food, rent, fuel, and lighting. It is computed by the census and statistics office, on the basis of average annual aggregate expenditure, in four chief centers, 1909-1913.

The South African index, computed by the Office of Census and Statistics, includes food, heating, lighting, and rent. Until December, 1919, it was weighted according to a standard budget, but since then the aggregate expenditure method has been adopted.

INDEXES OF INDUSTRIAL ACTIVITY IN FOREIGN COUNTRIES.

UNITED KINGDOM.

Year and month.	PRODUCTION.				Raw cotton, visible supply. ¹	EXPORTS.			IMPORTS.				SHIPPING.		Unemployed among approximately 12,000,000 insured persons.	
	Coal.	Pig iron.	Steel ingots and castings.	Finished steel.		Iron and steel manufactures.	Cotton manufactures.	Coal.	Raw cotton.	Raw wool.	Raw wet hides.	Hides, dry and salted.	Vessels under construction.	Vessels cleared.		
	Long tons (000).	Long tons (000).	Long tons (000).	Long tons (000).		Bales (000).	Long tons (000).	Sq. yds. (000,000).	Long tons (000).	Pounds (000,000).	Pounds (000,000).	Pounds (000).	Pounds (000).	Gross tons (000).		Tons (000).	Per cent.
Monthly average:																
1913.....	23,953	855	639	646	1,397	414	2,596	6,117	181	67	6,927	5,189	2,003	5,652	.....	.....
1920.....	19,108	670	756	756	1,234	271	374	2,078	158	73	4,025	6,277	3,603	3,049	.....	.....
1921.....	13,696	218	302	238	1,234	142	244	2,055	98	63	4,792	2,469	3,313	3,032	.....	.....
1921.																
October.....	21,090	236	405	304	1,123	156	345	3,406	733	57	6,407	4,226	.....	4,056	12.8	.....
November.....	17,875	272	444	330	1,216	194	366	3,594	195	67	8,967	4,504	.....	3,944	15.7	.....
December.....	22,594	275	381	292	1,271	205	333	4,309	166	84	7,875	3,800	2,640	4,003	16.2	.....
1922.																
January.....	17,693	288	328	271	1,298	253	342	4,021	134	90	4,557	4,185	.....	3,919	16.2	.....
February.....	19,764	300	419	321	1,240	224	254	4,014	99	112	12,184	12,882	.....	3,891	15.2	.....
March.....	19,921	390	549	369	1,112	296	307	5,201	83	123	4,568	4,102	2,236	4,814	14.6	.....
April.....	22,875	394	404	294	1,181	258	305	4,097	101	117	3,164	3,590	.....	4,187	14.4	.....
May.....	19,146	408	462	334	1,143	272	345	5,057	120	138	2,994	2,471	.....	5,104	13.5	.....
June.....	15,827	369	400	316	1,111	236	315	4,794	127	97	2,772	3,393	1,920	4,975	12.7	.....
July.....	23,135	399	473	345	890	252	447	5,064	111	79	7,390	2,982	.....	4,828	12.3	.....
August.....	19,151	412	528	338	864	270	381	6,146	81	107	7,281	4,422	.....	5,855	12.0	.....
September.....	25,681	430	556	363	853	279	400	7,083	60	52	7,339	3,616	1,617	5,731	12.0	.....
October.....	21,207	482	565	.....	882	347	357	6,196	128	60	5,090	6,571	.....	5,590	12.0	.....
November.....	21,712	.....	.....	.....	1,056	372	402	5,671	183	60	5,550	5,469	.....	5,653	12.4	.....

¹ Figures for end of the month.

² Expressed in yards.

³ Figures for 5 weeks.

FRANCE.

Year and month.	PRODUCTION.			Cotton stocks at Havre. ¹	EXPORTS.		IMPORTS.			TRANSPORTATION.		Unemployed receiving municipal aid in Paris.
	Pig iron.	Crude steel.			Total.	Total.	Raw cotton for consumption.	Raw silk for consumption.	Coal for consumption.	Vessels cleared.	Receipts of principal railways. ²	
	Metric tons (000).	Metric tons (000).	Bales ³ (000).		Metric tons (000).	Metric tons (000).	Metric tons.	Metric tons.	Metric tons (000).	Tons (000).	Francs (000).		Number.
Monthly average:												
1913.....	4,434	391	274	1,840	3,685	27,428	629	1,558	2,176	165,892	.....	.....
1920.....	286	254	225	1,071	4,211	19,577	390	2,005	1,412	479,894	3,022	.....
1921.....	280	255	169	1,333	3,165	16,666	206	1,472	1,802	516,397	20,671	.....
1921.												
October.....	256	260	181	1,252	2,809	25,757	385	1,301	2,007	.....	5,348	.....
November.....	295	277	192	1,515	5,161	29,059	277	3,291	1,862	483,216	3,730	.....
December.....	301	302	208	2,507	5,197	30,835	382	2,895	1,992	641,887	4,175	.....
1922.												
January.....	312	315	188	1,554	3,396	14,870	502	1,676	1,735	454,323	4,658	.....
February.....	323	317	163	1,520	4,126	14,714	467	2,153	1,744	468,175	4,385	.....
March.....	386	367	127	1,570	4,434	20,978	408	2,081	1,934	472,779	3,546	.....
April.....	353	324	138	1,794	3,787	17,391	207	1,538	2,088	608,764	2,447	.....
May.....	442	364	169	1,538	4,396	18,090	404	2,058	2,340	472,607	1,636	.....
June.....	416	358	145	1,799	4,307	32,380	391	1,829	2,473	504,431	958	.....
July.....	428	369	153	1,936	4,223	26,325	366	1,631	2,523	651,720	602	.....
August.....	447	397	135	1,788	4,512	16,291	579	1,767	2,399	546,310	606	.....
September.....	462	407	99	2,616	4,138	17,302	550	1,692	2,359	720,210	410	.....
October.....	503	430	131	2,034	4,543	27,877	722	1,768	2,336	563,314	272	.....
November.....	.....	.....	158	2,034	4,577	.....	.....	.....	.....	532,152	285	.....

¹ End of the month figure.

² Railways included are: State Railways, Paris-Lyon-Méditerranée, Nord, Orléans, Est, Midi, Alsace-Lorraine, and Guillaume-Luxembourg.

³ Bale of 50 kilograms.

⁴ Figures do not include Lorraine.

⁵ Excludes the Alsace-Lorraine and Guillaume-Luxembourg Railways.

GERMANY.

Year and month.	PRODUCTION.		EXPORTS. ¹					IMPORTS. ¹				SHIPPING.		UNEMPLOYMENT.	
	Coal and coke.	Lignite.	Iron and iron manufactures.	Machinery and electrical supplies.	Dyes and dye-stuffs.	Coal. ²	Raw wool.	Half manufactured silk.	Cotton. ³	Iron ore. ⁴	Arrivals of vessels in Hamburg.	Tons (000).	Applicants for every 100 available positions.	Unemployed persons receiving State aid.	
	Metric tons (000).	Metric tons (000).	Metric tons.	Metric tons.	Metric tons.	Metric tons.	Metric tons.	Metric tons.	Metric tons.	Metric tons (000).					Number.	Number.	Number (000).
Monthly average:															
1913.....	17,003	7,266	541,439	60,919	21,812	2,881,125	16,608	920	43,424	1,225	1,256	1,182	.....	.....	.....
1920.....	13,043	9,303	145,883	46,772	8,462	608,749	4,025	5232	12,490	538	401	374	169	366	
1921.....	13,664	10,241	203,681	39,037	8,530	518,937	11,860	393	30,894	619	700	794	165	310	
1921.															
October.....	14,373	10,567	246,115	33,067	10,255	576,048	12,506	774	29,739	920	915	1,047	128	186	
November.....	14,052	10,479	233,204	35,697	9,953	569,637	12,628	346	27,242	937	838	881	136	150	
December.....	14,343	11,029	214,812	46,397	9,212	640,877	10,984	388	28,315	791	503	873	148	149	
1922.															
January.....	14,640	10,978	221,743	39,470	9,552	752,340	10,400	347	23,426	942	745	875	150	165	
February.....	13,655	10,091	172,709	45,689	9,332	669,433	26,202	383	17,915	493	461	716	145	203	
March.....	15,931	12,260	211,979	48,813	12,299	795,200	29,988	440	26,130	810	894	999	113	213	
April.....	13,800	10,634	200,677	46,112	11,095	795,940	24,091	462	24,070	855	672	1,112	113	116	
May.....	14,670	11,437	209,432	47,354	12,629	701,941	25,619	486	26,112	1,519	1,143	1,244	107	65	
June.....	11,416	10,487	213,220	49,347	16,335	528,766	15,723	436	22,037	1,159	1,092	1,287	193	29	
July.....	11,972	11,411	212,365	44,162	12,671	199,961	14,119	435	26,085	962	793	1,065	106	20	
August.....	12,780	12,147	198,408	50,978	12,616	121,359	11,011	459	20,915	997	1,005	1,171	169	15	
September.....	12,623	11,823	244,012	40,150	13,477	110,245	8,708	342	13,959	1,690	1,945	1,208	122	12	
October.....	13,329	12,078	246,074	50,699	15,187	123,670	10,923	371	10,584	1,316	1,016	1,272	.....	16	

¹ Export and import figures for first 4 months of 1921 not available; 1921 averages based on 8 months.

² Not including coal for reparations account.

³ Includes linters.

⁴ Includes manganese ore.

⁵ Average based on 6 months.

⁶ Coal, excluding coke.

SWEDEN.

Year and month.	PRODUCTION.		EXPORTS.		IMPORTS.		TRANSPORTATION.			Unemployed workmen per 100 vacancies.
	Pig Iron.	Iron and steel ingots.	Unplaned boards.	Paper pulp.	Coal.	Vessels entered.	Vessels cleared.	Freight carried on State railways.		
	Metric tons (000).	Metric tons (000).	Cubic meters (000).	Metric tons (000).	Metric tons (000).	Net tons (000).	Net tons (000).	Metric tons (000).	Number.	
Monthly average:										
1913.....	61	49	328	71	408	1,147	1,147	830	112	
1920.....	39	37	306	73	234	677	692	991	107	
1921.....	26	17	162	40	122	519	482	589	276	
1921.										
October.....	16	16	370	144	219	670	595	691	263	
November.....	18	22	361	54	192	601	578	721	384	
December.....	19	17	356	99	246	575	582	558	473	
1922.										
January.....	18	13	87	28	114	442	409	485	482	
February.....	17	17	25	11	62	285	255	630	479	
March.....	22	22	63	36	197	617	509	730	381	
April.....	19	21	66	21	203	524	485	622	368	
May.....	24	31	99	76	230	600	633	578	257	
June.....	21	24	500	80	172	596	738	645	215	
July.....	20	27	608	89	214	625	787	715	203	
August.....	22	27	539	104	294	694	836	765	172	
September.....	22	31	508	113	229	684	808	776	155	
October.....	23	31	494	144	270	660	774	.....	177	

JAPAN.

Year and month.	PRODUCTION.			Raw silk stocks, Yokohama market.	EXPORTS.				IMPORTS.			TRANSPORTATION.		
	Cotton yarns.	Silk fabrics (habu-taye).	Paper.		Silk, raw.	Silk fabrics (habu-taye).	Cotton yarns.	Sheetings and shirtings, gray.	Raw cotton, ginned.	Wool.	Iron plates and sheets.	Vessels cleared in foreign trade.	Freight carried on State railways.	Receipts of State railways.
Monthly average:	126	149	44,538	58,477	16,857	2,302	113,374	7,921	537	13,162	132	2,075	2,923	11,723
1913.....	151			53,111	14,557	2,364	74,839	28,465	648	46,918	528	2,216	4,548	27,589
1920.....	151	149	44,538	58,477	21,836	1,702	73,064	23,210	718	22,277	312	2,324	4,342	31,182
1921.														
September.....	149	136	45,559	59,450	22,563	1,632	36,996	13,309	893	32,246	101	2,328	4,286	30,580
October.....	150	145	45,969	53,535	24,096	1,253	53,506	13,289	685	34,013	218	2,491	4,625	34,960
November.....	163	170	45,658	48,832	29,139	1,855	53,484	16,707	696	14,639	296	2,611	4,610	31,729
December.....	178	169	46,781	44,766	37,250	1,857	68,032	20,382	646	24,064	371	2,718	4,922	32,520
1922.														
January.....	168	166	46,488	40,561	16,924	1,080	61,414	19,124	1,161	41,724	462	2,749	4,102	28,576
February.....	174	129	48,605	32,213	18,192	1,551	63,719	24,990	1,168	93,411	594	2,817	4,261	28,036
March.....	184	153	49,644	44,701	16,647	2,003	123,605	24,194	1,084	64,865	637	3,094	5,066	36,337
April.....	191	110	52,687	40,777	27,350	1,669	138,226	24,725	707	76,416	582	2,971	4,968	42,074
May.....	194	160	53,975	18,293	35,147	1,977	146,354	25,821	580	24,753	732	3,257	5,225	38,486
June.....	192	173	52,791	18,547	29,569	2,176	139,057	23,713	490	68,415	890	3,024	4,965	32,180
July.....	181	159	53,734	45,848	34,541	1,793	51,660	25,284	433	37,431	872	2,957	4,641	32,977
August.....	179	116	54,553	56,032	36,196	2,017	40,075	22,343	731	29,936	697	3,119	4,489	33,944
September.....	179	121	53,326	48,810	35,959	1,636	68,773	17,668	766	17,559	351	2,849	4,502	32,464

¹ One hiki equals two pieces.

² A picul varies from 133 to 140 pounds avoirdupois.

FOREIGN TRADE OF PRINCIPAL COUNTRIES.

In the following tables are presented figures from official sources showing the monthly value of the foreign trade of a group of European countries, Canada, Brazil, India, Japan, and the United States.

FOREIGN TRADE OF UNITED KINGDOM.

[In thousands of pounds sterling.]

Year and month.	IMPORTS.					EXPORTS.					Reex-ports.	Total exports and reex-ports.
	Food, drink, and tobacco.	Raw materials and articles mainly unmanufactured.	Articles wholly or mainly manufactured.	Miscellaneous, including parcel post.	Total.	Food, drink, and tobacco.	Raw materials and articles mainly unmanufactured.	Articles wholly or mainly manufactured.	Miscellaneous, including parcel post.	Total.		
Monthly average:	24,181	23,485	16,134	259	64,061	2,716	5,825	34,281	949	43,770	9,131	52,901
1913.....	63,817	59,196	37,787	254	161,387	4,245	12,126	93,312	1,523	111,206	18,563	129,769
1921.....	47,271	22,598	20,421	268	90,557	3,122	5,297	49,055	1,126	58,600	8,921	67,521
1921.												
November.....	41,241	29,946	17,913	154	89,259	3,586	7,046	51,094	1,169	62,895	9,523	72,718
December.....	39,063	27,792	18,291	165	85,312	3,187	7,446	47,364	1,378	59,375	9,204	68,579
1922.												
January.....	33,972	24,565	17,710	241	76,488	2,861	7,032	51,824	1,429	63,147	8,459	71,606
February.....	32,257	20,220	16,576	322	69,375	2,754	6,869	48,000	712	58,335	10,174	68,509
March.....	45,261	22,095	20,309	215	87,879	3,270	8,465	51,760	1,085	64,581	10,154	74,735
April.....	40,097	21,404	18,962	199	80,661	3,011	7,376	44,336	785	55,508	9,209	64,708
May.....	43,075	25,358	20,207	176	88,814	3,045	8,757	45,073	1,171	58,045	8,965	67,016
June.....	39,936	25,242	18,857	263	84,298	3,044	7,671	40,556	875	52,146	8,720	60,866
July.....	38,817	24,237	18,579	151	81,784	2,806	8,041	48,455	1,117	60,419	8,317	68,736
August.....	37,762	24,141	20,326	432	82,661	3,105	8,900	47,149	878	60,032	7,504	67,536
September.....	35,555	21,848	19,244	296	76,944	3,154	10,099	48,361	897	62,511	6,381	68,893
October.....	38,617	26,409	19,726	262	85,015	3,066	9,211	47,010	1,112	60,399	8,277	68,676
November.....	45,501	30,223	19,587	289	95,600	3,407	10,101	51,964	1,018	66,491	9,148	75,639

FOREIGN TRADE OF FRANCE.¹

Year and month.	IMPORTS.					EXPORTS.					
	In thousands of francs.				In thousands of metric tons.	In thousands of francs.				In thousands of metric tons.	
	Food.	Raw materials.	Manufactured articles.	Total.		Food.	Raw materials.	Manufactured articles.	Parcel post.		Total.
Monthly average:											
1913.....	151,465	412,144	138,169	701,778	3,685	69,908	154,841	301,421	47,182	573,351	1,840
1920.....	989,576	2,096,379	1,072,787	4,158,741	4,211	217,733	509,485	1,413,548	100,479	2,241,245	1,071
1921.....	517,158	1,033,170	412,045	1,962,373	3,165	161,031	463,219	1,067,413	104,430	1,796,092	1,333
1921.*											
November.....	564,012	1,446,125	323,593	2,333,730	5,161	157,180	478,875	992,256	120,343	1,748,654	1,515
December.....	754,671	1,856,148	543,445	3,154,264	6,197	259,605	549,495	1,193,161	180,059	2,182,320	2,507
1922.†											
January.....	352,572	887,253	247,827	1,487,652	3,396	121,526	458,460	994,852	63,903	1,638,741	1,554
February.....	385,021	1,137,856	324,150	1,847,026	4,126	153,892	448,455	1,106,507	144,458	1,853,312	1,520
March.....	460,765	1,005,463	465,737	1,931,965	4,434	180,595	456,930	1,189,712	99,431	1,876,668	1,570
April.....	438,000	983,000	323,000	1,744,000	3,787	136,000	461,000	1,231,000	134,000	1,962,997	1,794
May.....	504,000	996,000	310,000	1,810,125	4,396	132,000	498,000	1,127,000	111,000	1,886,964	1,533
June.....	483,356	1,082,371	285,448	1,851,184	4,307	113,435	374,959	885,029	59,619	1,433,042	1,934
July.....	476,813	1,200,764	318,169	1,995,746	4,223	179,407	408,005	931,066	157,836	1,676,000	1,788
August.....	510,597	1,096,903	352,229	1,959,729	4,512	141,000	477,000	1,055,000	68,000	1,741,000	2,616
September.....	475,000	1,087,000	333,000	1,895,000	4,135	195,000	494,000	1,099,000	149,000	1,937,000	2,034
October.....	570,000	1,190,000	349,000	2,109,000	4,543	196,000	537,000	856,000	117,000	1,706,000	2,024
November.....	517,000	1,478,000	353,000	2,348,000	4,577						

¹ Not including reexport trade.² Calculated on 1919 value units.³ Imports calculated on basis of actual declared value.⁴ Value of exports not available. Beginning with June, exports calculated on 1921 value units.

FOREIGN TRADE OF GERMANY.

Year and month.	IMPORTS. ¹			EXPORTS. ²		
	Gold and silver (In thousands of marks).	Merchandise.		Gold and silver (In thousands of marks).	Merchandise.	
		In millions of marks.	In thousands of metric tons.		In millions of marks.	In thousands of metric tons.
Monthly average:						
1913.....	36,553	890	6,073	8,450	841	6,141
1920.....	17,756	9,910	1,670	17,773	5,776	1,651
1921. ³			2,194	34,901	8,295	1,715
1921.						
October.....	60,693	13,814	3,085	30,013	9,681	1,973
November.....	5,312	12,273	2,535	44,073	11,886	1,908
December.....	4,922	13,702	2,086	86,227	14,468	1,930
1922.						
January.....	132,336	12,641	2,309	134,054	14,394	2,027
February.....	46,409	12,001	1,475	57,425	14,482	1,747
March.....	7,566	22,910	2,645	46,898	21,285	2,153
April.....	12,315	28,266	2,889	51,451	22,948	2,176
May.....	31,910	32,417	3,810	75,844	27,080	2,093
June.....	18,018	34,364	4,029	109,298	30,232	1,880
July.....	37,215	45,748	4,708	124,178	35,708	1,636
August.....	39,445	56,472	4,676	152,906	60,295	1,407
September.....	131,409	4,422	4,329	297,335	4,291	1,587
October.....	99,050	4,532	5,552	296,509	4,290	1,539
November.....		4,536	4,551		4,255	1,551

¹ Not including philanthropic gifts.² Not including deliveries on reparations account.³ Average for 8 months. Figures covering first 4 months of 1921 are not available.⁴ In gold marks.

NOTE.—Currencies have not been converted to a common unit, nor are methods of valuation the same in all countries. In England, Sweden, India, Japan, and Brazil imports are given c. i. f. values; exports and reexports current f. o. b. values. In France and Germany the value of foreign trade is estimated not in terms of current prices, but in terms of those of some earlier period, usually the preceding year. Danish imports and exports are official valuations determined annually by the Central Bureau of Statistics. In the Netherlands imports are given in declared values for about 110 articles of the import schedule. In other cases official valuations are applied to both imports and exports. Canadian imports and exports are quoted at the fair market value, at the point of origin. In the United States imports represent either actual foreign market value or the export value, including any export tax imposed by the country of exportation, whichever is higher; exports are expressed in terms of their value at the time of exportation, with the exception of reexports from bonded warehouses, which are expressed in their import value.

FOREIGN TRADE OF DENMARK, NETHERLANDS, SWEDEN, CANADA, BRAZIL, INDIA, AND JAPAN.

Year and month.	Denmark. (In millions of kroner.)		Netherlands. (In millions of guilders.)		Sweden. (In millions of kronor.)		Canada. (In millions of dollars.)		Brazil. (In millions of milreis.)		India. (In millions of rupees.)		Japan. (In millions of yen.)	
	Im-ports.	Ex-ports.	Im-ports.	Ex-ports.	Im-ports.	Ex-ports.	Im-ports.	Ex-ports.	Im-ports.	Ex-ports.	Im-ports.	Ex-ports.	Im-ports.	Ex-ports.
Monthly average:														
1913.....	71	60	(²)	(²)	71	68	56	31	84	82	134	205	61	53
1920.....	262	151	278	142	281	191	89	107	174	146	173	272	195	162
1921.....	136	121	187	114	106	91	103	101	141	142	280	214	135	104
1921.														
September.....	137	124	197	136	126	105	69	60	101	183	197	200	129	96
October.....	143	113	179	115	101	99	60	81	112	166	235	182	130	112
November.....	143	102	176	107	95	103	64	88	96	155	264	199	152	121
December.....	155	107	180	97	112	108	60	87	113	175	232	218	161	146
1922.														
January.....	102	80	152	86	77	61	51	47	92	199	276	230	179	87
February.....	70	76	153	86	49	38	54	47	101	161	189	222	198	101
March.....	103	100	180	113	109	71	79	61	131	172	215	277	208	115
April.....	126	76	167	93	102	60	48	33	127	187	178	239	185	129
May.....	159	108	194	108	97	90	66	70	127	141	191	273	169	154
June.....	140	125	151	101	93	104	62	73	129	149	164	192	157	146
July.....	117	101	164	105	88	113	61	72	109	154	182	244	142	144
August.....	134	90	179	100	105	132	67	74	147	182	212	252	137	146
September.....	134	121	165	128	109	123	60	73	133	202	182	216	135	150
October.....	148	112	187	124	118	122	67	104	.....	.....	235	182	105	161

¹ Italian yearly figures for 1921 based on average for six months only.

² Dutch figures for 1913 not comparable with later figures.

FOREIGN TRADE OF UNITED STATES.

[In thousands of dollars.]

Year and month.	IMPORTS.							EXPORTS.								
	Gold.	Silver.	Merchandise.					Total merchandise. ¹	Gold.	Silver.	Merchandise.					Total merchandise. ²
			Crude materials for use in manufacturing.	Food-stuffs in crude condition and food animals.	Food-stuffs partly or wholly manufactured.	Manu-fac-tures for further use in manufacturing.	Manu-fac-tures ready for consumption.				Crude materials for use in manufacturing.	Food-stuffs in crude condition and food animals.	Food-stuffs partly or wholly manufactured.	Manu-fac-tures for further use in manufacturing.	Manu-fac-tures ready for consumption.	
Monthly average:																
1913.....	5,309	2,989	50,414	18,399	16,529	28,354	34,453	149,383	7,650	5,231	64,072	14,132	27,069	33,077	64,998	207,002
1920.....	34,756	7,338	145,995	48,136	103,178	66,871	73,060	439,873	26,841	9,468	155,897	76,499	93,050	79,875	267,071	685,663
1921.....	57,606	5,270	71,090	25,331	30,737	28,669	51,577	209,085	1,991	4,298	82,002	57,681	55,809	33,323	135,450	373,760
1921.																
November.....	51,860	5,912	70,039	29,338	26,205	30,398	53,365	211,027	607	4,804	88,545	30,052	41,449	33,260	95,538	294,437
December.....	31,685	5,516	94,016	32,707	25,473	32,083	51,171	237,373	2,162	7,145	89,950	28,737	38,282	35,145	98,370	296,306
1922.																
January.....	26,571	6,496	82,639	27,498	25,900	30,272	49,811	217,185	863	3,977	72,838	31,054	43,019	35,143	91,810	278,898
February.....	23,701	4,771	80,971	22,370	27,762	34,041	49,375	215,743	1,732	7,092	55,895	27,799	45,164	32,193	84,684	250,748
March.....	33,488	6,953	86,910	28,756	36,014	42,820	59,880	256,178	963	4,362	73,001	34,507	58,899	43,632	112,765	330,267
April.....	12,244	4,800	69,804	25,711	32,482	37,252	50,820	217,023	1,579	5,109	79,511	31,174	47,372	37,969	113,876	318,100
May.....	8,994	5,512	88,088	31,264	34,785	39,398	58,254	252,817	3,407	5,677	64,441	34,143	50,376	40,467	112,112	307,689
June.....	12,969	6,346	91,146	26,170	37,346	46,471	58,439	260,461	1,601	6,004	70,219	41,000	55,435	39,086	121,284	334,684
July.....	42,987	6,957	87,298	27,596	38,511	48,398	49,464	251,772	645	6,289	60,024	41,958	49,226	35,676	109,544	301,318
August.....	19,092	4,944	110,285	22,489	42,404	48,430	55,858	281,376	950	3,861	47,872	61,339	46,071	35,708	104,871	301,804
September ³	24,464	6,370	86,818	18,769	24,023	41,026	54,088	298,000	1,399	3,735	66,619	55,142	43,231	35,666	106,542	313,092
October ⁴	20,866	3,940	.....	.....	.....	.....	.....	319,000	17,592	3,269	133,703	40,798	47,919	32,943	110,177	370,720
November ⁴	18,308	5,855	.....	.....	.....	.....	.....	.....	3,431	6,599	144,329	33,618	51,471	33,593	110,532	380,062

¹ Including miscellaneous merchandise imported.

² Including miscellaneous and foreign merchandise exported.

³ Imports under old tariff law September 1-21, 1922, only.

⁴ Import figures delayed owing to change in tariff.

⁵ Complete September figure.

FOREIGN TRADE INDEX.

There are presented below the usual indexes designed to reflect the movements in foreign trade of the United States, with the fluctuations due to price changes eliminated. Delay in receiving import figures, due to the new tariff provisions, makes it necessary to omit the index of import trade in October and November.

INDEX OF VALUE OF FOREIGN TRADE IN SELECTED COMMODITIES AT 1913 PRICES.¹

[Monthly average values, 1913=100.]

	Exports.				Imports.			
	Raw materials (12 commodities).	Producers' goods (10 commodities).	Consumers' goods (7 commodities).	Total (29 commodities).	Raw materials (10 commodities).	Producers' goods (12 commodities).	Consumers' goods (5 commodities).	Total (27 commodities).
1913, year..	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1919, year..	88.9	155.1	133.6	115.3	157.5	192.9	147.5	163.4
1920, year..	92.2	158.7	133.6	107.5	135.8	227.5	138.8	168.8
1921, year..	103.1	116.9	124.1	108.9	113.6	162.8	141.4	135.6
1921.								
January....	105.2	208.6	126.2	120.2	74.5	130.9	123.9	102.6
February....	91.0	162.4	119.4	104.1	118.2	143.7	135.4	130.1
March.....	78.2	135.1	120.2	92.7	160.6	177.2	178.9	169.5
April.....	76.5	132.5	116.4	90.5	153.3	177.6	185.1	167.1
May.....	97.6	96.4	110.8	100.3	98.7	150.0	162.1	127.2
June.....	107.9	94.2	132.2	111.5	94.5	152.3	130.4	120.8
July.....	111.6	78.6	133.8	112.9	99.3	126.6	121.4	112.6
August....	142.7	99.6	160.7	142.1	116.8	165.1	129.8	136.0
September..	115.7	89.7	142.3	118.6	102.8	137.7	99.3	114.6
October....	121.7	107.0	113.2	118.4	96.1	173.5	116.5	126.9
November..	95.1	100.2	106.2	98.1	115.1	198.4	149.2	150.6
December..	93.8	96.0	107.8	96.9	133.0	219.1	164.8	168.7
1922.								
January....	82.6	104.3	129.7	94.5	118.4	228.7	135.2	160.1
February....	68.5	96.0	127.6	82.6	123.3	281.3	133.5	183.4
March.....	89.8	121.7	156.5	106.9	148.1	306.8	161.1	206.5
April.....	90.5	120.9	150.5	106.0	125.5	236.1	152.0	169.1
May.....	78.3	128.8	155.4	99.4	144.6	227.9	168.0	177.9
June.....	86.3	124.3	169.2	107.4	148.7	273.3	137.3	191.0
July.....	79.1	124.0	133.5	95.0	146.9	266.3	137.5	187.7
August....	88.8	90.0	126.3	96.7	174.2	255.5	120.3	194.2
September..	91.2	98.9	111.5	96.2	143.3	182.7	90.6	148.6
October....	122.9	96.8	121.0	119.8	.....	.....	.....	.....
November..	112.6	101.6	117.2	112.4	.....	.....	.....	.....

¹ The list includes 27 of the most important imports the value of which in 1913 formed 49.3 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 classification of the original list of commodities used was given in the July, 1920, BULLETIN. The classification of 11 additional commodities of imports was given in the April, 1921, BULLETIN, and 2 additional commodities in the November, 1921, BULLETIN. Exports of gasoline have been altered to include naphtha.

The index of the volume of exports for November showed a decrease of 8 points or 6 per cent from the October figure. Notwithstanding this decrease, the November level of 112.4 is still higher than in any other month of 1922 with the exception of October. The export volume of raw materials and consumers' goods decreased, while that of producers' goods increased.

Among raw materials there was a decline in the exports of wheat of 42 per cent and in leaf tobacco of 32 per cent. Corn, oats, and barley also showed decreases. Cotton exports continued to increase.

The rise in the producers' goods index was caused by increases in the exports of steel and copper products, and of cottonseed oil.

Exports of refined sugar continued to fall. The November figure was 8,707,000 pounds in contrast to 368,000,000 pounds in June, 1922. Other commodities which fell are cotton cloths, boots and shoes, lard, and illuminating oil.

SAVINGS DEPOSITS.

Comparison of savings deposits on December 1, 1922, with deposits on November 1, 1922, and December 1, 1921, are shown for 885 banks distributed throughout all sections of the United States. The figures for the Boston and New York districts are those of large mutual savings banks, but in all other districts reports of other banks are included to make the figures thoroughly representative. In all districts where reporting commercial banks subdivide their time deposits, statistics of savings deposits subject to notice (excluding time certificates of deposit) are used. This is in accordance with the definition given in the Federal Reserve Board's Regulation D, series of 1920.

Volume of savings increased during November in all Federal reserve districts except No. 3 (Philadelphia) and No. 5 (Richmond). The most important gain was registered in district No. 8 (St. Louis) and amounted to 2.1 per cent. During the year ending December 1, the volume of savings deposits increased in all Federal reserve districts, increases ranging from 2.3 per cent in district No. 3 (Philadelphia) to 14.3 per cent in district No. 11 (Dallas).

SAVINGS DEPOSITS.

[000 omitted.]

District.	Number of banks.	Dec. 1, 1922.	Nov. 1, 1922.	Dec. 1, 1921.
Boston.....	64	1, 116, 546	1, 114, 412	1, 061, 106
New York.....	30	1, 746, 127	1, 741, 543	1, 656, 392
Philadelphia.....	80	419, 046	419, 573	409, 464
Cleveland.....	18	393, 214	389, 013	377, 166
Richmond.....	93	276, 936	278, 077	249, 300
Atlanta.....	79	157, 669	157, 417	146, 935
Chicago.....	219	805, 640	795, 280	770, 989
St. Louis.....	35	120, 589	118, 058	106, 551
Minneapolis.....	15	81, 246	80, 891	76, 168
Kansas City.....	61	95, 439	93, 662	85, 517
Dallas.....	116	73, 196	72, 743	64, 023
San Francisco.....	75	796, 123	789, 559	712, 653
Total.....	885	6, 081, 776	6, 050, 228	5, 716, 264

REPORT OF ASSOCIATED KNIT UNDERWEAR MANUFACTURERS OF AMERICA.

The total production of winter and summer underwear for November is compared with previous months in the following table:

	Number of reporting mills.	Actual production (in dozens).
1922.		
June.....	47	564, 893
July.....	50	422, 872
August.....	49	519, 511
September.....	52	513, 572
October.....	47	524, 486
November.....	49	599, 891
Winter underwear (November).....	38	321, 944
Summer underwear (November).....	28	277, 947

Order and production report for the month ended November 30, 1922, follows. The number of reporting mills was 41.

Unfilled orders first of month.....	1, 193, 149
New orders received during month.....	632, 824
Total (A).....	1, 825, 973
Shipments during month.....	391, 920
Cancellations during month.....	9, 022
Total (B).....	400, 942
Balance orders on hand Dec. 1 (A-B).....	1, 425, 031
Production.....	461, 275

Thirty-three representative mills which reported for October and November, 1922, furnish the data for the following table:

	[In dozens.]			
	October.	November.	Gain.	Loss.
Unfilled orders end of month.....	1, 127, 190	1, 351, 480	224, 290	.....
New orders.....	591, 962	569, 630	.....	22, 332
Shipments.....	308, 363	337, 650	29, 287	.....
Cancellations.....	5, 552	7, 690	2, 138	.....
Production.....	359, 752	408, 955	49, 203	.....

INDEX OF OCEAN FREIGHT RATES.

The accompanying table shows the monthly fluctuations in ocean freight rates prevailing between United States Atlantic ports and the principal European trade regions. The figures

are derived from the actual rates quoted on the following commodities: Grain, provisions, cotton, cottonseed oil, and sack flour. For the methods used in constructing the index see the August, 1921, BULLETIN, pages 931-934.

RELATIVE OCEAN FREIGHT RATES IN UNITED STATES AND EUROPE TRADE.

[January, 1920, rates=100.]

Month.	United States Atlantic ports to—					All Europe.
	United Kingdom.	French Atlantic.	Netherlands and Belgium.	Scandinavia.	Mediterranean.	
1921.						
January.....	60.7	30.2	34.1	42.9	43.2	43.3
February.....	54.7	27.7	29.2	30.9	43.8	38.5
March.....	49.3	24.6	28.3	30.8	42.2	35.9
April.....	50.1	32.6	36.6	29.4	35.7	39.0
May.....	50.6	35.0	38.2	31.3	34.6	40.1
June.....	42.7	34.7	38.3	31.3	34.0	37.6
July.....	42.5	33.2	37.0	29.0	34.7	36.8
August.....	42.9	33.4	36.7	28.4	34.3	36.7
September.....	41.8	32.7	35.8	28.2	33.6	36.0
October.....	37.0	28.5	30.7	26.7	33.3	32.3
November.....	33.5	25.0	25.2	24.0	32.9	28.8
December.....	32.4	22.7	22.9	23.3	32.3	27.2
1922.						
January.....	31.7	22.7	23.3	23.4	32.2	27.1
February.....	34.7	25.7	25.2	23.3	31.8	29.1
March.....	33.1	26.5	24.9	23.4	30.1	28.3
April.....	27.3	24.8	22.7	24.0	27.1	25.4
May.....	27.9	25.5	22.8	23.4	27.4	25.7
June.....	27.5	26.1	23.0	23.4	27.4	25.7
July.....	28.8	25.9	22.6	23.0	26.4	25.9
August.....	29.2	23.4	20.7	22.4	24.0	24.6
September.....	27.0	24.1	19.1	22.6	22.2	23.4
October.....	25.3	23.9	18.9	22.9	21.6	22.7
November.....	28.0	23.4	21.3	22.9	21.3	24.0
December.....	27.1	25.6	22.2	22.7	21.8	24.4

COMMERCIAL FAILURES DURING NOVEMBER.

District.	Number.		Liabilities.	
	1922	1921	1922	1921
First.....	149	132	\$2, 652, 701	\$2, 302, 167
Second.....	344	368	9, 548, 910	7, 672, 732
Third.....	81	102	2, 945, 345	2, 944, 372
Fourth.....	122	141	6, 395, 906	10, 689, 437
Fifth.....	121	143	2, 938, 562	3, 825, 412
Sixth.....	122	204	1, 928, 165	3, 711, 252
Seventh.....	236	238	5, 928, 921	7, 651, 665
Eighth.....	120	98	2, 060, 085	2, 028, 340
Ninth.....	82	120	1, 270, 805	3, 419, 504
Tenth.....	74	100	753, 984	2, 373, 700
Eleventh.....	83	145	1, 361, 108	3, 484, 803
Twelfth.....	203	197	2, 480, 805	3, 372, 455
Total.....	1, 737	1, 988	40, 265, 297	53, 469, 839

PRODUCTION AND SHIPMENTS OF FINISHED COTTON FABRICS.

	October, 1922.				November, 1922.			
	White goods.	Dyed goods.	Printed goods.	Total.	White goods.	Dyed goods.	Printed goods.	Total.
Total finished yards billed during month:								
District 1.....	15,247,370	26,386,804	9,937,645	54,814,665	14,758,940	26,833,193	9,618,701	54,441,296
2.....	7,802,232	1,659,723	2,814,966	18,357,176	6,554,248	1,520,420	3,808,807	19,253,733
3.....	9,011,504	7,122,887	.....	16,134,391	8,977,857	7,855,607	.....	16,833,464
5.....	8,920,714	38,649	.....	8,959,363	9,103,398	88,065	.....	9,191,463
6.....	680,905	.....	.....	680,905	512,534	.....	.....	512,534
8.....	.....	.....	.....	2,196,519	.....	.....	.....	2,665,253
Total.....	41,662,725	35,208,063	12,752,611	101,143,019	39,906,977	36,297,285	13,427,508	102,897,743
Total average percentage of capacity operated:								
District 1.....	68	90	52	71	65	92	52	71
2.....	80	45	50	67	68	63	59	74
3.....	116	86	.....	101	121	94	.....	107
5.....	77	.....	.....	77	89	.....	.....	89
6.....	0	.....	.....	0	39	.....	.....	39
8.....	.....	.....	.....	86	.....	.....	.....	105
Average for all districts.....	78	83	52	74	78	88	54	78
Total gray yardage of finishing orders received:								
District 1.....	14,728,539	31,259,713	10,063,009	60,173,279	13,339,949	29,678,591	11,633,667	58,289,242
2.....	7,570,026	5,207,358	4,215,681	22,376,961	5,966,758	5,510,828	5,005,189	22,239,283
3.....	10,753,713	8,358,734	.....	19,112,147	10,535,027	8,512,164	.....	19,047,191
5.....	9,310,930	110,353	.....	9,421,283	7,974,982	195,484	.....	8,170,466
6.....	000	.....	.....	000	000	.....	.....	000
8.....	.....	.....	.....	2,529,315	.....	.....	.....	2,465,306
Total.....	42,363,208	44,936,158	14,278,690	113,612,985	37,816,716	43,897,067	16,638,856	110,211,488
Number of cases of finished goods shipped to customers (case equals approximately 3,000 yards):								
District 1.....	6,288	6,942	2,729	29,408	5,871	8,819	2,647	29,555
2.....	4,192	373	.....	10,091	4,411	412	.....	11,915
3.....	5,148	2,584	.....	7,732	5,623	3,010	.....	8,563
5.....	2,154	.....	.....	4,530	2,003	.....	.....	4,328
6.....	000	.....	.....	000	000	.....	.....	000
8.....	.....	.....	.....	499	.....	.....	.....	425
Total.....	17,782	9,899	2,729	52,260	17,908	12,271	2,647	54,786
Number of cases of finished goods held in storage at end of month:								
District 1.....	5,031	5,312	2,283	22,019	4,982	5,000	2,061	22,216
2.....	5,402	517	.....	13,553	5,020	481	.....	14,614
3.....	347	444	.....	7,813	694	405	.....	7,969
5.....	000	.....	.....	1,297	000	.....	.....	951
6.....	000	.....	.....	000	000	.....	.....	000
8.....	.....	.....	.....	228	.....	.....	.....	219
Total.....	10,780	6,273	2,283	44,910	10,696	5,886	2,061	45,969
Total average work ahead at end of month (expressed in days):								
District 1.....	4.8	16	17	12	3.4	18	21	13
2.....	13	5.2	8.9	9.9	9.9	7.5	11	11
3.....	17	19	.....	18	17	21	.....	19
5.....	14	.....	.....	14	8.9	.....	.....	8.9
6.....	0	.....	.....	0	0	.....	.....	0
8.....	.....	.....	.....	11	.....	.....	.....	8.2
Average for all districts.....	9.7	15	15	12	7.7	17	19	13

¹ The National Association of Finishers of Cotton Fabrics at the request of the Federal Reserve Board have arranged for a monthly survey within the industry. The results of the inquiries are herewith presented in tabular form. The secretary of the association makes the following statement concerning the tabulation:

The accompanying figures are compiled from statistics furnished by 32 out of 57 member firms of this association. It is probably fair to state that in the absence of having specific detail at hand, but according to our best estimate it is probably well within the fact that the figures given for the various classes of work would cover, approximately, the following percentages of the entire industry: White goods, 70 per cent; dyed goods, 62 per cent; printed goods, 30 per cent. The figures given represent reports from exactly the same finishers for the two months, both for the totals and for the subdivisions, and, therefore, are strictly comparable.

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

PHYSICAL VOLUME OF TRADE.

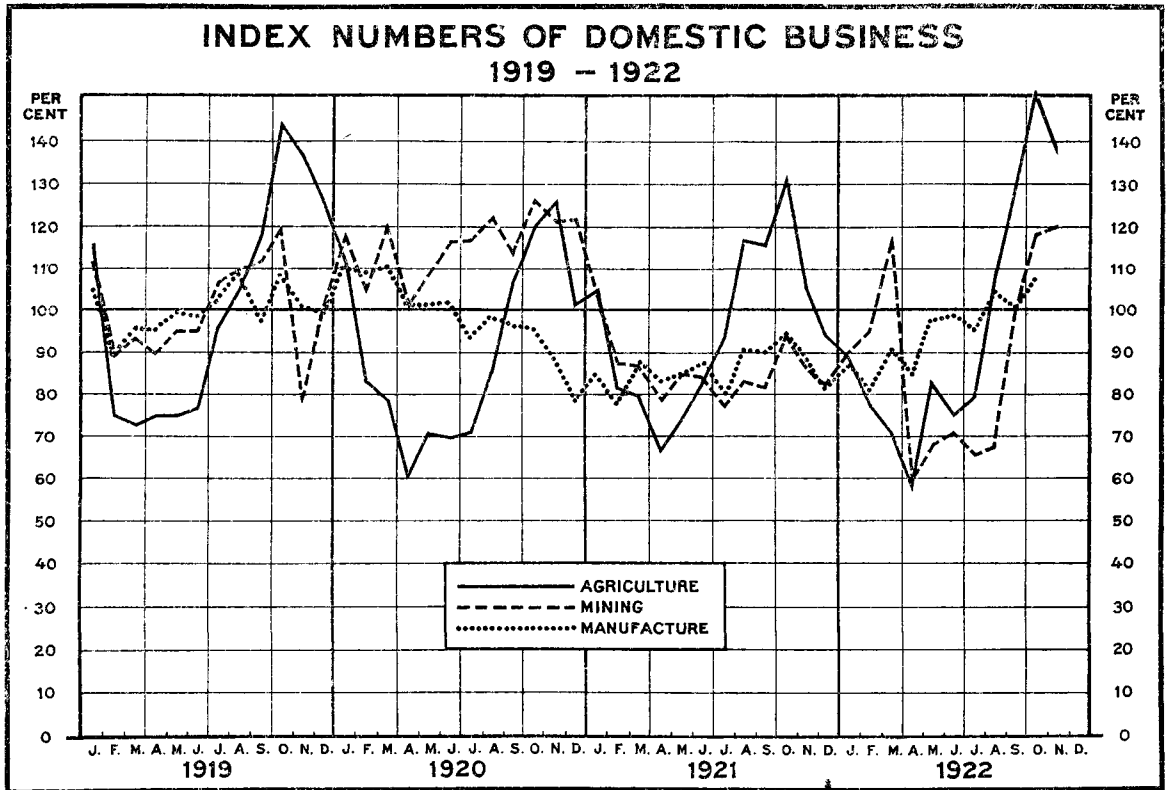
The general indexes of business were unusually high in November considering the season of the year. Mining output continued to expand, while there was a seasonal decline in agricultural movements. Manufacturing showed great activity, although the total output was smaller in some lines than in October, on account of the less number of working days.

Receipts of all grains at 17 interior centers were considerably larger than last November. Receipts of cattle and calves, sheep, horses, and mules at 59 markets declined during November, but there was a marked increase in receipts of hogs. Slaughter of hogs under Federal inspection increased to a total higher than for any November since 1916. Wheat flour production dropped slightly below the high peak for October, but remained at a figure 132 per cent of the corresponding month last year. Sight receipts and port receipts of cotton were smaller than in October, but American spinners' takings showed a considerable increase.

Production of steel ingots in November reached 2,889,207 tons, an increase of almost 17,000 tons over October and a larger total

than for any month since October, 1920. The unfilled orders of the United States Steel Corporation showed a loss of 62,045 tons, which is the first decrease in their volume since February. Tin consumption and copper and silver production declined during the month, while zinc and lead production increased. Bituminous coal production expanded moderately, while anthracite output was practically unchanged. Both by-product and beehive coke registered substantial gains.

Cotton consumption continued to increase during November, and the total of 577,561 bales is larger than in any month since January, 1920. Silk consumption, while not as large as in October, was exceptionally high. Lumber cut by 572 mills reporting to the National Lumber Manufacturers' Association decreased during November but shipments show a moderate increase. A total of 159 locomotives was completed during November, which is the largest number for any month since April, 1921. Railroad car loadings decreased in all operating regions, the largest reductions being in shipments of ore and of less than carload merchandise.



COMMODITY MOVEMENTS—Continued.

	Nov., 1922.	Oct., 1922.	Nov., 1921.	Per cent of average same month, 1919- 1921.		
				Nov.,	Oct.,	Nov.,
				1922.	1922.	1921.
LIVE STOCK—continued.						
Shipments at 54 principal markets (head, 000 omitted):						
Cattle and calves.....	1,333	1,557	992	114	121	85
Hogs.....	1,495	1,287	1,290	112	114	97
Sheep.....	1,436	2,158	1,077	104	113	78
Horses and mules (43 markets).....	52	55	27	85	84	44
Total.....	4,315	5,058	3,386	109	115	86
Receipts at 15 western markets (head, 000 omitted):						
Cattle and calves.....	1,773	2,240	1,394	102	119	80
Hogs.....	2,982	2,394	2,560	114	120	98
Sheep.....	1,383	1,952	1,244	85	64	82
Horses and mules.....	34	39	19	88	93	49
Total.....	6,171	6,624	5,217	105	111	88
Shipments at 15 western markets (head, 000 omitted):						
Cattle and calves.....	969	1,189	719	115	122	86
Hogs.....	862	692	828	108	107	104
Sheep.....	860	1,203	612	103	103	73
Horses and mules.....	33	35	18	91	84	49
Total.....	2,724	3,120	2,177	108	110	87
Shipments of stockers and feeders from 34 markets (head, 000 omitted):						
Cattle and calves.....	700	833	492	120	124	84
Hogs.....	53	48	30	93	69	53
Sheep.....	757	1,136	510	102	108	69
Total.....	1,510	2,017	1,032	109	112	75
Slaughter at principal centers under Federal inspection (head, 000 omitted):						
Cattle.....	859	884	686	100	100	80
Calves.....	348	383	292	110	115	92
Hogs.....	4,345	3,305	3,447	130	123	103
Sheep.....	882	981	1,040	82	78	97
Total.....	6,434	5,553	5,466	115	108	98
Meats, cold storage holdings first of following month (lbs., 000 omitted):						
Beef.....	96,118	67,614	80,333	66	54	55
Pork products.....	418,286	395,171	355,588	106	78	90
Lamb and mutton.....	3,708	3,458	7,520	15	16	31
Exports of certain meat products (lbs., 000 omitted):						
Beef—						
Canned.....	101	199	189	17	23	32
Fresh.....	530	370	268	8	4	4
Pickled and other cured.....	1,888	2,369	2,306	79	96	97
Hog products—						
Bacon.....	26,170	28,850	15,642	57	67	34
Hams and shoulder.....	25,237	22,090	16,733	169	280	112
Lard.....	62,321	66,333	51,855	124	131	103
Pork, pickled.....	3,802	4,220	2,365	115	125	72
DAIRY PRODUCTS.						
Receipts at 5 principal markets (000 omitted):						
Butter (lbs.).....	38,678	41,351	37,282	121	110	117
Cheese (lbs.).....	16,107	18,238	13,455	115	116	96
Eggs (cases).....	491	702	399	124	105	101
Cold-storage holdings first of following month (000 omitted):						
Creamery butter (lbs.).....	47,807	73,850	65,138	66	79	89
American cheese (lbs.).....	37,169	40,837	34,062	82	75	75
Eggs (cases).....	3,257	5,723	2,402	129	129	95

COMMODITY MOVEMENTS—Continued.

	Nov., 1922.	Oct., 1922.	Nov., 1921.	Per cent of average same month, 1919- 1921.		
				Nov.,	Oct.,	Nov.,
				1922.	1922.	1921.
OTHER AGRICULTURAL PRODUCTS.						
Cotton seed (tons):						
Received at mills.....	696,748	959,340	603,932	90	95	78
Crushed.....	609,679	590,235	573,776	90	91	85
On hand at mills at close of month.....	857,734	771,197	762,726	121	126	107
Cottonseed oil (lbs., 000 omitted):						
Production.....	183,522	178,406	173,574	88	89	83
Stocks.....	115,247	90,872	111,916	81	90	79
Oleomargarine consumption (lbs., 000 omitted)						
Tobacco sales at loose-leaf warehouses (lbs., 000 omitted):	19,806	16,180	17,565	69	57	61
Dark belt—Virginia.....	3,154	1,850	7,725	56	127	138
Bright belt—						
Virginia.....	13,477	19,153	22,730	63	100	107
North Carolina.....	35,465	61,578	73,207	53	78	108
South Carolina.....						
Burley.....	4,896	882	3,595	132	23	98
Western dark.....	1,279	316	5,090	65	72	259
Sale of revenue stamps for manufacture of tobacco, excluding Porto Rico and Philippine Islands (000,000 omitted):						
Cigars (large).....	679	694	615	105	103	95
Cigars (small).....	51	54	53	92	87	96
Cigarettes (small).....	4,524	4,498	4,230	108	98	101
Manufactured tobacco (lbs).....	31	33	28	116	98	105
Fruit shipments (carloads): ¹						
Grapefruit.....	1,548	219	1,377			
Oranges.....	314	496	588			
Lemons.....	2,561	1,173	3,111			
Apples.....	29,303	13,903	35,117			
White potatoes, shipments (carloads)						
Sugar, 7 ports (long tons):						
Receipts.....	312,725	221,485	275,755			
Meltings.....	309,274	280,003	268,283			
Raw stock at close of month.....	69,185	94,043	82,253			
FOREST PRODUCTS.						
Lumber:						
Number of mills—						
National Lumber						
Mfg. Assn.....	572	564	475			
Southern pine.....	174	175	184			
Western pine.....		50	56			
Douglas fir.....	135	112	104			
Production (ft., 000,000 omitted)						
National Lumber						
Mfg. Assn.....	1,236	1,306	813	136	119	90
Southern pine.....	405	402	412	109	104	111
Western pine.....		168	66		130	70
Douglas fir.....	388	417	260	137	115	92
Shipments (ft., 000,000 omitted)						
National Lumber						
Mfg. Assn.....	1,150	1,066	880	133	105	102
Southern pine.....	417	336	423	115	85	117
Western pine.....		109	98		102	107
Douglas fir.....	291	320	221	129	102	98
Receipts at Chicago and St. Louis (M ft.).....						
Chicago.....	479,660	507,934	496,195	118	123	122
Shipments at Chicago and St. Louis (M ft.).....						
Chicago.....	312,856	321,713	305,188	128	127	125
Oak flooring (M ft.)—						
Production.....	26,828	26,357	16,933			
Shipments.....	26,431	29,185	19,544			
Stock at end of month.....	19,132	19,014	20,922			
Unfilled orders.....	35,209	32,296	21,022			

¹ Figures for October, 1922, September, 1922, October, 1921.

COMMODITY MOVEMENTS—Continued.

	Nov., 1922.	Oct., 1922.	Nov., 1921.	Per cent of average same month, 1919- 1921.		
				Nov., 1922.	Oct., 1922.	Nov., 1921.
FOREST PRODUCTS—contd.						
Naval stores at 3 southeastern ports:						
Spirits of turpentine (casks)—						
Receipts.....	25,092	30,519	24,801	112	130	110
Stocks at close of month.....	40,161	30,681	62,072	86	68	133
Rosin (bbls.)—						
Receipts.....	99,591	98,804	98,260	116	130	114
Stocks at close of month.....	352,465	320,213	321,478	137	138	125
FUEL AND POWER.						
Coal and coke (short tons, 000 omitted):						
Bituminous coal production (est.).....	45,262	45,154	35,955	127	89	102
Anthracite coal production (est.).....	8,385	8,530	6,859	114	105	93
Anthracite coal shipments	6,420	6,568	5,314			
Coke—						
Beehive production (est.).....	1,139	878	477	91	72	38
By-product, production (est.).....	2,908	2,806	1,751			
Petroleum, crude (bbls. 000,000 omitted):						
Production.....	48	47	38	132	131	105
Stocks at close of month.....	276	274	178	190	190	123
Producing oil wells completed (number).....	1,450	1,388	899	88	86	55
Oil refineries: ¹						
Production (000,000 omitted)—						
Crude oil run (bbls.).....	44	43	38	118	117	101
Gasoline (gals.).....	566	536	441	134	133	104
Kerosene (gals.).....	215	198	182	104	108	88
Gas and fuel oils (gals.).....	922	918	834	118	119	107
Lubricating oils (gals.).....	87	82	76	106	109	92
Stocks at close of month (000,000 omitted)—						
Crude oil run (bbls.).....	33	34	18	190	199	107
Gasoline (gals.).....	724	690	456	195	176	123
Kerosene (gals.).....	256	271	335	73	76	96
Gas and fuel oils (gals.).....	1,369	1,365	1,238	143	143	130
Lubricating oils (gals.).....	218	215	217	129	124	129
Electric power produced by public utility plants (000,000 kw. hrs.):						
Produced by water power.....	1,369	1,351	1,218	82	86	73
Produced by fuels.....	3,030	2,799	2,422	154	142	123
Total.....	4,399	4,330	3,639	121	121	100
METALS.						
Iron and steel (long tons, 000 omitted):						
Pig-iron production ²	3,087	2,850	1,649	133	127	71
Steel-ingot production ²	2,730	2,889	1,427	133	128	68
Unfilled orders, U. S. Steel Corporation ²	6,746	6,840	4,268	98	101	62
Fabricated structural steel contracted for (tonnage).....	99,040	121,150	99,800			
Silver production (tray ozs., 000 omitted).....	4,870	5,161	3,790			
Copper production (lbs., 000 omitted).....	102,593	103,881	22,348			
Zinc (lbs., 000 omitted):						
Production.....	80,400	79,880	42,270			
Shipments.....	77,492	81,406	49,820			
Stocks, close of month.....	38,994	36,086	134,098			

¹ Figures for October, 1922, September, 1922, October, 1921.
² Figures for December, 1922, November, 1922, December, 1921.

COMMODITY MOVEMENTS—Continued.

	Nov., 1922.	Oct., 1922.	Nov., 1921.	Per cent of average same month, 1919- 1921.		
				Nov., 1922.	Oct., 1922.	Nov., 1921.
METALS—continued.						
Tin (lbs., 000 omitted):						
Deliveries to factories.....	10,779	12,551	7,280	109	196	73
Stocks at close of month.....	2,699	2,859	1,316			
TEXTILES.						
Cotton (bales, 000 omitted):						
Sight receipts.....	2,156	2,331	1,704	109	133	86
Port receipts.....	1,162	1,278	760	116	122	76
Overland movement.....	237	160	232	120	122	117
American spinners' takings.....	1,150	788	1,076	130	129	122
Stocks at ports and interior centers.....	2,224	2,188	2,679	85	92	102
Stocks at mills.....	1,721	1,380	1,655	117	112	112
Stocks at warehouses.....	4,198	4,330	5,293	87	115	110
Visible supply.....	3,876	3,385	4,623	89	87	106
Consumption by mills.....	578	534	528	128	110	117
Spindles active during month (number, 000 omitted).....	34,665	33,859	34,428	103	99	103
Wool:						
Consumption.....	63,313	59,282	53,463			
Percentage of active machinery on 1st of month to total reported—						
Looms wider than 50-inch reed space.....	80.8	77.1	73.4	116	108	106
Looms 50-inch reed space or less.....	82.0	79.1	78.3	115	108	110
Sets of cards.....	85.7	85.8	77.5	119	111	107
Combs.....	87.0	86.8	83.9	110	105	106
Spinning spindles, woolen.....	84.4	84.4	77.6	116	110	107
Spinning spindles, worsted.....	90.0	89.1	89.8	112	107	112
Percentage of idle hours on 1st of month to total reported—						
Looms wider than 50-inch reed space.....	80.0	78.6	71.3			
Looms 50-inch reed space or less.....	72.7	77.7	74.3			
Set of cards.....	93.7	93.8	78.8			
Combs.....	111.4	106.4	93.8			
Spinning spindles, woolen.....	89.7	90.6	78.1			
Spinning spindles, worsted.....	93.7	94.0	87.4			
Raw silk:						
Consumption (bales).....	35,467	37,471	24,955			
Stocks at close of month (bales).....	47,159	45,893	19,601			
HIDES AND LEATHER.						
Sales of raw hides and skins during month (number, 000 omitted):						
Cattle hides.....	1,536	1,475	835			
Calfskins.....	906	1,121	728			
Kip skins.....	336	254	216			
Goat and kid.....	1,508	1,997	774			
Cabretta.....	52	61	102			
Sheep and lamb.....	3,001	3,876	1,646			
Stocks of raw hides and skins at close of month (number 000 omitted):						
Cattle hides.....	6,163	5,838	5,902	106	91	89
Calfskins.....	3,692	3,463	3,148	133	113	111
Kip skins.....	1,153	1,089	1,002	101	95	83
Goat and kid.....	8,202	8,681	11,297	67	64	91
Cabretta.....	1,036	841	527	58	47	29
Sheep and lamb.....	9,409	9,561	13,364	79	81	113
Production of leather (000 omitted):						
Sole leather (sides).....	1,484	1,551	1,705			
Skivers (dozens).....	34	35	18			
Oak and union harness (sides stuffed).....	135	133	60			

BUILDING STATISTICS.

BUILDING PERMITS IN 168 SELECTED CITIES.

[Collected by the 12 Federal Reserve Banks.]

NUMBER OF PERMITS ISSUED.

Table with 13 columns: District No. 1-12 and Total (168 cities). Rows list months from 1921, November to 1922, November.

VALUE OF PERMITS ISSUED.

Table with 8 columns: District No. 1-7 and Total (166 cities). Rows list months from 1921, November to 1922, November.

Table with 7 columns: District No. 8-12 and Total (166 cities). Rows list months from 1921, November to 1922, November.

VALUE OF BUILDING CONTRACTS AWARDED, BY FEDERAL RESERVE DISTRICTS.

[F. W. Dodge Co.]

VALUE OF CONTRACTS FOR ALL CLASSES OF BUILDINGS.

Table with 8 columns: District No. 1-7 and Total (7 districts). Rows list months from 1921, December to 1922, December.

VALUE OF CONTRACTS FOR RESIDENTIAL BUILDINGS.

Table with 8 columns: District No. 1-7 and Total (7 districts). Rows list months from 1921, December to 1922, December.

¹ Montana not included.

RETAIL TRADE.

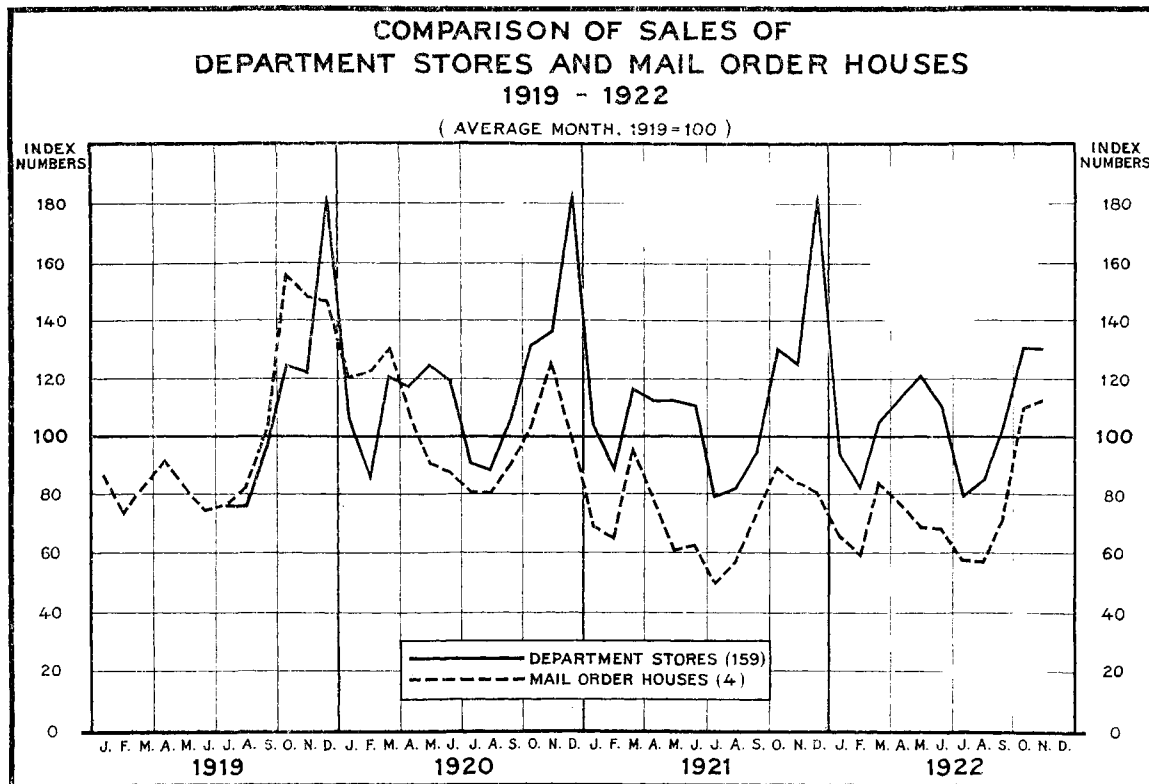
The following tables are a summary of the data obtained from 488 representative department stores in the 12 Federal reserve districts. In districts Nos. 1, 2, 3, 5, 6, 7, 9, 11, and 12 the data were received in (and averages computed from) actual dollar amounts. In districts Nos. 4, 8, and 10 most of the material was received in the form of percentages, and the averages for the cities and districts computed from such percentages were weighted according to volume of business done during the calendar year 1921.

The tables for the month of November are based on reports from 25 stores in district No. 1 (Boston), 64 stores in district No. 2 (New York), 141 stores in district No. 3 (Philadelphia), 36 stores in district No. 4 (Cleveland), 25 stores in district No. 5 (Richmond), 36 stores in district No. 6 (Atlanta), 54 stores in district No. 7 (Chicago), 20 stores in district No. 8 (St. Louis), 25 stores in district No. 9 (Minneapolis), 18 stores in district No. 10 (Kansas City), 21 stores in district No. 11 (Dallas), and 33 stores in district No. 12 (San Francisco).

A comparison of monthly changes in activity of different types of retail business since Jan-

uary, 1921, is shown in the second of the following tables. The 176 department stores are located in districts Nos. 1, 2, 3, 5, 6, 9, 11, and 12, while the mail-order houses do business in all parts of the United States. The United States index for department stores is computed by weighting the districts according to the buying power, as measured by population and banking resources. Chain-store figures are based upon the total sales of the same reporting chains for each month, but the actual number of stores in these chains varies slightly.

Chain stores selling groceries, shoes, and musical instruments increased their sales in November, while drug stores, cigar stores, and 5-and-10 cent stores reported decreases. All reporting lines had larger sales than in November, 1921, the most substantial increases being reported by grocery, 5-and-10 cent, and music chains. The accompanying chart shows the course of business of department stores and mail-order houses since 1919. It will be noted that sales of department stores were larger in the fall months of 1922 than in either 1919 or 1921, but smaller than in 1920. Mail-order business this autumn was substantially larger than in 1921, but less than in the two previous years.



CONDITION OF RETAIL TRADE IN THE FEDERAL RESERVE DISTRICTS.

[Minus sign (-) denotes decrease.]

District and city.	Percentage of increase in net sales compared with corresponding period previous year.				Percentage of increase in stocks at close of month compared with—				Percentage of average stocks at close of each month to average monthly sales for same period.		Percentage of outstanding orders at close of month to total purchases during previous calendar year.		
	November, 1922.	October, 1922.	July 1, 1922, to close of—		Same month previous year.		Previous month.		July 1, 1922, to close of—		November, 1922.	October, 1922.	
			November, 1922.	October, 1922.	November, 1922.	October, 1922.	November, 1922.	October, 1922.	November, 1922.	October, 1922.			
District No. 1:													
Boston.....	8.3	5.6	9.0	9.2	5.4	7.6	3.8	6.8	324.2	333.4	6.6	7.5	
Outside.....	6.7	-3.6	4.3	3.6	-1.1	-2.4	4.6	7.6	422.5	424.0	6.5	6.8	
District.....	7.9	3.6	7.8	7.9	3.6	4.7	4.0	7.0	345.3	354.0	6.5	7.4	
District No. 2:													
New York and Brooklyn.....	7.3	3.8	7.6	7.7	1.3	-2.8	7.0	2.0	345.5	363.0	7.7	8.5	
Bridgeport.....	9.5	2.8	5.6	4.5	2.9	-0.3	3.8	5.2	410.9	408.2	8.7	7.2	
Buffalo.....	4.3	9.1	4.8	4.9	-2.9	-7.8	5.1	3.9	392.3	379.2	6.1	8.9	
Newark.....	14.1	9.6	7.5	5.2	6.4	-3.7	11.7	3.1	342.7	362.7	2.3	6.5	
Rochester.....	2.8	6.8	5.6	6.4	-1.5	-3.4	4.0	7.0	357.0	362.0	4.0	6.8	
Syracuse.....	3.3	3.9	1.9	1.5	-1.0	-1.7	4.2	1.6	374.7	384.7	7.5	7.3	
Outside.....	6.6	-9.7	1.8	0.4	-8.1	-7.3	-0.5	8.4	544.7	560.2	7.5	7.3	
District.....	8.1	4.5	6.9	6.5	1.1	-2.5	5.6	3.6	348.6	365.1	6.7	8.2	
District No. 3:													
Philadelphia.....	10.9	5.4	7.5	6.0	-2.1	-0.7	0.2	7.0	337.0	363.7	8.7	9.1	
Allentown.....	24.1	11.9	12.4	7.0	-4.1	1.8	1.9	-1.3	589.3	595.0	5.0	4.8	
Altoona.....	16.2	-1.0	3.0	-0.8	-9.5	-11.7	2.3	9.1	477.6	479.3	12.8	13.5	
Chester.....	55.6	33.7	28.9	20.4									
Harrisburg.....	15.0	5.5	12.0	11.0	10.1	11.3	1.9	7.2	488.6	502.3			
Johnstown.....	18.1	1.8	-1.2	-6.3	1.2	1.5	1.3	7.4	446.9	466.4			
Lancaster.....	8.9	-4.1	0.7	-0.9	-0.4	0.4	3.6	1.3	514.7	534.8	10.6	9.5	
Reading.....	11.4	2.3	8.2	7.4	0.1	-0.6	-0.4	2.4	590.1	619.2	5.0	4.4	
Scranton.....	3.9	-5.6	-11.2	-12.7	15.4	10.8	5.3	-0.6	409.6	452.6			
Trenton.....	12.7	6.6	8.9	7.6	-0.1	-1.7	2.1	1.8	435.3	458.0			
Wilkes-Barre.....	1.1	-1.1	-4.7	-7.8	-8.1	-8.8	0.3	4.2	459.9	493.2			
Williamsport.....	5.3	-7.9	-2.0	-5.4	2.6	6.2	-1.8	6.4	501.3	433.4			
Wilmington.....	19.2	17.5	12.9	11.1	-5.7	-2.6	4.0	7.0	680.1	694.9	5.6	7.3	
York.....	5.3	-5.4	3.4	3.7	-7.3	-4.7	-1.8	2.6	488.1	545.9	3.3	5.1	
Outside.....	6.4	10.7	3.8	3.3	12.0	18.1	2.1	7.9	579.1	595.9	7.5	6.5	
District.....	11.4	4.7	6.1	4.2	-0.5	0.4	0.9	6.0	413.0	435.4	8.1	8.5	
District No. 4:													
Cleveland.....	17.5	16.3	16.8	16.5	4.6	2.7	4.6	6.7	330.6	387.5	9.8	11.5	
Akron.....	18.1	14.2	14.0	13.6	5.6	7.1	2.2	3.2	358.4	357.2	9.2	9.7	
Canton.....	11.4	15.4	10.3	10.0	1.8	2.2	1.1	3.6	903.8	808.4	6.7	7.9	
Cincinnati.....	11.5	-1.6	4.1	-1.7	-12.5	-10.6	-0.8	7.2	448.6	524.0	6.7	8.6	
Pittsburgh.....	17.5	10.3	11.4	10.0	-7.3	-9.1	2.0	2.4	364.6	377.1	7.3	8.3	
Toledo.....	9.5	7.7	8.8	8.5	-3.3	-4.4	3.9	-2.2	365.9	367.7	6.7	6.0	
Outside.....	21.5	27.0	24.6	23.7	12.3	1.0	11.1	5.1	404.0	403.2	12.4	12.8	
District.....	16.3	11.3	12.6	10.8	-2.5	-4.2	2.9	4.0	372.8	404.1	8.2	9.3	
District No. 5:													
Richmond.....	12.8	5.7	12.9	12.9	10.3	-6.4	4.6	12.6	350.3	350.0	9.7	10.6	
Baltimore.....	8.1	4.1	4.6	3.3	1.8	2.5	-2.8	11.4	399.1	425.2	6.5	8.6	
Washington.....	-0.4	-5.1	-2.1	-2.7	-1.9	11.7	-6.4	6.9	454.6	478.3	6.5	7.0	
Outside.....	5.9	-2.0	-0.9	-2.9	-7.7	-8.4	1.1	4.4	514.2	535.3	5.5	6.7	
District.....	5.7	0.6	2.6	1.5	-2.1	2.6	-2.6	8.3	426.0	448.6	6.6	8.0	
District No. 6:													
Atlanta.....	-0.6	0.4	3.3	4.6	9.5	6.5	-1.1	0.9	468.1	550.7	4.4	4.6	
Birmingham.....	23.1	11.5	18.2	12.6	-8.8	-9.1	1.5	-0.9	426.4	638.3	6.0	6.2	
Chattanooga.....	7.1	-15.1	-4.9	-8.3	-0.7	-17.0	-1.1	-0.4	812.0	847.8			
Nashville.....	-3.3	-3.3	1.0	1.3	-7.7	-6.8	-2.4	4.8	515.5	534.1	6.4	9.0	
New Orleans.....	-1.5	-7.0	-5.4	-6.9	-4.8	-6.8	3.4	3.1	484.2	513.5	11.0	8.9	
Savannah.....	-16.4	-30.2	-18.1	-21.6	-18.4	-20.5	3.5	3.5	662.4	623.5	3.8	5.1	
Outside.....	12.0	-8.0	-1.2	-4.0	-7.1	-13.2	-0.9	3.2	486.5	571.4	3.2	6.3	
District.....	3.9	-5.8	-0.2	-3.2	-5.1	-7.6	1.1	2.4	497.2	554.9	7.3	7.4	
District No. 7:													
Chicago.....	11.9	1.7	9.5	4.7	4.7	4.6	-2.3	4.8	277.4	314.5		4.4	
Des Moines.....	-1.9	6.9	6.8	9.4	13.2	4.3	3.5	2.4	322.0	318.5	5.0	6.8	
Detroit.....	28.2	24.9	23.3	21.8	1.5	-1.2	2.5	7.1	310.9	323.5	12.8	12.6	
Indianapolis.....	33.3	-0.5	9.9	4.1									
Milwaukee.....	-1.3	-1.1	-2.0	-3.4	-0.9	-2.1	-2.4	0.7	563.2	613.9	4.9	4.7	
Outside.....	3.4	-1.9	-1.4	-2.5	-5.0	-6.3	0.9	4.0	508.2	567.3	5.9	5.4	
District.....	15.7	8.9	10.6	8.5	-0.1	-2.7	1.3	4.3	394.5	417.9	8.9	9.0	

CONDITION OF RETAIL TRADE IN THE FEDERAL RESERVE DISTRICTS—Continued.

[Minus sign (-) denotes decrease.]

District and city.	Percentage of increase in net sales compared with corresponding period previous year.				Percentage of increase in stocks at close of month compared with—				Percentage of average stocks at close of each month to average monthly sales for same period.		Percentage of outstanding orders at close of month to total purchases during previous calendar year.		
	November, 1922.	October, 1922.	July 1, 1922, to close of—		Same month previous year.		Previous month.		July 1, 1922, to close of—		November, 1922.	October, 1922.	
			November, 1922.	October, 1922.	November, 1922.	October, 1922.	November, 1922.	October, 1922.	November, 1922.	October, 1922.			
District No. 8:													
St. Louis.....	4.1	8.6	4.7	4.8	0.2	-0.8	2.3	3.3	366.6	383.7	6.0	7.1	
Little Rock.....	1.8	0.1	-6.0	-13.9	5.7	0.6	2.9	1.9	443.2	477.2	5.3	6.4	
Louisville.....	6.6	-3.6	1.7	-0.1	-15.4	-18.1	1.2	7.9	364.0	373.5	3.8	6.3	
Memphis.....	15.7	7.7	11.2	9.6	-2.7	-5.9	6.3	5.4	468.0	488.5	12.4	12.4	
Outside.....	3.1	0.7	-5.3	-2.6	-7.5	-5.2	4.5	1.1	538.5	539.2	3.2	4.7	
District.....	6.1	6.0	4.3	3.4	-1.9	-4.0	2.7	4.1	392.8	409.2	6.4	7.7	
District No. 9.....	-0.5	8.2	2.7	3.8	1.7	-0.5	2.1	4.3	306.3	452.9	4.5	6.2	
District No. 10:													
Kansas City.....	10.5	-5.5	-3.6	-7.0	-4.1	-13.4	-9.2	-1.9	466.4	487.2	2.7	5.0	
Denver.....	1.3	6.3	-2.1	0.8	-1.5	-1.6	2.3	-2.0	533.3	486.0	11.9	10.9	
Outside.....	-2.6	0.9	0.5	-3.1	4.0	-1.8	3.3	2.8	478.3	542.1	6.2	7.6	
District.....	2.3	-0.5	-1.4	-3.8	-0.1	-6.4	-0.8	0.2	490.1	507.0	6.8	7.1	
District No. 11:													
Dallas.....	2.4	-9.2	2.8	2.9	-8.1	-7.9	-2.0	2.9	437.6	453.4	8.5	9.2	
Fort Worth.....	6.4	-5.6	1.5	0	-7.4	-8.8	0.6	2.9	491.2	508.9	5.8	7.1	
Houston.....	2.8	1.4	0.1	-0.7	-11.4	-9.1	-0.9	3.2	510.0	538.6	3.7	5.0	
Outside.....	-6.8	-14.4	-10.2	-12.3	-15.9	-16.6	1.6	-1.9	458.4	475.1	6.6	5.7	
District.....	0.4	-8.4	-1.8	-2.8	-10.9	-10.8	-0.4	1.6	464.3	483.3	7.2	7.6	
District No. 12:													
San Francisco.....	12.3	9.6	6.9	5.4	-0.8	-2.9	2.7	3.0	431.0	435.7	10.6	10.8	
Los Angeles.....	18.4	16.0	10.6	8.6	-7.0	-12.9	8.4	-0.4	386.9	390.9	10.8	12.7	
Oakland.....	7.8	6.5	0.7	1.5	-3.9	-4.1	0.7	2.4	545.7	541.8	.....	.....
Salt Lake City.....	2.1	7.2	1.1	0.8	0.9	-1.4	2.3	3.0	538.0	549.3	3.6	.....
Seattle.....	22.3	10.6	12.8	10.5	3.2	4.4	2.5	5.9	393.2	389.1	8.2	6.3	
Spokane.....	5.1	-1.4	-2.6	-4.4	-0.8	0.7	-2.1	-2.2	582.5	593.5	8.9	6.5	
District.....	14.5	10.3	7.7	6.0	-2.5	-4.7	3.5	1.9	431.0	434.4	9.8	10.7	
United States.....	9.0	4.5	6.0	4.6	-0.7	-2.8	2.2	4.1	397.9	426.5	7.4	8.2	

AVERAGE MONTHLY VALUE OF RETAIL TRADE.

[Average month 1919=100.]

	Department stores (176 stores).	Mail-order houses (4 houses).	Chain stores.					
			Grocery (17 chains).	Five and ten (4 chains).	Drug (7 chains).	Cigar (3 chains).	Shoes (5 chains).	Music (4 chains).
1919.								
January.....	75.7	86.1	89.8	70.2	92.7	74.8	68.1	65.3
February.....	68.9	73.1	86.5	72.3	83.7	77.0	59.6	78.2
March.....	85.4	82.6	96.1	90.8	96.6	93.7	76.2	89.7
April.....	98.3	91.5	93.3	93.9	95.3	91.7	107.6	86.0
May.....	98.1	81.3	94.5	96.4	94.4	102.1	103.3	81.6
June.....	93.1	74.5	90.4	86.3	93.1	92.2	92.4	75.7
July.....	77.2	76.1	100.8	87.9	100.8	98.2	88.6	76.2
August.....	77.6	82.1	98.2	94.6	101.5	99.9	104.0	86.9
September.....	96.4	102.1	99.8	92.5	98.5	96.2	107.1	105.6
October.....	124.6	155.9	119.0	107.9	104.6	110.2	128.8	133.7
November.....	122.1	148.2	111.5	112.1	108.8	114.9	127.2	127.3
December.....	182.7	146.4	120.1	195.1	135.0	149.0	136.9	193.5
1920.								
January.....	104.9	120.2	129.9	85.6	114.9	106.8	90.1	94.7
February.....	85.4	122.2	127.5	82.6	107.5	106.1	76.2	95.0
March.....	120.0	130.7	146.7	111.1	117.2	120.3	121.6	112.9
April.....	117.5	107.5	153.1	110.6	110.0	123.2	133.6	91.3
May.....	124.0	90.4	151.7	112.9	115.8	135.6	146.6	91.9
June.....	118.0	87.3	148.6	108.9	117.0	129.6	128.3	93.9
July.....	92.2	80.7	157.4	112.0	123.8	137.3	119.8	84.7
August.....	90.9	80.2	141.8	111.1	119.8	129.2	91.6	101.6
September.....	106.9	90.5	141.8	111.7	119.4	136.6	111.7	118.7
October.....	131.9	103.7	141.7	129.9	123.4	151.0	143.2	126.6
November.....	135.9	125.5	139.3	125.7	114.2	133.9	135.2	132.1
December.....	180.7	97.9	137.0	214.6	149.5	180.5	155.0	179.1
1921.								
January.....	101.6	69.1	124.5	86.1	117.3	119.9	85.8	79.0
February.....	87.3	64.8	118.5	92.9	110.7	116.5	82.5	78.3
March.....	116.3	95.1	128.2	121.1	123.6	131.8	141.0	81.9
April.....	111.7	77.5	121.3	111.9	121.8	134.7	139.7	75.1
May.....	111.3	60.2	118.4	112.2	119.2	129.5	136.5	65.1
June.....	108.5	62.1	115.6	109.7	120.6	127.8	127.6	59.9
July.....	79.7	49.3	114.4	108.0	122.1	128.5	100.9	55.6
August.....	83.2	56.4	120.6	116.0	119.8	127.6	86.6	71.6
September.....	92.7	72.7	118.0	113.4	119.4	128.0	103.1	82.3
October.....	127.8	88.6	134.7	141.0	124.2	138.0	135.4	99.2
November.....	121.3	83.3	132.8	134.1	115.2	124.8	119.1	107.0
December.....	175.8	80.3	143.5	241.6	146.1	172.7	149.6	172.6
1922.								
January.....	87.2	65.3	135.0	94.6	117.0	111.0	80.0	71.7
February.....	80.0	59.4	127.1	100.8	114.5	109.3	80.7	75.0
March.....	101.5	83.5	144.3	118.4	123.2	124.3	102.0	80.6
April.....	111.9	77.1	136.5	134.9	120.3	124.5	156.3	78.9
May.....	113.9	69.9	135.5	129.6	122.9	128.8	127.1	80.9
June.....	105.8	68.8	132.1	124.9	123.5	105.8	121.9	81.3
July.....	78.4	58.4	134.0	126.3	125.7	127.3	101.3	83.0
August.....	84.8	57.2	136.0	130.4	127.9	126.9	86.8	99.1
September.....	102.5	176.1	137.6	136.1	128.4	135.4	117.8	118.2
October.....	131.2	1110.0	146.2	156.6	133.0	127.1	121.2	118.8
November.....	130.0	1112.5	159.1	152.3	122.3	126.9	122.0	120.7

1 Partly estimated.

CONDITION OF WHOLESALE TRADE.

PERCENTAGE OF INCREASE (OR DECREASE) IN NET SALES IN NOVEMBER, 1922, AS COMPARED WITH THE PRECEDING MONTH, OCTOBER, 1922.

District.	Groceries.		Dry goods.		Hardware.		Boots and shoes.		Furniture.		Drugs.		Auto supplies.		Stationery.		Farm implements.	
	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.
No. 2.....	0.6	42	-12.6	8	-3.6	11	-11.7	10			-13.5	6			-11.3	6		
No. 3.....	1.5	64	-6.5	23	-4.6	35	-7.6	13			-3.3	16						
No. 4.....	4.6	27	-8.6	14	-3.2	12					-2.1	14						
No. 5.....	-4	47	-13.0	16	-2.0	17	-9.8	20	1.6	9	1.1	14						
No. 6.....	-4	35	-19.6	25	-6.5	26	-21.3	12	-1.4	19	-8	4			-1.3	3		
No. 7.....	-3.0	34	-13.9	9	-10.9	16	-19.0	12			-9.7	10	-13.4	7				
No. 8.....	-3.3	14	-9.6	6	-3	3	-13.6	9			-6.0	3						
No. 9.....	-2.1	56	-15.5	6	-9.6	15	-1.7	6									-11.8	8
No. 10.....	-6.3	8	-16.5	3	-9.0	7			-10.9	3	-14.0	4	-17.9	2			43.5	3
No. 11.....	-13.1	12	-28.4	11	-10.1	12			.3	2	-14.2	8					-5	5
No. 12.....	-7.8	30	2.6	15	-4.3	21	-4.8	14	-4.6	16	-4.3	10	-3.5	18	-9.2	28	-23.8	23

PERCENTAGE OF INCREASE (OR DECREASE) IN NET SALES IN NOVEMBER, 1922, AS COMPARED WITH NOVEMBER, 1921.

District.	Groceries.		Dry goods.		Hardware.		Shoes.		Furniture.		Drugs.		Auto supplies.		Stationery.		Farm implements.		Auto tires.	
	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.
No. 2.....	16.7	42	9.3	8	22.2	11	-6.4	10			14.0	6			5.6	6				
No. 3.....	10.1	64	10.2	23	25.4	35	19.0	13			7.7	16								
No. 4.....	11.1	27	14.7	14	25.3	12					7.3	14								
No. 5.....	7.2	47	21.0	16	19.0	17	6.0	20	27.1	9	16.2	14								
No. 6.....	21.4	35	26.0	25	15.9	26	-10.2	12	22.7	19	22.9	4			45.0	3				
No. 7.....	6.4	34	6.8	9	24.3	16	-9.9	12			13.2	10	93.4	7						
No. 8.....	8.3	14	35.2	6	24.5	3	6.9	9			-2.3	3								
No. 9.....	13.7	56	10.3	6	20.3	15	20.4	6									37.3	8		
No. 10.....	8.4	8	4.0	3	13.8	7			16.8	3	-5.0	4	12.4	2			110.9	3		
No. 11.....	29.0	12	8.4	11	2.2	12			26.8	2	1.3	8					146.6	5		
No. 12.....	24.4	30	19.3	15	24.9	21	17.1	14	15.2	16	10.9	10	12.2	18	22.4	28	16.7	23	4.3	16

BANKING AND FINANCIAL STATISTICS.

DISCOUNT AND OPEN MARKET OPERATIONS OF FEDERAL RESERVE BANKS.

VOLUME OF OPERATIONS DURING NOVEMBER, 1922.

Federal reserve bank.	Bills discounted for member banks.	Bills bought in open market.	United States securities purchased.		Municipal warrants purchased.	Total.	
			Bonds and notes.	Certificates of indebtedness.		November, 1922.	November, 1921.
Boston.....	\$330,811,292	\$29,648,402	\$3,481,100	\$1,291,210		\$365,232,001	\$348,527,645
New York.....	1,703,058,213	58,712,701	40,417,800	9,803,500		1,811,992,214	1,538,318,774
Philadelphia.....	251,390,183	6,611,724	134,300			258,136,207	288,992,271
Cleveland.....	179,572,807	25,117,050		628,000		205,317,857	261,617,152
Richmond.....	150,202,195	745,000				150,947,195	200,050,166
Atlanta.....	45,776,848	3,646,764	199,250	200,000		49,822,862	111,240,449
Chicago.....	188,976,455	15,042,881	4,520,400	5,545,000		214,084,736	250,409,880
St. Louis.....	108,448,738	7,515,195	28,400	30,000		116,022,333	151,381,290
Minneapolis.....	12,535,539		2,176,600	150,000	\$3,000	14,865,139	49,844,098
Kansas City.....	36,628,842	809,000		5,000		37,442,842	68,476,080
Dallas.....	13,472,283	6,907,252	425,000			20,804,535	53,515,388
San Francisco.....	134,902,221	20,622,082				155,524,303	203,418,898
Total: November, 1922.....	3,155,775,616	175,378,051	51,382,850	17,652,710	3,000	3,400,192,227	
November, 1921.....	3,231,270,854	161,998,551	9,183,200	122,676,000	663,486		3,525,792,091
11 months ending November 30, 1922.....	18,767,295,334	1,752,120,698	1,126,217,500	2,559,178,210	152,832	24,204,964,574	
11 months ending November 30, 1921.....	53,590,561,720	1,304,299,407	68,083,250	3,307,556,557	673,095		58,271,174,029

VOLUME OF BILLS DISCOUNTED DURING NOVEMBER, 1922, BY CLASSES OF PAPER; ALSO NUMBER OF MEMBER BANKS ACCOMMODATED.

Federal reserve bank.	Customers' paper secured by Government obligations.	Member banks' collateral notes.		Commercial paper, n. e. s.	Agricultural paper.	Live-stock paper.	Bankers' acceptances.		Dollar exchange.
		Secured by Government obligations.	Otherwise secured.				Foreign.	Domestic.	
Boston.....	\$318,500	\$132,120,400		\$197,745,401	\$373,161	\$14,500			
New York.....	900,509	1,511,099,300		189,599,878	456,220	2,953			
Philadelphia.....	251,150	156,644,050		94,147,566	271,095		\$35,000		
Cleveland.....	346,984	134,111,450	\$38,000	43,446,000	241,547	238,792			
Richmond.....	131,170	131,985,969	1,321,000	14,014,082	2,242,340	71,048			
Atlanta.....	216,136	12,859,650	266,056	28,170,436	3,497,617	191,969			
Chicago.....	246,332	136,240,210	58,430	42,331,017	9,985,656				
St. Louis.....	121,844	94,514,950		11,242,833	1,426,054	50,594	225,000	\$310,000	
Minneapolis.....	6,169	4,005,525	802,045	3,485,696	3,295,815	938,682			
Kansas City.....	53,458	25,136,125		5,974,296	1,646,387	3,816,799			
Dallas.....	275	5,757,500	507,151	3,581,392	1,938,887	1,548,055			
San Francisco.....	88,900	64,166,522	16,802,258	51,569,465	878,859	685,064	258,187	178,943	
Total: November, 1922.....	2,681,427	2,408,641,651	19,794,940	685,308,962	26,253,638	7,558,456	518,187	488,943	
October, 1922.....	3,792,661	1,495,246,596	21,907,272	610,030,580	28,238,469	9,268,977	73,550	437,828	\$2,700
November, 1921.....	41,791,530	1,888,859,330	35,352,233	1,177,681,766	56,521,118	22,574,635			640,322
October, 1921.....	45,023,385	1,826,563,751	35,224,090	1,498,064,426	50,197,467	20,665,438			3,848,470

Federal reserve bank.	Trade acceptances.		Total all classes.	Total reduced to a common maturity basis. ¹		Member banks.			
	Foreign.	Domestic.		Amount.	Per cent of total.	Number in district Nov. 30.	Accommodated.		
							Number.	Per cent.	
Boston.....		\$239,330	\$330,811,292	\$419,998,970	13.31	428	230	53.7	
New York.....	\$822,140	142,213	1,703,058,213	733,050,441	23.23	806	341	42.3	
Philadelphia.....		76,322	251,390,183	215,979,056	6.84	714	338	47.3	
Cleveland.....		1,150,084	179,572,807	193,852,676	6.14	881	311	35.3	
Richmond.....		430,586	150,202,195	130,147,157	4.76	633	289	45.7	
Atlanta.....		574,984	45,776,848	210,391,437	6.67	543	230	42.4	
Chicago.....		114,810	188,976,455	586,105,077	18.57	1,443	788	54.6	
St. Louis.....		557,463	108,448,738	135,975,204	4.31	608	211	34.7	
Minneapolis.....		1,607	12,535,539	96,402,205	3.05	1,014	350	34.5	
Kansas City.....		1,777	36,628,842	155,452,037	4.93	1,154	330	28.6	
Dallas.....		139,023	13,472,283	75,526,072	2.39	863	175	20.3	
San Francisco.....		274,023	134,902,221	182,895,284	5.80	829	266	32.1	
Total: November, 1922.....	822,140	3,708,172	3,155,775,616	3,155,775,616	100.00	9,916	3,859	38.9	
October, 1922.....	461,300	2,654,172	2,172,114,105			9,918	3,793	38.2	
November, 1921.....		7,849,920	3,231,270,854			9,836	5,622	57.7	
October, 1921.....		9,681,170	3,489,268,197			9,813	5,572	56.2	

¹ Total discounts multiplied by ratio of average maturity of bills discounted by each bank to average maturity (8.43) for system.

VOLUME OF BILLS DISCOUNTED DURING NOVEMBER, 1922, BY RATES OF DISCOUNT CHARGED; ALSO AVERAGE RATES AND MATURITIES.

Federal reserve bank.	4 per cent.	4½ per cent.	Total.	Average rate (365-day basis).	Average maturity.
Boston.....	\$330,811,292		\$330,811,292	Per cent. 4.00	Days. 10.71
New York.....	1,703,058,213		1,703,058,213	4.00	3.63
Philadelphia.....		\$251,390,183	251,390,183	4.50	7.25
Cleveland.....		179,572,807	179,572,807	4.50	9.10
Richmond.....		150,202,195	150,202,195	4.50	8.43
Atlanta.....		45,776,848	45,776,848	4.50	38.76
Chicago.....		188,976,455	188,976,455	4.50	26.16
St. Louis.....		108,448,738	108,448,738	4.50	10.57
Minneapolis.....		12,535,539	12,535,539	4.50	64.86
Kansas City.....		36,628,842	36,628,842	4.50	35.79
Dallas.....		13,472,283	13,472,283	4.50	47.28
San Francisco.....			134,902,221	4.00	11.43
Total: November, 1922.....	2,168,771,726	987,003,890	3,155,775,616	4.29	8.43
October, 1922.....	1,417,609,155	754,504,950	2,172,114,105	4.34	9.99

VOLUME OF BANKERS' AND TRADE ACCEPTANCES PURCHASED DURING NOVEMBER, 1922, BY CLASSES.

Federal reserve bank.	Bankers' acceptances.				Trade acceptances.			Total bills purchased.	Total reduced to a common maturity basis. ¹	
	Foreign.	Domestic.	Dollar exchange.	Total.	Foreign.	Domestic.	Total.		Amount.	Per cent of total.
Boston.....	\$16,982,432	\$12,165,754	\$500,216	\$29,648,402				\$29,648,402	\$15,707,210	9.0
New York.....	41,659,411	12,947,085	3,288,000	57,894,496	\$818,205		\$818,205	58,712,701	23,313,858	13.3
Philadelphia.....	4,948,955	1,387,789	275,000	6,611,724				6,611,724	12,301,328	7.0
Cleveland.....	20,544,855	3,822,775	695,000	25,062,630		\$54,420	54,420	25,117,050	45,071,141	25.7
Richmond.....	210,000	535,000		745,000				745,000	1,296,524	.7
Atlanta.....	2,862,864	783,900		3,646,764				3,646,764	3,744,245	2.1
Chicago.....	11,022,880	3,870,001	150,000	15,042,881				15,042,881	25,557,013	14.6
St. Louis.....	5,687,152	1,628,043	200,000	7,515,195				7,515,195	12,869,806	7.3
Minneapolis.....										
Kansas City.....		809,000		809,000				809,000	1,371,373	.8
Dallas.....	5,374,975	1,532,277		6,907,252				6,907,252	12,316,768	7.0
San Francisco.....	14,446,141	5,967,080	167,600	20,580,821	41,261		41,261	20,622,082	21,828,785	12.5
Total: Nov., 1922.....	123,739,665	45,448,684	5,275,816	174,464,165	859,466	54,420	913,886	175,378,051	175,378,051	100.0
Oct., 1922.....	126,389,315	73,251,328	6,206,053	205,846,696	625,515	143,325	768,840	206,615,536		
Nov., 1921.....	114,452,173	37,061,462	10,307,071	161,820,706	177,845		177,845	161,998,551		
Oct., 1921.....	87,912,692	44,211,369	6,957,264	139,081,325				139,081,325		

¹ Total purchases multiplied by ratio of average maturity of bills purchased by each bank to average maturity (43.41) for system.

VOLUME OF ACCEPTANCES PURCHASED DURING NOVEMBER, 1922, BY RATES OF DISCOUNT CHARGED; ALSO AVERAGE RATES AND MATURITIES.

Federal reserve bank.	3 per cent.	3½ per cent.	3¾ per cent.	3⅞ per cent.	3⅘ per cent.	3⅝ per cent.	3⅜ per cent.	3⅓ per cent.
Boston.....						\$190,000	\$1,526,396	\$3,233,533
New York.....	\$120,679	\$10,366	\$16,483	\$105,928		7,099	11,255	539,967
Philadelphia.....								501,850
Cleveland.....						\$3,915	1,500	1,618,673
Richmond.....								808,486
Atlanta.....								1,457,531
Chicago.....						38,625		
St. Louis.....							25,000	
Minneapolis.....								
Kansas City.....								
Dallas.....								
San Francisco.....								4,541,118
Total: November, 1922.....	120,679	10,366	16,483	105,928	42,540	197,099	1,564,151	12,701,158
October, 1922.....	176,125	629,002	48,742,755	23,139,046	45,816,496	18,871,324	23,036,490	11,721,968

Federal reserve bank.	4 per cent.	4½ per cent.	4¾ per cent.	4⅞ per cent.	4⅘ per cent.	Total.	Average rate (365-day basis).	Average maturity.
Boston.....	\$17,448,118	\$6,064,458	\$1,077,687		\$108,210	\$29,648,402	Per cent. 4.04	Days. 23.00
New York.....	56,276,184	250,375	556,160		818,205	58,712,701	4.08	17.24
Philadelphia.....	4,332,468	1,616,303	87,500	\$73,603		6,611,724	4.11	80.76
Cleveland.....	15,629,576	6,925,481	795,506	138,999	3,400	25,117,050	4.12	77.89
Richmond.....	489,000	146,000			110,000	745,000	4.16	75.54
Atlanta.....	1,574,993				1,263,285	3,646,764	4.24	44.57
Chicago.....	7,914,893	5,476,438	135,394			15,042,881	4.11	73.75
St. Louis.....	6,769,287	600,523	120,385			7,515,195	4.07	74.34
Minneapolis.....								
Kansas City.....					809,000	809,000	4.56	73.53
Dallas.....	6,077,803	792,859	36,590			6,907,252	4.07	77.40
San Francisco.....	6,691,853	8,522,938	779,371	40,945	45,857	20,622,082	4.11	45.95
Total: November, 1922.....	123,204,175	30,395,375	3,608,593	253,547	3,157,957	175,378,051	4.10	43.41
October, 1922.....	25,429,905	3,187,138	467,564	21,296	5,370,727	206,615,536	3.68	46.23

¹ Includes \$5,700 of acceptances purchased at 4½ per cent.

NOTE.—All Federal reserve banks use 360 days to the year in calculating interest on bills bought in open market.

HOLDINGS OF EARNING ASSETS, BY CLASSES.

AVERAGE DAILY HOLDINGS OF EACH CLASS OF EARNING ASSETS, EARNINGS THEREON, AND ANNUAL RATES OF EARNINGS DURING NOVEMBER, 1922.

Federal reserve bank.	Average daily holdings of—				Earnings on—				Annual rate of earnings on—			
	All classes of earning assets.	Dis-counted bills.	Pur-chased bills.	United States securi-ties.	All classes of earning assets.	Dis-counted bills.	Pur-chased bills.	United States securi-ties.	All classes of earning assets.	Dis-counted bills.	Pur-chased bills.	United States securi-ties.
Boston.....	\$116,235,113	\$62,821,378	\$30,662,397	\$22,751,338	\$366,277	\$206,727	\$90,204	\$69,346	Per ct.	Per ct.	Per ct.	Per ct.
New York.....	238,861,102	161,976,024	68,835,942	58,049,136	902,115	532,626	195,035	174,454	3.83	4.00	3.58	3.71
Philadelphia.....	102,000,412	53,514,515	17,601,244	30,834,653	351,598	197,864	50,223	103,511	3.81	4.00	3.45	3.67
Cleveland.....	126,908,503	46,374,419	45,950,839	34,577,247	423,816	171,519	140,806	111,491	4.19	4.50	3.47	4.07
Richmond.....	43,898,825	42,933,207	2,161,885	3,784,233	172,788	158,868	7,551	6,369	4.06	4.50	3.72	3.92
Atlanta.....	53,549,673	36,170,985	13,258,647	4,120,031	180,305	129,335	41,413	9,557	4.30	4.50	4.25	2.95
Chicago.....	136,357,836	82,142,108	13,767,355	40,448,378	459,305	303,906	39,022	116,365	4.24	4.50	3.93	2.92
St. Louis.....	62,877,033	29,775,227	10,621,808	22,479,998	216,003	110,131	32,735	73,137	4.10	4.50	3.45	3.50
Minneapolis.....	33,847,324	21,342,013	.....	12,473,411	120,385	80,897	.....	39,387	4.18	4.50	3.75	3.96
Kansas City.....	70,295,591	28,903,856	571,967	40,819,768	241,840	107,994	2,145	131,701	4.33	4.61	.....	3.84
Dallas.....	43,724,262	16,878,975	18,863,412	12,981,875	157,835	63,841	59,537	34,437	4.19	4.55	4.56	3.93
San Francisco.....	121,569,917	40,972,881	37,677,595	42,919,441	388,180	135,138	108,597	144,445	3.94	4.60	3.84	3.23
Total: Nov., 1922.....	1,210,125,593	623,825,598	259,978,591	326,294,504	3,980,435	2,198,846	767,268	1,014,220	3.88	4.29	3.59	3.78
Oct., 1922.....	1,184,700,479	484,443,599	231,618,886	448,615,722	3,902,715	1,794,655	692,798	1,415,176	3.88	4.36	3.24	3.71
Nov., 1921.....	1,520,283,245	1,232,575,771	78,867,348	208,579,059	6,237,929	5,459,506	318,528	458,803	4.99	5.39	4.91	2.68
Oct., 1921.....	1,640,739,511	1,376,914,379	56,196,411	207,624,721	7,318,159	6,638,343	240,400	419,396	5.25	5.69	5.04	2.38

NOTE.—The figures in the first, fifth, and ninth columns include average daily holdings of municipal warrants, earnings, and annual rate of earnings thereon, as follows: Minneapolis, \$26,900, \$101, and 4.56 per cent.

HOLDINGS OF DISCOUNTED BILLS, BY CLASSES.

[End of November figures. In thousands of dollars.]

Federal Reserve Bank.	Total.	Custom-ers' paper secured by Government obligations.	Member banks' collateral notes.			Agricultural paper.	Live-stock paper.	Bankers' acceptances.			Trade acceptances.	
			Secured by Government obligations.	Other-wise secured.	Com-mercial paper n. e. s.			For-eign.	Do-mestic.	Dol-lar ex-change.	For-eign.	Do-mestic.
Boston.....	77,121	716	27,272	.....	48,021	831	19	.....	.....	.....	.....	262
New York.....	137,022	447	108,487	.....	27,323	466	.....	35	6	.....	75	183
Philadelphia.....	57,317	239	38,397	.....	18,090	437	.....	.....	.....	.....	.....	154
Cleveland.....	54,606	660	33,716	15	17,901	690	566	.....	.....	.....	.....	1,058
Richmond.....	47,213	360	19,510	528	20,662	5,225	146	.....	.....	.....	.....	786
Atlanta.....	37,513	311	4,108	152	24,958	7,027	276	.....	.....	.....	.....	681
Chicago.....	93,109	339	33,752	27	28,842	29,737	.....	.....	.....	.....	.....	412
St. Louis.....	31,261	209	15,294	.....	11,214	3,436	150	.....	73	.....	.....	885
Minneapolis.....	21,883	15	1,896	483	4,327	10,108	4,844	.....	.....	.....	.....	210
Kansas City.....	28,858	111	7,646	.....	7,007	4,960	9,130	.....	.....	.....	.....	4
Dallas.....	15,056	11	1,068	254	2,820	2,518	8,371	.....	.....	.....	.....	14
San Francisco.....	49,133	117	20,599	8,047	14,085	3,612	1,983	247	114	.....	.....	329
Total: Nov. 29, 1922.....	650,096	3,535	311,745	9,506	225,250	69,047	25,485	282	193	.....	75	4,978
Oct. 31, 1922.....	576,435	3,265	265,777	10,266	188,777	74,804	28,533	74	275	3	297	4,364
Nov. 30, 1921.....	1,182,301	48,896	427,464	17,350	486,313	139,164	51,715	55	392	.....	16	10,936
Oct. 31, 1921.....	1,313,027	49,485	412,951	17,553	621,900	141,923	57,154	570	304	25	54	11,108

HOLDINGS OF BANKERS' AND TRADE ACCEPTANCES PURCHASED OR DISCOUNTED, BY CLASSES OF ACCEPTANCES.

[End of November figures. In thousands of dollars.]

Federal reserve bank.	All classes.			Bankers' acceptances.				Trade acceptances.		
	Total.	Purchased in open market.	Discounted for member banks	Total.	Foreign.	Domestic.	Dollar exchange	Total.	Foreign.	Domestic.
Boston.....	29,093	28,831	262	28,831	15,963	10,806	2,062	262		262
New York.....	56,674	56,375	299	54,963	42,588	9,732	2,643	1,711	1,383	328
Philadelphia.....	19,479	19,325	154	19,325	11,456	7,579	290	154		154
Cleveland.....	55,349	54,291	1,058	54,187	41,556	11,151	1,480	1,162		1,162
Richmond.....	2,969	2,183	786	2,183	670	1,513		786		786
Atlanta.....	13,181	12,500	681	12,500	8,680	3,820		681		681
Chicago.....	12,689	12,277	412	12,277	9,680	2,349	248	412		412
St. Louis.....	12,543	11,585	958	11,658	8,302	3,136	220	885		885
Minneapolis.....	210		210					210		210
Kansas City.....	406	402	4	402		402		4		4
Dallas.....	21,167	21,153	14	21,153	14,620	5,144	1,389	14		14
San Francisco.....	40,394	40,304	690	40,624	30,271	10,052	301	370	41	329
Total: Nov. 29, 1922.....	264,754			258,103	183,786	65,684	8,633	6,651	1,424	5,227
Oct. 31, 1922.....	263,178			257,186	181,079	67,308	8,799	5,992	1,336	4,656
Nov. 30, 1921.....	84,353			73,271	48,989	20,019	4,263	11,082	146	10,936
Purchased in open market:										
Nov. 29, 1922.....		259,226		257,628	183,504	65,491	8,633	1,598	1,349	249
Oct. 31, 1922.....		258,165		256,834	181,005	67,033	8,796	1,331	1,039	292
Nov. 30, 1921.....		72,954		72,824	48,934	19,627	4,263	130	130	
Discounted for member banks:										
Nov. 29, 1922.....			5,528	475	282	193		5,053	75	4,978
Oct. 31, 1922.....			5,013	352	74	275	3	4,661	297	4,364
Nov. 30, 1921.....			11,399	447	55	392		10,952	16	10,936

HOLDINGS OF BANKERS' ACCEPTANCES PURCHASED OR DISCOUNTED, BY CLASSES OF ACCEPTING INSTITUTIONS.

[End of November figures. In thousands of dollars.]

Federal reserve bank.	Total.	Member banks.		Non-member banks and banking corporations.	Private banks.	Branches and agencies of foreign banks.
		National.	Non-national.			
Boston.....	28,831	15,173	9,532	3,038	464	624
New York.....	54,963	18,368	17,488	7,755	8,103	3,249
Philadelphia.....	19,325	7,557	6,950	2,100	1,512	1,206
Cleveland.....	54,187	16,716	20,268	6,168	7,614	3,421
Richmond.....	2,183	1,293	526		364	
Atlanta.....	12,500	1,683	6,446	4,391		
Chicago.....	12,277	5,687	5,915	571		104
St. Louis.....	11,658	3,915	5,227	1,472	584	460
Minneapolis.....						
Kansas City.....	402	402				
Dallas.....	21,153	7,356	8,284	2,736	1,545	1,232
San Francisco.....	40,624	15,939	11,109	4,547	4,448	4,521
Total: Nov. 29, 1922.....	258,103	94,069	91,805	32,778	24,634	14,817
Oct. 31, 1922.....	257,186	96,182	94,238	32,148	20,734	13,884
Nov. 30, 1921.....	73,271	30,289	23,579	8,942	4,960	5,501
Purchased in open market:						
Nov. 29, 1922.....	257,628	93,736	91,790	32,778	24,629	14,605
Oct. 31, 1922.....	256,834	96,075	94,039	32,144	20,705	13,871
Nov. 30, 1921.....	72,824	30,208	23,282	8,873	4,960	5,501
Discounted for member banks:						
Nov. 29, 1922.....	475	333	15		5	122
Oct. 31, 1922.....	352	107	199		4	13
Nov. 30, 1921.....	447	81	297		69	

BANKING CONDITIONS, BY FEDERAL RESERVE DISTRICTS.

Between November 15 and December 20 loans and discounts of reporting member banks in leading cities increased by \$48,000,000. Increases are shown for the New York, San Francisco, Cleveland, Richmond, St. Louis, and Kansas City districts, while the other districts show reductions, the largest of which, amounting to \$20,000,000, is shown for Boston. As a result of the Treasury operations on December 15, member banks in all the districts show increases in their holdings of Government securities, the aggregate increase amounting to \$273,000,000, of which \$116,000,000 is reported for New York City members alone. Only moderate changes are shown in member bank holdings of corporate obligations, New York City banks showing a reduction of \$11,000,000 and Chicago banks an increase of \$15,000,000 for the period. Demand deposits

increased in all the districts except Boston, Cleveland, Richmond, Dallas, and San Francisco, the largest increase, amounting to \$62,000,000, being shown for the New York City banks. Time deposits also increased, the largest addition, amounting to \$44,000,000, being shown for the Cleveland district. Member banks in New York City show a reduction of \$26,000,000 in time deposits.

Accommodation at the reserve banks was reduced by \$52,000,000 during the period, smaller figures being shown in eight of the twelve districts. The reduction for the member banks in New York City alone was \$61,000,000.

Following is a table showing the increases and decreases in the principal assets and liabilities of reporting member banks for the five weeks under review:

CHANGES IN PRINCIPAL RESOURCES AND LIABILITIES OF REPORTING MEMBER BANKS IN EACH FEDERAL RESERVE DISTRICT BETWEEN NOVEMBER 15 AND DECEMBER 20, 1922.

Federal reserve district.	Loans and discounts.		United States Government securities.		Other bonds, stocks and securities.		Demand deposits.		Time deposits.		Accommodation of Federal reserve banks.	
	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.
Boston.....		20	6			1		15		4		10
New York.....	27		126			6	71			24		60
New York City.....	26		116			11	62			26		61
Philadelphia.....		4	18		1		9					5
Cleveland.....	27		25		13			15	44			
Richmond.....	14		5			1		2		3	9	
Atlanta.....		4	8		1							
Chicago.....		13	43		16		23		6		5	
City of Chicago.....		21	29		15		26		4			3
St. Louis.....	10		8		1		16					1
Minneapolis.....		6	7				4		2			
Kansas City.....	5		2		3		1		4		5	
Dallas.....		8	12					12				1
San Francisco.....	20		13			6		25	7		6	
Total.....	48		273		21		60		35			52

Changes in the condition of Federal reserve banks between November 22 and December 27 were caused partly by the requirements of holiday trade. Total cash reserves decreased by \$64,800,000, smaller figures being shown for all Federal reserve banks except Cleveland, Atlanta, and San Francisco. These decreases were caused largely by the demand for gold and currency for Christmas presents and Christmas shopping. This demand is also reflected in an increase of \$164,700,000 in Federal reserve note circulation, an increase in which every district except Dallas participated. As a consequence of the reduction in reserves and the increase in note circulation,

with deposits showing but moderate changes, the reserve percentage of the reserve banks declined from 76.7 per cent on November 22 to 72.1 per cent on December 27. Reduced ratios are shown for every Federal reserve bank, except Atlanta.

Changes in discounts at the reserve banks for the period were relatively slight. The New York reserve bank reported a reduction of \$16,200,000, the Atlanta bank one of \$7,500,000, smaller reductions being shown also for the Minneapolis and Dallas banks. On the other hand, the largest increase, amounting to \$11,800,000, is shown for the Richmond bank, and smaller increases were reported

for the remaining seven banks. Government security holdings of the reserve banks increased by \$162,800,000 during the five weeks, larger figures being shown for all banks except Atlanta and Dallas.

Following is a table showing the increases and decreases of the principal items in the Federal reserve bank statement between November 22 and December 27:

CHANGES IN PRINCIPAL RESOURCES AND LIABILITIES OF EACH FEDERAL RESERVE BANK BETWEEN NOVEMBER 22 AND DECEMBER 27, 1922.

[Amounts in millions of dollars.]

Federal reserve bank.	Total reserves.		Discounts.		Government securities.		Total deposits.		Federal reserve notes in circulation.		Reserve percentage.	
	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.	Nov. 22.	Dec. 27.
Boston.....		7.2	6.3		12.8			1.8	17.6		68.3	62.9
New York.....		37.6		16.2	67.2			18.6	18.8		82.9	80.0
Philadelphia.....		2.2	6.3		12.4		1.6		21.5		76.7	70.7
Cleveland.....	18.1		8.1		5.0		9.9		29.8		73.5	70.8
Richmond.....		17.0	11.8		4.9			.9	6.5		73.1	60.2
Atlanta.....	7.3			7.5		1.5	1.1		5.5		74.8	76.1
Chicago.....		7.4	3.2		41.7		11.4		32.0		82.3	76.1
St. Louis.....		9.2	2.1		9.4		8.0		.3.4		69.8	59.8
Minneapolis.....		.2		3	2.0			.1	2.9		75.9	73.8
Kansas City.....		3.9	1.9		1.0		3.1		3.5		62.4	57.3
Dallas.....		7.0		1.0				3.2		1.0	61.3	56.7
San Francisco.....	1.5		1.0		9.3	1.4		.2	24.2		70.8	66.7
Total.....		64.8	15.7		162.8		10.3		164.7		76.7	72.1

CASH RESERVES, TOTAL DEPOSITS, FEDERAL RESERVE NOTE CIRCULATION, AND RESERVE PERCENTAGES FOR DECEMBER AND NOVEMBER, 1922.

[Daily averages. Amounts in thousands of dollars.]

Federal reserve bank.	Total cash reserves.		Total deposits.		Federal reserve notes in circulation.		Reserve percentages.	
	December.	November.	December.	November.	December.	November.	December.	November.
Boston.....	217,540	213,006	126,318	127,020	205,408	194,925	65.6	66.2
New York.....	1,040,668	1,079,813	717,518	724,217	600,336	594,222	79.0	81.9
Philadelphia.....	240,579	236,862	111,717	111,875	218,185	205,403	72.9	75.1
Cleveland.....	277,021	274,568	148,009	147,638	245,797	228,591	70.3	73.0
Richmond.....	110,658	118,164	60,257	61,703	101,149	97,106	68.6	74.4
Atlanta.....	140,169	135,463	54,870	54,690	126,993	125,294	77.1	75.3
Chicago.....	540,243	549,879	269,748	265,787	416,250	397,490	78.8	82.9
St. Louis.....	111,677	113,895	71,464	67,849	95,770	94,574	66.8	70.1
Minneapolis.....	81,772	80,631	50,267	48,801	58,661	57,126	75.1	76.1
Kansas City.....	89,825	93,036	85,357	83,313	70,460	68,601	57.7	61.2
Dallas.....	53,184	60,267	55,819	57,302	39,559	41,858	55.8	60.8
San Francisco.....	262,683	253,165	140,083	139,827	236,947	221,615	69.7	70.0
Total: 1922.....	3,166,019	3,208,752	1,891,427	1,890,022	2,415,515	2,324,865	73.5	76.1
1921.....	2,994,982	2,964,419	1,755,226	1,732,504	2,416,096	2,402,442	71.8	71.7
1920.....	2,221,573	2,182,795	1,821,746	1,830,011	3,342,520	3,327,632	144.7	143.7
1919.....	2,149,653	2,185,149	1,990,221	2,013,944	2,955,476	2,812,247	145.7	146.8

¹ Calculated on basis of net deposits and Federal reserve notes in circulation.

RESOURCES AND LIABILITIES OF EACH FEDERAL RESERVE BANK ON WEDNESDAYS, NOVEMBER 29 TO DECEMBER 27, 1922—Continued.

RESOURCES—Continued.

[In thousands of dollars.]

	Total.	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.
U. S. certificates of indebtedness:													
One-year certificates (Pittman Act)—													
Nov. 29.....	23,500	1,250	5,500	1,500	1,000	1,960	1,499	2,167	2,071	1,500	1,321	1,900	1,832
Dec. 6.....	21,500	1,250	4,500	1,500	1,000	1,960	1,499	2,167	1,571	1,500	1,321	1,900	1,332
Dec. 13.....	18,500	1,250	4,000	1,000	1,000	1,360	999	2,167	1,571	1,500	1,321	1,000	1,332
Dec. 20.....	14,000	750	3,500	500	500	1,360	999	1,667	571	1,000	821	1,000	1,332
Dec. 27.....	12,000	750	3,000	500	500	1,360	499	1,667	571	500	821	500	1,332
Other certificates—													
Nov. 29.....	118,625	12,564	24,590	4,148	13,833	.....	2,031	31,477	2,874	499	10,946	8,310	7,353
Dec. 6.....	120,889	12,357	24,963	4,148	13,823	.....	2,031	33,580	2,874	499	10,951	8,310	7,353
Dec. 13.....	118,718	12,144	23,143	4,148	13,823	.....	2,031	33,740	2,780	499	10,951	8,310	7,149
Dec. 20.....	242,282	24,069	85,450	10,747	17,827	2,000	2,031	55,726	8,780	1,499	13,694	8,310	12,149
Dec. 27.....	206,691	24,054	72,190	17,750	19,827	6,000	2,031	70,452	13,781	2,499	12,647	8,310	17,150
Municipal warrants:													
Nov. 29.....	24	.....	.....	.....	.....	.....	.....	.....	.....	24	.....	.....	.....
Dec. 6.....	26	.....	.....	.....	.....	.....	.....	.....	.....	26	.....	.....	.....
Dec. 13.....	34	.....	.....	.....	.....	.....	8	.....	.....	26	.....	.....	.....
Dec. 20.....	26	.....	.....	.....	.....	.....	.....	.....	.....	26	.....	.....	.....
Dec. 27.....	40	.....	.....	.....	.....	.....	.....	.....	.....	40	.....	.....	.....
Total earning assets:													
Nov. 29.....	1,213,807	125,677	252,340	106,277	135,582	52,601	53,706	145,339	64,556	33,665	68,452	49,373	126,239
Dec. 6.....	1,283,600	116,478	331,698	106,728	134,037	50,190	47,596	156,837	63,440	33,064	71,325	50,336	121,871
Dec. 13.....	1,229,602	110,366	298,422	102,218	141,903	53,765	45,282	138,960	61,485	33,709	71,344	51,284	120,864
Dec. 20.....	1,298,552	118,843	312,049	110,694	149,028	57,655	46,879	157,796	67,593	34,564	76,760	52,376	123,285
Dec. 27.....	1,334,101	127,763	307,286	119,030	136,206	67,052	42,920	179,251	73,927	35,227	71,724	49,036	124,679
Bank premises:													
Nov. 29.....	46,282	5,252	10,325	624	6,882	2,571	1,988	7,766	971	1,020	5,136	2,094	1,653
Dec. 6.....	46,394	5,251	10,325	624	6,937	2,571	1,997	7,765	971	1,020	5,136	2,094	1,703
Dec. 13.....	46,455	5,251	10,325	639	6,970	2,571	2,007	7,766	971	1,020	5,136	2,094	1,705
Dec. 20.....	47,181	5,251	10,744	639	7,042	2,571	2,108	7,781	971	1,042	5,169	2,095	1,768
Dec. 27.....	47,227	5,251	10,760	639	7,043	2,571	2,110	7,781	971	1,057	5,169	2,095	1,780
5 per cent redemption fund against F. R. bank notes:													
Nov. 29.....	3,130	422	274	250	89	123	468	665	103	196	300	146	94
Dec. 6.....	2,780	422	224	75	89	98	468	665	103	196	200	146	94
Dec. 13.....	2,680	422	199	75	89	98	468	665	103	196	200	146	19
Dec. 20.....	2,625	422	174	75	89	68	468	665	103	196	200	146	19
Dec. 27.....	2,520	422	149	75	89	68	468	665	23	196	200	146	19
Uncollected items:													
Nov. 29.....	599,826	49,886	124,770	49,398	59,319	55,988	22,785	81,852	37,916	16,541	40,888	25,083	35,400
Dec. 6.....	660,119	60,665	139,803	50,904	60,775	57,769	28,116	80,267	43,759	19,523	44,333	27,850	46,355
Dec. 13.....	709,289	68,766	157,056	58,926	64,117	59,430	29,552	87,572	43,955	18,648	43,913	29,705	47,649
Dec. 20.....	759,392	71,758	163,328	63,723	70,931	61,781	31,754	99,051	48,627	19,823	49,446	28,594	50,576
Dec. 27.....	757,500	73,504	134,328	58,364	74,612	58,543	33,340	93,849	50,454	19,362	51,577	29,741	59,826
All other resources:													
Nov. 29.....	15,050	478	1,769	646	693	528	235	720	489	1,743	874	1,926	4,949
Dec. 6.....	15,379	495	1,810	669	780	533	349	772	501	1,679	913	1,913	4,965
Dec. 13.....	15,729	508	2,037	692	766	530	304	795	512	1,710	965	1,922	4,988
Dec. 20.....	14,840	416	1,875	431	721	533	342	841	385	1,685	846	1,817	4,948
Dec. 27.....	15,226	446	2,175	432	527	696	354	892	379	1,731	845	1,856	4,893
Total resources:													
Nov. 29.....	5,080,905	390,112	1,487,051	394,213	476,046	230,055	212,593	779,172	215,072	132,165	209,071	136,223	419,132
Dec. 6.....	5,181,253	403,304	1,519,868	398,654	475,510	229,930	219,756	783,709	224,901	141,049	214,631	137,567	432,374
Dec. 13.....	5,188,643	408,587	1,502,042	406,307	482,671	230,339	217,571	790,484	222,967	133,148	215,994	136,300	442,333
Dec. 20.....	5,279,299	410,905	1,534,366	415,801	491,958	230,240	220,280	811,570	223,929	139,734	216,446	139,181	444,988
Dec. 27.....	5,305,411	419,431	1,530,680	415,627	509,353	227,455	220,596	812,290	228,655	138,415	219,314	136,045	447,550

RESOURCES AND LIABILITIES OF EACH FEDERAL RESERVE BANK ON WEDNESDAYS, NOVEMBER 29 TO DECEMBER 27, 1922—Continued.

[In thousands of dollars.]

	Total.	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.
MEMORANDA.													
Ratio of total reserves to deposit and F.R. note liabilities combined—per cent:													
Nov. 29.....	76.4	65.7	85.0	74.3	70.6	73.1	75.3	81.4	69.0	76.1	62.8	60.2	69.7
Dec. 6.....	74.3	66.6	78.1	74.0	70.8	74.0	77.9	79.9	70.4	77.2	60.9	57.9	70.0
Dec. 13.....	75.1	68.4	80.4	74.8	68.8	71.6	78.2	82.1	70.2	74.7	60.9	54.1	70.7
Dec. 20.....	72.8	64.1	79.2	71.7	68.9	67.1	76.1	78.2	63.3	74.3	53.9	57.0	69.1
Dec. 27.....	72.1	62.9	80.0	70.7	70.8	60.2	76.1	76.1	59.8	73.8	57.3	56.7	66.7
Contingent liability on bills purchased for foreign correspondents:													
Nov. 29.....	31,512	2,328	11,733	2,143	2,615	1,563	1,148	3,795	1,499	861	1,531	829	1,467
Dec. 6.....	31,007	2,285	11,614	2,095	2,556	1,534	1,127	3,724	1,471	845	1,502	814	1,440
Dec. 13.....	31,366	2,318	11,673	2,132	2,604	1,556	1,143	3,779	1,493	857	1,524	826	1,461
Dec. 20.....	33,152	2,430	12,492	2,254	2,729	1,631	1,198	3,961	1,564	899	1,598	865	1,531
Dec. 27.....	33,981	2,509	12,639	2,340	2,818	1,683	1,237	4,089	1,615	928	1,649	893	1,581

MATURITY DISTRIBUTION OF BILLS, CERTIFICATES OF INDEBTEDNESS, AND MUNICIPAL WARRANTS HELD BY THE 12 FEDERAL RESERVE BANKS COMBINED.

[In thousands of dollars.]

	Total.	Within 15 days.	16 to 30 days.	31 to 60 days.	61 to 90 days.	Over 90 days.
Bills discounted:						
Nov. 29.....	650,096	445,401	56,419	73,103	45,218	29,955
Dec. 6.....	704,945	499,882	58,631	69,028	48,689	28,715
Dec. 13.....	659,758	462,861	54,344	65,992	45,942	30,619
Dec. 20.....	615,558	419,329	49,405	66,519	48,794	31,511
Dec. 27.....	629,885	436,465	48,609	63,372	50,059	31,380
Bills bought in open market:						
Nov. 29.....	259,226	60,451	44,747	88,869	47,121	18,088
Dec. 6.....	266,827	71,874	53,195	83,830	47,247	10,681
Dec. 13.....	262,572	73,985	56,663	78,029	45,649	8,246
Dec. 20.....	251,728	72,811	65,693	70,654	34,461	8,109
Dec. 27.....	246,293	83,210	50,737	69,056	38,083	5,207
United States certificates of indebtedness:						
Nov. 29.....	142,125	3,484	1,007	1,720	76	135,838
Dec. 6.....	142,389	2,258	720	1,000	576	137,835
Dec. 13.....	137,218	225	1,720	.....	76	135,197
Dec. 20.....	253,282	76,670	500	.....	62,383	113,729
Dec. 27.....	278,691	103,595	.....	76	62,670	112,350
Municipal warrants:						
Nov. 29.....	24	.....	.....	24	.....	.....
Dec. 6.....	26	.....	.....	26	.....	.....
Dec. 13.....	34	8	26	.....	.....	.....
Dec. 20.....	26	.....	26	.....	.....	.....
Dec. 27.....	40	14	18	8	.....	.....

FEDERAL RESERVE NOTES.

FEDERAL RESERVE AGENTS' ACCOUNTS ON WEDNESDAYS, NOVEMBER 29 TO DECEMBER 27, 1922.

[In thousands of dollars.]

	Total.	Boston.	New York.	Philadel- phia.	Cleve- land.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas	San Fran- cisco.
Net amount of F. R. notes received from Comptroller of the Currency:													
Nov. 29.....	3,609,182	304,795	1,190,850	268,654	281,054	134,158	202,544	539,392	137,704	70,612	94,939	62,616	315,864
Dec. 6.....	3,606,113	306,278	1,194,730	271,929	280,777	132,598	202,380	530,730	138,148	72,442	94,345	62,147	319,609
Dec. 13.....	3,640,536	302,805	1,194,690	271,466	291,423	137,698	201,564	547,168	137,854	73,928	96,865	61,558	323,517
Dec. 20.....	3,666,113	308,206	1,188,744	279,599	295,164	140,417	203,551	548,971	136,848	73,013	99,379	61,098	331,123
Dec. 27.....	3,679,260	310,515	1,181,133	282,837	306,624	139,302	203,587	551,631	137,732	72,843	98,887	60,740	333,429
F. R. notes on hand:													
Nov. 29.....	890,711	87,700	404,410	39,760	31,140	29,020	73,239	101,040	25,720	10,613	15,560	18,299	54,210
Dec. 6.....	875,231	88,100	399,610	42,360	27,840	24,340	71,999	92,800	25,220	11,753	15,560	18,079	57,570
Dec. 13.....	865,216	80,900	399,610	34,640	27,940	28,120	70,519	102,360	24,220	12,558	16,560	18,019	49,770
Dec. 20.....	847,308	80,900	399,610	38,160	24,640	27,200	69,689	86,800	23,270	10,950	17,660	17,359	51,070
Dec. 27.....	844,168	83,100	399,610	37,360	29,940	26,400	67,189	78,920	22,470	9,710	19,060	16,939	53,470
F. R. notes outstanding:													
Nov. 29.....	2,718,471	217,095	792,440	228,894	249,914	105,138	129,305	438,352	111,984	59,999	79,379	44,317	261,654
Dec. 6.....	2,730,882	218,178	795,120	229,569	252,937	108,258	130,381	437,930	112,928	60,689	78,785	44,068	262,099
Dec. 13.....	2,775,320	221,905	795,080	236,826	263,483	109,578	131,045	444,808	113,634	61,370	80,305	43,539	273,747
Dec. 20.....	2,818,805	227,306	789,134	241,439	270,524	113,217	133,862	462,171	113,578	62,063	81,719	43,739	280,053
Dec. 27.....	2,835,092	227,415	781,523	245,477	276,684	112,902	136,398	472,711	115,262	63,133	79,827	43,801	279,959
Collateral security for F. R. notes outstanding:													
Gold and gold certificates—													
Nov. 29.....	346,317	15,300	283,184	.....	13,275	.....	2,400	.....	11,610	13,052	.....	7,496	.....
Dec. 6.....	346,292	15,300	283,184	.....	13,275	.....	2,400	.....	11,610	13,052	.....	7,471	.....
Dec. 13.....	346,292	15,300	283,184	.....	13,275	.....	2,400	.....	11,610	13,052	.....	7,471	.....
Dec. 20.....	346,292	15,300	283,184	.....	13,275	.....	2,400	.....	11,610	13,052	.....	7,471	.....
Dec. 27.....	353,657	15,300	283,184	7,000	13,275	.....	2,400	.....	11,975	13,052	.....	7,471	.....
Gold redemption fund—													
Nov. 29.....	131,560	19,408	35,666	11,598	12,882	2,524	5,225	14,853	4,619	1,649	3,342	2,991	16,803
Dec. 6.....	131,716	16,891	35,469	13,872	13,204	3,964	4,061	14,191	3,943	2,990	4,548	3,523	15,051
Dec. 13.....	131,365	13,418	35,225	12,410	12,951	2,104	3,244	16,669	4,609	2,684	4,268	2,933	20,850
Dec. 20.....	137,454	19,819	35,041	13,982	13,191	3,323	5,231	15,472	4,603	1,770	3,383	2,473	19,166
Dec. 27.....	133,090	16,928	34,875	16,221	14,811	2,208	4,268	15,571	4,047	1,320	2,890	2,616	17,335
Gold fund—F. R. Board—													
Nov. 29.....	1,570,207	93,000	341,000	153,889	155,000	63,795	89,000	354,645	60,300	28,000	50,360	15,000	166,218
Dec. 6.....	1,567,202	93,000	341,000	155,889	155,000	60,795	94,500	346,644	58,300	28,000	48,360	15,000	170,714
Dec. 13.....	1,625,412	113,000	341,000	159,889	155,000	65,795	95,000	367,645	60,300	28,000	48,360	15,000	176,423
Dec. 20.....	1,633,942	108,000	341,000	166,389	155,000	62,795	92,000	374,645	58,300	30,000	47,360	12,500	185,953
Dec. 27.....	1,712,099	118,000	391,000	162,889	155,000	62,795	97,000	389,645	56,500	32,000	49,360	12,500	185,410
Eligible paper—													
Nov. 29.....	670,387	89,387	132,590	63,407	68,757	38,810	32,680	68,854	35,455	17,298	25,677	18,830	78,633
Dec. 6.....	685,672	92,987	135,467	59,808	71,458	43,499	29,420	77,095	39,075	16,638	25,677	18,074	76,274
Dec. 13.....	672,251	80,187	135,671	64,527	82,257	41,679	30,401	60,494	37,115	17,634	27,677	18,135	76,474
Dec. 20.....	701,117	84,187	129,909	61,068	89,058	47,099	34,231	72,054	39,065	17,241	30,976	21,295	74,934
Dec. 27.....	636,246	77,187	72,464	59,367	93,598	47,899	32,730	67,495	42,740	16,761	27,577	21,214	77,214
Excess amount held—													
Nov. 29.....	197,296	16,565	37,174	2,515	37,322	7,839	17,314	36,480	7,391	3,354	3,583	17,117	10,642
Dec. 6.....	239,116	3,972	108,827	3,661	29,174	1,739	14,095	36,865	3,125	3,385	6,239	18,960	9,074
Dec. 13.....	215,096	11,319	76,135	1,759	31,462	7,758	11,674	36,212	3,235	2,472	4,065	20,851	8,154
Dec. 20.....	131,013	3,442	31,236	5,663	20,341	4,221	9,410	21,880	2,407	2,897	3,675	18,818	7,023
Dec. 27.....	200,687	18,490	93,556	6,576	9,785	8,336	7,482	32,336	20	3,321	3,261	16,220	1,304

CONDITION OF MEMBER BANKS IN LEADING CITIES.

PRINCIPAL RESOURCES AND LIABILITIES OF MEMBER BANKS IN LEADING CITIES ON WEDNESDAYS, FROM NOVEMBER 22 TO DECEMBER 20, 1922.

ALL REPORTING MEMBER BANKS IN EACH FEDERAL RESERVE DISTRICT.

[In thousands of dollars.]

Table with 13 columns: Total, Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, San Francisco. Rows include categories like Number of reporting banks, Loans and discounts, U. S. bonds, U. S. Treasury notes, U. S. certificates of indebtedness, and Other bonds, stocks, and securities.

PRINCIPAL RESOURCES AND LIABILITIES OF MEMBER BANKS IN LEADING CITIES ON WEDNESDAYS, FROM NOVEMBER 22 TO DECEMBER 20, 1922—Continued.

ALL REPORTING MEMBER BANKS IN EACH FEDERAL RESERVE DISTRICT—Continued.

[In thousands of dollars.]

	Total.	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.
Reserve with F. R. banks:													
Nov. 22.....	1,375,792	85,392	650,381	68,026	96,145	36,118	33,821	188,095	37,950	23,041	45,530	27,040	84,253
Nov. 29.....	1,356,129	81,516	614,170	68,694	104,444	35,732	32,418	198,363	37,793	20,554	45,104	26,043	91,298
Dec. 6.....	1,392,010	83,686	640,286	71,509	104,137	35,242	32,052	197,883	40,100	25,156	48,010	25,930	88,019
Dec. 13.....	1,360,204	84,363	616,361	67,421	93,987	34,869	32,533	201,146	42,267	20,364	50,723	26,434	89,736
Dec. 20.....	1,384,597	83,286	635,125	69,229	97,944	31,984	33,540	202,959	41,736	23,852	47,844	27,648	89,459
Cash in vault:													
Nov. 22.....	294,259	18,797	88,629	17,289	31,936	14,701	10,256	55,918	7,777	6,432	12,137	9,900	20,487
Nov. 29.....	286,463	17,689	89,219	17,468	29,464	13,540	9,979	54,077	8,064	5,769	11,762	9,687	19,745
Dec. 6.....	308,777	20,120	92,543	17,843	34,528	15,161	11,001	57,539	8,325	6,274	12,577	10,311	22,555
Dec. 13.....	320,341	21,471	96,865	18,892	36,207	14,900	10,720	59,329	9,008	6,771	12,904	10,370	22,904
Dec. 20.....	344,814	22,677	107,656	20,818	40,327	15,624	11,587	62,762	10,080	6,302	12,973	10,268	23,740
Net demand deposits:													
Nov. 22.....	11,038,867	809,742	4,775,836	693,958	857,527	330,030	270,278	1,422,158	342,273	200,587	436,529	240,279	659,670
Nov. 29.....	11,094,036	798,593	4,831,684	692,601	861,747	332,001	271,688	1,434,443	337,315	203,471	437,060	240,187	653,246
Dec. 6.....	11,010,180	802,011	4,752,265	698,028	868,276	336,539	273,863	1,399,470	343,229	205,437	440,131	241,729	649,202
Dec. 13.....	11,111,839	814,868	4,789,658	693,307	855,138	333,238	279,567	1,448,244	356,617	206,071	443,706	235,628	652,797
Dec. 20.....	11,186,196	809,405	4,861,749	703,025	847,757	331,459	277,120	1,464,504	356,509	207,652	440,561	236,770	649,685
Time deposits:													
Nov. 22.....	3,658,822	238,637	789,401	59,853	516,623	148,263	160,138	733,856	178,078	81,669	122,353	68,697	561,254
Nov. 29.....	3,647,977	238,964	774,207	58,116	519,322	147,065	159,189	732,092	178,201	82,988	122,384	69,468	565,981
Dec. 6.....	3,694,727	239,230	779,825	57,971	552,767	146,022	160,916	733,975	177,745	83,601	123,974	70,646	568,055
Dec. 13.....	3,691,373	237,431	778,203	58,302	555,823	144,442	160,041	734,628	176,419	83,918	123,592	70,285	568,289
Dec. 20.....	3,687,168	235,895	760,520	58,841	569,122	145,494	160,007	740,266	177,129	84,414	126,043	70,597	567,810
Government deposits:													
Nov. 22.....	171,551	17,647	73,911	15,258	11,311	5,761	5,475	15,944	12,152	3,228	3,348	2,013	5,503
Nov. 29.....	170,637	17,648	73,911	15,284	11,362	5,836	5,472	15,393	12,145	2,738	3,348	2,010	5,490
Dec. 6.....	162,592	16,767	70,215	14,518	10,693	5,553	5,168	14,796	11,542	3,024	3,181	1,909	5,226
Dec. 13.....	151,209	16,767	70,215	2,889	10,693	5,543	5,167	15,005	11,541	3,051	3,201	1,911	5,226
Dec. 20.....	511,368	26,204	273,266	33,539	25,830	10,860	13,251	55,712	14,848	7,862	9,095	14,475	26,426
Bills payable with F. R. banks:													
Secured by U. S. Government obligations—													
Nov. 22.....	209,245	9,116	117,800	13,826	10,760	12,976	2,450	19,844	6,402	703	4,963	300	10,605
Nov. 29.....	204,014	13,639	87,301	16,362	21,186	12,550	1,624	19,535	6,583	703	5,931	425	18,175
Dec. 6.....	270,877	11,889	159,423	15,502	11,853	12,116	1,500	25,870	7,968	1,023	8,008	160	15,565
Dec. 13.....	233,128	7,000	138,447	13,218	17,414	14,169	1,350	17,025	7,514	1,023	7,308	160	8,500
Dec. 20.....	201,691	9,485	103,426	16,222	13,996	13,026	1,325	15,993	7,351	1,013	9,859	475	9,520
All others—													
Nov. 22.....	396				20	275							101
Nov. 29.....	661				20	500							141
Dec. 6.....	650				20	500							130
Dec. 13.....	535				20	688							127
Dec. 20.....	647				20	500							127
Bills rediscounted with F. R. banks:													
Secured by U. S. Government obligations—													
Nov. 22.....	1,239	203	123	125	188	79	189	131	111	1	26	9	54
Nov. 29.....	1,640	203	408	125	207	147	203	162	92	1	27	9	56
Dec. 6.....	2,719	203		1,535	253	160	145	241	92	1	2	9	58
Dec. 13.....	1,621	203		500	238	116	191	193	104	1	17	8	50
Dec. 20.....	1,554	200		500	175	167	112	212	47	1	108	3	29
All other—													
Nov. 22.....	149,464	34,186	21,344	8,149	13,313	11,329	12,099	15,268	8,554	2,171	9,664	3,461	9,926
Nov. 29.....	175,578	40,087	22,847	14,452	13,467	12,541	15,307	20,663	9,278	2,816	8,548	3,232	12,340
Dec. 6.....	176,197	35,301	26,063	14,410	15,401	11,611	10,508	24,601	9,850	3,021	9,617	3,240	12,574
Dec. 13.....	161,298	34,545	17,503	11,848	15,122	13,867	9,192	18,391	8,940	2,555	9,836	3,088	16,411
Dec. 20.....	146,789	29,282	10,565	8,911	15,499	16,248	10,930	15,287	9,985	2,729	10,313	3,595	13,445

PRINCIPAL RESOURCES AND LIABILITIES OF MEMBER BANKS IN LEADING CITIES ON WEDNESDAYS, FROM NOVEMBER 22 TO DECEMBER 20, 1922—Continued.

MEMBER BANKS IN FEDERAL RESERVE BANK CITIES.

[In thousands of dollars.]

Table with 14 columns: Total, Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, San Francisco. Rows include: Number of reporting banks; Loans and discounts, including bills rediscounted with F. R. banks (Secured by U. S. Government obligations, Secured by stocks and bonds, All other); Total loans and discounts, including bills rediscounted with F. R. banks; U. S. bonds; U. S. Victory notes; U. S. Treasury notes; U. S. certificates of indebtedness; Other bonds, stocks, and securities; Total loans and discounts and investments, including bills rediscounted with F. R. banks.

PRINCIPAL RESOURCES AND LIABILITIES OF MEMBER BANKS IN LEADING CITIES ON WEDNESDAYS, FROM NOVEMBER 22 TO DECEMBER 20, 1922—Continued.

MEMBER BANKS IN FEDERAL RESERVE BANK CITIES—Continued.

[In thousands of dollars.]

	Total.	Boston.	New York.	Philadel- phia.	Cleve- land.	Rich- mond.	Atlan- ta.	Chica- go.	St. Louis.	Min- neap- olis.	Kan- sas City.	Dallas.	San Fran- cisco.
Reserve with F. R. banks:													
Nov. 22.....	999,620	68,488	605,177	62,326	31,038	6,386	5,918	131,050	25,624	12,131	15,110	7,933	28,439
Nov. 29.....	970,050	65,674	569,973	62,672	30,749	5,734	5,058	141,759	24,961	9,530	14,048	7,043	32,849
Dec. 6.....	1,007,807	66,330	594,145	65,652	33,025	6,082	5,841	142,516	26,433	13,718	16,774	6,368	30,923
Dec. 13.....	973,703	67,853	563,936	62,046	30,814	5,782	5,231	143,658	26,742	9,111	18,101	7,248	33,181
Dec. 20.....	1,002,192	67,828	588,054	63,785	31,248	5,933	6,317	144,546	26,927	12,603	15,861	7,864	31,176
Cash in vault:													
Nov. 22.....	154,395	8,110	74,555	13,932	7,717	1,004	1,992	31,404	3,705	2,176	2,252	1,444	6,104
Nov. 29.....	153,612	7,992	75,762	14,655	7,635	986	1,967	29,838	3,771	1,844	2,287	1,198	5,677
Dec. 6.....	161,000	8,958	77,373	14,404	8,657	993	2,057	32,055	3,709	2,070	2,479	1,256	6,989
Dec. 13.....	169,786	9,833	81,728	15,162	9,954	1,082	2,017	33,011	4,155	2,022	2,595	1,382	6,845
Dec. 20.....	185,933	11,161	90,351	16,441	10,428	1,330	2,300	35,596	5,147	2,086	2,697	1,521	6,875
Net demand deposits:													
Nov. 22.....	7,634,599	629,288	4,289,380	614,897	223,768	54,756	45,008	978,585	233,465	95,367	153,194	66,225	250,666
Nov. 29.....	7,680,078	618,041	4,346,583	612,413	225,920	56,653	45,523	990,967	226,500	96,736	153,556	65,791	241,395
Dec. 6.....	7,581,599	620,102	4,256,352	616,305	233,237	58,180	45,264	964,528	229,196	96,937	153,738	65,063	242,697
Dec. 13.....	7,642,316	629,558	4,279,097	612,096	232,457	54,518	45,806	988,508	241,085	95,303	157,207	65,719	240,962
Dec. 20.....	7,745,415	628,639	4,360,530	619,616	224,997	57,045	47,281	1,011,973	235,972	100,575	154,634	64,181	239,972
Time deposits:													
Nov. 22.....	1,800,120	104,150	558,137	43,747	305,321	24,432	20,195	352,168	104,377	33,599	14,640	9,913	229,441
Nov. 29.....	1,788,148	104,288	542,754	42,037	307,396	24,373	20,327	350,499	104,226	34,670	14,563	9,953	233,062
Dec. 6.....	1,794,587	104,628	549,306	41,786	305,121	24,258	20,348	351,427	103,849	35,978	14,654	10,816	233,316
Dec. 13.....	1,791,824	103,152	547,055	42,102	305,140	23,927	20,247	352,062	103,469	35,145	14,686	10,750	234,089
Dec. 20.....	1,775,833	101,552	527,549	42,029	309,070	24,129	20,300	357,860	103,455	35,478	14,807	10,697	228,907
Government deposits:													
Nov. 22.....	126,767	14,069	66,298	14,377	2,702	740	1,480	8,733	9,887	1,655	1,841	1,064	3,921
Nov. 29.....	126,662	14,070	66,298	14,403	2,702	818	1,479	8,532	9,887	1,655	1,841	1,064	3,913
Dec. 6.....	120,421	13,366	62,983	13,682	2,529	778	1,400	8,250	9,391	1,556	1,748	1,013	3,725
Dec. 13.....	109,362	13,366	62,983	2,724	2,529	778	1,400	8,151	9,390	1,555	1,748	1,013	3,725
Dec. 20.....	400,827	19,141	260,944	31,739	5,582	3,067	1,792	33,626	11,526	4,172	5,743	8,524	14,971
Bills payable with F. R. banks:													
Secured by U. S. Government obligations—													
Nov. 22.....	140,370	4,701	101,855	11,251	725	2,826	1,710	4,909	2,033	83	777	.....	9,500
Nov. 29.....	120,950	9,199	69,330	13,642	225	775	1,384	3,645	4,173	83	1,844	.....	16,650
Dec. 6.....	190,557	8,924	141,195	12,752	945	394	1,230	5,550	2,218	123	2,676	.....	14,550
Dec. 13.....	152,344	5,575	115,530	11,768	930	2,947	730	4,618	1,112	123	561	.....	8,450
Dec. 20.....	121,053	6,345	82,060	14,422	895	958	.....	1,960	2,611	123	2,179	.....	9,500
All other—													
Nov. 22.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nov. 29.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Dec. 6.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Dec. 13.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Dec. 20.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bills rediscounted with F. R. banks:													
Secured by U. S. Government obligations—													
Nov. 22.....	494	203	123	125	.....	.....	.....	42	.....	.....	1	.....	.....
Nov. 29.....	766	203	408	125	.....	.....	.....	28	.....	.....	2	.....	.....
Dec. 6.....	1,866	203	.....	1,555	.....	.....	.....	106	.....	.....	2	.....	.....
Dec. 13.....	806	203	.....	500	.....	.....	.....	101	.....	.....	2	.....	.....
Dec. 20.....	816	200	.....	500	.....	.....	.....	114	.....	.....	2	.....	.....
All other—													
Nov. 22.....	77,354	33,560	10,711	8,139	3,971	3,407	518	4,953	1,210	481	1,563	1,852	6,989
Nov. 29.....	97,439	39,475	11,496	14,452	5,645	3,362	1,079	7,408	1,906	746	1,369	1,634	8,867
Dec. 6.....	104,517	34,624	16,420	14,410	5,873	3,189	690	13,098	2,553	850	2,203	1,634	8,973
Dec. 13.....	91,514	33,335	9,653	11,848	5,338	3,976	708	7,350	1,698	689	1,844	1,639	13,436
Dec. 20.....	74,407	28,862	4,072	8,911	5,165	4,207	950	5,180	2,532	1,024	919	1,920	10,665

BANK DEBITS.

Bank debits are reported to the Federal Reserve Board for banks in about 250 centers. Figures for each center for the four weeks ending December 20, 1922, and for the corresponding four weeks in 1921 are presented below and summarized, by Federal reserve districts, in the following table:

**DEBITS TO INDIVIDUAL ACCOUNTS BY BANKS IN REPORTING CENTERS.
SUMMARY BY FEDERAL RESERVE DISTRICTS.**

[In thousands of dollars.]

Federal reserve district.	1922 Week ending—				1921 Week ending—			
	Nov. 29.	Dec. 6.	Dec. 13.	Dec. 20.	Nov. 30.	Dec. 7.	Dec. 14.	Dec. 21.
No. 1—Boston.....	463,208	485,413	462,025	547,704	420,983	485,402	454,002	522,988
No. 2—New York.....	4,677,771	4,527,154	4,323,341	5,399,532	4,148,140	4,953,214	4,600,420	5,092,370
No. 3—Philadelphia.....	431,324	408,400	431,228	472,099	352,833	432,725	376,294	448,208
No. 4—Cleveland.....	488,028	529,349	577,745	562,702	372,280	427,815	408,990	493,280
No. 5—Richmond.....	213,361	218,021	224,008	247,636	207,325	246,163	226,928	239,263
No. 6—Atlanta.....	191,155	212,976	203,394	239,443	164,833	180,432	174,471	201,739
No. 7—Chicago.....	959,922	935,274	945,262	1,111,107	811,604	961,467	908,272	1,049,320
No. 8—St. Louis.....	249,337	242,285	253,783	296,204	195,891	234,163	215,241	236,926
No. 9—Minneapolis.....	150,791	150,081	154,294	164,290	118,041	137,727	131,413	132,523
No. 10—Kansas City.....	247,015	249,358	250,186	275,173	204,381	228,640	221,351	236,540
No. 11—Dallas.....	148,736	153,883	149,616	163,817	134,196	149,268	141,010	158,315
No. 12—San Francisco.....	533,408	514,488	539,251	590,994	468,664	536,443	489,808	562,491
Total.....	8,754,056	8,626,682	8,515,133	10,076,703	7,599,171	8,973,459	8,348,200	9,373,963

DATA FOR EACH REPORTING CENTER.

[In thousands of dollars.]

	1922 Week ending—				1921 Week ending—			
	Nov. 29.	Dec. 6.	Dec. 13.	Dec. 20.	Nov. 30.	Dec. 7.	Dec. 14.	Dec. 21.
District No. 1—Boston:								
Bangor, Me.....	2,835	3,184	3,211	3,225	3,335	3,693	3,578	4,483
Boston, Mass.....	318,482	335,063	304,807	369,965	299,565	342,536	318,886	364,359
Brockton, Mass.....	4,904	3,945	5,387	6,410				
Fall River, Mass.....	8,760	7,046	8,390	9,308	6,341	5,863	4,600	7,964
Hartford, Conn.....	20,362	21,677	21,364	26,969	20,765	22,608	21,209	21,966
Holyoke, Mass.....	3,936	3,715	3,731	4,336	2,575	2,806	2,828	3,311
Lowell, Mass.....	4,863	4,410	5,568	5,681	3,917	4,424	5,051	5,183
Lynn, Mass.....	5,576	6,279	6,181	6,413				
Manchester, N. H.....	4,035	6,498	6,964	6,437	3,975	6,197	6,728	4,965
New Bedford, Mass.....	7,460	6,435	7,092	8,822	5,732	5,966	6,785	8,152
New Haven, Conn.....	16,414	17,447	17,833	20,297	13,123	16,825	16,513	17,658
Portland, Me.....	7,793	8,143	10,593	7,547	7,023	8,510	6,807	7,815
Providence, R. I.....	32,522	34,832	32,912	39,502	27,704	30,439	29,699	37,684
Springfield, Mass.....	14,882	15,353	14,920	17,849	10,643	14,015	11,724	14,992
Waterbury, Conn.....	6,532	7,918	6,776	8,802	5,104	6,669	5,042	7,034
Worcester, Mass.....	14,332	13,692	17,864	18,964	11,181	14,851	14,552	17,422
District No. 2—New York:								
Albany, N. Y.....	19,018	23,554	23,985	30,760	18,540	20,973	22,572	22,939
Binghamton, N. Y.....	3,898	4,661	4,251	4,884	3,197	4,326	3,914	3,873
Buffalo, N. Y.....	68,127	61,470	63,297	72,143	47,941	56,709	57,271	63,268
Elmira, N. Y.....	3,138	3,126	3,225	3,789				
Jamestown, N. Y.....	3,744	3,841	3,916	4,414				
Montclair, N. J.....	2,839	3,056	3,166	4,147				
Newark, N. J.....	59,340	53,739	59,389	73,459				
New York, N. Y.....	4,531,560	4,379,083	4,180,662	5,229,239	4,038,837	4,819,118	4,470,028	4,949,793
No. New Jersey Clearing House Association.....	37,171	42,143	46,014	50,999				
Passaic, N. J.....	6,329	6,950	7,236	8,040	4,750	5,583	5,350	7,361
Rochester, N. Y.....	33,262	36,042	30,236	36,023	23,109	31,793	29,435	30,814
Stamford, Conn.....	2,748	2,598	2,646	3,231				
Syracuse, N. Y.....	15,577	15,394	13,674	18,438	11,766	14,712	11,850	14,322
District No. 3—Philadelphia:								
Allentown, Pa.....	6,046	5,933	6,005	7,312				
Alltoona, Pa.....	2,977	3,268	3,654	3,457	2,737	2,901	3,108	3,068
Camden, N. J.....	9,697	12,304	12,519	13,873				
Chester, Pa.....	4,959	4,202	4,250	6,277	4,054	4,176	3,686	5,170
Harrisburg, Pa.....	7,387	7,698	7,098	8,828	5,768	6,923	6,973	8,362
Hazleton, Pa.....	2,783	2,184	2,345	2,786				
Johnstown, Pa.....	5,372	5,210	6,174	5,706	5,095	4,612	4,452	5,158
Lancaster, Pa.....	5,233	4,871	5,173	6,192	4,348	4,980	4,728	5,319
Lebanon, Pa.....	1,501	1,313	1,482	1,595				
Norristown, Pa.....	831	752	996	926				
Philadelphia, Pa.....	343,098	326,013	340,309	369,974	279,275	352,474	295,669	356,665

DEBITS TO INDIVIDUAL ACCOUNTS BY BANKS IN REPORTING CENTERS—Continued.

DATA FOR EACH REPORTING CENTER—Continued.

[In thousands of dollars.]

	1922 Week ending—				1921 Week ending—			
	Nov. 29.	Dec. 6.	Dec. 13.	Dec. 20.	Nov. 30.	Dec. 7.	Dec. 14.	Dec. 21.
District No. 3—Philadelphia—Continued.								
Reading, Pa.	9,799	8,398	9,316	10,365	7,223	8,513	7,142	7,986
Scranton, Pa.	16,886	13,433	16,352	16,998	13,543	14,320	15,414	16,758
Trenton, N. J.	11,663	11,935	13,692	14,814	9,262	11,290	11,601	13,593
Wilkes-Barre, Pa.	9,661	7,753	9,423	10,018	8,834	7,597	9,048	9,998
Williamsport, Pa.	3,836	4,060	4,181	4,237	3,344	4,086	4,633	4,541
Wilmington, Del.	6,963	6,859	7,197	9,618	5,974	7,108	5,993	7,300
York, Pa.	3,490	4,700	4,409	5,615	3,376	3,745	3,842	4,290
District No. 4—Cleveland:								
Akron, Ohio.	12,499	13,349	14,301	15,340	8,916	11,257	10,198	13,758
Butler, Pa.	2,164	2,102	2,417	2,572	.....	.....	.....	.....
Canton, Ohio.	8,951	8,954	11,762	11,070	.....	.....	.....	.....
Cincinnati, Ohio.	68,276	71,654	69,084	82,533	49,423	61,155	60,607	75,441
Cleveland, Ohio.	132,690	128,845	131,458	148,818	107,038	124,471	115,502	144,371
Columbus, Ohio.	29,059	31,442	31,664	34,820	22,775	26,821	26,417	30,648
Connellsville, Pa.	1,508	1,259	1,540	1,420	.....	.....	.....	.....
Dayton, Ohio.	12,051	15,270	14,225	15,523	12,948	13,714	12,852	12,728
Erie, Pa.	6,415	6,231	6,388	7,499	5,364	5,717	7,062	6,357
Greensburg, Pa.	5,338	4,195	4,439	4,765	3,133	3,705	4,347	6,270
Homestead, Pa.	718	730	752	794	.....	.....	.....	.....
Lexington, Ky.	4,814	5,165	5,951	6,548	3,364	4,205	3,856	4,208
Lima, Ohio.	3,333	3,217	3,537	4,203	.....	.....	.....	.....
Lorain, Ohio.	1,086	1,261	1,415	1,359	.....	.....	.....	.....
New Brighton, Pa.	2,353	2,166	2,343	2,576	.....	.....	.....	.....
Oil City, Pa.	3,112	2,637	3,019	3,398	2,296	2,854	2,456	2,994
Pittsburgh, Pa.	190,435	220,312	269,068	216,153	137,511	151,063	144,867	173,251
Springfield, Ohio.	4,524	5,489	4,938	4,123	2,747	3,509	3,297	3,630
Toledo, Ohio.	27,166	33,738	35,234	45,514	.....	.....	.....	.....
Warren, Ohio.	2,752	3,107	3,107	2,862	.....	.....	.....	.....
Wheeling, W. Va.	8,264	11,135	9,993	10,936	8,034	8,721	7,358	9,309
Youngstown, Ohio.	10,551	13,565	13,217	12,246	8,731	10,623	10,171	10,315
Zanesville, Ohio.	2,364	2,378	2,764	2,871	.....	.....	.....	.....
District No. 5—Richmond:								
Asheville, N. C.	4,542	3,857	4,217	4,228	.....	.....	.....	.....
Baltimore, Md.	82,386	79,944	80,500	97,500	101,394	112,746	100,000	109,915
Charleston, S. C.	5,000	5,986	6,607	5,784	5,875	5,455	5,109	6,960
Charleston, W. Va.	9,557	9,839	9,028	10,551	.....	.....	.....	.....
Charlotte, N. C.	8,063	9,656	8,843	9,614	6,717	6,365	6,013	7,704
Columbia, S. C.	4,138	5,189	5,072	5,395	3,950	5,526	4,690	5,029
Cumberland, Md.	1,971	1,563	2,287	2,240	.....	.....	.....	.....
Danville, Va.	3,043	3,533	3,389	3,862	.....	.....	.....	.....
Durham, N. C.	4,983	5,000	5,288	5,081	.....	.....	.....	.....
Greensboro, N. C.	6,169	5,073	5,875	4,859	.....	.....	.....	.....
Greenville, S. C.	5,000	5,000	4,200	4,700	3,274	4,181	3,912	3,744
Hagerstown, Md.	1,911	1,952	2,036	2,464	.....	.....	.....	.....
Huntington, W. Va.	5,716	5,719	5,677	7,166	3,900	5,103	4,435	5,791
Lynchburg, Va.	4,414	4,816	4,562	5,517	.....	.....	.....	.....
Newport News, Va.	2,283	2,036	1,827	1,986	.....	.....	.....	.....
Norfolk, Va.	17,094	20,807	23,147	17,449	13,913	18,978	17,265	15,904
Raleigh, N. C.	5,800	7,400	8,700	9,300	3,050	3,400	3,900	3,100
Richmond, Va.	31,250	31,583	33,285	35,388	28,269	37,319	32,387	31,115
Roanoke, Va.	5,362	6,475	7,675	5,821	.....	.....	.....	.....
Spartanburg, S. C.	2,634	2,225	2,567	2,385	.....	.....	.....	.....
Washington, D. C.	42,220	41,388	42,752	49,459	32,838	42,151	44,554	44,533
Wilmington, N. C.	6,694	5,349	5,225	5,881	4,145	4,939	4,663	5,468
Winston-Salem, N. C.	6,848	5,960	7,254	11,995	.....	.....	.....	.....
District No. 6—Atlanta:								
Albany, Ga.	1,014	1,300	1,128	1,300	.....	.....	.....	.....
Atlanta, Ga.	27,064	26,182	28,521	32,606	21,957	25,489	24,629	30,993
Augusta, Ga.	6,601	7,340	6,648	7,276	5,621	6,337	5,379	8,115
Birmingham, Ala.	24,834	20,823	23,309	25,799	12,031	13,920	15,331	16,453
Brunswick, Ga.	584	662	663	734	.....	.....	.....	.....
Chattanooga, Tenn.	7,226	8,307	8,626	9,064	5,963	8,491	8,112	9,114
Columbus, Ga.	3,177	3,019	3,027	3,701	.....	.....	.....	.....
Cordele, Ga.	450	444	452	379	.....	.....	.....	.....
Dothan, Ala.	1,088	610	644	705	.....	.....	.....	.....
Elberton, Ga.	207	237	244	302	.....	.....	.....	.....
Jackson, Miss.	2,410	3,165	2,959	3,172	.....	.....	.....	.....
Jacksonville, Fla.	10,554	12,330	12,104	13,023	10,072	10,279	9,767	11,976
Knoxville, Tenn.	5,831	6,224	6,632	9,279	4,770	6,032	6,163	6,657
Macon, Ga.	4,227	4,487	5,227	5,407	3,505	4,027	3,923	4,980
Meridian, Miss.	1,762	2,220	2,165	1,922	.....	.....	.....	.....
Mobile, Ala.	5,404	7,633	6,621	7,139	6,279	6,180	6,179	6,676
Montgomery, Ala.	4,550	5,278	4,796	5,281	3,230	3,780	3,883	4,414
Nashville, Tenn.	14,762	16,111	16,027	17,414	12,060	14,123	14,823	15,765
Newnan, Ga.	250	342	333	527	.....	.....	.....	.....
New Orleans, La.	61,307	78,432	66,576	86,310	62,245	60,596	57,472	66,514
Pensacola, Fla.	1,025	1,814	1,555	1,781	1,344	1,570	1,626	1,452
Savannah, Ga.	9,242	8,779	8,876	8,996	9,198	11,370	9,599	12,109
Tampa, Fla.	6,528	6,766	6,960	7,267	4,797	6,482	5,902	4,910
Valdosta, Ga.	1,129	969	1,123	1,191	.....	.....	.....	.....
Vicksburg, Miss.	2,000	2,370	1,916	2,803	1,761	1,756	1,683	1,611

DEBITS TO INDIVIDUAL ACCOUNTS BY BANKS IN REPORTING CENTERS—Continued.

DATA FOR EACH REPORTING CENTER—Continued.

[In thousands of dollars.]

	1922 Week ending—				1921 Week ending—			
	Nov. 29.	Dec. 6.	Dec. 13.	Dec. 20.	Nov. 30.	Dec. 7.	Dec. 14.	Dec. 21.
District No. 7—Chicago:								
Adrian, Mich.	650	863	815	789				
Aurora, Ill.	2,102	3,519	2,973	3,345				
Bay City, Mich.	2,333	2,022	2,741	2,701	2,667	2,787	2,531	2,987
Bloomington, Ill.	1,853	2,911	2,265	2,692	1,898	2,117	2,230	2,454
Cedar Rapids, Iowa	4,575	5,288	5,443	5,133	7,798	9,608	9,623	8,898
Chicago, Ill.	637,012	587,641	586,073	686,220	548,462	648,920	596,510	675,522
Danville, Ill.	2,600	2,100	2,800	2,900				
Davenport, Iowa	6,652	8,979	7,346	7,940	5,785	6,947	6,076	7,045
Decatur, Ill.	2,960	3,278	3,365	3,551	2,200	3,162	3,242	3,290
Des Moines, Iowa	16,203	15,439	17,119	17,024	12,900	15,729	16,175	16,057
Detroit, Mich.	121,098	124,012	129,692	170,854	91,324	103,518	103,204	144,503
Dubuque, Iowa	2,644	3,098	3,011	3,648	2,597	2,763	2,401	2,858
Flint, Mich.	6,634	6,032	6,184	6,904	4,338	4,716	4,183	5,425
Fort Wayne, Ind.	7,271	6,871	7,488	7,467	6,002	7,742	7,044	8,468
Gary, Ind.	3,221	2,573	3,216	3,240				
Grand Rapids, Mich.	14,398	12,140	14,419	15,980	17,719	21,071	21,828	25,526
Green Bay, Wis.			2,376	2,544				
Hammond, Ind.	3,670	3,000	2,890	3,820				
Indianapolis, Ind.	27,978	38,583	37,945	43,738	25,070	30,844	34,130	36,058
Jackson, Mich.	4,472	3,340	3,760	4,506	2,514	3,124	3,217	4,332
Kalamazoo, Mich.	4,416	4,733	4,325	5,067	3,406	4,243	4,207	5,546
Lansing, Mich.	5,100	7,400	5,700	7,400	3,863	4,596	4,188	5,019
Mason City, Iowa	1,913	2,417	2,659	2,469				
Milwaukee, Wis.	52,816	54,500	59,752	66,377	43,377	53,350	53,291	58,659
Moline, Ill.	1,584	1,978	1,642	1,086	1,197	1,947	1,578	2,052
Muscataine, Iowa	1,115	1,322	1,386	1,419				
Oshkosh, Wis.	2,300	2,700	2,500	2,600				
Peoria, Ill.	6,757	10,516	10,837	10,118	6,027	8,190	7,824	8,709
Rockford, Ill.	3,978	5,619	4,784	5,086	3,959	5,137	4,108	4,522
Saginaw, Mich.	5,087	3,664	5,159	5,483				
Sioux City, Iowa	14,169	15,284	15,600	16,230	6,225	7,456	6,856	6,806
South Bend, Ind.	7,065	6,641	8,201	10,924	5,282	5,464	6,089	6,027
Springfield, Ill.	5,093	5,130	5,021	6,544	5,075	5,103	5,376	5,888
Waterloo, Iowa	2,861	3,839	3,549	3,917	1,919	2,933	2,361	2,669
District No. 8—St. Louis:								
East St. Louis and National Stock Yards, Ill.								
Evansville, Ind.	10,148	9,090	11,310	10,416	6,497	8,824	9,514	8,055
Fort Smith, Ark.	6,940	7,440	7,939	7,140	4,520	5,060	4,660	5,281
Greenville, Miss.	3,296	2,957	3,032	2,951				
Helena, Ark.	878	1,373	1,296	1,107				
Little Rock, Ark.	1,446	1,455	1,380	1,611				
Louisville, Ky.	14,349	14,555	15,165	14,366	9,349	10,544	10,044	11,211
Memphis, Tenn.	32,581	31,513	35,397	43,112	33,629	30,107	32,432	30,420
Owensboro, Ky.	39,220	39,581	36,880	41,256	23,434	28,937	26,293	27,453
Quincy, Ill.	1,579	1,580	1,911	2,351				
St. Louis, Mo.	2,313	2,357	3,016	2,688	1,805	2,722	2,245	2,242
Springfield, Mo.	141,217	134,488	140,670	173,709	114,359	145,004	127,162	148,996
	2,569	3,261	3,406	3,517	2,298	2,965	2,891	3,278
District No. 9—Minneapolis:								
Aberdeen, S. Dak.	941	1,490	1,305	1,575	1,418	1,536	1,221	1,706
Billings, Mont.	2,350	2,642	2,242	1,894	1,831	2,338	1,827	1,684
Dickinson, N. Dak.	460	483	325	400				
Duluth, Minn.	25,317	21,465	22,359	20,013	16,411	14,761	19,682	15,995
Fargo, N. Dak.	2,721	2,489	2,582	2,626	2,663	2,795	2,464	2,461
Grand Forks, N. Dak.	1,723	2,178	1,861	1,879	1,482	2,010	1,678	1,531
Helena, Mont.	2,753	2,743	2,658	3,284	2,401	3,558	3,647	3,435
Jamestown, N. Dak.	451	561	615	522				
Lewistown, Mont.	1,419	2,319	2,912	1,092				
Minneapolis, Minn.	76,256	76,547	79,379	86,216	60,821	72,262	65,886	69,482
Minot, N. Dak.	1,120	1,174	1,159	1,154				
Red Wing, Minn.	621	673	569	523				
St. Paul, Minn.	133,075	133,796	135,130	140,032	24,812	31,086	28,257	29,565
Do.	37,877	38,925	42,264	48,885				
Sioux Falls, S. Dak.	2,965	3,640	3,593	3,631	3,422	4,060	4,000	3,858
Superior, Wis.	1,645	1,891	1,804	1,851	1,929	2,119	1,724	1,774
Winona, Minn.	1,045	1,200	1,381	1,289	851	1,202	1,027	1,032
District No. 10—Kansas City:								
Atchison, Kans.	1,324	1,361	1,551	1,484	1,179	1,163	1,289	1,295
Bartlesville, Okla.	2,523	2,861	2,244	2,382	2,068	1,623	2,416	1,972
Casper, Wyo.	2,846	3,635	3,630	3,714				
Cheyenne, Wyo.	4,177	2,896	2,146	2,253	2,002	2,135	1,943	2,276
Colorado Springs, Colo.	2,509	2,394	3,007	2,948	2,096	2,468	3,045	2,535
Denver, Colo.	37,799	34,439	36,599	35,262	30,774	34,153	31,678	36,200
Enid, Okla.	1,899	3,103	2,754	3,189				
Fremont, Nebr.	1,802	944	762	918				
Grand Island, Nebr.	1,071	1,298	1,300	1,294				
Grand Junction, Colo.	627	772	679	834				
Guthrie, Okla.	605	886	793	1,312				
Hutchinson, Kans.	2,811	3,326	3,776	3,941				

¹ Debits of banks which submitted reports in 1921.

DEBITS TO INDIVIDUAL ACCOUNTS BY BANKS IN REPORTING CENTERS—Continued.

DATA FOR EACH REPORTING CENTER—Continued.

[In thousands of dollars.]

	1922 Week ending—				1921 Week ending—			
	Nov. 29.	Dec. 6.	Dec. 13.	Dec. 20.	Nov. 30.	Dec. 7.	Dec. 14.	Dec. 21.
District No. 10—Kansas City—Continued.								
Independence, Kans.	1,914	2,164	1,748	2,115				
Joplin, Mo.	2,593	2,869	3,207	3,152	1,900	2,243	2,322	2,444
Kansas City, Kans.	4,190	3,952	3,817	4,320	2,980	3,491	3,250	3,946
Kansas City, Mo.	72,848	69,213	70,750	87,152	57,280	67,995	64,355	68,889
Lawrence, Kans.	963	1,148	994	1,085				
McAlester, Okla.	1,363	1,193	896	1,249				
Muskogee, Okla.	6,119	7,585	6,838	7,028	3,837	3,111	3,045	3,703
Oklahoma City, Okla.	17,761	17,887	16,432	21,218	19,122	21,897	17,470	18,851
Okmulgee, Okla.	2,281	1,911	2,142	2,222				
Omaha, Nebr.	43,450	47,159	48,126	48,387	32,300	40,818	36,270	37,521
Parsons, Kans.	853	1,091	785	1,179				
Pittsburg, Kans.	1,331	1,300	1,501	1,510				
Pueblo, Colo.	5,631	3,657	3,151	4,079	5,157	3,794	2,979	4,969
St. Joseph, Mo.	14,899	16,913	15,413	16,020	14,016	16,211	16,361	16,368
Topeka, Kans.	2,841	3,644	3,465	3,353	3,141	3,112	5,051	3,997
Tulsa, Okla.	19,651	21,138	22,040	24,702	17,294	14,615	21,200	22,199
Wichita, Kans.	8,700	11,390	11,390	11,433	9,235	9,811	8,677	9,375
District No. 11—Dallas:								
Albuquerque, N. Mex.	2,286	2,312	2,264	2,520	1,954	2,141	1,580	1,937
Austin, Tex.	2,966	4,247	4,486	3,370	2,436	3,655	2,983	2,196
Beaumont, Tex.	2,806	3,792	3,752	4,321	2,477	3,005	3,209	3,673
Corsicana, Tex.	1,249	1,190	1,314	1,240				
Dallas, Tex.	39,401	41,258	38,951	47,488	34,334	36,752	33,549	40,312
El Paso, Tex.	6,772	8,144	6,871	7,588	6,997	7,913	7,297	7,678
Fort Worth, Tex.	24,772	25,186	26,420	27,116	29,440	30,420	31,312	31,246
Galveston, Tex.	19,095	19,496	17,076	17,822	14,115	18,598	16,169	16,012
Houston, Tex.	26,349	28,119	26,594	29,102	25,090	26,583	23,626	33,257
Roswell, N. Mex.	539	632	630	755				
San Antonio, Tex.	6,249	6,357	7,355	7,467	5,482	7,205	6,877	6,783
Shreveport, La.	10,155	7,538	7,325	8,249	5,625	5,815	6,946	7,727
Texarkana, Tex.	1,820	1,565	2,444	2,543	1,088	1,179	2,262	2,003
Tucson, Ariz.	1,703	1,752	1,915	2,005	1,504	1,899	1,622	1,659
Waco, Tex.	4,362	4,117	4,163	4,226	3,654	4,103	3,578	3,832
District No. 12—San Francisco:								
Bakersfield, Calif.	2,732	2,515	2,787	2,562				
Bellingham, Wash.	1,487	1,751	1,688	1,021				
Berkeley, Calif.	3,294	4,312	4,255	4,069	2,399	4,250	3,904	3,673
Boise, Idaho.	2,951	2,923	4,011	3,286	2,519	2,900	2,851	2,901
Eugene, Oreg.	1,809	1,400	2,740	2,400				
Fresno, Calif.	16,832	18,188	17,791	14,444	11,438	16,043	14,017	12,929
Long Beach, Calif.	8,632	11,484	11,605	12,799	6,007	7,373	6,915	6,164
Los Angeles, Calif.	129,692	126,368	139,481	158,223	108,789	113,380	116,726	140,442
Oakland, Calif.	22,421	31,249	26,219	28,676	17,851	23,122	20,136	23,791
Ogden, Utah.	7,466	8,246	7,755	8,895	4,626	4,871	3,426	3,360
Pasadena, Calif.	6,223	7,018	7,514	7,400	4,809	6,086	3,939	4,724
Phoenix, Ariz.	4,932	4,833	4,893	4,501				
Portland, Oreg.	30,748	29,491	34,241	34,669	29,325	30,269	32,632	32,500
Reno, Nev.	2,517	2,599	2,300	2,754	2,255	2,699	2,366	2,632
Ritzville, Wash.	150	220	178	151				
Sacramento, Calif.	10,877	17,273	21,432	22,847	13,338	19,831	19,285	17,617
Salt Lake City, Utah.	15,708	19,545	16,261	19,435	15,454	19,683	18,055	27,520
San Bernardino, Calif.	1,487	1,636	1,780	1,768				
San Diego, Calif.	9,212	9,694	11,250	11,504	7,144	9,876	9,398	9,081
San Francisco, Calif.	190,952	156,732	162,995	193,489	178,454	211,581	169,374	204,795
San Jose, Calif.	5,883	5,605	5,082	5,702	4,797	6,129	6,896	4,117
Seattle, Wash.	43,031	35,247	37,517	39,071	35,998	28,455	31,615	37,150
Spokane, Wash.	10,826	11,738	10,871	11,840	8,129	11,854	10,369	10,887
Stockton, Calif.	5,460	5,794	6,317	5,588	5,085	6,013	5,947	5,462
Tacoma, Wash.	8,319	8,306	9,763	10,094	7,701	8,504	9,018	9,617
Yakima, Wash.	2,384	2,620	2,531	2,209	2,546	3,444	2,939	3,129

GOLD AND SILVER IMPORTS AND EXPORTS.

IMPORTS INTO AND EXPORTS FROM THE UNITED STATES, DISTRIBUTED BY COUNTRIES.

Countries.	Gold.				Silver.			
	November.		11 months ending November.		November.		11 months ending November.	
	1921	1922	1921	1922	1921	1922	1921	1922
IMPORTS.								
Denmark.....			\$3,410,344	\$17,769,576			\$370	\$987
France.....	\$15,051,331	\$1,910,844	186,958,082	21,516,936	\$6,143		177,634	204,494
Germany.....	2,494,144	21,476	19,456,752	35,118	56,702		5,250,347	707,137
Netherlands.....	470,682	92,842	19,219,739	9,929,505			2,474	
Norway.....		648	1,534,985	8,423,894	3,656	1,764	7,767	11,732
Spain.....	26,828	20,720	3,319,281	55,663	143	44,364	16,471	116,485
Sweden.....	5,916,524	68,055	64,993,365	32,865,047			6,604	1,790
United Kingdom:								
England.....	18,407,191	11,762,865	188,361,912	106,131,504	1,036		1,186,219	199,073
Scotland.....				151,320				
Canada.....	2,375,255	836,322	34,541,659	9,876,375	273,318	1,388,090	3,551,385	6,051,706
Central America.....	498,694	276,724	5,845,086	4,178,033	131,566	256,293	1,947,578	1,377,940
Mexico.....	584,349	568,456	5,259,135	5,418,970	4,668,636	3,897,071	37,407,525	43,251,880
West Indies.....	298,238	43,461	6,892,685	1,764,688	7,308	25,007	306,053	537,829
Argentina.....			1,059,237	20,983			18,592	6,149
Chile.....	96,719	675	386,119	355,328	143,741	5,381	1,702,117	1,518,073
Colombia.....	708,748	356,055	10,921,077	6,592,671	15,460	7,597	164,169	241,368
Peru.....	266,182	60,732	1,447,519	1,337,086	551,689	203,577	4,802,827	6,999,579
Uruguay.....	319,013		6,446,757	273,689	12		3,866	2,167
Venezuela.....	61,778	67,334	1,197,758	848,172	583	84	3,243	3,638
China.....	201,634	1,367,664	17,813,101	7,760,702	102	768	8,004	7,817
British India.....	1,027,921		31,814,386		440		12,368	
Dutch East Indies.....			1,025,798	1,301,999			383,019	530,808
Hongkong.....			5,660,825	14,730			396	75
Philippine Islands.....	98,434	1,261	1,181,030	714,335	1,286	3	19,956	10,477
Philippine Oceania.....	563,402	164,180	14,815,734	4,135,016	113	144	4,542	1,456
Egypt.....	1,568,718	637,155	5,972,392	981,763	169	12,730	8,004	12,788
All other.....	262,841	50,618	20,047,712	6,277,005	49,976	3,429	743,042	1,163,635
Total.....	51,298,626	18,308,087	659,582,470	248,730,108	5,912,079	5,855,405	57,726,767	62,959,083
EXPORTS.								
Spain.....		1,000	200	717,000				
Sweden.....			2,643,013	78,000				600
United Kingdom—England.....		2,254	5,518	5,518	1,260,706	1,576,514	11,712,143	8,787,613
Canada.....	256,732	2,192,534	2,707,574	20,504,822	1,017,995	166,606	3,934,494	2,087,011
Central America.....			12,127	12,127			284,843	7,350
Mexico.....	54,935	175,135	5,405,039	3,848,659	195,608	206,002	2,046,197	2,087,351
West Indies.....			250,844	5,749		708	421,614	28,966
Colombia.....		500,000		500,000			239,500	805,703
China.....			100,000	100,000	1,029,993	1,512,003	10,253,264	17,932,214
British India.....		35,000	1,179,000	4,445,339		1,894,282	3,149,057	9,857,805
Dutch East Indies.....			60,000	435,010				
French East Indies.....							528,000	1,320,000
Hongkong.....	245,770	512,600	9,409,525	3,270,625	673,725	1,240,856	8,402,224	12,561,625
Japan.....					625,805		3,458,116	47,237
All other.....	50,000	3,542	74,600	242,454		2,200	900	371,111
Total.....	607,437	3,431,065	21,729,795	34,165,303	4,803,832	6,599,171	44,430,352	55,894,086

DISCOUNT RATES OF FEDERAL RESERVE BANKS IN EFFECT DECEMBER 31, 1922.

Federal reserve bank.	Paper maturing within 90 days.				Bankers' acceptances maturing within 3 months.	Agricultural and live-stock paper maturing after 90 days, but within 6 months.
	Secured by—		Trade acceptances.	Commercial, agricultural, and live-stock paper, n. e. s.		
	Treasury notes and certificates of indebtedness.	United States bonds and Victory notes.				
Boston.....	4	4	4	4		4
New York.....	4	4	4	4	4	4
Philadelphia.....	4½	4½	4½	4½	4½	4½
Cleveland.....	4½	4½	4½	4½	4½	4½
Richmond.....	4½	4½	4½	4½	4½	4½
Atlanta.....	4½	4½	4½	4½	4½	4½
Chicago.....	4½	4½	4½	4½	4½	4½
St. Louis.....	4½	4½	4½	4½	4½	4½
Minneapolis.....	4½	4½	4½	4½	4½	4½
Kansas City.....	4½	4½	4½	4½	4½	4½
Dallas.....	4½	4½	4½	4½	4½	4½
San Francisco.....	4	4	4	4	4	4

GOLD SETTLEMENT FUND.

INTERBANK TRANSACTIONS FROM NOVEMBER 24, 1922, TO DECEMBER 28, 1922, INCLUSIVE.

[In thousands of dollars.]

Federal reserve bank.	Transfers.		Daily settlements.		Changes in ownership of gold through transfers and settlements.		Balance in fund at close of period.
	Debits.	Credits.	Debits.	Credits.	Decrease.	Increase.	
Boston.....	17,000		583,348	618,782		18,434	35,958
New York.....	20,000	47,000	2,256,858	2,230,426		568	195,974
Philadelphia.....	4,000	1,000	783,051	783,515	2,536		10,444
Cleveland.....	500	7,000	626,585	638,578		18,493	82,088
Richmond.....	1,000		590,974	577,880	14,594		17,100
Atlanta.....	7,000	1,500	255,654	273,657		12,503	19,429
Chicago.....	21,000	10,500	1,123,959	1,116,756	17,703		37,613
St. Louis.....	4,000	1,000	570,142	563,100	10,042		14,953
Minneapolis.....	500	500	167,019	167,852		833	22,085
Kansas City.....		4,000	411,005	401,261	5,744		29,678
Dallas.....	3,000		245,222	243,718	4,504		13,710
San Francisco.....		5,500	316,663	315,455		4,292	37,548
Total, 5 weeks ending—							
Dec. 28, 1922.....	78,000	78,000	7,930,480	7,930,480	55,123	55,123	516,580
Nov. 23, 1922.....	86,000	86,000	8,375,343	8,375,343			653,862
Dec. 29, 1921.....	181,617	181,617	6,577,616	6,577,616			541,973
Nov. 23, 1921.....	178,866	178,866	6,329,987	6,329,987			425,831

MONEY IN CIRCULATION DECEMBER 1, 1922.

[Source: United States Treasury Department circulation statement.]

Kind of money.	Stock of money in the United States.	Money held by the United States Treasury and the Federal Reserve System.	Money in circulation.	
			Amount.	Per capita.
Gold coin and bullion.....	¹ \$3,908,616,985	\$3,491,973,577	\$416,643,408	\$3.77
Gold certificates.....	² (687,677,239)	433,947,295	253,729,944	2.30
Standard silver dollars.....	428,274,404	367,512,575	60,761,829	.55
Silver certificates.....	² (330,023,591)	45,210,055	235,413,536	2.58
Treasury notes of 1890.....	² (1,490,323)	1,000	1,489,323	.01
Subsidiary silver.....	269,664,609	26,913,811	242,750,798	2.20
United States notes.....	346,681,016	68,827,445	277,853,571	2.52
Federal reserve notes.....	2,718,474,010	406,050,141	2,312,423,869	20.94
Federal reserve bank notes.....	49,044,400	6,542,892	42,501,508	.38
National bank notes.....	761,499,127	38,558,854	722,940,273	6.55
Total.....	8,482,254,551	\$ 4,885,537,645	4,616,508,059	41.80
Comparative totals:				
Nov. 1, 1922.....	8,438,661,623	\$ 4,879,914,140	4,570,280,827	41.44
Dec. 1, 1921.....	8,156,446,983	\$ 4,777,506,737	4,561,218,902	41.93
April 1, 1917.....	5,312,109,272	\$ 3,896,318,653	4,100,590,704	39.54
July 1, 1914.....	3,738,288,871	\$ 1,843,452,323	3,402,015,427	34.35
Jan. 1, 1879.....	1,007,084,483	\$ 212,420,402	816,266,721	16.92

¹ Does not include gold bullion or foreign coin outside of vaults of the Treasury, Federal reserve banks, and Federal reserve agents.
² These amounts are not included in the total, since the money held in trust against gold and silver certificates and Treasury notes of 1890 is included under gold coin and bullion and standard silver dollars, respectively.
³ Includes gold held in trust against gold certificates and standard silver dollars held in trust against silver certificates and Treasury notes of 1890, the aggregate of which should be deducted from the sum of money held by the United States Treasury and the Federal reserve system and money in circulation to arrive at the stock of money in the United States. The amounts of such gold and silver held in trust as of the date of this statement are shown in parentheses in the first column.

DISCOUNT AND INTEREST RATES.

In the following table are presented actual discount and interest rates prevailing during the 30-day period ending December 15, 1922, 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 BULLETIN.

A comparison of the discount and interest rates prevailing in various centers during the 30-day period ending December 15 and the 30-day period ending November 15 shows relatively little change. The upward tendency which has been noted during the past few months is barely apparent, and only in the cases of prime commercial paper and interbank loans. Compared with the corresponding period last year, all rates are lower.

DISCOUNT AND INTEREST RATES PREVAILING IN VARIOUS CENTERS DURING THE 30-DAY PERIOD ENDING DECEMBER 15, 1922.

District.	City.	Prime commercial paper.				Interbank loans.	Bankers' acceptances, 60-90 days.		Collateral loans—Stock exchange.			Cattle loans.	Secured by warehouse receipts.	Ordinary loans to customers secured by Liberty bonds.
		Customers'.		Open market.			Indorsed.	Unindorsed.	Demand.	3 months.	3 to 6 months.			
		30 to 60 days.	4 to 6 months.	30 to 60 days.	4 to 6 months.									
No. 1.	Boston.....	H. L. C. 5 1/4 4 3/4	H. L. C. 5 1/4 5 1/2	H. L. C. 5 1/4 4 3/4	H. L. C. 5 1/4 4 3/4	H. L. C. 5 1/4 4 3/4	H. L. C. 4 1/4 4 1/4	H. L. C. 4 1/4 4 1/4	H. L. C. 5 1/2 5 1/2	H. L. C. 6 5 5 1/2	H. L. C. 6 5 5 1/2	H. L. C. 6 5 5 1/2	H. L. C. 5 1/2 4 3/4	H. L. C. 5 1/2 4 3/4
No. 2.	New York.....	6 1/2 4 3/4 4 3/4-5	6 1/2 4 3/4 4 3/4-5	5 5 4 3/4 4 3/4-5	5 5 4 3/4 4 3/4-5	6 4 3/4 5	4 3/4 4 3/4-4 3/4	4 3/4 4 3/4	6 4 5	6 4 5	6 4 5	6 4 5	6 4 5	6 4 5
No. 3.	Buffalo.....	7 5 6	6 5 6	5 5	5 5	8 5 6-7	4 3/4 4 3/4	4 3/4 4 3/4	7 5 6	7 5 6	6 5 6	6 5 6	6 5 6	6 5 6
No. 3.	Philadelphia.....	6 4 3/4 5	6 4 3/4 5	5 5 4 3/4 4 3/4	5 5 4 3/4 4 3/4	6 5 5	6 5 5	6 5 5	6 5 5	6 5 5	6 5 5	6 5 5	6 5 5	6 5 5
No. 4.	Cleveland.....	7 4 3/4 6	7 4 3/4 6	6 4 3/4 5	6 4 3/4 5	6 5 6	6 5 6	6 5 6	7 5 6	7 5 6	7 5 6	7 5 6	7 5 6	7 5 6
No. 4.	Pittsburgh.....	6 5 5 6	6 5 5 6	4 3/4 4 3/4 4 3/4	4 3/4 4 3/4 4 3/4	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6
No. 4.	Cincinnati.....	6 5 5 6	6 5 5 6	6 5 5 6	6 5 5 6	6 5 5-5 1/2	6 5 5-5 1/2	6 5 5	6 5 5	6 5 5	6 5 5	6 5 5	6 5 5	6 5 5
No. 5.	Richmond.....	6 5 6	6 5 6	5 5 4 3/4 5 1/2	5 5 4 3/4 5 1/2	6 4 3/4 6	5 1/2 5 1/2 5 1/2	5 1/2 5 1/2 5 1/2	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6
No. 5.	Baltimore.....	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2
No. 6.	Atlanta.....	8 4 6	7 4 3/4 6	4 3/4 4 3/4 4 3/4	4 3/4 4 3/4 4 3/4	8 5 6	6 6 6	7 7 7	8 4 3/4 6	8 4 3/4 6	8 4 3/4 6	8 4 3/4 6	8 4 3/4 6	8 4 3/4 6
No. 6.	Birmingham.....	8 5 6-7	8 5 6-7	8 4 4 3/4 6	8 4 4 3/4 6	8 5 6	8 5 6	8 5 6	8 5 5-6	8 5 5-6	8 5 5-6	8 5 5-6	8 5 5-6	8 5 5-6
No. 6.	Jacksonville.....	7 6 7	7 6 7	6 4 3/4 5	6 4 3/4 5	6 6 6	6 6 6	6 6 6	7 6 7	7 6 7	7 6 7	7 6 7	7 6 7	7 6 7
No. 6.	New Orleans.....	7 1/2 5 6	7 1/2 5 6	4 3/4 4 3/4 4 3/4	4 3/4 4 3/4 4 3/4	6 5 6	6 1/2 4 4	6 1/2 4 3/4 5	8 4 3/4 5	8 5 6	8 5 6	8 5 6	8 5 6	8 5 6
No. 6.	Nashville.....	5 1/2 5	5 1/2 5	5 4 3/4	5 4 3/4	6 5 5-5 1/2	6 5 5-5 1/2	4 4 4	6 5 5-5 1/2	6 5 5-5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2
No. 7.	Chicago.....	6 5 6	6 5 6	4 3/4 4 3/4 4 3/4	4 3/4 4 3/4 4 3/4	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6
No. 8.	Detroit.....	6 4 5	6 4 5	5 5 4 3/4 4 3/4-5	5 5 4 3/4 4 3/4-5	7 5 5 1/2	7 5 5 1/2	7 5 5 1/2	6 1/2 4 3/4 5 1/2	6 4 3/4 5 1/2	6 4 3/4 5 1/2	7 5 6	6 5 6	6 5 6
No. 8.	St. Louis.....	6 4 3/4 6	6 5 6	4 3/4 4 3/4 4 3/4	4 3/4 4 3/4 4 3/4	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6
No. 8.	Louisville.....	6 5 6	6 6 6	6 5 6	6 6 6	7 6 6	7 6 6	7 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6
No. 8.	Memphis.....	8 6 7	8 6 7	5 4 3/4 5	5 4 3/4 5	7 6 6	7 6 6	7 6 6	8 6 6	8 6 6	8 6 6	8 6 6	8 6 6	8 6 6
No. 8.	Little Rock.....	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6
No. 9.	Minneapolis.....	8 7 8	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2	8 8 8	8 7 7 1/2	8 7 7 1/2	7 1/2 7 7 1/2	8 8 8	8 8 8
No. 10.	Helena.....	7 5 6	7 5 6	5 4 4 3/4 4 3/4	5 4 4 3/4 4 3/4	7 5 6	7 5 6	7 5 6	7 5 6	8 5 6	8 5 6	8 5 6	8 5 6	8 5 6
No. 10.	Kansas City.....	7 5 6	7 5 6	5 4 4 3/4 4 3/4	5 4 4 3/4 4 3/4	8 6 6	8 6 6	8 6 6	7 5 6	8 5 6	8 5 6	8 5 6	8 5 6	8 5 6
No. 10.	Omaha.....	7 5 6 1/2	7 5 6 1/2	5 4 3/4 4 3/4	5 4 3/4 4 3/4	8 6 6	8 6 6	8 6 6	7 5 6 1/2	7 5 6 1/2	7 5 6 1/2	7 5 6 1/2	7 5 6 1/2	7 5 6 1/2
No. 10.	Denver.....	8 5 6-7	8 5 6-7	5 4 3/4 4 3/4	5 4 3/4 4 3/4	8 6 6	8 6 6	8 6 6	8 5 6	8 5 6	8 5 6	8 5 6	8 5 6	8 5 6
No. 11.	Oklahoma City.....	10 4 3/4 7	10 6 7	6 5 5 1/2	6 5 5 1/2	8 6 7	8 6 7	8 6 7	10 3 6	10 6 8	10 6 8	10 6 8	10 6 8	10 6 8
No. 11.	Dallas.....	6 5 6	6 5 6	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	6 5 5 1/2	8 6 6 1/2	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
No. 11.	El Paso.....	10 6 8	10 8 8	5 1/2 4 3/4	10 8 8	9 6 8	9 6 8	9 6 8	10 8 8	10 6 8	10 8 8	10 8 8	10 8 8	10 8 8
No. 11.	Houston.....	7 6 6	7 6 6	7 5 6	7 5 6	7 5 6	7 5 6	7 5 6	7 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
No. 12.	San Francisco.....	6 5 5-5 1/2	6 5 5 1/2-6	5 4 3/4 4 3/4	5 4 3/4 4 3/4	6 5 1/2 7	6 5 1/2 7	6 5 1/2 7	6 5 5 1/2-6	6 5 6	6 5 6	6 6 6	6 6 6	6 5 5 1/2
No. 12.	Portland.....	8 4 3/4 6	8 5 6	5 4 3/4 4 3/4	5 4 3/4 4 3/4	7 5 6 7	7 5 6 7	7 5 6 7	8 4 7	8 6 7	8 5 7	8 6 7	8 6 7	8 6 7
No. 12.	Seattle.....	8 4 3/4 7	8 4 3/4 7	5 4 3/4 4 3/4	5 4 3/4 4 3/4	7 6 7	7 6 7	7 6 7	8 4 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
No. 12.	Spokane.....	8 5 7	8 6 6 1/2-7	5 4 3/4 4 3/4	5 4 3/4 4 3/4	8 6 7	8 6 7	8 6 7	5 1/2 5 1/2 5 1/2	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
No. 12.	Salt Lake City.....	8 6 7	8 6 7	5 4 3/4 4 3/4	5 4 3/4 4 3/4	7 6 6	7 6 6	7 6 6	7 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
No. 12.	Los Angeles.....	12 4 3/4 6	12 4 3/4 5 1/2	5 4 3/4 4 3/4	5 4 3/4 4 3/4	7 5 6	7 5 6	7 5 6	4 3/4 3 3/4 4 3/4	4 3/4 4 3/4	4 3/4 4 3/4	4 3/4 4 3/4	4 3/4 4 3/4	4 3/4 4 3/4

¹ Rates for demand paper secured by prime bankers' acceptances—high, 5 1/2; low, 3 3/4; customary, 4-5.

FOREIGN EXCHANGE IN 1922.

The outstanding feature in foreign exchange during 1922 was the precipitate fall of the German mark. From an average rate per hundred marks of 52.6 cents in December, 1921, it fell steadily to an average of about 1.4 cents in December, 1922, which is about one-sixteen hundredths of its parity of 23.8 cents per mark.

Sterling rose steadily during the year, from an average of \$4.16 in December, 1921, to \$4.61 in December, 1922, or from 85.4 per cent to 94.7 per cent of parity. This improvement reflects in part shipments of over \$100,000,000 of gold from Great Britain to the United States, the general improvement in the British financial position, and the decline of British prices from 20 per cent above to slightly below the American level.

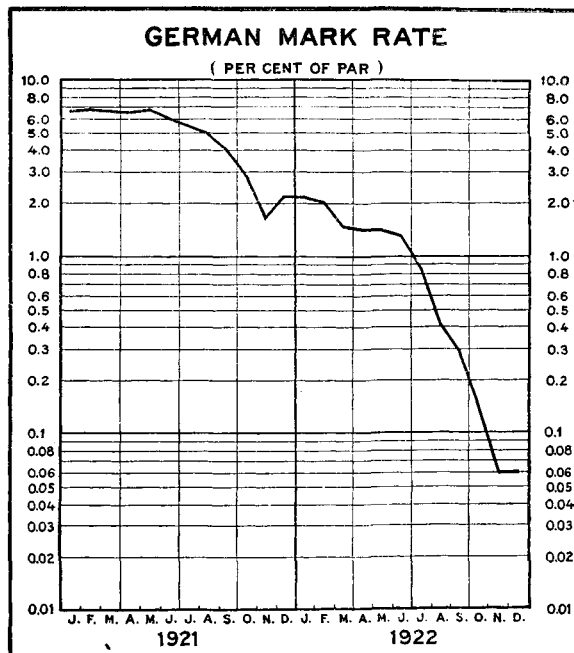
The course of the French and Belgian francs and of the Italian lira during 1922 was similar to that of the preceding year, but during the first half of 1922 all three currencies were on a somewhat higher level. During the latter half a decided decline of the franc is noted, due mainly to unfavorable developments in the German reparation situation. A slight recovery in December brought the French franc to 7.23 cents, compared with 7.84 cents in December, 1921. The lira, with an average of 5.03 cents for December, stood somewhat higher than a year ago. Neutral European exchanges gained during the year, both the Swiss franc and the Dutch florin going somewhat above par for a short time.

Canadian exchange rose from an average of 92.77 cents in December, 1921, until it practically reached parity in August, 1922. October and November averages were slightly above par, but the December average receded to 99.45 per cent.

Of the leading South American exchanges, the Argentine and Chilean pesos improved considerably. From December, 1921, to December, 1922, the Argentine peso rose from an average of 74.8 cents to an average of 85.6 cents, and the Chilean peso from 10.8 cents to 12.4 cents. The Brazilian milreis, after a rise during the earlier half of the year, declined to 11.9

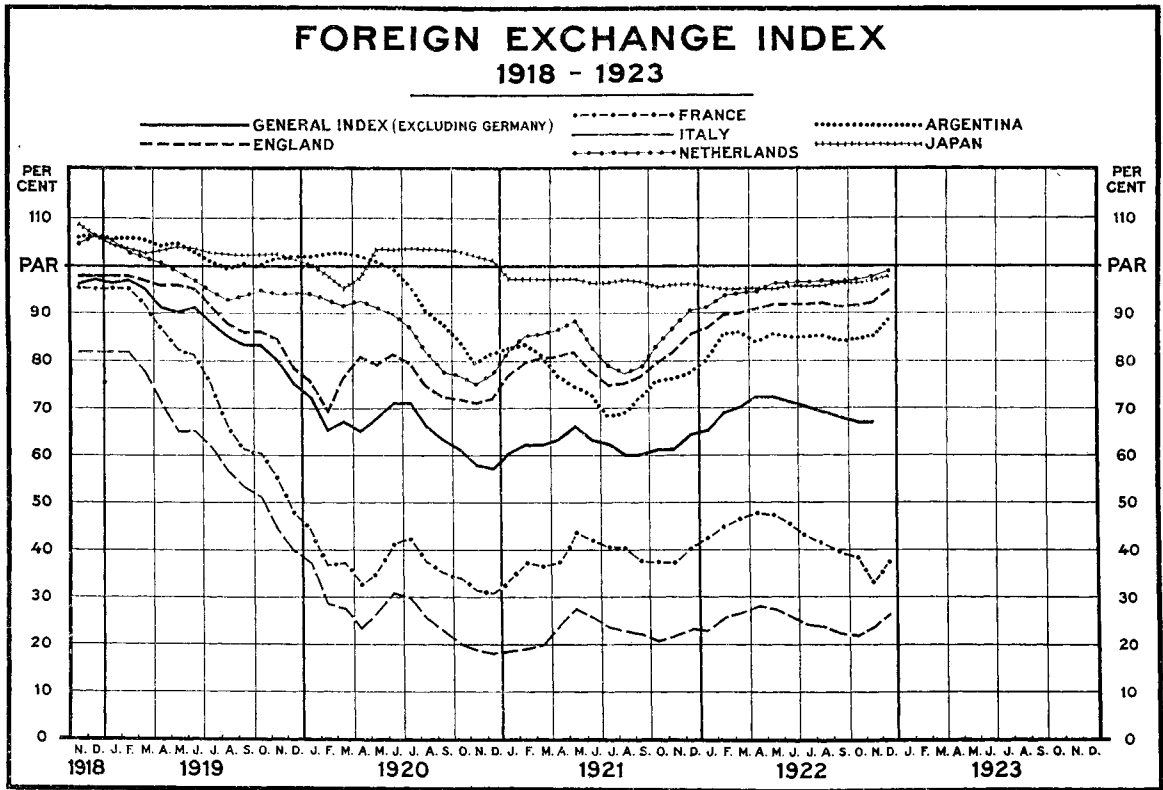
cents in December, compared with 12.7 cents in December, 1921.

The price of silver per fine ounce in the New York market rose from 66 cents in December, 1921, to 72 cents in May, 1922, and then declined to 64 cents in December. Shanghai taels followed a course similar to that of silver, rising from 75.3 cents in December, 1921, to a high of 79.02 cents in June, 1922, and averaging 71.04 cents for December. Indian rupees rose



from 27.45 cents in December, 1921, to 30.65 cents in December, 1922, owing to improved conditions in India and to the advance in sterling. Japanese yen remained fairly steady throughout the year, with fluctuations between 48 and 49 cents per yen.

The general foreign exchange index, based on the weighted average of 17 leading countries not including Germany, rose from 64 for December, 1921, to 70 (preliminary) for December, 1922.



FOREIGN EXCHANGE RATES.

[General index for December, 1922, 70 (preliminary); for November, 1922, 67; for December, 1921, 64. Noon buying rates for cable transfers in New York as published by Treasury. Rates in cents per unit of foreign currency.]

COUNTRIES INCLUDED IN COMPUTATION OF INDEX.

Country	Monetary unit.	Par of exchange.	Low.		High.		Average.		Index (per cent of par). ¹	
			December.	November.	December.	November.	December.	November.	December.	November.
			Belgium.....	Franc.....	19.30	6.4200	5.6400	6.9500	6.7600	6.6448	6.3700	34.43	33.01
Denmark.....	Krone.....	26.80	20.3800	20.1300	20.9900	20.4100	20.6700	20.2071	77.13	75.40
France.....	Franc.....	19.30	6.9700	6.2000	7.6100	7.2100	7.2295	6.8583	37.46	35.54
Great Britain.....	Pound.....	486.65	451.9800	444.8800	467.9900	452.1000	460.9800	447.9921	94.73	92.06
Italy.....	Lira.....	19.30	4.8200	4.0600	5.1300	4.8200	5.0340	4.5063	26.08	23.35
Netherlands.....	Florin.....	40.20	39.5200	39.0700	40.1300	39.5800	39.8368	39.2729	99.10	97.69
Norway.....	Krone.....	26.80	18.4900	18.1900	19.2400	18.5400	18.9395	18.3658	70.67	68.53
Spain.....	Peseta.....	19.30	15.3600	15.1600	15.7900	15.3900	15.6356	15.2750	81.01	79.15
Sweden.....	Krona.....	26.80	26.9000	26.7600	27.0300	26.9600	26.9484	26.8442	100.55	100.16
Switzerland.....	Franc.....	19.30	18.7100	18.2100	19.0000	18.7900	18.9100	18.4358	97.98	95.52
Canada.....	Dollar.....	100.00	98.5605	99.9235	99.9874	100.1014	99.4484	100.0290	99.45	100.03
Argentina.....	Peso (gold).....	96.48	83.7500	81.5100	86.3700	84.0500	85.5688	82.2283	88.69	85.23
Brazil.....	Milreis.....	32.44	11.6200	11.2700	12.2400	12.6200	11.9452	11.9488	36.82	36.83
Chile.....	Peso (paper).....	² 19.53	11.8500	11.8100	13.0500	13.4200	12.4064	12.3825	63.52	63.40
China.....	Shanghai tael.....	² 66.85	70.4500	70.4300	72.0700	73.8400	71.0444	71.8725	106.27	107.51
India.....	Rupee.....	48.66	30.0300	29.1000	31.1100	30.0600	30.6488	29.5108	62.99	60.65
Japan.....	Yen.....	49.85	48.5100	48.1000	48.9900	48.5200	48.8500	48.3729	97.99	97.04

FOREIGN EXCHANGE RATES—Continued.

OTHER COUNTRIES.

	Monetary unit.	Par of exchange.	Low.		High.		Average.		Index (per cent of par). ¹	
			Decem-ber.	Novem-ber.	Decem-ber.	Novem-ber.	Decem-ber.	Novem-ber.	Decem-ber.	Novem-ber.
Austria.....	Krone.....	20.26	0.0014	0.0013	0.0014	0.0014	0.0014	0.0014	0.01	0.01
Bulgaria.....	Lev.....	19.30	.6783	.6550	.7180	.7000	.6997	.6835	3.63	3.54
Czechoslovakia.....	Krone.....		2.7256	3.1500	3.1878	3.2439	3.0969	3.1758		
Finland.....	Markka.....	19.30	2.4888	2.4975	2.5263	2.7463	2.5124	2.5609	13.02	13.27
Germany.....	Reichsmark.....	23.82	.0118	.0118	.0186	.0224	.0136	.0147	.06	.06
Greece.....	Drachma.....	19.30	1.0000	1.4300	1.4200	2.0400	1.2337	1.5925	6.39	8.25
Hungary.....	Krone.....	20.26	.0396	.0399	.0437	.0429	.0430	.0413	.21	.20
Poland.....	Polish mark.....		.0054	.0060	.0060	.0072	.0057	.0065		
Portugal.....	Escudo.....	108.05	4.2500	4.3400	4.8500	6.4100	4.5212	4.9921	4.18	4.62
Rumania.....	Leu.....	19.30	.5775	.6169	.6338	.6628	.6111	.6417	3.17	3.32
Yugoslavia.....	{Krone.....		.2681	.3319	.3497	.4128	.3047	.3912		
	{Dinar.....	19.30	1.0750	1.3329	1.4014	1.6500	1.2231	1.5691	6.34	8.13
Cuba.....	Peso.....	100.00	99.8875	99.8063	100.0500	99.9250	99.9450	99.8779	99.95	99.88
Mexico.....	do.....	49.85	48.3125	48.2625	48.7625	49.7344	48.4468	48.7620	97.19	97.82
Uruguay.....	do.....	103.42	80.9800	77.5500	85.4500	81.1300	84.2120	79.4613	81.43	76.83
China.....	Mexican dollar..	² 48.11	51.4200	51.3300	52.9000	53.8300	52.0288	52.4842	108.15	109.09
Hongkong.....	Dollar.....	² 47.77	52.5000	52.9300	54.0500	55.1300	53.2288	53.8150	111.43	112.65
Straits Settlements.....	Singapore dollar.	56.78	51.9600	51.7500	53.6700	52.3300	53.0100	52.0058	93.36	91.59

¹Based on average.

²1913 average.

SILVER.

[Average price per fine ounce.]

	December.	November
London (converted at average rate of exchange).....	\$0.65104	\$0.66331
New York.....	.64250	.65485

FINANCIAL STATISTICS FOR PRINCIPAL FOREIGN COUNTRIES.

A summary of banking and financial conditions abroad is presented statistically in the accompanying tables.

ENGLAND.

[Amounts in millions of pounds sterling.]

Year and month.	Deposit and note accounts, Bank of England and Treasury.				Nine London clearing banks. ²			Government floating debt.			Discount rates.			Statist index number of foreign exchange value of £. ¹	London bankers' clearing house returns—total clearings. ⁸	Net profits of industrial companies. ⁵	Index numbers of securities prices. ⁶	Capital issues of United Kingdom. ⁷	
	Bank notes. ¹	Currency notes and certificates outstanding.	Deposits, public and other.	Coin and bullion. ²	Money at call and short notice.	Discounts and advances.	Investments.	Deposits.	Treasury bills.	Temporary advances.	Total floating debt.	Three months' Treasury bills.	Three months' bank bills.						Six months' trade bills.
Average of end of month figures:											Per cent.	Per cent.	Per cent.						
1913.....	29		57	38				15			4½	6½	4½	99.59	1,370	11.7		21	
1920.....	103	348	147	146				1,078	219	1,297	6½	7½	6½	110.07	3,252	15.2		40	
1921.....	108	327	136	157	97	1,176	309	1,768	1,139	1,322	4½	5½	6½		2,911	10.3		33	
1921, end of—																			
November.....	106	313	144	157	96	1,205	311	1,793	1,108	1,300	3½	3½	5½	112.4	2,921			71	
December.....	107	326	123	157	106	1,191	315	1,818	1,060	1,260	3½	3½	5½	112.1	3,173			73	
1922, end of—																			
January.....	103	305	135	157	114	1,192	333	1,826	1,039	1,154	3½	3½	5½	118.2	3,399	6.1		158	
February.....	102	298	138	157	111	1,152	357	1,802	957	1,112	2½	3½	4½	118.0	3,088			71	
March.....	103	300	151	157	103	1,097	369	1,747	882	1,030	2½	3	4½	118.3	3,452			40	
April.....	102	303	134	157	107	1,065	378	1,737	759	1,031	2½	2½	4½	118.0	3,305	7.2		100	
May.....	103	298	130	157	109	1,061	392	1,745	771	1,030	2½	2½	4½	118.2	3,307			52	
June.....	103	295	131	157	113	1,070	388	1,755	761	1,030	2½	2½	4½	118.2	2,917			29	
July.....	104	296	122	154	110	1,056	386	1,730	755	1,030	1½	1½	3	120.3	3,236	5.9		43	
August.....	103	293	124	154	105	1,020	390	1,688	715	1,030	2½	2½	3	121.3	2,885			21	
September.....	101	289	121	154	104	1,007	381	1,660	724	1,030	2½	2½	3	122.7	2,690			31	
October.....	101	287	125	154	105	1,033	370	1,686	740	1,030	2½	2½	3	123.0	3,124			7	
November.....	102	288	121	154	98	1,031	365	1,667	732	1,030	2½	2½	3	124.6	2,989			19	
December.....	104	301	133	154					719	1,030	2½	2½	3	125.8	2,769			15	

¹ Less notes in currency notes account.² Held by the Bank of England and by the Treasury as note reserve.³ Average weekly figures.⁴ Statist figure revised to exclude Germany.⁵ Compilation of London Economist. Ratio of net profits to ordinary and preferred capital of industrial companies, exclusive of railways, mines, insurance companies, and banks. Applies to earnings disclosed during the quarter and has therefore a probable lag of six months.⁶ Compilation of the Bankers Magazine.⁷ Compilation of the Statist.

FRANCE.

[Amounts in millions of francs.]

Year and month.	Bank of France.					Government finances.				Average daily clearings of the Paris banks.	Savings banks, excess of deposits(+) or withdrawals(-).	Value of new stock and bond issues placed upon the French market.	
	Gold reserves. ¹	Silver reserves.	Deposits. ²	Circulation.	Advances to the Government for purposes of the war.	Government revenue. ³	Bons de la Défense Nationale. ⁴	Internal debt.	External debt. ⁵				Price of 3 per cent. perpetual rente. ⁶
1913, average.....	3,343	629	830	5,565		320		35,000		86.77	59	-65	
1920, average.....	3,586	253	3,527	38,066	26,000	1,005				57.34	554	+48	4,654
1921, average.....	3,568	274	2,927	37,404	25,300	1,103				56.56	550	+67	1,100
1921, end of—													
October.....	3,575	278	2,563	37,154	25,100	1,305			35,286	54.30	463	+33	3,355
November.....	3,576	279	2,563	36,336	24,500	1,651				54.90	505	-0.5	434
December.....	3,576	280	2,743	36,487	24,600	1,228		242,758	34,779	54.73	527	+38	853
1922, end of—													
January.....	3,576	280	2,392	36,433	23,000	1,323				56.55	489	+41	759
February.....	3,577	281	2,429	36,151	22,500	1,014				59.55	489	+100	5,062
March.....	3,578	282	2,236	35,528	21,500	1,154	60,839	243,857	35,716	56.70	455	+49	377
April.....	3,579	283	2,412	35,787	22,100	1,381	61,528			57.60	411	+58	459
May.....	3,579	284	2,303	35,982	23,100	1,176	62,890			57.70	454	+55	644
June.....	3,580	285	2,448	36,039	23,300	1,225	63,809			57.95	474	+53	947
July.....	3,582	285	2,432	36,050	23,000	1,472	62,525	248,283	35,685	58.25	562	+62	485
August.....	3,583	286	2,170	36,385	23,900	1,168	62,936			60.10	512	+66	151
September.....	3,584	287	2,199	36,603	24,000	1,154	63,404			61.10	484	+58	636
October.....	3,635	288	2,170	36,694	23,600	1,503				58.25	556	+17	421
November.....	3,636	289	2,184	36,114	22,900	1,207				59.00	783	+43	
December.....	3,670	289	2,309	36,359	23,600					59.02			

¹ Not including gold reserve held abroad.² Includes Treasury and individual deposits.³ Foreign debt converted to francs at par.⁴ Figure for the last Wednesday in the month.⁵ Average for 11 months.⁶ Estimate in the French Senate.

ITALY.

[Amounts in millions of lire.]

Year and month.	Banks of issue.						Leading private banks. ¹			Government finances.					Index numbers of securities prices. ⁴
	Loans and dis-counts.	Gold re-serve.	Total re-serve.	Deposits and de-mand liabilities.	Com-mer-cial cir-culation.	Cir-culation for account of the state.	Cash.	Loans, dis-counts, and due from cor-respond-ents.	Depos-its and due to cor-respond-ents.	State cur-rency notes.	Treas-ury metal-lic re-serve.	Short-term treas-ury bills.	Total public debt. ²	Prin-cipal reve-nues during month. ³	
1913, end of Dec	857	1,375	1,661	318	2,284	.....	129	2,007	1,674	499	117	.....	.....	.....
1920, end of Dec.	7,074	1,058	2,077	2,563	8,988	10,743	1,308	16,539	15,810	2,268	161	13,200	.....	.....
1921, average..	7,509	1,074	2,020	2,352	9,304	9,061	1,200	16,242	16,001	2,267	170	.....	1,019	87.12
1921, end of—															
October.....	7,816	1,086	1,990	2,243	9,746	8,554	1,364	17,185	17,022	2,267	159	22,997	110,754	1,401	
November.....	7,810	1,089	1,948	2,151	9,435	8,485	1,174	12,844	12,778	2,267	159	.....	648	83.99
December.....	10,020	1,092	1,999	2,913	10,304	8,505	1,997	11,797	12,502	2,267	170	24,600	111,900	1,458	
1922, end of—															
January.....	10,156	1,109	1,996	2,848	10,183	8,570	1,426	11,334	11,616	2,267	170	.....	909	96.61
February.....	10,029	1,100	1,971	2,562	9,631	8,626	1,081	11,446	11,482	2,267	170	.....	1,366	94.10
March.....	9,833	1,118	1,956	2,687	9,589	8,523	965	11,407	11,403	2,267	170	.....	759	88.82
April.....	10,113	1,122	1,964	2,473	9,360	8,350	908	11,752	11,708	2,267	170	.....	1,337	88.43
May.....	9,323	1,104	1,963	2,572	9,259	8,061	841	11,732	11,698	2,267	169	.....	667	93.13
June.....	9,505	1,106	1,976	2,740	9,615	8,049	845	11,980	11,863	2,267	170	24,108	113,204	1,454	
July.....	9,051	1,125	1,991	2,524	9,947	8,050	861	12,118	11,896	2,267	170	.....	783	95.19
August.....	9,086	1,125	2,024	2,605	9,695	8,050	763	12,164	11,883	2,267	.....	.....	1,306	103.01
September.....	8,801	1,125	2,024	2,499	9,924	8,066	769	12,106	11,897	2,267	.....	25,262	682	105.63
October.....	8,501	1,136	2,039	2,641	9,782	8,075	.....	.....	.....	2,267	.....	.....	1,354	109.90
November.....	8,625	1,141	2,034	2,480	9,892	8,074	.....	.....	.....	.....	.....	.....	730	111.94

¹ Includes Banca Commerciale Italiana, Credito Italiano, Banco di Roma, and Banca Italiana di Sconto until November, 1921.

² Includes paper circulation of the State and of banks on account of the State.

³ Revenues from State railways; from post, telegraph, and telephone; from State domain; from import duties on grain; and from Govern-ment sales of sugar are not included from November, 1921.

⁴ Figures for 1921 based on quotations of Dec. 31, 1920=100; those for 1922 on quotations of Dec. 31, 1921=100.

GERMANY.

[Amounts in millions of marks.]

Year and month.	Reichsbank statistics.						Darlehns-kassen-scheine in cir-culation. ¹	Government finances.			Index of securi-ties prices. ³		Value of new stock and bond issues placed on German market.
	Gold re-serve. ¹	Dis-counted treas-ury bills.	Com-mer-cial paper dis-counted.	Note cir-culation. ¹	Deposits. ¹	Clearings.		Receipts from taxes.	Revenue of state rail-ways.	Treasury bills out-standing. ¹	25 stocks.	15 bonds.	
1913, average.....	1,068	.....	.....	1,958	668	6,136	.....	207	13	3,220	.....	.....	.....
1920, average.....	1,092	47,980	.....	53,964	17,702	57,898	13,145	.....	.....	.....	.....	.....	.....
1921, average.....	1,056	89,133	.....	80,952	20,213	89,297	8,861	6,285	2,358	192,832	.....	.....	2,655
1921.													
November.....	994	114,023	1,446	100,944	25,313	140,493	7,330	7,044	3,397	226,676	⁴ 269	⁵ 181	7,135
December.....	995	132,331	1,062	113,639	32,906	120,835	8,325	8,016	4,329	246,921	⁴ 206	⁵ 147	5,965
1922.													
January.....	996	126,161	1,592	115,376	23,412	116,680	8,046	8,802	4,415	255,678	223	152	4,831
February.....	996	134,252	1,857	120,026	26,526	109,816	7,977	9,614	4,659	262,817	222	154	2,101
March.....	997	146,531	2,152	130,671	33,358	170,357	8,701	14,065	7,096	271,935	274	169	6,416
April.....	1,001	155,618	2,403	140,420	31,616	175,977	9,183	13,193	8,997	280,935	265	268	3,992
May.....	1,003	167,794	3,377	151,949	33,123	179,370	9,440	17,619	10,984	289,246	242	297	4,152
June.....	1,004	186,126	4,752	169,212	37,174	191,414	10,374	17,776	12,781	311,600	224	298	2,762
July.....	1,005	207,858	8,122	189,795	39,976	243,493	12,234	21,547	15,396	307,810	282	430	2,330
August.....	1,005	249,766	21,704	238,147	56,124	374,856	13,383	31,466	18,053	331,000	299	662	2,468
September.....	1,005	349,770	50,234	316,870	110,012	473,715	13,995	31,692	25,332	451,000	445	1,933	7,937
October.....	1,005	477,201	101,155	469,457	140,779	.....	14,009	50,175	58,161	614,000	653	2,662	7,187
November.....	1,005	672,222	246,949	754,086	240,969	.....	13,809	103,658	.....	839,000	2,123	4,472	15,223
December.....	1,007	1,184,464	422,235	1,280,095	530,526	.....	13,450	.....	.....	1,495,000	2,669	5,119	.....

¹ End of month.

² End of March, 1913.

³ Calculated by the Frankfurter Zeitung with prices of 25 stocks, 10 domestic and 5 foreign bonds (prices as of Jan. 1, 1921=100). These figures, recently revised, now include subscription privileges which were heretofore omitted. Figures are as of beginning of month.

⁴ As of Nov. 10, 1921.

⁵ As of Dec. 30, 1921.

NORWAY.

[Amounts in millions of kroner.]

Year and month.	Norges Bank.					Private commercial banks (103).			Bankruptcies. <i>Number.</i>
	Gold holdings.	Note circulation.	Deposits.	Loans and discounts.	Clearings at Christiania.	Loans and discounts.	Deposits	Total aggregate resources.	
1914, end of July.....	84	123	14	88					
1920, average.....	147	451	102	419	652	3,921	3,382		32
1921, average.....	147	417	111	443	537	3,840	3,338	5,164	86
1921, end of—									
November.....	147	395	121	439	538	3,677	3,231	5,113	88
December.....	147	410	141	476	551	3,508	3,305	4,944	84
1922, end of—									
January.....	147	378	131	433	524	3,413	3,202	4,805	89
February.....	147	376	141	428	494	3,346	3,172	4,755	87
March.....	147	385	151	449	628	3,280	3,124	4,690	107
April.....	147	386	143	447	516	3,302	3,118	4,755	78
May.....	147	375	152	446	525	3,307	3,086	4,783	129
June.....	147	385	133	441	532	3,354	3,080	4,804	94
July.....	147	382	137	445	466	3,364	3,083	4,810	68
August.....	147	385	133	445	468	3,295	3,036	4,781	79
September.....	147	384	135	444	447	3,260	3,004	4,737	59
October.....	147	383	173	490	581	3,178	2,936	4,636	72
November.....	147	372	141	446		2,172	2,887	4,640	73

¹ Includes balances abroad.

SWEDEN.

[Amounts in millions of kroner.]

Year and month	Riksbank.				Joint-stock banks.		Government finances.		Foreign exchange index, value of krona abroad (foreign currencies = 100).¹	Protested bills during month.¹		Business failures during month.¹	Index number of stock prices—A list.¹	Value of stock issues registered during the month.
	Gold coin and bullion.	Note circulation.	Deposits	Clearings.	Bills discounted with Riksbank.	Loans and discounts.	Funded State debt.	Floating State debt.		Number.	Value.			
1913, end of December..	102	235	108	585	139	2,287	628	20		4,314	2	309	258	24
1920, average.....	269	733	226	3,596	476	6,008	1,281	248	112.9	3,586	6	196	176	61
1921, average.....	280	661	193	2,715	389	5,948			121.8	6,907	15	432	121	31
1921, end of—														
October.....	276	650	126	2,310	341	5,837	1,393	63	124.9	6,449	13	505	107	17
November.....	275	628	188	2,364	354	5,735	1,409	77	124.0	6,089	13	491	104	19
December.....	275	628	331	3,305	464	5,656	1,433	78	126.3	6,298	10	523	107	21
1922, end of—														
January.....	275	563	337	2,332	421	5,654	1,434	84	126.6	6,345	9	509	109	18
February.....	274	579	346	2,122	429	5,572	1,435	87	129.2	6,272	10	398	94	18
March.....	274	626	312	2,354	447	5,474	1,435	90	128.3	7,559	13	513	89	23
April.....	274	582	301	1,936	404	5,430	1,434	92	126.6	6,965	12	400	100	15
May.....	274	567	293	2,162	380	5,378	1,642	97	124.8	7,581	10	430	115	50
June.....	274	585	247	2,118	320	5,388			125.6	6,599	10	362	113	63
July.....	274	551	243	2,015	307	5,268			127.0	6,417	12	374	113	35
August.....	274	559	213	1,803	293	5,221			128.8	5,461	6	300	110	22
September.....	274	605	180	1,902	288	5,181			130.5	4,993	5	371	103	14
October.....	274	569	178	1,995	206	5,149			131.7	5,357	6	335	98	15
November.....	274	575	191		252	5,099			132.2	5,009	4	353	90	59

¹ Source: Kommersiella Meddelanden.

JAPAN.¹

[Amounts in millions of yen.]

Year and month.	Bank of Japan.						Tokyo banks.					Government finances.		Index of securities prices. ⁴	Capital projected.
	Note circulation.	Specie reserve for notes. ²	Loans and discounts.	Advances on foreign bills.	Government deposits in Japan.	Private deposits in Japan.	Cash on hand.	Total loans.	Total deposits.	Total clearings.	Average discount rate.	Internal loans.	External loans.		
1913, average.....	363	216	47	33	(³)	7					8.38	1,075	1,484		32
1921, average.....	1,226	1,200	107	39	297	50		333		2,572	9.00	1,956	1,044	194	186
1921.															
End of—															
November.....	1,283	1,264	197	30	325	37		1,989		2,783	8.79	2,118	1,362	190	146
December.....	1,246	1,246	298	26	203	35		2,000		3,340	9.20	2,149	1,362	191	222
1922.															
End of—															
January.....	1,377	1,241	224	56	277	35	110	1,984	1,743	2,246	9.02			196	83
February.....	1,246	1,223	172	26	328	27	113	1,950	1,751	2,438	9.02	2,162	1,362	188	200
March.....	1,289	1,239	248	58	422	29	141	1,963	1,749	3,099	9.09	2,185	1,359	182	163
April.....	1,226	1,263	267	61	520	30	130	1,980	1,761	2,809	9.34	2,235	1,359	160	217
May.....	1,203	1,203	178	50	469	33	120	1,973	1,748	3,143	9.42	2,264	1,359	168	110
June.....	1,344	1,223	179	98	377	43	122	1,998	1,798	3,178	9.45	2,241	1,359	170	121
July.....	1,224	1,220	133	82	427	35	127	1,971	1,802	2,766	9.38	2,277	1,359	165	101
August.....	1,280	1,132	241	90	488	30	115	1,928	1,783	2,582	9.42	2,304	1,359	165	93
September.....	1,237	1,069	134	115	382	29	145	1,921	1,822	2,750	9.38	2,369	1,359	152	150
October.....	1,236	1,068	160	142	437	33	126	1,926	1,812	2,697	9.38			160	
November.....	1,241	1,066	183	141	445	40	126	1,929	1,828	2,971					
December.....	1,590	1,064	205	375	333	66									

¹ Figures apply to last day of month in case of Bank of Japan to last Saturday of the month for other items.

² This includes the specie segregated against notes only. It includes gold credits abroad as well as bullion and coin at home.

³ During January, February, April, October, November, and December, 1913, Government deposits averaged 4,198,000 yen. During the rest of the year there was an average monthly overdraft of 8,942,000 yen.

⁴ Tokyo market.

ARGENTINA.

[Amounts in millions of pesos.]

Year and month.	Banco de la Nación.				Banks. ¹				Caja de Conversión.			Clearings in Buenos Aires (paper).	Liabilities of bankruptcies during month (paper).
	De-posit (paper).	Dis-counts and ad-vances (paper).	Cash.		De-posit (paper).	Dis-counts and ad-vances (paper).	Cash.		Note circulation (paper).	Gold re-serve.	Gold bonds de-posit in lega-tions.		
			Gold.	Pa-per.			Gold.	Pa-per.					
End of—													
1913.....	541	478	32	180	1,464	1,541	62	435	823	263		1,471	14
1919.....	1,250	676	39	268	3,010	2,113	66	771	1,177	320	79	2,805	3
1920.....	1,412	804	25	406	3,530	2,505	46	1,081	1,363	476	4	3,612	5
1921.....	1,310	866	23	410	3,375	2,543	36	1,087	1,363	476	4	3,045	12
1921.													
End of—													
October.....	1,311	803	23	448	3,391	2,467	36	1,172	1,363	466	4	2,909	16
November.....	1,293	840	23	463	3,359	2,501	36	1,150	1,363	466	4	2,133	13
December.....	1,310	866	23	410	3,375	2,543	36	1,087	1,363	466	4	3,482	13
1922.													
End of—													
January.....	1,310	887	23	419	3,362	2,529	36	1,064	1,363	466	4	3,014	10
February.....	1,310	913	23	383	3,362	2,565	36	994	1,363	466	4	2,593	8
March.....	1,272	884	23	383	3,313	2,512	36	981	1,363	466	4	3,298	16
April.....	1,283	887	23	393	3,304	2,489	36	999	1,363	466	4		17
May.....	1,294	906	23	386	3,278	2,461	35	1,016	1,363	466	4	3,015	13
June.....	1,329	933	23	395	3,326	2,461	35	1,060	1,363	466	4	2,716	8
July.....	1,322	920	23	399	3,308	2,473	35	1,013	1,363	466	4	2,814	7
August.....	1,353	946	23	407	3,356	2,491	35	1,041	1,363	466	4	2,570	7
September.....	1,346	950	23	402	3,379	2,514	35	1,048	1,363	466	4	2,725	10
October.....	1,328	921	23	405	3,354	2,549	35	1,028	1,363	466	4	2,827	11

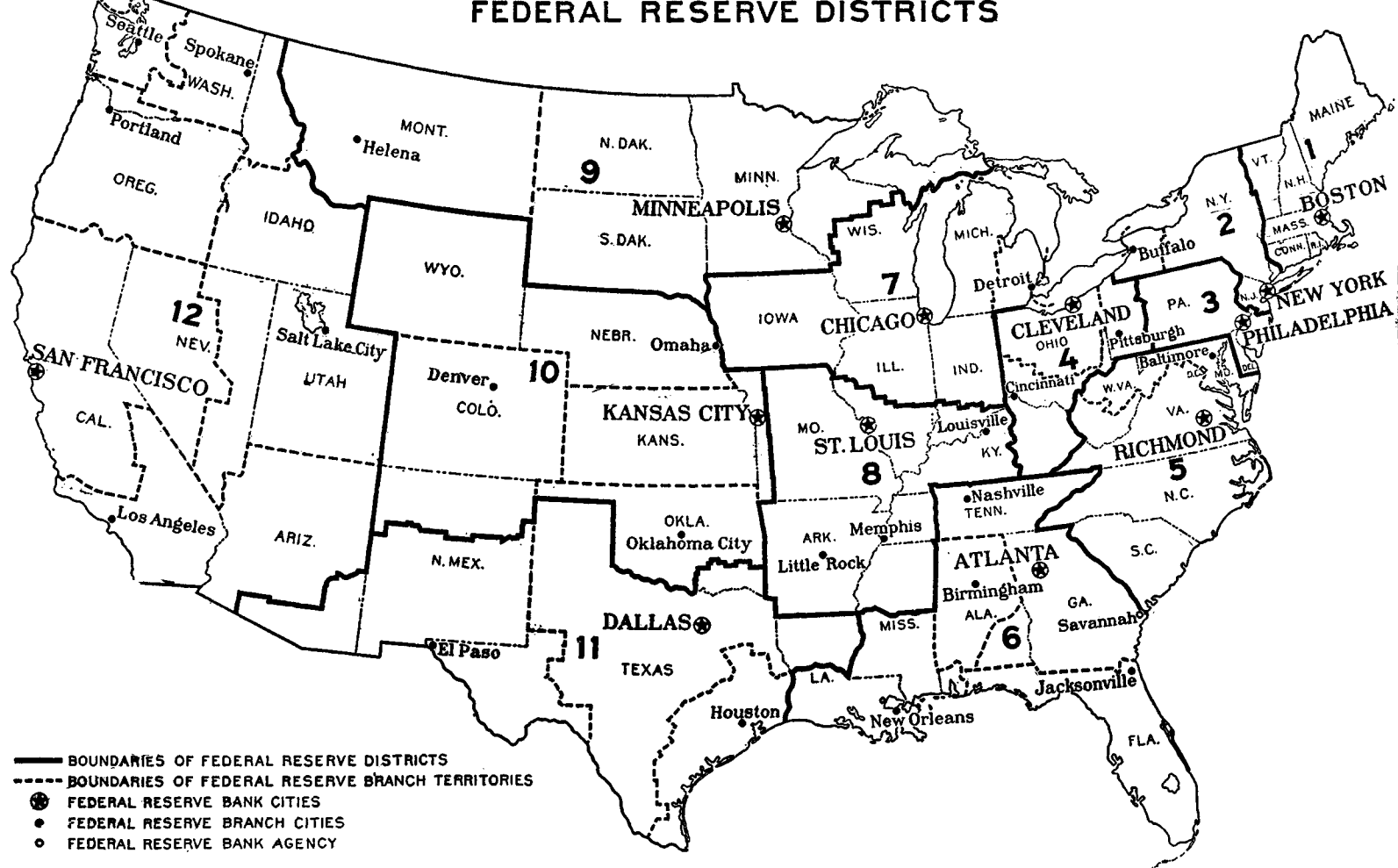
¹ Including figures of Banco de la Nación.

INDEX.

	Page.		Page.
Acceptances:		Denmark:	
Held by Federal reserve banks.....	109	Foreign trade.....	91
Purchased by Federal reserve banks.....	107	Wholesale prices.....	82
Agricultural movements, index of.....	96	Deposits of member banks with city correspondents and Federal reserve banks.....	25
Argentina:		Deposits, savings, of commercial banks.....	92
Banco de la Nacion, condition of.....	71	Directors of Federal reserve banks, election of.....	24
Bond issues.....	70	Discount and open-market operations of Federal re- serve banks:	
Business and financial conditions.....	69, 135	Acceptances held.....	109
Business failures.....	69	Acceptances purchased.....	107
Foreign trade.....	69	Bills discounted.....	106
Government finances.....	70	Bills held.....	108
Wool exports.....	69	Earning assets held.....	108
Australia, wholesale prices in.....	82	Number of banks discounting.....	106
Austria, cost of living in.....	86	Rates of earnings.....	108
Automobile financing.....	41	Volume of.....	106
Bank debits.....	121	Discount rates:	
Banking and credit during 1922.....	1	Federal reserve banks.....	126
Belgium:		Prevailing in various centers.....	128
Cost of living.....	86	Dutch East Indies, wholesale prices in.....	82
Wholesale prices.....	82	Egypt, wholesale prices in.....	82
Brazil:		England:	
Business and financial conditions.....	72	Cost of living.....	86
Coffee crop.....	72	Financial statistics.....	132
Foreign exchange.....	72	Foreign trade.....	89
Foreign trade.....	72, 91	Index of industrial activity.....	87
Government and State finances.....	73	Prices, course of.....	50
Building statistics.....	100	Wages.....	51
Bulgaria, wholesale prices in.....	82	Wholesale prices.....	50, 78, 82, 84
Business and financial conditions:		Failures, commercial:	
Argentina.....	69, 133	Argentina.....	69
Brazil.....	72	United States.....	93
England.....	50, 132	Federal reserve agents, election of.....	25
France.....	53, 132	Federal reserve banks:	
Germany.....	61, 133	Condition of.....	110, 112
Italy.....	133	Directors, election of.....	24
Japan.....	133	Discount and open-market operations of.....	106
Mexico.....	73	Federal reserve note account.....	116
Norway.....	133	Fiduciary powers:	
Sweden.....	133	Exercise of, by national banks in Pennsylvania.....	20
United States.....	7	Granted to national banks.....	24
Index of.....	95	Finance companies.....	37
Canada:		Foreign exchange index.....	129
Foreign trade.....	91	Forged Government check, opinion of court on right of Federal reserve bank to charge back....	22
Retail prices.....	86	Foreign trade:	
Wholesale prices.....	77, 79, 82, 85	Argentina.....	69
Cannes Conference.....	31	Brazil.....	72, 91
Charters issued to national banks.....	24	Canada.....	91
Check clearing and collection:		Denmark.....	91
Gold settlement fund transactions.....	127	England.....	89
Number of banks on par list.....	125	France.....	90
Operations of the system during December... ..	125	Germany.....	90
Rehearing denied in Richmond par clearance case.....	20	India.....	91
China, wholesale prices in.....	82	Japan.....	91
Clearing-house bank debits.....	121	Netherlands.....	91
Commercial failures.....	93	Sweden.....	91
Condition statements:		United States.....	91
Argentine banks.....	71	Index of.....	92
Federal reserve banks.....	110, 112	France:	
Member banks in leading cities.....	110, 117	Bons de la defense nationale.....	53
Correspondent banks, deposits of member banks with.....	25	Financial statistics.....	132
Cost of living, foreign countries, index of.....	86	Foreign trade.....	68, 90
Cotton fabrics, production and shipments.....	94	Index of industrial activity.....	87
Currency in circulation.....	127	Internal floating debt.....	53
Czechoslovakia, retail prices in.....	86		
Debits to individual account.....	121		

	Page.		Page.
France—Continued.		National banks:	
Retail prices in Paris.....	86	Charters issued to.....	24
Wholesale prices.....	68, 79, 82, 84	Fiduciary powers granted to.....	24
Freight rates, ocean.....	93	Netherlands:	
Germany:		Foreign trade.....	91
Cost of living.....	86	Wholesale prices.....	82
Financial statistics.....	133	New Zealand:	
Foreign trade.....	90	Cost of living.....	86
Index of industrial activity.....	88	Wholesale prices in.....	82
Mark, stabilization of.....	45, 61	Norway:	
Report of foreign experts on.....	45	Financial statistics.....	134
Reparations, review of past three years.....	29	Wholesale prices.....	82
Wholesale prices.....	82, 84	Ocean freight rates.....	93
Gold imports and exports.....	18, 126	Par list, number of banks on.....	125
Gold-settlement fund transactions.....	127	Per capita circulation.....	127
Imports and exports of gold and silver.....	18, 126	Physical volume of trade.....	95
Index numbers:		Poland:	
Cost of living, foreign countries.....	86	Cost of living.....	86
Foreign exchange.....	129	Wholesale prices.....	82
Foreign trade.....	92	Prices:	
Industrial activity—England, France, Ger- many, Japan, and Sweden.....	87-89	Course of, in England.....	50
Ocean freight rates.....	93	Retail, in principal countries.....	86
Physical volume of trade.....	95	Wholesale, abroad.....	77, 82
Retail prices in principal countries.....	86	Wholesale, in the United States.....	78, 80, 82, 84
Wholesale prices abroad.....	77, 82	Rates, discount.....	126, 128
Wholesale prices in the United States... 78, 80, 82, 84		Regulation B, amendment to.....	19
India:		Reparations, German, review of, for past three years.....	29
Cost of living.....	86	Reserve ratio of Federal reserve banks.....	111
Wholesale prices.....	82	Resources and liabilities:	
Foreign trade.....	91	Federal reserve banks.....	112
Interbank deposits of member banks.....	25	Member banks in leading cities.....	117
Interest rates prevailing in various centers.....	128	Retail prices in principal countries.....	86
Italy:		Retail trade, condition of.....	101
Financial conditions.....	133	Richmond par clearance case, rehearing denied..	20
Retail prices.....	86	Rulings of the Federal Reserve Board:	
Wholesale prices.....	82, 85	Amendment to Regulation B.....	19
Japan:		Savings deposits of commercial banks.....	92
Financial statistics.....	135	Silver imports and exports.....	18, 126
Foreign trade.....	91	South Africa:	
Index of industrial activity.....	89	Cost of living.....	86
Wholesale prices.....	79, 82	Wholesale prices.....	82
Knit goods production.....	93	Spa agreement respecting German reparations.....	29
Law department:		Spain, wholesale prices in.....	82
Petition for rehearing denied in Richmond par clearance case.....	20	State banks admitted to system.....	24
Exercise of fiduciary powers by national banks located in Pennsylvania.....	20	Sweden:	
Right of Federal reserve banks to charge back forged Government check.....	22	Financial statistics.....	134
London Conference, third, August, 1922.....	33	Foreign trade.....	91
Manufactured goods, index of.....	96	Index of industrial activity.....	88
Mark, German, stabilization of.....	45, 61	Retail prices.....	86
Report of foreign experts on.....	45	Wholesale prices.....	82, 85
Maturities:		Switzerland:	
Acceptances purchased.....	107	Cost of living.....	86
Bills discounted and bought.....	107, 115	Wholesale prices.....	82
Certificates of indebtedness.....	115	Trade:	
Member banks:		Foreign. (See Foreign trade.)	
Condition of.....	110, 117	Physical volume of.....	95
Deposits with city correspondents and Federal reserve banks.....	25	Retail.....	101
Number discounting.....	106	Wholesale.....	105
Number in each district.....	106	Treasury financing.....	5
State banks admitted to system.....	24	Victory notes, redemption of.....	5
Mexico, banking conditions in.....	73	War savings certificates, redemption of.....	5
Mineral products, index of.....	96	Wholesale prices:	
Money in circulation.....	127	Abroad.....	77, 82
		In the United States.....	78, 80, 82, 84
		Wholesale trade.....	105
		Wiesbaden agreement.....	30

FEDERAL RESERVE DISTRICTS



- BOUNDARIES OF FEDERAL RESERVE DISTRICTS
- - - BOUNDARIES OF FEDERAL RESERVE BRANCH TERRITORIES
- ⊙ FEDERAL RESERVE BANK CITIES
- FEDERAL RESERVE BRANCH CITIES
- FEDERAL RESERVE BANK AGENCY