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

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FEDERAL RESERVE BULLETIN

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REVIEW OF THE MONTH.

Important beginnings have been made during the month in the direction of a more normal condition in the foreign commercial relations of the United States. The Federal Reserve Board has announced the lifting of the embargo upon gold and the practical elimination of restrictions upon foreign exchange. The development of plans for the financing of European needs for goods, or such part of them as may be deemed essential, has been undertaken, and important conferences looking to that end have been held. The plans upon which the nation as a whole is to work in financing trade and the extent to which it is desired that that trade shall be supported are yet to be determined, but the principles upon which plans must be based have been laid down. It will now be necessary to apply sound and effective judgment in connection with the choice of business and in relation to doubtful or uncertain elements in the proposed operations.

With the determination on the part of the Government that it will not **Government versus private** continue the large participation in export trade financing undertaken during the war, but will leave this field to be developed by private enterprise, our export operations will henceforward call for the assumption of full responsibility on the part of financiers and business men who must recognize that the war period in our foreign business has ended. The war period in exportation comes to a close when Government support of foreign trade is re-

moved and when business is left to maintain itself upon its own basis. That such should be the course of development from now on has for some time past been the view of the financial authorities of the Government—a view in which the Federal Reserve Board freely concurs, as indicated by the decision reached at the conferences held during the past month. The view of the Board is that the matter of providing long-term advances for Europe presents an investment rather than a banking problem; that the necessary funds must therefore come from the investment market. The question how to obtain these funds through an appeal to investors is, therefore, the immediate and practical problem of the moment in connection with the financing of the business. Methods for making such an appeal have been outlined during the month by bankers of prominence and include the plan of distributing as widely as possible the obligations of a corporation formed for the express purpose of financing the trade. The working or technique of the operation is now a matter for the immediate future and one in which the banking community is directly and predominantly concerned. This is especially true in view of the general recognition of the fact that the development of this plan is essentially a matter for private capital and for the assumption of private responsibility.

An essential element in several of these plans looks to the establishment of **Export corporations.** individual corporations, designed to cooperate in financing the sale to Europe on long-term credit of the several staple products of the country, such as cotton, wheat, copper, and the like, each of

which corporations would in turn subscribe to the capital stock of a central organization to which they could resort for assistance whenever their individual financial capital had become exhausted in facilitating the movement of their respective products. Such a central organization would obtain funds through the issue and sale of its own securities, and its problem would consist in finding buyers who would take, and more or less permanently hold, the issues. In floating these issues, it has been recognized by the Board that difficulty will necessarily be encountered with respect to interesting the public in the securities. It has, therefore, been decided to recommend to Congress the addition of a new paragraph in section 25 of the Federal Reserve Act designed to permit national banks, until January 1, 1921, to invest not exceeding in the aggregate 5 per cent of their capital and surplus in the stock of one or more corporations principally engaged in such phases of international or foreign financial operations as may be necessary to facilitate the export of goods from the United States. The purpose of this provision is not that of obtaining from the banks actual funds for operations, or to cover risks, like those which are now contemplated, but rather that of permitting banks to set the example and to show concern for the success of the new enterprises by actually becoming stockholders therein. It is believed that such an example on the part of banks will be likely to stimulate like action among their customers, with the result that the subscriptions to the proposed debentures or obligations will be much more liberal than could otherwise be expected. In the last analysis the success and soundness of the proposed plan are dependent upon the degree to which the public stands ready really to take up, pay for, and hold such obligations, or, in other words, to resign the use of its purchasing power which might otherwise be devoted to the consumption of commodities, permitting exporters therefore to control a corresponding amount of goods for shipment abroad.

While the working out and application of financing the plans which are called for in connection with our export business is thus a matter to be disposed of by bankers and business men at their own risk, under such terms and conditions as are desired through negotiations with foreign buyers and consumers, the volume and direction of our export trade is essentially a question in which the American consumer, as well as the local producer and distributor, is vitally interested. As domestic business has resumed its activity and vitality, it has become more and more apparent that the supply of commodities available to the home consumer is becoming relatively reduced as compared with the demand for them. Already a tendency to advances in price is obvious, and it is clear that in some cases what is exported will constitute a deduction from the total needed supply, which will leave the buyer with inadequate means of meeting his requirements. Excessive shipments of goods therefore signify, even when buyers abroad are solvent and able to repay the advances thus made to them at some reasonable date in the future, a deduction from home consumption, which will leave the consumer in the United States in a less favorable position than he would otherwise have been. The value of our present excess of exports, announced as \$277,000,000 for May, is still the outgrowth of war conditions and the abnormal situation which has succeeded them.

How far this great export balance is advantageous to the United States is the economic question underlying the export financing problem. That problem will essentially be one of apportionment, selection, and differentiation. There is a distinction between necessary demands originating abroad for which provision needs to be made and doubtful and questionable purchases which may not, or should not, be provided for, since in supplying them what is shipped to European buyers is obviously withdrawn from domestic consumption. Sharp distinction exists between those basic

materials and supplies of which long before the war we normally produced an exportable surplus, and which are thus habitually produced in excess of domestic requirements, and those specialties and supplies whose production has been artificially stimulated during the war period. The two classes of goods are in quite different positions, since articles of the one class constitute our normal contribution to the needs of foreign consumers, while those of the second are needed at home, and can be produced by foreigners to meet their own requirements.

Various estimates have been made of the annual savings balances of the United States prior to the European war. Such estimates were an attempt to ascertain the amount over and above consumption which might be carried to investment account, and which represented goods not needed in meeting current consumption requirements. During the war the restrictions upon consumption, coupled with the general inculcation of thrift, probably resulted in a material increase in saving. It has been estimated by the War Industries Board and others that a growth of 16 per cent to 18 per cent in the physical output of commodities took place, and of the total product of the country as thus increased, it is likely that a larger percentage was saved by those who came into possession of the goods. The savings of the Nation as stated in dollars are today very greatly in excess of prewar savings, but this excess is primarily due to the great change in prices which has raised the current cost of commodities to about 200 per cent of their former figure. There has, too, since the war, been an undoubted relaxation in thrift and the exercise of the saving spirit, while manufacturing has not maintained the high level of output which was reached at the peak of war production. We may therefore reasonably doubt whether current savings as measured in terms of goods are materially larger than those which existed before the war. On the other hand, current capital requirements are unprecedentedly great, many industries

striving to make up for relative loss of development which occurred in consequence of the restrictions imposed during the war period upon new issues of securities and advances of capital. Bearing in mind that the Government has already during the present calendar year arranged to take from consumers something like \$4,500,000,000 through the sale of Victory notes, and about \$3,000,000,000 as the product of excess, or war, taxation, a total which, when reduced to the price basis of 1913, would be equivalent to at least \$3,750,000,000, it is evident that the savings balance now available for export financing can not be large. The renewed exercise of individual thrift will be the only means of enlarging the basis of this export financing. Out of this must come provision for the additional requirements of the Government and for meeting the domestic needs already referred to. Any attempt to finance our exports in excess of our available savings can only result in raising domestic prices still further. Our great food crops will help in increasing the amount of exportable goods which can be shipped abroad without causing scarcity at home, but this will not influence the situation as regards other commodities.

The export situation is possibly of most direct importance to the domestic consumer in a way that is very frequently overlooked. This is in connection with prices. There is a shortage of many essential materials and commodities in the world at large. Increased credit demand for goods for export necessarily implies relatively decreased supply of goods for domestic use. Demand and supply are automatically equalized by changes in price, but such changes in price are, in the circumstances here under consideration, necessarily upward. The domestic consumer, therefore, when asked to finance export trade, should remember that the outstanding effect of such financing upon too great a scale would necessarily be the exaggeration of the prices which he himself must pay for the things he needs. This necessarily means, therefore, that he is in a sense bidding against

himself when he enables others to purchase overfreely with the funds which he has supplied. If a large export financing process is conducted by banks out of credit, the result is to place the fluid credit of the country at the disposal of foreigners in purchasing and settling for domestic products which they obtain from American producers. The situation is quite different in its effects from that which exists when domestic investors take up and pay for the commodities by actually turning over saved funds and withdrawing their own demand from the merchandise field. In this connection it is worth while to recall what is meant by inflation. Inflation has been defined by the Board as the process of making additions to credits not based upon a commensurate increase in the production of goods; in other words, not offset by genuine savings, this process resulting in an increased tendency toward the bidding up of prices. It is in order to avoid a recurrence of this menace in the form of an undue exportation of goods not purchased by a corresponding amount of savings that the Board has urged that the basis of export credit be found in the investment market and not at the banks. There is the same necessary opposition of interest between the domestic and export trade in such circumstances as that which existed between the needs of the Government and those of private individuals during the war; and there is the same argument in favor of the exercise of thrift by domestic buyers in order that they may provide the saved funds necessary to finance the movement of goods abroad that there was in connection with the purchase of Government obligations. It is for this reason that the amount of export trade securities to be purchased and held by banks must necessarily be limited to a minimum figure, in order that there may be no danger of unduly increasing the total amount of such obligations which find a place in the portfolios of banking establishments, and which to that extent tend to create the kind of inflation that results from the purchase and carrying an undue amount of long-term

obligations by institutions which are engaged in providing purchasing power for current uses.

The abnormal conditions which exist at the present time in connection with our export commerce are the reverse of those which ordinarily prevail when trade with other portions of the world is substantially equal, and when the "balance" that may be found upon one side or the other of the account is small relatively to the total volume of the business. Under the latter conditions, goods are imported in somewhat the same proportion as they are exported, or in other words, the domestic market obtains a quantity of goods of about the same worth and volume that it has released. The relation between goods and purchasing power is thus kept substantially stable, and the financing of export trade has exactly the same effect as the financing of domestic business—if based upon actual consumable commodities which are regularly sold and consumed, it does not tend to change the normal price level. No "export problem" can then exist. The situation to-day is entirely different since we have at present relatively little importation into the United States to offset the great volume of goods which we are expected to ship abroad. Indeed, our trade with some of the European countries is almost wholly one sided. In the circumstances existing to-day, an extension of credit for the purpose of purchasing goods for export is to all intents and purposes a loan of capital, and has an effect very similar to the latter. The goods we are shipping abroad might have been used at home in productive enterprises, but instead they are parted with, presumably for productive purposes in other countries. This is a transfer of the country's capital in the real sense of the term. This entirely changes the financial aspects of the case, and necessitates a careful study of the conditions under which credit is to be extended or capital loaned abroad, as well as consideration, from the public standpoint, of the extent and degree to which it is desirable on economic grounds that American citizens

should provide the funds that are necessary for the continuance of this unprecedented and enormous movement of goods out of the country. The idea of a balance of trade in which the surplus of exportation is paid for in money and is regarded as beneficial to the people of the country which obtains such payment disappears when the result of a continuation of such trade is obviously that of impairing or destroying the ability of the consumer at home to provide for his own needs. Trade with foreign countries which results in the actual shipment of goods to the United States, however, adds to the available supply of consumable commodities and so tends to ease and improve the consumer's position.

It is not, however, desirable to exaggerate the difficulty of the problem involved in sound and safe financing of our present export trade. Stated in round numbers and over periods of a year, the problem appears serious. As a matter of fact, some part of the export demand is likely to disappear as soon as actual commercial security is required for the protection of shipments. There is a substantial part of the trade which will provide its own liquidation if loans are wisely placed abroad. Some commodities will be enabled to move by the use of the advances which are supplied to foreign borrowers, while in other cases the loans will permit the completion of manufacturing operations which are as yet incomplete, and in which there are in considerable volume goods still remaining "tied up." Wise financing will thus in many cases serve to furnish its own means of settlement. It is quite probable, also, that as European countries succeed in reestablishing themselves, their recovery toward a self-supporting basis will be much more rapid than has been expected. Far more time is required for the expenditure of great sums in the purchase of goods than is generally comprehended. The war, with its tremendous drains upon the wealth of the world, is now over, and expenditures to be made for peace purposes or for re-

construction will require care and patience if they are to yield returns under competitive business conditions. They can not be overhastily made, and this will in itself ease the urgency of the pressure for export financing. When all these elements have been eliminated there will remain a very great residue of urgent industrial requirements abroad, and these it is both economically and otherwise sound and desirable to finance as promptly and effectively as possible, in order that foreign demand for our goods may be maintained, our markets conserved, and our general position in world trade protected.

The whole question of foreign trade financing is, moreover, intimately associated with that of restoration of sound banking and currency conditions in international trade. Recognizing this fact, the Board has long been desirous of restoring, so far as it has the power, the free traffic in gold between nations. The first step in this direction was obviously that of providing for the unrestricted movement of gold out of the United States.

In a statement issued to the press on June 9 the Federal Reserve Board accordingly announced that the control heretofore exercised over transactions in foreign exchange and over the exportation of coin, bullion, and currency would be terminated. The only exception made was in connection with the importation and exportation of ruble notes, or exchange operations with that part of Russia under control of the Bolshevik government, as well as with reference to exchange transactions with territories where operations of the kind are now permitted only through the American Relief Administration. Further action completing the order of June 10 was taken on June 30, when the requirement of applications and licenses for the exportation of coin and bullion was removed. Thus is brought to an end a system of control over the movement of gold and silver which was originally put into operation on September 7, 1917, and which there-

fore has been in existence for practically 21 months. Control over foreign exchange transactions, which is now likewise practically terminated, is of briefer duration, having been introduced on January 26, 1918, and having therefore been in operation less than 18 months. As will be seen elsewhere in the present issue of the BULLETIN, the gold embargo has resulted in the issuance by the Board of approximately 1,142 licenses for the shipment of \$152,326,976 of gold, about 1,500 licenses covering \$502,756,003 of silver, and about 1,817 licenses covering \$208,170,700 of currency other than United States gold and silver certificates. Some 755 applications of all classes were declined. The net movement of gold and silver into and out of the country since approximately the beginning of the gold embargo is represented in the following table:

Gold and silver imported into and exported from the United States during the period Sept. 1, 1917, to May 31, 1919.

	Gold.		Silver.	
	Imports.	Exports.	Imports.	Exports.
Sept. 1 to Dec. 31, 1917	\$28,293,467	\$54,247,766	\$26,086,695	\$32,362,293
Jan. 1 to Dec. 31, 1918.	62,042,748	41,069,818	71,275,699	252,846,464
Jan. 1 to May 31, 1919.	24,310,573	14,035,672	35,510,854	129,497,080
Total.....	114,646,788	109,353,256	132,973,248	414,705,837

Excess of gold imports over exports since Sept. 1, 1917, \$5,293,532.
Excess of silver exports over imports since Sept. 1, 1917, \$281,732,589.

On the whole, therefore, the effect of the embargo may be said to have been that of holding practically intact the net national gold reserve—this, at least, so far as the figures indicate the surface effects. On the other hand, there is a large field for inquiry as to the effect of the embargo, taken by itself, in changing the actual available bank reserve supply of both gold and silver. Whatever these effects may have been, they were necessarily more or less offset by other influences which were set at work, chief among them the effort to draw into the banks the floating gold supply actually in circulation and in the pockets of the people.

The purposes of the establishment of the gold embargo may be said to have been twofold—that of conserving the available gold supply of the country and that of preventing enemies or those associated with them from obtaining access to and deriving benefit from the use of such gold. Control over foreign exchange operations was a natural adjunct to control over the movements of specie, its purpose being that of preventing enemies or those associated with them from obtaining the benefit of banking credits created in the United States or from using the banking machinery of the United States to transfer and render available such credits. In all these particulars the operation of the embargo has been successful. The Board, after being vested with the duty of administering the embargo, has carried it on in the endeavor to make it as effective as possible and at the same time to insure the working of the new system with as little public inconvenience as might be. Working toward much the same result as the embargo was the policy of drawing into the banks the floating supply of gold, and this was accomplished by substituting Federal Reserve notes for outstanding gold certificates and by discouraging the use of gold as a circulating medium. The latter element in the plan, indeed the whole undertaking, could not have been successfully carried out without the very general cooperation of the banks and of the community in general in protecting the gold supply from being drawn off or unnecessarily continued in popular use. Even as it was, about \$300,000,000 of hoarded money which had been laid away by the population during the continuance of active hostilities was returned to the banks subsequent to the armistice. Of this money a very considerable portion appears to have been gold. The total amount thus hoarded, however, is small as compared with the gross amount in the banks or formerly in circulation. Not only was there no withdrawal of gold from the country, therefore, but the withdrawal of it into private

hoards occurred only in inconsiderable degree. The success of this undertaking was increased beyond question by reason of the fact that foreign countries were working along substantially the same lines, so that in practice those parts of the world with which progress was likely to prove difficult were chiefly the neutral nations which would ordinarily or normally have been in position to draw gold from the United States. Such nations included a portion of the Orient, several South American States, and, under very special conditions, Mexico, as well as Spain and some of the northern European neutrals.

The action of the United States makes it the first of the belligerent countries to return to the free movement of gold. Pending further action by foreign governments, the United States therefore stands to-day as practically the only free-gold market in the world, those neutral nations where no embargo exists being too small in the scope of their transactions or too limited in the operation of their banking machinery to afford any genuine or well-developed world discount or gold market. Relations between the United States and other countries are therefore necessarily on a one-sided basis. This one-sided condition is rendered the more peculiar and difficult by reason of the tremendous merchandise balance of trade which has been gradually developed. That merchandise balance for the past three calendar years may be stated in round numbers at about \$9,500,000,000, and bids fair to run at something like the same rate for the current year. In the following table are set forth the figures showing the movement of goods between the United States and the rest of the world and the net balance thereof during the gold embargo period.

Merchandise imported into and exported from the United States during the period Sept. 1, 1917, to May 31, 1919.

	Imports.	Exports.	Excess of exports over imports.
Sept. 1 to Dec. 31, 1917.....	\$905,870,350	\$2,084,070,750	\$1,178,200,400
Jan. 1 to Dec. 31, 1918.....	3,031,304,721	6,149,392,647	3,118,087,926
Jan. 1 to May 31, 1919.....	1,317,677,449	3,136,799,301	1,819,121,852
Total.....	5,254,852,520	11,370,262,698	6,115,410,178

What is thus made evident is that although the United States has become possessed of the greatest single stock of gold in history, it is now the claimant of the greatest favorable merchandise balance ever developed. This balance may be liquidated in any one of many ways, but in the absence of any other liquidation it would of course have to be paid in gold or remain as an open banking or book credit—that is to say, as a potential claim to gold. In these circumstances it is clear that the United States, while it may lose gold under the new régime to any one of a number of countries with respect to which its balance may be temporarily unfavorable, or to which for other reasons a small movement of gold would naturally set in, it can not lose gold in any considerable amounts relatively to its entire business, while such adverse movements as may occur in trade-isolated countries will tend to correct themselves. The United States, in other words, stands to-day as an almost irresistibly strong claimant of gold, and, but for the interferences with gold movements existing abroad, could theoretically draw to itself most of the remaining free gold in the world.

During the month of June speculation has continued on a high level, although it has been subject to many fluctuations. On June 16 call money reached 15 per cent in New York, and on June 10 the Board sent a letter to all Federal Reserve agents asking for information concerning the purposes for which funds obtained by rediscounting were being used by member banks. This letter was made public and one effect of it was apparently that of leading some banks to hesitate about making applications for rediscounts where the funds were unquestionably intended for purely speculative purposes. After the middle of June the volume of speculation on the New York Stock Exchange was reduced from one-fourth to one-third for some days, and this lessening of the demand for money naturally lowered the intensity of the demand for funds which had previously made itself felt. The extremely high level of prices for stocks, and for staple commodities for

Money and speculation.

which there exists a speculative market, which had been developed in New York and elsewhere, and the fact that speculation has spread widely throughout the country, has undoubtedly had a considerable effect in drawing heavily upon the available liquid resources of banks, which at best were none too abundant prior to the time when the speculative fever became well marked. It is well to reiterate the fact that the funds of the Federal Reserve system are in no sense intended for the support of speculation and that member banks should bear this in mind when arranging for the extension of accommodation to borrowers.

During the latter part of May and the first two weeks of June loans of the banks in the large centers show a continuous increase in answer to speculative demands of the money and commodity markets and as a result of the accommodation extended in connection with tax payments due about the middle of June. The Treasury was able to ease the financial situation in a large measure by redeeming two series of certificates issued in anticipation of the Victory loan, due on June 3 and 17, also by taking up on June 16 and 17 two series of tax certificates amounting to about \$730,000,000. This enabled the member banks to reduce somewhat their loan accounts with the Federal Reserve Banks, with the result that the amount of war paper held by the latter declined from 1,762.5 millions on May 23 to 1,621.9 millions on June 20, while the total of discounts on hand declined from 1,938.8 to 1,837.4 millions. During the four weeks under review the Federal Reserve Banks increased their holdings of acceptances by 81.5 millions, the amount on hand on June 20 being 274.7 millions, while their total earning assets decreased by 17.5 millions, and on June 20 stood at 2,341.5 millions.

On June 6 the aggregate gold holdings of the Federal Reserve Banks had reached the record total of 2,201.8 millions. Since then, following the removal of the gold embargo, they decreased 36.1 millions. Net deposits followed about the same course as discounts, and by

June 20 had declined to 1,771.3 millions. Federal Reserve notes in circulation likewise show a substantial decline, the June 20 total of 2,488.3 millions being about 16 millions less than the total reported four weeks earlier.

Reductions in deposit and note liabilities more than outweigh the decrease in reserves. Accordingly, the banks' reserve ratio, after a decline to 51.8 per cent on May 29, rose to 52.5 on June 20, a slight increase over the percentage shown four weeks before.

During the month ending June 10 the net inward movement of gold was **Gold imports and exports.** \$19,149,000, as compared with a net inward movement of \$2,144,000 for the month ending May 10.

The gain in the country's stock of gold since August 1, 1914, was \$1,101,019,000 as may be seen from the following exhibit:

[In thousands of dollars; i. e., 000 omitted.]

	Imports.	Exports.	Excess of imports over exports.
Aug. 1 to Dec. 31, 1914.....	23,253	104,972	1 81,719
Jan. 1 to Dec. 31, 1915.....	451,955	31,426	420,529
Jan. 1 to Dec. 31, 1916.....	685,745	155,793	529,952
Jan. 1 to Dec. 31, 1917.....	533,713	372,171	161,542
Jan. 1 to Dec. 31, 1918.....	61,950	40,848	21,102
Jan. 1 to June 10, 1919.....	44,002	14,339	29,613
Total.....	1,820,618	719,599	1,101,019

¹ Excess of exports over imports.

Of the total gold imports for the month, amounting to \$20,408,000, \$19,347,000 came from Canada, the remainder coming largely from Mexico and Dutch East Indies. Gold exports, amounting to \$1,259,000, were consigned chiefly to Peru, Mexico, and Venezuela.

The Federal Reserve Board on June 19 held an important conference, whose substance has already been explained, with members of the Federal Advisory Council. The subject under discussion was the question of export financing and the proper attitude to be adopted with respect to shipments of goods abroad. At this conference were present the executive committee of the Federal Advisory Council (Mr. James B. Forgan, Mr. L. L. Rue, Mr. Daniel G. Wing,

Conferences of month.

and Mr. W. S. Rowe). A conference was also held on June 18 with representatives of corporations engaged in foreign banking, the purpose being to harmonize and unify, so far as practicable, the regulations of the Board for the governance of such concerns, as well as to explain more clearly to the representatives of the different enterprises the conditions under which business is to be done at the present time, according to the Board's regulations. The Board believes there is need for a better understanding of the business of American corporations engaged principally in foreign banking business, and the conditions under which such corporations must function, in order that it may get better light on the extent to which it would be possible to make uniform the agreements executed by such corporations with the Board in order to make their stock eligible for investment by national banks. It was the chief purpose of the conference to determine whether or not it is necessary or desirable to make further modifications in the existing agreements with foreign banking corporations;

and a generally unanimous agreement was developed.

The appointment of the following directors of the Houston branch of the Federal Reserve Bank of Dallas was announced on June 5: Mr. Sam R. Lawder, Mr. J. A. Pondrom, Mr. Frank Andrews, Mr. J. C. Chidsey, Mr. J. J. Davis. The first three gentlemen have been appointed by the board of directors of the Federal Reserve Bank of Dallas, while the last two are the appointees of the Federal Reserve Board. Mr. Lawder has been the manager of the El Paso branch of the Federal Reserve Bank of Dallas and will serve in a similar capacity at the Houston branch. Mr. Pondrom is first vice president of the South Texas Commercial National Bank, Houston, Tex. Mr. Andrews is a director of the Union National Bank of Houston. Mr. Chidsey is vice president of the Houston National Exchange Bank, and Mr. Davis is president of the South Texas State Bank, Galveston, Tex.

BUSINESS AND FINANCIAL CONDITIONS DURING JUNE, 1919.

Increasing confidence in the continuation of business activity and an expansion of industry along many lines have been the characteristic features of the month of June. This condition has been reflected in the speculation which has been reported from several districts, with some indication latterly of danger that it would develop to excess. Underlying business conditions have nevertheless shown strong and steady development. In nearly all of the districts the opinion is entertained that the prospects for a successful and prosperous year, with very large output of goods and almost unprecedented financial returns both to manufacturers, agriculturists, and laborers, are now positive. The possibility that speculation may be carried too far and may exert an injurious influence, aided and furthered by the existence of free credit and speculative tendencies, appears as the principal offsetting influence in the situation.

General conditions in district No. 1 are based upon "consensus of opinion that business conditions will remain good for a considerable time to come." Buyers are increasingly "ready to enter into future commitments," but "speculation has become popular," and various doubtful securities are being offered to the public. In district No. 2 "the inclination to buy has not abated * * * dealers have been obliged to increase their demand on manufacturers and producers, with the result that many industries report maximum activity. The export demand has supplemented domestic requirements."

In district No. 3 there has been no change "in the favorable business conditions and the optimistic outlook" noted during the preceding month, but prices have continued to advance, and there is a great latent demand for "nearly all kinds of goods." From district No. 4 it is reported that the wide distribution of orders for commodities is giving a "healthy color to business," and a "firmer feeling of confidence prevails than has been evidenced

in any of our previous reviews." District No. 5 reports "a continuously rapid improvement in business, the volume moving apparently being limited only by the supply of raw material." In district No. 6 business conditions "in all parts of the district are reported satisfactory," and demand has appreciably increased during the past few weeks. In district No. 7 it appears that wheat is "in fine condition," general crop conditions good, land values high, selling conditions and collections good, and the principal danger seen in a development of speculation. In district No. 8 there is "great activity in retail trade, undiminished prospect of an excellent crop yield * * * likelihood that the over supply of labor will soon be converted into an actual shortage." District No. 9 reports that damage to crops has been averted and that labor, agriculture, and general business have good prospects. In district No. 10 "a high tide of general business and industrial activity is shown in reports from all sections of the district." These reports uniformly agree that "there is increased confidence and more satisfactory progress in practically every line of trade." In district No. 11 "early predictions of good crops and business conditions have fully materialized, and there is no hesitancy in the trade." In district No. 12 "industry is active, trade and collections good, and agricultural prospects encouraging." Practically throughout the country the labor situation is reported improving and wages high, and if anything a scarcity of men for actual productive work.

Prices have continued to rise throughout the month, both in this country and England, and are fast making up the setback which occurred after the signing of the armistice, when a slight reduction in prices over the high levels of the war period took place. The enormously heavy demand for goods for export has rendered products in many lines scarce, or has even put them out of reach. In nearly all districts it is reported that

the conclusion has been arrived at by business men that they can rely upon heavy demand and continuously sustained prices for some time to come, while a feeling of apprehension which had been entertained early in the year is disappearing, and jobbers and retailers are readily entering into commitments for the fall and winter, very large orders in many cases being placed. In one district it is reported that, contrary to expectations, there has been little or no reduction in prices; in fact, in many directions there has been a stiffening in prices, and there is a general disposition to accept present levels and expect a continuation of them. During May the upward movement of wholesale prices noted in March and April has continued, the general index number of the Bureau of Labor Statistics now standing at 206, the same figures as for November and December, 1918. The increase has been general, being exhibited by each of the groups of commodities for which index numbers are calculated. The index number for the group of consumers' goods has increased from 211 to 215, for the group of producers' goods from 186 to 189, and for the group of raw materials from 200 to 203, the increase in the last-named group being due largely to the increase in the prices of farm products, the index number for which subgroup has increased from 243 to 244.

In many respects the agricultural prospects of the early spring are being more than justified. The figures given out by the Government, which promised an enormous yield, have naturally declined somewhat as the season has advanced, such being always the tendency as the crop approaches maturity, but the figures are well above the 10-year average, both for winter and spring wheat. Grain in Montana and western North Dakota escaped danger early in the month through timely rains, and the prospects in Montana and other parts of the Northwest are favorable, the South Dakota outlook "is excellent" and "in practically all of North Dakota very good." In Minnesota and Wisconsin prospects are for a big crop. In district No. 7 "the winter wheat crop is coming

to the harvest in fine condition" and corn is looking fairly well. Tobacco and corn have been freely planted, and hold out an excellent prospect. In district No. 6 corn is in large acreage and showing splendid growth, while cotton was in fair condition before the recent rains. In Texas the cotton crop has suffered somewhat from heavy rains, but corn is in an unusually favorable position and other crop prospects are satisfactory. On the Pacific coast the grain harvest has commenced, and it is believed that the year's output will be the largest in some States ever produced and in California the largest since 1907. No important developments have occurred in the flour market. Live-stock continues high in price, with receipts of cattle at 15 of the primary markets about stable, being 1,255,379 during April and 1,262,065 during May, the index number for each month being 125. Receipts of hogs have increased, the figure for May being 3,049,223, as compared with 2,823,484 during April, the corresponding index numbers being 139 and 128. Packers' purchases of cattle for slaughter in the Kansas City district are less than a year ago, but the killing of hogs and sheep shows a decided increase.

In steel and iron the month has witnessed a distinct turn for the better, and manufacturers now report a much more encouraging prospect. Philadelphia reports "large orders from automobile concerns and for export." Operations of steel plants in the Third District show increases for early June. In the southern iron district "inquiries are multiplying." Pig-iron plants which were idle in April are now operating, and others are making preparations to begin operations. Steel plants in the Birmingham district are operating steadily. Large orders for steel rails have been placed by the railroads, and inquiries for a large amount of steel tonnage for export trade have appeared. The unfilled steel tonnage for the United States Steel Corporation as of May 31 was reported as 4,232,310 tons, but the reduction thus indicated is believed to represent the low point of the movement downward, which set in soon after the armistice

Pig-iron production during May was 2,108,056 tons, corresponding to an index number of 91, as compared with 2,478,218 tons during April, the index number being 107. Steel-ingot production likewise shows a decline, from 2,239,711 tons during April to 1,929,024 tons during May, the respective index numbers being 93 and 80. Even where the pig-iron trade is slightly smaller and where plants have not yet resumed their activity, there is a much more hopeful feeling. Pipe plants and steel mills are beginning to receive increased inquiries for their products. Foundries and cast-iron pipe makers are also running more steadily.

The fuel situation has been much below normal so far as production is concerned since the first of the year, and the bituminous market is dull, but there is an increasing demand due to a reduction in stocks and the fact that industrial consumers are coming to the conclusion that a tight situation in the production of coal will exist next winter. A great deal of high-grade bituminous coal is now said to be covered by contract up to next April. A very large demand for anthracite coal for next winter is now predicted. Increased production of both bituminous and anthracite coal during May is reported, the output of the former being 37,547,000 tons during the month as compared with 32,164,000 tons during April, the respective index numbers being 101 and 87. Anthracite coal output for May is 5,711,915 tons, as compared with 5,224,715 tons during April, the respective index numbers being 101 and 93.

Mines have been producing far below capacity, and there is a possibility of shortage. The coke market is quiet and prices are little above the cost of production. Production of beehive coke during May was 1,135,840 tons, as compared with 1,316,960 tons during April, the index numbers being respectively 43 and 50. These conditions tend to provide a cheaper medium supply of fuel than would otherwise be available, but with the probability of higher prices later on. In the Pittsburgh district millions of dollars are being spent in repairs and enlargements by steel companies, and this is interpreted to mean that prospects of great ex-

pansion are foreseen by shrewd operators. Buyers all accept present levels of prices in steel, and are willing to close tonnages at present prices to a more forward date than the producers have heretofore been willing to entertain. Steel is now being sold in the first open market since the beginning of the war, but shows strong capacity to maintain its price. Orders are well distributed throughout the country, and there is a large demand for structural steel. Wire plants are now operating at about 85 per cent, while the pig-iron plants in the Pittsburgh district are on a basis of from 65 per cent to 70 per cent. Metal mining industry is again improving, assisted by the removal of restrictions affecting the export of silver and the prospects of a better market for copper. Copper prices have strengthened during the month and the price of copper stocks has moved up in sympathy with them. A more favorable feeling in the Colorado district has been produced by better prices for lead and zinc. The volume of labor remains about the same, but wages have been somewhat reduced. Zinc ore fell slightly in price during the month of May in the Joplin district, but lead ore has been practically stable. Operations are carried on at about 50 per cent of capacity in both metals.

In common with the steel industry, manufacturing has taken a strong upward turn during the month. In New England the demand for fine cotton goods exceeds production, and the buyers in many cases are willing to pay premiums in order to assure themselves of having goods when needed. There is a shortage of skilled labor throughout the cotton district. Shoe manufacturers are producing at maximum capacity, while the heavy demand from Europe is drawing off a very large portion of the available supply. In Philadelphia inquiry shows that the cotton mills are in much better position than a few months ago, and that prices have risen to very high levels, the advances being greater proportionately than the rise in raw materials. Export business is good and limited only by the financial ability of foreigners to pay. Raw wool is in very strong

demand throughout all of the woolen-producing sections, and a higher level of prices prevails at the Government auctions. Products are now sold ahead for many months, and active business is expected for the remainder of the year. Imports of raw silk during the month of May were 4,878,646 pounds, as compared with 2,988,838 pounds during April, the respective index numbers being 238 and 146. Demand for leather has been on the increase and prices have moved very high. Tanners are endeavoring to buy from one another in New England and manufacturers are finding it considerably more difficult to buy their supplies in advance. In St. Louis great increases in the boot and shoe business are reported and orders for fall delivery are already being placed. The leather situation is difficult practically everywhere. Automobile manufacturing is running in many plants at record levels. Expenditures on the part of consumers have led retailers to stock up more heavily than heretofore, and wholesalers generally report very strong demand from their customers.

Building shows continuation of the revival already noted. Heavy buying of lumber on the part of retailers has become general. In New England the number and value of permits in May showed a very large gain over those of the preceding month and year. In the Fifth District there is an increase in the number of permits issued amounting to about 22 per cent over April. In the southwest building is slower, but there is activity in repairs and reconstruction. There is a shortage of house accommodations, but new building has not been actively resumed. In Philadelphia and New York the demand for accommodations is far in excess of supply, prices of building materials advancing, and reconstruction is being rapidly developed. There is much trading in houses and a great deal in business property in many parts of the country.

The labor situation has now reached a distinctly advanced stage of full employment. There is apparently no present condition of unemployment; indeed, many industries report

that they can not get the men they need, while wages are fully up to past levels or higher. The requirements for farm help are absorbing surplus labor in practically all parts of the country. There is some surplus of unskilled workers in some centers, but this is not different from the condition which frequently exists in normal times. In the northwest the labor situation has greatly improved, particularly in the copper mines. The Fourth District reports that skilled workers are particularly few as compared to the demand, and that there is very little unrest. No reduction in wage scales is now foreseen. One of the principal problems in the labor situation that is noted by thoughtful observers is the fact that clerks and office employees, as well as other workers receiving more or less fixed incomes, have not yet participated in the advance in wages. Improvement for these classes of workers will be necessary if prices are to continue at their present level, but will, of course, add correspondingly to the cost of business to the Government. Returning soldiers are being rapidly and steadily absorbed into business, and the problem which for a time seemed to threaten in this connection is now apparently minimized in all directions. From the farming districts particularly comes the report that the supply of labor is scanty and likely to prove more so as business progresses.

Official figures for the month of May now show export balances of \$277,000,000, and while this figure is considerably below that of the preceding month, it still represents an abnormally high balance. Exports of manufactures are beginning to show a relative increase as compared with shipments of food-stuffs supplied. The export problem has assumed greater proportions as a matter of immediate current business adjustment, and the month has seen several far-reaching plans for the financing of exports brought forward and urged. There has been a somewhat better development of shipping facilities during the month, and the growth of our trade with various countries, which has heretofore suffered from unsatisfactory methods of communication,

bids fair to showing improvement. The export situation is being watched in many parts of the country and is regarded as a very important element in the maintenance of business. There is, however, less relative anxiety about it than heretofore, on account of the very great growth in the demand for domestic commodities, and the feeling that domestic business should have the first claim for attention.

Speculation during the month has reached an unprecedentedly high point, both in New York and elsewhere. Call money has been quoted as high as 15 per cent, and although this level was not long maintained, it was taken as an indication of danger and led to a reduction in the volume of stock speculation. An inquiry into the sources of funds for call loans has shown that they are widely distributed throughout the country, and that the tendency toward speculation is not localized, but general. Bankers are watching with particular interest the development of this movement on account of the large requirements of the crop season and the obvious needs for the financing of the export trade.

Government credit is in good condition, as evidenced by the high and rising market for Liberty bonds of practically all issues, particularly the Victory notes. Apprehension is expressed in a number of quarters lest bankers may get into the habit of overlending, and lest the prevailing high prices for real estate and commodities may result in advances up to an unduly great portion of the normal value of the property or security offered.

As the year advances there is some tendency toward a strengthening of rates in various classes of commercial paper, while both stocks and bonds have, in spite of some reactions on the exchange, reached and fairly well maintained what are considered very high prices as compared with the levels existing during the war period. No marked movement in rates on the whole is evident. In certain centers—in particular Minneapolis and San Francisco—rates in general have declined. In other centers a somewhat firmer tone in rates is noted, although no pronounced instances of general

increase in rates are noted. The low rates for customers' commercial paper on the whole have decreased, as have to a less marked extent both low and customary rates for commercial paper purchased in the open market. The Board's weekly figures for check transactions show a marked growth in the volume of operations, due no doubt to the increase in volume of business and heavy financing which has been in progress.

Removal of the gold embargo has been a feature of the month's developments, and has been followed by moderate shipments of gold which, however, are much more than offset by gold either imported or shortly to be imported, and whose early arrival is certain. Foreign exchange has been in most cases weak and lower than during the preceding month, francs and lira being in a particularly unfavorable condition. The banking situation as a whole is regarded as sound, credit and collections throughout the country being considered unusually good and failures unprecedentedly small and few.

SPECIAL REPORTS.

REPORTED BY DISTRICT NO. 1.

Wool.—Considerable amounts of wool are being regularly disposed of by auction. At the present rate the amount to be left over when these auctions cease on July 1, will be approximately 60,000,000 pounds. However, most of this is of inferior grade and not wanted in this country at any price.

The spread that has existed for some time between the price of fine and medium grade wools is now rapidly decreasing as the latter are advancing. The demand for the best of the medium grades comes from manufacturers who desire to put a cloth on the market which can slightly undersell that made from fine wool and still answer every purpose which the other does.

Mills received orders so late that they will run well into September on this year's goods, and there may be a considerable congestion during August and September when orders for spring delivery commence to be placed. Buyers are therefore extremely anxious to make sure of their goods and are willing to pay increased prices for early delivery. Mills seem to be operating very close to their normal capacity

with more skilled workers needed in most centers.

Cotton.—After a shutdown of three weeks, due to slight labor troubles, the New Bedford mills have opened again. The demand for fine goods exceeds production and with the uncertainty in the cost of cotton there has been much hesitancy upon the part of the mills about booking future orders except at considerable advances over current prices. Buyers in many cases are more than willing to pay these premiums in order to assure themselves of having goods when needed. Business at Fall River is above normal, with prices strengthening. Almost all lines are at a higher level than during the war.

The demand for cotton has not responded to the increased demand for cotton goods. In the case of extra staple, the shutdown at New Bedford left mills with present needs well cared for. With a quiet market for cotton, prices have shown considerable variation, following, however, a general upward tendency. It is reported that some surplus short-length cotton held here in New England which was not wanted at the prevailing prices has been sent South for export at a price sufficiently high to pay all extra shipping costs.

A shortage of skilled labor is universally felt, especially since the reduction in working hours has caused a corresponding decrease in the average day's output.

Dry goods.—An exceptionally active demand for all classes of dry goods keeps up without abatement. Some of the larger retailers are experiencing great difficulty in obtaining goods for future sales. This has caused them to place orders longer ahead than is customary and offer premiums for prompt delivery. Distributors feel the effect of this heavy retail trade almost immediately, as dealers' stocks have not been large during recent months.

There is no indication that the present activity in these lines will cease for some time to come. Both distributors and retailers are therefore looking well into the future when applying their needs.

Leather and shoes.—The demand for shoes shows an improvement over last month. Manufacturers who have not had any Government contracts are now producing at maximum capacity. Others have almost reached this point, and all see the only hope of further increase is from greater efficiency on the part of the employees and additional labor-saving devices. More skilled labor could be readily used if available. Higher prices have so far

had no effect on the shoe-buying public and retailers are obliged to reorder frequently. Credits in this line are steadily improving; with only a small percentage of overdue bills outstanding, and a larger number of dealers take discounts.

As Europe is still in the market for leather, even the release of surplus holdings by the Government at auctions did not check prices from advancing further. Tanners are endeavoring to buy from one another and manufacturers are finding it continually more difficult to buy in advance the grades needed for their output.

REPORTED BY DISTRICT NO. 2.

Business in the Second District has maintained the acceleration observed a month ago. The inclination to buy has not abated. The demand has concentrated upon the articles used in daily living—foodstuffs, woolen and cotton goods, shoes, and other articles of current necessity. To replenish domestic stocks retailers have been obliged to increase their demand upon manufacturers and producers, with the result that many industries report maximum activity. The export demand has supplemented domestic requirements. Prices remain high and in some cases have increased, but not yet to such a degree as materially to affect sales.

Two of the basic industries have not yet returned to normal activity. From the iron and steel trade it is reported that conditions are improving, but production is still far below maximum. The building industries are more active, but they appear to be held back by a shortage of funds available for building loans. An inquiry conducted by this bank shows that the demand for buildings is overwhelming and that operators are willing to go ahead, even in the face of high prices. They appear to be convinced that prices for building material will be maintained or will go higher. They are ready to proceed, but the inadequate supply of money limits their action.

The most notable incidents of the month have been in the money and stock markets. These markets, closely interrelated, have given unmistakable signs of feverish speculation. As is frequently the case at such times, buying on account of interest values has given way to buying against the rise in the market for immediate profit. In its earlier phase during the last two weeks of May the present movement in stocks seemed to reveal the presence of

many new buyers who were attracted to the market by rising prices, and whose combined purchases moved the market higher. In the second phase of the movement that started late in May and carried through into the early part of June, prices continued to rise in such a way as to give concern lest speculation should engage the credit resources of the country in such degree that normal liquidation would be retarded. The most active speculation was in the oil, tobacco, and motor shares. The greatest activity was on June 3, when 2,219,000 shares were sold, the heaviest day's business since December 21, 1916. The rise of call money rates on that day indicated that speculation had overreached itself. A slight recession developed a week later, and on June 16 there was a sharp break, which continued the next day, carrying down the prices of those stocks which had risen most rapidly in the upward movement. Subsequently the market recovered somewhat from the losses sustained on the decline. The *Annalist* record of the average prices of 50 representative stocks was 88.37 on June 5 and 86.65 on June 12, as compared with 82.49 on May 15.

The bond market has not shared the activity of the stock market. The rise which took place early in May became less apparent toward the end of May, and in June prices fell off slightly, approximating by the middle of the month the prices of four weeks before. Tax-exempt issues have been preferred and Victory 3½s have been above par, with Victory 4½s fractionally below for most of the month. Toward the end of the period Victory 4½s rose above par. A syndicate of New York and western bankers brought out on June 12 an issue of Swedish Government 6 per cent bonds in the amount of \$25,000,000.

Call money.—The pressure on the money market was concentrated on call money. The increasing demand and the diminishing supply was attributed to a variety of causes—the long-continued speculation on the stock market, an increasing unwillingness on the part of the banks to extend credit on call loans, following the Federal Reserve Board's inquiry on this subject; the Government's withdrawal of funds with which to redeem certificates of indebtedness, and the large transfers of money incident to income-tax payments. The high point of the month was on June 16, when call money went to an unofficial high mark of 20 per cent after the close of the money market, the highest point reached in 11 years.

In the last two weeks of May rates remained virtually the same as in the preceding period, ranging from 3½ to 6 per cent, with 5 to 5½ prevailing. The maintenance of these rates in the face of heavy stock-market trading was attributed to an influx of money from the Middle West. On Tuesday, June 3, almost without warning, the call loan rate crept up until by 2 o'clock it was quoted at 11 per cent. This figure, the highest since December, 1916, was only temporary, however, and the next day rates eased off, owing to the placing of several million dollars on the market by one of the large banks. For the rest of the week the renewal and ruling rate was 6 per cent. On all industrial collateral, however, rates were frequently quoted 4 per cent, instead of the normal one-half of 1 per cent above the mixed collateral rate. On Tuesday, June 10, the decline in the stock market was accompanied by a high call-money rate, when the maximum for the day was 8 per cent. From day to day the nominal renewal rate was at or about 6, but every afternoon during that week there were sharp advances, culminating Friday in 12 per cent for both mixed and all industrial loans. The official high rate on Monday, June 16, the final day for the payment of income taxes, was 15 per cent. The next day the relief caused by the payment of certificates of indebtedness due on June 15 and 16 was apparent, and gradually the market declined.

Interest rates.—The higher money rates were apparent, though in less degree in the commercial paper market. Up to the end of May commercial paper rates remained unchanged on a 5¼–5½ basis. But about June 1 the rates advanced to 5½ per cent for 60 and 90 day indorsed paper and six months choice names. Both local and out-of-town institutions were in the market as buyers, but dealings as a whole were light, owing to the scarcity of high-grade offerings.

For some time past an increasing supply of bankers' acceptances has been coming into the market in the face of a light demand, so that dealers' portfolios have been growing. With call-money rates rising to levels not known for many years, dealers in acceptances have found it difficult to dispose of their holdings at favorable rates, and the Federal Reserve Bank has been called upon to buy an increasing volume of them. The rates have remained throughout the period at 4¼ to 4½ per cent for 90-day eligible bills. The long-expected bills drawn under the \$50,000,000 Belgian credit appeared

in the market early in June. Some time ago \$10,000,000 of these bills arrived in this country, but were held up pending settlement of details between American syndicate managers and representatives of the Belgian banks. The remaining \$40,000,000 will probably be brought out within the next two weeks.

REPORTED BY DISTRICT NO. 3.

Automobiles.—Dealers in pleasure cars report that business has never been better, and that sales for April, May, and so far in June have broken all previous records. They are exceedingly optimistic about the future and state that the only serious question is to supply the wants of their patrons for new cars, the demand being greater than the supply. Production is somewhat hindered by labor difficulties but factories are gradually getting back to capacity production, and by fall it is believed that it will be possible to catch up with back orders. Truck sales dropped off very materially after November 11, and during the four months following they were far below the 1918 business. A slight improvement was noted in April, and during May sales were in a more favorable ratio to the business of a year ago, although still remaining low.

Cement.—Up to a short time ago, the demand for cement and lime was very small. Recently there has been a considerable increase due to the expansion in building operations. Purchasers are realizing that prices of these materials have advanced very conservatively as compared with other commodities; there seems to be no hope for immediate reductions in prices, and the building trade seems to have accepted the situation on this basis and to have gone ahead.

Chemicals and drugs.—Heavy industrial chemicals show a small increase in activity, but consumers continue to buy according to their current needs. The volume of business of those concerns which dealt in laboratory materials has naturally fallen off since the armistice, as a large part of their sales were made to plants which were heavily engaged on war orders. It is stated that educational and institutional business is reviving and prospects for consumption in these lines is considered good. The drug market is quite active.

Clothing.—Orders for clothing have been exceedingly heavy and some manufacturers doubt their ability to secure enough woolsens and other materials to fill them. Excellent

crop conditions in the West are reflected by heavy demands for clothing which are expected to insure splendid conditions for the fall and spring. The demobilization of the Army still serves to add immensely to the volume of business. No difficulty is experienced in collecting accounts.

Cotton.—The business of the cotton mills has shown very great improvement over conditions a few months ago and prices have risen to high levels. These advances are said to be greater proportionately than the advances in raw material. Conditions around the middle of June show a more settled state and the wild rush to buy anything at any price seems to have lost some of its momentum.

The export business is good and limited only by the financial ability of foreign buyers to pay. Inquiries are received from all parts of the world, credits are being arranged to facilitate purchases and indications are that the export business will be very heavy next season.

Wool.—The demand for raw wool has been very large, and although there was some slackening sometime ago, latest reports from Boston wool sales indicate a higher level of prices than ever before at the Government auctions. Spinners and top makers are sold ahead for months. Buyers of woolens and worsted goods are buying on a large scale and seem willing to pay practically any reasonable price. Civilian cloths are still in scant supply and mill production is not up to 100 per cent due to the slow deliveries of raw materials and the shortage of skilled operatives. Very active business is expected for the balance of the year and possibly longer. Some firms are finding it difficult to finance their business requirements on account of the high prices of merchandise and the increased cost of doing business.

REPORTED BY DISTRICT NO. 4.

The iron and steel industry has taken a decided turn for the better. New business is coming in in good volume, with mill operations consequently increased.

During the period since our last report, the stronger tone and confidence among buyers have been so developed that a substantial buying movement has resulted. Many contracts covering iron and steel requirements to October 1, and in numerous cases to January 1, have been made, with few exceptions, upon the basis of current prices. The situation

generally evidences a willingness on the part of buyers to accept the present level of prices, with less expectancy of reductions. In some cases the buyers have been willing to close tonnages at present prices to a more forward date than the producers have been willing to entertain. Most prominent among this class of buyers are the automobile manufacturers and the makers of automobile accessories.

For four years the war demands have dominated the market and ordinary requirements to a great extent have been forced to a standstill, but steel is now experiencing its first open market since the beginning of the war. The trade apparently feels that the worst is over in the matter of readjustment from wartime to peace conditions. There is some question as to whether there will be any decline in prices until after a period of full capacity operations.

A hopeful condition is noted in the fact that orders are reported as well distributed over the country, which is evidence that the market is developing on a much broader basis and that buying is no longer confined to the automobile industry and the oil piping demands. Another healthy condition is shown in the increasing call for structural and fabricated steel. This leads us to a more or less permanent demand, for it shows that building operations are brightening up, which gives rise to a basis for a steady growth.

Wire plants in the Cleveland district are now operating at about 85 per cent. Makers of light or sheet plate, selling principally to the automobile trade, have booked themselves fully for several weeks ahead. Plants which sell semifinished steel for rolling into finished products have put several furnaces into operation for the purpose of increasing their output.

Pig-iron sales in the Pittsburgh area have been heavy, the demands during the past two weeks exceeding 100,000 tons. This is the best selling that the market has experienced at any time this year. Gray iron and malleable furnaces especially have been active buyers. The period of delivery is running as far as January 1. More inquiries are coming in from manufacturers of stationary engines and steam boilers. Plants which had been working only three and four days a week since the 1st of January are again working on a 60 to 75 per cent basis.

Collections are satisfactory, with the exception of the railroads, but in view of the appropriation of \$750,000,000 just passed by Con-

gress, it is thought that doubtless there will soon be relief from this quarter.

REPORTED BY DISTRICT NO. 5.

Farmers are prosperous and a greater number than usual have paid cash for their fertilizer. There has been a full planting of tobacco and corn, both of which, however, are a little late, due to cool weather and too much rain. The acreage of cotton is estimated to have been reduced about 15 per cent and has also been affected somewhat by unfavorable weather, but there is ample time for recovery from these conditions. The demand for horses and mules, like the demand for everything else, has been active and prices high.

The planting of truck crops, particularly in the coastal sections, has been below normal, but prosperous conditions have made such a demand for them at high prices that growers have been securing highly satisfactory returns. Sales of some of these growing crops by the acre have been made at very fancy prices.

The crops of the past season, the marketing of which has now been nearly completed, have brought high prices and have been the chief factors in the general prosperity. Cotton continues to move more freely and more tonnage is available at the ports for export. Prices for peanuts have continued to improve and cleaners have been working their plants under full time, but under some handicap as to labor.

REPORTED BY DISTRICT NO. 6.

Reports from New Orleans indicate a noticeable increase in May in trade to Central and South American ports as well as to other foreign points. It is now possible for the inland shippers to make contracts with the various steamship companies at the gulf ports for the export of their commodities. No congestion is apparent at the terminals, as a sufficient number of ships are available to take care of all shipments for which contracts have been made. Very little lumber is moving, being used principally for ballast, but cotton, grain, and foodstuffs comprise the majority of the cargo. The foreign market for these commodities is especially profitable, owing to the decrease in freight rates and insurance on account of the removal of the risk of destruction.

Conditions existing at this time in trade with Central and South America, Cuba, and Panama

are reported to be better than those prevailing before the war. Not only is this true from a financial standpoint, as the profits for both the steamship companies and the shippers have increased, but it is also true that the quantity of commodities exported shows a marked increase. All steamers which were commandeered by the Government for transport service have been released to their owners and have resumed their former traffic. Large quantities of coffee are being imported from Brazil, sugar from Cuba, bananas, palm kernels, and other tropical fruits, and sisal from Central America.

During the past month there has been excessive rainfall in practically all parts of the district. The condition of the cotton crop was reported fair before the rains, but cultivation has been impossible for two or three weeks and cotton fields have become very grassy. It is estimated it will take two or three weeks to clear out all of the grass and weeds. Reports of the boll weevil in the infested areas are received, and while farmers are doing everything possible to prevent damage to the plants, the possible injury from this insect to the crop in the normally infested area may be great this season.

While some cotton has been sold on the recent rise in the price, quantities are still in the hands of the producers, in some reports estimated at one-third of the crop.

The corn crop is reported to be somewhat increased over last year. It is practically all planted, and the earlier plantings have been well cultivated and have made splendid growth.

Reports continue to indicate that Tennessee wheat is in good condition, with prospects for large yields. Wheat, oats, and hay in Alabama have been injured to some extent by recent wet weather.

Planters report that there has been too much rainfall, even for rice, and the cool weather has delayed the growth of the crop which is now estimated to be three weeks late.

The development of tobacco growing in Georgia, Alabama, and Mississippi is progressing, and a considerable increase is indicated over last year.

The live-stock industry is showing progress in all of the Southern States. Interest in good breeding stock is growing and the demand for good grade beef stuff—young, and such as will make good gains on pasture—is greater than the supply. There is a fine interest in sheep, and the movement for a small flock on every farm is making headway in many sections.

REPORTED BY DISTRICT NO. 7.

In view of the gradually expanding industrial activities throughout the country and the rather abnormal requirements in financing the crop movements, both because of the higher prices and the enormous wheat production, western bankers are watching particularly closely the development of the present speculative movement. At this season of the year bankers in this section are usually cautious in extending loans because of the approach of the harvest with its usual large requirements, and this is especially true this year because they see ahead a strong demand upon the available banking funds. There is an element, however, that is taking a decidedly opposite view of the situation, made up chiefly of those who have amassed enormous profits out of the war-time demands during the last few years, and, having accumulated wealth rapidly, appear to be anxious to turn over their fortunes speedily in speculative ventures. This element of newly made rich for some time has been quietly seeking employment for its funds; and as ordinary business profits recede with the subsidence of the war demands and the continuation of high costs of labor and material, it turns to the stock market and other phases of speculation.

The security market activity of the last month or two has been closely scrutinized by bankers with a view of determining just where the money that was represented in this activity is coming from. So far as careful inquiry discloses, the banks in the Seventh Federal Reserve District have participated directly in Wall Street loans to a very limited extent. There are a few Middle West banks which always carry considerable balances in New York and, from time to time, loan some of these funds on call in the stock market; but these balances and the Wall Street loans, with two exceptions, are not larger than usual, and in some instances are actually smaller than in normal years at this season. Practically none of the member-bank borrowings at the Federal Reserve Bank on United States securities has found its way into the stock market, as far as they can be traced.

There are indications that considerable Western money has gone into the stock market, but it is the money of the individual who is investing his profits of the last few years. The flurries in interest rates in Wall Street apparently served only to cause these new speculators to check against their deposit accounts and take up the stocks, with the result that the floating supply of available stocks in

the market is curtailed, which necessarily makes a further advance easier.

One of the contributing features tending to produce a scarcity of available stocks is the attitude of the investor, who during the period of actual hostilities bought shares at low prices but hesitates to sell at the present level and "take his profits" because of the large percentage of the proceeds he will be called upon to turn over to the Treasury in the shape of excess-profits tax.

An indication of the increase of public interest in stocks in the Middle West is reflected in reports of nine of the big corporations whose shares are widely distributed and are more or less favorites. The number of shareholders of these companies, all industrials, shows increases running from 33 per cent to 83 per cent compared with 1917, the average increase in holders being 30½ per cent prior to the recent market activity. This percentage does not reflect the wide distribution of the newer oil companies and promotions.

There has been more or less wild speculation in oil shares and promotions during the last two years all through the Middle West, but this speculation, outside of the immediate oil-producing territories, did not involve any extensive expansion in bank loans.

But not all of the speculative interest is centered in the stock market. The abundance of money and credit in the shape of profits during the war period seems to be seeking an outlet in some speculative form or other, and this is not entirely restricted to the buying of oil stocks or the more seasoned shares listed on the New York Stock Exchange, for there has been a rapid increase in the activity and movement of real estate, both farm and city, during the last six months. Necessarily the restrictions on building during the war time resulted in a shortage in available apartments and office space in nearly all cities in this district. With these restrictions removed interest is reviving in city real estate, although the cost of construction for a time restrained building activities. The feeling, however, is spreading that although construction material costs have increased approximately 60 per cent compared with 1914, the increase in rentals has been exceedingly small, and that the shortage in available dwelling and office space in most of the cities will result in an increase in rents.

The most striking development, however, in the real estate movement is the activity in farm lands. This movement is commonly referred to as a revival of activity rather than

anything bordering upon speculation in farm lands, but there has been injected into the situation a phase which closely resembles some of the features which were conspicuous in previous speculative land movements. In some sections there seems to have been adopted in this land development a brokerage or "option" method of trading. This is indicated by the frequent changes in ownership of the same land at advancing prices. If these operations continue it is feared they may culminate in a rather serious situation around March 1.

Enormous prices of farm products, however, together with large crop production, has contributed to the wealth of the agricultural sections of the Seventh Federal Reserve District to such an extent that not only is the available land coming on the market quickly snapped up, but buyers, and even speculators, are bidding for farms not seeking a purchaser. The consequence is that prices have reached the level in some instances, of \$700 and \$800 an acre, and there have been instances where strictly farm land has changed hands three times thus far this year at advancing prices. In one section of the district the land activity and advancing prices have reached a point where it is impossible to figure a satisfactory investment return at the existing price per acre on the going cash rental basis of \$12 per annum per acre.

There is one reassuring feature in this land activity. The previous owners of land are selling at the high prices and reinvesting in neighboring States where land is available at lower prices and has not felt the effect of the speculative movement. This necessarily has an equalizing tendency but it is also stimulating a more general land movement and speculative activity in farm lands.

One feature of the development is the effect on the borrowing situation. It is admitted that farm loans are now being made in some parts of one of the States in the Seventh District on a valuation two and one-half times as large as the loaning limit of six years ago. To counteract this tendency, with its perils, some cautious lenders have enforced a rule of fixing a conservative valuation beyond which they will not accept farm liens; but there are other lenders who are encouraging the trading in lands by fixing a much higher lending limit. In one of the Seventh District States about 35 per cent of the farm land deals appear to be for a "quick turnover," according to close students of the situation living in that State. About 15 per cent represents a desire to profit

on the rise expected within the option period, and the remainder, or 50 per cent, of farm-land buyers aim at occupancy and operation. From this estimate it would seem that there is more or less of the speculative feature in at least half of the land transactions in that State.

One of the arguments used by the speculative element, which has been gradually absorbed and adopted by the farmer, is based on the experience in more recent years that land prices seldom, if ever, recede, although the demand for farm lands subsides when the price gets out of line with money conditions until there is no market. The disposition is to overlook the experience following the Napoleonic wars, in which, according to French and English economists, English farm lands which had been marked up to extravagant figures in consequence of the sudden rise in grain, meat, and dairy prices slumped after the battle of Waterloo, bringing ruin to the land speculators. Land prices fell 50 per cent or more, even for the most productive and desirable English estates, corresponding with the sharp decline in wheat prices from the high mark of 110s. per quarter in 1810 to 43s. per quarter in 1822. The cause of this was, of course, the decline in incomes and the heavy increase in taxes and other fixed charges.

REPORTED BY DISTRICT NO. 9.

Very serious damage to the grain crops throughout practically all of the State of Montana and in portions of western North Dakota was narrowly averted by timely rains during the fore part of the month. In northern and central Montana and parts of the Yellowstone Valley section winter wheat was seriously damaged before the rains came, but the recent moisture has been of very material assistance to spring wheat, of which a large acreage was planted and the prospects before the State, as a whole, are favorable.

Cut worms and wire worms have done some damage in northern Montana, and grasshoppers have done some damage in western North Dakota. The chief cause of deterioration to grain crops in the western portion of the district was, however, the dry weather, which continued throughout nearly all of May and the first part of June.

The South Dakota outlook is excellent. The outlook in practically all of North Dakota is very good. Minnesota and Wisconsin prospects are for a large crop. Throughout Wis-

consin, Minnesota, and South Dakota corn is up and is being cultivated. Pastures are excellent and dairy farmers are getting a good flow of milk. Grass lands and clover are in excellent shape. Clover is in blossom in southern Minnesota and Wisconsin, and forage crops all promise large yields. In western North Dakota and Montana, however, recent rains were timely, as the pastures were getting very short, and there was prospect of difficulty in carrying the stock through the summer.

REPORTED BY DISTRICT NO. 11.

Agriculture.—The wheat crop is a bounteous one; has had excellent growing conditions, and, except for lack of labor, which has been short throughout the belt, the harvest is progressing well. Conservative estimates place the crop at some 40,000,000 to 50,000,000 bushels this season, which is almost double former records. With high prices prevailing, and the encouraging news from the East with reference to the plans for control of this crop in its process of marketing, sections enjoying wheat farming are undoubtedly in a most favorable position.

The cotton crop seems to have suffered some from heavy rains, which have produced a rank growth of weeds, difficult to combat with inadequate labor, which is the prevailing condition in most cotton growing sections of this district. Efforts at reduction of acreage in accordance with a prearranged general plan have been eminently successful, judging by reports now received, but this curtailment of total output, added to adverse weather conditions and lack of labor, gives this important staple an outlook which, in the opinion of some, is not very encouraging at this writing. Further heavy rains will undoubtedly work a considerable hardship.

Corn growing in this district is attended with some uncertainties, which usually develop a little later in the season, when hot winds and prolonged periods of dryness will upset what appears to be a good start, but heavy moisture and excellent growing conditions this season have put the plant in a strong position and it is pretty generally believed that the crop will be large. Labor conditions affect this division of agriculture less at this time than others.

The oat crop is growing on a larger acreage, and where harvest has begun the results are very good. Lack of labor has worked some hardship, but returns from the crop, as a whole, are satisfactory.

The rice crop is all planted, although delayed a little this year on account of excessive rains. The acreage is about normal, from the reports received, and the condition at this time is stated to be excellent.

Livestock.—Cattle raising has undoubtedly entered into a period that will enable it to recoup losses suffered for many seasons past, and there is not an adverse note in any of the large number of expressions now obtained from the best posted cattlemen throughout this district. The grass supply is bountiful. The past winter in most sections was normal, and while prices have not been as attractive as some have expected, the industry is undoubtedly in a very safe position. Cattle feeders who have fed high-priced feed, have, of course, looked with some apprehension on recent declines in livestock prices, but adequate banking facilities, as well as plans for the organization of a large financing corporation, give tone to the very favorable reports that are heard from this industry.

Sheep raising has also been quite satisfactory, and with plenty of grass and falling feed prices, those most interested in this industry are making quite favorable reports.

The hog raising sections of the district furnish favorable reports, although in some sections falling prices are pointed to by some as the basis for their fears that the industry will not continue to be so well financed as heretofore.

REPORTED BY DISTRICT NO. 12.

Lack of rain in Washington, Oregon, and Idaho is causing considerable uncertainty and some anxiety as to grain production. Although the soil was well saturated with moisture during the spring, the surface has dried out to such an extent that it may keep the grain from filling normally. Winter wheat is standing the drought better than was expected two weeks ago, but spring wheat is beginning to head prematurely. In California the grain harvest has commenced. Early barley and winter wheat have filled well, but the late sown crops are in poor condition and some have been cut for hay. Dry winds during the first week in June shriveled some wheat and barley in the Sacramento Valley, but no general damage was done.

The production of spring and winter wheat in the principal wheat-producing States of the

district was estimated on June 1 by the United States Bureau of Crop Estimates as follows:

	Production (bushels).		Per cent increase.
	1919	1918	
Washington.....	57,775,000	26,429,175	112
Oregon.....	23,641,000	18,654,000	26
Idaho.....	23,253,000	17,940,000	29
California.....	14,400,200	7,590,000	91
Total.....	119,069,200	70,613,175	

According to these estimates, this year's wheat crop will be the largest ever produced in Washington, Oregon, and Idaho, and the largest in California since 1907.

Reports from all parts of this district concerning deciduous fruit crops are very favorable except from Oregon, where prunes have been dropping heavily. In California navel and Valencia oranges are setting well, lemons are still blooming, and walnuts and grapes are making favorable progress.

The first crop of alfalfa is being cut in Utah, northern Nevada, Idaho, and Oregon, and the second crop in Arizona, California, and southern Nevada. Rains during the first week in June in Arizona, Utah, and Nevada greatly benefited the ranges. Live stock generally is improving in condition, and feed on the summer ranges continues good.

Housing and Living Conditions in New York.

The following study of housing and living conditions in New York has been furnished to the Board by the Federal Reserve agent of District No. 2 and is herewith published as throwing light upon the general situation of building and cost of living.

BUILDING.

The conditions governing the resumption of building operations have become so pressing in this district that the bank undertook to determine what causes, if any, have prevented the immediate start of all construction required. The number of families in New York City which are without adequate accommodations was estimated, in a report sent to the governor of the State of New York by a joint legislative committee, at between 30,000 and

35,000. It is probable that 40,000 families will require better housing by the close of the summer. Similar conditions exist throughout the district.

The need for house construction is, of course, only one phase of the building problem as a whole. One authority estimates that the structural industry must be operated on a basis of 20 per cent above normal for about five years in order to make up the shortage. An effort was made to find out—

First. Whether the prices of building materials are apt to go down.

Second. Whether operators were willing to go ahead on the basis of the present high prices.

Third. Whether money was available to finance building operations should the operators and the dealers in materials come to an agreement on prices.

Dealers in building supplies uniformly assert that prices will not go down, but that on the contrary they are apt to go up. Materials, including lumber, structural steel, lime, brick, and Portland cement, are already in demand for export and for domestic use. Lumber dealers report, for instance, that Great Britain has ordered a vast quantity of spruce lumber from Canada, thereby restricting that market materially for the United States. The demand for steel, particularly for structural purposes, is increasing. Other building materials are facing a similar growing demand.

With business increasing the dealers see no substantial reason why prices should fall. They point out that according to the figures from the Division of Public Works and Construction Developments of the United States Labor Department, general commodities have advanced 113 per cent and farm commodities 116 per cent, whereas building materials at their present level have increased only 84 per cent from those of 1913. They argue, therefore, that material costs are low, taking into consideration the present buying power of the dollar. Moreover, in 1918 prices for materials increased in the face of a declining demand.

Contractors who build for investment and building operators are willing to accept the situation as it exists. An inquiry among the largest and best builders in New York City show them ready to begin building at the present cost of labor and material, if building money could be secured on a basis which would enable them to operate without much refinancing in

the near future. This readiness to go ahead is based on the theory that if building prices go down at all the time is so remote that the rents to be secured in the interval will more than make up for the impairment of equities.

The crux of the difficulty appears to be that building loan money is not present in quantity. The legislative committee reporting to the governor of the State of New York estimated that \$75,000,000 was required to make a start and provide housing for the people now without adequate accommodation. Thus far the committee has found only \$35,000,000 available for this purpose. This leaves out of consideration the building of other sorts of which the district finds itself short to the gross value of many hundred million dollars. One estimate places the gross requirement as high as \$1,000,000,000.

A variety of causes appears to be responsible for the shortage in building loan funds. The main sources of real estate loans are savings banks, title and trust companies, insurance companies, building and loan associations, and individual lenders. Building loan money for large operations is furnished principally by life insurance companies and by title and mortgage companies. Insurance companies at present are without a substantial volume of funds for investments, due to their purchases of Liberty bonds, and many of the New York companies are borrowers instead of lenders.

As a matter of fact, according to figures of the Labor Department, along with the vastly increased financial resources of the country the amount of money that has been applied to the development of real estate and building has not proportionately increased. Real estate loans from 1913 to 1918 did not increase as rapidly as bank resources. During 1917 and 1918 statistics indicate that there has been a decrease in real estate loans held by financial institutions. This fact is partially attributed to the relatively small increase of resources in savings banks, the main field for real estate loans, as compared with the resources of commercial banks and trust companies.

As compared with 1918, building activity in April shows a great increase, assuming that the estimated value of building for which permits have been issued is a fair index to the present condition.

The following gives a comparison between the April figures of 1918 and of 1919, as reported

from the building departments of the five boroughs of New York City:

Boroughs.	Number of buildings.		Estimated cost.		Per cent gain in value.
	1919	1918	1919	1918	
Bronx.....	304	259	\$2,299,498	\$302,771	659
Manhattan.....	49	17	3,333,750	558,700	496
Brooklyn.....	1,066	923	4,723,100	3,534,970	33
Richmond.....	197	88	379,580	211,634	75
Queens.....	1,337	357	3,290,226	743,510	342
Total.....	2,953	1,644	14,026,154	5,351,585	.....

The reports for May are as follows:

	New building.		Alterations.	
	Number.	Value.	Number.	Value.
Bronx.....	67	\$1,798,050	308	\$365,038
Manhattan.....	35	2,648,750	403	2,340,376
Brooklyn.....	667	5,867,600	723	997,948
Richmond.....	221	353,123	84	61,088
Queens.....	978	5,435,270	380	422,670
Total.....	1,968	16,107,793	1,898	4,187,120

The value of building permits as an index is, however, problematical. They no more than register the intention of builders to build, and action under them is contingent largely upon the rates at which money can be secured. It is possible that funds will be made available, in view of the pressing demand, but the normal sources, with the possible exception of the private lenders, it would seem are not able to meet the requirements at this time.

COST OF LIVING.

In order to determine as nearly as possible what increase, if any, had taken place in the cost of living, this bank made an inquiry into two of its elements, namely, retail food prices and rents in the city of New York and at the same time secured figures showing the current wages.

In order to compare present retail food prices in New York City with those of a few months ago, quotations on 41 common articles of food on June 2 were gathered from a number of dealers in various sections of the city. These quotations were averaged and compared with the January and February prices for articles of the same kind and quality published by the United States Bureau of Labor

Statistics. All but 5 of the articles showed increases over the February prices. The following is the result:

Changes in prices of various foodstuffs, New York City, January to June, 1919.

RETAIL PRICES.

Commodity.	Unit.	Jan. 15.	Feb. 15.	June 2.	Per cent change, Feb.-June.	
					Increase.	Decrease.
Sirloin steak.....	Lb.....	Cts. 44.8	Cts. 44.9	Cts. 46.3	3.1	.....
Round steak.....	Lb.....	47.3	46.9	48.0	2.4	.....
Rib roast.....	Lb.....	40.9	40.9	41.4	1.2	.....
Chuck roast.....	Lb.....	32.7	31.7	34.0	7.3	.....
Plate beef.....	Lb.....	28.0	28.5	23.6	.....	17.2
Pork chops.....	Lb.....	43.5	39.9	44.2	10.8	.....
Bacon, sliced.....	Lb.....	54.8	50.3	52.2	3.8	.....
Ham, sliced.....	Lb.....	57.1	55.0	55.0	.....	1.8
Lamb.....	Lb.....	33.6	32.3	40.7	26.0	.....
Fowls.....	Lb.....	40.8	39.5	46.7	18.2	.....
Salmon, canned.....	Lb.....	37.0	35.6	38.0	6.8	.....
Milk, fresh.....	Qt.....	16.0	16.0	16.6	3.8	.....
Milk, evaporated ¹	15-16 oz.....	16.1	15.7	16.1	2.6	.....
Butter.....	Lb.....	75.5	58.1	69.0	18.8	.....
Oleomargarine.....	Lb.....	37.2	37.1	35.2	.....	5.1
Nut margarine.....	Lb.....	34.3	34.0	34.4	1.2	.....
Cheese, American.....	Lb.....	42.7	42.6	44.0	3.3	.....
Lard.....	Lb.....	33.1	31.8	36.7	15.4	.....
Crisco.....	Lb.....	32.3	31.7	33.9	6.9	.....
Eggs, fresh.....	Doz.....	78.1	60.5	65.0	7.4	.....
Eggs, storage.....	Doz.....	61.1	52.0	57.3	10.2	.....
Bread.....	Lb. ²	10.0	10.0	10.2	2.0	.....
Flour.....	Lb.....	6.8	6.8	8.9	30.9	.....
Cornmeal.....	Lb.....	6.3	6.1	9.5	55.7	.....
Corn flakes.....	8-oz. pkg.....	12.4	12.4	12.6	1.6	.....
Cream of wheat.....	28-oz. pkg.....	24.0	24.0	23.3	.....	2.9
Rice.....	Lb.....	13.8	13.3	14.2	6.8	.....
Beans, navy.....	Lb.....	15.3	14.3	14.2	.....	7
Potatoes.....	Lb.....	4.0	4.0	8.0	100.0	.....
Onions.....	Lb.....	4.2	4.4	14.4	227.3	.....
Beans, baked.....	No. 2 can.....	17.7	16.8	16.8	.....	.....
Corn, canned.....	No. 2 can.....	19.7	19.0	29.5	7.9	.....
Peas, canned.....	No. 2 can.....	18.5	18.2	21.7	19.2	.....
Tomatoes.....	No. 2 can.....	16.1	15.5	20.6	32.9	.....
Sugar, granulated.....	Lb.....	10.1	9.9	10.1	2.0	.....
Tea.....	Lb.....	53.5	55.1	67.5	22.5	.....
Coffee.....	Lb.....	32.4	33.5	43.0	28.4	.....
Prunes.....	Lb.....	22.1	22.9	29.0	26.6	.....
Raisins.....	Lb.....	15.3	15.7	21.1	34.4	.....
Bananas.....	Doz.....	32.0	32.1	43.0	33.9	.....
Oranges.....	Doz.....	51.2	50.0	70.2	40.4	.....

¹ Unsweetened.

² Baked weight.

The rent problem is engaging public attention in New York City to a great extent and has been investigated by two governmental committees, one State and the other municipal. The mayor's committee on rent profiteering has received over 10,000 complaints from dissatisfied tenants since its organization in April. Landlords assert that advances are necessary because of increases in taxes, in janitor's wages, in coal, and in materials and labor for repairs. Various estimates of what would be a "reasonable" increase are 10 to 20 per cent.

Because of the scarcity of housing accommodations, the tenant seems to have small opportunity to move into cheaper apartments. A further disturbing element is the fact that many landlords are refusing to give a year's lease under the new rates.

Effect of the War on this Country's Real Wealth.¹

This Nation's debt is said to be 26 billions of dollars or more. About 10 billions of it represents loans to foreign governments, which is a claim on their wealth and will be repaid with interest. The remaining sum is huge. It is a third of the total prewar estimated wealth of a nation like France. Does it represent so much absolute abstraction of wealth from this country? Has that much of the Nation's wealth been blown into the air? Is the Nation poorer by that amount?

USE OF RESOURCES.

We have used vast quantities of coal, of iron, and its manufactured products, of lumber, and other materials. Much of it is a total permanent loss. It can not be recovered. A very large part of it, however, has gone into camps and aviation fields, Government buildings, ships, naval vessels, trucks, ordnance and Government plants, such as nitrate and munition plants, has been conserved and will be a great asset. There was an increase in production and much saving. During the war labor was highly organized and was strenuously utilized. The Nation conserved as never before. The end of the war finds us with perhaps more wealth than when we entered it. We have as much land as ever, more of it in cultivation, and most of it as well cultivated as in normal times. We have more of all the leading classes of live stock. Work animals increased by over a million and a half, cattle by six millions, dairy cows by two and three-quarter millions, and swine by fourteen millions. We have as many railroads and have them in about as good condition as when the war broke out; as many electric lines in as good condition; as many factories, perhaps as well equipped; more residences and apartments; as many office buildings; and many more ships. Our banking resources have largely increased. A considerable part of the increase probably appears as a

result of inflation, but undoubtedly there is an actual increase even on the prewar money value basis.

THE NATIONAL DEBT.

But still it will be asked what about the debt of the Nation exclusive of that part of it due from foreign nations. This represents loan of wealth by part of the people of the Nation, sixteen or twenty millions of them, to all the people of the Nation. It has been used by the Government. The war has been paid for as far as the bills have been presented. The debt represents mainly a credit relation. In lending it to the Government the sixteen or twenty millions transferred their rights to use it to all the people. It was differently distributed throughout the community and there was not an actual dissipation or abstraction of this amount of wealth. The Government will have to repay it. It will take wealth from all the individuals and redistribute it to the sixteen or twenty millions to whom it will be due with interest. This will be a second rearrangement of the wealth of the country. The significant fact is that there seems to be in the country as large a volume of real wealth as when the country entered the war, possibly a larger volume. The fact that this is true and that the country has paid the war bills to date with the incidental credit relations described, can be accounted for only by the large productive activities of the Nation and the enormous conservational activities.

BURDENS OF WAR.

No one should infer from such a statement that war does not impose burdens or that it is a good thing economically. As pointed out in the beginning, there has been a permanent dissipation of many forms of wealth which might have been used for developmental purposes. The labor that went into war services for purposes of destruction might have been employed for other purposes, and as a result the increment of the real wealth of the Nation might have been much greater than it is, provided, of course, there had been equal conservation of wealth. This probably would not have been the case, because the conservation arose from patriotic impulse and the necessity of the occasion. Furthermore, the setting up of credit relations and the readjustment of

¹ Statement by the Secretary of Agriculture.

wealth holdings by individuals due to loans and to unusual taxes produced adverse economic conditions, as will also the reverse process involved in the transfer of wealth by continued high taxes from all the people to the minority that made its wealth available to the Government for war purposes. This process will extend over a long period and will at least produce many psychological disturbances, as well as many individual hardships. However, this Nation is growing rapidly in population and in wealth. It gained a population of 24 million between 1900 and 1915. It has probably gained four and one-half millions since the breaking out of the European War. Its banking resources increased from about 10 billions in 1900 to 19 billions in 1915. These have greatly increased during the war. We are doubtless gaining 800,000 people a year from

natural increase. The annual increase will probably be greater from now on with our larger population. There will also be additions to the population, perhaps not so large as formerly, through immigration. We shall probably gain from twenty to twenty-five millions of people in the next 20 years. This Nation will be in better position to effect the liquidation of the debt—that is, the transfer of wealth, with interest, from all to some, and to make industrial advances—than any other in the world. It can meet any reasonable domestic and foreign financial demands if our people will work and save, especially as they worked and saved during the war.

The results of the agricultural operations during the war are indicated in the attached tables. Notice the aggregate statistics for cereal production, live stock, etc.

I. Production.

[000 omitted.]

	Prewar annual average, 1909-1913.	1914	1915	1916	1917	1918
Cereals.....bushels.....	4,801,000	¹ 4,983,000	6,011,000	4,793,000	5,681,000	5,508,000
Potatoes (sweet and Irish).....do.....	414,000	466,000	435,000	358,000	526,000	486,000
Meat.....pounds.....		15,587,000	16,721,000	17,893,000	16,325,000	19,495,000
Dairy products:						
(a) Factory butter.....do.....		786,000		760,000	744,000	793,000
(b) Factory cheese.....do.....		377,000		315,000	372,000	353,000
(c) Condensed milk.....do.....		875,000		998,000	1,354,000	1,675,000

¹ Does not include grain sorghums, which was probably about 100,000,000 bushels.

II. Exports for fiscal years ending June 30.

[000 omitted.]

	Prewar annual average, 1910-1914.	1914	1915	1916	1917	1918
Cereals.....bushels.....	162,000		517,000	419,000	387,000	318,000
Meats.....pounds.....	1,291,000		1,500,000	1,828,000	1,872,000	2,271,000
Dairy products:						
(a) Factory butter.....do.....	4,278	3,693	9,851	13,487	26,835	17,736
(b) Factory cheese.....do.....	4,916	2,427	55,363	44,394	66,000	44,331
(c) Condensed milk.....do.....	15,774	16,209	37,236	159,600	259,100	529,750

The production and export figures for wheat for the years indicated are as follows:

PRODUCTION.		EXPORTS, FISCAL YEARS ENDING JUNE 30.	
	Bushels.		Bushels.
Prewar annual average (1909-1913).....	687,000,000	Prewar annual average (1910-1914).....	105,000,000
1915.....	1,026,000,000	1915.....	333,000,000
1916.....	636,300,000	1916.....	243,000,000
1917.....	636,650,000	1917.....	204,000,000
1918.....	917,000,000	1918.....	133,000,000

Branches of American Concerns in Foreign Countries.

A committee of Government experts investigating the general subject of branches of American concerns in foreign countries recently submitted a report, the salient portions of which read as follows:

The committee was appointed for the purpose of examining the question whether the United States should adopt the policy of promoting or of discouraging the establishment by American concerns of branches in foreign countries and of considering any collateral questions arising in connection therewith.

The first distinction that the committee believes should be brought out is that of the nature or character of the enterprise seeking to establish a branch or branches in foreign countries. For purposes of discussion, American enterprises desiring to establish branches in foreign countries may be divided into the following four classes: (1) Banking; (2) insurance; (3) trading; (4) manufacturing."

The statement of this classification makes it evident that different considerations are presented according to the nature of the enterprise involved.

BANKING BRANCHES.

There can scarcely be any doubt that it is highly desirable that American banking concerns should establish branches in foreign countries, and that consequently the National Government should lend to them every legitimate assistance in its power. The establishment of such branches represents no promotion of the interests of such countries at the expense of the United States; nor do such branches compete in any way with American interests. They represent, on the other hand, an increase in the facilities of international trade, an investment of American capital abroad, and, both directly and indirectly, promote foreign trade and the extension of American influence generally. It is thus a matter of congratulation that energetic efforts on the part of American banking concerns in this direction are now so much in evidence. This movement is being closely followed by the Federal Reserve Board, and information regarding the creation of such branches is given in the Monthly Bulletin published by that body.

The committee gave some consideration to the matter of the character of the agencies it was most desirable that the banks should

have in foreign countries—whether they should be branches strictly speaking, independent banks affiliated with American banks, the capital of which was supplied wholly or partly by the American banks, or local banks already in operation, control of which was secured through a purchase of the majority of their stock. The committee did not, however, feel that it was a part of its duty to seek to formulate any definite conclusions on this point. Generally speaking, it did recognize, however, the advantages resulting from the association of local capital with the undertaking and the securing of the cooperation of natives through their representation on the board of directors or in the management of the branches.

Another observation which the committee desires to make in reference to this subject has regard to the importance of foreign branches of American banks being, as far as practicable, under the management of American citizens and the employment of American banking methods. It has come to the attention of the committee that there has been considerable complaint on the part of Americans doing business in foreign countries that the foreign branches of American banks have, in many cases, been placed in charge of or been largely staffed by persons who are neither American citizens nor citizens of the countries in which the branches were located, and that usual American banking services have not always been given. As banks are constantly in receipt of valuable information regarding investment and trade opportunities, it is highly desirable that the officers to whom this information comes should, as the result of their nationality, be interested in the promotion of the interests of the United States rather than those of third countries.

INSURANCE BRANCHES.

The considerations involved in the establishment by American insurance companies of branches in foreign countries are analogous to those surrounding branch banks. The establishment of such branches means the investment abroad of American capital and the extension of American influence generally without in any way detracting from the development of the industry in the United States. The creation of such branches is thus to be encouraged in every legitimate way. Here again attention should be directed to the desirability of such branches being as far as is practicable in charge of American citizens.

TRADING BRANCHES.

Two classes of trading branches may be distinguished: (1) Branches of American import-houses; and (2) branches of American manufacturing concerns trading in foreign countries for the purpose of handling in such countries the sale of their products. In both cases the practice is highly desirable from the standpoint of American interests, especially if the branches are placed in charge of American citizens. Trade handled by houses whose primary interest is in the United States offers a promise of permanence that is impossible in the case of trade handled by a European house or even by a local house. It is evident, however, that branches of American concerns engaged primarily in handling American goods or in the export to the United States of noncompetitive goods deserve more active assistance than branches engaged in the export to the United States of goods entering into competition with goods produced in the United States.

During the war, and especially after the signing of the armistice, a serious question was presented as to the rights of trading branches in foreign countries to continue their work under conditions of equality with the firms of the countries in which they were located. England, France, and Italy all took measures looking to the control of imports and exports. This took the form of creating consortiums or committees for the leading classes of commodities and providing that all imports or exports, as the case might be, should be handled by them. As only firms of the nationality of the country were given representation on these bodies, and such firms naturally were interested primarily, if not exclusively, in promoting the interests of their own nationals, the result was that branches of American firms found that they were excluded from doing any business.

Though the situation is now much better than it was, the danger still exists that foreign countries, in their desire to lessen the influence of alien interests in their economic life, may take steps that will put branches of American trading houses in a position where it will be difficult for them to continue in operation. Should such a situation arise, it will be necessary for the United States to take action that will assure to branches of American concerns in foreign countries the same rights or equal privileges as are accorded to branches of firms of such countries in the United States, or, failing this, to give consideration to what retaliatory measures may be taken by our national or State governments.

MANUFACTURING.

The question of the desirability or undesirability of promoting the establishment by American manufacturing concerns of branch factories in foreign countries is one presenting more complicated and conflicting considerations than in the case of the other classes of branches. Here we have the case of firms pursuing the policy of manufacturing goods in foreign countries instead of producing them in the United States for export to such countries. The result is apparently a detraction from the employment of labor in the United States and from the latter's export trade. The reasons for the adoption of this policy by American firms are the avoidance of the payment of foreign import duties, the use of cheaper labor, more ready access to raw materials, etc.

If the foregoing represented all that was involved there would be little question but that the establishment by American manufacturing concerns of branches in foreign countries was something to be discouraged. Examination, however, shows that there are other factors which make the contrary policy advisable in the majority of, if not in all, cases.

In the first place it will be found that in most cases the question is not one of supplying a foreign market with goods manufactured in that country or in the United States, but that of supplying the market by the first method or not at all. In some cases the duties to be paid on imports into such countries or patent or other regulations may be prohibitive and diplomatic representation may be considered inexpedient or found ineffective. In other cases the advantages of manufacturing in such countries may be such that if the United States does not establish factories other countries will. An excellent illustration of this condition of affairs is now presented in the cotton-manufacturing industry of China. Japan has within the last year or two begun to acquire or build cotton factories in China in order to make use of the cheaper labor of that country. It would be highly desirable that American cotton firms should follow suit.

A somewhat similar situation exists in the case of the branch factory in Japan of one of our leading electric companies. This establishment manufactures mainly electric bulbs and does not ship its product to the United States. As a result of the wide distribution of cheap electric bulbs throughout Japan it has been stated that more electric goods of American manufacture have been shipped to Japan since the establishment of the branch factory there.

Still a different case is presented by some American houses that control the manufacture of buttons, brushes, surgical instruments, and other articles in Japan for shipment of their finished products to the United States. The output enters into active competition with goods manufactured in the United States. Is it desirable to give them active assistance? It may be argued that such a course militates against successful manufacture in the United States and the consequent advantages from larger employment of labor. On the other hand, it may be argued that if in these cases manufacture within the United States is desirable the Government should equalize competitive conditions through the imposition of a protective duty; that in the absence of such a duty the goods are bound to be manufactured abroad, and it would be better to control the output through the operation of a branch house in the foreign country than to let the business fall completely into foreign hands.

In general it should be stated that there are many advantages resulting from the establishment of branch factories in foreign countries by American concerns. The more important of these are the indirect promotion of trade between the United States and those countries and the extension of American interests generally. In almost all cases the branch factories will be equipped with American machinery and more or less use will be made of American supplies. The Americans employed in such branches will naturally look to their own country for the satisfaction of their personal needs, and their use of American articles serves to introduce them to foreign

consumers. These considerations may not have great weight in the case of industrially advanced countries such as England, Canada, etc. They are, however, of prime importance in the less developed countries. It is the opinion of the committee that in all such countries the establishment of branch factories by American firms should be looked upon with favor if not actively promoted. This form of investment of American capital abroad, carrying with it, as it does, direct ownership and management by Americans, is far preferable to that which takes place where the investment is in the form of loans.

SUMMARY.

To sum up, it is the opinion of the committee that, if all the results, indirect as well as direct, are taken into consideration, the American Government should look with favor upon the establishment of branches of all sorts of American enterprises in foreign countries. The extent to which it should actively exert itself in behalf of such concerns is, however, a matter which should depend upon the circumstances of each case.

Condition of Buenos Aires Banks at the End of March.¹

The following statement transmitted by Ambassador Stimson, at Buenos Aires, Argentina, shows the condition of the principal banks of that city on March 31, 1919, the data having been furnished the Embassy by one of the local banks. All amounts are expressed in United States currency. The capital in each case represents the total in Argentina:

Bank.	Deposits.	Discount and overdrafts.	Total cash.	Capital.	Percentage of cash to deposits. ²
Banco de la Nacion.....	\$503,293,000	\$255,211,000	\$172,787,000	\$56,356,000	34
Banco Provincia.....	120,952,000	100,845,000	45,591,000	26,596,000	37
Banco Español.....	112,409,000	110,320,000	27,157,000	41,934,000	24
Londres y Rio de la Plata.....	76,371,000	37,838,000	36,238,000	4,110,000	47
Italia y Rio de la Plata.....	56,366,000	57,895,000	11,662,000	9,671,000	20
Nuevo Banco Italiano.....	33,842,000	27,852,000	8,918,000	2,128,000	26
Banco Britanico.....	29,937,000	19,662,000	10,451,000	4,387,000	34
Anglo Sud Americano.....	29,476,000	31,313,000	10,406,000	4,825,000	35
Frances e Italiano.....	27,480,000	13,430,000	14,716,000	2,417,000	53
National City Bank.....	25,583,000	30,888,000	5,623,000	1,000,000	22
First National Bank of Boston.....	23,141,000	18,540,000	7,218,000	1,000,000	31
Banco Holandes.....	20,277,000	31,634,000	5,563,000	3,768,000	27
Frances del Rio de la Plata.....	19,316,000	13,685,000	12,393,000	13,539,000	64
Italo-Belga.....	18,596,000	11,287,000	6,840,000	967,000	30
Galicia y Buenos Aires.....	17,192,000	17,590,000	3,986,000	7,323,000	23
Aleman Transatlantico.....	16,039,000	11,288,000	8,301,000	3,530,000	52
Comercial del Azul.....	14,112,000	13,039,000	2,621,000	511,000	18
Comercial Italiano.....	13,817,000	11,437,000	4,027,000	2,128,000	29
Popular Argentino.....	10,592,000	14,604,000	3,057,000	4,474,000	28
Banco Germanico.....	9,845,000	7,484,000	3,191,000	1,672,000	32
Londres y Brazil.....	9,810,000	7,232,000	3,010,000	2,056,000	30
Argentino Uruguayo.....	5,181,000	4,687,000	1,268,000	398,000	24
Espana y America.....	* 1,018,000	836,000	454,000	576,000	44

¹ Commerce Reports, June 19, 1919.

² Average percentage of cash to deposits, 33 per cent.

* The deposits of the Banco de la Nacion include \$71,462,895 "clearing" deposits of the other member banks, this amount, therefore, appearing twice in total of bank deposits.

Licenses Issued for Export of Coin, Bullion, and Currency.

The following table shows the amounts of licenses granted by the Federal Reserve Board from September 7, 1917, to June 7, 1919, covering exports from the United States of coin,

bullion, and currency. Approximately 1,142 licenses were issued for the shipment of gold, 1,500 licenses for the shipment of silver, and 1,817 licenses for the shipment of currency other than United States gold and silver certificates. Some 775 applications of all classes were declined.

Amounts of licenses granted by the Federal Reserve Board from Sept. 7, 1917, to June 7, 1919, covering exports from the United States of coin, bullion, and currency.

	Gold.	Silver.	United States currency.	Currency of the country to which exported.	Other currency.	Total.
North America:						
Canada.....	\$32,639,277.87	\$9,656,011.43	\$3,900,946.42	\$21,439,382.48	\$674,059.48	\$68,809,677.68
Mexico.....	48,033,946.96	9,924,964.99	23,969,947.58	1,394,090.66	51,445.81	83,374,396.00
West Indies.....	177,531.80	610,180.67	78,107,189.00	6,467.56	206,834.00	79,108,223.03
Total.....	80,850,756.63	20,191,157.09	105,978,083.00	22,839,940.70	932,359.29	230,792,296.71
Central America:						
Panama.....	2,007.38	94,000.00	2,021,000.00	.....	33,250.00	2,150,257.38
Other points.....	6,586.35	497,066.00	3,349,910.00	98,175.00	238,019.10	4,189,756.45
Total.....	8,593.73	591,066.00	5,370,910.00	98,175.00	271,269.10	6,340,013.83
South America:						
Argentina.....	17,510,142.95	11,534.72	22,750.00	19,108.60	30,810.00	17,594,346.27
Bolivia.....	785,000.00	.....	.....	43.60	.....	785,043.60
Brazil.....	1,142.50	2,745.00	65,000.00	1,321.00	.....	70,208.50
Chile.....	15,553,902.35	.....	.....	4,886.70	.....	15,558,789.05
Colombia.....	13,152,520.80	53,000.00	607,950.00	192.25	620,365.10	14,434,027.95
Ecuador.....	400.00	.....	73,000.00	500,005.00	.....	573,405.00
Peru.....	4,620,058.37	125,000.00	940,000.00	448,323.75	250.00	6,133,632.12
Uruguay.....	.....	216,200.00	.....	1,414.80	.....	217,614.80
Venezuela.....	6,683,629.69	840,000.00	.....	1,552.00	.....	7,525,181.69
Other points.....	157,074.07	9,089.00	5,000.00	5,000.00	.....	176,163.07
Total.....	58,463,870.53	1,257,568.72	1,713,700.00	981,847.70	651,425.10	63,068,412.05
Europe:						
Denmark.....	25.00	1,453,638.00	75,000.00	11,826.00	90,261.00	1,630,750.00
France.....	61,673.92	10,487,855.00	49,340,730.00	2,084,093.33	158,282.00	62,112,634.25
Great Britain.....	74,460.46	56,347,426.49	1,648,311.72	1,896,950.92	4,254,509.20	64,221,658.79
Holland.....	357.50	1,700,000.00	2,000.00	53,591.81	4,450.00	1,760,399.31
Italy.....	4,278.00	500,300.00	.....	.....	.....	504,578.00
Norway.....	.....	2,232,272.69	15,500.00	27,460.00	392,073.64	2,667,306.33
Portugal.....	.....	10,000.00	.....	438.00	.....	10,438.00
Russia.....	5,723.00	52,959.14	1,657,000.00	102,142.50	500.00	1,818,324.64
Spain.....	4,455,294.00	500.00	200.00	280.00	.....	4,456,274.00
Sweden.....	160.00	883,852.80	.....	39,410.11	180,675.00	1,104,097.91
Switzerland.....	225.00	460,032.00	100.00	8,708.00	13,000.00	482,065.00
Other points.....	1,340.00	368,000.00	112,700.00	400,000.00	292,703.80	1,174,743.80
Total.....	4,603,536.88	74,476,836.12	52,851,541.72	4,624,900.67	5,386,454.64	141,943,270.03
Asia:						
China.....	197,717.10	62,150,467.90	15,686.00	2,630.20	563,391.52	62,929,892.72
India.....	3,888,272.00	338,704,003.35	.....	810.00	2,786,025.52	345,379,110.87
Japan.....	1,344,789.70	500,000.00	69,500.00	101,535.43	598,790.00	2,605,615.13
Other points.....	357,962.50	4,328,179.76	55,100.00	61,500.00	31,250.00	4,833,992.26
Total.....	5,788,741.30	405,682,651.01	131,286.00	166,475.63	3,979,457.04	415,748,610.98
Africa.....	1,598.00	13,330.00	81.00	697.50	250.00	15,956.50
Australasia:						
Australia.....	20.00	2,167.50	5,650.00	45,802.87	10,815.88	64,456.25
Java.....	2,608,639.30	537,500.00	400.00	4,264.20	370,747.00	3,521,550.50
Philippines.....	.....	.....	.....	.....	.....	.....
Other points.....	1,220.00	3,727.00	728,985.00	150.00	1,025,022.00	1,759,104.00
Total.....	2,609,879.30	543,394.50	735,035.00	50,217.07	1,406,584.88	5,345,110.75
Grand total.....	152,328,976.37	502,756,003.44	166,780,636.72	28,762,254.27	12,627,800.05	863,253,670.85

Operations of the Netherlands Bank and the Java Bank During the War.

Leadership in financial and foreign trade activities of the Netherlands during the period of the war was exercised by the Netherlands Bank, whose annual reports and weekly statements form the basis of the following discussion.¹

Extraordinary demands at the outbreak of the war for currency and for loans caused the bank to obtain a royal decree reducing the minimum metallic cover required for its deposit and note liability from 40 to 20 per cent. The ratio did actually fall as low as 32.6 per cent on October 16, 1914, but rose again above the 40 per cent level by December 12 of the same year, and since that date has remained above that percentage.

In order to protect its gold reserve, the bank also induced the Government to obtain authority to release the bank from the obligation to exchange its notes for gold on demand. No occasion to exercise this authority has arisen up to date. A strict control over gold exports, however, was undertaken and exercised by the government at the bank's suggestion.

By referring to the table showing the principal asset and liability items of the Netherlands Bank and to the curves based on these figures it will be seen that the bank's gold reserve increased steadily from September 26, 1914, until April 27, 1918, and on that date reached the maximum of 726,000,000 florins, or about four and one-half times the prewar amount. It is worthy of note that large increases in gold reserves are reported by the Netherlands Bank in May, 1915, and in June, 1917, both months during which heavy losses of gold are shown by the German Reichsbank. It is well known that the Reichsbank shipped gold to Holland in an effort to improve the exchange position of the mark.² Since April, 1918, the bank's gold policy apparently underwent a change. During the most recent period the bank invested all or nearly all the " earmarked " gold held for its account in the United States, the effect of this action being a reduction in its gold reserve. On May 31, 1919, the gold reserve stood at 662,000,000, or about 64,000,000 florins below the high-level mark of April, 1918.

¹ De Nederlandsche Bank. Verslagen door den president en door de commissarissen. (The Netherlands Bank. Reports presented by the president and the commissaries.) 1914-15 to 1917-18.

For description of the organization of the Netherlands Bank and of banking in the Netherlands in general, see Curt Eisfeld: Das Niederländische Bankwesen. The Hague, 1916.

² See Federal Reserve Bulletin, May, 1919, p. 430.

As elsewhere in Europe, the outbreak of the war was followed in the Netherlands by the hoarding of silver and a heavy demand for currency in small denominations. The amount of silver in the vault of the bank declined from 8.2 millions on July 25 to 2.3 millions on August 29, 1914, then recovered somewhat, only to fall again until on February 27, 1915, only 1.2 millions of silver was reported on hand. To meet this situation and to satisfy the popular demand the Government issued 2.50 florin "silver bons." During the last three years the bank's silver reserve was at no time less than 6.5 million florins, as shown by the table on page 644. At a later date the Government issued "silver bons" of the denomination of 1 florin. In order to replenish its supply of silver the bank made purchases of the metal in Europe and in America.

During the panic conditions prevailing in August, 1914, the Netherlands Bank opposed the declaration of a moratorium and offered instead to come to the aid of private banks and industrial establishments which were hard pressed for funds. During the first month of the war, the bank's loans, discounts, and advances in current account increased from 130 million florins on July 25 to 308 millions on August 29. Loans and advances continued to grow until October 31, but from that time they declined as a result of stagnation in the country's industries. The stock exchange was closed until February, 1915; business was at a standstill, and the leading banks of the country felt called upon to organize an association, under the leadership of the Netherlands Bank, to aid such persons and establishments as were unable to obtain relief through ordinary channels. The bank's loans and discounts continued comparatively light throughout the greater portion of the period of hostilities, in spite of the inclusion under this item of the at times large holdings of Treasury certificates. It was not until after the signing of the armistice last November that loans and advances surpassed the high figure of August, 1914. During 1919 a high average amount has been maintained, though with considerable fluctuations.

Notes in circulation increased at a rapid rate throughout the period under review. On July 25, 1914, the circulation amounted to 310 million florins and on May 31, 1919, to 1,026 millions, or more than three times the amount at the earlier date. This expansion of paper currency is due in part to the withdrawal of gold from circulation, in part to large scale Govern-

ment borrowing, and also to the tendency shown by many business men in the Netherlands to hold notes of large denominations as a safe and absolutely liquid form in which to keep their funds. By having these notes in their possession they felt that they would be able to resume business operations at a moment's notice as soon as conditions would permit. It is to be noted that since the cessation of hostilities last November nearly 60 millions of notes have been withdrawn from circulation.

FOREIGN TRADE AND FOREIGN EXCHANGE OPERATIONS.

At the outbreak of the war, Dutch firms were indebted for large amounts to foreign countries, and, owing to the disorganized condition of the foreign exchanges and to the great difficulty of shipping gold, considerable embarrassment was felt by houses engaged in foreign trade. The Netherlands Bank came to the assistance of the importers by selling as many drafts on foreign countries as its gold held abroad would permit; but the problem of foreign trade remained serious. When in 1915, for instance, American buyers purchased their usual supply of tobacco from Holland, they were unwilling to pay for it at the prevailing rate of exchange which was unfavorable to the dollar. Gold shipments were out of the question on account of the great risk, the consequent high rates of insurance, and the reluctance on the part of shipowners to carry gold. An arrangement was finally made by which Dutch commercial banks accepted drafts in florins in payment for the tobacco, while the Netherlands Bank agreed to discount these drafts.

Another matter in which the Netherlands Bank came to the assistance of foreign trade was in connection with payments to Dutch investors in America of interest and dividends coming due, also for diamonds and flower bulbs purchased in Holland by Americans. The Netherlands Bank undertook to take up such claims against America at a reasonable rate of exchange, and to arrange that American debtors deposit amounts due to Dutch interests in "earmarked" gold with specified institutions in America. Including the amount held by the New York Federal Reserve Bank, the Guaranty Trust Co. and the National City Bank, the gold held in America by the Netherlands Bank was in excess of \$10,000,000, nearly all of which has now been invested for the Netherlands Bank in prime indorsed bank acceptances.

Rates of exchange on all the belligerents were in favor of Holland during most of the period of the war, as will be seen by reference to the attached table. As a result there was a great influx of gold into the country, in spite of the export prohibitions in force in practically all the European belligerent countries. The Netherlands Bank took upon itself the task of purchasing all of the gold offered in settlement of foreign accounts, provided the objects of the gold consignments were clearly explained to the bank, and were the result of strictly Dutch business transactions consistent with the interests of the country. The Netherlands Bank's gold policy was to pay 1,648 florins per kilo fine, or full mint value, for the gold it purchased, a policy entirely different from that pursued by the Bank of Spain and the Swedish Riksbank.

Holland's exports during the period of the war exceeded her imports, and the bank was called upon to assist commercial institutions in realizing on their foreign balances. In doing this, however, the bank insisted on strict supervision of the nature of each transaction. An arrangement was made with England by which Dutch balances were paid in English one-year Treasury bills at a rate of £1 sterling for 12 florins. The Treasury notes would be deposited with the Bank of England's Amsterdam Branch, and equivalent amounts of pounds sterling would be placed at the Netherlands Bank's disposal in England. This arrangement tended to steady the rate of sterling exchange and to decrease the flow of gold from England into Holland.

While the florin was at a premium in terms of the monetary units of belligerents, it was often below par in exchanges on neutrals, such as Switzerland, Spain, Denmark, Norway, and Sweden. In order to maintain the value of the florin the Netherlands Bank exported gold to these countries, but it often encountered opposition, as all these countries had large stocks of gold and were in need of goods which Holland was not in a position to supply. There was a protracted controversy with Sweden about the acceptance of Dutch gold at par in settlement of balances due to Sweden from Holland. In the end an agreement to that effect was obtained through the instrumentality of the Netherlands Bank.

GOVERNMENT LOANS.

The Netherlands Bank took a prominent part in helping the Dutch Government both by direct advances of funds and by assisting it in

the flotation of its popular loans. A 5 per cent loan of 410 million florins was floated by the Government in 1915, and one of 625 millions in 1918. In addition two loans for the Dutch Indies were consummated in 1915 and 1916. The bank undertook to lend money to holders of Government obligations up to 95 per cent of their face value in case of Netherlands bonds and up to 90 per cent in case of Colonial bonds.

In addition to assistance in connection with the loans and to direct advances to the Government bearing no interest, which averaged over 10 million florins during the period under review, the Netherlands Bank discounted Treasury notes for other banks, the amount of such notes in the bank's portfolio rising as high as 70 million florins in April, 1917.

THE JAVA BANK.

In conjunction with the discussion of the Netherlands Bank of issue, a brief statement of the operations of the Java Bank, based on its annual reports¹ and weekly condition statements, was considered appropriate in view of the close connection existing between the two institutions and the importance of Java's products to the commerce of the mother country. A table showing the condensed balance sheets of the Java Bank at the end of March, 1915 to 1919, is attached.

Java's prosperity depends largely on her exports of sugar, tea, tobacco, coffee, and other agricultural products. The difficulty of obtaining shipping space, together with the unsettled condition of the foreign exchanges and the prohibition of gold exports and even of

"earmarking" gold by most of the belligerent countries seriously interfered with Java's business activities. The Java Bank came to the assistance of local planters by granting them loans within the limits of the cost of production, and made arrangements through Amsterdam with England and other countries in connection with the settlement of balances due to Java from abroad.

The Java Bank increased its gold reserve by purchasing the output of local mines. It had considerable difficulty in preserving a supply of silver in view of the tendency to hoard it, and induced the colonial government to issue paper currency of small denominations. The bank's discounts and advances declined greatly during the first three years of the war, but show very heavy increases during the year ending March 31, 1918, and especially during the latest fiscal year, when the reestablishment of shipping greatly relieved the business situation in Java.

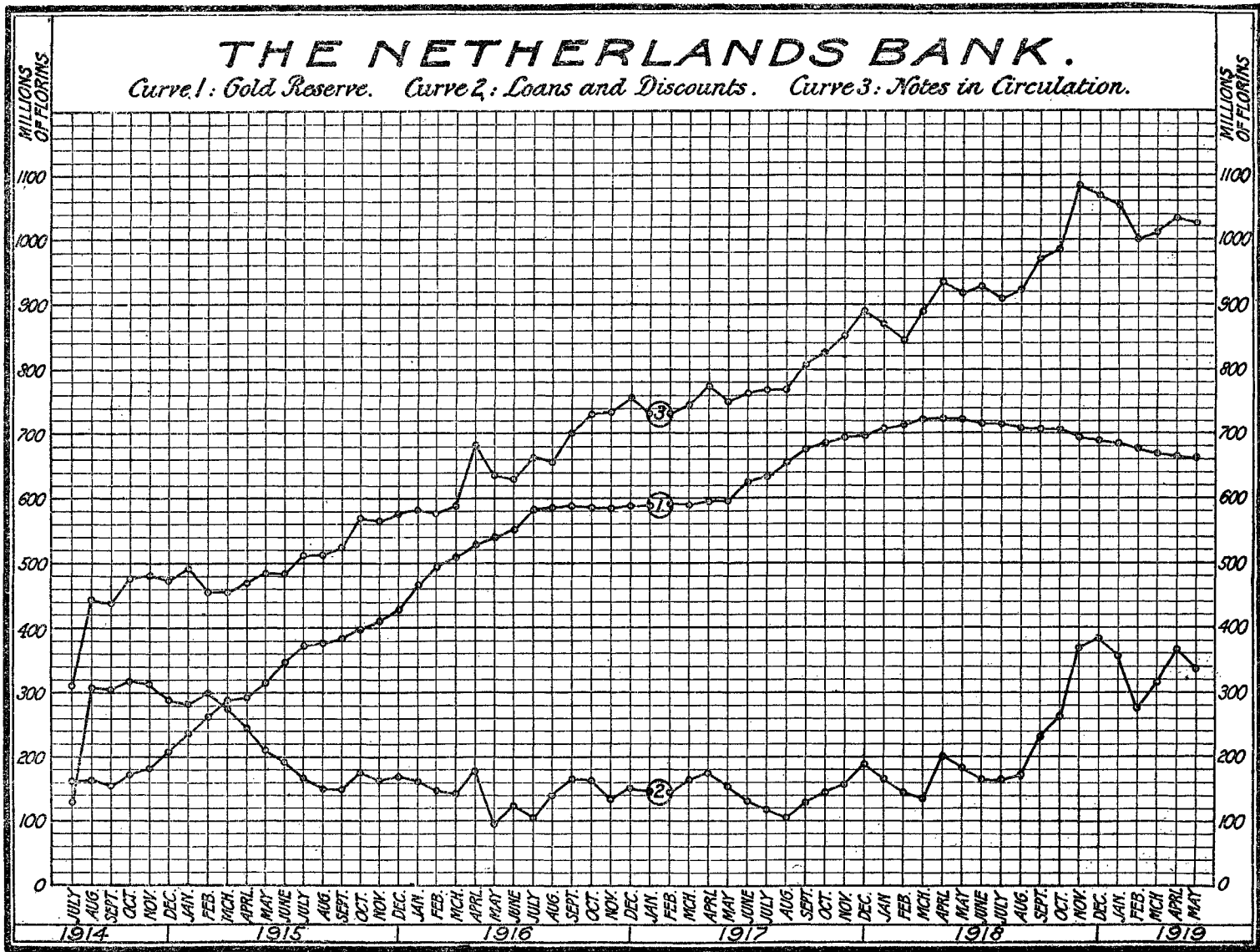
The Java Bank's policy of keeping half of its gold reserve in foreign countries, where it can be used to buy exchange bills when a contraction of circulation is desired, and to sell them for gold when an expansion is thought proper, makes the item "foreign bills" in its balance sheet of special significance. Throughout the period of hostilities the amount of foreign bills held by the Java Bank was unusually large owing to the difficulty of exchanging them for gold or commodities. The bank's circulation shows a growth from 118 million florins in 1915 to 211 millions in 1919, while its deposits increased from 19 millions in 1915 to 123 millions in 1919. The latter figure is more than twice as great as that for March 31, 1918, and indicates the revival of Java's business activities since the termination of hostilities.

¹ Annual Reports of the President of the Java-Bank and the Board of Directors. 1914-15 to 1917-18. Also: The Java Bank—A short description of its organization, operations and general policy. (Published by the bank.)

Principal asset and liability items of the Netherlands Bank.

[Figures for the end of each month in thousands of florins (par value of florin=40.2 cents)].

	Metallic reserve.			Loans, discounts, and advances.	Advances to Government bearing no interest.	Foreign bills.	Notes in circulation.
	Gold.	Silver.	Total.				
1914.							
July 25.....	162,113	8,228	170,341	129,633	12,444	20,188	310,437
Aug. 29.....	162,146	2,298	164,444	307,861	7,379	8,435	444,233
Sept. 26.....	157,333	4,894	162,227	306,264	14,761	6,752	440,845
Oct. 31.....	171,142	4,310	175,452	319,355	14,078	3,251	478,986
Nov. 28.....	181,183	4,884	186,067	314,742	12,968	843	481,145
Dec. 24.....	208,119	3,492	211,611	288,138	4,240	667	473,107
1915.							
Jan. 30.....	238,445	1,715	240,160	282,239	14,948	667	492,280
Feb. 27.....	261,777	1,245	263,022	300,666	.....	652	457,055
Mar. 27.....	289,194	2,027	291,221	277,287	.....	401	459,084
Apr. 24.....	293,626	2,151	295,777	244,921	.....	347	470,086
May 29.....	316,831	3,128	319,959	211,191	14,168	171	485,131
June 26.....	347,136	2,380	349,516	192,559	3,414	2,307	483,850
July 31.....	373,458	2,297	375,755	166,619	7,659	3,117	512,708
Aug. 28.....	378,437	2,322	380,759	151,375	2,760	3,060	513,706
Sept. 25.....	385,227	2,273	387,500	150,422	13,515	3,553	522,056
Oct. 30.....	399,824	2,522	402,346	175,415	5,105	4,278	569,850
Nov. 27.....	411,498	3,777	415,275	162,992	14,912	4,230	565,479
Dec. 31.....	429,182	6,195	435,377	169,928	.....	2,506	577,056
1916.							
Jan. 20.....	466,837	6,059	472,896	161,358	4,831	4,313	581,722
Feb. 26.....	495,112	5,249	500,361	147,768	14,863	3,920	577,978
Mar. 25.....	510,546	4,659	515,205	141,240	14,479	4,280	588,443
Apr. 29.....	539,896	1,873	531,769	179,757	12,219	8,672	681,864
May 27.....	540,030	4,486	544,516	96,878	10,987	8,557	636,983
June 24.....	552,026	8,407	560,433	122,408	.....	8,084	630,911
July 29.....	581,564	10,784	592,348	105,622	12,779	8,020	661,679
Aug. 26.....	585,813	8,231	594,044	140,646	14,961	7,873	657,109
Sept. 30.....	587,361	6,597	593,958	166,278	1,578	8,176	700,782
Oct. 28.....	583,642	6,531	590,173	162,187	5,406	8,007	730,338
Nov. 25.....	584,591	6,725	591,316	134,509	8,719	8,014	736,284
Dec. 30.....	587,602	6,985	594,587	152,191	11,577	8,024	758,379
1917.							
Jan. 27.....	589,561	6,814	596,375	146,740	14,899	8,091	732,759
Feb. 24.....	591,555	6,577	598,132	144,930	12,871	8,097	732,694
Mar. 31.....	590,515	6,917	597,432	164,386	.....	8,209	745,649
Apr. 28.....	596,527	6,858	603,385	174,635	11,658	8,084	773,592
May 26.....	596,273	7,393	603,666	154,868	14,952	8,110	750,550
June 30.....	626,729	7,454	634,183	131,791	4,588	7,807	764,224
July 28.....	633,303	7,247	640,550	119,975	12,463	8,006	767,152
Aug. 25.....	656,910	7,375	664,285	106,571	13,341	8,228	766,667
Sept. 29.....	675,917	7,264	683,181	129,683	14,046	7,913	808,812
Oct. 27.....	685,231	7,386	692,617	146,991	.....	8,113	824,973
Nov. 24.....	692,377	6,883	699,260	158,596	11,766	8,202	852,247
Dec. 29.....	698,233	7,028	705,261	189,268	.....	8,039	890,273
1918.							
Jan. 26.....	707,000	7,176	714,176	166,629	11,259	8,141	871,586
Feb. 23.....	714,678	7,295	721,973	146,604	.....	8,195	845,856
Mar. 30.....	722,184	7,285	729,469	134,903	14,704	7,164	889,692
Apr. 27.....	725,770	7,274	733,044	200,446	.....	3,816	936,472
May 25.....	721,439	7,799	729,238	181,839	.....	7,478	919,162
June 29.....	717,559	7,692	725,251	165,905	4,566	7,753	927,335
July 27.....	715,123	7,793	722,916	164,438	12,663	8,676	909,750
Aug. 24.....	707,424	7,953	715,377	172,864	13,616	8,366	922,122
Sept. 28.....	708,708	8,042	716,750	230,200	.....	7,802	971,557
Oct. 26.....	706,477	8,154	714,631	262,681	14,903	8,690	985,317
Nov. 30.....	693,392	8,230	701,622	369,654	.....	7,990	1,082,164
Dec. 28.....	689,441	8,545	697,986	383,206	3,729	8,930	1,068,947
1919.							
Jan. 25.....	684,369	8,791	693,160	357,018	14,544	8,567	1,053,508
Feb. 22.....	677,319	9,105	686,424	274,749	14,932	8,546	1,000,194
Mar. 29.....	669,334	9,750	679,084	315,436	14,921	8,765	1,011,223
Apr. 26.....	663,348	8,114	671,462	365,692	14,904	27,050	1,034,638
May 31.....	661,969	7,938	669,907	351,521	.....	27,582	1,025,962



Foreign exchange quotations at Amsterdam.

[July 30, 1914, to Mar. 29, 1918, from annual reports of the Netherlands Bank; Apr. 30, 1918, to May 20, 1919, from De Nederlandsche Financier and the Economisch-Statistische Berichten.]

Date.	London (par £= 12.1075 fl.).	Paris (100 francs= 48 fl.).	New York cables (\$=2.4875 fl.).	Berlin (100 marks= 59.26 fl.).	Vienna (100 crowns= 50.41 fl.).	Switzerland (100 francs= 48 fl.).	Stockholm (100 kroner= 66.67 fl.).	Copenhagen (100 kroner= 66.67 fl.).
1914.								
July 30	12.16	49.40	2.45	59.15	147.00	49.25	166.25	166.20
Aug. 29	12.32			57.30				
Sept. 30	12.02 -12.07		2.39	54.60 -55.10				
Oct. 31	11.92 -12.02	47.35 -47.85	2.44	53.65 -54.15				
Nov. 30	11.99 -12.09	48.00 -48.50	2.45	52.45 -52.95				
Dec. 31	11.94 -12.04	47.60 -48.10	2.46	54.00 -54.50				
1915.								
Jan. 30	12.02 -12.07	47.85 -48.05	2.48	54.02 -54.22				
Feb. 27	12.01 -12.06	47.30 -47.50	2.50	51.05 -51.55				
Mar. 31	12.14 -12.19	47.60 -47.80	2.53	51.72 -52.22	138.60 -39.10	46.95 -47.45	65	63
Apr. 30	12.13	47.60	2.53	51.95	38	47.55 -47.75	65	65
May 31	12.01	46.22	2.50	51.60	38	47.30 -47.80	66-66	66-66
June 30	11.95	44.60		50.70		46.00 -46.50		
July 31	11.82	43.50	2.47	50.35	37	46.05 -46.55	64	64
Aug. 30	11.62	42.10	2.50	50.40 -50.42	37 -37	46.10 -46.60	64	64
Sept. 30	11.52 -11.53	42.25 -42.30	2.43	50.66 -50.68	36 -36	45.90 -46.40	64	63
Oct. 30	11.15 -11.15	40.40 -40.50	2.40	48.92 -48.95		44.60 -45.10		
Nov. 30	11.25 -11.26	40.90 -40.92	2.38	47.00 -47.05	33	44.30 -44.80	67	65
Dec. 31	10.79 -10.80	38.75 -38.85	2.26	42.30 -42.35	28	43.20 -43.70	63	62
1916.								
Jan. 31	11.25 -11.26	40.15 -40.25	2.34	42.00 -42.85	28.90	45.25	64.60	64.00
Feb. 29	11.21 -11.22	40.05 -40.07	2.35	42.30 -42.35	29.70	44.75	66.05	65.95
Mar. 31	11.17 -11.18	39.20 -39.22	2.34	41.67 -41.70	28.82	44.92	67.65	67.65
Apr. 29	11.37 -11.38	40.20 -40.25	2.38	44.15 -44.17	30.57	46.00	72.55	72.55
May 31	11.49 -11.49	40.80 -40.82	2.41	44.60 -44.62	31.15	45.95	71.95	71.82
June 30	11.48 -11.49	40.80 -40.85	2.41	43.75 -43.77	30.42	45.60	69.90	69.80
July 31	11.51 -11.51	40.92 -40.95	2.41	43.15 -43.17	29.90	45.62	68.95	68.10
Aug. 30	11.61	41.40 -41.42	2.44	42.57 -42.60	29.37	45.99	69.25	66.85
Sept. 30	11.66	41.87 -41.92	2.44	42.50 -42.52	28.97	46.05	68.95	66.40
Oct. 31	11.62 -11.62	41.82 -41.85	2.43	42.44 -42.46	27.72	46.57	69.22	66.18
Nov. 30	11.67 -11.67	41.95 -42.00	2.45	40.15 -40.17	25.07	47.50	69.57	66.02
Dec. 30	11.68	42.05 -42.07	2.45	41.17 -41.20	25.75	48.57	71.90	67.00
1917.								
Jan. 31	11.70 -11.70	42.07 -42.10	2.45	41.35 -41.37	26.63	48.92	72.52	67.31
Feb. 28	11.80 -11.80	42.37 -42.40	2.47	40.59 -40.52	25.23	49.37	73.20	68.90
Mar. 31	11.76 -11.76	42.30 -42.32	2.46	38.85 -38.90	24.52	49.05	74.45	71.35
Apr. 30	11.64	42.75 -42.80	2.44	37.57 -37.60	23.60	47.45	73.62	69.85
May 31	11.58 -11.59	42.60 -42.65	2.43	36.42 -36.47	23.37	48.30	73.12	70.07
June 30	11.57 -11.57	42.30 -42.32	2.43	34.60 -34.75	21.62	50.30	74.05	70.55
July 31	11.44 -11.44	41.75 -41.80	2.40	33.70 -33.75	21.57	53.07	80.12	71.25
Aug. 30	11.33 -11.33	41.20 -41.22	2.38	33.12 -33.15	21.16	52.15	79.82	72.42
Sept. 29	11.31 -11.31	40.87 -40.90	2.37	32.75 -32.80	20.81	50.45	82.35	73.80
Oct. 31	10.91 -10.92	39.80 -40.00	2.29	32.45 -32.50	20.57	50.50	95.00	79.25
Nov. 30	10.99 -11.00	40.50 -40.60	2.29	36.00 -36.10	22.15	54.20	86.62	76.25
Dec. 29	11.00 -11.00	40.65 -40.75	2.30	45.27 -45.32	27.30	52.85	77.70	72.50
1918.								
Jan. 31	10.90 -10.91	40.10 -40.20	2.29	42.15 -42.20	27.17	50.90	77.12	70.87
Feb. 27	10.53 -10.53	38.60 -38.70	2.21	43.70 -43.75	28.92	50.00	71.12	67.17
Mar. 28	10.21 -10.22	37.70 -37.75	2.14	42.50 -42.55	27.40	50.10	72.20	67.22
Apr. 30	9.88	36.45		40.80	26.15	49.62	70.50	65.15
May 31	9.47	35.00		38.97	24.00	49.70	67.50	62.00
June 29	9.32	34.42		34.25	20.40	49.60	69.72	61.16
July 31	9.14	33.75		32.30	18.95	48.80	68.97	60.75
Aug. 30	9.33	35.95		31.22	17.50	45.80	68.60	60.70
Sept. 30	10.11	38.75	2.11	32.05	17.65	47.15	69.52	62.50
Oct. 31	11.25	43.12	2.35	34.60	19.25	47.65	68.20	63.75
Nov. 30	11.33	43.55	2.37	30.25	15.75	49.12	68.05	63.70
Dec. 27	11.13	42.80	2.33	30.10	15.15	48.90	68.50	63.20
1919.								
Jan. 31	11.50	44.30	2.40	28.15	14.20	49.15	68.20	63.20
Feb. 28	11.57	44.35	2.41	24.27	11.55	50.35	68.40	63.35
Mar. 29	11.49	41.75	2.50	22.50	9.75	49.95	67.25	62.70
Apr. 30	11.65	41.40	2.47	21.97	10.50	50.25	66.30	62.00
May 31	11.87	41.00	2.55	18.40	10.40	49.60	65.10	60.00

1 From Nederlandsche Financier.

Summary statement of the principal assets and liabilities of the Java Bank on the last of March, 1915 to 1919.

	Mar. 31, 1915.	Mar. 31, 1916.	Mar. 31, 1917.	Mar. 31, 1918.	Mar. 29, 1919.
ASSETS.					
Gold.....	<i>Florins.</i> 30,889,639	<i>Florins.</i> 46,774,840	<i>Florins.</i> 72,098,796	<i>Florins.</i> 92,166,793	<i>Florins.</i> 127,706,126
Silver.....	29,025,344	33,667,441	23,068,585	19,409,454	10,747,920
Total metallic reserve.....	59,914,983	80,442,281	95,767,381	111,576,247	138,454,046
Discounts, loans, and advances.....	72,103,850	54,833,739	56,533,930	80,230,807	174,661,879
Foreign bills.....	5,710,163	15,697,006	37,207,583	34,161,204	22,069,246
Securities and mortgages.....	8,346,732	8,715,638	8,546,499	8,223,607	8,077,170
All other assets.....	5,877,923	29,169,860	8,445,215	21,543,756	12,980,021
Total assets.....	151,953,651	188,858,524	206,500,608	255,735,621	356,242,362
LIABILITIES.					
Capital.....	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Reserve fund.....	3,119,492	2,761,132	3,175,176	3,161,690	3,644,178
Notes in circulation.....	118,084,725	144,882,260	157,946,265	180,754,970	210,775,950
Deposits.....	19,234,669	27,102,168	32,071,382	56,054,765	123,126,770
Bills payable.....	1,927,389	4,469,829	3,086,096	5,180,902	2,911,204
All other liabilities.....	3,587,376	3,643,135	4,221,749	4,583,294	9,784,260
Total liabilities.....	151,953,651	188,858,524	206,500,608	255,735,629	356,242,362

Comparative Statement of Leading Banks of Issue.

There is presented below a comparative statement showing the condition of the leading central banks of issue in 1914, immediately preceding the outbreak of the war, at the close of 1918, and on the latest date in 1919 for which figures are available.

Gains of gold since the close of 1918 are reported among the banks in allied countries by the Federal Reserve Banks, the Bank of

England, and the Bank of France, while the German Reichsbank lost 122 million dollars in gold since the beginning of 1919. No material changes in gold reserves were reported by the other banks included in the table, except that the Netherlands Bank lost 11 million dollars, largely as a result of investing its "earmarked" gold previously held in the United States, and the Java Bank gained 8 million dollars between December 31, 1918, and April 5, 1919.

Gold and total reserves, also deposit and note liabilities, of the leading banks of issue at dates specified.

[In millions of dollars.]

	Federal Reserve Banks.			Bank of England.		
	Dec. 31, 1914.	Dec. 27, 1918.	June 13, 1919.	July 29, 1914.	Dec. 25, 1918.	May 28, 1919.
Gold in vault.....	241	2,084	2,194	186	385	419
Total reserve.....	259	2,093	2,262			
Deposits.....	264	1,583	2,630	328	840	694
Bank notes in circulation.....	10	2,802	2,499	155	1,342	1,376
Ratio of gold cover to combined deposit and note liabilities (per cent).....	88	48	43	36	33	39
	Bank of France.			Bank of Italy.		
	July 30, 1914.	Dec. 26, 1918.	May 15, 1919.	Dec. 31, 1914.	Dec. 31, 1918.	Apr. 30, 1919.
Gold in vault.....	799	664	689	237	158	158
Total reserve.....	920	725	749			
Deposits.....	253	478	672	158	565	618
Bank notes in circulation.....	1,290	5,838	6,007	417	1,780	1,812
Ratio of gold cover to combined deposit and note liabilities (per cent).....	52	11	9		7	7
	German Reichsbank.			Austro-Hungarian Bank.		
	July 31, 1914.	Dec. 31, 1918.	May 7, 1919.	July 23, 1914.	Dec. 31, 1918.	Apr. 23, 1919.
Gold in vault.....	298	539	417	251	53	53
Total reserve.....	364	544	422	310	65	68
Deposits.....	300	3,292	2,912	59	1,447	1,334
Bank notes in circulation.....	692	2 5,285	2 6,365	431	8,713	2 7,922
Ratio of gold cover to combined deposit and note liabilities (per cent).....	30	6	4	51	.5	.6
	Riksbank, Sweden.			Norges Bank, Norway.		
	July 31, 1914.	Dec. 31, 1918.	May 17, 1919.	July 31, 1914.	Dec. 31, 1918.	Apr. 30, 1919.
Gold in vault.....	25	76	78	12	33	40
Total reserve.....	26	77				
Deposits.....	18	36		4	34	20
Bank notes in circulation.....	54	218	183	34	116	116
Ratio of gold cover to combined deposit and note liabilities (per cent).....	35	30	43	35	28	34

¹ In addition there were 1,575 millions of currency notes in circulation on Dec. 25, 1918, and 1,675 millions on May 28, 1919, against which a gold reserve of 139 millions is held.

² In addition there were 2,406 millions of Darlehnskassenscheine in circulation on Dec. 31, 1918, and 2,673 millions on May 7, 1919.

³ Does not include scrip—Kassenscheine—no figures given.

Gold and total reserves, also deposit and note liabilities, of the leading banks of issue at dates specified—Continued.
[In millions of dollars.]

	National Bank, Copenhagen, Denmark.			Bank of Spain.		
	July 31, 1914.	Dec. 31, 1918.	Apr. 30, 1919.	July 24, 1914.	Dec. 28, 1918.	May 17, 1919.
Gold in vault.....		52	50	106	430	436
Total reserve.....	24	53	51	249	554	561
Deposits.....	5	31	30	96	226	214
Bank notes in circulation.....	40	121	116	374	640	681
Ratio of gold cover to combined deposit and note liabilities (per cent).....	53	34	34	23	50	49

	Bank of Netherlands.			Swiss National Bank.		
	July 25, 1914.	Dec. 28, 1918.	May 17, 1919.	July 23, 1914.	Dec. 31, 1918.	May 15, 1919.
Gold in vault.....	65	277	266	35	80	83
Total reserve.....	68	281	269	38	91	96
Deposits.....	2	36	41	29	35	25
Bank notes in circulation.....	125	430	419	83	188	174
Ratio of gold cover to combined deposit and note liabilities (per cent).....	51	59	58	31	36	42

	Bank of Japan.			Bank of Java.		
	June 30, 1914.	Dec. 29, 1918.	May 10, 1919.	Mar. 31, 1914.	Dec. 31, 1918.	Apr. 5, 1919.
Gold in vault.....	259	357	352	12	43	51
Total reserve.....	259	357	352	24	49	55
Deposits.....	265	519	596	8	38	.....
Bank notes in circulation.....	275	537	395	47	79	85
Ratio of gold cover to combined deposit and note liabilities (per cent).....	48	34	36	22	37	60

State Banks and Trust Companies Admitted.

The following list shows the State banks and trust companies which have been admitted to membership in the Federal Reserve system during the month of June.

One thousand and forty-seven State institutions are now members of the system, having a total capital of \$371,971,875, total surplus of \$422,030,628, and total resources of \$8,003,415,848.

	Capital.	Surplus.	Total resources.
<i>District No. 2.</i>			
Peoples Bank of Buffalo, Buffalo, N. Y.....	\$600,000	\$600,000	\$16,482,563
Bank of Buffalo, Buffalo, N. Y.....	1,000,000	1,000,000	29,925,166
<i>District No. 3.</i>			
Equitable Trust Co., Atlantic City, N. J.....	200,000	100,000	1,947,869
<i>District No. 4.</i>			
Bridgeport Bank & Trust Co., Bridgeport, Ohio.....	75,000	40,000	915,317
<i>District No. 7.</i>			
Hopkins State Savings Bank, Hopkins, Mich.....	25,000	5,000	423,527
First State & Savings Bank, Mason, Mich.....	25,000	15,000	580,602
First State & Savings Bank, Holly, Mich.....	30,000	60,000	1,263,362

	Capital.	Surplus.	Total resources.
<i>District No. 7—Continued.</i>			
Second Security Bank, Chicago, Ill..	\$200,000	\$100,000	\$2,975,149
First State & Savings Bank, Howell, Mich.....	75,000	15,000	631,642
American State Bank, Saginaw, Mich.....	200,000	100,000	3,059,731
<i>District No. 8.</i>			
First State Bank, Brownsville, Tenn.	200,000	.....	1,291,310
<i>District No. 9.</i>			
Bank of Arcadia, Arcadia, Wis.....	25,000	15,000	647,067
<i>District No. 11.</i>			
First State Bank, Henderson, Tex..	25,000	15,000	180,915
<i>District No. 12.</i>			
First State Bank, Drummond, Idaho.....	25,000	.....	54,035
Helper State Bank, Helper, Utah....	50,000	25,000	493,908
Security State Bank of La Crosse, La Crosse, Wash.....	30,000	6,045	129,377

NOTE.—The State Bank of Reform, Reform, Ala., has decided not to complete its membership by making payment on account of capital stock, and it is, therefore, not a member of the Federal Reserve System. The American National Bank and the Bank of Commerce, member banks, and the American Trust Company, a nonmember bank, all of Little Rock, Ark., have consolidated under the name American Bank of Commerce & Trust Company, which institution has been allotted stock and is now a member bank. The St. Louis Union Bank, St. Louis, Mo., has converted into St. Louis Union National Bank. The Exchange Bank of Kentucky, Mount Sterling, Ky., has withdrawn from membership.

Acceptances to 100 Per Cent.

Since the issue of the June BULLETIN the following banks have been authorized by the Federal Reserve Board to accept drafts and bills of exchange up to 100 per cent of their capital and surplus: Brownwood National Bank, Brownwood, Tex.; First National Bank, Kansas City, Mo.; Portland National Bank, Portland, Me.; Drivers & Mechanics National Bank, Baltimore, Md.; National Exchange Bank, Baltimore, Md.

Errata.

In the article entitled "Condition of accepting member banks on March 4, 1919," on page 554 of the June BULLETIN, the following corrections should be made: On line 11 of the article, "total liabilities of \$14,395,478" should read "total liabilities of \$14,395,478,000." On line 7 from the bottom "to total liabilities" should read "to capital and surplus."

New National Bank Charters.

The Comptroller of the Currency reports the following increases and reductions in the number of national banks and the capital of national banks during the period from May 31, 1919, to June 27, 1919, inclusive:

	Banks.	
New charters issued to.....	22	
With capital of.....		\$5,465,000
Increase of capital approved for.....	14	
With new capital of.....		1,590,000
Aggregate number of new charters and banks increasing capital.....	36	
With aggregate of new capital authorized.....		7,055,000
Number of banks liquidating (other than those consolidating with other national banks under the act of June 3, 1864).....	4	
Capital of same banks.....		185,000
Number of banks reducing capital.....	0	
Reduction of capital.....		0
Total number of banks going into liquidation or reducing capital (other than those consolidating with other national banks under the act of June 3, 1864).....	4	
Aggregate capital reduction.....		185,000
Consolidation of national banks under the act of Nov. 7, 1918.....	1	
Capital.....		2,000,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was.....		7,055,000
Against this there was a reduction of capital owing to liquidation (other than for consolidation with other national banks under the act of June 3, 1864) and reductions of capital of.....		185,000
Net increase.....		6,870,000

Commercial Failures Reported.

Continuance of an unusually light business mortality in the United States is indicated by failure returns to R. G. Dun & Co., only 309 commercial defaults being reported during three weeks of June, against 540 in the corresponding period of 1918. For May, the latest month for which complete statistics are available, the statement discloses but 531 insolvencies, a reduction of nearly 40 per cent from the 880 failures of May last year, and the smallest total recorded since monthly comparisons were first compiled a quarter of a century ago. The exhibit as to liabilities is not so strikingly favorable as that in respect of number, although the May indebtedness of \$11,956,651 is about \$1,200,000 less than in May, 1918, and the lightest for the month, aside from the \$9,590,186 of May, 1910, since 1907. Separated according to Federal Reserve districts, the May statement discloses decreases in number of defaults as contrasted with May last year, in all of the 12 districts, apart from the eleventh district, where a small increase appears. In most cases, moreover, the numerical reductions are sizable, while the liabilities are smaller in 7 of the 12 districts, the exceptions being the fourth, fifth, sixth, tenth, and eleventh districts.

Failures during May.

Districts.	Number.		Liabilities.	
	1919	1918	1919	1918
First.....	58	120	\$1,559,270	\$2,380,400
Second.....	93	164	3,194,187	4,250,139
Third.....	30	45	1,096,945	1,121,474
Fourth.....	57	74	1,481,366	879,332
Fifth.....	30	39	491,740	206,811
Sixth.....	26	40	246,650	269,110
Seventh.....	63	141	1,621,869	2,106,672
Eighth.....	18	34	165,445	177,340
Ninth.....	9	22	45,948	125,400
Tenth.....	28	41	703,255	184,428
Eleventh.....	35	31	304,739	262,671
Twelfth.....	84	129	1,045,237	1,230,895
Total.....	531	880	11,956,651	13,134,672

Fiduciary Powers Granted to National Banks.

The applications of the following banks for permission to act under section 11 (k) of the Federal Reserve Act have been approved by the Federal Reserve Board during the month of June:

DISTRICT No. 1.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:

Merchants National Bank, Newburyport, Mass.
Southbridge National Bank, Southbridge, Mass.

Administrator, guardian of estates, assignee, receiver, and committee of estates of lunatics:

Norway National Bank, Norway, Me.

Executor, administrator, guardian of estates, assignee, receiver, and committee of estates of lunatics:

Springfield National Bank, Springfield, Mass.

Guardian of estates, assignee, receiver, and committee of estates of lunatics:

Second National Bank, New Haven, Conn.

DISTRICT No. 2.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:

First National Bank, Cooperstown, N. Y.

National Bank of Port Jervis, Port Jervis, N. Y.

Guardian of estates, assignee, receiver and committee of estates of lunatics:

Second National Bank, Red Bank, N. J.

DISTRICT No. 3.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver and committee of estates of lunatics:

Mechanics National Bank, Burlington, N. J.

Union National Bank, Mahanoy City, Pa.

Union National Bank, Mount Carmel, Pa.

Bloomsburg National Bank, Bloomsburg, Pa.

National Bank of Catasauqua, Pa.

First National Bank, Pittston, Pa.

Textile National Bank, Philadelphia, Pa.

Guardian of estates, assignee, receiver, and committee of estates of lunatics:

Deposit National Bank, DuBois, Pa.

First National Bank, Johnstown, Pa.

DISTRICT No. 4.

Trustee and registrar of stocks and bonds:

Citizens National Bank, Galion, Ohio.

Merchants National Bank, Massillon, Ohio.

Registrar of stocks and bonds:

Monongahela National Bank, Pittsburgh, Pa.

DISTRICT No. 6.

Trustee, executor, administrator, and guardian of estates:

Elk National Bank, Fayetteville, Tenn.

DISTRICT No. 7.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:

City National Bank, Goshen, Ind.

Delaware County National Bank, Muncie, Ind.

First National Bank, Webster City, Iowa.

Trustee, executor, administrator, registrar of stocks and bonds, and guardian of estates:

Merchants National Bank, Clinton, Iowa.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee and receiver:

First National Bank, New Sharon, Iowa.

Guardian of estates, assignee, receiver, and committee of estates of lunatics:

Merchants National Bank, Michigan City, Ind.

National City Bank, Chicago, Ill.

DISTRICT No. 8.

Trustee, executor, administrator, guardian of estates, assignee, receiver and committee of estates of lunatics:

Citizens National Bank, Hot Springs, Ark.

DISTRICT No. 9.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:

Austin National Bank, Austin, Minn.

First National Bank, St. Peter, Minn.

DISTRICT No. 10.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:

National Bank of America, Salina, Kans.

First National Bank, Winfield, Kans.

Guardian of estates, assignee, receiver, and committee of estates of lunatics:

Commercial National Bank, Independence, Kans.

Central National Bank, Tulsa, Okla.

First National Bank, Cheyenne, Wyo.

Stock Growers National Bank, Cheyenne, Wyo.

Registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:

First National Bank, Neosho, Mo.

DISTRICT No. 11.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:

Arizona National Bank, Tucson, Ariz.

RULINGS OF THE FEDERAL RESERVE BOARD.

Below are published rulings made by the Federal Reserve Board which are believed to be of interest to Federal Reserve Banks and member banks.

Deposits with a Federal Reserve Bank from the savings department of a trust company member bank to count as reserve.

A member bank which operates both a savings department and a commercial banking department may properly deposit funds out of its savings department with the Federal Reserve Bank to count as reserve against its savings deposits, even though under the terms of the State law such a deposit with the Federal Reserve Bank is not subject to any claim by the Federal Reserve Bank against the member bank itself as distinct from the savings department.

[See opinion of General Counsel in Law Department, p. 654.]

Time certificates of deposit which become payable within thirty days.

A certificate of deposit which though originally payable in sixty or ninety days, and which though originally a time deposit within the meaning of the regulations of the Federal Reserve Board, becomes a demand deposit when it becomes payable within thirty days.

[See opinion of General Counsel in Law Department, p. 655.]

Definition of "Readily marketable staples."

Printed below is a definition of the term "readily marketable staples" as used in that part of section 13 of the Federal Reserve Act which authorizes any member bank to accept drafts which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering "readily marketable staples."

The Board has issued this definition as a guide to Federal Reserve Banks and member banks in determining what staples may properly be considered readily marketable within the meaning of that section and suggests that although the law does not expressly restrict eligible staples to those which are nonperishable, nevertheless banks as a matter of prudence and protection to themselves should not consider as eligible any staple which is in its

nature so perishable as not to be reasonably sure of maintaining its value as security at least for the life of the draft which is drawn against it.

DEFINITION.

A readily marketable staple may be defined as an article of commerce, agriculture, or industry of such uses as to make it the subject of constant dealings in ready markets with such frequent quotations of prices as to make (a) the price easily and definitely ascertainable and (b) the staple itself easy to realize upon by sale at any time.

REGULATION ISSUED BY THE DIVISION OF FOREIGN EXCHANGE.

Until otherwise instructed, "dealers" as defined under the Executive order of the President of January 26, 1918, are hereby authorized to carry on transactions in foreign exchange or in securities for or through foreign account without restriction except as hereinafter provided.

Registration certificates must be obtained as required under the Executive order. (All registration certificates which have been issued to date continue in force.)

Customers' statements of nonenemy interest need not be taken, but no foreign exchange transactions can be consummated for enemy account unless authorized in a general or a specific license issued by the War Trade Board.

Further statistical reports after those including transactions up to the close of business Wednesday evening, June 25, 1919, need not be made except as called for by the Federal Reserve Board.

Declarations of foreign correspondents on Form F. E. 114 and declarations of nonenemy interest covering security transactions on Form F. E. 113 need not be taken, and interest or dividend checks payable for foreign account need not have customers' statements printed upon them, but "dealers" can not carry out transactions either directly or indirectly for the benefit of or for account of an enemy or ally of enemy except under the authority of a general or a specific license issued by the War Trade Board.

Until otherwise instructed, the exportation or importation of Russian roubles, or the transfer of funds for their purchase by persons and dealers in the United States, as described under the Executive order of the President of January 26, 1918, is prohibited. Dealings in foreign exchange or securities with or for persons in that part of Russia now under the control of the so-called Bolshevik governments are also prohibited.

Until otherwise instructed, "dealers" are prohibited from purchasing exchange except from the American Relief Administration, 42 Broadway, New York City, upon any of the following countries: Finland, Poland, Czecho-Slovakia, German-Austria, Jugo-Slavia, Serbia, Roumania, Germany.

FRED I. KENT,
*Director of the Division of Foreign
Exchange of the Federal Reserve Board.*

JUNE 24, 1919.

NOTICE ISSUED JUNE 30, 1919.

By proclamation under date of June 26, the President has abrogated the Executive order

of January 26, 1918, dealing with the control of foreign exchange and the exportation and importation of coin, bullion, currency, etc., except that the Federal Reserve Board remains authorized to control dealings with that part of Russia now under the so-called Bolshevik government and remittances to countries to which remittances have heretofore been permitted only through the American Relief Administration.

The Federal Reserve Board has just announced that remittances to these latter countries are not now subject to any restrictions. Dealings with that part of Russia now under the control of the so-called Bolshevik government, however, are still prohibited.

Attention is called to the fact that except in so far as they are permitted by a general or a specific license from the War Trade Board, remittances to enemy countries are still prohibited.

FRED I. KENT,
*Director Division of Foreign Exchange,
Federal Reserve Board*

LAW DEPARTMENT.

The following opinions of General Counsel have been authorized for publication by the Board since the last edition of the BULLETIN:

Deposits with a Federal Reserve Bank from the savings department of a trust company member bank to count as reserve.

A member bank which operates both a savings department and a commercial banking department may properly deposit funds out of its savings department with the Federal Reserve Bank to count as reserve against its savings deposits even though under the terms of the State law such a deposit with the Federal Reserve Bank is not subject to any claim by the Federal Reserve Bank against the member bank itself as distinct from the savings department.

MAY 29, 1919.

An opinion has been asked on the question whether or not a Massachusetts trust company, which is a member of the Federal Reserve system, may be permitted to make special deposits out of its savings department which shall count as reserve against its savings deposits, but which shall not be subject to any claim by the Federal Reserve Bank against the trust company itself as distinct from the savings department.

Though it is true that under the terms of the Federal Reserve Act the cash-paid subscriptions of a member bank to the capital stock of a Federal Reserve Bank are subject to be applied to all debts of the member bank to the Federal Reserve Bank in the case of insolvency, there is no provision in the act which expressly gives the Federal Reserve Bank the right to offset deposits of the member bank against debts of the member bank to the Federal Reserve Bank.

Under the common law, however, a depository bank generally has what is termed a banker's lien on all moneys and funds of a depositor in its possession for the balance of the general account, but this common law lien does not apply in any case where any special purpose which attaches to the deposit is inconsistent with the lien or where the bank has notice of facts which are inconsistent with the lien.

(See Morse on Banks and Banking, 5th Ed., vol. I, sec. 324-325.)

Under the particular circumstances in the case under consideration, the Federal Reserve Bank has notice of facts which are inconsistent with its general common-law lien, that is, the Massachusetts law which provides that a trust company may carry not more than 2½ per cent of its savings deposits in any bank incorporated under the laws of the United States and that no loan of savings deposits shall be liable for the debts or obligations of the corporation itself until after the savings depositors have been paid in full. If, therefore, a Federal Reserve Bank receives a deposit of the funds of the savings department of a trust company, it would not have the right to apply those particular deposits to the payment of any debts owed by the trust company to the Federal Reserve Bank.

The sole question for consideration, therefore, is whether the Federal Reserve Bank should receive from a member bank any deposit to which this common-law lien would not attach. As a matter of law there is no reason that the Federal Reserve Bank should not permit member banks to make a deposit of this character and it is believed that the Federal Reserve Banks may and should receive such deposits even though they can not be applied to the general debts of the corporation. Such a practice would involve no practical risk to the Federal Reserve Bank because it has a lien on the cash-paid subscriptions to its capital stock made by the member bank and because it has the general banker's lien upon other deposits made by the member bank out of its commercial department. As a matter of prudence, however, it is suggested that, in any case in which the State law in substance denies the right of the depository bank to offset debts of the member bank against deposits made out of the funds of the savings department, the Federal Reserve Bank should not receive and count as reserve any

such deposits which aggregate more than the amount of the reserve which is required to be carried against those savings deposits. A similar situation will in all probability arise in a number of other States where one corporation operates two separate departments, and where the State law provides that the funds and investments of the savings and commercial departments of the bank shall not be mingled.

With particular reference to Massachusetts, the State law prohibits a trust company from depositing more than 2½ per cent of its savings accounts with a Federal Reserve Bank. To that extent, however, there seems to be no reason that the Federal Reserve Bank should refuse to receive such deposits, the remaining ½ per cent reserve against savings deposits being made up of balances from the commercial department.

Time certificates of deposit which become payable within thirty days.

A certificate of deposit which, though originally payable in 60 or 90 days, and which, though originally a time deposit within the meaning of the regulations of the Federal Reserve Board, becomes a demand deposit when it becomes payable within 30 days.

JUNE 7, 1919.

An opinion has been asked on the question whether a 60-day certificate of deposit becomes a demand deposit after a lapse of 31 days, that is, when it has less than 30 days to run.

Section 19 of the Federal Reserve Act reads in part as follows:

Demand deposits, within the meaning of this Act, shall comprise all deposits payable within thirty days, and time deposits shall comprise all deposits payable after thirty days, and all savings accounts and certificates of deposit which are subject to not less than thirty days' notice before payment, and all postal savings deposits.

The Federal Reserve Board has consistently ruled that any deposit which is payable after 30 days is a time deposit, but that as soon as the pay date comes within 30 days it thereupon becomes a demand deposit. It is difficult to place any other interpretation upon the paragraph of

section 19 quoted above, and the regulations and rulings of the Board consequently have always been understood to require demand reserves to be held against any deposit which is necessarily payable at the option of the depositor within 30 days. This is true regardless of whether or not the deposit in the first instance was a demand deposit or a time deposit. The principles on which a different character of reserve is established for time and demand deposits can not properly permit of a distinction being made in favor of a deposit which though originally a time deposit has become payable within the 30-day limit.

Deposit of Securities by National Banks Exercising Trust Powers in Missouri.

The following opinion of the assistant attorney general of Missouri, holds that the Superintendent of Banks of the State of Missouri is not only authorized but required to receive from national banks, which have received the permit of the Federal Reserve Board to exercise trust powers under the provisions of section 11 (k) of the Federal Reserve Act, deposits of securities tendered by such banks in order to enable them to qualify without giving bond, in the same manner that such deposits are received from trust companies organized under the laws of Missouri.

JEFFERSON CITY, Mo., June 12, 1919.

HON. C. F. ENRIGHT,

State Bank Commissioner,

Jefferson City, Mo.

DEAR SIR: You request the opinion of this department on the following proposition:

One of the national banks that have assumed fiduciary powers desires to deposit \$200,000 with me as bank commissioner and receive a certificate from me to that effect, presuming that in so doing they may qualify as guardian, curator, executor, administrator, etc., without giving bond as such.

Q. Does any authority exist requiring me to accept such a deposit and issue the certificate? Such privileges are given in section 166, but seem limited to companies incorporated under article 111, Banking Laws, 1915; in other words, trust companies.

As the exact question you present has not been passed upon by any Federal court or the court of last resort in this State, we can render an intelligible opinion and arrive at conclusions which may be maintained only by reviewing,

in more or less detail, the act of Congress and amendments thereto under which national banks derive their authority to exercise the powers and functions of trust companies and the decisions of the United States Supreme Court passing upon the authority of Congress to legislate upon the subject.

The Federal Reserve Act, approved December 23, 1913, 38 Statutes at Large, 261, in section 11 thereof, contains the following paragraph:

(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.

This section was subsequently amended in 1916 and again in 1918, concerning which said amendment we shall have more to say hereafter.

Said paragraph (k) of said section 11 came before the United States Supreme Court in the case of *First National Bank v. Fellows*, Attorney General of the State of Michigan, ex rel. Union Trust Company et al. This suit was a proceeding in the nature of a *quo warranto*, brought by the Attorney General at the relation of certain trust companies, to test the right of a national bank to exercise the powers and functions of a trust company by virtue of the authority conferred upon it under paragraph (k) of section 11 of the Federal Reserve Act of 1913. As it was conceded by the complainant in this case that the exercise of said powers by said bank was not in contravention of the laws of the State of Michigan, there were presented to the court the question of the power of Congress to confer the powers and functions called in question.

The Supreme Court of the State of Michigan, on the theory that there was no apparent, natural connection between the business of banking and Federal fiscal operations and the business of acting in fiduciary capacities, held that the State not only controlled the devolution of estates of deceased persons and the conduct of private business within the State, but also the creation of corporations and the qualifications and duties of such as may engage in the business of acting as trustees, executors, and administrators; and that the act of Congress amounted to an invasion of the State's rights.

On appeal the Supreme Court of the United States, in an opinion by White, C. J., reported in 244 U. S., 416, held the decision of the State court in direct conflict with the rule laid down in the cases of *McCullough v. Maryland* and *Osborne v. Bank*, previously decided by said court. The court summarized these earlier cases as establishing the rule that although a business is of a private nature and subject to State regulations, if it is of such a character as to cause it to be incidental to the successful discharge by a bank chartered by Congress of its public functions, it is competent for Congress to give the bank the power to exercise such private business; that this rule excludes the power of the State in such case, although it may possess in a general sense authority to regulate such business, to use that authority to prohibit such business from being

united by Congress with the banking function, since to do so would be but the exertion of such State authority to prohibit Congress from exerting a power which under the Constitution it has a right to exercise.

Upon the premises thus laid down, the court continues with its opinion as follows:

From this it must also follow that even although a business be of such a character that it is not inherently considered susceptible of being included by Congress in the powers conferred on national banks, that rule would cease to apply if by State law State banking corporations, trust companies, or others which by reason of their business are rivals or *quasi* rivals of national banks are permitted to carry on such business. This must be since the State may not by legislation create a condition as to a particular business which would bring about actual or potential competition with the business of national banks and at the same time deny the power of Congress to meet such created condition by legislation appropriate to avoid the injury which otherwise would be suffered by the national agency. Of course, as the general subject of regulating the character of business just referred to is peculiarly within State administrative control, State regulations for the conduct of such business, if not discriminatory or so unreasonable as to justify the conclusion that they necessarily would so operate, would be controlling upon banks chartered by Congress when they came in virtue of authority conferred upon them by Congress to exert such particular powers. And these considerations clearly were in the legislative mind when it enacted the statute in question. This result would seem to be plain when it was observed (a) that the statute authorizes the exertion of the particular functions by national banks when not in contravention of the State law, that is, where the right to perform them is expressly given by the State law or what is equivalent is deducible from the State law because that law has given the functions to State banks or corporations whose business in a greater or less degree rivals that of national banks, thus engendering from the State law itself an implication of authority in Congress to do as to national banks that which the State law has done as to other corporations; and (b) that the statute subjects the right to exert the particular functions which it confers on national banks to the administrative authority of the Reserve Board, giving besides to that Board power to adopt rules regulating the exercise of the functions conferred, thus affording the means of coordinating the functions when permitted to be discharged by national banks with the reasonable and nondiscriminating provisions of State law regulating their exercise as to State corporations—the whole to the end that harmony and the concordant exercise of the national and State power might result.

We call your attention to the language of the opinion following ("a"), quoted above, wherein the court holds that the powers conferred by Congress are not in contravention of the State law, for the reason that the right to perform such powers is expressly given by said law to State banks or other corporations, whose business in some degree comes in competition with that of national banks and that Congress, therefore, has implied authority to extend to national banks the same powers and functions that have been conferred by the State upon said institutions.

We further call your attention to ("b"), appearing in above quotation, wherein the court comments on the authority of the Reserve Board to regulate the exercise of

the functions conferred to the end that same may be carried out in harmony with State regulations.

The amendment of 1916, 39 Statutes at Large, 752, affected only paragraph (m) of said section 11, and has no bearing on the question here under consideration.

Before carefully considering the force and effect of the provisions of the act of 1918, amending said paragraph (k), in the light of the opinion of the United States Supreme Court in the aforesaid Michigan case, we were inclined to the opinion that, conceding the right of Congress to confer upon national banks the powers of trust companies, such institutions were not brought under the authority of the State nor subjected to the regulation of the State Banking Department, whereby the interests of the people of the State are sought to be protected, and were not, therefore, entitled to the privileges extended to companies created under State laws and subject to its supervision. After further investigation and careful consideration, however, we are constrained to believe that the power of Congress, as declared by the United States Supreme Court on the principal proposition, that is, on its power to confer upon national banks the authority of acting in fiduciary capacities and the basis upon which such power is placed by the Supreme Court, would unquestionably be extended by said court to the conferring of the functions, rights, and privileges incident thereto, including such as are covered by the act of 1918.

With the evident intention of extending and further securing the powers conferred by said paragraph (k), Congress, in an act, approved September 26, 1918, 39 Statutes at Large, 752, amended said paragraph to read as follows:

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, guardian of estates, assignee, receiver, committee of estate 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 law 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 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 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 to any national banking association having a capital and a surplus less than the capital and surplus required by State law of State banks, and trust companies and corporations exercising such powers.

In the second paragraph of the amendment of 1918 it is provided that the exercise of the powers conferred by national banks "shall not be deemed to be in contravention of State or local law within the meaning of this act." Thus is excluded the right to interpose as a defense the objection that the exercise of such powers comes within the limitation contained in the act, to wit, that they shall not be in contravention of State or local law.

The act then proceeds, as can readily be seen, to lay down rules and regulations whereby the exercise of such powers by national banks shall be conducted with a view to safeguarding those who may deal with them in their fiduciary capacity, all for the obvious purpose of bringing

said institutions within the regulations set up by the laws of the State governing local corporations.

Said act provides that the State banking department shall have the right to examine the books and assets of national banks pertaining to the trust business conducted by them, which business must be kept separate and apart from the other transactions of the institution. It further grants to the owners of trust funds held by the bank a special lien on the bonds or other securities set apart in addition to their claim against the general assets of the bank. Thus an effort is made to properly safeguard the interests of those who deal with such a bank in its fiduciary operations.

You will note that said act provides that where the State requires corporations acting in fiduciary capacities to deposit securities with State authorities before being allowed to act as fiduciaries without execution of the usual bond, national banks, which have obtained the necessary permit to assume trust relations, shall make a like deposit with the State authorities and shall be entitled to all of the privileges extended to State corporations under similar circumstances. If national banks are given the same powers to act in fiduciary capacities as are conferred on trust companies under the banking act of this State, then, by the terms of section 166, they are entitled to avail themselves of its provisions. Thus we reach the specific question you present and lay the basis for our conclusion, *that as bank commissioner you are not only authorized to, but must, accept the deposit tendered you by a national bank which has secured the permit of the Federal Reserve Board to act in fiduciary capacities, which said deposit must equal in amount and be similar in character to that required of State institutions under section 166 of an act of the General Assembly of the State of Missouri, approved March 25, 1915, relating to banks and trust companies.*

Respectfully submitted.

(Signed) S. E. SKELLEY,
Assistant Attorney General.

Amendments to State Banking Laws.

The following recent enactments of various State Legislatures which amend the State banking laws are published for the information of the Federal Reserve Banks and member banks.

ARIZONA.

The Legislature of Arizona recently enacted the act recommended by the Federal Reserve Board and the American Bankers Association to bring about greater coordination in the powers of State and national banks and to promote uniformity in State and Federal banking laws. As enacted in Arizona, this

act, which became effective June 12, 1919, reads, in part, as follows:

Be it enacted by the Legislature of the State of Arizona:

SECTION 1. The words "Federal Reserve Act" as herein used shall be held to mean and to include the act of Congress of the United States approved December 23, 1913, as heretofore and hereafter amended.

The words "Federal Reserve Board" shall be held to mean the Federal Reserve Board created and described in the Federal Reserve Act.

The words "Federal Reserve Bank" shall be held to mean the Federal Reserve Banks created and organized under the authority of the Federal Reserve Act.

The words "member bank" shall be held to mean any national bank, State bank or banking and trust company which has become or which becomes a member of one of the Federal Reserve Banks created by the Federal Reserve Act.

SEC. 2. That any bank or trust company incorporated under the laws of this State shall have the power to subscribe to the capital stock and become a member of a Federal Reserve Bank.

SEC. 3. Any bank or trust company incorporated under the laws of this State which is, or which becomes a member of a Federal Reserve Bank, is by this act vested with all powers conferred upon member banks of the Federal Reserve Banks by the terms of the Federal Reserve Act as fully and completely as if such powers were specifically enumerated and described herein, and all such powers shall be exercised subject to all restrictions and limitations imposed by the Federal Reserve Act, or by regulations of the Federal Reserve Board made pursuant thereto. The right, however, is expressly reserved to revoke or to amend the powers herein conferred.

SEC. 4. A compliance on the part of any such bank or trust company with the reserve requirements of the Federal Reserve Act, shall be held to be a full compliance with those provisions of the laws of this State which require banks or trust companies to maintain cash balances in their vaults or with other banks, and no such bank or trust company shall be required to carry or maintain reserve other than such as is required under the terms of the Federal Reserve Act.

SEC. 5. Any such bank or trust company shall be subject to the examination required under the terms of the Federal Reserve Act, and the authorities of this State having supervision over such bank, may in their discretion accept such examination in lieu of the examination required under the laws of this State. Such authorities, their agents and employees, may furnish free of charge to the Federal Reserve Board, the Federal Reserve Bank, or to examiners duly appointed by the Federal Reserve Board, or the Federal Reserve Banks, copies of all examinations made, and may disclose to such Federal Reserve Board, Federal Reserve Banks or examiner, any information with reference to the condition or affairs of State banks or trust companies organized under the laws of this State which become members of a Federal Reserve Bank, or which apply for membership in a Federal Reserve Bank.

SEC. 6. All acts and parts of acts in conflict with the provisions of this act are hereby repealed.

ARKANSAS.

The Arkansas Legislature recently enacted an act authorizing State banks, trust companies, and savings banks to own stock in a Federal Reserve Bank; providing that those which become members of the Federal Reserve

system may carry only such reserves as are required by the Federal Reserve Act; authorizing the State Bank Commissioner to furnish to the Federal Reserve authorities copies of all reports of examinations of State member banks and other information relating thereto; and authorizing State banks and trust companies to accept drafts and issue letters of credit, subject to certain limitations. This act reads as follows:

Reserves: SECTION 1. That any bank, trust company, or savings bank organized and doing business under the laws of this State, which is or which becomes a member of a Federal Reserve Bank shall keep and maintain as a lawful reserve the same reserves as are required of other bank members of the Federal Reserve system, and a compliance by any such bank, trust company, or savings bank with the reserve requirements of the Federal Reserve Act shall be held to be a full compliance with the provisions of the laws of this State on the subject of bank reserves, and such bank, trust company, or savings bank shall be required to carry only such reserves as are required under the terms of the Federal Reserve Act; provided, further, that any bank or trust company located in or out of this State acting as reserve agent for Arkansas banks which is, or which becomes, a member of the Federal Reserve system, shall be required to keep only such reserves as are required by the Federal Reserve Act, or any amendments thereto.

Examinations: SEC. 2. The bank commissioner of this State may furnish to the Federal Reserve Board or the Federal Reserve Bank of which any bank, trust company, or savings bank in this State may become a member, or to the examiners duly appointed by the Federal Reserve Board or such Federal Reserve Bank, copies of all examinations made of banks, trust companies, or savings banks becoming members of the Federal Reserve system, and may disclose to such examiners any information with reference to the condition of affairs of such banks, trust companies, or savings banks as become members of the Federal Reserve Bank.

Stock in Federal Reserve Bank: SEC. 3. Any bank, trust company, or savings bank desiring to avail itself of the privileges of the Federal Reserve system, shall have the right to own such amount of stock in a Federal Reserve Bank as may be required by the Federal Reserve Act for all banks, trust companies, or savings banks becoming members thereof.

Acceptances: SEC. 4. Any bank, private bank, or trust company doing business in pursuance of the laws of this State may accept for payment at a future date, drafts drawn upon it by its customers and to issue letters of credit authorizing the holders thereof to draw drafts upon it or upon its correspondents at sight or on time not exceeding six months: *Provided*, That no bank shall incur liabilities under this subdivision to an amount equal at any time in the aggregate to more than its paid up and unimpaired capital stock and certified surplus fund.

Limit on acceptances: SEC. 5. All such acceptances and letters of credit shall be considered as money borrowed, and no bank, trust company, or savings bank, shall lend, directly or indirectly, to an individual, corporation, or body politic, either by means of letters of credit, by acceptance of drafts, or by discount or purchase of notes, bills of exchange, or other obligations of such individual, corporation, or body politic an amount in excess of the limits prescribed by section 32 of an Act for the Organization and Control of Banks, Trust Companies, and Savings Banks, approved March 3, 1913.

Repeal: SEC. 6. All laws and parts of laws in conflict with the provisions of this act are hereby repealed and this Act being necessary for the immediate preservation of the public peace, health, and safety, an emergency is declared and this Act shall be in force from and after its passage.

NEVADA.

The Nevada Legislature recently enacted an act substantially the same as the act recommended by the Federal Reserve Board and the American Bankers Association to bring about greater coordination in the powers of State and national banks and to promote uniformity in State and Federal banking laws. The Nevada act omits the suggested provision authorizing the State authorities to accept examinations made by the Federal authorities in lieu of those required by State law. The Nevada act reads as follows:

The people of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. The words "Federal Reserve Act" as herein used shall be held to mean and to include the act of Congress of the United States approved December 23, 1913, as heretofore and hereafter amended. The words "Federal Reserve Board" shall be held to mean the Federal Reserve Board created and described in the Federal Reserve Act. The words "Federal Reserve Bank" shall be held to mean the Federal Reserve banks created and organized under authority of the Federal Reserve Act. The words "member bank" shall be held to mean any national bank, State bank or banking and trust company which has become or which becomes a member of one of the Federal Reserve Banks created by the Federal Reserve Act.

SEC. 2. That any bank or trust company incorporated under the laws of this State shall have the power to subscribe to the capital stock and become a member of a Federal Reserve Bank.

SEC. 3. Any bank or trust company incorporated under the laws of this State which is, or which becomes, a member of a Federal Reserve Bank is, by this act, vested with all powers conferred upon member banks of the Federal Reserve Banks by the terms of the Federal Reserve Act as fully and completely as if such powers were specifically enumerated and described herein, and all such powers shall be exercised subject to all restrictions and limitations imposed by the Federal Reserve Act, or by regulations of the Federal Reserve Board made pursuant thereto. The right, however, is expressly reserved to revoke or to amend the powers herein conferred.

SEC. 4. A compliance on the part of any such bank or trust company with the reserve requirements of the Federal Reserve Act shall be held to be a full compliance with those provisions of the laws of this State which require banks or trust companies to maintain cash balances in their vaults or with other banks, and no such bank or trust company shall be required to carry or maintain reserve other than such as is required under the terms of the Federal Reserve Act.

SEC. 5. Any such bank or trust company shall continue to be subject to the supervision and examinations required by the laws of this State, except that the Federal Reserve Board shall have the right, if it deems necessary, to make examinations; and the authorities of this State having supervision over such bank or trust company may

disclose to the Federal Reserve Board, or to examiners duly appointed by it, all information in reference to the affairs of any bank or trust company which has become, or desires to become, a member of a Federal Reserve Bank.

UTAH.

The Utah Legislature recently enacted an act authorizing State banks and trust companies to join the Federal Reserve System, to become subject to the provisions of the Federal Reserve Act, and to comply with the reserve requirements of the Federal Reserve Act in lieu of the State reserve requirements, and authorizing the State bank commissioner to accept examinations made by the Federal authorities in lieu of those required by State law. This act reads as follows:

Be it enacted by the Legislature of the State of Utah:

SECTION 1. That any bank or trust company incorporated under the laws of this State shall have the power to

subscribe to the capital stock and become a member of a Federal Reserve Bank created and organized under an act of the Congress of the United States, and known as the Federal Reserve Act.

SEC. 2. Any bank or trust company, incorporated under the laws of this State, which shall become a member of a Federal Reserve Bank, shall be subject to all provisions of the Federal Reserve Act and its amendments, and to the regulations of the Federal Reserve Board applicable to such bank or trust company, and shall have all the powers and assume all the liabilities conferred and imposed by said act.

SEC. 3. Any such bank or trust company shall comply with the reserve requirements of the Federal Reserve Act and its amendments, and the compliance of such bank or trust company therewith shall be in lieu of, and shall relieve such bank or trust company from, compliance with the provisions of the laws of this State relating to the maintenance of reserves.

SEC. 4. Any such bank or trust company shall be subject to the examinations required under the terms of the Federal Reserve Act, and the bank commissioner may, in his discretion, accept such examinations in lieu of the examinations required under the laws of this State.

SEC. 5. This act shall take effect upon approval.

BANK TRANSACTIONS DURING MAY-JUNE.

Debits to individual account reported by clearing-house banks in 154 leading cities for the four weeks ending June 18, averaged 8,945 million dollars, which is greatly in excess of like averages recorded in the BULLETIN since the inauguration of the service. During the week ending May 28 debits to individual account were considerably below the figure for the previous week when the bulk of Victory-loan payments were made; the week ending June 4 saw, however, a large increase in individual debits, partly as a result of payments for Victory notes by large subscribers following the allotment made by the Treasury, in addition to the usual increase due to end of the month payments; a further increase was shown for the week ending June 11, while for the week ending June 18 the record figure of

9,920 millions was reported. Heavy trading on the stock and commodity exchanges, together with payments of income and excess profits taxes, may be mentioned as important factors contributing to the exceptionally large amount of bank transactions during the last two weeks under review.

Debits to bank account declined during the two weeks ending May 28 and June 4, but showed large increases during the third and particularly the fourth week of the period under discussion. The average of debits to bank account for the four weeks, May 22-June 18, was 5,122 million dollars, or about 6 $\frac{1}{2}$ per cent above the average for the preceding four weeks, while the average for debits to individual account was about 8.5 per cent larger during the later than during the earlier period.

Weekly figures of clearing-house bank debits to deposit account.

[In thousands of dollars, i. e., 000 omitted.]

District.	Debits to individual accounts.				Debits to banks' and bankers' accounts.			
	May 28.	June 4.	June 11.	June 18.	May 28.	June 4.	June 11.	June 18.
No. 1.—Boston:								
Bangor.....	2,419	2,520	2,813	3,520	435	1,867	2,113	2,204
Boston.....	257,589	267,142	280,215	321,556	171,478	181,858	174,659	212,822
Fall River.....	7,768	8,672	7,871	9,593	760	849	725	412
Hartford.....	17,232	29,413	19,743	21,401	1,600	3,566	17,299	16,901
Holyoke.....	2,839	2,836	2,684	3,516	317	1,066	1,116	1,831
Lowell.....	4,729	4,904	5,225	5,668	359	1,489	429	449
New Bedford.....	6,148	6,035	5,781	8,036	255	197	1,605	2,686
New Haven.....	14,606	16,672	14,996	16,266	442	380	530	416
Providence.....	28,580	32,297	31,301	34,474	12,800	11,765	13,853	12,575
Springfield.....	13,084	16,998	12,803	11,744	398	1,420	1,573	3,440
Waterbury.....	6,125	7,099	7,184	6,288	574	525	743	600
Worcester.....	14,231	18,541	13,306	16,673	1,456	1,155	1,480	1,858
No. 2.—New York:								
Albany.....	20,726	23,996	16,068	19,797	12,508	12,134	14,016	63,232
Binghamton.....	3,079	3,095	3,468	4,020				2,069
Buffalo.....	56,515	71,258	58,184	71,071	8,211	8,395	34,121	41,053
New York.....	4,600,393	4,983,450	5,104,357	5,452,526	1,622,477	1,624,836	1,725,330	1,864,432
Passaic.....	3,280	3,744	3,719	3,271	421	507	522	505
Rochester.....	23,868	33,335	29,928	32,625	499	637	494	677
Syracuse.....	11,707	12,856	12,415	13,882	647	572	700	823
No. 3.—Philadelphia:								
Altoona.....	3,061	2,527	2,859	3,155				
Chester.....	4,454	3,935	4,076	4,481	68		39	30
Harrisburg.....	4,478	3,780	3,739	4,489	5			6
Johnstown.....	3,009	3,392	3,151	3,349	642	644	609	1,744
Lancaster.....	4,692	4,674	4,682	4,684	232	68	301	74
Philadelphia.....	302,349	290,056	305,640	378,823	355,082	421,118	344,833	440,292
Reading.....	3,042	2,796	3,615	4,454	1			
Seranton.....	12,174	10,671	12,298	11,213	1,893	1,935	2,401	2,491
Trenton.....	8,872	8,597	9,702	11,156	1,194	1,196	1,403	1,771
Wilkes-Barre.....	6,406	6,152	6,141	7,800	52	82	114	133
Williamsport.....	3,784	2,792	3,410	3,491	1,116	818	718	1,217
Wilmington.....	7,901	9,743	9,658	13,271				
York.....	3,168	3,233	3,341	3,511	1,673	1,732	1,805	1,817

Weekly figures of clearing-house bank debits to deposit account—Continued.

[In thousands of dollars, i. e., 000 omitted.]

District.	Debits to individual accounts.				Debits to banks' and bankers' accounts.			
	May 28.	June 4.	June 11.	June 18.	May 28.	June 4.	June 11.	June 18.
No. 4.—Cleveland:								
Akron.....	18,829	23,547	20,737	24,179	158	181	28	105
Cincinnati.....	47,652	53,482	51,841	64,874	41,236	44,375	58,245	62,348
Cleveland.....	126,875	132,067	137,239	181,289	95,402	94,489	97,579	129,154
Columbus.....	25,295	25,083	27,722	30,108	5,675	5,567	5,865	6,090
Dayton.....	12,011	11,322	11,768	12,116	512	4,117	4,081	5,185
Erie.....	5,534	5,797	5,858	6,796	155	58	1,190	1,228
Greensburg, Pa.....	2,654	2,380	2,309	2,956				
Lexington.....	4,384	3,910	4,484	4,592	2,552	2,206	2,505	2,311
Oil City.....	2,426	3,154	3,396	3,157	2,043	2,470	2,694	2,715
Pittsburgh.....	154,206	199,736	164,761	225,511	282,486	365,532	233,071	308,601
Springfield.....	3,389	2,568	3,511	4,237	2,164	1,741	2,214	2,278
Toledo.....	22,223	25,048	26,189	29,815	8,317	7,853	8,570	9,208
Wheeling.....	7,161	6,670	6,688	10,304	5,459	4,319	5,270	7,945
Youngstown.....	11,587	11,619	21,612	12,860	624	284	288	852
No. 5.—Richmond:								
Baltimore.....	70,202	74,784	115,765	112,397	28,466	22,655	45,397	37,193
Charleston.....	8,233	7,176	7,850	8,421	3,580	4,724	3,612	3,444
Charlotte.....	5,300	5,700	5,000	6,000	9,600	9,900	10,200	10,200
Columbia.....	6,612	6,093	7,505	6,312	12,100	10,235	12,594	8,881
Norfolk.....	18,715	20,537	21,274	23,063	19,974	21,159	22,077	20,696
Raleigh.....	3,572	4,383	3,332	3,527	2,536	2,870	2,669	2,671
Richmond.....	19,394	23,933	21,240	24,978	52,289	45,536	51,620	62,394
No. 6.—Atlanta:								
Atlanta.....	23,221	22,944	25,837	30,832	30,510	23,442	33,364	31,745
Birmingham.....	8,179	6,608	8,043	8,340	6,134	6,436	6,359	6,380
Birmingham.....	12,115	12,963	13,306	12,467	13,083	13,884	12,903	14,918
Chattanooga.....	9,492	10,764	13,222	11,207	10,542	9,480	13,470	10,030
Jacksonville.....	10,086	8,935	11,276	11,644	8,757	6,833	9,945	9,222
Knoxville.....	4,847	4,925	6,041	6,749	1,823	1,228	1,863	5,554
Macon.....	6,745	9,124	7,094	6,744	10,535	11,926	14,477	9,264
Mobile.....	6,574	6,660	7,953	7,391	911	828	805	975
Montgomery.....	3,838	3,789	4,879	3,094	1,973	3,155	2,929	2,292
Nashville.....	20,741	15,295	20,872	21,060	17,640	14,181	19,241	17,750
New Orleans.....	70,091	61,361	79,377	69,766	34,286	29,886	39,557	36,842
Pensacola.....	1,851	2,293	2,900	2,145	975	883	1,294	1,252
Savannah.....	16,312	15,987	17,888	15,095	8,253	8,976	9,625	10,109
Tampa.....	4,983	4,232	5,295	4,808	3,139	2,627	3,571	3,225
Vicksburg.....	1,883	2,035	1,962	1,496	135	127	229	115
No. 7.—Chicago:								
Bay City.....	2,585	3,458	2,386	2,586	410	400	487	485
Bloomington.....	2,058	2,715	2,841	2,713	801	789	1,001	810
Cedar Rapids.....	5,836	9,758	10,532	9,913	12,483	17,409	20,386	19,161
Chicago.....	565,200	617,284	622,303	729,553	638,996	541,387	605,865	646,060
Davenport.....	6,549	7,766	6,692	6,274	1,900	2,115	2,309	2,076
Decatur.....	2,903	3,349	4,297	3,560	2,988	3,675	4,024	3,818
Des Moines.....	16,898	15,451	17,641	17,707	37,804	31,107	37,455	39,252
Detroit.....	110,764	115,830	106,913	144,198	51,747	43,650	43,286	38,867
Dubuque.....	2,005	2,263	2,317	2,188	1,521	1,394	1,204	1,290
Flint.....	6,588	6,403	8,291	7,113	1,300	4,470	27	414
Fort Wayne.....	5,234	4,816	5,089	6,226	2,383	1,896	2,348	1,974
Grand Rapids.....	15,488	16,959	15,144	18,126	4,177	4,866	4,335	2,145
Indianapolis.....	28,726	26,124	31,913	34,285	25,770	21,335	26,497	27,050
Jackson.....	4,201	3,879	4,068	4,125	2,093	2,075	2,277	4,144
Kalamazoo.....	3,002	2,887	3,067	3,618	489	445	470	580
Lansing.....	4,864	4,034	4,914	5,190	2,798	2,753	3,228	3,631
Milwaukee.....	46,279	53,916	49,733	67,743	32,936	28,495	34,330	35,954
Peoria.....	10,092	10,565	11,133	10,923	1,269	1,701	1,960	1,861
Rockford.....	4,254	3,241	4,593	4,798	263	156	106	152
Sioux City.....	15,491	15,954	16,003	15,643	16,133	17,277	16,278	15,009
South Bend.....	3,101	2,293	3,684	6,605	1,884	2,060	3,170	4,996
Springfield.....	4,239	5,048	5,353	5,155	3,381	3,276	3,430	3,540
Waterloo, Iowa.....	2,790	2,732	2,813	3,586	1,777	1,492	1,365	1,872
No. 8.—St. Louis:								
Evansville.....	4,532	4,908	4,092	4,468	3,846	1,601	1,593	3,720
Little Rock.....	6,798	6,650	6,082	6,310	6,658	5,470	2,214	4,968
Louisville.....	33,200	32,559	35,096	39,193	35,334	35,334	37,160	37,990
Memphis.....	25,039	24,900	32,880	34,282	21,092	21,491	25,203	23,398
St. Louis.....	124,196	131,520	128,582	176,876	124,264	128,153	137,909	138,267
No. 9.—Minneapolis:								
Aberdeen.....	1,712	1,567	1,676	1,614	2,757	3,193	3,129	1,701
Billings.....	1,925	1,911	2,451	2,114	885	768	1,002	1,203
Duluth.....	17,984	22,373	20,396	22,406	21,796	14,564	19,676	19,372
Fargo.....	5,919	3,021	5,646	5,862	2,189	2,026	2,535	2,643
Grand Forks.....	1,422	1,711	1,615	1,664	940	986	1,123	1,113
Great Falls.....	2,297	2,196	1,798	1,428	3,765	2,982	2,216	1,933
Helena.....	1,904	1,832	2,617	2,044	3,275	3,445	5,891	7,005
Minneapolis.....	66,878	66,753	72,410	69,313	75,741	65,474	79,996	68,330
St. Paul.....	35,682	35,454	37,720	45,625	47,261	40,038	47,071	46,145
Superior.....	1,216	1,334	1,150	1,320	1,772	1,930	1,667	1,677
Winona.....	939	1,082	1,070	1,537	1,063	674	1,079	1,002

Weekly figures of clearing-house bank debits to deposit account—Continued.

[In thousands of dollars, i. e., 000 omitted.]

District.	Debits to individual accounts.				Debits to banks' and bankers' accounts.			
	May 28.	June 4.	June 11.	June 18.	May 28.	June 4.	June 11.	June 18.
No. 10—Kansas City:								
Atchison.....	923	902	1,180	1,053	651	582	1,990	2,137
Bartlesville, Okla.....	2,931	2,853	2,368	2,995	170	293	2,736	1,780
Colorado Springs.....	2,313	2,989	4,031	3,893	739	921	1,681	2,069
Denver.....	31,632	44,730	37,003	28,105	25,506	19,722	37,860	35,876
Joplin.....	2,645	3,051	3,107	3,393	436	504	434	648
Kansas City, Kans.....	2,087	3,061	3,589	3,869	4,976	5,111	5,232	8,110
Kansas City, Mo.....	83,727	83,991	83,507	95,059	176,623	148,275	189,305	188,685
Muskogee, Okla.....	3,300	3,374	2,990	4,161	5,190	4,198	5,185	6,658
Oklahoma City.....	12,112	12,858	12,394	12,818	10,687	25,295	23,015	24,906
Omaha.....	62,487	55,293	61,159	51,849	70,461	61,344	68,725	63,971
Pueblo.....	4,119	3,992	4,874	4,055	5,339	5,036	6,397	6,197
St. Joseph.....	19,235	17,843	19,163	19,994	17,876	14,475	23,735	22,632
Topeka.....	4,003	4,893	5,243	4,665	5,995	5,263	4,870	4,121
Tulsa.....	21,237	21,236	22,105	21,766	9,976	8,426	11,614	21,327
Wichita.....	10,068	9,044	9,930	10,902	11,834	11,749	15,220	14,041
No. 11—Dallas:								
Albuquerque.....	1,382	1,628	1,768	1,599	4,273	4,280	5,778	4,370
Austin.....	2,770	7,614	3,453	6,690	1,970	3,445	2,893	13,228
Beaumont.....	3,497	2,969	4,210	3,666	328	235	488	485
Dallas.....	30,980	28,255	33,764	42,829	45,263	50,673	66,885	78,763
El Paso.....	7,432	7,953	7,482	7,411	7,723	9,385	12,523	10,013
Fort Worth.....	18,884	18,468	22,827	20,868	39,553	37,125	48,040	44,475
Galveston.....	5,959	7,363	6,945	7,191	6,693	7,024	8,821	10,658
Houston.....	30,385	31,406	32,468	34,967	49,909	44,030	57,717	52,137
Shreveport.....	5,677	5,632	6,431	6,295	3,652	3,199	3,939	3,839
Texarkana.....	1,734	1,347	1,891	2,438	375	576	561	585
Tucson.....	1,685	1,808	1,719	1,669	1,398	1,445	1,709	1,121
Waco.....	3,305	3,676	3,515	3,235	1,859	2,089	2,642	2,900
No. 12—San Francisco:								
Berkeley.....	5,170	2,312	2,331	2,236	351	423	320	243
Boise.....	2,244	3,212	2,599	2,543	4,808	7,067	6,427	6,051
Fresno.....	4,960	6,019	6,228	6,576	3,031	2,965	3,650	4,065
Long Beach.....	2,603	2,839	3,272	3,234	73	62	73	150
Los Angeles.....	62,340	52,064	59,890	72,464	45,189	37,949	41,213	47,569
Oakland.....	13,131	11,231	13,393	12,368	3,385	2,123	3,600	2,559
Ogden.....	3,308	3,243	4,367	3,529	5,135	5,893	5,878	4,646
Pasadena.....	2,722	3,195	3,289	4,385	1,744	1,707	2,215	2,226
Portland.....	35,840	34,446	49,128	43,291	24,545	21,952	27,505	26,879
Reno.....	2,598	2,413	2,745	2,290	2,249	2,125	2,195	2,458
Sacramento.....	10,552	11,182	11,401	13,347	4,192	4,235	5,523	5,174
Salt Lake City.....	13,655	14,175	15,927	15,354	15,800	15,443	19,292	18,221
San Diego.....	4,664	4,616	5,473	5,462	1,145	2,327	2,271	2,627
San Francisco.....	146,409	153,045	151,578	192,879	108,657	108,819	108,599	128,832
San Jose.....	3,299	3,128	3,638	3,611	2,085	1,952	2,084	2,189
Seattle.....	44,572	40,078	43,061	52,181	23,889	23,249	30,778	31,833
Spokane.....	9,310	9,718	10,194	10,255	8,285	7,034	8,710	9,021
Stockton.....	4,287	5,218	5,148	4,774	2,619	2,895	3,309	2,686
Tacoma.....	11,073	8,749	10,732	11,893	8,123	6,870	8,795	9,579
Yakima.....	2,047	2,013	2,296	2,420	250	177	276	244

Recapitulation showing figures for clearing-house centers reporting for each of the four weeks.

Federal Reserve district.	Number of centers included.	Debits to individual account.				Debits to banks and bankers' account.			
		May 28.	June 4.	June 11.	June 18.	May 28.	June 4.	June 11.	June 18.
1. Boston.....	12	375,350	413,129	403,922	458,735	190,874	206,137	216,119	256,194
2. New York.....	7	4,719,568	5,131,754	5,228,139	5,597,192	1,644,763	1,647,081	1,775,183	1,972,791
3. Philadelphia.....	13	367,390	352,348	372,312	453,877	301,968	427,602	352,223	449,575
4. Cleveland.....	14	444,226	506,383	487,615	612,803	446,783	533,192	431,600	558,020
5. Richmond.....	7	132,028	142,606	181,906	134,698	128,545	117,079	148,169	145,479
6. Atlanta.....	15	200,958	187,915	225,445	212,748	148,696	133,392	169,632	159,673
7. Chicago.....	23	869,147	936,725	941,720	1,111,833	845,303	734,223	815,838	855,141
8. St. Louis.....	5	183,815	200,937	200,732	201,129	191,104	192,049	204,079	208,352
9. Minneapolis.....	11	137,878	139,234	148,549	154,927	161,438	136,080	165,385	152,424
10. Kansas City.....	15	263,569	270,711	272,643	268,577	346,459	311,104	397,999	403,058
11. Dallas.....	12	113,690	118,114	126,413	138,849	162,996	163,506	211,976	222,524
12. San Francisco.....	20	384,784	372,896	396,639	465,092	265,557	260,267	282,713	307,252
Grand total.....	154	8,202,493	8,772,752	8,992,095	9,920,480	4,894,426	4,861,712	5,160,916	5,670,483

WHOLESALE PRICES.

In continuation of figures shown in the June BULLETIN there are presented below monthly index numbers of wholesale prices for the period July, 1918, to May, 1919, compared with like figures for May of previous years; also for July, 1914, the month immediately preceding the outbreak of the great war. The general index number is that of the United States Bureau of Labor Statistics. In addition there are presented separate numbers for certain particular classes of commodities in accordance with plans announced in previous issues of the BULLETIN.

Quotations for nine commodities, namely, flour (buckwheat, New York), apples (Baldwin, fresh, Chicago), bananas (Jamaica 8s, New York), gingham (Amoskeag, 27-inch), men's seamless cashmere hose, overcoatings (soft faced, black), and suitings (serge, 11-ounce, and clay worsted, 12-ounce and 16-ounce) have been omitted. On the other hand, quotations for malt (standard, keg beer, New York), Spanish olive oil, and tickings (Amoskeag, 32-inch), which had been dropped temporarily, have been secured for the month of May, and the commodities were again included in the calculation of the index numbers for the latter month. Index numbers for May are provisional, due to the fact that certain data were not received in time to render them available for use in the calculations.

During May, the upward movement of wholesale prices noted in March and April has continued. The general index number of the Bureau of Labor Statistics has increased from 203 to 206, the same figure as for November, 1918. The increase is general, being exhibited by each of the three groups. The index number for the group of producers' goods, after having decreased continuously from December on, has again increased, the number for May being 189 as compared with 186 for April. While bar iron, lubricating oil, malt, and structural steel decreased in price, such decreases

were more than offset by increases in the prices of cotton and worsted yarns, leather, red cedar shingles, linseed oil and turpentine, silver, tallow, glycerin, and oleo oil.

The index number for the group of consumers' goods has again increased, from 211 to 215, the latter figure being but one point less than the high level reached in December, 1918. Decrease in price occurred in the case of relatively few commodities, among which should be noted various meats, in particular fresh beef, lamb and mutton, and veal, butter, vinegar, one of the grades of whisky, wrapping paper, and fresh milk as quoted in Chicago. On the other hand, increase in price occurred for an extended list of commodities, in particular pork products, lard, fresh milk as quoted in New York, eggs, potatoes, coffee, various fruits, such as oranges, prunes and raisins, oleomargarine, wheat flour, corn meal, soap, various textile products, such as print cloths and tickings, trouserings, and women's dress goods, and shoes.

The increase in the index number for the group of raw materials, from 200 to 203, is due almost entirely to the increase in the prices of farm products. The index number for the latter subgroup has increased from 244 to 254. Decreases in the prices of tobacco and rye were more than offset by increases in the prices of cotton, wheat, corn, oats and barley, hay, and flax. The index number for the forest products subgroup shows a slight increase, from 145 to 146, due to increases in the prices of Douglas fir and yellow-pine flooring. On the other hand, the index numbers for both the animal and mineral products subgroups remain unchanged, at 223 and 169, respectively. Among the commodities included in the former subgroup, decreases in the prices of cattle, poultry, sheep, and wool were offset by increases in the prices of hogs, hides, and silk, while in the mineral products subgroup decreases in the prices of iron ore and coke were offset by increases in the prices of copper ingots and anthracite coal.

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

[Average price for 1913=100.]

Year and month.	Raw materials.					Producers' goods.	Consumers' goods.	All commodities (Bureau of Labor Statistics index number).
	Farm products.	Animal products.	Forest products.	Mineral products.	Total raw materials.			
July, 1914.....	102	106	97	88	98	92	103	99
May, 1915.....	119	99	93	89	101	97	102	100
May, 1916.....	116	118	98	114	113	141	115	118
May, 1917.....	225	168	108	196	180	189	179	181
May, 1918.....	226	201	138	173	189	192	194	191
July, 1918.....	237	209	140	180	196	196	202	198
August, 1918.....	246	215	143	180	200	199	205	202
September, 1918.....	255	219	143	180	204	203	209	207
October, 1918.....	240	209	143	181	198	205	210	204
November, 1918.....	234	208	150	183	197	205	214	206
December, 1918.....	237	208	150	182	198	199	216	206
January, 1919.....	232	207	147	177	195	194	212	202
February, 1919.....	222	208	148	173	192	191	201	197
March, 1919.....	235	216	149	171	197	190	206	200
April, 1919.....	243	223	145	169	200	186	210	203
May, 1919.....	254	223	146	169	203	190	215	206

In order to give a more concrete illustration of actual price movements there are also presented in the following table monthly actual and relative figures covering the same period for certain commodities of a basic character. The actual average monthly prices shown in the table have been abstracted from the records of the United States Bureau of Labor Statistics.

Average monthly wholesale prices of commodities.

[Average price for 1913=100.]

Year and month.	Corn, No. 3, Chicago.		Cotton, middling, New Orleans.		Wheat, No. 1, northern spring, Minneapolis.		Wheat, No. 2, red winter, Chicago.		Cattle, steers, good to choice, Chicago.		Hides, packers', heavy native steers, Chicago.	
	Average price per bushel.	Relative price.	Average price per pound.	Relative price.	Average price per bushel.	Relative price.	Average price per bushel.	Relative price.	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.
July, 1914.....	\$0.7044	114	\$0.1831	105	\$0.8971	103	\$0.8210	83	\$9.2188	108	\$0.1938	105
May, 1915.....	.7647	124	.0906	71	1.5767	181	1.5700	159	8.5900	101	.2075	113
May, 1916.....	.7293	118	.1257	99	1.2146	139	1.1554	117	9.4600	111	.2475	135
May, 1917.....	1.6180	263	.1999	157	2.9806	341	2.9705	301	12.4750	147	.3150	171
May, 1918.....	1.5250	248	.2894	223	2.1700	248	2.1700	220	6.4167	193	.3110	169
July, 1918.....	1.5900	258	.2945	232	2.1700	248	2.2470	228	17.6250	207	.3240	176
August, 1918.....	1.6225	264	.3038	239	2.2231	255	2.2325	226	17.8250	210	.3000	163
September, 1918.....	1.5313	249	.3578	282	2.2169	254	2.2363	227	18.4100	216	.3000	163
October, 1918.....	1.3270	216	.3150	248	2.2155	254	2.2345	227	17.8563	210	.3000	163
November, 1918.....	1.2675	206	.3007	237	2.2206	254	2.2375	227	18.1563	213	.2900	158
December, 1918.....	1.4290	232	.2958	233	2.2205	254	2.3088	234	18.3600	216	.2900	158
January, 1919.....	1.3750	223	.2850	224	2.2225	254	2.3788	241	18.4125	216	.2800	152
February, 1919.....	1.2763	207	.2694	212	2.2350	256	2.3450	238	18.4688	217	.2800	152
March, 1919.....	1.4588	237	.2681	211	2.3275	266	2.3575	239	18.5750	218	.2763	150
April, 1919.....	1.5955	259	.2670	210	2.5890	295	2.6300	267	18.3250	215	.2950	160
May 1919.....	1.7613	286	.2947	232	2.5725	295	2.7800	282	17.7438	209	.3513	191

Year and month.	Hogs, light, Chicago.		Wool, Ohio, 1-3 grades, scoured.		Hemlock, New York.		Yellow pine, flooring, New York.		Coal, anthracite, stove, New York tidewater.		Coal, bituminous, run of mine, Cincinnati.	
	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.	Average price per M feet.	Relative price.	Average price per M feet.	Relative price.	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.
July, 1914.....	\$8.7563	104	\$0.4444	94	\$24.5000	101	\$42.0000	94	\$4.9726	98	\$2.2000	100
May, 1915.....	7.6000	90	.5714	121	21.5000	89	40.0000	90	4.7506	94	2.2000	100
May, 1916.....	9.7050	115	.6714	143	23.7500	98	40.0000	90	5.2740	104	2.2000	100
May, 1917.....	15.5000	183	1.0714	227	26.0000	107	.....	.....	5.6826	112	6.0000	273
May, 1918.....	17.5000	207	1.4182	301	33.5000	138	60.0000	135	6.3000	124	3.8500	175
July, 1918.....	18.0000	213	1.4365	305	34.5000	142	60.0000	135	6.5968	130	4.1000	186
August, 1918.....	19.7750	234	1.4365	305	.....	.....	63.0000	141	6.5922	130	4.1000	186
September, 1918.....	20.0700	237	1.4365	305	.....	.....	63.0000	141	6.9099	136	4.1000	186
October, 1918.....	18.0983	214	1.4365	305	.....	.....	63.0000	141	6.6009	136	4.1000	186
November, 1918.....	17.7063	209	1.4365	305	.....	.....	63.0000	141	7.8071	154	4.1000	186
December, 1918.....	17.4400	206	1.4365	305	.....	.....	63.0000	141	7.9500	157	4.1000	186
January, 1919.....	17.4125	206	1.1200	255	36.0000	149	63.0000	141	7.9500	157	4.1000	186
February, 1919.....	17.4688	207	1.0909	232	36.0000	140	64.0000	144	7.6500	157	4.0000	182
March, 1919.....	18.8550	223	1.2000	255	36.0000	149	64.0000	144	7.9044	156	4.0000	182
April, 1919.....	20.3813	241	1.0909	232	36.0030	149	64.0000	144	7.9045	156	4.0000	182
May, 1919.....	20.7000	245	1.0727	228	36.0000	149	65.0000	146	7.9857	158	4.0000	182

Average monthly wholesale prices of commodities—Continued.

[Average price for 1913=100.]

Year and month.	Coal, Pocahontas, Norfolk.		Coke, Connellsville.		Copper, ingot, electrolytic, New York.		Lead, pig, desilverized, New York.		Petroleum, crude, Pennsylvania, at wells.		Pig iron, basic.	
	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per long ton.	Relative price.
July, 1914.....	\$3.0000	100	\$1.8750	77	\$0.1340	85	\$0.0390	89	\$1.7500	71	\$13.0000	88
May, 1915.....	2.8500	95	1.6250	87	.1863	118	.0420	95	1.3500	55	12.5000	85
May, 1916.....	3.0000	100	2.3750	97	.2850	181	.0750	170	2.6000	106	18.0000	122
May, 1917.....	7.0000	233	7.0000	237	.3100	197	.0988	225	3.1000	127	41.6000	283
May, 1918.....	4.2190	141	6.0000	246	.2350	149	.0691	157	4.0000	163	32.0000	218
July, 1918.....	4.6320	154	6.0000	246	.2550	162	.0892	182	4.0000	163	32.0000	218
August, 1918.....	4.6320	154	6.0000	246	.2600	165	.0805	183	4.0000	163	32.0000	218
September, 1918.....	4.6320	154	6.0000	246	.2600	165	.0805	183	4.0000	163	32.0000	218
October, 1918.....	4.6320	154	6.0000	246	.2600	165	.0805	183	4.0000	163	33.0000	224
November, 1918.....	4.6320	154	6.0000	246	.2600	165	.0805	183	4.0000	163	33.0000	224
December, 1918.....	4.6320	154	6.0000	246	.2540	161	.0667	152	4.0000	163	33.0000	224
January, 1919.....	4.6320	154	5.7813	237	.2038	130	.0558	127	4.0000	163	30.0000	204
February, 1919.....	4.6320	154	5.2188	214	.1731	110	.0508	115	4.0000	163	30.0000	204
March, 1919.....	4.9000	163	4.4688	183	.1509	96	.0524	119	4.0000	163	28.9375	197
April, 1919.....	4.9000	163	3.9000	160	.1530	97	.0507	115	4.0000	163	25.7500	175
May, 1919.....	4.9000	163	3.8437	158	.1600	102	.0508	115	4.0000	163	25.7500	175

Year and month.	Cotton yarns, northern cones, 10/1.		Leather, sole, hemlock No. 1.		Steel, billets, Bessemer, Pittsburgh.		Steel, plates, tank, Pittsburgh.		Steel, rails, open hearth, Pittsburgh.		Worsteds yarns, 2-32's cross-bred.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.
July, 1914.....	\$0.2150	97	\$0.3050	108	\$19.0000	74	\$0.0113	76	\$30.0000	100	\$0.6500	84
May, 1915.....	.1650	75	.2950	105	20.0000	78	.0115	78	30.0000	100	.8200	106
May, 1916.....	.2425	110	.3700	131	45.0000	174	.0338	228	30.0000	100	1.0000	129
May, 1917.....	.3650	165	.5700	202	36.0000	333	.0575	389	40.0000	133	1.4000	180
May, 1918.....	.6332	286	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
July, 1918.....	.6412	290	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
August, 1918.....	.6400	289	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
September, 1918.....	.6100	276	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
October, 1918.....	.6100	276	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
November, 1918.....	.5927	268	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
December, 1918.....	.5500	249	.4900	174	45.1000	175	.0310	209	57.0000	190	2.0000	257
January, 1919.....	.5000	226	.4900	174	43.5000	169	.0300	203	57.0000	190	1.7500	225
February, 1919.....	.4164	188	.4900	174	43.5000	169	.0300	203	57.0000	190	1.7000	219
March, 1919.....	.4132	187	.4900	174	42.2500	164	.0291	197	54.5000	182	1.5000	193
April, 1919.....	.4300	194	.4900	174	38.5000	149	.0265	179	47.0000	157	1.5000	193
May, 1919.....	.4826	218	.4900	174	38.5000	149	.0265	179	47.0000	157	1.5000	193

Year and month.	Beef, carcass, good native steers, Chicago.		Coffee, Rio No. 7.		Flour, wheat, standard patents, 1914-1917, 1919, standard war, 1918, Minneapolis.		Hams, smoked, Chicago.		Illuminating oil, 150° fire test, New York.		Sugar, granulated, New York.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per pound.	Relative price.	Average price per gallon.	Relative price.	Average price per pound.	Relative price.
July, 1914.....	\$0.1350	104	\$0.0882	79	\$4.5038	100	\$0.1769	106	\$0.1200	97	\$0.0420	98
May, 1915.....	.1213	94	.0775	70	7.8813	172	.1513	91	.1200	97	.0588	138
May, 1916.....	.1375	106	.0975	88	6.1900	135	.1845	111	.1200	97	.0746	175
May, 1917.....	.1600	124	.1013	91	14.8800	325	.2655	160	.1200	97	.0794	186
May, 1918.....	.2250	174	.0873	78	9.5250	208	.3025	182	.1700	138	.0730	171
July, 1918.....	.2400	185	.0855	77	10.7020	233	.3025	182	.1710	139	.0735	172
August, 1918.....	.2420	187	.0853	77	10.2100	223	.3225	194	.1750	142	.0735	172
September, 1918.....	.2450	189	.0959	86	10.2100	223	.3281	197	.1750	142	.0845	198
October, 1918.....	.2450	189	.1040	93	10.2100	223	.3361	202	.1750	142	.0882	207
November, 1918.....	.2450	189	.1069	96	10.2100	223	.3541	213	.1750	142	.0882	207
December, 1918.....	.2450	189	.1725	155	10.2100	223	.3670	221	.1750	142	.0882	207
January, 1919.....	.2450	189	.1547	139	10.2750	224	.3494	210	.1750	142	.0882	207
February, 1919.....	.2450	189	.1544	139	10.5500	230	.3338	201	.1750	142	.0882	207
March, 1919.....	.2450	189	.1602	144	11.2125	245	.3381	203	.1810	147	.0882	207
April, 1919.....	.2450	189	.1695	152	12.2150	266	.3596	216	.1850	150	.0882	207
May, 1919.....	.2430	188	.1931	173	12.4188	271	.3769	227	.1850	150	.0882	207

DISCOUNT AND INTEREST RATES.

In the following tables are presented actual discount and interest rates prevailing in the various cities in which the several Federal Reserve Banks and their branches are located during the 30-day periods ending May 15 and June 15, 1919. Quotations are given for prime commercial paper, both customers' and purchased in the open market, interbank loans, bankers' acceptances, and paper secured by prime stock exchange or other current collateral. Separate rates are quoted for paper of longer or shorter maturities in the first-named and last-named classes. In addition, quotations are given for commodity paper secured by warehouse receipts and for cattle loans, as reported from centers in which such paper is current.

Quotations are also given of rates charged on ordinary loans to customers secured by Liberty bonds and certificates of indebtedness. Assistance to customers to enable them to purchase such Government obligations has generally been extended at lower rates, either at the rate borne by such obligations or at a rate slightly higher. The table also shows quotations in New York for demand paper secured by prime bankers' acceptances, a type of paper which made its appearance in the

New York market some months ago. Quotations for new types of paper will be added from time to time as deemed of interest.

During the period under review, no marked movement in rates on the whole is evident. In certain centers, in particular Minneapolis and San Francisco, rates in general have declined. In other centers a somewhat firmer tone in rates is noted, although no pronounced instances of general increase in rates are noted. The low rates for customers' commercial paper on the whole have decreased, as have to a less marked extent both low and customary rates for commercial paper purchased in the open market. While the New York rate for demand paper secured by prime stock exchange collateral reached a high level of 10 per cent during the period, changes in rates for this type of paper on the whole exhibit an approximately equal number of instances of increase and decrease. Rates on time paper secured by such collateral on the whole show a decrease. An increase in the low rates for paper secured by Liberty bonds and certificates of indebtedness is noted, although customary rates for this type of paper show a decrease. No marked changes are exhibited by the rates for interbank loans and for bankers' acceptances.

Discount and interest rates prevailing in various centers.

DURING 30-DAY PERIOD ENDING MAY 15, 1919.

District.	City.	Prime commercial paper.				Interbank loans.	Bankers' acceptances, 60 to 90 days.			Collateral loans—stock exchange or other current.					Cattle loans.	Secured by warehouse receipts, etc.	Secured by Liberty bonds and certificates of indebtedness.
		Customers.		Open market.			Indorsed.	Unindorsed.	Demand.	3 months.		3 to 6 months.					
		30 to 90 days.	4 to 6 months.	30 to 90 days.	4 to 6 months.					H.	L.		C.				
No. 1.	Boston.	6 5 5½	6 5½ 5½	6 5 5½	6 5 5½	5½ 5 5½	4½ 4½ 4½	4½ 4½ 4½	6 5½ 5½	6 5½ 5½	6 5½ 5½	6 5½ 5½	H. L. C.	H. L. C.	5 4½ 4½		
No. 2.	New York.	6 5 5½-5½	6 5 5½-5½	6 4½ 5½	6 5 5½	6 4½ 5-5½	4½ 4½ 4½	4½ 4½ 4½	6 5 5½	6 5 5½	6 5 5½	6 5 5½	H. L. C.	H. L. C.	5 4½ 4½		
No. 3.	Philadelphia.	6 5 5½	6 5½ 5½	5½ 5 5½	6 5½ 6½	6 4½ 5	4½ 4½ 4½	4½ 4½ 4½	6 5 5½	6 5 5½	6 5 5½	6 5 5½	H. L. C.	H. L. C.	5 4½ 4½		
No. 4.	Cleveland.	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	4½ 4½ 4½	4½ 4½ 4½	6 5 6	6 5 6	6 5 6	6 5 6	H. L. C.	H. L. C.	5 4½ 4½		
	Pittsburgh.	6 5 5½	6 5½ 5½	5½ 5 5½	5½ 5 5½	6 5 6	4½ 4½ 4½	4½ 4½ 4½	6 5 6	6 5 6	6 5 6	6 5 6	H. L. C.	H. L. C.	5 4½ 4½		
	Cincinnati.	6 5½ 6	6 6 6	6 5½ 6	6 6 6	6 5 5½	4½ 4½ 4½	4½ 4½ 4½	6 5 6	6 5 6	6 5 6	6 5 6	H. L. C.	H. L. C.	5 4½ 4½		
No. 5.	Richmond.	6 5½ 6	6 5½ 6	5½ 5½ 5½	5½ 5½ 5½	6 5 5½	4½ 4½ 4½	4½ 4½ 4½	6 5 6	6 5 6	6 5 6	6 5 6	H. L. C.	H. L. C.	5 4½ 4½		
	Baltimore.	6 5½ 6	6 5½ 6	6 5½ 6	6 5½ 6	6 5 5	4½ 4½ 4½	4½ 4½ 4½	6 5 6	6 5 6	6 5 6	6 5 6	H. L. C.	H. L. C.	5 4½ 4½		
No. 6.	Atlanta.	7 5½ 6	7 5½ 6	6 5½ 6	6 5½ 6	6 5 6	6 5½ 6	6 5½ 6	6 5 6	6 5 6	6 5 6	6 5 6	H. L. C.	H. L. C.	5 4½ 4½		
	Birmingham.	8 6 6	8 6 6	8 5½ 6	8 5½ 6	8 6 6	6 5½ 6	6 5½ 6	8 6 6	8 6 6	8 6 6	8 6 6	H. L. C.	H. L. C.	5 4½ 4½		
	Jacksonville.	8 6 7	8 6 7	8 5½ 5½	8 5½ 6	8 6 6	6 5½ 6	6 5½ 6	8 6 6	8 6 6	8 6 6	8 6 6	H. L. C.	H. L. C.	5 4½ 4½		
	New Orleans.	6 5½ 6	6½ 5½ 6	6 5½ 6	6 5½ 6	6 5 5½	5½ 5 5½	5½ 5 5½	6 5 6	6 5 6	6 5 6	6 5 6	H. L. C.	H. L. C.	5 4½ 4½		
No. 7.	Chicago.	6 5 5½-6	6 5 5½-6	5½ 5 5½	5½ 5 5½	6 5½ 5½	4½ 4½ 4½	4½ 4½ 4½	6 5½ 5½-6	6 5½ 5½-6	6 5½ 5½-6	6 5½ 5½-6	H. L. C.	H. L. C.	5 4½ 4½		
	Detroit.	6 5½ 6	6 5½ 6	6 5½ 6	6 5½ 6	6 5½ 5½	4½ 4½ 4½	4½ 4½ 4½	6 5½ 6	6 5½ 6	6 5½ 6	6 5½ 6	H. L. C.	H. L. C.	5 4½ 4½		
No. 8.	St. Louis.	6 5 5½	6 5½ 5½	5½ 5 5½	5½ 5 5½	6 5 5½	6 4½ 6	6 4½ 6	6 5 6	6 5 6	6 5 6	6 5 6	H. L. C.	H. L. C.	5 4½ 4½		
	Louisville.	6 5½ 6	6 5½ 6	5½ 5 5½	5½ 5 5½	5 5 5	4½ 4½ 4½	4½ 4½ 4½	6 5 6	6 5 6	6 5 6	6 5 6	H. L. C.	H. L. C.	5 4½ 4½		
	Memphis.	6 5 6	6 5 6	6 5 6	6 5 6	6 4½ 5½	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	H. L. C.	H. L. C.	5 4½ 4½		
	Little Rock.	8 5½ 6	8 5½ 6	8 5½ 5½	8 5½ 5½	8 6 6	6 6 6	6 6 6	8 6 6	8 6 6	8 6 6	8 6 6	H. L. C.	H. L. C.	5 4½ 4½		
No. 9.	Minneapolis.	5½ 5½ 5½	6 5½ 6	5½ 5 5½	5½ 5 5½	6 5½ 5½	4½ 4½ 4½	4½ 4½ 4½	6 5 6	6 5 6	6 5 6	6 5 6	H. L. C.	H. L. C.	5 4½ 4½		
No. 10.	Kansas City.	7 5 6	7 5 6	6 6 6	6 6 6	6 6 6	7 5 6	7 5 6	8 5 6	8 5 6	8 5 6	8 5 6	H. L. C.	H. L. C.	5 4½ 4½		
	Omaha.	7 5½ 6	7 5½ 6	6 5 6	6 5 6	7 5 6	6 5 6	6 5 6	8 5 6	8 5 6	8 5 6	8 5 6	H. L. C.	H. L. C.	5 4½ 4½		
	Denver.	8 5 6	8 5 6	6 5 5½	6 5 5½	7 5 6	6 5 6	6 5 6	8 5 6	8 5 6	8 5 6	8 5 6	H. L. C.	H. L. C.	5 4½ 4½		
No. 11.	Dallas.	8 6 6	8 6 6	8 6 6	8 6 6	8 6 6	6 6 6	6 6 6	8 6 6	8 6 6	8 6 6	8 6 6	H. L. C.	H. L. C.	5 4½ 4½		
	El Paso.	8 6 8	8 6 8	6 6 6	6 6 6	7 6 7	6 6 6	6 6 6	8 6 8	8 6 8	8 6 8	8 6 8	H. L. C.	H. L. C.	5 4½ 4½		
No. 12.	San Francisco.	6 5 6	6 5 6	5½ 5½ 5½-5½	5½ 5½ 5½-5½	6 5 5½	4½ 4½ 4½	4½ 4½ 4½	7 6 6	6 5 6	6 5 6	6 5 6	H. L. C.	H. L. C.	5 4½ 4½		
	Portland.	8 6 6	7 6 6	5½ 5 5½	5½ 5 5½	6 6 6	4½ 4½ 4½	4½ 4½ 4½	6 6 6	6 6 6	6 6 6	6 6 6	H. L. C.	H. L. C.	5 4½ 4½		
	Seattle.	8 5½ 6	8 6 6	6 5 5½	6 5 5½	6 6 6	6 5 5	6 5 5	8 6 6	8 6 6	8 6 6	8 6 6	H. L. C.	H. L. C.	5 4½ 4½		
	Spokane.	8 6 7	8 6 7	8 6 7	8 6 7	8 6 6	6 6 6	6 6 6	7 7 7	7 7 7	7 7 7	7 7 7	H. L. C.	H. L. C.	5 4½ 4½		
	Salt Lake City.	8 6 7	8 6 7	5½ 5 5½	5½ 5 5½	8 6 6	6 6 6	6 6 6	8 6 7	8 6 7	8 6 7	8 6 7	H. L. C.	H. L. C.	5 4½ 4½		

¹ Rates for demand paper secured by prime bankers' acceptances, high 6, low 4½, customary 4½-5.

Discount and interest rates prevailing in various centers—Continued.

DURING 30-DAY PERIOD ENDING JUNE 14, 1919.

District.	City.	Prime commercial paper.				Interbank loans.	Bankers' acceptances, 60 to 90 days.			Collateral loans—stock exchange or other current.			Cattle loans.	Secured by warehouse receipts, etc.	Secured by Liberty bonds and certificates of indebtedness.
		Customers.		Open market.			Indorsed.	Unindorsed.	Demand.	3 months.	3 to 6 months.				
		30 to 90 days.	4 to 6 months.	30 to 90 days.	4 to 6 months.										
No. 1....	Boston.....	H. J. C. 6 5 5½	H. L. C. 6 5½ 5½	H. J. C. 5½ 5 5½	H. L. C. 5½ 5 5½	H. J. C. 5½ 5 5½	H. L. C. 4½ 4½ 4½	H. L. C. 4½ 4½ 4½	H. L. C. 6 5½ 5½	H. L. C. 6 5½ 5½	H. J. C. 6 5½ 5½	H. L. C. 6 5½ 5½	H. L. C. 6 5½ 5½	H. J. C. 5 4½ 4½	H. L. C. 5 4½ 4½
No. 2....	New York ¹	6 5 5½-5½	6 5 5½-5½	5½ 5 5½	6 5 5-5½	6 4½ 5-5½	5 4½ 4½-4½	5½ 4½ 4½	10 4½ 6	6 5 5½-5½	6 5 5½	6 5 5½	6 5 5½	5½ 4½ 4½-5	5½ 4½ 4½-5
No. 3....	Philadelphia.....	6 5 5½	6 5 5½	5½ 5 5½	5½ 5 5½	5½ 4½ 5	4½ 4½ 4½	4½ 4½ 4½	6½ 4 5½	6 5½ 6	6 5½ 5½	6 5½ 5½	6 5½ 5½	6 4½ 5	6 4½ 5
No. 4....	Cleveland.....	6 5 6	6 5 6	5 5 5	5 5 5	5 5 5	4½ 4½ 4½	4½ 4½ 4½	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6
	Pittsburgh.....	6 5 5½	6 5 5½	5½ 5 5½	5½ 5 5½	6 5½ 5½	4½ 4½ 4½	4½ 4½ 4½	6 5 6	6 5½ 6	6 5½ 6	6 5½ 6	6 5½ 6	6 5 5½	6 5 5½
	Cincinnati.....	6 5½ 6	6 6 6	6 5½ 6	6 6 6	6 5 5½	4½ 4½ 4½	5 4½ 4½	6 6 6	6 6 6	6 6 6	6 6 6	6 5½ 6	5½ 5 5	5½ 5 5
No. 5....	Richmond.....	6 5½ 6	6 5½ 6	5½ 5½ 5½	5½ 5½ 5½	6 5 5½	6 5 5½	6 5 5½	6 6 6	6 5½ 6	6 6 6	6 6 6	6 5½ 6	6 4½ 5	6 4½ 5
	Baltimore.....	6 5½ 6	6 5½ 5½	5½ 5½ 5½	5½ 5½ 5½	5½ 5½ 5½	6 5½ 5½	6 5½ 5½	6 5½ 5½	6 5½ 6	6 5½ 5½	6 5½ 5½	6 6 6	5½ 5 5½	5½ 5 5½
No. 6....	Atlanta.....	7 5 6	7 5 6	6 4½ 5½-6	6 5½ 5½-6	6 5 6	6 5½ 5½-6	6 5½ 5½-6	6 6 6	6 4½ 6	6 4½ 6	6 4½ 6	6 6 6	6 5 6	6 5 6
	Birmingham.....	8 5 6	8 5 6	8 5 6	8 5 6	8 6 6	7 6 6	7 6 7	8 6 6	8 6 6	8 6 6	8 6 6	9 6 6	8 4½ 4½-6	8 4½ 4½-6
	Jacksonville.....	8 5½ 7	8 5½ 7	6 5½ 6	6 5½ 6	6 6 6	7 6 6	7 6 7	7 5½ 7	7 6 7	7 6 7	7 6 7	8 6 7	8 6 6	8 6 6
	New Orleans.....	6 5½ 6	6 5½ 6	6 4½ 5½-6	6 5½ 5½-6	6 4½ 5½	6 5½ 6	6 5½ 6	6 5 6	6 5½ 6	6 6 6	6 6 6	6½ 5 6	6 4½ 5	6 4½ 5
No. 7....	Chicago.....	6 5 5½-6	6 5 5½-6	6 5 5½-5½	6 5 5½-5½	5½ 5 5½-5½	4½ 4½ 4½-4½	4½ 4½ 4½-4½	6 5½ 5½	6 5½ 5½-6	6 5½ 5½-6	6 5½ 5½-6	5½ 5½ 5½-6	6 5 5½	6 5 5½
	Detroit.....	6 5 6	6 5 6	6 5 5½	5½ 5½ 5½	6 5½ 5½	6 5½ 5½	6 5½ 5½	6 5½ 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5½ 5½	6 5½ 5½
No. 8....	St. Louis.....	6 5 5½	6 5½ 5½	5½ 5 5½	5½ 5½ 5½	6 5 5½	6 4½ 5	6 4½ 5	6 5 5½	6 5 5½	6 5 5½	6 5 5½	6 5 5½	6 4½ 5½	6 4½ 5½
	Louisville.....	6 5 6	6 5 6	5½ 5 5½	5½ 5 5½	5 5 5	4½ 4½ 4½	4½ 4½ 4½	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 4½ 5	6 4½ 5
	Memphis.....	6 5½ 6	6 5½ 6	6 5 6	6 5 6	6 5½ 6	6 5½ 6	6 5½ 6	6 5½ 6	6 5½ 6	6 5½ 6	6 5½ 6	6 6 6	6 4½ 5½	6 4½ 5½
	Little Rock.....	7 6 6	7 6 6	5½ 5 5½	5½ 5 5½	6 5½ 6	6 5½ 6	6 5½ 6	7 6 6	7½ 6 6½	7 6 6½	7 6 6½	7 6 6½	8 6 6	8 6 6
No. 9....	Minneapolis.....	5½ 5½ 5½	6 5½ 5½	5½ 5 5½	5½ 5 5½	6 5½ 5½	4½ 4½ 4½	4½ 4½ 4½	6½ 5½ 6	6½ 5½ 6	6½ 5½ 6	6½ 5½ 6	6 5½ 5½	5½ 5 5	5½ 5 5
No. 10....	Kansas City.....	7 5 6	7 5 6	6 6 6	6 6 6	7 5 6	7 5 6	7 5 6	8 5 6	8 5 6	8 5 6	8 5 6	8 6 7-8	8 5 6	8 5 6
	Omaha.....	6 5½ 6	6 5½ 6	6 5 5½	6 5 5½	7 5½ 6	6 5½ 6	6 5½ 6	6 5½ 6	7 4½ 6	7 4½ 6	7 4½ 6	7 5 6	6 5 6	6 5 6
	Denver.....	8 5½ 6	8 5½ 6	6 5 5½	6 5 5½	6 6 6	6 6 6	6 6 6	8 5½ 6	8 5 6	8 5 6	8 5 6	8 5½ 6	8 5 6	8 5 6
No. 11....	Dallas.....	8 6 6	8 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	6 6 6	8 6 8	8 6 6	8 6 6
	El Paso.....	8 6 8	8 6 8	6 6 6	6 6 6	7 6 7	6 6 6	6 6 6	8 6 8	8 8 8	8 8 8	8 8 8	10 6 8	8 6 6	8 6 6
No. 12....	San Francisco.....	6 5 5½-6	6 5 5½-6	5½ 5 5½	6 5 5½	6 5 5-6	6 4½ 4½-5½	6 4½ 4½-5	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 4½ 5-6	6 4½ 5-6
	Portland.....	8 6 6	7 6 6	5½ 5 5½	5½ 5 5½	6 6 6	6 6 6	6 6 6	6 6 6	7 6 6	6 6 6	6 6 6	6 6 6	7 6 6	7 6 6
	Seattle.....	8 5 6	8 6 6	5½ 5 5½	6 5 5½	6 6 6	6 4½ 5	6 4½ 5	8 6 6	8 6 6	8 6 6	8 6 6	8 6 6	6 4½ 6	6 4½ 6
	Spokane.....	8 6 7	8 6 7	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	6 4½ 6	6 4½ 6
	Salt Lake City.....	8 6 7	8 6 7	5½ 5 5½	5½ 5 5½	8 6 6	8 6 6	8 6 6	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 4½ 7	8 4½ 7

¹ Rates for demand paper secured by prime bankers' acceptances, high 6, low 4½, customary 4½-5.

PHYSICAL VOLUME OF TRADE.

In continuation of tables in the June FEDERAL RESERVE BULLETIN there are presented in the following tables certain data relative to the physical volume of trade. The January

issue contains a description of the methods employed in the compilation of the data and the construction of the accompanying index numbers. Additional material will be presented from time to time as reliable figures are obtained.

Live-stock movements.

[Bureau of Markets.]

	Receipts.					Shipments.				
	Cattle and calves, 60 markets.	Hogs, 60 markets.	Sheep, 60 markets.	Horses and mules, 44 markets.	Total, all kinds.	Cattle and calves, 54 markets.	Hogs, 54 markets.	Sheep, 54 markets.	Horses and mules, 44 markets.	Total, all kinds.
1918.	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>
May.....	1,358,154	3,374,149	1,142,599	34,777	6,409,679	782,722	1,075,899	511,048	34,658	2,404,327
July.....	2,110,835	3,113,281	1,585,735	51,393	6,861,244	665,800	949,301	734,539	45,549	2,395,189
August.....	2,009,744	2,476,190	2,129,325	80,122	6,695,381	850,363	849,618	1,198,691	76,653	2,975,325
September.....	2,799,913	2,386,475	3,303,955	124,201	8,614,544	1,219,333	786,917	2,059,990	114,023	4,180,263
October.....	2,832,022	3,421,641	3,234,026	146,072	9,633,761	1,300,084	896,258	2,069,057	140,845	4,406,244
November.....	2,625,381	4,605,158	2,535,115	135,344	9,900,998	1,232,771	1,216,860	1,446,523	131,308	4,027,462
December.....	2,132,491	5,569,356	1,640,365	72,471	9,414,683	785,770	1,429,251	716,100	71,243	3,002,364
1919.										
January.....	2,111,704	5,861,685	1,567,613	110,411	9,651,413	761,168	1,546,875	608,016	106,459	3,022,518
February.....	1,440,329	4,404,751	1,131,805	82,526	7,059,411	528,326	1,288,134	418,827	76,512	2,311,799
March.....	1,601,597	3,632,874	1,216,988	68,938	6,420,397	563,893	1,272,654	481,907	64,332	2,382,786
April.....	1,751,943	3,668,210	1,388,732	50,770	6,859,655	698,599	1,107,411	575,136	49,634	2,436,780
May.....	1,822,410	3,863,735	1,425,018	33,977	7,145,190	788,086	1,181,745	614,375	34,658	2,613,764

Receipts and shipments of live stock at 15 western markets.

[Chicago, Kansas City, Oklahoma City, Omaha, St. Louis, St. Joseph, St. Paul, Sioux City, Cincinnati, Cleveland, Denver, Fort Worth Indianapolis, Louisville, Wichita.]

RECEIPTS.

[Monthly average, 1911-1913=100.]

	Cattle and calves.		Hogs.		Sheep.		Horses and mules.		Total, all kinds.	
	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.
1918.										
May.....	1,276,792	127	2,654,012	121	742,358	54	22,090	48	4,695,252	102
July.....	1,697,193	163	2,530,414	115	1,141,488	84	36,782	80	5,405,877	117
August.....	1,588,553	158	1,970,086	90	1,424,677	104	54,271	118	5,037,587	109
September.....	2,249,017	223	1,775,842	81	2,408,609	176	82,656	180	6,516,124	141
October.....	2,267,534	225	2,570,525	117	2,357,524	173	83,574	182	7,279,157	158
November.....	2,053,359	204	3,431,782	156	1,677,537	123	64,482	140	7,227,160	156
December.....	1,706,945	169	4,197,313	191	1,114,761	82	36,153	79	7,055,172	153
1919.										
January.....	1,656,046	164	4,603,335	209	1,079,377	79	56,631	123	7,395,419	160
February.....	1,096,118	116	3,451,894	168	774,881	61	48,786	114	5,371,679	125
March.....	1,094,614	109	2,842,663	129	847,842	62	41,805	91	4,826,924	105
April.....	1,255,379	125	2,823,484	128	970,070	71	31,509	68	5,080,442	110
May.....	1,262,065	125	3,049,223	139	934,613	68	21,345	46	5,267,246	114

SHIPMENTS.

1918.										
May.....	562,101	123	708,979	146	256,747	51	21,849	53	1,489,676	104
July.....	495,211	122	662,728	137	483,151	96	31,379	76	1,672,469	116
August.....	652,440	160	599,577	124	751,886	149	51,923	127	2,055,826	143
September.....	932,131	229	488,298	101	1,426,120	283	74,473	182	2,921,022	203
October.....	994,943	245	486,460	100	1,479,774	294	84,393	206	3,045,570	212
November.....	921,831	227	659,432	136	903,283	179	63,589	155	2,548,135	177
December.....	588,425	145	787,461	163	445,987	89	37,072	90	1,858,945	129
1919.										
January.....	589,362	145	988,035	204	357,386	71	56,282	138	1,991,065	139
February.....	404,296	107	881,507	195	240,815	51	47,829	125	1,574,447	118
March.....	423,819	104	925,802	191	289,742	58	41,837	102	1,681,200	117
April.....	506,835	125	748,437	154	319,625	63	29,974	73	1,604,871	112
May.....	530,153	130	787,009	162	290,808	58	18,865	46	1,628,530	113

Exports of certain meat products.

[Department of Commerce.]

[Monthly average 1911-1913=100.]

	Beef, canned.		Beef, fresh.		Beef, pickled and other cured.		Bacon.		Ham and shoulders, cured.		Lard.		Pickled pork.	
	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.
1918.														
May	16,693,716	2,520	59,984,668	4,836	6,109,779	229	142,012,264	848	50,935,296	341	79,750,924	181	4,272,218	96
July	13,526,800	2,042	32,056,016	2,584	2,651,413	99	119,893,655	716	55,368,812	371	68,600,261	156	4,676,888	106
August	17,129,337	2,585	45,160,708	3,641	1,742,970	65	68,857,586	411	45,816,637	307	51,920,658	118	3,032,934	69
September	7,349,591	1,109	34,071,816	2,747	3,009,998	113	41,621,488	249	36,190,919	242	33,267,902	76	2,845,374	64
October	9,999,121	1,509	26,449,372	2,132	5,752,660	215	58,131,739	347	25,430,106	170	46,025,020	105	2,089,634	47
November	13,313,420	2,009	62,835,161	5,065	4,291,030	161	72,861,969	435	20,127,671	135	27,285,088	82	2,783,873	63
December	7,776,239	1,174	34,161,848	2,734	3,780,847	142	126,437,385	735	38,939,568	261	37,724,398	86	2,025,778	46
1919.														
January	12,636,060	1,907	17,436,495	1,406	6,030,937	226	101,000,122	603	54,846,433	367	37,850,338	86	2,273,683	51
February	8,151,723	1,313	13,729,993	1,186	3,635,120	146	114,842,525	735	49,283,053	354	68,972,779	168	1,956,362	47
March	8,997,973	1,353	14,651,276	1,181	3,749,394	140	151,086,397	902	85,712,426	574	97,239,435	221	2,141,508	48
April	2,896,759	437	21,033,913	1,744	2,673,681	109	141,814,235	847	109,569,968	734	86,535,951	197	2,494,434	56
May	5,669,232	856	14,872,987	1,199	2,957,163	111	68,937,465	412	49,707,874	333	53,807,234	127	2,095,072	47

Grain and flour.

[U. S. Food Administration.]

GRAIN MOVEMENT.

[In thousands of bushels; i. e., 000 omitted.]

	Wheat.			Corn.			Oats.		
	Receipts.	Shipments.	Stocks at close of month.	Receipts.	Shipments.	Stocks at close of month.	Receipts.	Shipments.	Stocks at close of month.
1918.									
June			12,415			37,794			39,097
July	198,060	94,823	81,422	59,466	54,792	31,919	90,006	87,893	37,923
August	287,652	160,162	163,027	48,131	42,999	25,559	177,324	124,597	86,030
September	286,200	150,636	246,690	62,137	46,453	28,522	126,138	102,510	104,739
October	241,260	150,077	286,169	59,437	47,501	25,727	110,620	107,693	103,943
November	155,685	138,438	254,474	47,024	41,886	21,046	86,871	95,008	88,360
December	178,916	127,612	283,767	59,237	50,312	23,427	80,199	81,220	83,363
1919.									
January	103,302	63,992	245,683	85,816	68,769	30,448	86,917	80,893	85,511
February	60,047	51,662	219,306	36,663	37,601	27,365	57,599	58,920	82,025
March	72,265	75,917	169,162	34,888	40,982	19,794	58,008	68,445	70,411
April	80,673	88,222	110,778	46,609	45,327	19,745	61,773	69,513	61,257
May	86,738	84,990	64,326	38,142	37,771	18,313	69,461	74,437	53,845
	Barley.			Rye.			Total grains.		
	Receipts.	Shipments.	Stocks at close of month.	Receipts.	Shipments.	Stocks at close of month.	Receipts.	Shipments.	Stocks at close of month.
1918.									
June			10,606			2,181			102,093
July	14,285	7,077	16,934	3,474	2,624	2,912	363,291	246,609	171,160
August	21,340	9,923	27,174	8,422	4,449	6,128	542,866	342,130	307,918
September	27,002	15,295	37,782	16,092	7,409	12,851	517,599	322,303	430,587
October	23,889	19,843	40,670	20,667	15,047	17,369	455,873	340,161	473,815
November	22,697	21,153	39,991	17,521	13,552	19,199	329,778	310,037	423,610
December	23,255	22,287	40,320	15,721	8,721	25,779	357,328	290,152	426,656
1919.									
January	24,055	23,026	39,673	14,280	9,136	39,031	314,370	245,860	431,646
February	16,432	17,231	38,886	7,837	9,419	27,966	178,598	174,833	395,548
March	20,775	22,863	36,528	10,749	15,798	23,362	196,685	224,005	319,257
April	19,646	23,889	31,985	14,830	14,927	22,393	223,531	241,678	246,158
May	21,591	27,663	25,522	16,908	25,426	15,526	235,840	250,287	177,532

Grain and flour—Continued.

WHEAT FLOUR PRODUCTION.

[In thousands of barrels; i. e., 000 omitted.]

1918.			1919.		
	Production.	Stocks at mills at close of month.		Production.	Stocks at mills at close of month.
June.....		1,109	January.....	10,593	3,341
July.....	6,780	1,606	February.....	7,736	3,544
August.....	10,391	2,386	March.....	10,498	3,419
September.....	11,835	3,064	April.....	11,274	3,145
October.....	11,752	3,422	May.....	10,738	3,021
November.....	11,175	3,387			
December.....	11,759	3,260			

Receipts of grain and flour at 17 interior centers.

[Chicago, Cleveland, Detroit, Duluth, Indianapolis, Kansas City, Little Rock, Louisville, Memphis, Milwaukee, Minneapolis, Omaha, Peoria, St. Louis, Spokane, Toledo, Wichita; receipts of flour not available for Cleveland, Detroit, Indianapolis, Louisville, Omaha, Spokane, Toledo, and Wichita.]

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

[Monthly average, 1911-1913=100.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. ¹	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1918.																
May.....	7,228,489		27,19,493,705		87,21,255,916	105	678,320	61	3,476,995	48	52,133,425		67,1,919,496	98	60,771,157	70
July.....	44,169,603		164,22,992,582		102,27,467,790	136	482,247	44	1,038,933	14	96,151,155		123,1,695,506	87	103,780,992	120
August.....	91,448,672		330,16,389,047		73,51,129,614	253	2,235,394	202	4,490,201	63	165,692,928		213,2,238,943	114	175,768,172	203
September.....	77,091,253		286,23,546,962		105,36,474,801	181	4,443,850	401	7,773,073	108	149,329,939		192,2,583,888	132	160,957,435	186
October.....	65,608,905		243,23,877,650		106,31,973,893	158	5,382,270	486	7,921,545	110	134,764,263		173,2,681,070	137	146,829,078	169
November.....	40,190,888		149,15,869,505		71,28,768,648	142	6,340,380	573	9,193,786	128	100,372,307		129,2,485,352	127	111,556,391	129
December.....	55,592,441		206,18,008,635		80,30,773,422	152	6,807,076	615	8,792,752	123	119,974,326		154,1,935,524	99	128,684,184	148
1919.																
January.....	24,652,641		91,28,731,387		128,22,945,659	114	5,615,054	507	8,943,732	125	90,888,523		117,1,396,888	71	97,174,519	112
February.....	14,049,055		56,13,034,852		62,15,961,423	85	2,406,029	233	6,556,594	98	55,722,807		72,1,032,368	56	56,653,609	70
March.....	13,768,496		51,13,431,797		60,17,076,322	85	4,955,130	448	11,723,691	163	60,955,936		78,1,485,320	76	67,639,876	78
April.....	11,208,305		42,18,301,721		82,20,063,678	99	5,498,493	497	9,634,405	134	64,706,602		83,1,990,349	102	73,663,173	85

¹ Flour reduced to its equivalent in wheat on basis of 4½ bushels to barrel.

Shipments of grain and flour at 14 interior centers.

[Chicago, Cleveland, Detroit, Duluth, Kansas City, Little Rock, Louisville, Milwaukee, Minneapolis, Omaha, Peoria, St. Louis, Toledo, Wichita; shipments of flour not available for Cleveland, Detroit, Louisville, Omaha, Toledo, and Wichita.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. ¹	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1918.																
May.....	1,732,123		112,13,782,116		97,21,548,157	142	475,962	67	3,384,561	87	40,922,919		83,2,910,223	86	54,018,923	84
July.....	13,743,302		89,9,692,841		68,18,056,944	119	264,957	37	903,935	29	42,661,979		86,3,057,918	90	56,422,610	87
August.....	38,853,689		252,9,131,678		64,23,092,361	152	773,548	109	807,119	21	72,658,395		147,3,831,826	113	89,901,612	139
September.....	28,676,514		186,9,507,098		67,25,002,316	165	1,068,641	151	3,238,586	83	67,493,155		137,4,433,259	131	87,442,821	135
October.....	28,532,293		185,11,684,762		82,23,822,044	157	4,725,686	668	5,298,740	136	74,063,525		150,4,801,932	142	95,672,219	148
November.....	42,083,808		273,10,583,718		75,26,564,983	175	4,770,708	674	4,165,066	107	88,168,283		178,4,597,360	136	108,836,403	168
December.....	36,932,880		239,9,996,598		71,23,850,316	157	2,136,274	302	4,300,906	110	77,216,974		156,4,241,406	125	96,303,301	149
1919.																
January.....	9,934,531		64,13,488,569		95,19,769,237	130	794,028	112	4,718,631	121	48,704,996		99,2,796,463	83	61,289,080	95
February.....	8,876,844		62,8,649,063		65,13,603,691	96	404,365	61	6,006,178	163	37,540,141		81,1,982,258	61	46,235,302	77
March.....	14,857,872		96,7,544,393		53,16,183,222	107	3,720,930	526	6,049,703	153	48,356,120		98,3,039,020	90	62,031,710	96
April.....	30,764,328		199,15,708,842		111,16,019,036	105	8,143,580	115	6,632,763	170	77,268,599		156,3,532,772	104	93,166,073	144

¹ Flour reduced to its equivalent in wheat on basis of 4½ bushels to barrel.

Receipts of grain and flour at nine seaboard centers.

Boston, New York, Philadelphia, Baltimore, New Orleans, San Francisco, Portland (Oreg.), Seattle, Tacoma; receipts of flour not available for Seattle and Tacoma.]

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

[Monthly average 1911-1913=100.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. ¹		
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.	
1918.																	
May.....	2,027,113		163,000,808		8712,387,045		261 157,885		111 1,387,738		8419,050,589		84 1,652,896		15826,488,621		97
July.....	3,515,673		281,128,285		327,122,372		150 86,551		61 802,582		4812,655,463		56 1,266,706		12118,355,640		67
August.....	23,930,107		1901,473,105		412,970,341		63 170,847		120 714,103		4329,258,503		129 589,303		5631,910,367		116
September.....	23,786,074		189 582,856		165,304,250		112 435,549		307 730,332		4430,839,061		136 783,902		7534,366,620		125
October.....	18,778,538		149 519,755		156,662,972		140 2,332,761		1,642 887,396		5329,181,422		129 1,543,121		14836,125,467		132
November.....	9,854,356		78 786,141		225,253,154		111 1,332,239		938 653,880		3917,879,770		79 1,656,205		15925,332,693		92
December.....	24,221,863		192 1,273,489		369,817,268		207 1,107,437		779 1,915,831		11538,335,888		169 3,258,924		31253,001,046		193
1919.																	
January.....	9,768,801		78 1,411,366		409,275,187		195 566,191		398 1,738,326		10522,759,871		100 2,026,246		194 31,877,978		116
February.....	7,805,811		66 783,263		244,713,794		106 2,299,664		1,734 995,454		6416,597,986		78 1,302,061		13422,457,261		88
March.....	13,789,851		109 636,127		183,254,914		69 3,880,424		2,731 2,285,954		13823,847,270		105 1,644,676		15731,248,312		114
April.....	12,581,874		100 1,089,425		314,804,521		97 5,069,529		3,568 1,853,372		11225,197,921		111 2,549,370		24436,670,686		134
May.....	14,157,852		112 1,588,571		455,642,176		119 7,061,048		4,970 3,561,412		21532,011,059		141 2,535,547		24343,421,021		158

¹ Flour reduced to its equivalent in wheat on basis of 4½ bushels to barrel.

Stocks of grain at eight seaboard centers at close of month.

[Boston, New York, Philadelphia, Baltimore, New Orleans, Newport News, Galveston, San Francisco.]

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

[Bushels.]

	Wheat.	Corn.	Oats.	Rye.	Barley.	Total grain.
1918.						
May.....	388,732	2,521,136	11,459,639	89,076	1,443,053	15,901,686
July.....	3,384,466	736,504	4,136,167	28,633	1,059,197	9,344,967
August.....	16,041,604	649,169	2,464,705	153,275	1,720,251	21,029,004
September.....	14,313,717	181,619	3,153,590	144,646	2,208,017	20,001,589
October.....	13,423,169	115,879	4,591,014	1,550,686	2,697,141	22,377,889
November.....	13,904,426	252,225	3,548,473	2,385,828	2,845,916	22,936,868
December.....	14,359,694	302,980	6,074,067	2,248,272	2,767,606	25,752,619
1919.						
January.....	15,365,491	645,317	5,495,937	1,972,696	3,047,346	26,526,787
February.....	12,635,613	417,520	6,110,159	1,735,876	3,930,465	24,829,633
March.....	12,732,472	346,543	5,650,120	1,920,348	4,408,665	25,053,148
April.....	7,448,992	464,503	5,335,971	3,434,873	5,420,013	22,104,352
May.....	7,913,162	448,020	4,047,059	1,690,860	4,268,510	18,362,611

NOTE.—Figures for San Francisco include also stocks at Port Costa and Stockton.

California shipments of citrus and deciduous fruits.

	Oranges.		Lemons.		Total citrus fruits.		Total deciduous fruits.
	Carloads.	Relative.	Carloads.	Relative.	Carloads.	Relative.	Carloads.
1918.							
May.....	1,957	80	824	203	2,781	98	118
July.....	914	37	561	139	1,475	52	3,758
August.....	767	31	732	181	1,499	53	9,126
September.....	549	22	275	68	824	29	5,879
October.....	485	20	639	158	1,124	39	7,143
November.....	1,125	46	676	167	1,801	63	1,044
December.....	3,565	146	722	178	4,287	150	267
1919.							
January.....	3,120	128	531	131	3,651	128	109
February.....	3,180	139	658	174	3,838	144	198
March.....	5,113	209	897	221	6,010	211	67
April.....	5,450	223	1,038	256	6,488	228	36
May.....	5,888	241	1,501	371	7,389	259	276

Sugar.

[Data of International Sugar Committee for ports of Boston, New York, Philadelphia, Savannah, New Orleans, Galveston, San Francisco.]

[Tons of 2,240 pounds.]

	1918.			1919.		
	Receipts.	Meltings.	Raw stocks at close of month.	Receipts.	Meltings.	Raw stocks at close of month.
May.....	431,757	385,492	155,963	243,806	197,145	66,189
July.....	288,449	320,908	135,061	389,815	337,420	122,757
August.....	218,690	263,383	100,392	355,710	361,010	106,889
September.....	176,867	210,745	56,978	450,938	387,548	185,315
October.....	242,912	207,566	77,233	471,205	446,685	201,301
November.....	138,141	172,528	50,989			
December.....	92,785	123,091	13,774			

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

[Weekly Statistical Sugar Trade Journal.]

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

	Receipts.		Meltings.		Raw stocks at close of month.			Receipts.		Meltings.		Raw stocks at close of month.	
	Tons.	Relative.	Tons.	Relative.	Tons.	Relative.		Tons.	Relative.	Tons.	Relative.	Tons.	Relative.
	1918.								1918.				
May.....	316,464	172	271,000	148	86,400	50	December.....	58,751	32	92,000	50	11,490	7
July.....	186,225	101	221,000	120	55,322	32	1919.						
August.....	159,252	87	175,000	95	39,375	23	January.....	172,054	93	147,000	80	36,544	21
September.....	145,555	79	139,000	78	46,869	27	February.....	283,172	165	229,000	134	90,716	53
October.....	151,703	82	156,000	85	42,522	25	March.....	232,471	126	261,000	142	62,187	36
November.....	139,343	76	139,000	76	43,112	25	April.....	318,492	173	277,000	151	107,582	62
							May.....	325,736	177	307,000	167	126,318	73

Lumber.

[From reports of manufacturers' associations.]

[M feet.]

	Southern pine.			Western pine.			Douglas fir.			Eastern white pine.			North Carolina pine.		
	No. of mills.	Production.	Shipments.	No. of mills.	Production.	Shipments.	No. of mills.	Production.	Shipments.	No. of mills.	Production.	Shipments.	No. of mills.	Production.	Shipments.
1918.															
May.....	194	425,962	495,689	43,47	145,773	128,596	132	380,100	405,900	24	75,903	63,506	27	25,222	28,458
July.....	201	412,002	453,786	42,45	147,533	112,915	123	269,100	266,300	26	86,658	59,412	36	31,517	34,815
August.....	202	391,648	437,776	44,47	151,156	109,402	130	292,200	275,000	26	95,942	51,327	31	24,118	34,377
September.....	190	346,069	350,628	45,45	130,029	80,859	106	316,000	248,000	26	72,937	38,711	41	31,908	34,963
October.....	202	321,214	353,266	42,47	121,850	79,701	115	356,487	324,080	27,21	32,787	28,152	42	27,912	36,478
November.....	194	312,126	353,810	38,46	90,078	74,103	121	261,189	240,986	16	23,529	23,828	42	32,596	36,012
December.....	204	310,068	322,831	27,46	63,315	63,823	127	222,389	221,720	11	799	14,176	43	26,728	21,570
1919.															
January.....	200	330,137	325,241	21,49	40,354	68,910	122	225,688	227,129	13	7,565	15,172	40	28,629	23,896
February.....	195	328,069	309,494	24,48	46,037	71,103	122	228,031	238,035	15	6,802	17,081	39	25,806	18,034
March.....	198	378,752	361,125	27,48	71,426	81,328	120	254,650	255,544	11	7,118	17,525	41	32,110	22,672
April.....	203	397,005	397,677	43,49	124,341	97,679	114	264,623	266,308	11	11,431	14,020	38	22,369	21,877
May.....	205	414,899	460,233	48	140,037	127,730	111	345,984	388,803	11	24,548	17,136	31	14,375	17,398

Lumber—Continued.

RECEIPTS AND SHIPMENTS OF LUMBER AT CHICAGO.

[Chicago Board of Trade.]

[Monthly average 1911-1913=100.]

	Receipts.		Shipments.			Receipts.		Shipments.	
	M. feet.	Relative.	M. feet.	Relative.		M. feet.	Relative.	M. feet.	Relative.
May..... 1918.	252,265	119	121,667	159	December..... 1918.	163,908	77	60,831	79
July.....	243,598	115	98,145	128	1919.				
August.....	208,963	99	78,707	103	January.....	134,604	63	47,922	62
September.....	171,515	81	68,133	89	February.....	97,511	49	45,585	64
October.....	130,503	62	70,590	92	March.....	124,040	59	46,902	61
November.....	142,230	67	72,723	95	April.....	144,253	68	59,055	77
					May.....	162,365	77	66,001	86

Coal and coke.

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

[Monthly average 1911-1913=100.]

	Bituminous coal, estimated monthly production.		Anthracite coal, shipments over 9 roads.		Coke, estimated monthly production.					
	Short tons.	Relative.	Long tons.	Relative.	Beehive.		By-product.		Total.	
					Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.
May..... 1918.	50,927,195	137	6,887,256	122	2,757,719	105	2,139,204	243	4,896,923	140
July.....	55,587,312	150	7,081,775	126	2,813,910	108	2,300,673	261	5,114,583	146
August.....	55,732,692	150	7,180,923	128	2,657,022	102	2,387,675	271	5,044,747	144
September.....	51,757,334	140	6,234,395	111	2,570,238	98	2,410,798	274	4,981,036	143
October.....	52,385,313	143	6,286,366	112	2,611,835	100	2,563,153	291	5,175,068	148
November.....	44,336,987	120	5,270,659	94	2,339,197	89	2,523,746	287	4,862,943	139
December.....	40,634,525	110	5,736,260	102	2,235,296	86	2,562,048	291	4,817,344	138
January..... 1919.	41,473,000	112	5,934,241	105	2,461,567	92	6,779,482	257	12,772,392	122
February.....	31,497,000	91	3,871,932	74	1,822,694	75				
March.....	33,719,000	91	3,938,908	70	1,768,449	68				
April.....	32,164,000	87	5,224,715	93	1,516,960	50				
May.....	37,547,000	101	5,711,915	101	1,135,840	43				

Movement of crude petroleum in United States.

[U. S. Geological Survey.]

[Barrels of 42 gallons each.]

	Marketed.		Stocks at end of month.		Marketed.		Stocks at end of month.
	Barrels.	Relative.	Barrels.		Barrels.	Relative.	Barrels.
May..... 1918.	29,672,000	155	143,631,060	November..... 1918.	28,347,000	148	131,295,000
July.....	30,361,000	158	141,475,000	December.....	28,071,000	146	128,311,000
August.....	29,211,000	152	139,472,600	1919.			
September.....	28,674,000	150	135,680,000	January.....	29,369,000	156	129,558,000
October.....	30,592,000	160	134,838,000	February.....	26,511,000	138	128,910,000
				March.....	30,412,000	159	131,110,000
				April.....	29,310,000	153	132,694,000
				May.....	29,339,000	153	132,165,000

Total output of oil refineries in United States.

[Bureau of Mines.]

	Crude oil run (barrels).	Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).
1918.					
April.....	26,201,544	293,396,162	153,703,682	578,255,341	71,022,204
July.....	29,170,718	332,022,095	156,828,826	658,439,682	79,303,107
August.....	28,534,275	330,335,046	149,678,850	671,113,871	72,892,879
September.....	28,390,431	314,595,959	164,963,798	653,085,050	70,593,079
October.....	29,237,767	314,251,318	164,928,640	661,780,441	72,244,633
November.....	27,411,636	312,968,640	169,278,105	604,403,494	72,178,602
December.....	26,958,157	291,744,465	161,742,713	587,873,987	64,987,842
1919.					
January.....	26,967,332	303,710,556	158,501,260	589,630,056	68,304,613
February.....	25,232,876	283,518,194	164,181,787	553,853,753	62,503,072
March.....	27,866,775	311,306,755	170,290,930	574,774,156	67,063,995
Stocks at the close of month.					
1918.					
Apr. 30.....	12,600,062	509,197,134	393,527,476	471,644,479	144,383,212
July 31.....	14,026,525	349,928,604	432,807,129	519,012,839	136,460,207
Aug. 31.....	13,946,595	285,446,538	424,281,481	569,016,413	137,496,986
Sept. 30.....	14,462,100	269,772,723	436,628,907	583,407,769	147,425,856
Oct. 31.....	15,438,576	250,328,369	419,409,944	596,116,351	135,196,842
Nov. 30.....	15,222,401	270,072,011	397,804,012	583,777,917	132,923,478
Dec. 31.....	15,749,771	297,326,983	380,117,829	659,001,958	138,853,574
1919.					
Jan. 31.....	15,380,185	333,212,692	332,393,181	646,411,414	158,370,431
Feb. 28.....	14,820,601	458,449,187	303,062,436	692,816,000	152,297,163
Mar. 31.....	15,106,361	540,862,429	294,677,623	749,067,806	165,495,254

Iron and steel.

[Great Lakes iron ore movements, Marine Review; pig iron production, Iron Age; steel ingot production, American Iron and Steel Institute.]

[Monthly average, 1911-1913=100; iron ore, monthly average, May-Nov., 1911-1913=100.]

	Iron ore shipments from the upper Lakes.		Pig iron production.		Steel ingot production.		Unfilled orders U. S. Steel Corporation at close of month.	
	Gross tons.	Relative.	Gross tons.	Relative.	Gross tons.	Relative.	Gross tons.	Relative.
1918.								
May.....	8,792,231	145	3,446,412	149	3,237,233	137	8,337,623	158
July.....	10,659,203	176	3,420,988	148	3,113,635	130	8,883,801	169
August.....	9,725,331	161	3,389,585	146	3,083,680	129	8,759,042	166
September.....	8,995,014	148	3,418,270	148	3,197,658	134	8,297,905	157
October.....	8,541,593	141	3,486,941	151	3,352,196	140	8,353,293	158
November.....	4,333,828	72	3,354,074	145	3,060,760	128	8,124,663	151
December.....	6,836		3,433,617	148	2,992,306	125	7,379,152	140
1919.								
January.....			3,302,260	143	3,082,427	130	6,684,268	127
February.....			2,940,168	136	2,683,011	120	6,010,787	114
March.....			3,090,243	133	2,662,265	110	5,430,572	103
April.....	1,412,239		2,478,218	107	2,259,711	93	4,800,685	91
May.....	6,615,341	109	2,108,056	91	1,929,024	80	4,282,310	81

Imports of pig tin.

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Pounds.	Relative.		Pounds.	Relative.
	1918.				
May.....	10,796,218	119	November.....	10,734,179	118
July.....	15,567,667	171	December.....	5,887,063	65
August.....	16,317,437	180	1919.		
September.....	10,630,666	117	January.....	8,461,444	93
October.....	9,885,984	109	February.....	6,271,977	74
			March.....	8,284,970	91
			April.....	504,903	6
			May.....	449,270	5

Textiles.

[Silk, Department of Commerce; cotton, Bureau of the Census; wool, Bureau of Markets; idle machinery, Jan.-Sept., 1918, inclusive, National Association of Wool Manufacturers.]

[Cotton, monthly average crop years 1912-1914=100; silk, monthly average 1911-1913=100.]

	Cotton consumption.		Cotton spindles active during month.	Wool consumption (pounds).	Percentage of idle woolen machinery on first of month to total reported.						Imports of raw silk.	
	Bales.	Relative.			Looms.		Sets of cards.	Combs.	Spinning spindles.		Pounds.	Relative.
					Wider than 50-inch reed space.	Under 50-inch reed space.			Woolen.	Worsted.		
1918.												
May.....	575,862	128	33,691,576	60,124,546	7.9	8.3	5.3	8.6	5.4	12.7	2,740,971	134
July.....	541,792	120	33,674,896	50,951,651	10.4	10.2	5.9	10.5	6.5	13.2	1,997,314	98
August.....	534,914	119	33,646,811	51,516,457	12.2	14.3	6.0	10.2	6.6	15.3	3,813,595	186
September.....	490,779	109	33,524,275	47,648,413	13.8	15.1	7.0	13.2	8.3	20.2	3,973,754	194
October.....	440,833	93	32,760,623	48,692,509	18.3	24.3	9.3	12.5	8.8	18.8	2,814,270	138
November.....	457,376	102	33,121,507	38,282,723	21.1	26.8	11.1	23.8	11.9	30.1	2,330,345	114
December.....	472,941	105	33,652,612	32,355,081	22.5	24.9	13.8	17.8	16.1	27.4	2,680,863	131
1919.												
January.....	556,721	124	33,856,472	32,573,970	40.3	32.6	32.2	30.7	36.5	37.5	1,461,827	71
February.....	433,516	103	33,282,593	23,186,818	52.3	41.5	38.7	39.8	41.1	48.6	1,742,812	91
March.....	433,720	96	32,642,376	29,320,063	58.1	42.4	39.1	47.8	41.8	52.7	1,784,412	87
April.....	475,753	106	33,213,026	39,159,945	48.4	38.9	26.5	34.2	28.4	36.1	2,988,838	146
May.....	487,998	109	33,556,011	45,084,834	36.6	32.9	17.1	22.5	16.8	25.8	4,878,646	238
June.....					29.6	26.6	15.4	12.8	15.2	21.1		

NOTE.—Figures of idle wool machinery for Nov. 1 and Dec. 1 are not entirely comparable with previous figures, due to fact that later figures are for number of machines running on single shift, while earlier figures count as two a machine running double time. The effect is, however, small.

Production of wood pulp and paper.

[Federal Trade Commission.]

[Net tons.]

	Wood pulp.	News print.	Book.	Paper board.	Wrap-ping.	Fine.		Wood pulp.	News print.	Book.	Paper board.	Wrap-ping.	Fine.
1918.							1919.						
May.....		111,242	78,455	174,894	61,763	33,542	January.....	283,270	116,154	70,443	140,859	50,490	27,675
July.....		103,348	69,458	177,931	70,526	34,609	February.....	238,228	103,248	62,616	125,208	45,480	24,600
August.....	262,377	113,826	76,439	192,810	71,249	36,910	March.....	278,675	114,746	63,699	136,175	48,069	23,514
September.....	246,741	99,528	66,581	168,384	61,390	37,833	April.....	284,984	116,278	67,628	138,802	48,158	22,470
October.....	237,624	88,155	60,743	148,373	56,903	28,533	May.....	294,067	105,819	76,821	151,651	56,579	25,010
November.....	270,849	97,693	67,262	152,321	61,681	33,429							
December.....	273,973	107,120	64,561	134,103	51,947	29,975							

Tax-paid manufactured tobacco products in the United States (excluding Porto Rico and Philippine Islands.)

[Commissioner of Internal Revenue.]

	Cigars.		Cigarettes.	Chewing and smoking tobacco.	Cigars.		Cigarettes.	Chewing and smoking tobacco.	
	Large.	Small.	Small.		Large.	Small.	Small.		
1918.					1918.				
April.....	Number.	Number.	Number.	Pounds.	Number.	Number.	Number.	Pounds.	
	616,372,314	79,794,719	3,393,675,490	35,229,106	527,586,098	59,139,250	2,788,379,210	25,276,695	
1919.					1919.				
July.....	634,609,533	79,237,849	3,796,878,822	36,607,578	Number.	Number.	Number.	Pounds.	
August.....	624,491,239	60,880,910	3,442,446,234	40,764,853	518,706,482	72,458,974	3,079,212,253	29,308,616	
September.....	585,400,449	60,556,000	3,403,205,736	37,893,818	476,329,947	60,138,630	3,126,274,662	27,472,269	
October.....	594,764,527	63,111,160	3,027,300,975	39,440,893	549,098,351	84,493,873	3,845,079,275	29,227,678	
November.....	537,794,904	63,177,200	2,986,775,643	32,618,009	510,357,494	73,314,273	2,650,182,742	29,883,710	

Output of locomotives and cars.

[Locomotives, United States Railroad Administration; cars, Railway Car Manufacturers' Association.]

	Locomotives.		Output of cars.				Locomotives.		Output of cars.		
	Domestic shipped.	Foreign completed.	Domestic.	Foreign.	Total.		Domestic shipped.	Foreign completed.	Domestic.	Foreign.	Total.
1918.	Number.	Number.	Number.	Number.	Number.	1918.	Number.	Number.	Number.	Number.	Number.
May.....			5,048	3,841	8,889	December.....	281	177	7,876	3,402	11,278
July.....			3,312	4,410	7,722	1919.					
August.....	214	77	2,437	4,847	7,284	January.....	282	84	8,172	3,635	11,807
September.....	267	213	2,666	3,564	6,230	February.....	135	164	6,623	4,657	11,280
October.....	295	313	4,555	2,681	7,236	March.....	258	128	5,978	6,795	11,773
November.....	224	252	5,743	2,330	9,093	April.....	197	36	7,777	7,373	15,150
						May.....	197	31	4,573	8,533	13,106

Vessels built in United States, including those for foreign nations, and officially numbered by the Bureau of Navigation.

[Monthly average 1911-1913=100.]

	Number.	Gross tonnage.	Relative.		Number.	Gross tonnage.	Relative.
May.....	185	194,464	805	January.....	132	264,346	1,094
July.....	193	229,931	951	February.....	135	271,430	1,203
August.....	177	295,349	1,222	March.....	186	298,005	1,233
September.....	170	308,470	1,276	April.....	201	373,605	1,554
October.....	202	357,532	1,479	May.....	250	395,408	1,636
November.....	171	357,660	1,480				
December.....	153	283,359	1,173				

Tonnage of vessels cleared in the foreign trade.

[Department of Commerce.]

[Monthly average 1911-1913=100.]

	Net tonnage.				Percentage of American to total.	Relative.		Net tonnage.				Percentage of American to total.	Relative.
	American.	Foreign.	Total.	Relative.				American.	Foreign.	Total.	Relative.		
1918.							1919.						
May.....	1,811,603	2,526,793	4,338,396	112	41.8	165	January.....	1,166,391	1,835,123	3,062,514	78	38.1	151
July.....	2,953,310	2,941,171	5,034,481	129	41.6	161	February.....	1,262,487	1,671,070	2,933,557	75	43.0	170
August.....	2,332,577	2,808,466	5,141,043	132	45.4	179	March.....	1,161,416	1,737,171	2,898,587	75	40.1	153
September.....	2,009,194	2,296,872	4,306,066	111	46.7	185	April.....	1,741,753	2,058,220	3,802,973	98	45.9	181
October.....	1,875,947	2,163,383	4,039,330	101	46.4	184	May.....	2,424,837	2,469,194	4,894,031	126	49.5	196
November.....	1,770,935	1,991,725	3,762,660	97	47.1	186							
December.....	1,141,319	2,053,517	3,194,836	82	35.7	141							

Net ton-miles, revenue and nonrevenue.

[United States Railroad Administration.]

	1918.			1919.	
May.....		38,720,788,000	January.....		30,383,169,000
July.....		38,761,291,000	February.....		25,681,943,000
August.....		38,469,847,000	March.....		28,952,925,000
September.....		38,592,137,000	April.....		28,629,739,000
October.....		39,548,562,000	May.....		32,440,708,000
November.....		35,533,026,000			
December.....		33,659,507,000			

Commerce of canals at Scull Ste. Marie.

[Monthly average May-Nov., 1911-1913=100.]

EASTBOUND.

	Grain, other than wheat.		Wheat.		Flour.		Iron ore.		Total.	
	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Short tons.	Relative.	Short tons.	Relative.
May..... 1918.....	8,187,450	92	2,632,572	14	858,070	74	8,792,162	148	9,200,843	131
April..... 1919.....	4,176,041		16,729,000				1,139,326		1,756,266	
May.....	9,370,374	105	29,096,116	151	910,524	78	6,622,227	112	7,895,542	113

WESTBOUND.

	Hard coal.		Soft coal.		Total.		Total freight.	
	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.
May..... 1918.....	166,155	54	1,877,973	98	2,203,202	89	11,404,045	120
April..... 1919.....	142,864		415,824		616,897		2,373,163	
May.....	248,263	80	2,239,738	117	2,670,784	107	10,566,326	111

DISCOUNT AND OPEN-MARKET OPERATIONS OF THE FEDERAL RESERVE BANKS.

Discount operations during the month of May totaled \$7,385,835,256, compared with \$5,901,401,640 for April of the present year and \$6,215,083,531, the previous record total for December, 1918. Of the total discounts for the month under review the share of war paper was about 97 per cent, compared with 95.2 per cent the month before and 92.7 per cent in December of the past year. While all the Federal Reserve Banks, except Boston and San Francisco, report larger discount figures than the month before, over 90 per cent of the total increase is shown for the New York bank, whose share of the total discounts for the month of May is about 55 per cent, or 10 per cent higher than the month before.

Discounts of member banks' bills secured by eligible paper declined from \$25,056,867 in April to \$17,737,787 for the month under review. Trade acceptances discounted during the month total \$7,121,222, compared with \$8,071,368 for April, 1919, and \$13,165,738 for May, 1918. By far the larger portion of the trade acceptances discounted during May of the present year cover transactions in domestic trade, foreign trade acceptances to an amount of \$1,692,142 being reported only by the New York bank. In addition, the banks report the discount during the month of \$1,051,759 of bankers' acceptances and \$190,053,097 of ordinary commercial and agricultural paper.

About 98 per cent of the total discounts for the month was 15-day paper, i. e., bills maturing within 15 days from date of discount or rediscount with the Federal Reserve Banks. Six-month bills (agricultural and live-stock paper) totaled \$16,460,207, compared with \$12,639,627 the month before, about 60 per cent of the larger total being shown for the Kansas City and Dallas banks.

As the result of the large increase in 15-day discounts the calculated average maturity of all the paper discounted during the month—9.13 days—shows a decided decline from the average for the preceding months, the decline being most pronounced in the case of the Boston and New York banks.

About 91 per cent of all the bills were discounted at the 4 per cent rate and slightly less than 8 per cent at the 4½ per cent rate. The average rate of discount for May works out at 4.16 per cent, compared with 4.18 per cent for April of the present year and 4.35 per cent for May of the past year.

On the last Friday of the month the banks held a total of \$1,989,392,000 of discounted paper, compared with \$1,950,412,000 about the end of April and \$897,357,000 held on the corresponding date in 1918. The total for the most recent date comprises \$112,865,000 of war paper held under discount for other Federal Reserve Banks by the Federal Reserve Banks at Cleveland, Chicago, St. Louis, and Minneapolis. Of the total discounts held, 90.6 per cent was war paper, compared with 90.3 per cent about the end of April and 62.8 per cent on the last Friday in May, 1918, considerably larger percentages obtaining for the three eastern and the Cleveland banks.

Discounted trade acceptances held about the end of the month totaled \$7,321,000, compared with \$8,561,000 held about the close of April and \$17,723,000 held on the corresponding date in 1918. By far the larger portion of the present holdings is composed of domestic trade acceptances. Holdings of agricultural paper of all maturities totaled \$28,619,000, as against \$19,474,000 held on the corresponding date in 1918, while total holdings of live-stock paper were \$30,372,000, compared with \$47,260,000 about the end of May of the past year. Nearly 60 per cent of the agricultural paper is held by the Dallas and San Francisco banks, while about 78 per cent of the total live-stock paper is held by the Kansas City and Dallas banks.

During the month under review the number of member banks increased from 8,786 to 8,817, while the number of discounting members went up from 3,875 in April to 4,035 in May, a new record total since the establishment of the system. In the following exhibit are shown the number of member banks in each Federal Reserve district at the close of April and May, also the number of member banks in each district accommodated during these two months:

Federal Reserve district.	Number of member banks in district.		Number of member banks accommodated.	
	April 30.	May 31.	April.	May.
Boston.....	425	427	230	245
New York.....	727	730	426	423
Philadelphia.....	665	666	346	391
Cleveland.....	821	825	195	207
Richmond.....	570	571	281	312
Atlanta.....	425	426	223	262
Chicago.....	1,359	1,362	651	560
St. Louis.....	517	521	190	191
Minneapolis.....	872	879	180	235
Kansas City.....	1,002	1,003	400	418
Dallas.....	741	741	465	508
San Francisco.....	662	666	288	283
Total.....	8,786	8,817	3,875	4,035

Bills bought in open market during May largely by the New York bank for its own account and for account of other Federal Reserve Banks totaled \$147,650,192, compared with \$140,891,638 bought the month before and \$115,913,940 bought during May, 1918. Of the May, 1919, purchases \$144,595,240 were bankers' acceptances, nearly three-fourths of which were based upon foreign trade transactions. Purchases of trade acceptances are reported by the New York, Cleveland, Chicago, and San Francisco banks, the total for the month, \$1,896,462, being considerably smaller than for the earlier months of the year. The average maturity of all bills purchased during the month is given as 45.80 days, compared with about 42 days for April, while the average rate of discount charged,

4.24 per cent, is identical with the average shown for the immediately preceding month.

On the last of the month the banks' holdings of purchased acceptances totaled \$185,556,000, compared with \$180,319,000 held at the close of April and \$257,306,000 held on the last of May, 1918. Of the most recent total all but \$1,993,000 were bankers' acceptances, and of these about 75 per cent, or \$136,715,000, were member bank acceptances, while the remainder was made up of bills accepted by nonmember institutions, private banks, foreign banks, and their agencies. Of the \$1,993,000 of purchased trade acceptances held at the end of May, all but \$136,000 were foreign trade acceptances, largely drawn by exporters in the Far East and reported by the New York and San Francisco banks.

Total investment operations of each Federal Reserve Bank during the months of May, 1919 and 1918.

	Bills dis- counted for members.	Bills bought in open market.	Municipal warrants.	United States bonds.		
				3½ per cent.	4 per cent.	4½ per cent.
Boston.....	\$443,930,167	\$18,501,331				
New York.....	4,067,069,831	60,721,633				
Philadelphia.....	945,479,028	534,512				
Cleveland.....	239,824,981	15,472,166				
Richmond.....	368,133,803	2,791,242				
Atlanta.....	165,527,564	2,788,678				
Chicago.....	412,850,676	22,025,711				
St. Louis.....	205,165,544	5,546,649				
Minneapolis.....	81,152,465	4,596,780				
Kansas City.....	147,379,968	9,595				
Dallas.....	129,874,724	830,000				
San Francisco.....	179,446,505	13,831,895				
Total, May, 1919.....	7,385,835,256	147,650,192				
Total, May, 1918.....	2,993,019,346	115,913,940	\$16,500	\$25,850	\$2,510,600	\$13,295,375
Total, 5 months ending May 31, 1919.....	29,736,118,849	801,184,338	1,000	1,000	1,000,000	326,725
Total, 5 months ending May 31, 1918.....	7,551,207,335	642,320,436	1,562,185	4,872,000	39,811,738	13,295,375

	United States Victory notes, 4½ per cent.	United States certificates of indebtedness.	Total United States securities.	Total investment operations.	
				May, 1919.	May, 1918.
Boston.....	\$16,250		\$16,250	\$462,447,748	\$64,062,669
New York.....		\$75,311,500	75,311,500	4,203,102,964	2,435,168,861
Philadelphia.....		1,500,000	1,500,000	947,513,540	80,508,191
Cleveland.....		1,259,500	1,259,500	256,556,647	77,234,301
Richmond.....		500,000	500,000	371,425,045	133,806,799
Atlanta.....	7,600	735,000	742,600	169,058,842	45,223,999
Chicago.....		2,030,000	2,030,000	436,906,387	172,133,229
St. Louis.....		2,000,000	2,000,000	212,712,193	61,347,269
Minneapolis.....	12,050	878,000	890,050	86,639,295	32,237,642
Kansas City.....		653,500	653,500	148,043,063	95,988,964
Dallas.....				130,704,724	39,427,035
San Francisco.....		1,670,000	1,670,000	194,948,400	65,883,018
Total, May, 1919.....	35,900	86,537,500	86,573,400	7,620,053,848	
Total, May, 1918.....		184,425,500	200,257,325		3,309,207,111
Total, 5 months ending May 31, 1919.....	35,900	1,413,847,000	1,415,210,625	31,952,514,812	
Total, 5 months ending May 31, 1918.....		2,624,717,660	2,682,696,773		10,877,786,729

Average amount of earning assets held by each Federal Reserve Bank during May, 1919, earnings from each class of earning assets, and annual rates of earnings on basis of May, 1919, returns.

Federal Reserve Bank.	Average balances for the month of the several classes of earning assets.				
	Discounted bills.	Purchased bills.	United States securities.	Municipal warrants.	Total.
Boston.....	\$152,233,040	\$14,638,054	\$17,455,050		\$184,326,144
New York.....	753,166,858	45,325,498	73,143,200		869,635,556
Philadelphia.....	192,374,942	907,967	20,312,497		213,595,406
Cleveland.....	132,273,443	21,525,381	17,289,693		171,087,917
Richmond.....	93,118,887	7,313,774	6,832,909		107,265,570
Atlanta.....	84,215,540	5,628,807	9,679,358		99,523,705
Chicago.....	220,838,776	26,289,097	25,122,794		272,300,667
St. Louis.....	68,153,931	3,949,768	15,532,755		87,636,454
Minneapolis.....	48,169,000	10,814,000	9,234,000		68,217,000
Kansas City.....	87,150,314	1,886,110	15,350,701		104,387,125
Dallas.....	51,370,232	1,271,064	8,866,000		61,507,296
San Francisco.....	90,811,118	52,218,257	9,261,984		152,291,359
Total, May, 1919.....	1,973,926,081	189,767,777	228,080,340		2,391,774,199
Total, May, 1918.....	902,101,974	278,404,206	84,645,930	\$535,420	1,265,747,520

Federal Reserve Bank.	Earnings from—					Calculated annual rates of earnings from—				
	Dis-counted bills.	Pur-chased bills.	United States securities.	Muni-cipal warrants.	Total.	Dis-counted bills.	Pur-chased bills.	United States securities.	Muni-cipal warrants.	Total.
						Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Boston.....	\$535,838	\$52,029	\$30,135		\$618,002	4.14	4.18	2.03		3.95
New York.....	2,568,094	153,055	183,698		2,904,847	4.01	4.10	2.96		3.93
Philadelphia.....	663,749	3,214	36,613		703,576	4.06	4.16	2.12		3.87
Cleveland.....	473,502	76,840	31,372		581,714	4.21	4.20	2.14		4.00
Richmond.....	337,811	28,409	11,709		377,929	4.27	4.57	2.02		4.15
Atlanta.....	297,238	21,790	16,698		335,726	4.16	4.56	2.03		3.97
Chicago.....	786,001	94,171	45,096		925,268	4.19	4.22	2.11		4.00
St. Louis.....	239,604	14,181	28,615		282,400	4.14	4.23	2.17		3.79
Minneapolis.....	171,962	40,068	21,768		233,798	4.20	4.36	2.78		4.04
Kansas City.....	337,731	7,550	28,594		373,875	4.56	4.71	2.19		4.22
Dallas.....	202,525	5,163	16,200		223,888	4.64	4.78	2.15		4.28
San Francisco.....	344,734	188,212	19,091		552,037	4.47	4.24	2.43		4.27
Total, May, 1919.....	6,958,789	684,882	469,589		8,113,060	4.15	4.25	2.42		3.99
Total, May, 1918.....	3,246,542	996,804	213,089	\$1,877	4,458,312	4.38	4.36	3.06	4.27	4.29

Bills discounted during the month of May, 1919, distributed by classes, also average rates and maturities of bills discounted by each Federal Reserve Bank.

Federal Reserve Banks.	Customers' paper secured by Government war obligations.	Member banks' collateral notes.		Trade acceptances.	Bankers' acceptances.	All other discounts,	Total.	Average maturity in days.	Average rate (365-day basis) per cent.
		Secured by Government war obligations.	Otherwise secured.						
Boston.....	\$22,943,483	\$14,642,050	\$1,459,700	\$106,740	\$179,754	\$4,598,440	\$443,930,187	9.15	4.14
New York.....	44,334,581	3,945,329,542		13,821,295	687,278	72,892,135	4,067,069,831	6.53	4.03
Philadelphia.....	18,830,235	901,388,419	45,000	157,829		25,057,545	945,479,028	7.27	4.07
Cleveland.....	4,992,878	225,789,200	150,000	391,812		8,500,891	239,824,981	14.42	4.13
Richmond.....	5,432,520	353,649,227	941,000	850,077		7,290,979	368,133,803	10.88	4.25
Atlanta.....	2,176,444	151,400,675	742,039	526,196		10,682,210	165,527,564	16.73	4.19
Chicago.....	2,873,154	393,232,013	156,750	136,263		16,452,463	412,850,676	16.71	4.21
St. Louis.....	1,309,347	192,378,989	185,000	367,761	184,727	10,739,720	205,165,544	11.00	4.15
Minneapolis.....	241,079	70,593,800	6,757,000	13,255		3,547,331	81,152,465	17.95	4.41
Kansas City.....	1,112,213	126,139,850	6,290,992	501,236		13,335,707	147,379,968	21.76	4.06
Dallas.....	377,088	119,943,750	501,036	108,217		3,941,583	129,874,721	20.43	4.46
San Francisco.....	2,039,524	158,701,200	506,250	133,441		8,044,090	179,446,505	16.96	4.50
Total.....	106,682,676	7,068,188,715	17,737,787	7,121,222	1,051,759	190,053,097	7,385,835,286	9.13	4.16

¹ Includes \$1,692,142 in the foreign trade.

Bankers' and trade acceptances in the foreign and domestic trade and finance bills purchased during the month of May, 1919, also average rates and maturities of total bills purchased by each Federal Reserve Bank.

Federal Reserve Bank.	Bankers' acceptances.			Trade acceptances.			Finance bills.	Total purchased bills.	Average maturity in days.	Average rate (365-day basis), per cent.
	In the domestic trade.	In the foreign trade.	Total.	In the domestic trade.	In the foreign trade.	Total.				
Boston.....	\$4,556,457	\$13,944,874	\$18,501,331					\$18,501,331	24.55	4.17
New York.....	14,721,195	44,181,476	58,902,671		\$1,268,962	\$1,268,962	\$550,000	60,721,633	38.47	4.19
Philadelphia.....	136,745	397,707	534,512					534,512	73.24	4.23
Cleveland.....	5,477,178	9,624,819	13,101,997	\$275,169		275,169	95,000	15,472,166	47.20	4.20
Richmond.....	1,515,242	1,276,000	2,791,242					2,791,242	62.26	4.56
Atlanta.....	2,464,678	324,000	2,788,678					2,788,678	60.50	4.56
Chicago.....	3,021,803	18,816,939	21,838,742		46,969	46,969	140,000	22,025,711	70.35	4.28
St. Louis.....	1,952,771	3,593,878	5,546,649					5,546,649	35.05	4.39
Minneapolis.....	1,202,019	3,111,271	4,313,290				283,490	4,596,780	57.04	4.20
Kansas City.....	9,595		9,595					9,595	36.77	5.07
Dallas.....	90,000	740,000	830,000					830,000	49.16	4.65
San Francisco.....	2,590,200	10,846,333	13,436,533		305,362	305,362	90,000	13,831,895	58.74	4.23
Total.....	37,737,833	106,857,357	144,595,240	275,169	1,621,293	1,896,462	1,158,490	147,650,192	45.80	4.24

Discounted bills, including member banks' collateral notes, held by each Federal Reserve Bank on the last Friday in May, 1919, distributed by classes.

[In thousands of dollars, i. e., 000 omitted.]

Federal Reserve Bank.	Agricultural paper.	Live stock paper.	Customers' paper secured by Government war obligations.	Member banks' collateral notes.		Trade acceptances.	Bankers' acceptances.	All other discounts.	Total.
				Secured by Government war obligations.	Otherwise secured.				
Boston.....			78,648	67,543	717	246	327	4,198	151,679
New York.....	223		57,612	645,640		2,112	291	24,050	729,929
Philadelphia.....	78		14,451	169,126	35	369	20	12,510	196,589
Cleveland.....	43	109	5,982	125,422	80	441		6,112	138,189
Richmond.....	3,143		13,359	68,235	866	1,264		7,230	94,097
Atlanta.....	2,491	520	4,548	67,650	672	809		8,518	85,209
Chicago.....	2,344		5,825	222,315	90	169		16,001	246,744
St. Louis.....	360	255	1,545	60,078	85	550	477	6,623	69,973
Minneapolis.....	466	2,370	184	45,000	757	5		1,763	50,545
Kansas City.....	2,483	16,947	1,632	51,396	4,981	921	6	10,974	89,340
Dallas.....	11,989	6,705	940	24,947	805			7,428	52,814
San Francisco.....	4,999	3,466	2,957	67,858	540	435	1	4,028	84,284
Total.....	28,619	30,372	187,683	1,615,210	9,628	7,321	1,122	109,435	1,989,392
Per cent.....	1.4	1.5	9.4	81.2	.5	.4	.1	5.5	160
Total May 1918.....	19,474	47,260	112,035	450,768	24,048	17,723		225,117	896,425
Per cent.....	2.1	5.3	12.5	50.3	2.7	2.0		25.1	100

Acceptances purchased and held by each Federal Reserve Bank on May 31, distributed by classes of accepting institutions.

[In thousands of dollars, i. e., 000 omitted.]

Federal Reserve Bank.	Bank acceptances.					Trade acceptances.			Grand total.	
	Member banks.	Non-member trust companies.	Non-member State banks.	Private banks.	Foreign banks, branches, and agencies.	Total.	Domestic.	Foreign.		Total.
Boston.....	12,475		84	1,904	100	14,563		110	110	14,673
New York.....	26,634	810	8,861	4,127	3,870	44,302		551	551	44,853
Philadelphia.....	476		430	172	32	1,110		3	3	1,113
Cleveland.....	14,688	1,362	2,196	1,622	1,360	21,228	136		136	21,364
Richmond.....	6,976					6,976				6,976
Atlanta.....	5,259		10			5,269				5,269
Chicago.....	27,708		326	239	131	28,404				28,404
St. Louis.....	4,298		350	141		4,789				4,789
Minneapolis.....	6,804		158	191	35	7,188				7,188
Kansas City.....	552			25		577				577
Dallas.....	793					793				793
San Francisco.....	30,078	681	6,314	6,207	5,084	48,364		1,193	1,193	49,557
Totals:										
May 31, 1919.....	136,741	2,853	18,729	14,628	10,612	183,563	136	1,857	1,993	185,556
Apr. 30, 1919.....	140,034	2,975	12,321	14,196	8,230	177,756	58	2,505	2,563	180,319
Mar. 31, 1919.....	185,207	2,172	15,561	15,263	12,885	231,088	319	4,207	4,526	235,614
May 31, 1918.....	207,917	1,330	5,168	26,217	8,398	247,030		8,276	8,276	257,306
May 28, 1917.....	62,986	23,441	525	19,912	235	107,099			2,727	109,826

Bills discounted by each Federal Reserve Bank during the three months ending May 31, 1919, distributed by rates of discount, also average rates and maturities of all bills discounted by each bank during the three months.

Federal Reserve Banks.	4 per cent.		4½ per cent.		4¾ per cent.		4¾ per cent.		Average maturity in days.	Average rate (365-day basis), per cent.
	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.		
Boston.....	\$1,176,388,245	\$686,044	\$96,384,525	\$879,518	\$932,376	\$7,053	\$6,474,629	\$45,335		
New York.....	9,284,108,778	7,139,876	81,871,968	704,471	953,061	6,925	9,877,116	73,717		
Philadelphia.....	2,678,826,383	2,091,611	12,624,859	121,082	654,504	4,968	2,258,219	13,422		
Cleveland.....	612,943,997	837,155	94,989,463	222,539	1,049,382	5,740	4,609,841	27,196		
Richmond.....	347,497,091	414,269	687,870,923	757,617	13,167,731	29,000	17,318,912	109,594		
Atlanta.....	422,183,296	697,772	22,706,650	57,871	1,400,698	10,154	14,031,667	104,264		
Chicago.....	993,415,107	1,628,502	74,120,623	184,032	11,855,638	23,263	22,527,591	171,966		
St. Louis.....	563,610,720	666,397	3,797,223	31,647	6,010,817	15,241	11,571,979	80,584		
Minneapolis.....	150,056,700	238,624	2,522,234	4,789	17,886,619	34,060	2,010,670	8,309		
Kansas City.....	109,641,500	166,035	236,743,433	413,657	23,236,965	43,207	1,901,010	12,376		
Dallas.....	295,139,724	478,993	26,267,631	54,240	2,033,741	5,563	9,156,495	52,745		
San Francisco.....			514,421,223	865,119			777,398	6,959		
Total.....	16,635,816,541	15,045,278	1,854,320,755	4,296,582	79,181,532	185,174	102,515,527	706,467		
Federal Reserve Banks.	5 per cent.		5¼ per cent.		5½ per cent.		Total.		Average maturity in days.	Average rate (365-day basis), per cent.
	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.		
Boston.....	\$400,600	\$830					\$1,250,580,375	\$1,618,780	11.11	4.15
New York.....	46,072	1,248					9,376,856,995	7,926,237	7.66	4.03
Philadelphia.....	145,000	285					2,694,508,965	2,231,368	7.42	4.07
Cleveland.....			\$269,534	\$2,628			713,867,217	1,095,268	13.57	4.13
Richmond.....	858,564	17,446					1,066,713,221	1,327,926	10.63	4.28
Atlanta.....	1,363,709	27,124					461,688,020	897,185	18.55	4.21
Chicago.....			15,000	28	\$3,665,976	\$73,294	1,105,599,935	2,083,085	10.46	4.18
St. Louis.....	20,000	44			406,809	9,326	587,419,548	803,439	14.66	4.15
Minneapolis.....	453,274	4,837			2,100,608	51,377	175,082,105	341,996	15.53	4.31
Kansas City.....	29,678,113	231,599			15,233,197	335,107	416,434,218	1,201,981	23.18	4.72
Dallas.....	9,070,883	90,517	9,024,065	198,558	210,000	485	350,903,081	890,101	20.79	4.45
San Francisco.....	11,450,332	104,233	15,000	33	4,467,437	104,530	331,137,390	1,080,874	16.60	4.48
Total.....	53,496,549	487,163	9,324,139	201,247	26,146,027	576,319	18,760,801,070	21,498,230	10.15	4.16

Acceptances purchased by each Federal Reserve Bank during the three months ending May 31, 1919, distributed by rates of discount; also average rates and maturities of acceptances purchased by each bank during the three months.

	4 per cent.		4 $\frac{1}{8}$ per cent.		4 $\frac{1}{4}$ per cent.		4 $\frac{3}{8}$ per cent.	
	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.
Boston.....	\$8,532,122	\$21,361	\$14,682,098	\$73,294	\$10,695,669	\$34,059	\$2,022,719	\$10,492
New York.....	68,980,962	154,520	23,000	70	51,123,030	314,211	18,699,056	150,171
Philadelphia.....	1,949,635	3,397			1,501,416	10,950	468,493	3,876
Cleveland.....	9,856,854	25,420	213,282	554	20,587,486	125,651	6,751,551	53,241
Richmond.....								
Atlanta.....								
Chicago.....	20,076,805	37,568			29,348,954	174,101	4,332,250	34,861
St. Louis.....	3,013,539	9,172			7,455,195	43,485	841,986	6,406
Minneapolis.....	1,683,937	5,064			16,235,582	100,307	4,084,841	32,504
Kansas City.....	472,806	1,345	669,901	4,290	3,059,564	19,636	455,341	3,799
Dallas.....								
San Francisco.....	1,258,521	1,731			19,738,844	116,406	5,508,640	44,611
Total.....	115,825,181	259,628	15,588,281	78,208	159,745,740	938,806	43,224,877	340,060

	4 $\frac{1}{4}$ per cent.		4 $\frac{3}{8}$ per cent.		4 $\frac{1}{2}$ per cent.		4 $\frac{3}{4}$ per cent.		4 $\frac{7}{8}$ per cent.	
	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.
Boston.....	\$11,672,589	\$24,027	\$1,304,696	\$6,905						
New York.....	34,486,547	106,662	667,134	6,099	\$435,971	\$3,651			\$1,092,394	\$6,869
Philadelphia.....	329,689	3,261	32,134	331						
Cleveland.....	4,263,179	22,283	1,429,244	3,514					43,795	88
Richmond.....									10,061,265	81,763
Atlanta.....	20,000	75	50,000	539					8,953,940	79,150
Chicago.....	13,413,813	134,493	2,099,697	21,506	962,008	9,697				
St. Louis.....	1,841,752	5,660	6,859,835	17,950	638,445	3,134	\$75,000	\$129	100,168	466
Minneapolis.....	424,665	3,910			16,934	167				
Kansas City.....									525,000	2,200
Dallas.....									2,293,000	13,776
San Francisco.....	3,603,478	26,451	83,489	737	7,803,102	69,462			79,000	247
Total.....	70,053,712	326,822	12,526,229	57,581	9,856,460	86,111	75,000	129	23,148,562	175,559

	4 $\frac{1}{4}$ per cent.		4 $\frac{3}{8}$ per cent.		5 per cent.		Total.		Average maturity in days.	Average rate (365 days), per cent.
	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.	Amount.	Discount.		
Boston.....			\$50,000	\$594	\$8,342	\$57	\$48,968,235	\$170,789	30.54	4.17
New York.....	\$59,818	\$271	18,572	203			175,577,484	742,727	36.84	4.19
Philadelphia.....							4,281,367	21,915	44.54	4.19
Cleveland.....			147,138	1,245			43,292,529	231,996	46.57	4.20
Richmond.....							10,061,265	81,763	65.01	4.56
Atlanta.....							9,023,940	70,764	62.76	4.56
Chicago.....							70,233,527	412,226	50.63	4.23
St. Louis.....							20,825,920	86,401	35.80	4.23
Minneapolis.....							22,445,959	141,952	55.02	4.20
Kansas City.....					704,569	7,999	5,887,181	39,269	56.01	4.35
Dallas.....			295,000	3,408			2,588,000	17,184	52.56	4.61
San Francisco.....	881,733	7,682	80,325	548			39,097,132	267,925	58.40	4.22
Total.....	932,551	7,953	591,035	5,998	712,911	8,656	452,282,539	2,284,911	43.50	4.24

OPERATIONS OF THE FEDERAL RESERVE BANKS.

Federal Reserve Bank operations during the period between May 23 and June 20 continued on a big scale, in answer to the great loan demands on the part of their members. Pressure upon their liquid resources was, however, relieved in a large degree by the very extensive operations of the Treasury, including the redemption on June 3 and 17 of the outstanding balances of the third and fourth series of Treasury certificates issued in anticipation of the Victory loan, also of two series of tax certificates in connection with the payment about June 15 of income and excess war profit taxes, besides the disbursement on June 15 of interest due on the first Liberty loan. As the combined result of these operations the Federal Reserve Banks show a net decrease of 140 millions in their holdings of war paper and of over 100 millions in their total discounts on hand. The share of war paper in the total discounts, which was nearly 91 per cent on May 23, shows a decline to about 88 per cent on June 20. For the New York Federal Reserve Bank a decrease of 124.5 millions in the amount of war paper and a gain of 16.4 millions in the total of other discounts on hand are shown.

War paper on hand includes also the amounts held under discount for other Federal Reserve Banks. The aggregate amount of such discounts increased from 109.3 millions on May 23 to 127.5 millions on June 20, these figures representing the contingent liabilities on rediscounted war paper reported for these two dates by the Philadelphia, Richmond, and Dallas banks. On the other hand, among the discounted bills held by the Cleveland, Chicago, St. Louis, and Minneapolis banks on the same dates are included the above amounts of bills discounted for the three borrowing Federal Reserve Banks.

During the latter part of the period the Federal Reserve Banks increased their holdings

of acceptances, the June 20 total of 274.7 millions being 81.5 millions in excess of the corresponding total for May 23. Purchases for account of other Federal Reserve Banks, as usual, were effected by the New York bank.

A net gain of 2.2 millions in Treasury certificates is due to additional investments in 1-year 2 per cent certificates to secure Federal Reserve bank notes; the larger gain shown on June 6 represents largely temporary certificates issued to five Federal Reserve Banks to cover advances to the Government pending receipt of funds from depositary institutions. These certificates were redeemed during the following week, and the June 13 statement accordingly shows a decrease of 23 millions under this head. Total earning assets of the Federal Reserve Banks decreased during the period by about 17.5 millions, and on June 20 stood at 2,341.5 millions.

Between May 23 and June 6, as the result of Government deposits and purchases of gold, imported from Canada for account of the British Government, the gold reserves of the banks increased from 2,178.7 to 2,201.8 millions. Since then, following the removal of the gold embargo, net withdrawals of gold for export have caused a reduction of the banks' gold reserves to 2,165.7 millions. Net deposits follow, on the whole, the same course as discounts, and on June 20 stood at 1,771.3 millions, or 26.2 millions below the May 23 total.

Federal Reserve note circulation, except for one week, shows a continuous decline, and on June 20 stood at 2,488.3 millions, a reduction of about 16 millions for the four weeks. The reserve ratio of the banks shows a maximum fluctuation between 51.8 per cent on May 29 and 53.7 per cent on the following Friday; the June 20 ratio, 52.5 per cent, is about 2 points higher than the ratio shown four weeks earlier.

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, May 29 to June 20, 1919—Continued.

[In thousands of dollars; i. e., 000 omitted.]

RESOURCES—Continued.

	Boston.	New York.	Phila- del- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Uncollected items and other deductions from gross deposits:													
May 29.....	51,919	154,077	59,387	57,242	43,542	31,933	77,861	39,368	14,705	52,261	24,381	27,963	634,639
June 6.....	53,699	162,255	61,674	48,462	60,073	33,868	71,351	46,052	12,633	49,947	23,648	27,095	650,757
June 13.....	81,508	199,236	79,784	62,749	76,885	43,340	86,048	57,731	16,062	65,813	30,787	35,419	835,362
June 20.....	86,344	198,535	81,726	79,025	67,429	35,731	107,182	46,022	14,465	62,374	31,389	37,935	848,157
5 per cent redemption fund against Federal Reserve bank notes:													
May 29.....	840	1,803	975	808	180	489	1,376	618	357	730	379	408	8,963
June 6.....	844	1,752	1,025	774	164	470	1,480	575	289	707	379	409	8,868
June 13.....	842	1,734	1,025	803	464	502	1,136	570	322	714	379	408	8,899
June 20.....	843	1,593	1,025	834	460	495	1,302	610	358	729	396	408	9,053
All other resources:													
May 29.....	511	2,804	824	762	596	334	1,251	393	232	504	701	1,063	10,035
June 6.....	421	2,911	913	822	755	351	1,331	441	244	358	740	755	10,042
June 13.....	388	2,807	977	1,402	502	387	1,362	476	252	395	755	629	10,332
June 20.....	464	3,022	1,557	888	736	385	1,547	553	175	420	764	681	11,192
Total resources:													
May 29.....	368,020	1,809,314	408,106	442,616	221,894	208,295	788,861	226,974	157,962	241,155	123,391	325,197	5,321,785
June 6.....	349,351	1,781,620	398,373	427,749	234,614	201,565	704,919	224,332	157,101	234,519	121,374	319,925	5,215,442
June 13.....	392,794	1,797,100	447,042	462,270	256,990	223,976	775,005	249,293	164,667	244,124	126,732	332,153	5,472,146
June 20.....	398,621	1,800,377	436,467	458,631	261,983	209,879	801,785	232,006	163,002	239,035	124,103	329,561	5,455,450
Includes bills discounted for other Federal Reserve Banks:													
May 29.....				35,533			52,332	10,000	15,000				112,865
June 6.....				29,781			49,458	12,000	24,000				115,239
June 13.....				15,000			58,142	14,800	27,960				115,902
June 20.....				30,000			65,874	7,600	23,980				127,454
Includes bankers acceptances bought from other Federal Reserve Banks:													
With their indorsement—													
May 29.....		858											858
June 6.....		100											100
June 13.....													
June 20.....													
Without their indorsement—													
May 29.....												26,429	26,429
June 6.....												21,916	21,916
June 13.....												26,211	26,211
June 20.....												27,475	27,475

LIABILITIES.

Capital paid in:													
May 29.....	6,852	21,345	7,632	9,225	4,195	3,245	11,440	3,865	3,000	3,785	3,235	4,770	82,589
June 6.....	6,877	21,384	7,632	9,225	4,209	3,244	11,442	3,865	3,006	3,761	3,237	4,770	82,652
June 13.....	6,877	21,394	7,633	9,232	4,209	3,247	11,446	3,867	3,006	3,761	3,238	4,774	82,674
June 20.....	6,877	21,444	7,636	9,236	4,209	3,247	11,456	3,867	3,009	3,761	3,240	4,774	82,756
Surplus fund:													
May 29.....	2,986	21,117	2,608	3,552	2,196	1,510	6,416	1,603	1,415	2,421	1,184	2,448	49,466
June 6.....	2,986	21,117	2,608	3,552	2,196	1,510	6,416	1,603	1,415	2,421	1,184	2,448	49,466
June 13.....	2,986	21,117	2,608	3,552	2,196	1,510	6,416	1,603	1,415	2,421	1,184	2,448	49,466
June 20.....	2,986	21,117	2,608	3,552	2,196	1,510	6,416	1,603	1,415	2,421	1,184	2,448	49,466
Government deposits:													
May 29.....	21,702	18,094	13,218	12,311	2,063	3,638	24,257	9,912	6,382	12,084	6,397	6,421	141,479
June 6.....	61	8,795	440	3,506	1,578	502	5,401	1,458	658	1,339	1,510	750	26,058
June 13.....	30,978	22,642	43,890	29,743	15,035	24,299	4,957	24,332	7,734	17,422	13,844	10,369	245,245
June 20.....	44,023	15,948	14,593	27,795	18,097	8,700	9,410	8,831	998	7,952	2,736	2,412	161,495
Due to members—reserve account:													
May 29.....	97,824	692,133	97,514	131,152	51,255	46,727	236,827	55,812	50,080	73,434	40,644	82,716	1,656,118
June 6.....	101,557	710,129	106,214	130,763	53,204	46,636	235,740	60,359	53,576	78,038	43,154	85,734	1,705,104
June 13.....	100,735	670,417	94,291	129,645	52,321	44,088	234,902	59,089	48,048	69,651	40,574	82,922	1,633,583
June 20.....	101,515	691,557	89,171	120,338	50,957	44,738	235,308	61,531	51,788	72,719	42,562	86,446	1,648,630
Deferred availability items:													
May 29.....	47,214	129,876	59,065	43,400	39,165	24,258	58,677	35,702	5,978	37,689	17,137	19,477	517,638
June 6.....	43,487	116,959	51,122	44,217	50,900	23,158	55,349	36,888	7,723	35,134	17,515	14,897	497,349
June 13.....	59,092	156,252	71,049	53,349	62,346	21,572	69,727	40,653	12,811	39,164	13,597	21,127	623,739
June 20.....	50,546	133,585	97,163	65,098	67,823	24,175	90,075	36,619	14,513	41,951	18,436	22,613	682,097
Other deposits, including foreign Government credits:													
May 29.....	191	136,551	722	1,679	199	142	2,520	875	426	1,157	169	5,693	150,324
June 6.....	1,556	118,557	730	506	304	293	2,647	882	1,170	1,607	239	5,873	134,364
June 13.....	353	111,188	1,012	705	106	155	2,092	878	765	1,062	77	6,172	127,565
June 20.....	232	111,861	1,061	666	299	341	3,384	763	1,698	884	227	5,878	127,264

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, May 29 to June 20, 1919—Continued.

[In thousands of dollars; i. e., 000 omitted.]

LIABILITIES—Continued.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Total gross deposits:													
May 29.....	166,931	976,654	170,519	188,542	92,682	79,765	322,281	102,301	62,866	121,364	64,347	114,307	2,465,559
June 6.....	146,661	954,440	158,506	178,992	105,986	70,649	299,137	99,587	63,127	116,118	62,418	107,251	2,362,875
June 13.....	191,158	969,499	210,242	213,442	129,808	93,114	311,678	124,952	70,258	127,299	68,092	120,590	2,630,132
June 20.....	196,316	972,951	201,988	213,897	136,676	77,954	338,177	107,744	68,967	123,596	63,961	117,349	2,619,196
Federal Reserve notes in actual circulation:													
May 29.....	172,171	742,390	205,734	223,599	115,484	113,350	422,327	104,180	83,894	95,585	46,268	194,310	2,519,292
June 6.....	173,771	736,471	207,332	218,094	114,780	115,569	421,046	103,909	82,629	97,102	46,122	195,989	2,513,037
June 13.....	172,632	736,288	203,710	217,934	112,964	115,128	418,271	103,159	82,975	95,993	45,517	194,694	2,499,265
June 20.....	172,757	735,226	200,619	213,454	110,852	115,995	417,700	102,740	82,417	94,623	46,683	195,182	2,488,253
Federal Reserve bank notes in circulation—net liability:													
May 29.....	16,356	34,730	18,609	15,191	5,524	9,023	22,680	13,751	5,755	12,967	7,020	6,821	168,427
June 6.....	16,208	34,317	19,101	15,237	5,564	9,130	22,990	14,632	5,833	13,021	7,030	6,783	169,246
June 13.....	16,190	34,490	19,564	15,324	5,876	9,458	23,202	14,341	5,883	12,488	7,200	6,831	170,937
June 20.....	16,638	34,692	20,190	15,588	5,997	9,567	23,780	14,669	5,918	12,400	7,563	6,833	173,775
All other liabilities:													
May 29.....	2,714	13,078	3,004	2,507	1,813	1,402	3,717	1,274	1,032	2,033	1,337	2,541	36,452
June 6.....	2,838	13,688	3,174	2,649	1,879	1,463	3,888	1,336	1,091	2,096	1,383	2,681	38,166
June 13.....	2,941	14,322	3,285	2,786	1,937	1,519	3,992	1,371	1,130	2,162	1,411	2,816	39,672
June 20.....	3,037	14,947	3,426	2,904	2,053	1,606	4,256	1,443	1,276	2,324	1,467	2,975	41,714
Total liabilities:													
May 29.....	368,020	1,809,314	408,106	442,616	221,894	208,295	788,861	226,974	157,962	241,155	123,391	325,197	5,321,785
June 6.....	349,351	1,781,620	398,373	427,749	234,614	201,565	764,919	224,332	157,101	234,519	121,374	319,925	5,215,442
June 13.....	392,794	1,797,160	447,042	462,270	256,990	223,976	775,005	249,293	164,667	244,124	126,732	332,153	5,472,146
June 20.....	398,621	1,800,377	436,467	458,631	261,983	209,879	801,785	232,006	163,002	230,035	124,103	329,561	5,455,450
MEMORANDA.													
Contingent liability as indorser on—													
Discounted paper rediscounted with other Federal Reserve banks—													
May 29.....			35,533		45,000						32,332		112,865
June 6.....			35,281		50,000						29,958		115,239
June 13.....			36,366		50,000						29,536		115,902
June 20.....			36,907		45,000						25,487		127,454
Bankers' acceptances sold to other Federal Reserve banks—													
May 29.....	858												858
June 6.....	100												100
June 13.....													
June 20.....													

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

[In thousands of dollars, i. e., 000 omitted.]

	Within 15 days.	16 to 30 days.	31 to 60 days.	61 to 90 days.	Over 90 days.	Total.
Bills discounted:						
May 29.....	1,727,796	35,738	141,123	60,509	24,226	1,989,392
June 6.....	1,542,468	37,495	144,953	61,398	24,810	1,811,124
June 13.....	1,577,715	42,424	156,588	75,137	26,310	1,878,174
June 20.....	1,508,510	57,993	186,835	54,885	29,217	1,837,440
Bills bought:						
May 29.....	52,301	39,711	69,632	22,006		183,650
June 6.....	57,726	42,542	71,657	26,382		198,307
June 13.....	61,213	48,315	82,965	42,044		234,537
June 20.....	61,406	60,662	99,848	52,820		274,736
United States certificates of indebtedness:						
May 29.....	30,938	3,318	765	13,726	153,053	201,800
June 6.....	53,579	411	391	7,121	166,051	227,553
June 13.....	30,235	162	632	11,130	162,246	204,405
June 20.....	25,097	244	235	13,036	163,271	201,883

FEDERAL RESERVE NOTES.

Federal Reserve note account of each Federal Reserve Bank at close of business on Fridays, May 29 to June 20, 1919.

[In thousands of dollars, i. e., 000 omitted.]

	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	Atlan- ta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Federal Reserve notes received from agents:													
May 29.....	178,160	818,059	217,083	235,467	120,020	117,117	453,179	117,958	85,829	102,054	47,788	215,733	2,708,447
June 6.....	181,545	824,619	219,867	232,494	117,856	119,491	455,021	118,147	84,783	103,258	48,064	217,461	2,722,606
June 13.....	179,902	827,811	216,888	230,719	116,714	120,958	450,036	116,603	85,379	102,231	47,039	215,615	2,709,895
June 20.....	180,293	819,149	213,899	228,437	115,386	119,455	447,539	117,366	84,999	101,655	47,925	217,095	2,693,198
Federal Reserve notes held by banks:													
May 29.....	5,989	75,669	11,349	11,868	4,536	3,767	30,852	13,778	1,935	6,469	1,520	21,423	189,155
June 6.....	7,774	87,945	12,515	14,400	3,076	3,922	33,975	14,238	2,154	6,156	1,942	21,472	209,569
June 13.....	7,270	91,523	13,178	12,785	3,750	5,830	31,765	13,444	2,404	6,238	1,522	20,921	210,630
June 20.....	7,536	83,923	13,280	14,983	4,534	3,460	29,839	14,626	2,582	7,032	1,237	21,913	204,945
Federal Reserve notes in actual circulation:													
May 29.....	172,171	742,390	205,734	223,599	115,484	113,350	422,327	104,180	83,894	95,585	46,268	194,310	2,519,292
June 6.....	173,771	736,674	207,352	218,094	114,780	115,569	421,046	103,909	82,629	97,102	46,122	195,989	2,513,037
June 13.....	172,632	736,288	203,710	217,934	112,964	115,128	418,271	103,159	82,975	95,993	45,517	194,694	2,499,265
June 20.....	172,757	735,226	200,619	213,454	110,852	115,995	417,700	102,740	82,417	94,623	46,688	195,182	2,488,253
Gold deposited with or to credit of Federal Reserve agent:													
May 29.....	56,893	286,920	68,375	130,019	31,554	42,592	266,485	56,804	40,263	29,957	16,594	105,269	1,131,725
June 6.....	54,279	285,268	75,259	132,847	32,960	49,597	248,326	58,573	38,617	28,561	16,264	118,957	1,139,508
June 13.....	51,135	284,281	71,181	126,171	31,018	47,647	253,341	56,528	38,213	27,255	15,810	110,390	1,117,970
June 20.....	58,526	292,876	72,792	119,789	34,160	43,715	255,844	55,532	37,433	26,278	15,920	114,351	1,127,216
Paper delivered to Federal Reserve agent:													
May 29.....	166,352	774,782	151,084	158,956	92,418	83,681	274,317	63,987	49,774	89,917	53,652	120,361	2,079,281
June 6.....	155,622	725,389	157,947	143,626	89,244	78,414	244,064	65,502	52,803	82,216	53,040	107,629	1,955,496
June 13.....	168,916	732,748	154,213	160,109	93,837	79,568	243,555	68,600	51,140	82,268	51,033	115,216	2,001,203
June 20.....	167,768	705,243	146,638	158,835	98,546	80,952	273,073	70,126	62,500	90,588	48,301	107,544	2,010,114

Federal Reserve note account of each Federal Reserve agent at close of business on Fridays, May 29 to June 20, 1919.

[In thousands of dollars, i. e., 000 omitted.]

	Boston.	New York.	Phila- del- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chi- cago.	St. Louis.	Minne- apolis	Kansas City.	Dallas.	San Franc- isco.	Total.
FEDERAL RESERVE NOTES.													
Received from Comptroller:													
May 29.....	307,200	1,546,780	359,740	353,400	223,220	225,000	608,600	197,040	131,880	164,800	103,160	276,260	4,497,080
June 6.....	312,280	1,566,880	373,300	354,000	223,620	227,000	609,720	198,660	131,880	166,800	103,160	280,300	4,547,600
June 13.....	317,800	1,580,880	390,980	356,100	224,120	229,600	619,680	200,740	132,880	167,300	103,560	282,020	4,605,660
June 20.....	317,800	1,587,580	396,980	357,100	225,120	232,000	620,600	201,860	132,880	167,500	103,560	285,540	4,628,520
Returned to Comptroller:													
May 29.....	104,520	585,121	136,617	85,413	74,212	47,988	124,741	59,702	30,911	48,366	31,667	54,527	1,383,785
June 6.....	107,135	598,661	142,233	89,086	76,806	48,984	130,579	62,933	32,057	49,762	31,996	56,839	1,427,071
June 13.....	110,278	612,069	146,812	92,261	78,748	50,933	139,284	64,977	32,961	51,069	32,951	60,405	1,472,748
June 20.....	112,887	627,431	151,201	95,143	80,607	51,865	144,181	65,974	33,741	52,045	33,340	62,445	1,510,860
Chargeable to Federal Reserve agent:													
May 29.....	202,680	961,659	223,123	267,987	149,008	177,012	483,859	137,338	100,969	116,434	71,493	221,733	3,113,295
June 6.....	205,145	968,219	231,067	264,914	146,814	178,016	479,141	135,727	99,823	117,038	71,164	223,461	3,120,529
June 13.....	207,522	968,811	244,168	263,839	145,372	178,667	480,396	135,763	99,919	116,231	70,609	221,615	3,132,912
June 20.....	204,918	960,149	245,779	261,957	144,513	180,135	476,419	135,886	99,139	115,455	70,220	223,095	3,117,660
In hands of Federal Reserve agent:													
May 29.....	24,520	143,600	6,040	32,520	28,988	59,895	30,680	19,380	15,140	14,380	23,705	6,000	404,848
June 6.....	23,600	143,600	11,200	32,420	28,958	58,525	24,120	17,580	15,040	13,780	23,100	6,000	397,923
June 13.....	27,620	141,000	27,280	33,120	28,658	57,709	30,360	19,160	14,540	14,000	23,570	6,000	423,017
June 20.....	24,620	141,000	31,880	33,520	29,127	60,680	28,880	18,520	14,140	13,800	22,295	6,000	424,462
Issued to Federal Reserve Bank less amount returned to Federal Reserve agent for redemption:													
May 29.....	178,160	818,059	217,083	235,467	120,020	117,117	453,179	117,958	85,829	102,054	47,788	215,733	2,708,447
June 6.....	181,545	824,619	219,867	232,494	117,856	119,491	455,021	118,147	84,783	103,258	48,064	217,461	2,722,606
June 13.....	179,902	827,811	216,888	230,719	116,714	120,958	450,086	116,603	85,379	102,231	47,039	215,615	2,709,895
June 20.....	180,293	819,149	213,899	228,437	115,886	119,455	447,539	117,366	84,999	101,655	47,925	217,095	2,693,198
Collateral held as security for outstanding notes:													
Gold coin and certificates on hand—													
May 29.....		183,740		17,625		2,500			13,052		11,581		228,498
June 6.....		183,740		20,625		2,500			13,052		11,581		231,498
June 13.....		183,740		14,125		2,500			13,052		11,581		224,998
June 20.....		183,740		8,125		2,500			13,052		11,581		218,998
Gold redemption fund—													
May 29.....	9,893	13,180	14,486	12,394	2,554	3,092	5,340	3,374	2,411	2,597	2,829	15,101	87,251
June 6.....	11,279	11,528	13,870	12,222	1,960	4,097	5,502	2,142	1,265	3,201	2,499	14,148	83,713
June 13.....	11,135	10,541	14,792	12,046	2,018	2,147	4,797	4,098	2,361	1,895	2,545	12,847	81,222
June 20.....	11,526	9,136	14,903	11,664	2,160	4,215	8,900	3,101	3,581	2,918	2,655	12,058	86,817
Gold settlement fund, Federal Reserve Board—													
May 29.....	47,000	90,000	53,889	100,000	29,000	37,000	261,145	53,430	24,800	27,360	2,184	90,168	815,976
June 6.....	43,000	90,000	61,389	100,000	31,000	43,000	242,824	56,431	24,300	25,360	2,184	104,809	824,297
June 13.....	40,000	90,000	56,389	100,000	29,000	43,000	253,544	52,430	22,800	25,360	1,684	97,543	811,750
June 20.....	47,000	100,000	57,889	100,000	32,000	37,000	246,944	52,431	20,800	23,360	1,684	102,293	821,401
Eligible paper minimum required:¹													
May 29.....	121,267	531,139	148,708	105,448	88,466	74,525	186,694	61,154	45,566	72,097	31,194	110,464	1,576,722
June 6.....	127,266	539,351	144,608	99,647	84,896	69,894	206,695	59,574	46,166	74,697	31,800	98,504	1,583,098
June 13.....	128,767	543,530	145,707	104,548	85,696	73,311	191,695	60,075	47,166	74,976	31,229	105,225	1,591,925
June 20.....	121,767	526,273	141,107	108,648	81,228	75,740	191,695	61,834	47,566	75,377	32,005	102,744	1,565,982

¹ For actual amounts, see "Paper delivered to Federal Reserve agent," on p. 690.

CONDITION OF SELECTED MEMBER BANKS.

Substantial liquidation of Treasury certificates issued in anticipation of the Victory loan and of taxes due about the middle of June, offset in a measure by the increase in other loans and investments, accounts for the principal change in the condition of 771 reporting member banks in leading cities between May 23 and June 20. For the four weeks under review the total of Liberty bonds and Victory notes held among the assets of these banks shows an increase of 162.7 millions, while the total of Treasury certificates during the same interval declined by 737.2 millions. The result is a net decrease by 574.5 millions in the banks' holdings of United States war securities. As against this very substantial decline, the amount of war paper on hand increased by 258.7 millions. Aggregate holdings of United States war securities and war paper from 3,822.3 millions on May 23 reached the high level of 4,019.9 millions on June 6, following the final allotment of Victory notes to large subscribers. Since then, as the result of the redemption of Treasury certificates and the absorption by the public of Victory notes, the total declined to 3,506.4 millions.

For the New York City member banks liquidation of 398.4 millions of Treasury certificates and an increase of 115.1 millions in other United States war securities are noted. For the member banks in the 12 Federal Reserve Bank cities corresponding changes include a decrease of 574.9 millions in certificate holdings as against an increase of 122.3 in other United States war securities.

Other loans and investments show a continuous upward course until June 13, when the maximum of 10,772.9 millions is shown. Of the total increase of 257.8 millions under this head over 43 per cent is the share of the New York City banks. On the following Friday this item shows a decline of 61 millions for all reporting banks and a corresponding decline of 45.6 millions for the banks in New York City alone.

Of the aggregate loans and investments of all reporting banks the combined holdings of United States war securities and war paper on June 20 constituted 24.2 per cent, compared with 26.2 per cent on May 23 and 26.9 per cent two weeks later. For the New York City banks this ratio shows a rise from 28.4 per cent on May 23 to 30.5 per cent on June 6 and a subsequent decline to 27.2 per cent.

Government deposits increased from 627.9 millions on May 23 to 1,180.6 millions on June 6 and on June 20 stood at 823.2 millions. Other demand deposits (net), except for the last week under review, show a movement opposite to that disclosed by Government deposits. The large decline under this head shown on June 20 is caused apparently by the large tax payments made about June 15. Only nominal changes are shown in the total of time deposits and of cash in vault, while reserve balances (all with the Federal Reserve Banks) show a decline from about 1,298 to about 1,269 millions, the lowest figure of 1,257.5 millions on June 13 coinciding with a maximum of loans and investments on the one hand and of demand deposits on the other.

Principal resources and liabilities of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve Branch cities, as at close of business on Fridays from May 29 to June 20, 1919—Continued.

3. MEMBER BANKS IN FEDERAL RESERVE BRANCH CITIES.

[In thousands of dollars, i. e., 000 omitted.]

	New York. ¹	Cleveland. ²	Richmond. ³	Atlanta. ⁴	Chicago. ⁵	St. Louis. ⁶	Kansas City. ⁷	Dallas. ⁸	San Francisco. ⁹	Total.
Number of reporting banks:										
May 29.....	3	39	19	21	12	17	17	6	28	162
June 6.....	4	38	19	21	12	17	17	6	28	162
June 13.....	5	38	19	21	12	17	17	6	28	163
June 20.....	5	38	19	21	12	17	17	6	28	163
United States bonds to secure circulation:										
May 29.....	1,500	23,616	5,091	5,185	1,805	5,205	4,487	1,255	8,485	56,629
June 6.....	1,599	24,027	5,391	5,185	1,805	5,155	4,487	1,255	8,485	57,389
June 13.....	1,599	24,027	5,411	5,085	1,805	5,155	4,487	1,255	8,485	57,309
June 20.....	1,600	24,027	5,411	5,085	1,805	5,155	4,487	1,255	8,485	57,310
Other United States bonds, including Liberty bonds:										
May 29.....	8,398	51,890	11,264	17,801	24,587	12,115	9,986	1,932	17,259	155,232
June 6.....	3,735	43,321	9,372	10,345	15,838	7,388	7,634	2,073	15,570	115,276
June 13.....	4,106	41,563	9,223	10,035	15,491	6,964	6,813	1,981	14,968	111,144
June 20.....	3,773	41,935	9,048	10,018	15,667	6,815	6,511	2,114	14,833	110,714
United States Victory notes:										
May 29.....	15,707	32,976	3,370	10,954	17,962	8,112	2,253	98	6,241	97,673
June 6.....	9,594	31,360	3,480	9,800	17,423	7,074	3,622	98	6,395	88,846
June 13.....	9,371	29,583	3,140	9,550	16,330	6,472	2,972	94	5,431	82,943
United States certificates of indebtedness:										
May 29.....	10,933	77,511	32,679	36,885	64,528	15,850	18,027	5,885	45,626	307,924
June 6.....	9,918	84,348	40,962	35,101	64,335	13,994	15,858	5,539	39,825	309,880
June 13.....	10,698	73,800	40,337	34,201	71,305	14,572	15,789	5,583	39,421	305,706
June 20.....	8,726	52,306	33,471	28,651	62,998	11,562	13,850	5,360	31,102	248,026
Total United States securities owned:										
May 29.....	20,831	153,017	49,034	59,871	90,920	33,170	32,500	9,072	71,370	519,785
June 6.....	30,959	184,672	59,095	61,585	99,940	34,649	30,232	8,965	70,121	580,218
June 13.....	25,997	170,750	58,451	59,121	106,024	33,765	30,711	8,917	69,269	563,005
June 20.....	23,470	147,851	51,070	53,304	96,800	30,004	27,820	8,823	59,851	498,993
Loans secured by United States bonds, Victory notes, and certificates:										
May 29.....	6,980	66,330	13,183	13,358	9,939	6,214	7,290	449	7,764	131,507
June 6.....	7,479	67,227	12,011	13,292	10,620	6,720	7,591	752	7,585	133,277
June 13.....	10,549	68,578	12,690	12,833	10,617	6,884	6,531	731	7,082	136,495
June 20.....	10,462	66,627	12,522	13,443	13,383	6,593	6,657	729	7,053	137,469
All other loans and investments:										
May 29.....	62,305	520,383	119,725	163,525	263,448	107,996	151,814	14,333	217,546	1,621,075
June 6.....	63,867	527,510	114,531	162,252	261,198	108,114	153,390	14,283	217,801	1,622,946
June 13.....	75,384	530,959	115,924	166,681	276,363	107,806	151,799	14,475	220,253	1,659,644
June 20.....	73,970	520,369	117,455	168,617	273,485	106,892	155,871	14,741	221,787	1,653,187
Total loans and investments:										
May 29.....	90,116	739,730	181,942	236,754	364,307	147,380	191,604	23,854	296,680	2,272,367
June 6.....	102,305	779,409	185,637	237,129	371,758	149,483	191,213	24,000	295,507	2,336,441
June 13.....	111,930	770,287	187,065	238,635	393,004	148,455	189,041	24,123	296,604	2,339,144
June 20.....	107,902	734,847	181,047	235,364	383,668	143,489	190,348	24,293	288,691	2,289,649
Reserve with Federal Reserve Bank:										
May 29.....	4,926	49,949	12,229	16,559	25,090	9,653	17,324	1,461	21,866	159,057
June 6.....	5,392	51,535	12,547	16,977	23,303	10,754	16,773	1,642	22,460	161,383
June 13.....	6,675	48,290	12,607	14,734	24,521	9,918	13,579	1,496	21,928	153,748
June 20.....	6,254	43,193	12,141	15,603	24,797	9,710	14,104	1,096	22,160	149,058
Cash in vault:										
May 29.....	1,294	14,547	4,476	6,016	12,001	4,039	5,393	519	7,220	55,505
June 6.....	1,481	16,645	5,931	6,454	12,425	3,855	5,539	648	8,008	60,986
June 13.....	1,807	14,382	5,642	6,275	26,266	3,688	5,621	640	7,143	71,464
June 20.....	1,654	16,040	5,854	6,003	12,383	3,792	5,570	737	6,965	58,998
Net demand deposits on which reserve is computed:										
May 29.....	50,570	460,401	106,464	137,570	180,681	83,873	133,579	10,874	172,235	1,336,247
June 6.....	53,467	439,363	102,718	140,728	174,849	86,080	135,123	11,214	172,497	1,316,089
June 13.....	69,684	440,135	107,450	141,379	185,004	86,070	135,472	11,364	176,425	1,352,983
June 20.....	64,645	435,123	103,746	140,663	176,464	84,131	133,423	10,877	171,828	1,320,900
Time deposits:										
May 29.....	13,626	92,951	14,793	61,863	172,625	25,634	37,771	5,918	93,588	518,769
June 6.....	13,489	92,451	14,966	6,0887	173,487	25,587	38,695	6,027	93,450	519,039
June 13.....	13,665	93,068	14,815	61,334	173,739	25,477	38,863	6,024	92,916	519,901
June 20.....	13,192	92,612	16,383	61,254	173,066	25,655	38,899	6,064	93,126	520,251
Government deposits:										
May 29.....	7,601	34,673	8,919	16,766	10,552	8,571	5,294	646	4,434	97,456
June 6.....	17,522	87,838	20,583	26,613	15,204	11,815	6,826	592	6,379	193,372
June 13.....	13,654	71,129	16,223	13,985	27,315	7,267	5,180	236	2,340	157,329
June 20.....	10,707	58,857	14,705	10,715	25,258	5,145	3,879	.....	2,011	131,277

¹ Buffalo.
² Pittsburgh and Cincinnati.
³ Baltimore.

⁴ New Orleans, Jacksonville, and Birmingham.
⁵ Detroit.
⁶ Louisville, Memphis, and Little Rock.

⁷ Omaha and Denver.
⁸ El Paso.
⁹ Spokane, Portland, Seattle, and Salt Lake City.

IMPORTS AND EXPORTS OF GOLD AND SILVER.

Gold imports into and exports from the United States.

[In thousands of dollars; i. e., 000 omitted.]

	10 days ending May 20, 1919.	10 days ending May 31, 1919.	10 days ending June 10, 1919.	Total since Jan. 1, 1919.	Total Jan. 1, 1918, to June 7, 1918.
IMPORTS.					
Ore and base bullion	216	423	531	7,277	5,545
Bullion, refined	16	61	19,151	26,505	6,351
United States coin			10	10,220	6,629
Foreign coin					142
Total	232	484	19,692	44,002	18,667
EXPORTS.					
Domestic:					
Ore and base bullion		8		14	48
United States mint or assay office bars				277	361
Bullion, refined				1	3,386
Coin	696	200	353	14,054	15,303
Total	696	208	353	14,346	19,098
Foreign coin			2	43	322
Total exports	696	208	355	14,389	19,420

Excess of gold imports over exports since Jan. 1, 1919, \$29,613,000.

Excess of gold imports over exports since Aug. 1, 1914, \$1,101,019,000.

Silver imports into and exports from the United States.

[In thousands of dollars; i. e., 000 omitted.]

	10 days ending May 20, 1919.	10 days ending May 31, 1919.	Total, Jan. 1 to May 31, 1919.	Total, Jan. 1 to May 31, 1918.	10 days, ending June 10, 1919.	Total, since Jan. 1, 1919.
IMPORTS.						
Ore and base bullion	1,166	3,837	28,254	12,312	2,260	30,514
United States mint or assay office bars				46		
Bullion, refined	162	136	4,246	15,942	282	4,528
United States coin	14	23	292	327	20	312
Foreign coin	86	231	2,719	2,713	242	2,961
Total	1,428	4,227	35,511	31,340	2,804	38,315
EXPORTS.						
Domestic:						
Ore and base bullion			4	6		4
United States mint or assay office bars		357	69,599	19,729		69,599
Bullion, refined	761	4,056	51,100	58,854	1,896	52,996
Coin	168	325	1,276	937	198	1,474
Total	929	4,738	121,979	79,526	2,094	124,073
Foreign:						
Bullion, refined	430	582	5,669	1,858	51	5,720
Coin	10	204	1,849	3,832	79	1,928
Total	440	786	7,518	5,690	130	7,648
Total exports	1,369	5,524	129,497	85,216	2,224	131,721

Excess of silver exports over imports since Jan. 1, 1919, \$93,406,000.

Excess of silver exports over imports since Aug. 1, 1914, \$373,166,000.

OPERATION OF THE FEDERAL RESERVE CLEARING SYSTEM MAY 16 TO JUNE 15, 1919.

	Items drawn on banks in Federal Reserve city (daily average).		Items drawn on banks in district outside Federal Reserve city (daily average).		Total items drawn on banks in own Federal Reserve district (daily average).	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
Boston.....	18,594	\$23,407,351	88,449	\$12,511,577	107,043	\$35,918,928
New York.....	20,498	67,071,862	133,852	71,519,188	154,350	138,591,050
Philadelphia.....	43,263	28,258,518	48,426	6,278,921	91,689	34,537,439
Cleveland.....	5,724	7,054,469	70,585	23,940,665	76,309	30,995,134
Richmond.....	2,558	6,069,348	53,184	15,340,286	55,742	21,409,634
Atlanta.....	3,477	2,364,910	28,793	7,262,595	32,270	9,627,505
Chicago.....	17,855	27,467,000	73,886	12,605,000	91,741	40,072,000
St. Louis.....	5,858	9,058,691	42,648	7,988,416	48,506	17,045,107
Minneapolis.....	5,377	9,165,815	25,146	2,439,838	30,523	11,605,653
Kansas City.....	5,696	10,328,080	67,401	13,973,894	73,097	24,301,974
Dallas.....	1,544	2,430,375	26,477	9,873,561	28,021	12,303,936
San Francisco.....	2,244	3,920,154	37,610	7,597,023	39,854	11,517,177
Total:						
May 16 to June 15, 1919.....	132,688	196,594,573	696,457	191,330,944	829,145	387,925,517
Apr. 16 to May 15, 1919.....	129,378	176,737,129	665,641	163,067,746	795,019	339,804,875
Mar. 16 to Apr. 15, 1919.....	138,817	197,456,121	686,512	167,142,262	825,329	364,598,383
May 16 to June 15, 1918.....	51,055	164,539,000	295,056	113,407,619	346,111	277,946,619

	Items drawn on banks in other districts (daily average).		Items handled by both parent banks and branches (daily average).		Items drawn on the Treasurer of the United States (daily average).		Number member banks in district.	Number non-member banks on par list.	Incorporated banks other than mutual savings banks not on par list.
	Number.	Amount.	Number.	Amount.	Number.	Amount.			
Boston.....	11,096	\$10,934,298			8,784	\$1,439,061	429	241	
New York.....	32,312	18,061,461	2,371	\$1,426,455	45,904	23,130,675	734	318	
Philadelphia.....	21,769	8,554,329			8,153	2,125,164	667	361	
Cleveland.....	3,160	3,366,553	1,474	2,138,539	7,542	1,558,411	825	833	46
Richmond.....	7,450	5,821,341	463	983,994	2,960	495,221	572	339	215
Atlanta.....	3,409	3,367,443	3,917	1,699,434	4,894	1,089,825	424	329	1,083
Chicago.....	5,703	1,066,000	365	344,000	14,407	2,028,000	1,351	3,080	1,247
St. Louis.....	805	520,997	882	383,052	7,097	795,023	526	1,483	1,088
Minneapolis.....	1,502	1,522,078			1,352	195,178	882	1,307	1,150
Kansas City.....	6,842	4,975,005	3,637	2,089,358	7,349	444,791	1,002	2,279	1,544
Dallas.....	4,081	2,182,035	1,416	243,594	4,081	2,182,035	744	301	966
San Francisco.....	1,220	1,535,274	3,735	2,317,905	5,725	12,833,215	669	911	817
Total:									153
May 16 to June 15, 1919.....	99,349	61,906,814	18,260	11,626,331	118,248	48,316,599	8,825	11,782	8,309
Apr. 16 to May 15, 1919.....	95,541	57,858,264	15,798	7,613,957	157,820	45,278,441	8,786	11,288	8,762
Mar. 16 to Apr. 15, 1919.....	101,329	59,610,264	16,958	9,029,805	137,228	48,892,574	8,758	11,060	9,003
May 16 to June 15, 1918.....	54,132	55,703,310	7,623	12,355,115	77,750	39,054,003	8,165	9,710	

Estimated general stock of money, money held by Treasury, and by the Federal Reserve system, and all other money in the United States, June 1, 1919.

	General stock of money in the United States.	Held in the United States Treasury as assets of the Government. ¹	Held by or for Federal Reserve banks and agents.	Held outside the United States Treasury and Federal Reserve system.	Amount per capita outside the United States Treasury and the Federal Reserve system.
Gold coin ²	\$3,092,037,699	\$367,801,295	\$1,539,887,136	\$389,647,067	.....
Gold certificates.....	.....	.....	445,204,280	349,497,981	.....
Standard silver dollars.....	308,978,930	45,794,389	.....	81,784,757	.....
Silver certificates.....	.....	.....	4,897,624	174,744,228	.....
Subsidiary silver.....	243,679,762	12,314,657	\$ 4,081,789	227,283,316	.....
Treasury notes of 1890.....	.....	.....	.....	1,757,932	.....
United States notes.....	346,681,016	12,453,649	\$ 57,850,495	276,376,872	.....
Federal Reserve notes.....	2,702,716,345	43,239,078	153,299,985	2,506,177,282	.....
Federal Reserve bank notes.....	175,220,320	19,258,416	7,056,264	148,910,640	.....
National bank notes.....	722,764,920	60,459,406	9,572,952	652,732,562	.....
Total:					
June 1, 1919.....	7,592,078,992	561,315,890	2,221,850,525	4,808,912,577	\$44.75
May 1, 1919.....	7,614,749,260	553,979,534	2,215,178,577	4,845,591,149	45.15
Apr. 1, 1919.....	7,586,752,855	550,628,454	2,195,151,766	4,840,972,635	45.17
Mar. 1, 1919.....	7,566,299,924	545,695,945	2,169,183,676	4,851,420,303	45.33
Feb. 1, 1919.....	7,611,628,810	489,831,726	2,252,757,560	4,869,039,524	45.56
Jan. 1, 1919.....	7,780,793,606	454,948,160	2,220,705,767	5,105,139,679	47.83
Oct. 1, 1918.....	7,391,008,277	380,246,203	2,084,774,897	4,925,987,177	46.34
July 1, 1918.....	6,742,225,784	356,124,750	2,018,361,825	4,367,739,209	41.31
Jan. 1, 1918.....	6,236,188,271	277,043,358	1,723,570,291	4,235,584,622	40.53
Apr. 1, 1917.....	5,312,109,272	258,198,442	952,934,705	4,100,976,125	39.54
Feb. 1, 1917.....	5,045,213,347	279,079,137	849,661,792	3,916,472,418	37.88

¹ Includes reserve funds against issues of United States notes and Treasury notes of 1890 and redemption funds held against issues of national bank notes, Federal Reserve notes, and Federal Reserve Bank notes.

² Includes balances in gold settlement fund standing to the credit of the Federal Reserve Banks and agents.

³ Includes standard silver dollars.

⁴ Includes Treasury notes of 1890.

DISCOUNT RATES.

Discount rates of each Federal Reserve Bank approved by the Federal Reserve Board up to June 30, 1919.

Federal Reserve Bank.	Discounts other than trade acceptances.						Trade acceptances.		
	Secured by U. S. Government war obligations.			Otherwise secured, also unsecured, maturing within—				Maturing within—	
	Maturing within 15 days, including member banks' collateral notes.		Maturing within 16 to 90 days.	15 days, including member banks' collateral notes.	16 to 60 days.	61 to 90 days.	91 to 180 days (agricultural and live-stock paper).	15 days.	16 to 90 days.
	Secured by U. S. certificates of indebtedness.	Secured by Liberty bonds and Victory notes.							
Boston.....	4	4	4½	4	4½	4½	5	4	4½
New York.....	4	4	4½	4	4½	4½	5	4	4½
Philadelphia.....	4	4	4½	4	4½	4½	5	4	4½
Cleveland.....	4	4	4½	4½	4½	4½	5½	4½	4½
Richmond.....	4	4½	4½	4½	4½	4½	5	4½	4½
Atlanta.....	4	4	4½	4½	4½	4½	5	4½	4½
Chicago.....	3 4	4½	4½	4½	4½	4½	5½	4½	4½
St. Louis.....	4	4	4½	4	4½	4½	5½	4	4½
Minneapolis.....	4	4	4½	4½	4½	4½	5½	4½	4½
Kansas City.....	3 4	4½	4½	4½	4½	4½	5	4½	4½
Dallas.....	4	4	4½	4½	4½	4½	5	4½	4½
San Francisco.....	4½	4½	4½	4½	5	5	5½	4½	4½

¹ Rates for discounted bankers' acceptances maturing within 15 days, 4 per cent; within 16 to 60 days, 4½ per cent; within 61 to 90 days, 4½ per cent.

² Rate of 4 per cent on paper secured by fourth Liberty loan bonds where paper rediscounted has been taken by discounting member banks at rates not exceeding interest rate on bonds.

³ Applies only to member banks' collateral notes; rate of 4½ per cent on customers' paper.

⁴ Rate of 4½ per cent on member banks' collateral notes.

NOTE 1.—Acceptances purchased in open market, minimum rate 4 per cent.

NOTE 2.—Rates on paper secured by War Finance Corporation bonds, 1 per cent higher than on commercial paper of corresponding maturity.

NOTE 3.—Whenever application is made by member banks for renewal of 15-day paper the Federal Reserve Banks may charge a rate not exceeding that for 90-day paper of the same class.

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