

# FEDERAL RESERVE BULLETIN

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FEDERAL RESERVE BOARD  
AT WASHINGTON

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JUNE, 1920



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1920.

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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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No 6.

## REVIEW OF THE MONTH.

Treasury finance during the month of May has involved no striking de-

**Treasury fi-** partures from the condition of  
**nance.** affairs established during April.

Expenditures exclusive of public debt transactions during the month amounted to \$395,475,235.43, while receipts on the same basis amounted to \$257,501,375.32, leaving a deficit of \$137,973,860.11. On May 17, an issue of Treasury certificates of indebtedness amounting to \$102,863,000 was placed on the market at 5½ per cent, the subscriptions growing out of it amounting in the aggregate to \$125,000,000. Interest payments on the second Liberty loan were payable on May 15, the total amount due being \$71,224,000. Inasmuch as May 15 was the latest date for the conversion of the second 4 per cent Liberty bonds into the 4¼ per cent issue, coupons on the old bonds having been exhausted at the last interest period, the process of conversion during the early part of May was actively carried forward. The bulk of the new bonds issued were at the 4¼ per cent rate, only a relatively small percentage being reissued as 4 per cent bonds. The Government's retention of the funds necessary for the settlement of its interest indebtedness on this bond issue was assigned in some quarters as the cause of unusual stringency developing in the money market during the few days prior to May 15. This stringency, however, became considerably greater after the disbursement of the interest than it was before, thus again indicating the fact already frequently noted that under existing banking organization payments to and out of the Treasury are book transfers and have no material or direct effect upon the money situation.

The fact that the receipts of the department are now less than expenditures has been called to the attention of Congress by Secretary Houston in a letter of May 19, in which he stated to Chairman J. W. Fordney, of the Ways and Means Committee, that recent railroad laws will entail an expenditure of approximately \$1,000,000,000, and referred also to the delay in making provision to realize upon the Government's investments in railroads and ships. Of the current financial situation, he says, "It is no longer possible to finance the current needs of the Government in part by the issue of Treasury certificates except on onerous terms which reflect upon the value of the Government's bonds and depreciate them in the market. It is a matter of serious concern to have the Government appearing in the market every few weeks for loans. Certainly nothing ought to be done to increase the existing credit expansion that can be possibly avoided."

The intensity of the demand for credit accommodation throughout the country has been reflected during the month in the continuance of the large volume of paper presented for rediscount at Federal Reserve Banks. This volume has naturally varied in its extent, according to conditions prevailing in the several districts. In spite of the effort of Federal Reserve Banks to discourage rediscounting paper, the total amounts of discounted and purchased bills held by the Federal Reserve Banks during the month show but slight changes. The following table furnishes a brief review of the situation at Federal Reserve Banks, presenting a comparative statement of the total reserves, bills held, and net deposits in the several districts,

between the first and last reporting periods for the month:

[In thousands of dollars.]

	Total reserves.				
	Apr. 30.	May 7.	May 14.	May 21.	May 28.
Boston.....	199,847	185,766	185,633	191,814	195,591
New York.....	638,998	655,749	649,167	668,733	674,138
Philadelphia.....	139,173	137,577	140,693	137,892	140,669
Cleveland.....	225,033	223,699	229,874	214,078	227,547
Richmond.....	75,915	74,100	75,375	75,448	68,980
Atlanta.....	83,492	80,746	81,107	80,023	80,236
Chicago.....	312,532	313,287	310,466	308,218	308,800
St. Louis.....	76,597	76,828	81,417	80,131	76,124
Minneapolis.....	50,223	53,890	50,720	52,924	51,575
Kansas City.....	75,834	78,735	75,988	77,082	74,383
Dallas.....	50,237	53,722	51,218	49,283	50,204
San Francisco.....	142,884	141,988	147,635	143,912	144,249
<b>Total.....</b>	<b>2,070,765</b>	<b>2,076,087</b>	<b>2,078,393</b>	<b>2,079,538</b>	<b>2,092,496</b>

	Net deposits.				
	Apr. 30.	May 7.	May 14.	May 21.	May 28.
Boston.....	110,219	105,529	118,623	115,369	116,153
New York.....	764,162	738,022	767,744	732,474	757,986
Philadelphia.....	99,838	97,025	103,283	102,398	101,133
Cleveland.....	139,942	135,010	132,486	129,278	131,023
Richmond.....	51,300	49,180	53,382	51,334	50,839
Atlanta.....	54,353	53,374	55,786	54,160	53,287
Chicago.....	249,845	236,672	245,465	236,528	237,910
St. Louis.....	59,540	64,703	66,445	66,655	60,876
Minneapolis.....	46,445	48,130	45,543	47,763	46,737
Kansas City.....	83,339	85,384	84,478	85,909	84,986
Dallas.....	44,026	47,853	44,238	42,701	41,181
San Francisco.....	109,723	112,915	121,882	119,810	112,329
<b>Total.....</b>	<b>1,812,732</b>	<b>1,774,297</b>	<b>1,839,355</b>	<b>1,784,379</b>	<b>1,794,440</b>

	Total bills on hand.				
	Apr. 30.	May 7.	May 14.	May 21.	May 28.
Boston.....	185,668	198,708	211,839	204,957	204,576
New York.....	1,017,207	975,773	1,005,180	960,655	984,310
Philadelphia.....	212,038	209,162	216,722	215,537	216,046
Cleveland.....	232,021	230,011	222,550	232,348	226,590
Richmond.....	106,370	105,115	106,505	103,894	109,404
Atlanta.....	121,537	123,215	123,521	123,303	122,202
Chicago.....	479,047	471,403	479,351	476,887	482,932
St. Louis.....	113,758	119,115	114,631	115,260	113,576
Minneapolis.....	81,596	80,319	80,692	80,101	80,178
Kansas City.....	111,086	110,680	112,479	111,728	113,279
Dallas.....	75,520	77,891	75,542	75,648	75,046
San Francisco.....	206,470	213,064	215,570	217,436	209,892
<b>Total.....</b>	<b>2,942,318</b>	<b>2,914,456</b>	<b>2,964,582</b>	<b>2,917,754</b>	<b>2,938,031</b>

This growth of demand for bank accommodation has inevitably operated to raise rates of interest both in the investment and in the commercial paper market. While many banks have maintained a 6 per cent rate to their customers, as in some States required under the law to do, the practice pursued by not a few institutions of calling for the maintenance of heavy balances and of declining loans in cases where such balances were not maintained has,

where adopted, operated in the same way as an advance in the rate of discount. In the discounting of foreign bills rates have shown a strong upward tendency, while the commercial paper market has found difficulty in absorbing even the choicer offerings and has been obliged to advance rates to a level not reached during recent years. The best commercial paper has been selling on a basis of  $7\frac{1}{2}$  to 8 per cent, with the tendency still decidedly upward. In the call market a more moderate level of rates than during some preceding months has prevailed. Although at times the charge for call money has gone as high as 12 per cent, it has during much of the month ranged between 6 and 8 per cent. This relative moderation in rates has been due to the diminution of speculative activity which has been noted on the exchanges of the country. Transfers on the New York Stock Exchange have been on some days lower than at any time since February, 1919, while quotations have during most of the period tended downward. There has been a decided reduction in the volume of securities speculation since the opening of the year, and the volume of loans on stocks and bonds in New York City, which during the summer of 1919 was estimated in the New York market as high as \$1,500,000,000, has at times during the month of May been about two-thirds of that sum.

In spite, however, of this shrinkage of securities speculation, the growth of demand upon Federal Reserve Banks for credit for commercial use has absorbed the funds realized from the reduction of speculative commitments, and this increasing drain upon resources has been evidenced by a slight tendency on the part of the reserve ratio to fall off. For the month of May the reserve ratio, which during April averaged over 43 per cent, has fallen off about one-half point, as is shown by the following figures:

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

	Per cent.
May 7.....	42.7
May 14.....	42.2
May 21.....	42.7
May 28.....	42.7

One illustration of the difficult character of interest and investment conditions is afforded by the fact that during the month of May Liberty bonds reached new low quotations, touching on May 19 the following levels:

	May 19.		May 29.	
	High.	Low.	High.	Low.
Liberty 3½'s.....	90.80	90.26	91.80	91.50
Liberty first 4's.....	83.30	83.00	87.60	87.54
Liberty second 4's.....	82.40	81.90	87.14	86.40
Liberty first 4½'s.....	84.60	84.50	87.90	87.50
Liberty second 4½'s.....	82.60	82.20	87.70	86.98
Liberty third 4½'s.....	86.60	86.30	91.60	91.10
Liberty fourth 4½'s.....	83.00	82.50	88.40	87.70
Victory 4½'s.....	95.00	94.92	96.08	96.00
Victory 3½'s.....	94.96	94.86	96.62	95.94

The pronounced fall in the quotations of the bonds is attributed by financial authorities to large realizing sales originating with certain classes of bondholders who found these the cheapest and easiest way of obtaining funds of which they stood in need. That such was the case was indicated by the prompt recovery of the bonds to higher levels at the end of the month, as shown by the quotations just given.

A fundamental element in the present situation is the fact that producers who have found themselves insufficiently supplied with capital or who have been unwilling to submit to the onerous conditions of obtaining capital which now exist have been disposed to apply to the banks for current loans in order to meet their requirements for working capital. How far the present loans of the banks represent advances of this kind it would be impossible to say, but the weekly returns made by member banks in 100 selected cities show that these banks are now carrying some \$3,100,000,000 of advances secured by corporate stocks and bonds. In this connection it is worth noting that marked decline in available investment capital has been a notable feature of the month and has correspondingly increased the difficulties of borrowers in obtaining the funds they need to meet capital requirements. The condition of affairs in the New York market has been commented upon by the Federal Reserve Bank of New York as follows:

Heavy liquidation in the stock market, noted at the close of the preceding period, ran most of its course in the latter part of April, and since then prices have drifted

downward in a series of narrow trading sessions marked by little public following. Many stocks of investment character, which had shared only to a limited extent in the rapid rise culminating about the middle of April, have alike with speculative issues declined to new low levels for the year. Heaviness of preferred stocks parallels the situation in the bond market, where older seasoned securities are being sold to obtain funds difficult to borrow under present money market conditions, and for the purpose of switching into new, high interest bearing issues. That many of the preferred stocks have recently reached lowest levels recorded thus far this year, while their junior issues, in many cases, continue to sell above the low prices of February and March, indicates that many buyers still prefer a speculation to an investment.

The development of certain abnormal demands and their influence upon the credit situation have been observed within the past month and their character carefully analyzed. They have been found to include, in addition to the familiar elements frequently referred to in the past, a number of important new ones. Considerable amounts of goods have been withheld from the market in the hope of higher prices and have been financed with bank credit. This has resulted in inflating credit in a substantial degree, the continuous carrying of goods which have thus been hoarded preventing the considerable amount of liquidation which would ordinarily take place. On the other hand, large amounts of goods have accumulated at various places as a result of the limited railroad transportation of the past month and have operated to bring about a condition of increased strain upon bank credit. As a result of this situation, full and effective operation of the railroads has become necessary in order to enable remedial banking measures to produce their best result. Loans obtained with the idea of conducting operations which directly or indirectly might result in the charging of excessive prices to consumers have tended to aggravate conditions, while, on the other hand, loans secured by unduly long-term and speculative securities have exerted a somewhat similar influence. As pointed out by bankers recently in conference with the Federal Reserve Board, "The whole country is suffering from inflation of prices with the consequent inflation of credit. \* \* \* Great sums are tied up in products which, if marketed, would relieve necessity, tend to reduce the price level, and relieve the strain on

our credit system. This congestion of freight is found in practically all of the large railroad centers and shipping ports. It arises chiefly from inadequate transportation facilities available at this time and is seriously crippling business. We are informed that the per ton mile of freight increased in three years—1916, 1917, and 1918—47 per cent, while the freight cars in service during the same period increased 1.9 per cent. A striking necessity exists. \* \* \* Any delay means the paying of greater cost directly or indirectly and places a burden on the credit system which in the approaching time for seasonal expansion may cause abnormal strain. Even under the load of war inflation, high price level, and extravagances, the bank reserves would probably be sufficient if quick transportation could be assured during the time of the greatest strain."

The necessity of curtailment of credit has been widely recognized in a number of districts. In the New York district a statement issued by the bank on April 30 called attention to the continuous growth of credit and urged upon member banks the necessity of directing attention to the question of shortening outstanding lines, or at all events of preventing them from further increase. At bankers' meetings in various places it has been suggested that the associations appoint committees which should be intrusted with the duty of studying and working out methods to be applied in the rational and wise conservation of credit and the apportionment of loans upon a conservative basis. There has already been some indication of success in connection with these efforts. The most obvious demonstration of success in such attempts is found in the cities where the larger banks are naturally impressed with the necessity of greater care in controlling their obligations. Overextension and the grant of speculative credits have, however, occurred in quite as serious and dangerous a form in the smaller population centers or in the agricultural regions. Undue storage and the accumulation of goods has been a prolific cause of demand upon banks during the past few months.

On May 17-18 the Federal Reserve Board, in a session with the Federal Banking policy. Advisory Council and with Class A Directors of Federal Reserve Banks, gave careful consideration to the credit situation as thus indicated, and as the outcome of the conference reached certain important conclusions. With reference to the immediate measures to be taken by the Federal Reserve Banks, the Advisory Council recommended the plan of "urging upon member banks through the Federal Reserve Banks the wisdom of showing borrowers the necessity of the curtailment of general credits, and especially for nonessential uses, as well as continuing to discourage loans for capital and speculative purposes; by checking excessive borrowings through the application of higher rates." It also added that "it is obvious that the borrowings of the Treasury have the same effect upon the general credit situation as those of other borrowers. The Council would suggest the wisdom of congressional relief from the burden of Government financing by a policy of rigid economy; the revision of the tax laws for the sake of a more equitable distribution of the burden without reducing the revenue; the enactment of the budget system, the budget to include provision for the gradual payment of the short-time obligations of the Treasury. These would of necessity preclude unwise appropriations, such as the proposed soldiers' bonus." A committee headed by Mr. J. B. Forgan prepared resolutions reviewing credit and banking conditions to which reference has already been made, and in accordance therewith the conference voted to "urge as the most important remedies that the Interstate Commerce Commission and the United States Shipping Board give increased rates and adequate facilities such immediate effect as may be warranted under their authority, and that a committee of five be appointed by the chair to present this resolution to the Interstate Commerce Commission and the United States Shipping Board with such verbal presentation as may seem appropriate to the committee." Governor Harding, in an address published



elsewhere in this issue, reviewed the economic and financial situation and pointed out the respective duties of the Federal Reserve Board, the Federal Reserve Banks, and of the member and nonmember banks of the country in dealing with the present credit situation, saying, with respect to this subject: "There should be a clear understanding of the parts to be played by the Board, the Federal Reserve Banks, and by the member and nonmember banks and trust companies. With respect to credits, the problems of the Federal Reserve Board, the Federal Reserve Banks, and the member banks, while interrelated, are distinctive. The Federal Reserve Board has but little direct contact with the member banks; it deals with general conditions and principles rather than with individual cases and details. The Federal Reserve Banks, on the other hand, are in daily contact with their member banks and have constant dealings with them. Between the Federal Reserve Banks and the Federal Reserve Board, as the supervisory and coordinating body, there is necessarily a close and intimate relationship. The member banks transact the greater part of the primary banking business of the country. They receive the deposits of the public and are the media through which ordinary commercial credits are extended.

"The primary duty of the Federal Reserve Board is to see that the Federal Reserve Banks function normally in the manner prescribed by the Federal Reserve Act. The character of business which may be engaged in by the Federal Reserve Banks is described in detail in sections 13 and 14 of the Federal Reserve Act, and all regulations of the Board bearing upon the loans and investments of the Federal Reserve Banks must be in conformity with the provisions of the law. Regardless of the extent of its legal powers, it would be a most difficult task for the Federal Reserve Board sitting in Washington to attempt by general rule of country-wide application to distinguish between 'essential' and 'nonessential' loans. During the war there was a broad underlying principle that essentials must be 'necessary or contributory to the conduct of the war,' but

notwithstanding the sharp outline of this principle much difficulty was experienced by the various war boards in defining essentials and nonessentials. All the more difficult would it be for the Federal Reserve Board to make such a general definition now when there is no longer that purpose as a guide." The address of Governor Harding was given formal indorsement by the conference through the adoption of a resolution elsewhere published in this issue.

In view of the steady pressure for funds, and by way of emphasizing the necessity of continued moderation in rediscount applications, the Federal Reserve Bank of New York on May 29 announced a new schedule of discount rates. For advances not exceeding 15 days, secured by all classes of eligible commercial paper, excepting bankers' acceptances, and for rediscounts of such paper, the rate was fixed at 7 per cent, an increase of 1 per cent over the previously existing rate. For advances not exceeding 15 days on Liberty loan bonds and Victory notes, and customers' notes secured by either of these classes of obligations, and for rediscounts of customers' notes secured in the same way, a rate of 6 per cent, or an increase of one-half of 1 per cent over the former rate, was named. For advances not exceeding 15 days secured by bankers' acceptances, and for rediscounts of such acceptances, a rate of 6 per cent, an increase of 1 per cent over the previous rate was fixed. An increase of one-half of 1 per cent over the old 5 per cent rate for advances secured by Treasury certificates of indebtedness was also established and approved by the Federal Reserve Board. Inasmuch as the new rate for advances protected by Treasury certificates of indebtedness is now fixed at the same level as that borne by the certificates themselves, members who obtain accommodation at this rate would do so at a cost exactly equal to the income produced by the certificates.

Subsequent to the announcement of the rates established by the Federal Reserve Bank of New York, as thus outlined, similar advances in rates were made by other Federal Reserve

Banks, the rate schedule at the opening of June being therefore modified as follows:

*Rates on paper discounted for member banks approved by the Federal Reserve Board up to June 1, 1920.*

Federal Reserve Bank.	Discounted bills maturing within 90 days (including member banks' 15-day collateral notes) secured by—		Bankers' acceptances maturing within 3 months.	Trade acceptances maturing within 90 days.	Discounted bills secured otherwise than by Government war obligations, also unsecured, maturing within—	
	Treasury certificates of indebtedness.	Liberty bonds and Victory notes.			90 days (including member banks' 15-days collateral notes).	91 to 180 days (agricultural and live-stock paper).
Boston.....	5	5½	5	6	6	6
New York.....	5½	6	6	7	7	7
Philadelphia..	5½	5½	5½	6	6	6
Cleveland.....	5½	5½	5½	5½	6	6
Richmond.....	5½	6	6	6	6	6
Atlanta.....	5½	5½	5½	6	6	6
Chicago.....	5½	6	6	7	7	7
St. Louis.....	5½	5½	5½	6	6	6
Minneapolis..	5½	6	6	6½	6	6
Kansas City...	5	5½	5½	6	6	6
Dallas.....	5	5½	5½	6	6	6
San Francisco.	5½	5½	5½	6	6	6

<sup>1</sup> 5½ per cent on paper secured by 5½ per cent certificates and 5 per cent on paper secured by 4½ and 5 per cent certificates.

NOTE.—Rates shown for Atlanta, St. Louis, Kansas City, and Dallas are normal rates, applying to discounts not in excess of basic lines fixed for each member bank by the Federal Reserve Bank. Rates on discounts in excess of the basic line are subject to a ½ per cent progressive increase for each 25 per cent by which the amount of accommodation extended exceeds the basic line.

The 7 per cent rate for commercial paper which has thus been established substantially reflects conditions in the commercial loan market of this country where during the past month there has been a decided upward tendency, due to the increasing pressure for commercial banking accommodation. The new rates, therefore, bring the rediscount charge practically into line with the movement of commercial rates. There is undoubtedly a general tendency the world over for current rates for banking accommodation to advance, as well as for the rate of return yielded by investment securities to rise. Since the announcement of the Federal Reserve Banks' new schedule, cable dispatches from London have indicated a prospect that the current rate at the Bank of England might be advanced from 7 per cent to 8 per cent.

The credit policy of the Board is set forth in a letter of reply to the following Senate resolution adopted May 17:

*Resolved*, That the Federal Reserve Board be directed to advise the Senate what steps it purposes to take or to rec-

ommend to the member banks of the Federal Reserve System to meet the existing inflation of currency and credits and consequent high prices, and what further steps it purposes to take or recommend to mobilize credits in order to move the 1920 crop.

In its answer dated May 25, 1920, the Board stated that for many months past it has recognized that the expansion of bank credits in this country was proceeding at a rate not warranted by the production and consumption of goods. It has repeatedly admonished the Federal Reserve Banks that influence should be exerted upon the member banks to induce them to avoid undue expansion of loans and to keep their volume of outstanding credits within moderate bounds.

The Board called attention to the outcome of the conference with the Federal Advisory Council and Class A Directors, already reviewed, and then points out that "while Federal Reserve Banks may properly undertake in their transactions with member banks to discriminate between essential and nonessential loans, nevertheless that discrimination might much better be made at the source by the member banks themselves. The individual banker comes in direct contact with his customers; he is better qualified than anyone else to advise the customer, because of his familiarity, not only with the customer's business but with the general business conditions and needs in his immediate locality. In making loans he is bound by no general rule of law as to the character of the purpose for which a loan is being asked. He is entirely free to exercise discretion, and can make one loan and decline another as his judgment may dictate."

So extensively has the artificial congestion of goods due to inadequate transportation facilities interfered with the normal process of marketing that it has of late been difficult to differentiate between demand for credit growing out of impeded marketing and demand originating in the effort to accumulate stocks and raise prices. There is, however, at this season of the year always a natural upward movement of loans at interior banks, especially those in the agricultural regions where productive operations are attaining the first vigorous development of the season. This progressive

seasonal change in condition has been foreshadowed during the past two or three months, and the early evidences were reflected in figures already furnished during April and May. The following tabulation continues figures already supplied for preceding months with reference to the condition of member banks, taking the country as a whole, while a second tabulation shows the position of the item "Bills rediscounted with Federal Reserve Banks" for each of the Federal Reserve districts on May 14 as compared with March 12.

[In thousands of dollars].

Date.	Number of banks reporting.	Loans (including rediscounts) and investments (including United States securities).	Rediscounts and bills payable with Federal Reserve Banks.	Net demand deposits.
May 7.....	810	17,050	2,092	11,389
May 14.....	814	17,093	2,128	11,561
May 21.....	814	17,045	2,059	11,503
May 28.....	814	17,077	2,060	11,559

*Rediscounts of reporting member banks with Federal Reserve Banks.*

[In thousands of dollars.]

	March 12, 1920.	May 14, 1920.
Boston.....	102,522	87,691
New York.....	427,539	352,818
Philadelphia.....	116,602	79,744
Cleveland.....	49,976	59,128
Richmond.....	29,602	36,127
Atlanta.....	34,648	51,400
Chicago.....	187,684	246,697
St. Louis.....	59,055	85,838
Minneapolis.....	31,706	51,601
Kansas City.....	53,731	68,064
Dallas.....	10,636	20,113
San Francisco.....	55,014	70,131
Total.....	1,158,775	1,209,352

From this statistical showing it will be seen that there has been a gradual transfer of resources from the northern and eastern Federal Reserve districts to those of the South and West for the purpose of facilitating the movement of crops to market. Two factors have been prominent in the situation—the one an unusual and abnormal delay in the movement of old crops to market, the other an unseasonable retardation of planting and other operations connected with the new crop. The shifting of funds thus occasioned is even more evident when attention is given to data

illustrating the transfer of funds from the city banks included in the clientele of Federal Reserve Banks to those in the country. This, as already explained, is a seasonal movement of bank credit which occurs each year during the spring months. In the present year the demand thus exerted is more marked absolutely, even though not relatively, than has been usual in former years, because of the higher prices of all products, naturally requiring the use of a greater amount of bank credit in carrying goods, and because of the abnormal period of time required in marketing, due to the fact that serious congestion has occurred at various points.

In order to prevent the demands upon banks from becoming unduly excessive, several Federal Reserve Banks have begun to make application of the method of credit control authorized in the Phelan Act.

Problems of an important nature relating to the development of acceptance credits in the United States have been under consideration during the past month. On April 20 a conference was held between the Federal Reserve Board, on the one hand, and representatives of accepting banks and dealers in acceptances, on the other, at Washington, the immediate subject under advisement being the question whether acceptances bought in the open market should be charged directly as a part of the line of discount granted the accepting bank by the Federal Reserve Bank so buying them. Discussion of this question broadened into consideration of the general aspects of the whole acceptance situation. This general question was later discussed by the American Acceptance Council, in session at New York on May 20. At the sessions of the American Acceptance Council the whole acceptance situation was reviewed, and the position was taken that the maintenance of a strong, broad acceptance market is an essential element in the development of the Federal Reserve System. The proper treatment of acceptances in the market and at Federal Reserve Banks, it was the consensus of opinion, both in the conferences with the Board and at the American Acceptance Council, would follow

naturally when sound and appropriate methods are pursued by the banks creating them. Adoption of the established European methods of creating and trading in acceptances was advocated as the best means of avoiding abuses growing out of the present situation. The discussion has developed the fact that at the present day there are considerable abuses both in banking practice with reference to acceptances and in the present plan of practically treating them as merely a direct addition to the accepting bank's loaning power. It emphasizes once more the need of drawing the essential distinction between the sale of the bank's credit which is represented by the acceptance and the process of actual or direct discounting which is represented by the deposit operation. It is the practice of many banks to regard the acceptance as an addition to their lending power—a means, therefore, of enlarging or overpassing the limits set by law with respect to lending ability, which has given the acceptance in not a few minds an unwarranted aspect as a means of pushing still further the credit inflation which is recognized as a very general evil in existing conditions. Early rectification of banking practice with regard to acceptances is considered necessary as an element in the general process of controlling and reducing the volume of unnecessary or undesirable credits. The acceptance situation at the present moment, however, has a special bearing in connection with the export trade. British banking institutions have allowed themselves to accept upon a very much larger and less restrained basis than that which was adopted by them before the war, and in some cases the acceptances of the greater banks of deposit in London now run to twice their capital and surplus, whereas before the war they were well below the level of their capital. It is the opinion of observers that this greater freedom of accepting in Great Britain is due to a desire on the part of banks to reestablish their hold upon financial business and foreign trade, while American bankers are of the opinion that in order to keep their share of the business it is necessary that they should have a somewhat equal degree of freedom in the use of this kind of paper. The competitive struggle for foreign trade is in this respect, as in many others, there-

fore, in conflict with the dictates of sound control of credit.

Railroad congestion during May practically reached its "peak." Representatives of railroad interests appeared before the Senate Committee on Interstate Commerce and the Interstate Commerce Commission early in the month for the purpose of urging upon those bodies a larger amount of equipment in order to bring about a steady and orderly marketing of products, as well as the probable necessity of the establishment of priority orders designed to insure the more rapid movement of necessary commodities to market without further delay. These applications grew out of the increasing seriousness and severity of the freight congestion which has practically operated to "tie up" the railroads of the country during the past two months. They resulted in the issuance of such priority orders on May 20 and in the adoption of a plan for car redistribution. As a result of the slow movement of cars, great quantities of products have been subject to postponement of delivery and have practically been stored in the cars for long periods. As was shown in reports rendered to the Federal Reserve Board during March, car congestion even before the opening of spring had already become a serious problem, due at that time to the severity of the weather during the latter part of the winter. These conditions, instead of being alleviated as spring opened, were rendered more intense as the result of the national railway strike, while an underlying basis of difficulty was the fact that for some years past the material equipment of the railroads has been growing progressively less and less adequate to meet the requirements of the freight and passenger traffic of the country. Mention has already been made of the fact that the Advisory Council and Class A Directors of Federal Reserve Banks fully recognized the situation as an important factor in the credit problem. Prior to the meeting of the conference the Board on May 10 had already called the attention of Federal Reserve Banks to telegrams sent out by the Interstate Commerce Commission, suggesting cooperation with any civic movement that might be inaugurated to assist the more rapid movement

of cars. In the Board's communication to the Federal Reserve Banks on this subject it was noted that as a result of car congestion "men are thrown out of employment in several industries, foodstuffs fail to reach consumers, new crops must be provided for, and even if railroad yards could resume normal activities at once the great accumulation could hardly be fully distributed in less than 60 days, by which time the new crop will be ready to move. This congestion has important bearing upon the credit situation and cost of living, and besides this, as railroads are operating under Government guaranty, the cost and loss falls upon the public individually or as taxpayers. The only hope for relief would seem to come from the development of civic spirit and cooperation of the public in cities where the congestion is most acute."

Reports from Federal Reserve Agents for the month of May show that there has been a strong effort in many parts of the country to maintain and enlarge the volume of production. This effort has been the response of the manufacturers of the country to the strong and urgent demand for goods, both at wholesale and retail.

Difficulty in making it effective has been experienced mainly because of the unsatisfactory conditions in transportation which followed upon the railway strike of April. Other factors, such as labor strikes, notably that of the longshoremen in our larger ports, have also had an important effect; so, too, has the withholding from market of salable goods. As a result the months of April and May show a condition with respect to physical volume of production and trade which is far from satisfactory. The Board's indexes of trade and production show a falling off in April figures (those for May are not yet available) from those for March in such basic industries as pig iron and steel ingots, with little improvement shown in the coal situation. In other lines, however, production or movement was well sustained. This decrease has not been sufficient to fully offset the increase shown in the figures for the earlier months of the present year as compared with the same period of 1919, the latter being notably low in certain industries, such as the textile group. With exceptions, movement or production during the present year

has been in excess of 1919 for the 11 leading industries included in the following table:

	Sept.-Dec., 1919.		Jan.-Apr., 1920.		Jan.-Apr., 1919.	
	Total for 4 months.	Relative.	Total for 4 months.	Relative.	Total for 4 months.	Relative.
Receipts of live stock at 15 western markets (in thousands of head).....	27,186	119.9	20,194	89.1	22,674	100
Receipts of grain at 17 interior centers (in thousands of bushels).....	371,348	138.1	260,935	97	268,941	100
Sight receipts of cotton (in thousands of bales).....	6,881	211.3	4,148	127.4	3,257	100
Shipments of lumber reported by 3 associations (in millions of feet).....	2,949	109.2	3,383	125.3	2,700	100
Bituminous coal production (in thousands of short tons).....	158,945	114.4	173,574	124.9	138,936	100
Anthracite coal shipments over 9 roads (in thousands of long tons).....	24,358	128.4	( <sup>1</sup> )	( <sup>1</sup> )	18,970	100
Crude petroleum production (in thousands of barrels).....	131,608	112.8	140,002	119.9	116,726	100
Pig iron production (in thousands of long tons).....	9,377	79.4	12,110	102.5	11,811	100
Steel ingot production (in thousands of long tons).....	.....	.....	11,771	109.9	10,714	100
Cotton consumption (in thousands of bales).....	2,049	107.8	2,252	118.5	1,900	100
Wool consumption (in thousands of pounds)...	220,999	177.9	234,940	188.8	124,241	100

<sup>1</sup> Figures not available on account of transportation difficulties.

Failure to raise the per capita productive capacity of the country to something nearer its maximum level must be regarded as to-day the most serious obstacle toward the establishment of a more normal level of prices. The price level for the month of April, as shown by the Bureau of Labor Statistics index, has increased about 13 points, while unofficial returns for the month of May seem to indicate a continuation of this upward tendency, even though the month has in some sections of the country witnessed sharp reductions of retail prices to consumers. Sauerbeck's index of British prices for April 1 shows an advance of 4.7 points. The present reductions, of which much has been said in current publications, are a recognition of the tendency toward increase of stocks in various lines and toward reduction of buying power on the part of the consuming public, either because of unwillingness to pay the prices charged for many commodities or because of failure of wages and incomes to keep pace with the advance in prices which has occurred during recent months. The reduction of output has not helped the transportation situation but is rather the product of the latter, there being an accumulation of staple goods at many points on account of inability to obtain

cars to move them. Thus, while the reduction of output or sales ought from some points of view to have brought about a condition of lessened strain upon the banks, it has in fact had the opposite effect. The retention of goods at producing centers or on the farm has necessitated a correspondingly greater application to local banks for the money with which to "carry" the products pending the arrival of a time when they could be moved and eventually sold. High prices and congestion have worked together effectively to increase the difficulties of the banking situation. The effort to force downward revision of prices of goods has probably had the effect of cutting off a certain percentage of excessive prices due merely to a feeling on the part of dealers that there was practically no limit to what the public was prepared to pay. It has, however, had no immediate relationship to the underlying situation in prices since it does not apparently grow out of a large accumulated surplus of goods, a material change in the conditions of bank credit, or a change in the volume and methods of production. Least of all has it resulted from any increase in savings and investments or from economies in consumption. It is therefore to be regarded as of temporary significance, although it may possess a more permanent value in marking the downward turn of prices from the high levels already arrived at.

Export trade during the month of April has maintained itself at high levels, but shows a heavy reduction both as compared with the preceding month and with the corresponding month in 1919, while quotations of foreign exchange have in most cases shown distinct improvement. There has been a rather more liberal attitude on the part of American banking institutions toward the discount of bills growing out of foreign trade. The situation has been such that the Secretary of the Treasury, on May 10, in a public statement, announced that at his request the War Finance Corporation has suspended the making of advances in aid of exports except pursuant to commitments previously undertaken. It was explained that the general powers of the corporation terminated six months after the end of the war, while even the special powers

conferred upon it under the Victory Loan Act were to expire one year after the close of the war. With reference to the activities of the War Finance Corporation since the armistice, the Secretary said that "after the armistice, when business had suffered a recession in consequence of the cancellation of war orders, and when there was a fear that exports might decline and unemployment exist, an amendment to the act was passed authorizing the corporation to assist in the financing of exports." Continuing, he pointed out that to-day business is prosperous and involuntary unemployment negligible, while the export trade has not declined but has increased, so that in these circumstances Government stimulation of exports is unnecessary, particularly as the Treasury is obliged to borrow in order to meet obligations. With reference to the theory of the export situation, the Secretary of the Treasury made an interesting point when he stated that "It would be a question whether the Government should continue to aid and stimulate exports, considering their present volume privately financed, even if the Treasury had surplus funds." The determining factor, however, is found in the circumstance that the Treasury is a continuous borrower. So far as the War Finance Corporation itself is concerned, its entire capital stock of \$500,000,000 has been issued and is held by the Treasury, while the funds arising from its capital and the reserve fund, amounting to \$25,000,000, are largely invested in Government securities. Probably only a little over \$50,000,000 has been applied to the financing of exports.

The export and import business of the month corrected as of May 15 has been officially announced, showing a drop of \$135,000,000 in exports and of nearly \$30,000,000 in imports in April, as compared with the preceding month of March. Exports in April were valued at \$684,000,000, against \$820,000,000 in March of this year and \$715,000,000 in April of last year. For the 10 months' period ending with April exports amounted to \$6,734,000,000 this year, an increase of \$1,034,000,000 over the amount of \$5,700,000,000 in the same period of the fiscal year 1919. Imports in April amounted to \$495,000,000, against \$524,000,000 in March of this year and \$273,000,000 in April of last year. During the 10 months' period ending

with April, imports were \$4,254,000,000, an increase of \$1,780,000,000 over the amount of \$2,474,000,000 in the 10 months' period of 1919.

While there has been no material change in the methods of export financing currently employed, there is apparently some distinct increase in the scope of the business which is carried on upon a partial barter basis, raw products being shipped abroad to be manufactured and returned to the United States in finished form. As already mentioned, some American banks have already been disposed to increase the degree of their liberality with respect to the discounting of bills growing out of the foreign trade. Return of foreign-held American securities to the United States has also continued and has resulted in providing funds here with which to pay for exports of goods, the securities so sold being usually disposed of under existing conditions of exchange at very substantial profit to their owners in those cases where they have been held for a considerable time.

The meeting of allied premiers at Hythe, England, on May 17 and the

**Foreign requirements.** succeeding days, is reported to

have given careful consideration to the form and amount of the prospective German indemnity, the figure having been tentatively set, according to current report, at about \$28,500,000,000. According to representations made on behalf of Germany, the amount estimated by German authorities as the limit of the ability of that country to pay was set at \$10,000,000,000. While the details of the plan in process of development for the adjustment of financial relations between the Central Empires and the Allies have not yet been made known, the preliminary announcements indicate that the operation will give rise to a considerable issue of new German bonds. Announcement of the tentative conclusions of the conference had an apparent tendency to improve the quotations of French and Italian exchange, which during the month had shown a decidedly weaker tendency. Sterling exchange was but little influenced by the announcement and has remained tolerably steady. An interesting development of the month was afforded by the decline in the price of silver, which eventually fell below \$1 per ounce, and indicates the possibility of important

modifications of our exchange relationships with the silver-using countries of the Orient. Variations in Japanese exchange during May have also suggested the possibility of a return movement of gold from that country to the United States at a comparatively early date. As an outcome of the reduction of the price of silver the following statement was issued by the Director of the Mint on May 17:

The provisions of the Pittman Act are mandatory and, in accordance with them, the Secretary of the Treasury has given standing orders to the Director of the Mint to buy silver at \$1 per ounce, 1,000 fine, delivered at the option of the Director of the Mint at the assay office in New York or the mints in Philadelphia, Denver, and San Francisco, up to the aggregate amount of 207,000,000 ounces. Under the terms of the act the silver so purchased must be the product both of mines situated in the United States and of reduction works so located, and clear and unequivocal proof to that effect will be required. Forms for such proof may be obtained at said assay office and mints.

The provisions of the Pittman Act to which reference is made by the director, if carried out, would thus result in establishing a governmental market for silver up to a possible sum of more than \$200,000,000, and would presumably result in the retirement of a corresponding amount of Federal Reserve bank notes (which it will be recalled were temporarily issued in lieu of silver certificates), as silver certificates are once more reissued and take their old place. This may serve temporarily to arrest alterations in the Oriental exchanges which might otherwise occur.

The following review of the exchange situation during May continues figures already given for previous months:

*Foreign exchange rates.*

	Week ended—			
	May 1.		May 8.	
	High.	Low.	High.	Low.
England.....	3.88½	3.74½	3.87½	3.82½
France.....	16.31	17.05	15.70	16.67
Italy.....	21.97	22.95	20.22	21.82
Spain.....	17.10	16.85	16.93	16.87
Argentina.....	43.15	42.875	42.70	42.60
China (Hongkong).....	95.59	93.50	91.50	86.75
China (Shanghai).....	132.50	128.00	123.50	119.00
Japan (Yokohama).....	50.00	49.75	52.50	51.00
Germany.....	1.74	1.69	1.92	1.77
Switzerland.....	5.62	5.67	5.63	5.69
Sweden.....	21.30	21.00	21.25	20.00
Holland.....	36.50	36.125	36.375	36.3125
Belgium.....	15.42	15.92	14.72	15.47

## Foreign exchange rates—Continued.

	Week ended—					
	May 15.		May 22.		May 29.	
	High.	Low.	High.	Low.	High.	Low.
England.....	3.84 <sup>‡</sup>	3.80 <sup>‡</sup>	3.86	3.30 <sup>‡</sup>	3.92 <sup>‡</sup>	3.34
France.....	14.90	15.88	13.52	14.65	12.26	13.58
Italy.....	20.47	19.62	18.82	20.22	16.53	18.58
Spain.....	16.85	16.75	16.30	16.63	16.63	16.60
Argentina.....	42.875	42.625	42.70	42.53	42.55	42.50
China (Hongkong).....	86.75	79.25	85.00	78.75	85.00	81.75
China (Shanghai).....	119.00	110.50	119.00	110.50	119.00	113.50
Japan (Yokohama).....	52.00	50.00	51.00	50.50	51.50	50.75
Germany.....	2.08	1.97	2.48	2.08	3.01	2.58
Switzerland.....	5.68	5.73	5.65	5.70	5.60	5.65
Sweden.....	21.00	20.85	21.00	20.60	21.50	20.90
Holland.....	36.625	36.3125	36.375	36.3125	36.50	36.375
Belgium.....	14.30	14.77	13.02	13.76	12.15	13.17

<sup>‡</sup> Premium.<sup>‡</sup> Silver exchange basis.

Changes in the condition of the Bank of England and in the volume of British Government borrowing at that institution, as well as conditions in France, have been observed with more than usual interest during the past month in order to ascertain the effect of the higher discount rate policy initiated there in April. On the whole, the results of the advance in rates for British Treasury certificates, coupled with the advance in discount rates at the Bank of England, have been successful, the total volume of Government securities held by the Bank of England declining between April 14 and May 19 by about £19,500,000, while deposits fell from £142,000,000 to £121,000,000. In France, during the same period, bills discounted and deposits have fallen in a less marked degree.

In the following table are furnished details concerning the volume of bills held, deposits outstanding, reserves, and Government advances at the Banks of France and England.

Bank of England.  
[In thousands of pounds sterling.]

Date.	Other securities.	Deposits, public and other.	Coin and bullion. <sup>1</sup>	Government securities.	Bank of England notes. <sup>2</sup>	Currency notes.
1920.						
Apr. 14....	79,891	142,204	140,950	55,119	106,018	340,029
Apr. 21....	79,613	144,303	140,921	57,476	105,963	337,152
Apr. 28....	75,164	140,381	141,018	59,805	107,884	337,377
May 5....	79,691	137,166	141,020	55,310	111,116	343,054
May 12....	80,444	120,832	141,019	38,455	111,313	345,479
May 19....	82,632	121,358	140,972	36,516	110,832	345,826

<sup>1</sup> Includes £28,500,000 held by the Exchequer.<sup>2</sup> Including amounts held by the Exchequer as part cover for currency notes, these amounts showing an increase from £6,500,000 to £7,600,000 during the five weeks.

NOTE.—The material covering the period from Apr. 14 to May 5 was obtained from the London Economist; that from May 12 to May 19 from the New York Commercial and Financial Chronicle.

## Bank of France.

[In thousands of francs.]

Date.	Bills discounted.	Note circulation.	Deposits, Treasury and other.	Gold and silver reserve in France.	Advances to the Government for the war.
1920.					
Apr. 15....	2,222,500	37,434,293	3,696,508	3,849,658	25,300,000
Apr. 22....	2,145,842	37,326,732	3,641,215	3,853,565	25,300,000
Apr. 29....	2,308,504	37,687,600	3,469,307	3,852,119	25,300,000
May 6....	2,028,181	38,249,345	3,483,318	3,850,864	25,900,000
May 14....	1,996,396	38,138,079	3,683,279	3,849,332	26,050,000
May 20....	1,980,939	38,051,511	3,709,324	3,848,989	26,050,000

Source: L'Economiste Français. Comparison has been made with official statements.

Conditions on the continent have naturally been less favorable than those in Great Britain, a fact which accounts for the relatively less encouraging exchange situation affecting the lira and other continental currency. The quotation of marks has strengthened, reaching a point well above 2½ cents during the latter part of May and exhibiting an ability to hold its position at a level roughly corresponding to that figure. This is not due to any improvement in banking or financial conditions in Germany itself, the paper currency situation there apparently growing worse rather than better, as illustrated by the fact that the volume of Reichsbank notes outstanding increased from 47,939,817,000 marks on April 30 to 49,127,645,000 marks on May 21. The betterment of German exchange is rather to be attributed to the increasing volume of American investment in German securities of various kinds, and also to the liberal purchases of German marks which have been made while that currency was still below the 2-cent level, in the belief that a material advance in its value was to be expected. How long these influences are likely to continue their effect is, of course, entirely uncertain, the outstanding features of European banking conditions being seen in the apparent success of the policy of higher discount rates and more strict application of conservative banking principles.

During the month ending May 10 the net outward movement of gold was \$30,657,000, as compared with a net inward movement of \$22,842,000 for the month ending April 10. Net imports of gold since August 1, 1914, were \$677,284,000, as may be seen from the following exhibit:



[In thousands of dollars.]			
	Imports.	Exports.	Excess of imports over exports.
Aug. 1 to Dec. 31, 1914.....	23,253	104,972	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.....	553,713	372,171	181,542
Jan. 1 to Dec. 31, 1918.....	61,950	40,848	21,102
Jan. 1 to Dec. 31, 1919.....	76,534	368,185	1 291,651
Jan. 1 to May 10, 1920.....	83,063	185,534	1 102,471
Total.....	1,936,213	1,258,929	677,284

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

England furnished over three-fourths, or \$7,678,000, of the \$9,923,000 of gold imported during the monthly period ending May 10, Mexico, Canada, and Belgium furnishing most of the remainder. Of the total gold exports, amounting to \$40,580,000, \$26,350,000 was consigned to Argentina, \$4,667,000 to Hongkong, \$2,000,000 each to the Dutch East Indies, British India, and Uruguay, and \$1,300,000 to Mexico, the remainder going principally to the Straits Settlements, Japan, and China. Since the removal of the gold embargo on June 7, 1919, total gold exports have amounted to approximately \$539,000,000. Of this total, about \$146,555,000 was shipped to Argentina, \$101,376,000 to Japan, \$62,762,000 to Hongkong, \$55,396,000 to China, \$39,025,000 to British India, and \$29,778,000 to Spain; the remainder being shipped principally to Uruguay, Mexico, Dutch East Indies, the Straits Settlements, and Venezuela.

During the same monthly period the net outward movement of silver was \$372,000, as compared with a net outward movement of \$6,751,000 for the month ending April 10. Net exports of silver since August 1, 1914, were \$457,008,000, as may be seen from the following exhibit:

[In thousands of dollars.]			
	Imports.	Exports.	Excess of exports over imports.
Aug. 1 to Dec. 31, 1914.....	12,129	22,182	10,053
Jan. 1 to Dec. 31, 1915.....	34,484	53,599	19,115
Jan. 1 to Dec. 31, 1916.....	32,263	70,595	38,332
Jan. 1 to Dec. 31, 1917.....	53,340	84,131	30,791
Jan. 1 to Dec. 31, 1918.....	71,376	252,846	181,470
Jan. 1 to Dec. 31, 1919.....	89,410	239,021	149,611
Jan. 1 to May 10, 1920.....	44,736	72,372	27,636
Total.....	337,738	794,746	457,008

Mexico furnished over one-half and Peru about one-fourth of the \$10,568,000 of silver imported during the monthly period ending May 10, most of the remainder coming from

Chile, Honduras, England, and Canada. Of the total silver exports, amounting to \$10,940,000, \$4,760,000 was consigned to China, \$2,938,000 to Hongkong and \$1,130,000 to England, the remainder being consigned principally to Canada, Cuba, and the French East Indies.

For the four weeks between April 16 and May 14 reports from over 800 The banking member banks in leading cities situation.

indicate net liquidation of 114.6 millions of United States war securities and loans based on such securities, also reduction by 75.3 millions of loans secured by stock and bonds, as against a further increase of 144.4 millions in other loans and investments, including largely commercial loans and discounts. In the absence during the period of further Treasury certificate issues, holdings of these securities declined 83.6 millions, largely at the New York banks. Loans secured by United States securities fell off 40.5 millions, while holdings of United States bonds and Victory notes show an increase of 10.6 millions. In connection with these developments the amount of accommodation to reporting banks, as shown on the books of the Federal Reserve Banks, increased from 2,053.4 to 2,127.6 millions, or from 11.9 to 12.4 per cent of the total loans and investments of the reporting banks. About 58 per cent of the total paper held under discount by the Reserve banks during the period was composed of war paper.

During the four weeks between April 23 and May 21 the Federal Reserve Banks increased their total holdings of discounted bills by 22.2 millions to slightly over 2,500 millions, the increase being confined altogether to ordinary commercial paper. War paper holdings of the Federal Reserve Banks show a slight decrease, not sufficient, however, to affect the per cent share in total discounts, which during the four-weeks period continued about 58 per cent. Little change is shown in the composition of the total war paper holdings, about two-thirds of this paper held during the period being secured by Liberty bonds and Victory notes, and slightly over one-third by Treasury certificates.

Holdings of acceptances purchased in open market show an increase from 404.6 to 417.4 millions, while the amount of acceptances held under discount at the Federal Reserve Banks declined from 74.3 to 64.8 millions.

Interbank discounting, after a slight increase in the first week and some diminution in volume during the following two weeks, shows a considerable increase during the last week of the period, the May 21 total of paper held under discount by the Boston, New York, and Cleveland banks for seven Federal Reserve Banks in the South and Middle West 146.1 millions, being 3.2 millions in excess of the April 23 total. The Philadelphia bank, which on the earlier date had a total of 23.4 millions of rediscounted paper outstanding, no longer figures in the list of rediscounting banks. The Kansas City bank increased its outstanding rediscounts from 11.8 to 14.2 millions, while the Atlanta and Dallas banks are shown to have joined the list during the past month. The New York bank continues to report a contingent liability of 16.2 millions as guarantor on bills purchased for foreign correspondents.

Net deposits fluctuated between 1,773.6 millions on April 23 and 1,839.4 millions on May 14, and at the close of the period stood at 1,784.4 millions, these fluctuations being coincident with fluctuations in total discounts. Federal Reserve note circulation shows a net expansion during the period of 16.9 millions, while the banks' liabilities on Federal Reserve bank notes show a further reduction of 3.3 millions. It may be noted that since January 2 of the present year the Federal Reserve Banks' liabilities on these notes have been reduced by 81.2 millions, or only by 5 millions less than the increase in their liabilities on Federal Reserve notes. Gold reserves, because of further export withdrawals for shipment largely to South America and the Far East, show a reduction of about 10 millions, while total cash reserves in consequence of some gains in silver and legals, show a loss of only 4 millions. Reserve ratios fluctuated within the narrow limits of 43 per cent on April 23 and 42.2 per cent on May 14. A week later, in consequence of some reductions in loans and net deposits, the ratio rose to 42.7 per cent.

The usual quarterly conference between the Federal Reserve Board and the Advisory Council Federal Advisory Council occurred on May 17. Special scope was given to it by the presence of the Class A directors of Federal Reserve Banks. All districts were represented,

and the sessions were spent in discussion of the general credit situation and in an effort to obtain a consensus of opinion with regard to the methods to be followed in bringing about orderly deflation of bank credit. Governor Harding presented at the opening session of the conference a general analysis of the situation, the substance of which is published elsewhere in this issue. After the completion of the conference the following resolution was adopted:

*Resolved*, That the bankers here assembled, in their capacity as members of the Federal Advisory Council, in their capacity as directors of the Federal Reserve Banks of the country, in their capacity as members of the orderly deflation committee of the American Bankers' Association, and in their capacity as officers and directors of banks doing business in the various cities of the country, approve the sentiments expressed in the very able address of Governor Harding as representing the views of the Federal Reserve Board; and also be it

*Further resolved*, That they believe that the widest publicity should be given the address, and further, that they hereby agree to abide by the spirit of the address in the conduct of their own affairs, and that they will encourage its general adoption by the bankers and people of our country.

A further resolution prepared by a committee headed by Mr. James B. Forgan, the substance of which has already been quoted on page 556, was adopted and ordered transmitted to the Interstate Commerce Commission and the Shipping Board.

On May 10 President Wilson sent to the Senate the name of Mr. Edmund Platt, of New York, chairman of the House Banking and Currency Committee, to be a member of the Federal Reserve Board, and the appointment was confirmed on May 28. At the time of his nomination Mr. Platt was a Member of Congress, having represented the twenty-sixth New York district consecutively since 1913. Throughout the term of his service in Congress Mr. Platt has been a member of the Committee on Banking and Currency, serving during the past two years as chairman. His service thus covers the period of time during which the Federal Reserve Act and the amendments subsequently incorporated into it occupied the attention of the committee. He was graduated from Harvard College in 1888 and shortly after entered the field of journalism, having been editor of the Poughkeepsie Eagle since 1907.

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

Changes in prices, as well as in both business and credit conditions, occurring during the month of May, have borne witness to the presence of disturbing factors whose importance and persistence are, however, as yet uncertain. Local reductions in retail prices have occurred at a considerable number of points and have at least suggested the advent of a serious modification of the price level throughout the country. More careful analysis has shown that there has been no material alteration in the underlying conditions affecting the situation, there being no decided increase in the volume of production sufficient to create a more normal relationship with consumption, no substantial change in the volume of credit extended, and no greater disposition to economize and invest than heretofore. The changes that have taken place can not, therefore, be looked upon as indicating a modification of underlying conditions. They may, however, afford a basis for changes in business relationships that may broaden into more far-reaching alteration of the essential price structure. The continuance of labor difficulties and unrest, particularly in connection with the railroads, when added to the difficult situation produced by car shortage and lack of equipment, has caused considerable interruption to business operations, and the whole outlook has been such as to bring about a severe curtailment in the volume of stock and securities transactions and to compel very material lessening in the market value of Liberty bonds and of other securities of the first grade.

In district No. 1 (Boston) there is noted a trend toward greater discrimination and economy in buying, with pressure for lower prices, but there is also noted very great difficulty in the way of actual deflation.

In district No. 2 (New York) price reductions are noted in retail stores, a considerable accumulation of goods awaiting shipment resulting from strikes, a growth in the cost of doing business, a great reduction in securities prices, but, nevertheless, a continued high demand for goods, and activity in trade.

In district No. 3 (Philadelphia) the congestion of freight and accompanying conditions have combined with a quieter state of things in the markets and a larger relative public demand for medium and lower priced goods, to alter in some respects the general drift of development of preceding months.

In district No. 4 (Cleveland) an orderly movement back toward a more solid and substantial footing is noted, although not all busi-

ness men are agreed on the outlook. Business conditions, however, are said to be fundamentally sound.

In district No. 5 (Richmond) unrest and uncertainty in commercial fields have continued, and agitation against high prices has led to some curtailment in purchasing. Collections are good, on the whole, and the most serious cloud on the present situation is the traffic outlook.

In district No. 6 (Atlanta) the peak of high prices has been reached in most lines and the tendency is downward, while there is some indication of reduction in stocks of goods. Unrest still prevails on account of high prices.

In district No. 7 (Chicago) decided readjustment in economic conditions is anticipated, one factor in which is the growth of indications of general reductions of prices. The transportation and associated difficulties noted elsewhere in the country appear to be especially acute in the Chicago district, while the labor situation shows small improvement.

In district No. 8 (St. Louis) the volume of business is enormous, the total in both manufacturing and distribution showing broad gains over the corresponding period last year. The peak of the upward movement is, however, believed to be reached. Productive conditions have been unfavorable agriculturally.

In district No. 9 (Minneapolis) crop conditions are promising. The demand for credit is very strong and the business outlook is satisfactory, although there is a disposition to be cautious.

In district No. 10 (Kansas City) there was during April the first "real recession from the high tide of activity" of the past year or more. There has been a curtailed movement of live stock and grain, resulting from bad transportation conditions accompanied by severe financial hardships upon producers and shippers. Retail trade has slowed down, but the general situation is regarded as one of encouragement, although more or less unsettled conditions are expected to prevail during readjustment.

In district No. 11 (Dallas) there has been a slowing up of agricultural, business, and financial operations which, however, has had some beneficial effect. Prices have continued upward, but the falling off in demand has affected largely the higher-priced articles. There is recognition of "a healthy spirit of caution among bank borrowers and users of capital."

In district No. 12 (San Francisco) the prospects for good crops are better than at any time this year, although the season is late. Car shortage has hurt lumbering, building has

been less active, and retail trade has fallen off slightly as compared with a month ago.

The arrival of the time for active effort in connection with crops has introduced a new factor into the situation in those districts where agriculture is the chief industry. In the cotton region the movement of the 1919 crop has continued to slow up, while farming conditions in the Southwest (district No. 11, Dallas) have not been very favorable. Planting is late and much replanting has been found necessary. Undue drought has been only partly relieved. Live stock ranges are in fair to good condition, and the condition of animals is reported good. In district No. 6 (Atlanta) preliminary inquiry indicates that while planting is not complete there is a disposition to increase acreage. The progress of the crop has been greatly delayed. Actual damage to crops thus far through unfavorable weather has been small. With respect to wheat, it is reported by district No. 9 (Minneapolis) that spring wheat acreage will be 12 per cent less than a year ago, owing to shortage of farm labor, but that there will be increased seeding to flax, barley, and oats. Corn acreage is expected to be unusually large. Live-stock conditions are improving, but the herds are in poorer condition than at this time a year ago. In district No. 10 (Kansas City) winter wheat made good progress in April. Abandonment of acreage is not as large as was at first reported. In some States of the district, notably Oklahoma and Nevada, conditions are very much better, but it is still true that a large reduction in acreage has taken place. Corn planting is slow. Cotton is also retarded. In the Middle West (district No. 7, Chicago) there is a great demand for credit in agricultural districts, the serious shortage of farm labor, as well as cold weather and large rainfall, having hindered farm work. Spring wheat acreage has been restricted, but the crop is now doing well. The outlook is "fairly promising." The transportation "tie-up" is reported from all districts as having prevented normal movement to the markets, as well as for export, and a correspondingly larger use of credit. Large stocks of both corn and wheat are being carried on farms, in elevators, and elsewhere. Agitation designed to bring about some relief of the labor shortage may produce better conditions in the near future. From district No. 10 (Kansas City) it is reported that Kansas had 35,500,000 bushels of wheat in storage, as against 11,000,000 a year ago. Throughout the district the delay in the movement of products is serious.

The favorable conditions for live stock reported from some districts, notably Dallas, Kansas City, and Minneapolis, encourage the

belief that the year's output will be better than was expected. This continues the expectations already reported a month ago. In live stock, as in grain, however, the movement to the markets has been delayed. Receipts of cattle at 15 principal markets during April were 1,040,903 head, as compared with 1,203,499 head during March, and 1,255,379 head during April, 1919, the respective index numbers being 103, 119, and 125. Receipts of hogs likewise decreased from 2,910,909 head during March, corresponding to an index number of 132, to 2,150,281 head during April, corresponding to index number of 98, and 2,823,484 head during April, 1919, the index number for which month was 128. Receipts of sheep during April were 928,191 head, as compared with 900,299 head during March and 970,070 head during April, 1919, the respective index numbers being 68, 66, and 71.

In iron and steel demand has continued very heavy and steel mills are booked far ahead. The ore situation is, however, not improved. Lake transportation has been slow. The railroads can handle only a small portion of the ore which is ready for shipment. A shortage of coal in the Northwest is expected. Shipments of ore for April were only 231,000 tons, compared with 1,400,000 in April, 1919. In district No. 3 (Philadelphia) the general iron and steel market has been much quieter lately and buying has slackened. The level of prices continues firm. Some mills have been fortunately situated in possessing a large supply of raw materials, and orders in practically all lines are booked for a long time ahead, so that manufacturers feel that the present year should be a time of continued prosperity. This, however, is largely contingent upon the development of better transportation and improvement in labor conditions. In district No. 6 (Atlanta) pig-iron production has increased somewhat over 1919, but there is a decrease as compared with March. Pig-iron prices are advancing. Steel plants are well supplied with orders and working on full time. Commercial work in fabricating plants is active and prospects bright. The unfilled orders of the United States Steel Corporation at the close of April were 10,359,747 tons, corresponding to an index number of 197, as compared with 9,892,075 tons at the close of March, the index number for which month was 188. Pig-iron production during April decreased to 2,739,797 tons, as compared with 3,375,907 tons during March, respective index numbers being 118 and 146; while steel-ingot production likewise decreased from 3,299,049 tons during March to 2,638,305 tons during April, the index numbers being 137 and 109, respectively.

Coal conditions have been particularly important in connection with iron and steel, as with other industries. The state of things in regard to coal is now very acute in some districts. In district No. 2 (New York) the supply is far below the demand and consumers are bidding against one another. Railroads "are more or less the victims of systematic sabotage at their terminals." The car supply at the mines is only 30 per cent of normal, while the labor situation there is also unsettled. The situation as a whole "is such as to cause considerable concern among conservative coal men" and transportation is regarded as a fundamental factor requiring improvement. In the Middle West (district No. 4, Cleveland) coal shipments have fallen off. For April at lake ports they were about one-third of what they were in April, 1919. Lake shippers will pool their coal in order to increase the movement, but this is only a partial remedy. Fuel prices are the highest on record in the lake trade. Not only does a general shortage of coal exist now but a shortage next winter which may curtail production of iron and steel at interior furnaces is foreseen. In district No. 6 (Atlanta) the coal production is being held down, mines being able to get only an insufficient number of cars. Labor, however, shows no discontent, and there is small movement of coal in foreign trade. Railroads throughout the district have placed orders for fuel for the next 12 months, "the amount in every instance being larger and the price higher than ever before." Production of bituminous coal for the country at large during April amounted to 37,966,000 tons, as compared with 46,792,000 tons during March and 32,164,000 tons during March, 1919, the respective index numbers being 102, 126, and 87. Labor difficulties, although sporadically existing, appear to be a relatively minor factor in coal production as compared with the influence of car shortage. In the Southwest many bituminous coal mines are operating at only about two-thirds of capacity. No reduction of prices is in sight. Demand for petroleum continues very strong. In the Kansas and Oklahoma oil fields April output was about 10,500,000 barrels, or slightly larger than in March, as compared with about 9,000,000 barrels in April, 1919. Production still tends to increase. The California output was about 275,000 barrels a day, as compared with 276,000 in March. Stored stocks have decreased nearly 500,000 barrels. At the present rate of production and consumption the stored stocks in California will probably be exhausted before the close of 1921.

Metal mining has shown a slight improvement in Colorado, despite some shortage in labor, while lead and zinc have shown a price

reaction on the Joplin market, although much of the output is still in cars and on the sidings. The average price for lead ores is one of the highest for many months, but the supply of ore is insufficient to meet demand. Production, however, is fairly well maintained.

General manufacturing has continued in substantial volume, although unsettled conditions of labor and uncertainty on the part of retail buyers have had a restrictive effect. In leather and shoes production is reported by district No. 1 (Boston) to be low and "quantities of merchandise extremely high." Prices of leather are down to 80 cents from a peak of \$1.75 per foot. Dealers stopped buying about the middle of May. Some manufacturers have had overtures for cancellations, which have been refused. In district No. 5 (Richmond) no recession in prices is expected. Tanners in district No. 3 (Philadelphia) are not optimistic about present conditions. Some tanners manufacturing for foreign trade contemplate shutting down. There is an insufficiency of labor. Retailers are restricting their orders for shoes. Wholesalers and jobbers are overstocked. Manufacturers are receiving some cancellations. Increased buying, however, is expected in the near future and most manufacturers are continuing to operate at capacity. The outlook is for "a steady volume of business but at lower price levels."

Textile production has been subject to many disturbing conditions. In the New Bedford district of Massachusetts, textile strikes of some importance have occurred. An advance of wages of about 15 per cent in the principal textile centers of New England has been announced. High prices for cotton continue with very little indication of a reduction. Spinners, however, are cautious, believing that prices on fine cotton yarn have reached the top. In knit goods demand has practically ceased at the present time. Goods for fall delivery have been quoted at 20 to 30 per cent below those of spring. Cotton yarn continues at a high level. "The outlook in the trade (for knit goods) is very uncertain" but "many manufacturers hold to the belief that orders will soon be placed in great numbers." In wool the auction sales at Boston have resulted in the purchase of only about 30 per cent of offerings, and prices were off about 20 per cent from the previous sales of English wool. Prices of American wool are off 10 per cent and on lower grades 10 to 15 per cent. There is some letting up in the demand of the purchasing public for the finer grades of cloth. Cancellations of orders in both cotton and wool have not been large but are already noticeable. Clothing manufacturers are purchasing but little from the weavers in

district No. 3 (Philadelphia). They also are receiving numerous cancellations and are obliged to make concessions to retailers. General wholesale trade, in spite of unsettlement due to conditions already described, holds up tolerably well.

Building activity continues well sustained in many sections, although seriously curtailed in certain districts, such as Chicago, by the shortage of materials and by increased prices. From several districts it is reported that new construction is largely confined to business building as against construction for housing purposes. The character of building operations has resulted, it is reported, in a lessened demand for lumber, whereas in the case of brick, cement, etc., as just noted, demand outruns supply. In certain districts complaint is made of difficulty in financing construction, and in some of the larger centers the great increase in rentals has resulted in a large growth of purchasing of syndicates of tenants.

The labor situation during the month has been one of the outstanding elements of doubt and difficulty. In addition to intense shortage of labor on farms and at other points of primary production, sporadic strikes in many lines of manufacturing, notably textiles, have continued to indicate unrest. Wages have apparently fallen behind the advance in prices and cost of living. The movement of labor from the farms to the cities is continuing. Various demands for higher wages have been taken under advisement for the purpose of bringing about compromise adjustments between employers and employees. General complaint of low efficiency or small output per unit of labor continues to be prevalent. The difficulty of getting skilled labor in some of the more highly developed lines of manufacture is very considerable.

The financial occurrences of the month have been of first importance. In addition to a heavy decline both in volume and value of securities in the financial centers, there has been a general tendency to revision of interest rates. This has applied both to call and time funds and to rates for commercial paper. No material change in rediscount rates at Federal Reserve Banks has occurred, but an effort to limit credit to essential necessities has been general. It has been sought to promote this control of credit through conferences among bankers and discussions of the financial situation at meetings of bankers and financial authorities generally. On May 18 an important conference between the Federal Reserve Board and the Federal Advisory Council and Class A directors of Reserve Banks occurred in Washington, as the outcome of which agreement was reached to make a more careful scrutiny of applications for bank credit,

with a view to granting those only which might be found to be necessary.

It was further agreed that caution must be exercised and commitments must be made only with discretion.

#### WHOLESALE TRADE ACTIVITY IN THE WEST.

Evidence of a general sort is to the effect that wholesale trade in April showed a falling off from the extreme activity of the preceding month. This evidence is supported by the statistical data, showing changes in volume of sales, collected by the Kansas City, Dallas, and San Francisco banks. On the whole, however, sales in these three districts were still greatly in excess of those for the same month of the preceding year.

#### DISTRICT NO. 8 (ST. LOUIS).

Pretty generally throughout the wholesale and jobbing strata of distribution a note of conservatism is being sounded. In certain lines purchasing has slowed down, or is being pursued on a more discriminating basis. The unusually late season has given rise to apprehension among country merchants relative to the outcome of crops. Ready-to-wear clothing, hats, and some specialties handled by wholesale dry goods houses display recessionary tendencies. As a general proposition, the wholesale dry goods trade is described as steady, but with a tendency to slow down, due to the credit situation and uncertainty of the agricultural outlook. Pretty much the same status obtains in boots and shoes, with many houses stating that retailers are not disposed to stock heavily. Among wholesale grocers and hardware people there are no indications of letting down in the demand. These lines are lively as ever, with goods scarce, prices strong to higher, and the demand unabated. Drugs and chemicals, also, continue in urgent demand, with no downward scaling in the recent extravagant prices. Collections up to now have been in the main fair to good. There are some backward spots and less general alacrity to settle than heretofore, but specific complaints are not numerous.

#### DISTRICT NO. 9 (MINNEAPOLIS).

The wholesale trade shows considerable activity in farm implements and the lines that are affected by spring planting activities, but there is an inclination on the part of retailers to buy more conservatively than during the past three or four years. This appears to be the result of a general feeling on the part of the country merchants that price recessions are in sight, and they do not desire to buy on a falling market or stock up beyond immediate needs until the future price situation becomes clearer.

DISTRICT NO. 10 (KANSAS CITY).

Purchases by retail dealers from wholesalers fell off perceptibly during April from the high purchasing activity of March. A summary of the reports which were received follows:

	Sales in April compared with—		Stocks Apr. 30 compared with—	
	Previous month.	Year ago.	Previous month.	Year ago.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Furniture.....	Same.	+30	Same.	+15
Millinery.....	-20	-5	-10	+25
Dry goods.....	-15	+100	-20	+25
Drugs.....	-5	+40	-3	+5
Groceries.....	+7.5	+24	-20	-25

Outstanding orders for stocks at the close of April to total purchases during the calendar year were reported by these houses as follows: Millinery, 5 per cent; dry goods, 25 per cent.

DISTRICT NO. 11 (DALLAS).

Reports from wholesalers for the month of April reflect a distinct lull in the buying movement during that month. Among the causes which contributed to the reaction were: Unseasonable weather conditions, transportation difficulties, price resistance, and retail stock replenishments in March. April sales, however, in all of the reporting lines except automobile supplies and farm implements, reflected heavy gains over sales for the corresponding month last year. Comments of wholesalers are to the effect that the outlook is for a slower pace in trade for the balance of the year, with no immediate prospect of the downward turn in prices which eventually is expected to be the next broad movement in the price situation. Detailed statistics on the condition of wholesale trade, based on April operations of our reporting firms, are given below.

April, 1920, wholesale trade, compared with March, 1920, and April, 1919.

[+ increase; - decrease.]

	Compared with—	Sales.	Selling price.	Shipments.	Stock at end of month.
		<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Groceries.....	Mar., 1920	+2	+4	+6	-14
	Apr., 1919	+48	+26	+57	+18
Furniture.....	Mar., 1920	+8	+5	.....	.....
	Apr., 1919	+33	+45	.....	.....
Auto supplies.....	Mar., 1920	-30	Same.	-39	Same.
	Apr., 1919	-13	+16	-23	+10
Drugs.....	Mar., 1920	-16	+3	-16	.....
	Apr., 1919	+46	+11	+46	.....
Dry goods.....	Mar., 1920	-8	+8	-8	+5
	Apr., 1919	+45	+21	+45	+16
Hardware.....	Mar., 1920	-10	+1	+5	-3
	Apr., 1919	+45	+8	+39	-24
Farm implements....	Mar., 1920	-27	+6	-27	Same.
	Apr., 1919	+5	+12	+5	-14

DISTRICT NO. 12 (SAN FRANCISCO).

Sales by wholesale firms were approximately 1 per cent greater during April, 1920, than during April, 1919. In all reporting wholesale lines, with the exception of groceries, where sales during April exceeded those in March by 11.2 per cent, April sales were from 7 to 18 per cent less than during the preceding month, although from 15 to 40 per cent greater than during the same month in 1919. While the price tendency continues upward, retail stores report a softening in prices of a few commodities, wholesale dry goods stores report a tendency for prices of silks to decline, and wholesale boot and shoe firms report a noticeable tendency for prices to decline. A statement of increases in wholesale trade of reporting firms in the principal cities of this district for April, 1920, as compared with April, 1919, is given below:

Increases in sales in April, 1920, over April, 1919.

	Hard-ware.	Dry goods.	Groceries.	Total. <sup>1</sup>
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Los Angeles.....	61.0	.....	24.0	56.1
Oakland.....	.....	.....	.....	.....
Sacramento.....	38.1	.....	36.7	35.4
San Francisco.....	48.2	29.3	57.8	49.6
Portland.....	30.6	12.4	80.4	52.5
Salt Lake City.....	.....	.....	19.6	25.1
Seattle.....	36.9	54.2	11.5	33.3
Spokane.....	103.5	60.9	31.5	38.4
Tacoma.....	37.0	.....	49.7	48.8
District.....	48.0	25.8	46.6	42.5

<sup>1</sup> Including reporting drug and boot and shoe firms.

NOTE 1.—District percentage for reporting drug firms: Portland, 20.7 per cent; district, 23.5 per cent.

NOTE 2.—Percentages for reporting boot and shoe firms: San Francisco, 69.8 per cent; district, 16.7 per cent.

The above table is based upon returns received from 75 establishments, of which 12 are wholesale dry goods, 27 wholesale grocery, 8 wholesale drug, 20 wholesale hardware, and 8 wholesale boot and shoe firms.

LEVEL OF INTEREST AND DISCOUNT RATES.

In April all Federal Reserve districts reported a high level of interest and discount rates, while several districts mentioned the fall in the demand for commercial paper, due to the fact that the country banks which had previously been heavy buyers of such paper then had their funds fully employed at home.

The situation has remained substantially unchanged in May except that in general further advances in interest and discount rates have occurred, and the demand for credit accommodation has been intensified by the inability to market goods, occurring at a time when the spring need of funds in agricultural districts is normally heavy.

## DISTRICT NO. 1 (BOSTON).

Discount and money rates have slightly increased in the district during the month. The prevailing rate for call loans has been 8 per cent for almost the entire period under review. Commercial loans have been made at rates varying between 7 and 7½ per cent, one banker even stating that he could have loaned considerable money at 7¼ per cent had he so desired, although no actual quotations at this rate has been recorded. Open-market operations in acceptances have increased somewhat, with rates ranging between 6¼ per cent and 6½ per cent for unindorsed paper, which has been in considerable demand. Indorsed paper has been purchased to some extent by the Federal Reserve Bank at slightly lower rates. Commercial loans have shown a marked increase during the month, as have net demand deposits. These two taken together have necessitated further recourse to the Federal Reserve Bank, borrowings of reporting banks in Boston now being \$6,000,000 in excess of a month ago, although nevertheless showing a decline of \$12,000,000 since January 1, 1920. The borrowings from the Federal Reserve Bank of the banks in Boston amounted on May 14 to 76.6 per cent of the loans which this bank has made to all member banks in New England. This is an increase from 68.3 per cent on January 1, 1920.

## DISTRICT NO. 2 (NEW YORK).

District No. 2 (New York) reports firmer money rates. Stock Exchange call loans ranged from 6 to 15 per cent, a rise occurring on each occasion when demands were out of the ordinary. Such instances were moderate withdrawals of Government deposits from the banks, and the dividend and interest payment periods. This inelasticity was despite the fact that stock market liquidation released funds rather than engaged additional amounts. Time money quotations continued largely nominal at 8½ to 9 per cent, according to collateral, through most of the period. Latterly, a substantial sum was reported as contracted for, but this apparently was an exceptional case, as little new money has otherwise been offered. The freight tie-up, though it tended temporarily to relieve demands for funds to meet payments on incoming goods, increased requirements of out-of-town borrowers and hampered the distribution of commercial paper and acceptances. Sales of commercial paper were lighter, though rates were advanced to 7½ per cent for best names. Country banks were practically the only buyers. Contrasting with recent activity the bill market also has been

quiet, with the supply of bills in excess of the demand. Rates advanced to a basis of 6¼ per cent for prime 90-day bills.

## DISTRICT NO. 3 (PHILADELPHIA).

The rates for commercial paper have become more firm. The general rate in this district is now 7½ per cent, though some of the best names command a somewhat lower rate. The supply is fairly good, but demand from city institutions continues small, most of the buying coming from the country.

## DISTRICT NO. 4 (CLEVELAND).

Money is tight. The demand for credit is insistent, is aggravated to a great extent by large and expensive inventories and finished goods which can not be moved, and requires the utmost vigilance on the part of the bankers to see that proper use is made of what loans are absolutely necessary for essential industries. Too much stress can not be laid upon this point. Our credit possibilities are not unlimited, and the granting of loans to nonessential industries in the present situation must be at the expense of some more necessary production and can not be condoned.

The return of the general selling rate of acceptances to a 6 per cent basis has not stimulated business to the level of last month, although institutions and individuals that have not formerly been in the market are slowly being drawn into purchasing this form of security. The turn in the volume of bills sold is considerably less than in any month since the first of the year. The continued tightening of money, as shown by the upward trend of call rates and the firm tone of the time money market, has largely been responsible in retarding the demand. The country banks that have been the important sources of absorption are now feeling the weight of their local requirements for money and are buying bills in much smaller amounts. The crop-planting season and the inability to move commodities has caused unusually large demands for money, and has been directly reflected in the acceptance market.

## DISTRICT NO. 5 (RICHMOND).

Bankers report sufficient funds available for the real needs of the district, but careful scrutiny of applications for loans is necessary to prevent tying up of funds in speculative undertakings and for capital purposes. Traffic conditions are hindering efforts made by the banks to call in some of their loans, producers being unable to liquidate their obligations until collections for goods sold can be made after delivery.



## DISTRICT NO. 6 (ATLANTA).

There is reported a good demand for funds, due principally to the necessity for making arrangements for the season's farming activities; interest rates generally appear to be steady, with increases in a few instances. A small increase in deposits is noted in reports from various parts of the district.

## DISTRICT NO. 7 (CHICAGO).

The demand for money and credit continues exceedingly heavy. The banks in the district for some time have bought no commercial paper, their every effort being expended in the granting of credit to necessary lines of industry and business. The volume of credit available for normal requirements is greatly restricted by reason of the large volume outstanding in agricultural districts. There does not appear to be an immediate possibility of liquidating this so-called "frozen credit," much of which is traceable to the land speculation of last year. It is true that as a rule where farm land was sold a good part of the purchase price was represented by mortgage; but at the same time insurance companies and other purchasers of such securities declined to allow as much as half the supposed present value of farm lands, and this forced buyers to use their individual credit as far as possible. It is doubtful if many bankers realize to what extent this land speculation has drawn on the credit supply, as a large number of the correspondents replying to a general credit inquiry assign the necessity for loans to other reasons.

Another incentive for farm borrowing is the carrying of large stocks of corn on farms which was made necessary by the fact that when the grain could have been marketed, farmers considered the price too low and held their grain, whereas now because of the transportation tie-up, it is almost impossible to move the crop to market. The transportation situation is exerting an influence on credit in several directions, causing among other things the tying up of a large volume in raw materials and manufactured goods which can not be delivered to the purchaser.

## DISTRICT NO. 8 (ST. LOUIS).

Not one whit diminished is the demand for money in this district. On the contrary, the past month has developed a broader and more insistent inquiry than ever. The first signs of liquidation on any appreciable scale have yet to appear. Merchants and manufacturers are making known unprecedented needs, and proportionately agricultural demands are as

large as those for industrial purposes. Financial institutions are endeavoring to discourage all but absolutely essential borrowing, and are casting about for the best means of effecting curtailment of loans and credit inflation. The situation has been considerably aggravated by the partial paralysis in transportation, which has tied up enormous credits that might be doing service in the regular conduct of business.

A further slowing down in the market for commercial paper was noted during the past month. Brokers report decreases in volume of business as high as 60 per cent under the peak period this year. Country banks are purchasing more sparingly than heretofore, and the big city institutions are not in a position to take on much paper. Rates have advanced to 7½ and 7¾ per cent, with some very choice names being offered at the major figure of the spread.

## DISTRICT NO. 9 (MINNEAPOLIS).

Banking conditions have not changed materially. The demand from the country is very heavy owing to a considerable increase in the cost of spring planting, both as to machinery, material, and farm labor. Rates retain the same levels as a month ago, and are very firm. Banks generally are encouraging their customers to restrict their borrowings to those that are necessary for the support of current business activities and agriculture, and avoid speculative operations. Loans of commercial banks at the reserve bank are much higher than normal, and are likely to continue high throughout the summer because of the serious impairment of the ability of the railroads to move traffic and consequent delay in liquidation.

## DISTRICT NO. 10 (KANSAS CITY).

Since the adoption of the progressive discount rates by the Federal Reserve Bank of Kansas City, there have been many evidences of curtailment of credit by the larger financial and commercial institutions of this district. The expansion of credit continued for about two weeks after the adoption of the progressive rate, owing to seasonal demands and commitments already made. Since the 5th of May, however, there has been noticed a steady and consistent reduction, and it is felt that this reduction will continue gradually and on a safe and conservative basis.

The only disturbing feature in the financial situation, as it applies to the Tenth Federal Reserve District, is the shortage of railroad cars in which to move the grain. It is estimated, in certain sections of the district, there

is still on hand in the grain elevators and in the farmers' bins at least 50 per cent of last year's crop. Before this can be moved, unless there is a marked improvement in transportation facilities, this year's crop will be harvested. This, of course, absorbs millions of dollars of loanable funds and prevents liquidation. While it can not be denied there is a general tendency toward curtailment of credit and that interest rates have advanced, it is felt that ample funds will be forthcoming to care for legitimate requirements of the agricultural and live-stock industry.

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

The nation-wide tension in the money market has been making itself felt in the Eleventh District. Bankers are scrutinizing the demands of their customers more closely than ever, and a number of them report that there is a healthy spirit of caution already visible in their clients' plans for the coming months. Industrial and mercantile interests appear to be fully alive to the warning that essential and productive processes must have right of way in the financing of the future, even if it necessitates the rationing of credit as a means of credit control until the danger period is passed in the process of deflation. With a wise distribution of credit there seems to be no grounds for serious alarm in the matter of financing the essential requirements of the Eleventh District through the borrowing season until this year's crops are harvested. That portion of the district's revenues which comes from oil production may be expected to continue through the summer months as a helpful source of income, and, in addition, there should be a fairly steady liquidation of cotton, cotton products, and live stock. Yet with the returns from these sources in hand, it is evident from the credits which have thus far been extended by the Federal Reserve Bank of Dallas in May, and the demands already in sight for the month of June, that this district will have occasion to call on other districts for rediscount accommodations through the summer period.

In April 307 banks were accommodated, against 252 in March. The increased demands of the Eleventh District banks, due to the seasonal needs of their customers, not only absorbed the excess reserve which the Federal Reserve Bank held on March 31 in the form of \$10,000,000 of paper rediscounted for other reserve banks, but made it necessary for the Dallas bank to rediscount \$3,000,000 of its member banks' paper in other districts.

Reports of average discount rates charged by banks in six of the larger cities of this district show but little variation from the general level of rates prevailing in March, although in the

case of cattle loans there was a sharp increase at Fort Worth, the principal live-stock center of the district, where cattle loans commanded an average rate of 8½ per cent, as compared with the March quotation of 7 per cent.

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

Interest and discount rates in industrial centers have shown a tendency to continue to stiffen during the past month, although not sufficiently to change prevailing rates previously reported of from 6 to 7 per cent. In agricultural sections the prevailing rate remains 8 per cent.

#### EFFECTS OF THE RAILROAD STRIKE.

It is generally conceded in the reports of the Federal Reserve agents that the transportation tie-up is largely the result of the railroad strike, which still continues over a large section of the country. The congestion is further accentuated by local strikes of other groups of transport workers. While the shortage of cars is acute at some points, it is evidently not the prime cause of the immediate transportation difficulties, which are due to inability to shift and to utilize existing equipment on account of shortage of labor and difficulties with inexperienced men who have taken the place of strikers.

#### DISTRICT NO. 1 (BOSTON).

No picture of current economic conditions in New England such as we attempt to draw afresh each month would be complete at this time without some portrayal of the traffic situation, which for various reasons—chiefly weather and strikes—has been such as to create unprecedented interference with shipments since practically the beginning of the year, and has necessitated partial shutdowns in industrial establishments because of failure to get materials. This district is fed from the South, West, and North by three systems of railroads—the New York, New Haven & Hartford, the Boston & Albany, and the Boston & Maine. In normal times the first mentioned has about 43,000 cars rolling on its beds, but at present has about 53,000, and with the shortage of switchmen and brakemen is unable to handle them to advantage; in addition this road is grappling with a strike of the tugboat men at its New England gateway, the Harlem River, and, as an inducement to obtain sufficient help, has been advertising for licensed engineers at \$180 a month, pilots at \$190, and firemen at \$130 for an 8-hour day, time and a half for overtime, 6 days a week all year round,

permanent positions. While the work of filling the strikers' places is slow, the road claims it is gradually making progress toward normal conditions. The normal capacity of the Boston & Albany is 800 to 900 cars per day, but for some time it has been moving about 1,000, without, however, materially clarifying the situation, it being recently reported that there were 4,200 cars in the yards at Albany with thousands back of these. The Boston & Maine is moving about 800 cars per day, which is more than its normal capacity, and its yards at Mechanicsville and Troy are choked with cars diverted to their lines. All three roads claim they are clearing their roads as far as possible for food supplies, for coal and fuel oil, and whenever there is opportunity permits are issued for the movement of nonessentials. The situation, serious as it has been, however, has not approached a collapse of transportation facilities and the activity of the Interstate Commerce Commission at this writing is giving hopes for early and substantial improvement.

#### DISTRICT NO. 2 (NEW YORK).

The cumulative effect during the past month of six separate strikes of various classes of workers on the transportation lines, both rail and water, has been vastly to increase the car shortage and freight congestion in the railroad yards, to limit exports, and either to curtail production or stop work entirely in a large number of factories in this district. Supplies of dead freight have been held in the railroad yards several weeks at a time, while every effort has been made to deliver coal and food products. Even these shipments have been carried only with the greatest difficulty.

The transportation lines were not yet operating normally following the general walkout of railroad men in April when a second strike of switchmen blocked through traffic in the Buffalo district. In addition strikes of harbor workers in both Buffalo and New York and truck drivers and longshoremen in New York resulted for a time in a tie-up of a large part of the water transportation system of the district. In consequence Great Lakes grain boats were often unable to unload their cargoes at the Buffalo elevators, and the railroads in New York, unable to lighten the export shipments through lack of tugs, were forced to place an embargo on these shipments. As a result the export movement by the railroads appears only about 50 per cent of normal at present.

During the past three weeks the situation has clarified somewhat, though all of the strikes continue with greater or less intensity. Most of the roads are now carrying a volume

of freight only slightly below normal, but have still to contend with the heavy congestion of cars accumulated in the yards during previous weeks and with poor discipline and inexperienced men. With a gradual improvement in tug power, however, it is expected that this great volume of export shipments, much of which has been in the railroad yards several weeks, will be shipped out. The car movement figures of a road which in the last half of April moved 15 per cent fewer cars than in the same period in 1919 has so improved now that in the first 2 weeks of May this movement was but 2 per cent below last year.

In relieving this freight congestion recourse has been made to automobile trucks and to the New York State Barge Canal system, though the high cost and restricted supply of trucks and the lack of boats and slowness of canal transportation have limited results from both.

Quantities of food have piled up at the piers as the result of the truckmen's strike. They went out in sympathy with the striking longshoremen. There have been several other strikes which were quickly settled, but a strike of captains and engineers of tugs handling train ferries in New York Harbor is still in progress.

#### DISTRICT NO. 3 (PHILADELPHIA).

The serious condition of the railroads should not be minimized. In conjunction with the shortage of equipment, the strikes of the operatives have caused embarrassing delays in the moving of all kinds of freight. Railroad embargoes are causing an accumulation of goods at factories and in warehouses, thus increasing the apparent scarcity of goods for sale and locking up an immense amount of money. Greater use is now being made of motor trucks for short hauls, and transportation over the inland waterways is becoming more active than heretofore.

The situation in the coal industry at the present time is very acute. The supply is far below the demand, and consumers are bidding against each other for the available supply in their efforts to obtain sufficient fuel to continue operating their industries. This, together with the export demand, has caused a new high price level for both bituminous and anthracite coal.

The small supply can be attributed primarily to the shortage of railway cars. While nominally settled the "outlaw" strike is still having its effect on car movements. "In switching territory of Jersey City," one operator writes, "not more than half of the normal number of switching crews are at work. More than half of these crews are made up of green men who

look upon themselves as strike breakers, who earn their pay for merely staying on the job. They make little pretense of working. Railroads are more or less the victims of systematic sabotage at their terminals. Switches are spiked even in broad daylight. Avoidable wrecks of minor character constantly occur. Train crews report for work and then mysteriously disappear, causing all sorts of delay and confusion. This sort of thing obtains particularly in the more important terminals—Jersey City, Buffalo, Cleveland, Columbus, Pittsburgh, and Youngstown."

#### DISTRICT NO. 4 (CLEVELAND).

Transportation conditions continue to dominate the iron and steel industry. The past month, by reason of the curtailed movement both of incoming raw material and outgoing finished material due to the stubborn persistence of the switchmen's strike, has been one of constant struggle on the part of the mills and furnaces to maintain operations. Many plants have been forced to shut down entirely or to greatly reduce their output by reason of these two main influences. After passing through several weeks of uncertainty wherein conditions have been changing almost daily between some improvement and less favorable outlook, the situation at the present time is a little more hopeful. At the same time embargoes still are in force at many points, with little possibility of their being lifted for some time. Mill and furnace yards are piled high with unshipped product and production is on a greatly reduced scale, so that the restoration of normal conditions probably will be a matter of protracted date of the indefinite future. The tie-up that has obtained in some of the large producing districts such as in the Pittsburgh zone, in the Mahoning and Shenango Valleys, Cleveland, and elsewhere, has been practically without parallel owing to the density of the plants and industrial operations in that territory. Operations have been dependent largely upon the moving of materials by full train loads, but this necessarily has been restricted, and thousands of tons of rolled steel and pig iron awaiting delivery have added to the already considerable stocks on the yards of the manufacturers. The effect of the general freight blockade has been one of cumulative force on the consumers of iron and steel who necessarily are dependent in their operations on an uninterrupted supply of incoming material.

One of the most disquieting phases of a transportation situation has been the interference with the lake coal and iron ore traffic. Many vessels have been held in lower lake ports because of the lack of fuel and cargo coal, the

latter of which they should be handling vigorously for the Northwest at this time. The situation has been complicated by the strike of dock handlers at the head of the lakes which now has been adjusted. It is estimated that at the present time about 60 per cent of the total ore vessel capacity of the lakes is in action. The result of these conditions promises to be a material cutting down of the expected season's movement of iron ore and a shortage of coal at the northern points. The effect has been felt already in the Lake Superior mining regions, where some curtailment of operation has been forced. Where a 60,000,000-ton ore movement for 1920 has been protracted, ore operators now have dropped their estimates to 55,000,000 tons, and this probably will have to be revised lower as the loss of cargoes is continued. During April the lake ore movement by water amounted to 230,854 tons as compared with 1,412,239 tons for the corresponding month in 1919.

The switchmen's strike does not appear so hopeful as it did 30 days ago. Chambers of commerce throughout the United States have been asked by the Cleveland chamber to urge their members to send into the railroad yards such employees as have had switching experience, in an effort to relieve congestion and keep goods moving. It is yet too early to determine what effect this will have on the general situation.

Transportation at various points in the district is moving at from 25 to 75 per cent of normal, with the inevitable result that goods are piling up on shipping platforms in immense quantities—in some cases beyond the ability of the producer to finance it.

#### DISTRICT NO. 5 (RICHMOND).

At this writing, the most serious cloud on the horizon is the traffic tangle. The outlaw strike in April greatly added to the already distressing shortage of equipment by tying up thousands of cars at junction points, thus as effectively removing them from useful work, for the time being, as though they had been destroyed. Manufacturers can not market their products, coal mines can not operate full time, and farmers can not secure fertilizers and machinery until some solution of the railroad congestion is reached and applied.

The outstanding event in labor circles during April was the switchmen's strike in the great eastern commercial and railroad centers, but while the effects of the strike were felt keenly in the Fifth District, it did not spread into our territory. Locally, labor appears fairly well satisfied, and no trouble has been reported.

## DISTRICT NO. 6 (ATLANTA).

Lumber and coal shipments have been especially affected in District No. 6 by lack of cars. It is said that "With the advent of more favorable weather throughout the southern pine territory, production is gradually becoming heavier. Existing embargoes, however, and the danger of others being declared without warning discourage efforts to move stock, while unseemly delays are encountered by shipments that have been forwarded."

The coal production in the Birmingham district is being held down by reason of the shortage in railroad cars. A number of mines along the railroads are complaining of the car shortage. The railroads of the district have practically all placed their orders for fuel for the next 12 months, the amount in every instance being larger and the price higher than ever before. The contracts provide against strikes and further labor advance. A few thousand tons of coal are being shipped to France, but no effort is being made to obtain foreign trade either in coal or coke until the market at home has been supplied. The car shortage, however, is causing the loss of time by mines which are unable to load.

## DISTRICT NO. 7 (CHICAGO).

One of the most vital and at the same time one of the most disturbing factors of business to-day is an extremely unsatisfactory transportation situation which has a twofold effect, namely, on manufacturers and on credit. When the switchmen went on strike more than a month ago, the railroads were already in bad shape because of a shortage of cars in face of a record-breaking tonnage offered, and this condition has been aggravated by the inability of the railroads to get cars moved. Every effort has been expended by railroads themselves and their results have been remarkable; but the immensity of the difficulties before them have proven almost insurmountable. Freight continues to pile up at practically all leading yards and terminals in the district, and the country as well, and the congestion has become so serious, because of its many ramifications, as to be the subject of great concern. There are a number of instances within the confines of the Seventh Federal Reserve District where plants have been forced to shut down completely owing to inability to obtain either fuel or raw materials with which to operate factories. Still other plants in large numbers are running on famine rations and face exhaustion soon unless they can get relief.

The grain trade is practically demoralized because of inability to get cars to move grain

from country elevators to terminal markets. This feature alone contains several serious aspects. Farmers can not dispose of their grain because of the glut in country elevators and the grain dealers can not get the cars to ship the commodity they handle, which renders it impossible to make the drafts that would release a huge volume of credit now tied up in the grain trade. Unless this situation rights itself soon, it is bound to cause a jump in the price of all grain and the things grain produce, including live stock, milk, flour, and other grain products. Cattle feeders now are losing more money on cattle that are being marketed than they have at any time in the history of the trade, and in most cases they are losing fully as much as they made on feeding operations last year, according to a prominent live stock commission merchant. It is predicted in the trade that during the summer and the early fall months the number of cattle on feed and marketed will be extremely light.

Production in all lines is greatly restricted by reason of the adverse railroad situation. One of the best examples of this is in the steel industry where producer and consumer alike are seriously affected by the shortage of fuel and raw materials. As a consequence the scarcity of steel is less apparent than it would be if only producers were affected; nevertheless the pressure of delivery is most insistent, but the mills are unable to come anywhere near supplying the demand because of inability to achieve heavy production.

## DISTRICT NO. 8 (ST. LOUIS).

Effects of the switchmen's strike have fallen heavily upon manufacturers. In numerous instances supplies of raw materials have been cut off or greatly curtailed, and quite as serious as this phase has been the inability to ship out finished products. Lessened or suspended operations have released operatives, and by certain authorities it is estimated about 5 to 10 per cent fewer persons are employed in strictly manufacturing industries than when the strike began, April 8, and the normal output of the plants has diminished in approximately the same proportion. As contrasted with a year ago, the month's totals in many lines develop big gains. Elsewhere steady averages are shown, and in a few cases there are decreases. Compared with the preceding month this year the showing is not so favorable, taken as a whole, as between months since last December.

Vegetables and small fruits have suffered from deluges of rain, and marketing of southern produce is hampered by shortage of cars and the switchmen's strike. \* \* \* From some sections of the district, especially those most af-

affected by the railroad strike, there are complaints of scarcity and high cost of seeds.

The movement of live stock showed an astounding shrinkage in April as compared with the same month in 1919 and last March. The decrease was caused by the switchmen's strike and car shortage. Raisers and feeders have sustained material losses through inability to ship their stock to market, and the outlook for the immediate future is not bright. Farmers are not buying stocker and feeder cattle as heavily as usual at this season. Scarce and expensive credits and the high cost of feeds, coupled with dubious transportation service, are taking the attractiveness out of stock fattening at the moment.

#### DISTRICT NO. 9 (MINNEAPOLIS).

The Minneapolis flour mills report for five weeks ending May 1 an output equal to 41 per cent of capacity as compared with 71 per cent a year ago. Other mills in the Ninth District report in the same weeks about 29 per cent of capacity as compared with 65 per cent a year ago. The problem of securing sufficient transportation equipment is a contributory cause to this decline.

#### DISTRICT NO. 10 (KANSAS CITY).

The only disturbing feature in the financial situation, as it applies to the Tenth Federal Reserve District, is the shortage of railroad cars in which to move the grain. It is estimated, in certain sections of the district, there is still on hand in the grain elevators and in the farmers' bins at least 50 per cent of last year's crop. Before this can be moved, unless there is a marked improvement in transportation facilities, this year's crop will be harvested.

The movement of live stock to the markets of the Tenth Federal Reserve District was heavily broken into during a part of April by railroad troubles, due to strikes and embargoes. A total of 25,785 cars of live stock was received at the six markets during the month, which is 5,147 cars less than were received in March of this year and 3,110 cars less than were received in April of last year. Compared with the record for April, 1919, this year's April receipts were 18.4 per cent less on cattle, 11.5 per cent less on calves, 16.5 per cent less on hogs, and a gain of 4.5 per cent on sheep and 27.7 per cent on horses and mules.

Up to the time of the switchmen's strike in April cattle prices were gradually seeking lower levels than at the close of March, but during

the strike there were wide fluctuations and the breaks were heavy both ways.

The railway switchmen's strike and its accompanying complications have also seriously affected mining operations in the zinc and lead districts in that it has tied up a very large amount of ore in transportation between the district and the smelting points. For some time the buyers took the ore as usual, but finding it impossible to get the ores shipped, discontinued buying, but did load all the cars that they could obtain with the ores previously purchased. This is the reason for the heavy shipments reported this month, although the ores have not yet reached their destination. The railway strike also affected incoming supplies, and many things required in mining operations are out of hand entirely or in transit. This is causing considerable difficulty among mine operators to keep their plants going. Another complication affecting the district was the coal strike in Kansas, which affects practically the entire coal consumption of the zinc and lead mining districts of Missouri, Kansas, and Oklahoma, and when it is cut off simultaneously with a railway strike makes it impossible to secure coal from other sources, and this has been a serious handicap in some instances where coal is depended upon for fuel and power.

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

Drouths, strikes, car shortage, and unsettled market conditions were contributory factors in the sharply checked live stock movement in the month of April. During the early part of the month while the switchmen were on strike, trading was suspended entirely. With the restoration of railroad service, however, shippers resumed operations with a rush that at times threatened a serious glut at the Fort Worth market, resulting in a number of consignments being diverted to other markets.

Some improvement in the car supply of this district was noted in the month of April, particularly in the Panhandle section, where a shortage of 2,000 cars, needed to move wheat, created a serious situation for a time, although the railroads now have the situation well in hand. Some improvement, too, is observed in the practice of making minimum car-lot shipments of merchandise. While this practice is still in evidence in the case of products of factories that are behind with their shipments, and as applied to certain commodities, such as fancy groceries, on which prices are still soaring, there is a general tendency to load cars to capacity, thus eliminating one of the abuses of transportation facilities which formerly figured to a large extent in the car shortage.

## DISTRICT NO. 12 (SAN FRANCISCO).

Car shortage continues to restrict lumbering operations in the Pacific Northwest. During the five weeks ending May 8 an average of 124 mills reported a cut of 438,490,000 feet, 3.7 per cent below normal; orders of 317,771,000 feet, 27.5 per cent below cut; and shipments of 349,914,000 feet. Unfilled orders on May 8 aggregated 411,227,000 feet, of which 274,050,000 feet were rail orders, 53,207,000 feet domestic cargo orders, and 83,970,000 feet export orders. During the four weeks ending May 8 an average of 12 California redwood mills reported a cut of 26,447,000 feet, shipments of 24,421,000 feet, and orders accepted of 22,398,000 feet, as compared with a cut of 26,359,000 feet, shipments of 23,386,000 feet, and orders accepted of 24,669,000 feet during the preceding four weeks.

## Financial Conference At Washington.

On May 18 a conference was held at Washington between the Federal Reserve Board, members of the Federal Advisory Council, and the Class "A" Directors of the 12 Federal Reserve Banks. The question of credit control was considered, and the present situation in the various districts was discussed, including the methods which had been adopted in dealing with the problem and the success with which they had been attended, with a view to the formulation of a general policy. The conference was preceded by the regular quarterly meeting of the Federal Advisory Council on May 17, at which the same topic was considered.

Governor Harding opened the conference with the following remarks:

Figures compiled by the Board's Statistical Division indicate that since June 30, 1914, there has been an expansion of banking credit in the United States, properly attributable to the war, of about \$11,000,000,000. Since that date there has been an increase in money in actual circulation of about \$1,900,000,000. When it is considered that our Government has during the past three years floated \$26,000,000,000 of securities to meet its war requirements and its advances to Governments associated with it in the war, the credit expansion which has taken place is neither excessive nor alarming when viewed from the standpoint of war necessity.

The continued expansion, however, which has occurred since the flotation of the Victory loan last May in the face of a decreased production of essentials is one of the disquieting features of the present situation. The expansion of national bank credits was 16 per cent, or at the rate of 10½ per cent a year, during the 19 months of the war. From April 1, 1919, to April 1, 1920, the increase in bank loans was approximately 25 per cent, and during the same period the rise in commodity prices was about 26 per cent. Assuming an index number of 100 for the year 1918 for each of the following—live stock, grain, lumber, coal, petroleum, pig iron, steel ingots, copper, and cotton and wool actually consumed—the average index number for

the same articles in 1919 is 89.07. While neither of these indexes can be accepted as definitive evidence of the trend of production in this country, they do indicate a falling off of at least 10 per cent in the actual output or marketing of goods in 10 important lines. While production figures for the first quarter of the present year in some leading lines, such as soft coal, steel, cotton, and wool, are indicative of greater industrial effort, the difficulties in the transportation field, which became acute during April, are bound to affect both the production and shipment figures for the last two months.

It is this tendency of production to decline, particularly in some essential lines, which constitutes a very unsatisfactory element in the present outlook. It is evident that the country can not continue to advance prices and wages, to curtail production, to expand credits and to attempt to enrich itself by nonproductive operations and transactions without fostering discontent and radicalism, and that such a course, if persisted in, will eventually bring on a real crisis.

There is a world-wide lack of capital, and with calls upon the investment market which can not be met there is an unprecedented demand for bank credits. The fact must be recognized that however desirable on general principles continued expansion of trade and industry may be, such developments must accommodate themselves to the actual supply of capital and credit available.

Official bank rates now in force in the leading countries are higher than at any time during the present century, except during the war panic week at the beginning of August, 1914. Only within the last few weeks the official rate in Italy has been raised from 5 to 5½, the Bank of France rate from 5½ to 6, and the Bank of England rate from 6 to 7 per cent.

Every effort should be made to stimulate necessary production, especially of food products, and to avoid waste. Planting operations in many sections have been delayed because of adverse weather conditions, and should there be an inadequate yield of crops this year the necessity for conservation and conservatism will be accentuated. War waste and war financing result inevitably in diminished supplies of goods and increased volume of credits. The normal relationship between the volume of goods and the volume of money and credits thus unsettled can be restored in either of two ways—one, the drastic method of contraction of credit, and the other, by far the more desirable way, increased production. In the same way progress toward the restoration of the normal relationship may be made by reducing credit more rapidly than production is diminished, or by increasing production at a greater rate than credit is expanded. If it should prove impracticable in the existing circumstances to increase essential production, then we must through economy in consumption and through moderation in the use of credit check the tendency toward a further widening of the margin between goods and credit.

Our problem, therefore, is to check further expansion and to bring about a normal and healthy liquidation without curtailing essential production and without shock to industry, and, as far as possible, without disturbance of legitimate commerce and business.

As a rule there is a substantial reduction in the volume of commercial loans during the first quarter of the year. This liquidation is entirely natural and healthy and is necessary in order that the banks may be prepared to meet the demands made upon them during the crop-making and harvesting seasons. There has been no such liquidation during the present year; on the contrary, commercial loans have steadily increased. Thus the public has anticipated demands for banking credit which are usually made later on in the year. The average reserves of the Federal Reserve Banks are now about 42 per cent, as against 45 per cent at the beginning of the year, and about 51 per cent 12 months ago.

The solution of the problems confronting us will require the cooperation of all banks and the public. Whatever

personal sacrifices may be necessary for the general economic good should be made. The war-time spirit to do things that are worth while must be revived, and there should be the fullest cooperation in an effort to produce more, save more, and consume less. The banks should lean less heavily upon the Federal Reserve Banks, and rely more upon their own resources. Unnecessary and habitual borrowings should be discouraged, and the liquidation of long standing nonessential loans should proceed. Drastic steps, however, should be avoided and the methods adopted should be orderly. Gradual liquidation will result in permanent improvement while too rapid deflation would be injurious and must be avoided.

There should be a clear understanding of the parts to be played by the Board, the Federal Reserve Banks, and by the member and nonmember banks and trust companies. With respect to credits, the problems of the Federal Reserve Board, the Federal Reserve Banks, and the member banks, while interrelated, are distinctive. The Federal Reserve Board has but little direct contact with the member banks; it deals with general conditions and principles rather than with individual cases and details. The Federal Reserve Banks, on the other hand, are in daily contact with their member banks and have constant dealings with them. Between the Federal Reserve Banks and the Federal Reserve Board, as the supervisory and coordinating body, there is necessarily a close and intimate relationship. The member banks transact the greater part of the primary banking business of the country. They receive the deposits of the public and are the media through which ordinary commercial credits are extended.

The primary duty of the Federal Reserve Board is to see that the Federal Reserve Banks function normally in the manner prescribed by the Federal Reserve Act. The character of business which may be engaged in by the Federal Reserve Banks is described in detail in sections 13 and 14 of the Federal Reserve Act, and all regulations of the Board bearing upon the loans and investments of the Federal Reserve Banks must be in conformity with the provisions of the law. Regardless of the extent of its legal powers, it would be a most difficult task for the Federal Reserve Board, sitting in Washington, to attempt by general rule of country-wide application to distinguish between "essential" and "nonessential" loans. During the war there was a broad underlying principle that essentials must be "necessary or contributory to the conduct of the war," but notwithstanding the sharp outline of this principle much difficulty was experienced by the various war boards in defining essentials and nonessentials. All the more difficult would it be for the Federal Reserve Board to make such a general definition now when there is no longer that purpose as a guide.

The Federal Reserve Board is not a temporary organization. It is a permanent board, and it must be guided by the terms of the Federal Reserve Act. Section 13, in defining the eligibility of paper for discount by Federal Reserve Banks, lays down the general rule that any paper maturing within the time prescribed, and issued or drawn for commercial, agricultural, or industrial purposes, or the proceeds of which have been used or are to be used for such purposes, is eligible. No express condition is made regarding the essential or nonessential character of the transaction giving rise to a note which may be offered for discount, and the Federal Reserve Board is not required and properly could not be expected generally to adopt such a criterion of eligibility. It is too much a matter of local conditions and local knowledge to justify at this time any general country-wide ruling by the Board even if such a ruling were deemed helpful.

On the other hand, there is nothing in the Federal Reserve Act which requires a Federal Reserve Bank to make any investment or to rediscount any particular paper or class of paper. The language of both sections 13 and 14 is permissive only. Section 4 of Federal Reserve Act, however, requires the directors of a Federal

Reserve Bank to administer its affairs "fairly and impartially and without discrimination in favor of or against any member bank," and subject to the provisions of law and the orders of the Federal Reserve Board to extend "to each member bank such discounts, advancements, and accommodations as may be safely and reasonably made with due regard for the claims and demands of other member banks." Thus the directors of a Federal Reserve Bank have the power to limit the volume and character of loans which in their judgment may be safely and reasonably made to any member bank.

The recent amendment to paragraph (d) of section 14 distinctly authorizes each Federal Reserve Bank on its own account, without reference to action taken by any other Federal Reserve Bank, to establish a normal discount or credit line for each member bank, and permits the imposition of graduated rates on discount lines in excess of the normal lines. This amendment, however, does not repeal or modify sections 4 and 13, and a Federal Reserve Bank is still free to decline to discount any paper which in its judgment does not constitute a desirable investment for it or which in its opinion would not constitute a safe and reasonable investment within the meaning of section 4.

It is the view of the Board, however, that, while Federal Reserve Banks may properly undertake in their transactions with member banks to discriminate between essential and nonessential loans, nevertheless that discrimination might much better be made at the source by the member banks themselves. The individual banker comes in direct contact with his customers; he is better qualified than anyone else to advise the customer because of his familiarity not only with the customer's business but with the general business conditions and needs in his immediate locality. In making loans he is bound by no general rule of law as to the character of the purpose for which a loan is being asked. He is entirely free to exercise discretion and can make one loan and decline another as his judgment may dictate. He can estimate with a fair degree of accuracy the legitimate demands for credit which are liable to be made upon him, as well as the fluctuations in the volume of his deposits. He knows what industries sustain his community, and is thus qualified to pass upon the essential or nonessential character of loans offered him. He knows, or should know, what rediscount line he may reasonably expect of his Federal Reserve Bank, and he ought not to regard this line as a permanent addition to his capital. With knowledge of the limitations or penalties put upon his borrowings from the Federal Reserve Bank the banker may be depended upon to use a more discriminating judgment in granting credit accommodations to his customers, and that judgment he must exercise if the present situation is to be remedied fundamentally.

It is true that under existing conditions the volume of credit required in any transaction is much greater than was the case in prewar times, but it is also true that the resources of the member and nonmember banks would be ample to take care of the essential business of the country and to a large extent of nonessentials as well if there were a freer flow of goods and credit. If "frozen loans" were liquefied, and if commodities which are held back either for speculative purposes or because of lack of transportation facilities should go to the markets, and if large stocks of merchandise should be reduced, the resultant release of credit would have a most beneficial effect upon the general situation. In the meantime everything must be done to expedite the release of these credits and to restrict nonessential credits in future.

While the problem of credit regulation and control is national and even international in its scope, yet in the last analysis it is merely an aggregation of individual problems, and the proper working out of the situation must depend upon the public and upon the banks which deal with the public. The public must be made to realize the necessity of economy in expenditures and in consequent demands for banking credit.



The banks themselves are best able to impress the importance of this policy upon the public.

The Federal Reserve Banks may be depended upon to do their duty to the member banks and the public, but to accomplish results the banks and the public must do their part in accelerating the processes of production and distribution and in restricting waste and extravagance.

In the discussion which followed the address, the directors of several of the Federal Reserve Banks in turn described conditions prevailing in their respective districts. The general consensus of opinion was that the situation was well in hand and that a check to further expansion, if not some liquidation, might be expected in some districts during the next few months. The directors of several of the Federal Reserve Banks described methods, both by conference and by correspondence, which were being employed to reach member banks and business men in their district. There was general agreement as to the soundness of the views expressed in the address, and the need for enlisting to the fullest extent the cooperation of each banker and business man. Accordingly, the following resolution was adopted:

*Resolved*, That the bankers here assembled, in their capacity as members of the Federal Advisory Council, in their capacity as directors of the Federal Reserve Banks of the country, in their capacity as members of the Orderly Deflation Committee of the American Bankers Association, and in their capacity as officers and directors of banks doing business in the various cities of the country, approve the sentiments expressed in the very able address of Governor Harding as representing the views of the Federal Reserve Board; And also be it

*Further resolved*, That they believe that the widest publicity should be given the address, and, further, that they hereby agree to abide by the spirit of the address in the conduct of their own affairs, and that they will encourage its general adoption by the bankers and people of our country.

The effect of the transportation situation upon the credit situation through increased need for bank credit was generally remarked, and there was a disposition to attribute much of the continued heavy demand for credit to this cause. A resolution was accordingly adopted stressing the need for increased facilities and was presented by a committee of five directors on May 19 to both the Interstate Commerce Commission and the Shipping Board. The resolution follows:

The whole country is suffering from inflation of prices, with the consequent inflation of credit. From the reports made by the members of this conference, representing every section of the country, it is obvious that great sums are tied up in products which if marketed would relieve necessity, tend to reduce the price level, and relieve the strain on our credit system.

This congestion of freight is found in practically all of the large railroad centers and shipping ports. It arises chiefly from inadequate transportation facilities available at this time, and is seriously crippling business. We are informed that the per-ton mile of freight increased in three years—1916, 1917, and 1918—47½ per cent, while the

freight cars in service during the same period increased 1.9 per cent.

A striking situation exists which can only be relieved through the upbuilding of the credit of the railroads. This must come through adequate and prompt increase in freight rates. Any delay means the paying of a greater cost, directly and indirectly, and places a burden on the credit system which, in the approaching time for seasonable expansion, may cause abnormal, high-price level and extravagances. The bank reserves would probably be sufficient if quick transportation would be assured during the time of the greatest strain.

*Therefore be it resolved*, That this conference urge as the most important remedies that the Interstate Commerce Commission and the United States Shipping Board give increased rates and adequate facilities such immediate effect as may be warranted under their authority, and that a committee of five be appointed by the Interstate Commerce Commission and the United States Shipping Board with such verbal presentation as may seem appropriate to the committee.

Discussion was had of the plan of imposing graduated rates for rediscounts in excess of basic lines fixed for member banks. It was stated that the plan was meeting with general favor among member banks in the Kansas City district, and it was believed that it would be of material aid in improving the situation. The general level of rates was also considered, as well as certain aspects of practice relative to bankers' acceptances, in particular the matter of a preferential rate, and the inclusion of acceptances purchased from member banks as part of the member banks' discount lines, the latter being generally opposed.

Following is the report of the Council made to the Board on May 18, signed by James B. Forgan, president:

The Council has given consideration to the matters included in your communication of April 17 and begs to reply thereto in the following manner, following the order set out by you.

(a) "Causes of continued expansion of credits and of Federal Reserve note issues."

There are many contributing causes of which the following may be regarded as paramount:

(1) We recognize, of course, that the first cause is the Great War.

(2) Great extravagance, national, municipal, and individual.

(3) Inefficiency and indifference of labor resulting in lessening production.

(4) A shortage of transportation facilities, thus preventing the normal movement of commodities.

(5) The vicious circle of increasing wages and prices.

(b) "How can the reserve position of the Federal Reserve Banks be materially strengthened before the seasonal demand sets in next fall without undue disturbance of the processes of production and distribution?"

By urging upon member banks through the Federal Reserve Banks the wisdom of showing borrowers the necessity of the curtailment of general credits, and especially for nonessential uses, as well as continuing to discourage loans for capital and speculative purposes; by checking excessive borrowings through the application of higher rates.

(c) "If steps can not be taken at this time leading to a more normal proportion between the volume of credits and the volume of goods, when can they be taken?"

In our opinion steps should be taken now, as outlined in answer to the last question.

(d) "What is the effect upon the general situation of the increased Treasury borrowings and what should be the policy of the Federal Reserve Banks in establishing rates of discount on paper secured by certificates of indebtedness?"

It is obvious that the borrowings of the Treasury have the same effect upon the general credit situation as those of other borrowers. The Council would suggest the wisdom of congressional relief from the burden of Government financing by a policy of rigid economy; the revision of the tax laws for the sake of a more equitable distribution of the burden without reducing the revenue; the enactment of the budget system, the budget to include provision for the gradual payment of the short-time obligations of the Treasury. These would of necessity preclude unwise appropriations, such as the proposed soldiers' bonus.

In view of the large volume of Treasury certificates of indebtedness carried by member banks at the instance of the Treasury Department, we believe that rates established by the Federal Reserve Banks on paper secured by them should not be materially greater than the rates borne by the certificates.

(e) "Should there be a revision of rates on paper secured by Liberty bonds and Victory notes?"

From a survey of the present rates in force by the Federal Reserve Banks it would seem that 6 per cent is now being charged on paper secured by Liberty bonds and Victory notes. In the judgment of the Council, when and if any further revision of rates should be made there should be shown due consideration for the original subscriber of Government securities.

### Discount Policy of the Reserve Banks.

In response to a resolution of the Senate, the Federal Reserve Board on May 25 transmitted to the President of the Senate the following letter:

MAY 25, 1920.

SIR: On May 17, 1920, the Senate adopted the following resolution:

"Resolved, That the Federal Reserve Board be directed to advise the Senate what steps it purposes to take or to recommend to the member banks of the Federal Reserve System to meet the existing inflation of currency and credits and consequent high prices, and what further steps it purposes to take or recommend to mobilize credits in order to move the 1920 crop."

In response, the Board desires to say that it has recognized for many months past that the expansion of bank credits in this country was proceeding at a rate not warranted by the production and consumption of goods. It has repeatedly admonished the Federal Reserve Banks that influence should be exerted upon the member banks to induce them to avoid undue expansion of loans and to keep their volume of outstanding credits within moderate bounds.

Beginning six months ago the rates of discount on various classes of paper at the Federal Reserve Banks were advanced. During the latter part of January the present rates were put into effect. These advances, while undoubtedly checking credit transactions which otherwise would have been made, have not been entirely effective in bringing about the reduction in loans desired and which might normally have been expected during the early months of the year. Liquidation during these months is entirely natural and healthy and is necessary in order that the banks may be prepared to meet the demands made upon them during the crop making and harvesting seasons, but there has been no such liquidation and on the contrary commercial loans have steadily increased. Thus it appears that the public has anticipated demands

for banking credit which are usually made later on in the year. The average reserves of the Federal Reserve Banks are now a little over 42½ per cent, as against 45 per cent at the beginning of the year and about 51 per cent 12 months ago.

The Federal Advisory Council, which is composed of one member from each Federal Reserve district, elected annually by the board of directors of the Federal Reserve Bank, is required by section 12 of the Federal Reserve Act to meet in Washington at least four times each year. The Council is authorized "to confer directly with the Federal Reserve Board on general business conditions; to make oral or written representations concerning matters within the jurisdiction of said board; to call for information and to make recommendations in regard to discount rates, rediscount business, note issues, reserve conditions in the various districts, the purchase and sale of gold or securities by reserve banks, open-market operations by said banks, and the general affairs of the reserve banking system."

Upon receipt of a notice that the Council would hold its regular meeting on May 17, the Board extended an invitation to the three Class A directors of each Federal Reserve Bank, who are the representatives of the stockholding banks, to come to Washington at the same time for conference with the Federal Reserve Board and the Federal Advisory Council. This conference was held on the 18th instant and it was developed at the meeting that the present credit expansion is due in great part to the abnormally high prices of goods and commodities now prevailing throughout the country and to the congestion of foodstuffs and essential raw materials at, or near, points of production because of lack of transportation facilities.

The Board is convinced that if the unsold portions of last year's crops can be brought to market before the new crop matures, the liquidation of credits which are now tied up in carrying the old crops will be sufficient to offset to a considerable degree the credit demands which will be made upon the banks in moving the crop of 1920.

At the conference above referred to the Board's views were outlined by its governor, substantially as follows: The member banks should lean less heavily upon the Federal Reserve Banks and rely more upon their own resources, unnecessary and habitual borrowings should be discouraged and the liquidation of long standing, nonessential loans should proceed. Banks were cautioned, however, that drastic steps should be avoided and that the method adopted should be orderly, for gradual liquidation will result in permanent improvement, while too rapid deflation would be injurious and should be avoided. The Board pointed out the necessity for extending such credits as may be necessary to promote essential production, especially of foodstuffs, and, that if for any reason it should prove impracticable to increase essential production, there should be greater economy in consumption and more moderation in the use of credit. The problem of the banking system of the country is to check further expansion and to bring about a normal and healthy liquidation without curtailing essential production and without shock to industry, and, as far as possible, without disturbance of legitimate commerce and business. In order to effect this it seems necessary to distinguish between essential and nonessential loans, but the Federal Reserve Board feels it would be a most difficult task, which it should not undertake to attempt by general rule of country-wide application to make this distinction. During the war there was a broad underlying principle that essentials must be "necessary or contributory to the conduct of the war," but notwithstanding the sharp outline of this principle much difficulty was experienced by the various war boards in defining essentials and nonessentials. All the more difficult would it be for the Federal Reserve Board to make such a general definition in the present circumstances.

Section 13 of the Federal Reserve Act defines the eligibility of paper for discount by the Federal Reserve

Banks and lays down a general rule that any paper maturing within the time prescribed and "issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or are to be used, for such purposes" is eligible. No expressed condition is made regarding the essential or nonessential character of the transactions giving rise to notes which may be offered for discount, and the Federal Reserve Board is not required, and properly could not be expected, generally to adopt such a criterion of eligibility. It is too much a matter of local conditions and local knowledge to justify at this time any general country-wide ruling by the Board, even if such a ruling were deemed helpful.

On the other hand, there is nothing in the Federal Reserve Act which requires a Federal Reserve Bank to make any investment or to rediscount any particular paper or class of paper. The language of both sections 13 and 14 is permissive only. Section 4 of the Federal Reserve Act, however, requires the directors of a Federal Reserve Bank to administer its affairs "fairly and impartially and without discrimination in favor of or against any member bank," and subject to the provisions of law and the orders of the Federal Reserve Board to extend "to each member bank such discounts, advancements, and accommodations as may be safely and reasonably made with due regard for the claims and demands of other member banks." Thus the directors of a Federal Reserve Bank have the power to limit the volume and character of loans which in their judgment may be safely and reasonably made to any member bank.

The recent amendment to paragraph (d) of section 14 distinctly authorizes each Federal Reserve Bank on its own account, without reference to action taken by any other Federal Reserve Bank, to establish a normal discount or credit line for each member bank, and permits the imposition of graduated rates on discount lines in excess of the normal line. This amendment, however, does not repeal or modify sections 4 and 13, and a Federal Reserve Bank is still free to decline to discount any paper which in its judgment does not constitute a desirable investment for it or which in its opinion would not constitute a safe and reasonable investment within the meaning of section 4.

It is the view of the Board, however, that while Federal Reserve Banks may properly undertake in their transactions with member banks to discriminate between essential and nonessential loans, nevertheless that discrimination might much better be made at the source by the member banks themselves. The individual banker comes in direct contact with his customers; he is better qualified than anyone else to advise the customer, because of his familiarity, not only with the customer's business but with the general business conditions and needs in his immediate locality. In making loans he is bound by no general rule of law as to the character of the purpose for which a loan is being asked. He is entirely free to exercise discretion, and can make one loan and decline another as his judgment may dictate. He can estimate with a fair degree of accuracy the legitimate demands for credit which are liable to be made upon him, as well as the fluctuations in the volume of his deposits. He knows what industries sustain his community, and is thus qualified to pass upon the essential or nonessential character of loans offered him. He knows, or should know, what rediscount line he may reasonably expect of his Federal Reserve Bank, and he ought not to regard this line as a permanent addition to his capital. With knowledge of the limitations or penalties put upon his borrowings from the Federal Reserve Banks the banker may be depended upon to use a more discriminating judgment in granting credit accommodations to his customers, and that judgment he must exercise if the present situation is to be remedied fundamentally.

It is true that under existing conditions the volume of credit required in any transaction is much greater than was the case in prewar times; but it is also true that the

resources of the member and nonmember banks would be ample to take care of the essential business of the country and to a large extent of nonessentials as well if there were a freer flow of goods and credit. If "frozen loans" were liquefied, and if commodities which are held back either for speculative purposes or because of lack of transportation facilities should go to the markets; and if large stocks of merchandise should be reduced, the resultant release of credit would have a most beneficial effect upon the general situation. In the meantime everything must be done to expedite the release of these credits and to restrict nonessential credits in future.

While the problem of credit regulation and control is national and even international in its scope, yet in the last analysis it is merely an aggregation of individual problems, and the proper working out of the situation must depend upon the public and upon the banks which deal with the public. The public must be made to realize the necessity of economy in expenditures and in consequent demands for banking credit. The banks themselves are best able to impress the importance of this policy upon the public.

For the further information of the Senate the Board quotes from the report of the Federal Advisory Council made to it on May 18, signed by James B. Forgan, president:

"The Council has given consideration to the matters included in your communication of April 17 and begs to reply thereto in the following manner, following the order set out by you.

"(a) 'Causes of continued expansion of credits and of Federal note issues.'

"There are many contributing causes of which the following may be regarded as paramount:

"(1) We recognize, of course, that the first cause is the Great War.

"(2) Great extravagance, national, municipal and individual.

"(3) Inefficiency and indifference of labor resulting in lessening production.

"(4) A shortage of transportation facilities, thus preventing the normal movement of commodities.

"(5) The vicious circle of increasing wages and prices.

"(b) 'How can the reserve position of the Federal Reserve Banks be materially strengthened before the seasonal demand sets in next fall without undue disturbance of the processes of production and distribution?'  
"By urging upon member banks through the Federal Reserve Banks the wisdom of showing borrowers the necessity of the curtailment of general credits, and especially for nonessential uses, as well as continuing to discourage loans for capital and speculative purposes; by checking excessive borrowings through the application of higher rates.

"(c) 'If steps can not be taken at this time leading to a more normal proportion between the volume of credits and the volume of goods, when can they be taken?'

"In our opinion steps should be taken now, as outlined in answer to the last question.

"(d) 'What is the effect upon the general situation of the increased Treasury borrowings and what should be the policy of the Federal Reserve Banks in establishing rates of discount on paper secured by certificates of indebtedness?'

"It is obvious that the borrowings of the Treasury have the same effect upon the general credit situation as those of other borrowers. The council would suggest the wisdom of congressional relief from the burden of Government financing by a policy of rigid economy; the provision of the tax laws for the sake of a more equitable distribution of the burden without reducing the revenue; the enactment of the budget system, the budget to include provision for the gradual payment of the short-time obligations of the Treasury. These would of necessity preclude unwise appropriations, such as the proposed soldiers' bonus.

"In view of the large volume of Treasury certificates of indebtedness carried by member banks at the instance of

the Treasury Department, we believe that rates established by the Federal Reserve Banks on paper secured by them should not be materially greater than the rates borne by the certificates."

The Board feels assured that the banks of the country now realize the necessity of more conservatism in extending credits and of a reasonable reduction in the volume of credits now outstanding. The Board will not hesitate, so far as it may be necessary, to bring to bear all its statutory powers in regulating the volume of credit, but wishes to point out that the more vital problems relating to the movement of the 1920 crop are physical rather than financial.

This was the unanimous view of those present at the conference on the 18th instant, at which the following resolution was adopted:

The whole country is suffering from inflation of prices with the consequent inflation of credit. From reports made by the members of this conference, representing every section of the country, it is obvious that great sums are tied up in products which if marketed would relieve necessity, tend to reduce the price level, and relieve the strain on our credit system.

This congestion of freight is found in practically all of the large railroad centers and shipping ports. It arises chiefly from inadequate transportation facilities available at this time and is seriously crippling business. We are informed that the per ton mile of freight increased in three years—1916, 1917, and 1918—47 per cent, while the freight cars in service during the same period increased 1.9 per cent.

A striking necessity exists which can only be relieved through the upbuilding of the credit of the railroads. This must come through adequate and prompt increase in freight rates. Any delay means the paying of greater cost directly and indirectly and places a burden on the credit system which in the approaching time for seasonal expansion may cause abnormal strain. Even under the load of war inflation, high price level, and extravagances the bank reserves would probably be sufficient if quick transportation could be assured during the time of the greatest strain.

Therefore be it resolved, That this conference urge as the most important remedies that the Interstate Commerce Commission and the United States Shipping Board give increased rates and adequate facilities such immediate effect as may be warranted under their authority, and that a committee of five, representing the various sections of the country, be appointed by the chairman to present this resolution to the Interstate Commerce Commission and the United States Shipping Board with such verbal presentation as may seem appropriate to the committee.

Much will depend upon the restoration of the normal efficiency of railroad and steamship lines. If adequate transportation facilities can be provided, the Board sees no occasion for apprehension in connection with the movement of crops now being grown.

Respectfully,

W. P. G. HARDING,  
Governor.

THE PRESIDENT OF THE SENATE.

### Methods Followed by City Banks in Granting Accommodation to Correspondents.

Herewith is presented a first installment of the results of a study made by the Division of Analysis and Research of the Federal Reserve Board of the methods pursued by city banks in granting accommodation to their correspondents. The particular object of this inquiry is to ascertain the extent to which relatively standardized methods are in vogue and how the practice of banks has developed since the adoption of the Federal Reserve System.

The following installment of this study presents the results of inquiries made with the assistance of leading New York City institutions. Similar inquiries into the situation in the South and West are now in progress, and the further results of the investigation will be published in a later issue.

The methods which are followed in the extension of accommodation to banks differ in important particulars from those followed in extending accommodation to mercantile houses. With the latter, borrowing is assumed to be only a natural and recurring operation. The general operations of the enterprise are considered, and on this basis the line of credit is extended. Borrowing by a bank, however, is in general not so regarded. Instead of viewing its transactions as a whole and on this basis determining the line of accommodation, it is desired rather to go back of the general operations and to consider the specific transactions which occur, to the extent at least of having the paper representing this transaction as collateral, and analyzing these bills receivable to some extent. In consequence no line of credit is in general fixed, but each individual case is considered on its merits, specific amounts being granted as needed. The line of credit then is employed only in a somewhat restricted sense. The position which is assumed with respect to bank borrowing is well stated by one institution in the following words: "We avoid as far as possible suggesting lines or limits as to the extent we would serve the borrower, simply indicating our disposition to fully meet their reasonable requirements in liberal proportion to balances maintained and with due regard to amount of their capital investment and borrowings elsewhere, but quite frequently the borrowers suggest lines themselves which we agree to if circumstances warrant, conditioned on everything continuing satisfactorily." One institution, however, regularly fixes lines for its bank borrowers as well as for its mercantile accounts, while another quite frequently fixes lines in the case of banks, especially southern, western, and south-western banks which are regularly in need of funds each year.

The amount which is loaned is also often limited by law. In the case of national banks, section 5202 of the Revised Statutes limits the indebtedness for loans or rediscounts, other than with the Federal Reserve Bank, to the amount of unimpaired capital, and in many States there are provisions covering this matter. A leading institution states that when a State bank appears to be borrowing or rediscounting to an amount in excess of its capital and surplus it is generally made the subject of special consideration and inquiry. Another institution also states that it endeavors to limit accommodation to the capital investment, while in the case of a third bank the accommodation granted is always less than the capital. With another bank, the line granted is limited to the capital,

but due regard is given a large surplus and profits item. The amount of accommodation, of course, varies with the type of paper offered, and would not be on the same basis for an institution offering paper ineligible for rediscount as for one offering eligible paper. Several institutions state that with respect to rediscounts with the Federal Reserve Bank, they go on the presumption that the paper rediscounted is probably of such good quality that the contingent liability of the bank indorsing the same is negligible, and hence disregard this item when considering the accommodation to be extended.

#### I. SOURCES OF INFORMATION.

*Contents of the file.*—Credit files in general are classified into certain sections, corresponding to the source of data, although one of the institutions from which data were obtained, which has a relatively small number of borrowing accounts, and which relies largely upon personal knowledge of and acquaintance with these institutions, files chronologically all its material on the subject bank, consisting of statements and correspondence. The data in general will include: (1) Statements of the institution, (2) abstract of direct correspondence with it and carbons of replies to it, (3) correspondence with other institutions, (4) agency reports where these are obtained, and (5) reports of representatives, in some banks only where giving special information, in other banks the latest reports, previous reports being placed in the new business file in both these cases. Newspaper clippings are also kept in some cases, and memoranda drawn up on the bank will be included. Certain institutions also keep the overdraft record, listing separately each item and showing whether it occurred against uncollected items or the balance record, showing average daily balances and borrowings in this file. Unfavorable data may be specially marked, or listed on a specially colored sheet. The arrangement of the individual file of course differs and the degree of completeness varies considerably. The complexity will naturally depend in part upon the number of accounts, also upon the extent to which the individual officers in charge prefer to rely upon their personal knowledge, or desire a more or less elaborate system of recording data to supplement these impressions.

*Experience of other institutions.*—The most helpful data for guidance from outside sources, states a leading New York institution, "are obtained by writing to all other correspondents of the subject bank." This institution prepares its list from the various issues of the Bankers' Directories, as well as observing

from what banks transfers come for credit to the subject's account. In addition communication may be had with the correspondents of the inquirer which are located in the neighborhood of the subject. Thus communication may be had with another bank in the same town or banks in near-by towns. As it is a matter of some delicacy to make inquiry of a bank located in the same town as the subject, in view of the competitive prejudices which might exist locally, and in order not to divulge the source of such inquiries, communication in such cases is usually had with some city correspondent of the inquirer who has a correspondent in the town in question. It is generally considered that to New York City banks data from other banks in the borrower's general locality is a great help, as such banks are close to the subject and to the people back of it, supplying the personal element which may be lacking in New York as compared with the lesser banking centers. In addition, if the subject bank maintains any other account or accounts in New York City, inquiry is made by personal visit of a representative of the credit department who exchanges views and data. One institution, where it has a personal acquaintance with a leading merchant in the vicinity of the subject, also obtains his opinion.

In these letters of inquiry information is usually requested as to (1) the antecedents of the dominant factors (especially in the case of a comparatively new institution) and the general standing of the subject bank in the community, prospects, etc., (2) the character, ability, and conservatism of its management, as well as in some cases the financial responsibility of its officers and directors, and (3) the relations had with the subject bank, one institution stating that it requests information as to the extent to which the bank borrows, the method of borrowing, and the continuity with which it borrows. A voluntary expression of the inquirer's opinion may be given, together with information on the subject's transactions with the inquirer. Occasionally inquiry may be made as to the subject's performance in the matter of balances. The complaint has been made by some bankers that letters from banks in the majority of cases are very general, the opinions on the first two points being merely in general terms, and the statement, for example, added that "we consider them good for any reasonable amount." One institution, in fact, regards the experience of other New York City institutions as distinctly more helpful than that of out-of-town banks.

Communication is in general had with the same banks from year to year on a given subject, although some institutions vary the list somewhat, and thus the statement may be

received that "we have found nothing to change the opinions expressed in our letter of \_\_\_\_\_," naming a date several years previous. In case additional connections have been established, communication will be had with them, or, in case an account is closed, inquiry will be made of the correspondent with whom the account of the subject has been closed as to the reasons therefor.

A New York City institution which has a relatively small number of accounts and whose correspondents have been with them for years writes only in case of poor behavior, such as slowness in payments or offering of paper close to directors, and then generally communicates with banks in the neighborhood of the borrower, or a New York bank if the subject is borrowing in New York. In this case inquiry is made only on some specific point, such as whether the institution is loaning the subject.

One institution, in addition to exchanging experiences with other institutions which inquire of it concerning the subject bank, also has a somewhat different procedure for obtaining data as to State bank borrowers, upon which it places especial value. Up to several years ago an officer of this institution made it a regular practice to attend bankers' conventions in the Southern States, at which he obtained data as to the bank and made commitments as to the line to be extended. These data were as follows:

(1) From representatives of the bank, information as to character of business, giving kind of collateral available, names and approximate net worth and character of directors, and names of correspondents at other points.

(2) From other correspondents, comparison of notes as to lines, rates, collateral, margin, etc.

(3) From State superintendent and State bank examiner, obtaining expression of their opinion as to the moral risk, efficiency of management, etc.

The second and third sources afford a ready check upon the information obtained from the bank itself.

*Frequency of revision of the file.*—Annual revision of the files is the general practice, although more frequent inquiry may be made on some borrowers, and especially respecting status of institutions located in sections subject to radical changes, such as drought, flood, etc. One institution states that it has been prevented from making its regular revisions in all cases during the war period owing to pressure of other work. Another institution revises its files every six months, unless banks

borrow only once a year, when annual revision is made. A leading institution states that it endeavors to make the annual revision during the early months of the year, with a view to obtaining information in respect to total borrowings of the subject bank during the past season and promptness in clearing up, or otherwise, and revises files of nonborrowing institutions less frequently. The institution mentioned above as having a relatively small number of accounts makes no periodic revision of its files.

*Statements of the subject bank.*—These are regularly received, the bank in general being educated to send them regularly. In general the condensed form as published is regarded as sufficient. Abstracts are made in the credit department to a comparative statement form in five of the institutions, one of the others is developing such a form and two have no such form, one of the last being a leading institution for this class of business. One of these, however, keeps an annual record of capital, surplus and profits, and deposits on the card showing monthly balances and loans, both direct and indirect. The comparative statement form in certain cases is arranged horizontally, in others vertically. The number of items differs, as well as their order, and certain institutions include different items. In view of this diversity, the clearest method of presentation of current practice will be to reproduce the items for certain institutions. It will be observed that in the fifth case attempt has specifically been made to devise a form which would be suited to foreign as well as to domestic practice.

An institution which has a large number of accounts states that statements received from nonborrowing accounts are simply kept on file and not transferred to the comparison form.

*Representatives' visits and agency reports.*—At regular intervals the majority of correspondents are visited by district and traveling representatives, who also attend conventions of various State bankers' associations. Representatives, however, in general are primarily attached to the new business department, and report only such information as they happen to hear from time to time. In certain cases they also make special inquiries as directed. Valuable information as to the management of the bank and the men behind it is obtained in this way, states one banker. Representatives attending these conventions are not authorized to make commitments; but in case officers attend, such commitments are frequently made. One institution, however, states that it has no staff of representatives.

1	2	3	4	5
Cash on hand and in banks. Loans and bills purchased. Overdrafts. Investments. United States bonds. United States bonds to secure circulation. Stock of Federal Reserve Bank. Redemption fund; United States Treasurer. Reserve with Federal Reserve Bank. Banking house. Furniture and fixtures. Other real estate. Customers liability on acceptances. Accrued interest. Other resources.	Loans and discounts. Commercial paper securing circulation. Unsecured overdrafts. Stock in Federal Reserve Bank. United States bonds to secure circulation. United States bonds to secure postal savings. Securities securing circulation. Securities unpledged. Real estate and buildings. Cash and due from banks.	Loans and discounts. Overdrafts. Securities. Real estate.	Capital. Surplus and profits. Deposits. Borrowed money. Circulation.	Cash and on call. Investments. Loans and advances. Bills discounted. Acceptances. Branches, correspondents. Bank premises. Sundry and contra items.
Total resources.	Total resources.	Total resources.	Total liabilities.	Total.
Capital stock. Surplus. Undivided profits. Reserves. Acceptances. Rediscoumts. Bills payable. Deposits: United States deposits. Banks and bankers. Miscellaneous.	Bills payable. Bills discounted. Circulation. Demand deposits. Time deposits. Postal savings. Total deposits. Surplus and undivided profits. Capital stock.	Capital. Surplus and undivided profits. Bills payable and rediscoumts. Deposits.	Cash assets. Loans. Stocks and bonds. Banking house, furniture and fixtures. Other real estate.	Capital. Surplus reserves. Profit balance. Deposits, current accounts. Acceptances, drafts. Branches, correspondents. Expense reserve. Sundry and contra items.
Total liabilities.	Total liabilities.	Total liabilities.	Total resources.	Total.

Agency reports are frequently kept. One bank obtains them when the account is opened and, in the case of accounts which borrow, obtains them later at reasonably frequent intervals, while another obtains at least one at each revision of the files. The principal value of these reports, it is generally held, is to show the net worth of officers and directors of the subject bank and their possible business affiliations. They thus afford certain "leads" indicating where further information may be obtained. Occasionally reports of the officers' and directors' firms may be obtained, but this is not the general practice. Some banks do not keep agency reports.

II. RELATION OF AMOUNT OF ACCOMMODATION TO BALANCE MAINTAINED—"CLEAN UP" REQUIREMENTS.

*Balances.*—While certain institutions have no formal rule as to the relation which the balance maintained shall bear to the line of accommodation, other institutions fix a certain percentage, which is generally adhered to, although exceptions are made at times. This is usually fixed at 20 per cent, or in some cases at 25 per cent, of the accommodation extended, several institutions reporting that they calculate the annual average balance in applying the test. In several cases a minimum dollar amount is also fixed for the balance, instances of \$2,500 and \$3,000 being reported, and the minimum capital and surplus of the borrowing banks in the former case is fixed at \$25,000. Two

banks report exceptions to the nominal 20 per cent rule (for balances at any one time) for a first-rate correspondent which is not a frequent or chronic borrower, while another has no bank whose balance goes down to 20 per cent. The balance may be stressed particularly in case of renewals, or application for a larger line than appears warranted, the matter in such cases being brought to the correspondent's attention.

A few correspondents are reported by some banks who are believed to be perfectly good, but do not keep more than, say, a 10 per cent balance, and in such cases the meager balances may be offset by higher discount rates, or the elimination of interest on balance when borrowing. One bank states that such cases are confined to banks in large cities, but that there is no sectional difference apparent, the policy being dependent rather upon liberality of management. Two other banks, however, state that the smaller balances occur rather in the case of the smaller banks.

Balances, in addition to their relation to the profitableness of the account, may afford also an indication of the character of the management. Thus small balances taken in conjunction with frequent overdrafts may mean that a bank is working too closely on its resources. Overdrafts, however, frequently are permitted only against uncollected items. The balances maintained are frequently an indication of an easy position or otherwise. Occasionally a country bank improperly endeavors to maintain two or more New York accounts with

the hope of procuring through each a larger line of accommodation than balances would warrant, and this necessitates watching closely the balance and borrowing in New York where other accounts are maintained in New York.

*Character of borrowing.*—Borrowing in general is of two classes: (1) For seasonal needs, and (2) for extraordinary needs and special purposes. Certain New York institutions insist that the borrower be cleaned up for a reasonable part of each year, and a more frequent clean-up is encouraged. Admonition, direct suggestion, and request are employed; occasionally advance in rates. The seasonal clean-up depends, of course, upon the nature of the crops and the section of the country, as well as upon special conditions, such as the transportation situation, which may arise, and which may render renewals necessary. It is generally agreed that the South during the last few years, in place of its former needs which led to borrowing, has had a surplus instead, and is now loaning elsewhere to some extent. Florida banks frequently borrow during the citrus-fruit season in the late autumn and during the winter. Loans to banks in the cotton States are frequently made, not only in the spring to aid in making the crop, but also during the autumn and winter, in case customers are holding cotton, and this is especially true of banks located at concentration points. Similarly, banks in the grain States as well as elsewhere make application not only for the preparation of crops but also for moving them after harvest. Maturities on loans for crop-moving purposes are in general the periods at which funds from the crops ordinarily will come in. One leading New York institution states that in the case of loans made unusually early in the year, such as January, February, and March, and when it judges that the borrower will be unlikely to retire the loan until the autumn, it occasionally asks for a note for, say, four months, with the privilege of renewal until autumn, if everything continues satisfactory. Short renewals are rarely objected to where apparently reasonable by virtue of crop conditions.

Special needs of a temporary character may be represented by unexpected or large withdrawals of deposits, or in the past in connection with Government finance. Banks in out-of-town cities usually require funds for shorter periods than banks employing them in connection with crops, while city banks, of course, frequently borrow simply because of some unexpected temporary change of position. While the banks from which data were obtained in general loan for both needs, and some institutions more largely for seasonal purposes, one institution loans more largely for emergencies

than for seasonal needs, its borrowing accounts making other arrangements with respect to their seasonal requirements.

Continuous borrowing is permitted by one institution in a very small number of cases for banks located in large cities which lack sufficient banking capital to meet the continuous borrowing demands, and in such cases sufficiently well rated paper at profitable rates is given. Another institution states that it has not insisted upon a clean-up from banks borrowing on Government bonds.

### III. FORMS OF ACCOMMODATION.

Accommodation may be obtained in a variety of forms. Paper may be rediscounted, or a loan be made, which may be either unsecured, or have as collateral bills receivable or securities. Loans may be made on demand, or for a fixed maturity. Among special forms is borrowing by means of a certificate of deposit, or by sale of securities with a repurchase agreement.

*Security of the loan.*—The larger proportion of accommodation extended by New York institutions is in the form of loans rather than rediscounts. There are practically no unsecured loans. A leading institution advises that in some of the extremely few cases where accommodation is extended to banks without security, the note is indorsed individually by a strong board of directors. Collateral is desired for the assurance of safety which it gives. Certain institutions prefer bills receivable as collateral; others, however, prefer securities. In recent years, of course, considerable loans have been made against Liberty bonds, but two banks report a lessened use of them for some time. The proportions of the loans of the individual institution which consist of either class of collateral, of course, vary from time to time, and differ from bank to bank according to the general character of business of the lender, but the loans of certain institutions are largely against securities, while for other institutions the large majority consist rather of bills receivable, loans against stocks and bonds, other than Liberty bonds, being correspondingly small in amount. One institution reports a difference between loans for fixed periods and demand loans, securities providing 10 per cent and 50 per cent, respectively, of the collateral. One banker states that as a result of the small bond purchases by banks due in part to the decline in bond values, the amount of the same employed as collateral in negotiating loans is likewise small. Some institutions report loans against securities as being made largely against those purchased through the institution and held in New York



on special deposit, while for others, however, the reverse is true.

The margins against the various classes of securities differ. Thus three institutions report that on Government bonds they require a 5 per cent margin, noted by one institution as being figured on current market values, although it loans at par in a few instances, notwithstanding that present market values are lower. Three institutions, however, require a 10 per cent margin on such collateral, and one of these requires no margin on certificates of indebtedness. Customary margins on other types of security are in general the same as on bills receivable, namely, 20 or 25 per cent, although one institution requires only 15-20 per cent, with 10 per cent on municipal bonds (noted also by another institution), while another usually requires only 10 per cent. Several institutions accept also a lesser amount of collateral offered in the form of prime active listed securities by good borrowers, although whenever they are in position to express any preference they ordinarily suggest that the full margins be given. The question of margins is of course subject to the limitation of State law existing in the case of State banks, restrictions existing in some States.

*Use of bills receivable.*—A bank may borrow on its bills receivable in one of two ways, either by rediscounting or by employing them as collateral for a loan. A leading New York City institution states that it is practically the universal custom throughout the country, outside of transactions with Federal Reserve Banks, for borrowing banks to give their own note with collateral and margins, unless they are in a position to offer well-rated commercial paper, in which event they frequently expect that offerings of the latter character, including live-stock paper providing its own margin, will be handled in the form of rediscounts. Another leading institution states, however, that "since the advent of the Federal Reserve Banks an increasingly large number of correspondent banks are arranging their borrowings in that way," whereas "formerly almost all loans were in the form of bills payable with a margin of collateral," but practically all the other institutions report no appreciable change in the form of obtaining accommodation during this period. A number of the larger institutions have always rediscounted only occasionally, in reasonable amounts, for instance, for borrowers of highest standing, and prefer collateral loans. It may be noted that, aside from the security afforded, there is an advantage in the case of the collateral loan as against the rediscount, in the event of failure of the borrower. With the former the lender has the legal right to offset the balance which the

borrower has with it, while in the case of the rediscount a special agreement is required. Rediscounts may be employed to care for "excess" loans which the borrower itself can not handle, in which case arrangements may be made for the lender to at once rediscount the paper, without recourse on the part of the borrowing bank, in many cases with separate guaranty from officers or directors of the bank.<sup>1</sup>

Certain institutions apparently believe that the principal accommodation on the basis of bills receivable should be obtained from the Federal Reserve Banks. One institution states that what it terms "hodge-podge" paper is put up with it as collateral at times to obtain additional accommodation after having gone to the Federal Reserve Banks with other paper, although it rediscounts eligible paper for correspondents; while another states that it often happens that member banks in cities rediscount their eligible paper at the Federal Reserve Bank, leaving the less eligible receivables to be handled by their New York correspondent. One institution which does a considerable portion of stock exchange financing as distinct from pure commercial banking, and which rediscounts infrequently for correspondents, scrutinizes very carefully requests for accommodation by member banks against bills receivable, while another institution, similarly situated, in general makes no such loans to member banks of the Federal Reserve System, and would require an explanation were such an application made.

While the customary margins against bills receivable in the majority of cases are 20 to 25 per cent, there is considerable variation shown. In the case of certain institutions, against miscellaneous receivables it may be as high as 100 per cent, and in case there is a little question as to the standing of the borrowing bank, in addition to the borrowing bank the indorsements of directors may be demanded. In several institutions the upper limit is given as roughly 50 per cent. In other cases the margin at times may be considerably less. Several institutions require no margins for some first-rate correspondents, or 5 per cent, 10 per cent, or 20 per cent in other cases. One institution gives the usual margin as 10 per cent, running up to 25 per cent in certain cases, while another places these two figures as its usual limits. Another institution states that frequently borrowers send in collateral which only gives a 10 per cent margin, which, if everything else is satisfactory, is accepted, but in many cases attention is called to the 20-25 per cent margin rule. A leading insti-

<sup>1</sup> Another method of handling such loans stated by one banker is by loan upon the direct obligation of the officers of the bank secured by the bills receivable indorsed without recourse by the bank mentioned below.

tution states that "occasionally when a borrowing bank gives us as collateral well-known commercial paper names that we would be willing, if desired, to handle on a rediscount basis, we are not exacting about the matter of margin, taking without complaint whatever amount of such collateral may be offered even though it provides no margin, or only a small margin."

*Maturity of loans.*—Practice differs somewhat with respect to the maturity of loans. Some institutions largely have demand loans, while others strongly prefer loans for fixed periods. The former in some cases, although this is not universally true, are institutions having a large proportion of their loans against securities as collateral, but one of these has made loans for fixed periods (up to 90 days) where Liberty bonds are the collateral, in order to render them eligible at the Federal Reserve Banks. Demand loans are generally of shorter maturities, and certain institutions state that with rare exceptions they do not run beyond 90 days, while for another institution they average one to two months. It is generally desired to have these loans upon a call basis, and if they appear to be a fixture, to endeavor to put them upon a fixed maturity basis instead. One institution instances the convenience of demand loans, but other institutions permit anticipatory payment and refund the interest for the unexpired period. A favorite maturity is 60 to 90 days, and the upper limit in most cases is six months, except in the case of a leading institution for small southern institutions, while another bank, however, reports its loans as running 30-60-90 days. The adaptation of the maturity of crop loans to the period when crops come in was noted above. Another leading institution endeavors to have small banks give notes of fixed maturity, while large banks in important cities frequently borrow temporarily on demand for temporary use. On loans of fixed maturity this institution ordinarily deducts interest in advance, whereas on demand loans the interest is collected at the end of each month.

*Holding of collateral.*—While the collateral is generally held by the lending institution, in infrequent cases arrangements may be made for holding, under trust receipt, by another institution, in general in the locality of the borrower. This occurs more frequently in the case of banks located at a considerable distance, such as on the Pacific coast, in order to avoid the expense, inconvenience, and risk attendant upon shipment of the collateral. Another reason given is to effect substitution. One institution in an extremely few cases returns the collateral, after listing it, upon trust receipt of the borrower or of a properly constituted cus-

todian. It is stated that "through long-established custom some banks, particularly in Georgia and some of the other cotton States, request the return of their collateral along about the first of each September, in order to facilitate their making prompt collections," and that in cases where entire confidence is felt in the management of such banks, their wishes are usually met, a trust receipt being taken, but no renewal is permitted without requiring explanation and fresh trust receipts, as well as usually fresh collateral. Another institution permits holding by other institutions where the loan is to run for a few days only, requiring otherwise that the collateral be forwarded to New York. One bank states that it holds the collateral itself until a few days before its maturity, although another bank forwards each month the maturities of the following month for collection or substitution. Substitution in general is permitted without requiring reduction of the loan, or inquiry whether the receivables returned on account of approaching maturity have been paid. One institution states that with its loans substitutions rarely occur, as in practically all cases the receivables given as collateral bear a later maturity.

*Special forms of accommodation.*—Borrowing against certificates of deposit is but rarely requested by borrowers. Some institutions report that they at times grant accommodation in this form. Bills receivable are required as collateral in such cases by one institution. Borrowing in this form is reported to be frequent among banks on the Pacific coast and in the Northwest. The use of this and similar methods of borrowing is due to the prejudice previously existing in some localities against banks showing bills payable or discounts in their published statements, which is disappearing. There is, however, still stated to be some tendency for banks in Minnesota and the Dakotas, and to a small extent in Kansas, Iowa, and Texas, toward borrowing in forms that would not appear in reports of condition, such as against certificates of deposit or personal notes of officers. One bank states that "since about 1914 marked progress has been made in the direction of banks borrowing in proper form instead of irregular methods."

In rare cases some of the officers of a bank may be sufficiently strong financially to give their personal note, which would represent larger net worth than a secured note of the bank, or in a few instances notes signed by officers or directors of the bank may be given, collateralized by a like amount of bills receivable which they personally purchased from the bank under proper bill of sale. In line with the quotation given above, another institution notes that directors' indorsements are less

frequent now than formerly, being employed for paper indorsed by the borrower without recourse, or in the case of renewals by small institutions under unfavorable conditions, such as, for example, in the case of Georgia banks in 1914. Another institution, in addition to requiring the usual collateral, may occasionally require directors' indorsements where there is a little question as to the standing of the borrowing bank. Other institutions, however, state that they would refuse accommodation if such a procedure were felt necessary.

There is also to some extent purchase of securities or bills receivable under repurchase agreement. Such transactions are almost entirely without margin. One institution reports occasional purchase of prime listed active securities at current market value, usually from institutions in large cities, under agreement to repurchase at the same price on demand or within a reasonably short period. This may be done at times for special purposes, such as in connection with taxation.

#### IV. PARTS OF THE ANALYSIS.

*Analysis of bills receivable offered as collateral.*—The preference is expressed by several institutions for small well-assorted notes of strictly seasonal or active character rather than notes of relatively large denominations and notes of makers who would be likely to require renewals. A presumption in favor of the legitimacy of the paper, observes one banker, is established by the recurrence of the same names each year at the same season of the year, as well as by nonsubstitution of the same names. The offerings are listed to show the proportion consisting of rated names, and also, in the case of a leading institution, "whether any paper of the same names is already held." The dates and maturity of the receivables will also be examined to show whether any are of "ancient or long-time character;" and denominations will be considered, as well as whether any of the notes run in the direction of officers or directors of the borrower. While statements of makers in certain cases are reported as rarely received, a form is in general attached in the case of paper of agricultural makers to be filled out by the borrowing bank, showing the maker's character and general standing in his community, net worth, etc. One bank states that it tries to educate banks to send statements in advance, but that where this is not done the correspondent is wired to send statements, and the loan may then be made prior to receipt of the statements. Paper may be taken subject to check, and may be rejected on the basis of the statement. In

occasional cases, where it appears desirable, the receivables may also be investigated. One institution states that the extent of the analysis made by it depends entirely upon the strength of the borrowing bank, little investigation being made where the bank is strong.

Varying opinions were expressed as to the eligibility of the bills receivable given as collateral for rediscount with the Federal Reserve Banks, certain institutions believing that the majority was eligible, while others held a contrary view. One institution states that in the case of country banks the paper is frequently ineligible, due to maturity or otherwise, but that the rated paper received occasionally from city banks who borrow on demand or rediscount would be eligible. The matter, of course, depends in large part upon the extent to which borrowing institutions employ the Federal Reserve Bank when borrowing on receivables, which was mentioned above.

*Consideration of data regarding the bank—the statement of condition.*—Analysis of the statement in general involves consideration of the absolute size of various items as compared with other items. In no case were ratios formally calculated, extra large items merely being considered. One bank places little reliance upon statement analysis, as it holds that "a good statement may be rotten at the core." The items to which attention is paid, and the "subjective" ratios, as they may be termed, which are considered, are of course fairly standardized. Among these will be the ratio of deposits to capital investment, as indicating whether deposits are sufficiently large to do a profitable business; and the growth of the institution, as evidenced in particular by growth of deposits and surplus and undivided profits, or dividend record, giving attention to opportunities arising to ascertain whether the bank is properly and promptly charging off slow assets or depreciations. On the other hand, attention must be paid to see that the volume of business done is not too great, and here, as a test of "overloaning," the ratio of loans to deposits may be considered, as well as the ratio of deposits to capital investment. The second group of items deal with the character of assets, in particular the proportion of fixed assets, such as bank building, real estate, furniture and fixtures, or such items as "other real estate," as related to the capital investment; and assets of a possibly slow character, such as stocks and bonds (other than Government securities), as well as the reserve maintained. Third, the borrowing of the institution will also be observed, and frequently

information will be possessed as to the total lines granted by other correspondents, in order to consider the amount of total borrowings. The lines expected from New York correspondents are usually larger than the amounts borrowed from correspondents of lesser loaning ability. The overdrafts shown may, of course, be significant.

*Handling of the account by the borrower.*— This is naturally regarded as affording one of the most valuable indications of the character of management and business methods of the borrowing institution. Certain matters are generally pointed to in this connection. The general significance of balances was indicated above. A balance which continually fluctuates in an erratic manner might also indicate poor management. The significance of the overdraft record was likewise indicated above. One institution states that when the account becomes unsatisfactory by reason of overdrafts it makes inquiry in the town and immediate vicinity where the bank is located to ascertain the general local situation, as well as any special reasons which exist for the condition of the account. "The matter of prompt reconciliation of monthly statements of accounts is also carefully watched," states a leading institution, "as lack of diligence in these respects is frequently significant," and likewise with the promptness or otherwise with which a bank makes substitutions for maturing receivables.

### BANKING AND FINANCIAL CONDITIONS IN ARGENTINA.

Argentina is a great grain and meat producing country with a comparatively sparse population and a large excess of agricultural products available for export. It supplies large amounts of wheat, corn, and flaxseed, as well as of chilled and frozen meat and of hides, to the world markets and receives in return manufactured products from abroad, principally from England, Germany, and the United States. The balance of trade runs heavily in favor of Argentina on the basis of foreign-trade figures alone, but the older countries, especially England, France, and Germany, have large investments in Argentina, and interest payments on these investments operate as an offset against the excess of merchandise exports. England's investments in Argentina are estimated at between 2 and 2½ billion dollars, the larger part of which is in railroads; France has about 400 millions invested in Argentina, and Germany about 250 millions. The following table, taken from a

report of the Department of Commerce on the economic position of Argentina during the war, shows the extent and distribution of foreign investments in Argentina:

Type of investment.	Capital invested (in thousands).	
	Gold pesos.	United States currency.
Argentine loans and issues .....	657,303	\$634,298
Railways .....	1,344,326	1,297,275
Banks .....	51,981	50,075
Ports .....	22,164	21,388
Tramways .....	109,496	105,664
Refrigeration plants .....	40,916	39,484
Gas, electricity, and drainage companies .....	78,373	75,630
Land and rural property companies .....	79,682	76,893
Mortgages .....	500,016	482,515
Insurance .....	3,886	3,750
Industrial establishments .....	507,760	489,988
Telephone and radio-telegraphic companies .....	21,340	20,593
Commerce .....	465,169	448,888
Total .....	3,882,412	3,746,441

Of the 3,746 millions of foreign capital invested in Argentina, 1,297 millions were in railroads, 634 millions in Government securities, 490 millions in industrial establishments, 483 millions in mortgages, and 449 millions in commercial enterprises. American capital is prominently represented in the 39 millions of foreign capital invested in refrigeration plants.

### EMERGENCY LAWS OF 1914.

When the war broke out in the middle of 1914 Argentina was emerging from an industrial and economic crisis, and the sudden discontinuance of European markets and European supplies, the demoralization of foreign exchange, together with a great scarcity of available shipping facilities, produced an alarming situation. The Government adopted a number of temporary measures to meet the emergency. A one-month moratorium was declared; the exchange of notes for gold at the conversion office was suspended; supervision of foreign-exchange transactions was intrusted to the Banco de la Nacion; this bank was also authorized to mobilize for commercial purposes 30 millions of gold which it held in the conversion fund; the conversion office was empowered to rediscount commercial paper for the Banco de la Nacion and to issue notes in exchange, provided the ratio of gold to notes at no time fell below 40 per cent. The maturity of rediscounted paper was not to be in excess of 180 days, and if the maturity exceeded 90 days, an extra 1 per cent of discount was added for every additional 30 days. In cases where the paper had been rediscounted for other banks by the Banco de la Nacion it was authorized to charge the banks accommodated one-

fourth per cent in excess of the rate paid to the conversion office. Fifty per cent of the bank's profits on these rediscounts were to go to the conversion fund. The export of gold was prohibited. In order to facilitate dealings with foreign countries, most of which had prohibited the export of gold, and to avoid the expense and the danger of shipping gold even where this was possible, the conversion office was authorized to issue notes against gold deposited for account of the Argentine legations in foreign countries. Through this device persons importing goods from Argentina could deposit the gold to the account of the Argentine legation in their own country, and the Argentine exporters were able to obtain currency from the conversion office issued against the gold held for account of the legations.

These measures prevented a panic in Argentina during the early days of the war. As the war progressed the heavy demand for Argentina's products on the part of the belligerents greatly increased her exports, and the period under review was in general a period of increasing prosperity for Argentina.

MONETARY SYSTEM.

Argentina's monetary system is on a gold basis, the monetary unit being the gold peso weighing 1.6129 grams of gold, 0.9 fine. The circulating medium of the country, however, is a paper peso, known as the "moneda nacional" (m/n), which since 1899 has a fixed ratio of 44 per cent to the value of the gold peso and is legal tender on that basis for any amount.

The double monetary standard, based on the gold standard of value, is the outgrowth of a century of bitter experience with irredeemable paper currency, with no specific provision for conversion, and a widely fluctuating rate of discount as compared with gold. As early as 1820 the Argentine Government issued paper money, and in 1826 a gold peso was worth 1.88 in paper; the next year the ratio was 3.53, and continued to increase uninterruptedly until 1840 when it was 23.33; a slight decline in the ratio was followed by a renewed rise and in 1864 the ratio was 28.84. For the period from 1868 to 1875 a fixed rate of 25 was maintained, but even at this high rate conversion could not be maintained and was suspended, with the result that the ratio rose still higher, reaching 32.2 in 1879. In 1881 a new monetary law was promulgated, establishing as a basis a peso containing 24.9 grains of gold or 383.8 grains of silver, both metals being 0.9 fine. Paper money was to be redeemed at par. The Government, however, was not able to maintain conversion

and in 1885 paper money began to depreciate again, the ratio increasing to 3.87 by 1891. The year 1890 was one of economic disaster in Argentina, with an acute financial crisis and many failures. Finally, in 1899, the present conversion law was passed fixing the rate of conversion at 2.27 paper pesos for 1 gold peso, or 44 centavos in gold for 1 peso in paper, and providing for the building up of a gold conversion fund from certain specified sources: (1) An additional 5 per cent import duty; (2) the profits of the Banco de la Nacion; (3) proceeds of the liquidation of the Banco Nacional; (4) proceeds of the sale of the Andean railroad owned by the Government; (5) about 7 million pesos in gold held by the nation in mortgage certificates (cedulas); (6) funds especially appropriated for the purpose by the Government. All these funds were to be deposited in the Banco de la Nacion and held by that bank as a conversion fund.

During the period from December 31, 1914, to December 31, 1919, Argentina's fiduciary circulation increased from 823 millions to 1,177 millions, but the gold held against this circulation also increased from 224 millions to 389 millions, the ratio of gold to paper (counting 1 paper peso as equivalent to 44 centavos in gold) increasing from 63.5 to 75.1 per cent. The composition of the gold on December 31, 1919, was as follows:

In the Caja de Conversion.....	300,031,943
With Argentine legations.....	78,996,805
In the Banco de la Nacion.....	10,000,000
Total.....	389,028,748

The amount held to the credit of Argentine legations has been considerably reduced since July, 1919, when it amounted to about 99 millions, of which about 62 millions was in the United States, about 34 millions in London, and small amounts in Rome and Paris. In the spring of this year the total amount held to the credit of Argentine legations was about 79 million pesos, of which about 75 millions (72 million dollars) was held in the Federal Reserve Bank of New York for account of the Argentine legation in Washington. There has thus been a decided reduction of the gold held in London.

The suspension of gold payments by the conversion office, which was decreed at the beginning of the war, is still in force. There has been some agitation in favor of resumption, but it is maintained that this would result in withdrawals of gold for export, and that it would not be desirable so long as most of the countries to which Argentina's exports go are not on the gold basis.

## FOREIGN EXCHANGES.

Argentina's trade balance, which was favorable before the war, became much more favorable when the imports from European countries greatly diminished, while Argentina's exports increased. It is but natural, therefore, that the pound sterling, the franc, and the lira were at a discount in Buenos Aires practically throughout the period under review. (See table on p. 598.) The pound sterling, which is worth 5.04 gold pesos at par, declined to 4.56 pesos by January, 1918, but rallied to 4.78 the next month as a result of the export credit granted by Argentina. Since that time the pound has declined continuously and was quoted at 3.47 pesos in February, 1920, but advanced to 3.68 pesos in March. The franc and the lira followed the same general trend but fell much lower than the pound, the March, 1920, quotation being 7.46 pesos for 100 francs and 5.71 pesos for 100 lire, as against a par of 20 pesos for 100 francs or lire. Exchange on Madrid was above par practically throughout the period of the war, but has fallen to 18.12 pesos per 100 pesetas in March, 1920.

Argentina's trade balance with the United States has been continuously in Argentina's favor since 1914, but the parity of the dollar was maintained by gold exports, which amounted to 27.1 million dollars in 1916 and 25.2 millions in 1917. When the United States proclaimed an embargo on gold in the fall of 1917 the value of the dollar in Buenos Aires declined to as low as 94 pesos per 100 dollars in December, 1917, as against a par of 103.65. In 1918 dollar exchange was below par because it was linked in New York with sterling exchange through the "pegging" arrangement as well as because of the unfavorable trade balance and the gold embargo. Since the "unpegging" of the exchanges in New York in March, 1919, and the lifting of the gold embargo on June 7, 1919, the dollar has risen nearly to par in Argentina, and in fact was quoted above par in August of that year. Since June 7 the United States exported to Argentina a total of \$106,705,000 in gold, some of which was shipped on British account.

## BANKS.

There is no governmental supervision over banks in Argentina. The banks compete keenly among themselves and are restrained only by business caution. In 1912 and 1913, as the result of poor crops and the overexpansion of credit, a serious financial depression occurred. The principal non-governmental banks with local capital are the Banco Español; the Banco de la Provincia de Buenos Aires, the Banco de Italia y Rio de la Plata, and the Banco

Frances del Rio de la Plata. These banks are engaged largely in financing the agricultural regions and domestic enterprises, while the foreign banks, in addition to ordinary banking business, finance the foreign business of the country, engage in foreign exchange transactions, and act as agents for interests of their nationals in Argentina. The table on pages 599-600 shows the deposits, advances and discounts, cash, and paid-in capital of the principal Argentina banks.

The Argentine law requires foreign banks to assign a definite part of their capital to the branch opened in Argentina, this capital to be paid in gold into the Caja de Conversion in exchange for paper money. The foreign banks pay trading licenses varying in amount with the volume of the business. There is agitation in favor of taxing foreign banks 20 per cent of their profits, but no action has yet been taken. The foreign banks generally maintain cash reserves of over 25 per cent against deposits, lower reserves giving rise to unfavorable comment, while some of the banks have reserves amounting to as high as 45 per cent.

The most powerful banks are the British, which finance exports to Great Britain and take care of British investments in railroads and otherwise. It will be noted that the deposits of the Anglo-South American Bank increased from 12 to 88 million pesos between 1914 and 1919, those of the British South American from 50 to 87 millions, and those of the other British banks also show rapid growth. The German Transatlantic Bank, on the other hand, whose business was closely connected with German commerce, shows a decided decline in deposits and a less marked decline in discounts and advances.<sup>1</sup> The French and Italian banks increased their business very materially during the period.

The National City Bank of New York entered the Argentine field in November, 1914. It has increased its business very rapidly, its deposits advancing from 2½ million to 67 million pesos between 1914 and 1919. This bank acts as agent of American interests, and through it an American loan of 25 millions was negotiated in 1915. The First National Bank of Boston is also represented, and the Guaranty Trust has an office in Buenos Aires. In May, 1918, the Yokohama Specie Bank opened a branch in Buenos Aires.

The Banco de la Nacion was formed following the panic of 1890, when the two semi-official banks (the Banco Nacional and the

<sup>1</sup> The difficulties under which German business concerns were laboring in Argentina are illustrated by the fact that the German Transatlantic Electric Company, one of the largest industrial establishments in the country, unable to secure coal on account of being on the Allied blacklist, was forced to use corn as fuel in its plant. Corn was available because it could not be exported for lack of shipping space.

Banco Provincial) liquidated. The intention had been to have the bank privately owned and to have it return to the Government the 50 millions that were advanced to the bank as capital, but purchasers for its stock were not found and the Government decided in 1904 to establish the bank definitely as a Government institution, and to cancel its debt of 50 millions to the Caja de Conversion. Subsequently the bank's capital was increased to 100 millions, and provision was made for an equal distribution of profits between additions to capital and a reserve fund. Previously to 1904 the bank's profits were turned in to the conversion fund. The Banco de la Nacion must keep 25 per cent reserve against its deposits. It operates as a commercial bank and competes actively with the other banks in the country. While it has authority to rediscount commercial paper for the other banks, this practice has not developed sufficiently to cause the commercial banks to consider the Banco de la Nacion otherwise than as a competitor rather than as a central bank to which they could turn for assistance. It holds about 40 per cent of all the nation's bank deposits. The legal limitation on the bank's loans to the Government is 20 per cent of the bank's capital, but this limitation is waived by the bank when it deems it wise to exceed the statutory amount. In addition to this, the bank has authority to invest up to 20 per cent of its funds in Government securities purchased in the open market.

It will be noted from the attached balance sheet of the Banco de la Nacion for the end of each year 1913-1919 that, while the deposits increased from 541 million pesos to 1,250 million pesos, there was no corresponding increase in discounts and rediscounts, the amount under this head being actually only 361 millions at the end of the period, as compared with 420 millions at the beginning. On the other hand, there is shown a decided increase from 253 millions to 357 millions in cash and a growth of advances in current account from 58 to 315 millions. This item includes the advances to the Government. The Banco de la Nacion during the period under discussion has held very large amounts as reserves and has advanced large sums to the Government, while its holdings of commercial paper show an actual decline.

There is considerable agitation in Argentina in favor of the establishment of a central bank with functions similar to the central banks of Europe or of the Federal Reserve Banks in America. A project of a law establishing such a bank is at present under consideration. One of the arguments used is that at present the banks, owing to a lack of

credit organization and of enterprising spirit, hold very large reserves against their deposits and that a great deal of capital is thus tied up which might otherwise be turned into productive channels. The proposed bank would also regulate bank credits and rates of interest, as well as lend elasticity to the rigid currency system under the purely mechanical functions of the Caja de Conversion.

The lack of enterprise on the part of local banks is due mainly to the fact that prior to the war the Old World had annually large amounts of capital to invest in the new and undeveloped countries, and that Argentine industrial development was pushed by British, French, and German capital which was seeking for an outlet and was at the same time engaged in the development of markets for its home industries. Conditions have changed as the result of the war. Europe will have no surplus capital to export for some years and will need to consume a much larger share of the products of her industries. Great Britain, far from being in a position to finance Argentine enterprises, has been obliged to dispose of considerable quantities of Argentine securities held in the British Isles. Thus in 1916 the British Government, in connection with its efforts to improve the exchange position of the pound in America, acquired by purchase or loan about \$300,000,000 of Argentine securities owned by British subjects with the view of using these securities as part collateral for bank and other credits in the United States. Neither can Argentina expect much assistance from the United States, where capital is greatly in demand and can be placed on advantageous terms at home. Many public men in Argentina maintain that a development of local industries, backed by local capital, is the greatest need of the day, and that the establishment of a central bank will be a step in the direction of creating the machinery necessary for such a development. It is to be expected that if Argentina is to continue to export large quantities of her raw materials to Europe she will have to develop a system of granting commercial credits to the European nations, which, although much in need of Argentina's products, are not in a position to pay cash for their imports. It appears that Argentina will at least temporarily be forced to become a lending nation rather than a constant borrower of European funds.

A national mortgage bank, founded in 1886, does a large business in lending money on real estate in the form of so-called cedulas, or bonds to bearer, which carry an interest charge of 6 or 7 per cent. About 600,000,000 paper pesos of such cedulas were outstanding in June, 1919. In 1915 the Government established a postal savings bank. A project for

the establishment of a national agricultural bank for the purpose of fostering rural development is under discussion.

#### CREDITS TO ALLIES.

The Argentine Government in January, 1918, granted a \$200,000,000 credit to the English and French Governments for the purpose of facilitating the export of Argentine agricultural products. The terms of this arrangement were as follows:

The British and French Governments shall buy in the Argentine Republic the surplus of wheat and other cereals to an approximate amount of 2,500,000 tons, undertaking to export the same before November 1, 1918. The British and French Governments will pay a minimum price of \$12.50 paper currency for every hundred kilos of wheat, \$7 paper currency for every hundred kilos of oats, and \$15 paper currency for every hundred kilos of linseed, all of good quality, i. o. b.

The Argentine Government shall open a credit in favor of the British Government up to the sum of \$100,000,000 Argentine gold or its equivalent in paper currency and a similar credit for a similar amount to the French Government. The amounts drawn under these credits shall carry interest at 5 per cent per annum.

The credits opened shall be utilized for the purchase of Argentine cereals and may also be used for the acquisition of other products of the country.

The British and French Governments shall deposit in the respective Argentine legations the acknowledgments of the amounts drawn under the above-mentioned credits.

These credits were used up, and in February, 1919, another agreement was made granting a further credit of 200 million to England, France, and Italy. This credit, however, the terms of which are discussed in the FEDERAL RESERVE BULLETIN for November, 1919, page 1048, has not been approved by the Congress up to the present time. Recently the Chamber of Deputies authorized the granting of the credits with two important modifications in the terms: The three countries are to be jointly responsible for the full amount of the loan, and the President is not to have authority, as originally intended, to issue up to 60 millions of notes from the Caja de Conversion for the purposes of the transaction. The Senate's action on the matter has not as yet been reported.

#### NATIONAL FINANCES.

Argentina has a funded debt of about 592 million gold pesos, part of which is called the domestic debt and part the foreign debt; practically all of the latter and more than half of the former is held abroad.

Government expenditures of Argentina are generally in excess of the revenues, and the annual deficits have greatly increased in recent years as the result of the falling off of customs receipts. According to a statement by the minister of finance to the Chamber of Deputies

on August 10, 1919, the floating debt of the Republic amounted at that time to 572,656,992 paper pesos, distributed as follows:

Short-term loans outstanding abroad (£5,000,000 in London and \$25,000,000 in New York, contracted in May, 1915, and due May 15, 1920).....	Paper pesos. 116, 159, 091
Loans from banks and other establishments in Argentina, including the Banco de la Nacion.....	306, 950, 000
Other amounts due to the Banco de la Nacion.....	97, 072, 600
Treasury bills.....	28, 075, 301
Floating debt from previous years.....	19, 400, 000
Estimated supplementary credits.....	5, 000, 000
Total.....	572, 656, 992

It is of interest to note that considerable amounts of the floating debt were loaned to the Argentine Government by German firms on the allied black list, which had no other way of investing their money. A project of a law has been introduced and its passage urged by the President to authorize a funding of the floating debt by the issue of 600 million pesos in bonds to be amortized through a 2 per cent amortization fund. This fund may be used during the first 20 years either wholly or in part for prizes to be determined by half-yearly drawings. The amount of the prizes is left to the Government to determine, but must not be less than double the value of the bonds, the prize-winning bonds being retired. No action on this project has been reported. The 50 million loan that fell due in May of this year, half of which was contracted in the United States and half in England, but all of which was subsequently transferred to this country, has been liquidated, by means of negotiating a 5 per cent loan from England payable in January, 1921, when an installment of England's grain loan from Argentina falls due. In liquidating the Argentine obligation, the British Government used some of the gold recently shipped from England to the United States.

Realization is growing in Argentina of the fact that dependence on import duties as the principal source of revenue is undesirable in view of the uncertainty of this source, as demonstrated by the great decline of customs receipts during the war. Nor is the reestablishment of peace, with the greatly reduced production and purchasing power of the Old World, likely to solve the fiscal difficulties of the Argentine Government. The introduction of a budgetary system is advocated, and a project of an income-tax law has been transmitted to Congress. The increasing difficulty experienced by the Argentine Government in obtaining loans from abroad, owing to the depletion of European finances and the heavy demands on capital in the United States, adds impetus to



the movement for the introduction of a system of domestic taxation more in keeping with modern developments.

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Assets and liabilities of the Banco de la Nacion Argentina on Dec. 31, 1913-1919.

[In 1,000 paper pesos.]

	1913	1914	1915	1916	1917	1918	1919
<b>ASSETS.</b>							
Foreign correspondents.....	11,893	18,652	15,007	42,532	491	5,971	25,286
Advances in current accounts and on securities.....	57,755	51,166	115,587	147,934	239,583	249,617	314,905
Bills receivable.....	3,799	3,268	1,597	1,462	1,676	1,690	2,139
Accounts for collection.....	6,640	19,817	37,948	42,295	36,209	26,449	22,026
Bills discounted and rediscounted.....	419,941	445,494	328,992	293,748	293,869	282,452	361,099
Doubtful debts.....	7,513	20,869	19,724	17,392	11,236	6,054	2,055
Real estate.....	18,305	19,523	20,344	22,404	24,763	24,877	25,586
National bonds, series A.....	4,405	4,405	4,091	4,091	4,091	.....	43,296
Other Federal securities.....	1,284	1,284	1,284	21,283	45,992	43,849	.....
Mobilization of conversion fund, Law 9479.....	.....	45,455	45,455	45,455	45,455	45,455	46,144
Furniture and stationery.....	1,875	1,960	1,977	1,884	1,762	1,285	.....
Interest earned but not received.....	298	552	140	460	11	.....	.....
Ministry of Finance, Law 10251.....	.....	.....	.....	.....	72,000	72,000	72,000
Conversion account.....	31,245	12,291	20,932	14,805	43,079	380,657	342,970
Branches, operations pending.....	.....	.....	9	68	18	.....	.....
Cash on hand.....	253,404	259,241	385,712	400,501	379,709	397,565	356,506
Agreements with France and Great Britain.....	.....	.....	.....	.....	.....	338,759	289,496
<b>Total.....</b>	<b>818,357</b>	<b>903,977</b>	<b>998,799</b>	<b>1,056,314</b>	<b>1,199,944</b>	<b>1,876,680</b>	<b>1,903,508</b>
<b>LIABILITIES.</b>							
Capital.....	128,000	128,000	128,000	128,000	129,082	132,437	138,551
Surplus.....	36,605	33,102	33,102	33,102	34,186	37,541	43,652
Conversion fund, Law 3871.....	68,182	68,182	68,182	68,182	68,182	68,182	68,182
Conversion account.....	31,245	12,291	20,932	14,805	43,080	380,657	342,970
Mobilization of conversion fund.....	.....	45,455	45,455	45,455	45,455	45,455	45,455
Deposits, time and demand.....	541,385	605,411	692,364	755,655	871,056	1,195,044	1,249,730
Discounts, unearned but collected.....	5,167	5,359	2,056	1,875	1,902	2,008	4,118
Branches, operations pending.....	7,773	6,177	8,708	9,240	7,001	15,356	10,850
<b>Total.....</b>	<b>818,357</b>	<b>903,977</b>	<b>998,799</b>	<b>1,056,314</b>	<b>1,199,944</b>	<b>1,876,680</b>	<b>1,903,508</b>



Deposits, advances and discounts, cash, and capital of the principal banks in Argentina: June 30, 1914 to 1919, and Dec. 31, 1919.

[In 1,000 paper pesos.]

Banks.	Deposits.						
	June 30, 1914.	June 30, 1915.	June 30, 1916.	June 30, 1917.	June 30, 1918.	June 30, 1919.	Dec. 31, 1919.
Alemán Transatlántico.....	55,246	37,946	38,841	40,828	47,240	38,110	38,673
Argentino Uruguay.....					11,996	13,100	12,392
Anglo Sud Americano.....	12,150	13,326	17,299	31,904	65,582	78,230	87,663
Británico de la América del Sud.....	50,070	45,993	49,892	54,037	58,933	76,820	87,223
Comercial del Azul.....						35,560	44,876
Comercial Italiano.....	875	11,957	14,410	20,887	29,623	33,240	36,368
España America.....	564	605	717	866	1,538	2,700	2,824
Español del Río de la Plata.....	193,958	132,997	151,061	184,902	248,913	250,410	269,257
Francés é Italiano.....	4,209	6,733	8,821	27,198	17,045	66,570	52,996
Francés del Río de la Plata.....	64,420				37,289	31,330	42,397
Galicia y Buenos Aires.....	8,421	10,373	15,749	20,248	36,838	41,670	41,238
Germanico de la América del Sud.....	14,924	11,540	16,814	17,950	26,928	21,070	18,698
Holandés de la América del Sud.....		10,619	19,808	27,643	44,486	59,440	55,952
Italia y Río de la Plata.....	92,830	65,824	72,191	89,742	124,999	139,290	158,664
Italo Belga.....		9,739	12,510	25,763	38,479	54,540	33,884
Londres y Brasil.....	16,588	16,771	17,829	21,140	24,702	29,040	30,196
Londres y Río de la Plata.....	159,868	147,909	139,284	152,290	182,380	183,960	196,725
Nación Argentina.....	558,539	669,263	777,972	830,515	1,134,247	1,201,130	1,249,700
Nuevo Italiano.....	38,888	33,184	40,123	50,974	66,320	82,290	86,486
Popular Argentino.....	21,530	20,705	20,697	23,667	27,891	27,710	31,077
Provincia de Buenos Aires.....	122,135	127,164	150,399	201,051	255,171	291,060	303,303
The National City Bank of New York.....		11,323	26,073	33,818	47,057	62,010	67,280
The First National Bank of Boston.....					41,511	60,460	54,737
The Royal Bank of Canada.....							3,562
Banks with capital of less than 1,000,000 pesos.....	7,403	7,662	9,334	645	2,931	2,640	3,595
<b>Total.....</b>	<b>1,422,418</b>	<b>1,391,633</b>	<b>1,599,824</b>	<b>1,856,068</b>	<b>2,572,099</b>	<b>2,882,370</b>	<b>3,009,786</b>

Banks.	Advances and discounts.						
	June 30, 1914.	June 30, 1915.	June 30, 1916.	June 30, 1917.	June 30, 1918.	June 30, 1919.	Dec. 31, 1919.
Alemán Transatlántico.....	52,061	34,147	32,771	27,070	27,274	26,960	31,445
Argentino Uruguay.....					1,351	11,430	8,398
Anglo Sud Americano.....	36,376	28,618	29,348	36,474	53,755	80,220	69,812
Británico de la América del Sud.....	41,860	30,470	29,422	30,032	37,390	52,380	49,515
Comercial del Azul.....						35,090	43,616
Comercial Italiano.....	10,257	11,883	14,686	18,741	22,930	26,550	29,243
España America.....	1,096	1,091	1,188	1,199	1,424	2,080	2,556
Español del Río de la Plata.....	212,128	180,779	195,475	207,340	237,470	232,540	211,290
Francés é Italiano.....	12,789	5,892	10,002	19,596	26,442	33,820	47,719
Francés del Río de la Plata.....	102,812				24,042	29,120	36,041
Galicia y Buenos Aires.....	17,407	18,266	20,894	27,704	35,060	42,380	45,143
Germanico de la América del Sud.....	23,060	23,813	29,516	16,743	16,366	18,040	16,193
Holandés de la América del Sud.....		7,544	16,315	30,140	60,502	68,900	68,204
Italia y Río de la Plata.....	94,630	88,196	89,563	106,265	130,029	137,160	143,505
Italo Belga.....		4,352	6,838	11,979	22,048	32,400	33,122
Londres y Brasil.....	18,696	12,402	12,870	11,317	13,667	19,410	19,629
Londres y Río de la Plata.....	108,801	76,439	67,313	68,469	74,930	86,510	92,333
Nación Argentina.....	454,680	450,124	419,423	485,498	477,658	625,530	676,005
Nuevo Italiano.....	34,822	29,702	35,922	44,865	50,674	67,040	72,758
Popular Argentino.....	32,570	34,322	34,929	34,910	35,567	36,360	40,197
Provincia de Buenos Aires.....	144,594	134,083	150,541	177,474	200,183	227,660	252,572
The National City Bank of New York.....		6,542	29,327	25,435	28,138	67,120	72,768
The First National Bank of Boston.....					34,530	49,020	44,459
The Royal Bank of Canada.....							2,306
Banks with capital of less than 1,000,000 pesos.....	2,976	8,348	12,347	1,885	3,203	3,730	4,507
<b>Total.....</b>	<b>1,401,615</b>	<b>1,187,013</b>	<b>1,238,690</b>	<b>1,383,136</b>	<b>1,614,633</b>	<b>2,011,450</b>	<b>2,113,336</b>

Deposits, advances and discounts, cash, and capital of the principal banks in Argentina: June 30, 1914 to 1919, and Dec. 31, 1919—Continued.

[In 1,000 paper pesos.]

Banks.	Cash held in the country.						
	June 30, 1914.	June 30, 1915.	June 30, 1916.	June 30, 1917.	June 30, 1918.	June 30, 1919.	Dec. 31, 1919.
Alemán Transatlántico.....	19,850	13,670	12,646	16,329	27,738	18,520	13,706
Argentino Uruguay.....					11,676	3,730	6,307
Anglo Sud Americano.....	5,998	6,374	8,149	9,549	30,974	27,070	46,601
Británico de la América del Sud.....	18,892	13,917	16,710	21,760	41,099	21,410	29,310
Comercial del Azul.....						8,420	8,370
Comercial Italiano.....	5,088	4,648	4,349	6,560	10,866	10,080	10,613
España America.....	359	345	396	418	805	1,190	999
Español del Río de la Plata.....	77,330	36,725	42,711	61,778	67,853	55,080	53,203
Francés é Italiano.....	1,919	5,801	3,076	6,734	14,241	27,740	6,394
Francés del Río de la Plata.....	24,094				17,514	15,170	13,757
Galicia y Buenos Aires.....	3,322	3,617	4,869	4,972	12,626	9,820	8,980
Germánico de la América del Sud.....	7,675	3,011	5,052	5,919	12,672	6,930	7,274
Holandés de la América del Sud.....		5,866	6,939	11,052	25,733	13,600	15,208
Italia y Río de la Plata.....	23,110	17,205	16,988	23,758	34,348	29,580	43,674
Italo Belga.....		4,258	4,869	9,751	16,490	22,820	12,866
Londres y Brasil.....	7,124	8,006	6,720	5,327	12,338	9,650	8,792
Londres y Río de la Plata.....	78,005	88,801	74,200	71,343	101,851	91,420	94,082
Nación Argentina.....	278,170	370,950	429,114	440,262	338,526	391,170	356,506
Nuevo Italiano.....	11,517	11,617	11,593	14,582	23,522	24,860	25,038
Popular Argentino.....	9,148	6,171	5,184	5,438	9,125	7,560	7,767
Provincia de Buenos Aires.....	38,360	42,932	51,136	72,304	111,551	122,750	113,834
The National City Bank of New York.....		6,576	7,507	11,172	19,935	16,260	16,435
The First National Bank of Boston.....					9,057	15,130	15,902
The Royal Bank of Canada.....							2,852
Banks with capital of less than 1,000,000 pesos.....	1,452	4,443	4,310	343	1,351	1,900	1,941
<b>Total.....</b>	<b>611,413</b>	<b>654,933</b>	<b>716,518</b>	<b>799,351</b>	<b>1,001,891</b>	<b>951,850</b>	<b>290,411</b>

Banks.	Paid-in capital.						
	June 30, 1914.	June 30, 1915.	June 30, 1916.	June 30, 1917.	June 30, 1918.	July 31, <sup>1</sup> 1919.	Dec. 31, 1919.
Alemán Transatlántico.....	8,295	8,295	8,295	8,295	8,295	8,295	8,295
Argentino Uruguay.....					1,228	2,513	2,697
Anglo Sud Americano.....	11,338	11,339	11,339	11,339	11,339	11,339	11,339
Británico de la América del Sud.....	10,309	10,475	10,309	10,309	10,309	10,309	10,309
Comercial del Azul.....							1,585
Comercial Italiano.....	5,000	4,997	4,998	5,000	5,000	5,000	5,000
España America.....	1,400	1,200	1,256	1,281	1,301	1,406	1,483
Español del Río de la Plata.....	100,000	97,798	98,012	98,146	98,391	98,612	98,661
Francés é Italiano.....	5,682	5,682	5,682	5,682	5,682	5,682	5,682
Francés del Río de la Plata.....	63,636				5,682	31,818	31,818
Galicia y Buenos Aires.....	30,000	16,877	16,924	16,968	17,024	17,210	17,201
Germánico de la América del Sud.....	3,932	3,930	3,930	3,930	3,930	3,930	4,052
Holandés de la América del Sud.....		2,841	6,630	8,855	8,855	8,855	8,855
Italia y Río de la Plata.....	22,727	22,727	22,727	22,727	22,727	22,727	22,727
Italo Belga.....		2,273	2,273	2,273	2,273	2,273	2,273
Londres y Brasil.....	4,832	4,832	4,832	4,832	4,832	4,832	4,832
Londres y Río de la Plata.....	9,659	9,659	9,659	9,659	9,659	9,659	9,659
Nación Argentina.....	128,000	128,000	128,000	128,000	128,082	132,437	138,551
Nuevo Italiano.....	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Popular Argentino.....	10,550	10,505	10,519	10,515	10,515	10,515	10,515
Provincia de Buenos Aires.....	75,000	62,093	62,301	62,412	62,500	62,500	62,500
The National City Bank of New York.....		2,355	2,355	2,355	2,355	2,944	2,944
The First National Bank of Boston.....					2,355	2,355	2,355
The Royal Bank of Canada.....							2,355
Banks with capital less than 1,000,000 pesos.....	17,249	9,933	9,703	2,235	2,357	3,553	2,361
<b>Total.....</b>	<b>512,609</b>	<b>420,811</b>	<b>424,748</b>	<b>419,813</b>	<b>430,691</b>	<b>463,764</b>	<b>473,049</b>

<sup>1</sup> June figures not available.

**Report of the German Reichsbank for the Calendar Year 1919.**

German economic conditions and the country's financial situation are discussed at some length in the 1919 report of the Reichsbank. Notwithstanding the changed political situation and the economic disorganization of the country, the bank retained its leading position in the financial field and continued to render important service to the Government and the business community. A condensed account of the report is given herewith:

During the year 1919 greater demands were made upon the Reichsbank than ever before. It was called upon to provide much larger amounts of credit and of cash than even in the preceding war years, which themselves had seen great and increasing demands made on the Central Bank.

This development was closely related to the industrial and political condition of Germany. During the entire year industrial activity was sorely interfered with by the lack of raw materials and of coal, by the scarcity and high prices of goods, by the prevailing unwillingness to work, by strikes, by the demands of higher wages on the part of workmen and employees, and by the bad condition of the transportation system. In the first half of the year, not only in Berlin but in many other places, repeated disturbances and bloodshed occurred. It is true that the domestic situation improved later, especially when, after the lifting of the blockade, food could be imported, but this improvement was soon counteracted by the signing of the treaty of peace on June 28—a treaty productive of grave uncertainty at home and abroad regarding the future development of Germany.

As a result of these conditions, the exchange value of the mark declined in the course of the year to a previously inconceivable extent. At home, the unusually great demand for currency, which had started in the latter part of 1918, continued unabated during most of the year under review, while the Government was able to meet its heavy obligations only in part by long-term loans, so that the floating debt reached an unprecedented and undesirable volume, and treasury bills cashed, as usually, at the Reichsbank, could no longer be redeemed, in part at least, by the proceeds of bond flotations.

That the condition of the Reichsbank during the past year became no worse than was actually the case was due to the influence which the troubled state of affairs itself exerted on the money market. Great sums of capital, made available during the war through the sale and liquidation of German industries, could for reasons mentioned above be only partly employed, even though the readjustment of industry to a peace-time basis was carried through almost everywhere with success. This surplus capital, therefore, was invested to an increasing extent in imperial treasury bills issued by the Reichsbank. The money market was also able to satisfy the great need of credit and money on the part of the federated states and the municipalities as well as the demands for capital by certain elements in industry and trade, due partly to increased prices and partly to the revival of business activity, although in the last months of the year a slight rise in the price of money and a decline in the overabundant resources of the money market were apparent.

The causes often mentioned in previous Reichsbank reports for the increase of currency in Germany continued to be operative during the past year. Steadily rising prices and the increase in salaries and wages necessitated larger and larger amounts of currency. In addition, the amounts smuggled out of the country increased, and naturally such currency does not find its way back to the

Reichsbank. The outflow from the country of currency for the purpose of paying for lawful, but especially for unlawful, imports, as well as in connection with the removal of capital from Germany, continued to a very considerable extent. Moreover heavy payments had to be made under the armistice agreement to the armies of occupation. Mention should also be made of the shipments to Belgium begun in December, 1918, of Reichsbank notes, amounting altogether to more than 1½ billion marks, to replace the notes removed to Germany from the occupied regions during the war and credited on the books of the bank. Cash holding, of business concerns also increased far beyond the customary limit, because as a result of the strike of bank employees a prompt supply of currency could not be depended upon, and because for many reasons of an industrial and political character there was danger of the banks closing their doors. Hoarding of currency was also widespread.

In view of the impossibility for the government printing office to print the required vast amount of notes, notes were printed in part by private printing plants. They were, accordingly, not safeguarded as carefully against counterfeiting as the other Reichsbank notes. Nevertheless, the Reichsbank repeatedly took occasion to protest strongly against the widespread rumors, both at home and abroad, about the supposedly serious extent of such counterfeiting.

The so-called emergency currency, issued by municipalities at the suggestion of the Reichsbank as a result of the currency crisis in the last quarter of the year 1918, was almost wholly withdrawn from circulation in the first months of the current year. There remained in circulation for the most part only notes of very small denominations, as the coinage of aluminum pfennig pieces authorized by the treasury department did not reach a sufficient amount until the close of the year.

In order to limit currency circulation the Reichsbank took measures to encourage payments by other means, by opening postal check accounts for all subbranches, by increasing the number of clearing houses, and by other methods.

Mark exchange during the year 1919 in the neutral cities of Amsterdam, Zurich, and Stockholm was quoted as follows:

[Marks per 100 of foreign currency.]

	At end of 1918.	Highest in 1919.	Lowest in 1919.	At end of 1919.
Amsterdam.....	338.98	332.23	1,980.20	1,843.32
Zurich.....	167.01	164.47	1,025.64	869.57
Stockholm.....	232.56	225.99	1,052.63	1,052.63

The depreciation of the mark, reckoned on the basis of the par value of the foreign currencies, at the beginning of the year amounted to about 52 per cent, and at the end of the year to something like 91 per cent at Amsterdam and Zurich and 89 per cent at Stockholm.

Among the causes of the depreciation of the mark during the year under discussion, the following may be mentioned: The balance of international trade and payments became unfavorable to an extent never before known in Germany. Imports into the country, almost denuded of stores and raw materials, resulted, especially after the raising of the blockade at the beginning of the second half of the year, in large imports at high prices. Furthermore, as a result of the terms of the armistice and of the occupation by enemy armies of large areas of German territory, an effective control of customs was no longer possible, and vast quantities of unnecessary goods poured in. Exports, on the other hand, partly because of the lack of raw materials and coal, partly because of a great decline in production, especially during the early months of the year, brought in very small returns, and with de-

preciating exchange, even the increasing purchases by foreign countries of German goods, securities, businesses, and other property did not furnish an adequate offset to the imports. As a consequence of the shortage of bills of exchange, legitimate imports, and, to a much larger extent, unlawful imports, had to be paid for in part by mark currency. The excessive supply abroad of mark currency and mark credits produced an increasingly depressing effect upon the rates of exchange. It became more and more difficult to meet foreign obligations by credit; at the same time continuous strikes and political upheavals, the mounting expenses of the government, and the expansion of the currency increased distrust abroad; and the severe terms of peace, now published and completely incalculable in their financial results, did not tend to better Germany's credit. In addition, came the "flight of capital," which had been going on for a long time, but which showed an extraordinary increase during the past year due to dread of untoward political and industrial developments and to fear of excessive taxation. This flight took the form not only of shipping currency abroad, but also of selling securities, goods, and property. Moreover, the terms of the armistice providing for the surrender of the merchant marine completely eliminated the shipping business as a factor making for improvement in the exchange situation. Complete control over the fast vanishing gold reserve was taken from the Reichsbank, and this increased still further the difficulty of settling foreign accounts.

As in former years, the management of the Reichsbank during the past year did everything in its power to combat the depreciation of the mark. It did whatever it could to increase production and exportation—which is the best and most efficient means of improving the exchange rate. The bank has cooperated directly with the jewelry trade, to which it supplied the most important raw material (gold), even though in limited quantities. In this connection in the interest of the exchange rate the regulations regarding the use of gold were made more stringent. The object of this was to create with the smallest possible output of manufactured gold the highest possible return in foreign credits. The Reichsbank was able to enforce these strict provisions since it has the power of licensing jewelry exports, and this in turn gives it the control of the foreign bills of exchange resulting from these export transactions. The sum total of about  $\frac{1}{4}$  billion marks of foreign bills brought in during the year 1919 in payment for jewelry proves the success of this effort to increase German credits abroad. This does not, however, give a true picture, inasmuch as the jewelry manufactured out of the Reichsbank's gold will be exported principally in 1920, and most of the proceeds from the exports made in the preceding year are payable also in 1920. More extensive and more significant were the efforts made since about the beginning of October, 1919, in cordial agreement with the Minister of National Economy (Reichswirtschaftsministerium), to increase the returns of German exports generally by having exporters and other interested groups instructed about the relation of the exchange value of our currency to the price of commodities obtainable in international trade, also by encouraging them to reckon export prices, so far as possible, with a view to bettering the exchange rate. Furthermore, the Reichsbank has again and again successfully emphasized to the Government departments concerned that under existing circumstances regulation of exports and export prices should be maintained and if necessary extended.

Besides the demand for exports, the utmost restriction of imports seemed absolutely demanded as a measure for improving the rate of exchange. So long as the foreign exchange regulations were in force the bank had the power to make its influence felt vigorously in the desired direction. Since the abrogation of these regulations (by proclamation of July 23, 1919) the direct influence of the Reichsbank in limiting imports has been greatly reduced.

In order to provide the exchange necessary to pay for indispensable imports, the Reichsbank undertook to purchase bills of exchange arising from exports. It bought up long-term bills of exchange drawn on foreign merchants by domestic exporters, and thus protected the German exporters from the risk arising from currency fluctuations. The bank was also authorized to engage in term dealings in foreign exchange (Devisentermingeschäfte). It acquired large amounts of foreign currency also by the sale of securities and bonds abroad and by the purchase of foreign notes and specie.

In the year 1919, after the military and political collapse of Germany, the urgent need of large groups of the population to liquidate Government securities subscribed for during the war continued to an even greater degree than before. The Reichsbank, as heretofore, bought back bonds from those owners who demonstrated a real necessity for disposing of their bonds. As it did not seem practicable until after peace was made to inaugurate a system of taking up the bonds on a large scale, as had been promised at the time the war loans were floated, the Ministry of Finance made available month by month since December, 1918, a suitable sum which was ratably divided between the Reichsbank and other institutions authorized to act as fiscal agents for war-loan subscriptions. Above all, consideration was given to the smaller sales, necessitated by urgent need of money. After the signing of the treaty of Versailles, and after the announcement on July 16, 1919, of the terms of peace between Germany and the allied and associated powers, there was created a consortium of the leading German banks and bankers for the purpose of regulating the market for war bonds under the direction and with the aid of the Reichsbank and under Government guarantee. To carry out the program of this consortium, to which has also been assigned the task of permanently placing the amounts to be taken up, the Federal Loan Corporation (Ltd.) was established on August 26, 1919. This corporation is not an organization for profit, and will pay no dividends on its paid-in capital of 400 million marks. Besides the paid-in capital, there is an equal amount of capital subject to call, guaranteed by the consortium.

The rate at which 5 per cent bonds were purchased was about 94 at the beginning of the year, but had to be lowered more and more, until at the time of the reopening of official quotations on the Bourse, it had gone down to 80. Since the rate in the open market was somewhat lower, the official quotations on the Bourse were begun on September 1, 1919, at 79.20. By November 26, 1919, the Bourse quotations declined to 77.50; afterwards, at the time of the publication of the plans for lottery bonds, the rates went up to 81.10 on October 10, 1919. Since then the bonds have been quoted at 77.50.

The old charter of the Reichsbank expires by law at the close of 1920. Accordingly, a new bank law was passed on December 16, 1919, extending the charter, but making new provisions for the participation of the Government in the bank's profits. The new law adjusts the regulations governing the organization and business of the Reichsbank to the new political and industrial conditions, and takes steps to lighten the credit burden assumed by the Reichsbank during the war by permitting the bank to engage in term dealings in foreign exchange.

The gold holdings of the Reichsbank decreased during the current year from 2,252.2 million marks to 1,089.5 million marks; that is to say, by 1,172.7 millions.

This serious loss of more than half the gold holdings is due to the fact that from the end of March to the beginning of June about a billion marks in gold was paid to the Entente for food supplies. Smaller amounts were also sent to neutral countries to improve the foreign exchange rate, while some gold was also bought by the German jewelry trade. The bank's sales of gold resulted in a profit of 2,231 million marks.

The bank's holdings of silver bars and foreign silver coins increased during the year from 638,264 to 9,756,833 marks; its holdings of loan bank notes (Darlehenskassen-

scheine) increased from 5,730 million to 10,993 million marks, and its holdings of Treasury notes from 3.6 millions to 32 millions.

The circulation of the bank's own notes increased from 22,137 millions at the beginning to 35,693 millions at the end of the year. The circulation of loan bank notes increased from 10,242 millions to 13,781 millions, so that the combined circulation rose from 32,430 to 49,480 million marks. The bank's ratio of gold to its own notes in circulation declined from 10.2 to 3.1 per cent during the year.

The bank's earnings for the year totaled 4,263 million marks, an increase of about 3,500 millions over the 1918 amount. These large profits are due to the sale of nearly half the bank's gold and to the fact that the bank discounted a steadily growing amount of Treasury bills.

The bank's income and expense account for the year was as follows:

	In millions.
Total earnings.....	4,263
Less:	
Expenses of administration.....	93
Special tax in lieu of note tax.....	355
Reserve for war losses.....	2,145
Losses on foreign credits.....	1,521
Other expenses.....	34
	4,148
Net profits.....	115

Of the 115 millions of net profits, 61 millions were paid to the Government as a war-profits tax; of the remaining 54 millions, 6 millions were distributed as regular dividends of 3½ per cent, while the balance, after deducting 10 per cent for the surplus fund, was divided between the Government and the stockholders in the proportion of three to one.

The stockholders thus received about 16 millions (including the 6 millions of regular dividends), or 8.79 per cent, as compared with 8.68 per cent in 1918, while the Government received 33 millions as its share in the net profits, besides 416 millions in special taxes.<sup>1</sup>

### Debits to Individual Account, January, 1919, to May, 1920.

Following is a table presenting aggregate debits to individual account reported by clearing-house banks in 148 leading cities for each week from the beginning of 1919 to May 19, 1920. Separate figures for New York City and for the other 147 centers (combined) are also given. To illustrate the movement of debits two charts are presented, one showing by two curves the aggregate debits for all the centers included, and separately for New York City, and the other showing on a larger scale debits for the 147 centers other than New York City. The bars at the foot of the second chart represent monthly index numbers of wholesale prices as computed by the Bureau of Labor Statistics.

Fluctuations from week to week in the debits to individual account are very considerable. Among the factors affecting these fluctuations

are seasonal demands for funds; interest and dividend payments at the middle and end of the month and especially at the end of quarters and of the year; cash requirements for holiday purchases; payments by the public of installments due on Government securities purchased on the so-called Government plan, and of income and excess-profits taxes; payments by the Government of interest on bonds; other large-scale fiscal operations, and, more especially in New York City, the volume of stock exchange transactions.

During January and February of each year the downward trend represents a recession from the high levels accompanying end-of-the-year payments and the requirements of shoppers during the holiday season; the peaks shown for the middle of May, the middle of July, and the middle of November, 1919, represent payments on account of Victory note subscriptions; those shown for the middle of March, June, September, and December, 1919, and March, 1920, reflect payments of income and excess-profits taxes; while the large total in the middle of October, 1919, was due in part to interest payments by the Government on Liberty bonds of the fourth loan. Some of the fluctuations are also due to short weeks caused by legal holidays, the low totals at the end of May and at the beginning of July, 1919, being cases in point.

While the curves for New York City clearing-house banks and for all the 148 reporting centers show a very close parallelism, there are weeks when developments on the New York Stock Exchange are sufficiently powerful to overcome nation-wide tendencies. It should be noted in this connection that the value of the stocks sold on the New York exchange constitutes only a small proportion of the total amount of bank debits. The par value of all the stocks sold during the week ending January 10, 1919, for example, was 243 millions, while the aggregate debits of New York City clearing-house banks for the week ending January 8 were 4,844 millions; the proportion for that week was thus only 5 per cent. On the other hand, there are weeks when this proportion is much higher, as, for instance, in the middle of July, 1919, when stock transactions amounted to 842 millions and debits to 5,580 millions, the former constituting about 15 per cent of the latter. The influence of the volume of stock transactions on debits appears, however, to be greater than the proportion would indicate, as the sale of a block of stock may often give rise to more than one check payment.

Some of the weeks when the movement of debits in New York City and outside was not in the same direction may be mentioned. The

<sup>1</sup> For profits of the Reichsbank in previous years, see Federal Reserve Bulletin for May, 1919, p. 432.

first week in May, 1919, saw an increase in debits in the 147 centers outside of New York amounting to about 280 millions, while the debits in New York City declined by about 56 millions, owing to the fact that stock trading during the week ending May 9 totaled only about 669 millions, as compared with 814 millions the week before. On the other hand, the last week in October was one showing a decline in volume of debits outside of New York, while in New York the volume increased, as the result of heavy trading on the stock exchange. There are many cases during the period of 72 weeks under review when the changes in the total bank transactions in New York were not of the same relative magnitude, although in the same direction, as the changes in the other centers, and in the case of 10 separate weeks the two curves moved in opposite directions.

Beginning with the week of April 28 of this year, a small volume of business on the stock exchange has resulted in a continuous decline in the New York figures, while aggregate debits, though showing a general downward tendency, were larger for the weeks ending May 5 and May 19 than for the immediately preceding weeks. These differences may not appear striking on the chart, but their influence is seen in the fact that, while aggregate debits in May, 1920, were considerably larger than a year earlier, New York City debits were lower for the weeks ending May 12 and 19 of this year than for the corresponding weeks of 1919, the decline being apparently due to the comparatively small volume of stock exchange transactions during these weeks.

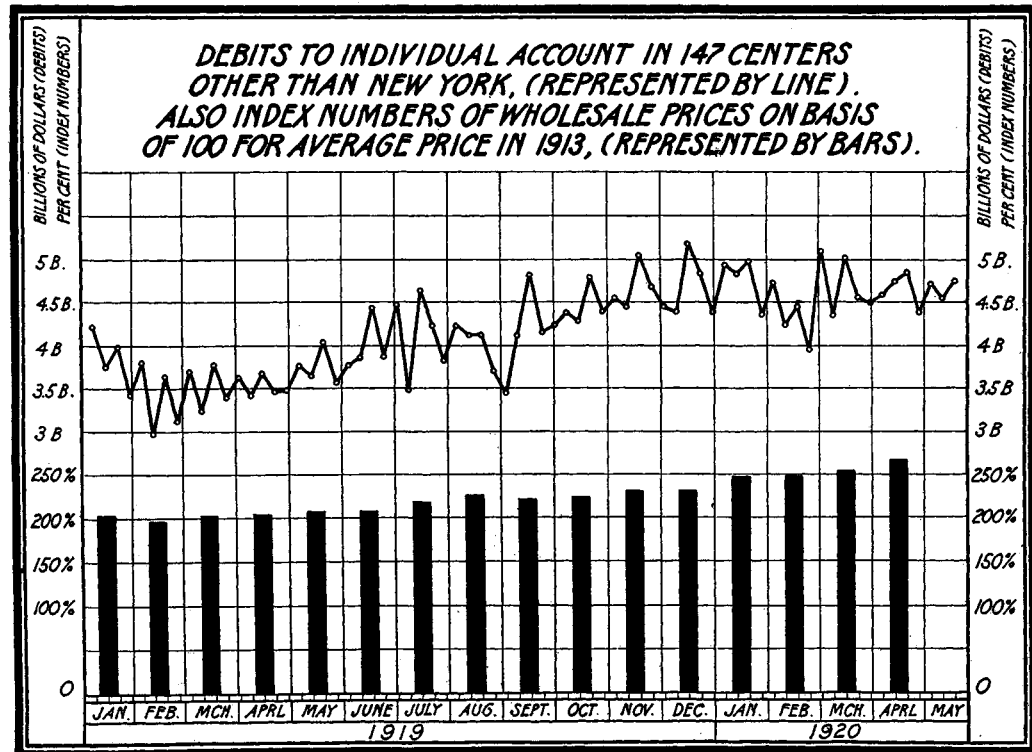
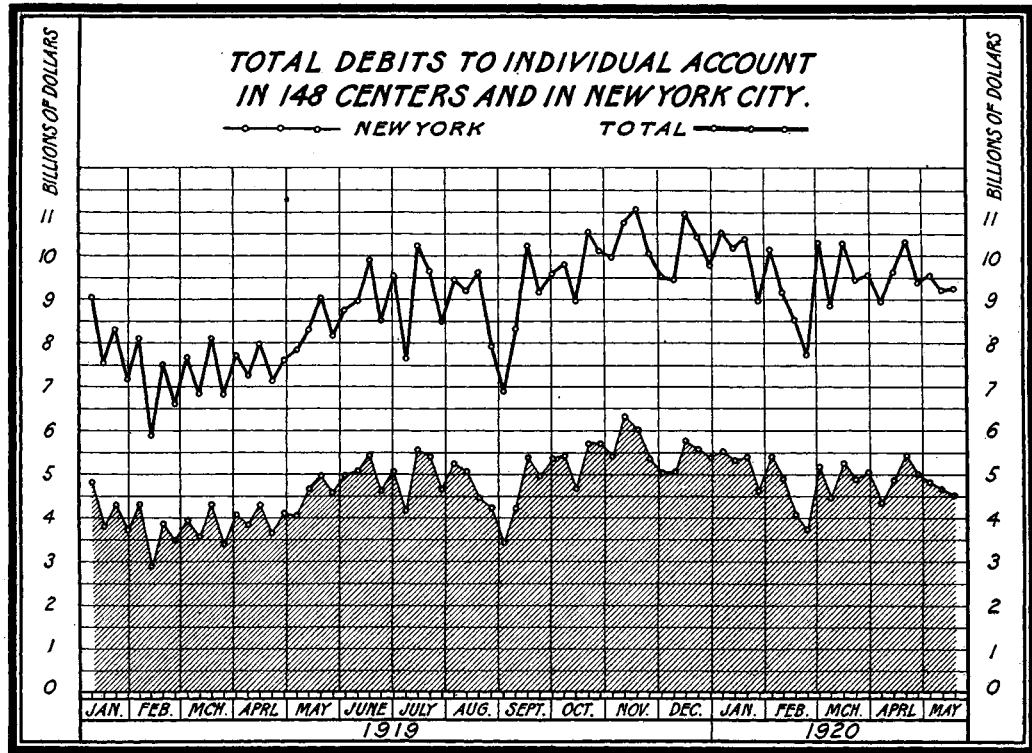
The second chart shows clearly that in general the larger totals for debits in 1920 than in 1919 correspond closely to the rise in the price level. The index number of wholesale prices rose from 203 in April, 1919, to 266 in April of this year, an increase of 31 per cent, and debits to individual account, which averaged 3,508 millions per week in April of last year, averaged 4,644 millions in April of the current year, showing an increase of 32 per cent. It is evident, therefore, that the higher levels reached by bank debits during the current year do not represent an increased physical volume of trade but rather a larger turnover as a consequence of the greater volume of speculative dealings and more particularly of the increase in prices requiring a larger number of dollars to change hands each time a commercial and financial transaction is consummated.

Debits to individual account at clearing-house banks in 148 leading centers; also index number of wholesale prices.

[In thousands of dollars.]

Week ending—	New York City.	All other reporting centers.	Total.	Index number of wholesale prices (average for 1913 = 100).
1919.				
Jan. 8	4,843,795	4,217,933	9,061,728	
15	3,805,735	3,751,401	7,557,136	
12	4,298,679	3,995,643	8,294,322	203
29	3,736,138	3,433,070	7,169,208	
Feb. 5	4,302,842	3,799,666	8,102,508	
12	2,901,788	2,989,017	5,890,805	
19	3,881,924	3,643,799	7,525,723	197
26	3,513,436	3,116,498	6,629,934	
Mar. 5	3,979,552	3,703,096	7,682,648	
12	3,587,911	3,245,052	6,832,963	
19	4,325,624	3,776,773	8,102,397	201
26	3,409,070	3,395,156	6,804,226	
Apr. 2	4,084,229	3,635,288	7,719,517	
9	3,846,617	3,408,190	7,254,807	
16	4,316,299	3,676,000	7,992,299	203
23	3,668,540	3,463,972	7,132,512	
30	4,130,527	3,481,915	7,612,442	
May 7	4,075,444	3,762,870	7,838,314	
14	4,668,252	3,654,969	8,323,221	
21	4,992,589	4,042,163	9,034,752	207
28	4,600,393	3,571,987	8,172,380	
June 4	4,983,450	3,762,044	8,745,494	
11	5,104,357	3,859,448	8,963,805	
18	5,452,526	4,439,729	9,892,255	207
25	5,643,899	3,874,229	9,518,128	
July 2	5,068,924	4,485,817	9,554,741	
9	4,172,793	3,496,497	7,669,290	
16	5,579,559	4,637,622	10,217,181	218
23	5,433,175	4,240,655	9,673,830	
30	5,675,401	3,831,457	9,506,858	
Aug. 6	5,256,018	4,226,725	9,482,743	
13	5,088,079	4,119,997	9,208,076	
20	4,498,547	4,155,568	8,654,115	226
27	4,283,411	3,698,086	7,981,497	
Sept. 3	4,434,335	3,453,115	7,887,450	
10	4,213,968	3,116,845	7,330,813	
17	4,304,074	4,819,171	9,123,245	220
24	4,993,078	4,170,119	9,163,197	
Oct. 1	4,365,713	4,232,985	8,598,698	
8	5,414,266	4,386,733	9,800,999	
15	4,680,034	4,280,192	8,960,226	223
22	5,712,080	4,793,615	10,505,695	
29	5,713,194	4,393,340	10,106,534	
Nov. 5	5,437,575	4,540,714	9,978,289	
12	6,313,998	4,462,068	10,776,066	
19	6,028,439	5,054,431	11,082,870	230
26	5,364,902	4,683,515	10,048,417	
Dec. 3	5,046,831	4,470,452	9,517,283	
10	5,068,752	4,397,868	9,466,620	
17	5,784,012	5,190,721	10,974,733	230
24	5,590,623	4,841,277	10,431,900	
31	5,388,508	4,392,799	9,781,307	
1920.				
Jan. 7	5,545,691	4,966,861	10,512,552	
14	5,347,254	4,841,203	10,188,457	
21	5,412,377	4,987,030	10,399,407	248
28	4,616,856	4,361,946	8,978,802	
Feb. 4	5,427,761	4,731,026	10,158,787	
11	4,918,894	4,234,072	9,152,966	
18	4,075,180	4,459,508	8,534,688	249
25	3,750,232	3,970,908	7,721,140	
Mar. 3	5,190,718	5,100,571	10,291,289	
10	4,473,374	4,342,946	8,816,320	
17	5,258,759	5,016,928	10,275,687	253
24	4,897,299	4,555,713	9,453,012	
31	5,060,233	4,500,698	9,560,931	
Apr. 7	4,370,408	4,585,674	8,956,082	
14	4,885,191	4,743,197	9,628,388	
21	5,445,815	4,859,450	10,305,265	266
28	5,008,128	4,386,013	9,394,141	
May 5	4,830,094	4,723,951	9,554,045	
12	4,665,599	4,563,477	9,229,076	
19	4,515,498	4,757,797	9,273,295	





**Winter Wheat Forecast.**

Following are the May 1 forecasts by the Bureau of Crop Estimates of winter wheat production for 1920 compared with estimates of actual production in 1919:

Federal Reserve district.	In thousands of bushels.	
	Forecast for 1920.	Estimated production in 1919.
New York.....	11,319	11,605
Philadelphia.....	24,022	22,590
Cleveland.....	30,021	66,229
Richmond.....	34,473	37,094
Atlanta.....	6,689	9,695
Chicago.....	56,651	119,851
St. Louis.....	48,028	80,358
Minneapolis.....	8,379	5,264
Kansas City.....	193,131	284,900
Dallas.....	12,959	32,734
San Francisco.....	52,375	61,256
Total United States.....	484,647	731,636

A reduction of about 247 million bushels, or about one-third of the total production, is indicated by the forecast, large shrinkages being anticipated for the important winter wheat region comprised within the Chicago, St. Louis, and Kansas City districts. Some of the reasons for the decline in expected production are that the autumn of 1919 was unpropitious for winter wheat planting and that there was a tendency to return to normal from the exceptionally large acreages planted during the war years. Furthermore, the severity of the past winter caused large areas of wheat to be winterkilled and consequently resulted in about 12 per cent of the planted acreage being abandoned this spring. The prospects of yield per acre of land now under wheat are fair, however, with a tendency to improve.

It is to be noted that the forecasted total production of winter wheat for 1920, 487 million bushels, compares favorably with the average of 440 millions estimated for the five years, 1909-1913, although the average for the five war years, 1914-1918, was 563 million bushels, or about 80 millions in excess of the expected production for the current year. It should also be mentioned that last year's production of 732 million bushels was the highest amount recorded for winter wheat in the history of the country. Of the total wheat production in 1919, amounting to 941 million bushels, winter wheat constituted about 78 per cent, while the average proportion of winter wheat in the total wheat production for the preceding 10 years was about 66 per cent.

It appears, therefore, that the forecasted very large decline from last year's production of winter wheat is based on a comparison with a record crop, and that the prospects of total wheat production for this year are still uncer-

tain, depending both on the final yield of the fall-sown crop now growing and on the prospects of spring wheat production, upon which it is still too early to speculate.

**Foreign Branches.**

There is given below a list of foreign branches of national banks and banks doing business under agreement with the Federal Reserve Board, which were open for business on May 18, 1920.

## NATIONAL BANKS.

National City Bank, New York, N. Y.:

Buenos Aires, Argentina.  
 Plaza Once, Buenos Aires, Argentina.  
 Rosario, Argentina.  
 Brussels, Belgium.  
 Antwerp, Belgium.  
 Bahia, Brazil.  
 Pernambuco, Brazil.  
 Porto Alegre, Brazil.  
 Rio de Janeiro, Brazil.  
 Santos, Brazil.  
 Sao Paulo, Brazil.  
 Barranquilla, Colombia.  
 Bogota, Colombia.  
 Medellin, Colombia.  
 Santiago, Chile.  
 Valparaiso, Chile.  
 Artemisa, Cuba.  
 Bayamo, Cuba.  
 Calbarien, Cuba.  
 Camaguey, Cuba.  
 Cardenas, Cuba.  
 Ciego de Avila, Cuba.  
 Cienfuegos, Cuba.  
 Colon, Cuba.  
 Cruces, Cuba.  
 Cuatro Caminos, Cuba.  
 Galiano, Habana, Cuba.  
 Guantanamo, Cuba.  
 Habana, Cuba.  
 Manzanillo, Cuba.  
 Matanzas, Cuba.  
 Nuevitas, Cuba.  
 Pinar del Rio, Cuba.  
 Placetas del Norte, Cuba.  
 Remedios, Cuba.  
 Sagua la Grande, Cuba.  
 Sancti Spiritus, Cuba.  
 Santa Clara, Cuba.  
 Santiago, Cuba.  
 Union de Reyes, Cuba.  
 Yaguajay, Cuba.  
 Genoa, Italy.  
 Lima, Peru.  
 San Juan, Porto Rico.  
 Ponce, Porto Rico.  
 Moscow, Russia (temporarily closed).  
 Petrograd, Russia (temporarily closed).  
 Barcelona, Spain.  
 Madrid, Spain.  
 Cape Town, South Africa.  
 Port of Spain, Trinidad.  
 Calle Rondeau, Montevideo, Uruguay.  
 Montevideo, Uruguay.  
 Caracas, Venezuela.  
 Maracaibo, Venezuela.  
 Ciudad Bolivar, Venezuela.  
 First National Bank, Boston, Mass.:  
 Buenos Aires, Argentina.

**BANKS DOING BUSINESS UNDER AGREEMENT WITH THE FEDERAL RESERVE BOARD.**

- American Foreign Banking Corporation, New York City:**  
 Brussels, Belgium.  
 Buenos Aires, Argentina.  
 Cali, Colombia.  
 Cristobal, Canal Zone.  
 Harbin, Manchuria.  
 Habana, Cuba.  
 Manila, P. I.  
 Panama, Republic of Panama.  
 Port au Prince, Haiti.  
 Rio de Janeiro, Brazil.  
 San Pedro Sula, Honduras.  
 La Vega, Dominican Republic.  
 San Francisco de Macoris, Dominican Republic.  
 Sanchez, Dominican Republic.  
 Puerto Plata, Dominican Republic.  
 San Pedro de Macoris, Dominican Republic.  
 Santo Domingo, Dominican Republic.  
 Santiago, Dominican Republic.
- Mercantile Bank of the Americas (Inc.), New York City:**  
 Paris, France.  
 Barcelona, Spain.  
 Madrid, Spain.
- Affiliated institutions—**  
 Banco Mercantil Americano de Colombia—  
 Bogota, Barranquilla, Cartagena, Medellin,  
 Cali, Girardot, Cucuta, Manizales, Honda,  
 Armenia and Bucaramanga, Colombia.  
 Banco Mercantil Americano del Peru—  
 Lima, Arequipa, Chiclayo, Callao, Piura, and  
 Trujillo, Peru.  
 Banco Mercantil Americano de Caracas—  
 Caracas, La Guayra, Maracaibo, and Puerto  
 Cabello, Venezuela.  
 American Mercantile Bank of Brazil—  
 Para and Pernambuco, Brazil.  
 National Bank of Nicaragua—  
 Managua, Bluefields, Leon, and Granada, Nic-  
 aragua.  
 Banco Mercantil Americano de Cuba—  
 Habana, Cuba.  
 Banco Mercantil de Costa Rica—  
 San Jose, Costa Rica.  
 (A branch office is also maintained in New Orleans,  
 La.)
- Asia Banking Corporation, New York City:**  
 Canton, China.  
 Changsha, China.  
 Hankow, China.  
 Hongkong, China.  
 Manila, P. I.  
 Peking, China.  
 Shanghai, China.  
 Tientsin, China.
- International Banking Corporation, New York City:**  
 Barahona, Dominican Republic.  
 Batavia, Java.  
 Bombay, India.  
 Canton, China.  
 Calcutta, India.  
 Cebu, P. I.  
 Colon, Republic of Panama.  
 Hankow, China.  
 Harbin, China.  
 Hongkong, China.  
 Kobe, Japan.  
 London, England.  
 Lyon, France.  
 Manila, P. I.  
 Peking, China.  
 Puerto Plata, Dominican Republic.  
 Panama, Republic of Panama.  
 Rangoon, India.

- International Banking Corporation, New York City—Con.**  
 Shanghai, China.  
 Sourabaya, Java.  
 Singapore, Straits Settlements.  
 Santo Domingo, Dominican Republic.  
 Sanchez, Dominican Republic.  
 San Pedro de Macoris, Dominican Republic.  
 Santiago, Dominican Republic.  
 Tientsin, China.  
 Tsingtao, China.  
 Yokohama, Japan.  
 (A branch office is also maintained in San Fran-  
 cisco, Calif.)
- Park-Union Foreign Banking Corporation, New York City:**  
 Paris, France.  
 Shanghai, China.  
 Yokohama, Japan.  
 Tokio, Japan.  
 (Branch offices are also maintained in San Fran-  
 cisco, Calif., and Seattle, Wash.)
- The First National Corporation, Boston, Mass., has  
 opened no foreign branches. A branch office is main-  
 tained at 14 Wall Street, New York City.
- The Shawmut Corporation, Boston, Mass., has opened  
 no foreign branches. A branch office is maintained at 65  
 Broadway, New York City.
- The French American Banking Corporation, New York  
 City, and the Foreign Credit Corporation, New York City,  
 have opened no foreign branches.

**State Banks and Trust Companies.**

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 May. One thousand three hundred and thirty-seven State institutions are now members of the system, having a total capital of \$458,010,203, total surplus of \$468,545,303, and total resources of \$10,123,652,523.

	Capital.	Surplus.	Total re- sources.
<i>District No. 2.</i>			
Dunkirk Trust Co., Dunkirk, N. Y.....	\$250,000	\$125,000	\$377,387
<i>District No. 3.</i>			
Farmers & Merchants Bank, New Ox- ford, Pa.....	50,000	50,000	607,762
<i>District No. 4.</i>			
The Peoples Bank of Delphos, Delphos, Ohio.....	50,000	10,000	497,319
The State Bank of Bowling Green, Ohio.....	50,000	.....	440,687
<i>District No. 5.</i>			
The Planters Bank, Wilson, N. C.....	100,000	.....	916,223
<i>District No. 6.</i>			
North Georgia Trust & Banking Co., Winder, Ga.....	200,000	20,000	1,234,257
<i>District No. 7.</i>			
Peoples State Bank, Corwith, Iowa.....	40,000	9,000	229,946
Pinconning State Bank, Pinconning, Mich.....	30,000	6,000	652,503
<i>District No. 8.</i>			
Gravois Bank of St. Louis County, St. Louis, Mo.....	25,000	5,000	455,886

## State banks and trust companies—Continued.

	Capital.	Surplus.	Total resources.
<i>District No. 9.</i>			
Citizens State Bank of Culbertson, Culbertson, Mont.....	\$25,000	\$10,000	\$340,611
East Helena State Bank, East Helena, Mont.....	50,000	10,500	189,442
Edgar State Bank, Edgar, Mont.....	30,000	1,500	189,047
Farmers & Miners State Bank, Belt, Mont.....	50,000	10,000	414,770
Huntley State Bank, Huntley, Mont.....	25,000	10,000	227,430
Bank of Commerce, Kalispell, Mont.....	100,000	17,000	694,266
First State Bank, Richey, Mont.....	25,000	5,000	146,958
<i>District No. 10.</i>			
Citizens Bank of Billings, Billings, Okla.	40,000	200	416,307
American State Bank, Okmulgee, Okla.	200,000	20,000	220,000
<i>District No. 11.</i>			
First State Bank, Clouderoft, N. Mex....	25,000	1,500	156,823
The Coleman State Bank, Coleman, Okla.....	25,000	.....	196,176
Falfurrias State Bank, Falfurrias, Tex.....	25,000	20,000	280,433
First State Bank, Floydada, Tex.....	50,000	1,000	747,958
Forney State Bank, Forney, Tex.....	25,000	15,000	191,548
Farmers State Bank, Ganado, Tex.....	35,000	.....	154,605
Citizens Guaranty State Bank, Lufkin, Tex.....	75,000	1,500	505,800
Cameron County Bank, La Feria, Tex.....	25,000	1,500	194,018
Farmers & Merchants State Bank, Maypearl, Tex.....	25,000	15,000	248,596
First Guaranty State Bank, Mertens, Tex.....	25,000	1,000	111,653
Guaranty Bank & Trust Co., Orange, Tex.....	100,000	10,000	421,512
First State Bank, Seminole, Tex.....	40,000	20,000	229,765
First State Bank & Trust Co., Waco, Tex.....	200,000	30,000	1,702,637
<i>District No. 12.</i>			
Bank of Commerce, Everett, Wash.....	100,000	25,000	1,739,851
Commercial Bank, Okanogan, Wash.....	50,000	10,000	598,804
Pacific State Bank, South Bend, Wash.....	100,000	50,000	1,501,734
The Mission Bank, San Francisco, Calif.....	200,000	100,000	2,902,031

## WITHDRAWAL.

The Midland Trust & Savings Bank, St. Paul, Minn., has withdrawn from membership.

## CONVERSION.

The Peoples Bank of Harrisonburg, Harrisonburg, Va., into the National Bank of Harrisonburg.

## LIQUIDATION.

The Guaranty State Bank, Tyler, Tex. (Consolidated with the Citizens National Bank of Tyler, Tex.)

## MERGER.

The Franklin Trust Co., Brooklyn, N. Y., has merged with the Bank of America, New York, N. Y.

## CHANGE OF NAME.

The Farmers & Merchants State Bank, Rusk, Tex., to "Farmers & Merchants State Bank & Trust Co."

The A. Mierson Banking Co., Placerville, Calif., to "Eldorado County Bank."

## Acceptances to 100 Per Cent.

Since the issuance of the May BULLETIN the following bank has been authorized by the Federal Reserve Board to accept drafts and bills of exchange up to 100 per cent of its capital and surplus:

Union Savings & Trust Co., Cincinnati, Ohio.

## Fiduciary Powers Granted to National Banks.

The applications of the following banks for permission to act under section 11-k of the Federal Reserve Act have been approved by the Board during the month of May, 1920.

## DISTRICT No. 1.

Guardian of estates, assignee, receiver, and committee of estates of lunatics:  
Peoples National Bank of Roxbury, Boston, Mass.

## 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, Yonkers, N. Y.  
Union National Bank & Trust Company, Albany, N. Y.<sup>1</sup>

Trustee, executor, administrator, and registrar of stocks and bonds:  
National American Bank, New York City.

## DISTRICT No. 3.

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

Union National Mount Joy Bank, Mount Joy, Pa.

## DISTRICT No. 6.

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

Fourth National Bank, Atlanta, Ga.

Trustee, executor, administrator, registrar of stocks and bonds:  
National Bank of Athens, Athens, Ga.

## DISTRICT No. 7.

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

First National Bank, Fontanelle, Iowa.

First National Bank, Spencer, Iowa.

## DISTRICT No. 8.

Trustee:  
National Bank of Orleans, Orleans, Ind.

## DISTRICT No. 10.

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

First National Bank, Pratt, Kans.

Trustee, executor, administrator, and registrar of stocks and bonds:  
First National Bank, Akron, Colo.

## DISTRICT No. 12.

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

Santa Barbara County National Bank, Santa Barbara, Calif.

<sup>1</sup> Approved in March.

**Commercial Failures Reported.**

Continued narrowing of the margin of reduction in number of failures from last year's mortality appears in the latest statistics, and the 372 commercial defaults reported to R. G. Dun & Co. during three weeks of May make a close comparison with the 381 reverses of the corresponding weeks of 1919. The statement for April, the most recent month for which complete returns are available, discloses 504 insolvencies, or 39 less than in that month last year, which marked the lowest monthly record up to that period, but the April liabilities of \$13,224,135 considerably exceed the \$11,450,462 of the same month of 1919. Separated according to Federal Reserve districts, the April exhibit shows numerical decreases in eight of the twelve districts, the exceptions being the second, sixth, tenth, and twelfth districts, while the indebtedness is smaller than that of April, 1919, in the second, third, fourth, fifth, sixth, eighth, and eleventh districts. These reductions, however, are more than offset by the larger totals elsewhere, the increase in the seventh district being marked.

*Failures during April.*

Districts.	Number.		Liabilities.	
	1920	1919	1920	1919
First.....	51	63	\$982,320	\$707,783
Second.....	117	107	2,865,153	4,365,253
Third.....	24	28	278,334	333,089
Fourth.....	36	41	352,946	653,738
Fifth.....	14	27	88,450	660,750
Sixth.....	36	29	361,833	475,441
Seventh.....	39	61	4,551,640	1,248,110
Eighth.....	14	44	209,207	447,162
Ninth.....	16	23	681,330	142,857
Tenth.....	32	20	628,450	104,545
Eleventh.....	16	24	100,582	226,206
Twelfth.....	109	76	2,132,890	2,085,528
Total.....	504	543	13,224,135	11,450,462

**New National Bank Charters.**

The Comptroller of the Currency reports the following increases and reductions in the number and capital of national banks during the period from May 1 to May 28, 1920, inclusive:

	Banks.	
New charters issued to.....	47	
With capital of.....		\$3,780,000
Increase of capital approved for <sup>1</sup> .....	48	
With new capital of <sup>1</sup> .....		4,014,000
Aggregate number of new charters and banks increasing capital.....	95	
With aggregate of new capital authorized.....		5,794,000
Number of banks liquidating (other than those consolidating with other national banks under the act of June 3, 1864)....	1	
Capital of same banks.....		25,000
Number of banks reducing capital.....	0	
Reduction of capital <sup>2</sup> .....		25,000
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) <sup>2</sup> .....	1	
Aggregate capital reduction <sup>2</sup> .....		50,000
Consolidation of national banks under the act of Nov. 7, 1918.....	2	
Capital.....		1,025,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was.....		7,794,000
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 <sup>2</sup> .....		50,000
Net increases.....		7,744,000

<sup>1</sup> Includes an increase in capital of \$300,000 incident to a consolidation under act of Nov. 7, 1918.  
<sup>2</sup> Includes a reduction in capital of \$25,000 incident to a consolidation under act of Nov. 7, 1918.

**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:

**Eligibility of notes of Federal land bank or joint stock land bank for rediscount.**

The Federal Reserve Board has heretofore ruled that collateral notes of a Federal land bank secured by farm loan bonds are not eligible for rediscount by a Federal Reserve Bank. The same principles seem to be applicable to the note of a joint stock land bank secured by its own bonds.

Under the terms of section 13 of the Federal Reserve Act any note the proceeds of which have been used or are to be used for a commercial, industrial, or agricultural purpose is eligible for rediscount, provided that it otherwise conforms to the terms of the law and the regulations of the Federal Reserve Board. The Board, ever since the establishment of

the Federal Reserve System, has consistently adhered to the principle that the question whether or not the proceeds of a particular obligation are used for one of the purposes defined in the law must be determined by the use to which those proceeds are put by the maker of the note. In accordance with this principle the Board has frequently ruled that the note of a bank, a factor, a credit company, or any other such institution is not eligible for rediscount if the proceeds are used to lend to some third party. The fact that the proceeds may ultimately be used by that third party for a commercial, industrial, or agricultural purpose can not affect the character of the original obligation so far as the provisions of the Federal Reserve Act are concerned.

Under the terms of section 16 of the Federal Farm Loan Act, joint stock land banks are organized for the purpose of engaging in the business of lending on farm mortgage securities and issuing farm loan bonds. Their business

is therefore clearly a finance business, and paper issued by them for the purpose of procuring funds to lend for agricultural uses is necessarily finance paper and not commercial, industrial, or agricultural paper within the meaning of section 13 of the Federal Reserve Act, even though the ultimate borrower may use the proceeds for one of the purposes specified in the law.

**Bankers' Acceptances secured by documentary drafts on foreign buyer.**

Section 13 provides in part that member banks may accept drafts "which grow out of transactions involving the importation or exportation of goods." The scope of this provision is by its terms a broad one and the Board has heretofore ruled that a draft drawn upon a

national bank which is secured by a documentary draft drawn by the same drawer upon a foreign buyer is eligible for acceptance by the national bank. It has ruled, however, that no bank which has purchased a foreign documentary draft may refinance itself by drawing a draft on a member bank secured by the documentary draft. If, however, the seller or shipper of goods draws a draft upon the foreign buyer or consignee payable abroad and secured by shipping documents, it is proper for the drawer to finance that shipment by a banker's acceptance secured by that documentary draft. In fact, it appears to the Board that that is the proper way for the transaction to be handled since the accepting bank then has control of the draft and documents out of which its own acceptance is ultimately to be paid.

## LAW DEPARTMENT.

**Exercise of trust powers by national banks located in Connecticut.**

The following is an opinion, rendered in April, 1920, by Mr. Justice Case for the Supreme Court of Connecticut, holding that under the amendment to section 11 (k) of the Federal Reserve Act, approved September 26, 1918, a State may not withhold from a national bank within its borders the right to exercise fiduciary powers which competing State corporations are permitted to exercise, and that it makes no difference whether the discrimination attempted to be made by the State against national banks takes the form of an express statutory prohibition or is to be implied from the mere absence of permissive legislation.

**KATHERINE HAMILTON ET AL. APPEAL FROM PROBATE.**

CASE, J.—In a proceeding brought on her behalf by her father as her natural guardian, Katherine Hamilton, of Waterbury, a minor of sufficient age to choose a guardian under 4864, 4865, General Statutes, applied to the probate court for that district to appoint a guardian of her estate, and made choice therefor of the Manufacturers National Bank, a banking association organized under the laws of the United States and located in Waterbury. The bank had previously applied for and been granted by the Federal Reserve Board of the United States a special permit to act in certain fiduciary capacities under the act of Congress more specifically referred to later, and had equipped a trust department and otherwise fully complied with the law to meet the requirements of its extended business. The probate court found that occasion existed to appoint a guardian of the minor's estate other than either parent, and that the minor's nominee was in all respects fit and competent for the position, but refused to make the appointment solely on the ground that it had no authority to appoint a national bank. Upon appeal to the superior court, the case has been reserved for our advice upon the single question as to whether this conclusion of the court was correct.

Under the amended provisions of the act of Congress establishing the Federal Reserve Board authority is

given the Board to grant to any national bank applying for it, "and when not in contravention of State or local law," the right to act in various enumerated capacities, including that of guardian of an estate, "or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State in which the national bank is located." It is further provided that when the State laws "authorize or permit the exercise of any or all" the enumerated powers by corporations "which compete with national banks," such a grant to a national bank shall not be deemed to contravene the State or local law. (Sec. 9794, par. K, U. S. Comp. Stat., 1919 Supplement.)

Before the passage of this amendment, that portion of the act which it affects, and only affects by amplifying its provisions and making them more certain, had already been upheld in all respects a valid and effective exercise of the powers of Congress. (First National Bank of Bay City v. Union Trust Co., 244 U. S., 416.) After referring to *McCulloch v. Maryland*, 4 Wheat., 316, and *Osborn v. Bank*, 9 Wheat., 738, as establishing the principle that Congress may confer upon national banks the right to exercise business functions of a private nature and subject to State regulation, if these are also incidental to the successful discharge of the bank's public functions, the court, in the case cited, goes on to say "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" (pp. 425, 426).

There is nothing ambiguous or of doubtful meaning in this. It squarely bases the soundness of such legislation upon the broad right of Congress to protect this "national agency"—the banks—from a possibly unfair and injurious advantage secured by competing State corporations through the discriminating favor of State laws. The right of the State to withhold from a national bank within its borders the enjoyment of any powers conferred by Congress

which are coextensive with those given to State corporations exercising the same or similar functions in their chartered activities is expressly denied. It can make no essential difference then whether this State discrimination takes the form of an express statutory prohibition or is to be implied from the mere absence of permissive legislation; the test to be applied is the same in both cases. If State banks or trust companies are accorded powers in the conduct of their business that may appropriately be exercised in connection with the primary purposes of that business, neither State legislation forbidding the exercise of such powers by a national bank nor the absence of legislation expressly sanctioning its exercise of them can affect the right of Congress to confer the same powers upon national banks in the same territory or impair the banks' right to exercise them when so bestowed.

It is unnecessary, therefore, to comb the general and special statutes of the State for positive or implied expressions of State policy upon the subject. Both the act of Congress, in its present amended form, and the fore-running judicial expression of its entire constitutionality in the case quoted from, rest the test first and last in the State's treatment of its own subject corporations. Since by the express provision of 3955 of the General Statutes, a State bank or trust company "may act as guardian, conservator, trustee, receiver, executor, or administrator of the estate of any person (but not of the person of any ward)," there can be no question of the right of a national bank in this State, when expressly clothed with that authority under the act of Congress, to exercise any of these enumerated powers.

Upon the agreed statement of facts, therefore, the applicant, Katherine Hamilton, was entitled as a matter of right under our decisions to the appointment of the guardian of her choice, the Manufacturers National Bank (Adams's Appeal, 38 Conn., 304; *White v. Strong*, 75 Conn., 308, 311), and the superior court is so advised.

No costs will be taxed in this court in favor of either party.

In this opinion the other judges concurred.

#### WHOLESALE PRICES IN THE UNITED STATES.

In continuation of figures shown in the May BULLETIN there are presented below monthly index numbers of wholesale prices for the period July, 1919, to April, 1920, compared with like figures for April 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 gingham (Lancaster 6.50 yards to pound), hosiery (men's seamless cashmere), and granulated sugar have been omitted. On the other hand, quotations for yellow pine, surfaced boards, and for news print paper, which had been dropped temporarily, have been secured for the months of March and April, and the commodities were again included in the calculation of the index numbers for the latter month. In order to keep the number of articles included in the

construction of the index number up to the maximum, there were also added hosiery (women's silk mercerized, 220 needle), blankets (woolen, 4 to 5 pounds per pair), trousering (cotton warp, worsted filling), and underwear (33 per cent worsted, 16 pounds) in place, respectively, of hosiery (women's combed peeler yarn), blankets (woolen, 5 pounds per pair), trousering (silk decoration), and underwear (women's merino union suits). Quotations for these commodities, as well as for women's dress goods (broadcloth, 9 ounce), were obtained for the months of February, March, and April, and the commodities were included in the calculation of the revised index number for the months of March and April. Index numbers for April are provisional, due to the fact that certain data were not received in time to render them available for use in the calculations.

A further increase in wholesale prices is noted for the month of April. The general index number of the Bureau of Labor Statistics for the latter month stands at 266, as compared with 253 for the month of March. All of the three principal groups of commodities show an increase, although to a varying extent. The index number for the group of producers' goods shows the greatest increase, namely, 6.9 per cent, from 246 to 263. Decreases in the prices of several classes of chrome leather, twisted cotton yarns, cotton-seed meal, linseed meal, oleo oil, silver, and news print paper were more than offset by increases in price for an extended list of articles, in particular, bar iron, steel plates, and structural steel, cast-iron pipe, various building materials, such as brick, cement and lime, rope, linseed oil, turpentine, and various chemicals, such as wood alcohol and soda ash, wood pulp, bran, mill feed, sugar (96 degrees), carded mule-spun cotton yarns and worsted yarns, lubricating oil, and gasoline.

The index number for the group of consumers' goods shows the smallest rate of increase, namely, 3.9 per cent, from 263 to 273. Decrease was shown in the prices of several commodities, namely, milk, butter (Chicago quotation), eggs, lemons, and raisins, beans, cotton-seed oil, and lard, but were more than offset by increases in the prices of various commodities, among which may be noted, in particular, butter (New York and Philadelphia quotations), rye and wheat flour, cornmeal, and potatoes; various meats, such as fresh beef, veal, bacon, hams, and salt mess pork, lamb, mutton, and poultry; print cloths, wrapping paper, and illuminating oil.

The index number for the group of raw materials increased from 247 to 259, or 5.1 per cent. Among the subgroups into which the

commodities included under this head are classified, the subgroup of animal products alone shows a decrease from 200 to 196, or 2.2 per cent. While increases in price were noted in the case of hogs, sheep, and poultry, these were more than offset by decreases in price in the case of cattle and silk. While certain of the quotations for the various classes of hides and of wool showed an increase, corresponding decreases were shown by other types of these commodities. The greatest increase, namely, 12.2 per cent, was shown in the index number for the subgroup of mineral products, from 197 to 221. A slight decrease in the price

of lead and zinc was more than offset by increases in the prices of bituminous, semi-bituminous, and anthracite coal and coke, crude petroleum (California quotation), copper and pig iron. An increase of 5.6 per cent, from 348 to 367, was noted in the forest products subgroup, due to increases in the prices of maple and yellow-pine flooring. The increase in the subgroup of farm products from 288 to 304, or 5.7 per cent, was due to increases in the prices of wheat, corn, oats, rye, barley, timothy hay, hops, and cotton, which were not offset by decreases in the prices of tobacco and flaxseed.

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

[Average price for 1913=100.]

Year and month.	Raw materials.					Producers' goods.	Consumers' goods.	All commodities (Bureau of Labor Statistics index number).
	Farm products.	Animal products.	Forest products.	Mineral products.	Total raw materials.			
July, 1914.....	102	106	97	91	99	93	103	100
April, 1915.....	120	95	94	91	100	97	101	100
April, 1916.....	114	115	97	118	112	138	114	117
April, 1917.....	200	163	105	194	171	183	171	173
April, 1918.....	243	194	137	171	191	190	195	190
April, 1919.....	246	224	145	170	202	186	214	203
July, 1919.....	261	233	166	177	214	202	230	219
August, 1919.....	251	235	193	180	218	212	241	226
September, 1919.....	240	215	227	184	216	212	226	221
October, 1919.....	254	212	234	184	220	211	228	222
November, 1919.....	276	212	239	183	226	216	236	230
December, 1919.....	288	209	259	186	233	228	245	238
January, 1920.....	291	213	273	190	239	245	259	248
February, 1920.....	278	206	315	194	240	246	256	248
March, 1920.....	288	200	348	197	247	246	263	253
April, 1920.....	304	196	367	221	259	263	273	266

In order to give a more concrete illustration of actual price movements, there are also presented in the following table monthly actual and relative figures for certain commodities of a basic character, covering the period July, 1919, to April, 1920, compared with like

figures for April of previous years; also for July, 1914, the month immediately preceding the outbreak of the Great War. The actual average monthly prices shown in the table have been abstracted from the records of the United States Bureau of Labor Statistics.

*Average monthly wholesale prices of commodities.*

[Average price for 1913=100.]

Year and month.	Corn, No. 3, Chicago.		Cotton, middling, New Orleans.		Wheat, No. 1, northern spring, Minneapolis.		Wheat, No. 2, red winter, Chicago.		Cattle, steers, good to choice, Chicago.		Hides, packers, heavy native steers, Chicago.	
	Average price per bushel.	Relative price.	Average price per pound.	Relative price.	Average price per bushel.	Relative price.	Average price per bushel.	Relative price.	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.
July, 1914.....	\$0.7044	114	\$0.1331	105	\$0.8971	103	\$0.8210	83	\$9.2188	108	\$0.1938	105
April, 1915.....	.7438	121	.0947	75	1.5407	176	1.5916	161	8.0313	94	.1875	102
April, 1916.....	.7525	122	.1188	94	1.2169	139	1.2153	123	9.1188	107	.2225	121
April, 1917.....	1.3906	226	.1950	154	2.3814	273	2.4672	250	12.3100	145	.3050	166
April, 1918.....	1.5850	258	.3250	264	2.1700	248	2.1700	220	15.1750	178	.2719	148
April, 1919.....	1.5955	259	.2670	210	2.5890	296	2.6300	267	18.3250	215	.2950	160
July, 1919.....	1.9075	310	.3377	266	2.6800	307	2.2580	229	16.8688	198	.4860	264
August, 1919.....	1.9213	312	.3125	246	2.5250	289	2.2394	227	17.0375	207	.5200	283
September, 1919.....	1.5410	250	.3078	242	2.5350	290	2.2385	227	16.8050	198	.4638	252
October, 1919.....	1.3888	226	.3538	279	2.6250	301	2.2394	227	17.5938	207	.4820	262
November, 1919.....	1.4875	242	.3963	312	2.8250	323	2.2881	252	17.5000	206	.4688	255
December, 1919.....	1.4485	235	.3990	314	3.0300	347	2.4490	248	17.0750	201	.4100	223
January, 1920.....	1.4750	240	.4085	318	2.9313	336	2.6338	267	15.9375	187	.4000	218
February, 1920.....	1.4125	229	.3944	311	2.6875	308	2.4900	252	14.9688	176	.4025	219
March, 1920.....	1.5515	252	.4060	320	2.7550	315	2.5000	253	14.4000	169	.3640	198
April, 1920.....	1.6913	275	.4144	326	3.0063	344	2.7725	281	13.9063	163	.3613	196



Average monthly wholesale prices of commodities—Continued.

[Average price for 1913=100.]

Year and month.	Hogs, light, Chicago.		Wool, Ohio, 4- $\frac{1}{2}$ 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
April, 1915.....	7.2813	86	.5711	118	21.5000	89	41.0000	92	4.6904	93	2.2000	100
April, 1916.....	9.5438	113	.6857	146	24.0000	99	40.0000	90	5.2876	104	2.2000	100
April, 1917.....	15.2750	181	1.0000	212	25.5000	105	43.0000	96	5.1916	103	5.0000	227
April, 1918.....	17.5100	207	1.4545	309	33.5000	138	60.0000	135	6.2606	124	3.6000	164
April, 1919.....	20.3813	241	1.0909	232	36.0000	149	64.0000	144	7.9045	156	4.0000	182
July, 1919.....	22.3875	265	1.2364	263	41.0000	169	73.0000	164	8.1881	162	4.0000	182
August, 1919.....	21.6125	256	1.2364	263	.....	.....	78.0000	175	8.3145	164	4.0000	182
September, 1919.....	18.2100	215	1.2182	259	43.0000	177	95.0000	213	8.4020	166	4.5000	205
October, 1919.....	14.7250	174	1.2634	268	44.0000	182	100.0000	224	8.4135	166	4.5000	205
November, 1919.....	14.1438	167	1.2545	266	44.0000	182	100.0000	224	8.4273	167	4.1000	186
December, 1919.....	13.6800	162	1.2545	266	48.0000	198	112.0000	251	8.4098	166	4.1000	186
January, 1920.....	15.1250	179	1.2364	263	53.0000	219	112.0000	251	8.4291	167	4.1000	186
February, 1920.....	14.9813	177	1.2364	263	57.0000	235	139.0000	312	8.4118	166	4.1000	186
March, 1920.....	15.5000	183	1.2364	263	57.0000	235	139.0000	312	8.4109	166	4.1000	186
April, 1920.....	15.7125	186	1.2000	255	57.0000	235	160.0000	359	8.4368	167	5.5000	250

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
April, 1915.....	2.8500	95	1.6250	67	.1588	101	.0420	95	1.4000	57	12.5000	85
April, 1916.....	3.0000	100	2.8250	116	.2688	171	.0800	182	2.6000	106	18.1300	123
April, 1917.....	6.5000	217	7.2500	297	.3400	216	.0935	213	3.0500	124	38.7500	264
April, 1918.....	4.2440	141	6.0000	246	.2350	149	.0698	159	4.0000	163	32.0000	218
April, 1919.....	4.9000	163	3.9000	160	.1530	97	.0507	115	4.0000	163	25.7500	175
July, 1919.....	5.1400	171	4.0950	168	.2150	137	.0561	128	4.0000	163	25.7500	175
August, 1919.....	.....	.....	4.2188	173	.2281	145	.0579	132	4.0000	163	25.7500	175
September, 1919.....	.....	.....	4.5920	188	.2220	141	.0609	138	4.2500	173	25.7500	175
October, 1919.....	5.1400	171	4.8250	198	.2172	138	.0643	146	4.2500	173	25.7500	175
November, 1919.....	4.6320	154	5.9375	243	.2038	130	.0676	154	4.4375	181	28.3125	193
December, 1919.....	4.6320	154	6.0500	248	.1873	119	.0718	163	4.6000	188	34.6000	235
January, 1920.....	4.6320	154	6.0000	246	.1931	123	.0872	198	5.0625	207	37.7500	257
February, 1920.....	4.6320	154	6.0000	246	.1906	121	.0881	200	5.5125	225	42.2500	287
March, 1920.....	4.6320	154	6.0000	246	.1858	118	.0923	210	6.1000	249	41.6000	283
April, 1920.....	6.4800	216	10.5000	430	.1919	122	.0896	204	6.1000	249	42.5000	289

Year and month.	Cotton yarns, northern cones, 10/1.		Leather, sole, hemlock No. 1.		Steel billets, Bessemer, Pittsburgh.		Steel plates, tank, Pittsburgh.		Steel rails, open hearth, Pittsburgh.		Worsted yarns, 2-32's cross-bred.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per long ton.	Relative price.	Average price per pound.	Relative price.	Average price per long ton.	Relative price.	Average price per pound.	Relative price.
July, 1914.....	\$0.2150	97	\$0.3050	108	\$19.0000	74	\$0.0113	76	\$30.0000	100	\$0.6500	84
April, 1915.....	.1650	75	.3050	108	20.0000	78	.0113	76	30.0000	100	.8200	106
April, 1916.....	.2250	102	.3600	128	45.0000	174	.0325	220	30.0000	100	.9500	122
April, 1917.....	.3600	163	.5700	202	73.7500	286	.0525	355	40.0000	133	1.3000	167
April, 1918.....	.6162	278	.4550	161	47.5000	184	.0325	220	57.0000	190	2.1500	277
April, 1919.....	.4300	194	.4900	174	38.5000	149	.0265	179	47.0000	157	1.5000	193
July, 1919.....	.5912	267	.5300	188	38.5000	149	.0265	179	47.0000	157	1.6000	206
August, 1919.....	.6130	277	.5700	202	38.5000	149	.0265	179	47.0000	157	1.6242	209
September, 1919.....	.5903	267	.5700	202	38.5000	149	.0253	171	47.0000	157	1.7500	225
October, 1919.....	.6111	276	.5700	202	38.5000	149	.0261	176	47.0000	157	1.7500	225
November, 1919.....	.6648	300	.5700	202	41.3750	160	.0265	179	47.0000	157	2.2000	283
December, 1919.....	.6986	316	.5700	202	46.4000	180	.0265	179	47.0000	157	2.2000	283
January, 1920.....	.7271	329	.5800	199	48.0000	186	.0274	185	50.7500	169	2.2500	290
February, 1920.....	.7465	337	.5700	202	55.2500	214	.0350	236	54.5000	182	2.2500	290
March, 1920.....	.7549	341	.5700	202	60.0000	233	.0365	247	54.5000	182	2.2000	283
April, 1920.....	.7784	352	.5700	202	60.0000	233	.0375	253	54.5000	182	2.2000	283

Average monthly wholesale prices of commodities—Continued.

[Average price for 1913=100.]

Year and month.	Beef, carcass, good native steers, Chicago.		Coffee, Rio, No. 7.		Flour, wheat, standard patents (1918, standard wt.), Minneapolis.		Hams, smoked, Chicago.		Illuminating oil, 150° fire test, New York.		Sugar, granulated, New York.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per pound.	Relative price.	Average price per gallon.	Relative price.	Average price per pound.	Relative price.
July, 1914.....	\$0.1350	104	\$0.0882	79	\$4.5938	100	\$0.1769	106	\$0.1200	97	\$0.0420	98
April, 1915.....	.1175	91	.0906	72	7.7063	168	.1438	87	.1200	97	.0578	135
April, 1916.....	.1375	106	.0950	85	6.2188	136	.1831	110	.1200	97	.0706	165
April, 1917.....	.1600	124	.0950	85	11.6188	253	.2450	147	.1200	97	.0815	191
April, 1918.....	.2050	158	.0903	81	9.9850	218	.3075	185	.1675	136	.0730	171
April, 1919.....	.2450	189	.1695	152	12.2150	266	.3595	216	.1850	150	.0882	207
July, 1919.....	.2075	160	.2303	207	12.1550	265	.3835	230	.2050	166	.0882	207
August, 1919.....	.2350	181	.2150	193	12.0063	262	.3838	231	.2180	177	.0882	207
September, 1919.....	.2275	176	.1663	149	11.6200	254	.3480	209	.2200	178	.0882	207
October, 1919.....	.2290	177	.1650	148	12.0313	262	.2900	174	.2200	178	.0882	207
November, 1919.....	.2350	181	.1697	152	12.9500	283	.2859	172	.2200	178	.0882	207
December, 1919.....	.2350	181	.1518	136	14.0250	306	.2888	174	.2200	178	.1085	254
January, 1920.....	.2320	179	.1628	146	14.4438	315	.2944	177	.2240	182	.1537	360
February, 1920.....	.2125	164	.1478	133	13.5375	295	.3056	184	.2400	195	.1495	350
March, 1920.....	.2050	158	.1500	135	13.1650	287	.3155	190	.2500	203	.1372	321
April, 1920.....	.2090	161	.1514	136	14.2813	312	.3313	199	.2600	211	.....	.....

RETAIL TRADE.

In the following tables is given a summary of the results obtained during the past few months in districts Nos. 1, 2, 3, 4, 5, 6, 7, 10, and 12, on the regular retail trade index form from representative department stores. In districts Nos. 1, 5, and 12 the data were received in (and averages computed from) actual amounts (dollars). In districts Nos. 2, 3, 4, 5, 6, 7, and 10 the material was received in the form of percentages, the averages for the cities

and districts computed from such percentages being weighted according to volume of business done during the calendar year 1919. For the month of April, the tables are based on reports from 16 stores in district No. 1, 9 in district No. 2, 15 in district No. 3, 15 in district No. 4, 9 in district No. 5, 7 in district No. 6, 9 in district No. 7, 7 in district No. 10, and 31 in district No. 12. For the earlier months the number of stores varied somewhat, due to the inclusion of new stores from time to time in the reporting list.

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

[Percentage of increase.]

District and city.	Comparison of net sales with those of corresponding period previous year.																	
	August, 1919.	September, 1919.	October, 1919.	November, 1919.	December, 1919.	January, 1920.	February, 1920.	March, 1920.	April, 1920.	July 1, 1919, to close of—					Jan. 1, 1920, to close of—			
										August, 1919.	September, 1919.	October, 1919.	November, 1919.	December, 1919.	February, 1920.	March, 1920.	April, 1920.	
District No. 1:																		
Boston.....	22.4	30.9	52.0	.....	42.3	33.2	15.4	38.9	16.8	19.4	30.8	33.0	.....	36.3	24.9	30.7	26.1	
Outside.....	.....	.....	.....	.....	41.9	43.5	36.1	29.4	26.0	.....	.....	.....	.....	38.5	41.6	36.4	33.1	
District.....	.....	.....	.....	.....	42.1	34.8	18.3	37.5	18.5	.....	.....	.....	.....	37.2	32.5	31.6	27.5	
District No. 2:																		
New York City and Brooklyn.....	49.0	43.4	.....	.....	49.2	54.6	29.9	66.6	15.0	44.0	43.6	.....	.....	49.7	39.8	59.3	35.0	
Outside.....	.....	.....	.....	.....	.....	.....	.....	50.4	22.4	.....	.....	.....	.....	.....	.....	38.1	33.6	
District.....	.....	.....	.....	.....	.....	.....	.....	64.3	15.8	.....	.....	.....	.....	.....	.....	57.0	34.9	
District No. 3.....	.....	.....	.....	.....	.....	22.2	17.6	37.5	12.4	.....	.....	.....	.....	.....	.....	20.3	26.2	20.5
District No. 4.....	.....	.....	.....	.....	.....	.....	28.6	45.5	18.4	.....	.....	.....	.....	.....	.....	36.0	38.2	33.6
District No. 5.....	.....	.....	.....	.....	.....	.....	9.4	23.1	2.3	.....	.....	.....	.....	.....	8.6	14.6	9.3	
District No. 6.....	.....	.....	.....	.....	.....	.....	.....	27.4	23.4	.....	.....	.....	.....	.....	.....	29.9	22.0	
District No. 7.....	.....	.....	.....	.....	.....	.....	.....	51.7	72.1	33.3	.....	.....	.....	.....	50.7	62.3	43.5	
District No. 10.....	.....	.....	.....	.....	.....	.....	.....	24.6	19.6	.....	.....	.....	.....	.....	.....	26.9	24.9	
District No. 12:																		
Los Angeles.....	48.8	68.3	110.6	88.7	77.3	83.8	51.6	58.4	43.6	58.3	52.9	69.9	77.2	77.3	68.3	61.2	56.1	
San Francisco.....	31.3	40.9	92.3	45.2	54.6	53.5	26.9	35.4	28.5	30.0	33.1	46.5	46.3	47.1	58.9	39.7	36.6	
Oakland.....	20.7	25.1	68.5	30.3	29.8	41.4	27.4	31.0	14.9	20.1	22.4	32.3	31.9	31.9	34.8	32.3	27.9	
Sacramento.....	16.7	32.5	69.2	36.6	50.7	54.2	22.6	65.1	33.9	15.4	22.4	35.7	35.7	39.5	36.6	60.9	47.5	
Seattle.....	23.7	27.6	50.6	21.0	28.6	23.9	22.4	19.2	4.3	24.4	28.3	31.6	29.5	29.3	23.0	21.8	16.2	
Spokane.....	.....	.....	176.0	46.4	77.1	36.2	23.6	19.8	10.9	.....	.....	99.9	70.4	72.0	30.1	26.8	23.1	
Salt Lake City.....	23.2	33.4	44.8	42.7	32.3	23.8	11.5	10.5	7.1	23.9	25.8	24.8	32.0	29.2	18.1	15.1	12.8	
District.....	30.3	40.6	82.0	46.1	50.7	51.7	31.1	37.8	13.8	31.0	34.4	46.9	47.5	47.0	46.5	41.0	36.9	

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

District and city.	Stocks at end of month compared with—																	
	Same month previous year.								Previous month.									
	Aug., 1919.	Sept., 1919.	Oct., 1919.	Nov., 1919.	Dec., 1919.	Jan., 1920.	Febr., 1920.	March, 1920.	April, 1920.	Aug., 1919.	Sept., 1919.	Oct., 1919.	Nov., 1919.	Dec., 1919.	Jan., 1920.	Febr., 1920.	March, 1920.	April, 1920.
District No. 1:																		
Boston.....	6.4	11.4	4.9	.....	25.4	29.7	38.1	42.3	45.2	16.3	5.3	7.5	.....	10.9	15.2	7.4	9.9	4.0
Outside.....	.....	.....	.....	.....	24.9	28.4	37.5	44.9	43.2	.....	.....	.....	.....	13.8	13.7	9.7	11.9	2.8
District.....	.....	.....	.....	.....	25.2	29.6	37.9	42.8	44.7	.....	.....	.....	.....	16.1	15.1	7.8	10.2	3.7
District No. 2:																		
New York City and Brooklyn.....	7.1	12.9	.....	.....	36.4	44.0	49.6	69.6	53.8	.1	15.2	.....	.....	10.4	11.9	8.4	37.9	-.3
Outside.....	.....	.....	.....	.....	.....	.....	.....	60.6	51.6	.....	.....	.....	.....	.....	.....	.....	9.3	-1.4
District.....	.....	.....	.....	.....	.....	.....	.....	68.6	53.6	.....	.....	.....	.....	.....	.....	.....	25.8	-.4
District No. 3.....	.....	.....	.....	.....	.....	9.9	16.4	24.3	25.7	.....	.....	.....	.....	.....	13.4	7.0	12.3	5.4
District No. 4.....	.....	.....	.....	.....	.....	.....	48.6	56.1	63.9	.....	.....	.....	.....	.....	.....	45.1	11.6	7.3
District No. 5.....	.....	.....	.....	.....	.....	.....	40.9	53.4	60.3	.....	.....	.....	.....	.....	.....	8.4	18.1	-.9
District No. 6.....	.....	.....	.....	.....	.....	.....	.....	41.1	29.9	.....	.....	.....	.....	.....	.....	.....	4.7	3.0
District No. 7.....	.....	.....	.....	.....	.....	.....	51.8	72.5	39.9	.....	.....	.....	.....	.....	42.7	55.8	10.5	.....
District No. 10.....	.....	.....	.....	.....	.....	.....	.....	38.9	43.3	.....	.....	.....	.....	.....	.....	.....	7.8	3.1
District No. 12:																		
Los Angeles.....	6.3	1.6	13.9	19.5	31.0	44.0	42.1	58.3	64.9	5.5	4.2	5.6	1.7	10.9	9.7	12.1	7.8	3.7
San Francisco.....	1.5	10.6	15.5	26.5	32.7	45.9	59.4	62.2	60.7	15.6	13.2	9.7	2.2	11.1	4.7	12.7	6.1	2.4
Oakland.....	17.5	1.5	1.4	4.9	9.2	10.6	27.7	35.2	34.4	6.3	12.6	5.4	.2	19.7	18.4	18.6	6.5	-.5
Sacramento.....	120.3	110.7	14.6	3	.....	.....	37.1	61.8	29.4	18.7	4.8	3.7	16.1	.....	.....	.....	3.7	.....
Seattle.....	7.2	17.8	15.2	15.3	31.4	44.5	53.7	53.8	55.5	22.7	13.2	6.5	12.9	18.9	12.0	11.8	14.9	.....
Spokane.....	.....	.....	.....	13.8	13.2	25.4	35.0	63.3	39.0	.....	.....	.....	.....	15.6	9.4	10.9	27.9	-40.2
District.....	.9	7.0	11.9	17.5	28.5	38.0	48.4	58.0	56.5	12.6	10.3	6.5	1.3	13.3	2.6	14.0	9.6	0

District and city.	Percentage of average stocks at end of each month to average monthly sales for same period.									Percentage of outstanding orders at end of month to total purchases during previous calendar year.								
	July 1, 1919, to end of—					Jan. 1, 1920, to end of—				Aug., 1919.	Sept., 1919.	Oct., 1919.	Nov., 1919.	Dec., 1919.	Jan., 1920.	Feb., 1920.	Mar., 1920.	Apr., 1920.
	Aug., 1919.	Sept., 1919.	Oct., 1919.	Nov., 1919.	Dec., 1919.	Jan., 1920.	Feb., 1920.	Mar., 1920.	Apr., 1920.									
District No. 1:																		
Boston.....	277.0	461.9	367.4	.....	360.7	320.8	382.2	509.5	389.8	21.5	18.1	19.4	.....	24.8	26.5	19.6	18.8	15.8
Outside.....	.....	.....	.....	.....	413.9	229.8	402.5	320.5	464.7	.....	.....	.....	.....	13.7	16.7	19.7	18.6	15.5
District.....	.....	.....	.....	.....	382.1	306.0	385.4	389.9	405.2	.....	.....	.....	.....	23.1	24.0	19.6	18.7	15.7
District No. 2:																		
New York City and Brooklyn.....	573.4	504.6	.....	.....	343.4	336.9	405.6	384.7	403.1	32.8	26.4	.....	.....	36.3	22.8	22.9	18.8	17.6
Outside.....	.....	.....	.....	.....	.....	.....	.....	372.3	392.8	.....	.....	.....	.....	.....	.....	.....	20.3	21.8
District.....	.....	.....	.....	.....	.....	.....	.....	383.4	402.0	.....	.....	.....	.....	.....	.....	.....	19.0	18.2
District No. 3.....	.....	.....	.....	.....	.....	.....	.....	380.0	347.0	.....	.....	.....	.....	.....	21.0	27.9	24.8	23.5
District No. 4.....	.....	.....	.....	.....	.....	.....	.....	386.3	439.0	.....	.....	.....	.....	.....	.....	18.6	19.4	34.8
District No. 5.....	.....	.....	.....	.....	.....	.....	.....	379.6	408.2	.....	.....	.....	.....	.....	.....	.....	.....	.....
District No. 6.....	.....	.....	.....	.....	.....	.....	.....	.....	415.6	.....	.....	.....	.....	.....	.....	.....	.....	.....
District No. 7.....	.....	.....	.....	.....	.....	.....	.....	287.7	332.5	.....	.....	.....	.....	.....	18.1	29.7	31.8	31.2
District No. 10.....	.....	.....	.....	.....	.....	.....	.....	337.6	272.1	.....	.....	.....	.....	.....	.....	.....	14.6	18.0
District No. 12:																		
Los Angeles.....	481.7	459.5	495.6	485.6	424.3	422.7	418.3	468.3	390.7	27.9	32.7	45.1	53.5	48.1	33.3	37.1	33.9	39.0
San Francisco.....	418.6	460.5	442.8	453.0	403.1	405.2	477.5	494.9	492.3	34.1	28.1	25.8	29.5	28.1	18.2	31.9	31.0	27.7
Oakland.....	547.1	564.7	558.3	559.1	600.2	490.6	581.6	610.7	585.2	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sacramento.....	468.2	400.7	355.9	339.3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Seattle.....	411.6	459.0	422.3	432.0	378.0	427.1	665.0	542.6	527.9	29.2	28.3	25.1	22.1	32.2	18.4	22.6	17.6	17.2
Spokane.....	.....	.....	.....	462.4	411.5	508.8	755.9	605.8	528.8	.....	.....	.....	.....	.....	34.5	37.2	40.6	34.7
Salt Lake City.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	46.5	.....	16.8	11.4	8.2	.....	.....	.....	.....
District.....	422.4	470.7	459.3	463.1	422.6	429.0	534.7	515.3	456.0	34.3	29.1	29.6	29.2	32.3	28.0	31.7	27.2	21.6

1 Decrease.

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

April, 1920, retail trade, compared with March, 1920, and April, 1919.

[+Increase. -Decrease.]

	Compared with—	Sales.	Selling price.	Stock at end of month.
		Per cent.	Per cent.	Per cent.
Groceries.....	March, 1920.....	+ 6		
	April, 1919.....	+25		
Furniture.....	March, 1920.....	Same.	+ 5	+ 6
	April, 1919.....	+64	+39	+24
Shoes.....	March, 1920.....	-11	Same.	+ 5
	April, 1919.....	+10	+15	+11
Clothing.....	March, 1920.....	-10	Same.	+ 9
	April, 1919.....	+35	+23	+62
Dry goods.....	March, 1920.....	+ 3	Same.	+ 4
	April, 1919.....	+49	+31	+24
Hardware.....	March, 1920.....	+11	+11	+ 8
	April, 1919.....	+48	+40	+27

### INTERNATIONAL PRICE INDEX.

In the following table are presented wholesale price indexes for groups of commodities in United States markets, computed according to methods described in the May BULLETIN. Similar index numbers are being constructed at present for England, France, and Italy. Important corrections have been made in the numbers since their publication in the May BULLETIN.<sup>1</sup>

Index numbers—United States.

[Average prices 1913=100.]

Date.	Goods produced.	Imported.	Exported.	Consumed.	Raw materials.	Producers' goods.	Consumers' goods.	All.
1913.								
January.....	100	105	100	100	99	105	99	100
February.....	100	104	100	100	99	105	99	100
March.....	100	103	99	101	100	105	99	101
April.....	101	101	99	101	101	103	99	101
May.....	100	100	99	100	100	102	99	100
June.....	100	99	100	100	100	101	101	100
July.....	100	99	99	100	98	101	102	100
August.....	100	101	99	102	101	100	101	101
September.....	101	100	102	101	102	98	101	101
October.....	101	98	103	99	102	96	101	100
November.....	99	98	102	98	100	95	101	99
December.....	98	93	99	96	98	91	99	97
1919.								
January.....	197	168	200	195	195	193	196	195
February.....	191	168	193	190	190	190	188	189
March.....	193	163	194	191	196	186	188	191
April.....	198	165	194	197	201	182	197	196
May.....	204	172	211	202	209	185	202	202
June.....	204	180	214	202	208	193	202	203
July.....	214	176	225	211	217	201	211	212
August.....	221	174	219	218	217	207	224	218
September.....	215	170	211	212	211	204	216	212
October.....	215	174	226	212	213	208	214	212
November.....	222	179	242	217	220	213	219	219
December.....	224	203	242	225	223	221	225	223
1920.								
January.....	237	212	250	241	234	236	242	237
February.....	238	216	246	242	232	247	240	237
March.....	243	218	252	247	235	264	241	243
April.....	265	242	263	244	262	274	257	263

<sup>1</sup> In publication, an error was made in the table of weights in classifying three producers' goods (sulphuric acid, acetate of lime, and sulphate of ammonia) under consumers' goods (top of p. 501, BULLETIN for May). The unit of measure for burlap (under "goods imported," p. 501, and under "goods consumed," p. 502) should be yard instead of pound and the weight should be 701,000 instead of 460,000. The grade for nitrate of soda is 95 per cent instead of 90 per cent. The weight for gasoline (under "goods consumed") should be 1,094,000 instead of 957,000 and the weight for kerosene (in the same group) should be 957,000 instead of 1,094,000. Specifications for cotton cloth should read yards per pound instead of pounds per piece.

### WHOLESALE PRICES ABROAD.

Tables are presented below showing the monthly index numbers of wholesale prices of some of the leading countries of the world computed on the basis of prices in 1913=100. In all cases except that of the United States the original basis upon which the index numbers have been computed has been shifted to the 1913 base. The monthly and yearly index numbers are, therefore, only approximate. These index numbers are constructed by the various foreign statistical offices according to methods described in the January BULLETIN. The latest figures are subject to correction.

Index numbers of wholesale prices (all commodities).

[1913=100.]

	United States; Bureau of Labor Statistics (328 quotations).	United Kingdom; Statist (45 commodities).	France; Bulletin de la Statistique Générale (45 commodities).	Italy; Prof. Bachi (40 commodities).	Sweden; Svensk Handels Tidning.	Japan; Bank of Japan for Tokyo (56 commodities).	Australia; Commonwealth Bureau of Census and Statistics (92 commodities).	Canada; Department of Labor (272 quotations).
1913.....	100	100	100	100	100	100	.....	100
1914.....	100	101	102	95	116	95	.....	101
1915.....	101	126	140	133	145	97	.....	110
1916.....	124	159	187	202	185	117	.....	135
1917.....	174	206	262	299	244	149	.....	177
1918.....	197	226	339	413	339	197	.....	206
1919.								
January.....	203	224	348	324	369	214	.....	212
February.....	197	220	340	320	358	213	.....	207
March.....	201	217	337	324	354	206	.....	205
April.....	203	217	332	329	339	207	.....	206
May.....	207	229	325	336	330	215	.....	210
June.....	207	235	329	356	324	228	.....	210
July.....	219	243	349	359	320	247	.....	218
August.....	226	250	347	368	321	251	.....	223
September.....	221	253	360	370	319	257	.....	223
October.....	223	264	382	384	307	271	.....	222
November.....	230	272	405	435	308	280	.....	227
December.....	238	276	417	455	317	288	.....	240
1920.								
January.....	248	288	487	504	319	301	.....	248
February.....	249	306	522	556	342	313	.....	254
March.....	253	307	554	619	354	321	.....	258
April.....	266	313	584	679	354	300	.....	261

<sup>1</sup> July, 1914=100.

<sup>2</sup> Last six months of 1917.

Prices continued to rise in April in all countries for which we have index numbers with the exception of Japan. As a result of the break in prices there early in April, the index number shows a decline of 6.5 per cent for the month. In the United States and England the decline in certain textiles and minerals was more than compensated for by the rise in food and, in the case of the United States, fuel prices. In Sweden food, textiles, and hides and leather declined in price, but coal, metals, and oils continued to rise. In Canada the rise in prices was general but greatest in the metal lines.

ENGLAND.

Toward the end of April and during the first weeks of May, the effect of the contraction policy of the Bank of England began to be clearly reflected in manufacturing and trading lines. Prices receded in the textile, leather, and certain of the metal trades, but not in the coal or iron industries, where shortage of supplies continued to keep prices up. The export trade of the country increased during the month and, although production figures show no improvement, this was apparently due to holidays early in the month, rather than to strikes or lack of orders. The wholesale price index published by the Statist shows an increase of 6 points during April as compared with 1 point in March.

Group index numbers—United Kingdom, Statist.

[1913=100.]

Date.	Vegetable foods.	Animal foods.	Sugar, coffee, tea.	Food-stuffs.	Minerals.	Textiles.	Sundries.	Materials.
1913.....	100	100	100	100	100	100	100	100
1914.....	110	100	107	105	90	97	105	98
1915.....	155	125	130	137	109	111	131	119
1916.....	193	152	161	169	140	152	163	153
1917.....	252	192	212	218	153	228	213	198
1918.....	248	210	238	229	167	265	243	225
1919.								
January.....	249	226	221	234	159	246	246	218
February.....	250	226	221	235	156	242	235	212
March.....	240	205	238	224	154	235	246	213
April.....	243	206	228	224	154	239	243	213
May.....	244	208	236	226	177	233	258	230
June.....	246	208	243	229	182	258	271	239
July.....	244	208	275	231	202	256	284	250
August.....	254	208	318	242	206	272	283	254
September.....	258	208	327	244	206	286	279	257
October.....	260	226	322	253	222	305	284	270
November.....	266	226	331	258	226	325	292	280
December.....	269	228	335	260	234	334	296	286
1920.								
January.....	274	230	356	265	256	343	312	302
February.....	297	237	415	286	267	362	329	318
March.....	345	237	394	300	263	380	319	312
April.....	346	265	392	315	263	354	321	311

On April 19, the Chancellor of the Exchequer brought in the budget for the year April 1, 1920, to March 31, 1921. He estimated the revenue for the period as £1,418 million, the expenditures £1,184 million, leaving a balance of £234 million available for debt reduction. After various sinking funds have been provided for, about £70 million will remain for the reduction of the floating debt. The proceeds of a new issue of 5-15 year Treasury bonds likewise will be used for the purpose of floating debt reduction. The most important change in the taxation policy of the Government is the increase in the excess profits duty from 40 to 60 per cent.

Following the increase in the rate of interest on Treasury bills on April 14, and the subsequent raising of the discount rate at the Bank of England, subscriptions to Treasury bills have materially increased, with the result that bank advances to the Government have declined. At the same time deposits with the Bank of

England have declined, and the note issue has increased. A statement of the condition of the Bank of England may be found in the "Review of the month" in this issue of the BULLETIN.

Production of coal and of iron and steel was considerably below the average of March, the decline being chiefly due to the holidays early in the month. The following table gives the monthly average production of pig iron and crude steel for 1913, the first four months of 1919, and the corresponding months of 1920.

[Thousands of metric tons.]

	Pig iron.	Ingots and castings.
1913 (monthly average).....		
1919.	869	1 649
January.....	672	730
February.....	636	746
March.....	702	770
April.....	658	680
1920.		
January.....	676	766
February.....	656	811
March.....	687	825
April.....	655	779

<sup>1</sup>Crude steel.

The weekly coal production during March and April was as follows:

Week ending—	Thousands of tons.
March 6.....	4,852
13.....	4,901
20.....	4,873
27.....	4,879
April 3.....	3,980
10.....	3,338
17.....	4,833
24.....	4,990
May 1.....	4,565

The large domestic and foreign demand for coal and iron and steel products continued to be the dominant factors in commodity markets during April. As was the case in March, comparatively little coal was exported because of Government regulations. Pig iron was likewise in especially heavy demand from abroad, but little available for export. The serious shortage of rail and shipping tonnage made the question of deliveries a matter of primary importance. Judging from trade reports, one would conclude that coastal shipping was improving, but that rail transportation was exceedingly congested. The accompanying table shows that the serious dock congestion of earlier months had considerably improved by April.

Average number of vessels kept waiting for berths each month.

	London.	Liverpool.
1920.		
January.....	31	25
February.....	15	28
March.....	4	13
April.....	1	11

Although prices in general in the iron and steel industry remained unchanged, there was such uncertainty as to future prices that contracts were made upon the basis of prices ruling at the time of delivery. On May 5 wrought-iron and finished-steel products were advanced in price.

The other leading metals, such as copper, tin, zinc, and lead declined in price during the month. Apparently manufacturers were well supplied with the raw material, and there was little buying for stock at existing prices.

The raw-cotton market declined during April, and toward the end of the month the yarn and piece goods markets began to reflect the same downward tendency. Spinners and weavers were entirely occupied, however, with old orders. In the woolen industry there were much the same conditions. The raw-wool auctions held in the middle of April established prices at a level appreciably lower than during the preceding month, but top makers, spinners, and weavers were so well booked for orders that prices in these lines were not much influenced by the decline. During May both the raw-wool and the raw-cotton markets showed further reductions and cancellation of orders was reported in the manufacturing lines. The exchange situation caused difficulties in the export trade.

The rise in the index number for foods is due to increases in certain meats, wheat, bread, potatoes, and sugar. Barley, oats, and rye declined. Government restrictions on the sale of home-produced pigs and pork products, including bacon, ham, and lard, were removed on March 31 and April 5.

In spite of business uncertainty in various commodity lines, employment is reported to have been good throughout the month. The returns from trade-union members, published by the Labor Gazette, show less unemployment in March than at any time since the war. Employment of unskilled workers is reported by the board of trade to have been good throughout the first quarter of the year, although the showing would probably not be as good as in the case of the trade unions.

*Trade-union (membership, 1,567,170) unemployment.*

End of—	1918	1919	1920
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
January.....	1.0	2.4	2.9
February.....	.9	2.8	1.6
March.....	1.2	2.9	1.1

As regards foreign trade in April, the value of both exports and imports declined. According to a report of the board of trade, exports for the first quarter of 1920, when valued at the

prices of the first quarter of 1913, amounted to 74 per cent of those in 1913, while imports (exclusive of reexports) amounted to 93 per cent of imports in the earlier year. Reexports for the first quarter of 1920, when corrected in the same fashion, show a 10 per cent increase over the corresponding months in 1913. Although the showing in the case of exports is not as favorable as in the case of reexports, when compared with conditions in 1919, the sum of the two shows very appreciable improvement.

*Value of exports (including reexports) of the United Kingdom.*

[In millions of dollars.]

	1919	1920
January.....	253	639
February.....	253	528
March.....	302	636
April.....	350	616
May.....	369	.....
June.....	372	.....
July.....	375	.....
August.....	438	.....
September.....	400	.....
October.....	480	.....
November.....	523	.....
December.....	570	.....

#### FRANCE.

Prices continued to rise in France during April, chiefly because of the shortage of essential commodities, and the unsettled political and financial condition of the country. The uncertainty caused by these factors was reflected in the high rates of exchange which prevailed throughout April. The peak was reached, however, on the 14th, when the dollar was quoted at 17 and the pound sterling at 67 francs. By the last of the month the pound had fallen to 63 and the dollar to 16 francs, and on May 31 the rates were 13 francs to the dollar and 50 francs to the pound.

On the 8th of April the Bank of France raised the official discount rate from 5 to 6 per cent. From the last of March until the last of April there was a slight gain (2 million francs) in the gold reserve of the bank, a decrease of 133 million francs in deposits other than Government deposits, and an increase of 119 million francs in note circulation.

The Chamber of Deputies finished its work on the 1920 budget and adjourned the 1st of May, leaving the new tax proposals in the hands of the Senate. The proposal for a tax on increases in wealth realized during the war was vetoed, but the excess profits tax was made effective until June 30, 1920. As it was finally drawn up by the chamber, the budget provided for almost eight and a half billion francs of new taxes, divided as follows:

	In millions of francs.
Increased duties on successions, real estate transfers, etc.	431
Increased duties on spirits, high grade wines, amusements, playing cards, sugar, coffee, cocoa, chocolate, and chicory.	593
Increases in the taxes on candles, benzols, electricity.	80
Supplementary taxes on registration and realty.	250
Increases in the taxes on wines, cider, beer, and mineral waters.	692
Increased income taxes.	1,386
Tax of 1 per cent on business turnovers, and a modified luxury tax of 10 per cent.	5,000
<b>Total</b>	<b>8,432</b>

Since the Senate's impatience over the delay in dealing with the budget was the chief factor in forcing its consideration in the Chamber of Deputies at this time, it seems probable that immediate action on the budget will be taken by the Senate. Meanwhile, the financial condition of the Government is gradually improving, because of the large monthly receipts from indirect taxes and Government monopolies. Receipts for March totaled 859 million francs, 263 million more than the budget estimate, and the April receipts were 98 million francs larger than those for March.

*Group index numbers—France.*

[Bulletin de la Statistique Generale.]

[1913=100.]

Date.	Animal food.	Vegetable foods.	Sugar, coffee, and cocoa.	Foods (20).	Minerals.	Textiles.	Sundries.	Materials (25).
1913.....	100	100	100	100	100	100	100	100
1914.....	103	103	106	104	98	109	99	101
1915.....	126	126	151	131	164	132	145	145
1916.....	162	170	164	167	232	180	199	206
1917.....	215	243	201	225	271	303	302	291
1918.....	286	298	231	281	283	460	420	387
1919.								
January....	337	321	230	313	271	416	427	376
February....	343	321	236	316	243	399	420	360
March.....	439	277	236	337	246	322	404	337
April.....	436	277	236	336	243	335	387	330
May.....	397	275	237	319	231	346	390	330
June.....	381	268	255	313	236	372	398	344
July.....	372	336	257	338	267	406	394	358
August.....	360	309	263	323	273	434	398	367
September..	396	308	264	334	279	476	402	381
October....	402	337	268	353	295	554	403	405
November..	425	351	270	369	323	620	415	435
December..	432	380	278	375	357	649	419	458
1920.								
January....	452	432	419	440	413	787	465	525
February....	484	474	436	474	434	828	503	558
March.....	500	516	439	498	459	884	548	600
April.....	522	512	429	506	498	952	587	646

According to the index number of the Bulletin de la Statistique Générale commodity prices in France rose 30 points during April. The most conspicuous increases occurred in the cases of cotton, wool, and copper. The prices of leading grades of copper and of raw wool rose

15 per cent within the month, that of raw cotton 16 per cent. Silk also continued to rise in price, although not so markedly as cotton and wool. Reports from Lyon indicate that the silk crop this year will be larger than last year's.

The only commodity groups in which prices show a downward tendency are "sugar, coffee, and cocoa" and "vegetable foods," which declined 10 points and 4 points, respectively. In April, 1919, there was an even more pronounced drop in the prices of "vegetable foods" (44 points), although the index for sugar, coffee, and cocoa did not change, partly because sugar and coffee prices were regulated by the Government at that time.

The prospect for lower food prices in the fall has seemed brighter since the publication of the following crop report by the Ministry of Agriculture the last of April.

*Crop conditions.*

[100=very good; 80=good; 60=fairly good; 50=passable.]

	1919	1920
Winter wheat.....	66	76
Meslin.....	66	73
Rye.....	63	77
Winter barley.....	66	76
Winter oats.....	65	78
Cultivated meadows.....	69	76
Temporary meadows.....	70	77
Green forage crops.....	70	78
Natural meadows.....	73	77

Iron and steel prices did not advance in April beyond the high levels established in March, but an increase of 20 per cent in the price of pig iron, 15 per cent in the price of semifinished products, and 14 per cent in the price of billets was announced for the 1st of May.

The coal shortage continued to be one of the most serious factors in the industrial situation, although an arrangement was made early in April by which France is to receive from Belgium 100,000 tons of coal a month for three months in return for French iron ore, phosphate of lime, and salts of sodium. It is estimated that the strike in the Pas de Calais district from March 8 to April 2 cost the country 630,000 tons of coal. When it is remembered that the coal supply in December was insufficient for the country's needs, the following figures are doubly significant.

*Amounts of coal available in France—production and importation.*

[In metric tons.]

December, 1919.....	4,109,372
January, 1920.....	3,991,486
February.....	3,944,023
March.....	3,778,102
April 1-10.....	982,796

† Revised figure.

The Government increased the sale price of coal and coke on May 1, giving as its reason the recent rise in the price of coal and coke imported from England.

The most recent foreign trade figures for France show a continuation of the improvement begun in February. They are as follows:

*French foreign trade.*

[In millions of dollars.]

	First 3 months, 1919.	First 3 months, 1920.
<b>IMPORTS.</b>		
Food.....	350	398
Raw materials.....	520	733
Manufactured articles.....	354	367
<b>Total.....</b>	<b>1,224</b>	<b>1,498</b>
<b>EXPORTS.</b>		
Food.....	23	67
Raw materials.....	32	171
Manufactured articles.....	151	389
Parcel post.....	22	26
<b>Total.....</b>	<b>228</b>	<b>653</b>

Both imports and exports for the first three months of 1920 are larger than for the corresponding period of 1919, but the increase in exports is \$151,000,000 greater than the increase in imports—a sign that, despite all its handicaps, French industry is gradually recovering. The prospect of larger crops this summer has raised the hope that imports may be further reduced by decreasing the use of foreign wheat.

*Group index numbers—Italy.*

Prof. Bachl. [1913=100.]

	Cereals and meats.	Other food-stuffs.	Textiles.	Minerals and metals.	Other goods
1913.....	100	100	100	100	100
1914.....	102	84	96	100	96
1915.....	132	93	113	207	133
1916.....	156	135	184	380	197
1917.....	215	171	326	596	266
1918.....	312	229	475	752	391
1919.					
January.....	304	300	330	295	422
February.....	305	307	328	295	384
March.....	292	312	331	346	362
April.....	294	330	333	354	349
May.....	293	336	375	360	340
June.....	320	343	381	419	336
July.....	334	351	401	423	342
August.....	332	351	423	424	341
September.....	319	354	430	442	342
October.....	325	364	500	459	341
November.....	328	371	634	568	351
December.....	338	373	658	584	405
1920.					
January.....	363	396	777	671	418
February.....	365	399	840	857	443
March.....	381	418	962	996	489
April.....	395	488	1,064	1,076	535

*Group index numbers—Sweden, Svensk Handelstidning.*

[1913=100.]

Date.	Vegetable food.	Animal food.	R. a. w. materials for agriculture.	Coal.	Metals.	Building material.	Paper pulp.	Hides and leather.	Textiles.	Oils.
1913-14.....	100	100	100	100	100	100	100	100	100	100
1914 <sup>1</sup> .....	136	101	114	123	109	104	104	118	103	111
1915.....	151	140	161	177	166	118	116	158	116	130
1916.....	152	182	180	266	272	165	233	229	166	149
1917.....	181	205	198	551	405	215	287	206	247	212
1918.....	221	419	304	856	398	275	300	195	.....	.....
1919.										
January.....	276	483	356	810	373	293	323	208	.....	.....
February.....	276	448	356	784	341	283	323	208	.....	.....
March.....	276	438	358	814	317	283	323	174	.....	.....
April.....	276	428	367	760	287	288	323	172	.....	.....
May.....	276	417	364	733	246	285	288	172	.....	.....
June.....	276	424	328	746	212	284	288	162	.....	.....
July.....	260	412	334	732	213	284	285	243	.....	.....
August.....	260	396	334	735	214	280	292	247	.....	.....
September.....	255	386	323	893	213	282	289	335	.....	.....
October.....	230	360	323	893	213	281	292	323	308	170
November.....	230	361	317	840	225	280	316	328	328	204
December.....	241	362	319	840	237	294	343	258	350	264
1920.										
January.....	248	328	317	864	248	295	388	258	353	204
February.....	273	305	319	936	259	371	476	269	380	226
March.....	270	304	318	960	291	367	682	268	380	275
April.....	265	284	320	1,008	283	367	767	263	368	275

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

*Group index numbers—United States, Bureau of Labor Statistics.*

[1913=100.]

Date.	Farm products.	Food, etc.	Clothes and clothing.	Fuel and lighting.	Metal and metal products.	Lumber and building materials.	Chemicals and drugs.	House furnishing goods.	Miscellaneous.
1913.....	100	100	100	100	100	100	100	100	100
1914.....	103	102	98	96	88	98	101	99	98
1915.....	106	105	99	92	94	94	109	99	99
1916.....	119	124	123	114	142	100	157	115	117
1917.....	189	178	181	175	208	124	198	145	153
1918.....	219	191	240	163	181	152	221	195	192
1919.									
January.....	222	209	234	170	172	161	191	218	212
February.....	218	197	223	169	168	163	185	218	208
March.....	228	205	216	168	162	165	188	218	217
April.....	235	212	217	167	152	162	178	217	216
May.....	240	216	227	167	152	164	179	217	213
June.....	231	206	258	170	154	175	174	233	221
July.....	246	218	282	171	158	186	171	245	221
August.....	243	228	303	175	161	209	172	259	225
September.....	226	212	306	181	160	229	173	262	217
October.....	230	211	313	181	161	231	174	264	220
November.....	240	219	325	179	164	236	176	299	220
December.....	244	234	335	181	169	253	179	303	220
1920.									
January.....	246	253	350	184	177	268	189	324	227
February.....	237	244	356	187	189	300	197	329	227
March.....	239	246	355	192	192	325	205	329	230
April.....	246	270	353	219	195	341	212	331	238



Group index numbers—Canadian Department of Labor.<sup>1</sup>

[1913=100.]

Date.	Grains and fodder.	Animals and meats.	Dairy products.	Fruits and vegetables.	Other foods.	Textiles.
1913.....	100	100	100	100	100	100
1914.....	114	107	100	99	104	102
1915.....	136	104	105	93	121	114
1916.....	142	121	119	130	136	148
1917.....	236	160	149	233	180	201
1918.....	231	195	168	214	213	273
1919.						
January.....	198	191	191	206	223	293
February.....	192	191	178	188	218	281
March.....	199	186	171	189	219	282
April.....	217	209	184	198	213	284
May.....	231	213	181	209	213	277
June.....	238	213	179	221	215	274
July.....	240	216	186	200	213	278
August.....	243	215	189	210	224	277
September.....	232	201	193	195	227	282
October.....	232	180	204	178	228	289
November.....	240	175	221	240	230	298
December.....	251	182	230	240	232	306
1920.						
January.....	268	195	228	265	245	316
February.....	275	195	216	290	251	321
March.....	290	198	206	295	254	322
April.....	281	200	196	316	264	366
Date.	Hides, leather, etc.	Metals.	Imple-ments.	Build-ing ma-terials, lum-ber.	Fuel and light-ing.	Drugs and chemi-cals.
1913.....	100	100	100	100	100	100
1914.....	105	96	101	100	94	106
1915.....	110	128	106	97	92	160
1916.....	143	167	128	100	113	222
1917.....	168	217	174	118	163	236
1918.....	169	229	213	147	188	250
1919.						
January.....	171	204	229	154	209	240
February.....	162	189	229	155	202	233
March.....	162	172	229	156	199	212
April.....	166	162	223	153	206	210
May.....	202	162	223	153	192	208
June.....	211	161	226	158	194	197
July.....	235	166	226	168	194	195
August.....	260	171	228	170	199	196
September.....	256	171	231	183	200	197
October.....	252	165	225	188	201	198
November.....	252	171	232	194	201	181
December.....	231	181	232	224	209	190
1920.						
January.....	237	191	235	232	212	191
February.....	244	199	231	241	215	189
March.....	222	210	237	268	215	194
April.....	239	297	237	268	245	201

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

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

[July, 1914=100.]

Date.	Metals and coal.	Textiles, leather, etc.	Agricultural produce.	Dairy produce.	Groceries and tobacco.	Meat.	Building materials.	Chemicals.
July, 1914.....	100	100	100	100	100	100	100	100
1915.....	117	93	202	127	110	150	116	149
1916.....	154	131	113	124	127	155	136	172
1917.								
July.....	201	198	105	120	130	147	176	217
August.....	214	197	107	118	131	152	190	231
September.....	219	186	109	113	132	160	190	243
October.....	217	206	113	114	132	157	201	247
November.....	212	220	115	115	131	161	201	262
December.....	212	233	112	116	132	152	204	260
1918.								
January.....	213	243	119	114	133	154	205	269
February.....	216	237	119	116	134	153	207	318
March.....	216	246	123	119	132	156	211	328
April.....	216	243	126	121	139	152	216	328
May.....	219	231	138	129	137	145	260	300
June.....	220	233	136	127	136	147	259	321
July.....	221	225	136	125	141	146	264	346
August.....	223	239	136	122	141	141	266	336
September.....	223	241	136	118	141	143	262	327
October.....	223	231	142	116	140	149	262	319
November.....	223	207	157	118	139	140	262	300
December.....	224	212	154	127	140	137	266	292
1919.								
January.....	218	194	165	126	142	137	265	313
February.....	204	184	166	129	141	132	264	314
March.....	200	185	161	136	142	147	261	309
April.....	195	197	162	136	142	156	248	290
May.....	195	200	162	140	143	148	257	268
June.....	194	214	160	140	144	150	250	273
July.....	186	226	168	141	148	148	243	277
August.....	182	229	190	135	150	145	249	277
September.....	182	225	200	138	149	152	259	263
October.....	186	243	236	141	152	154	271	272
November.....	184	254	238	142	151	132	278	267
December.....	186	259	224	142	156	132	281	266
1920.								
January.....	189	273	227	143	156	147	282	268
February.....	192	283	226	149	161	149	287	272
March.....	205	281	226	162	160	126	298	280

DISCOUNT AND INTEREST RATES.

In the following tables are presented actual discount and interest rates prevailing during the periods ending April 15 and May 15, 1920, in the various cities in which the several Federal Reserve Banks and their branches are located. A complete description of the several types of paper for which quotations are given will be found in the September, 1918, and October, 1918, FEDERAL RESERVE BULLETINS. Quotations for new types of paper will be added from time to time as deemed of interest.

During the period under review a further continuance of the upward movement in interest rates noted for some months past is remarked for all types of paper. The increase is noted in the great majority of centers, and applies equally in the high, low, and customary rates. Present rates continue higher at almost all centers than rates during the same period of 1919. Comparison with rates prevailing during the 30-day period ending May 15, 1919, shows that, while in some cases rates are unchanged, in the great majority present rates continue higher.

Discount and interest rates prevailing in various centers.

DURING 30-DAY PERIOD ENDING APR. 15, 1920.

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

<sup>1</sup> Rates for demand paper secured by prime bankers' acceptances, high 7, low 5 1/2, customary 5 1/2-6.

DURING 30-DAY PERIOD ENDING MAY 15, 1920.

District.	City.	Prime commercial paper.								Interbank loans.	Bankers' acceptances, 60 to 90 days.			Collateral loans—stock exchange or other current.						Cattle loans.	Secured by warehouse receipts, etc.	Ordinary loans to customers secured by Liberty bonds and certificates of indebted- ness.						
		Customers.				Open market.					Indorsed.	Un- indorsed.	Demand.		3 months.		3 to 6 months.											
		H.	L.	C.		H.	L.	C.					H.	L.	C.	H.	L.	C.	H.				L.	C.				
No. 1....	Boston.....	7 6	6 6 <sup>1</sup> / <sub>2</sub>		7 6	7 7		7 7	7 7 <sup>1</sup> / <sub>4</sub>		6 5 <sup>1</sup> / <sub>2</sub>	6 6		6 3	6 3	6 3	8 6	8 7	7 7 <sup>1</sup> / <sub>2</sub>	6 7 <sup>1</sup> / <sub>2</sub>	6 7	7 7 <sup>1</sup> / <sub>2</sub>	6 7	7 7 <sup>1</sup> / <sub>2</sub>	6 7	7 7 <sup>1</sup> / <sub>2</sub>	6 7	
No. 2....	New York 1....	7 5 <sup>1</sup> / <sub>2</sub>	6 6		7 6	6 6		7 6	7 6		6 5 <sup>1</sup> / <sub>2</sub>	6 6		6 5 <sup>1</sup> / <sub>2</sub>	6 6	6 6	15 6	6 6	6 6	6 5 <sup>1</sup> / <sub>2</sub>	6 6	6 6	6 6	6 6	6 6	6 6	6 6	
	Buffalo.....	7 6	6 6-7		7 6	6 6-7		7 6	7 6		7 6	6 6		7 5 6-7	7 6 6-6 <sup>1</sup> / <sub>2</sub>	7 6 6-6 <sup>1</sup> / <sub>2</sub>												
No. 3....	Philadelphia..	6 5 <sup>1</sup> / <sub>2</sub>	6 6		6 6	6 6		7 7	7 7 <sup>1</sup> / <sub>4</sub>		6 5 <sup>1</sup> / <sub>2</sub>	6 6		6 5 <sup>1</sup> / <sub>2</sub>	6 6	6 5 <sup>1</sup> / <sub>2</sub>	6 6	6 6	6 6	6 5 <sup>1</sup> / <sub>2</sub>	6 6	6 6	6 6	6 6	6 6	6 6	6 6	
No. 4....	Cleveland.....	7 6	7 7		7 6	7 7		7 6	7 6		6 5 <sup>1</sup> / <sub>2</sub>	6 6		6 5 <sup>1</sup> / <sub>2</sub>	6 6	6 5 <sup>1</sup> / <sub>2</sub>	6 6	6 6	6 6	6 5 <sup>1</sup> / <sub>2</sub>	6 6	6 6	6 6	6 6	6 6	6 6	6 6	
	Pittsburgh....	6 6	6 6		6 6	6 6		7 7	7 7 <sup>1</sup> / <sub>4</sub>		6 6	6 6		6 5 <sup>1</sup> / <sub>2</sub>	6 6	6 5 <sup>1</sup> / <sub>2</sub>	6 6	6 6	6 6	6 5 <sup>1</sup> / <sub>2</sub>	6 6	6 6	6 6	6 6	6 6	6 6	6 6	
	Cincinnati....	7 6	6 6-6 <sup>1</sup> / <sub>2</sub>		7 6	6 6 <sup>1</sup> / <sub>2</sub> -7		7 6	7 6		6 6	6 6		6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	
No. 5....	Richmond.....	6 6	6 6		6 6	6 6		6 6	6 6		6 6	6 6		6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	
	Baltimore.....	6 6	6 6		6 6	6 6		6 6	6 6		6 6	6 6		6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	
No. 6....	Atlanta.....	7 5 <sup>1</sup> / <sub>2</sub>	6 6		7 5 <sup>1</sup> / <sub>2</sub>	6 6		7 7	7 7		7 6	6 6		7 6	6 6	7 6	6 6	8 6	6 6	8 6	6 6	8 6	6 6	8 6	6 6	8 6	6 6	8 6
	Birmingham..	8 6	6 6-7		8 6	6 6-7		8 6	6 6-7 <sup>1</sup> / <sub>2</sub>		8 6	6 6		8 6	6 6	8 6	6 6-7	8 6	6 6-7	8 6	6 6-7	8 6	6 6-7	8 6	6 6-7	8 6	6 6-7	
	Jacksonville..	8 6	6 7		8 6	6 7		8 6	6 7		8 6	6 7		8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	
	New Orleans....	8 6	6 6-7		8 6	6 6 <sup>1</sup> / <sub>2</sub> -7		7 6	6 6 <sup>1</sup> / <sub>2</sub> -7		7 6	6 6 <sup>1</sup> / <sub>2</sub>		8 6	6 6-7	8 6	6 6-7	8 6	6 6-7	8 6	6 6-7	8 6	6 6-7	8 6	6 6-7	8 6	6 6-7	
	Nashville.....	6 6	6 6		6 6	6 6		6 6	6 6		6 6	6 6		6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	
No. 7....	Chicago.....	7 6	6 6 <sup>1</sup> / <sub>2</sub> -7		7 6	6 6 <sup>1</sup> / <sub>2</sub> -7		7 7	7 7 <sup>1</sup> / <sub>4</sub>		6 5 <sup>1</sup> / <sub>2</sub>	6 6		6 5 <sup>1</sup> / <sub>2</sub>	6 6	6 5 <sup>1</sup> / <sub>2</sub>	7 6	7 6	7 6	7 6	7 6	7 6	7 6	7 6	7 6	7 6	7 6	
	Detroit.....	7 6	6 6 <sup>1</sup> / <sub>2</sub>		7 6	6 6 <sup>1</sup> / <sub>2</sub>		7 6	6 6 <sup>1</sup> / <sub>2</sub>		6 6	6 6		6 6	6 6	6 6	6 6	7 6	7 6	7 6	7 6	7 6	7 6	7 6	7 6	7 6	7 6	
No. 8....	St. Louis.....	7 6	6 6 <sup>1</sup> / <sub>2</sub>		7 6	6 6 <sup>1</sup> / <sub>2</sub>		7 6	6 6 <sup>1</sup> / <sub>2</sub>		6 6	6 6		6 6	6 6	6 6	6 6	7 6	7 6	7 6	7 6	7 6	7 6	7 6	7 6	7 6	7 6	
	Louisville....	6 6	6 6		6 6	6 6		7 6	6 6		6 6	6 6		6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	6 6	
	Memphis.....	8 6	6 7		8 6	6 7		8 6	6 7		8 6	6 7		8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	
	Little Rock....	8 6	6 7		8 6	6 7		7 7	7 7		6 6	6 6		6 6	6 6	6 6	6 6	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	
No. 9....	Minneapolis..	7 7	7 7		7 7	7 7		7 6	6 6 <sup>1</sup> / <sub>2</sub>		6 6	6 6		6 6	6 6	6 6	6 6	8 7	7 7	8 7	7 7	8 7	7 7	8 7	7 7	8 7	7 7	
No. 10....	Kansas City...	8 6	6 6 <sup>1</sup> / <sub>2</sub> -7		8 6	6 6 <sup>1</sup> / <sub>2</sub> -7		8 6	6 7		8 6	6 7		8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	
	Omaha.....	8 7	7 7		8 6	7 7		8 6	7 7		8 6	7 7		8 6	7 7	8 6	7 7	8 6	7 7	8 6	7 7	8 6	7 7	8 6	7 7	8 6	7 7	
	Denver.....	8 6	6 7		8 6	6 7		7 6	6 6		8 6	6 6 <sup>1</sup> / <sub>2</sub>		8 6	6 6 <sup>1</sup> / <sub>2</sub>	8 6	6 6 <sup>1</sup> / <sub>2</sub>	8 6	6 6 <sup>1</sup> / <sub>2</sub>	8 6	6 6 <sup>1</sup> / <sub>2</sub>	8 6	6 6 <sup>1</sup> / <sub>2</sub>	8 6	6 6 <sup>1</sup> / <sub>2</sub>	8 6	6 6 <sup>1</sup> / <sub>2</sub>	
No. 11....	Dallas.....	7 6	6 6 <sup>1</sup> / <sub>2</sub>		7 6	6 6 <sup>1</sup> / <sub>2</sub>		7 6	6 6		6 6	6 6		6 6	6 6	6 6	6 6	8 6	6 6	8 6	6 6	8 6	6 6	8 6	6 6	8 6	6 6	
	El Paso.....	10 6	8 8		10 6	8 8		7 6	6 6		8 6	6 7		6 5	5 <sup>1</sup> / <sub>2</sub>	6 5	5 <sup>1</sup> / <sub>2</sub>	10 6	8 8	10 6	8 8	10 6	8 8	10 6	8 8	10 6	8 8	
	Houston.....	7 6	6 6 <sup>1</sup> / <sub>2</sub>		7 6	6 6 <sup>1</sup> / <sub>2</sub>		7 6	6 6		6 6	6 6		8 6	6 6	8 6	6 6	8 6	6 6	8 6	6 6	8 6	6 6	8 6	6 6	8 6	6 6	
No. 12....	San Francisco.	6 6	6 6		6 6	6 6		7 6	6 7		6 6	6 6		6 6	6 6	6 6	6 6	8 6	6 6	8 6	6 6	8 6	6 6	8 6	6 6	8 6	6 6	
	Portland.....	8 6	6 7		8 6	6 7		7 6	6 7		6 6	6 6		6 6	6 6	6 6	6 6	8 5 <sup>1</sup> / <sub>2</sub>	7 7	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	
	Seattle.....	8 6	6 7		8 6	6 7		7 6	6 7		6 6	6 6		6 6	6 6	6 6	6 6	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	
	Spokane.....	8 6	6 7		8 6	6 7		7 7	6 7		6 6	6 6		6 6	6 6	6 6	6 6	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	8 6	6 7	
	Salt Lake City	7 7	8 8		7 7	8 8		7 7	7 7		8 6	6 7		8 7	8 8	8 7	8 8	8 7	8 8	8 7	8 8	8 7	8 8	8 7	8 8	8 7	8 8	

<sup>1</sup> Rates for demand paper secured by prime bankers' acceptances, high 6, low 5<sup>1</sup>/<sub>2</sub>, customary 5<sup>1</sup>/<sub>2</sub>-6.

### PHYSICAL VOLUME OF TRADE.

In continuation of tables in the May FEDERAL RESERVE BULLETIN there are presented in the following tables certain data relative to the physical volume of trade. The January, 1919, issue contains a description of the methods employed in the compilation of the data and the construction of the accompanying index numbers. Additional material will be presented from time to time as reliable figures are obtained.

Consideration of data for the first four months of the present year shows that the physical volume of trade, as indicated by production and marketing data, has been larger than during the same period of 1919. Due to the influence of the railroad strike, however, April, 1920, figures show a considerable falling off from March figures for certain leading industries, in some cases sufficient to render them less than April, 1919, figures, but not, however, in general sufficient to prevent the figures for the first four months of this year exceeding those for a similar period last year.

This falling off during April is by no means equal in all industries, nor have the figures for the earlier months in all cases been higher during 1920 than during 1919. While 1920 total receipts of live stock at 15 western markets, as well as the separate figures of receipts of cattle and calves, hogs and sheep, were less during January and February, 1920, than during the same months of 1919, the March figures were greater, both the total and the figures for each class. April figures, however, again showed a decrease, both as compared with April, 1919, and with March, 1920, both in the total figures and in the figures for the separate classes (except sheep, as compared with March). After a decrease in the January, 1920, figures of total grain and flour receipts at 17 interior centers, as compared with January, 1919, the seasonal falling off in 1920 was not as pronounced as in 1919, due probably to the fact that the movement in the autumn of 1919 had not been as heavy as in the autumn of 1918. February and March, 1920, receipts were in excess of those during the same months of 1919. These figures reflect the statements often made as to the effect of the transportation situation in delaying movement of crops to market. Considering figures for each of the principal grains and flour, it is noted that while wheat and flour receipts have been heavier during each of the first three months of 1920 than during the same month of 1919, the situation with respect to the other two principal grains, namely, corn

and oats, is similar to that prevailing in the case of the total grain movement. April receipts in all cases show a great falling off from March receipts, and are less in all cases, with the exception of wheat, than receipts during April, 1919.

Cotton sight receipts, reflecting the greater crop during the present crop year, have been higher during each month of 1920 than during the same month of 1919. Shipments reported by producers of three leading classes of lumber during each of the first three months of 1920 were likewise heavier. April figures, however, show a great falling off from those for March, although remaining higher than in 1919 for western pine and Douglas fir.

Bituminous coal production, while showing a considerable decrease from March to April, 1920, has continued during the present year in excess of production during the corresponding period of 1919. The situation with respect to anthracite coal is not so favorable. Production of crude petroleum shows a steady growth, figures for each month of 1920 being considerably in excess of those for the similar month of 1919, as well as of those for the preceding month of 1920.

In the iron and steel industry, pig iron and steel ingot production, while falling off greatly during April from the March figures, were higher for each month except January than figures for the corresponding month of 1919. Unfilled orders of the United States Steel Corporation show a steady growth from month to month during 1920, as contrasted with a steady decrease from month to month during the same period of 1919, and at the close of April corresponded to an index number of 197 as compared with 91 at the close of April, 1919.

In the textile group, cotton consumption has been heavier during each month of 1920 as compared with 1919, and has shown no considerable falling off. Wool consumption during each of the first three months has been practically twice as large as during the same month of 1919, while the percentage of idle machinery has been very much less. Raw silk imports were heavier during the first three months of 1920, although less during April, at which time in 1919 the great increase in imports which is now subsiding commenced. There has been a steady decrease from month to month during the present year, the April index number being only 109 as contrasted with 237 for January.

The tonnage of vessels cleared has been heavier during each month of 1920 than during the same month of 1919.

Live-stock movements.

[Bureau of Markets.]

	Receipts.					Shipments.				
	Cattle and calves, 60 markets.	Hogs, 60 markets.	Sheep, 60 markets.	Horses and mules, 44 markets.	Total, all kinds.	Cattle and calves, 54 markets.	Hogs, 54 markets.	Sheep, 54 markets.	Horses and mules, 44 markets.	Total, all kinds.
1919.	<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>
April.....	1,751,983	3,668,191	1,396,639	50,770	6,867,633	696,639	1,110,392	576,431	49,675	2,433,137
July.....	2,007,266	2,998,836	2,177,942	48,691	7,232,735	706,843	963,662	997,338	43,738	2,711,581
August.....	2,019,139	2,103,609	3,211,331	81,917	7,415,996	894,816	690,821	2,014,267	74,268	3,674,172
September.....	2,377,054	2,401,677	3,810,441	140,848	8,730,020	1,150,183	860,614	2,466,937	135,724	4,613,458
October.....	2,989,090	3,144,831	3,605,198	124,497	9,863,616	1,532,297	1,103,837	2,159,531	125,701	4,921,366
November.....	2,680,042	3,775,589	2,751,421	140,192	9,347,244	1,374,452	1,308,095	1,597,007	134,679	4,414,233
December.....	2,169,631	5,024,650	2,393,632	86,666	9,674,579	967,160	1,608,292	1,183,602	86,534	3,845,588
1920.										
January.....	1,868,723	5,275,412	1,560,051	138,541	8,842,727	752,605	1,665,274	669,458	138,145	3,225,482
February.....	1,468,370	3,423,992	1,387,111	108,056	6,387,529	591,691	1,287,169	572,634	110,827	2,562,321
March.....	1,803,073	3,963,245	1,255,490	82,584	7,104,392	570,323	1,399,485	483,550	87,896	2,541,254
April.....	1,542,150	3,030,801	1,441,072	48,036	6,062,059	593,362	1,119,205	724,718	47,998	2,485,283

Receipts and shipments of live stock at 15 western markets.

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

RECEIPTS.

[Monthly average, 1911-1913=100.]

	Cattle and calves.		Hogs.		Sheep.		Horses and mules.		Total, all kinds.	
	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.
1919.										
April.....	1,255,379	125	2,823,484	128	970,070	71	31,509	68	5,080,442	110
July.....	1,527,881	152	2,411,539	110	1,558,767	114	37,866	82	5,536,053	120
August.....	1,541,133	153	1,595,759	73	2,220,229	162	57,206	124	5,414,327	117
September.....	1,871,042	188	1,704,944	78	2,890,831	212	88,283	192	6,555,100	142
October.....	2,317,487	230	2,160,079	98	2,405,511	176	79,240	176	6,962,317	151
November.....	2,046,664	203	2,715,955	124	1,743,189	128	84,018	183	6,589,826	143
December.....	1,650,315	164	3,785,870	172	1,589,237	116	83,453	116	7,078,875	153
1920.										
January.....	1,400,031	139	3,912,449	178	1,035,591	76	90,662	197	6,438,733	139
February.....	1,068,092	114	2,440,154	119	948,116	74	76,048	168	4,532,410	105
March.....	1,203,499	119	2,910,909	132	900,299	66	57,890	126	5,072,587	110
April.....	1,040,903	103	2,150,281	98	928,191	68	31,235	68	4,150,610	90

SHIPMENTS.

1919.										
April.....	506,835	125	748,437	154	319,625	63	29,974	73	1,604,871	112
July.....	515,071	127	691,283	143	694,942	138	32,836	80	1,934,132	135
August.....	650,252	160	455,705	94	1,352,252	269	49,996	122	2,508,205	175
September.....	872,043	214	501,856	104	1,849,958	367	83,264	203	3,307,121	230
October.....	1,154,995	294	654,755	135	1,382,419	275	80,828	197	3,272,997	228
November.....	993,148	244	788,107	163	945,992	188	78,889	192	2,806,136	195
December.....	686,325	169	1,003,682	207	682,439	136	55,831	136	2,428,277	169
1920.										
January.....	548,841	135	1,026,763	212	403,382	80	90,630	221	2,069,616	144
February.....	427,608	113	814,253	180	334,012	71	79,100	207	1,654,973	124
March.....	418,310	103	923,526	191	298,878	59	62,625	153	1,703,339	119
April.....	414,967	102	712,087	147	373,381	74	31,348	76	1,531,783	107

*Exports of certain meat products.*

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Beef, canned.		Beef, fresh.		Beef, pickled, and other cured.		Bacon.		Hams and shoulders, cured.		Lard.		Pickled pork.	
	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.
1919.														
April.....	2,896,759	437	21,639,915	1,744	2,673,681	100	141,814,255	847	109,569,968	734	86,555,951	197	2,494,454	56
July.....	5,392,104	814	8,680,524	700	3,320,564	124	117,679,193	703	47,452,834	318	68,163,734	155	2,392,515	54
August.....	2,894,361	437	8,075,366	651	2,494,113	93	84,150,778	502	40,147,727	269	48,968,628	111	2,117,796	48
September.....	1,213,709	183	7,285,951	587	3,523,887	132	57,179,511	341	18,209,239	122	36,960,364	84	2,792,439	63
October.....	1,793,784	271	31,178,216	2,513	3,402,422	127	56,462,312	337	13,090,972	88	41,016,518	93	3,804,290	86
November.....	1,393,238	210	15,694,002	1,265	2,997,652	112	65,288,694	390	16,844,285	113	42,106,339	96	4,934,696	111
December.....	1,886,835	285	6,061,769	489	3,135,069	117	58,982,754	352	15,688,297	105	63,645,722	145	4,125,550	93
1920.														
January.....	1,081,643	163	22,872,223	1,844	1,670,500	63	77,501,002	463	13,905,923	93	38,823,902	88	4,251,187	96
February.....	735,132	119	13,010,793	1,124	1,631,457	65	75,891,195	486	24,217,706	174	36,644,906	89	3,710,308	90
March.....	847,397	128	6,036,166	487	2,290,835	86	75,002,410	448	31,088,859	208	69,429,785	158	3,160,456	71
April.....	1,606,737	243	17,687,306	1,426	2,241,460	84	24,356,349	145	15,640,236	105	40,758,401	93	2,784,535	63

*Receipts of grain and flour at 17 interior centers.*

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

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

[Monthly average, 1911-1913=100.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. <sup>1</sup>	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1919.																
April.....	11,208,405	42	18,669,321	83	20,063,678	99	5,498,493	497	9,634,405	134	65,074,302	84	1,958,411	100	73,887,152	85
July.....	49,612,115	184	12,549,219	56	25,233,109	125	3,105,486	281	8,627,091	120	99,127,020	127	1,572,420	80	106,202,910	122
August.....	80,714,559	299	8,503,282	38	29,774,582	147	3,824,263	345	6,638,871	93	129,455,557	166	2,283,145	117	131,738,702	152
September.....	69,953,295	260	16,267,145	72	26,721,030	132	5,446,371	492	5,294,256	74	123,682,097	159	3,073,034	157	137,610,750	159
October.....	51,006,164	189	12,490,107	56	24,323,974	120	4,472,397	404	4,369,326	61	96,661,968	124	3,468,787	177	112,271,510	129
November.....	35,729,832	133	14,606,137	65	17,699,925	88	2,579,579	233	3,582,873	50	74,198,346	95	3,541,957	181	90,137,153	104
December.....	30,582,779	113	23,983,657	107	15,592,282	77	2,876,636	260	3,769,859	53	76,805,213	99	2,371,262	121	87,475,892	101
1920.																
January.....	25,074,624	93	24,139,094	108	20,925,941	104	4,378,610	396	3,298,544	46	77,816,813	100	2,298,692	117	88,160,927	102
February.....	18,115,324	72	26,051,855	124	20,575,654	106	3,263,686	316	2,470,622	37	70,477,141	97	2,059,421	113	79,744,536	97
March.....	18,007,798	67	24,306,196	108	19,149,624	95	3,548,739	321	2,928,440	41	67,940,797	87	1,617,544	83	75,219,745	89
April.....	15,260,236	57	11,326,509	50	12,952,593	64	2,914,553	263	2,245,881	31	44,699,772	57	888,423	45	48,697,676	56

<sup>1</sup> Flour reduced to its equivalent in wheat on basis of 4½ bushels to barrel.

*Shipments of grain and flour at 14 interior centers.*

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

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. <sup>1</sup>	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1919.																
April.....	30,764,448	199	8,261,317	58	16,032,046	106	8,143,990	1,150	6,632,828	170	69,834,629	141	3,595,569	106	86,014,690	133
July.....	12,423,422	81	8,102,275	57	15,628,503	103	1,546,100	218	9,133,000	234	46,833,304	95	2,589,176	76	58,484,596	90
August.....	36,986,491	240	5,135,459	36	17,919,623	118	1,436,377	203	5,028,674	129	66,506,624	135	3,805,273	112	83,630,353	129
September.....	37,730,048	245	6,622,779	47	16,651,580	110	2,317,740	327	2,943,167	75	66,265,314	134	4,787,300	141	87,808,164	136
October.....	25,813,130	167	7,116,502	50	16,705,015	110	1,426,528	202	3,087,951	79	54,149,126	110	5,975,261	176	81,037,801	125
November.....	20,877,718	135	6,609,629	47	15,582,081	103	1,110,541	439	2,827,956	73	49,007,925	99	5,604,616	165	74,228,697	115
December.....	17,383,075	113	11,509,719	81	12,433,716	82	2,255,139	319	2,624,376	67	46,206,025	94	4,470,122	132	66,321,574	103
1920.																
January.....	17,514,087	114	12,326,051	87	15,822,099	104	3,685,914	521	2,007,718	51	51,355,869	104	4,140,314	122	69,987,282	108
February.....	14,114,215	98	11,977,640	91	13,073,089	92	2,113,505	320	1,306,340	36	42,584,789	92	3,156,962	100	56,791,118	94
March.....	11,027,336	71	11,165,894	79	14,243,957	94	3,062,530	433	1,574,887	40	41,074,604	83	2,960,175	87	54,395,392	84
April.....	11,058,643	72	5,371,811	38	8,691,440	57	8,811,500	1,245	1,651,509	42	35,584,903	72	1,702,132	50	43,244,497	67

<sup>1</sup> Flour reduced to its equivalent in wheat on basis of 4½ bushels to barrel.

*Receipts of grain and flour at nine seaboard centers.*

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

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

[Monthly average, 1911-1913=100.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. <sup>1</sup>	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.
1919.																
April.....	12,581,074	100	1,089,425	31	4,604,521	97	5,069,529	3,568	1,853,372	112	25,197,921	111	2,549,370	244	36,670,086	134
July.....	5,806,227	46	901,842	25	6,959,186	146	1,478,551	1,041	9,723,852	586	24,869,658	110	1,514,135	145	31,683,266	116
August.....	26,902,757	214	815,132	23	5,676,984	119	61,710	43	4,993,395	301	38,449,978	169	1,385,762	133	44,685,907	163
September.....	28,010,858	222	512,072	14	5,345,464	113	534,301	376	2,171,521	131	36,574,216	161	2,306,213	221	46,952,175	171
October.....	14,755,827	117	507,065	14	4,335,038	91	1,717,301	1,209	796,839	48	22,112,070	97	2,521,329	241	33,458,051	122
November.....	9,152,534	73	438,147	12	3,998,525	84	1,391,024	979	851,651	51	15,831,881	70	1,552,796	149	22,819,463	83
December.....	5,782,777	46	816,630	23	2,991,717	63	1,664,755	1,172	2,309,085	139	13,564,964	60	2,149,458	206	23,237,525	85
1920.																
January.....	5,711,009	45	1,491,759	42	2,663,274	56	2,643,611	1,861	1,297,839	78	13,807,492	61	1,561,693	150	20,835,111	76
February.....	4,898,690	42	1,244,393	38	2,331,246	53	3,212,668	2,423	1,315,291	85	13,002,288	61	1,102,606	113	17,964,015	70
March.....	6,486,745	51	1,203,649	34	3,646,727	77	4,119,986	2,900	1,300,871	78	16,757,978	74	1,752,860	168	24,645,848	90
April.....	5,441,434	43	1,317,555	37	1,546,590	33	3,440,350	2,421	685,054	41	12,430,983	55	843,916	81	16,228,605	59

<sup>1</sup> Flour reduced to its equivalent in wheat on basis of 4½ bushels to barrel.

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

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

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

[Bushels.]

	Wheat.	Corn.	Oats.	Rye.	Barley.	Total grain.
1919.						
April.....	7,448,992	464,503	5,335,971	3,434,873	5,420,013	22,104,352
July.....	5,557,644	285,196	3,760,063	867,491	5,528,176	15,978,570
August.....	17,396,269	155,491	2,216,989	578,250	5,414,183	25,761,182
September.....	21,171,440	172,254	1,901,510	516,142	4,061,830	27,823,176
October.....	25,322,242	82,240	1,898,271	489,270	3,079,360	30,865,383
November.....	18,728,730	155,490	2,504,833	1,204,494	2,351,012	25,004,559
December.....	13,053,280	279,451	2,435,455	709,276	3,007,379	19,484,841
1920.						
January.....	8,485,491	711,501	2,398,639	2,397,156	2,587,543	16,580,330
February.....	6,634,682	948,239	1,571,209	2,671,743	2,340,787	14,166,660
March.....	6,280,682	851,287	1,351,457	2,389,321	1,891,862	12,764,609
April.....	7,704,155	967,475	389,958	1,944,350	2,034,983	13,040,921

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

*Cotton.*

[New Orleans Cotton Exchange.]

[Crop years 1911-1913=100.]

	Sight receipts.		Port receipts.		Overland movement.		American spinners' takings.		Stocks at ports and interior towns at close of month.	
	Bales.	Relative.	Bales.	Relative.	Bales.	Relative.	Bales.	Relative.	Bales.	Relative.
1919-20.										
August.....	313,301	25	238,271	26	49,630	47	302,238	67	1,412,048	120
September.....	584,776	47	260,698	28	26,138	25	300,001	66	1,501,805	127
October.....	1,779,927	142	1,029,331	112	110,202	105	621,784	137	2,340,881	199
November.....	2,369,177	189	1,178,443	128	245,237	233	1,155,324	254	2,616,383	222
December.....	2,147,365	171	1,069,693	116	242,940	231	1,214,337	267	2,765,040	235
January.....	1,526,622	122	982,030	107	205,233	195	793,453	175	2,470,496	210
February.....	1,003,225	86	725,515	85	138,084	141	374,093	88	2,510,482	213
March.....	1,088,882	87	621,808	68	108,573	103	270,269	59	2,276,737	193
April.....	528,850	42	499,187	54	42,029	40	147,753	33	2,148,038	182

## California shipments of citrus and deciduous fruits.

[1911-1913=100.]

	Oranges.		Lemons.		Total citrus fruits.		Total deciduous fruits.
	Carloads.	Relative.	Carloads.	Relative.	Carloads.	Relative.	Carloads.
1919.							
April.....	5,450	223	1,038	256	6,488	228	36
July.....	2,568	105	1,038	256	3,606	127	4,199
August.....	1,785	73	436	108	2,221	78	6,601
September.....	1,840	75	414	102	2,254	79	6,781
October.....	2,706	111	572	141	3,278	115	5,529
November.....	3,257	133	442	109	3,699	130	2,141
December.....	3,592	147	271	67	3,863	136	197
1920.							
January.....	2,457	100	630	156	3,087	108	123
February.....	2,683	118	852	225	3,535	133	139
March.....	4,715	193	651	161	5,366	188	155
April.....	3,720	152	508	125	4,228	148	22

## Sugar.

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

[Weekly Statistical Sugar Trade Journal.]

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

	Receipts.		Meltings.		Raw stocks at close of month.			Receipts.		Meltings.		Raw stocks at close of month.	
	Tons.	Relative.	Tons.	Relative.	Tons.	Relative.		Tons.	Relative.	Tons.	Relative.	Tons.	Relative.
1919.													
April.....	318,492	173	277,000	151	107,582	62	December.....	96,342	52	126,765	69	10,432	6
1920.													
July.....	264,782	144	292,000	159	57,975	34	January.....	208,554	113	181,000	99	37,986	22
August.....	246,419	134	229,000	125	75,394	44	February.....	316,667	184	269,000	157	85,653	50
September.....	262,137	142	292,000	159	45,531	26	March.....	335,532	182	333,000	182	88,185	51
October.....	233,650	127	216,000	118	63,181	37	April.....	310,580	169	307,000	167	91,765	53
November.....	154,674	84	177,000	95	40,855	24							

## Naval stores.

[Data for Savannah, Jacksonville, and Pensacola.]

[In barrels.]

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

	Spirits of turpentine.		Rosin.			Spirits of turpentine.		Rosin.	
	Receipts.	Stocks at close of month.	Receipts.	Stocks at close of month.		Receipts.	Stocks at close of month.	Receipts.	Stocks at close of month.
1919.									
April.....	6,690	75,546	18,993	225,657	December.....	17,109	30,924	76,792	200,333
1920.									
July.....	23,598	30,656	76,561	235,707	January.....	8,300	24,910	47,874	165,927
August.....	21,013	24,756	73,402	203,812	February.....	3,762	17,900	29,303	140,559
September.....	21,574	27,021	72,616	190,580	March.....	1,876	4,819	14,660	103,443
October.....	19,367	27,389	67,080	186,231	April.....	7,644	3,996	27,029	98,517
November.....	18,757	28,741	77,125	204,281					



Lumber.

[From reports of manufacturers' associations.]

[M feet.]

	Southern pine.			Western pine.			Douglas fir.			Eastern white pine.			North Carolina pine.		
	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.
1919.															
April.....	203	397,005	397,677	49	124,341	97,679	114	264,623	266,308	11	11,431	14,020	38	22,369	21,877
July.....	206	401,939	466,786	48	148,533	140,680	114	268,634	301,050	9	27,382	22,470	35	22,326	34,191
August.....	204	417,036	423,002	48	152,748	140,236	118	416,422	397,290	11	20,247	26,839	36	27,177	30,159
September.....	202	416,640	372,727	51	154,102	138,537	126	332,905	261,797	12	16,913	22,574	35	33,146	35,488
October.....	201	421,025	356,124	52	156,828	143,252	124	419,108	339,321	10	12,888	13,139	26	24,053	22,079
November.....	202	391,347	344,717	51	110,525	117,472	126	324,511	241,301	11	2,786	21,596	31	24,923	28,926
December.....	198	353,923	363,176	51	65,989	93,377	129	227,331	176,935	11	4,776	17,840	27	19,048	26,241
1920.															
January.....	202	386,481	404,706	53	69,895	144,180	128	327,568	344,568	21	38,007	63,614	25	24,678	26,283
February.....	203	383,239	369,047	51	85,583	147,180	124	332,511	295,934	21	32,551	59,687	15	15,334	15,202
March.....	205	436,944	424,775	50	130,425	156,211	123	342,943	329,012	21	43,771	61,620	24	29,633	29,896
April.....	205	438,056	359,461	51	167,165	133,114	126	359,651	274,597	21	46,222	61,757	13	13,659	10,613

RECEIPTS AND SHIPMENTS OF LUMBER AT CHICAGO.

[Chicago Board of Trade.]

[Monthly average, 1911-1913=100.]

	Receipts.		Shipments.			Receipts.		Shipments.	
	M feet.	Relative.	M feet.	Relative.		M feet.	Relative.	M feet.	Relative.
1919.					1919.				
April.....	144,253	68	59,055	77	December.....	226,617	107	79,553	104
July.....	200,148	94	90,134	118	1920.				
August.....	170,385	80	87,953	115	January.....	208,145	98	71,233	93
September.....	205,909	97	93,120	121	February.....	235,423	119	81,561	114
October.....	208,638	98	95,674	125	March.....	284,146	134	122,401	160
November.....	176,972	83	70,175	92	April.....	124,725	59	51,495	67

Coal and coke.

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

[Monthly average, 1911-1913=100.]

	Bituminous coal, estimated monthly production.		Anthracite coal, shipments over 9 roads.		Beehive coke, estimated monthly production.	
	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.
1919.						
April.....	32,164,000	87	5,224,715	93	1,316,960	50
July.....	42,698,000	115	6,052,334	108	1,503,367	58
August.....	42,883,000	116	6,144,144	109	1,733,971	66
September.....	47,402,000	123	5,687,401	101	1,790,466	68
October.....	56,243,000	147	6,560,150	117	1,551,979	59
November.....	18,688,000	55	5,971,671	106	1,680,775	64
December.....	36,612,000	99	6,138,460	109	1,760,800	66
1920.						
January.....	48,689,000	131	5,713,319	102	1,982,000	76
February.....	40,127,000	116	4,913,664	94	1,731,000	71
March.....	46,792,000	126	.....	.....	2,025,000	77
April.....	37,966,000	102	.....	.....	1,602,167	61

*Crude petroleum.*  
[U. S. Geological Survey.]  
[Barrels of 42 gallons each.]

	Produced.		Stocks at end of month (barrels).		Produced.		Stocks at end of month (barrels).
	Barrels.	Relative.			Barrels.	Relative.	
1919.				1919.			
April.....	29,386,000	153	130,729,000	December.....	32,508,000	170	127,867,000
July.....	33,894,000	177	140,093,000	1920.			
August.....	33,862,000	177	136,467,000	January.....	33,989,000	177	127,164,000
September.....	33,667,000	176	137,131,000	February.....	33,212,000	186	126,339,000
October.....	33,319,000	174	135,461,000	March.....	36,461,000	190	125,597,000
November.....	32,114,000	168	131,601,000	April.....	36,349,000	190	124,873,000

*Total output of oil refineries in United States.*  
[Bureau of Mines.]

	Crude oil run (barrels).	Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).
1919.					
March.....	27,866,775	311,306,755	170,290,930	574,774,156	67,063,995
July.....	31,202,522	342,491,757	205,727,289	638,185,469	67,037,414
August.....	32,362,057	326,846,167	219,502,888	685,702,461	72,920,214
September.....	32,601,044	339,582,564	199,244,293	683,409,674	70,236,692
October.....	33,682,968	363,456,747	227,104,346	680,158,446	78,658,410
November.....	32,213,754	338,667,570	214,829,925	663,309,514	75,962,212
December.....	32,427,617	335,659,587	229,476,468	685,084,086	72,040,862
1920.					
January.....	30,815,160	336,719,157	195,956,392	617,555,156	75,878,635
February.....	29,208,723	322,588,697	194,523,334	589,684,857	74,243,073
March.....	33,592,004	367,137,678	191,110,175	686,945,963	81,818,973

STOCKS AT CLOSE OF MONTH.

	Crude oil run (barrels).	Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).
1919.					
Mar. 31.....	15,106,361	546,062,429	294,677,623	749,067,806	165,495,254
July 31.....	15,304,915	514,919,358	279,855,061	817,809,519	173,884,303
Aug. 31.....	15,131,549	434,531,446	296,065,646	830,329,785	170,572,819
Sept. 30.....	13,925,441	371,125,419	311,843,057	862,135,385	158,967,070
Oct. 31.....	14,091,945	354,160,071	329,160,795	828,574,452	152,536,736
Nov. 30.....	13,983,716	378,133,185	347,070,560	791,052,991	149,193,143
Dec. 31.....	13,143,285	446,793,431	339,319,690	714,124,455	137,318,934
1920.					
Jan. 31.....	13,200,727	515,934,364	327,548,646	652,080,901	141,690,177
Feb. 29.....	13,500,599	562,996,489	330,120,942	590,322,125	132,759,244
Mar. 31.....	14,346,458	626,393,046	334,617,117	580,182,868	130,630,597

*Iron and steel.*

[Great Lakes iron-ore movements, Marine Review; pig-iron production, Iron Age; steel-ingot production, American Iron and Steel Institute.]  
[Monthly average, 1911-1913=100; iron ore, monthly average, May-November, 1911-1913=100.]

	Iron-ore shipments from the upper Lakes.		Pig-iron production.		Steel-ingot production.		Unfilled orders U. S. Steel Corporation at close of month.	
	Gross tons.	Relative.	Gross tons.	Relative.	Gross tons.	Relative.	Gross tons.	Relative.
1919.								
April.....			2,478,218	107	2,239,711	93	4,800,685	91
July.....	9,173,429	151	2,428,541	105	2,508,176	104	5,578,661	106
August.....	4,423,153	73	2,743,388	118	2,746,081	114	6,109,103	116
September.....	8,178,483	135	2,487,965	107			6,284,638	119
October.....	6,201,883	102	1,863,558	80			6,472,668	123
November.....	3,152,319	52	2,392,350	103			7,128,330	135
December.....			2,633,268	114			8,265,366	137
1920.								
January.....			3,015,181	130	2,968,102	123	9,285,441	176
February.....			2,978,879	138	2,865,124	127	9,502,081	180
March.....			3,375,907	146	3,299,049	137	9,892,075	188
April.....			2,739,797	118	2,638,305	109	10,359,747	197

*Imports of pig tin.*

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Pounds.	Relative.		Pounds.	Relative.
1919.			1919.		
April.....	504,903	6	December.....	12,940,125	142
July.....	113,120	1	1920.		
August.....	9,872,459	109	January.....	8,772,953	97
September.....	11,087,403	122	February.....	13,925,843	164
October.....	16,210,512	178	March.....	11,980,019	132
November.....	15,233,671	168	April.....	10,345,130	114

*Raw stocks of hides and skins.*

[Bureau of Markets.]

[In pieces.]

	Cattle hides.	Calfskins.	Kipskins.	Goat.	Kid.	Cabretta.	Sheep and lamb.
1919.							
Apr. 30.....	5,256,384	1,845,254	421,474	12,080,410	724,209	1,520,522	9,095,816
July 31.....	4,966,081	2,389,368	554,516	15,589,944	1,964,828	2,767,694	6,815,160
Aug. 31.....	5,498,844	2,145,320	585,269	18,263,446	880,276	2,348,769	7,126,885
Sept. 30.....	6,158,289	2,055,084	947,546	16,749,664	823,740	2,736,802	8,661,215
Oct. 31.....	6,436,765	2,007,208	1,097,039	15,302,942	2,239,604	2,574,499	10,122,930
Nov. 30.....	6,918,534	1,844,737	1,188,173	14,248,671	331,389	2,684,084	9,398,712
Dec. 31.....	7,349,146	2,117,442	1,122,156	15,984,179	752,055	2,092,425	9,296,812
1920.							
Jan. 31.....	6,773,360	1,920,184	1,036,372	13,474,529	927,436	1,893,614	8,902,037
Feb. 29.....	6,559,337	1,859,697	1,141,620	15,968,660	665,524	2,197,683	9,460,914
Mar. 31.....	6,558,300	1,930,218	966,850	15,968,660	468,188	2,047,519	9,227,252
Apr. 30.....	6,057,770	2,278,013	831,237	14,666,558	156,871	1,933,099	8,911,154

NOTE.—Figures for Apr. 30 are provisional.

*Textiles.*

[Silk, Department of Commerce; cotton, Bureau of the Census; wool, Bureau of Markets; idle machinery, January-September, 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.		
1919.												
April.....	475,875	106	33,208,670	39,159,945	48.4	38.9	26.5	34.2	28.4	36.1	2,988,838	146
July.....	510,328	113	34,171,690	54,973,093	22.0	26.0	9.7	7.6	8.9	13.5	5,202,407	254
August.....	502,536	112	34,187,310	48,938,476	22.1	24.9	9.4	6.5	8.9	10.9	3,802,500	186
September.....	491,313	109	34,216,662	52,985,061	19.9	22.8	8.1	5.5	7.9	12.8	6,755,271	330
October.....	555,344	123	34,307,367	60,018,415	16.0	20.7	8.2	5.9	7.7	7.2	3,955,845	193
November.....	490,698	109	34,483,775	52,428,854	14.8	18.2	7.6	5.3	6.7	6.7	4,841,407	237
December.....	511,585	114	34,594,214	55,566,253	13.9	19.1	10.5	5.3	8.4	6.2	3,576,585	175
1920.												
January.....	591,725	132	34,739,071	63,059,862	14.5	18.5	8.8	7.2	9.1	10.2	4,855,989	237
February.....	516,594	123	34,668,643	55,247,652	12.2	17.6	7.6	6.9	7.1	7.9	3,696,121	194
March.....	575,704	128	34,667,747	58,344,602	14.9	19.8	9.8	7.0	10.3	11.7	2,491,651	122
April.....	567,839	126	34,346,737	57,887,832	13.1	16.9	9.6	7.1	9.5	7.0	3,227,857	109
May.....					15.2	18.2	10.6	6.7	11.5	7.0		

*Production of wood pulp and paper.*

[Federal Trade Commission.]

[Net tons.]

	Wood pulp.	News print.	Book.	Paper board.	Wrapping.	Fine.		Wood pulp.	News print.	Book.	Paper board.	Wrapping.	Fine.
1919.							1919.						
April.....	284,984	116,278	67,628	138,802	48,158	22,470	December.....	306,617	122,781	88,779	174,649	62,288	31,014
July.....	260,685	113,929	75,613	169,593	63,769	30,036	1920.						
August.....	260,987	113,413	82,737	189,782	64,861	33,122	January.....	302,541	129,663	96,419	211,934	70,109	32,886
September.....	266,915	111,434	81,024	184,897	63,353	31,923	February.....	266,191	114,235	85,532	176,855	61,574	29,202
October.....	308,710	125,216	89,440	202,524	67,110	34,808	March.....	327,143	127,847	95,851	207,863	68,403	33,671
November.....	324,488	116,603	84,085	182,940	63,394	32,468	April.....	350,194	128,269	95,251	199,395	75,347	33,493

## Sale of revenue stamps for manufactures of tobacco in the United States (excluding Porto Rico and Philippine Islands).

[Commissioner of Internal Revenue.]

	Cigars.		Cigarettes.	Manu- factured tobacco.		Cigars.		Cigarettes.	Manu- factured tobacco.
	Large.	Small.	Small.			Large.	Small.	Small.	
1919.	<i>Number.</i>	<i>Number.</i>	<i>Number.</i>	<i>Pounds.</i>	1919.	<i>Number.</i>	<i>Number.</i>	<i>Number.</i>	<i>Pounds.</i>
March.....	549,098,351	84,493,873	3,845,079,275	29,227,678	November.....	655,421,893	56,080,813	4,768,593,203	32,965,088
July.....	569,908,339	47,500,287	3,585,030,983	33,838,667	December.....	662,046,997	45,491,540	4,578,641,450	29,409,443
August.....	533,227,393	54,953,647	3,918,403,687	35,568,246	1920.				
September.....	575,777,829	53,735,960	4,283,247,387	36,623,005	January.....	663,634,243	58,837,900	4,528,760,833	33,608,313
October.....	677,622,154	64,170,793	5,028,875,337	39,335,546	February.....	593,832,200	43,358,500	3,536,117,847	31,531,460
					March.....	753,239,958	55,052,100	4,373,778,917	38,422,481

## Output of locomotives and cars.

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

	Locomotives.		Output of cars.				Locomotives.		Output of cars.		
	Domes- tic shipped.	Foreign com- pleted.	Domes- tic.	Foreign.	Total.		Domes- tic shipped.	Foreign com- pleted.	Domes- tic.	Foreign.	Total.
1919.	<i>Number.</i>	<i>Number.</i>	<i>Number.</i>	<i>Number.</i>	<i>Number.</i>	1919.	<i>Number.</i>	<i>Number.</i>	<i>Number.</i>	<i>Number.</i>	<i>Number.</i>
April.....	197	36	7,777	7,373	15,150	December.....	103	42	4,506	2,428	6,934
July.....	121	73	2,777	6,936	9,713	1920.					
August.....	160	173	18,509	5,015	23,524	January.....	48	22	4,650	1,914	6,564
September.....	111	51	19,980	4,302	24,282	February.....			3,960	1,066	5,026
October.....	89	55	10,445	3,715	14,160	March.....			3,053	2,040	5,093
November.....	39	23	8,967	2,622	11,589	April.....			2,313	1,934	4,247

## 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.
April.....	245	397,628	1,645	1920.			
July.....	238	455,338	1,884	January.....	115	253,680	1,050
August.....	202	378,858	1,568	February.....	140	267,231	1,185
September.....	210	357,519	1,479	March.....	170	279,709	1,157
October.....	143	347,051	1,436	April.....	164	251,442	1,040
November.....							

## Tonnage of vessels cleared in the foreign trade.

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Net tonnage.				Per- cent- age Ameri- can to total.	Rela- tive.		Net tonnage.				Per- cent- age Ameri- can to total.	Rela- tive.
	American.	Foreign.	Total.	Rela- tive.				American.	Foreign.	Total.	Rela- tive.		
1919.							1919.						
April.....	1,744,753	2,058,220	3,802,973	98	45.9	181	December.....	2,043,675	1,733,923	3,777,598	97	54.1	214
July.....	2,362,571	2,920,247	5,282,818	136	44.7	177	1920.						
August.....	2,957,249	2,797,818	5,755,067	148	51.4	203	January.....	1,933,385	1,949,798	3,883,183	100	49.8	197
September.....	2,627,480	2,481,676	5,109,156	131	51.4	203	February.....	1,702,407	1,628,212	3,330,619	92	51.1	202
October.....	2,645,778	2,073,560	4,719,338	121	56.1	222	March.....	1,836,716	2,040,538	3,877,254	100	47.4	187
November.....	2,251,871	1,910,489	4,162,360	107	54.1	214	April.....	2,504,038	1,960,634	4,464,672	115	56.1	222

## Net ton-miles, revenue and nonrevenue.

[United States Railroad Administration.]

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

**GOLD SETTLEMENT FUND.**

From July 1, 1918, when the Board began effecting daily settlements through the gold fund, until March 1 of the present year, settlements were made each morning of credits wired to the Board as at close of business on the previous day by each Federal Reserve Bank and direct settling branch. This resulted in considerably increasing the "float" carried by some of the Federal Reserve Banks for other Federal Reserve Banks on account of payments for checks being received by the collecting Federal Reserve Bank one day in advance of payment through the gold-settlement fund. Beginning with the settlement for March 1 each Federal Reserve Bank and direct settling branch began telegraphing to the Board the gross amounts collected for the account of each other Federal Reserve Bank and direct settling branch before the final closing of the books for the day. The settlement is now made by the Board and telegrams are dispatched to each bank and direct settling branch so as to reach them in advance of the opening for business on the following morning, when the necessary entries are made and the books finally closed for the preceding day.

Continued extension of the Federal Reserve check-clearing system, both through the addition of banks to the par list and through the increased use of the system by member banks, is evidenced by the volume of clearings effected through the gold-settlement fund during the three-month period ending May 20, 1920. Total clearings aggregated \$21,756,273,548, an increase of about 6 per cent over the previous record total of \$20,586,346,000 reported for the three months ending February 19, 1920.

Transfers of funds between the Federal Reserve Banks aggregated \$1,472,168,693, as compared with \$1,616,126,000 for the three preceding months. The substantial decrease in the volume of these transfers arises in part from the smaller amounts transferred from the interior to New York on Government account. The March 15 tax payments are reflected primarily in the increased volume of clearings through the fund during the week ending March 18, and to a lesser extent in interbank transfers during the week ending March 25. The record figures for clearings and transfers combined shown for the week ending April 22 result from the larger volume of stock-exchange transactions in the New York market, payment for

Treasury certificates issued during the week, and from April 15 interest payments on the third Liberty loan.

Operations of the New York bank through the fund resulted in a net gain through settlements of \$113,544,603 and a net loss through transfers of \$98,064,520, thus indicating a net movement of funds to New York of \$15,480,083. Increases in gold holdings through settlements and transfers are also shown for the other three eastern and the San Francisco banks, while substantial losses are shown for all other Federal Reserve Banks.

Net deposits of gold in the banks' fund aggregating \$130,362,883 were largely offset by net transfers of \$112,439,500 to the agents' fund; this resulted in an increase in the banks' aggregate balances in the fund by \$17,923,383. The agents' fund was credited with the amounts transferred from the banks (\$202,400,000) and charged with withdrawals aggregating \$89,960,500. On May 20, 1920, the aggregate balances in the two funds stood at \$1,132,392,701, or \$49,987,117 less than on February 19, 1920.

Below are given figures showing operations of the two funds for the period from February 20 to May 20, 1920, inclusive:

*Amounts of clearings and transfers through the gold-settlement fund by Federal Reserve Banks from Feb. 20, 1920, to May 20, 1920, both inclusive.*

	Total clearings.	Transfers.
Settlements of—		
Feb. 20-26.....	\$1,418,059,453.47	\$63,790,562.38
Feb. 27-Mar. 4.....	1,895,533,571.19	68,240,994.07
Mar. 5-11.....	1,586,347,811.52	76,648,280.98
Mar. 12-18.....	1,837,500,198.50	79,443,537.79
Mar. 19-25.....	1,788,766,292.08	157,915,618.74
Mar. 26-Apr. 1.....	1,704,038,103.69	148,169,546.28
Apr. 2-8.....	1,575,107,400.72	70,507,494.03
Apr. 9-15.....	1,705,828,748.22	93,081,038.42
Apr. 16-22.....	1,810,490,091.81	191,595,884.51
Apr. 23-29.....	1,607,169,703.21	127,194,595.59
Apr. 30-May 6.....	1,556,394,664.48	154,428,112.69
May 7-13.....	1,532,103,551.90	104,808,287.68
May 14-20.....	1,733,933,956.99	136,344,378.32
Total.....	21,756,273,547.78	1,472,168,693.28
Previously reported for 1920.....	11,277,236,059.70	966,485,397.86
Total since Jan. 1, 1920.....	33,033,509,607.48	2,438,654,091.14
Total for 1919.....	66,053,394,214.47	7,930,857,773.95
Total for 1918.....	45,439,487,000.00	4,812,105,000.00
Total for 1917.....	24,319,200,000.00	2,835,504,000.00

*Clearings and transfers.*

Total for 1920 to date.....	\$35,472,163,698.62
Total for 1919.....	73,984,251,988.42
Total for 1918.....	50,251,592,000.00
Total for 1917.....	27,154,704,000.00
Total for 1916.....	5,533,966,000.00
Total for 1915.....	1,052,649,000.00

Total clearings and transfers from May 20, 1915, to May 20, 1920.....	193,449,326,687.04
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Changes in ownership of gold.

Federal Reserve Bank.	Total to Feb. 20, 1920.		From Feb. 20, 1920, to May 20, 1920, inclusive.				Total changes from May 20, 1915, to May 20, 1920.	
	Decrease.	Increase.	Balance to credit Feb. 19, 1920, plus net deposits of gold since that date.	Balance May 20, 1920.	Decrease.	Increase.	Decrease.	Increase.
Boston.....		\$21,736,559.82	\$5,870,165.39	\$27,647,867.71		\$21,777,702.32		\$43,514,262.14
New York.....	\$820,919,955.18		112,543,697.24	128,023,780.62		15,480,083.38		805,439,871.80
Philadelphia.....		25,618,217.07	16,482,749.07	31,293,211.88		14,810,462.81		40,428,679.88
Cleveland.....		128,055,716.56	13,610,831.65	47,048,824.46		50,659,656.11		178,715,372.67
Richmond.....		32,565,720.82	28,405,009.66	14,664,487.85	\$13,740,521.81			18,825,199.01
Atlanta.....		65,432,802.56	15,655,772.49	6,449,879.50	9,205,892.99			56,226,909.57
Chicago.....		62,104,373.74	109,299,620.87	58,414,175.08	50,885,445.79			11,218,927.95
St. Louis.....		78,391,358.12	21,645,550.51	9,388,893.01	12,256,657.50			66,134,700.62
Minneapolis.....		7,049,792.92	17,943,523.04	8,292,274.68	9,651,248.36		2,601,455.44	
Kansas City.....		38,473,581.51	35,909,377.93	26,679,066.80	9,230,311.13			29,243,270.38
Dallas.....		47,222,057.66	17,564,559.08	7,619,011.86	9,945,547.22			37,276,510.44
San Francisco.....		314,269,774.40	27,832,147.39	40,019,867.57		12,187,720.18		326,457,464.58
Total.....	\$20,919,955.18	\$20,919,955.18	405,541,341.02	405,541,341.02	114,915,624.80	114,915,624.80	808,041,327.24	808,041,327.24

<sup>1</sup> Excess of withdrawals over balance Feb. 19, 1920, and deposits since that date.

Combined statement from Feb. 20, 1920, to May 20, 1920, inclusive.

GOLD SETTLEMENT FUND.

Federal Reserve Bank of—	Balance last statement, Feb. 19, 1920.	Gold withdrawals.	Gold deposits.	Aggregate withdrawals and transfers to agent's fund.	Aggregate deposits and transfers from agent's fund.	Transfers.	
						Debits.	Credits.
Boston.....	\$39,394,274.39	\$524,109.00	\$7,000,000.00	\$40,524,109.00	\$7,000,000.00	\$220,468,493.15	\$91,929,327.77
New York.....	39,990,637.24	29,446,940.00	97,000,000.00	44,446,940.00	117,000,000.00	305,959,135.77	207,894,615.74
Philadelphia.....	30,090,504.07	607,755.00	17,000,000.00	32,107,755.00	18,500,000.00	259,443,192.16	249,462,952.90
Cleveland.....	36,724,758.93	27,896,265.58	2,560,675.00	42,896,265.58	2,560,675.00	272,287,095.89	110,467,070.74
Richmond.....	30,565,744.66	3,430,735.00	26,770,000.00	28,930,735.00	26,770,000.00	132,938,208.20	164,094,072.72
Atlanta.....	20,772,407.49	150,485.00	13,533,850.00	18,650,485.00	13,533,850.00	22,000,000.00	22,999,754.50
Chicago.....	75,216,620.87		14,083,000.00		34,083,000.00	41,100,000.00	189,667,060.81
St. Louis.....	12,240,818.01	13,195,267.50	21,500,000.00	20,795,267.50	30,200,000.00	14,500,000.00	122,001,976.27
Minneapolis.....	17,860,023.04	1,500,000.00	3,383,500.00	4,300,000.00	4,383,500.00	63,126,000.00	88,772,056.33
Kansas City.....	37,983,817.93	484,805.00	1,410,365.00	5,484,805.00	3,410,365.00	49,745,932.18	70,989,932.45
Dallas.....	14,656,704.08	7,232,355.00	11,140,210.00	12,232,355.00	15,140,210.00	65,000,000.00	114,887,938.33
San Francisco.....	32,121,647.39	27,000,000.00	26,450,000.00	63,500,000.00	59,210,500.00	25,600,635.93	39,001,934.22
Total.....	387,617,958.10	111,468,717.08	241,831,600.00	313,868,717.08	331,792,100.00	1,472,168,693.28	1,472,168,693.28

Federal Reserve Bank of—	Settlements from Feb. 20, 1920, to May 20, 1920, both inclusive.				Balance in fund at close of business May 20, 1920.	Summary of changes in ownership of gold by banks through transfers and settlements.	
	Net debits.	Total debits.	Total credits.	Net credits.		Decrease.	Increase.
Boston.....		\$1,725,978,533.56	\$1,876,295,401.26	\$150,316,867.70	\$27,647,867.71		\$21,777,702.32
New York.....		5,792,703,403.84	5,906,248,007.25	113,544,603.41	128,023,780.62		15,480,083.38
Philadelphia.....		2,007,035,695.51	2,031,826,397.58	24,790,702.07	31,293,211.88		14,810,462.81
Cleveland.....		1,691,068,877.62	1,903,548,558.88	212,479,681.26	47,048,824.46		50,659,656.11
Richmond.....	\$44,896,386.33	1,858,964,384.23	1,814,067,997.90		14,664,487.85	\$13,740,521.81	
Atlanta.....	10,205,647.49	700,085,157.15	689,879,509.66		6,449,879.50	9,205,892.99	
Chicago.....	199,452,506.60	3,062,631,961.05	2,863,179,454.45		58,414,175.08	50,885,445.79	
St. Louis.....	119,758,633.77	1,706,569,800.03	1,586,811,166.26		9,388,893.01	12,256,657.50	
Minneapolis.....	35,297,305.19	519,367,092.73	484,069,787.54		8,292,274.68	9,651,248.36	
Kansas City.....	30,474,311.40	1,256,414,288.87	1,225,939,977.47		26,679,066.80	9,230,311.13	
Dallas.....	59,833,485.55	737,142,164.78	677,308,679.23		7,619,011.86	9,945,547.22	
San Francisco.....	1,213,578.11	698,312,188.41	697,098,610.30		40,019,867.57		12,187,720.18
Total.....	501,131,854.44	21,756,273,547.78	21,756,273,547.78	501,131,854.44	405,541,341.02	114,915,624.80	114,915,624.80

Combined statement from Feb. 20, 1920, to May 20, 1920, inclusive—Continued.

FEDERAL RESERVE AGENTS' FUND.

Federal Reserve Agent at—	Balance last statement, Feb. 19, 1920.	Gold withdrawals.	Gold deposits.	Withdrawals for transfers to bank.	Deposits through transfers from banks.	Total withdrawals.	Total deposits.	Balance at close of business May 20, 1920.
Boston.....	\$60,000,000	\$33,000,000	\$25,000,000	.....	\$40,000,000	\$33,000,000	\$65,000,000	\$92,000,000
New York.....	105,000,000	20,000,000	.....	\$20,000,000	15,000,000	40,000,000	15,000,000	80,000,000
Philadelphia.....	67,839,260	25,000,000	.....	1,500,000	31,500,000	26,500,000	31,500,000	72,839,260
Cleveland.....	80,000,000	.....	.....	.....	15,000,000	.....	15,000,000	95,000,000
Richmond.....	33,000,000	21,000,000	.....	.....	25,500,000	.....	21,000,000	37,500,000
Atlanta.....	50,000,000	21,500,000	.....	.....	18,500,000	.....	15,500,000	47,000,000
Chicago.....	200,144,500	50,000,000	13,000,000	20,000,000	.....	.....	70,000,000	143,144,500
St. Louis.....	51,930,600	22,000,000	10,400,000	8,700,000	7,600,000	30,700,000	18,000,000	39,230,600
Minneapolis.....	19,300,000	2,500,000	.....	1,000,000	2,800,000	.....	3,500,000	18,600,000
Kansas City.....	33,860,000	14,000,000	10,000,000	2,000,000	5,000,000	16,000,000	15,000,000	32,860,000
Dallas.....	17,484,000	12,000,000	4,750,000	4,000,000	.....	.....	9,750,000	11,234,000
San Francisco.....	76,133,500	22,500,000	.....	32,760,500	36,500,000	55,260,500	36,500,000	57,393,000
Total.....	794,761,860	243,500,000	63,150,000	89,960,500	202,400,000	333,460,500	265,550,000	726,851,360

BANK TRANSACTIONS DURING APRIL-MAY.

In the following table are shown debits to individual account for the four weeks ending May 19 of the present year and for the corresponding weeks of 1919, as reported to the Federal Reserve Banks by the country's more important clearing houses. A recapitulation by Federal Reserve districts presents a comparison of figures for 153 centers for which uniform reports are available for each of the eight weeks under consideration.

Fluctuations of the aggregate debits for the four weeks of the present year were comparatively slight, the largest total of 9,587 millions being reported for the week

ending May 5, during which end-of-month payments of dividends and interest increased the volume of check transactions, and the smallest total of 9,348 millions—for the week ending May 21, which saw an unusually small volume of stock-exchange trading. The figures for the four weeks of 1919, on the other hand, show a constant increase from 7,638 millions for the week ending April 30 to 9,056 millions for the week ending May 21. This increase in check transactions is attributable to a considerable extent to the progress and consummation of the Victory loan campaign which took place during that period.

Debits to individual account at clearing-house banks.

[In thousands of dollars.]

Federal Reserve district.	1920 Week ending—				1919 Week ending—			
	Apr. 23.	May 5.	May 12.	May 19.	Apr. 30.	May 7.	May 14.	May 21.
No. 1—Boston:								
Bangor.....	5,310	3,617	3,591	3,837	2,294	3,156	3,354	3,501
Boston.....	302,232	297,204	320,228	318,040	221,380	245,267	245,172	293,825
Fall River.....	9,315	11,633	10,298	10,064	6,740	8,676	8,689	8,302
Hartford.....	22,628	27,125	29,768	24,509	18,792	22,906	20,799	23,058
Holyoke.....	4,786	4,358	4,113	4,835	2,646	2,757	2,026	3,376
Lowell.....	6,217	5,896	6,297	7,022	4,365	4,774	4,072	5,011
Manchester.....	4,677	5,008	5,055	5,194	.....	.....	.....	.....
New Bedford.....	9,108	8,416	9,710	11,430	6,255	6,286	6,492	7,783
New Haven.....	17,506	20,916	21,121	20,337	15,007	16,186	16,579	16,518
Portland.....	9,588	8,833	8,411	8,694	.....	.....	.....	.....
Providence.....	38,163	43,224	40,429	45,762	29,511	27,284	33,517	34,813
Springfield.....	16,871	17,266	15,397	19,966	9,399	9,128	9,932	11,014
Waterbury.....	6,907	7,327	7,203	8,771	5,588	5,857	6,714	6,390
Worcester.....	19,276	19,674	20,209	21,991	12,017	12,957	15,753	19,194
No. 2—New York:								
Albany.....	25,561	36,897	28,623	22,058	22,888	27,679	22,336	31,357
Binghamton.....	4,143	4,613	4,884	4,908	3,232	3,308	3,392	3,522
Buffalo.....	61,824	69,781	68,499	72,054	56,783	57,300	55,526	60,817
New York.....	5,008,128	4,830,094	4,666,599	4,515,498	4,130,527	4,075,444	4,668,252	4,992,589
Passaic.....	5,934	4,940	5,583	6,207	3,255	3,644	3,627	4,125
Rochester.....	30,788	34,662	31,221	35,298	23,451	27,449	24,718	30,040
Syracuse.....	16,684	18,852	16,348	19,709	12,651	14,292	11,913	11,181
No. 3—Philadelphia:								
Altoona.....	3,685	3,291	3,692	3,485	2,539	3,104	2,980	2,855
Chester.....	5,303	5,708	5,705	5,688	4,091	4,285	4,393	4,813
Harrisburg.....	4,322	3,933	3,800	3,846	4,500	4,370	4,527	4,386
Johnstown.....	4,274	4,588	4,384	3,938	3,212	3,404	3,206	3,714
Lancaster.....	5,381	5,340	5,488	5,952	4,325	4,573	5,059	5,260
Philadelphia.....	350,597	365,058	377,033	378,693	275,981	298,083	296,010	301,608
Reading.....	5,920	5,278	5,540	5,905	3,520	4,047	4,859	4,372

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

[In thousands of dollars.]

Federal Reserve district.	1920 Week ending—				1919 Week ending—			
	Apr. 28.	May 5.	May 12.	May 19.	Apr. 30.	May 7.	May 14.	May 21.
<b>No. 3—Philadelphia—Continued.</b>								
Scranton.....	15,645	12,992	16,362	12,514	12,276	10,339	12,384	11,854
Trenton.....	11,341	13,303	12,269	14,176	9,058	9,073	9,790	10,603
Wilkes-Barre.....	8,064	9,393	8,311	8,140	6,952	6,901	6,611	6,418
Williamsport.....	3,938	4,105	4,352	3,609	3,112	4,133	3,360	3,356
Wilmington.....	7,888	8,328	8,489	8,474	9,164	9,907	8,555	11,110
York.....	4,724	4,247	4,746	4,926	3,355	3,744	3,299	4,088
<b>No. 4—Cleveland:</b>								
Akron.....	23,127	23,161	29,968	32,752	17,400	18,056	20,427	21,616
Cincinnati.....	54,889	63,102	58,550	67,385	45,379	51,968	49,745	59,204
Cleveland.....	150,646	164,926	159,309	176,820	126,974	139,576	129,950	141,096
Columbus.....	27,732	26,737	26,722	29,388	20,736	24,268	24,694	26,513
Dayton.....	11,672	12,425	12,286	12,135	10,192	11,117	10,814	14,088
Erie.....	7,137	9,232	7,732	8,064	5,960	5,869	6,252	6,899
Greensburg.....	5,195	4,503	3,710	5,317	2,110	2,176	2,575	2,750
Lexington.....	5,423	5,511	5,496	5,209	4,410	4,913	4,930	5,020
Oil City.....	2,925	3,634	3,223	3,267	2,390	3,063	3,028	3,940
Pittsburgh.....	217,975	194,905	193,550	186,193	171,517	143,648	150,524	172,256
Springfield.....	3,561	3,059	3,645	3,207	3,041	2,671	2,941	2,752
Toledo.....	31,769	30,926	33,264	44,777	23,314	27,430	26,572	36,077
Wheeling.....	10,339	8,852	8,839	7,982	7,381	7,674	7,994	8,465
Youngstown.....	14,232	13,465	13,524	12,046	12,820	12,400	12,424	13,021
<b>No. 5—Richmond:</b>								
Baltimore.....	101,350	115,737	102,794	113,920	69,595	81,709	78,666	82,195
Charleston.....	10,755	11,706	11,300	11,980	6,995	9,352	7,857	8,417
Charlotte.....	9,225	8,513	9,050	10,510	5,500	5,400	5,600	5,900
Columbia.....	6,338	8,248	7,520	8,832	5,283	6,508	6,627	6,811
Norfolk.....	13,565	22,134	18,113	20,091	16,792	21,852	18,477	21,110
Raleigh.....	4,430	3,800	4,700	4,800	7,800	4,100	3,600	3,300
Richmond.....	34,230	36,904	23,499	27,957	20,665	21,281	20,732	29,635
<b>No. 6—Atlanta:</b>								
Atlanta.....	29,190	33,249	32,912	37,323	23,907	24,333	23,798	27,274
Augusta.....	9,399	10,873	9,115	8,976	6,276	6,910	6,503	6,629
Birmingham.....	16,699	19,833	17,273	17,468	10,031	14,037	12,545	12,846
Chattanooga.....	11,193	13,008	12,374	14,359	7,205	10,029	9,029	12,338
Jacksonville.....	13,260	15,653	14,744	15,233	10,111	11,781	11,134	11,487
Knoxville.....	6,687	7,421	6,893	7,462	4,966	5,791	5,333	5,892
Macon.....	6,625	8,542	7,149	8,633	5,654	6,382	6,481	5,977
Mobile.....	8,153	10,104	9,305	9,577	6,129	6,595	6,870	7,318
Montgomery.....	4,084	5,223	5,023	5,285	4,066	4,901	4,274	4,390
Nashville.....	26,528	26,248	28,684	27,556	18,743	20,701	22,323	23,751
New Orleans.....	89,098	85,934	74,003	80,372	55,861	63,082	55,111	68,505
Pensacola.....	1,945	2,707	2,280	2,780	1,919	2,149	2,465	1,984
Savannah.....	16,731	19,641	18,490	17,641	11,099	12,483	11,751	13,378
Tampa.....	5,222	7,596	6,901	7,061	4,160	5,710	5,387	4,685
Vicksburg.....	1,958	2,308	2,320	2,060	1,718	1,733	1,804	1,752
<b>No. 7—Chicago:</b>								
Bay City.....	3,173	3,066	3,181	3,447	2,175	2,600	2,456	2,340
Bloomington.....	2,762	3,143	2,620	2,800	3,062	2,636	2,762	2,454
Cedar Rapids.....	8,638	7,584	8,114	7,436	3,345	6,994	5,636	4,969
Chicago.....	664,651	816,999	685,225	745,406	584,085	640,575	574,933	644,653
Davenport.....	8,504	9,974	7,154	8,473	6,992	8,052	5,889	7,988
Decatur.....	3,446	4,594	3,861	4,121	3,424	4,138	3,391	3,322
Des Moines.....	21,832	21,866	23,888	22,776	17,118	17,091	18,730	17,416
Detroit.....	136,379	156,036	134,229	169,916	103,144	100,875	111,422	135,082
Dubuque.....	4,313	3,890	3,936	3,897	2,342	2,244	2,329	2,402
Flint.....	10,126	10,140	9,322	12,171	5,615	9,379	3,522	9,379
Fort Wayne.....	7,537	8,724	8,039	8,612	5,140	5,677	4,837	6,124
Grand Rapids.....	23,141	23,570	21,910	23,581	17,630	14,395	17,030	14,704
Indianapolis.....	33,971	35,687	41,920	44,253	27,470	24,941	31,311	33,570
Jackson.....	5,000	4,800	4,720	5,813	3,457	3,686	3,557	4,142
Kalamazoo.....	5,087	5,346	5,017	5,197	2,974	3,427	3,107	3,329
Lansing.....	5,682	6,338	6,506	7,298	4,182	5,126	4,345	4,817
Milwaukee.....	60,007	72,409	67,352	74,400	45,344	58,072	52,262	57,400
Peoria.....	9,847	11,653	11,337	11,324	10,793	12,205	13,020	12,087
Rockford.....	6,462	7,281	6,662	6,391	4,209	5,240	4,304	4,555
Sioux City.....	17,866	19,082	18,961	17,698	15,438	12,181	17,035	15,595
South Bend.....	3,888	4,782	5,528	5,739	3,174	3,854	2,918	3,417
Springfield.....	4,514	5,609	5,014	6,379	5,614	5,859	2,526	5,797
Waterloo.....	4,160	4,979	4,612	4,371	3,425	3,763	3,391	3,489
<b>No. 8—St. Louis:</b>								
Evansville.....	5,712	5,568	6,055	5,616	5,711	5,285	4,746	5,453
Little Rock.....	8,614	10,902	10,274	10,447	6,542	8,902	7,953	7,416
Louisville.....	31,756	36,580	36,321	36,465	32,195	33,575	35,353	40,823
Memphis.....	31,988	30,983	33,070	34,504	24,640	27,089	26,314	27,954
St. Louis.....	137,877	153,615	142,037	166,853	123,950	122,549	120,255	151,045
<b>No. 9—Minneapolis:</b>								
Aberdeen.....	1,709	2,040	1,880	1,904	1,270	1,823	1,926	1,616
Billings.....	2,486	2,624	2,415	2,192	2,166	2,464	2,360	2,331
Duluth.....	24,681	24,490	23,038	22,824	28,728	19,693	22,517	21,721
Fargo.....	3,321	3,541	2,992	3,619	1,867	1,392	2,614	3,307
Grand Forks.....	1,756	2,066	1,971	1,826	1,218	1,814	1,817	1,631
Great Falls.....	1,948	1,897	1,893	1,909	2,522	3,336	2,871	2,597
Helena.....	2,376	2,681	2,658	2,527	1,831	2,522	2,561	2,169
Minneapolis.....	77,253	91,039	87,177	92,625	70,177	79,013	75,751	77,637
St. Paul.....	35,572	34,244	32,824	33,946	34,468	29,919	35,401	41,142
Sioux Falls.....	5,692	7,475	6,813	7,961	7,716	7,716	7,716	7,716
Superior.....	2,036	2,135	1,990	2,015	1,716	2,072	2,048	2,063
Winona.....	1,346	1,288	1,283	1,194	903	1,038	1,145	892



Debits to individual account at clearing house banks—Continued.

[In thousands of dollars.]

Federal Reserve district.	1920 Week ending—				1919 Week ending—			
	Apr. 28.	May 5.	May 12.	May 19.	Apr. 30.	May 7.	May 14.	May 21.
<b>No. 10—Kansas City:</b>								
Atchison.....	557	556	507	615				
Bartlesville.....	3,644	5,171	4,950	3,096	2,601	2,339	2,890	2,841
Cheyenne.....	1,327	1,961	1,852	1,815				
Colorado Springs.....	3,192	3,344	3,684	3,114	2,309	2,603	3,291	4,032
Denver.....	43,707	49,616	45,882	43,433	30,074	35,313	34,313	35,642
Joplin.....	3,433	3,934	4,165	3,942	2,605	2,772	2,964	3,214
Kansas City, Kans.....	3,297	3,993	3,543	3,369	3,461	3,509	3,034	3,556
Kansas City, Mo.....	79,627	88,865	89,362	97,843	87,312	105,666	88,625	95,147
Muskogee.....	5,137	5,494	4,599	5,009	3,224	2,833	3,116	3,124
Oklahoma City.....	19,720	22,435	26,265	23,598	11,059	13,287	11,740	12,587
Omaha.....	57,293	61,381	60,218	75,067	46,758	55,216	59,147	64,965
Pueblo.....	4,065	4,075	4,501	4,969	2,827	4,637	5,192	4,473
St. Joseph.....	23,037	25,869	23,885	18,546	19,960	21,276	21,495	20,742
Topeka.....	6,487	6,644	5,723	6,087	4,742	4,388	4,766	5,178
Tulsa.....	32,006	26,540	28,575	28,215	20,209	17,470	20,621	19,928
Wichita.....	13,260	13,949	14,428	14,694	8,799	11,868	9,792	9,864
<b>No. 11—Dallas:</b>								
Albuquerque.....	1,650	2,082	1,821	2,020	919	1,772	1,491	1,676
Austin.....	3,617	3,796	3,941	3,441	2,890	4,362	3,863	4,507
Beaumont.....	5,314	4,566	4,914	5,066	4,141	3,616	3,631	4,011
Dallas.....	34,296	39,596	37,287	42,081	30,599	31,813	29,534	33,665
El Paso.....	9,115	11,085	11,127	11,111	7,500	7,192	7,447	7,639
Fort Worth.....	26,602	25,054	22,357	24,983	16,009	18,359	18,948	22,595
Galveston.....	9,100	8,170	7,988	9,286	6,032	7,710	5,571	6,502
Houston.....	40,000	32,022	33,879	39,149	26,612	30,146	26,420	29,395
San Antonio.....	8,878	8,284	8,437	8,450				
Shreveport.....	9,202	5,557	13,214	10,151	5,203	5,700	5,672	6,086
Texasarkana.....	2,153	2,509	2,279	2,525	1,333	1,291	1,818	1,920
Tucson.....	1,682	1,975	2,008	2,130	1,909	1,787	1,661	1,728
Waco.....	3,890	3,815	4,158	4,365	2,650	2,345	2,750	2,941
<b>No. 12—San Francisco:</b>								
Berkeley.....	2,408	2,601	3,556	2,892	1,952	2,449	2,216	2,236
Boise.....	2,474	3,079	4,093	3,249	2,401	2,642	2,774	2,404
Fresno.....	8,816	7,098	10,307	12,359	5,561	6,108	6,809	6,835
Long Beach.....	5,287	5,223	6,226	5,395	3,248	3,225	3,527	3,104
Los Angeles.....	98,079	90,611	102,490	86,256	67,070	75,656	64,340	68,903
Oakland.....	20,549	19,454	23,091	23,386	11,967	13,981	13,481	15,500
Ogden.....	3,482	4,130	4,193	2,791	4,115	4,097	4,002	4,581
Pasadena.....	5,572	5,283	6,517	6,415	3,059	3,966	5,094	3,501
Portland.....	42,943	44,771	50,524	47,162	37,136	46,975	41,314	42,457
Reno.....	2,839	2,517	2,953	2,803	2,633	2,606	2,366	2,851
Sacramento.....	13,038	12,176	15,118	12,077	12,000	12,669	12,423	12,597
Salt Lake City.....	17,463	19,142	17,468	16,998	14,143	14,845	15,049	17,362
San Diego.....	7,110	7,867	9,521	8,504	4,443	6,515	5,309	4,851
San Francisco.....	214,729	207,869	223,072	228,314	144,082	159,257	165,557	170,654
San Jose.....	4,422	4,810	5,593	5,784	3,589	3,868	3,501	3,554
Seattle.....	42,680	49,354	48,407	52,707	37,892	37,542	47,212	46,906
Spokane.....	12,523	13,669	12,860	14,217	8,380	9,891	11,597	10,144
Stockton.....	3,593	4,136	6,240	5,719	3,801	5,793	6,090	6,573
Tacoma.....	11,807	12,371	12,443	13,047	9,392	10,361	12,314	11,984
Yakima.....	3,656	3,462	3,778	3,411	2,159	2,163	2,170	2,239

Recapitulation by Federal Reserve districts.

[In thousands of dollars.]

Federal Reserve district.	Number of centers included.	1920 Week ending—				1919 Week ending—			
		April 28.	May 5.	May 12.	May 19.	April 30.	May 7.	May 14.	May 21.
Boston.....	12	458,319	466,656	488,364	496,564	333,994	365,234	373,099	432,785
New York.....	7	5,153,062	4,999,839	4,821,757	4,675,732	4,252,787	4,209,116	4,789,764	5,133,631
Philadelphia.....	13	431,082	446,064	460,171	459,346	342,085	365,963	365,533	374,437
Cleveland.....	14	566,622	564,438	559,818	594,542	453,624	454,829	452,870	513,697
Richmond.....	7	179,923	207,042	176,976	198,090	132,630	150,202	141,559	157,368
Atlanta.....	15	246,772	268,163	247,556	261,786	171,845	196,617	185,108	208,256
Chicago.....	23	1,050,986	1,247,552	1,088,808	1,201,499	880,152	953,010	890,743	999,031
St. Louis.....	5	215,947	237,628	227,757	253,885	193,038	197,400	194,621	232,691
Minneapolis.....	11	154,484	168,054	159,921	166,581	146,866	145,286	151,011	157,106
Kansas City.....	14	297,905	321,310	319,778	330,982	245,940	233,177	270,986	285,293
Dallas.....	12	146,621	140,217	144,973	156,288	105,797	116,093	108,806	122,665
San Francisco.....	20	523,460	519,663	568,450	553,546	379,023	424,609	427,175	439,246
Total.....	153	9,425,183	9,586,626	9,264,329	9,348,841	7,637,781	7,861,536	8,351,275	9,056,206

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

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

During the month of April discount operations of the Federal Reserve Banks were less heavy than during the preceding month, the total for April being \$6,229,741,000, as against \$6,970,331,000 for March, 1920, and \$5,901,402,000 for April, 1919. These totals are exclusive of amounts of bills discounted for other Federal Reserve Banks, which were 328 millions during the month under review, 208 millions during the preceding month, and 253 millions during April of the past year.

Considerably more than average reductions in discount operations for the month were reported by the Boston, New York, and Chicago banks, while the Philadelphia and Atlanta banks reported slightly larger totals than the month before, and the four western banks, those at Minneapolis, Kansas City, Dallas, and San Francisco, showed substantial increases in volume of discounts.

Of the total bills discounted by the Federal Reserve Banks, the proportion secured by Government war obligations was about 77 per cent, compared with 76 per cent the month before and 96 per cent in April, 1919. This class of paper, which constituted 95 per cent or more of the total discount operations of the Federal Reserve Banks during each month of the year 1919, except the last three months, shows a practically continuous relative decline since October of that year, and represents now little more than three-fourths of the banks' total discount operations. This decline is attributable in part to the discontinuance by some of the Federal Reserve Banks of preferential discount rates for paper secured by Liberty bonds and Victory notes, in part also to some liquidation by both member banks and Federal Reserve Banks. Of the member banks' collateral notes discounted war-loan paper still constituted all but a small fraction of 1 per cent, but of customers' paper rediscounted in March of this year only about 11 per cent was war-loan paper, while in April this proportion increased slightly to about 13 per cent.

Discounts of trade acceptances totaled \$15,305,000, compared with \$23,383,000 for the preceding month and \$8,071,000 for April, 1919. Of the total for the month under review all but \$222,000 represented transactions in the domestic trade. Discounted bankers' acceptances totaled \$28,162,000, or somewhat less than the month before, when they aggregated \$34,485,000, these amounts being comparable with \$420,000 shown for April, 1919, while discounts of commercial paper, secured otherwise than by Government war obligations or unsecured, to-

taled \$1,406,264,000 in April, as against \$1,602,128,000 in March and \$174,043,000 in April of the past year.

In April, as in March, about 88 per cent of the discounts consisted of 15-day paper, i. e., paper maturing within 15 days after date of discount or rediscount with the Federal Reserve Banks. In April, 1919, this proportion was much higher, viz, 97 per cent. Six-month bills, composed of agricultural and live-stock paper, totaled \$30,301,000, as against \$19,931,000 for March and \$12,640,000 for April, 1919.

The average maturity of the paper discounted in April was 15.08 days, as compared with an average of 13.71 days for the month before and 11.07 days for the corresponding month of 1919. Average maturities were longer for paper discounted in April at nine of the Federal Reserve Banks, the Boston, Chicago, and San Francisco banks being the only ones at which average maturities were shorter in April than in March.

During the month under review 40 per cent of the discounts were at 5 per cent, 36.6 per cent at 5½ per cent, and 23 per cent at 6 per cent, only about \$16,860,000 of the paper discounted during April taking a rate of less than 5 per cent. The average rate of interest on paper discounted in April was 5.67 per cent, indicating a further slight advance above the average of 5.64 per cent for the month before, while in April, 1919, the average rate of interest was 4.18 per cent.

Holdings of discounted paper on the last Friday in April totaled \$2,535,071,000, compared with \$2,449,230,000 a month earlier and \$1,950,412,000 at the end of April of the past year. Of the paper held at the end of the month about 58 per cent was paper secured by Government war obligations; at the end of the preceding month this proportion was 59 per cent, while at the end of April, 1919, it was about 90 per cent. Discounted trade acceptances held on the last Friday in April totaled \$23,937,000, compared with \$20,813,000 held at the end of March and \$8,561,000 on the last Friday in April, 1919. Holdings of discounted bankers' acceptances were \$48,251,000, as compared with \$50,889,000 at the end of March and \$981,000 on the last Friday in April of last year. Holdings of agricultural paper totaled \$44,389,000, indicating a considerable increase over the total of \$29,321,000 held about the end of the month before, and over the \$34,088,000 shown for the last Friday of April, 1919. Holdings of live-stock paper also show an increase with the opening of the agricultural season, the total for the

end of April being \$61,993,000, as against \$45,344,000 for the end of March, and \$32,793,000 for the last Friday in April, 1919. About 48 per cent of the agricultural paper was held by the Chicago bank, and most of the remainder by the other western banks, while the Federal Reserve Banks at Kansas City, Minneapolis, and San Francisco held 83 per cent of the total reported holdings of live-stock paper.

During the month under review 54 banks were added to the membership of the system, the total number of members increasing from 9,227 to 9,281, while the number of banks accommodated through discount of paper increased from 3,670 in March to 4,175 in April. In the following table is presented the number of member banks in each Federal Reserve district at the end of March and of April of the current year and the number of member banks accommodated during each of these two months:

Federal Reserve Bank.	Number of member banks in district.		Number of member banks accommodated.	
	Apr. 30.	Mar. 31.	April.	March.
Boston.....	432	433	254	239
New York.....	769	767	390	373
Philadelphia.....	684	683	364	361
Cleveland.....	857	857	291	239
Richmond.....	596	594	317	282
Atlanta.....	435	435	207	177
Chicago.....	1,395	1,385	709	625
St. Louis.....	556	551	271	241
Minneapolis.....	952	936	345	275
Kansas City.....	1,054	1,054	394	314
Dallas.....	779	768	317	252
San Francisco.....	772	764	316	292
Total.....	9,281	9,227	4,175	3,670

Bills purchased in open market during April totaled \$247,594,000, compared with \$303,360,000 purchased in March and \$140,639,000 in April, 1919. Of the total bills purchased during the month about 97 per cent were bankers' acceptances, and of these about 183 millions were based on for-

eign and about 56 millions on domestic trade transactions. Trade acceptances purchased during the month by the New York and San Francisco banks totaled \$6,890,000, of which all but \$388,000 were drawn in the foreign trade. In March purchases of trade acceptances totaled \$4,900,845, while for April, 1919, a total of \$3,361,136 of such purchases was shown.

The average maturity of all the paper purchased by the Federal Reserve Banks during the month under review was 51.59 days, compared with 49.33 days for March and 41.96 days for April, 1919. The longest average maturity, 78.56 days, is shown for the Kansas City bank, while for the Boston bank it was only 37.87 days and for the New York bank, 44.98 days.

Acceptances purchased in April carried rates varying from 5 to 6½ per cent, the largest amounts having a 5½ per cent and a 5¾ per cent rate. The average rate taken by these bills works out at 5.82 per cent, comparable with 5.80 per cent the month before and 4.24 per cent for April of the past year.

On April 30 the Federal Reserve Banks held a total of \$407,247,000 of bills purchased in the open market, compared with \$419,922,000 held on the last day of March, and \$180,319,000 at the end of April of last year. Of the April, 1920, total \$395,567,000 were bankers' acceptances, of which \$270,808,000, or 70 per cent, were bills accepted by member banks, \$46,292,000, or 11 per cent, were bills accepted by nonmember State banks and trust companies, \$47,257,000, or 12 per cent, by private banks, and \$31,210,000, or 7 per cent, by foreign banks and their agencies. Of the \$11,680,000 of purchased trade acceptances held at the close of the month, \$11,080,000 were bills drawn in the foreign trade and \$600,000 bills drawn in the domestic trade. The New York and San Francisco banks are the only two banks reporting holdings of purchased trade acceptances at the close of the month under review.

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

Federal Reserve Bank.	Bills dis- counted for member banks.	Bills bought in open market.	United States bonds.	United States Victory notes.	United States certificates of indebtedness.	Total United States securities.	Total.	
							April, 1920.	April, 1919.
Boston.....	\$346,038,914	\$29,156,307			\$83,264,000	\$83,264,000	\$458,459,221	\$525,426,096
New York.....	3,165,858,325	93,743,642			754,010,000	754,010,000	4,013,611,967	2,801,924,430
Philadelphia.....	569,198,703	92,076	\$900		26,513,500	26,514,400	596,705,179	820,617,049
Cleveland.....	263,243,013	23,206,857			47,016,000	47,016,000	333,465,870	242,261,677
Richmond.....	295,076,904	5,435,364			27,000,000	27,000,000	327,562,268	367,169,727
Atlanta.....	156,635,790	4,269,404			1,002	1,002	160,846,196	155,502,011
Chicago.....	529,994,605	23,265,636			726,500	726,500	553,986,741	368,358,378
St. Louis.....	262,604,976	4,159,051			10,958,500	10,958,500	277,722,527	204,981,046
Minneapolis.....	89,352,066	2,451,469			19,087,000	19,087,000	110,890,565	80,795,670
Kansas City.....	142,073,436	131,347			2,965,500	2,965,500	145,170,283	146,473,942
Dallas.....	107,195,326	1,756,675			9,000,000	9,000,000	117,952,001	118,360,855
San Francisco.....	302,468,427	59,036,555			16,601,000	16,601,000	378,105,982	194,012,968
Total, April, 1920.....	6,229,740,515	247,594,383	900		997,143,002	997,143,002	7,474,478,800	.....
Total, April, 1919.....	5,901,401,640	140,638,909	1,300		83,842,000	83,843,300	.....	6,125,883,849
Total, 4 months ending Apr. 30, 1920.....	25,958,782,101	1,153,714,069	223,050	\$4,900	3,440,202,002	3,440,429,952	30,552,926,122	.....
Total, 4 months ending Apr. 30, 1919.....	22,350,283,593	633,202,264	1,327,725		1,327,309,500	1,328,637,225	.....	24,312,124,082

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

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

	Average daily holdings of the several classes of earning assets.			
	Discounted bills.	Purchased bills.	United States securities.	Total.
Boston.....	\$163,210,619	\$23,398,876	\$25,551,066	\$217,160,561
New York.....	788,358,533	154,852,143	95,357,662	1,038,568,338
Philadelphia.....	206,739,972	3,669,663	33,092,423	243,502,058
Cleveland.....	173,477,248	58,926,097	26,149,650	258,552,995
Richmond.....	94,259,242	11,357,859	14,527,933	120,145,034
Atlanta.....	104,877,874	7,792,011	15,781,937	128,451,822
Chicago.....	418,928,840	60,447,655	44,120,533	523,497,028
St. Louis.....	108,473,060	4,659,171	18,917,083	132,049,314
Minneapolis.....	69,886,000	5,824,000	9,343,000	85,053,000
Kansas City.....	109,548,051	766,271	22,203,266	132,517,588
Dallas.....	70,813,444	1,209,415	12,632,667	84,715,526
San Francisco.....	126,802,533	86,782,670	14,146,917	227,732,120
Total, April, 1920.....	2,440,375,416	419,745,831	331,824,137	3,191,945,384
Total, April, 1919.....	1,919,460,726	208,905,396	213,358,162	2,341,724,284

	Earnings from—				Calculated annual rate of earnings from—			
	Dis- counted bills.	Pur- chased bills.	United States securities.	Total.	Dis- counted bills.	Pur- chased bills.	United States securities.	Total.
Boston.....	\$763,768	\$111,841	\$42,627	\$918,236	Per cent.	Per cent.	Per cent.	Per cent.
New York.....	3,506,330	725,977	168,201	4,400,508	5.54	5.83	2.04	5.16
Philadelphia.....	924,717	17,096	57,251	998,064	5.41	5.63	2.15	5.16
Cleveland.....	789,825	270,666	44,199	1,110,690	5.47	5.68	2.11	5.01
Richmond.....	436,955	54,690	23,964	515,609	5.54	5.71	2.06	5.23
Atlanta.....	482,949	36,819	26,049	545,817	5.64	5.86	2.01	5.22
Chicago.....	1,973,258	282,456	75,953	2,331,667	5.62	5.77	2.01	5.18
St. Louis.....	510,774	20,258	32,579	563,611	5.75	5.70	2.10	5.43
Minneapolis.....	334,487	24,121	15,492	374,100	5.73	5.29	2.10	5.19
Kansas City.....	330,539	3,446	40,082	374,067	5.84	5.05	2.02	5.37
Dallas.....	320,827	6,258	21,817	348,902	5.91	5.49	2.20	5.29
San Francisco.....	556,496	402,436	23,696	1,012,628	5.51	5.90	2.10	5.02
Total, April, 1920.....	11,160,925	1,962,064	571,910	13,694,899	5.64	5.66	2.04	5.42
Total, April, 1919.....	6,566,734	726,626	426,110	7,719,470	4.16	4.23	2.43	4.01

*Bills discounted during the month of April, 1920, distributed by classes; also average rates and maturities of bills discounted by each Federal Reserve Bank.*

Federal Reserve Bank.	Customers' paper secured by Government war obligations.	Member banks' collateral notes.		Trade acceptances.	Bankers' acceptances.	All other discounts.	Total.	Average maturity in days.	Average rate (365-day basis).
		Secured by Government war obligations.	Otherwise secured.						
Boston.....	\$15,260,650	\$289,619,900		\$288,274	\$1,032,413	\$39,837,677	\$346,038,914	12.88	5.60
New York.....	96,535,594	2,355,810,380	\$10,000	<sup>1</sup> 3,165,432	<sup>2</sup> 13,220,042	697,116,877	3,165,858,325	8.93	5.48
Philadelphia.....	47,348,994	417,408,315		233,260	32,601	104,180,533	569,198,703	16.39	5.46
Cleveland.....	11,529,638	201,812,010	875,000	3,298,570	493,183	45,234,612	263,243,013	17.56	5.71
Richmond.....	4,818,940	266,025,850	813,000	907,261		22,511,853	295,076,904	12.25	5.59
Atlanta.....	4,316,121	113,153,560	359,000	1,459,711	2,246,460	35,100,938	156,635,790	26.68	5.68
Chicago.....	9,595,202	332,628,900	770,000	2,643,754	4,099,565	180,257,184	529,994,605	32.18	5.77
St. Louis.....	9,401,973	134,781,096	137,450	1,288,321	553,200	116,442,936	262,604,976	23.47	5.78
Minneapolis.....	3,916,701	43,325,750	608,966	178,980		41,321,699	89,352,096	39.94	5.81
Kansas City.....	4,479,364	86,072,762	5,059,500	448,894	135,000	45,877,916	142,073,436	36.31	6.55
Dallas.....	2,059,004	86,525,461	1,000	572,837	100,000	17,937,024	107,195,326	25.54	5.66
San Francisco.....	3,531,196	231,120,505	302,000	<sup>3</sup> 820,194	6,249,692	60,444,840	302,468,427	15.72	5.70
Total, April, 1920.....	212,793,377	4,558,279,489	8,935,916	15,305,488	28,162,156	1,406,264,089	6,229,740,515	15.08	5.67
Total, April, 1919.....	157,368,694	5,536,441,826	25,056,867	8,071,368	419,576	174,043,309	5,901,401,640	11.07	4.18

<sup>1</sup> Includes \$98,327 in the foreign trade.

<sup>3</sup> Includes \$123,750 in the foreign trade.

<sup>2</sup> Includes \$103,074 of dollar exchange bills.

*Bankers' and trade acceptances in the foreign and domestic trade and dollar exchange bills purchased during the month of April, 1920; also average rates and maturities of total bills purchased by each Federal Reserve Bank.*

Federal Reserve Bank.	Bankers' acceptances.			Trade acceptances.			Dollar exchange.	Total bills purchased.	Average maturity in days.	Average rate (365-day basis).
	In the domestic trade.	In the foreign trade.	Total.	In the domestic trade.	In the foreign trade.	Total.				
Boston.....	\$8,908,329	\$20,240,608	\$29,148,937				\$7,370	\$29,156,307	37.87	5.90
New York.....	17,988,699	72,014,129	90,002,828	\$298,067	\$2,747,507	\$3,045,574	695,240	93,743,642	44.98	5.77
Philadelphia.....	276,930	715,146	992,076					992,076	63.79	5.94
Cleveland.....	5,423,677	17,579,168	23,002,845				204,012	23,206,857	57.02	5.81
Richmond.....	2,070,856	3,414,508	5,485,364					5,485,364	62.11	6.03
Atlanta.....	2,217,310	1,992,094	4,209,404					4,209,404	58.43	6.08
Chicago.....	5,772,274	17,293,362	23,065,636				200,000	23,265,636	63.03	5.87
St. Louis.....	2,189,880	1,969,171	4,159,051					4,159,051	58.66	5.69
Minneapolis.....	600,000	1,851,469	2,451,469					2,451,469	65.30	5.07
Kansas City.....	101,347	30,000	131,347					131,347	78.56	5.69
Dallas.....	1,506,675	250,000	1,756,675					1,756,675	60.27	6.08
San Francisco.....	9,133,193	45,412,570	54,545,763	90,276	3,754,460	3,844,736	646,056	59,036,555	59.15	5.82
Total, April, 1920.....	56,189,170	182,762,225	238,951,395	388,343	6,501,967	6,890,310	1,752,678	247,594,383	51.59	5.82
Total, April, 1919.....	47,451,019	89,420,640	136,871,659	246,799	3,114,337	3,361,136	406,114	140,638,909	41.96	4.24

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

[In thousands of dollars.]

Federal Reserve Bank.	Agricultural paper.	Live-stock paper.	Customers' paper secured by Government war obligations.	Member banks' collateral notes.		Trade acceptances.	Bankers' acceptances.	All other discounts.	Total.
				Secured by Government war obligations.	Otherwise secured.				
Boston.....	3		33,353	55,528		584	4,020	63,597	157,085
New York.....	396		171,689	463,092		5,634	19,994	195,971	856,776
Philadelphia.....	189	7	63,581	118,241		448	965	25,765	209,196
Cleveland.....	125	184	17,902	93,179	505	5,083	370	58,361	175,709
Richmond.....	1,279	38	10,553	45,431	358	1,282		35,921	94,862
Atlanta.....	1,567	560	6,187	54,405	110	1,818	3,390	46,170	114,207
Chicago.....	21,562		15,887	121,604	410	4,362	11,835	249,237	424,897
St. Louis.....	672	1,887	13,961	43,928	694	1,474	540	47,907	111,063
Minneapolis.....	3,981	11,303	6,922	8,836	363	205		43,749	75,359
Kansas City.....	5,484	29,914	6,179	20,357	1,060	865	105	46,661	110,625
Dallas.....	3,776	7,811	1,358	40,326	440	728	186	18,927	73,552
San Francisco.....	5,355	10,289	4,273	48,548	190	1,454	6,846	54,785	131,740
Total, April, 1920.....	44,389	61,993	351,845	1,113,475	4,130	23,937	48,251	887,051	2,535,071
Total, April, 1919.....	34,088	32,793	201,553	1,559,119	20,546	8,561	981	92,771	1,950,412
Per cent, April, 1920.....	1.8	2.4	13.9	43.9	0.2	0.9	1.9	35.0	100.0
Per cent, April, 1919.....	1.7	1.7	10.3	79.9	1.1	0.4	0.1	4.8	100.0

Acceptances purchased by each Federal Reserve Bank and held on Apr. 30, 1920, distributed by classes of accepting institutions.

[In thousands of dollars.]

Federal Reserve Bank.	Bank acceptances.					Trade acceptances.			Grand total.	
	Member banks.	Non-member trust companies.	Non-member State banks.	Private banks.	Foreign bank branches and agencies.	Total.	Domestic.	Foreign.		Total.
Boston.....	24,066	135	1,051	3,331		28,583				28,583
New York.....	87,999	970	29,255	22,831	14,472	155,527	578	4,326	4,904	160,431
Philadelphia.....	2,681		29,255	161		2,842				2,842
Cleveland.....	32,406	75	9,510	9,221	5,100	56,312				56,312
Richmond.....	11,508					11,508				11,508
Atlanta.....	7,330					7,330				7,330
Chicago.....	51,548		630	1,712	260	54,150				54,150
St. Louis.....	2,528		185	62		2,695				2,695
Minneapolis.....	6,217		20			6,237				6,237
Kansas City.....	461					461				461
Dallas.....	1,968					1,968				1,968
San Francisco.....	42,096	57	4,484	9,939	11,378	67,954	22	6,754	6,776	74,730
<b>Totals:</b>										
Apr. 30, 1920.....	270,808	1,237	45,055	47,257	31,210	395,567	600	11,080	11,680	407,247
Mar. 31, 1920.....	282,339	1,389	55,390	51,012	23,654	413,784	572	5,566	6,138	419,922
Feb. 28, 1920.....	364,940	2,100	70,127	60,218	33,440	530,825	580	4,800	5,380	536,205
Jan. 31, 1920.....	383,375	6,134	68,592	61,218	36,203	555,522	1,893	4,595	6,488	562,010
Apr. 30, 1919.....	140,034	2,975	12,321	14,196	8,230	177,756	58	2,505	2,563	180,319
Apr. 30, 1918.....	248,390	654	2,907	25,921	10,304	288,176	128	9,151	9,279	297,455

### OPERATION OF THE FEDERAL RESERVE CLEARING SYSTEM, APR. 16 TO MAY 15, 1920.

[Amounts in thousands of dollars.]

Federal Reserve Bank or branch.	Items drawn on banks in own district.				Items drawn on Treasurer of United States.		Total.			
	Located in Federal Reserve Bank and branch cities.		Located outside Federal Reserve Bank and branch cities.		Number.		Amount.		Amount.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.	1920	1919	1920	1919
Boston.....	671,443	715,690	2,756,493	470,549	124,654	39,202	3,552,590	2,851,150	1,225,441	878,282
New York.....	1,047,649	2,160,316	3,625,218	1,376,778	879,682	194,974	5,552,549	5,161,930	3,732,068	3,626,970
Buffalo.....	146,904	102,212	323,342	57,305	15,121	2,924	485,367		162,441	
Philadelphia.....	1,345,154	880,815	1,792,394	239,062	196,513	37,286	3,334,061	2,501,840	1,177,163	864,127
Cleveland.....	287,375	262,141	1,000,082	183,332	53,812	8,074	1,341,269	904,703	453,547	323,428
Cincinnati.....	136,064	149,696	696,493	107,208	54,036	4,989	886,613	618,693	244,893	168,815
Pittsburgh.....	315,345	306,492	722,985	107,021	46,792	6,209	1,085,122	713,311	419,722	292,202
Richmond.....	98,503	167,885	1,539,881	292,148	49,986	5,501	1,688,370	1,037,459	465,534	346,036
Baltimore.....	190,531	174,234	636,826	76,110	58,056	8,802	885,413	420,118	259,146	162,309
Atlanta.....	95,268	89,926	335,784	75,249	31,212	5,665	465,264	550,570	170,840	146,168
Birmingham.....	39,815	25,804	134,497	14,778	12,915	1,450	187,227	152,951	42,032	23,972
Jacksonville.....	43,073	24,116	128,630	18,369	10,260	1,898	181,963	130,083	44,383	29,522
Nashville.....	53,565	40,503	198,521	26,415	15,863	1,728	267,949		68,646	
New Orleans.....	49,736	64,269	108,987	18,337	18,241	3,739	176,964	163,248	86,375	61,182
Chicago.....	726,664	792,207	3,102,036	436,535	344,094	30,127	4,172,794	2,724,682	1,258,869	902,330
Detroit.....	191,114	193,170	305,125	46,408	36,154	12,975	532,393	158,064	252,553	90,966
St. Louis.....	226,755	268,829	1,216,355	117,023	150,445	13,037	1,593,555	1,099,124	398,889	302,823
Little Rock.....	43,554	32,049	268,800	26,710	7,863	1,588	320,217	120,438	60,347	24,618
Louisville.....	74,331	71,903	357,532	30,722	36,781	4,110	468,644	202,784	106,735	74,759
Memphis.....	65,680	41,720	167,767	14,398	10,744	1,378	244,191	122,879	57,496	33,220
Minneapolis.....	209,449	154,009	1,380,803	122,337	38,092	5,042	1,628,344	810,947	281,388	167,606
Kansas City.....	490,106	371,016	2,447,248	281,340	143,467	7,144	3,080,821	1,514,882	659,500	449,729
Denver.....	69,318	59,226	292,271	24,047	20,403	2,526	381,992	260,959	85,799	40,507
Omaha.....	95,083	70,502	475,171	45,239	54,277	1,827	624,531	179,607	117,568	41,116
Dallas.....	92,073	88,638	1,302,587	264,866	25,005	4,368	1,419,665	640,172	357,872	255,414
El Paso.....	40,635	13,711	137,523	14,651	40,823	2,325	218,981	161,534	30,687	21,122
Houston.....	59,369	43,030	310,147	40,557	85,294	2,898	454,810		86,485	
San Francisco.....	111,915	99,440	217,951	25,419	45,806	45,817	375,672	324,217	170,676	242,521
Los Angeles.....	98,237	71,072	376,130	36,800	19,946	6,243	494,313		114,115	
Portland.....	47,991	35,541	118,549	10,633	17,403	5,024	183,943	129,220	51,198	50,969
Salt Lake City.....	37,705	32,145	401,923	35,768	11,108	1,895	450,736	360,607	69,808	57,329
Seattle.....	61,425	47,020	162,905	17,287	24,894	8,099	249,224	182,053	72,406	71,075
Spokane.....	26,551	20,557	148,538	12,778	9,476	774	184,565	147,719	34,109	20,651
<b>Total:</b>										
Apr. 16 to May 15, 1920.....	7,288,380	7,669,914	27,192,494	4,669,179	2,689,238	479,638	37,170,112		12,818,731	
Mar. 16 to Apr. 15.....	7,932,646	8,512,045	28,224,783	5,055,423	2,192,547	882,565	38,399,976		14,450,033	
Feb. 16 to Mar. 15.....	6,971,752	7,509,756	25,024,809	5,135,263	1,565,995	511,566	33,562,556		13,156,585	
Jan. 16 to Feb. 14.....	6,161,522	7,210,635	23,003,659	4,748,036	1,697,090	561,056	30,862,271		12,519,727	
Apr. 16 to May 15, 1919.....	4,329,455	5,273,641	15,957,968	3,327,502	4,058,521	1,168,625		24,345,944		9,769,768

<sup>1</sup> Includes 5,113 items, amounting to \$6,730,000, forwarded directly to banks in Baltimore.

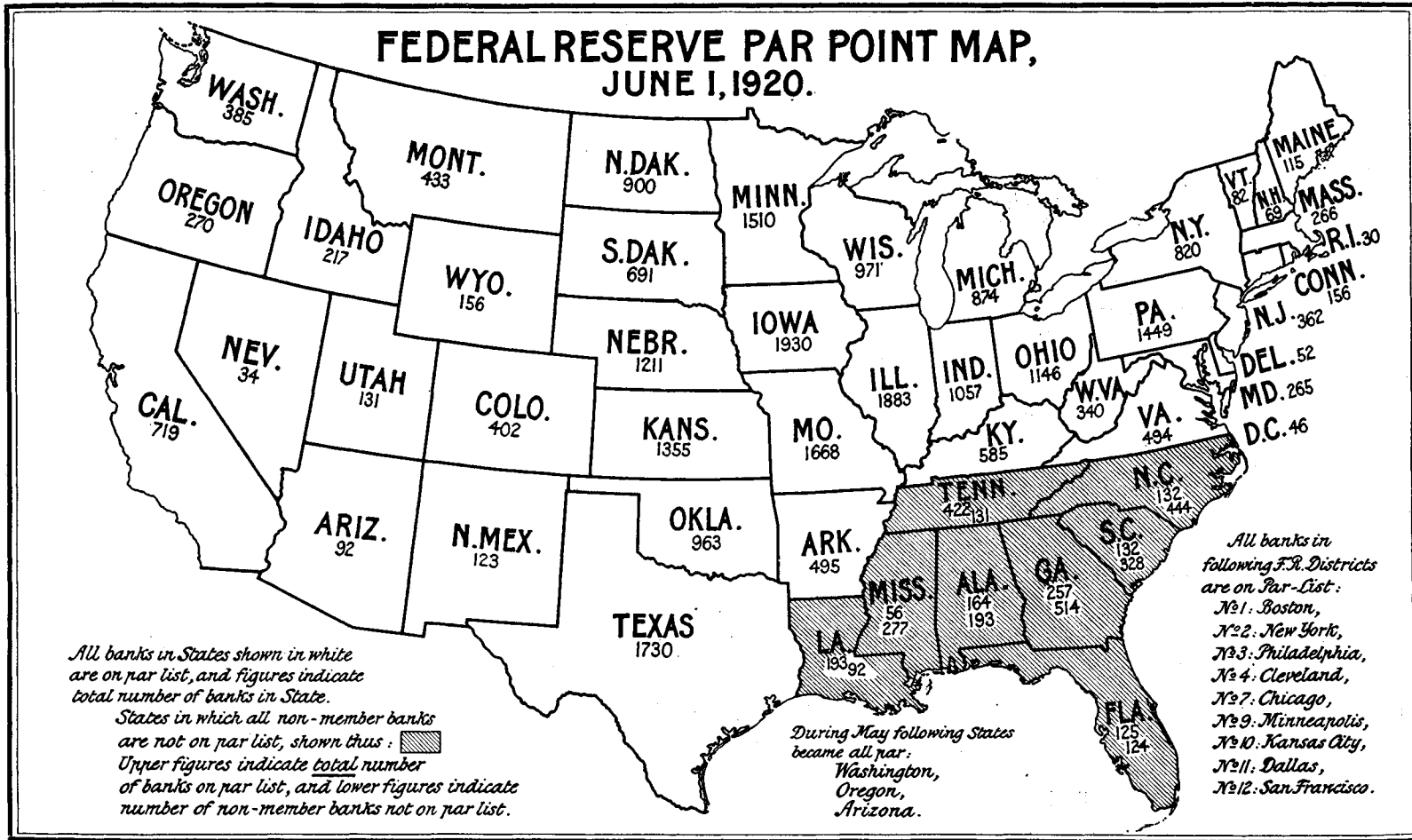
Operation of the Federal Reserve clearing system, Apr. 16 to May 15, 1920—Continued.

[Amounts in thousands of dollars.]

Federal Reserve Bank or branch.	Number of business days in month.		Items forwarded to other Federal Reserve Banks and their branches.		Items forwarded to parent bank or to branch in same district.	
	1920	1919	Number.	Amount.	Number.	Amount.
Boston.....	25	25	89,369	90,500		
New York.....	26	26	1,023,522	633,880	27,099	11,476
Buffalo.....	26		146,675	35,257	32,329	24,022
Philadelphia.....	26	25	727,193	231,399		
Cleveland.....	26	26	31,723	34,660	47,073	15,219
Cincinnati.....	26	26	12,823	11,638	9,133	5,872
Pittsburgh.....	26	25	64,724	46,748	29,578	8,076
Richmond.....	26	26	119,583	69,733	4,131	2,292
Baltimore.....	26	25	153,934	117,084	9,699	9,855
Atlanta.....	25	25	24,248	21,252	58,904	14,220
Birmingham.....	25	25	15,983	12,104	24,880	45,678
Jacksonville.....	25	24	37,133	8,728	9,474	2,612
Nashville.....	26		23,149	6,358	11,261	2,223
New Orleans.....	25	25	35,908	14,736	7,591	1,408
Chicago.....	26	26	287,878	41,928	12,619	6,324
Detroit.....	26	26	8,587	6,483	7,571	5,234
St. Louis.....	26	26	24,341	10,673	24,417	3,996
Little Rock.....	26	26	8,494	2,403	27,136	5,461
Louisville.....	26	26	8,717	2,803	1,173	1,219
Memphis.....	26	25	1,921	789	4,800	1,607
Minneapolis.....	26	24	82,119	41,104		
Kansas City.....	26	26	268,686	78,265	76,704	14,010
Denver.....	26	25	64,964	20,360	43,426	17,783
Omaha.....	25	25	35,458	9,733	17,869	8,895
Dallas.....	25	25	113,025	43,436	67,045	26,078
El Paso.....	25	25	21,430	9,591	15,724	3,566
Houston.....	25		22,367	21,896	11,354	3,524
San Francisco.....	25	26	25,335	5,878	64,373	14,007
Los Angeles.....	25		26,060	6,904	15,109	4,298
Portland.....	26	26	2,241	2,033	21,629	3,549
Salt Lake City.....	26	26	4,988	22,227	6,986	7,897
Seattle.....	26	26	13,499	5,658	25,851	5,187
Spokane.....	26	26	5,776	4,536	16,193	6,374
Total:						
Apr. 16 to May 15, 1920.....			13,258,336	11,483,960	717,301	234,308
Mar. 16 to Apr. 15, 1920.....			3,817,860	1,820,485	856,331	318,048
Feb. 16 to Mar. 15, 1920.....			3,376,291	1,565,308	748,029	275,337
Jan. 16 to Feb. 15, 1920.....			3,039,528	1,476,733	715,958	277,877
Apr. 16 to May 15, 1919.....			2,208,209	1,271,254	404,008	195,016

Federal Reserve district.	Number of member banks in district May 15.		Number of nonmember banks on par list May 15.		Number of incorporated banks other than mutual savings banks not on par list May 15.	
	1920	1919	1920	1919	1920	1919
Boston.....	432	426	254	243		
New York.....	772	729	321	319		
Philadelphia.....	687	666	422	356		50
Cleveland.....	858	822	1,078	797		249
Richmond.....	598	570	766	299	770	1,093
Atlanta.....	435	424	444	301	1,135	1,274
Chicago.....	1,386	1,346	4,235	2,925		1,245
St. Louis.....	559	519	2,513	1,356	173	1,269
Minneapolis.....	954	875	2,913	1,293		1,556
Kansas City.....	1,057	1,003	3,374	2,248		995
Dallas.....	786	741	1,241	240		
San Francisco.....	779	665	941	911	102	152
Total.....	9,303	8,786	18,502	11,288	2,180	7,883

<sup>1</sup> Includes 5,926 items, amounting to \$1,741,900, forwarded direct to member banks in other Federal Reserve districts.  
<sup>2</sup> Includes 6,475 items, amounting to \$1,869,000, forwarded direct to member banks in other Federal Reserve districts.  
<sup>3</sup> Includes 5,695 items, amounting to \$1,826,000, forwarded direct to member banks in other Federal Reserve districts.  
<sup>4</sup> Includes 5,215 items, amounting to \$2,015,000, forwarded direct to member banks in other Federal Reserve districts.  
<sup>5</sup> Includes 3,622 items, amounting to \$2,863,000, forwarded direct to member banks in other Federal Reserve districts.





## OPERATIONS OF THE FEDERAL RESERVE BANKS.

Discount operations of the Federal Reserve Banks during the four weeks between April 23 and May 21 moved within moderate limits, with the result that the Federal Reserve Banks' May 21 holdings of discounted paper of all classes, 2,500.4 millions, were only 22.2 millions larger than four weeks before. Weekly changes in the total holdings are due apparently largely to calls of the Treasury for funds held with depositary institutions, and the increases in total discounts on April 30 and May 14 coincide with substantial reductions in Government deposits shown by "reporting" member banks. Of the total discounts held, the share of war-loan paper continued, with little change, around 58 per cent during the period under review. Little change is also shown in the amounts of the several classes of war paper held. Thus holdings of bills secured by Liberty bonds increased from 677.5 millions on April 23 to 713.9 millions on May 14 and on the following Friday declined to 669.7 millions, or slightly below the total held at the beginning of the period. Holdings of paper secured by Victory notes show a decline from 292.2 to 274.3 millions, while paper secured by Treasury certificates increased from 479.1 to a maximum of 509.2 millions on May 14, and on May 21 stood at 502.7 millions, or 23.6 millions above the total reported four weeks earlier. About two-thirds of the total amount of war paper held during the four weeks under review was secured by Liberty loans and Victory notes and about one-third by Treasury certificates.

About 57 per cent of the paper held on May 21 is composed of paper maturing within 15 days from date of report, as against slightly over 58 per cent four weeks earlier. Sixty-day paper shows a relative gain of 2 per cent, while both 30 and 90 day paper show slight relative losses. Six-month paper on hand increased from 31.4 to 55.7 millions, the Federal Reserve Banks at Minneapolis, Kansas City, Dallas, and San Francisco reporting by far the larger share of the total increase.

Holdings of acceptances purchased in open market show a slow though steady increase from 404.6 to 417.4 millions, Federal Reserve rates for this class of paper, as compared with Federal Reserve discount rates and New York market rates apparently proving sufficiently attractive to banks and dealers. Differences in the totals of Treasury certificates represent largely purchases of certificates by the New York bank for the temporary accommodation of nonmember banks.

Discounted bills held by the several Federal Reserve Banks include amounts held under discount for other Federal Reserve Banks. Dur-

ing the four weeks the amounts of paper thus held fluctuated between 149.6 millions on April 30 and 110.3 millions on May 14, and on May 21 stood at 146.1 millions, or 3.2 millions above the April 23 total. On May 21 the total held under discount for seven Reserve Banks in the South and Middle West was distributed among the Boston, New York, and Cleveland banks. The Dallas bank, which on April 23 reported 5 millions held under discount for other Federal Reserve Banks, four weeks later reports a contingent liability of 10 millions on paper rediscounted with other Federal Reserve Banks. The Philadelphia bank, which on April 23 had a total of 23.4 millions of rediscounted paper outstanding, no longer figures in the list of rediscounting Reserve banks, which on May 21 was composed of the Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, and Dallas banks. During the same period holdings of acceptances purchased from other Federal Reserve Banks declined from 8.4 to 6.7 millions, the smaller amount comprising bills held for three Federal Reserve Banks by the New York, Cleveland, and San Francisco banks. The New York bank continues to report a contingent liability of 16.2 millions as guarantor on bills purchased for foreign correspondents.

The effect of the application of the graduated discount rates by the Kansas City Reserve Bank is seen in a wider distribution of accommodation among member banks rather than in any pronounced reductions of borrowings from the Federal Reserve Bank. As a matter of fact, the total bill holdings of the Kansas City Federal Reserve Bank increased during the past four weeks from 108.5 to 111.7 millions, while the bank's own borrowings from other Federal Reserve Banks increased from 11.8 to 14.2 millions. During the last week both the St. Louis and Dallas banks announced their plans of putting into effect a system of graduated rates constructed upon a basis somewhat different from that adopted by the Kansas City bank.

Members' reserve deposits fluctuated between 1,818.6 millions on May 7 and 1,874.1 millions a week later, while Government deposits varied between 22.4 and 44.2 millions on the same dates. Fluctuations in net deposits were coincident with fluctuations in total discounts, the high level of 1,839.4 millions in net deposits on May 14 corresponding to a maximum of 2,551.3 millions of discounts reported under that date, and a decrease of 51 millions in discounts a week later being accompanied by an almost equal decline in net deposits. Federal Reserve note circulation shows an expansion during the four weeks

of 16.9 millions, while the banks' liabilities on Federal Reserve bank notes shows a further reduction of 3.2 millions. Since January 2, the Federal Reserve Banks' liabilities on these notes show a reduction of 81.2 millions, as against an increase of 86.3 millions in the banks' liabilities on Federal Reserve notes. Gold reserves, because of further export withdrawals for shipment largely to South America and the Far East, show a reduction since April 23 of about 10 millions, while total cash reserves, in consequence of some gains in silver and legals, show a loss of only 4.1 millions.

Fluctuations in the reserve percentages were within the narrow limits of 43 per cent on

April 23 and 42.2 per cent on May 14. A week later, in consequence of a reduction in discounts held and in net deposits, the reserve percentage rose to 42.7 per cent.

During the period under review the paid-in capital of the Federal Reserve Banks increased by about 2.5 millions. This increase reflects in the first place the considerable growth of capital and surplus accounts of existing member banks, and, to a smaller extent, gains in membership. Since the beginning of the year the total paid-in capital of the Federal Reserve Banks shows an increase of 6.4 millions, the New York, Chicago, and San Francisco banks reporting the largest gains under this head.

*Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Apr. 30 to May 21, 1920.*

## RESOURCES.

[In thousands of dollars.]

	Bos- ton.	New York.	Phila- del- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Francisco.	Total.
<b>Gold and gold certificates:</b>													
Apr. 30.....	11,588	33,532	1,049	10,331	2,299	8,989	24,346	3,940	7,262	566	8,196	12,463	174,561
May 7.....	11,661	35,520	1,063	10,361	2,309	9,094	24,404	3,087	7,237	598	6,150	11,199	172,633
May 14.....	11,762	33,861	1,041	10,063	2,343	9,098	24,271	3,692	7,256	589	5,983	11,249	171,208
May 21.....	11,915	31,488	1,058	10,168	2,364	9,218	24,962	3,458	7,273	607	5,977	11,247	169,735
<b>Gold settlement fund, Federal Reserve Board:</b>													
Apr. 30.....	34,787	63,545	29,365	59,778	19,846	8,521	70,580	9,762	5,749	28,688	6,528	38,854	376,003
May 7.....	20,859	38,713	28,699	55,422	18,717	5,708	71,152	10,980	10,167	29,906	10,459	41,969	392,751
May 14.....	19,274	34,955	30,144	60,228	20,844	6,973	68,876	13,209	6,967	26,679	8,226	42,774	389,149
May 21.....	25,682	118,278	27,984	42,427	18,955	6,557	65,899	12,504	9,231	29,091	6,744	36,537	399,889
<b>Gold with foreign agencies:</b>													
Apr. 30.....	8,233	41,390	9,023	9,248	5,526	4,060	13,421	5,301	3,045	5,413	2,933	5,188	112,781
May 7.....	8,233	41,390	9,023	9,248	5,526	4,060	13,421	5,301	3,045	5,413	2,933	5,188	112,781
May 14.....	8,233	41,390	9,023	9,248	5,526	4,060	13,421	5,301	3,045	5,413	2,933	5,188	112,781
May 21.....	8,233	41,390	9,023	9,248	5,526	4,060	13,421	5,301	3,045	5,413	2,933	5,188	112,781
<b>Gold with Federal Reserve agents:</b>													
Apr. 30.....	119,072	317,217	87,503	142,813	40,914	54,521	160,315	44,399	33,487	34,646	27,541	75,500	1,137,928
May 7.....	116,316	306,316	86,539	143,961	39,436	53,410	157,409	44,752	33,070	37,603	28,772	73,727	1,121,311
May 14.....	113,788	305,072	87,674	143,609	37,780	52,090	155,067	45,789	33,206	36,646	27,935	77,246	1,115,926
May 21.....	111,279	294,136	86,811	144,129	38,646	52,199	150,989	45,663	33,063	35,302	26,813	79,793	1,098,823
<b>Gold redemption fund:</b>													
Apr. 30.....	19,218	26,986	11,529	1,439	6,899	5,767	35,104	8,070	610	5,352	4,195	10,278	135,447
May 7.....	21,341	26,998	12,093	3,458	7,780	6,849	37,537	7,854	280	3,976	4,580	9,308	142,054
May 14.....	23,397	27,000	12,514	5,024	8,790	7,536	39,300	6,262	163	4,485	5,079	10,551	150,101
May 21.....	25,053	26,994	12,882	6,388	9,880	6,665	42,850	5,989	43	5,387	5,716	10,642	158,489
<b>Total gold reserves:</b>													
Apr. 30.....	192,898	532,670	138,469	223,609	75,484	81,858	303,766	71,472	50,153	74,665	49,393	142,283	1,936,720
May 7.....	178,410	548,937	137,417	222,450	73,768	79,121	303,923	71,974	53,799	77,496	52,894	141,391	1,941,580
May 14.....	176,454	542,278	140,396	228,172	75,283	79,757	300,935	74,253	50,637	73,812	50,156	147,008	1,939,141
May 21.....	182,162	562,286	137,758	212,360	75,371	78,699	298,121	72,915	52,655	75,800	48,183	143,407	1,939,717
<b>Legal-tender notes, silver, etc.:</b>													
Apr. 30.....	6,949	106,328	704	1,424	431	1,634	8,766	5,125	70	1,169	844	601	134,045
May 7.....	7,356	106,812	160	1,249	332	1,625	9,364	4,854	91	1,239	828	597	134,507
May 14.....	9,179	106,889	297	1,702	92	1,350	9,531	7,164	83	1,276	1,062	627	139,252
May 21.....	9,652	106,447	134	1,718	77	1,324	10,097	7,216	269	1,282	1,100	505	139,821
<b>Total reserves:</b>													
Apr. 30.....	199,847	638,998	139,173	225,033	75,915	83,492	312,532	76,597	50,223	75,834	50,237	142,884	2,070,765
May 7.....	185,766	655,749	137,577	223,699	74,100	80,746	313,287	76,828	53,890	78,735	53,722	141,988	2,076,087
May 14.....	185,633	649,167	140,693	229,874	75,375	81,107	310,466	81,417	50,720	75,088	51,218	147,635	2,078,393
May 21.....	191,814	668,733	137,892	214,078	75,448	80,023	308,218	80,131	52,924	77,082	49,283	143,912	2,079,538
<b>Bills discounted:</b>													
<b>Secured by Government war obligations—</b>													
Apr. 30.....	88,881	634,781	181,822	111,081	55,984	60,592	137,491	57,889	15,758	26,536	41,684	52,821	1,465,320
May 7.....	99,645	590,561	183,109	109,676	56,562	60,880	145,876	56,443	16,488	28,244	41,512	55,179	1,444,175
May 14.....	103,730	618,197	189,880	110,366	57,881	61,544	157,821	56,816	16,445	38,681	40,447	56,296	1,508,104
May 21.....	101,511	572,569	188,481	116,744	57,992	59,171	153,609	53,604	9,231	33,122	38,831	56,858	1,446,723
<b>All other—</b>													
Apr. 30.....	68,204	221,995	27,374	64,628	38,878	53,615	287,406	53,174	59,601	84,089	31,868	78,919	1,069,751
May 7.....	66,411	222,387	23,135	64,226	36,880	55,736	271,022	60,352	58,580	82,075	34,471	85,172	1,060,447
May 14.....	75,010	216,883	24,204	57,022	38,193	55,889	266,984	55,519	59,598	73,437	33,576	86,871	1,043,186
May 21.....	68,303	216,557	24,464	57,963	35,845	58,446	268,919	53,300	66,396	77,686	35,383	90,401	1,053,663
<b>Bills bought in open market:</b>													
Apr. 30.....	28,583	160,431	2,842	56,312	11,508	7,330	54,150	2,695	6,237	461	1,968	74,730	407,247
May 7.....	32,652	162,325	2,918	56,109	11,673	6,599	54,505	2,320	5,251	361	1,908	72,713	409,834
May 14.....	35,099	170,100	2,638	55,162	10,431	6,088	54,546	2,296	4,649	361	1,519	72,403	413,292
May 21.....	35,143	171,529	2,592	57,641	10,057	5,686	54,359	3,356	4,474	920	1,434	70,177	417,368

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Apr. 30 to May 21, 1920—Continued.

RESOURCES—Continued.

[In thousands of dollars.]

	Bos- ton.	New York.	Phila- del- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
<b>United States Government bonds:</b>													
Apr. 30.....	561	1,457	1,386	834	1,235	114	4,477	1,153	115	8,867	3,966	2,632	26,797
May 7.....	561	1,457	1,386	833	1,235	114	4,477	1,153	115	8,867	3,966	2,632	26,796
May 14.....	561	1,457	1,386	834	1,235	113	4,477	1,153	115	8,867	3,966	2,632	26,796
May 21.....	560	1,457	1,386	834	1,235	114	4,477	1,153	115	8,867	3,966	2,632	26,796
<b>United States Victory notes:</b>													
Apr. 30.....	5	50	.....	10	.....	3	.....	.....	.....	.....	.....	.....	68
May 7.....	5	50	.....	10	.....	3	.....	.....	.....	.....	.....	.....	68
May 14.....	5	50	.....	10	.....	3	.....	.....	.....	1	.....	.....	69
May 21.....	5	50	.....	10	.....	3	.....	.....	.....	1	.....	.....	69
<b>United States certificates of indebtedness:</b>													
Apr. 30.....	21,564	65,389	30,739	23,368	12,260	15,666	39,637	17,229	8,496	13,120	8,300	10,881	266,649
May 7.....	21,554	71,809	30,778	23,366	12,260	15,666	39,652	17,207	8,498	13,066	8,300	10,881	273,037
May 14.....	21,522	78,298	30,778	23,356	12,260	15,666	39,635	17,205	8,488	13,074	8,300	10,881	279,463
May 21.....	21,581	75,353	30,816	23,356	12,260	15,666	39,649	17,302	8,488	13,084	8,300	10,956	276,761
<b>Total earning assets:</b>													
Apr. 30.....	207,798	1,084,103	244,163	256,233	119,865	137,320	523,161	132,140	90,207	133,073	87,786	219,983	3,235,832
May 7.....	220,828	1,049,089	241,326	254,220	118,610	138,998	515,532	137,475	88,932	132,613	90,157	226,577	3,214,357
May 14.....	233,927	1,084,985	248,886	246,750	120,000	139,303	523,463	132,989	89,295	134,421	87,808	229,083	3,270,910
May 21.....	227,103	1,037,515	247,739	256,548	117,389	139,086	521,013	133,715	88,704	133,630	87,914	231,024	3,221,380
<b>Bank premises:</b>													
Apr. 30.....	1,202	3,268	500	1,156	640	564	2,116	866	530	522	774	231	12,369
May 7.....	1,242	3,129	500	1,156	640	566	2,116	866	545	527	774	232	12,293
May 14.....	1,259	3,284	500	1,156	686	574	2,116	866	548	527	782	232	12,530
May 21.....	1,269	3,284	500	1,156	713	574	2,116	886	548	619	782	231	12,658
<b>Uncollected items and other deductions from gross deposits:</b>													
Apr. 30.....	54,483	143,851	56,611	63,697	50,860	30,658	100,165	44,108	21,363	59,586	51,982	35,989	713,353
May 7.....	57,716	128,124	55,824	63,046	55,008	31,108	98,599	49,726	21,875	62,999	44,334	37,244	705,603
May 14.....	69,772	160,348	65,804	73,358	61,447	34,424	114,138	51,103	24,497	67,166	50,303	35,085	807,445
May 21.....	62,346	154,544	62,407	73,789	53,793	32,158	108,059	45,400	21,985	59,599	46,759	34,637	755,476
<b>5 per cent redemption fund against Federal Reserve bank notes:</b>													
Apr. 30.....	1,140	3,072	1,300	831	451	495	1,480	523	576	966	562	665	12,091
May 7.....	1,168	3,097	1,300	831	451	596	1,467	523	472	996	562	665	12,128
May 14.....	1,153	3,140	1,300	831	451	485	1,316	523	365	996	562	665	11,787
May 21.....	1,173	3,109	1,300	831	451	566	1,533	523	452	916	562	665	12,081
<b>All other resources:</b>													
Apr. 30.....	378	880	466	320	320	171	2,206	350	112	285	210	359	6,057
May 7.....	405	1,031	1,274	323	420	219	736	400	122	287	171	373	5,761
May 14.....	400	1,088	511	305	374	178	725	428	138	310	181	368	5,006
May 21.....	391	979	514	310	233	181	912	461	134	268	262	383	5,028
<b>Total resources:</b>													
Apr. 30.....	464,848	1,874,172	442,213	547,270	248,051	252,700	941,660	254,584	163,011	270,296	191,551	400,111	6,050,467
May 7.....	467,125	1,840,219	437,801	543,275	249,229	252,233	931,737	265,818	165,836	276,157	189,720	407,079	6,026,229
May 14.....	492,144	1,902,012	457,694	552,274	258,333	256,071	952,224	267,326	165,563	278,508	190,854	413,068	6,186,071
May 21.....	484,096	1,868,164	450,352	546,712	248,027	252,588	941,851	261,096	164,747	272,114	185,862	410,852	6,086,161
<b><sup>1</sup> Includes bills discounted for other Federal Reserve Banks:</b>													
Apr. 30.....	22,126	84,996	.....	42,526	.....	.....	.....	.....	.....	.....	.....	.....	149,648
May 7.....	35,980	57,111	.....	33,512	.....	.....	.....	.....	.....	.....	.....	.....	126,603
May 14.....	29,290	48,722	.....	32,263	.....	.....	.....	.....	.....	.....	.....	.....	110,275
May 21.....	21,503	80,368	.....	44,232	.....	.....	.....	.....	.....	.....	.....	.....	146,103
<b><sup>2</sup> Includes bankers' acceptances bought from other Federal Reserve Banks:</b>													
<b>With their indorsement—</b>													
Apr. 30.....	.....	.....	.....	5,749	.....	.....	.....	.....	.....	.....	.....	.....	5,749
May 7.....	.....	.....	.....	5,734	.....	.....	.....	.....	.....	.....	.....	.....	5,734
May 14.....	.....	.....	.....	5,128	.....	.....	.....	.....	.....	.....	.....	.....	5,128
May 21.....	.....	.....	.....	4,075	.....	.....	.....	.....	.....	.....	.....	.....	4,075
<b>Without their indorsement—</b>													
Apr. 30.....	.....	10,075	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,371	12,446
May 7.....	.....	7,841	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,371	10,212
May 14.....	.....	4,005	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,371	6,376
May 21.....	.....	223	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,371	2,594

LIABILITIES.

[In thousands of dollars.]

<b>Capital paid in:</b>													
Apr. 30.....	7,229	23,762	8,198	9,947	4,778	3,685	12,754	4,169	3,243	4,214	3,622	6,038	91,639
May 7.....	7,307	24,547	8,199	9,943	4,785	3,692	12,760	4,170	3,245	4,218	3,630	6,040	92,536
May 14.....	7,307	24,559	8,265	10,039	4,786	3,705	12,760	4,170	3,247	4,288	3,641	6,340	93,107
May 21.....	7,532	24,621	8,276	10,041	4,786	3,713	13,096	4,170	3,250	4,300	3,651	6,350	93,876
<b>Surplus fund:</b>													
Apr. 30.....	8,359	45,082	8,805	9,089	5,820	4,695	14,292	3,724	3,569	6,116	3,030	7,539	120,120
May 7.....	8,359	45,082	8,805	9,089	5,820	4,695	14,292	3,724	3,569	6,116	3,030	7,539	120,120
May 14.....	8,359	45,082	8,805	9,089	5,820	4,695	14,292	3,724	3,569	6,116	3,030	7,539	120,120
May 21.....	8,359	45,082	8,805	9,089	5,820	4,695	14,292	3,724	3,569	6,116	3,030	7,539	120,120



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

[In thousands of dollars.]

	Within 15 days.	16 to 30 days.	31 to 60 days.	61 to 90 days.	Over 90 days.	Total.
<b>Bills discounted:</b>						
Apr. 30.....	1,496,952	262,992	423,922	312,610	38,95	2,535,071
May 7.....	1,492,965	237,443	406,720	324,059	43,435	2,504,622
May 14.....	1,507,422	271,990	414,728	308,978	48,172	2,551,290
May 21.....	1,419,910	279,341	477,708	287,702	55,725	2,500,386
<b>Bills bought:</b>						
Apr. 30.....	90,738	82,962	171,583	61,964	.....	407,247
May 7.....	100,113	79,906	175,165	54,650	.....	409,834
May 14.....	109,631	86,836	169,617	47,208	.....	413,292
May 21.....	109,970	87,388	173,536	46,474	.....	417,368
<b>United States certificates of indebtedness:</b>						
Apr. 30.....	5,537	1,500	6,998	12,772	239,842	266,649
May 7.....	11,954	2,040	7,579	12,836	238,628	273,037
May 14.....	17,943	2,540	9,637	28,831	220,512	279,463
May 21.....	15,856	2,624	12,510	16,100	229,671	276,761

**FEDERAL RESERVE NOTES.**

*Federal Reserve note account of each Federal Reserve Bank at close of business on Fridays, Apr. 30 to May 21, 1920.*

[In thousands of dollars.]

	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	At- lanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
<b>Federal Reserve notes:</b>													
<b>Received from agents—</b>													
Apr. 30.....	275,059	943,954	256,831	320,470	130,563	152,646	566,730	149,423	82,518	104,333	83,485	260,234	3,326,186
May 7.....	277,803	949,746	255,467	321,518	129,726	152,590	571,644	148,316	82,521	104,779	85,966	260,401	3,340,477
May 14.....	278,275	953,289	256,602	321,346	128,170	151,674	573,341	148,354	81,907	104,123	84,684	262,940	3,344,705
May 21.....	280,766	960,974	256,939	320,666	127,336	151,089	579,324	147,637	81,444	103,749	83,783	260,487	3,354,194
<b>Held by banks—</b>													
Apr. 30.....	8,491	105,354	11,388	14,595	5,859	5,180	39,097	18,336	1,564	5,483	3,579	32,705	251,631
May 7.....	8,063	104,740	11,083	14,224	5,985	5,180	39,657	16,835	1,513	6,076	4,241	30,536	248,133
May 14.....	8,744	109,362	8,906	12,974	5,978	6,064	45,398	18,358	1,378	5,748	4,223	34,338	261,471
May 21.....	9,250	111,728	12,466	15,356	6,059	5,340	47,527	18,523	1,645	5,713	3,609	31,776	268,992
<b>In actual circulation—</b>													
Apr. 30.....	266,568	838,600	245,443	305,875	124,644	147,466	527,633	131,087	80,954	98,850	79,906	227,529	3,074,555
May 7.....	269,740	845,006	244,384	307,294	123,741	147,410	531,987	131,481	81,008	98,703	81,725	229,865	3,092,344
May 14.....	269,531	843,927	247,696	308,372	122,192	145,610	527,943	129,996	80,529	98,375	80,461	228,602	3,083,234
May 21.....	271,516	849,246	244,473	305,310	121,277	145,749	531,797	129,114	79,799	98,036	80,174	228,711	3,085,202
<b>Gold deposited with or to credit of Federal Reserve agent:</b>													
Apr. 30.....	119,072	317,217	87,503	142,813	40,914	54,521	160,315	44,399	33,487	34,646	27,541	75,500	1,137,928
May 7.....	116,316	306,316	86,539	143,961	39,436	53,410	157,409	44,752	33,070	37,603	28,772	73,727	1,121,311
May 14.....	113,788	305,072	87,674	143,609	37,780	52,090	155,067	45,789	33,206	36,646	27,935	77,246	1,115,902
May 21.....	111,279	294,136	86,811	144,129	38,646	52,199	150,989	45,663	33,063	35,302	26,813	79,793	1,098,823
<b>Paper delivered to Federal Reserve agent:</b>													
Apr. 30.....	185,668	1,014,607	176,719	228,303	100,619	118,533	479,036	113,683	64,284	111,086	75,520	185,647	2,853,705
May 7.....	198,708	973,080	185,700	227,336	102,828	123,215	471,403	119,115	67,149	110,555	77,891	197,092	2,854,072
May 14.....	211,839	1,002,502	188,981	220,313	102,787	123,517	479,225	114,631	68,255	112,440	75,542	196,833	2,896,965
May 21.....	204,957	958,116	192,763	228,529	101,560	123,303	476,562	115,140	71,982	111,728	75,648	200,833	2,861,121

Federal Reserve note account of each Federal Reserve agent at close of business on Fridays, Apr. 30 to May 21, 1920.

[In thousands of dollars.]

	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	At- lanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Federal Reserve notes:													
Received from Comptroller—													
Apr. 30.....	564,900	2,137,480	583,200	570,400	321,840	338,000	975,480	318,860	160,080	220,040	157,780	436,920	6,784,980
May 7.....	567,900	2,147,040	583,200	579,680	322,800	339,000	979,180	320,260	160,080	220,540	159,780	438,120	6,817,580
May 14.....	573,500	2,153,640	583,200	581,580	324,300	339,640	987,580	322,060	166,580	220,740	159,780	442,140	6,854,740
May 21.....	573,900	2,161,040	583,200	583,800	325,600	342,500	1,016,080	323,180	166,580	221,060	160,780	442,140	6,899,860
Returned to Comptroller—													
Apr. 30.....	233,241	1,062,526	286,489	225,020	161,853	124,959	380,910	154,197	70,737	109,177	63,520	171,796	3,044,425
May 7.....	235,997	1,066,294	288,453	227,872	163,300	126,570	383,816	157,504	71,454	110,221	64,289	173,569	3,069,369
May 14.....	238,525	1,069,351	290,318	230,224	164,986	127,891	386,159	158,666	72,268	111,177	65,126	175,050	3,089,741
May 21.....	241,034	1,073,066	292,181	232,704	166,620	129,781	390,236	160,903	73,011	112,521	66,247	177,503	3,115,807
Chargeable to Federal Reserve agent—													
Apr. 30.....	331,659	1,074,954	296,711	345,380	159,987	213,041	594,570	164,663	89,343	110,863	94,260	265,124	3,740,555
May 7.....	331,903	1,080,746	294,747	351,808	159,470	212,430	595,364	162,756	88,626	110,319	95,491	264,551	3,769,369
May 14.....	334,975	1,084,289	292,882	351,356	159,314	211,749	601,421	163,394	94,312	109,563	94,654	267,090	3,764,999
May 21.....	332,866	1,087,974	291,019	351,096	158,980	212,719	625,844	162,277	93,569	108,539	94,533	264,637	3,784,053
In hands of Federal Reserve agent—													
Apr. 30.....	56,600	131,000	39,880	24,910	29,484	60,395	27,840	15,240	6,825	6,530	10,775	4,890	414,369
May 7.....	54,100	131,000	39,280	30,290	29,744	59,840	23,720	14,440	6,105	5,540	9,525	4,150	407,734
May 14.....	56,700	131,000	36,280	30,010	31,144	60,075	28,080	15,040	12,405	5,440	9,970	4,150	420,294
May 21.....	52,100	127,000	34,080	30,430	31,644	61,630	46,520	14,640	12,125	4,790	10,750	4,150	429,859
Issued to Federal Reserve Bank less amount returned to Federal Reserve agent for redemption—													
Apr. 30.....	275,059	943,954	256,831	320,470	130,503	152,646	566,730	149,423	82,518	104,333	83,485	260,234	3,326,186
May 7.....	277,803	949,746	255,467	321,518	129,726	152,590	571,644	148,316	82,521	104,779	85,966	260,401	3,340,477
May 14.....	278,275	953,289	256,602	321,346	128,170	151,674	573,341	148,354	81,907	104,123	84,684	262,940	3,344,705
May 21.....	280,766	960,974	256,939	320,666	127,336	151,089	579,324	147,637	81,444	103,749	83,783	260,487	3,354,194
Collateral held as security for outstanding notes:													
Gold and gold certificates—													
Apr. 30.....	900	195,734	.....	32,025	.....	2,500	.....	2,990	13,052	.....	7,831	.....	255,032
May 7.....	900	195,734	.....	32,025	.....	2,500	.....	3,650	13,052	.....	9,831	.....	257,692
May 14.....	900	195,734	.....	32,026	.....	2,500	.....	3,750	13,052	.....	9,831	.....	257,793
May 21.....	900	195,734	.....	32,025	.....	2,500	.....	3,760	13,052	.....	9,831	.....	257,802
Gold redemption fund—													
Apr. 30.....	14,172	11,483	14,614	15,788	2,914	4,021	10,171	2,378	1,135	1,786	4,476	14,479	97,417
May 7.....	14,416	10,582	12,650	16,936	1,436	2,410	9,265	2,071	1,418	2,743	5,707	13,345	92,079
May 14.....	14,888	9,338	15,785	16,583	2,780	3,090	9,922	2,909	1,554	3,786	4,870	11,864	97,369
May 21.....	15,379	18,402	13,922	17,104	1,146	2,699	8,844	2,672	1,411	2,442	5,748	18,077	107,846
Gold settlement fund, Federal Reserve Board—													
Apr. 30.....	104,000	110,000	72,889	95,000	38,000	48,000	150,144	39,031	19,300	32,860	15,234	61,021	785,479
May 7.....	101,000	100,000	73,889	95,000	38,000	48,500	148,144	39,031	18,600	34,860	13,234	60,382	770,640
May 14.....	98,000	100,000	71,889	95,000	35,000	46,500	145,145	39,130	18,600	32,860	13,234	65,382	760,740
May 21.....	95,000	80,000	72,889	95,000	37,500	47,000	142,145	39,231	18,600	32,860	11,234	61,716	733,175
Eligible paper, minimum required <sup>1</sup> —													
Apr. 30.....	155,987	626,737	169,328	177,657	89,589	98,125	406,415	105,024	49,031	69,687	55,944	184,734	2,188,258
May 7.....	161,487	643,430	168,928	177,557	90,290	99,180	414,235	103,564	49,451	67,176	57,194	186,674	2,219,166
May 14.....	164,487	648,217	168,928	177,737	90,390	99,584	418,274	102,565	48,701	67,477	56,749	185,694	2,228,803
May 21.....	169,487	666,838	170,128	176,537	88,690	98,890	428,335	101,974	48,381	68,447	56,969	180,694	2,255,370

<sup>1</sup> For actual amounts see "Paper delivered to Federal Reserve agent," on p. 649.

**CONDITION OF MEMBER BANKS IN SELECTED CITIES.**

Net liquidation of 114.6 millions of United States war securities and paper supported by such securities, also of 75.3 millions of loans secured by stocks and bonds as against an increase by 144.4 millions in other loans and investments, is indicated by the weekly reports of member banks in about 100 leading cities covering the period between April 16 and May 14.

Treasury certificate holdings which, following the issue of 254.5 millions of certificates on April 15, reached the high level of 681.9 millions, show a gradual decline to 598.3 millions on May 14, United States bond holdings increased about 10 millions, while Victory notes show but a nominal change. For the member banks in New York City a reduction during the four weeks of 75.3 millions in Treasury certificates as against an increase of over 18 millions in other United States securities is shown. Loans secured by United States war obligations show a gradual decline from 1,129.5 to about 1,089 millions, the decline occurring largely outside of New York City. Loans secured by stocks and corporate bonds show an almost continuous reduction from 3,179.5 to 3,104.2 millions, most of this reduction being reported by the New York City banks.

Since the beginning of the year net liquidation of United States security holdings amounted to 325.5 millions, while the net reduction in loans supported by such securities (inclusive of amounts rediscounted with Federal Reserve Banks) is 234.3 millions. There is also shown net liquidation during the four and one half months of 302 millions in loans secured by corporate stocks and bonds. As against an aggregate reduction of 861.8 millions in the holdings of United States securities and specified secured loan accounts, other loans and investments, including commercial loans and discounts proper, show an increase of 1,246.3 millions, indicating thus a net increase since the beginning of the year of 384.5 millions in the total loans and investments of the reporting banks. Some part of this increase is due, of course, to the increase from 798 to 814 in the number of reporting banks, but with all due allowance for this factor the figures given indicate further, though somewhat slackened, credit expansion. In New York City a net decrease since January 2 of 465.4 millions in United States war security holdings and specified secured loans goes hand in hand with an increase of 264.3

millions in other loans and investments, indicating some credit liquidation by the New York City banks as against further credit expansion by banks in the other large cities.

In connection with these developments it may be pointed out that accommodation to reporting banks, as shown by the books of the Federal Reserve Banks, has increased since April 16 of the present year from 2,053.4 to 2,127.6 millions. The latter total is composed of 1,235.8 millions of paper secured by United States war obligations (so-called war paper), compared with 1,190.3 millions of like paper on April 16, and of 891.8 millions of ordinary commercial paper, as compared with 863.1 millions of such paper, held by the Federal Reserve Banks for reporting institutions four weeks earlier. Since January 2 accommodation of the reporting banks at the Federal Reserve Banks shows an increase of 257.2 millions, of which 26 millions only represents the increase in the amount of war paper and 231.2 millions the increase in the amount of other paper carried by the Federal Reserve Banks for the "reporting" institutions. The increasing extent to which the credit burden of the banks has been shifted to the Federal Reserve Banks is measured somewhat by the change during the period in the ratio of total accommodation at the Federal Reserve Banks to total loans and investments of reporting institutions, which shows an increase from 11.2 to 12.4 per cent.

In the absence of Government borrowings during the period under review, Government deposits with reporting banks show a continuous decline from 189.8 to 59.2 millions. Other demand deposits (net), partly in consequence of some withdrawals of balances by country banks from their reserve city correspondents, show a decline of 121.3 millions, of which 46.3 millions represent the decrease at the New York City banks. Time deposits, on the other hand, show an almost continuous increase during the period, aggregating 46.7 millions. Reserve balances with Federal Reserve Banks moved, on the whole, in accord with changes in the banks' deposit liabilities, indicating that the banks' reserve balances were little, if any, in excess of the required minima. Cash in vault, largely Federal Reserve notes, shows but little change for the period, the amount fluctuating between 355.4 on April 30 and 373.7 millions on May 7.

Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve Branch cities, as at close of business on Fridays, from Apr. 23 to May 14, 1920.

1. ALL REPORTING MEMBER BANKS.

[In thousands of dollars.]

	Boston.	New York.	Philadel- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
<b>Number of reporting banks:</b>													
Apr. 23.....	46	116	57	92	82	47	107	35	35	83	44	67	811
Apr. 30.....	46	117	57	92	82	47	107	35	35	83	44	67	812
May 7.....	46	115	57	92	82	47	107	35	35	83	44	67	810
May 14.....	46	116	57	92	82	47	107	35	35	83	46	68	814
<b>United States bonds to secure circulation:</b>													
Apr. 23.....	13,061	47,498	11,347	41,874	27,223	14,015	21,397	16,926	7,221	15,053	19,573	34,605	269,793
Apr. 30.....	13,061	47,498	11,347	41,925	27,411	14,015	21,401	16,926	7,221	15,078	19,573	34,605	270,061
May 7.....	13,061	47,498	11,347	41,877	27,411	14,015	21,400	16,925	7,221	15,278	19,573	34,605	270,211
May 14.....	13,061	47,498	11,347	41,875	27,451	14,015	21,449	16,925	7,271	15,278	19,573	34,605	270,348
<b>Other United States bonds, including Liberty bonds:</b>													
Apr. 23.....	13,948	227,668	29,026	59,478	34,169	29,102	65,881	14,272	10,297	23,319	17,855	60,933	585,948
Apr. 30.....	14,107	240,214	29,925	59,211	34,488	29,249	65,850	12,994	10,239	23,393	17,654	61,460	598,784
May 7.....	14,110	248,590	30,035	60,070	34,449	29,458	63,935	12,949	9,907	22,684	17,753	61,338	605,278
May 14.....	14,044	245,314	29,958	59,907	34,071	29,508	65,480	12,612	9,931	22,827	18,160	61,617	603,429
<b>United States Victory notes:</b>													
Apr. 23.....	7,641	87,458	9,427	19,861	8,431	6,384	41,278	3,054	2,085	5,397	3,508	12,792	207,316
Apr. 30.....	7,247	85,945	10,364	19,587	8,311	5,381	40,939	2,939	1,235	5,338	3,558	12,594	203,438
May 7.....	7,464	87,094	9,680	19,694	8,323	4,780	40,205	3,034	1,620	4,837	3,509	12,382	202,682
May 14.....	7,162	88,501	9,525	19,770	8,295	4,753	40,099	2,915	1,616	4,543	3,565	12,623	203,367
<b>United States certificates of indebtedness:</b>													
Apr. 23.....	37,407	300,758	59,554	31,410	18,918	19,536	74,201	14,405	11,091	7,974	18,724	36,494	630,472
Apr. 30.....	38,331	278,930	57,643	32,376	18,670	18,905	78,044	13,841	7,890	8,376	18,922	36,435	608,363
May 7.....	37,563	273,052	53,756	28,930	18,260	19,046	76,721	13,579	9,324	10,235	19,186	36,005	595,657
May 14.....	36,735	274,692	53,198	28,498	18,005	19,110	78,210	14,096	9,395	10,091	19,374	36,909	598,313
<b>Total United States securities owned:</b>													
Apr. 23.....	72,057	663,332	109,354	152,623	88,741	69,037	202,757	48,657	30,694	51,743	59,660	144,824	1,693,529
Apr. 30.....	72,746	652,587	109,279	153,099	88,880	67,550	206,234	46,700	26,585	52,185	59,707	145,094	1,680,646
May 7.....	72,198	656,234	104,818	150,571	88,443	67,299	202,261	46,487	28,072	53,034	60,081	144,330	1,673,828
May 14.....	71,002	656,005	104,028	150,050	87,822	67,386	205,238	46,548	28,213	52,739	60,672	145,754	1,675,457
<b>Loans secured by Government war obligations including rediscounts with Federal Reserve Bank:</b>													
Apr. 23.....	60,944	543,198	106,371	87,532	36,928	26,972	110,866	40,478	20,370	24,753	10,765	31,731	1,100,908
Apr. 30.....	59,950	541,381	101,044	85,879	37,091	27,061	112,170	38,857	20,459	24,844	10,785	30,649	1,093,170
May 7.....	60,283	543,065	102,728	83,421	37,051	27,040	110,567	39,030	19,446	24,565	10,991	31,894	1,090,081
May 14.....	58,687	543,221	101,966	82,457	36,789	27,504	111,420	38,946	18,659	24,377	11,145	33,834	1,089,004
<b>Loans secured by stocks and bonds, other than United States securities:</b>													
Apr. 23.....	191,707	1,334,930	205,435	342,743	108,750	63,449	453,301	156,756	30,911	80,499	33,328	145,882	3,147,591
Apr. 30.....	193,163	1,349,047	199,449	342,520	108,630	62,363	463,843	157,538	32,076	80,780	33,367	147,540	3,170,316
May 7.....	196,956	1,314,441	201,364	342,059	109,992	63,159	460,772	156,433	32,151	79,944	33,801	148,456	3,139,528
May 14.....	195,094	1,308,730	199,947	340,204	109,057	63,714	460,573	129,261	32,266	80,026	36,785	148,521	3,104,178
<b>All other loans and investments, including rediscounts with Federal Reserve Bank:</b>													
Apr. 23.....	757,250	3,886,909	560,955	890,457	386,271	408,976	1,770,379	409,107	307,627	544,530	256,820	929,138	11,108,419
Apr. 30.....	751,756	3,914,724	552,497	888,210	387,101	418,527	1,764,398	404,601	300,858	540,998	254,048	935,924	11,113,642
May 7.....	764,946	3,935,454	553,235	887,166	386,468	421,002	1,765,476	407,542	302,722	532,308	253,624	936,948	11,146,891
May 14.....	779,413	3,952,233	558,432	904,790	385,302	409,845	1,766,784	431,054	300,813	532,395	256,046	947,336	11,224,443
<b>Total loans and investments, including rediscounts with Federal Reserve Bank:</b>													
Apr. 23.....	1,081,858	6,428,419	982,115	1,473,355	620,690	568,434	2,537,303	654,998	389,602	701,525	366,573	1,251,575	17,050,447
Apr. 30.....	1,077,615	6,457,739	962,269	1,469,708	621,702	575,501	2,546,645	647,696	379,978	698,807	357,907	1,250,207	17,054,774
May 7.....	1,094,383	6,449,194	962,145	1,463,217	621,954	578,500	2,539,076	649,492	382,391	689,851	358,497	1,261,628	17,050,328
May 14.....	1,104,196	6,460,189	964,373	1,477,501	618,970	568,449	2,544,015	645,809	379,950	689,537	364,648	1,275,445	17,093,982
<b>Reserve balance with Federal Reserve Bank:</b>													
Apr. 23.....	86,353	693,003	67,422	92,480	35,907	33,225	195,358	43,163	23,062	42,423	25,397	75,855	1,413,648
Apr. 30.....	78,545	695,713	65,900	98,251	36,481	33,633	194,575	40,737	21,836	45,012	26,472	78,090	1,415,145
May 7.....	75,979	655,087	63,294	96,332	35,934	33,310	193,179	43,945	22,215	50,258	26,970	77,227	1,373,730
May 14.....	83,278	694,711	64,781	94,009	37,316	33,591	195,618	43,399	23,078	45,160	25,729	82,732	1,423,402
<b>Cash in vault:</b>													
Apr. 23.....	24,376	121,146	16,971	32,758	18,820	13,780	67,928	9,978	8,692	14,957	11,512	26,913	367,831
Apr. 30.....	23,284	114,657	15,731	30,584	17,659	14,593	67,663	10,237	8,377	14,869	10,143	27,570	355,372
May 7.....	25,208	125,066	16,284	33,761	19,511	13,761	67,210	10,453	8,282	14,434	10,508	29,193	373,651
May 14.....	25,885	121,514	16,895	34,111	18,761	14,020	67,324	10,229	8,748	15,151	10,975	27,603	371,216



Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve Branch cities, as at close of business on Fridays, from Apr. 23 to May 14, 1920—Con.

1. ALL REPORTING MEMBER BANKS—Continued.

[In thousands of dollars.]

	Boston.	New York.	Philadel- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
<b>Net demand deposits on which reserve is computed:</b>													
Apr. 23.....	801,123	5,194,865	665,827	857,925	352,201	287,190	1,412,233	338,504	229,815	435,499	237,166	610,422	11,422,770
Apr. 30.....	799,364	5,243,462	659,140	864,415	350,211	285,741	1,433,969	334,290	220,029	427,953	235,431	607,319	11,461,324
May 7.....	815,225	5,174,634	674,030	860,162	350,727	281,567	1,415,371	333,930	225,269	428,006	232,667	597,461	11,389,049
May 14.....	822,391	5,264,340	683,395	871,384	350,679	286,447	1,439,000	330,911	221,486	436,071	239,110	616,321	11,561,535
<b>Time deposits:</b>													
Apr. 23.....	137,610	421,914	26,700	361,600	103,143	149,782	614,631	122,569	64,002	96,701	44,964	478,024	2,621,640
Apr. 30.....	138,594	416,439	26,673	364,226	103,278	149,990	613,314	122,656	64,162	96,907	44,810	478,878	2,619,027
May 7.....	139,047	419,224	26,616	363,939	105,055	149,931	617,083	123,748	64,415	98,568	45,352	484,758	2,637,736
May 14.....	138,902	418,957	32,693	364,882	105,021	150,350	618,830	123,378	64,338	97,685	48,430	491,820	2,655,286
<b>Government deposits:</b>													
Apr. 23.....	13,490	108,547	8,585	7,331	3,152	4,299	6,779	3,776	1,282	1,458	2,580	9,543	170,822
Apr. 30.....	11,468	92,265	7,289	6,252	2,675	3,620	5,752	3,200	982	1,240	2,189	13,204	150,136
May 7.....	11,469	92,265	7,289	6,252	2,675	3,469	5,752	3,214	982	1,240	2,189	7,965	144,761
May 14.....	4,586	36,906	2,911	2,501	1,076	2,527	2,421	1,283	392	495	874	3,228	59,200
<b>Bills payable with Federal Reserve Bank:</b>													
<b>Secured by United States war obligations—</b>													
Apr. 23.....	29,344	380,235	101,566	41,735	47,880	41,263	112,632	30,655	14,394	25,738	28,614	35,039	889,095
Apr. 30.....	37,249	355,114	105,842	40,038	47,900	40,344	118,220	31,901	12,862	26,645	30,732	36,498	889,345
May 7.....	28,581	334,910	89,701	51,050	47,635	39,595	117,858	31,993	11,521	26,356	29,200	37,862	846,062
May 14.....	35,911	386,999	88,208	53,596	49,341	41,535	118,407	32,681	12,827	28,148	29,605	37,962	915,220
<b>All other—</b>													
Apr. 23.....	.....	.....	.....	.....	610	.....	.....	2,232	250	735	.....	.....	85
Apr. 30.....	.....	.....	.....	455	41	60	.....	2,685	250	1,060	215	.....	85
May 7.....	.....	.....	.....	100	.....	60	.....	2,717	250	60	215	.....	3,687
May 14.....	.....	.....	.....	145	420	.....	.....	1,926	250	60	15	.....	3,101
<b>Bills rediscounted with Federal Reserve Bank:</b>													
<b>Secured by United States war obligations—</b>													
Apr. 23.....	26,327	152,891	56,800	15,894	7,643	5,631	13,009	11,877	5,467	5,551	1,234	3,141	305,465
Apr. 30.....	25,238	165,231	55,403	16,415	8,520	5,471	14,229	11,835	5,844	5,402	1,018	2,814	317,420
May 7.....	32,673	170,717	59,084	15,429	8,331	5,852	13,041	11,693	4,862	5,422	1,218	3,196	331,418
May 14.....	31,793	164,019	58,788	13,944	7,896	5,989	12,815	12,296	3,720	5,177	1,154	3,057	320,648
<b>All other—</b>													
Apr. 23.....	60,762	175,554	29,509	50,285	28,759	39,591	260,870	71,607	45,858	67,643	16,899	54,723	902,060
Apr. 30.....	48,144	202,677	23,606	48,792	30,028	44,738	255,903	69,918	48,022	71,927	18,774	62,202	924,731
May 7.....	46,852	203,769	19,475	48,656	28,141	46,458	238,547	73,489	47,527	69,909	20,089	67,479	910,391
May 14.....	55,898	188,799	20,956	45,184	28,231	45,411	233,832	73,542	47,881	62,887	18,959	67,074	888,704

2. MEMBER BANKS IN FEDERAL RESERVE BANK CITIES.

[In thousands of dollars.]

<b>Number of reporting banks:</b>													
Apr. 23.....	22	72	42	12	9	8	50	13	9	20	5	15	277
Apr. 30.....	22	73	42	12	9	8	50	13	9	20	5	15	278
May 7.....	22	72	42	12	9	8	50	13	9	20	5	15	277
May 14.....	22	73	42	12	9	8	50	13	9	20	5	15	278
<b>United States bonds to secure circulation:</b>													
Apr. 23.....	3,081	37,801	7,337	3,663	2,782	3,100	1,438	10,296	2,791	4,913	4,560	18,500	100,212
Apr. 30.....	3,081	37,801	7,337	3,664	2,782	3,100	1,438	10,296	2,791	4,938	4,560	18,500	100,238
May 7.....	3,081	37,801	7,337	3,666	2,782	3,100	1,439	10,295	2,791	4,938	4,560	18,500	100,240
May 14.....	3,081	37,801	7,337	3,664	2,782	3,100	1,438	10,295	2,791	4,938	4,560	18,500	100,237
<b>Other United States bonds, including Liberty bonds:</b>													
Apr. 23.....	5,335	195,012	21,777	7,237	4,845	1,588	29,971	5,263	2,069	7,951	3,181	36,603	320,832
Apr. 30.....	5,377	207,562	22,877	7,196	4,811	1,588	29,679	4,918	1,967	7,975	3,132	36,640	333,722
May 7.....	5,357	215,910	22,876	7,156	4,824	1,864	28,053	4,628	1,966	7,224	3,119	36,629	339,606
May 14.....	5,190	212,998	22,881	7,295	4,824	1,863	29,207	4,594	1,999	7,354	3,202	36,418	337,825
<b>United States Victory notes:</b>													
Apr. 23.....	527	76,667	6,695	2,383	254	389	13,195	721	184	2,749	810	4,151	108,725
Apr. 30.....	442	75,200	7,251	2,423	254	390	13,048	713	184	2,792	892	4,177	107,766
May 7.....	359	76,540	7,094	2,332	262	230	12,423	736	183	2,269	902	3,958	107,288
May 14.....	360	77,702	6,839	2,317	256	228	12,417	711	183	2,261	821	3,904	107,999
<b>United States certificates of indebtedness:</b>													
Apr. 23.....	27,090	283,012	56,687	7,233	1,405	2,083	31,946	12,298	4,880	2,368	10,986	19,140	459,128
Apr. 30.....	28,698	261,217	54,756	8,222	1,268	2,133	32,291	11,960	4,371	2,635	11,164	19,328	438,043
May 7.....	28,082	255,375	50,883	6,743	1,244	2,133	32,122	11,759	4,351	4,275	11,441	19,375	427,783
May 14.....	27,548	257,023	50,230	6,365	1,240	2,088	32,565	12,110	4,437	4,296	11,594	19,376	428,922



Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve Branch cities, as at close of business on Fridays, from Apr. 23 to May 14, 1920—Con.

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

[In thousand of dollars.]

	Boston.	New York.	Philadel- phia.	Cleve- land.	Rich- mond.	At- lanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
Bills rediscounted with Federal Reserve Bank:													
Secured by United States war obligations—													
Apr. 23.....	24,138	149,218	56,254	4,227	1,645	166	6,659	7,218	2,598	2,744	344	1,697	256,908
Apr. 30.....	22,798	161,676	54,817	4,124	2,310	148	6,602	7,246	2,917	2,900	324	1,293	267,155
May 7.....	30,405	165,397	58,498	3,899	2,188	142	5,719	6,708	2,326	3,080	329	1,245	279,986
May 14.....	29,421	159,171	58,082	3,783	2,091	138	6,266	7,279	1,170	2,725	318	1,370	271,814
All other—													
Apr. 23.....	58,828	158,844	28,566	33,871	6,247	3,337	205,026	47,459	37,721	36,200	5,483	36,777	658,359
Apr. 30.....	46,527	183,248	23,059	34,270	6,191	3,772	196,440	50,104	37,306	38,640	5,459	40,591	665,607
May 7.....	44,672	187,708	18,534	33,152	6,243	3,372	178,413	53,992	35,281	38,491	6,752	41,305	647,915
May 14.....	53,238	171,647	20,195	30,731	6,348	3,545	177,715	54,107	36,173	30,497	5,902	41,495	631,593

3. MEMBER BANKS IN FEDERAL RESERVE BRANCH CITIES.

[In thousands of dollars.]

	New York district. <sup>1</sup>	Cleve- land district. <sup>2</sup>	Rich- mond district. <sup>3</sup>	Atlanta district. <sup>4</sup>	Chicago district. <sup>5</sup>	St. Louis district. <sup>6</sup>	Kansas City district. <sup>7</sup>	Dallas district. <sup>8</sup>	San Francisco district. <sup>9</sup>	Total.
Number of reporting banks:										
Apr. 23.....	10	40	19	24	12	18	19	12	44	198
Apr. 30.....	10	40	19	24	12	18	19	12	44	198
May 7.....	10	40	19	24	12	18	19	12	44	198
May 14.....	10	40	19	24	12	18	19	12	45	199
United States bonds to secure circulation:										
Apr. 23.....	1,599	24,896	5,608	6,915	1,905	5,280	4,187	7,108	13,305	70,803
Apr. 30.....	1,599	24,896	5,608	6,915	1,905	5,280	4,187	7,108	13,305	70,803
May 7.....	1,599	24,896	5,608	6,915	1,905	5,280	4,387	7,108	13,305	71,093
May 14.....	1,599	24,896	5,608	6,915	1,905	5,280	4,387	7,108	13,305	71,093
Other United States bonds, including Liberty bonds:										
Apr. 23.....	11,093	41,248	9,144	23,641	17,320	8,282	6,246	7,302	21,119	145,395
Apr. 30.....	11,076	40,999	9,311	23,783	17,475	7,321	6,248	7,298	21,606	145,117
May 7.....	11,089	41,854	9,352	23,693	17,119	7,550	6,056	7,272	21,486	145,471
May 14.....	10,937	41,673	9,996	23,744	17,510	7,296	6,053	7,243	21,939	145,491
United States Victory notes:										
Apr. 23.....	2,862	13,946	3,089	4,814	18,618	2,199	840	1,266	7,902	55,536
Apr. 30.....	2,879	13,920	3,035	3,828	18,518	2,111	741	1,245	7,683	53,960
May 7.....	2,726	14,066	2,954	3,532	18,484	2,165	777	1,245	7,695	53,644
May 14.....	2,873	14,090	2,958	3,488	18,573	2,100	642	1,270	7,980	53,974
United States certificates of indebtedness:										
Apr. 23.....	12,103	17,538	6,545	14,737	29,857	1,926	3,173	4,413	14,965	105,257
Apr. 30.....	12,100	17,563	6,544	14,056	31,708	1,700	3,210	4,413	14,690	105,984
May 7.....	12,045	15,614	6,590	14,183	31,885	1,639	3,250	4,395	14,713	104,314
May 14.....	12,014	15,456	6,430	14,268	33,604	1,811	3,258	4,395	15,315	106,551
Total United States securities owned:										
Apr. 23.....	27,657	97,628	24,386	50,107	67,700	17,687	14,446	20,089	57,291	376,991
Apr. 30.....	27,654	97,378	24,498	48,582	69,606	16,412	14,386	20,064	57,284	375,864
May 7.....	27,459	96,430	24,504	48,323	69,393	16,634	14,470	20,020	57,199	374,432
May 14.....	27,423	96,115	24,092	48,415	71,592	16,487	14,340	20,016	58,539	377,019
Loans secured by Government war obligations, including rediscounts with Federal Reserve Bank:										
Apr. 23.....	10,615	51,757	11,214	16,335	14,967	10,986	10,413	2,132	16,547	144,966
Apr. 30.....	10,535	51,086	11,416	16,651	14,803	11,157	10,143	2,060	15,723	143,574
May 7.....	12,348	48,943	11,196	16,365	14,602	11,848	9,810	2,063	17,156	144,331
May 14.....	11,162	48,391	11,389	16,969	13,887	11,415	9,872	2,128	16,348	141,561
Loans secured by stocks and bonds, other than United States securities:										
Apr. 23.....	52,758	161,285	31,472	41,103	61,514	33,439	21,981	14,538	72,267	490,357
Apr. 30.....	52,624	160,571	32,230	41,096	61,877	33,916	22,132	14,513	73,764	492,723
May 7.....	53,446	159,940	33,060	42,059	61,979	35,197	22,109	15,401	74,231	497,422
May 14.....	53,384	158,584	33,009	41,367	61,771	34,976	21,989	15,213	73,953	494,246
All other loans and investments, including rediscounts with Federal Reserve Bank:										
Apr. 23.....	180,615	443,583	117,653	260,660	319,263	129,837	164,481	83,767	454,125	2,153,934
Apr. 30.....	181,564	443,262	119,179	269,864	324,310	125,850	165,108	82,268	457,820	2,169,225
May 7.....	180,357	442,485	119,916	275,444	324,072	124,667	160,734	79,575	456,835	2,163,985
May 14.....	183,066	450,772	119,540	264,989	327,041	124,838	161,198	81,988	463,163	2,176,595

Principal resource and liability items of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve Branch cities, as at close of business on Fridays, from Apr. 23 to May 14, 1920—Con.

3. MEMBER BANKS IN FEDERAL RESERVE BRANCH CITIES—Continued.

[In thousands of dollars.]

	New York district. <sup>1</sup>	Cleveland district. <sup>2</sup>	Richmond district. <sup>3</sup>	Atlanta district. <sup>4</sup>	Chicago district. <sup>5</sup>	St. Louis district. <sup>6</sup>	Kansas City district. <sup>7</sup>	Dallas district. <sup>8</sup>	San Francisco district. <sup>9</sup>	Total.
Total loans and investments, including rediscounts with Federal Reserve Bank:										
Apr. 23.....	271,645	754,253	184,725	368,205	463,444	191,949	211,321	120,526	600,230	3,166,298
Apr. 30.....	272,377	752,297	187,323	376,193	470,596	187,335	211,769	118,905	604,591	3,181,386
May 7.....	273,610	747,798	188,676	382,191	470,046	188,246	207,123	117,059	605,421	3,180,170
May 14.....	275,035	753,862	188,030	371,740	474,291	187,716	207,399	119,345	622,003	3,189,421
Reserve balance with Federal Reserve Bank:										
Apr. 23.....	18,313	50,590	11,865	19,338	26,954	10,324	13,865	9,113	49,443	200,805
Apr. 30.....	17,277	51,898	13,007	20,863	27,556	9,766	14,262	8,883	41,530	205,042
May 7.....	16,894	52,122	12,937	21,307	28,130	10,012	16,639	8,651	40,958	207,650
May 14.....	18,417	50,782	13,155	19,971	31,227	10,040	15,045	8,556	42,403	209,596
Cash in vault:										
Apr. 23.....	3,468	14,300	5,742	7,216	13,399	3,929	5,441	3,439	16,047	72,981
Apr. 30.....	3,599	13,448	5,418	7,631	13,980	4,185	5,551	2,657	16,346	72,815
May 7.....	3,387	15,099	5,833	7,399	13,213	4,289	5,291	2,872	17,190	74,573
May 14.....	3,565	14,763	5,679	7,614	12,741	4,081	5,539	3,097	16,396	73,475
Net demand deposits on which reserve is computed:										
Apr. 23.....	170,696	479,156	110,149	183,377	202,812	89,426	130,612	66,696	312,715	1,745,639
Apr. 30.....	176,090	478,197	111,180	184,916	212,183	88,269	128,586	70,674	309,394	1,759,489
May 7.....	177,079	474,563	111,243	181,208	199,880	89,711	125,447	70,182	302,996	1,732,309
May 14.....	178,320	479,727	110,920	180,763	215,720	88,763	130,388	70,467	318,672	1,772,840
Time deposits:										
Apr. 23.....	57,420	119,484	18,033	89,448	223,129	40,356	48,843	21,906	253,591	872,210
Apr. 30.....	52,151	119,665	18,472	88,678	223,579	40,316	49,005	21,854	254,294	868,014
May 7.....	53,353	118,473	19,915	88,565	224,229	40,948	49,450	22,114	255,293	872,340
May 14.....	53,890	118,829	19,983	88,780	224,753	40,490	49,880	22,079	258,702	876,986
Government deposits:										
Apr. 23.....	1,252	4,289	326	3,829	1,300	453	236	1,100	705	13,490
Apr. 30.....	1,064	3,639	277	3,210	1,105	384	201	934	600	11,414
May 7.....	1,064	3,639	277	3,060	1,105	398	201	934	455	11,133
May 14.....	426	1,468	109	2,359	442	153	79	374	224	5,634
Bills payable with Federal Reserve Bank:										
Secured by United States war obligations—										
Apr. 23.....	21,621	22,439	17,836	32,221	34,969	8,282	5,323	7,880	14,122	164,693
Apr. 30.....	20,621	28,100	18,176	30,884	38,479	8,296	5,616	7,980	14,250	172,402
May 7.....	16,918	35,058	18,879	31,007	38,999	8,483	6,780	6,923	14,873	177,920
May 14.....	19,285	35,602	19,431	32,395	37,345	9,034	5,963	7,188	15,128	181,371
All other—										
Apr. 23.....						2,232	735		85	3,052
Apr. 30.....				60		2,685	60		85	2,890
May 7.....				60		2,717	60		285	3,122
May 14.....						1,926	60		285	2,271
Bills rediscounted with Federal Reserve Bank:										
Secured by United States war obligations—										
Apr. 23.....	1,300	10,785	3,829	4,779	2,793	4,104	1,927	236	1,335	31,048
Apr. 30.....	1,337	10,699	4,166	4,834	2,688	4,041	1,476	245	1,412	30,898
May 7.....	3,100	10,451	4,051	4,973	2,640	4,505	1,277	251	1,842	33,090
May 14.....	2,643	9,401	3,924	5,319	2,168	4,554	1,354	209	1,576	31,148
All other—										
Apr. 23.....	9,278	11,316	13,714	31,636	7,868	22,668	20,201	6,171	14,545	137,397
Apr. 30.....	9,431	9,169	13,928	35,929	8,983	18,151	21,223	6,220	18,107	141,141
May 7.....	8,964	8,974	12,715	38,614	11,095	18,107	19,188	5,790	22,671	146,108
May 14.....	7,412	8,833	13,888	37,038	7,869	18,012	19,489	5,807	21,547	139,395

<sup>1</sup> Buffalo. <sup>2</sup> New Orleans, Birmingham, Jacksonville, and Nashville. <sup>3</sup> Omaha and Denver.  
<sup>4</sup> Pittsburgh and Cincinnati. <sup>5</sup> Detroit. <sup>6</sup> El Paso and Houston.  
<sup>7</sup> Baltimore. <sup>8</sup> Louisville, Memphis, and Little Rock. <sup>9</sup> Spokane, Portland, Salt Lake City, Los Angeles, and Seattle.

**IMPORTS AND EXPORTS OF GOLD AND SILVER.**

*Gold imports into and exports from the United States, distributed by countries.*

	Imports.						Exports.					
	During 10 days ending Apr. 20, 1920.	During 10 days ending Apr. 30, 1920.	During month of Apr., 1920.	During 10 days ending May 10, 1920.	From Jan. 1 to May 10, 1920.	From Jan. 1 to May 10, 1919.	During 10 days ending Apr. 20, 1920.	During 10 days ending Apr. 30, 1920.	During month of Apr., 1920.	During 10 days ending May 10, 1920.	From Jan. 1 to May 10, 1920.	From Jan. 1 to May 10, 1919.
Belgium.....	\$335,906		\$335,906		\$335,906							
France.....	7,246		7,246	\$137	27,187							
Germany.....											\$10,000	
Iceland.....									\$912		912	
Italy.....					40,000						201,339	
Netherlands.....					1,161,428							
Norway.....				3,324	3,324							
Portugal.....	\$4,498		11,810	1,783	13,593							
Switzerland.....										1,100	1,100	
United Kingdom—												
England.....	3,008,255	4,663,467	44,966,865	6,673	56,029,000	\$10,853			\$2,078		13,235	
<b>Total Europe.....</b>	<b>3,351,407</b>	<b>4,667,960</b>	<b>45,321,827</b>	<b>11,917</b>	<b>57,610,438</b>	<b>10,853</b>			<b>2,078</b>	<b>2,012</b>	<b>226,586</b>	
British Honduras.....					20							
Canada.....	85,493	134,579	364,492	207,760	18,909,820	7,564,947	\$88,889	\$153,845	462,143	116,655	2,223,783	\$340,002
Costa Rica.....	3,679		3,679	28,530	116,501	257,952						
Honduras.....	6,142	22,875	44,001	27,744	111,547	90,228					19,000	
Nicaragua.....	17,334	5,850	25,512	39,859	352,172	628,933						
Panama.....					30,160	1,771						
Salvador.....	16,019		21,641	346	117,586	305,101		20,000	20,000		20,000	1,000
Mexico.....	140,715	72,783	388,492	341,412	1,698,651	1,777,184	697,510	381,232	1,790,365	215,505	12,828,676	3,413,624
Newfoundland.....						61						
Cuba.....		565	565	877	4,500	2,976	25,000		25,000		25,000	
British West Indies.....		2,326	2,326	14,428	18,128	18,838						7,940
Virgin Islands of U. S.....											10,000	
Dominican Republic.....											16,000	
<b>Total North America.....</b>	<b>269,382</b>	<b>238,976</b>	<b>850,708</b>	<b>660,956</b>	<b>21,359,085</b>	<b>10,647,991</b>	<b>811,399</b>	<b>555,077</b>	<b>2,297,508</b>	<b>332,160</b>	<b>15,142,459</b>	<b>3,762,566</b>
Argentina.....				2,423	25,693		18,950,000	7,400,000	29,850,000		89,995,000	
Bolivia.....				10	5,542	1,069						
Brazil.....				150	4,585			30,000	90,000		250,000	
Chile.....		78,746	79,066	92	197,467	103,150					400,000	
Colombia.....		150,049	150,049	91,269	253,710	501,441					700,000	3,858,795
Ecuador.....			124,874	128,538	253,412	233,676					130,000	
British Guiana.....					22,060	68,352						5,005
Dutch Guiana.....						15,272						19,795
Peru.....	30,159	48,023	78,217	62,093	329,577	458,724					12,850,000	277,706
Uruguay.....							2,000,000		2,000,000		334,000	
Venezuela.....		22,000	22,000	33,966	57,136	70,961						4,305,650
<b>Total South America.....</b>	<b>80,159</b>	<b>298,818</b>	<b>454,206</b>	<b>318,541</b>	<b>1,149,182</b>	<b>1,452,645</b>	<b>20,950,000</b>	<b>7,430,000</b>	<b>31,940,000</b>		<b>104,659,000</b>	<b>8,466,951</b>
China.....				1,260	1,260		301,355	51,500	1,764,950	100,000	16,286,750	
British India.....							10,000	1,523,300	1,533,300	474,000	4,724,013	
Straits Settlements.....							565,000	2,000	567,000		6,683,454	
Dutch East Indies.....		3,328	107,298		2,268,802	1,042,410	1,000,000	1,302,956	2,302,956		7,845,105	901,000
Hongkong.....						10,000,000	718,915	2,356,675	4,235,045	1,591,350	22,676,362	
Japan.....									500,000		7,262,067	
<b>Total Asia.....</b>		<b>3,328</b>	<b>107,298</b>	<b>1,260</b>	<b>2,270,062</b>	<b>11,042,410</b>	<b>2,595,270</b>	<b>5,236,431</b>	<b>10,403,251</b>	<b>2,665,350</b>	<b>65,477,751</b>	<b>901,000</b>
New Zealand.....			104,596		346,398							
Philippine Islands.....					220,370	256,527						
British South Africa.....						8,150						
British West Africa.....								2,000	2,000		28,038	
Portuguese Africa.....				69,712	107,439	175,739						
<b>Total all countries.....</b>	<b>3,650,948</b>	<b>5,209,082</b>	<b>46,838,635</b>	<b>1,062,386</b>	<b>83,062,974</b>	<b>23,594,315</b>	<b>24,356,669</b>	<b>13,223,508</b>	<b>44,644,837</b>	<b>2,999,522</b>	<b>185,533,834</b>	<b>13,130,517</b>

<sup>1</sup> Includes: Ore and base bullion, \$7,683,000; United States mint or assay office bars, \$1,000; bullion refined, \$57,606,000; United States coin, \$1,440,000; foreign coin, \$16,333,000.

<sup>2</sup> Includes: Domestic exports—ore and base bullion, \$7,000; United States mint or assay office bars, \$13,247,000; bullion refined, \$912,000; coin, \$171,106,000. Foreign exports—coin, \$262,000.

Excess of gold exports over imports since Jan. 1, 1920, \$102,471,000. Excess of gold imports over exports since Aug. 1, 1914, \$677,284,000. Excess of gold exports over imports since June 10, 1919, \$423,735,000.

## Silver imports into and exports from the United States, distributed by countries.

	Imports.					Exports.						
	During 10 days ending Apr. 20, 1920.	During 10 days ending Apr. 30, 1920.	During month of April, 1920.	During 10 days ending May 10, 1920.	From Jan. 1 to May 10, 1920.	From Jan. 1 to May 10, 1919.	During 10 days ending Apr. 20, 1920.	During 10 days ending Apr. 30, 1920.	During month of April, 1920.	During 10 days ending May 10, 1920.	From Jan. 1 to May 10, 1920.	From Jan. 1 to May 10, 1919.
Denmark.....												\$326,615
France.....	\$36,866		\$36,866	\$6,783	\$55,791	\$8,327						4,500,313
Netherlands.....					369							483,940
Norway.....	193		193	14,260	14,453							
Portugal.....		\$517	4,892	396	5,288							
Sweden.....							\$42,260		\$42,260		\$42,260	61,854
Switzerland.....												53,666
United Kingdom—												
England.....	284,838	194,189	483,456	5,765	519,759	18,434	266,790	\$749,225	1,141,415	\$114,050	1,438,306	6,683,469
Total Europ.....	321,897	194,706	525,407	27,204	595,660	26,761	309,050	749,225	1,183,675	114,050	1,480,566	12,111,857
British Honduras.....		8,950	14,810		39,170	182,935						
Canada.....	62,805	161,121	286,456	66,822	1,588,848	3,341,256	279,378	357,224	924,410	82,565	5,001,365	781,081
Costa Rica.....	608	5,600	6,208	3,532	20,236	16,997						
Guatemala.....					19,980						500	
Honduras.....	62,097	203,878	429,540	292,500	1,297,630	1,115,717	3,000		11,800		351,800	43,300
Nicaragua.....	583		11,372	490	279,728	381,008					431,000	114,250
Panama.....					28,252	68,262			15,000			
Salvador.....	47,513	40,175	105,760	25,011	3,471,060	176,481						
Mexico.....	1,842,885	2,205,230	6,560,327	1,694,917	27,571,095	19,466,772	103,903	36,015	205,513	47,500	1,699,025	402,250
Newfoundland.....						11						
British West Indies.....			960	23	6,941	2,296	2,670		2,670		17,255	6,900
Cuba.....		13,249	13,249	272	40,194	49,004		561,773	664,619	38,277	769,967	
Virgin Islands of												
United States.....							15,000		15,000		25,000	
Dominican Republic.....		84,800	84,800		84,800					4,000	132,000	
Dutch West Indies.....		1,000	1,000		1,000							
French West Indies.....					20							
Haiti.....											4,000	
Total North												
America.....	2,016,491	2,724,003	7,514,482	2,083,567	34,448,954	24,800,739	403,951	955,012	1,839,012	172,342	8,431,912	1,347,781
Argentina.....				1,386	10,327			810	810		1,701	
Bolivia.....	6,786	2,974	12,828	6,008	655,303	105,968						
Brazil.....				23	293			1,530	1,530		2,333	
Chile.....	38,251	490,958	530,979	32,992	1,539,672	544,473						
Colombia.....	2,000	2,044	16,044	38,993	100,284	64,547						2,000
Ecuador.....			12,544	8,310	20,854	6,567						
British Guiana.....												1,946
Dutch Guiana.....		6,380	6,380		6,380					378	1,002	3,400
Peru.....	575,800	847,279	1,913,575	1,035,259	5,594,394	3,816,486						
Venezuela.....						273						10,000
Total South												
America.....	622,837	1,349,635	2,492,350	1,122,971	7,927,507	4,538,314		2,340	2,340	378	15,036	7,346
China.....					11,974		1,188,949	3,570,800	9,827,482		43,307,131	600,089
British India.....											223,211	106,312,750
Dutch East Indies.....		36,015	169,951		1,664,701	390,401						
French East Indies.....							185,400	80,370	743,770	266,931	4,058,373	
Hongkong.....					1,650		870,340	1,093,806	2,813,859	973,642	14,849,538	2,212,424
Russia in Asia.....										970	970	11,660
Total Asia.....		36,015	169,951		1,678,325	390,401	2,244,689	4,744,976	13,385,111	1,241,543	62,439,223	109,136,323
New Zealand.....			3,132		3,463							
Philippine Islands.....					6,789	5,498						
British South Africa.....					76,822							
British West Africa.....								2,400	2,400		5,480	
Portuguese Africa.....				68,331	75,935	17,771						
Total all coun-												
tries.....	2,961,225	4,304,359	10,705,322	3,302,073	44,736,633	29,856,306	2,957,690	6,453,953	16,412,538	1,528,313	72,372,217	122,603,907

<sup>1</sup> Includes: Ore and base bullion, \$35,059,000; United States mint or assay office bars, \$3,000; bullion refined, \$3,031,000; United States coin, \$215,000; foreign coin, \$6,428,000.

<sup>2</sup> Includes: Domestic exports—ore and base bullion, \$5,000; United States mint or assay office bars, \$3,411,000; bullion refined, \$42,312,000; coin, \$12,977,000. Foreign exports—ore and base bullion, \$1,000; bullion refined, \$10,560,000; coin, \$3,106,000.

Excess of silver exports over imports since Jan. 1, 1920, \$27,636,000. Excess of silver exports over imports since Aug. 1, 1914, \$457,008,000.

Estimated general stock of money, money held by the Treasury and by the Federal Reserve System, and all other money in the United States May 1, 1920.

	General stock of money in the United States.	Held in the United States Treasury as assets of the Government. <sup>1</sup>	Held by or for Federal Reserve Banks and agents.	Held outside United States Treasury and Federal Reserve System.	Amount per capita outside United States Treasury and Federal Reserve System.
Gold coin (including bullion in Treasury) <sup>2</sup> .....	\$2,646,615,750	\$390,410,080	\$1,291,130,126	\$389,972,735	.....
Gold certificates.....	.....	.....	299,949,600	275,153,209	.....
Standard silver dollars.....	268,829,252	8,815,803	<sup>3</sup> 59,696,847	74,889,603	.....
Silver certificates.....	.....	.....	15,341,998	108,416,021	.....
Subsidiary silver.....	255,916,496	7,155,789	.....	248,760,707	.....
Treasury notes of 1890.....	.....	.....	.....	1,668,880	.....
United States notes.....	346,681,016	11,823,117	<sup>4</sup> 59,006,826	275,891,073	.....
Federal Reserve notes.....	3,326,188,020	24,946,767	238,786,490	3,062,454,763	.....
Federal Reserve Bank notes.....	188,330,600	3,110,240	10,228,606	174,993,754	.....
National-bank notes.....	723,392,772	42,666,436	2,013,026	678,711,310	.....
Total:					
May 1, 1920.....	7,755,953,906	488,928,232	1,976,153,519	5,290,872,155	\$49.45
Apr. 1, 1920.....	7,761,146,018	503,309,638	1,984,495,464	5,273,340,916	49.33
Mar. 1, 1920.....	7,806,311,890	546,960,744	1,981,490,058	5,277,861,078	49.41
Feb. 1, 1920.....	7,744,769,263	625,142,749	2,009,651,988	5,109,974,526	47.88
Jan. 1, 1920.....	7,961,320,139	604,888,833	2,044,422,303	5,312,009,003	49.81
July 1, 1919.....	7,588,473,771	578,848,043	2,167,280,313	4,842,345,415	45.00
Jan. 1, 1919.....	7,780,793,606	454,948,160	2,220,705,767	5,105,139,670	47.83
July 1, 1918.....	6,742,225,784	356,124,750	2,018,861,825	4,367,739,209	41.31
Jan. 1, 1918.....	6,256,198,271	277,043,358	1,723,570,291	4,255,584,622	40.53
July 1, 1917.....	5,480,009,884	253,671,614	1,280,880,714	3,945,457,556	37.88

<sup>1</sup> Includes reserve funds held against issues of United States notes and Treasury notes of 1890 and redemption funds held against issues of national bank notes, Federal Reserve notes, and Federal Reserve Bank notes, but excludes gold and silver coin and bullion held in trust for the redemption of outstanding gold and silver certificates and Treasury notes of 1890.

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

<sup>3</sup> Includes subsidiary silver.

<sup>4</sup> Includes Treasury notes of 1890.

FEDERAL RESERVE BANK DISCOUNT RATES.

Rates on paper discounted for member banks approved by the Federal Reserve Board up to June 1, 1920.

Federal Reserve Bank.	Discounted bills maturing within 90 days (including member banks' 15-day collateral notes) secured by—		Bankers' acceptances maturing within 3 months.	Trade acceptances maturing within 90 days.	Discounted bills secured otherwise than by Government war obligations, also unsecured, maturing within—	
	Treasury certificates of indebtedness.	Liberty bonds and Victory notes.			90 days (including member banks' 15-day collateral notes).	91 to 180 days (agricultural and live-stock paper).
Boston.....	5	5½	5	6	6	6
New York.....	5½	6	6	7	7	7
Philadelphia.....	<sup>1</sup> 5½	5½	5½	6	6	6
Cleveland.....	<sup>1</sup> 5½	5¾	5½	5¾	6	6
Richmond.....	5½	6	6	6	6	6
Atlanta.....	<sup>1</sup> 5½	5½	5½	6	6	6
Chicago.....	5½	6	6	7	7	7
St. Louis.....	<sup>1</sup> 5½	5½	5½	6	6	6
Minneapolis.....	5½	6	6	6½	7	7
Kansas City.....	5	5½	5½	6	6	6
Dallas.....	5	5½	5½	6	6	6
San Francisco.....	5½	5¾	5½	6	6	6

<sup>1</sup> 5½ per cent on paper secured by 5½ per cent certificates, and 5 per cent on paper secured by 4¾ and 5 per cent certificates.

NOTE.—Rates shown for Atlanta, St. Louis, Kansas City, and Dallas are normal rates, applying to discounts not in excess of basic lines fixed for each member bank by the Federal Reserve Bank. Rates on discounts in excess of the basic line are subject to a ½ per cent progressive increase for each 25 per cent by which the amount of accommodation extended exceeds the basic line.

### EARNINGS AND DIVIDENDS OF STATE BANK AND TRUST COMPANY MEMBERS.

Abstract of reports of earnings and dividends of State bank and trust company members of the Federal Reserve System for the last six months of 1919, arranged by Federal Reserve districts.

[In thousands of dollars.]

	District No. 1 (36 banks).	District No. 2 (122 banks).	District No. 3 (38 banks).	District No. 4 (97 banks).	District No. 5 (46 banks).	District No. 6 (64 banks).	District No. 7 (325 banks) <sup>1</sup>	District No. 8 (68 banks).	District No. 9 (86 banks).	District No. 10 (47 banks).	District No. 11 (114 banks).	District No. 12 (137 banks).	Total United States (1,180 banks).
Capital stock paid in.....	30,475	149,905	23,225	36,478	11,594	22,184	83,688	24,400	8,066	5,710	7,533	32,966	436,224
Surplus.....	33,910	170,218	47,230	65,393	7,691	13,369	73,233	19,954	2,389	2,643	2,858	15,964	454,852
Total capital and surplus.....	64,385	320,123	70,455	101,871	19,285	35,553	156,921	44,354	10,455	8,353	10,391	48,930	891,076
Gross earnings:													
Interest and discount.....	15,176	82,184	8,844	16,736	3,654	7,435	39,438	9,313	3,049	2,890	2,349	16,150	207,218
Exchange and collection charges	72	550	83	376	70	661	746	391	76	61	122	436	3,644
Commissions.....	209	2,075	92	230	61	155	553	266	96	171	2	185	4,095
Other earnings.....	1,716	12,202	1,885	5,266	676	1,140	3,652	1,268	135	304	67	1,671	29,982
Total gross earnings.....	17,173	97,011	10,904	22,608	4,461	9,391	44,389	11,238	3,356	3,426	2,540	18,442	244,939
Expenses:													
Salaries and wages.....	2,891	14,533	1,565	3,238	674	1,486	7,165	1,851	612	623	622	3,154	33,414
Interest and discount on bor- rowed money.....	750	5,331	895	915	373	998	2,015	1,067	140	176	256	507	13,423
Interest on deposits.....	6,531	33,583	2,666	7,823	1,176	2,120	14,593	2,725	1,107	1,192	308	7,141	80,965
Taxes.....	1,248	4,099	592	1,037	390	599	2,999	779	187	190	173	742	13,040
Other expenses.....	1,463	9,344	967	2,083	391	1,421	4,580	1,404	388	595	392	1,961	25,009
Total expenses.....	12,833	66,890	6,685	15,096	3,004	6,624	31,352	7,826	2,434	2,776	1,756	13,525	170,851
Net earnings since last report.....	4,290	30,121	4,219	7,512	1,457	2,767	13,037	3,412	922	650	784	4,917	74,088
Recoveries on charged-off assets.....	129	785	92	469	169	88	414	119	45	70	115	314	2,809
Total net earnings and re- coveries.....	4,419	30,906	4,311	7,981	1,626	2,855	13,451	3,531	967	720	899	5,231	76,897
Losses charged off:													
On loans and discounts.....	439	1,989	17	184	107	308	481	216	177	105	211	886	5,120
On bonds, securities, etc.....	997	9,927	912	1,231	264	127	1,789	627	34	48	19	1,056	17,031
Other losses.....	447	1,330	89	425	32	182	745	335	75	14	85	413	4,172
Total losses charged off.....	1,883	13,246	1,018	1,840	403	617	3,015	1,178	286	167	315	2,355	26,323
Net addition to profits.....	2,536	17,660	3,293	6,141	1,223	2,238	10,436	2,353	681	553	584	2,876	50,574
Dividends paid.....	2,028	13,105	2,209	3,351	651	2,219	5,582	1,820	387	648	539	2,382	34,921
Ratio of dividends paid to capital stock (annual basis)..... per cent..	13.3	17.5	19.0	18.4	11.2	20.0	13.3	14.9	9.6	22.7	14.3	14.5	16.0
Ratio of dividends paid to capital and surplus (annual basis), per cent.....	6.3	8.2	6.3	6.6	6.8	12.5	7.1	8.2	7.4	15.5	10.4	9.7	7.8
Ratio of net profits to capital and surplus (annual basis)..... per cent..	7.9	11.0	9.3	12.1	12.7	12.6	13.3	10.6	13.0	13.2	11.2	11.8	11.4

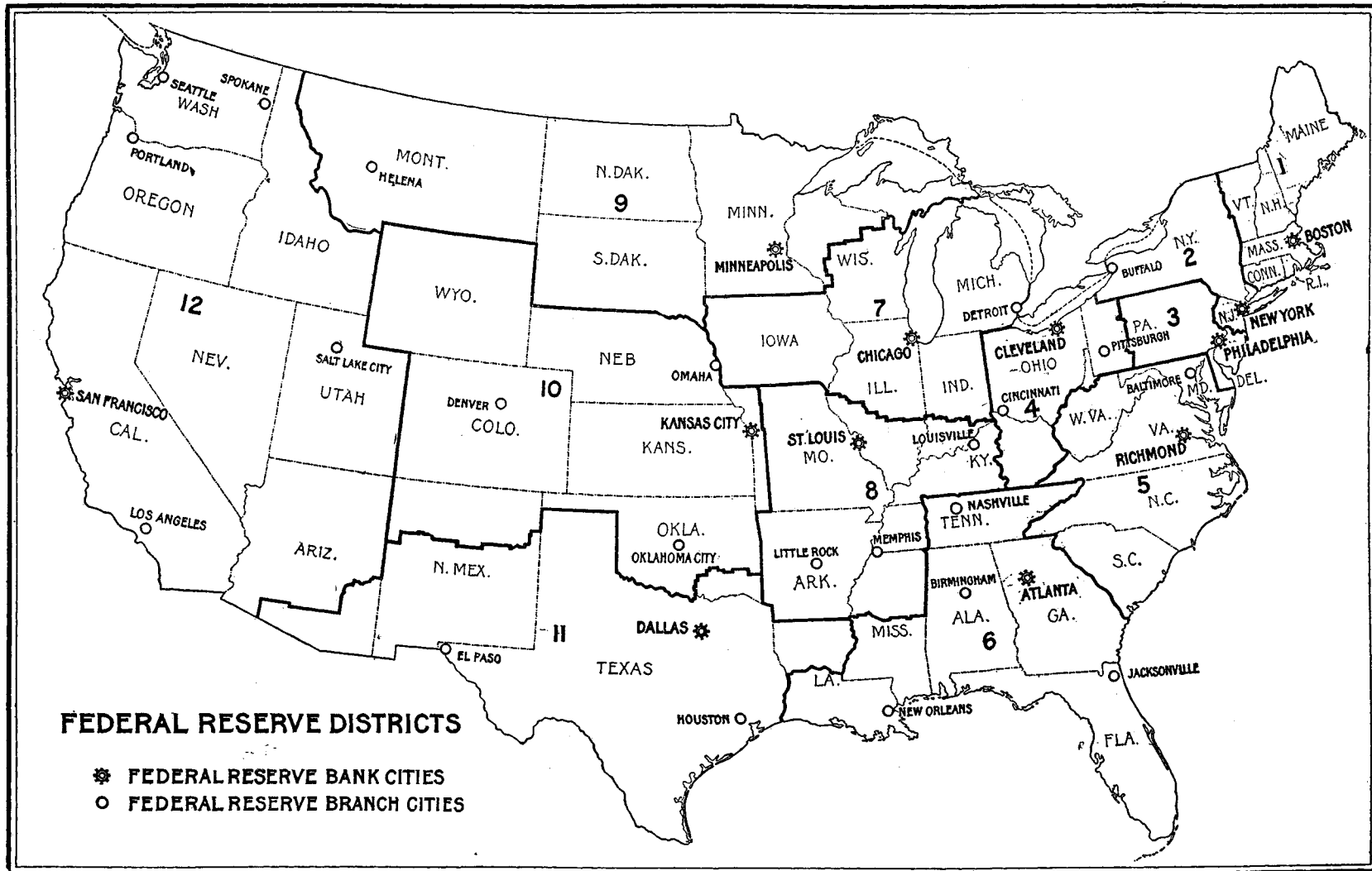
<sup>1</sup> One bank not reporting.



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The branches at Helena, Mont., and Oklahoma City, Okla., have been authorized by the Federal Reserve Board but are not yet open for business.