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

The second edition contains detailed analyses of business conditions, special articles, review of foreign banking, and complete statistics showing the condition of Federal Reserve Banks. For this second edition the Board has fixed a subscription price of \$4 per annum to cover the cost of paper and printing. Single copies will be sold at 40 cents. Foreign postage should be added when it will be required. Remittances should be made to the Federal Reserve Board.

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REVIEW OF THE MONTH.

New factors in the process of economic re-adjustment have made their appearance during the past month. Some have a favorable bearing upon the business situation, while in the case of others results are doubtful and must be awaited before positive conclusions are reached. Especially likely to contribute to the furtherance of progress toward normal business conditions are the current wage readjustments, both actual and prospective. Notable among such adjustments may be mentioned the 20 per cent reduction which has occurred in the wages of employees of the United States Steel Corporation (following close upon an earlier revision of the prices charged by that concern), and the semiofficial announcement that the Railway Labor Board is prepared to put into effect a revised scale of transportation wages. There has been evident in a variety of industries a marked tendency toward friendly rearrangement of wage relationships, sometimes preceding and sometimes following price revisions. Prices themselves have tended to settle to a somewhat lower basis and the various index numbers have tended to move rather more closely in harmony, thus indicating that the readjustment period is nearer completion. Unfavorable factors tending to retard the restoration of settled conditions have been seen in the decline of export trade and the apparent loss of ground in some competitive markets, or in markets which have been unfavorably affected by our failure to furnish adequate financial facilities. The inability to bring about faster movement of agricultural products from farm to market, and especially to foreign markets, has also continued to work against improvement of conditions in the farming States, where, however, prospects for the current crop season are gen-

erally favorable. Banking advances inevitably continue in those regions to be "frozen." Taking the banking situation as a whole, however, there has been a decided progress toward more liquid conditions, illustrated by the growth of the ratio of Federal Reserve Banks themselves to a figure of 57.6 per cent on the final report date of the month (May 25).

It is a notable fact that while foreign prospects are unsatisfactory, domestic factors in the present situation have shown at all events a capacity for improvement. This situation is apparently misunderstood by some who are disposed to believe that economic conditions at home can be restored to a satisfactory basis even though the foreign situation continues unsettled. The fact in the case is that our foreign trade is now also a domestic trade factor of primary importance. Due to the great expansion of our manufacturing power during the war it is essential to control a reasonable amount of foreign trade if we expect to keep our present agricultural lands, or our manufacturing investment, employed. This is equivalent to saying that we can not reasonably expect a complete recovery in domestic trade without having a somewhat corresponding advance in foreign business. While it is true that our home trade is both larger in volume and in value than the foreign business in most commodities, it is true that a small shortage or surplus of a given kind of goods produces an important and far more than proportional effect on prices. Foreign trade is thus needed as a stabilizer of values, beside being essential as a means of insuring full demand for goods and complete activity of productive energies.

With the importance of our foreign trade a turning point thus recognized, and with its direct bearing upon the domestic economic outlook thus fully admitted,

current figures showing the actual movement of goods to other countries assume new significance. April returns show continuation of the movement toward a more even balance between exports and imports. Exports were reported as \$340,000,000 for the month and imports as \$255,000,000. The excess of exports over imports, that was developing during last December and January at the rate of some \$450,000,000 monthly, has been cut down each month since then, until for April our balance on merchandise account was only \$85,000,000. Imports of gold, on the other hand, amounted to about \$82,000,000 in April. This change in the balance of trade has been brought about, not so much through increase in the value of imports, but rather by decline in the value of exports. In fact, the value of imports, although showing some increase over the very low figures of January of this year, is still in value only half the figure for April, 1920. Price declines have naturally been responsible to a considerable extent for the reduction in values during recent months. For this reason the foreign trade index of the Federal Reserve Board is particularly significant in interpreting the volume of trade as compared with previous months. This shows that while the volume of exports has been shrinking steadily since the latter part of 1920, the physical volume of imports has been increasing much more rapidly than the value figures indicate, owing to reductions in prices. To the extent that this index is representative of our foreign trade as a whole, the conclusion is justified that exports in April had declined to about the same volume as in April, 1913, while imports were reaching this country in nearly double the quantity of the corresponding prewar month. So far as individual commodities are concerned, the increased volume of imports is well distributed among the several classes of goods. Among exports, corn and wheat continue to move in quantities several times the volume of a year ago, while cotton shows a decided falling off.

A striking feature of the foreign-trade situation has been the inward gold movement. The net importations of gold for the first four months of the current year now amount to \$241,000,000, while for the fiscal year (10

months) they are \$407,000,000. Resumption of heavy gold shipments to the United States has an important correlation with the coincident decline in our foreign trade in goods. It was a notable factor in the business depression of last autumn that our banks practically ceased financing the foreign trade in a variety of directions, with the result that these branches of business or the geographical divisions of the trade thus dealt with were deprived of credit facilities, and so were practically obliged to fall back upon cash payments, except in so far as the only partly developed import trade was able to afford means of paying for export shipments from this country. In the acute stages of a commercial crisis or depression foreign trade is likely to decline to a point where it is definitely upon a cash basis, and this is probably the situation which has been developing in our own foreign commerce. It is a state of things which obviously can not long continue.

The import movement of gold, as just noted, is to be attributed in

ports. Financing ex- large measure to the lack of ordinary methods of settling for our exports through extensions of credit if impossible to do so through the inward shipment of foreign merchandise. It has no permanent significance as a financial factor. There has been little or no reduction in the urgent nature of the problem of financing our foreign trade and particularly the export movement. Efforts to further the organization of special financing corporations created for the purpose of granting long-term accommodation have met with limited success, the reason for delay being found largely in the indisposition of banking institutions to subscribe for stock in them. That there is a large and important field of credit effort to be filled by such institutions is beyond question. The problem in the case appears to be partly that of accurately ascertaining the credit of the foreign borrower so as to be sure of the soundness of the loan, and partly that of assuring a sufficiently broad interest among American investors. Meantime the experience of the various foreign banking corporations, both those organized under the Edge Act and those previously established under older State laws, is proving of considerable interest in connec-

tion with the general problem of method in foreign financing. It has been noted with interest that thus far the greater number of the foreign trade organizations have become practically acceptance enterprises, far the larger proportion of the accommodation extended by them assuming that form. One reason for this trend of development has doubtless been the greater ease experienced in getting funds from the acceptance than from the investment market, while another has doubtless been found in the comparative simplicity of obtaining cooperation and assistance along credit lines from foreign financial institutions. Accurate reports regarding the credit underlying ordinary business on long term are by no means easy to get, or, in the present condition of European business, very reliable, in all cases. Difficulty in getting the cooperation or joint guaranty of foreign institutions and a belief that if full responsibility must be carried for all credits advanced, it should be accompanied by rapid turnover with corresponding profit, is assigned by some as the reason for the development of foreign financing corporations along short-term lines.

What has actually been done toward developing a system of foreign-trade financing corporations may be seen from the following compilation, which affords data regarding the chief institutions of the sort that are now in existence, taken from their most recent statements:

Name of bank.	Capital, surplus, and undivided profits.	Assets.
American Foreign Banking Corporation.....	\$6,504,635	\$64,325,033
Asia Banking Corporation.....	6,109,675	41,496,414
French-American Banking Corporation.....	2,803,807	22,978,190
International Banking Corporation.....	14,015,146	131,327,344
Mercantile Bank of Americas.....	10,802,063	95,967,550
Park Union Foreign Banking Corporation....	4,621,004	22,455,456
Shawmut Corporation.....	2,265,845	13,873,541
Discount Corporation of New York.....	6,697,132	73,804,724
First Federal Foreign Banking Association...	2,311,166	9,239,897
Federal International Corporation.....	7,000,000	.....
International Acceptance Bank.....	15,250,000	.....

The Foreign Financing Corporation, projected with a capital of \$100,000,000, is still in process of organization.

The facts thus furnished show clearly the comparatively limited character of the financial facilities which have been provided for the

financing of our foreign trade upon a special basis distinct and apart from that which is found in the foreign departments of our banks. Conditions relative to financing should, moreover, be studied in the light thrown on the subject by the character and seriousness of the foreign trade problem in the large. As things stand, complete or full recovery in our domestic trade will not be insured without at least reasonable restoration of our foreign commerce. The latter object is, however, in no small measure dependent upon the development of an adequate financial basis for the business.

Effort is being made by the War Finance Corporation to facilitate the movement of goods to foreign points and, with that object in mind, the corporation has issued Circular No. 1 (obtainable from Federal Reserve Banks), containing information for the use of prospective applicants for advances. The circular in question sets forth clearly the terms upon which such advances will be favorably considered. It is made plain that the export credits provided and authorized under the act will be made only (1) to American citizens (2) who evidence their indebtedness by a direct and unconditional obligation signed by a person, partnership, or corporate enterprise subject to American law, and (3) who show (in the case of individuals) that they have not been able to get support through ordinary banking channels or (in the case of banks) that the loans are to be made for exportation and are not over the amount advanced to and unpaid by an exporter. In these circumstances the responsibility for the credit rests with the exporter who receives the advances, he being then under the necessity of ascertaining the character of the credit standing of the foreign buyer, and of collecting from him at maturity. Local bankers have been unwilling to retain the liability for advances in support of export trade incurred through indorsement. Not a few adhere to the view that such retained or continued liability places the bank in a dangerous position, especially when steadily increased through repeated rediscounting or borrowing. The rate of interest to the individual exporter which, as announced in the

circular, is by law required to be at least 1 per cent higher than the 90-day rate of the Federal Reserve Bank of the district in which the advance is made, is now, by the action of Federal Reserve Banks in cutting their rates to 6-6½ per cent, fixed at a level of 7-7½ per cent. During the past month conferences held with cotton interests have resulted in facilitating shipments financed by the corporation to various foreign markets.

In reviewing the export finance situation special attention should be given to two new rulings made public by the Federal Reserve Board during the past month. Of these probably the more important is designed to lengthen the period of maturity of eligible bankers' acceptances to six months. From the inauguration of the Federal Reserve Banks the acceptance has been treated as a commercial bill and hence subject to the statutory limitation of 90 days applicable to such paper. This, as is well known, did not necessarily bar paper of longer maturity from becoming eligible for purchase or discount, but merely prevented Reserve Banks from buying or discounting it until it was within 90 days of its maturity date. The new regulation doubles this maturity period and so opens to technical eligibility for open market purchase of paper which would otherwise have been admissible into Federal Reserve Bank portfolios only after the lapse of 90 days. Commercial conditions since the close of the war have unavoidably tended to increase the necessary period of ordinary credit, so that an acceptance of six months' maturity may not be longer when its general relation to the average duration of commercial transactions is concerned than was a like document of 90 days' maturity prior to the war. The real test of the new provision will be afforded when it is seen how far, if at all, the average life of the acceptances currently held in Reserve Bank portfolios has been increased by reason of the action. In the opinion of some Reserve Bank officers such increase will certainly be very limited. Experience over a series of months can alone demonstrate the effects of the ruling upon the maturity of Reserve Bank portfolios.

In outlining the considerations which have given rise to this ruling, and in cautioning the banks with regard to operations under it, the Board said:

"Two considerations have led the Board to take this action: (1) The desire to widen the acceptance market by meeting the wants of savings banks and similar purchasers of bankers' acceptances who are now deterred from investing in acceptances of longer than three months' maturity, because of the lack of authority of Federal Reserve Banks to purchase longer maturities up to six months; (2) to provide more ample facilities for financing import and export trade with countries where either normal conditions or present abnormal conditions indicate the desirability of rendering assistance by making acceptances of maturities not exceeding six months eligible for purchase by Federal Reserve Banks. While the Federal Reserve Banks would, under ordinary conditions, prefer to confine their investments to paper of short maturity, that is, not exceeding three months, it is believed that the present emergency in the foreign trade situation would be relieved by a more liberal practice. Vigilant care, however, should be exercised by Federal Reserve Banks in purchasing acceptances of long maturities, in order that the liquidity of the aggregate investment in acceptances held by them should not be affected. In amending its regulation in the manner described, the Board looks to the good banking judgment and discretion of the accepting banks and of the Federal Reserve Banks to avoid any untoward results. To avoid misunderstanding the Board desires to add that the results of this widening of the investment powers of the Federal Reserve Banks will be followed closely, with a view to such modification of its rules or amendment of its regulations as future developments may indicate to be necessary."

The problem of facilitating foreign trade on the long-term basis is essentially one for the investment market, but the Board's action, as just seen, in lengthening the acceptance period to six months, is due to a desire to do what can be done in an emergency calling for prompt relief.

The second ruling of the Board relates to the practice heretofore widely employed by member banks in obtaining the services of another institution as an opener of letters of credit in their behalf. The Board now, acting in accord with the Comptroller of the Currency, finds that this practice has no legal warrant and,

while recognizing that it is not, on the other hand, positively illegal, nevertheless cautions national banks not to resort to it further. As a substitute for the older relationship there is suggested an agency contract under which the bank issuing in its own name a letter of credit would be definitely recognized as acting for another which had requested such service. In any case, however, the acceptances issued or created by such an agent bank must be reported and shown on its statement as constituting part of its authorized or legal line of liabilities, while the principal bank must do likewise.

It must be frankly admitted that the problems of our foreign trade are not exclusively financial but that they involve others of a broader nature. Were it true that the European economic situation had been reduced to a basis of ordinary credit analysis, very much more progress could undoubtedly have been made within the past two years in securing a restoration of industrial activity, while European obligations, both private and public, would have found a broader market here than has been the case. It has been the feeling of not a few American business and financial interests that while they might fairly be expected to carry all ordinary risk growing out of investments that they might be asked to make in European industry or out of the purely financial problems and difficulties of European Governments (in those cases where offerings of securities consisted of public bonds), it was too much to ask that private citizens or banking establishments should incur hazards due to political uncertainty or instability. It is in this connection, no doubt, more than in any other that the German reparations discussion has been of importance. So long as the reparations controversy rested upon a political rather than an economic basis and involved the direct use of military authority as well as the control of import and export trade by foreign nations, the factors involved in any form of German financing presented unusual difficulty and uncertainty. The same has been true, even in much higher degree, of many of the obligations which have been offered from time to time to

American business men by interests and even by Governments which were likely to be endangered by political changes. Exporters have reported that they could do a large trade in various of the European countries if they were willing to accept high interest-bearing Government bonds which were offered to them at a very substantial discount, but that they were unable to consider the business thus suggested to them because of the difficulty of disposing of the securities under existing conditions. The political risks involved in financing industrial transactions in some of the foreign countries have undoubtedly tended very greatly to hinder export financing in this country and have given rise in various quarters to the suggestion that if the Government were willing to guarantee financiers or exporters against hazards growing out of political change, it would be much less difficult to secure the funds necessary to furnish the required basis for business when only commercial and industrial hazard had to be considered. The settlement of the German reparations discussion, to which reference will presently be made, should constitute a long step in the direction of eliminating this kind of obstacle from the path of legitimate export trade, and must therefore be regarded as of first rate importance to business in the United States.

The same problems which confront American exporters in connection with political trade risks have likewise been recognized by British trade authorities, as may be seen from the plan put into effect at the end of last year whereby in the case of exports to certain countries such as Finland, Latvia, Estonia, etc., the Government advances up to 100 per cent of the value of the goods and guarantees 80 per cent. Early in March last the president of the Board of Trade proposed a somewhat different scheme, namely, to guarantee up to 85 per cent of the selling price of the goods, and to require from the importer securities to the value of only 50 per cent instead of the previous 100 per cent. This new proposal has apparently not been put into effect and the transactions under the older scheme are of a very minor character. Between January 1

and March 31, 1921, advances had been made by the Board of Trade for only £321,000.

Outside the field of domestic financial problems and the technique of their solution, there have been observed during the past month some occurrences of large importance in their bearing upon international trade and the general prospects of its development. Chief among these is undoubtedly the German reparations plan, as made known on May 5 in official form, and as interpreted by Mr. Lloyd-George in his address in the House of Commons on the same date. The final agreement upon terms in the reparations controversy must without doubt be regarded as the triumph of economic over political considerations. It thus marks the return of a greater degree of sanity in European affairs and opens a more promising outlook accordingly for future economic readjustment there. This in itself would mean the attainment of a basis of understanding of first class economic significance as a general factor in reconstruction. It has, however, a special bearing upon the position of the United States. This is found in the fact that the adjustment unquestionably eliminates the most serious element of uncertainty that has affected international trade since the war. So long as there was hesitation regarding the final adjustment, trade between Germany and all other nations, including the United States, was necessarily more or less interrupted. Not only was this true, but the considerable investment of American capital in German enterprises which had begun about a year ago could not safely be continued and was necessarily suspended. Sale of German Government obligations in this country, whether with or without Allied indorsement, was equally unlikely to be successful—indeed, ever since the appearance of serious friction regarding the settlement there has been a practical cessation of European offerings of most kinds. This situation fortunately has already become much less acute and conditions are approaching a rather more normal position. That our market will be called upon to carry a substantial share of the necessary financing growing out of the German adjustment will naturally be unavoid-

able. The Cabinet, after considering at its meeting of May 20 the question of foreign loans, announced however that the proceeds of such as are made should be used for the purchase of goods for export, or in other words, that such advances as we make ought to be taken in goods.

In its actual terms the German settlement, though nominally simple, offers numerous complexities. The official text of the protocol made public by the French Government fixes the total payable under articles 231, 232, and 233 of the Treaty of Versailles at "132,000,000,000 gold marks, less (a) the amount already paid on account of reparation; (b) sums which may from time to time be credited to Germany in respect of state properties in ceded territory, etc., and (c) any sums received from other enemy or ex-enemy powers in respect of which the commission may decide that credit should be given to Germany, plus the amount of the Belgian debt to the Allies, the amounts of these deductions and additions to be determined later by the commission." This total sum is to be represented by (a) bonds amounting to 12,000,000,000 marks delivered by July 1, 1921, bearing interest at 5 per cent, and with an annual sinking fund of 1 per cent; (b) bonds amounting to 38,000,000,000 marks deliverable November 1, 1921, and bearing interest and sinking fund as in the case of the first series; (c) bonds amounting to 82,000,000,000 marks, with interest and sinking fund provided for as before. As deduction from the amount of the (c) bonds, however, there will be reckoned the allowances already specified above. These three classes of bonds become successive liens on incomes which are described as follows: "(a) The proceeds of all German maritime and land customs and duties, and in particular the proceeds of all import and export duties; (b) the proceeds of a levy of 25 per cent on the value of all exports from Germany, except those exports upon which a levy of not less than 25 per cent is applied under legislation referred to in article 9; (c) the proceeds of such direct or indirect taxes or any other funds as may be proposed by the German Government and accepted by the committee on guarantees in

addition to, or in substitution for, the funds specified in (a) or (b) above."

Out of the revenues thus set apart (or under certain conditions from others) Germany is required to pay "(1) the sum of 2,000,000,000 gold marks; (2) (a) a sum equivalent to 25 per cent of the value of her exports in each period of 12 months, starting from May 1, 1921, as determined by the commission, or (b), alternatively, an equivalent amount as fixed in accordance with any other index proposed by Germany and accepted by the commission; (3) a further sum equivalent to 1 per cent of the value of her exports, as above defined, or, alternatively, an equivalent amount fixed as provided in paragraph (b) above." A feature of doubt with reference to the operation of these provisions is afforded by the ambiguous provision which follows immediately the language already quoted with respect to the sums to be used in making the reparations payments: "Provided always that when Germany shall have discharged her obligations under this schedule, other than her liability in respect of outstanding bonds, the amount to be paid in each year under this paragraph shall be reduced to the amount required in that year to meet the interest and sinking fund on the bonds then outstanding." Interpreting this provision, however, Mr. Lloyd-George in his address in the House of Commons on May 5, used the following language:

"* * * It is clear that at first there will be not enough to pay interest, and you can hardly expect to receive enough money to pay interest upon the whole of the amount due, which is £6,600,000,000, and 6 per cent upon that would be £400,000,000 sterling. Then comes the question what is to be done with the interest in respect of the unissued bonds. Under the treaty, Germany was debited with interest at 5 per cent upon the whole of the debt due from her, with certain powers left to the reparations commission to vary the amount. What is proposed to be done now is that 25 per cent on the exports is to be devoted, with the fixed annual sum, to the payment of the bonds which will be issued. If there is a balance over and above that for any given year, it is to be devoted to the payment of interest upon the unissued bonds, which represents the uncovered capital of the debt, together with a sum equal to 1 per cent of her exports. Beyond that the interest will be wiped out. It will not accumulate against

her, and that is a very important concession, and I hope it will have important effects."

Not the least interesting clause in the reparations protocol is found in paragraph 5 of that document, which requires that "Germany shall pay within 25 days from this notification 1,000,000,000 gold marks in gold or approved foreign currencies or approved foreign bills or in drafts at three months on the German Treasury, indorsed by approved German banks and payable in pounds sterling in London, in francs in Paris, in dollars in New York, or any currency in any other place designated by the commission. These payments will be treated as the two first quarterly installments of payments provided for in article 4, paragraph 1." The provision of article 4, paragraph 1, referred to, is the language already quoted above as regards a lump-sum payment of 2,000,000,000 marks and an additional amount equal to 25 per cent of her exports.

Within the past month a readjustment of rates on 90-day paper has been made by several Federal Reserve Banks, with the result that the entire system is now practically upon a 6-6½ per cent interest footing. This downward movement reflects and parallels the stronger and more liquid condition of the Reserve Banks themselves. As compared with a year earlier, gold holdings at the close of May show an increase of some \$448,000,000, while bills held reflect a decline of \$972,000,000. A falling off of notes in circulation by about \$376,000,000 still further emphasizes the extent of the liquidation that has occurred. Improvement in condition has been by no means even or uniform throughout the system, banks located in the agricultural regions finding it necessary to finance the "carry-over" of products from last season, whereas liquidation has been carried to an advanced point in the more highly developed manufacturing and commercial parts of the country. Liquidation in Reserve Banks, moreover, parallels the change of condition in member banks of the Federal Reserve System.

It is still too early to state the results to be expected from changes in Reserve Bank rates upon commercial and market interest charges. While an easing of the direct rate to bank

customers is reported in some quarters, call charges have maintained themselves at a level fully as high as that of recent months. Time money, too, has been as scanty and expensive as in the past, while reductions in open-market rates on commercial paper have been very limited at best.

Inasmuch as the Bank of England had reduced its 7 per cent rate on 90-day paper to 6½ per cent prior to the date when general reductions were undertaken by the Federal Reserve Banks, while a cut in the British treasury bill rate to 5½ per cent had also taken place, it will be seen that Government and bank obligations both in Great Britain and in the United States are upon a basis of substantial similarity. Reductions of rates to 6½ per cent have also been made by some of the Scandinavian banks as well as by Swiss, Belgian, and some other central banks. It may therefore be said that there has been a general downward movement of central bank charges.

The level of prices has continued to be of primary importance as a business factor—far more so than has been true of the discount and interest situation. Recent index numbers show that the decline of prices throughout the world instead of ceasing has continued although, as remarked on former occasions, at a somewhat slower rate. The following brief table of index numbers for the principal countries, using for the United States the price index of the Federal Reserve Board, compiled for international comparisons, shows how the change in prices, to which reference has just been made, is progressing.

Wholesale prices in leading countries.

[Average prices in 1913=100.]

	Peak in 1920.	April, 1921, index.	Per cent of decline.
United States.....	264	143	46
United Kingdom, Statist.....	313	199	36
France.....	588	347	41
Italy.....	670	584	13
Germany ¹	1,714	1,429	17
Sweden.....	366	229	37
Japan.....	321	190	41
Canada.....	263	187	29
Australia ¹	236	171	28
India ¹	218	* 183	16

¹ Base period, middle of 1914.

* March, 1921.

Data received since the publication of these official index numbers by private price reporting agencies show that a further reduction of prices has occurred during recent weeks. The latest number furnished by Bradstreet's for June 1, for example, shows a falling off during May of 1.9 per cent. It is now estimated that an actual decline in cost of living from the peak point, amounting to approximately 20 per cent, has taken place. This figure must, of course, be received with caution because of the lack of uniformity in the data upon which it is based. The continued fall of price indexes has been a source of surprise to some observers who had been of the opinion that the limits of the movement had been reached some time ago. The change, however, is primarily due to a readjustment of price relationships among themselves, some commodities which had failed to share in the general downward movement yielding at last to the influences which had tended to lower the prices of other commodities. This general settling of the price level does not, it may be supposed, point to any further sharp general reduction but may perhaps be considered as the final step of price readjustment. Undoubtedly it is so regarded by many business men, as is shown by some slight increase in their disposition to make new commitments based upon quotations and values existing at the present time in the various branches of industry. Hesitation, due to the fact that some are still uncertain whether their principal commodities will or will not recede still further, has tended to prevent any considerable accumulation of advance orders, so that various industries which report themselves in decidedly improved condition so far as the volume of production is concerned nevertheless report that their advance "bookings" are still upon an abnormally narrow basis, numerous buyers working from hand to mouth because of the belief that they may be able to take advantage of later changes in prices. This hesitation is said to be more widely observable among the larger retail distributors than those among the smaller operators.

The readjustments in wages which have gone on during the month have been facilitated

by the fact that the cost of living had unmistakably fallen, and that a given wage return to labor necessarily implied a considerably greater purchasing power than in the past. Both the settling down of the price level upon a more nearly final basis and the establishment of closer correspondence between living cost on the new scale and wages have strongly helped to lay the foundation for improvement in business which can now be seen in various directions.

Without waiting for improvement in the export and general foreign trade situation, domestic business has begun to show a turn for the better in several lines. Reference has already been made in summary form at the opening of this review to sundry of the main factors which have proven of notable interest from the standpoint of domestic business recovery during the past month. The indexes of production, movement, and use of goods compiled by the Board are not as fully representative of existing conditions to the present date as are the more general indications already referred to, but they afford the results of statistical inquiry into the situation up to a date about 30 days ago.

	March, 1921.		April, 1921.		April, 1920.	
	Total.	Relative.	Total.	Relative.	Total.	Relative.
Receipts of live stock at 15 western markets (in thousands of head)	4,700	114.5	4,367	106.4	4,106	100
Receipts of grain at 17 interior centers (in thousands of bushels)	78,899	176.6	51,900	116.1	44,686	100
Sight receipts of cotton (in thousands of bales)	554	100.2	565	102.2	553	100
Shipments of lumber reported by 3 associations (in millions of feet)	664	86.6	713	92.9	767	100
Bituminous coal production (in thousands of short tons)	30,392	80.1	27,553	72.6	37,939	100
Anthracite coal production (in thousands of short tons)	7,406	119.2	7,703	124.0	6,214	100
Crude petroleum production (in thousands of barrels)	40,965	115.1	40,039	113.5	35,583	100
Pig iron production (in thousands of long tons)	1,596	58.2	1,193	43.5	2,740	100
Steel ingot production (in thousands of long tons)	1,571	59.6	1,214	46.0	2,638	100
Cotton consumption (in thousands of bales)	438	77.3	409	72.1	567	100
Wool consumption (in thousands of pounds)	47,181	70.4	53,071	79.2	66,935	100

Although, as noted a month ago, the fiscal condition of the Government **Treasury** has ceased to be as great and **finance.** immediate a factor in private business relationships as was true during the years immediately after the armistice, Treasury operations continue to furnish a factor of large significance in current affairs. During the past month the department has placed upon the market an issue of certificates of indebtedness amounting to \$200,000,000, for which, however, a total of subscriptions aggregating \$532,000,000 was received, while allotments amounting to \$256,000,000 were made. Ten of the Federal Reserve districts oversubscribed their quotas, those which did not do so being the southwestern districts where very strong local demand for funds has continued to be felt. In the ordinary financial operations of the department there has been an outlay for the month of May aggregating \$368,450,545 and an income of \$223,706,399, the transactions thus showing a deficit on ordinary account of \$144,744,146. Withdrawals from the banks in the New York district for the purpose of meeting the various recurrent obligations of the Government—interest on Liberty bonds due May 15 and others maturing during the month—have tended to cause temporary unsettlement of financial conditions, with possibly less liberality on the part of commercial banking institutions in making advances. This influence, however, while of the same general description as has been witnessed at the same season in former years, has this year been of materially less direct influence upon ordinary banking and money prospects. During the month the Secretary of the Treasury has recommended to Congress careful consideration of a program of revenue revision which would provide for the repeal of the excess-profits tax and for the broad reconstruction of the income tax in certain important particulars, with the possible addition of a tax similar in nature to the tax upon undistributed profits of corporations, suggested by former Secretary Houston. Extension of the consumption taxes and revision in other directions have likewise been called

to the attention of the legislative body. The President, in an address at New York City on May 23, has foreshadowed an important change in the treatment of the Government's holdings of Allied obligations, indicating that within a reasonable time it may be expected that provision may be made for placing these obligations in the hands of the people.

During the month ending May 10 the net inward movement of gold was \$88,646,000, as compared with a net inward movement of \$77,611,000 for the month ending April 10. Net imports of gold since August 1, 1914, were \$1,141,393,000, as may be seen from the following exhibit:

[In thousands of dollars.]

	Imports.	Exports.	Excess of imports.
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 Dec. 31, 1920.....	417,181	322,091	95,090
Jan. 1 to May 10, 1921.....	271,611	5,063	266,548
Total.....	2,541,942	1,400,549	1,141,393

¹ Excess of exports.

Sweden furnished \$26,488,000, England \$22,030,000, France \$10,248,000, the Netherlands \$7,093,000, and the French East Indies \$6,006,000 of the \$89,189,000 of gold imported during the monthly period ending May 10, other countries of Europe and the Orient furnishing most of the remainder. Of the gold exports, amounting to \$543,000, about two-fifths, or \$223,000, was consigned to Canada and the remainder to Hongkong, Mexico, and Cuba.

Since the removal of the gold embargo on June 7, 1919, total gold imports and exports have amounted to approximately \$721,324,000 and \$680,950,000, respectively, the net gain being approximately \$40,374,000. Of the total exports, \$195,414,000 was consigned to Japan, \$146,555,000 to Argentina, \$72,199,000 to Hongkong, \$67,396,000 to China, \$41,052,000 to British India, \$29,778,000 to Spain, and the remainder principally to Mexico, Uruguay, the Dutch East Indies, Canada, the Straits Settlements, and Venezuela.

During the same monthly period the net inward movement of silver was \$2,644,000, as compared with a net inward movement of \$860,000 for the month ending April 10. Net exports of silver since August 1, 1914, were \$452,956,000, as may be seen from the following exhibit:

[In thousands of dollars.]

	Imports.	Exports.	Excess of exports.
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 Dec. 31, 1920.....	88,060	113,616	25,556
Jan. 1 to May 10, 1921.....	19,747	17,775	¹ 1,972
Total.....	400,809	853,765	452,956

¹ Excess of imports.

Mexico furnished over 53 per cent, or \$2,840,000, of the \$5,333,000 of silver imported during the monthly period ending May 10, the remainder coming principally from England, Peru, Honduras, and Canada. Silver exports, amounting to \$2,689,000, were consigned principally to England, Hongkong, Mexico, and Canada.

Continued loan liquidation, though at a slackened rate, is shown by the reporting member banks for the period between April 22 and May 18, the total amounting to about \$180,000,000, compared with \$318,000,000 for the preceding four weeks. A larger amount of liquidation is shown for commercial paper proper; bills secured by Government obligations show a moderate reduction, while paper secured by corporate stocks and bonds shows an increase of about \$46,000,000, apparently as the result of member bank financing of recent large stock and bond flotations. While the reporting banks reduced their loans and discounts by \$180,000,000, they were able to curtail their own borrowings from the Federal Reserve Banks by \$269,000,000. Rate reductions adopted by six Federal Reserve Banks in April and during the early part of May apparently have had but little effect in checking the liquidation movement. It is noteworthy that the decrease in the accommodation obtained

from Federal Reserve Banks by the 821 reporting banks in leading cities is practically equivalent to the reduction shown for the same period in total discounts held by the Federal Reserve Banks. A significant inference is that credit liquidation has been confined mainly to the large cities, while country banks have not materially reduced loans to their customers and, consequently, have not been able to reduce the amount of accommodation obtained from the Federal Reserve Banks. Recent liquidation has been largely of commercial and industrial paper, and not of agricultural paper.

In the following table are shown figures of principal items in the weekly statement of reporting member banks:

Reporting member banks.
[In millions of dollars.]

Date.	Number of reporting banks.	Loans and discounts and investments. ¹	Rediscounts and bills payable with Federal Reserve Banks.	Ratio of accommodation (3+2).	Net demand deposits.
	1	2	3	4	5
Apr. 22.....	821	15,629	1,583	10.1	10,127
Apr. 27.....	821	15,603	1,523	9.8	10,138
May 4.....	821	15,582	1,533	9.8	10,214
May 11.....	821	15,489	1,506	9.7	10,252
May 18.....	821	15,447	1,314	8.5	10,156

¹ Including rediscounts with Federal Reserve Banks.

Developments in the Federal Reserve banking field are chiefly a further gain of \$95,000,000 of gold, offset in part by a loss of \$30,000,000 in other cash reserves, and a continued reduction in Federal Reserve note circulation, which on May 25 stood at \$2,735,000,000, compared with \$2,857,000,000 five weeks earlier. The volume of Federal Reserve notes in circulation on the latest report date is the lowest recorded since October 3, 1919, the reduction from the peak reached on December 23, 1920, amounting to \$670,000,000, or 20 per cent, and from the amount on May 28, 1920, to \$372,000,000, or 12 per cent. The increase in cash reserves and the reduction in note circulation, together with a decline of \$43,000,000 in deposits, has resulted in a further advance of the reserve ratio from 54.1 per cent on April 22 to 57.6 per cent on May 25, the larger share of this advance being due to the gain in gold.

Some of the principal changes in the status of the Federal Reserve Banks are brought out in the following exhibit:

Federal Reserve Banks.
[In millions of dollars.]

Date.	Bills discounted.		Total deposits.	Federal Reserve notes in actual circulation.	Reserve ratio.
	Secured by United States Government obligations.	All other.			
Apr. 22.....	943	1,171	1,749	2,857	54.1
Apr. 27.....	921	1,143	1,726	2,830	55.0
May 4.....	892	1,174	1,729	2,829	55.3
May 11.....	918	1,118	1,733	2,805	55.9
May 18.....	775	1,068	1,717	2,767	56.8
May 25.....	794	1,076	1,706	2,735	57.6

Mr. John R. Mitchell, who was nominated by the President as member of the Federal Reserve Board, and confirmed by the Senate on April 29, assumed office on May 12.

Mr. F. A. Delano, former member of the Federal Reserve Board, has been appointed a Class C director of the Federal Reserve Bank of Richmond for the term expiring December 31, 1921.

The usual quarterly session of the Federal Advisory Council took place at Washington on May 16.

Index-Digest of the Federal Reserve Bulletin.

The index-digest of the FEDERAL RESERVE BULLETIN for the years 1914 to 1920, inclusive, will be ready for final printing within a very short time. As the edition is to be a limited one and the Federal Reserve Board desires to be in position to supply all banks and others desiring it with copies, it is requested that all institutions wishing to obtain copies send in their orders at once, so that the Board may accurately gauge the number of copies to have printed.

The index-digest of the FEDERAL RESERVE BULLETIN was compiled by Mr. C. S. Hamlin, primarily for the use of the Federal Reserve Board and of the Federal Reserve Banks, and contains an abstract of all published decisions and rulings of the Federal Reserve Board and of the other matter contained in the BULLETIN.

The price will be \$2 per volume, bound in cloth in the same manner as the BULLETIN. Subscriptions should be sent to the Federal Reserve Board, Washington, or to the respective Federal Reserve Banks.

BUSINESS, INDUSTRY, AND FINANCE, MAY, 1921.

Slow and greatly retarded recovery in production and distribution has been in progress during May. What appears to be a definite turn for the better has been taken by some branches of domestic industry, but foreign trade is still arrested or depressed. The more hopeful attitude which showed itself among business men during April has continued, and in some industries is preparing the way for active development. Gains made during the preceding month or two have been generally retained, reaction being only sporadic.

Foreign trade continues its movement toward a more nearly equal balance of imports and exports. There has been a further falling off in our foreign shipments and some increase in receipts from abroad, the figures being especially noteworthy when stated as physical volumes of goods. Failure of normal industrial conditions in foreign countries to recover and special causes of trade impairment, such as the British coal strike, have hampered progress, while disturbed exchange and inadequate financial facilities have made resumption of activity a matter of special difficulty in some directions.

Readjustment in wages, which was given special consideration a month ago, has proceeded but has been slow, while adjustment between wages and prices (especially retail prices) is exhibiting special difficulties.

Irregularity and lack of uniformity still exist in marked degree over large sections of the retail price field, and qualified observers forecast serious obstacles to the final adjustment of wages to permanent levels, unless retail prices move much faster to their final basis. Settling of prices has proceeded in various wholesale lines to an extent that is reflected in less noteworthy average changes; but this process is apparently more truly an "evening up" or adjustment to a level already reached than it is a new dip or downward movement toward generally lower values. High costs of transportation, to which reference was made a month ago as one of the elements retarding readjustment, continue to produce a restrictive influence and are the subject of active investigation and discussion.

The uneven character of the business readjustment of the month is illustrated by conditions in the various individual industries. In some of the latter an approach to stabilization has been made. This condition notably exists in the textile trade and in the boot and shoe industry. Contrasted with industries of this type are several that are either at low level or moving further downward. In iron and steel reaction is still progressing. Buying is confined largely to immediate needs and as a consequence both unfilled orders and current production show declines. In wholesale and retail trade there has been some recession, although such recession has been much more pronounced in the wholesale than in the retail field. The anticipated improvement in the labor market due to the opening of spring agricultural activities has not proved sufficient to absorb the surplus resulting from the reduced employment attendant upon present industrial conditions.

Agricultural developments of the month are of a somewhat uncertain character. Whereas climatic and soil conditions had previously been favorable, the wet cold weather of May interfered with crop development, and as a matter of fact great damage has been done in certain sections of the country. The fruit crop over wide areas has suffered severely.

Financially, May has been a month of increasing strength and of more prosperous outlook. There has been, in various sections, an easing of the demand for funds which has resulted in part from the acceptance of lower price levels and in part from the adjustment of business to new conditions.

The business outlook for the season thus continues on the whole more favorable, but with little prospect of immediate sharp improvement of conditions.

AGRICULTURE.

The agricultural situation during the month may be characterized as unfavorable and backward. Although the unusually mild winter was exceptionally favorable for the preparation of the ground for the 1921 crops and permitted a rapid growth of all the grains, the unseasonable spring weather has been injurious to all crops. The weather has had an ill effect upon the maturing of winter wheat, while it has retarded the growth of spring wheat. District No. 8 (St. Louis) reports that "condition of the growing winter wheat crop in this district is still favorable, despite the fact that the growth has been checked somewhat by the recent cold, wet weather." Although the condition of winter wheat is reported to be fair in Arizona and New Mexico, the Texas crop has shown a considerable deterioration, which is attributed to drought, high winds, and the inroads of green bugs and rust. In the central and western spring wheat belts showers have occurred and the temperature has been generally favorable, aiding the growth of wheat; the seeded grains are up to a satisfactory stand. Although district No. 9 (Minneapolis) reports that "plowing and seeding of corn is progressing nicely in Minnesota and South Dakota," in most sections the plant has been retarded. Thus, district No. 8 (St. Louis) states that "corn planting in the north has been retarded by excessive moisture and, due to the same cause, considerable replanting has been required in the south." In district No. 11 (Dallas), likewise, "not only has the weather been too cool for the best growth of cotton, corn, and small grains, but these crops have been adversely affected by the extremely uneven rainfall throughout the district." The cold weather has not only retarded the growth but has prevented germination of the seed. In many instances replanting of the various crops has been necessary, while in other sections, where replanting was avoided, a poor stand has been the result.

COTTON.

The development of the cotton crop throughout the southern area has been retarded by unfavorable weather conditions. Thus, in district No. 11 (Dallas), "the effect of the cold wave occurring in April and May was to check the growth of cotton where the plant had germinated and to retard its germination elsewhere." In west Texas plowing and planting have been delayed by drought, while in many sections the cold, wet ground has delayed the necessary replanting. District No. 8 (St. Louis) reports that "planting, cultivation, and

replanting of cotton has been seriously delayed by the overabundant precipitation." Information received from all districts indicates that the acreage planted in cotton has been considerably reduced. The results of a recent survey in 150 counties of Texas made by the Federal Reserve Bank of Dallas show that the reduction in that area is about 30 per cent. District No. 8 (St. Louis) reports that "the Arkansas Cotton Trade Association estimates that the acreage reduction in that State will amount to 35.3 per cent."

TOBACCO.

The new tobacco crop has been transplanted in South Carolina, and in district No. 8 (St. Louis) "tobacco beds are reported in good condition, awaiting favorable weather for transplanting." In this district "the acreage to be planted is generally reported short," and reports from district No. 5 (Richmond) indicate reductions in both North Carolina and Virginia, but the acreage in South Carolina has been slightly increased. The leaf tobacco situation has been very quiet. District No. 8 (St. Louis) reports that the "tobacco markets are practically all closed for the season, leaving a large amount of the leaf in farmers' hands, most of which is of inferior quality." It is reported from district No. 3 (Philadelphia) that manufacturers are not buying the new tobacco on any large scale. Thus it is stated that "purchasing by manufacturers has not been increased within the past month, and the price trend continues to be lower." The cigar business appears to be in a rather satisfactory condition. Although the demand is small and for the cheaper grade of cigars, district No. 3 (Philadelphia) states that "in most cases operations and sales have about reached a point of adjustment which prevents overstocking and at the same time furnishes a supply of cigars sufficient to meet ordinary needs."

FRUIT.

Although every fruit section has suffered from cold weather and frost, the extent of the damage varies with the different sections. District No. 11 (Dallas) reports that "fruit prospects indicate a larger and more satisfactory yield than that of 1920." On the other hand, district No. 8 (St. Louis) states that "prospects for fruit in all States of the district are probably the poorest on record." In district No. 12 (San Francisco) deciduous fruit crops have all suffered from frost damage but "a greater new acreage coming into bearing this year and an exceptionally heavy set of fruit have offset the effect of frost damage,

and the reduction in total yield this year as compared with 1920 will not be so marked as was expected from earlier reports." The report further says that "in the Pacific Northwest present indications are for the largest apple crop in the history of that section." However, "the stone fruits suffered approximately 30 per cent damage."

GRAIN MOVEMENTS.

The movement of grain to market during April has reflected a seasonal decline. The receipts of wheat, however, have been an exception. At Minneapolis and Duluth wheat receipts were 21.7 per cent larger than last month and 31.1 per cent larger than receipts during April, 1920. The receipts at the four principal markets in district No. 10 (Kansas City) were unusually heavy for the season of the year, being 6,307,300 bushels or 136.4 per cent larger than receipts during April, 1920. Minneapolis and Duluth receipts of corn, oats, and barley have all shown very large decreases from last month, namely, 64.4 per cent for corn, 67.2 per cent for oats, and 39.9 per cent for barley. Decreases in the receipts of these grains were also noted at the four principal markets of district No. 10 (Kansas City). This district reports that "the farmers are apparently holding much of their corn until a good crop is assured for this year." On the other hand, April shipments of grains from Minneapolis and Duluth were 35.9 per cent larger than last month, but were 16.8 per cent smaller than shipments during April, 1920. Stocks of all grains at the close of April in the terminal elevators at these cities were 15.3 per cent smaller than at the close of March, but were 14.8 per cent larger than at the close of April, 1920. The price of grains during April generally ruled lower than during March, the April median price of cash wheat No. 1 Dark Northern at Minneapolis being \$1.57 per bushel, as against \$1.72 during March. Prices have taken an upturn during May as a result of continued reports of crop deterioration.

FLOUR.

Somewhat greater demand for flour is reported in certain sections. In district No. 8 (St. Louis) an increase in domestic sales is ascribed to "low stocks in the hands of retailers and consumers generally," although trade as a whole is far below normal. In district No. 10 (Kansas City) there is a slight improvement in the bakery demand, although jobbers are buying flour sparingly. Export demand has been sustained in the latter district, while in district No. 8 (St. Louis) it has evidenced

decided symptoms of improvement. Production during April showed some increase over March. Although average April production in the United States for the past six years has decreased about 4 per cent from the March figure, output of mills manufacturing 75 per cent of the flour production in district No. 9 (Minneapolis) during the five weeks ending April 30 increased 4 per cent over the output during the five weeks ending March 26 (from 2,220,685 barrels to 2,312,385 barrels). This was 28 per cent greater than the output of 1,814,180 barrels during the corresponding period of 1920. These mills were operating at about 43 per cent of capacity during April, 1921. Output of reporting mills in district No. 10 (Kansas City) increased 19 per cent in April, 1921, over the April, 1920, figure (from 998,981 barrels to 1,193,081 barrels), and the mills operated at 54 per cent of capacity. Although the output fell off during the first week of May, it was again higher during the second week than during the corresponding week last year. Mill operation in district No. 8 (St. Louis) during the 30-day period ending May 15 was at from 40 to 50 per cent of capacity. On the other hand, millers in the Pacific Northwest, due to the lack of demand for flour, have been more active during the past few months in exporting wheat than in manufacturing flour. None of the mills in that section are heavily stocked with wheat, and the reports of 13 representative firms show 610,502 bushels on hand May 1, as compared with 1,024,522 bushels on April 1 and 1,039,605 bushels on May 1, 1920. Output decreased from 629,417 barrels reported by 76 mills in March to 563,166 barrels reported by 75 mills in April, and the mills operated at 34.5 per cent of capacity during April as compared with 45 per cent during March and 69.8 per cent during April, 1920. The price of flour showed a downward tendency during April, but since the opening of May has again increased with the increase in the price of wheat.

LIVE STOCK.

As a result of the cold weather, both ranges and stock have undergone some deterioration in various sections, but the adverse effect in general has not been pronounced because of the fact that stock had been in good condition as a result of the mild winter and plentiful supply of feed. There has, however, been a serious shortage of moisture in the Texas Panhandle, eastern New Mexico, and Arizona. Stock in that section is reported in poor condition and there has been considerable feeding in New Mexico. Cattle in large

numbers have been moved from the drought stricken areas into Texas pastures that have been recently vacated in "what is said to be the heaviest grass cattle movement in many years." Receipts of each of the three principal classes of live stock during April show a falling off from the March figures, but in the case of cattle and calves alone are they less than for the same period last year. Receipts of cattle and calves at 15 western markets during April were 994,916 head, as compared with 1,119,548 head during March and 1,037,350 head during April, 1920. The respective index numbers are 99, 111, and 103. Receipts of hogs decreased from 2,390,480 head during March, corresponding to an index number of 109, to 2,279,495 head during April, corresponding to an index number of 104, as compared with 2,109,195 head during April, 1920, corresponding to an index number of 96. April receipts of sheep were 1,077,806 head, as compared with 1,161,549 head in March and 927,800 head in April, 1920. The respective index numbers are 79, 85, and 68. In district No. 12 (San Francisco) there has been an increase in shipments of grass-fed steers and spring lambs to eastern markets, while in district No. 11 (Dallas) the spring market movement "has been slow to materialize." The average price of cattle and hogs during April was decidedly lower than in March. The most recent quotations appear to show prices at approximately the same levels. Sheep prices during April and May showed little change. Production of packing-house products continues on a greatly curtailed scale, but some improvement was noted in April business. There were signs of a revival of buying for export account.

PETROLEUM.

Petroleum production continued to increase during April and the early part of May, despite the fact that the March output was larger than that recorded in any previous month. The Kansas-Oklahoma field, which showed the most important increase in production, had an average daily production of 386,000 barrels during the four weeks ending May 13, as compared with an average daily production of 370,500 barrels for the four weeks ending April 18, and an average daily production of 356,000 barrels for the corresponding period in 1920. The average daily output of California was 338,981 barrels during April, as compared with 337,683 barrels in March. In contrast to these increases the average daily production of the oil fields in district No. 11 (Dallas) continued to decline

from 403,243 barrels in February and 394,174 barrels in March to 386,249 barrels in April. Drilling operations decreased during April, although there is normally a considerable increase at this season of the year. District No. 11 (Dallas) led in this decline with an initial average daily production of 97,176 barrels in April, as compared with 139,413 barrels in March. The number of wells completed in that district dropped from 395 to 359. However, an entirely new field was opened by the discovery of a 5,000-barrel well near Haynesville, La. The number of wells completed in district No. 10 (Kansas City) declined from 768 in March to 588 during April, but the average daily initial production only declined from 71,460 barrels to 65,147 barrels. Fifty-eight new wells, with an initial daily output of 18,470 barrels, were opened during April in California. Pipe-line companies during April announced a cut of 25 cents in the price of crude oil in Texas. This reduced the price to \$1.50 in north Texas fields and to \$1 in the coastal section. The same reduction was made in prices of all grades of crude oil in certain of the California fields, but there was an increase in the price of Pennsylvania crude oil. The prices of most of the leading petroleum products declined during April, but the declines were more marked in the case of those products which are used purely for industrial purposes than in the case of those required by automobiles.

COAL.

Demand for bituminous coal is still very slack in all sections of the country. However, production has run considerably below consumption, as is evidenced by a decline in stocks from about 45,000,000 tons on January 1 to 37,000,000 tons on April 1. Production for April amounted to 27,875,000 tons, as compared with 30,328,000 tons during March and 37,939,000 tons during April, 1920. The respective index numbers are 75, 82, and 102. Many mines in Alabama and Tennessee are shut down for lack of orders, and others are operated only two or three days a week. District No. 10 (Kansas City) notes an improvement in production, but reports a great lack of market demand, even in the case of railroad fuel. Production of anthracite coal increased somewhat during April and amounted to 7,914,000 tons, corresponding to an index number of 107, as compared with 7,603,000 tons during March, corresponding to an index number of 103, and 6,225,000 tons during April, 1920, corresponding to an index number of 84. Reports from district No. 3 (Phila-

delphia) show an increase of nearly 50 per cent in the stocks of retailers between January 1 and April 1 and a considerable decline in consumers' supplies. Leading retailers in that district announced advances of 25 cents per ton for domestic sizes during the first two weeks of May, but this action has failed to stimulate the demand. Business in steam sizes continues to be very stagnant, as a result of curtailment in industrial operations and severe competition from bituminous sources. In district No. 2 (New York) demand for egg and stove sizes of anthracite is reported fair, but other sizes have almost no market. Beehive coke production is still very low, and ovens in the Connellsville district are operating at less than one-fifth of capacity. By-product coke production is at a higher rate, but this is due, in part, to the demand for the by-products. Accumulation of stocks of coke has resulted in strenuous price cutting.

IRON AND STEEL.

The iron and steel industry continues in an unsettled condition. The volume of new business is small and largely for immediate needs, in spite of the price reductions announced some time ago. In fact, it is stated that when there have been larger tonnages to distribute buyers are usually shopping extensively, with the result that some concessions in prices have developed, for example, on wire nails. Export trade, it is stated, continues dull. Seasonal increases in purchasing, however, are shown by the automobile and oil industries. These have given rise on the one hand to some demand for sheets, bars, and strip steel, as well as to the release of orders on which deliveries had been suspended, and on the other hand to some demand for tubular goods. Automobile manufacturers, it is stated from district No. 3 (Philadelphia), are, however, apparently drawing heavily on their accumulated stocks, and the demand in both industries is reported to be far from normal. There has been some increase in demand for fabricated steel for structural work. Thus the report of the Bridge Builders and Structural Society shows a further increase in orders placed with its membership from 29 per cent of capacity in March to 32½ per cent in April. The unfilled orders of the United States Steel Corporation, however, show a further falling off, reflecting the conditions indicated above. At the close of April they were 5,845,224 tons, as compared with 6,284,765 tons at the close of March. The respective index numbers are 111 and 116. It is estimated that in general the industry is now operating at from 35 to 40 per cent of capacity.

The number of furnaces in blast further decreased during April from 103 at the opening of the month to 96 at the close. Pig-iron production during April was 1,193,041 tons, corresponding to an index number of 51, as compared with 1,595,522 tons during March, corresponding to an index number of 69. Nevertheless, it is stated from district No. 3 (Philadelphia) that stocks of pig iron are undoubtedly accumulating. Many blast furnaces in that district are being operated merely to utilize the coke output of by-product ovens, which have been kept in operation as a result of the demand for the by-products and because of the danger of ovens deteriorating if closed. Steelingot production has likewise decreased from 1,570,978 tons in March to 1,213,958 tons in April. The respective index numbers are 67 and 52. In district No. 6 (Atlanta) alone steel mill operations are reported to show improvement.

NONFERROUS METALS.

Copper production declined very considerably during April, as a result of the closing of most of the large copper mines. Production of reporting companies in northern Michigan amounted to only 4,282,414 pounds in April, as compared with 11,201,915 pounds in March and 11,907,128 pounds in April, 1920. District No. 12 (San Francisco) reports that for those mines which are still operating, copper production is approximately 47 per cent of capacity. As a result of the curtailment of mining operations the price of copper (New York, net refinery) rose from 12.375 cents to 12.75 cents during May, but volume of demand has not shown any noteworthy improvement. The price of zinc increased slightly during the latter part of April, but receded during May to a level only slightly higher than that recorded in the middle of April. Zinc production during April amounted to 16,550 tons, as compared with 15,741 tons in March. Stocks of zinc on April 30 totaled 79,581 tons, as compared with 80,990 tons on April 1. Lead prices continued to advance during April and May, both for ore at the mine and for refined lead at New York and St. Louis. District No. 10 (Kansas City) reports that, as a result of the increase of lead ore prices, additional properties are opening each week and a considerable portion of the labor surplus is being absorbed.

COTTON TEXTILES.

Prices of raw cotton advanced somewhat during April and quotations manifested less instability from day to day. Consumption during the month amounted to 408,882 bales,

or 29,000 bales less than in March. A drop in consumption is, however, usual at this season of the year. There has been an increase in activity of the cotton yarn mills in districts No. 1 (Boston) and No. 3 (Philadelphia). The Philadelphia report states that the greatest part of the business comes from the hosiery and light-weight underwear trade. Orders still remain small and there is little inclination to place them far ahead. More mills resumed operations in April, and production varied from about 50 per cent to 75 per cent of capacity. The situation in district No. 6 (Atlanta), so far as indicated by returns made by 10 representative yarn mills, showed contrary tendencies. These mills reported a decrease of 13.4 per cent during April in the quantity of their output as compared with March, while production was 38.8 per cent below that of April, 1920. Shipments fell off 33.5 per cent from the preceding month, while orders on hand at the end of April were 12.3 per cent below those for the end of March. On the other hand, 14 cloth mills in district No. 6 (Atlanta) had a yardage 0.8 per cent in excess of that for March and orders on hand at the end of the month showed an increase of 8 per cent. District No. 1 (Boston) states that buying is so close and such little margin is left for securing profits that manufacturers are unwilling to accept orders far in advance, so that in print cloths, more particularly, contracts of longer duration than July are the exception. In the case of gingham and sheetings, which were early subjected to price revisions, sales have been well sustained, and in some instances the gingham output has been taken for a four months' period. Sales of print cloth at Fall River amounted to about 550,000 pieces for the four weeks ended May 14—an increase of 28 per cent over the preceding period of four weeks.

FINISHING OF COTTON FABRICS.

Thirty-four of the 58 members of the National Association of Finishers of Cotton Fabrics reported total finished yards billed during the month at 86,311,438 yards, as compared with 86,732,621 yards in March. The total average percentage of capacity operated was 66 per cent for all reporting districts, as compared with 67 per cent during the preceding month. The total gray yardage of finishing orders received amounted to 92,920,824, as compared with 88,342,599 in March. The total average work ahead at the end of the month amounted to 10 days for all reporting districts, as compared with 8.4 days for the preceding month.

HOSIERY.

The continuance of the strike in Philadelphia full-fashioned hosiery mills resulted in insistent demands upon other centers. But most mills, having booked orders for three to four months in advance, were unable to accept new business. As a result seamless and mock-fashioned silk lines have been doing unusually well, and some mills have been using night shifts. The demand for seamless cotton hosiery is not so great as for other lines; in fact in some instances business is dull. Twenty-three firms selling to the wholesale trade, which regularly report to the Federal Reserve Bank of Philadelphia, reported an increase of 13.3 per cent in the value of the product manufactured during April as compared with March. Orders booked during April declined, however, 28.3 per cent, while unfilled orders at the end of April registered a fractional increase of 0.3 per cent. The eight firms selling to the retail trade had increased the value of their output 43.3 per cent during the month. Orders booked during the month were 0.7 per cent larger than those of March, and unfilled orders on hand at the end of the month were 15.7 per cent in excess of those on hand at the end of March.

UNDERWEAR.

District No. 3 (Philadelphia) reports that although orders for fall are being placed with the underwear mills, they are so small that they barely amount to 20 per cent of what is normal for this season of the year. The cool and wet weather of early May caused an immediate falling off in orders for current delivery—good evidence of the uncertain state of the market. "In the main, however, the market displays considerable activity, and manufacturers in many lines are unable to meet the present demand for short-time deliveries." The 21 firms which make monthly reports had an average output 5.7 per cent less in April than during the preceding month. Orders booked during April fell 20.7 per cent as compared with March, and unfilled orders on hand April 30 were 5.3 per cent less than at the end of the previous month.

The 61 mills making reports to the Knit Goods Manufacturers' Association of America had an output in April of 109,937 dozens of winter underwear, which was 35.6 per cent of normal. The production of summer underwear amounted to 292,001 dozens, or 58.3 per cent of normal. Thirty-two representative mills which furnished data for both March and April had a production of 275,382 dozens during the latter month, as compared with 285,515 dozens in March. Unfilled orders on the 1st

of April rose from 361,076 to 423,727 dozens. New orders received during the month of April rose from 354,959 dozens to 363,543 dozens. There was a slight drop in cancellations, which fell from 4,937 dozens to 4,279 dozens.

WOOLEN TEXTILES.

The new wool clip is now being gathered, and sales in district No. 12 (San Francisco) are reported at prices of 10 to 16 cents per pound in the grease as compared with 50 cents per pound last year. The district clip will probably be somewhat below that of the preceding year. On the basis of estimates given by representative wool growers and warehouse companies, it is thought that the 1921 clip will be anywhere from 75 per cent of the 1920 clip in the States of Arizona and Washington to 100 per cent in Oregon and Utah. Estimates for California and Idaho are put at 90 per cent and at 80 per cent for Nevada. Unsold holdings in all sections of the country are thought to approximate 65 per cent to 75 per cent of the 1920 clip. Western holdings have been moving eastward by water in considerable volume for the past two months. District No. 1 (Boston) reports that the wool market is even more of a buyers' market than it was in March, as the large stocks of raw wool have been augmented by further importations of wool and tops, which have depressed prices. The finer counts of woolen and worsted yarns are in demand in district No. 3 (Philadelphia), but no substantial price changes have occurred since April, although some buyers have asked concessions from the contract prices of March in order to meet current quotations. The cloth mills in all sections are exhibiting a fairly high degree of activity, although there appear to have been no developments of particular interest during the past month.

MEN'S CLOTHING.

District No. 7 (Chicago) has secured returns from five representative clothing manufacturers and nine tailors to the trade, and these statistics are sufficiently comprehensive to give a fairly complete picture of the clothing industry for the city of Chicago. Orders for fall suits received by the clothing manufacturers to date were 27.5 per cent less in terms of suit units than those for the same season during the previous year, while the number of suits made in April was 29.9 per cent less than during the same month a year ago. The tailors to the trade reported 42 per cent fewer orders (expressed in suit units) in April than during April, 1920, and 23.8 per cent less than during

March of this year. Suits made in April were 40.8 per cent below the numbers for the same month a year ago and 20.2 per cent below the totals for March.

SILK TEXTILES.

Districts No. 2 (New York) and No. 3 (Philadelphia) both mention the fact that the silk industry was less active during the last week in April and at the beginning of May. The drop, however, is thought to mark the transition from the spring to the fall season. Orders for fall delivery are coming in slowly, in sufficient quantity to maintain operations at about 60 per cent of capacity. Reports from Paterson and vicinity indicate a slight advance in May operations over the 60 per cent reported for April. Imports of raw silk into New York during April amounted to 35,886 bales, as compared with 14,043 bales in March. Stocks in New York warehouses at the end of April rose to 20,038 bales from 16,386 bales.

SHOES AND LEATHER.

Prices of hides and skins have advanced rather sharply during May from the abnormally low levels prevailing in April. Calfskin prices registered advances of approximately 50 per cent by about May 20, while cow and steer hide prices increased between 20 and 30 per cent. The number of skins purchased advanced coincidentally with the rise in prices. The demand for calfskins, especially in the light weights, and for colored glazed kid has increased steadily in volume, until there has arisen considerable difficulty in obtaining these varieties of leather. During the past month demand has spread from these lines to more staple leathers. Sole leather has advanced about 2 cents per pound, and considerable demand for black glazed kid has developed. The demand for belting leather, on the other hand, has shown some slackening during May. Retail shoe sales have continued on a very satisfactory scale during April and May. Demand for women's shoes is still considerably in excess of demand for men's shoes. Shoe factories in district No. 1 (Boston) continued to operate in April at about 50 per cent of capacity, as in February and March. Shoe stocks of seven Boston department stores were 32 per cent less on May 1 than on the corresponding date in 1920. The sales of shoes of these stores during the first four months of 1921, measured in dollars, were less than 1 per cent below sales in the corresponding period of 1920. Ten New England stores outside of Boston showed shoe sales 17.5 per cent less

during the first four months of 1921 than during the corresponding period of 1920. District No. 3 (Philadelphia) reports that unfilled contracts for summer delivery are sufficient to occupy most plants at capacity until July 15. Many orders for fall delivery have been placed, which indicates an increased confidence in the present level of prices. Plant operations in district No. 8 (St. Louis) are being maintained at from 90 to 100 per cent of capacity. The demand centers in cheaper shoes and specialty goods. Prices in district No. 8 (St. Louis) declined between 5 and 10 per cent during the past month. During May two of the largest shoe manufacturing concerns in the United States and a large tanning company combined to form a new corporation which will manufacture and distribute shoes on a large scale in both the eastern and western States.

LUMBER.

Demand for lumber continued to improve during April as a result of an increase in building operations and a further recession in prices. District No. 12 (San Francisco) reports that the present market for lumber is showing activity and stability. "The demand is increasing from week to week, and movement to local and eastern consuming centers is growing." Orders received during the four weeks ending April 30 by the four lumber manufacturers' associations of district No. 12 (San Francisco) showed an increase of 54 per cent over those for the four weeks ending March 26. Production during the same period increased 47.4 per cent and shipments 58.4 per cent. Shipments were 11.7 per cent above production, resulting in a further reduction of stocks. One hundred and fifteen mills belonging to the West Coast Lumbermen's Association reported for the four weeks ending March 26 a cut of 220,262,000 board feet, shipments of 253,427,000 feet, and orders of 263,666,000 feet. Corresponding figures for the four weeks ending March 26, with 118 mills reporting, were as follows: 187,917,000 feet, 209,970,000 feet, and 213,431,000 feet. The logging industry has not improved in unison with the mill industry, and, although the present visible supply of logs is limited, many logging companies show no tendency to resume operations. Increased demand for southern pine was evidenced in district No. 6 (Atlanta) during April. In the week ending April 29 orders received by 134 mills of the Southern Pine Association were only 7.8 per cent below normal production, whereas actual production was 26.8 per cent and shipments 14.9 per cent below normal production. In district No. 11 (Dallas)

the production of 29 southern pine mills amounted to 61 per cent of normal. Orders booked by the 29 mills were equivalent to 72 per cent of their normal production, whereas the same number of mills only booked orders equal to 61 per cent of their normal production in March. On April 29 the volume of unfilled orders on the books of these 29 reporting mills was 37,699,200 feet, in comparison with orders totaling 30,265,302 feet reported by a like number of mills on April 1. District No. 8 (St. Louis) reports that there was a heavy volume of orders for yellow pine and Douglas fir in the latter part of April, which has been followed by a lull in demand. "The tendency of prices of high-grade hardwoods is decidedly upward, lower grades continuing weak and unsteady." Reports of both manufacturers and retailers of lumber in district No. 9 (Minneapolis) indicate a considerable increase of activity. The April cut of 15 manufacturers was 23.2 per cent greater than in March, and shipments increased 48.2 per cent. Stocks at the end of the month were 1.1 per cent higher than at the close of March. Comparison with April, 1920, however, shows cut 37.1 per cent less, shipments 47.1 per cent less, and stocks 46.5 per cent greater. District No. 5 (Richmond) states that lumber prices have fallen from 10 to 15 per cent in the past month. An increased demand for southern pine and Douglas fir is reported from district No. 3 (Philadelphia), but "sales do not average more than 60 per cent of last spring's business." Prices in that district have declined since January 1, and quotations for both hardwood and softwood are now about 50 per cent below the high levels of 1920.

BUILDING OPERATIONS.

Building operations showed a marked increase of activity during April. This activity is evidenced alike by statistics of the value of contracts awarded, the number of building permits issued, and the value of building permits. Whereas the increase of building operations in February was confined to States west of the Mississippi River, an advance in April was reported from almost all sections of the country. This upward movement was most general in the case of residential building, but considerable increases in other classes of building occurred in some of the districts. Contracts awarded in district No. 1 (Boston) amounted to about \$16,700,000 in April, as compared with \$12,200,000 in March, an increase of 37 per cent. About \$6,500,000 of the April total was for residential purposes, as compared with \$4,300,000 in March. In dis-

trict No. 2 (New York) contracts awarded during April had a total value of about \$52,100,000, as compared with a value of \$30,900,000 for March, an increase of 69 per cent. Residential building amounted to \$18,100,000 in March and \$28,600,000 in April. Contracts totaling \$15,100,000, of which \$6,300,000 were for residential purposes, were awarded in district No. 3 (Philadelphia) during April, in comparison with March awards of \$14,100,000, of which \$6,000,000 were for residential purposes. In district No. 4 (Cleveland) contracts awarded during April totaled about \$34,800,000, as compared with awards amounting to \$32,700,000 in March. Of the April total, only \$9,100,000 was for residential purposes, as compared with \$11,400,000 in March.

Permits for new buildings in 23 cities of district No. 5 (Richmond) totaled 1,688 in April, as compared with 1,718 in March. The value of this new construction amounted to \$13,594,575, the highest monthly figure ever recorded for this group of cities. This was due to the inclusion of one industrial project which will cost \$6,000,000. "The housing situation in all cities in the district continues critical." A considerable increase in building activity is reported from district No. 6 (Atlanta), but this is more noticeable in the number than in the value of building permits. Contracts awarded in district No. 7 (Chicago) during April totaled \$53,700,000, of which \$13,000,000 were for residences, as compared with a total of \$37,400,000 during March, of which \$9,300,000 were for residences. In five reporting cities of district No. 8 (St. Louis) there was an increase in number of permits during April, but their total value was less than in March. Nine cities of district No. 9 (Minneapolis) issued 2,868 permits, valued at \$5,606,011 during April, as compared with 1,639 permits, valued at \$2,621,591, during March. This increase in building activity is accounted for almost entirely by an increase in the permits issued for the construction of small buildings. Reports from 17 cities in district No. 10 (Kansas City) show a total of 2,668 permits issued in April, as compared with 2,778 in March. Nine cities in district No. 11 (Dallas) report 2,588 permits, valued at \$5,633,649, issued in April, as compared with 2,331 permits, valued at \$5,190,191, issued in March. The value of building permits for 20 cities of district No. 12 (San Francisco) amounted to \$19,907,621 in April, in comparison with \$18,542,835 in March. "In southern California activity approaching a building boom is in progress."

EMPLOYMENT.

The employment situation has shown no signs of improvement during the past month. On the contrary, all available evidence points to a slight increase in numbers unemployed, despite the absorption of labor by farming districts and industries which have experienced a limited revival of active operations. In New England the situation remained virtually unchanged during the month. There was a slightly increased demand for textile operatives, especially weavers, and for mechanics in the building trades. There was no revival in the metal trades, however. The Boston Public Employment Office reported a fair demand for common labor at 50 cents per hour. The Springfield office stated that the demand for farm hands was less than usual, and there was no difficulty in securing men at wages 20 per cent to 25 per cent below those prevailing a year ago. During May several rather extensive strikes added to the number of unemployed—notably those affecting the garment and paper making industries and the building trades. In district No. 2 (New York) there was probably a slight decrease in numbers employed during the month. The New York State Bureau of Labor estimated that about 500,000 persons were idle, 150,000 of whom were unemployed because of labor disputes. Among the latter were included marine workers, traction and building workers in various cities, and employees of printing and publishing establishments. The industrial commission reports a 2 per cent reduction in numbers employed in factories of New York State during April. Wage reductions, which affected about one-half the firms reporting to the Federal Reserve Bank of New York in April, have since become more widespread, and it is estimated that about three-fourths of the workers in the district have been affected by reductions either achieved or prospective. Employment conditions have undergone little change in district No. 3 (Philadelphia). As a result of attempts to reduce wages, strikes are in progress in Philadelphia affecting the full-fashioned hosiery workers, the printers, and carpet weavers. There are also strikes among the building-trade workers of Philadelphia and other large cities.

In district No. 5 (Richmond) unemployment is particularly noticeable "among middle-aged and older women, who have been released from factories in considerable numbers." Farm labor is in excess of demand and wages have been greatly reduced. In district No. 6 (Atlanta) there was an increase in April of 8.8

per cent in numbers employed in Atlanta, according to the United States Department of Labor. On the other hand, decreases of 13.2 per cent and 8.9 per cent, respectively, were reported from New Orleans and Chattanooga. A strike of metal-trade workers in New Orleans, which had lasted two months, was finally settled by an agreement to accept wage reductions of 10 cents per hour. The New Orleans printers were on strike at date of writing, asking a 44-hour week instead of the prevailing 48-hour week. The Federal Reserve Bank of Chicago received reports directly from 178 concerns, at present employing 115,000 workers, giving data as to the numbers employed and the amount of pay roll in April as compared with the preceding month. There had been a decrease of 3.9 per cent in numbers as compared with March returns for Chicago and 1.9 per cent for the district as a whole. Pay-roll totals had fallen 6.3 per cent in Chicago and 4.2 per cent in the district at large. The Free Employment Offices of Illinois showed a fall during April from 275 to 232 in the number of applications for each 100 places open. In Detroit, however, at date of writing 118,497 men were reported unemployed as compared with 100,347 on April 12. In district No. 8 (St. Louis) no particular change in conditions is noted. The trend in wages continues sharply downward, and further cuts have occurred within the past 30 days in lumber, flour milling, cooperage, plumbers' supplies, farm implements, stoves, automobile bodies, candy, and in some cases in the building trades. Unemployment is especially pronounced among common labor and railroad workers. In district No. 9 (Minneapolis), reports from 15 lumber manufacturers who employed 1,984 men in March showed an average decrease of 5 per cent in number of employees in April, while 29 iron-mining companies employing 6,309 men in March had reduced their forces about 6 per cent during the month. Michigan copper mining companies showed a reduction of 43 per cent in numbers in April, as a result of rather extensive closing. In the farming districts, however, there is little surplus labor.

The United States Department of Labor reported decreases in numbers employed at the end of April as compared with the end of March for both Minneapolis and St. Paul, amounting to one-tenth of 1 per cent and 13.7 per cent, respectively. These figures, however, apply only to large establishments employing over 500 men. District No. 11 (Dallas) says "an unusually large surplus of farm labor is reported from the rural districts, due largely to the growing tendency on the part

of the farmers to cultivate only such acreage as they are able to take care of without hired help." Largely as a result of strikes in the building trades and among marine workers, unemployment increased in district No. 12 (San Francisco) where 15,000 men were out of work in May, but elsewhere in the district decreases were the rule. Although improved conditions in the lumber industry together with demands for agricultural labor caused a decrease in the surplus labor in the cities, the reduction has not been as material as was anticipated, because demand, as elsewhere, was restricted by a disposition on the part of farmers to do more work unassisted.

WHOLESALE TRADE.

The seasonal increases in the sales of reporting wholesale firms in the four leading lines of hardware, groceries, dry goods, and boots and shoes, which were quite pronounced and general throughout the country during the month of March, were followed by equally marked recessions in May sales for most reporting lines. The returns from 25 wholesale hardware firms located in district No. 3 (Philadelphia) were an exception to the general rule, as net sales increased 11.4 per cent during April as compared with March, although sales were 18.7 per cent below those for April, 1920. The increase is attributed to a gain in building activity, as the demand for mill supplies and general hardware was said to be the poorest that has existed in recent months. Reports from 51 wholesale grocery firms in that district showed declines of 14.9 per cent from March totals and 38.4 per cent from the sales of April, 1920. Although sharp price declines explain some part of the difference in total sales values as between this year and last, they do not account for the whole of that difference. Returns from district No. 4 (Cleveland) present comparisons only with April, 1920, and declines for the eight hardware firms were 21.9 per cent, slightly greater than in district No. 3 (Philadelphia), while sales of 14 grocery houses were 37.7 per cent less, and sales of five dry goods concerns 4.2 per cent lower. In hardware, groceries, dry goods, and boots and shoes, sales in district No. 5 (Richmond) fell off from the March total by amounts ranging from 1.7 per cent in the case of hardware to 27.2 per cent in dry goods. The declines as compared with April, 1920, varied from 22.7 per cent in hardware to 39.1 per cent in dry goods. Orders in all lines except dry goods are for small lots for immediate shipment. Declines in April sales as compared with March were more pronounced in general in district No. 6 (Atlanta) than in

district No. 5 (Richmond). The 15 reporting dry goods firms, however, showed a reduction of 25.5 per cent, which was not quite so large as in the Richmond section. The 13 hardware firms reported sales 10.6 per cent below March; in the case of 20 grocery firms, the drop was 16.2 per cent, and for seven shoe houses, 33.4 per cent. Declines as compared with a year ago averaged 39.7 per cent for dry goods, the minimum figure, and 47.5 per cent for groceries, the maximum.

In district No. 7 (Chicago) grocery sales of 26 firms suffered an almost equally heavy decline of 42.8 per cent, dry goods sales (12 firms) were 35.3 per cent lower, and shoe sales (10 firms) 24.8 per cent less than during April, 1920. In district No. 10 (Kansas City) the sales of three reporting grocery firms were 32.2 per cent below those of April, 1920. April sales were also 6.7 per cent below March sales, although weather and road conditions were assigned as the cause of this fact. The wholesale hardware sales of three reporting firms are likewise 40 per cent below the totals of a year ago and 18.1 per cent less than in March. Contrary to the general tendency, the wholesale trade returns for district No. 11 (Dallas) had shown pronounced reductions in March sales of hardware as compared with February, and the report for April states that reductions not only continued but were slightly greater than in March. Seventeen grocery firms had sales 12.4 per cent below March totals, which in turn were slightly below February figures; sales of five dry goods houses were 25.8 per cent lower; and sales of two hardware firms, 9.7 per cent less. As compared with April, 1920, decreases ranged from 30 per cent for hardware to 48 per cent for groceries. District No. 12 (San Francisco) says that the volume of orders for summer delivery placed by retailers is not only much below last year, but no improvement in this respect was witnessed in April. Buying continues to be in limited quantities for immediate need. The reductions in sales, however, as compared with the preceding month are on the whole not by any means as striking as in other districts. Sales of the 24 reporting hardware firms dropped only 1.7 per cent; grocery sales (30 firms) fell 13.8 per cent; shoe sales (18 firms) 6.4 per cent, and dry goods sales (12 firms) recorded a slight advance of 1.4 per cent. As compared with a year ago, declines ran from 15.2 per cent for dry goods to 36.2 per cent for groceries.

RETAIL TRADE

Retail trade throughout the country during April reflected a seasonal decline. In practi-

cally every district the net sales showed a decrease both when compared with last month and also with the same month a year ago. However, when the price changes are considered, it would seem that the actual volume of units sold during April, 1921, was greater than that sold during the same month a year ago. The unseasonable weather conditions during April, and the fact that Easter fell in March this year instead of in April were, of course, large factors in the decrease of sales. The reports from representative department stores show a decrease in net sales from the same month a year ago of 1.9 per cent in district No. 1 (Boston), 0.5 per cent in district No. 2 (New York), 0.4 per cent in district No. 3 (Philadelphia), 0.7 per cent in district No. 5 (Richmond), 17.7 per cent in district No. 11 (Dallas), and 9.3 per cent in district No. 12 (San Francisco). In every district stocks on hand at the end of the month again showed a large decrease from stocks on hand at the end of April, 1920, the decrease in most cases being larger than the comparative figures of a month ago. Most districts showed a slight increase in stocks at the close of April as compared with stocks at the close of March. The rapidity of the turnover of stocks has been generally slower than last month. The percentage of outstanding orders at the end of April to total purchases during the calendar year 1920 has been generally decreasing, which affords evidence that the merchants have been confining their purchases to meet immediate requirements and have not been placing any great amount of orders for future delivery. However, reports from various districts indicate that some retailers are now beginning to anticipate their requirements in that they are placing some orders for fall delivery.

PRICES.

As regards prices there seems to be increasing realization of the fact that a relatively stable wholesale price level will not be obtained until liquidation has occurred in all lines in which production, consumption, or prices are out of harmony one with another. Liquidation of a pronounced sort has occurred during the course of the past year in raw materials such as grain and live stock, cotton, wool, hides, copper and other nonferrous metals, with the result that raw materials in these lines are now being sold at approximately prewar prices. In the case of cotton, hides, and nonferrous metals conditions in April and early May were such as to indicate that a fair degree of stability had been obtained, and prices showed slight increases over March levels. Wool prices, however, continued to

decline because of the abnormally heavy importations which are being made in anticipation of the new tariff measure.

It is impossible to say whether this relative stability in the textile and agricultural lines will be permanent or not. In the case of cotton, wool, and grains, stocks which are being held at present are considerably larger than were customary before the war. Commodities in which the carry-over stocks from the period of abnormal Government demand were relatively small, did not feel the effect of liquidation as early as other commodities. When buying was restricted and production curtailed in textiles and other lines, however, the effect of this was passed on to such commodities as coal, petroleum, iron and steel, and other building materials. As a result, prices in these lines have been reduced, but not as much as in the cases mentioned above, since stocks had not accumulated to the same extent. Decline in spot prices of bituminous coal has been very spectacular, but the present level is still as high as in 1919 and the first months of 1920, and at present the tendency of these prices seems to be toward higher levels. Contract prices for the coming year have apparently not yet crystallized. Pig iron, petroleum, and leading building materials are still being reduced in price, with present levels ranging up to and above twice the prewar level. As conditions improve in the manufacturing lines, demand will doubtless increase for these commodities, but it is impossible to say whether these factors will be stronger than those making for lower levels.

An interesting factor of recent weeks is the readjustment of prices within industries in such a way as to bring about a more normal relationship of the various grades or classes of manufactured goods to one another. This has been especially noticeable in the case of cotton cloth. Profits in certain lines have been narrowed down to such a point that readjustment of this sort is essential to future business.

Index numbers of wholesale prices show that the decline in April was somewhat greater than in March. The index number of the Bureau of Labor Statistics shows a decline of 5 per cent, compared with 3 per cent in March, while the index number of the Federal Reserve Board, constructed primarily with the view to international comparisons, also shows a decline of 5 per cent. Retail prices of food were likewise reduced at a somewhat more rapid rate in April than in March. According to the index of the Bureau of Labor Statistics, based upon prices of 43 articles of food in a large number of cities, the reduction amounted to 1.3 per cent in March and 2.5 per cent in April. No statistics

are available to show the shift in the retail prices of other commodities.

SHIPPING.

The shipping situation showed some improvement during May, the most encouraging feature being a sudden demand in the early part of the month for the charter of coal-carrying ships for May loading. The demand was chiefly for United Kingdom destination, as a result of the continuance of the British coal strike, but rates all around stiffened in consequence. Whereas ships had been chartered to carry coal from North Atlantic ports to the Continent for as low as \$3.75 per ton in March and April, the quotation in the early part of May was \$5.25 and higher. While these increased rates have not been sufficient to attract many ships that had definitely been laid up, they put a stop, for the time being at least, to further plans of owners for placing additional vessels in the hands of caretakers. The conditions underlying the steamship business, namely, high operating costs, diminished cargoes, and low rates, are, however, not substantially changed, and it is generally agreed that an increase of production and of the demand for goods throughout the world must be realized before the present situation can be much improved.

As for the marine strike in American ports, the effect has been less serious than was anticipated, although some outgoing steamers have been delayed. In a statement issued toward the end of May, Secretary of Commerce Hoover gave some figures showing the effect of the marine strike in the various United States ports from May 1 to 22, inclusive. The figures show that 190 American steamers were detained by the strike, while 936 American steamers sailed from American ports during that time. The Pacific coast ports have felt the strike most severely, the Gulf ports somewhat less, and the Atlantic ports only to a comparatively small extent.

The Acceptance Market.

The Federal Reserve Banks report the condition of the acceptance market in their respective districts as follows:

DISTRICT NO. 1—BOSTON.

During the latter part of April there was very little demand for bills, with the result that dealers' portfolios increased considerably. There were some sales made through that period, and the corporations were perhaps the best buyers. Short-term bills were a drug on

the market. Toward the end of the month there was a better demand consequent upon the rates being changed from $5\frac{3}{8}$ to $5\frac{1}{4}$ for nineties. The demand continued until about the middle of the month on 90-day bills. About the middle of the month a slackening up in demand occurred, and at the close of the period the bill market was very inactive, a few sales being made, but not many being offered. The 120-day bills have become more general and quite a few are offered in this market at rates of $5\frac{1}{4}$ and 6. The buying rates of the Federal Reserve Bank of Boston were above the outside market most of the month, but on May 12 the pressure on 30-day bills was felt to be so great that relief was needed, and this bank accordingly reduced its rate for one day to $5\frac{1}{2}$ per cent, and consequently purchased approximately \$5,000,000 worth of bills. Toward the close of the month the carrying rate of the Boston bank for bills held for dealers on short-term agreements was reduced to $5\frac{3}{8}$, as some of the dealers complained that the market was pegged at $5\frac{1}{4}$. The change did not result in undue pressure for accommodation, because it was possible to control the amount of bills offered us by suggestion and by indicating a disinclination to allow dealers to unload their portfolios on this bank too heavily. Most bills were made during the month on sugar, but there was a fair supply of cotton, dollar exchange, wool, and coffee. The Boston Reserve Bank's portfolio has increased about \$7,000,000, approximately all of these bills being due within 30 days. The current buying rate of the Federal Reserve Bank of Boston for prime 90-day bills is $5\frac{1}{4}$, the same for sixties, and $5\frac{3}{8}$ for thirties, with a corresponding increase of $\frac{1}{8}$ for less known names. No 6-month bills have been offered this bank, though bills at 6 per cent indorsed for 90 days would probably be bought unless the volume offered was excessive. No discrimination in the carrying rate on account of maturity is being made, but 6-month bills when eligible are being taken.

DISTRICT NO. 2—NEW YORK.

During the past four weeks the rate on prime 90-day bills fluctuated between $5\frac{3}{8}$ and $5\frac{1}{4}$. Dealers found it difficult to maintain sales at the lower rate, and the period closed with $5\frac{1}{4}$ as the ruling rate. The volume of sales fluctuated with changes in rates. In the first week in May, when the $5\frac{3}{8}$ rate was maintained, sales by principal dealers were larger than in any previous week for nearly three months. Total sales for the month, however, were approximately equal to the monthly average for the first quarter.

About one-third of the bills coming into the market during the past four weeks were drawn for the purpose of furnishing dollar exchange. Another third was composed of bills covering packers' products, grain, and sugar, in about equal amounts. In the second week of May the aggregate of cotton bills increased somewhat, though these were still in smaller volume than other bills.

On May 16 the Federal Reserve Bank of New York announced that in accordance with Regulation B, series of 1921, of the Federal Reserve Board, bills of maturity up to six months, issued in import and export transactions, might be offered to the Federal Reserve Banks for purchase. Heretofore three months has been the maximum maturity of acceptances eligible for purchase.

The considerations which led the Board to make eligible bills of longer maturity are stated by Gov. Harding as follows: "(1) The desire to widen the acceptance market by meeting the wants of savings banks and similar purchasers of bankers' acceptances who are now deterred from investing in acceptances of longer than three months' maturity, because of the lack of authority of Federal Reserve Banks to purchase longer maturities up to six months; (2) to provide more ample facilities for financing import and export trade with countries where either normal conditions or present abnormal conditions indicate the desirability of rendering assistance by making acceptances of maturities not exceeding six months eligible for purchase by Federal Reserve Banks."

The minimum buying rate of this bank has remained unchanged at $5\frac{1}{4}$ to 6 per cent for indorsed prime bills ranging up to 90 days' maturity.

DISTRICT NO. 3—PHILADELPHIA.

Five dealers in bankers' acceptances report that sales in this district during April fell off 4 per cent from those in March. The month, however, shows a very large increase over the corresponding period in 1920. Three of the five dealers were selling acceptances in April, 1920, and sales in April, 1921, were five or six times as large as at that time.

Reports of 11 accepting Philadelphia banks may be summarized as follows:

	Executed during preceding month.	Outstanding on date given.
1921.		
Mar. 10.....	\$5,321,000	\$14,095,000
Apr. 10.....	4,561,000	13,150,000
May 10.....	5,596,000	12,844,000

As noted in our last review, decreasing foreign trade has had a noticeable effect in reducing the volume of bankers' acceptances executed. Conflicting views are given whether or not the supply of acceptances is equal to the demand. City banks have not displayed any particular interest in the market and the bulk of the sales are to banks in the smaller centers.

An interesting estimate of the types of transactions covered by acceptances executed during April is given by one of the large acceptance firms. Their letter states that imports accounted for 65 per cent of the total, exports 10 per cent, domestic shipments and warehousing 10 per cent, and dollar exchange 15 per cent. Bills to finance sugar importations composed a large part of the bills, and wool, cotton, silk, hides, leathers, grain, oil, tea, and coffee were also important. Three of the five dealers hold that bills to create dollar exchange are of small consequence thus far, whereas another states that he is handling a larger number than ever before.

Rates quoted in the first two or three weeks of May are generally about the same as in April, but there have been many fluctuations and variations of one-eighth of 1 per cent are common. Quotations as of the middle of May were as follows:

	30 days.	60 days.	90 days.
Eligible members' bills.....	5½-5¾	5¾-5¾	5¾-5¾
Eligible nonmembers' bills.....	5¾-5¾	5¾-6	5¾-6

DISTRICT NO. 4—CLEVELAND.

During the month the market for prime bankers' acceptances was sporadic, with a considerable falling off in the demand from the banks of this district. The supply of paper has continued to increase, as in the previous month.

Brokers were offering a good variety of bills, but with little material effect on demand. The rates have not followed the basic principle of supply and demand, but remained on a level proportionately lower than other forms of commercial paper. The trend of the market throughout the month has shown that there is no hesitancy in purchasing this form of paper because of the rate, but more so because there seems to be but little idle money.

During the month much interest was shown in the announcement of the Federal Reserve Board that six months' bankers' acceptances, issued on import and export transactions, had now become eligible for open-market purchase by the Federal Reserve Banks. This will provide a discount market for a class of paper that previously found little or no demand, and will

more effectively enable our discount market to aid overseas commerce.

Prime 90-day bills are quoted at 5¼ to 5½; prime 60-day bills at 5¾ to 5¾; prime 30-day bills at 5½ to 5¾.

DISTRICT NO. 6—ATLANTA.

The amount of domestic acceptances executed by 15 member banks in this district was reported to be approximately 15 per cent greater than during the month of March, although less than one-half of the amount executed by the same banks during April, 1920. Foreign acceptances were executed during April in amounts approximately 11 per cent less than during March and 19 per cent less than during April last year. The prevailing rate of discount is reported at from 6¼ per cent to 8 per cent. The reports received indicate that a relatively small number of banks are executing or dealing in acceptances.

The amount of acceptances rediscounted by the Federal Reserve Bank of Atlanta during April was larger than for March or February, but little more than 25 per cent of the amount held during April of last year.

Shipments of cotton at New Orleans during April were less than those during March. At Savannah cotton shipments for export increased over March, and there was also some foreign movement of naval stores. There is a close relation between the movement of cotton and naval stores at the ports of the district and activity in acceptance transactions.

DISTRICT NO. 7—CHICAGO.

Some individual houses report increased demand, especially by correspondent banks, others by corporations and individuals who have funds for short-time investments.

Reports received from three dealers and twenty-nine banks, including practically all accepting banks in the district, show activities in bankers' acceptances for April, as follows:

	29 banks.	3 dealers.	Total.
Bills bought.....	\$11,624,000	\$11,784,000	\$23,408,000
Bills sold.....	9,104,000	9,285,000	18,389,000
Held at close of month.....	3,504,000	2,076,000	5,580,000
Amount accepted.....	19,416,000		19,416,000

Purchase rates:	High.	Low.
30-day maturity.....	5¼	5¼
60-day maturity.....	5¾	5¾
90-day maturity.....	6¼	5¾

About 60 per cent of the purchases were of 90-day maturity, and the balance equally divided between 30 and 60 days. About two-thirds of the purchases were based on transac-

tions involving importation or exportation of goods, according to reports of banks making such classification. Mentioned as predominating in the commodities against which bills were drawn are: Meats, grain, canned goods, coffee, sugar, crude oil, and agricultural implements. Compared with March, banks show a fractional per cent decrease in bills bought, a decrease of 28 per cent in bills held at the close of month, a decrease of 18 per cent in bills sold, and an increase of 21 per cent in the amount of bills accepted. The three dealers who also reported for March show an increase of 16 per cent in bills bought, a decrease of 32 per cent in bills sold, and an increase of 2 per cent in bills held at the close of the month.

Operations of the Federal Reserve Bank of Chicago reflect the general acceptance situation, as is shown by the following figures:

	April.	March.	Percentage change in April over March.
During month:			
Bankers' acceptances rediscounted.....	\$111,500	\$283,309	-61
Bills bought ¹	11,423,244	15,022,539	-24
Bills sold from holdings.....	3,624,680	2,052,150	+76
Held at the close of month:			
Bankers' acceptances rediscounted.....	81,500	180,507	-55
Bills bought ¹	7,500,910	11,113,776	-32

¹ Included in bills bought but not in bills sold are those bought with the agreement by the seller to repurchase within 15 days.

DISTRICT NO. 8—ST. LOUIS.

The market for bankers' acceptances in the past month has been more sustained than for some time. This is due in part to the better position of the larger banks and to a more active demand for such bills from private investors and corporations having surplus funds to invest. Formerly private investors and corporations demanded indorsed bank bills, but as they become more familiar with such investments they buy unindorsed bills. Prime names are selling an eighth to a quarter off prices of a month ago, thus reflecting easier money conditions.

Between April 15 and May 15 the high, low, and customary interest rates prevailing in St. Louis and Louisville, as reported by banks in those cities, were as follows:

	St. Louis.			Louisville.		
	H.	L.	C.	H.	L.	C.
Bankers' acceptances of 60 to 90 days:						
Indorsed.....	6	5½	5¾	5½	5½	5¾
Unindorsed.....	6	5½	6	6	5½	5¾

DISTRICT NO. 9—MINNEAPOLIS.

Loans of representative city banks in this district exhibit a reduction of about 20 per cent when compared with April a year ago. The percentages of reduction were largest in the holdings of bankers' acceptances, cattle loans, notes of grain, milling, automobile, and lumber companies, and in personal loans to bankers and mercantile firms.

DISTRICT NO. 11—DALLAS.

Our holding of bankers' acceptances purchased in the open market aggregated only \$24,822.60 at the close of April. Less than \$4,000 of these bills were acquired by this bank during that month, and only a nominal volume seems to have passed through member banks since our last report. The predominating type of acceptance executed in this district consists of bills of exchange used to finance the intrastate movement of cotton. The current rate on this class of paper at the present time is 8 per cent, which is the rate quoted by banks at Dallas, El Paso, and Waco, no quotations being made at Houston, San Antonio, or Fort Worth.

DISTRICT NO. 12—SAN FRANCISCO.

During the past month a broad demand for bankers' acceptances has existed in Oregon, Washington, and the southern part of California. In the central and northern parts of the latter State the demand has been scattered and of small volume.

The rate for prime nineties has varied between 5¾ per cent and 5½ and is at the present writing 5¾ per cent.

The fluctuation in rates has been due in a measure to the easing of money rates in New York, but more particularly to the scarcity of prime bankers' acceptances. The demand for paper of this character is constantly growing, while the supply, due to general business conditions, has decreased somewhat.

Acceptances to 100 Per Cent.

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

First National Bank, Bridgeport, Conn.
Commerce Guardian Trust & Savings Bank, Toledo, Ohio.

SUMMARY OF GOVERNOR HARDING'S SPEECH.¹

RECENT ECONOMIC DEVELOPMENTS.

An examination of the chart on page 672 throws light on the course of events in the reserve banking field in 1919, 1920, and the first four months of 1921 in relation to other economic phenomena. The last three months of 1919 witnessed a very rapid expansion of credit, accompanied by a decline in the cash reserves of the Federal Reserve Banks, due largely to the export of gold in settlement of balances accumulated during the war by South America and the Orient. As early as the spring of 1919 the Federal Reserve Board had sounded a warning against undue expansion of bank credit, much of which was used for speculative purposes, and in November, 1919, a first step in the direction of advancing discount rates was made. But the expansion continued. In January, 1920, another advance in rates was announced, and in May the rate on commercial paper was advanced to 7 per cent at four Reserve Banks, while four others adopted systems of progressive rates.

These measures of the reserve authorities succeeded in checking the rate of credit expansion, in spite of the fact that the direction of the gold movement had been reversed and gold began to come into this country as the result of efforts of European countries to maintain their credit in America and of the high premium commanded by the dollar in the money markets of the world.

In May, 1920, prices had reached the high level indicated by the index number of wholesale prices of 272, on the basis of 1913 as 100. The post-war rise in prices was due largely to speculation, extravagant expenditures, and rapid expansion of bank credits. Early in 1920 the collapse of the Japanese silk market presaged the coming of a turn in events. The public was no longer willing or able to pay the high prices demanded, and a decline in prices set in, at first gradual, later precipitate, affecting more particularly raw materials and farm products. The drop in prices, the higher discount rates, the passing of the crop-moving season, and the sobering effect of a world-wide depression on our own business community are the main causes of the decline in the earning assets of the Reserve Banks since October of last year. To these causes there was added in 1921 the decline in the value of our foreign trade, especially of the excess of exports over

imports, which from \$454,000,000 in December dropped to \$85,000,000 in April.

The Federal Reserve System during the period of expansion and speculation, followed by contraction and depression, acted as a moderator and shock absorber, checking the rate of expansion in 1920, yet continuing to issue notes and to grant credits required by the business of the country, and later preventing the occurrence of an acute crisis by making gradual liquidation possible.

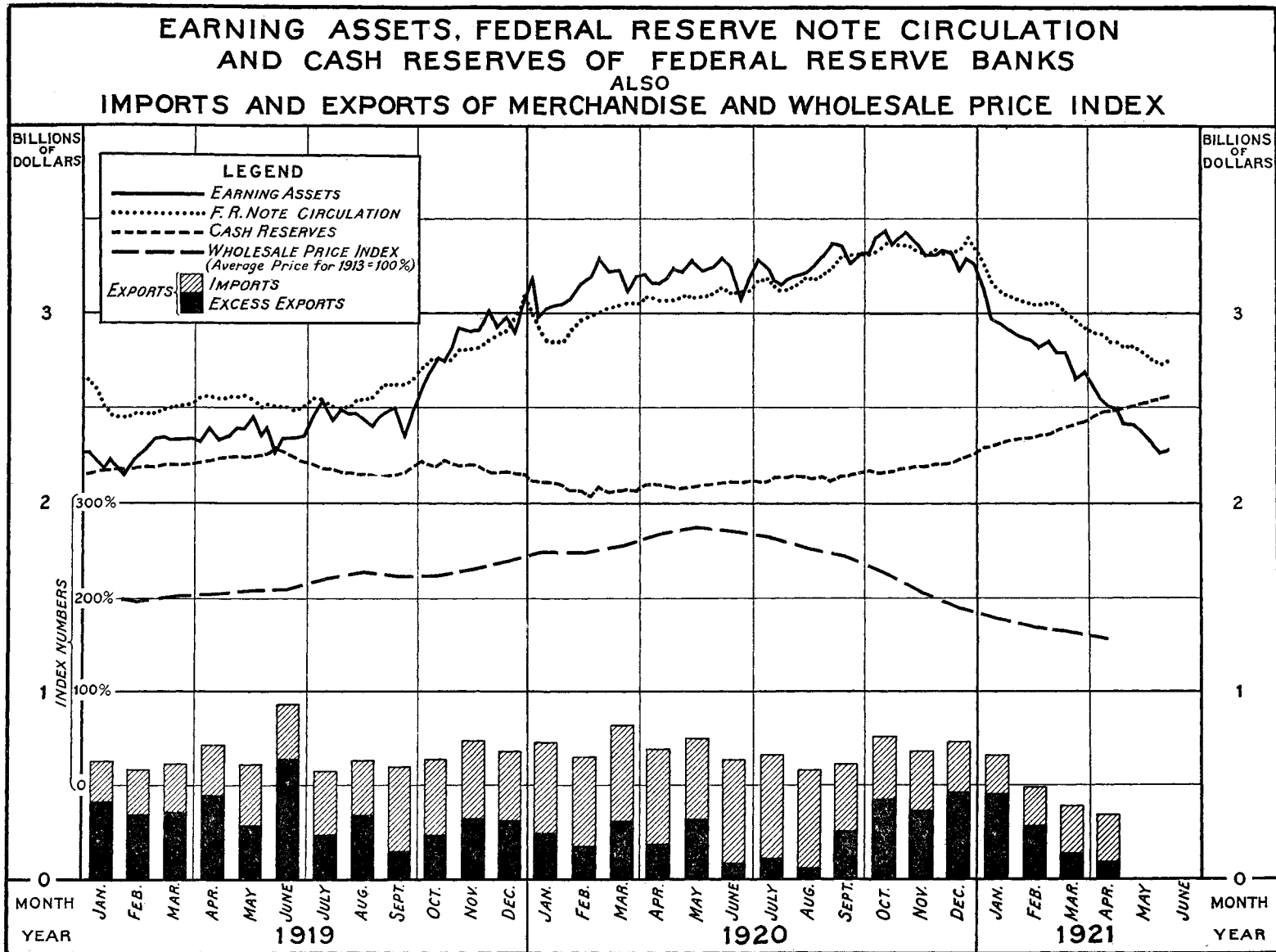
The danger of economic collapse has now definitely passed. The earning assets of the Reserve Banks and Federal Reserve note circulation are back to the level of 1919, while gold reserves have risen to the highest point on record. It is to be expected that after the stress and strife of the past two years an era of growing business and increasing prosperity is not far distant.

The experience of the last two years has clearly demonstrated that the Federal Reserve System can stand up under a terrific strain, that it can moderate the impact of economic forces and make possible a transition from a period of reckless expansion to one of liquidation without a disastrous crash. At the same time recent events emphasize the fact that the Federal Reserve System can neither produce nor neutralize economic forces, but can only endeavor to moderate their ruthless effects on the economic fabric of the country.

EARNINGS OF THE FEDERAL RESERVE BANKS.

Earnings of Federal Reserve Banks depend largely on the volume of their discounts for member banks and on the discount rates charged. The discount rates are determined by the banks, with the approval of the Federal Reserve Board, in accordance with prevailing credit conditions and the consequent credit policy, while the volume of operations of the Federal Reserve Banks depends on the magnitude of the demand for accommodation by the member banks and the amount of credit available to satisfy this demand. The amounts earned by the Reserve Banks are thus dependent primarily on member-bank requirements and, to a less degree, on Federal Reserve Board policy. There is, therefore, clearly no justification for discussing the earnings of Federal Reserve Banks in comparison with the earnings of institutions serving private interests. These earnings should be considered in relation to the available funds at the disposal of the Federal Reserve Banks. The chart on page 673 shows net earnings of the banks in 1920 related to daily average paid-in capital,

¹ Delivered during his recent tour of the Central and Middle Western States.

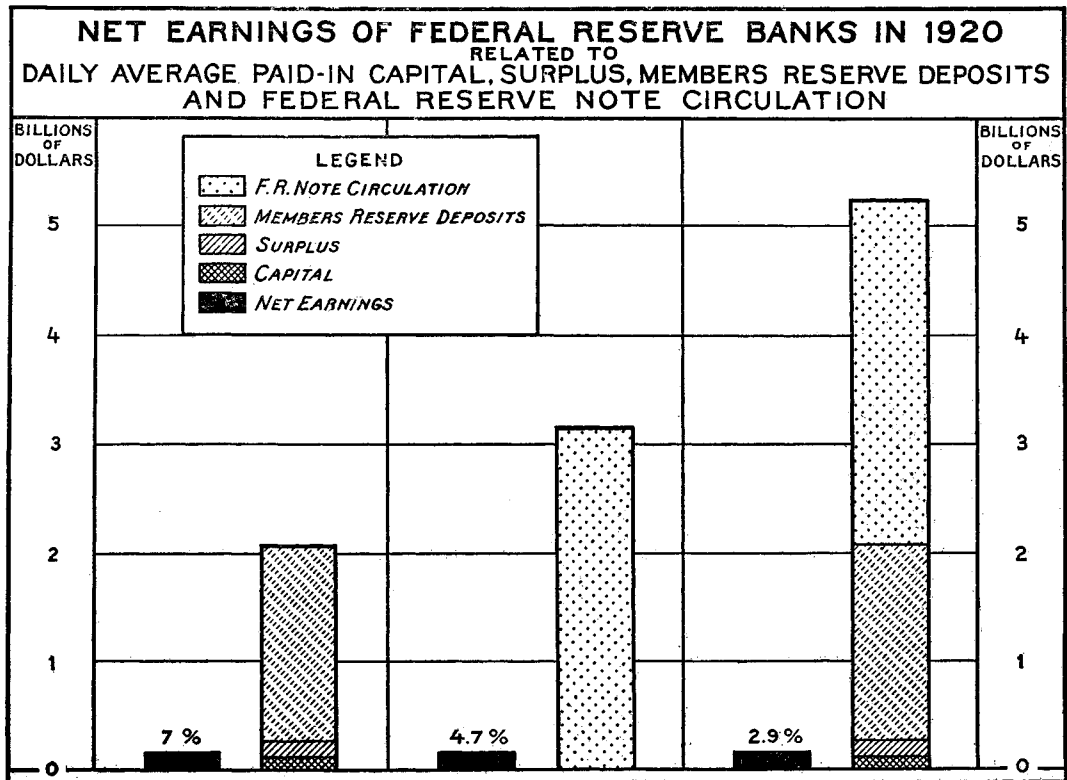


surplus, members' reserve deposits, and Federal Reserve note circulation.

On the basis of capital alone the earnings were 158.4 per cent; on the basis of capital and surplus, 62.9 per cent. But these rates of return are practically meaningless, for the Reserve Banks have at their disposal much larger funds on which they pay no interest and which practically can not be withdrawn, namely, the reserve deposits of the member banks. These deposits, amounting on the average to \$1,835,000,000 in 1920, represent the lawful reserves of the member banks and may not be reduced, except as the member banks' own deposits decline. When these

the note issues. As related to the notes, net earnings of the Reserve Banks in 1920 constituted 4.7 per cent. When all the banks' loanable funds—capital, surplus, reserve deposits, and notes—are added, it is seen that their earnings constitute but 2.9 per cent of the total.

Recognizing the public character of the Federal Reserve Banks, Congress inserted in the Federal Reserve Act a provision by which net earnings of the Reserve Banks in excess of 6 per cent are turned over to the Government as a franchise tax. Since Reserve Bank earnings are augmented by an increase in discount rates, and since these rates are determined by public policy, it is but fitting that



deposits are added to the capital and surplus, the rate of return of the Reserve Banks on their operating funds is but 7 per cent.

But Federal Reserve Banks have another source of loanable funds, namely, Federal Reserve notes, which are obligations of the United States Government, and are issued to the Federal Reserve Banks against gold or eligible commercial paper, with the limitation that the Reserve Banks must keep 40 per cent in gold against their notes in circulation. The franchise tax paid by the banks may be considered as a return to the Government for lending its credit to the banks by guaranteeing

the earnings above a moderate return on the capital invested be turned over to the Government, and that is what is done. In 1920 \$60,000,000 were paid by the Reserve Banks to the Treasury as franchise tax. The banks are permitted by law to accumulate a surplus equal to their subscribed capital, and after that is done to set aside 10 per cent of their earnings above 6 per cent as a further surplus, but the entire surplus in the final analysis belongs to the Government, as in case of liquidation member banks may receive only the amount of their contribution to the capital stock of the Reserve Bank and accrued dividends.

GERMAN REPARATIONS.

Below is given the text of the protocol of the Reparations Commission, stating the terms of the reparations settlement between Germany and the Allied Governments. The protocol is published in the form in which it was furnished to the Federal Reserve Board by the French High Commission.

PROTOCOL OF THE REPARATIONS COMMISSION.

The Reparations Commission has, in accordance with article 232 of the Treaty of Versailles, proceeded to define the time and manner for securing and discharging the entire obligation of Germany for reparation under articles 231, 232, and 233 of the treaty, as follows:

This determination is without prejudice to the duty of Germany to make restitution under article 238 or to other obligations under the treaty.

(1) Germany will perform in the manner laid down in this schedule her obligation to pay the total fixed in accordance with articles 231, 232, and 233 of the Treaty of Versailles by the commission, viz, "132,000,000,000 gold marks, less (a) the amount already paid on account of reparation; (b) sums which may from time to time be credited to Germany in respect of State properties in ceded territory, etc.; and (c) any sums received from other enemy or ex-enemy powers in respect of which the commission may decide that credit should be given to Germany, plus the amount of the Belgian debt to the Allies, the amounts of these deductions and additions to be determined later by the commission."

(2) Germany shall create and deliver to the commission in substitution for bonds already delivered or deliverable under paragraph 12c of Annex 2, Part VIII, Treaty of Versailles, bonds hereafter described.

(a) Bonds for the amount of 12,000,000,000 gold marks. These bonds shall be created and delivered at the latest on July 1, 1921. There shall be an annual payment from funds to be provided by Germany as prescribed in this schedule in each year from May 1, 1921, equal in amount to 6 per cent of the nominal value of the issued bonds, out of which there shall be paid interest at 5 per cent per annum payable half yearly on the bonds outstanding at any time, and the balance to a sinking fund for redemption of bonds by annual drawings at par. These bonds are hereinafter referred to as bonds of Series A.

(b) Bonds for a further amount of 38,000,000,000 gold marks. These bonds shall be

created and delivered at the latest on November 1, 1921. There shall be an annual payment from funds to be provided by Germany as prescribed in this schedule in each year from November 1, 1921, equal in amount to 6 per cent of the nominal value of the issued bonds, out of which there shall be paid interest at 5 per cent per annum, payable half yearly, on the bonds outstanding at any time and the balance to a sinking fund for the redemption of the bonds by annual drawings at par. These bonds are hereinafter referred to as bonds of Series B.

(c) Bonds for 82,000,000,000 gold marks, subject to such subsequent adjustment by creation or cancellation of bonds as may be required under the first paragraph. These bonds shall be created and delivered to the Reparations Commission without coupons attached at the latest on November 1, 1921. They shall be issued by the commission as and when it is satisfied that the payments which Germany is required to make in pursuance of this schedule are sufficient to provide for the payment of interest and sinking fund on such bonds. There shall be an annual payment from funds to be provided by Germany as prescribed in this schedule in each year from the date of issue by the Reparations Commission equal in amount to 6 per cent of the nominal value of the issued bonds, out of which shall be paid interest at 5 per cent per annum payable half yearly on the bonds outstanding at any time and the balance to a sinking fund for redemption of the bonds by annual drawings at par. The German Government shall supply to the commission coupon sheets for such bonds as and when issued by the commission. These bonds are hereinafter referred to as bonds of Series C.

(3) The bonds provided for in article 2 shall be signed by the German Government as bearer bonds in such form and in such denominations as the commission shall prescribe for the purpose of making them marketable, and shall be free of all German taxes and charges of every description, present or future.

Subject to the provisions of articles 248 and 251, Treaty of Versailles, these bonds shall be secured on the whole assets and revenues of the German Empire and the German States, and in particular on the assets and revenues specified in article 7 of this schedule. The service of bonds A, B, and C shall be a first, second, and third charge, respectively, on said assets and revenues, and shall be met by payments to be made by Germany under this schedule.

(4) Germany shall pay in each year until the redemption of bonds provided for in article 2 by means of a sinking fund attached thereto: "(1) The sum of 2,000,000,000 gold marks;

(2) (a) a sum equivalent to 25 per cent of the value of her exports in each period of twelve months, starting from May 1, 1921, as determined by the commission; or (b) alternatively, an equivalent amount as fixed in accordance with any other index proposed by Germany and accepted by the commission; (3) a further sum equivalent to 1 per cent of the value of her exports, as above defined, or, alternatively, an equivalent amount fixed as provided in paragraph *b* above: *Provided always*, That when Germany shall have discharged her obligations under this schedule, other than her liability in respect of outstanding bonds, the amount to be paid in each year under this paragraph shall be reduced to the amount required in that year to meet the interest and sinking fund on the bonds then outstanding."

Subject to the provisions of article 5, the payments to be made in respect of paragraph 1 above shall be made quarterly on or before January 15, April 15, July 15, and October 15, each year, and payments in respect of paragraphs 2 and 3 above shall be made quarterly on or before February 15, May 15, August 15, and November 15 and calculated on the basis of exports in the last quarter but one preceding that quarter, the first payment to be made on or before November 15, 1921, to be calculated on the basis of exports in the three months ending July 31, 1921.

(5) Germany shall pay within twenty-five days from this notification 1,000,000,000 gold marks in gold or approved foreign currencies or approved foreign bills or in drafts at three months on the German Treasury, indorsed by approved German banks and payable in pounds sterling in London, in francs in Paris, in dollars in New York, or any currency in any other place designated by the commission. These payments will be treated as the two first quarterly instalments of payments provided for in article 4, paragraph 1.

(6) The commission will within twenty-five days from this notification, in accordance with paragraph 12A, Annex 2, of the treaty as amended, establish a special subcommission to be called the Committee on Guarantees. The Committee on Guarantees will consist of representatives of the Allied Powers now represented on the Reparations Commission, including a representative of the United States in the event of that Government desiring to make an appointment. The committee shall comprise not more than three representatives of nationals of other Powers whenever it shall appear to the commission that a sufficient portion of the bonds to be issued under this schedule is held by nationals of such Powers to

justify their representation on the Committee on Guarantees.

(7) The Committee on Guarantees is charged with the duty of securing the application of articles 241 and 248 of the Treaty of Versailles.

It shall supervise the application to the service of the bonds provided for in article 2 of the funds assigned as security for the payments to be made by Germany under paragraph 4. The funds to be assigned shall be: "(a) The proceeds of all German maritime and land customs and duties, and in particular the proceeds of all import and export duties; (b) proceeds of a levy of 25 per cent on the value of all exports from Germany except those exports upon which a levy of not less than 25 per cent is applied under legislation referred to in article 9; (c) the proceeds of such direct or indirect taxes or any other funds as may be proposed by the German Government and accepted by the Committee on Guarantees in addition to, or in substitution for, the funds specified in *a* or *b* above."

The assigned funds shall be paid to the accounts to be opened in the name of the committee and supervised by it in gold or in foreign currencies approved by the committee. The equivalent of the 25 per cent levy referred to in paragraph *b* shall be paid in German currency by the German Government to the exporter.

The German Government shall notify to the Committee on Guarantees any proposed action which may tend to diminish the proceeds of any of the assigned funds and shall, if the committee demands it, substitute some other approved funds.

The Committee on Guarantees shall be charged further with the duty of conducting on behalf of the commission the examination provided for in paragraph 12*b* of Annex 2 to Part VIII, of the Treaty of Versailles, and of verifying on behalf of the commission and, if necessary, of correcting the amount declared by the German Government as the value of German exports for the purpose of calculation of the sum payable in each year or quarter under Article IV, paragraph 2, and the amounts of the funds assigned under this article to the service of the bonds. The committee shall be entitled to take such measures as it may deem necessary for the proper discharge of its duties.

The Committee on Guarantees is not authorized to interfere in the German administration

(8) In accordance with paragraph 19, clause 2 of Annex 2, as amended, Germany shall or demand, subject to prior approval of the commission, provide such material and labor as any of the Allied Powers may require toward restoration of the devastated areas of that

Power, or enable any Allied Power to proceed with the restoration or the development of its industrial or economic life. The value of such material and labor shall be determined in each case by a valuer appointed by Germany and an agreement, by a referee nominated by the commission. This provision as to valuation does not apply to deliveries under Annexes 3, 4, 5, and 6, Part VIII, of the treaty.

(9) Germany shall take every necessary measure of legislative and administrative action to facilitate the operation of the German Reparation (Recovery) Act of 1921 in force in the United Kingdom and of any similar legislation enacted by any Allied Power so long as such legislation remains in force.

The payments effected by the operation of such legislation shall be credited to Germany on account of payments to be made by her under Article IV, clause 2. The equivalent in German currency shall be paid by the German Government to the exporter.

(10) Payments for all services rendered, all deliveries in kind, and all receipts under article 9 shall be made to the Reparations Commission by the Allied Power receiving the same in cash or current coupons within one month of the receipt thereof and shall be credited to Germany on account of payments to be made by her under article 4.

(11) The sums payable under article 4, clause 3, and any surplus of receipts by the commission under article 4, clauses 1 and 2, in each year not required for payment of interest and sinking fund on bonds outstanding in that year, shall be accumulated and applied so far as they will extend, at such times as the commission may think fit, by the commission in paying simple interest not exceeding 2½ per cent per annum from May 1, 1921, to May 1, 1926, and thereafter at a rate not exceeding 5 per cent on the balance of the debt not covered by bonds then issued. The interest on such balance of the debt shall not be cumulative. No interest therefor shall be payable otherwise than as provided in this paragraph.

(12) The present schedule does not modify the provisions for securing the execution of the Treaty of Versailles which are applicable to the stipulations of the present schedule.

THE GOLD SITUATION.

Gold holdings and gold movements are of particular interest at the present time in view of the large importation of gold into this country and the changes in the main currents of the international gold movements. The following discussion deals primarily with the most important developments since the time of the armistice.

GOLD RESERVES.

Distribution of gold reserves prior to the war, at the time of the armistice, and at the present time is shown in the table below. The figures refer to the gold holdings of the central banks and of various Government agencies. Figures showing percentage distribution are also given:

GOLD RESERVES OF THE PRINCIPAL COUNTRIES BEFORE THE WAR, AT THE TIME OF THE ARMISTICE, AND AT THE LATEST AVAILABLE DATE.

[In thousands of dollars.]

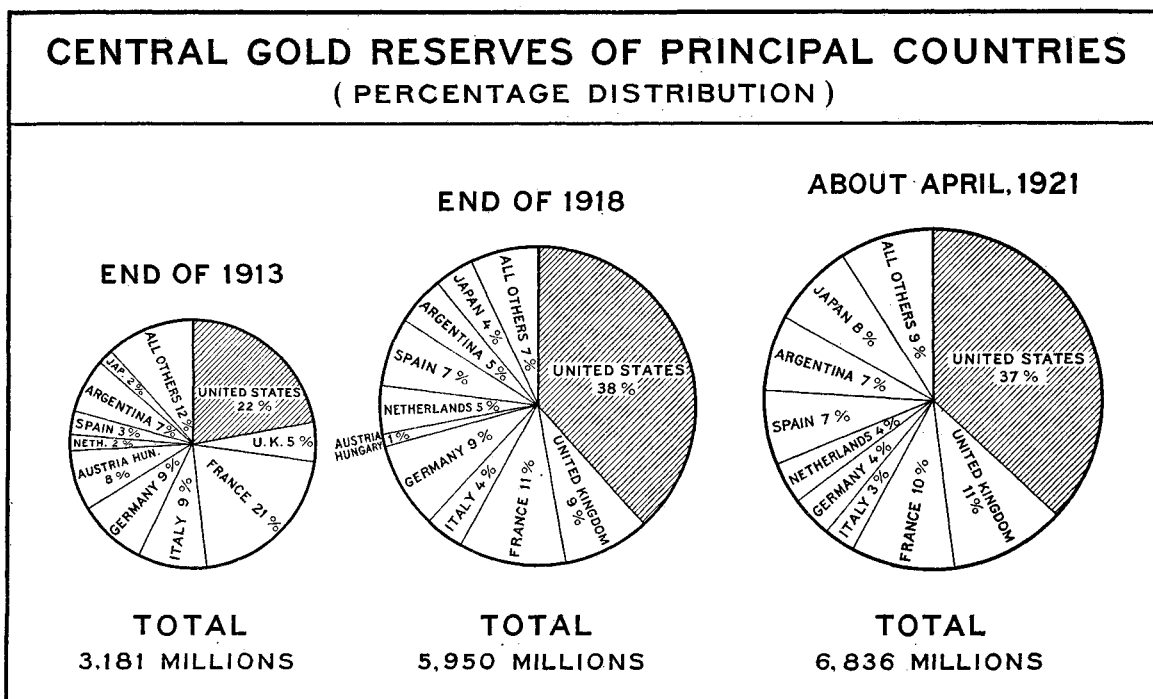
	Gold holdings.			Percentage distribution.		
	1913	1918	1921	1913	1918	1921
United States.....	691,514	2,245,720	2,529,571	21.74	37.74	37.00
United Kingdom...	170,245	523,632	763,350	5.35	8.80	11.16
France.....	678,856	664,017	688,309	21.34	11.16	10.07
Italy.....	288,103	243,566	236,526	9.06	4.09	3.46
Belgium.....	59,131	.....	51,447	1.86	.....	.75
Germany.....	278,687	538,861	260,019	8.76	9.06	3.80
Austria-Hungary...	251,421	53,074	13	7.90	.89	.....
Sweden.....	27,372	76,532	75,533	.86	1.29	1.10
Norway.....	12,846	32,691	39,474	.40	.55	.57
Denmark.....	19,666	52,159	60,989	.61	.88	.89
Netherlands.....	60,898	277,155	245,612	1.91	4.66	3.59
Spain.....	92,490	430,072	479,198	2.91	7.24	7.01
Switzerland.....	32,801	80,041	104,895	1.03	1.34	1.53
Canada.....	115,375	121,261	83,381	3.63	2.04	1.22
Argentina.....	224,989	269,628	450,057	7.07	4.53	6.59
Japan.....	64,963	225,821	558,819	2.04	3.79	8.17
India.....	72,780	63,842	117,575	2.29	1.07	1.72
Java.....	10,027	51,600	90,483	.32	.87	1.32
Rumania.....	29,242	2	329	.92	.....	.05
Total.....	3,181,406	5,949,674	6,835,580	100.00	100.00	100.00

The first thing to be noted is the great increase in the gold reserves between 1913 and 1918, and the further increase since the armistice. These increases represent to a large extent the concentration and impounding of gold by central banks and Governments after the outbreak of the war for the purpose

of supporting the credit of the Governments and of making international payments in gold when deemed advisable.

Between 1913 and 1918 increases in the central gold reserves are shown for all countries, except for Austria-Hungary, a large part of whose gold was transferred to Germany; for France and Italy, both of which transferred portions of their gold abroad for the establishment of foreign credits in connection with the purchase of war supplies; for Rumania, nearly all of whose gold reserve was transferred for safe-keeping to Russia,¹ and for British India. Belgium's gold reserve in 1918

in the main gold previously held in private hands and later concentrated in central reserve institutions, where it is at the disposal of the Government. In the case of the United States the increase of about \$1,500,000,000 in gold reserves represents in part the concentration in the Federal Reserve Banks of gold formerly held by commercial banks and by the public and in part additions to the gold reserves of imported gold. In 1913 the gold reserves of the United States constituted about 22 per cent of the total for the countries included in the tabulation. (See chart below.) In 1918 it was 38 per cent, and in 1921



is not shown for the reason that it had just been restored and the figures were not immediately made public.

The largest increases are shown for the United States, United Kingdom, Germany, Netherlands, Spain, and Japan. The Scandinavian countries also show large relative increases, although the absolute amounts are not so great as those for the countries just mentioned. In the case of Japan, of Spain, and of the Scandinavian countries the increases in gold reserves represent payments by belligerents for necessary war supplies. For the United Kingdom and for Germany the large increases shown in the reserves represent

37 per cent. The point of immediate interest is that the increase of gold reserves in the United States since the armistice was about \$280,000,000. In spite of the fact that it has been practically the only country from which and into which gold has moved without restriction, the United States has about held its own in its proportion of the world's gold reserves. Absolute increases in gold reserves since the armistice are shown also by the United Kingdom, France, Norway, Spain, Switzerland, Argentina, Japan, India, and Java.

The large increases since 1918 in the total gold reserves of the countries included are due in part to the additions of new gold produced; in part to gold that had been previously kept in

¹ See FEDERAL RESERVE BULLETIN for December, 1920, p. 1296.

Indian hoards, but mainly to the absorption by these countries of a large part of the Russian State Bank gold reserve, which in 1913 amounted to \$787,000,000, but has since dwindled to an unknown but certainly much smaller amount. Further reference to the Russian gold will be made in discussing the gold movement.¹

GOLD PRODUCTION.

Gold production by countries for each year from 1910 to 1920 is shown in the following table. 1920 figures are estimates made by the London Statist; figures for the earlier years are estimates of the United States mint:

GOLD PRODUCTION OF THE WORLD.

[In thousands of dollars.]

Country.	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920 ¹
United States.....	96,269	96,890	93,451	88,884	94,532	101,036	92,590	83,751	68,647	60,333	51,098
Canada.....	10,206	9,762	12,649	16,599	15,983	18,937	19,235	15,200	14,688	15,859	16,011
Russia.....	35,580	32,152	22,199	26,508	28,586	28,586	22,500	18,000	12,000	12,000	4,867
South Africa:											
Transvaal.....			188,293	181,885	173,560	188,033	192,183	186,503	174,023	172,231	168,638
Rhodesia.....			14,227	14,275	17,664	18,915	19,232	17,245	13,051	12,267	11,427
Australasia:											
Western Australia.....			26,515	27,166	25,488	25,015	21,941	20,131	18,119	14,967	12,531
Other Australia.....			27,994	25,947	22,081	24,383	18,535	15,814	11,150	11,145	11,870
British India.....	10,718	11,054	11,056	12,178	11,378	11,523	11,209	10,757	10,028	10,486	9,194
All other.....	61,826	60,359	69,752	66,499	49,806	54,038	56,752	56,189	59,219	55,878	52,315
Total.....	455,260	461,940	466,136	459,941	439,078	470,466	454,177	423,590	380,925	365,166	337,951

¹ Estimates of the London Statist, Feb. 19, 1921, p. 305.

Since 1915, when gold production amounted to \$470,000,000, it has been steadily decreasing, and in 1920 was estimated at only \$338,000,000. This diminution is due partly to disorganized conditions in Russia, but chiefly to the fact that, while costs of production have been soaring in harmony with the general price level, the price of gold has remained fixed by mint acts. It is true that in London, the principal gold market of the world, gold is not sold at the mint price of about 85 shillings per ounce fine, but at a figure reflecting the rate of exchange on New York; namely, about 105 or more shillings per ounce during the latter part of last year. The price of gold in the London market has thus been adjusted to the depreciation of British currency, but only to the extent that British currency has lost a larger proportion of its purchasing power than has American currency. The dollar has remained at par with gold, and is interchangeable with it; for this

¹ See also FEDERAL RESERVE BULLETIN for December, 1920, p. 1296.

reason gold can not command a premium in this country, nor can it command a premium anywhere in the world much greater or much less than would correspond to the degree of depreciation of the respective currencies in terms of dollars. The American index number of wholesale prices in so far as it is an accurate index of the general price level is, therefore, a measure of the depreciation of gold, and to this depreciation is largely due the decrease in gold production.

In this country gold production fell off from \$101,000,000 in 1915 to \$51,000,000 in 1920; in the Transvaal it fell off from \$192,000,000 in 1916 to \$169,000,000 in 1920; in Western Aus-

tralia, from \$27,000,000 in 1913 to \$13,000,000 in 1920; in other portions of Australia, from \$26,000,000 in 1913 to \$12,000,000 in 1920. It has been stated that production of gold in recent years is not much in excess of the needs of industry. In the United States alone some \$75,000,000 are consumed by the jewelry and other trades; probably the rest of the world absorbs most of the remainder.

GOLD MOVEMENT.

A table presented below shows the imports and exports of gold since the end of November, 1918, in two periods—first from November, 1918, through August, 1920, the period when gold was moving largely from the United States, although from April to August, 1920, the movement was somewhat irregular; and, secondly, from September, 1920, to April, 1921, the period of the most recent gold movement to the United States. A chart on page 680 shows the movement graphically.

GOLD IMPORTS INTO AND EXPORTS FROM THE UNITED STATES.

[In thousands of dollars.]

Country.	Total, Nov. 1, 1918-Apr. 30, 1921.				Nov. 1, 1918-Aug. 31, 1920.				Sept. 1, 1920-Apr. 30, 1921.			
	Imports.	Exports.	Excess of—		Imports.	Exports.	Excess of—		Imports.	Exports.	Excess of—	
			Imports.	Exports.			Imports.	Exports.			Imports.	Exports.
France.....	87,436	4,153	83,283	.....	1,744	4,153	.....	2,409	85,692	.....	85,692	.....
Netherlands.....	14,708	15	14,693	.....	1,162	15	1,147	.....	13,546	.....	13,546	.....
Spain.....	3,457	29,778	.....	26,321	.....	29,778	.....	29,778	3,457	.....	3,457	.....
Sweden.....	31,516	1	31,515	.....	.....	1	.....	1	31,516	.....	31,516	.....
England.....	350,414	2,190	348,224	.....	84,630	2,105	82,525	.....	265,784	86	265,698	.....
Canada.....	100,652	12,165	88,487	.....	76,158	9,483	66,675	.....	24,493	2,681	21,812	.....
Nicaragua.....	2,888	16	2,872	.....	2,260	17	2,243	.....	628	.....	628	.....
Salvador.....	2,905	3,144	.....	239	1,495	3,144	.....	1,649	1,410	.....	1,410	.....
Mexico.....	11,945	33,250	.....	21,305	8,328	28,127	.....	19,799	3,617	5,124	.....	1,507
Argentina.....	2,427	146,555	.....	144,128	180	146,555	.....	146,375	2,248	.....	2,248	.....
Colombia.....	14,749	5,968	8,781	.....	3,623	5,969	.....	2,346	11,126	.....	11,126	.....
Uruguay.....	2,745	22,055	.....	19,310	.....	22,055	.....	22,055	2,745	.....	2,745	.....
Venezuela.....	1,292	12,351	.....	11,059	718	12,350	.....	11,632	573	.....	573	.....
China.....	12,043	67,397	.....	55,354	1	59,396	.....	59,395	12,042	8,000	4,042	.....
British India.....	11,294	41,053	.....	29,759	.....	40,804	.....	40,804	11,294	249	11,045	.....
Straits Settlements.....	.....	10,893	.....	10,893	.....	10,893	.....	10,893	.....	.....	.....	.....
Dutch East Indies.....	7,011	19,510	.....	12,499	6,440	19,430	.....	12,990	571	80	491	.....
Hongkong.....	44,656	72,104	.....	27,448	40,210	67,000	.....	26,820	4,446	5,074	.....	628
Japan.....	2,208	195,414	.....	193,206	.....	132,856	.....	132,856	2,208	62,557	60,349	.....
New Zealand.....	4,292	.....	4,292	.....	2,751	.....	2,751	.....	1,542	.....	1,542	.....
All other countries.....	34,883	21,747	13,136	.....	10,167	20,755	.....	10,588	24,717	992	23,725	.....
Total.....	743,522	699,759	595,284	551,521	239,867	614,916	155,341	530,390	503,655	84,843	481,296	62,484
Excess imports.....	.....	.....	43,763	.....	.....	.....	.....	.....	.....	.....	418,812	.....
Excess exports.....	.....	.....	.....	.....	.....	.....	.....	375,049	.....	.....	.....	.....

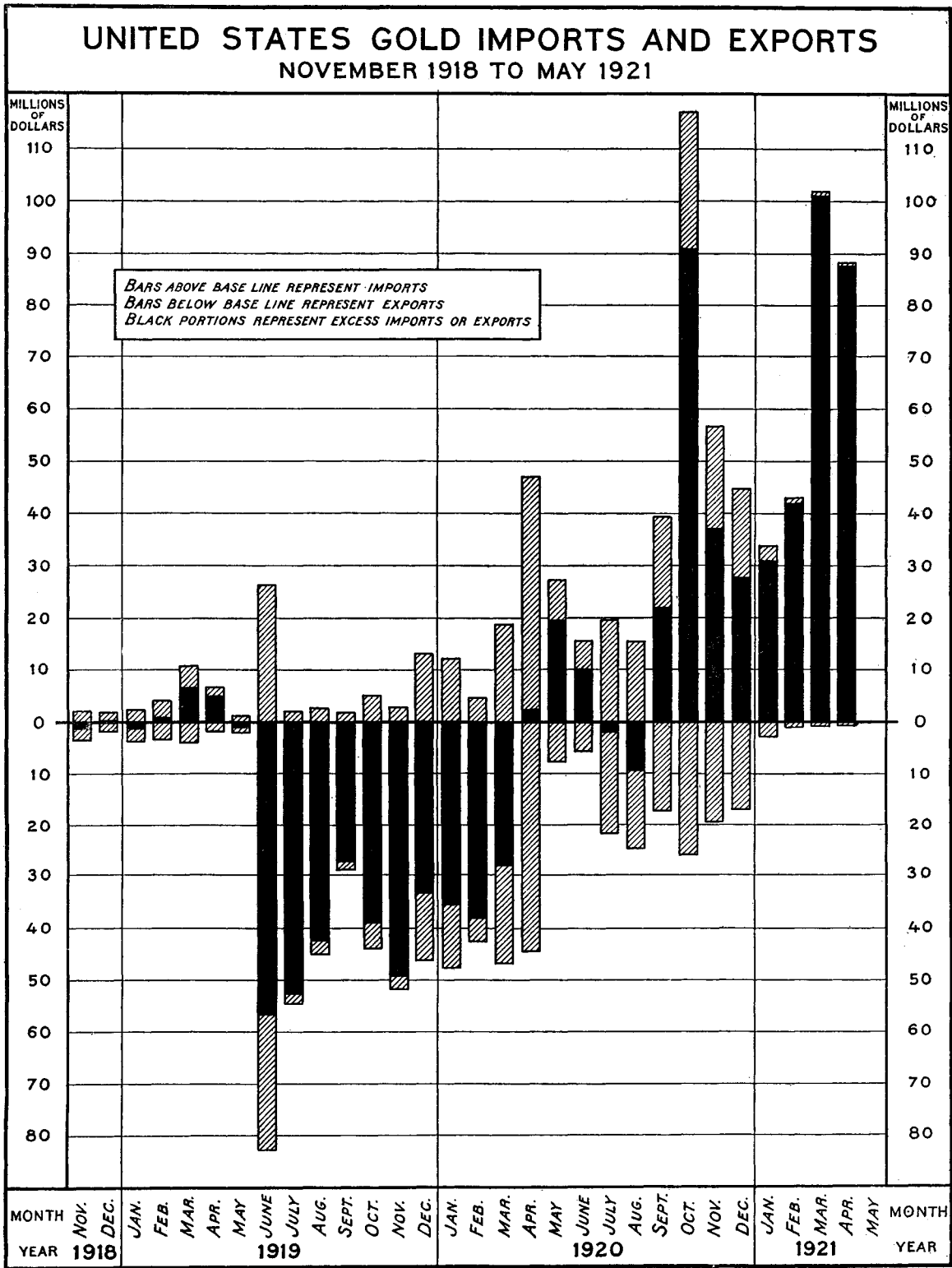
For the period as a whole, the United States imported \$744,000,000 of gold and exported \$700,000,000, so that the net addition to the country's stock of gold is \$44,000,000. It should be noted that this is a comparatively small amount; that the gains in gold since the recent gold movement set in have not much more than offset the losses of gold between the removal of the gold embargo in June, 1919, and September, 1920. It should further be noted that imports of gold have come from one group of countries, while exports have gone to another group. From the armistice to August, 1920, \$375,000,000 of gold (net) left the United States, going largely to Japan, Argentina, China, British India, Hongkong, Spain and Mexico. From September, 1920, to the present time, \$419,000,000 (net) was imported, largely from England, France, Sweden and Canada.

In many respects, the two movements are of a different character. The outflow of gold during the first period was in payment of accumulated balances to South America and the Orient, which owing to the embargo on gold could not be paid during the war. Much of this outflow did not represent a change in the ownership of gold after the armistice, because most of the gold was held by foreign interests in America awaiting the removal of the embargo. Thus, Argentina had a credit of about \$80,000,000 in this country against which notes had been issued in Argentina and which was used after the war to adjust trade

balances. Japan had large gold credits in this country, and the Netherlands had "ear-marked" gold which was shipped out after the movement of gold was reestablished. The gold movement from the United States after the removal of the embargo was thus the cumulative result of adverse trade balances incurred during the war, or somewhat in the nature of the withdrawal of deposits.

The more recent movement of gold to the United States is different in character. It is the beginning of an effort on the part of European countries to reduce their indebtedness to the United States. This indebtedness is the equivalent of commodities imported from America during and since the war, but only the balances built up since the armistice are an active factor in the present situation, inasmuch as wartime supplies were purchased almost entirely on Government account and financed by the Treasury of the United States. The repayment last fall by England and France of the \$500,000,000 loan of 1915 is the one important settlement of obligations incurred prior to 1918.

Of gold coming to the United States in recent months, a part is new gold produced in South Africa and sold in the London market, an almost equal part is gold coming from India via London, and another part is gold exported from Russia to France and Sweden in payment for goods or for the establishment of credits, the latter countries shipping equivalent amounts to the United States in part payment for their own purchases.



Since the spring of 1919 the British Government, in order to maintain London's position as the principal gold market of the world, has permitted the reexport of new gold sold in London. What actually takes place is that the South African producers send smelted gold to London, this gold being only about 60 per cent fine. In London, the agents of the South African producers have an establishment where they refine the gold to 999/1000 of purity, whereupon it is placed on the auction block and is bid in by the agents at the dollar exchange rate, with allowance for expenses of shipment and commissions. The gold then goes to New York, where local agents of the producers dispose of the gold through a member bank to the Federal Reserve Bank. The final result of these transactions is that the South African producers receive dollar exchange to the amount of \$20.67 for every ounce of pure gold shipped, less the freight from South Africa to London, the London commission, the expenses of shipment from London to New York, and the New York commission. If the trade in London requires gold, or if any other country wishes to purchase gold, it must bid above the level of the New York exchange. As a consequence, there have recently been almost no other bids, except for small amounts for use in the arts, because no country can afford to offer more for gold than its price at the dollar rate. The daily quotation of gold in London is in fact practically determined by the dollar exchange rate. A comparison of the two rates shows that frequently there is a slight margin of less than one-half per cent between the premium on the dollar and the premium on gold. This margin is sufficient to pay the cost of transportation, insurance, and commissions from London to New York. These charges, not allowing for interest or commissions, are estimated at approximately two-tenths of 1 per cent.

It is evident, therefore, that the shipment of South African gold through London to the United States is due largely to the fact that the United States is the only important free gold market in the world, and also to the other fact, closely related to the first, that dollar exchange is everywhere eagerly desired. The South African producers, in obtaining dollar exchange for their gold, receive the best international currency in existence at the present time, because they can dispose of this exchange with ease either in London or in South Africa or in any other money market.

The gold coming from France and Sweden is now known to be in large part gold which originated in Russia. According to the Mon-

tagu Foreign Exchange Review for May 5, 1921, Mr. Wollroth, the director of the Swedish mint, has stated that "since last January the Swedish mint has received and smelted about 70 tons of Russian gold, providing it with a regulation stamp of purity after manipulation. Most of this gold was in bars which had been already partly smelted in Russia, but remained of imperfect alloy. The Swedish mint stamp after resmelting gave it its market value in America, whither most of it was reexported. Seventy tons of gold, if 900 fine, represents 2,057,530 ounces, or about £10,000,000 at 104 shillings per ounce." This accounts for about \$40,000,000 of gold received indirectly from Russia, and there is little doubt that not less than \$60,000,000 of other gold from Russia has found its way to the United States through France, Switzerland, and other countries.

Whether the present gold movement may be expected to continue is a question of great importance. In so far as the Russian gold is concerned, the supply may be nearly at an end, and no great additions to the American stock of the precious metal may be expected from that source. Neither is it likely that much of the gold held as central reserves by European countries will be released for export to America. On the other hand, so long as present exchange conditions prevail, and that means so long as the balances of international payments continue to be favorable to America, there is every reason to believe that most of the new gold produced in the world will find its way to the United States.

PRACTICE UNDER COMMERCIAL LETTERS OF CREDIT.¹

INTRODUCTION.

The following study is the third of a series dealing with the methods of financing foreign trade. Previous articles, appearing in the FEDERAL RESERVE BULLETIN for February and April, 1921, have discussed such phases of the commercial letter of credit as its legal principles, its use by American banks, and also the various forms it assumes. These studies have analyzed the subject from the standpoint of the banker, while the following article is an exposition of commercial credits from the view of the American exporter and importer. The purpose is to present typical opinions on unsettled questions relating to commercial credit practice, in order to develop certain

¹ Prepared under the direction of George W. Edwards, Division of Analysis and Research.

principles which may find general acceptance among parties interested in the financing of foreign trade. The material has been gathered partly by direct personal interview, but mainly through questionnaires addressed to leading commercial houses. In this task, the Division of Analysis and Research secured the cooperation of such organizations as the National Foreign Trade Council, New York Merchants Association, National Association of Manufacturers, Philadelphia Commercial Museum, Chamber of Commerce of the State of New York, and the United States Chamber of Commerce. The questionnaire has sought to eluce replies on such subjects as the meaning of the letter of credit, the use of the document by commercial houses, and the general policy to be followed in further developing American credits. The data thus assembled are presented in the following general form: (1) Statement of the question; (2) tabulation of the replies wherever possible; (3) excerpts from answers presenting typical viewpoints; (4) interpretation of these answers.

I. MEANING OF LETTER OF CREDIT.

1.

Question. Do you draw a distinction between a "confirmed" and "irrevocable" and an "unconfirmed" and "revocable" letter of credit?

Answers. No distinction drawn.—(a) "We have found that these terms work out to be practically interchangeable. Perhaps the British banks use confirmed and unconfirmed by preference, whereas it would appear that the American banks generally designate their credits as revocable and irrevocable."

(b) "We have not found it necessary to differentiate between a confirmed and irrevocable letter of credit. It is questionable whether there is actually much distinction between the two terms. A confirmed letter of credit may be canceled only by consent of the vendor. When a confirmed letter of credit has been established, the exporter is assured that funds are available to him, provided he complies with the stipulations of the credit and provided, of course, he presents documents before date of expiration. As a further safeguard, however, the irrevocable letter of credit was devised during the war, and while it met with considerable popularity by manufacturers who were just extending their activities into the export field, it is doubtful whether it has really proved more effective."

Distinction drawn.—(c) "An irrevocable credit may not have been confirmed by the bank here, but is valid to secure payment by the bank authorizing the credit. If the bank here has not confirmed it, it is optional with them whether they would discount drafts drawn under this credit. We consider an unconfirmed credit to be simply a letter of advice, or a notice from the correspondent bank here that such a credit has been issued, but as they do not confirm it, they do not therefore guarantee its payment."

Revocable, unconfirmed form not letter of credit.—(d) "Inasmuch as a letter of credit is an unqualified obligation of the issuer to make payment under certain terms, provided they are fulfilled within a definite period of time, every letter of credit must be a confirmed and an irrevocable credit. Any document which does not meet both of these

conditions can not be a letter of credit, no matter what may be printed as its name on the instrument itself. There is no such thing as an unconfirmed and/or revocable letter of credit. If the bank wished to issue a document which may be described as an 'Authority to purchase,' it should not name it a letter of credit, because an 'Authority to purchase' can by no stretch of the imagination be expanded into a letter of credit."

The purpose underlying question I was to secure an expression of opinion on the correct classification of letters of credit. This topic has not a mere academic interest, but possesses an important legal significance, for it affects directly the liability of the various parties to a letter of credit. Answers (a) and (b) both hold the view that the terms confirmed and irrevocable are synonymous, and that no distinction exists between these two types of credits. Letters of credit would thus be grouped as (1) confirmed or irrevocable, (2) unconfirmed or revocable. On the other hand, answer (c) discriminates between the words confirmed and irrevocable, and this view results in the threefold classification of (1) confirmed—irrevocable, (2) unconfirmed—irrevocable, and (3) unconfirmed—revocable. The opinions of American banks were sought in a previous questionnaire relative to this subject, but a presentation of their replies has been deferred until this issue of the BULLETIN, in order to permit a more detailed treatment. The results were as follows:

Question: Do you issue to a beneficiary an export letter of credit which is irrevocable by the foreign bank but still unconfirmed by you?

Answers by banks:

(a) "We issue to beneficiaries of export letters of credit a letter of advice, stating that the foreign bank has established its irrevocable letter of credit and that we are prepared to negotiate thereunder, but that we, ourselves, attach no responsibility in doing so."

(b) "An irrevocable export letter of credit established with us by a foreign bank would simply be transmitted by us to the beneficiary, unless our correspondent particularly instructed us to 'confirm' the credit."

(c) "Our procedure in connection with export letters of credit advised to us is merely to pass the advice or actual incoming letter of credit on to the exporter. We would not confirm a letter of credit revocable by a foreign bank."

(d) "We do issue export letters of credit which are irrevocable by the foreign bank, but unconfirmed by us. We simply advise the beneficiary of the terms of the credit as issued, expressing our willingness to negotiate drafts within the terms."

(e) "Such credits are usually issued by the foreign bank and only advised by us."

Question: When you are requested to notify a beneficiary that a foreign bank has opened an irrevocable letter of credit, is it also regarded as irrevocable by your bank, or must you add your confirmation to the letter of credit?

Answers of banks:

(a) "Such transactions are not our export credits; as the credit is issued by the foreign bank, we can not confirm it to the beneficiary, but we do not commit ourselves to do so."

(b) "In the ordinary course we would simply notify the beneficiary that an irrevocable credit has been opened in

his favor. This, however, would carry no engagement so far as we are concerned."

(c) "We only confirm letters of credit opened by a foreign bank upon request by said bank, otherwise, when transmitting to the beneficiary the information relative to the credit, we invariably disclaim any liability thereunder, and emphasize the fact that we merely act as intermediaries."

(d) "When we are notified by a foreign correspondent that they have opened an irrevocable letter of credit, we, of course, regard it as such, being not subject to cancellation, but we do not add our confirmation unless especially requested to do so."

(e) "Unless we are especially requested to confirm such a credit, we merely pass on the information received from the foreign bank, adding a clause that it is without a confirmation on our part."

It is therefore clear that a distinction must be drawn between an irrevocable and a confirmed letter of credit. The irrevocable letter of credit is a document in which a foreign bank promises to honor the drafts of the beneficiary, provided he complies with certain conditions stated in the letter, and it is an obligation absolutely binding upon the issuing institution. This credit may be sent directly by mail to the exporter, or it may be transmitted by cable to a correspondent bank, which in turn informs the favored party of the credit. This report is conveyed without the assumption of any liability by the informing bank. However, if the notifier, at the request of the issuer, adds its guarantee or confirmation to the advice addressed to the beneficiary, it then becomes an engagement binding upon both banks. In other words, one credit is irrevocable by the issuer but unconfirmed by the notifier, and the other is both irrevocable by the issuer and further confirmed by the notifier. (FEDERAL RESERVE BULLETIN, February, 1921, p. 158.)

There remains the third form which is revocable by the issuer and unconfirmed by the notifier. Regarding this form, answer (d) is quite correct in contending that such notice does not constitute a true letter of credit, for the document is the obligation neither of the issuing nor of the notifying bank, and hence can not be described as a "credit." (FEDERAL RESERVE BULLETIN, April, 1921, pp. 413-414.) This document should be termed rather a "letter of advice." It serves a definite trade purpose especially in financing shipments from agents, affiliated concerns or firms which of course, would not cancel their obligations. Most banks do not issue these revocable letters of advice. (FEDERAL RESERVE BULLETIN, February, 1921, p. 164.)

2.

Question: In the case of an unconfirmed credit stating on its face, "subject to cancellation," issued in your

favor, up to what time is it your understanding that the issuing bank has the right to cancel?

Answers:

Bank has right to cancel at any time—16.
Bank has right to cancel only before presentation of documents—4.

(a) "Nothing, we judge, would hinder the issuing bank from effecting immediate cancellation if occasion called for it."

(b) "It is our opinion that the bank may cancel a revocable letter of credit any time prior to the presentation of the documents. It must accept the documents if cancellation notice has not reached the shipper prior to the presentation of same."

(c) "Until canceled the American bank can not evade its responsibility and must make payment upon presentation of proper documents. There is, of course, a further question of justice and equity. The supplier of the goods, in good faith and on the strength of the instrument, may have prepared merchandise which is unsuitable for his regular trade, although reasonably current for the market of destination. Until recently some of the more experienced American banks have taken the equity of the supplier into account and have made payments where goods have been prepared and were in existence at the time of the cancellation of the 'so-called' unconfirmed credit. Latterly, however, this rule of reason has ceased to be applied and the supplier of goods apparently has no redress against any one, although he has practically been led into a trap by the American bank on the strength of the weak document which it issued."

From the above analysis it is apparent that a bank has the right to cancel a revocable letter of credit, but the exact time within which this privilege may be exercised remains undefined. As indicated in the Federal Reserve Bulletin for February, 1921, page 170, the cancellation order from bank to exporter may possibly be made effective before any one of the following successive stages in the financing of a shipment: (1) Completion of manufacture of the goods; (2) delivery of goods to a carrier as evidenced by railroad or ocean bills of lading; (3) presentation of these documents at the office of the bank which has informed the beneficiary of the credit; (4) negotiation of the beneficiary's drafts by this bank.

Although the majority of the replies concede that banks have the right to cancel a letter of advice at any time, the more discerning exporters assert that such action may not be taken after the presentation of shipping documents at the counter of the bank negotiating their drafts. Bankers, on the other hand, generally insist that they may cancel an advice of a credit at any time before they have actually negotiated the drafts of the beneficiary. The equitable view between these divergent contentions recognizes that the exporter has definitely fixed the liability of the issuing bank if his shipping documents, complying with the terms of the advice, are tendered to the notifying bank before the latter has given him either an oral or written notice of the cancellation.

3.

Question: What in general has been your experience with unconfirmed revocable credits?

Answers:

Do not use unconfirmed revocable credits. 17
 Experience with unconfirmed revocable credits satisfactory. 8
 Experience with unconfirmed revocable credits unsatisfactory. 1

(a) "We have never used unconfirmed or revocable credits. Our suppliers invariably insist upon a confirmed credit."

(b) "We will not accept unconfirmed letters of credit unless the concerns for whom they are issued are of the highest credit standing."

(c) "We do not accept such documents unless we are absolutely sure of the knowledge and comprehension of the bank and of the character and solvency of the buyer of the goods. They are not letters of credit, but only a limitation on the amount a bank may be called upon to negotiate."

(d) "We never had a letter of credit canceled."

(e) "They have, so far as we are concerned, worked precisely as though they were confirmed or irrevocable."

(f) "Good. In one or two cases credits have been revoked on account of our not being able to make delivery, but that happened during the war, so that as the buyer needed the material we were able to prevail upon them to reopen the credit."

(g) "We refuse to accept unconfirmed or revocable credits, except where investigation shows the concern or individual to be of high standing and when credit is voluntarily established by the purchaser. Under such conditions it would hardly be considered good policy to ask for a confirmation of the credit. When we, ourselves, ask for the establishment of a letter of credit we always stipulate that such credits shall be confirmed."

(h) "Only once have our customers ever taken advantage of an unconfirmed credit. About a year ago we received an order for a carload of goods from an English house. After shipment arrived at the Atlantic seaboard the paying bank advised that the credit had been withdrawn, and we were thus obliged to dispose of the shipment to another client."

From the above replies it is apparent that a large proportion of commercial houses do not use unconfirmed credits because of their uncertain nature as described under question 2. On the other hand, it seems that the experience of firms which do avail themselves of this form of credit has been quite satisfactory, due probably to the fact that such letters are accepted only from banks and customers of recognized standing.

4.

Question: In selling drafts drawn against a letter of credit, do you consider that the buying bank has recourse to you?

- (a) On a confirmed credit.
 (b) On an unconfirmed credit.
 (c) On an irrevocable credit.
 (d) On a revocable credit.

Answers:

- (a) On a confirmed credit—no, 16; yes, 3.
 (b) On an unconfirmed credit—no, 7; yes, 12.
 (c) On an irrevocable credit—no, 16; yes, 3.
 (d) On a revocable credit—no, 7; yes, 12.

(a) "On credits opened in New York, we feel that the bank discounting our draft has no recourse against us, whatever form of credit has been opened."

(b) (a) "On a confirmed credit we would make no draft without stating on its face 'without recourse'"; (b) "we would endeavor to avoid making any draft but would insist on payment if the documents were presented before cancellation"; (c) same as answer to (a); (d) "we can not reconcile the word 'revocable' with the term 'letter of credit,' but any draft drawn against an instrument which was not a letter of credit would undoubtedly carry recourse to the drawer."

(c) (a) "No. The confirmation of a credit is like the certification of a check"; (b) "yes. As they have not confirmed the credit, they have no responsibility"; (c) "yes. As the credit is only irrevocable and not confirmed, in case of failure of the issuing bank to pay, recourse would be on us"; (d) "yes. No bank would purchase drafts drawn on a revocable credit without recourse on the drawer."

In addition to the question of cancellation of commercial credits, another mooted problem between exporters and bankers is the right of recourse to the party who has drawn a draft upon the authority of a commercial letter of credit. The Law of Negotiable Instruments recognizes fully the right of the drawer of a draft to place after his name the phrase "without recourse," which relieves him of the liabilities usually attaching to the drawer of the bill. The exporter who has presented for payment a draft bearing this expression insists that the entire business transaction so far as he is concerned is closed, and that the negotiating banker may not in the future turn to him for reimbursement. It is therefore quite obvious that exporters regard with greater favor the drawing of drafts without recourse than with recourse to themselves. The question then arises, What is the recourse to the drawer of drafts under the various classes of letters of credit described above? One view is expressed in answer (a), which holds that the bank has absolutely no recourse against the drawer of the drafts, whether the credit be irrevocable or revocable, confirmed or unconfirmed. Answer (b) applies the principle of "without recourse" to the confirmed and to the irrevocable letters of credit, but not to the unconfirmed, revocable form. Answer (c) confines the right to draw a draft without recourse solely to the recipient of a confirmed and irrevocable letter of credit. According to the numerical tabulation presented above, the exporter believes that confirmed and irrevocable letters of credit permit the beneficiary to draw his drafts without recourse to himself, but that unconfirmed revocable credits admit of recourse by the bank to the drawer. This middle view is not generally followed by the banks which, in their replies to the same question, contend that the drawer of a bill of exchange is not

released from his liability. In conclusion, under the Law of Negotiable Instruments, any bona fide holder has full recourse upon the drawer of a draft under a letter of credit if the drawee bank dishonors the bill. Considering the question not from the strictly legal standpoint but from commercial usage, the drawer of drafts under a confirmed irrevocable letter of credit issued by a reputable bank may safely regard the transaction as closed upon acceptance by the drawee bank and he would be liable only in the extreme event of failure of the accepting bank. (See address of Wilbert Ward at Eighth National Foreign Trade Convention, May, 1921.)

5.

Question: Have you drawn under "Letters of authorization" (authorities to purchase) and if so, what has been your experience in connection with their use?

Answers: Have used authorities to purchase—10; have not used authorities to purchase—16.

(a) "Such drafts have usually been bought by the issuing bank or its agent and have run on a straight interest-carrying basis."

(b) "Letters of authorization are not credits. They give no security to the drawer of a draft; merely facilitate the operation of drawing. We use them only when we know drafts will be paid."

(c) "Satisfactory only if we would be willing to negotiate similar drafts without a credit; i. e., the A/P is acceptable only if customer's financial standing is satisfactory."

A shipment of goods in foreign trade may be financed by the importer either through a letter of credit or an "authority to purchase." The former document, as was noted above, vests the exporter with the right to draw drafts upon a bank. On the other hand, the authority to purchase instructs the shipper to draw his bill upon the importer directly, but assures him that the draft will be purchased by the notifying bank. From the above replies it may be observed that the authority to purchase is not widely used by American merchants. A forthcoming article in the Federal Reserve Bulletin will present a detailed analysis of this document, which is not well understood by American banks and commercial houses.

II. USE OF THE LETTER OF CREDIT.

6.

Question: For what classes of transactions have you used letters of credit?

(a) Please indicate as many classes of import transactions as possible.

(b) Please indicate as many classes of export transactions as possible. In each kind of business indicate all of the variations occurring; i. e., f. a. s., f. o. b., c. and f., c. i. f., also whether the credits have to be available before ocean documents are obtainable and, if so whether against warehouse receipts or on a clean basis, or, whatever

the terms may be. In case of any unusual transactions, please illustrate how they were handled.

Answers:

(a) Have used letters of credit in import transactions—10; Have not used letters of credit in import transactions—18.

(b) Have used letters of credit in export transactions to cover:

Free alongside steamer (f. a. s.)—5.

Free on board (f. o. b.)—8.

Cost and freight (c. and f.)—6.

Cost insurance freight (c. i. f.)—10.

Import transactions.—(a) "Import transactions are financed by letters of credit furnished by buyers, etc. to cover first-cost purchases, as well as c. i. f. and c. and f. transactions. Very seldom is it possible for such credits to be available in the Far East before documents are obtainable."

Export transactions; credit established, before sending order to mill.—(b) "Usually we require letters of credit to be established before sending of orders to our factories, because if the goods are once made they are of doubtful use to others."

Upon delivery of warehouse receipt.—(c) "Invariably f. a. s. New York. In event of abnormal conditions in shipping circles, payment against warehouse receipt."

(d) "During the war in one case the bank made payments under instructions against warehouse receipt but only because the steamer space was unavailable when merchandise was ready."

(e) "We have required in the past letters of credit to be opened against warehouse receipts, especially during unsettled, congested, or embargoed shipping conditions."

Presentation of shipping documents.—(f) "Letters of credit have been used by us on export transactions most frequently on the basis of f. o. b. and c. i. f. shipments, and we require advice of the opening of letter of credit in our favor before delivery of goods to steamer. However, our requirement of a letter of credit before delivery of merchandise to the steamer is subject to the moral risk and past experience with the particular consignee, and at times when we are satisfied that a credit will be opened, due to our receiving cable advices to that effect, goods are delivered to the steamship companies in order to catch a particular steamer previous to receipt of advice of opening of letter of credit in our favor."

(g) "On f. a. s. and f. o. b. and c. and f. and c. i. f. basis in the case of export transactions, it is not absolutely necessary to have the relative credits available before ocean bills of lading and insurance certificates are obtainable, provided we, as shippers, are informed that the credit in question will be opened. It is of course much safer to have the actual credit in hand before purchasing merchandise, or engaging freight and insurance, but this largely depends upon the circumstances of the entire transaction."

The letter of credit is not extensively used to finance imports, but when so applied the terms are mainly f. o. b. and c. i. f. When a letter of credit has been issued in favor of the seller, payment may be made available at the several successive stages in the completion of the transaction. As indicated in answer (b), the beneficiary may receive his credit even before he has sent his orders to the factory or mill for executing the terms of the sales contract. The next step would be to move the finished goods to the seaboard, where they may be placed in a warehouse. Upon the surrender of warehouse

receipts the shipper may at times receive payment (see answers to (c), (d), and (e)). However, this practice obtains only under abnormal conditions such as embargoes, freight congestion, or a state of war. It is more usual for the negotiating bank to effect payment only upon receiving documents evidencing the actual placing of goods on the carrier (f, g). In general, a choice among these three points depends almost entirely upon the credit standing of the importer.

7.

Question: Have you used acceptance credits opened for your account in your own favor for—

(a) Transactions involving the importation of merchandise.

(b) Transactions involving the exportation of merchandise.

(c) Transactions involving domestic shipments.

(d) Transactions involving merchandise in warehouse? If so, did such credits meet the requirements of your business and give you the credit facilities desired; or, if not, explain in what respect they were found to be not available.

Answers. Have used acceptance credits—9; have not used acceptance credits—18.

Acceptance credits unsatisfactory.—(a) “They do not apply to the operations of established merchants, having independence of action.”

Acceptance credits satisfactory.—(b) “Such credits fully covered the requirements of the particular transactions in hand.”

(c) “We have used acceptance credits to cover transactions enumerated under (a), (b), (c), (d). All these credits met the requirements of our business.”

Acceptance credits are not widely used by American merchants. However, those firms which have availed themselves of this kind of credit ordinarily report satisfactory experience (b and c).

8.

Question: Have you found letters of credit useful in local or domestic transactions; and, if so, how have they been employed?

Answers:

(a) “While never having made use of letters of credit in local transactions ourselves, we have been in numerous instances the beneficiary of such letters of credit by our customers and have reason to know that they have been found most useful where so employed.”

(b) “Occasionally when financial position or character of buyer requires such insurance.”

Letters of credit may be used in domestic transactions in two ways. The American exporter as recipient of a letter of credit may request his bank to issue an ancillary letter in favor of a domestic manufacturer, who in turn supplies the necessary goods. A letter of credit may also be used to finance a purely domestic transaction, and this practice is finding favor among American sellers who thus seek to avoid cancellation of future contracts. (See FEDERAL RESERVE BULLETIN, February, 1921, p. 165.)

9.

Question: In case you open letters of credit, would you as a practice be willing to have the beneficiary assign them so that they would be available by a party unknown to you?

The replies were unanimous in stating that American importers do not permit foreign beneficiaries to assign credits opened in their behalf to other unknown parties.

10.

Question: Have you obtained loans or cash advances from your bank on the faith of letters of credit issued by that bank or another bank in your favor?

(a) Were such credits deposited with the bank and accepted by them as collateral?

(b) Did your bank merely require that they be exhibited to prove their existence?

Answers: Have received loans from banks on letters of credit—3; have not received loans from banks on letters of credit—23.

“We have obtained loans from our bank in the faith of letters of credit issued by another bank in our favor. Our bank merely required that such letters of credit were legitimate.”

It is not a practice of American exporters to use letters of credit opened in their favor as a form of collateral for receiving advances from banks. (See also FEDERAL RESERVE BULLETIN, February, 1921, p. 170, replies to question 25.)

III. POLICY.

11.

Question: What in general has been your experience with dollar credits opened by banks in this country as compared with your experience with sterling credits issued by London banks?

Prefer dollar exchange—legal advantage.—(a) “We see no difference between a dollar credit and sterling credit as such; in fact, a credit in any currency, aside from the slight fluctuations in exchange during its pendency, has little or no bearing on business experience. It is our custom to study each instrument that is furnished us, irrespective of the bank or country of origin, and it is only by experience that one learns what is safe and what is unsafe. A credit issued by a bank in the United States is, of course, preferable to one issued abroad, but the only advantage that it affords is the ease of securing legal service in the event of default, and in a matter of credit this advantage should be negligible, as a bank, no matter where located, should meet its credit obligations without the necessity for law suits. Our own experience is that vigilance and care in scrutinizing the form of instrument furnished and insistence on the elimination of improper or irregular stipulations is the only way of avoiding subsequent misunderstandings and repudiations.”

Prefer sterling exchange—more liberal charges.—(b) “It is observable that American banks are less liberal in their concessions of both interest and commission charge when drafts under their credits are taken up under rebate.”

Wider experience.—(c) “Although the increasing use of dollar credits is making such foreign trade financing more satisfactory, and most American banks are now in position to issue both dollar and sterling credits, the wider experience and more intimate knowledge of foreign trade on the

part of London banks, almost invariably produces more satisfactory banking service when use is made of sterling credits issued by English banks, and the same can be said of the dollar credits now frequently issued by English banks."

(d) "Our experience with dollar credits, in fact with all the credits applied for, has been perfectly satisfactory from every standpoint, but we can conscientiously say we consider that the foreign or what we might term the English banks seem to handle and understand the letter of credit business perhaps more fully than the American banks. The American banks, in our opinion, during the war had a great opportunity to build up the letter of credit business, but we consider that they have at times given credit where it was not advisable and, for this reason, perhaps, they have at times overextended themselves."

Easier conversion.—(e) "The only objection to the use of dollar credits is that they have not the universal facility of exchange and conversion that a sterling has. The process of cover of exchange by banks requires a freedom of movement through cross currents that our restricted export trade does not permit."

The purpose of the remaining questions was to secure constructive criticism for the development of American credits. The majority of the answers express satisfaction with dollar credits, and in fact some replies indicate a preference for dollar over sterling credits. One reason, as stated in answer (a), is the advantage of being able to bring suit against the issuing bank in the event of default on its obligation. On the other hand, several responses compare sterling and dollar credits to the disadvantage of the latter as shown in answers (b), (c), (d), and (e). The criticisms levied against the practice of American banks can be summarized as follows: (1) Higher interest and commission charges; (2) inexperience in handling credits; (3) unwise extension of credit; (4) restricted exchange market. The causes of these defects are apparent. The United States has entered only recently into the field of financing foreign trade and therefore commercial education is limited, credit information is lacking, and our acceptance market is still narrow.

12

Question. What suggested changes as to practice have you had from your correspondents abroad in connection with letters of credit issued by banks in this country? Have they made any comparison of methods here with English methods?

13

Question. What in your opinion should banks in this country do:

- (a) To make dollar credits more effective?
- (b) To hold and develop the letter of credit business here?

Answers:

Draw bills of longer maturity.—(a) "Banks in this country appear unwilling to issue credits providing for drafts of a usance for six or even four months' sight. Six months' drafts have long been common in the China trade and no discrimination thereagainst, we believe, has

been made by the British banks. Whether the real obstruction lies in the Far East or in the discount market here, we are not decided."

Broaden discount market.—(b) "They should seek to broaden the discount market for long bills. The position of the American banks operating abroad needs to be more firmly established and such banks should be prepared to study more closely the particular requirements of traders in their various localities."

Open foreign branches.—(c) "Open branches in foreign countries."

Assume greater responsibility.—(d) "In our opinion American banks should accept the same responsibility in opening credits as English banks do. This would give more protection to the merchants, as the bank would undertake to make payment to the beneficiary of the credit only on the exact terms of the purchase contract. As matters stand at present we have had the sad experience that some of our shippers have shipped goods out of time; also invoiced these goods at the wrong price, and invoiced the wrong weight. The result has been that we have lost a considerable amount of money."

(e) "English banks accept more responsibility in connection with the issuance of letters of credit than American banks. When opening letters of credit through English banks, it is customary to state exactly the contract terms, such as quality of the article, shipment, port of shipment, price of the goods bought, and the bank is responsible to us that the goods are shipped strictly in accordance with particulars given. American banks are in the habit of opening credits only stipulating the article and the value of the goods. They do not undertake to see that they are invoiced at the correct price, or that the bills of lading are in accordance with the purchase."

(f) "We think it advisable where a foreign credit is opened in future by shippers that the terms and conditions of application be adhered to strictly by the accepting bank. In other words, we think the bill of lading should be in exact conformity with the credit application; also, if possible, the price and the amount, etc. We find this a safeguard against irresponsible shippers as unless they live up to conditions of the credit the accepting bank should refuse to accept. Of course, the accepting bank would not know if the quality, etc., was all right, but we feel under the existing low values where an advance might come about that the issuer of the L/c should have all protection possible."

Compare documents and credits with more liberality.—(g) "We have found, from time to time, difficulties with the banks here who have interjected stipulations of their own which were never intended by the banks to their New York correspondent, and the instrument issued by the New York bank differed very materially from the letter of instructions from the foreign bank. This practice, which has gradually come more and more into vogue, and to a certain extent is the result of unified action among the American banks, causes needless irritation between supplier and foreign buyer and should be eliminated in the interest of American commerce. The only comparison of methods between American and English banks might be expressed in this way. We have always found that the manager of an English bank had personal experience to guide him in connection with the adjustment of any difficulties arising under the terms stipulated in a credit, but that in American banks there was either the lack of experience or the lack of authority and that many matters which would be amicably and readily adjusted with the manager of an English bank, through his experience, would be practically impossible of adjustment with the manager of the foreign or the credit department of an American bank and oftentimes result in the reference of the principle to the bank's legal

department who are in no way qualified by experience or by legal precedent to give a proper reply."

(h) "Letters of credit should state very plainly all the conditions under which the purchase or sale was made and what, if any, latitude is to be allowed regarding the quantity and time of shipment. A case was recently called to our attention in which a bank here refused to honor a credit opened against a lot of 2,000 bags of a certain commodity for the reason that the documents called for 1,995 bags. A certain latitude, usually 5 per cent, is considered permissible in the quantity shipped, but in view of the many difficulties which have arisen lately, it would be well to have this point clearly elucidated in the letter of credit."

Standardize documents.—(i) "They should have a standardized form that is written as plain as can be written, just what is to be expected from the letter of credit. It should state clearly on its face whether it is revocable or irrevocable; whether it is confirmed or unconfirmed. It should carry on the reverse side definitions of what is to be considered the standard practice under letters of credit, viz, whether or not partial shipments will be paid for; whether a 'proper' bill of lading is to be accepted, or whether an 'on board' bill of lading. If no expiry date is given on the face of the credit, it will lapse one year from date drawn, and such other definitions as the practice of those interested in foreign trade have found expedient to have clarified."

(j) "The adoption of a standard form of letter of credit and the elimination of technicalities in connection with establishing these credits, and making payments against same."

(k) "Changes in practice we think should originate in issuing credits in the United States, as there is little or no uniformity in the forms of advice now employed by United States' banks."

As both questions solicit expressions of opinion from American commercial houses and foreign correspondents on the one question of the relative value of American credits, the results can be summarized best by combining all replies. The first three answers offer suggestions as to the general policy of American banks. The recommendation contained in (a) has already been carried into effect by the Board's recent ruling permitting Federal Reserve Banks to purchase in the open market bills of exchange with a maturity of 6 months. It is urged that the discount market be broadened, and the number of branches in foreign countries extended (b and c). Answers (d) and (e) advise American banks to assume greater responsibility in their handling of commercial credits. These institutions are also asked to adopt a more liberal policy in applying and comparing the documents pre-

pared by the exporters with the terms stated in the credits (g and h). Mercantile houses are strong in support of the movement for attaining standardization in commercial credit forms and uniformity in practice (i, j, and k). Along these lines satisfactory progress has already been effected by committees representing the interests of banks and merchants.

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, 1921:

DISTRICT No. 2.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The Sussex National Bank, Newton, N. J.
The First National Bank, Roselle, N. J.

DISTRICT No. 3.

Guardian of estates, assignee, receiver, and committee of estates of lunatics:
The Eighth National Bank, Philadelphia, Pa.

DISTRICT No. 4.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, and receiver:
The Troy National Bank, Troy, Ohio.
Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The First National Bank, Erie, Pa.

DISTRICT No. 5.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The First National Bank, Bluefield, W. Va.

DISTRICT No. 6.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
Florida National Bank, Jacksonville, Fla.

DISTRICT No. 7.

Registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The Home National Bank, Thorntown, Ind.
Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The Keokuk National Bank, Keokuk, Iowa.

DISTRICT No. 8.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The Carlinville National Bank, Carlinville, Ill.
Guardian of estates, assignee, receiver, and committee of estates of lunatics:
The First National Bank, Mount Vernon, Ind.

DISTRICT No. 10.

Trustee, executor, administrator, guardian of estates, assignee, receiver, and committee of estates of lunatics:
The First National Bank, Hominy, Okla.

BUSINESS AND FINANCIAL CONDITIONS ABROAD.**ENGLAND.**

Very few tangible results have been obtained by either side in the controversy which still goes on in England between coal miners and operators. No coal has been produced for nine weeks. During the course of the struggle, however, very material concessions have been made by all parties to the controversy, and as a matter of fact original principles have been forced into the background by the severity of the strike.

Toward the end of April, following a proposal of the mine owners that wages be reduced uniformly within different "areas" for a period of three months and if necessary be subsidized by the Government, the miners offered to take a national average wage reduction of 2s. per shift, which according to their calculations would be a 30 per cent reduction from their 1914 wage rate or an 18 per cent reduction from their present rate. This, they contended, would be in accord with the recent reduction in the cost of living and would leave them with approximately the same standard of living as in 1914. March accounts showed, however, that the deficit in the industry for that month taken independently would require a reduction in the average national wage of 5s. 4½d. per shift, if allowance were made for minimum profits, or if not, of 4s. 1½d. The miners, as stated above, were willing to take a reduction of 2s. per shift, but were firmly opposed to any larger reduction. They estimated that a temporary subsidy of £30,000,000 on an annual basis would meet their demands if operators were willing to forego profits during the transition stage.

On condition that a permanent settlement be reached in the industry, the Government, in reply to this offer, made a counter offer of £10,000,000 for subsidizing wages during a transition period of four months. It was suggested that the sum be distributed in such a way that wages in May, taken on a national basis, would be reduced 3s. a shift, in June 3s. 6d., and that the balance of the £10,000,000 would be used in July and August to further temper the drop from the March scale of wages to that offered by the operators. It was also implied that the Government would not object to the creation of a national wages board to work on wage schedules for the different districts.

This offer was rejected by the miners, and it is only recently that negotiations have again

been resumed. It would seem, however, that the emphasis had shifted from a national pool of profits to a wage adjustment on a national basis. The theory of a national wage adjustment appears to have been accepted by the Government in view of the offer of £10,000,000, while the offer of the miners, as indicated above, seems to show that they would accept at least a temporary adjustment on the basis of the changes in the cost of living, a method of adjustment which has become very common in England in recent years.

None of these proposed temporary arrangements provide an incentive for increased production, either to the operator or the miner. The fundamental difficulty is the decreased output per man. This is said to have fallen from 260 tons per annum per miner in 1913 to 190 tons on the same basis in 1920. Following the adjustment of last autumn, when wages were regulated by output, production increased remarkably, clearly demonstrating the fact that output was below normal.

It can not be stated, however, that there have been no positive gains as a result of the negotiations, since both miners and owners apparently agree that when the adjustment is made wages are to be the first charge upon the industry, that they are to bear a definite ratio to profits, and that surplus profits are to be divided in a fixed ratio between miners and owners. The owners have also relinquished the idea of district wage rates and outlined a group of six "areas" to form the basis for wage adjustments.

Meanwhile the railway and transport workers have refused to handle imported coal and it has become necessary for the Government to provide public utilities, institutions, etc., with coal. The Government is not, however, furnishing coal to commercial establishments.

It is supposed that the coal industry was decontrolled on March 31 instead of in August, as the law originally provided, partly because of the fact that the railroads are to be released from Government management in August. A bill has recently been introduced into Parliament providing for the reorganization of the railroads at the time of decontrol along the following lines. All railroads in Great Britain are to be combined into six groups, a southern, a western, a northwestern and midland, a northeastern and eastern, a west Scottish, and an east Scottish group. Amalgamations are to be put into operation on January 1, 1923. A permanent rates tribunal is to be set up to

pass on rates in the various districts, the basis to be used being that of revenue in 1913. If revenue exceeds this figure, the roads will be entitled to retain 20 per cent of the surplus, while rates and fares will be adjusted to absorb the other 80 per cent. All questions regarding wages are to be handled by central wages boards, or, on appeal, by a national wages board consisting of representatives of workers and owners. Each railway company is to have something in the nature of a Whitley council giving representation to workers and management. It is understood that the railway workers have already agreed to the proposals.

The financial responsibility of the Government during the period of control is to be ended with the payment of £60,000,000 to the roads, one-half of this sum to be paid at the end of 1921 and one-half at the end of 1922.

The effects of the readjustment to peace conditions are also apparent in the budget for 1921-22, which was brought before Parliament on April 25. This budget is divided into an ordinary or permanent budget and an extraordinary or nonrecurrent one. Ordinary receipts are estimated at £1,058,000,000, while ordinary expenditures are estimated at £974,000,000. The extraordinary budget includes estimated receipts from war assets of £158,500,000 and war liquidation charges of £66,000,000. This makes a total estimated income of £1,217,000,000, and an estimated expenditure of £1,040,000,000, leaving a surplus of £177,000,000. From this surplus, however, must come additional expenses connected with the decontrol of the coal and railway industries, and with domestic and foreign debt. These have been estimated as follows by the London Joint City and Midland Bank (Limited):

Estimated expenditure in respect of coal, railways, etc.....	£97,000,000
Depreciation fund.....	32,000,000
Revenue payments in scrip.....	65,000,000
Maturing external debt.....	80,000,000
Total.....	274,000,000

From this can be deducted £15,000,000, proceeds from the civil contingencies fund, but even so the surplus of £177,000,000 is changed to a deficit of £82,000,000.

Detailed study of the budget shows that no important change in taxation has occurred except that the excess profits tax has been removed. The yield from the income tax is estimated at 43 per cent of the total tax revenue. On the expenditure side considerable reductions have been made in the large

items, such as army, navy, and civil services. The national debt service accounts for approximately one-third of total expenditure with no provision made for interest payment on the American debt.

During the past month private business has continued to suffer severe depression. This has been much accentuated by the coal strike. The iron and steel, tinplate, and pottery industries have had to curtail production more than others on this account, with the result that the figures for output of pig iron and steel ingots show very great reductions in April as compared with March, although March production was low.

	Production (metric tons).			Ship tonnage under construction (gross tons).
	Coal.	Pig iron.	Steel ingots and castings. ¹	
Monthly average, 1913.....	000's. 24,336	000's. 869	000's. 649	2,002,699
1920.				
April.....	17,131	655	794	.....
May.....	22,131	738	846	.....
June.....	19,048	726	845	3,578,000
July.....	22,926	750	790	.....
August.....	16,970	752	709	.....
September.....	18,885	741	885	3,731,000
October.....	14,044	533	544	.....
November.....	15,920	404	505	.....
December.....	20,230	675	747	3,709,000
1921.				
January.....	21,805	642	493	.....
February.....	17,369	464	484	.....
March.....	16,437	386	359	3,799,000
April.....	(²)	60	68	.....

¹ Revised figures.

² Average of 4 quarterly estimates.

³ 5 weeks.

⁴ Work suspended on all but 2,952,000 tons.

⁵ Publication of statistics suspended during strike of miners.

A quarterly survey of conditions in the cotton industry as presented in Tattersall's Cotton Trade Circular shows that shipments of yarn in the first quarter of 1921 amounted to 64 per cent of shipments in the same period last year. Shipments of cloth showed approximately the same ratio between the two periods, which would seem to indicate that unless stocks have been accumulating the rate of production during the first quarter of this year was about two-thirds that of the same time last year. Production during April and May have probably been further curtailed.

Unemployment increased seriously during April and to even larger proportions in May. Excluding coal miners, 17.6 per cent of trade union members were unemployed at the end of April as compared with 10 per cent at the end of March. Of the 12,000,000 workers eligible for unemployment insurance, 15 per cent were

receiving it at the end of April, while 1,854,000 persons were registered at employment exchanges on that date. During May something like 500,000 cotton textile operatives went on strike because of wage reductions.

Thus far commodity prices have continued to decline, although it would seem possible that with production in many lines curtailed as a result of the strike there might be a reaction upward. The Statist index shows a decline of 4 per cent during April as compared with 3 per cent during March, while the Board of Trade index shows a decline of 3 per cent in April as compared with a 7 per cent decline in March. The greatest stability is found in the textile group, the Statist index registering a slight increase for all textiles and the Board of Trade registering an increase for cotton.

A study of individual commodity prices shows that the situation in England during April was closely similar to that in the United States. The basis for our study are the eighty odd average price quotations which are furnished to the Federal Reserve Board each month by the American consul general in England. During April there was an advance in the price of American and Egyptian raw cotton, cotton yarns, the leading nonferrous metals, and domestic hides, while wool and wool products, iron and steel, copper wire, tin plate, leather, and shoes, as well as many other important commodities, were reduced. The increase which occurred in raw cotton and yarns was not reflected in cloth prices, which continued to decline. Prices continued to decline in all lines of the wool industry until the time of the May auctions, when values for the raw material were somewhat increased. Slight increases in the prices of hides were not reflected in quotations for leather or shoes.

In the iron and steel industry prices declined more considerably than in other lines. In spite of the recovery in the prices of nonferrous metals, copper wire and tin plate were lowered. Coal was quoted on a nominal basis, except during the first week of April.

As regards the relationship between prices and currency, it would seem that so far the reduction in prices and in the volume of business had had comparatively little effect upon the quantity of currency outstanding. Although wholesale prices are approximately 37 per cent below the level of a year ago, bank and currency notes outstanding have been slightly increased. Deposit accounts with the nine London clearing banks, however, declined 6 per cent between January and April. Along

with the decline in private deposits there has been a very large decrease in bills discounted but an increase in advances.

Export credit schemes continue to be under discussion, but so far there appears to have been no change from the plan put into effect at the end of last year whereby in the case of exports to certain countries, such as Finland, Latvia, Esthonia, etc., the Government advances up to 100 per cent of the value of the goods and guarantees 80 per cent. Early in March the president of the Board of Trade proposed a somewhat different scheme, namely, to guarantee up to 85 per cent of the selling price of the goods and to require from the importer securities to the value of only 50 per cent instead of the previous 100 per cent. This new proposal has apparently not been put into effect and the transactions under the older scheme are of a very minor character. Between January 1 and March 31, 1921, advances had been made by the Board of Trade for only £321,000.

FRANCE.

Plans for financing the current needs of the French Government in meeting its maturing obligations and in buying food and raw materials abroad have developed rapidly in the last few weeks. On May 15 it was announced that the Government would issue a new series of two-year Treasury bills. Subscriptions will be received from May 23 to June 25. Interest is to be paid in advance at the rate of 6 per cent and the bills will be tax exempt in France. On May 25 subscriptions to a new \$100,000,000 loan in the United States were opened. The bonds of this external loan will run for 20 years, and pay interest at the rate of 7½ per cent. They will be marketed at 95. These bonds are not to be redeemed before they mature, but the French Government has arranged for a sinking fund which will provide \$750,000 monthly for the retirement of bonds bought in the open market. The conditions of this bond issue are slightly more advantageous to the French Government than were those of the issue floated last fall.

France's foreign debt at the end of April, 1921, stood at not quite 33,000,000,000 gold francs, as compared with more than 35,000,000,000 gold francs on September 30, 1920. The progress of debt reduction is shown by the table following, which is furnished by the French Financial Agency in the United States.

EXTERNAL DEBT OF FRANCE.

[In millions of gold francs.]

	Sept. 30, 1920.	Nov. 30, 1920.	Jan. 31, 1921.	Apr. 30, 1921.
United States Government.....	16,500	16,500	16,500	16,500
British Government.....	13,195	11,980	11,980	11,980
United States.....	2,108	1,342	1,194	968
Great Britain.....	2,020	2,019	1,915	1,894
Japan.....	336	336	344	344
Argentina.....	145	145	110	93
Holland.....	115	115	115	115
Norway.....	59	45	45	.....
Spain.....	564	554	513	502
Sweden.....	70	70	70	.....
Switzerland.....	136	117	111	56
Uruguay.....	80	80	80	80
Total.....	35,328	33,303	32,977	32,523

Meanwhile the Senate and the Chamber of Deputies have postponed final consideration of the 1921 budget. When they adjourned for recess on April 30, the ordinary and extraordinary budgets had been agreed upon, but the amounts to be expended upon the "recoverable budget" (that is, upon reconstruction and upon pensions) had not yet been finally decided. In estimating the receipts to be counted upon for ordinary Government expenditures, the probable monthly receipts from the tax on total business turnover were placed at 241,666,599 francs instead of the 415,666,500 francs expected when this tax first became a law. In the month of April total receipts from indirect taxes and Government monopolies were larger by about 300,000,000 francs than in the two months previous, but they were still smaller than budget estimates even though the latter have been revised.

Although the Parliament has not reached a final decision on this year's budget for reconstruction, work in the devastated regions is proceeding rapidly. An interesting development in this connection is the result of the laws passed on July 31 and December 31, 1920, by which the central government guarantees the principal and interest of loans raised by industries or districts, for reconstruction purposes. The first city to take advantage of this opportunity is Albert, an industrial and commercial center on the Ancre River. It is floating a 6 per cent 30-year loan for 25,000,000 francs. The bonds are dated May 15, 1921, and are in 500-franc denominations, to be marketed at 477.50. Before the war Albert specialized in sugar refining and in iron and steel manufactures, and it is undertaking reconstruction in an energetic fashion. An even more important outgrowth of the laws by which the state guarantees loans for the devastated regions is the loan requested by

the new association of coal producers of the north and east, which goes under the name of the Groupement des Houillères du Nord et du Pas-de-Calais. This association, which includes 17 important coal mining companies, asks for a loan of at least 800,000,000 francs to use in repairing the damage done to its properties during the war. The 500-franc bonds of this loan will pay 6 per cent interest and will be marketed at 480. They are repayable in 30 years, by annual drawings which will begin April 1, 1922.

The iron and steel producers of the north and east have also organized a similar association, which is called "Groupement de la Grosse Metallurgie (Hauts fourneaux, aciéries, forges, et mines de fers)," but the character of the loan they propose to raise for the reconstruction of the steel industry in the devastated regions has not yet been announced.

French foreign trade figures for the month of April seem to indicate a revival of activity in foreign buying in France. For the second time this year there is a surplus of exports for the month, and the value of the export trade in April was greater than during any other month since October, 1920. The import trade for April was slightly larger than for the two months previous, but it is valued at only a little more than half the import trade of the same month last year.

Foreign exchange rates in Paris reflect the improvement in the French balance of trade. The fluctuations of the value of the franc in the important foreign currencies were almost steadily upward during April, except in the case of the lire. During May it was reported that the appreciation of the value of the franc had somewhat checked foreign buying, but exact data on the subject are not yet obtainable.

The following table shows the change which has taken place in French foreign exchange since the beginning of the year.

	Paris Exchange on—				
	New York.	London.	Rome.	Antwerp.	Berlin.
Francs to the.....	Dollar.	Pound sterling.	Lira.	Franc.	Mark.
Par.....	5.18	25.22	1.00	1.00	1.25
1920 average ¹	14.58	53.10	.69	1.05	.25
1921 end of— ²					
January.....	13.93	54.03	.52	1.05	.25
February.....	13.95	54.03	.51	1.05	.23
March.....	14.24	55.89	.58	1.04	.23
April.....	13.21	52.22	.64	1.00	.20

¹ Average monthly quotations.

² Last Wednesday in the month.

The revision of the French general tariff, which had been in progress for some months, was completed early in April. The object of this revision, which increases rates in some cases more than 200 per cent, is to prevent unfair competition in French markets by manufacturers from countries with a greatly depreciated exchange. Products of the United States of America are specifically exempted from the new rates, and they do not apply to countries which enjoy minimum tariff rates when importing goods into France.

Wholesale prices in France continued to decline during April. The wholesale price index number of the General Statistical Office registered a decline of 3.6 per cent for the month, as compared with a decline of 4.5 per cent the month previous. Among the more important price reductions are those of iron and steel products, which are responding to the lower price of coal, and of raw cotton and raw wool. The increase in the price of vegetable foods which is recorded by the Statistical Office's index is accounted for by the backward condition of the crops, which have suffered from lack of rain this spring.

Although the newspapers continue to complain of continued high prices in retail stores, the retail index of the General Statistical Office shows a decline of 8 per cent in April as compared with a drop of not quite 4 per cent in its wholesale price index.

The condition of the Bank of France during April shows comparatively little change except in its gold reserve, which increased 10,000,000 francs during the month. The amount of the advances of the bank to the Government fluctuated as usual during April, closing the month at 26,000,000,000 francs.

It is difficult to judge accurately of the unemployment situation in France. French trade-unions ceased to publish statistics giving the proportion of their membership out of work during the war, and the only figures now obtainable on the subject of unemployment are the numbers of unemployed in receipt of relief from municipal and departmental unemployment funds. The number of these funds is not very large, although it has increased during the last six months. At the end of October, 1920, there were only 2 departmental and 30 municipal unemployment funds. By February 18, 1921, there were 7 departmental and 65 municipal funds. In April, 1919, the number of unemployed receiving aid from the departments and municipalities rose to 116,000. By January 1, 1920, it had fallen to 13,507. Throughout the year 1920 unemployment increased in France with some regularity. On

April 4, 1921, the Minister of Labor, speaking before the Senate, said: "There are at present 72,000 receiving relief from departmental or municipal funds, and adding to this number the unemployed who are not receiving relief, we may estimate the total number of unemployed at about 180,000." After April 4, however, unemployment increased rapidly. The number of those receiving public aid rose to 84,309 on April 22, although it declined in the next week to 83,256. The French Central Government has been requested by both employers and employees to take steps to increase Government aid in dealing with unemployment.

ITALY.

Italian Government finances continue to show the improvement first noted at the end of last year. The latest figures showing Government revenues from taxation and monopolies from July 1, 1920, to March 31, 1921, totaled 7,589,000,000 lire, which is more than the total anticipated for the entire fiscal year 1920-21. The excess over the original estimates was particularly large in the case of direct taxes, which yielded in the nine months a total of 2,371,000,000 lire, while the estimated total for the fiscal year had been 1,856,000,000 lire.

The following table shows the yield, in millions of lire, from the several classes of taxes in the first nine months of the current fiscal year, as compared with the same period in the preceding year:

[Millions of lire.]

	July 1, 1920, to Mar. 31, 1921.	July 1, 1919, to Mar. 31, 1920.
Direct taxes.....	2,371	1,486
Taxes on business (stamp duties, registration fees, inheritance taxes, luxury taxes, etc.)...	1,463	929
Taxes on consumption.....	1,254	908
Industrial monopolies.....	2,132	1,357
Commercial monopolies.....	369	272
Total.....	7,589	4,952

Beginning on February 16, a new type of treasury bond (5 per cent maturing in seven years) began to be offered for sale through a consortium headed by the Banca d'Italia. Until August 14, 1921, the rate of issue will be 91.50, plus the accrued interest from February 15 to the date of sale. After August 14 the rate will be advanced. For those who purchase the bonds before August 15, the actual rate of interest will be 6.20 per cent and an additional 0.25 per cent will be granted those who choose to register their bonds. In addition, lottery drawings will take place twice a

year, and a total of 2,545,000,000 lire will be paid annually in 1,200 premiums ranging from 1,000 to 1,000,000 lire. The bonds are exempt from all present and future state taxes. The issue is intended primarily for the reconstruction of the provinces which were occupied by the enemy during the war and for the economic development of the annexed territories.

In accordance with its declared policy of a gradual restoration of free trade, the Government has lately enacted a number of measures abolishing or restricting Government control of the distribution and price of several classes of goods. Thus, in the course of the months of February and March, exports of olive oil from one province to another were again permitted, the prefects, however, retaining the right to requisition the amounts required for the needs of the province if necessary. Export abroad of a limited amount of olive oil was also permitted. In the same way domestic and foreign trade in grains for animal feed, barley, and oats were freed from a large measure of control. The commissioner of food supply has also been authorized to discontinue Government control of the distribution of maize beginning with the next crop, and to restore partial free trade in bran. Flour prices will continue under control. Two consortiums which were organized to regulate the importation and distribution of commodities will also be discontinued during the year. The codfish consortium ceased functioning on April 30, and the rice consortium is to end on September 15.

In 1919, Government monopolies were created for the sale of coffee and coffee substitutes, and certain other less important commodities. During the fiscal year 1919-20 the yield from these sources amounted to 422,000,000 lire. It has now been decided to abolish the Government monopolies in these lines, and the coffee trade will be taken over by a consortium of merchants who will control it until April, 1922, when free trade will be restored.

During the first months of this year the note circulation of the banks of issue has been gradually decreasing. On December 31, 1920, the total note issue amounted to about 19,700,000,000 lire. By March 20 it had been reduced to 18,600,000,000 lire.

One of the evidences of inflation in 1920 was the unprecedented growth of corporate capital in that year. The total net increase, including both the capital subscribed to newly created corporations and the increased capitalization of old ones, amounted to 4,835,000,000 lire. In the preceding years, the net increase was as follows: 1915, 79,000,000 lire; 1916, 236,000,000

lire; 1917, 1,288,000,000 lire; 1918, 2,950,000,000 lire; 1919, 2,779,000,000 lire. The increase in 1920 was thus nearly 74 per cent larger than in 1919, and larger than the combined increase for the four years 1915-1918. The largest increase (99,000,000 lire) was shown by banking corporations.

GERMANY.

The industrial and financial situation in Germany was complicated during April and early May by events not primarily economic. The communist uprising in central Germany, the proposal to occupy the Ruhr, the 50 per cent tax on imports from Germany imposed by England, France, and Belgium, the extension of the Rhine customs boundary farther into Germany, the uncertainty as to the outcome of the reparations settlement, and the dissension in Upper Silesia all contributed to make the business situation uncertain.

The reparations settlement has now been achieved and Dr. Wirth, the new chancellor, who was finance minister in the last cabinet, is reported to be doing everything in his power to put its terms into effect. The Upper Silesian question remains.

One effect of the political uncertainty seems to have been the partial relaxation of Government control of industry. The regulation of newsprint paper was done away with early in April; control of export prices for several important commodities has been relaxed; control of the grain market has been revised and decentralized, although a certain amount of regulation is to be retained until August, 1922, and the critical situation in the export market has led the Eisenwirtschaftsbund to relax control of semifinished iron products.

The last-named action had the effect of lowering quotations for iron products from 13 to 30 per cent, according to the Rheinisch-Westphälische Zeitung, and the Eisenwirtschaftsbund announced decreases in the prices of the various kinds of pig iron ranging from 5 to 10 per cent, which became effective May 1.

Aside from these price changes there seems to have been no very definite movement in the German price level during April. Prices of lime nitrogen, manure salts, kainite, straw and hay, dyes, paper, and silk increased somewhat during the month, but the net effect of the changes which took place was such that the wholesale price index number of the Frankfurter Zeitung remained unchanged.

The evidence available on the subject continues to show that the cost of living in Germany is declining, even though slowly. The following table of living costs in Greater

Berlin has been furnished the Federal Reserve Board by Dr. R. R. Kuczynski, statistician for Berlin-Schöneberg:

WEEKLY COST OF LIVING IN GREATER BERLIN FOR A FAMILY OF FOUR.

[In marks.]

	Food.	Rent.	Heat and light.	Clothing.	Sundries.	Total.
August, 1913, to July, 1914.....	9.80	5.50	1.90	5.85	5.75	28.80
1920.						
January.....	86.00	8.00	12.00	70.00	44.00	220.00
February.....	100.00	8.00	13.00	82.00	51.00	254.00
March.....	125.00	8.00	20.00	105.00	64.00	322.00
April.....	157.00	8.00	22.00	112.00	75.00	375.00
May.....	163.00	9.00	22.00	98.00	73.00	365.00
June.....	128.00	9.00	22.00	84.00	61.00	304.00
July.....	135.00	9.00	22.00	77.00	81.00	324.00
August.....	131.00	9.00	21.00	70.00	77.00	308.00
September.....	123.00	9.00	22.00	70.00	75.00	299.00
October.....	138.00	9.00	22.00	70.00	79.00	318.00
November.....	136.00	9.00	22.00	70.00	79.00	316.00
December.....	144.00	9.00	22.00	70.00	82.00	327.00
1921.						
January.....	139.00	9.00	22.00	70.00	80.00	320.00
February.....	133.00	9.00	23.00	70.00	78.00	313.00
March.....	129.00	9.00	23.00	63.00	74.00	298.00
April.....	121.00	9.00	23.00	63.00	65.00	281.00

Dr. Elsas's index number of living costs in Frankfurt-am-Main gives further evidence in this same direction. Using the cost of living on April 1, 1919, as 100, his index reaches 26.5 for January 1, 1914, 297 for March 1, 1921, and 280 for May 1, 1921.

The fluctuations of prices on the German stock exchanges during this period indicate the changes in the sentiment of the community in regard to its economic future. The Frankfurter Zeitung's index number of securities prices (which is based upon the prices of 10 bonds and 25 stocks, with prices on Jan. 1, 1920, as a base) fell from 166 on April 9, to 151 on April 23, and returned to 159 the last day of the month.

In Dr. Havenstein's review of the operations of the Reichsbank during 1920, it is pointed out that the note circulation of the bank almost doubled in the course of the year. In the first weeks of 1921 this increase in the note circulation was arrested. The end of March bank statement established a new high level, however, which has been again exceeded by the note circulation at the end of April. Meanwhile the number of Darlehnskassenscheine in circulation has been decreasing. The following table shows the developments of the month:

[In millions of marks.]

	Reichs- und Darlehnskassenscheine held as reserve in the Reichsbank. ¹	Note circulation of the Reichsbank.	Darlehnskassenscheine in circulation.
1921			
Mar. 31.....	23,836	69,417	10,168
Apr. 7.....	22,941	69,235	10,001
Apr. 15.....	23,144	68,736	9,755
Apr. 23.....	23,631	68,379	9,560
Apr. 30.....	24,149	70,840	9,543

¹ The proportion of Reichskassenscheine included in these figures is very small.

On April 8 the Reichsrat approved a law suspending for three years section 17 of the German bank act. This section provided that the Reichsbank keep, as a reserve against its notes in circulation, one-third their value in coin, bullion, or Government notes. It was virtually set aside in August, 1914, by a ruling which legalized the use of the newly instituted loan bank notes (Darlehnskassenscheine) as a substitute for gold in the Reichsbank reserve. The new law will, therefore, be of little more than technical importance. The reason for its proposal at this time seems to be the fact that the war loans which secured the Darlehnskassenscheine are gradually being paid off. For some time, as the following table (taken from the Frankfurter Zeitung) indicates, the Reichsbank has been withdrawing these notes from circulation.

DARLEHNSKASSENSCHEINE (LOAN BANK NOTES).

	Per cent in the Reichsbank.	Per cent in circulation.
End of 1916.....	12	88
1917.....	18	82
1918.....	36	64
1919.....	45	55
1920.....	66	34
March, 1921.....	68	32

Presumably as the business of the loan banks diminishes, these notes will be canceled, and it is to provide for this contingency that the new law is brought up. As some of the Darlehnskassenscheine are used by the public as a substitute for the Reichsbank notes, and some of them are held as cover for the Reichsbank notes, their cancellation will mean increasing the number of Reichsbank notes in circulation and also providing some new form of cover for these notes.

In March the movement toward increasing the capital of German corporations seemed to be arrested. Increases in capital during that month amounted to not quite 531,000,000 marks, as compared with 1,092,000,000 marks in January, and 1,373,000,000 marks in February. In April, however, the number of companies increasing their capital was larger again, and the value of the stock they offered to the public (according to the compilations of the *Frankfurter Zeitung*) amounted to almost 1,687,000,000 marks. Offers of stock by new concerns and bond offerings also increased, and the total value of stocks and bonds placed upon the German market during the month is placed at 2,559,000,000 marks. The most important of the companies to increase their capital is the group of chemical manufacturers known as the Aniline Concern, which offer 800,000,000 marks worth of new stock for sale.

There seems to have been a slight improvement in employment conditions in Germany during March (the most recent period for which accurate information is available). The percentage of trade-union members unemployed decreased 1 per cent during the month. At the end of February 4.7 per cent of the 6,397,092 trade-union members then enrolled were out of work. During the last week in March 3.6 per cent of 6,242,000 members were unemployed. The public employment agencies report a similar improvement. In March there were only 188 applicants for every 100 positions open, as compared with 206 in February. The ratio of employees desiring work to positions open showed a greater proportion of unemployment in the textile and metal and machine trades than in any others. The number of those receiving unemployment support from the State also decreased during the month, declining from 428,665 on March 1 to 416,940 on April 1. Newspaper dispatches in regard to unemployment indicate that the situation during April did not continue to improve.

SWEDEN.

A somewhat retarded downward movement in wholesale prices, further slackening of foreign trade, and continued depression in industry and the labor market are the outstanding facts in current reports from Sweden.

The wholesale price index of the *Svensk Handelstidning* registered 229 in April, a decline of slightly more than 3 per cent during the month. The total fall from the peak in June, 1920, is somewhat less than 40 per cent. A notable feature in April was the upward price

movement noticeable in two important groups, namely, animal foods and coal. The latter rose from 279 to 291, a gain of 4 per cent. The wood pulp index remained unchanged, prices continuing at almost five times their prewar level. Quotations for hides and leather, on the other hand, were about 15 per cent lower than before the war. A significant decline occurred during April in building materials, the index shifting from 298 to 236. Other commodity groups showed a less decided and, in general, a slower rate of decline.

The industrial depression continues seriously to affect the unemployment problem in Sweden. The number of applicants per 100 occupational openings declined from 301 to 240 in March, apparently indicating that the peak in unemployment has been reached. However, in spite of the improvement evidenced by these figures, the Swedish Social Board reports no general betterment in labor demand except in seasonal trades and agriculture. The reduction in the number of applicants is attributed to the fact that the enumeration of vacancies includes not only those in established industries, but also provided temporary employment by the State and local communities. The figures for unemployment are presented in the table below:

NUMBER OF APPLICANTS PER 100 VACANCIES.

	1913	1920	1921
January.....	153	125	246
February.....	133	112	301
March.....	110	91	240
April.....	97	80	.....
May.....	99	84	.....
June.....	112	92	.....
July.....	107	94	.....
August.....	96	95	.....
September.....	89	98	.....
October.....	98	110	.....
November.....	129	155	.....
December.....	117	153	.....

No improvement was apparent during April in the paper and pulp industry. The Swedish pulp mills are feeling the effects of the demoralization in the English paper industry which followed as a result of the importation into England of German paper products. It is expected that the import tax of 50 per cent levied by Great Britain on German products will stimulate the activity of the English paper mills and create new demands for pulp in the Swedish market. Manufacturers in Sweden are handicapped also by the low rates of exchange ruling for Finnish marks and Norwegian kroner. Radical price re-

ductions in the Swedish pulp market are beginning to be made in an effort to meet the competition of the pulp industries of Norway and Finland.

Exports of the principal commodities during March continued to show a decline in quantity considerably below the normal prewar figures for the corresponding month in 1913. The export of newsprint paper which greatly exceeded peace time figures throughout 1920, fell in March to 96 per cent of the quantity exported in March, 1913. Iron ore exports which have shown a steady increase during the first three months of this year were 13 per cent greater than the prewar March figure—a notable exception as compared with the other leading Swedish industrial products. The following table, excerpted from Affärsvärlden, shows the relation of the monthly exports of the principal commodities in 1920 and the first quarter of 1921 to the corresponding periods in 1913:

RATIO OF QUANTITATIVE MONTHLY EXPORTS OF PRINCIPAL COMMODITIES IN 1920 AND 1921 TO EXPORTS IN CORRESPONDING MONTHS IN 1913.

	Wood products, sawn.		Sulphite pulp, dry, unbleached.		Newsprint paper.		Other paper.	
	1920	1921	1920	1921	1920	1921	1920	1921
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
January.....	131	55	127	36	284	140	157	28
February.....	206	61	200	34	282	290	93	23
March.....	346	51	240	31	175	96	188	20
April.....	137	51	108	227	134	115	123	.....
May.....	75	.....	118	.....	138	161	.....	.....
June.....	75	.....	137	.....	138	161	.....	.....
July.....	129	.....	121	.....	190	130	.....	.....
August.....	110	.....	87	.....	155	112	.....	.....
September.....	85	.....	129	.....	180	121	.....	.....
October.....	62	.....	87	.....	167	81	.....	.....
November.....	57	.....	58	.....	204	60	.....	.....
December.....	74	.....	66	.....	203	47	.....	.....
Year.....	88	.....	104	.....	190	116	.....	.....

	Iron ore.		Pig iron.		Matches.	
	1920	1921	1920	1921	1920	1921
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
January.....	40	72	33	87	186	41
February.....	49	81	65	88	113	43
March.....	77	113	99	21	115	51
April.....	71	.....	46	.....	106	.....
May.....	49	.....	116	.....	185	.....
June.....	73	.....	67	.....	144	.....
July.....	50	.....	62	.....	110	.....
August.....	51	.....	61	.....	55	.....
September.....	60	.....	48	.....	76	.....
October.....	63	.....	35	.....	64	.....
November.....	65	.....	73	.....	55	.....
December.....	56	.....	81	.....	66	.....
Year.....	58	.....	62	.....	105	.....

A bill is now before the Riksdag for a provisional increase in the import duties on some

508 different kinds of goods. The legislation is of an emergency character, providing temporary protection for the home market against foreign competition. According to the terms of the bill it is to be effective for one year, July, 1921, to July, 1922.

It is proposed to make a 100 per cent increase in duties on commodities which are taxed according to weight, such as furniture, wall paper, cotton and wool textiles, hosiery, drapery, china, glassware, pottery, and metals, including iron and steel. The bill provides a 30 per cent increase on goods taxed on an ad valorem basis. This group includes different kinds of machines and vehicles, internal-combustion engines, locomotives, motor cars, etc. It is calculated that these additional duties will yield 20,000,000 kronor to the treasury.

A reduction of the Riksbank's discount rate from 7½ per cent to 7 per cent was made on April 26, followed by a second lowering of the rate to 6½ per cent on May 4.

The note circulation of the Riksbank in April dropped from 716,900,000 kronor to 680,500,000 kronor. This is a decrease of about 13 per cent from the total note circulation in September, when the peak was reached.

The following business failure and protest statistics are presented as an indication of the effects of the economic depression:

PROTESTED BILLS.

	Number (in thousands).			Amount (in millions of kronor).		
	1913	1920	1921	1913	1920	1921
	January.....	4.1	2.9	6.0	2.0	6.3	13.4
February.....	3.8	2.6	6.4	1.9	5.8	14.1
March.....	4.3	3.1	8.5	2.1	6.3	20.1
April.....	4.3	3.1	.....	2.2	4.8	.....
May.....	4.9	3.3	.....	3.1	5.2	.....
June.....	4.6	3.5	.....	2.6	4.8	.....
July.....	5.0	3.8	.....	2.9	6.2	.....
August.....	4.4	3.5	.....	2.4	5.1	.....
September.....	4.0	3.6	.....	1.9	6.3	.....
October.....	4.8	4.2	.....	2.2	7.9	.....
November.....	4.1	4.1	.....	2.8	7.9	.....
December.....	4.3	5.2	.....	1.9	10.8	.....

FAILURES.

	Total number.		
	1913	1920	1921
	January.....	328	214	301
February.....	285	167	381
March.....	300	172	390
April.....	342	170	.....
May.....	302	201	.....
June.....	263	179	.....
July.....	342	182	.....
August.....	280	130	.....
September.....	324	203	.....
October.....	393	219	.....
November.....	336	239	.....
December.....	309	274	.....

State Banks and Trust Companies Admitted.

The following list shows the State banks and trust companies which have been admitted to membership in the Federal Reserve System during the month of May, 1921.

One thousand five hundred eighty-four State institutions are now members of the system, having a total capital of \$552,809,045, total surplus of \$526,827,174, and total resources of \$10,216,727,588.

	Capital.	Surplus.	Total resources.
<i>District No. 1.</i>			
Inman Trust Co., Cambridge, Mass.....	\$200,000	\$50,000	\$1,064,638
<i>District No. 3.</i>			
Northeast-Tacony Bank, Philadelphia, Pa.....	200,000	55,826	256,271
<i>District No. 5.</i>			
Farmers Bank, Belhaven, N. C.....	25,000	7,500	192,873
Bank of Lunenburg (Inc.), Kenbrdge, Va.....	50,000	70,000	511,703
Potomac Valley Bank, Petersburg, W. Va.....	46,205	500	164,186
Palmetto Bank and Trust Co., Florence, S. C.....	100,000	17,000	658,318
Farmers & Merchants Bank, Walterboro, S. C.....	100,000	30,000	707,579
<i>District No. 6.</i>			
Monroe County Bank, Monroeville, Ala.....	60,000	30,000	536,474
Bank of Eastman, Eastman, Ga.....	60,000	3,000	267,700
Farmers & Merchants Bank, Girard, Ga.....	25,000	1,250	49,371
Farmers & Merchants Bank, McDonough, Ga.....	100,000	12,350	266,863
Bank of Zebulon, Zebulon, Ga.....	25,000	20,000	238,926
<i>District No. 8.</i>			
Bank of Marvell, Marvell, Ark.....	50,000	8,000	306,760
Bank of Waldron, Waldron, Ark.....	60,000	20,000	324,015
Citizens Bank, Tunica, Miss.....	75,000	27,500	1,188,615
Bank of Henning, Henning, Tenn.....	25,000	7,500	302,575
<i>District No. 9.</i>			
Citizens State Bank, New Ulm, Minn.....	100,000	100,000	2,374,431
The State Bank of Townsend, Townsend, Mont.....	100,000	10,000	671,067
Farmers State Bank, Fullerton, N. Dak.....	25,000	1,000	113,612
<i>District No. 11.</i>			
First State Bank, Emhouse, Tex.....	30,000	20,000	153,923
Josephine State Bank, Josephine, Tex.....	30,000	6,000	118,203
Guaranty State Bank, Killcen, Tex.....	30,000	.....	87,530
First State Bank, Murchison, Tex.....	25,000	3,000	100,232
First State Bank, Richland, Tex.....	25,000	20,000	185,443
Guaranty State Bank, Robstown, Tex.....	50,000	.....	422,027
First State Bank, Streetman, Tex.....	25,000	20,000	161,342
First State Bank, Teague, Tex.....	50,000	5,000	522,279
First State Bank, West, Tex.....	50,000	.....	289,709
Yoakum State Bank, Yoakum, Tex.....	100,000	50,000	1,454,931
<i>District No. 12.</i>			
W. G. Jenkins & Co., Mackay, Idaho.....	50,000	10,000	428,931
Farmers State Bank, New Plymouth, Idaho.....	25,000	10,000	339,308
Albany State Bank, Albany, Oreg.....	50,000	10,000	793,956
Bank of Wasco, Wasco, Oreg.....	25,000	25,000	425,643
Zillah State Bank, Zillah, Wash.....	25,000	1,000	71,719

WITHDRAWAL.

Bank of Amityville, Amityville, N. Y.

VOLUNTARY LIQUIDATION.

First State Bank, Colorado, Tex.

CONSOLIDATION.

The Oakland County Savings Bank, Pontiac, Mich., has consolidated with the Pontiac Commercial & Savings Bank, Pontiac, Mich.

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 April 30 to May 27, 1921, inclusive:

	Banks.	Amount.
New charters issued to.....	9	
With capital of.....		\$1,425,000
Increase of capital approved for.....	10	
With new capital of.....		1,240,000
Aggregate number of new charters and banks increasing capital.....	19	
With aggregate of new capital authorized.....		2,665,000
Number of banks liquidating.....	9	
Capital of same banks.....		4,345,000
Number of banks reducing capital.....	0	
Reduction of capital.....		0
Total number of banks going into voluntary or involuntary liquidation or reducing capital.....	9	
Aggregate capital reduction.....		4,345,000
Consolidation of national banks under the act of Nov. 7, 1918.....	0	
Capital.....		0
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement.....		
		2,665,000
Against this there was a reduction of capital owing to liquidations, etc.....		
		4,345,000
Net decrease.....		1,680,000

Commercial Failures Reported.

While a tendency toward some reduction in the country's business mortality has recently developed, the 960 failures reported to R. G. Dun & Co. during three weeks of May largely exceeded the 377 insolvencies of the corresponding period of last year. The returns for April, the latest month for which complete statistics are available, disclose 1,487 commercial defaults for \$38,567,769 of liabilities, an increase of 151 in number, in comparison with the 1,336 failures of March of this year, but a reduction of nearly \$29,000,000 from the high-record indebtedness of that month. Aside from March, the April insolvencies are the smallest in number of any month since last November, while the liabilities are the lightest of the present year. Comparing with the low mortality of April of 1920, however, sharp increases appear in both respects, and the failures are larger in number in all of the twelve Federal Reserve districts. With two exceptions—the seventh and ninth districts—the indebtedness is also heavier in every case.

Failures during April.

District.	Number.		Liabilities.	
	1921	1920	1921	1920
First.....	145	51	\$1,746,699	\$982,320
Second.....	229	117	10,471,233	2,865,153
Third.....	104	24	2,227,631	278,334
Fourth.....	118	36	4,366,788	352,946
Fifth.....	154	14	3,334,591	88,450
Sixth.....	136	36	1,997,350	361,833
Seventh.....	178	39	3,949,115	4,551,640
Eighth.....	115	14	2,427,872	200,207
Ninth.....	39	16	593,718	681,330
Tenth.....	50	32	1,966,778	628,450
Eleventh.....	98	16	2,905,847	100,582
Twelfth.....	121	109	2,580,148	2,132,890
Total.....	1,487	504	38,567,769	13,224,135

RULINGS OF THE FEDERAL RESERVE BOARD.

Purchase of bankers' acceptances direct from accepting banks.

Federal Reserve Banks may, under the terms of the first paragraph of section 14, purchase bankers' acceptances in the open market "with or without the indorsement of a member bank," and such purchases may be made from any individuals, corporations, or banks. It is clear that under the terms of this paragraph a Federal Reserve Bank technically has authority to purchase from the drawer, or even from the accepting bank, a bankers' acceptance which bears no indorsement other than that of the accepting bank.

The normal and desirable practice, however, is for the drawer to discount acceptances with some bank other than the accepting bank, rather than for the accepting bank to discount the acceptances. In view, however, of the fact that the acceptance business is comparatively new in this country, and in view of the consequent lack of an adequate open market for bankers' acceptances in some districts, it has seemed best for some of the Federal Reserve Banks to purchase acceptances direct from the accepting banks, in the hope that the proper use of, and an active market for, bankers' acceptances may thereby be encouraged.

It is, nevertheless, apparent that the indorsement of the accepting bank adds no strength to the instrument, since the accepting bank is already liable, primarily, as acceptor, and the Federal Reserve Board in February, 1920, instructed Federal Reserve Banks that all purchases direct from the accepting bank of bankers' acceptances bearing no member bank indorsement other than that of the accepting bank should be made at the prevailing rate for commercial paper rather than at the preferential rate applicable to bankers' acceptances as such.

The third paragraph of section 13 of the Federal Reserve Act provides that no Federal Reserve Bank shall discount for any member bank an aggregate of notes, drafts, and bills bearing the signature or indorsement of any one borrower in excess of 10 per cent of the member bank's capital and surplus, this restriction not applying to the discount of bills of exchange drawn in good faith against actually existing values. This limitation does not apply to open-market purchases made under authority of section 14, so that it does not prevent a Federal Reserve Bank from purchasing an unindorsed banker's acceptance from the accepting member bank, even though the Federal Reserve Bank already holds under

discount from that member bank paper representing loans in an amount equal to 10 per cent of the member bank's capital and surplus made by the member bank to the drawer of the acceptance.

It should be remembered, however, that there is no obligation upon a Federal Reserve Bank to purchase paper offered to it, even though the paper is technically eligible as a matter of law. The Federal Reserve Banks have discretionary power, just like any other bank, to decline to purchase paper whenever for any reason that course seems advisable. In view of the fact that an acceptance indorsed only by the accepting bank is supported by the credit of only two parties, and in this respect is like a customer's note indorsed by the bank, the Federal Reserve Board feels that a Federal Reserve Bank is justified in limiting its open-market purchases of bankers' acceptances of this character, so that it will at no time hold under discount or purchase from one member bank an aggregate amount in excess of 10 per cent of the member bank's capital and surplus of (1) notes, drafts, and bills bearing the signature or indorsement of any one borrower, and (2) bankers' acceptances made by the member bank for the same borrower, but bearing no indorsement other than that of the accepting bank. The Board has, however, issued no ruling upon this point, and for the time being at least is willing to leave the matter to the sound banking discretion of the officers of the Federal Reserve Banks.

Renewal acceptances in import transactions.

In a letter recently received by the Federal Reserve Board it was stated that—

A national bank makes acceptances covering the importation of automobile parts from France, with a maturity of 90 days, which is supposed to be sufficient to cover payment for the merchandise in France, its transit to New York, its warehousing, and subsequent sale from warehouse. It is found, however, that before the transaction has been completed by the sale of the merchandise, that the 90-day period has expired.

The letter inquired whether it would be proper under these circumstances for the national bank, at the maturity of the original acceptance to make renewal acceptances to finance the subsequent storage and resale of the automobile parts. It appeared from the letter that the importer was drawer of the original drafts and was to be the drawer of the renewal drafts and that at the maturity of the original acceptances the parts had already arrived in the United States and were stored in warehouses pending resale by the importer.

Section 13 of the Federal Reserve Act does not confer authority upon national banks to accept drafts growing out of the storage of goods other than "readily marketable staples," and automobile parts can not be regarded as readily marketable staples within the meaning of this section. Consequently, if the drafts are to be secured by warehouse receipts covering the automobile parts, that fact would not of itself make the drafts eligible for acceptance by national banks. The drafts are eligible for acceptance only if and upon the ground that they can be said to grow out of the importation of the automobile parts within the intent of section 13.

As stated in the Board's regulations, no renewal draft can be eligible for rediscount if at

the time of its acceptance the period required for the conclusion of the transaction out of which the original draft was drawn shall have elapsed, and the question of the eligibility of renewal drafts, therefore, must necessarily depend upon the stage of the transaction at the time the renewal drafts are drawn. The Board is of the opinion that where the goods have come into the possession of the importer in the United States, who is the taker of the credit, the transaction involving the importation of those goods must be considered so far concluded as to preclude the issuance of a renewal draft based upon that transaction. The Board is of the opinion, therefore, that upon the facts stated the renewal drafts would be ineligible for acceptance by national banks.

LAW DEPARTMENT.

Jurisdiction of Federal courts in suits against Federal Reserve Banks.

On May 16, 1921, the Supreme Court of the United States rendered a decision in the case of *American Bank & Trust Company et al., v. the Federal Reserve Bank of Atlanta et al.*, upholding the Federal Reserve Bank's contention that the district court of the United States had jurisdiction of the case, but reversing the decrees of the lower courts which had granted the Federal Reserve Bank's motion to dismiss the plaintiffs' complaint. The suit was brought in the superior court of Fulton County, Ga., by a group of nonmember country banks to enjoin the Federal Reserve Bank of Atlanta from collecting checks drawn on those country banks, the complaint attempting to allege that the Federal Reserve Bank intended to undertake the collection of such checks by personal presentation and demand of payment in cash for the purpose of injuring the banks on which the checks were drawn. Upon the defendant's petition the case was removed to the district court of the United States for the northern district of Georgia and the plaintiffs moved to remand the case to the State court upon the ground that the Federal court had no jurisdiction. The Supreme Court holds that since the Federal Reserve Banks are organized under the Federal Reserve Act any suit brought by or against a Federal Reserve Bank arises out of the laws of the United States within the meaning of section 24 of the Judicial Code. The decision, therefore, establishes that the Federal courts have jurisdiction over any such suit, provided it involves the necessary jurisdictional amount.

At the time the plaintiffs filed their motion to remand the case to the State court, the defendants filed a motion to dismiss the com-

plaint for lack of equity. This latter motion was in the nature of a demurrer and the issue before the Supreme Court upon this motion was merely whether, as a matter of pleading, the plaintiffs' bill of complaint stated a cause of action. The decision of the Supreme Court is not, therefore, a determination of the merits of the litigation and the case will now go back to the district court of the United States for the northern district of Georgia for trial upon the merits. In its opinion the Supreme Court holds merely that nonmember banks may be entitled to some relief if they can prove that the Federal Reserve Bank malevolently intends to accumulate checks and to make presentation thereof in an oppressive manner for the purpose of injuring the banks upon which the checks are drawn. The decision will not interfere with the present check clearing functions of the Federal Reserve Banks and those banks will continue, as heretofore, to collect at par checks drawn upon those banks which are listed upon the par lists.

The text of the opinion is given below:

SUPREME COURT OF THE UNITED STATES.

No. 679, OCTOBER TERM, 1920.

<p>AMERICAN BANK AND TRUST COMPANY et al., appellants,</p> <p style="text-align: center;">v.</p> <p>FEDERAL RESERVE BANK OF ATLANTA, Georgia, et al.</p>	<p>} Appeal from the United States Circuit Court of Appeals for the Fifth Cir- cuit.</p>
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(May 16, 1921.)

Mr. Justice Holmes delivered the opinion of the court.

This is a bill in equity brought by country banks incorporated by the State of Georgia against the Federal Reserve Bank of Atlanta, incorporated under the laws of the United States, and its officers. It was brought in a

State court but removed to the district court of the United States on the petition of the defendants. A motion to remand was made by the plaintiffs but was overruled. The allegations of the bill may be summed up in comparatively few words. The plaintiffs are not members of the Federal Reserve System and many of them have too small a capital to permit their joining it—a capital that could not be increased to the required amount in the thinly populated sections of the country where they operate. An important part of the income of these small institutions is a charge for the services rendered by them in paying checks drawn upon them at a distance and forwarded, generally by other banks, through the mail. The charge covers the expense incurred by the paying bank and a small profit. The banks in the Federal Reserve System are forbidden to make such charges to other banks in the system. (Federal Reserve Act of Dec. 23, 1913, ch. 6, sec. 13; 38 Stat., 263; amended Mar. 3, 1915, ch. 93; 38 Stat., 958; Sept. 7, 1916, ch. 461; 39 Stat., 752; and June 21, 1917, ch. 32, secs. 4, 5; 40 Stat., 234, 235.) It is alleged that in pursuance of a policy accepted by the Federal Reserve Board the defendant bank has determined to use its power to compel the plaintiffs and others in like situation to become members of the defendant, or at least to open a nonmember clearing account with defendant, and thereby under the defendant's requirements, to make it necessary for the plaintiffs to maintain a much larger reserve than in their present condition they need. This diminution of their lending power, coupled with the loss of the profit caused by the above mentioned clearing of bank checks and drafts at par, will drive some of the plaintiffs out of business and diminish the income of all. To accomplish the defendant's wish they intend to accumulate checks upon the country banks until they reach a large amount and then to cause them to be presented for payment over the counter or by other devices detailed to require payment in cash in such wise as to compel the plaintiffs to maintain so much cash in their vaults as to drive them out of business or force them, if able, to submit to the defendant's scheme. It is alleged that the proposed conduct will deprive the plaintiffs of their property without due process of law contrary to the fifth amendment of the Constitution and that it is ultra vires. The bill seeks an injunction against the defendants collecting checks except in the usual way. The District Court dismissed the bill for want of equity and its decree was affirmed by the Circuit Court of Appeals (Nov. 19, 1920). The plaintiffs appealed, setting up want of jurisdiction in the District Court and error in the final decree.

We agree with the court below that the removal was proper. The principal defendant was incorporated under the laws of the United States and that has been established as a ground of jurisdiction since *Osborne v. Bank of the United States* (9 Wheat., 738; *Pacific Railroad Removal Cases*, 115 U. S., 1. *Matter of Dunn*, 212 U. S., 374). We shall say but a word in answer to the appellants' argument that a suit against such a corporation is not a suit arising under those laws within section 24 of the Judicial Code of March 3, 1911 (c. 231; 36 Stat., 1087). The contrary is established and the accepted doctrine is intelligible at least since it is part of the plaintiffs' case that the defendant bank existed and exists as an entity capable of committing the wrong alleged and of being sued. These facts depend upon the laws of the United States. (*Bankers Trust Co. v. Texas & Pacific Ry. Co.*, 241 U. S., 295, 306, 307; *Texas & Pacific Ry. Co. v. Cody*, 166 U. S., 606. See further *Smith v. Kansas City Title & Trust Co.*, Feb. 28, 1921.) A more plausible objection is that by the Judicial Code, section 24, sixteenth, except as therein excepted, national banking associations for the purposes of suits against them are to be deemed citizens of the States in which they are respectively located. But we agree with the court below that the reasons for localizing ordinary commercial banks do not apply to the Federal Reserve Banks created after the Judicial Code was enacted and that the phrase "national banking associations" does

not reach forward and include them. That phrase is used to describe the ordinary commercial banks, whereas the others are systematically called "Federal Reserve Banks." We see no sufficient ground for supposing that Congress meant to open the questions that the other construction would raise.

On the merits we are of opinion that the courts below went too far. The question at this stage is not what the plaintiffs may be able to prove, or what may be the reasonable interpretation of the defendants' acts, but whether the plaintiffs have shown a ground for relief if they can prove what they allege. We lay on one side as not necessary to our decision the question of the defendants' powers, and assuming that they act within them consider only whether the use that according to the bill they intend to make of them will infringe the plaintiffs' rights. The defendants say that the holder of a check has a right to present it to the bank upon which it was drawn for payment over the counter, and that however many checks he may hold he has the same right as to all of them and may present them all at once, whatever his motive or intent. They ask whether a mortgagee would be prevented from foreclosing because he acted from disinterested malevolence and not from a desire to get his money. But the word "right" is one of the most deceptive of pitfalls; it is so easy to slip from a qualified meaning in the premise to an unqualified one in the conclusion. Most rights are qualified. A man has at least as absolute a right to give his own money as he has to demand money from a party that has made no promise to him; yet if he gives it to induce another to steal or murder the purpose of the act makes it a crime.

A bank that receives deposits to be drawn upon by check of course authorizes its depositors to draw checks against their accounts and holders of such checks to present them for payment. When we think of the ordinary case the right of the holder is so unimpeded that it seems to us absolute. But looked at from either side it can not be so. The interests of business also are recognized as rights, protected against injury to a greater or less extent, and in case of conflict between the claims of business on the one side and of third persons on the other, lines have to be drawn that limit both. A man has a right to give advice, but advice given for the sole purpose of injuring another's business and effective on a large scale might create a cause of action. Banks, as we know them, could not exist if they could not rely upon averages and lend a large part of the money that they receive from their depositors on the assumption that not more than a certain fraction of it will be demanded on any one day. If without a word of falsehood, but acting from what we have called disinterested malevolence, a man by persuasion should organize and carry into effect a run upon a bank and ruin it, we can not doubt that an action would lie. A similar result, even if less complete in its effect, is to be expected from the course that the defendants are alleged to intend, and to determine whether they are authorized to follow that course it is not enough to refer to the general right of a holder of checks to present them, but it is necessary to consider whether the collection of checks and presenting them in a body for the purpose of breaking down the petitioner's business as now conducted is justified by the ulterior purpose in view.

If this were a case of competition in private business, it would be hard to admit the justification of self-interest considering the now current opinion as to public policy expressed in statutes and decisions. But this is not private business. The policy of the Federal Reserve Banks is governed by the policy of the United States with regard to them and to these relatively feeble competitors. We do not need aid from the debates upon the statute under which the Reserve Banks exist to assume that the United States did not intend by that statute to sanction this sort of warfare upon legitimate creations of the States.

Decree reversed.

PRICE MOVEMENT AND VOLUME OF TRADE.

WHOLESALE PRICES IN THE UNITED STATES.

In the United States wholesale prices in general declined 5 per cent in April as compared with 3 per cent in March, according to the index number of the Bureau of Labor Statistics, based upon approximately 315 different price quotations, and that of the Federal Reserve Board, based upon 90 quotations. The grouping of the Federal Reserve Board index shows that raw materials are lower than manufactured goods (when compared with the prewar level), that goods which we import are almost down to 1913 values, and that goods which we export have been considerably more reduced than domestic commodities as a whole. The regrouping of the index of the Bureau of Labor Statistics shows that within the raw materials group animal products (including hides, wool, and silk as well as live stock) are only slightly above prewar prices, that agricultural commodities, such as grains, cotton, and tobacco, are about 25 per cent above prewar values, while forest and mineral products are at 207 and 190, respectively, as compared with a 1913 level of 100.¹

The second table below shows the index number of the Bureau of Labor Statistics, which is based upon approximately 315 quotations, as reclassified by the Federal Reserve Board. The raw materials group consists of approximately 76 quotations, the producers' goods of about 80, and the consumers' goods of 158. Raw materials have been subclassified into agricultural products (mainly grains, cotton, and tobacco), based upon 19 quotations, animal products based upon the same number, forest products based upon 11 quotations, and mineral products based upon 27 quotations. The FEDERAL RESERVE BULLETIN for October, 1918, contains a list of the commodities in each group. The weights are the same as those used by the Bureau of Labor Statistics.

During the past month several changes have been made in commodities and weights used in the construction of the Federal Reserve Board index. These changes were made in order to obtain more representative quotations or better balance between different commodity lines. Most important among them is the change from contract prices of bituminous and semibituminous coal to spot prices. Although the majority of sales of coal are made on the contract basis, this type of quotation is not satisfactory for a current wholesale price index, because the contracts are usually made in April for the following year and all further trading is done on a spot basis. In normal times the spot price may be expected to be lower than the contract price in the summer and higher in the winter. The price which is being used in the index number is an average of the spot prices of 18 different kinds of bituminous and semibituminous coals in 12 markets. It is compiled weekly by the Coal Age and can be obtained on a comparable basis from 1913 to date (see War Industries Board Price Bulletin No. 35). It is being substituted in the index for bituminous, run of mine, Pittsburgh, and semibituminous, Pocahontas. The other price changes have been made with a view to giving representation to lines not satisfactorily represented before. For that reason a quotation for export tobacco, fired dark, new crop at Louisville has been added, also a low-priced grade of men's shoes, tan side, dress welt, at Boston, and a cheap grade of woolen cloth, serge, 9½-oz., A 209½, 55/57, New York.

¹ The index number of the Federal Reserve Board has been constructed primarily with a view to international comparisons of wholesale prices. Due to the difficulties connected with the collection of foreign prices, the foreign index numbers are still incomplete, but in spite of this it has seemed advisable to publish the American number, since it contains certain classifications of commodities not otherwise available, namely, the prices of the important goods imported into this country, and of goods largely exported, and compares them with the general price level in the United States. The number has been published monthly during a period of one year but is computed for the years 1913, 1919, and the first of 1920 as well.

For detailed information regarding the makeup of the number, reference may be made to the FEDERAL RESERVE BULLETIN for May, 1920, pages 499-503. The commodities included in the different groups are listed there with exact specifications and markets indicated. The "weights" assigned to the different commodities in constructing the index numbers are also given in detail. Revisions in prices or weights appear in BULLETINS for June, 1920, and June, 1921.

The index of "goods produced" consists of 74 quotations (30 raw materials, 24 producers' and 20 consumers' goods). These include agricultural products (such as grains, live stock, and textiles), minerals, and lumber, among the raw materials; yarns, leather, semifinished steel products, refined oils, chemicals, building materials, etc., among the producers' goods; and potatoes, meats, flour, rice, dairy products, cotton and woolen cloth, boots and shoes, and kerosene among the consumers' goods.

The index of "goods imported" consists of 18 quotations (9 raw materials, 7 producers' and 2 consumers' goods). It includes Egyptian cotton, Australian and South American raw wool, Japanese and Chinese silk, South American hides, Straits tin, and Canadian lumber among the raw materials; plantation and Para rubber, Chilean nitrate, cane sugar, burlap, sisal, etc., among producers' goods; and tea and coffee for consumers' goods.

Leading American exports are included in the index of prices of "goods exported," which is made up of 40 quotations (17 raw materials, 12 producers' and 11 consumers' goods). Grains, tobacco, cotton, copper, coal, pig iron, petroleum, and lumber make up the list of raw materials; vegetable oils, leather, semifinished metal products, refined oils, and chemicals the producers' goods; and wheat flour, refined sugar, pork products, coffee, cotton cloth, boots and shoes, and kerosene the consumers' goods.

The index numbers of "raw materials," "producers' goods," and "consumers' goods" consist of the commodities mentioned above which fall into these classes, whether they are of domestic or foreign origin. The raw materials group includes 39 quotations, the producers' goods 29, and the consumers' goods 22.

The "all commodities" index is obtained by combining the group indexes of domestic and foreign goods. It consists of 90 different quotations. The quotations are obtained from representative trade journals and private firms. About half of them are the same that are used by the Bureau of Labor Statistics in its larger compilation of prices and are furnished to the Board by that bureau.

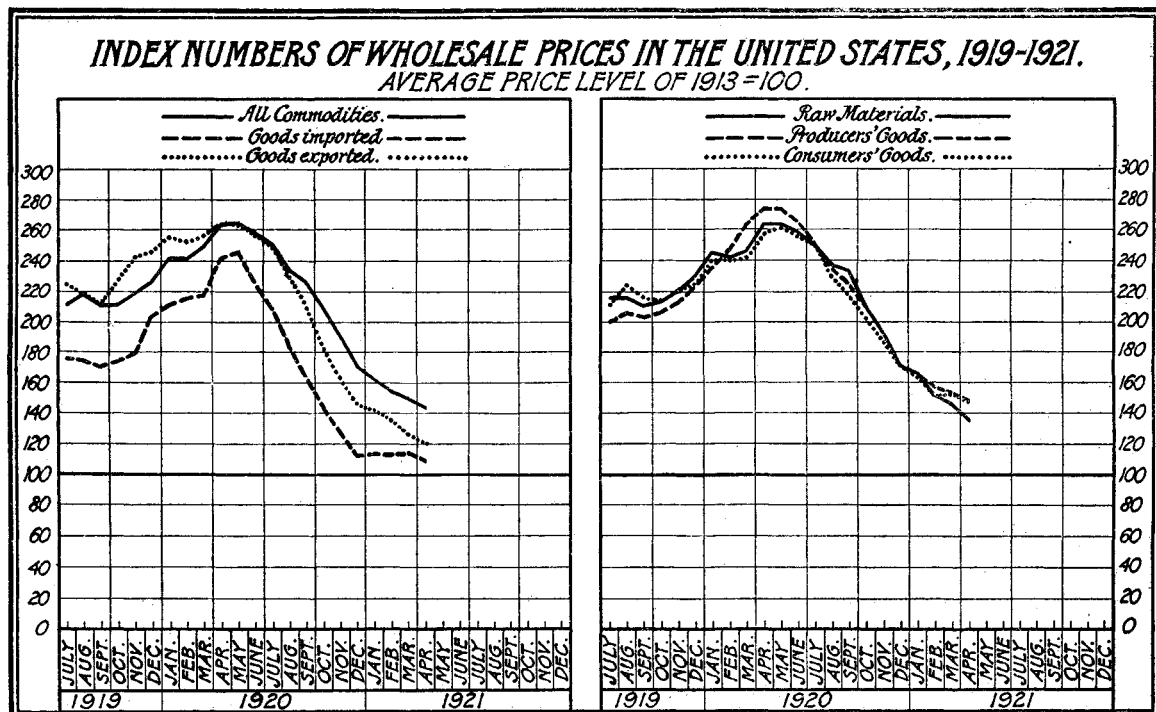
In the case of three commodities it has seemed advisable to increase the production "weights" applied to them in the construction of the index number, in order to give larger representation to these industries than was the case before. The new weight for lumber (see FEDERAL RESERVE BULLETIN, May, 1920, p. 500), in the classification of raw materials produced, is 84,000,000 M feet; for tobacco, in the classification of consumers' goods produced, is 1,043,000,000 pounds; for cotton cloth, in the classification of consumers' goods produced, is 11,300,000,000 yards.

It has been found that one of the subgroups in the Federal Reserve Board index—namely, that showing the prices of goods consumed here—moves in substantially the same way as the all-commodities index. The difference between the two numbers is merely that resulting from a difference in weighting. For that reason it has been decided to eliminate this group.

INDEX NUMBERS OF WHOLESALE PRICES IN UNITED STATES—CONSTRUCTED BY THE FEDERAL RESERVE BOARD FOR THE PURPOSE OF INTERNATIONAL COMPARISON.

[Average price for 1913=100.]

Date.	Goods produced.	Goods imported.	Goods exported.	Raw materials.	Producers' goods.	Consumers' goods.	All commodities.
1920.							
Average for the year.....	236	191	227	235	237	229	233
April.....	265	242	264	263	274	257	263
May.....	266	246	262	263	274	261	264
June.....	260	226	256	258	265	255	258
July.....	253	208	248	249	251	250	250
August.....	238	182	229	237	235	229	234
September.....	231	164	211	233	225	218	226
October.....	213	142	181	211	209	203	208
November.....	195	127	163	192	190	187	190
December.....	178	112	146	176	171	171	173
1921.							
January.....	166	114	142	164	166	159	163
February.....	156	113	135	152	158	152	154
March.....	152	114	125	146	153	151	150
April.....	145	109	121	136	148	147	143



INDEX NUMBERS OF WHOLESALE PRICES IN THE UNITED STATES FOR PRINCIPAL CLASSES OF COMMODITIES—
BUREAU OF LABOR STATISTICS.

[Average price for 1913=100.]

Year and month.	Raw materials.					Producers' goods.	Consumers' goods.	All commodities (Bureau of Labor Statistics index number).
	Agricultural products.	Animal products.	Forest products.	Mineral products.	Total raw materials.			
1920.								
April.....	304	196	367	224	260	263	280	265
May.....	314	179	367	234	260	271	285	272
June.....	301	186	363	245	261	262	279	269
July.....	287	184	359	256	258	251	272	262
August.....	259	181	351	265	251	238	250	250
September.....	232	186	344	277	248	224	240	242
October.....	191	172	339	272	230	209	224	225
November.....	170	159	289	246	205	193	214	207
December.....	155	132	278	224	186	175	196	189
1921.								
January.....	155	119	245	220	175	169	182	178
February.....	145	114	227	207	165	161	171	167
March.....	136	116	212	197	158	149	167	162
April.....	126	106	207	190	150	143	159	154

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. The prices shown in the table have been obtained from the records of the United States Bureau of Labor Statistics, except in the case of bituminous coal, prices for which have been furnished by the Coal Age.

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.
1913.....	\$0.6155	100	\$0.1270	100	\$0.8735	100	\$0.9863	100	\$8.5072	100	\$0.1839	100
1919.....	1.5800	257	.3185	251	2.5660	294	2.5370	239	17.4957	206	.3931	214
1920.												
Average for the year.....	1.3968	227	.3301	260	2.5581	293	2.5225	256	14.4856	170	.3122	170
April.....	1.6913	275	.4144	326	3.0063	344	2.7725	281	13.9063	163	.3613	196
May.....	1.9825	322	.4038	318	3.0750	352	2.9750	302	12.6000	148	.3538	192
June.....	1.8390	299	.4030	317	2.9000	332	2.8950	294	15.0313	177	.3410	185
July.....	1.5388	250	.3950	311	2.8313	324	2.8050	284	15.3813	181	.2944	160
August.....	1.5310	249	.3380	266	2.5500	292	2.4735	251	15.3500	180	.2850	155
September.....	1.2938	210	.2706	213	2.4903	285	2.4919	253	15.2500	179	.2840	154
October.....	.8778	143	.2088	164	2.1063	241	2.2047	224	14.6875	173	.2550	139
November.....	.8003	130	.1780	140	1.7528	201	2.0570	209	14.5750	171	.2325	126
December.....	.7341	119	.1444	114	1.6809	192	2.0125	204	12.0938	142	.1900	103
1921.												
January.....	.6553	106	.1450	114	1.7884	205	1.9613	199	9.8400	116	.1675	91
February.....	.6350	103	.1322	104	1.6713	191	1.9194	195	9.3125	109	.1363	74
March.....	.6180	100	.1105	87	1.6135	185	1.6798	170	9.5625	112	.1150	63
April.....	.5547	90	.1116	88	1.4059	161	1.3869	141	8.7185	102	.1013	55

AVERAGE MONTHLY WHOLESALE PRICES OF COMMODITIES—Continued.

[Average price for 1913=100.]

Year and month.	Hogs, light, Chicago.		Wool, Ohio, 1-3 grades, scoured, Eastern markets.		Hemlock, New York.		Yellow pine, flooring, New York.		Coal, bituminous, run of mine, f. o. b. spot at mines, Pittsburgh.		Coal, bituminous, Pocahontas, f. o. b. spot at mines, Columbus.	
	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 manufactured.	Relative price.	Average price per short ton.	Relative price.	Average price per short ton.	Relative price.
1913.....	\$8.4541	100	\$0.4710	100	\$24.2273	100	\$44.5909	100	\$1.3200	100	\$1.5710	100
1919.....	18.3260	217	1.1894	248	39.7500	164	78.8333	177				
1920.												
Average for the year.....	14.7106	174	.9712	203	56.6667	234	145.4167	326	6.0433	458	5.8891	375
April.....	15.7125	186	1.2000	255	57.0000	235	160.0000	359	3.5900	272	4.0700	259
May.....	14.7550	175	1.1636	247	57.0000	235	160.0000	359	4.4200	335	6.4700	412
June.....	15.3500	182	1.0000	212	57.0000	235	160.0000	359	8.6700	657	7.0000	446
July.....	15.8875	188	.9091	193	57.0000	235	160.0000	359	10.0000	758	7.9000	503
August.....	15.7350	186	.8727	185	57.0000	235	157.0000	352	10.6300	805	8.6300	549
September.....	17.0688	202	.8364	178	57.0000	235	157.0000	352	10.4700	793	8.6600	551
October.....	14.7875	175	.7273	154	57.0000	235	152.0000	341	8.7500	663	8.3100	529
November.....	12.1400	144	.6909	147	57.0000	235	124.5000	279	5.1900	393	7.3800	470
December.....	9.6625	114	.5455	116	57.0000	235	124.5000	279	3.7500	284	5.2000	331
1921.												
January.....	9.6700	114	.5455	116	48.0000	198	110.0000	247	2.5300	192	4.2500	271
February.....	9.7063	115	.5455	116	48.0000	198	95.0000	213	2.4200	183	3.7300	237
March.....	10.3063	122	.5273	112	48.0000	198	95.0000	213	2.2900	173	3.4000	216
April.....	8.8563	105	.5273	112	41.0000	169	91.0000	204	2.2500	170	3.3625	214

Year and month.	Coal, anthracite, stove, New York, tidewater.		Coke, Connellsville, at furnace.		Copper, ingot, electrolytic, New York.		Lead, pig, desilverized, New York.		Petroleum, crude, Pennsylvania, at wells.		Pig iron, basic, Mahoning and Shenango Valley, at furnace.	
	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.
1913.....	\$5.0613	100	\$2.4396	100	\$0.1573	100	\$0.0440	100	\$2.4500	100	\$14.7058	100
1919.....	8.1639	161	4.7375	194	.1911	122	.0578	131	4.1346	169	27.6971	188
1920.												
Average for the year.....	9.4265	186	10.8163	443	.1797	114	.0808	184	5.9750	244	42.2692	287
April.....	8.4368	167	10.5000	430	.1919	122	.0896	204	6.1000	249	42.5000	289
May.....	8.9964	178	12.0000	492	.1906	121	.0856	195	6.1000	249	43.2500	294
June.....	9.3672	185	14.3000	586	.1900	121	.0848	193	6.1000	249	44.0000	299
July.....	9.4580	187	14.3750	589	.1900	121	.0860	195	6.1000	249	45.7500	311
August.....	9.6087	190	15.5500	637	.1900	121	.0898	204	6.1000	249	48.1000	327
September.....	10.4363	206	15.3125	628	.1869	119	.0816	185	6.1000	249	48.5000	330
October.....	10.4732	207	14.3125	587	.1675	106	.0731	166	6.1000	249	43.7500	298
November.....	10.5417	208	8.8500	363	.1455	92	.0628	143	6.1000	249	36.5000	248
December.....	10.5479	208	6.2375	256	.1369	87	.0478	109	6.1000	249	33.0000	224
1921.												
January.....	10.6373	210	5.5313	227	.1288	82	.0497	113	5.7750	236	30.0000	204
February.....	10.6382	210	5.1875	213	.1288	82	.0468	106	4.1875	171	27.5000	187
March.....	10.6382	210	5.0000	205	.1223	78	.0405	92	3.0000	122	24.2000	165
April.....	10.1380	200	3.7188	152	.1247	79	.0428	97	3.1875	130	22.8750	156

Year and month.	Cotton yarns, northern cones, 10/1, Boston.		Leather, sole, hemlock, No. 1, Chicago.		Steel billets, Bessemer, Pittsburgh.		Steel plates, tank, Pittsburgh.		Steel rails, open hearth, Pittsburgh.		Worsted yarns, 2-32's crossbred, Philadelphia.	
	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.
1913.....	\$0.2213	100	\$0.2821	100	\$25.7892	100	\$0.0148	100	\$30.0000	100	\$0.7767	100
1919.....	.5340	241	.5283	187	40.5385	157	.0271	183	49.2642	164	1.6274	210
1920.												
Average for the year.....	.6245	282	.5342	189	56.2596	218	.0328	222	53.8269	179	1.8250	235
April.....	.7784	352	.5700	202	60.0000	233	.0375	253	54.5000	182	2.2000	283
May.....	.7672	347	.5700	202	60.0000	233	.0375	253	54.5000	182	2.0000	258
June.....	.7299	330	.5700	202	60.0000	233	.0355	240	54.5000	182	2.0000	258
July.....	.7009	317	.5700	202	62.5000	242	.0338	228	54.5000	182	1.7500	225
August.....	.6310	285	.5500	195	61.0000	237	.0325	220	54.5000	182	1.7500	225
September.....	.5429	245	.5100	181	58.7500	228	.0325	220	54.5000	182	1.6000	206
October.....	.4343	196	.4900	174	55.0000	213	.0309	209	54.5000	182	1.5000	193
November.....	.3695	167	.4700	167	49.7000	193	.0281	190	54.5000	182	1.3000	167
December.....	.3108	140	.4100	145	43.5000	169	.0265	179	50.5000	168	1.1000	142
1921.												
January.....	.2878	130	.4000	142	43.5000	169	.0265	179	47.0000	157	1.1500	148
February.....	.2775	125	.3800	135	42.2500	164	.0233	157	47.0000	157	1.1500	148
March.....	.2447	111	.3700	131	38.4000	149	.0204	138	47.0000	157	1.2000	155
April.....	.2388	108	.3700	131	37.5000	145	.0210	142	47.0000	157	1.2000	155

¹ On Toledo market, average for last six months of 1913.

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, New York.		Flour, wheat, standard patents (1918, standard war), Minneapolis.		Hams, smoked, Chicago.		Illuminating oil, 150° fire test, New York.		Sugar, granulated, New York.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per pound.	Relative price.	Average price per gallon.	Relative price.	Average price per pound.	Relative price.
1913.....	\$0.1295	100	\$0.1113	100	\$4.5837	100	\$0.1662	100	\$0.1233	100	\$0.0427	100
1919.....	.2333	180	.1785	160	11.9982	262	.3433	207	.2004	163	.0894	209
1920.												
Average for the year.....	.2304	178	.1198	108	12.6750	277	.3340	201	.2629	213	.1267	297
April.....	.2090	161	.1514	136	14.2813	312	.3313	199	.2600	211	.1919	449
May.....	.1950	151	.1559	140	15.0313	328	.3556	214	.2600	211	.2247	526
June.....	.2225	172	.1498	135	14.1600	309	.3650	220	.2600	211	.2120	497
July.....	.2550	197	.1306	117	13.6888	298	.3769	227	.2600	211	.1910	447
August.....	.2550	197	.0936	84	12.2350	267	.3725	224	.2600	211	.1490	349
September.....	.2500	201	.0819	74	12.5938	275	.3634	219	.2750	223	.1426	344
October.....	.2520	195	.0759	68	11.2063	244	.3575	215	.2900	235	.1078	252
November.....	.2400	185	.0746	67	9.2950	203	.3065	184	.2900	235	.0962	225
December.....	.2220	171	.0656	59	8.9438	195	.2575	155	.2900	235	.0809	189
1921.												
January.....	.1738	134	.0669	60	9.6250	210	.2488	150	.2900	235	.0757	177
February.....	.1600	124	.0672	60	9.1813	200	.2600	156	.2750	223	.0709	166
March.....	.1625	125	.0639	57	8.7300	190	.2725	164	.2625	213	.0784	184
April.....	.1650	127	.0600	54	7.9500	173	.2763	166	.2540	206	.0725	170

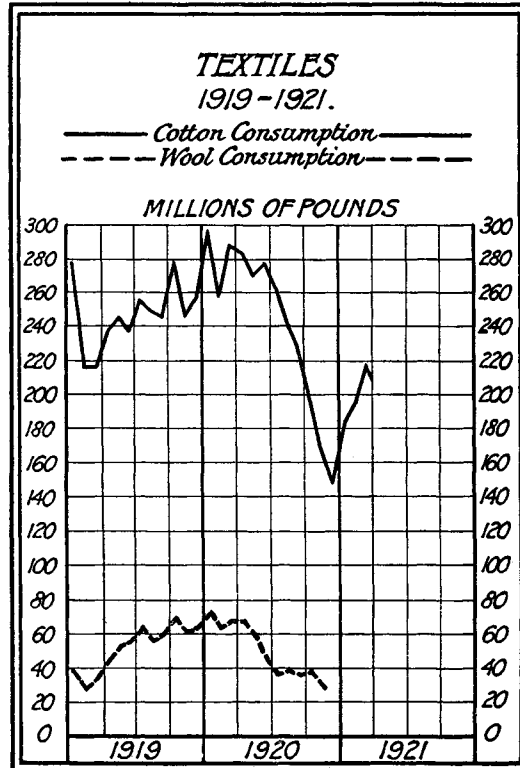
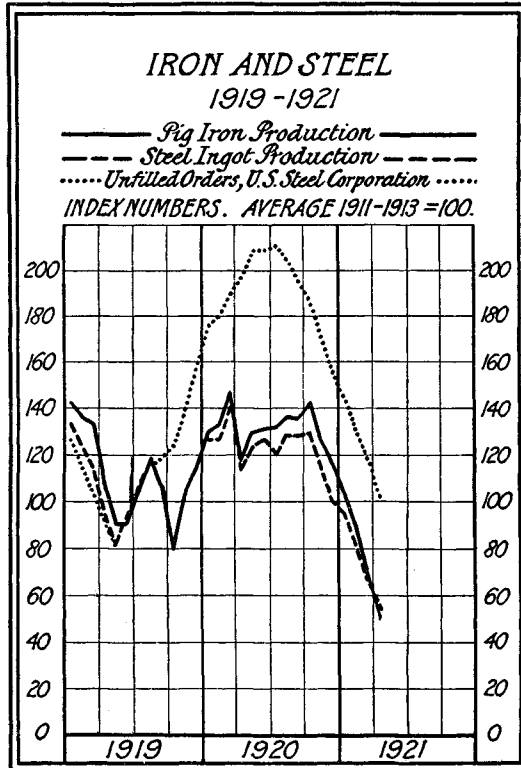
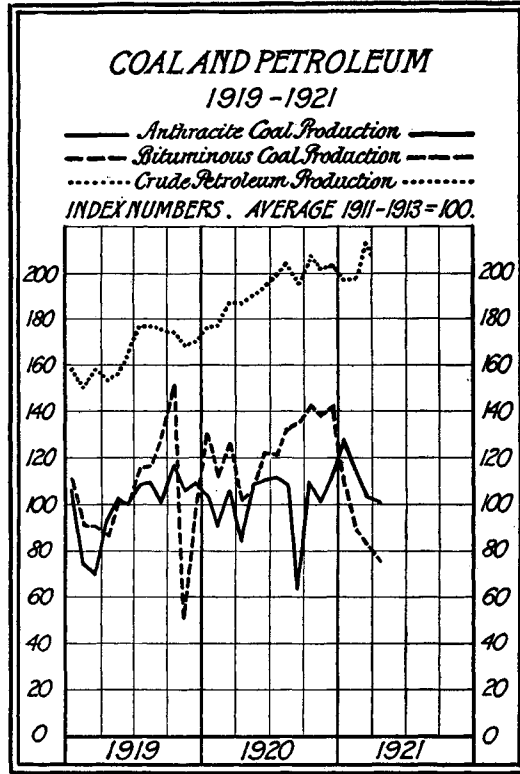
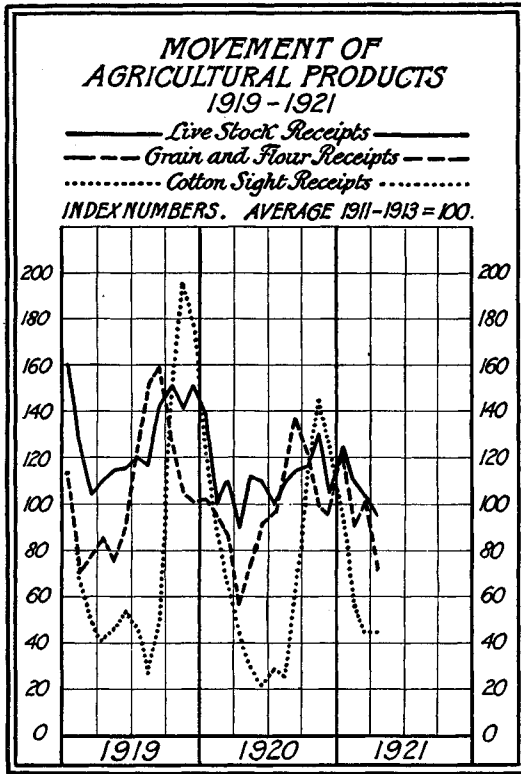
FOREIGN TRADE INDEX.

There is presented below a series of indexes designed to reflect movements in foreign trade of the United States, with fluctuations due to price changes eliminated. The commodities chosen for these indexes are those for which prices are compiled by the Federal Reserve Board in the preparation of its international price index. The list includes 25 of the most important imports, the value of which in 1913 formed 47.7 per cent of the total import values, and 29 of the most important exports, the value of which in 1913 formed 56.3 per cent of the total export values. The classification of the original list of commodities used was given in the July, 1920, BULLETIN. A classification of the 11 additional commodities of imports was given in the April, 1921, BULLETIN.

Total exports registered a decline during April for the fourth successive month, but this decline was less precipitate than in the three preceding months. Raw materials continued

to be the leading factor in this decline, while cotton was the most important commodity affected. Exports of raw cotton in April were little more than 50 per cent of the exports of January, while exports of cottonseed oil, a producer's product, were only about 30 per cent as large in April as in January. Total exports of consumers' goods showed little change in April, although there was a marked decline in the exports of lard.

The upward movement in imports which has been noticeable in recent months was checked during April. There was a decrease in the imports of raw materials, due primarily to a considerable decline in wool imports from the abnormally high level reached in March. This was partly counterbalanced by a sharp increase in the imports of raw silk. Imports of consumers' goods showed a slight decline during April, although imports of coffee continued to show an increase for the fourth successive month.



low level. Total April production of crude petroleum showed a slight decline, but the average daily production reached a new high level. Pig-iron production in May was only slightly higher than in April, and the output of steel ingots continued on a very restricted basis.

Both receipts and shipments of live stock at 15 western markets continued to decline during April. Stocker and feeder shipments from 34 markets were slightly smaller than in March and were very much less than the shipments in April, 1920. There was an increase over the previous month in the shipments of cattle and calves and sheep, but there was a large decrease in shipments of hogs. The number of animals slaughtered under Federal inspection was slightly less in April than in March, but was considerably greater than in April, 1920. Receipts of grain and flour at 17 interior centers were much smaller during April than in the previous month, but were larger than in April, 1920. There was a noticeable decline in stocks of grain at 11 interior centers during April, although these stocks were

still greater than at the corresponding date in 1920. There was a temporary check to the seasonal declines in cotton sight receipts and port receipts during April, but American spinners' takings continued to decline. Wheat flour production was greater than in March or in April a year ago. Shipments of citrus fruits in April were the largest recorded in any month during the past three years.

Production of lumber by five reporting associations showed an increase during April, although there were slight decreases in production of southern pine and eastern white pine. Production was considerably lower than in April, 1920, except in the case of North Carolina pine. All five associations reported increases in shipments during April, as compared with the previous month. Receipts of raw sugar at North Atlantic ports increased during April, but meltings showed a marked decrease. Raw stocks at the close of April were over 100 per cent greater than at the close of March.

The tonnage of vessels cleared during April was larger than in March, or in April, 1920.

LIVE-STOCK MOVEMENTS.

[Bureau of Markets.]

	Receipts.					Shipments.				
	Cattle and calves, 59 markets.	Hogs, 59 markets.	Sheep, 59 markets.	Horses and mules, 43 markets.	Total, all kinds.	Cattle and calves, 54 markets.	Hogs, 54 markets.	Sheep, 54 markets.	Horses and mules, 43 markets.	Total, all kinds.
1920.	<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.....	1,538,567	2,989,715	1,440,654	48,036	6,016,972	593,438	1,119,205	728,718	48,004	2,489,365
July.....	1,657,743	2,837,685	2,000,758	35,668	6,531,854	721,328	1,095,470	1,015,612	37,152	2,869,562
August.....	1,952,086	2,516,240	2,561,661	73,423	7,103,410	869,849	953,088	1,459,150	69,971	3,352,058
September.....	2,279,345	2,435,589	2,826,693	57,468	7,599,095	1,079,170	931,261	1,581,680	60,414	3,652,525
October.....	2,196,939	2,826,277	2,945,709	38,657	8,007,582	1,159,459	1,064,175	1,932,083	37,994	4,193,711
November.....	2,403,990	3,862,243	2,419,596	22,477	8,708,306	1,148,861	1,394,347	1,474,299	22,963	4,040,470
December.....	1,382,995	4,186,261	1,546,876	16,118	7,132,250	647,801	1,516,893	704,760	17,030	2,886,484
1921.										
January.....	1,629,994	4,654,560	1,769,155	34,712	8,088,421	602,320	1,637,902	681,987	34,572	2,956,781
February.....	1,174,611	3,951,971	1,501,902	41,212	6,669,696	456,471	1,346,092	590,487	40,611	2,433,661
March.....	1,548,061	3,338,483	1,731,653	41,951	6,660,148	587,898	1,229,405	688,072	42,602	2,547,977
April.....	1,477,720	3,203,016	1,648,950	23,980	6,353,666	600,996	1,116,890	696,229	22,533	2,436,648

RECEIPTS AND SHIPMENTS OF LIVE STOCK AT 15 WESTERN MARKETS.

[Chicago, Kansas City, Oklahoma City, Omaha, East St. Louis, St. Joseph, St. Paul, Sioux City, Cincinnati, Cleveland, Denver, Fort Worth, Indianapolis, Louisville, Wichita. Monthly average, 1911-1913=100.]

RECEIPTS.

	Cattle and calves.		Hogs.		Sheep.		Horses and mules.		Total, all kinds.	
	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.
1920.										
April.....	1,037,350	103	2,109,195	96	927,800	68	31,235	68	4,105,580	89
July.....	1,188,019	118	2,115,639	96	1,301,458	95	26,257	57	4,631,373	100
August.....	1,459,565	145	1,818,245	83	1,688,719	124	53,371	120	5,021,900	109
September.....	1,736,009	172	1,597,622	73	1,893,312	139	33,950	85	5,265,893	114
October.....	1,628,564	162	1,836,748	84	1,865,330	136	24,716	54	5,335,358	116
November.....	1,781,261	177	2,624,185	119	1,542,477	113	12,149	26	5,960,072	129
December.....	984,309	98	2,932,052	133	942,858	69	9,290	20	4,868,509	105
1921.										
January.....	1,191,814	118	3,339,419	152	1,112,024	81	24,158	52	5,667,415	123
February.....	835,686	89	2,902,107	141	972,647	76	27,111	63	4,737,551	110
March.....	1,119,548	111	2,390,480	109	1,161,549	85	28,437	62	4,700,014	102
April.....	994,916	99	2,279,495	104	1,077,806	79	15,221	33	4,367,438	95

RECEIPTS AND SHIPMENTS OF LIVE STOCK AT 15 WESTERN MARKETS—Continued.
SHIPMENTS.

	Cattle and calves.		Hogs.		Sheep.		Horses and mules.		Total, all kinds.	
	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.
1920.										
April.....	414,967	102	712,087	147	373,381	74	31,348	76	1,531,783	107
July.....	508,199	125	737,923	152	644,557	128	27,728	68	1,918,407	134
August.....	640,295	157	627,670	130	899,342	179	52,163	127	2,219,470	155
September.....	819,371	202	540,812	112	1,027,510	204	40,890	100	2,428,583	169
October.....	866,327	213	584,742	121	1,192,912	237	24,051	59	2,668,032	186
November.....	810,284	199	784,468	162	952,159	189	12,782	31	2,559,693	178
December.....	472,748	116	943,515	195	384,646	76	10,201	25	1,811,110	126
1921.										
January.....	426,887	105	1,078,679	223	316,068	63	24,463	60	1,846,097	129
February.....	334,113	88	869,718	192	324,311	69	26,495	69	1,554,637	116
March.....	447,682	110	825,944	170	406,705	81	28,765	70	1,709,066	119
April.....	415,153	102	694,067	143	392,061	78	14,396	35	1,515,677	106

SHIPMENTS OF STOCKERS AND FEEDERS FROM 34 MARKETS.

	Cattle and calves.	Hogs.	Sheep.	Total, all kinds.		Cattle and calves.	Hogs.	Sheep.	Total, all kinds.
	Head.	Head.	Head.	Head.		Head.	Head.	Head.	Head.
1920.					1920.				
April.....	241,511	67,995	267,657	577,162	November.....	545,802	52,699	855,545	1,454,064
July.....	209,563	25,711	322,867	558,141	December.....	277,053	36,827	258,599	572,479
August.....	273,512	34,415	567,429	875,356	1921.				
September.....	473,652	44,340	789,387	1,307,379	January.....	202,926	41,892	88,089	332,907
October.....	571,025	59,123	1,055,237	1,685,385	February.....	164,504	49,229	61,508	275,241
					March.....	233,477	72,536	88,292	394,305
					April.....	234,331	50,320	106,476	391,127

ANIMALS SLAUGHTERED UNDER FEDERAL INSPECTION.

[Bureau of Animal Industry. Monthly average, 1911-1913=100.]

	Cattle.		Calves.		Hogs.		Sheep.		Total.	
	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.
1920.										
April.....	637,575	105	382,420	216	2,590,208	92	713,796	59	4,323,999	90
July.....	661,172	109	342,765	194	2,643,772	94	1,048,428	87	4,696,137	98
August.....	685,763	113	332,349	188	2,176,010	77	1,041,580	86	4,235,702	88
September.....	825,484	136	347,578	197	1,978,602	70	1,150,776	95	4,302,440	90
October.....	843,136	139	314,789	178	2,486,940	88	1,067,821	89	4,712,686	98
November.....	858,946	142	315,971	179	3,328,633	118	968,235	80	5,471,785	114
December.....	667,344	110	244,573	138	3,985,125	142	932,417	77	6,829,459	121
1921.										
January.....	689,506	114	282,043	160	4,347,306	154	1,068,346	89	6,387,201	133
February.....	522,718	92	252,369	153	3,770,974	143	937,751	85	5,503,812	123
March.....	624,385	103	361,733	205	3,075,137	109	1,075,481	89	5,136,746	107
April.....	590,943	97	365,541	207	3,003,290	107	1,040,628	86	5,000,402	104

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.
1920.														
April.....	1,606,613	242	17,687,306	1,426	2,241,460	84	24,356,170	145	15,640,236	105	40,758,401	93	2,734,535	62
July.....	5,217,838	788	5,506,812	444	1,973,004	74	31,562,761	188	8,385,089	56	47,061,422	107	2,926,247	66
August.....	1,231,070	186	343,352	28	2,152,982	81	23,333,156	139	9,360,469	63	31,020,802	71	2,257,511	51
September.....	244,261	37	1,964,543	158	1,613,657	60	41,371,561	247	8,997,124	60	46,326,353	105	3,279,902	74
October.....	207,503	31	522,251	42	1,995,039	75	49,838,768	298	8,787,853	59	54,173,979	123	3,549,456	80
November.....	282,761	43	3,091,895	249	1,678,091	63	57,934,259	346	11,197,880	75	57,316,309	130	2,605,431	59
December.....	399,916	60	1,583,434	128	3,053,993	114	68,784,322	411	14,491,763	97	90,080,092	205	2,691,452	61
1921.														
January.....	548,227	83	6,078,550	490	1,725,625	65	43,202,486	258	16,869,841	113	76,185,237	173	3,089,094	70
February.....	1,733,678	280	979,081	85	1,750,756	70	31,612,140	202	15,847,799	114	91,840,951	224	3,150,452	76
March.....	504,356	76	508,230	41	2,246,547	84	35,350,774	211	19,102,633	128	82,616,583	188	2,024,334	46
April.....	366,682	55	214,193	17	1,364,593	51	32,851,837	196	24,925,807	167	53,275,457	121	2,005,851	45

RECEIPTS OF GRAIN AND FLOUR AT 17 INTERIOR CENTERS.

[Chicago, Cleveland, Detroit, Duluth, Indianapolis, Kansas City, Little Rock, Louisville, Memphis, Milwaukee, Minneapolis, Omaha, Peoria, St. Louis, Spokane, Toledo, Wichita; receipts of flour not available for Cleveland, Detroit, Indianapolis, Louisville, Omaha, Spokane, Toledo, and Wichita. Compiled from reports of trade organizations at these cities. Monthly average, 1911-1913=100.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. ¹	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1920.																
April.....	15,260,236	56	11,326,509	51	12,952,593	64	2,914,553	264	2,231,881	31	44,685,772	57	888,423	45	48,683,676	56
July.....	29,714,399	110	20,824,268	93	18,734,180	93	3,096,026	281	2,653,921	37	75,022,794	96	2,052,110	105	84,257,289	97
August.....	43,039,021	159	9,840,320	44	30,728,748	153	3,191,103	289	3,007,508	42	89,806,700	115	1,949,339	100	98,578,726	114
September.....	46,181,275	170	20,696,955	92	31,031,569	154	5,571,428	505	6,630,056	92	110,111,283	141	1,843,954	94	118,409,076	137
October.....	45,403,825	167	19,064,508	85	21,235,162	106	4,455,979	404	5,795,028	81	95,954,502	123	2,137,639	109	105,573,878	122
November.....	39,272,827	145	11,407,224	51	15,282,651	76	3,706,653	336	6,616,362	92	76,285,717	98	2,054,262	105	85,529,896	99
December.....	32,758,773	121	19,390,714	87	13,777,300	69	3,482,685	316	5,057,808	71	74,467,280	96	1,570,822	80	81,535,979	94
1921.																
January.....	32,229,218	119	42,036,812	188	18,508,986	92	2,202,705	200	3,753,837	52	98,731,558	127	1,430,904	73	105,170,626	121
February.....	22,922,667	91	27,565,779	132	12,553,913	67	1,397,832	136	2,074,908	31	66,515,099	91	1,659,009	91	73,980,640	91
March.....	22,848,939	84	34,165,324	152	17,432,655	87	1,340,498	121	3,111,127	43	78,898,543	101	2,096,030	107	88,330,678	102
April.....	24,808,383	92	12,160,933	54	11,249,703	56	1,544,229	140	2,136,512	30	51,899,760	67	1,967,255	100	60,752,408	70

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

SHIPMENTS OF GRAIN AND FLOUR AT 14 INTERIOR CENTERS.

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

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. ¹	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1920.																
April.....	11,058,643	71	5,371,811	38	8,691,440	57	8,811,500	1,244	1,637,509	42	35,570,903	72	1,702,132	50	43,230,497	67
July.....	19,002,099	122	9,100,527	64	11,345,429	75	4,476,238	632	2,086,672	53	46,010,965	93	3,767,678	111	62,965,516	97
August.....	24,934,816	160	6,260,144	44	12,814,067	84	2,880,003	407	2,231,851	57	49,120,881	99	3,605,105	106	65,343,854	101
September.....	28,700,593	184	6,284,075	44	12,690,866	83	4,339,057	613	3,556,180	91	55,570,771	112	3,187,454	94	69,914,314	108
October.....	26,258,795	169	10,336,378	72	10,601,178	70	4,742,380	670	4,529,091	116	56,467,822	114	3,758,735	111	73,382,130	113
November.....	24,950,771	160	7,890,500	55	10,729,045	71	2,998,524	423	4,247,954	109	50,816,794	102	3,949,699	117	68,590,440	106
December.....	22,253,030	143	7,898,979	55	9,964,743	66	3,171,616	448	3,082,249	79	46,370,617	93	3,141,524	93	60,507,475	93
1921.																
January.....	20,187,379	130	17,288,509	121	11,523,642	76	2,380,797	336	2,874,359	74	54,254,686	109	2,678,257	79	66,306,843	102
February.....	15,134,115	104	12,891,895	97	9,299,842	66	1,041,424	158	1,626,913	45	39,994,189	86	2,696,723	85	52,129,443	86
March.....	17,415,266	112	20,723,904	145	12,435,262	82	1,116,943	158	1,685,989	43	53,377,364	107	3,156,299	98	67,580,710	104
April.....	21,482,283	138	13,793,563	97	10,286,573	68	1,518,559	214	2,029,838	52	49,110,816	99	3,178,254	94	63,412,959	98

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

STOCKS OF GRAIN AT 11 INTERIOR CENTERS AT CLOSE OF MONTH.

[Chicago, Detroit, Duluth, Indianapolis, Kansas City, Milwaukee, Minneapolis, Omaha, Peoria, St. Louis, and Toledo.]

	Wheat.	Corn.	Oats.	Rye.	Barley.	Total grain.
1920.						
April.....	Bushels. 29,711,858	Bushels. 4,127,290	Bushels. 6,242,002	Bushels. 8,197,900	Bushels. 1,766,025	Bushels. 50,045,075
July.....	5,492,026	4,959,314	2,059,842	670,563	1,336,553	14,518,298
August.....	5,460,879	1,414,708	7,447,762	338,600	709,469	15,371,418
September.....	9,134,621	5,669,580	23,322,910	1,303,475	2,114,369	41,544,955
October.....	14,627,524	7,823,807	28,941,148	668,084	2,096,517	54,157,080
November.....	16,058,407	3,461,911	28,697,074	1,082,195	1,874,366	51,174,853
December.....	15,525,114	4,793,299	27,358,948	1,007,591	2,378,548	51,063,500
1921.						
January.....	14,414,231	11,596,518	29,435,153	478,125	2,057,434	57,981,461
February.....	12,883,444	17,294,569	30,039,057	600,585	1,800,604	62,618,259
March.....	11,277,724	24,465,117	31,570,022	562,754	1,673,037	69,548,654
April.....	6,565,280	16,498,010	27,717,326	494,356	1,333,323	52,608,295

RECEIPTS OF GRAIN AND FLOUR AT NINE SEABOARD CENTERS.

[Boston, New York, Philadelphia, Baltimore, New Orleans, San Francisco, Portland (Oreg.), Seattle, Tacoma; receipts of flour not available for Seattle and Tacoma. Compiled from reports of trade organizations at these cities. Monthly average, 1911-1913=100.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. ¹	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1920.																
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
July.....	18,710,633	149	3,305,542	93	3,499,101	74	5,048,019	3,553	2,098,083	126	32,661,378	144	1,660,849	159	40,135,198	146
August.....	28,098,022	223	1,576,842	44	2,671,365	56	3,407,799	2,398	2,289,791	138	38,043,819	168	1,390,077	133	44,299,166	162
September..	31,693,246	252	1,456,958	41	3,069,700	65	4,133,465	2,909	1,815,227	109	42,168,596	186	1,422,872	136	48,571,520	177
October.....	29,028,202	230	1,844,753	52	1,828,515	38	5,436,354	3,826	2,558,276	154	40,696,100	179	1,463,830	140	47,283,335	173
November..	24,410,356	194	2,401,181	68	1,874,271	39	3,329,710	2,344	2,721,320	164	34,736,838	153	3,683,380	353	51,312,048	187
December..	29,551,950	235	854,138	24	1,911,861	40	3,490,405	2,457	2,291,639	138	38,099,993	168	4,367,180	418	57,752,303	211
1921.																
January....	12,717,255	101	6,228,175	175	1,542,355	32	2,748,524	1,934	1,970,931	119	25,207,240	111	1,174,815	112	30,493,908	111
February....	10,315,852	88	7,845,915	237	1,039,537	23	2,059,538	1,553	1,631,288	105	22,892,130	108	1,186,565	122	28,231,673	110
March.....	9,064,534	72	13,933,057	392	1,433,069	30	1,034,760	728	1,689,129	102	27,154,549	120	1,518,450	145	33,987,574	124
April.....	17,958,534	143	2,890,042	81	1,568,460	33	1,617,877	1,139	909,409	55	24,944,322	110	1,831,404	175	33,185,640	121

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

	Wheat.	Corn.	Oats.	Rye.	Barley.	Total grain.
1920.						
April.....	Bushels. 7,704,155	Bushels. 967,475	Bushels. 389,958	Bushels. 1,944,350	Bushels. 2,034,983	Bushels. 13,040,921
July.....	11,923,745	744,167	1,323,940	1,275,554	3,187,611	18,455,017
August.....	13,915,892	1,007,945	1,532,272	777,445	4,052,189	21,375,743
September..	15,517,070	1,146,514	2,398,157	2,414,910	4,110,158	25,586,809
October.....	17,277,003	1,292,818	2,521,049	1,742,178	3,577,450	26,410,498
November..	17,794,605	1,371,013	2,327,249	1,906,527	3,097,922	26,497,316
December..	18,263,476	510,142	2,205,936	2,196,380	3,322,050	26,497,984
1921.						
January....	15,060,423	2,524,700	1,980,265	1,602,358	2,105,450	23,273,196
February....	12,032,772	3,982,316	1,775,563	1,332,441	1,909,706	21,032,798
March.....	6,782,584	6,353,250	1,286,275	1,069,220	1,454,547	16,945,876
April.....	5,651,320	1,022,990	1,316,157	550,011	1,326,460	10,666,938

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

WHEAT FLOUR PRODUCTION.

[January, 1918, to June, 1920, U. S. Grain Corporation; July, 1920, on, estimated by Russell's Commercial News (Inc.), New York.]

	1920.	Barrels.	1920.	Barrels.
April.....	7,375,000	November.....	9,500,000	
July.....	8,200,000	December.....	9,600,000	
August.....	10,200,000	1921.		
September..	9,450,000	January.....	8,924,000	
October.....	9,650,000	February.....	7,066,000	
		March.....	9,100,000	
		April.....	9,368,000	

COTTON.

[New Orleans Cotton Exchange. Monthly average 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.
1920-21.										
August.....	308,262	25	159,586	17	25,322	24	251,841	55	1,365,397	116
September..	771,590	62	443,149	48	17,324	16	254,460	56	1,607,602	136
October.....	1,466,874	117	971,334	106	87,215	83	395,165	87	2,101,839	178
November..	1,804,135	144	1,075,803	117	117,139	111	425,089	94	2,597,820	220
December..	1,579,751	126	797,350	87	134,455	128	672,477	148	2,815,934	239
January....	1,153,825	92	636,260	69	157,012	149	526,718	116	2,863,377	243
February....	744,682	64	446,399	52	206,554	210	576,260	136	2,820,403	239
March.....	553,518	44	401,464	44	134,085	127	253,368	56	2,757,715	234
April.....	564,521	45	477,672	52	101,906	97	211,415	47	2,775,391	236

COTTON SEED.
[Bureau of the Census.]

	Received at mills.	Crushed.	On hand at mills (close of month).		Received at mills.	Crushed.	On hand at mills (close of month).
	Tons.	Tons.	Tons.		Tons.	Tons.	Tons.
1920.				1920.			
April.....	62,267	173,805	104,334	November.....	829,282	719,455	581,806
July.....	7,259	13,219	30,084	December.....	557,787	546,088	593,507
August.....	24,979	20,317	36,760	1921.			
September.....	244,382	145,519	135,623	January.....	418,846	527,521	484,832
October.....	945,998	607,628	471,979	February.....	431,539	499,851	416,520
				March.....	336,226	452,770	299,978
				April.....	133,832	242,282	191,526

SHIPMENTS OF CITRUS AND DECIDUOUS FRUITS FROM CALIFORNIA.
[March, 1921, on, Bureau of Markets and California Fruit News.¹ Monthly average, 1911-1913=100.]

	Oranges.		Lemons.		Total citrus fruits.		Total deciduous fruits.
	Carloads.	Relative.	Carloads.	Relative.	Carloads.	Relative.	Carloads.
1920.							
April.....	3,720	152	508	125	4,228	148	22
July.....	2,822	115	664	164	3,486	122	3,179
August.....	1,707	70	751	185	2,458	86	7,239
September.....	1,409	58	464	115	1,873	66	9,021
October.....	752	31	925	228	1,677	59	11,880
November.....	1,602	66	377	93	1,979	69	2,792
December.....	3,774	154	368	91	2,4,167	146	368
1921.							
January.....	3,429	140	627	155	2,4,077	143	98
February.....	3,484	153	610	161	2,4,123	155	81
March.....	4,955	203	936	231	5,891	207	81
April.....	6,335	259	1,171	289	7,506	263	82

¹ For previous sources, see April, 1921, Bulletin.

² Includes grapefruit.

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.
1920.							1920.						
April.....	310,580	169	307,000	167	91,765	53	December.....	148,464	81	154,000	84	63,715	37
July.....	386,328	210	325,000	177	104,027	60	1921.						
August.....	308,313	168	287,000	156	125,340	73	January.....	92,498	50	94,000	51	62,113	36
September.....	109,302	59	164,000	89	70,642	41	February.....	228,952	133	193,000	113	98,165	57
October.....	109,335	59	118,000	64	61,977	36	March.....	306,914	167	310,000	169	87,466	51
November.....	186,274	101	179,000	98	69,251	40	April.....	345,654	188	232,000	126	187,796	109

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.	
1920.									
April.....	Number. 663,577,579	Number. 56,548,853	Number. 3,756,989,397	Pounds. 34,327,970	1920.	Number. 506,126,135	Number. 47,380,000	Number. 2,816,818,050	Pounds. 15,452,701
July.....	678,751,956	51,766,100	3,053,336,563	30,988,646	1921.				
August.....	672,020,289	48,171,240	3,569,397,443	32,138,941	January.....	462,798,039	64,661,867	3,901,560,330	24,750,290
September.....	678,640,116	50,175,580	3,557,482,503	32,094,569	February.....	496,724,482	64,461,733	4,119,376,533	27,096,592
October.....	704,799,089	60,882,760	3,840,334,806	27,123,774	March.....	561,343,699	70,245,500	4,470,292,160	32,209,842
November.....	668,060,015	57,026,500	3,529,200,006	18,513,654	April.....	548,103,503	56,423,666	3,801,672,057	23,399,953

NAVAL STORES.

[Data for Savannah, Jacksonville, and Pensacola. 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.
1920.	<i>Barrels.</i>	<i>Barrels.</i>	<i>Barrels.</i>	<i>Barrels.</i>	1920.	<i>Barrels.</i>	<i>Barrels.</i>	<i>Barrels.</i>	<i>Barrels.</i>
April.....	7,644	3,996	27,029	98,517	December.....	21,174	53,356	76,848	300,315
July.....	39,158	30,906	117,088	135,979	1921.				
August.....	33,997	27,963	111,497	144,109	January.....	9,419	51,563	36,333	310,905
September.....	32,162	44,396	97,797	176,612	February.....	7,404	41,755	26,736	316,440
October.....	30,260	49,885	83,766	195,837	March.....	7,995	28,838	18,906	319,347
November.....	23,893	49,209	83,177	247,253	April.....	15,857	28,690	30,478	304,959

LUMBER.

[From reports of manufacturers' associations.]

	Southern pine.			Western pine.			Douglas fr.			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.
1920.		<i>M feet.</i>	<i>M feet.</i>		<i>M feet.</i>	<i>M feet.</i>		<i>M feet.</i>	<i>M feet.</i>		<i>M feet.</i>	<i>M feet.</i>		<i>M feet.</i>	<i>M feet.</i>
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
July.....	207	385,842	331,273	49	177,262	103,500	127	242,612	225,666	20	37,459	49,668	20	20,756	15,217
August.....	204	383,540	337,677	50	171,143	123,344	123	366,433	322,908	20	46,149	55,991	19	19,511	14,130
September.....	204	376,566	378,195	49	164,312	98,808	127	299,277	238,965	20	48,962	45,445	20	21,887	16,043
October.....	206	344,427	329,751	49	146,424	69,936	120	355,614	299,704	19	40,724	30,928	24	19,487	14,877
November.....	203	315,343	320,756	52	107,846	60,259	123	263,452	212,226	19	20,294	19,751	24	14,617	12,929
December.....	199	264,504	281,326	53	45,578	46,112	119	188,905	187,874	19	19,056	10,587	21	8,091	14,716
1921.															
January.....	193	289,824	311,977	54	24,698	42,793	116	153,157	170,821	19	24,319	10,602	16	7,123	7,880
February.....	189	330,680	335,876	53	22,128	48,270	114	159,646	153,649	19	23,722	13,615	18	10,673	10,045
March.....	195	387,959	390,300	55	35,983	63,126	118	192,188	210,842	19	26,396	15,298	15	12,778	8,915
April.....	194	370,321	405,317	55	93,665	75,433	114	204,698	232,351	19	25,748	21,099	20	14,871	12,953

RECEIPTS AND SHIPMENTS OF LUMBER AT CHICAGO AND ST. LOUIS.

[Chicago Board of Trade and Merchants' Exchange of St. Louis. Monthly average, 1911-1913=100.]

	Receipts.		Shipments.			Receipts.		Shipments.	
	M feet.	Relative.	M feet.	Relative.		M feet.	Relative.	M feet.	Relative.
1920.					1920.				
May.....	313,447	67	195,965	77	December.....	351,695	76	192,072	76
July.....	399,615	86	184,767	73	1921.				
August.....	370,352	80	220,368	87	January.....	263,001	57	165,308	65
September.....	375,456	81	242,857	96	February.....	269,632	62	169,843	72
October.....	398,333	86	220,116	87	March.....	349,426	75	215,760	85
November.....	342,971	74	190,282	75	April.....	345,798	74	213,359	84
					May.....	354,992	76	242,452	95

COAL AND COKE.

[U. S. Geological Survey. Monthly average, 1911-1913=100.]

	Bituminous coal, estimated monthly production.		Anthracite coal, estimated monthly production.		Beehive coke, estimated monthly production.	
	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.
1920.						
April.....	37,939,000	102	6,214,000	84	1,602,167	61
July.....	45,009,000	121	8,247,000	111	1,693,000	65
August.....	48,910,000	132	8,013,000	108	1,776,000	68
September.....	49,172,000	133	4,638,000	63	1,757,667	67
October.....	52,144,000	141	8,056,000	109	1,742,333	67
November.....	51,457,000	139	7,441,000	101	1,622,000	62
December.....	52,123,000	141	8,454,000	114	1,515,000	58
1921.						
January.....	40,270,000	109	7,410,000	100	1,074,833	41
February.....	30,851,000	89	7,701,000	106	863,834	35
March.....	30,392,000	82	7,406,000	100	587,333	22
April.....	27,553,000	74	7,703,000	104	325,000	12

CRUDE PETROLEUM.

[Production and stocks, U. S. Geological Survey; wells completed, Oil and Gas Journal and Standard Oil Bulletin (California). Barrels of 42 gallons each. Monthly average, 1911-1913=100.]

	Production.		Stocks at close of month (barrels).	Producing oil wells completed.		Production.		Stocks at close of month (barrels).	Producing oil wells completed.
	Barrels.	Relative.				Barrels.	Relative.		
1920.					1921.				
April.....	35,583,000	186		2,090	January.....	37,853,000	197	130,321,000	1,565
July.....	38,203,000	199		1,910	February.....	35,348,000	198	135,092,000	1,564
August.....	39,055,000	204	124,449,000	2,456	March.....	40,965,000	214	142,093,000	1,450
September.....	37,532,000	196	122,852,000	2,185	April.....	40,039,000	209	147,898,000	1,224
October.....	39,592,000	207	123,198,000	2,088					
November.....	38,699,000	202	125,853,000	2,136					
December.....	38,961,000	203	128,028,000	1,945					

TOTAL OUTPUT OF OIL REFINERIES AND STOCKS OF OIL.

[Bureau of Mines.]

OUTPUT, BY MONTHS.

	Crude oil run (barrels).	Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).
1920.					
March.....	33,592,004	367,137,678	191,110,175	686,945,963	81,818,973
July.....	37,024,052	423,419,770	172,213,511	751,193,898	92,369,504
August.....	39,757,770	444,141,422	189,010,459	834,322,503	91,078,569
September.....	40,549,316	453,881,096	199,140,024	836,700,086	86,230,371
October.....	40,687,250	465,787,745	213,742,156	823,114,603	93,229,723
November.....	39,458,945	452,642,125	214,804,177	822,638,305	91,180,007
December.....	40,485,409	464,393,356	210,668,109	859,131,359	90,894,798
1921.					
January.....	39,637,382	460,432,439	205,374,611	836,684,040	85,908,641
February.....	34,588,096	388,188,252	163,081,918	732,542,415	72,432,219
March.....	35,509,115	419,795,390	169,247,894	758,334,681	73,003,304

STOCKS AT CLOSE OF MONTH.

	Crude oil run (barrels).	Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).
1920.					
Mar. 31.....	14,346,458	626,393,046	334,617,117	580,182,858	130,630,597
July 31.....	17,086,253	413,279,319	410,853,047	655,152,293	131,866,455
Aug. 31.....	17,960,558	323,239,991	378,548,791	708,608,472	130,797,810
Sept. 30.....	18,830,079	288,195,394	379,300,705	771,126,965	130,449,829
Oct. 31.....	19,237,730	301,283,731	383,828,239	799,024,084	136,194,914
Nov. 30.....	21,373,945	354,835,764	398,991,592	808,802,516	142,180,775
Dec. 31.....	21,260,580	462,381,837	393,070,923	837,404,414	160,522,477
1921.					
Jan. 31.....	21,064,124	571,983,793	418,747,781	921,028,127	183,813,205
Feb. 28.....	22,411,819	680,540,351	430,045,193	993,127,328	201,627,558
Mar. 31.....	21,147,257	713,043,480	446,367,188	1,005,317,939	223,414,093

IRON AND STEEL.

[Pig-iron production, Iron Age; steel-ingot production, American Iron and Steel Institute. Monthly average, 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.
1920.								
May.....	6,976,085	115	2,985,682	129	2,883,164	123	10,940,466	208
July.....	9,638,606	159	3,067,043	132	2,802,818	120	11,118,468	211
August.....	9,270,763	153	3,147,402	136	3,000,432	128	10,805,038	205
September.....	8,923,482	147	3,129,323	135	2,999,551	128	10,374,804	197
October.....	8,848,986	146	3,292,597	142	3,015,982	129	9,836,852	187
November.....	5,305,738	88	2,934,908	127	2,638,670	113	9,021,481	171
December.....	99,146		2,705,855	117	2,340,365	100	8,148,122	155
1921.								
January.....			2,416,292	104	2,203,186	94	7,573,164	144
February.....			1,937,257	90	1,749,477	80	6,933,867	132
March.....			1,595,522	69	1,570,978	67	6,284,765	119
April.....	176,211		1,193,041	51	1,213,958	52	5,845,224	111
May.....			1,221,221	53	1,265,850	54	5,482,487	104

STRUCTURAL-STEEL ORDERS AND SHIPMENTS.

[Bridge Builders and Structural Society.]

	Fabricated structural steel contracted for throughout country.		Structural-steel orders and shipments of the membership of Bridge Builders and Structural Society.			
	Ton-nage.	Per cent shop capacity.	Orders.		Shipments.	
			Ton-nage.	Per cent shop capacity.	Ton-nage.	Per cent shop capacity.
1920.						
April.....	122,250	68.0	49,411	67.0	43,836	60.0
July.....	90,400	50.0	33,213	47.0	49,096	69.0
August.....	72,000	40.0	36,843	50.0	51,381	70.0
September.....	77,400	43.0	26,755	37.0	53,526	74.0
October.....	45,600	25.5	14,161	20.0	47,200	66.0
November.....	49,200	27.5	11,531	16.0	41,268	57.5
December.....	47,000	26.0	14,521	20.0	42,767	60.0
1921.						
January.....	32,000	18.0	12,194	18.0	32,964	48.5
February.....	25,600	14.0	12,013	18.5	25,776	40.0
March.....	52,300	29.0	26,398	38.0	30,011	43.0
April.....	55,800	31.0	22,694	32.5	29,550	42.5

ZINC.

[American Zinc Institute.]

	Produced.	Stocks at end of month.		Produced.	Stocks at end of month.
1920.					
January.....	43,441	40,311	November.....	33,318	64,390
February.....	43,921	37,095	December.....	28,459	71,058
March.....	48,256	31,019	1921.		
April.....	45,399	32,510	January.....	25,016	75,953
May.....	45,415	29,335	February.....	17,769	78,020
June.....	41,009	26,854	March.....	15,741	80,990
July.....	40,194	29,059	April.....	16,550	79,581
August.....	38,226	29,578	May.....	18,026	83,721
September.....	36,819	42,900			
October.....	35,335	51,230			

IMPORTS OF PIG TIN.

[Department of Commerce. Monthly average, 1911-1913=100.]

	Pounds.	Relative.		Pounds.	Relative.
1920.					
April.....	10,345,130	114	November.....	9,550,535	105
July.....	17,584,167	193	December.....	5,893,627	65
August.....	11,195,937	123	1921.		
September.....	9,596,819	106	January.....	2,584,347	28
October.....	6,741,331	74	February.....	5,269,969	62
			March.....	3,028,356	33
			April.....	2,483,655	27

RAW STOCKS OF HIDES AND SKINS.¹

[Bureau of Markets; July, 1920, on, Bureau of the Census.]

	Cattle hides.	Calfskins.	Kipskins.	Goat and kid.	Cabretta.	Sheep and lamb.
1920.						
Apr. 30.....	6,072,895	2,281,370	834,711	14,823,461	1,947,499	8,911,681
Sept. 30.....	5,926,708	3,542,388	1,035,193	13,408,277	2,197,149	11,235,417
Oct. 31.....	6,770,509	3,850,183	1,377,998	12,147,070	2,104,133	13,626,406
Nov. 30.....	7,158,751	3,492,653	1,422,608	11,231,086	2,234,027	12,705,767
Dec. 31.....	7,793,762	3,271,905	1,305,776	11,721,505	2,685,670	13,773,089
1921.						
Jan. 31.....	7,899,138	3,086,862	1,381,748	10,870,210	2,155,200	13,184,052
Feb. 28.....	7,940,359	3,157,723	1,375,110	9,798,311	1,941,832	12,489,855
Mar. 31.....	7,806,867	3,060,144	1,241,984	8,652,171	1,579,457	12,970,857
Apr. 30.....	7,407,862	3,454,470	1,107,310	7,740,147	1,277,321	12,992,299

¹ Includes hides and skins in transit. The number of firms reporting increased in the autumn of 1920 as follows: September, 1,307; October, 1,915; November, 2,027; December, 2,059.

TEXTILES—COTTON AND SILK.

[Cotton, Bureau of the Census; silk, Department of Commerce. Cotton, monthly average, crop years 1912-1914=100; silk, monthly average, 1911-1913=100.]

	Cotton consumption.		Cotton spindles active during month.	Imports of raw silk.			Cotton consumption.		Cotton spindles active during month.	Imports of raw silk.	
	Bales.	Relative.		Pounds.	Relative.		Bales.	Relative.		Pounds.	Relative.
1920.						1920.					
April.....	566,914	126	34,358,668	2,227,857	109	November....	332,057	74	31,654,126	1,319,995	65
July.....	525,489	117	34,666,794	2,581,920	126	December....	294,851	66	29,879,402	972,011	48
August.....	483,193	107	34,471,515	2,690,690	132	1921.					
September.....	457,647	102	34,040,806	1,968,801	96	January.....	366,270	81	31,509,021	708,897	35
October.....	399,837	89	33,669,804	1,531,850	75	February.....	395,563	94	32,458,528	2,327,949	122
						March.....	437,933	97	32,104,946	2,201,633	108
						April.....	408,882	91	32,535,725	4,857,160	237

TEXTILES—WOOL.

[Wool consumption, Bureau of Markets; idle wool machinery, Bureau of the Census.]

	Consumption (pounds). ¹	Percentage of idle machinery on first of month to total reported.				Percentage of idle hours on first of month to total reported.							
		Looms.		Sets of cards.	Combs.	Spinning spindles.		Looms.		Sets of cards.	Combs.	Spinning spindles.	
		Wider than 50-inch reed space.	50-inch reed space or less.			Woolen.	Worsted.	Wider than 50-inch reed space.	50-inch reed space or less.			Woolen.	Worsted.
1920.													
May.....	58,588,503	15.2	18.2	10.6	6.7	11.5	7.0						
July.....	37,097,077	42.5	32.3	38.0	35.0	42.0	32.7						
August.....	38,054,708	49.5	29.9	39.6	33.4	45.5	37.6						
September.....	36,297,221	51.8	34.8	39.6	37.3	44.6	38.0						
October.....	38,443,688	49.0	34.9	38.3	26.3	43.2	26.0						
November.....	28,096,047	46.9	37.7	39.5	32.8	42.8	34.8	54.1	47.7	45.9	38.4	46.7	38.5
December.....		51.2	44.8	50.3	41.4	51.7	42.7	59.7	60.4	57.1	51.0	53.9	53.4
1921.													
January.....		57.0	49.2	58.1	52.9	59.4	50.8	66.7	71.2	66.1	62.9	68.4	65.2
February.....		53.9	48.7	56.5	43.8	58.9	43.0	60.0	66.7	64.3	51.0	64.5	55.3
March.....		43.1	41.7	46.2	28.3	47.2	33.0	45.3	57.1	50.6	26.2	50.5	37.9
April.....	47,181	36.1	34.4	33.0	18.7	32.3	21.8	38.3	47.3	35.8	11.3	34.1	25.7
May.....	53,071	26.2	28.7	25.3	14.2	23.8	12.9	26.6	36.8	25.0	5.4	22.9	13.5

¹ Converted to grease equivalent basis.

PRODUCTION OF WOOD PULP AND PAPER.

[Federal Trade Commission.]

	Wood pulp.	News-print.	Book.	Paper board.	Wrap-ping.	Fine.		Wood pulp.	News-print.	Book.	Paper board.	Wrap-ping.	Fine.
	Net tons.	Net tons.	Net tons.	Net tons.	Net tons.	Net tons.		Net tons.	Net tons.	Net tons.	Net tons.	Net tons.	Net tons.
1920.							1920.						
April.....	350,194	128,269	95,251	199,395	75,347	33,493	December.....	302,527	124,857	76,093	105,227	54,308	27,233
July.....	312,334	129,853	95,526	218,771	73,487	34,078	1921.						
August.....	305,965	128,818	94,424	215,633	75,226	33,122	January.....	275,353	123,830	64,382	105,806	44,620	22,756
September.....	293,913	121,005	94,142	218,743	70,917	34,207	February.....	243,797	103,040	56,687	123,832	46,352	19,242
October.....	319,877	124,818	93,849	196,604	73,100	34,526	March.....	262,332	107,532	59,832	139,723	49,879	19,058
November.....	326,041	122,993	89,564	133,818	65,920	31,208	April.....	268,806	115,408	51,380	128,186	51,713	15,631

OUTPUT OF LOCOMOTIVES AND CARS.

[Locomotives, reports from individual producers; cars, Railway Car Manufacturers' 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.
	Number.	Number.	Number.	Number.	Number.		Number.	Number.	Number.	Number.	Number.
1920.						1920.					
April.....	36	96	2,313	1,934	4,247	December.....	198	93	7,551	1,420	8,971
July.....	122	54	2,731	434	3,165	1921.					
August.....	114	125	3,409	1,210	4,619	January.....	154	71	7,169	843	8,012
September.....	126	69	3,955	1,103	5,058	February.....	108	70	6,432	518	7,000
October.....	198	106	6,309	684	6,993	March.....	112	49	6,041	705	6,746
November.....	204	73	6,243	985	7,228	April.....	138	44	4,652	874	5,526

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.
1920.				1920.			
May.....	184	185,145	766	December.....	87	176,903	732
July.....	173	217,239	899	1921.			
August.....	178	259,210	1,073	January.....	94	216,280	895
September.....	135	261,962	1,084	February.....	95	121,404	538
October.....	120	227,162	940	March.....	86	154,864	641
November.....	119	213,966	885	April.....	99	120,762	500
				May.....	116	132,622	549

TONNAGE OF VESSELS CLEARED IN THE FOREIGN TRADE.

[Department of Commerce. Monthly average, 1911-1913=100.]

	Net tonnage.			Relative.	Per-centage American to total.	Relative.	Net tonnage.			Relative.	Per-centage American to total.	Relative.	
	American.	Foreign.	Total.				American.	Foreign.	Total.				
1920.				1920.									
April.....	2,504,038	1,960,634	4,464,672	109	56.0	211	December.....	2,785,615	2,949,416	5,735,031	140	48.6	183
1921.				1921.									
July.....	3,302,538	3,616,052	6,918,590	169	47.7	180	January.....	2,191,201	2,454,617	4,645,818	114	47.2	178
August.....	3,616,267	3,929,602	7,545,869	184	47.9	181	February.....	2,017,303	2,149,300	4,166,603	109	48.4	183
September.....	3,421,531	3,513,599	6,935,130	170	49.3	186	March.....	2,097,843	2,396,309	4,494,152	110	46.7	176
October.....	3,500,312	3,756,512	7,256,824	177	48.2	182	April.....	2,535,956	2,473,587	5,009,543	122	50.6	191
November.....	3,302,367	2,868,294	6,170,661	151	53.5	202							

NET TON-MILES, REVENUE AND NONREVENUE.

[United States Railroad Administration; March, 1920, on Interstate Commerce Commission.]

1920.			1920.		
March.....	37,991,269,000		December.....	34,722,365,000	
1921.			1921.		
July.....	40,450,094,000		January.....	29,817,000,000	
August.....	42,706,838,000		February.....	24,913,294,000	
September.....	40,999,843,000		March.....	26,831,000,000	
October.....	42,562,687,000				
November.....	37,458,630,000				

COMMERCE OF CANALS AT SAULT STE. MARIE.

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

EASTBOUND.

	Grain other than wheat.		Wheat.		Flour.		Iron ore.		Total.	
	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Short tons.	Relative.	Short tons.	Relative.
1920.										
May.....	11,904,942	134	13,497,995	70	658,910	57	6,683,820	113	7,483,836	107
1921.										
April.....	7,418,708		8,592,826		54,540		95,328		518,458	
May.....	12,431,592	140	12,609,469	66	890,330	77	2,652,033	45	3,407,827	49

WESTBOUND.

	Hard coal.		Soft coal.		Total.		Total freight.	
	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.
1920.								
May.....	202,000	65	531,375	28	937,374	38	8,421,210	89
1921.								
April.....	109,719		259,288		438,673		957,131	
May.....	214,776	69	2,303,369	120	2,747,236	110	6,155,063	65

PRODUCTION AND SHIPMENTS OF FINISHED COTTON FABRICS.¹

	March, 1921.				April, 1921.			
	White goods.	Dyed goods.	Printed goods.	Total.	White goods.	Dyed goods.	Printed goods.	Total.
Total finished yards billed during month:								
District 1.....	14,560,030	19,056,336	7,804,941	45,046,635	12,717,357	18,662,349	8,015,175	42,978,935
2.....	7,425,289	2,461,016	4,323,519	21,695,892	7,449,555	2,612,022	4,704,128	22,093,746
3.....	6,246,321	5,449,031	.....	12,533,513	6,305,140	5,115,430	.....	12,318,961
5.....	5,500,003	76,348	.....	5,576,351	6,629,313	98,073	.....	6,727,386
6.....	86,151	457,629	.....	543,780	116,480	404,988	.....	521,468
8.....	.....	.....	.....	1,336,450	.....	.....	.....	1,670,942
Total.....	33,817,794	27,500,360	12,128,460	86,732,621	33,217,845	26,892,862	12,719,303	86,311,438
Total finishing charges billed during month:								
District 1.....	\$276,003	\$814,343	\$374,326	\$1,654,083	\$236,964	\$750,305	\$428,945	\$1,571,113
2.....	119,672	60,916	186,977	553,920	133,278	91,363	193,824	604,942
3.....	188,596	221,512	.....	425,235	186,572	204,485	.....	410,349
5.....	106,373	1,351	.....	107,724	128,948	859	.....	129,807
6.....	1,808	19,829	.....	21,637	2,196	.....	.....	20,585
8.....	.....	.....	.....	20,307	.....	.....	.....	23,032
Total.....	\$692,452	\$1,117,951	\$561,303	\$2,782,906	\$687,958	\$1,065,401	\$622,769	\$2,759,828
Total average per cent of capacity operated:								
District 1.....	63	68	44	59	55	69	48	58
2.....	77	49	85	79	74	67	80	77
3.....	87	62	.....	71	83	64	.....	70
5.....	96	.....	.....	96	99	.....	.....	99
6.....	.....	.....	.....	39	.....	.....	.....	42
8.....	.....	.....	.....	57	.....	.....	.....	66
Average for all districts.....	75	64	50	67	70	68	52	66
Total gray yardage of finishing orders received:								
District 1.....	12,517,785	18,675,645	8,453,394	43,461,754	12,735,066	19,846,208	11,717,251	47,682,478
2.....	7,302,473	3,970,174	6,780,303	22,908,747	7,003,707	4,608,192	5,779,556	20,731,920
3.....	7,115,387	5,122,275	.....	13,007,284	5,921,143	5,955,652	.....	12,986,854
5.....	6,743,059	116,232	.....	6,859,291	8,712,871	199,602	.....	8,912,473
6.....	126,760	408,843	.....	535,603	100,785	1,145,464	.....	1,246,249
8.....	.....	.....	.....	1,569,920	.....	.....	.....	1,360,850
Total.....	33,805,464	28,293,169	15,233,697	88,342,599	34,473,572	31,755,118	17,496,807	92,920,824
Number of cases of finished goods shipped to customers (case equals approximately 3,000 yards):								
District 1.....	6,095	5,938	2,612	24,261	5,327	5,324	2,658	22,237
2.....	5,424	140	.....	12,299	4,262	152	.....	10,891
3.....	4,426	2,512	.....	7,306	3,724	2,230	.....	6,427
5.....	1,603	.....	.....	3,193	1,580	.....	.....	3,415
6.....	.....	.....	.....	.....	.....	.....	.....	.....
8.....	.....	.....	.....	398	.....	.....	.....	586
Total.....	17,548	8,590	2,612	47,457	14,893	7,706	2,658	43,556
Number of cases of finished goods held in storage at end of month:								
District 1.....	3,581	3,102	2,323	16,829	3,292	2,906	2,837	17,103
2.....	1,968	214	.....	6,029	1,845	274	.....	6,687
3.....	189	278	.....	4,824	172	298	.....	4,988
5.....	433	.....	.....	1,346	329	.....	.....	1,229
6.....	.....	.....	.....	7	.....	.....	.....	14
8.....	.....	.....	.....	1,296	.....	.....	.....	1,331
Total.....	6,171	3,594	2,323	30,331	5,638	3,478	2,837	31,357
Total average work ahead at end of month (expressed in days):								
District 1.....	5.8	7.0	7.0	6.5	5.9	8.7	17.0	9.6
2.....	12.0	8.5	17.0	12.0	12.0	11.0	17.0	11.0
3.....	16.0	8.1	.....	11.0	13.0	7.5	.....	10.0
5.....	8.2	.....	.....	8.2	18.0	.....	.....	18.0
6.....	.....	.....	.....	2.1	.....	.....	.....	13.0
8.....	.....	.....	.....	6.0	.....	.....	.....	7.9
Average for all districts.....	9.2	7.5	8.6	8.4	10.0	8.8	17.0	10.0

¹ The National Association of Finishers of Cotton Fabrics, at the request of the Federal Reserve Board, have arranged for a monthly survey within the industry. The results of the inquiries are herewith presented in tabular form. The secretary of the association makes the following statement concerning the tabulation:

The accompanying figures are compiled from statistics furnished by 34 out of 58 member firms of this association. It is probably fair to state that in the absence of having specific detail at hand, but according to our best estimate, it is probably well within the fact that the figures given for the various classes of work would cover, approximately, the following percentages of the entire industry: White goods, 72 per cent; dyed goods, 62 per cent; printed goods, 30 per cent. The figures given represent reports from exactly the same finishers for the two months, both for the totals and for the subdivisions and, therefore, are strictly comparable.

NOTE.—Many plants were unable to give details under the respective headings of white goods, dyed goods, and printed goods, and reported their totals only, therefore the column headed "Total" does not always represent the total of the subdivisions but is a correct total for the district.

REPORT OF KNIT-GOODS MANUFACTURES.

The total production of winter and summer underwear for the 6 months ending April 30 was as follows:

	Number of mills reporting.	Actual production (dozens).	Per cent of normal.
1920.			
November.....	63	191,831	23.2
December.....	61	98,671	11.0
1921.			
January.....	61	148,023	16.4
February.....	63	248,431	28.0
March.....	62	421,140	50.1
April.....	61	401,938	49.6
Winter underwear (April).....		109,937	35.6
Summer underwear (April).....		292,001	58.3

Order and production report for month ending April 30, 1921, follows. The number of mills reporting was 39.

	Dozens.	Per cent of normal production.
Unfilled orders 1st of month.....	437,775	.....
New orders received during month.....	375,948	59.2
Total (A).....	813,723	.....
Shipments during month.....	219,270	34.5
Cancellations during month.....	4,375	.7
Total (B).....	223,645	.....
Balance orders on hand May 1 (A minus B).....	590,078	.....
Production.....	299,183	47.2

Thirty-two representative mills which reported for March and April furnish the data for the following table:

	[In dozens.]			
	March (32 mills).	April (32 mills).	Gain.	Loss.
Unfilled orders first of month.....	361,076	423,727	62,651	.....
New orders.....	354,959	363,543	8,584	.....
Shipments.....	261,893	194,130	.....	67,763
Cancellations.....	4,937	4,279	.....	658
Production.....	285,515	275,382	.....	10,133

RETAIL TRADE.

In the following tables is given a summary of the data obtained from representative department stores in each Federal Reserve district, showing the activity of retail trade during the past several months. In district Nos. 1, 2, 5, 6, 9, 11, and 12 the data were received in (and averages computed from) actual amounts (dollars). In districts Nos. 3, 4, 7, 8, and 10 the material was received in the form of percentages, the 1921 averages for the cities and districts computed from such percentages being weighted according to volume of business done during the calendar

year 1920, and the averages for the several months in 1920 by similar figures for the calendar year 1919. For the month of April the tables are based on reports from 24 stores in district No. 1, 42 in district No. 2, 47 in district No. 3, 15 in district No. 4, 25 in district No. 5, 19 in district No. 6, 20 in district No. 7, 11 in district No. 8, 17 in district No. 9, 15 in district No. 10, 19 in district No. 11, and 29 in district No. 12. The number of stores varies somewhat, due to the inclusion of new stores from time to time in the reporting list.

CONDITION OF RETAIL TRADE IN THE FEDERAL RESERVE DISTRICTS.

(Minus sign denotes decrease.)

District and city.	Percentage of increase in net sales as compared with corresponding period previous year.													
								July 1, 1920, to close of—		Jan. 1, 1921, to close of—				
	Oct., 1920.	Nov., 1920.	Dec., 1920.	Jan., 1921.	Feb., 1921.	Mar., 1921.	Apr., 1921.	Oct., 1920.	Nov., 1920.	Dec., 1920.	Jan., 1921.	Feb., 1921.	Mar., 1921.	Apr., 1921.
District No. 1:														
Boston.....	0.1	15.0	1.4	5.4	10.8	2.1	- 1.3	9.7	11.0	8.5	5.4	7.7	5.5	3.6
Outside.....	2.2	1.7	- 6.4	-10.1	- 6.0	.9	- 3.8	11.1	9.0	5.0	-10.1	- 9.1	- 6.2	- 5.5
District.....	.6	11.4	.4	1.5	6.5	1.5	- 1.9	10.1	10.4	7.7	1.5	3.5	2.7	1.4
District No. 2:														
New York City and Brooklyn.....	1.7	7.6	- 3.6	- 6.5	- 1.1	- 5.8	- 2.8	5.2	3.0	3.2	- 6.5	- 4.6	- 4.5	- 3.8
Outside.....	15.4	18.9	5.9	- 1.5	9.5	.3	5.8	19.6	22.8	14.3	- 1.5	1.6	.7	2.2
District.....	6.2	11.6	- 1.6	- 5.3	1.0	- 4.6	.5	10.0	10.0	5.5	- 5.3	- 3.5	- 3.4	- 2.1
District No. 3:														
Philadelphia.....	.....	8.5	2.9	2.9	3.4	.9	- 2.5	.....	12.0	9.1	2.9	4.4	2.0	1.8
Outside.....	.....	8.5	10.8	3.3	4.7	4.6	5.8	.....	18.5	21.6	3.3	1.7	2.1	3.7
District.....	15.8	8.5	6.1	3.1	3.8	1.8	.4	17.3	14.6	14.1	3.1	3.6	2.0	2.3
District No. 4.....	20.8	26.1	14.7	3.6	6.4	.4	.8	23.9	24.8	22.0	3.6	.....	4.3	2.3

CONDITION OF RETAIL TRADE IN THE FEDERAL RESERVE DISTRICTS—Continued.

(Minus sign denotes decrease.)

District and city.	Percentage of increase in net sales as compared with corresponding period previous year.													
	Oct., 1920.	Nov., 1920.	Dec., 1920.	Jan., 1921.	Feb., 1921.	Mar., 1921.	Apr., 1921.	July 1, 1920, to close of—			Jan. 1, 1921, to close of—			
								Oct., 1920.	Nov., 1920.	Dec., 1920.	Jan., 1921.	Feb., 1921.	Mar., 1921.	Apr., 1921.
District No. 5:														
Baltimore.....				5.9	5.3	- 2.2	- 6.8				5.9	4.6	1.9	- .6
Richmond.....				4.2	14.2	6.3	3.1				4.2	4.2	5.6	4.9
Washington.....				9.3	8.4	5.5	5.3				9.3	8.8	7.4	6.9
Other cities.....				4.0	15.9	9.4	3.7				4.0	9.4	10.8	8.7
District.....	12.4	13.1	4.9	5.4	8.6	2.7	- .7	13.6	13.5	10.4	5.4	6.4	5.2	3.6
District No. 6.....	25.1	14.6	3.0	- 9.0	1.4	- 5.6	-19.5	19.7	18.8	15.3	- 9.0	- 5.4	- 4.7	- 8.7
District No. 7.....	8.3	17.6	9.6	-10.5	- 5.4	- 3.2	- 3.1	32.6	24.2	18.1	-10.5	- 4.7	13.3	- 5.6
District No. 8.....	10.5	10.8	5.3	- 3.8	- 3.1	- .7	- 2.9	16.5	13.8	13.3	- 3.8	- 3.7	- 1.7	- 1.7
District No. 9.....	- 2.9	2.9	.5	-12.3	- 7.0	-11.2	- 5.4	.....	3.8	7.6	-12.3	-10.9	-11.8	-10.7
District No. 10.....	- 1.9	9.2	- 5.1	-11.6	4.1	- 6.1	- 2.8	5.2	12.9	.7	-11.6	- 1.8	- 3.9	- 1.8
District No. 11.....	16.0	12.7	- 2.9	- 8.9	- 4.6	-16.0	-17.7	21.6	17.9	10.5	- 8.9	- 8.4	-11.4	-11.2
District No. 12:														
Los Angeles.....	19.3	31.2	13.7	17.1	14.6	9.9	3.4	33.9	33.7	28.5	17.1	13.3	11.9	9.7
San Francisco.....	11.5	9.9	- 3.8	-12.1	.4	- 3.1	- 9.6	15.4	11.7	8.7	-12.1	- 6.5	- 4.3	- 5.2
Oakland.....	22.0	7.2	.....	-10.4	8.2	.9	1.4	21.3	18.2	.....	-10.4	- 2.2	9.8	2.0
Sacramento.....	9.9	.....	2.3	-16.8	.....	- 6.2	- 7.3	16.1	.....	7.0	-16.8	.....	- 4.2	- 5.1
Seattle.....	-14.6	-16.4	-18.7	-23.4	- 2.4	-14.6	-16.1	- 7.3	- 9.2	-11.1	-23.4	- 9.3	-15.6	-15.7
Spokane.....	4.6	5.6	11.5	-10.1	12.2	4.6	- 6.4	9.4	8.4	8.6	-10.1	.....	1.3	.9
Salt Lake City.....	8.9	14.7	9.1	- .6	- 5.2	1.7	- 8.7	14.0	12.2	14.6	- .6	1.9	6.0	.1
District.....	8.2	11.3	- 4.3	-14.3	- 2.4	.6	- 9.3	16.8	14.8	5.0	-14.3	- 5.9	1.6	- 3.8

District and city.	Percentage of increase in stocks at close of month compared with—													
	Same month previous year.							Previous month.						
	Oct., 1920.	Nov., 1920.	Dec., 1920.	Jan., 1921.	Feb., 1921.	Mar., 1921.	Apr., 1921.	Oct., 1920.	Nov., 1920.	Dec., 1920.	Jan., 1921.	Feb., 1921.	Mar., 1921.	Apr., 1921.
District No. 1:														
Boston.....	9.5	7.1	- 1.7	-10.7	- 3.7	-18.2	-18.9	- 4.2	9.0	-18.2	-14.5	15.5	- 6.6	3.5
Outside.....	15.9	10.6	2.0	-10.6	3.7	-10.3	-17.5	3.0	- 2.0	-20.5	- 8.2	15.4	- 5.7	1.1
District.....	11.6	8.2	- .7	-10.7	- 1.6	-16.0	-18.5	- 1.8	4.9	-18.9	-12.7	15.5	- 6.4	2.8
District No. 2:														
New York City and Brooklyn.....	17.2	5.1	- 2.3	- 9.5	-16.5	-23.2	-22.0	1.0	- 4.8	-20.4	- 8.1	6.3	8.3	5.1
Outside.....	15.6	3.8	-12.7	-20.0	-23.0	-17.9	-20.7	- .4	- 7.0	-24.0	- 6.1	1.3	9.0	1.1
District.....	16.7	4.6	- 4.5	-12.0	-17.8	-22.0	-21.6	.5	- 5.6	-21.1	- 7.6	5.3	8.5	4.0
District No. 3:														
Philadelphia.....	.....	5.7	2.2	- .9	-11.7	-20.4	-20.5	.....	- 5.0	-15.5	-13.8	4.2	5.4	1.4
Outside.....	.....	17.4	8.0	-10.8	-12.4	-14.3	-13.0	.....	- 4.1	-20.0	- 7.4	9.5	7.3	.8
District.....	16.0	10.1	4.4	- 4.6	-11.9	-19.0	-18.7	.9	- 4.7	-17.3	-11.5	5.6	5.9	1.3
District No. 4.....	34.9	22.5	11.6	- 4.0	-13.2	-17.1	-17.8	4.8	- 6.4	-20.0	-14.6	3.1	7.9	4.2
District No. 5:														
Baltimore.....	.....	.....	.....	-19.7	-24.0	-28.2	-26.0	.....	.....	.....	- 7.0	6.9	8.8	3.6
Richmond.....	.....	.....	.....	- 9.8	-13.1	-16.6	-13.6	.....	.....	.....	-15.2	7.7	7.8	4.3
Washington.....	.....	.....	.....	-28.6	-29.9	-26.2	-29.0	.....	.....	.....	-18.7	9.8	7.1	5.7
Other cities.....	.....	.....	.....	-20.3	-21.4	-22.6	-23.3	.....	.....	.....	-32.1	13.9	10.1	3.0
District.....	15.1	5.3	- 4.2	-22.2	-24.8	-25.9	-25.8	.1	- 7.7	-25.5	-16.2	8.9	8.4	4.2
District No. 6.....	30.1	16.3	- .2	- 8.3	-13.9	-12.7	-11.6	.8	- 6.7	-30.8	- .8	6.0	4.4	.4
District No. 7.....	51.7	39.7	27.7	-15.5	-13.1	-14.3	-21.3	1.0	- 5.9	-24.0	- 1.8	1.4	9.2	- .7
District No. 8.....	30.5	17.0	16.2	9.9	-11.5	- 9.8	-12.9	1.8	- 4.3	-18.8	- 3.3	- .8	9.6	.2
District No. 9.....	12.0	7.1	- 3.5	-10.9	-23.1	-14.8	-19.1	.5	- 4.2	-18.7	- 8.8	1.2	6.2	- 2.9
District No. 10.....	25.0	11.8	9.4	-14.9	-18.2	-20.9	-21.6	- 1.9	- 5.0	-23.9	- 1.1	10.1	6.4	1.7
District No. 11.....	42.3	31.5	8.8	-12.9	-15.5	-17.7	-18.1	- 3.0	- 9.3	-28.8	- 7.9	5.0	9.3	.5
District No. 12:														
Los Angeles.....	21.6	16.4	-29.7	- 4.9	-12.4	-12.8	-12.8	.2	- 4.2	-45.4	3.6	.5	6.2	4.5
San Francisco.....	15.4	8.0	19.6	- 9.3	-16.5	-21.9	-13.8	15.4	- .8	-14.7	- 9.0	6.1	3.1	4.4
Oakland.....	8.3	3.8	.....	-21.1	-27.8	-27.2	-23.5	.6	- 3.1	.....	-10.9	4.2	7.7	2.4
Sacramento.....	17.5	.....	- 3.6	.....	-30.3	-30.5	.....	.3	.....	-23.1	.....	.....	6.8	3.0
Seattle.....	.5	- 4.4	-12.3	-21.4	-27.5	-33.8	-28.7	2.8	- 2.9	-22.5	-11.3	6.6	3.1	2.6
Spokane.....	40.1	33.6	-12.2	- 3.6	-14.0	-20.9	-17.7	- 2.7	- 4.2	- 3.6	2.1	4.4	1.4	9.2
Salt Lake City.....	.....	.....	12.7	.....	.....	-15.1	-11.9	.....	.....	-22.4	.....	.....	6.6	1.2
District.....	15.6	20.1	.3	.4	- 7.6	-21.6	-13.9	1.2	- 3.4	-14.3	- 4.1	2.2	4.5	3.0

CONDITION OF RETAIL TRADE IN THE FEDERAL RESERVE DISTRICTS—Continued.
(Minus sign denotes decrease.)

District and city.	Ratio of average stocks at close of each month to average monthly sales for same period (per cent).							Ratio of outstanding orders at close of month to total purchases during previous calendar year (per cent).									
	July 1, 1920, to close of—			Jan. 1, 1921, to close of—				Oct., 1920.	Nov., 1920.	Dec., 1920.	Jan., 1921.	Feb., 1921.	Mar., 1921.	Apr., 1921.			
	Oct., 1920.	Nov., 1920.	Dec., 1920.	Jan., 1921.	Feb., 1921.	Mar., 1921.	Apr., 1921.										
District No. 1:																	
Boston.....	388.4	368.4	329.9	270.2	325.3	300.7	295.5	7.5	5.4	3.6	5.1	7.4	5.7	5.2			
Outside.....	482.6	456.6	452.0	392.9	473.7	445.8	426.8	10.8	10.4	.....	4.5	8.6	11.2	9.6			
District.....	415.6	398.6	357.9	297.2	358.1	332.5	324.7	9.1	7.7	.....	4.8	8.1	6.4	5.8			
District No. 2:																	
New York City and Brooklyn.....	479.4	464.1	361.1	315.8	323.3	310.1	322.5	9.2	6.9	5.3	5.5	7.3	7.1	6.0			
Outside.....	441.3	430.6	347.7	351.3	350.6	407.7	394.4	6.6	4.1	3.1	4.1	7.2	5.7	10.7			
District.....	466.9	452.3	358.0	325.0	328.7	330.6	342.5	8.1	5.5	4.5	5.1	7.3	6.7	6.5			
District No. 3:																	
Philadelphia.....	.....	360.4	322.6	281.9	314.3	330.5	313.5	.....	4.7	4.9	4.4	7.9	7.6	8.6			
Outside.....	.....	520.5	458.6	479.3	508.7	465.8	426.4	.....	2.9	4.1	4.8	6.2	6.1	4.9			
District.....	437.2	418.0	371.1	357.6	365.6	361.9	340.4	5.9	4.0	4.6	4.6	7.5	7.3	7.8			
District No. 4.....	466.8	452.1	398.5	306.4	353.6	345.9	327.4	7.6	5.9	4.7	7.1	7.0	7.7	5.3			
District No. 5:																	
Baltimore.....	.....	.....	.....	311.8	341.6	324.5	327.1	.....	.....	.....	7.2	7.9	6.5	5.1			
Richmond.....	.....	.....	.....	403.5	403.1	354.4	355.9	.....	.....	.....	5.4	6.1	5.5	4.6			
Washington.....	.....	.....	.....	351.2	370.9	341.3	344.1	.....	.....	.....	3.9	4.8	4.2	4.8			
Other cities.....	.....	.....	.....	407.1	434.3	402.2	400.5	.....	.....	.....	5.4	6.9	4.4	5.1			
District.....	489.0	454.5	386.6	344.5	368.7	343.2	345.3	7.1	3.0	2.7	6.0	6.6	5.4	5.4			
District No. 6.....	403.9	381.6	307.8	549.1	405.3	387.3	428.7	6.9	5.8	4.9	3.1	6.1	6.4	5.1			
District No. 7.....	371.0	431.7	391.0	544.3	404.4	360.2	385.9	5.1	6.5	5.6	10.8	11.0	12.7	5.8			
District No. 8.....	393.8	324.4	245.1	336.5	407.9	388.6	388.1	6.1	3.9	3.8	3.4	8.9	4.1	7.1			
District No. 9.....	.....	.....	.....	.....	.....	.....	.....	12.4	11.9	18.7	4.2	5.5	5.2	3.5			
District No. 10.....	343.3	526.8	465.3	480.8	450.3	359.2	346.9	3.1	1.9	2.3	22.1	11.8	6.4	4.8			
District No. 11.....	454.0	416.7	383.7	357.6	395.7	363.6	369.6	4.1	3.2	2.7	7.0	6.5	5.1	4.6			
District No. 12:																	
Los Angeles.....	462.5	478.0	432.5	354.1	355.6	353.2	367.9	9.3	7.6	10.6	6.9	11.5	10.2	9.8			
San Francisco.....	511.9	515.8	434.3	544.3	424.2	404.4	402.6	13.6	9.6	4.3	4.4	8.2	6.9	7.5			
Oakland.....	732.5	567.4	.....	427.2	467.1	455.3	454.3	.....	.....	.....	.....	.....	.....	.....
Sacramento.....	387.4	.....	490.5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Seattle.....	502.5	454.5	413.7	465.0	468.1	438.0	399.1	6.4	7.0	1.6	2.7	6.0	5.6	6.7			
Spokane.....	579.0	544.3	458.5	620.5	610.9	621.6	617.8	.....	.....	.....	.....	5.2	6.3	7.9			
Salt Lake City.....	.....	601.4	.....	.....	.....	.....	.....	.....	.....	2.6	.....	.....	.....	4.9			
District.....	467.3	488.5	490.7	502.4	448.2	404.7	477.9	9.8	7.0	5.8	5.4	8.6	7.8	8.7			

WHOLESALE TRADE.

PERCENTAGE OF INCREASE (OR DECREASE) IN NET SALES IN APRIL, 1921, AS COMPARED WITH THE PRECEDING MONTH (MARCH, 1921).

District.	Groceries.		Dry goods.		Hardware.		Boots and shoes.		Furniture.		Drugs.		Stationery.		Farm imple-ments.		Auto tires.	
	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.
No. 3.....	-14.9	51	.....	.....	+11.4	25	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 5.....	-6.4	9	-27.2	9	-1.7	9	-21.4	7	+54.8	3	.....	.....	.....	.....	.....	.....	.....	.....
No. 6.....	-16.2	20	-25.5	15	-10.6	13	-33.4	7	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 10.....	-6.7	3	.....	.....	-18.1	3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 11.....	-12.4	17	-25.8	5	-9.7	2	.....	.....	-20.9	3	-19.6	6	.....	.....	-2.6	2	.....	.....
No. 12.....	-13.8	30	+1.4	12	-1.7	24	-6.4	18	-1.2	21	-1.1	11	-4.0	27	.....	.....	-0.9	14

PERCENTAGE OF INCREASE (OR DECREASE) IN NET SALES IN APRIL, 1921, AS COMPARED WITH APRIL, 1920.

District.	Groceries.		Dry goods.		Hardware.		Boots and shoes.		Furniture.		Drugs.		Stationery.		Farm imple-ments.		Auto tires.	
	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.
No. 3.....	-38.4	51	.....	.....	-18.7	25	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 4.....	-37.7	14	-4.2	5	-21.9	8	.....	.....	.....	.....	-23.4	7	.....	.....	.....	.....	.....	.....
No. 5.....	-31.0	9	-39.1	9	-22.7	9	-38.4	7	-52.1	3	.....	.....	.....	.....	.....	.....	.....	.....
No. 6.....	-47.5	20	-39.7	15	-44.0	13	-43.1	7	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 7.....	-42.8	26	-35.3	12	.....	.....	-24.8	10	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 10.....	-32.2	3	.....	.....	-40.0	3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
No. 11.....	-48.0	17	-40.7	5	-30.0	2	.....	.....	-48.1	3	-20.3	6	.....	.....	-33.1	2	.....	.....
No. 12.....	-36.2	30	-15.2	12	-27.5	24	-8.3	18	-28.6	21	-10.3	11	-7.8	27	.....	.....	-8.0	14

COMPARATIVE WHOLESALE PRICE LEVELS IN PRINCIPAL COUNTRIES.

The foreign index numbers published below are constructed by various statistical offices according to methods described in most cases in the BULLETIN for January, 1920. A description of the method used in the construction of the Swedish index number appeared in the BULLETIN for February, 1921, for the new Italian index number in the April, 1921, issue of the BULLETIN, and the method used by the Frankfurter Zeitung in the case of the German index number was described in the BULLETINS for February and March, 1921. Complete information regarding the computation of the United States Bureau of Labor Statistics appears in the publications of that bureau, and a description of the index number of the Federal Reserve Board may be found in the BULLETIN for May, 1920. Details as to the method used by the Økonomisk Revue in constructing its index of wholesale prices in Christiania are not available in this country. The Danish index has been constructed only recently, is based upon the prices of 33 commodities, and is roughly weighted according to consumption.

The new British index number, compiled by the Board of Trade, will be found on p. 724 of this issue of the BULLETIN. It is not included in the table below as it can not be referred back to a definite prewar base. In the case of the two American index numbers, 1913 is used as the basis in the original computations. In the other cases in which 1913 appears as the basis for the computation the index numbers have been shifted from their original bases. The computations in these cases are, therefore, only approximately correct. In a few cases July, 1914, or the year immediately preceding that, is used as the base. The figures are for the most part received by cable, and the latest ones are subject to revision. In cases where the index numbers were available they have been published for the war years in various issues of the BULLETIN in 1920.

In the following table the all-commodities index numbers for the whole series of countries appear together to facilitate the study of comparative price levels.

INDEX NUMBERS OF WHOLESALE PRICES (ALL COMMODITIES).

	United States; Federal Reserve Board (90 quotations). ²	United States; Bureau of Labor Statistics (315 quotations). ²	United Kingdom; Statist (45 commodities). ³	France; Bulletin de la Statistique Générale (45 commodities). ³	Italy; ¹ Prof. Bachi (38 commodities until 1920, 76 thereafter). ³	Germany; Frankfurter Zeitung (77 commodities). ⁴	Sweden; Svensk Handeltidning (47 quotations). ⁵	Christiania, Norway; Økonomisk Revue (93 commodities). ⁶	Denmark; Finanstidende (33 commodities). ⁷	Japan; Bank of Japan for Tokyo (56 commodities). ²	Australia; Commonwealth Bureau Census and Statistics (92 commodities). ²	Canada; Department of Labor (272 quotations). ⁵	Calcutta, India; Department of Statistics (75 commodities). ⁸
1913.....	100	100	100	100	100	100	⁸ 100	115	¹¹ 100	100	100	100	100
1914.....	100	100	101	101	95	⁹ 100	116	¹⁰ 115	¹¹ 100	96	¹² 100	101	¹³ 100
1915.....	101	126	137	137	133	145	159	138	97	141	110	110	110
1916.....	124	159	187	202	202	185	233	164	117	132	135	135	135
1917.....	176	206	262	299	299	244	341	228	147	155	177	177	177
1918.....	196	226	339	409	409	339	345	293	192	170	206	206	206
1919.....	206	212	357	364	364	330	322	294	236	180	217	217	217
1920.....	233	243	291	510	624	1,544	347	362	259	218	246	246	204
1920.													
April.....	263	265	313	588	664	1,604	354	354	300	217	261	261	200
May.....	264	272	305	550	660	1,714	361	368	272	225	263	263	210
June.....	258	269	300	493	632	1,473	366	382	248	233	258	258	206
July.....	250	262	299	496	604	1,495	363	409	239	234	256	256	209
August.....	234	250	298	501	625	1,549	365	417	235	236	244	244	209
September.....	226	242	292	526	655	1,582	362	425	230	230	241	241	208
October.....	208	225	282	502	659	1,604	346	419	226	215	234	234	206
November.....	190	207	263	461	670	1,670	331	403	221	208	225	225	194
December.....	173	189	243	435	655	1,681	299	377	206	197	214	214	180
1921.													
January.....	163	178	232	407	642	1,626	267	344	201	196	208	208	178
February.....	154	167	215	377	613	1,495	250	319	195	192	199	199	174
March.....	150	162	208	360	604	1,440	237	312	191	181	194	194	183
April.....	143	154	199	347	584	1,429	229	297	190	171	187	187	183
May.....	142	151	191	328	547	1,429	218	218	191	171	183	183	183

¹ Index numbers for 1920 and thereafter based upon prices of 76 commodities. Computations arrived at by the method described on p. 465 of the BULLETIN for April, 1921.

² Average for the month.

³ End of month.

⁴ Beginning of month but not always the first.

⁵ Middle of month.

⁶ End of year and end of month.

⁷ First of month.

⁸ July 1, 1913, to June 30, 1914=100.

⁹ Middle of 1914=100.

¹⁰ Dec. 31, 1913-June 30, 1914=100.

¹¹ July 1, 1912-June 30, 1914=100.

¹² July, 1914=100.

¹³ End of July, 1914=100.

¹⁴ Last six months of 1917.

GROUP INDEX NUMBERS—FRANCE, GENERAL STATISTICAL BUREAU.

[1913=100.]

Date.	Animal foods.	Vegetable foods.	Sugar, coffee, and cocoa.	Foods (20).	Minerals.	Textiles.	Sundries.	Raw materials (25).	Date.	Animal foods.	Vegetable foods.	Sugar, coffee, and cocoa.	Foods (20).	Minerals.	Textiles.	Sundries.	Raw materials (25).
1913.....	100	100	100	100	100	100	100	100	1920.								
1914.....	103	103	106	104	98	109	99	101	August.....	515	359	399	432	475	737	524	558
1915.....	126	126	151	131	164	132	145	145	September.....	531	412	544	487	468	715	540	558
1916.....	162	170	164	167	232	180	199	206	October.....	533	421	422	469	453	637	527	528
1917.....	215	243	201	225	271	303	302	291	November.....	519	390	377	442	424	510	498	476
1918.....	286	298	231	281	283	460	420	387	December.....	515	360	355	424	385	475	471	444
1919.....	392	313	253	336	272	444	405	373	1921.								
1920.....	503	427	422	459	449	737	524	550	January.....	483	334	337	397	341	460	445	415
1920.									February.....	452	317	338	378	300	398	422	378
May.....	480	480	424	472	459	841	601	614	March.....	406	322	367	366	289	375	392	355
June.....	482	400	392	434	428	734	517	540	April.....	396	348	359	372	281	314	371	328
July.....	501	370	405	432	469	746	500	548	May.....	372	346	317	353	266	282	355	309

GROUP INDEX NUMBERS—ITALY, RICCARDO BACHI.

[1920=100.]

	Vegetable foods.	Animal foods.	Chemicals.	Textiles.	Minerals and metals.	Buildings materials.	Other vegetable products.	Sundries.	All commodities.
1920.									
April.....	102.7	83.6	110.4	130.8	115.8	96.4	99.8	104.2	106.30
May.....	102.2	92.9	122.6	104.9	113.2	101.8	97.2	107.8	105.73
June.....	100.2	101.1	112.8	90.8	99.1	106.3	95.9	105.7	101.18
July.....	96.8	100.3	100.0	88.3	95.5	108.4	90.2	104.9	97.77
August.....	100.7	103.4	102.3	94.9	96.6	109.9	91.9	101.4	100.13
September.....	104.8	108.8	100.1	99.6	103.7	109.9	97.5	102.1	104.98
October.....	107.1	108.0	103.4	97.9	106.5	112.8	100.5	105.4	105.47
November.....	107.7	124.1	107.7	94.0	101.4	112.6	108.7	105.2	107.33
December.....	106.9	126.4	102.8	81.9	92.7	112.6	121.8	106.8	104.97
1921.									
January.....	106.7	120.7	98.1	77.4	88.2	113.3	123.4	107.1	102.89
February.....	103.4	119.5	89.2	65.4	79.5	117.0	127.3	106.7	98.23
March.....	107.8	117.4	86.9	63.5	72.0	112.9	123.2	103.9	96.66
April.....	105.9	115.9	82.9	56.5	69.0	109.1	111.3	105.1	93.51
May.....	101.5	112.1	76.2	46.6	62.3	106.8	110.0	95.4	87.59

GROUP INDEX NUMBERS—GERMANY, FRANKFURTER ZEITUNG.

[Middle of 1914=100.]

	Agricultural products.	Textiles, leather.	Minerals.	Miscellaneous.
1920.				
Average for the year.....	1,232	3,175	1,733	1,440
Beginning of—				
April.....	1,186	4,114	1,888	1,417
May.....	1,178	3,243	1,860	1,417
June.....	1,125	2,670	1,538	1,642
July.....	1,283	2,561	1,552	1,625
August.....	1,309	2,643	1,566	1,617
September.....	1,318	2,807	1,650	1,608
October.....	1,344	2,943	1,734	1,592
November.....	1,450	3,025	1,678	1,653
December.....	1,555	2,698	1,636	1,625
1921.				
Beginning of—				
January.....	1,353	2,643	1,678	1,575
February.....	1,265	2,507	1,580	1,525
March.....	1,204	2,371	1,552	1,517
April.....	1,195	2,153	1,608	1,500
May.....	1,178	2,153	1,566	1,633

GROUP INDEX NUMBERS—SWEDEN, SVENSK HANDELSTIDNING.

[July 1, 1913—June 30, 1914=100.]

Date.	Vegetable food.	Animal food.	Raw materials for agriculture.	Coal.	Metals.	Building material.	Wood pulp.	Hides and leather.	Textiles.	Oils.
1913-14.....	100	100	100	100	100	100	100	100	100	100
1914.....	136	101	114	123	109	104	116	118	103	111
1915.....	151	140	161	177	166	118	116	158	116	120
1916.....	152	182	180	266	272	165	233	229	166	149
1917.....	181	205	198	551	405	215	267	206	247	212
1918.....	221	419	304	856	398	275	300	195	.....	.....
1919.....	261	409	340	804	258	286	308	211	.....	.....
1920.....	262	296	312	1,007	278	371	675	215	324	294
1920.										
April.....	265	284	320	1,008	283	367	767	263	368	275
May.....	269	283	320	1,069	324	367	788	252	374	275
June.....	250	273	311	1,252	318	381	778	212	368	303
July.....	252	277	312	1,252	293	388	767	202	336	303
August.....	271	307	310	1,117	286	388	756	191	328	322
September.....	273	312	308	1,085	273	388	753	180	310	340
October.....	258	306	309	1,026	256	390	740	166	250	340
November.....	264	290	303	910	252	387	609	161	233	332
December.....	247	283	301	602	247	362	598	156	206	328
1921.										
January.....	244	266	281	371	230	320	520	131	169	328
February.....	231	241	248	362	204	319	511	108	147	318
March.....	238	229	240	279	185	298	510	85	134	268
April.....	232	231	236	291	178	236	510	84	125	264
May.....	221	217	245	269	153	237	286	106	132	238

1 Average for 6 months ending Dec. 31, 1914.

GROUP INDEX NUMBERS—CHRISTIANIA, NORWAY, ØKONOMISK REVUE.

[Dec. 31, 1913-June 30, 1914=100.]

Date.	Animal food.	Vegetable food.	Food-stuffs and fertilizers.	Fuel.		Iron.	Metals.	Building materials.	Textiles.	Hides and leather.	Pulp wood.	Paper.
				Coal and coke.	Petroleum and benzene.							
End of—												
1914.....	115	130	108	151	104	115	128	107	105	158	103	101
1915.....	149	150	150	224	132	158	289	131	121	193	124	137
1916.....	193	198	195	355	170	435	401	213	178	251	171	190
1917.....	260	292	231	1161	251	720	503	326	264	296	217	263
1918.....	324	277	284	514	217	573	503	359	302	286	283	313
1919.....	329	281	277	767	162	442	187	358	356	284	277	322
1920.												
April.....	299	301	289	871	196	603	232	386	396	279	295	365
May.....	293	317	292	969	225	621	229	410	396	274	295	425
June.....	300	324	306	986	257	696	232	429	406	274	323	425
July.....	337	376	328	1050	274	724	237	455	413	269	413	453
August.....	347	388	341	1050	328	703	240	468	418	271	444	453
September.....	360	392	341	1190	369	682	240	470	418	271	446	482
October.....	353	390	343	1190	369	581	232	460	431	271	446	482
November.....	372	389	343	1067	369	533	213	442	412	259	383	482
December.....	352	385	340	647	407	482	200	416	402	255	321	472
1921.												
January.....	307	370	317	512	384	394	165	378	374	217	321	472
February.....	294	324	292	358	364	340	167	362	352	212	289	472
March.....	307	315	287	289	357	328	169	339	350	203	289	472
April.....	283	304	273	317	343	295	166	329	329	199	289	413

GROUP INDEX NUMBERS—AUSTRALIAN COMMONWEALTH, BUREAU OF CENSUS AND STATISTICS.

[July, 1914=100.]

Date.	Metals and coal.	Textiles, leather, etc.	Agricultural products.	Dairy products.	Groceries and tobacco.	Meat.	Building materials.	Chemicals.
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.....	213	207	110	116	131	155	194	243
1918.....	220	232	135	121	138	147	245	315
1919.....	193	217	186	137	147	145	261	282
1920.....	209	243	229	184	186	201	295	277
1920.								
April.....	205	277	234	169	192	160	298	280
May.....	214	265	252	177	197	170	307	297
June.....	214	260	261	187	195	208	307	297
July.....	211	252	244	188	193	261	307	283
August.....	209	251	238	189	193	284	312	282
September.....	211	222	231	209	196	273	295	276
October.....	222	220	208	214	196	226	289	276
November.....	222	180	206	212	195	211	281	255
December.....	216	156	193	210	198	193	271	252
1921.								
January.....	215	145	197	208	197	191	279	244
February.....	214	132	192	206	197	184	303	242
March.....	203	107	176	207	198	178	303	234
April.....	202	114	164	178	196	144	284	231

GROUP INDEX NUMBERS—CANADA, DEPARTMENT OF LABOR.¹

[1913=100.]

Date.	Grains and fodder.	Animals and meats.	Dairy products.	Fruits and vegetables.	Other foods.	Textiles.	Hides, leather, etc.	Metals.	Implements.	Building materials, lumber.	Fuel and lighting.	Drugs and chemicals.
1913.....	100	100	100	100	100	100	100	100	100	100	100	100
1914.....	114	107	100	99	104	102	105	96	101	100	94	106
1915.....	136	104	105	93	121	114	110	128	106	97	92	160
1916.....	142	121	119	130	136	148	143	167	128	100	113	222
1917.....	206	161	149	233	180	201	168	217	174	118	163	236
1918.....	231	197	168	214	213	273	169	229	213	147	188	250
1919.....	227	199	192	206	222	285	213	173	228	171	201	205
1920.....	263	198	204	261	258	303	191	203	245	268	255	204
1920.												
April.....	291	200	196	316	264	328	239	214	237	268	245	201
May.....	301	207	189	358	275	323	210	213	237	294	257	203
June.....	302	211	183	338	274	314	182	207	238	294	279	206
July.....	292	211	194	295	283	305	178	209	242	282	294	218
August.....	271	204	198	216	277	300	173	209	243	285	298	218
September.....	254	202	202	190	261	296	161	207	259	273	296	217
October.....	229	194	207	177	249	292	156	203	259	265	295	211
November.....	201	184	209	203	236	273	153	195	259	265	270	205
December.....	190	179	221	189	223	251	141	178	259	252	269	201
1921.												
January.....	186	175	216	184	212	228	131	174	257	248	247	196
February.....	171	171	185	163	205	204	126	167	257	239	234	188
March.....	168	171	174	175	203	198	118	158	243	231	233	181
April.....	154	169	161	162	189	191	115	145	241	229	226	180
May.....	150	158	126	162	189	187	114	147	235	224	216	178

¹ Unimportant groups omitted.

GROUP INDEX NUMBERS—CALCUTTA, INDIA, DEPARTMENT OF STATISTICS.

[End of July, 1914=100.]

Date.	Building materials.	Manufactured articles.	Metals.	Hides and skins.	Cotton manufactures.	Raw cotton.	Jute manufactures.	Other textiles.	Oils, mustard.	Raw jute.	Oil seeds.	Tea.	Sugar.	Pulses.	Cereals.	Other foods.
End of July, 1914...	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1920.																
Average for the year.	138	231	238	147	354	153	149	162	128	104	173	78	407	166	154	184
April.....	114	201	219	209	357	158	170	161	116	119	163	90	377	159	156	185
May.....	128	215	248	160	365	135	142	164	123	120	169	90	511	150	157	183
June.....	131	233	244	116	364	144	147	164	119	83	171	73	482	149	156	180
July.....	139	235	249	100	364	132	151	168	119	89	169	74	503	159	151	188
August.....	142	235	257	99	360	139	163	168	115	91	167	72	477	169	154	185
September.....	158	237	245	105	347	154	163	164	115	105	179	65	456	170	154	186
October.....	154	282	245	96	343	142	136	164	132	104	184	64	392	169	155	178
November.....	161	246	243	89	341	133	118	164	118	90	163	62	348	168	150	173
December.....	161	229	242	90	333	116	107	156	124	83	152	69	273	149	139	160
1921.																
January.....	158	238	247	81	324	107	104	149	116	85	130	77	314	135	139	139
February.....	147	226	243	80	306	104	101	149	97	80	124	70	352	119	129	148
March.....	147	242	255	97	311	119	97	123	110	85	131	76	359	147	141	150

COMPARATIVE RETAIL PRICES IN PRINCIPAL COUNTRIES.

In the following table are presented statistics showing the trend of retail prices and the cost of living in the United States and important European countries. Three of these index numbers—those for the United Kingdom, Paris, and Sweden—are constructed on the basis of prices in July, 1914=100. In the case of the United States, the original base, that of the year 1913, has been shifted to the July, 1914, base. The German index uses the year ending July, 1914 as a base.

The American index number, constructed by the Bureau of Labor Statistics, was based upon the retail prices of 22 articles of food, weighted

according to family consumption, until January, 1921, when it was increased to 43 articles reported by dealers in 51 important cities. The method of weighting continues the same, although the actual "weights" applied have been changed.

The British index number of the cost of living constructed by the Ministry of Labor consists of the retail prices not only of foodstuffs but of other articles as well. Retail clothing prices, rents, and the cost of fuel, lighting, and miscellaneous household items are also taken into consideration. The index number is weighted according to the importance of the items in the budgets of working-class families.

The retail price index for Paris, compiled by the French General Statistical Office, consists of retail prices of 13 different commodities, weighted according to the average annual consumption of a working man's family of four persons. Eleven of the commodities included in this index are foods, and the other two are kerosene and alcohol.

The Swedish index number consists of the retail prices of foodstuffs, fuel, and lighting and is based upon the prices of 51 articles in 44 towns (in 1920, 50 articles in 49 towns), weighted according to the budget of a working man's family which before the war had a yearly income of 2,000 kronor.

The German index expresses upon a percentage basis figures compiled by Dr. R. R. Kuczynski of the Statistical Office at Berlin-Schöneberg. Dr. Kuczynski bases his calculations upon the cost of living per week of a family of four in Greater Berlin.

RETAIL PRICES IN THE UNITED STATES, PARIS, AND SWEDEN;
COST OF LIVING IN UNITED KINGDOM AND BERLIN.
[July, 1914=100.]

	United States, retail prices. ¹	United Kingdom, cost of living. ²	Paris, retail prices. ¹	Sweden, retail prices.	Berlin, cost of living. ³
1919.....	182	216	260	321	.....
1920.....	199	249	371	298	1,080
1920					
April.....	207	232	358	297	1,302
May.....	211	241	378	294	1,267
June.....	215	250	369	294	1,056
July.....	215	252	373	297	1,125
August.....	203	255	373	308	1,069
September.....	199	261	407	307	1,038
October.....	194	264	420	306	1,104
November.....	189	276	426	303	1,097
December.....	175	269	424	294	1,133
1921					
January.....	169	265	410	283	1,111
February.....	155	251	382	262	1,087
March.....	153	241	358	253	1,035
April.....	149	233	328	248	976
May.....	142	228	317	237	.....

¹ Average for the month.

² Beginning of month.

³ August, 1913-July, 1914=100.

FOREIGN TRADE—UNITED KINGDOM, FRANCE, ITALY, SWEDEN, AND JAPAN.

In the following table are presented figures showing the monthly value of the foreign trade of a group of important European countries and Japan. Similar statistics for Germany are not available. Currencies have not been converted to a common unit, nor are methods of valuation the same in all countries. In England, imports are given current c. i. f. values in England; exports and reexports, current f. o. b. values. The same method is followed in Japan and Sweden. In France and Italy, on the other hand, the value of foreign trade is estimated not in terms of current prices but in terms of those

of some earlier date, usually the preceding year.

None of the figures presented below include the import or export of gold and silver. In the case of England and France, group figures are given as well as total values, while in the case of the other countries, total values only are presented. This does not mean that group figures are not obtainable, merely that they are either delayed in publication or appear not to be of such general interest as the French and English material.

Japanese figures for recent months are received by cable and subject to revision.

FOREIGN TRADE OF UNITED KINGDOM.

[In thousands of pounds sterling.]

	Imports.					Exports.					Re-exports.
	Food, drink, and tobacco.	Raw materials and articles mainly unmanufactured.	Articles wholly or mainly manufactured.	Miscellaneous, including parcel post.	Total.	Food, drink, and tobacco.	Raw materials and articles mainly unmanufactured.	Articles wholly or mainly manufactured.	Miscellaneous, including parcel post.	Total.	
1913 monthly average.....	24,184	23,485	16,134	259	64,061	2,716	5,825	34,281	949	43,770	9,131
1919 monthly average.....	59,927	50,565	24,663	358	135,513	2,814	9,274	53,457	1,008	66,553	13,729
1920 monthly average.....	63,948	59,292	37,902	254	161,395	4,241	12,138	93,394	1,528	111,297	18,701
1920.											
April.....	57,362	71,587	38,050	131	167,154	3,959	12,194	88,689	1,410	106,252	20,407
May.....	64,993	60,509	40,580	252	166,334	4,020	13,211	100,727	1,361	119,319	20,260
June.....	67,566	57,919	44,681	325	170,491	4,313	11,447	99,081	1,512	116,352	20,124
July.....	69,571	51,899	41,923	450	163,842	4,515	12,551	118,954	1,432	137,452	17,848
August.....	61,785	51,268	40,016	185	153,255	3,503	10,467	99,645	1,288	114,903	13,368
September.....	67,269	44,557	40,573	293	152,692	4,311	9,515	102,216	1,415	117,456	13,351
October.....	69,168	44,299	36,267	156	149,889	4,678	9,632	95,701	2,285	112,265	16,134
November.....	61,499	46,560	35,955	246	144,260	4,723	9,399	103,694	1,548	119,365	13,115
December.....	59,378	48,613	34,553	241	142,785	3,842	12,277	78,819	1,694	96,631	12,699
1921.											
January.....	49,158	37,005	30,467	420	117,051	3,852	7,668	79,746	1,491	92,756	9,955
February.....	47,750	25,504	23,394	326	96,974	3,075	5,881	58,177	1,089	68,222	8,004
March.....	50,888	17,739	24,930	184	93,742	2,897	5,832	56,969	1,111	66,809	8,888
April.....	52,908	16,547	20,374	167	89,996	3,729	2,936	52,019	1,184	59,868	8,524
May.....	.....	.....	.....	.....	86,300	.....	.....	.....	.....	143,080	17,230

¹ Subject to revision.

FOREIGN TRADE OF FRANCE.¹

[In thousands of francs.]

	Imports.				Exports.				
	Food.	Raw materials.	Manufactured articles.	Total.	Food.	Raw materials.	Manufactured articles.	Parcel post.	Total.
1913, monthly average ²	151,465	412,144	138,169	701,778	69,908	154,841	301,420	47,182	573,351
1919, monthly average ³	892,040	1,229,435	861,797	2,983,272	99,201	203,691	615,630	71,444	989,966
1920, monthly average ³	718,179	1,400,046	832,187	2,950,413	184,277	397,677	1,187,742	99,867	1,869,563
1920.									
August ⁴	723,749	1,171,091	905,613	2,800,453	210,888	440,482	1,631,883	116,255	2,399,508
September.....	608,822	1,294,160	724,894	2,627,876	229,892	446,131	1,363,469	112,081	2,151,573
October.....	667,709	1,243,294	684,442	2,595,445	262,838	337,464	1,597,808	134,472	2,332,552
November.....	549,834	1,389,928	732,416	2,672,178	200,388	405,858	1,136,356	140,996	1,833,598
December.....	672,861	1,548,681	726,715	2,948,257	218,626	366,981	929,222	146,067	1,660,896
1921.									
January.....	346,703	1,101,267	534,498	1,982,468	188,546	436,069	1,142,398	115,605	1,882,618
February.....	386,169	803,231	424,531	1,613,931	172,992	478,561	1,162,817	85,074	1,899,444
March.....	455,545	786,352	501,011	1,742,908	162,901	379,281	1,035,826	108,418	1,686,426
April.....	390,345	887,151	501,593	1,779,089	176,333	468,453	1,179,683	107,799	1,932,268
May.....				⁵ 1,565,504					⁵ 1,648,644

¹ Not including gold, silver, or the reexport trade.

² Calculated in 1913 value units.

³ Calculated in 1919 value units.

⁴ August, 1920, through April, 1921, figures calculated in 1919 value units. French foreign trade figures are originally recorded in quantity units only, and the value of the trade is calculated by applying official value units to the quantities imported and exported. Normally the monthly statements of trade appear computed at the rates of the year previous, and only at the end of the year is the trade evaluated at the prices prevailing during that year. Because of the disturbed price conditions in France last year, however, it was not until July that the 1919 price units were decided upon and applied.

⁵ Subject to revision.

FOREIGN TRADE OF ITALY, SWEDEN, AND JAPAN.

	Italy. (In millions of lire.) ¹		Sweden. (In millions of kronor.)		Japan. (In millions of yen.)	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.
1913, monthly average.....	304	210	71	68	61	53
1919, monthly average.....	1,385	506	211	131	181	175
1920, monthly average.....	1,322	650	281	191	195	162
1920.						
February.....	1,141	616	282	106	271	174
March.....	1,431	683	301	151	329	194
April.....	1,363	679	267	164	297	217
May.....	1,491	662	314	227	296	193
June.....	2,076	752	283	224	220	184
July.....	1,040	521	331	268	157	154
August.....	1,249	532	308	230	123	175
September.....	1,202	570	325	233	118	154
October.....	1,126	707	299	218	108	134
November.....	1,240	731	228	177	108	105
December.....	1,591	853	197	171	105	87
1921.						
January.....			122	91	105	75
February.....			116	89	119	77
March.....			² 99	² 75	² 137	² 94
April.....					² 139	² 115

¹ 1920 figures based on 1919 prices.

² Provisional.

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

DISCOUNTS.

Discount operations of the Federal Reserve Banks during March and April, 1921 and 1920, are shown in summary form for the entire system in the table below. Detailed figures for each Federal Reserve Bank for the most recent month are given on pages 732 to 733.

VOLUME OF DISCOUNT OPERATIONS.

[In thousands of dollars.]

	1921		1920	
	April.	March.	April.	March.
Total.....	4,912,652	7,368,268	6,229,741	6,970,331
Secured by Government obligations.....	3,265,617	3,549,797	4,771,072	5,298,884
Otherwise secured and unsecured—Total.....	1,647,035	3,818,471	1,458,669	1,671,447
Commercial paper, n. e. s.....	1,556,368	3,709,669	1,415,201	1,613,530
Agricultural paper.....	50,803	59,129		
Live-stock paper.....	21,600	26,451		
Trade acceptances—				
Total.....	10,860	11,709	15,296	23,383
Foreign.....	45	89	222	2,215
Domestic.....	10,815	11,620	15,074	21,168
Bankers' acceptances—				
Total.....	7,404	11,513	28,172	34,534
Foreign.....	4,982	6,704		
Domestic.....	2,172	4,809		
Dollar exchange.....	250			
Average maturity (in days).....	15.66	12.38	15.08	13.77
Average rate (365-day basis), per cent.....	6.32	6.43	5.67	5.64

Discount operations for the month of April show a very marked decrease in volume as compared with March, the total for March being \$7,368,000,000 and for April \$4,913,000,000, a decrease of \$2,455,000,000, or about 33 per cent. April figures were smaller than March figures in 1920 as well, but the decrease at that time amounted to only about 11 per cent. The following table shows the volume of discounts reduced to a daily basis according to the method explained in the March BULLETIN, page 350:

VOLUME OF DISCOUNTS REDUCED TO DAILY BASIS.

Federal Reserve Bank.	Volume of discounts (in millions).		Average maturity (in days).		Volume on daily basis (in millions).	
	April.	March.	April.	March.	April.	March.
All banks.	\$4,913	\$7,368	15.66	12.38	\$2,565	\$2,943
Boston.....	367	732	8.78	8.86	107	209
New York.....	2,470	4,272	9.59	6.41	789	883
Philadelphia.....	360	399	15.48	12.56	186	162
Cleveland.....	253	279	20.72	14.74	175	133
Richmond.....	292	299	13.93	12.89	136	124
Atlanta.....	151	164	26.55	26.50	133	140
Chicago.....	374	519	35.07	41.13	437	689
St. Louis.....	135	154	27.44	24.33	123	121
Minneapolis.....	65	66	43.10	36.55	94	78
Kansas City.....	91	111	34.90	32.86	106	118
Dallas.....	65	74	36.05	32.86	78	78
San Francisco.....	290	299	20.74	21.55	201	208

While the total volume of discounts was 33 per cent less in April than in March, the average maturity for the most recent month was 15.66 days compared with 12.38 days the month before, an increase of over 26 per cent. Consequently, the volume of discounts when reduced to a daily basis does not show a reduction corresponding to that shown for total discount operations. The average daily volume of discounts declined from \$2,943,000,000 in March to \$2,565,000,000 in April, a decrease of 13 per cent, compared with the above-mentioned decrease of 33 per cent in the total volume. Longer average maturities are shown for all the Federal Reserve Banks, with the exception of those at Boston, Chicago, and San Francisco, but the largest increases are noted for the New York, Philadelphia and Cleveland Reserve Banks. For the New York bank, the average maturity for March was 6.41 days and for April 9.59 days. As a consequence of this increase of nearly 50 per cent in maturity, the reduction by 42 per cent in the total volume of discounts for that bank corresponds to a reduction of average daily volume by less than 11 per cent. Longer average maturities for April than for March appear to be an annual occurrence, although this year's increase is greater than that observed in previous years. The reason for this seasonal tendency may be that many member banks during this part of the year are called upon to supply funds for agricultural purposes and that, when they apply for accommodation to the Federal Reserve Banks, the customers' paper offered is likely to have a longer maturity than is the case earlier in the year. This year, the seasonal tendency appears to be accentuated by the large volume of liquidation of short-term commercial and industrial paper in the New York district.

A noteworthy feature in the reduction of the volume of operations is that discounted paper secured by Government obligations declined only from \$3,550,000,000 to \$3,266,000,000, while other discounts declined from \$3,818,000,000 to \$1,647,000,000, the decline in commercial paper, not otherwise specified, accounting for most of the decrease. The volume of this class of paper discounted in March was \$3,710,000,000 and in April \$1,556,000,000, a decrease of \$2,154,000,000, or 58 per cent. For the New York bank alone, the volume of this class of paper discounted declined from \$2,702,000,000 to \$870,000,000, a decrease of \$1,832,000,000, or of 68 per cent. This decrease in the New York bank consti-

tuted over 85 per cent of the entire decrease in the volume of discounts of this class of paper. The volume of agricultural paper discounted during the month of April was \$51,000,000, compared with \$59,000,000 the month before, the decrease being about 14 per cent, compared with 58 per cent shown for commercial paper proper. The volume of live-stock paper discounted in April was \$22,000,000, compared with \$26,000,000 in March; the volume of trade acceptances \$11,000,000, as against \$12,000,000, and the volume of discounted bankers' acceptances \$7,000,000, as against \$12,000,000.

Only a slight change is noted in the average rate of discount, which was 6.32 per cent in April, as compared with 6.43 per cent in March of this year, and 5.67 per cent in April, 1920.

Following is a summary of holdings of discounted bills at the end of April and of March, 1921 and 1920.

HOLDINGS OF DISCOUNTED BILLS.

[In thousands of dollars.]

	1921		1920	
	Apr. 30.	Mar. 31.	Apr. 30.	Mar. 26.
Total.....	2,076,569	2,233,104	2,535,071	2,449,230
Secured by United States Government obligations.....	937,652	970,961	1,465,320	1,441,015
Otherwise secured and unsecured—Total.....	1,138,917	1,262,143	1,069,751	1,008,215
Commercial and industrial paper, n. e. s.....	881,870	1,010,891	891,181	861,848
Agricultural paper.....	149,223	140,987	44,389	29,321
Live-stock paper.....	81,187	81,693	61,993	45,344
Trade acceptances—Total.....	16,451	15,520	23,937	20,813
Foreign trade.....	117	256	.....	.....
Domestic trade.....	16,334	15,264	.....	.....
Bankers' acceptances—Total.....	10,186	13,052	48,251	50,889
Foreign trade.....	7,665	8,787	.....	.....
Domestic trade.....	2,471	4,183	.....	.....
Dollar exchange.....	50	82	.....	.....

BANKS ACCOMMODATED.

During the month of April 24 banks were added to the membership of the system, the total number of banks increasing from 9,715 to 9,739. The number of banks accommodated in April was 5,559 and in March 5,332, so that the percentage of banks accommodated increased from 54.9 to 57.1 per cent. Increases in the proportion of banks accommodated are noted in the Philadelphia, Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Kansas City, and San Francisco districts, while the proportion in the New York district shows but a nominal change, and the proportions in the Boston, Atlanta, and Dallas districts are smaller than the month before.

Federal Reserve Bank.	Member banks in district.		Member banks accommodated.		Percentage accommodated.	
	Apr. 30.	Mar. 31.	April.	March.	April.	March.
All banks.....	9,739	9,715	5,559	5,332	57.1	54.9
Boston.....	436	436	241	257	55.3	58.9
New York.....	790	788	351	349	44.4	44.3
Philadelphia.....	700	701	369	330	52.7	47.1
Cleveland.....	878	875	308	261	35.1	29.8
Richmond.....	614	612	373	347	60.7	56.7
Atlanta.....	488	484	340	355	69.7	73.3
Chicago.....	1,431	1,425	1,027	922	71.8	64.7
St. Louis.....	579	578	315	306	54.4	52.9
Minneapolis.....	1,011	1,011	608	589	60.1	58.3
Kansas City.....	1,063	1,094	605	585	55.4	53.5
Dallas.....	860	855	545	570	63.4	66.7
San Francisco.....	859	886	477	461	55.5	53.9

ACCEPTANCES.

A summary of the open-market operations of Federal Reserve Banks in April and March, 1921 and 1920, is shown in the following table. Detailed statistics for each Federal Reserve Bank are shown on page 733.

VOLUME OF OPEN-MARKET PURCHASES OF ACCEPTANCES.

[In thousands of dollars.]

	1921		1920	
	April.	March.	April.	March.
Total.....	123,511	149,255	247,564	303,360
Bankers' acceptances—Total.....	121,412	148,698	240,704	294,301
In the domestic trade.....	28,335	31,362	56,189	57,350
In the foreign trade.....	75,560	100,598	182,762	236,951
Dollar exchange.....	17,517	16,738	1,753	4,158
Trade acceptances—Total.....	2,099	557	6,890	4,901
In the domestic trade.....	.....	.....	388	812
In the foreign trade.....	2,099	557	6,502	4,089
Average maturity (in days).....	28.60	33.99	51.59	49.33
Average rate (365-day basis), per cent.....	5.94	6.01	5.82	5.80

Open-market purchases of acceptances in April were \$124,000,000, compared with \$149,000,000 in March, the largest decreases being shown for bankers' acceptances, which aggregated \$121,000,000 in April, compared with \$149,000,000 the month before. Bankers' acceptances in the domestic trade declined by about \$3,000,000, and dollar exchange bills purchased increased by about \$1,000,000. The decrease in the total of bankers' acceptances purchased is largely due to a reduced volume of acceptances in the foreign trade, which aggregated \$76,000,000 in April as compared with \$101,000,000 in March.

Following is a table showing the volume of open-market purchases in April and March reduced to a daily basis:

VOLUME OF OPEN-MARKET PURCHASES REDUCED TO DAILY BASIS.

Federal Reserve Bank.	Volume of purchases (in millions).		Average maturity (in days).		Volume on daily basis (in millions).	
	April.	March.	April.	March.	April.	March.
All banks.....	124	149	26.60	33.99	110	164
Boston.....	13	24	14.60	19.57	6	15
New York.....	72	78	19.61	29.89	47	75
Philadelphia.....	10	9	46.64	40.13	16	12
Cleveland.....	8	11	30.52	44.65	8	16
Richmond.....	1	3	62.36	39.78	2	4
Atlanta.....	1	(1)	66.57	70.05	2	1
Chicago.....	12	15	53.52	57.27	22	28
St. Louis.....	2	2	15.05	21.27	1	1
Minneapolis.....	(1)	(1)	39.29	.....	.....	.....
Kansas City.....	(1)	.....	86.20	.....	.....	.....
Dallas.....	(1)	(1)	26.05	82.90	.....	.....
San Francisco.....	5	7	37.10	50.60	6	12

¹ Less than \$500,000.

It will be noted that the average maturity of purchased bills in April was 26.6 days, compared with 33.99 days in March. This reduction of 22 per cent in maturity, together with a reduction of 17 per cent in total volume of purchases, has resulted in a decline of 33 per cent in the volume of purchases reduced to a daily basis. For the New York Reserve Bank the volume of paper purchased in April was \$72,000,000, compared with \$78,000,000 the

month before, and the average maturity was 19.61 days, as against 29.89 days. As a consequence, the average daily volume of purchases for that bank shows a decrease from \$75,000,000 in March to \$47,000,000 in April.

Following is a summary of the holdings of purchased and discounted acceptances at the end of March and of April, 1921:

HOLDINGS OF PURCHASED AND DISCOUNTED ACCEPTANCES.

[In thousands of dollars.]

	End of—	
	April.	March.
All classes.....	136,402	147,913
Purchased in open market.....	199,763	119,341
Discounted for member banks.....	26,639	28,572
Total, distributed by classes of acceptances:		
Bankers' acceptances—Total.....	119,339	132,106
Foreign.....	84,378	93,782
Domestic.....	21,710	28,224
Dollar exchange.....	13,242	10,100
Trade acceptances—Total.....	17,072	15,807
Foreign.....	738	543
Domestic.....	16,334	15,264
Bankers' acceptances, distributed by classes of accepting institutions:		
Member banks—		
National.....	37,635	46,374
Nonnational.....	31,073	28,745
Nonmember banks and banking corporations.....	21,132	23,736
Private bankers.....	14,091	16,015
Branches and agencies of foreign banks.....	15,372	17,336

VOLUME OF OPERATIONS.

VOLUME OF DISCOUNT AND OPEN-MARKET OPERATIONS DURING APRIL, 1921.

Federal Reserve Bank.	Bills discounted for member banks.	Bills bought in open market.	United States securities purchased.		Total.	
			Bonds and Victory notes.	Certificates of indebtedness.	April, 1921.	April, 1920.
Boston.....	\$367,020,034	\$13,278,272	.....	\$3,737,500	\$384,035,806	\$458,459,221
New York.....	2,489,906,248	71,580,181	.....	26,751,000	2,568,237,429	4,013,611,967
Philadelphia.....	359,860,513	9,859,528	.....	10,160,000	379,880,041	596,705,179
Cleveland.....	252,871,628	8,046,771	.....	235,500	261,153,899	333,465,870
Richmond.....	292,130,222	1,227,900	.....	2,000,000	295,358,122	327,562,268
Atlanta.....	150,877,136	1,117,213	\$520,000	.....	152,514,349	160,846,194
Chicago.....	374,274,131	11,423,244	.....	2,091,500	387,788,875	553,986,741
St. Louis.....	134,975,986	1,813,067	.....	1,078,500	137,867,553	277,722,527
Minneapolis.....	65,171,993	.....	.....	187,500	65,359,493	110,890,565
Kansas City.....	90,747,721	25,000	.....	405,000	91,177,721	145,170,283
Dallas.....	64,551,083	3,916	.....	.....	64,554,999	117,952,001
San Francisco.....	290,265,132	5,135,679	.....	1,319,000	296,719,831	378,105,972
Total:						
April, 1921.....	4,912,651,847	123,510,771	520,000	47,965,500	5,084,648,118	.....
April, 1920.....	6,229,740,505	247,594,383	900	997,143,000	.....	7,474,478,788
4 months ending Apr. 30, 1921.....	28,659,530,775	564,490,578	531,800	789,524,057	30,014,057,210	.....
4 months ending Apr. 30, 1920.....	25,958,782,091	1,153,714,069	245,350	3,440,202,000	.....	30,552,943,510

VOLUME OF BILLS DISCOUNTED DURING APRIL, 1921, BY CLASSES OF PAPER; ALSO AVERAGE RATES AND MATURITIES.

Federal Reserve Bank.	Customers' paper secured by Government obligations.	Member banks' collateral notes.		Commercial paper n. e. s.	Agricultural paper	Live-stock paper.
		Secured by Government obligations.	Otherwise secured.			
Boston.....	\$8,193,205	\$230,149,500	.....	\$128,400,215	\$198,404	\$8,792
New York.....	70,397,761	1,524,450,544	\$50,000	870,354,132	424,186	.....
Philadelphia.....	29,472,055	206,252,452	35,000	123,670,579	299,264	.....
Cleveland.....	6,291,636	174,069,095	224,000	66,947,743	435,131	110,160
Richmond.....	2,200,503	245,928,612	932,500	39,739,920	5,212,085	74,609
Atlanta.....	5,147,193	93,153,550	690,000	45,402,672	4,535,205	901,039
Chicago.....	11,085,273	214,389,591	1,248,250	130,329,347	14,862,132	420,599
St. Louis.....	3,299,945	84,683,129	497,225	41,056,449	3,915,689	567,656
Minneapolis.....	719,767	28,861,485	6,804,805	18,000,934	6,682,606	3,779,261
Kansas City.....	3,155,173	62,192,007	.....	15,208,216	2,253,904	7,242,334
Dallas.....	745,201	41,233,278	2,814,200	10,379,835	4,936,900	4,037,923
San Francisco.....	4,175,490	215,381,072	10,445,710	46,136,316	7,067,959	4,487,319
Total:						
April, 1921.....	144,883,232	3,120,733,325	23,741,690	1,532,626,358	50,893,505	21,599,692
March, 1921.....	120,347,662	3,429,449,782	29,730,819	3,679,937,806	50,129,336	26,451,094
April, 1920.....	212,792,704	4,558,279,489	8,935,916	.....	1,406,264,752	.....
March, 1920.....	189,512,507	5,109,371,143	11,451,320	.....	1,602,079,269	.....

Federal Reserve Bank.	Trade acceptances.		Bankers' acceptances.			Total, all classes.	Average rate maturity.	Average rate (365-day basis)
	Foreign.	Domestic.	Foreign.	Domestic.	Dollar exchange.			
Boston.....	.....	\$99,918	.....	.....	.....	\$367,020,034	8.78	6.21
New York.....	.....	1,423,604	\$2,706,021	\$50,000	\$50,000	2,489,906,248	9.59	6.45
Philadelphia.....	.....	131,153	.....	.....	.....	359,860,513	15.48	5.55
Cleveland.....	.....	2,041,326	1,689,153	863,354	200,000	252,871,628	20.72	6.00
Richmond.....	\$43,873	1,000,120	.....	.....	.....	292,130,222	13.93	6.00
Atlanta.....	.....	607,477	240,000	209,000	.....	150,877,136	26.55	6.36
Chicago.....	.....	1,756,439	.....	191,500	.....	374,274,131	35.07	6.70
St. Louis.....	.....	437,029	25,000	553,884	.....	134,975,985	27.44	6.03
Minneapolis.....	.....	211,481	124,189	7,465	.....	65,171,993	43.10	6.81
Kansas City.....	.....	696,087	.....	.....	.....	90,747,721	34.90	6.44
Dallas.....	.....	373,686	.....	.....	.....	64,551,083	36.05	6.73
San Francisco.....	500	2,036,905	197,980	305,901	.....	290,265,152	20.74	6.00
Total:								
April, 1921.....	44,373	10,815,225	4,982,343	2,172,104	250,000	4,912,651,847	15.66	6.32
March, 1921.....	88,965	11,620,261	6,703,824	4,808,525	.....	7,368,268,054	12.38	6.43
April, 1920.....	15,295,488	.....	28,172,156	.....	.....	6,229,740,505	15.08	5.67
March, 1920.....	23,382,954	.....	34,533,784	.....	.....	6,970,330,977	13.77	5.64

VOLUME OF BANKERS' AND TRADE ACCEPTANCES PURCHASED DURING APRIL, 1921, BY CLASSES OF PAPER; ALSO AVERAGE RATES AND MATURITIES.

Federal Reserve Bank.	Bankers' acceptances.				Trade acceptances.			Total bills purchased.	Average rate maturity.	Average rate (365-day basis).
	Foreign.	Domestic.	Dollar exchange bills.	Total.	Foreign.	Domestic.	Total.			
Boston.....	\$8,184,393	\$4,128,778	\$935,101	\$13,278,272	.....	.....	.....	\$13,278,272	14.60	5.84
New York.....	42,634,880	12,611,945	14,308,280	69,555,105	\$2,025,076	.....	\$2,025,076	71,580,181	19.61	5.91
Philadelphia.....	6,075,864	1,853,664	1,300,000	9,229,528	.....	.....	.....	9,859,528	46.64	5.84
Cleveland.....	5,251,845	2,676,926	118,000	8,046,771	.....	.....	.....	8,046,771	30.52	5.94
Richmond.....	330,000	897,900	.....	1,227,900	.....	.....	.....	1,227,900	62.36	6.08
Atlanta.....	343,713	773,500	.....	1,117,213	.....	.....	.....	1,117,213	66.57	7.10
Chicago.....	7,203,362	3,684,882	535,000	11,423,244	.....	.....	.....	11,423,244	53.52	5.93
St. Louis.....	1,061,969	616,098	135,000	1,813,067	.....	.....	.....	1,813,067	15.05	6.06
Minneapolis.....	.....	25,000	.....	25,000	.....	.....	.....	25,000	86.20	7.10
Kansas City.....	.....	3,916	.....	3,916	.....	.....	.....	3,916	26.05	6.03
Dallas.....	.....	3,916	.....	3,916	.....	.....	.....	3,916	26.05	6.03
San Francisco.....	3,874,004	1,032,575	135,000	5,061,579	74,100	.....	74,100	5,135,679	37.10	6.02
Total:										
April, 1921.....	75,560,030	28,335,184	17,516,381	121,411,595	2,099,176	.....	2,099,176	123,510,771	26.60	5.94
March, 1921.....	100,598,340	31,361,941	16,738,187	148,698,468	556,855	.....	556,855	149,255,323	33.99	6.01
April, 1920.....	182,762,225	56,189,170	1,752,878	240,704,073	6,501,967	\$388,343	6,890,310	247,594,383	51.59	5.82
March, 1920.....	236,951,034	57,350,003	4,157,622	298,458,659	4,089,335	811,510	4,900,845	303,359,504	49.33	5.80

HOLDINGS, BY CLASSES.

AVERAGE DAILY HOLDINGS OF EACH CLASS OF EARNING ASSETS, EARNINGS THEREON, AND ANNUAL RATES OF EARNINGS, DURING APRIL, 1921.

Federal Reserve Bank.	Average daily holdings of—				Earnings on—				Annual rate of earnings on—			
	All classes of earning assets.	Discounted bills.	Purchased bills.	United States securities.	All classes of earning assets.	Discounted bills.	Purchased bills.	United States securities.	All classes of earning assets.	Discounted bills.	Purchased bills.	United States securities.
									<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>
Boston.....	\$145,245,732	\$116,669,663	\$7,223,669	\$21,352,400	\$696,519	\$624,744	\$35,076	\$36,699	5.83	6.52	5.91	2.09
New York.....	742,018,166	638,327,614	42,951,430	60,739,122	3,703,096	3,382,303	208,520	112,273	6.07	6.45	5.91	2.25
Philadelphia.....	183,183,155	140,123,226	14,637,746	31,420,183	779,364	649,812	71,088	58,464	5.09	5.64	5.90	2.26
Cleveland.....	187,062,190	143,902,803	18,455,587	24,703,800	850,239	716,988	91,290	41,961	5.53	6.06	6.02	2.07
Richmond.....	130,474,121	114,809,418	2,037,220	13,627,483	593,218	560,297	10,165	22,756	5.53	5.94	6.07	2.03
Atlanta.....	134,834,800	117,425,208	795,514	16,614,078	642,168	609,608	4,640	27,920	5.80	6.32	7.10	2.05
Chicago.....	449,476,480	387,686,884	9,993,529	42,796,067	2,251,211	2,126,972	49,686	74,553	6.22	6.68	6.05	2.12
St. Louis.....	97,578,750	81,896,834	1,236,083	14,445,833	439,271	407,722	6,133	25,416	5.48	6.06	6.04	2.14
Minneapolis.....	81,383,700	72,768,700	.....	8,615,000	415,604	401,257	.....	14,347	6.21	6.71	.....	2.03
Kansas City.....	116,599,741	97,274,041	100,700	19,225,000	528,374	494,040	587	33,747	5.51	6.18	7.10	2.14
Dallas.....	75,117,502	64,137,387	114,198	10,865,917	361,843	342,235	584	19,024	5.86	6.49	6.13	2.13
San Francisco.....	190,279,069	164,957,964	12,826,895	12,494,300	893,880	808,608	63,916	21,356	5.72	5.96	6.06	2.08
Total:												
April, 1921.....	2,527,253,406	2,139,981,742	110,372,481	276,899,183	12,154,787	11,124,586	541,685	488,516	5.85	6.32	5.97	2.15
March, 1921.....	2,735,784,111	2,301,628,559	138,397,250	295,758,302	13,697,626	12,428,781	706,155	562,690	5.90	6.36	6.01	2.24
April, 1920.....	3,191,945,384	2,440,375,416	419,745,831	331,824,137	13,696,186	11,162,212	1,962,064	571,910	5.23	5.58	5.70	2.10
March, 1920.....	3,211,935,980	2,386,536,669	481,238,308	344,161,003	13,906,325	11,065,472	2,231,078	609,775	5.11	5.47	5.47	2.09

HOLDINGS OF DISCOUNTED BILLS, BY CLASSES.

[End of April figures. In thousands of dollars.]

Federal Reserve Bank.	Total.	Cus- tomers' paper secured by Gov- ernment obliga- tions.	Member banks' col- lateral notes.		Com- mer- cial paper n. e. s.	Agi- cul- tural paper.	Live- stock paper.	Trade acceptances.		Bankers' acceptances.		
			Secured by Govern- ment obliga- tions.	Other- wise se- cured.				For- eign.	Do- mestic.	For- eign.	Do- mestic.	Dollar exchange.
Boston.....	104,369	14,330	30,325	.....	59,349	210	8	.....	147	.....	.....	.....
New York.....	613,263	101,982	272,553	.....	228,586	645	.....	.....	1,765	6,509	1,173	50
Philadelphia.....	148,202	35,004	74,853	35	37,513	566	5	.....	226	.....	.....	.....
Cleveland.....	142,174	7,744	49,273	112	81,313	673	255	.....	2,423	247	134	.....
Richmond.....	109,599	4,700	31,938	335	60,872	9,726	75	.....	1,953	.....	.....	.....
Atlanta.....	115,590	9,924	42,357	283	48,296	11,319	2,075	.....	1,078	208	50	.....
Chicago.....	364,596	19,741	101,422	635	181,350	58,103	.....	.....	3,263	82	.....	.....
St. Louis.....	81,237	5,397	30,504	209	35,621	7,560	778	.....	490	25	653	.....
Minneapolis.....	71,681	893	11,667	3,486	17,161	20,724	16,961	.....	358	324	7	.....
Kansas City.....	95,759	4,221	28,456	5	26,299	8,797	26,725	.....	1,223	.....	33	.....
Dallas.....	64,387	1,167	8,783	1,439	16,699	16,674	18,717	.....	854	.....	54	.....
San Francisco.....	165,712	5,903	44,415	5,598	76,674	14,226	15,588	.....	2,554	270	367	.....
Total:												
Apr. 30, 1921.....	2,076,569	211,106	726,546	12,137	869,733	149,223	81,187	117	16,334	7,665	2,471	50
Mar. 31, 1921.....	2,233,104	204,569	766,392	15,789	995,102	140,987	81,693	256	15,264	8,787	4,183	82
Apr. 30, 1920.....	2,535,071	351,845	1,113,475	4,130	887,051	44,389	61,993	23,937	.....	.....	48,251	.....
Mar. 26, 1920.....	2,449,230	359,106	1,081,909	6,243	855,600	29,321	45,344	20,813	.....	.....	50,889	.....

HOLDINGS OF BANKERS' AND TRADE ACCEPTANCES PURCHASED OR DISCOUNTED, BY CLASSES OF ACCEPTANCES.

[End of April figures. In thousands of dollars.]

Federal Reserve Bank.	All classes.			Bankers' acceptances.				Trade acceptances.		
	Total.	Purchased in open market.	Discounted for member banks.	Total.	Foreign.	Domestic.	Dollar exchange bills.	Total.	Foreign.	Domestic.
Boston.....	7,950	7,803	147	7,803	4,360	2,548	895	147	.....	147
New York.....	65,184	55,687	9,497	62,994	44,021	8,518	10,455	2,190	425	1,765
Philadelphia.....	11,976	11,750	226	11,750	10,199	1,276	275	226	.....	226
Cleveland.....	16,025	13,221	2,804	13,602	10,654	2,254	694	2,423	.....	2,423
Richmond.....	3,686	1,733	1,953	1,733	586	1,147	.....	1,953	.....	1,953
Atlanta.....	2,493	1,157	1,336	1,415	437	978	.....	1,078	.....	1,078
Chicago.....	10,846	7,501	3,345	7,583	5,941	1,317	325	3,263	.....	3,263
St. Louis.....	1,937	769	1,168	1,447	357	980	110	490	.....	490
Minneapolis.....	690	.....	690	332	324	8	.....	358	.....	358
Kansas City.....	1,281	25	1,256	58	25	33	.....	1,223	.....	1,223
Dallas.....	933	25	908	79	21	58	.....	854	.....	854
San Francisco.....	13,401	10,092	3,309	10,534	7,453	2,593	488	2,867	313	2,554
Total:										
Apr. 30, 1921.....	136,402	109,763	26,639	119,330	84,378	21,710	13,242	17,072	738	16,334
Mar. 31, 1921.....	147,913	119,341	28,572	132,106	93,782	28,224	10,100	15,807	543	15,264
Purchased in open market:										
Apr. 30, 1921.....	.....	109,763	.....	109,142	76,712	19,238	13,192	621	621	.....
Mar. 31, 1921.....	.....	119,341	.....	119,054	84,995	24,041	10,018	287	287	.....
Discounted for member banks:										
Apr. 30, 1921.....	.....	.....	26,639	10,188	7,666	2,472	50	16,451	117	16,334
Mar. 31, 1921.....	.....	.....	28,572	13,052	8,787	4,183	82	15,520	256	15,264

HOLDINGS OF BANKERS' ACCEPTANCES PURCHASED OR DISCOUNTED, BY CLASSES OF ACCEPTING INSTITUTIONS.

[End of April figures. In thousands of dollars.]

Federal Reserve Bank.	Total.	Member banks.		Non-member banks and banking corporations.	Private bankers.	Branches and agencies of foreign banks.
		National.	Non-national.			
Boston.....	7,803	5,066	2,277	416	44	.....
New York.....	62,994	16,301	17,181	11,550	9,436	8,526
Philadelphia.....	11,750	4,166	2,722	2,337	960	1,565
Cleveland.....	13,602	3,046	2,457	2,745	2,106	3,248
Richmond.....	1,733	1,703	30	.....	.....	.....
Atlanta.....	1,415	442	973	.....	.....	.....
Chicago.....	7,583	3,224	3,655	557	125	22
St. Louis.....	1,447	534	768	45	.....	100
Minneapolis.....	332	76	56	200	.....	.....
Kansas City.....	58	58	.....	.....	.....	.....
Dallas.....	79	58	.....	.....	12	9
San Francisco.....	10,534	2,961	941	3,312	1,418	1,902
Total:						
Apr. 30, 1921.....	119,330	37,635	31,060	21,162	14,101	15,372
Mar. 31, 1921.....	132,106	46,304	28,745	23,736	16,015	17,306
Purchased in open market:						
Apr. 30, 1921.....	109,142	33,981	28,346	18,341	13,015	14,559
Mar. 31, 1921.....	119,054	40,404	25,464	20,653	15,878	16,655
Discounted for member banks:						
Apr. 30, 1921.....	10,188	3,654	2,689	2,851	186	808
Mar. 31, 1921.....	13,052	5,900	3,281	3,083	137	651

CONDITION OF FEDERAL RESERVE BANKS.

Discount operations of the Federal Reserve Banks during the five weeks between April 22 and May 25, as measured by the amounts of discounted bills held at the close of each report week, show substantial reduction, the May 25 total of \$1,870,300,000 being \$243,600,000 below the total shown at the earlier date. Of the total reduction for the period, \$148,700,000 represents the curtailment of loans secured by United States Government obligations, largely paper secured by Liberty bonds and Victory notes, and \$94,900,000 the curtailment of loans otherwise secured and unsecured, i. e., commercial loans proper. Accordingly, the share of Government paper in the total discounts held by the Reserve Banks shows a decline for the period from over 44 to less than 43 per cent, as against over 57 per cent about the end of May of last year. Rate reductions adopted by six Reserve Banks in April and during the early part of May apparently as yet have had but little effect in checking the liquidation movement. As a matter of fact, loan liquidation of the Boston, New York, Atlanta, Chicago, Minneapolis, and Dallas Reserve Banks for the period under review totaled \$212,800,000, or 15.4 per cent, compared with \$30,800,000, or 4.2 per cent, shown for the other six banks which made no recent rate changes. Inasmuch as the effect of the new rates is to eliminate to some extent the preferential rates on

Government paper, it is to be expected that Federal Reserve Bank holdings of this class of paper will continue to decline with the reduction in the total volume outstanding and the gradual absorption of these securities by the investing public. In this connection, it may be noted that the substantial increase in member banks' holdings of Treasury certificates shown in the May 18 member bank statement was followed but by a slight increase in the Federal Reserve Bank holdings of paper secured by such certificates. This, apparently for the reason that present Reserve Bank rates on paper secured by certificates, in most cases, are in excess of the coupon rates, and therefore no longer act as an inducement for discounting with the Reserve Banks. As a matter of fact, the banks' May 25 holdings of paper secured by certificates totaled only \$53,400,000, compared with \$78,200,000 five weeks earlier, and \$47,000,000 on the previous Wednesday, following the issuance of about \$256,000,000 of new loan certificates, an amount largely in excess of the \$200,000,000 or thereabouts of certificates redeemed on and after May 16.

In the following exhibit there is given a summary of the weekly changes in the principal asset and liability items of the Federal Reserve Banks for the five weeks under review:

MOVEMENT OF PRINCIPAL ASSETS AND LIABILITIES OF THE TWELVE FEDERAL RESERVE BANKS COMBINED.

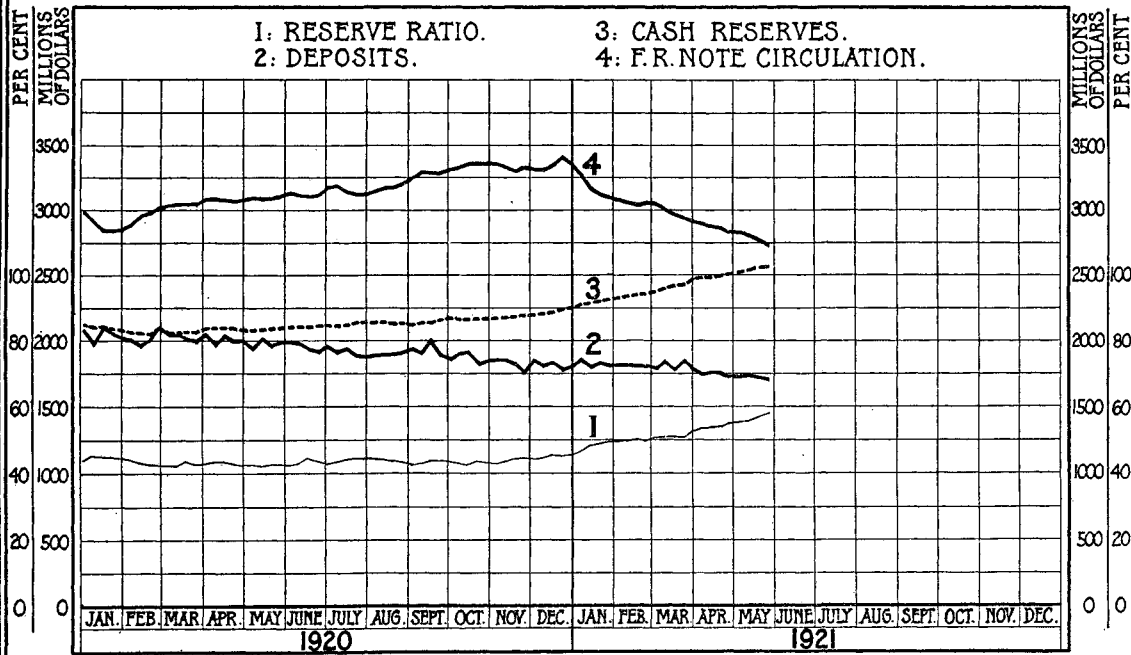
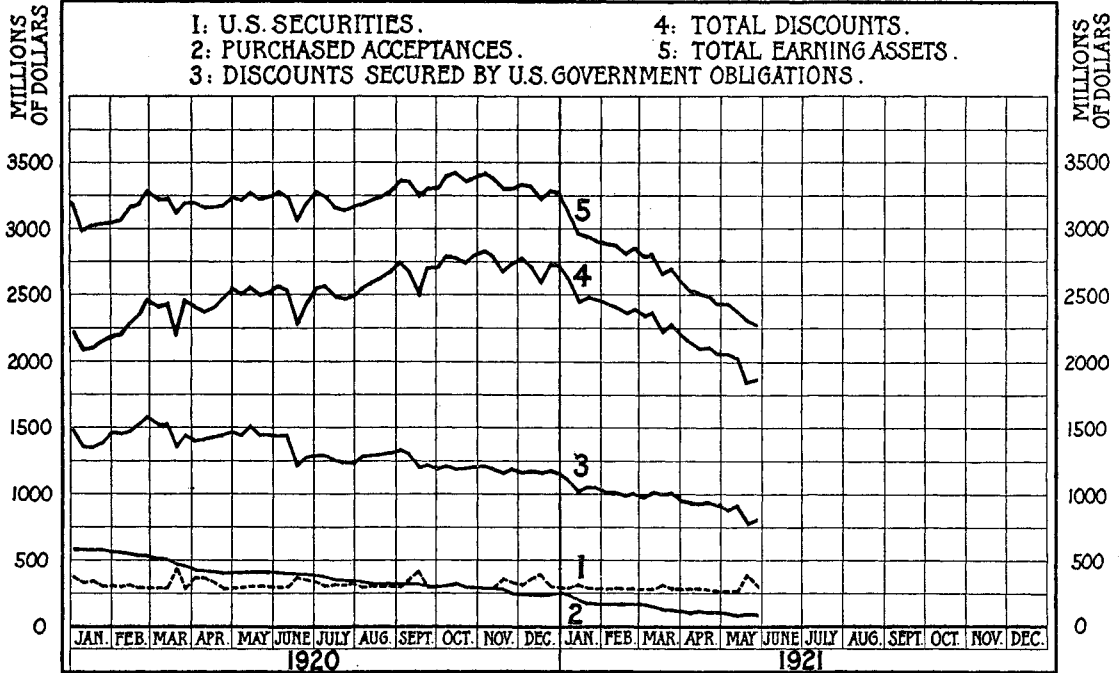
[In millions of dollars.]

	Apr. 22.	Apr. 27.	May 4.	May 11.	May 18.	May 25.
Reserves:						
Total.....	2,492.8	2,504.8	2,519.9	2,537.8	2,549.1	2,558.2
Gold.....	2,298.1	2,317.6	2,343.4	2,363.6	2,378.9	2,392.9
Bills discounted:						
Total.....	2,113.9	2,063.7	2,066.3	2,035.4	1,842.6	1,870.3
Secured by United States Government obligations.....	942.7	920.5	892.4	917.7	774.9	794.0
All other.....	1,171.2	1,143.2	1,173.9	1,117.7	1,067.7	1,076.3
Bills bought in open market.....	104.5	103.6	94.3	76.6	81.7	87.1
Certificates of indebtedness.....	246.7	242.1	240.4	241.4	363.8	230.1
Total earning assets.....	2,490.7	2,435.1	2,426.6	2,379.1	2,313.9	2,263.1
Government deposits.....	67.5	35.9	23.4	13.8	15.6	17.3
Members' reserve deposits.....	1,648.9	1,656.7	1,671.4	1,688.0	1,665.5	1,655.6
Total deposits.....	1,749.4	1,725.9	1,729.2	1,733.4	1,716.6	1,705.9
Federal Reserve notes in circulation.....	2,556.7	2,830.1	2,828.6	2,804.9	2,767.4	2,734.8
Federal Reserve Bank notes in circulation—net liability.....	159.6	156.2	153.9	149.9	147.8	144.8
Reserve percentage.....	54.1	55.0	55.3	55.9	56.8	57.6

Distribution of discounted paper by maturities shows but little change. Fifteen-day paper continues to form over 59 per cent of the total discounts held; 60-day paper, the next largest group, shows the greatest relative decline, while holdings of 6-month agricultural and live-stock paper show a gain of \$22,400,000.

A further decline from \$104,500,000 to \$87,100,000 is shown in the holdings of acceptances purchased in open market, this decline reflecting both the lessened supply of these bills in consequence of the considerable slump in our foreign trade, also the relatively high rates charged by the Federal Reserve Banks.

MOVEMENT OF PRINCIPAL ASSETS AND LIABILITIES OF THE FEDERAL RESERVE BANKS 1920 - 1921



Further reduction from \$240,900,000 to \$233,400,000 in the total of "Pittman" certificates held with the United States Treasury to secure Federal Reserve Bank note circulation, is due to the redemption by the Government of certificates, upon deposit with the Treasury by the Boston, Philadelphia, Cleveland, Richmond, and Chicago banks of equivalent funds to cover withdrawals from circulation of Federal Reserve Bank notes. Changes in other Treasury certificates represent partly amounts of special certificates held by the Reserve Banks to cover overdrafts by the Government, partly also differences in the amounts of loan and tax certificates held under repurchase agreements. In consequence of the changes shown, total earning assets of the Reserve Banks show a continuous decline for the five weeks of \$227,600,000 and on May 25 stood at \$2,263,100,000, or about 33 per cent below the peak figure reported on October 15 of last year.

Rediscounting operations are reported by the Richmond, Minneapolis, and Dallas banks. On May 25 the New York Reserve Bank held under discount for the Richmond and Minneapolis banks bills totaling \$25,300,000, compared with \$10,000,000 of bills carried for the Richmond bank five weeks before, while Boston and Cleveland show a combined total of \$4,600,000 of like accommodation extended to the Dallas bank, compared with \$7,400,000 at the earlier date. Aggregate contingent liabilities of the Federal Reserve Banks on bills purchased for foreign correspondents show but a slight change, and at the close of the period stood at \$32,300,000.

Deposits, because of the declining amounts of Government balances, show a reduction of \$43,400,000 for the period. The "float" carried by the Reserve Banks, representing the difference between asset item "uncollected items"

and liability item "deferred availability items," shows a further decline for the five weeks of about \$11,500,000, the May 25 volume of \$85,200,000 being \$61,300,000 less than the amount shown on March 18, when the two items were first disregarded in calculating deposit liabilities and reserve percentages.

Federal Reserve note circulation continued its decline from \$2,856,700,000 to \$2,734,800,000, or at an average weekly rate of \$24,400,000, compared with \$18,500,000 for the previous four weeks. Between December 23, 1920, and May 25 of the present year, the reduction in Federal Reserve note circulation totaled \$670,100,000, or nearly 20 per cent, while since May 28, 1920, the decrease in circulation is about 12 per cent. Since April 22, there has also been effected a reduction of \$14,800,000 in Federal Reserve Bank note circulation, the amount outstanding at the close of the review period, \$144,800,000, being nearly 20 per cent below the total shown about a year before.

The banks' gold reserves, owing largely to continued purchases of imported gold, show a further gain for the five weeks of \$94,800,000. This gain is partially offset, however, by a loss of \$29,400,000 in other reserves, i. e., silver and legals. Since the beginning of the year the banks' gold holdings have increased by over \$330,000,000, and their total cash reserves by \$304,500,000. The banks' reserve ratio, because of the increase in reserves and the simultaneous decreases in deposit and note liabilities, shows a further steady advance during the five-week period from 54.1 to 57.6 per cent.

In the following table are shown comparative figures of average daily cash reserves, deposits, Federal Reserve note circulation, and reserve percentages of the Federal Reserve Banks for the months of May and April of the present year and of the two preceding years:

CASH RESERVES, TOTAL DEPOSITS, FEDERAL RESERVE NOTE CIRCULATION, AND RESERVE PERCENTAGES FOR APRIL AND MAY, 1921.

[Daily averages. Amounts in thousands of dollars.]

Federal Reserve Bank.	Total cash reserves.		Total deposits.		Federal Reserve notes in circulation.		Reserve percentage.	
	May.	April.	May.	April.	May.	April.	May.	April.
Boston.....	263,364	257,249	111,178	112,720	255,820	257,916	71.8	69.4
New York.....	787,035	778,936	664,977	671,799	725,618	762,884	56.6	54.3
Philadelphia.....	184,850	192,534	103,408	106,546	232,357	235,260	55.1	56.3
Cleveland.....	283,322	286,271	141,743	143,834	272,842	283,200	68.3	67.0
Richmond.....	78,731	82,173	56,563	58,054	130,975	139,854	42.0	41.5
Atlanta.....	99,826	90,542	46,332	48,436	158,279	155,675	48.8	44.4
Chicago.....	384,961	337,832	244,021	245,052	463,511	474,999	54.4	46.9
St. Louis.....	102,906	102,009	65,512	67,133	109,129	113,397	58.9	56.5
Minneapolis.....	43,122	48,367	43,452	46,050	63,440	66,743	40.3	42.9
Kansas City.....	78,459	73,171	74,449	76,644	85,766	91,155	49.0	43.6
Dallas.....	38,586	41,448	46,098	48,681	52,284	57,512	39.2	39.0
San Francisco.....	196,480	194,547	119,690	124,619	237,358	232,045	55.0	54.5
Total, 1921.....	2,541,640	2,485,079	1,717,423	1,749,568	2,787,379	2,870,645	56.4	53.8
1920.....	2,078,822	2,084,077	1,987,323	1,998,732	3,089,737	3,071,754	1 42.4	1 43.0
1919.....	2,246,087	2,224,948	1,944,547	1,878,879	2,534,112	2,547,535	1 51.8	1 52.0

¹ Calculated on the basis of net deposits and Federal Reserve notes in circulation.

MATURITY DISTRIBUTION OF BILLS AND CERTIFICATES OF INDEBTEDNESS HELD BY ALL FEDERAL RESERVE BANKS COMBINED.

[In thousands of dollars.]

	Total.	Within 15 days.	16 to 30 days.	31 to 60 days.	61 to 90 days.	Over 90 days.
Bills discounted:						
Apr. 27.....	2,063,739	1,229,368	201,058	364,964	218,399	49,950
May 4.....	2,066,245	1,226,865	210,847	357,156	215,658	55,719
May 11.....	2,035,357	1,230,466	219,057	328,419	199,032	58,383
May 18.....	1,842,553	1,090,790	193,790	316,268	178,111	63,594
May 25.....	1,870,256	1,108,808	188,845	322,907	179,564	70,132
Bills bought in open market:						
Apr. 27.....	103,609	58,175	21,429	18,060	5,945	.....
May 4.....	94,302	54,067	19,359	15,873	5,003	.....
May 11.....	76,637	48,746	14,652	9,982	3,257	.....
May 18.....	81,667	51,006	18,057	10,014	2,590	.....
May 25.....	87,138	56,289	16,408	12,148	2,293	.....
United States certificates of indebtedness:						
Apr. 27.....	242,083	4,000	2,165	7,040	7,605	221,273
May 4.....	240,384	1,020	3,568	18,940	12,674	204,182
May 11.....	241,433	4,098	2,108	9,926	13,857	211,444
May 18.....	363,811	86,332	15,206	10,320	25,640	226,313
May 25.....	280,129	36,607	4,769	9,227	26,197	203,329

FEDERAL RESERVE NOTES.

FEDERAL RESERVE AGENTS' ACCOUNTS ON WEDNESDAYS, APR. 27 TO MAY 25, 1921.

[In thousands of dollars.]

RESOURCES.	Total.	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	At- lanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.
Federal Reserve notes on hand:													
Apr. 27.....	813,269	105,090	268,000	21,420	37,970	25,809	80,790	159,560	27,520	11,580	4,600	28,730	42,200
May 4.....	806,550	99,570	268,000	21,420	43,370	23,489	77,440	161,240	26,720	11,380	4,100	29,221	40,600
May 11.....	784,287	98,730	268,000	21,420	40,670	21,989	72,097	158,440	28,320	11,270	4,500	27,351	31,500
May 18.....	791,481	93,930	268,000	21,420	42,620	22,408	70,447	162,960	27,920	12,180	4,100	27,996	37,500
May 25.....	794,718	93,130	268,000	21,420	41,560	23,909	71,137	165,700	29,480	12,360	4,780	28,702	34,540
Federal Reserve notes outstanding:													
Apr. 27.....	3,177,004	271,118	885,505	255,650	308,357	141,978	163,736	510,620	133,491	68,179	98,520	59,337	280,513
May 4.....	3,158,636	271,852	880,939	253,788	300,521	140,954	163,954	507,875	131,978	67,687	97,250	57,239	284,599
May 11.....	3,147,304	268,797	869,589	253,888	299,683	140,628	166,578	508,790	130,888	66,563	95,453	57,596	288,851
May 18.....	3,112,067	272,328	861,232	245,808	295,106	136,268	169,571	502,563	131,775	65,385	94,048	55,755	282,228
May 25.....	3,091,119	270,616	855,937	244,182	292,336	133,226	165,811	497,243	129,601	64,293	93,552	53,735	290,587
Collateral security for Federal Reserve notes outstanding:													
Gold and gold certificates—													
Apr. 27.....	233,852	5,600	176,924	.....	23,775	.....	3,500	.....	6,110	13,052	.....	4,891	.....
May 4.....	233,852	5,600	176,924	.....	23,775	.....	3,500	.....	6,110	13,052	.....	4,891	.....
May 11.....	233,853	5,600	176,925	.....	23,775	.....	3,500	.....	6,110	13,052	.....	4,891	.....
May 18.....	293,852	5,600	236,924	.....	23,775	.....	3,500	.....	6,110	13,052	.....	4,891	.....
May 25.....	343,853	5,600	286,925	.....	23,775	.....	3,500	.....	6,110	13,052	.....	4,891	.....
Gold redemption fund—													
Apr. 27.....	119,167	24,621	15,041	11,594	16,035	3,594	3,407	15,180	4,346	3,016	3,243	3,483	15,607
May 4.....	119,127	19,835	14,590	13,532	16,699	2,649	5,274	15,596	3,533	1,644	3,473	3,875	18,427
May 11.....	117,383	22,940	14,149	13,631	15,761	2,823	5,555	15,350	3,643	2,410	1,476	4,362	15,283
May 18.....	112,347	17,671	13,654	10,552	16,334	3,523	4,898	15,644	3,030	1,462	3,671	3,166	18,742
May 25.....	127,424	22,159	23,359	13,925	15,824	3,481	4,828	16,264	2,857	2,550	2,855	3,853	15,469
Gold settlement fund—Federal Reserve Board—													
Apr. 27.....	964,841	140,000	106,000	112,389	155,000	38,500	50,000	159,644	52,531	6,200	28,360	7,235	108,982
May 4.....	973,108	150,000	106,000	110,389	155,000	35,500	50,000	175,645	52,931	6,200	27,360	5,235	98,848
May 11.....	1,022,902	140,000	106,000	112,389	155,000	40,500	59,000	201,644	56,330	6,200	33,360	2,234	110,245
May 18.....	1,052,420	160,000	111,000	110,389	155,000	34,500	67,000	212,644	58,331	6,200	30,360	2,234	104,772
May 25.....	1,033,952	150,000	101,000	98,389	155,000	31,500	64,000	217,644	58,231	6,200	30,360	5,234	116,394
Eligible paper—													
Amount re- quired—													
Apr. 27.....	1,859,144	100,897	587,540	131,667	113,547	99,884	106,829	335,796	70,504	45,911	66,917	43,728	155,924
May 4.....	1,832,549	96,417	583,425	129,867	105,047	102,805	105,180	316,634	69,404	46,791	66,417	43,238	167,324
May 11.....	1,773,166	100,257	572,515	127,868	105,147	97,305	98,523	291,796	64,805	44,901	60,617	46,109	163,323
May 18.....	1,653,448	89,057	499,654	124,867	99,997	98,245	94,173	274,275	64,304	44,671	60,017	45,464	158,724
May 25.....	1,585,890	92,857	444,653	131,868	97,737	98,245	93,483	263,335	62,403	42,491	60,337	39,757	158,724
Excess amount held—													
Apr. 27.....	247,558	5,643	36,651	4,140	42,036	14,066	8,033	37,261	10,883	25,378	27,527	21,800	14,140
May 4.....	276,521	10,898	43,428	9,040	59,778	3,794	8,716	53,991	9,702	24,629	23,595	20,692	8,258
May 11.....	286,093	5,535	74,523	792	58,855	12,393	7,638	44,460	6,918	24,080	22,244	19,976	8,679
May 18.....	221,370	16,579	3,298	20,178	32,078	10,641	13,599	40,622	10,588	26,537	21,251	18,560	7,439
May 25.....	312,906	15,522	84,966	2,302	34,794	9,827	15,684	52,425	14,991	24,356	22,536	24,770	10,733

FEDERAL RESERVE AGENTS' ACCOUNTS ON WEDNESDAYS, APR. 27 TO MAY 25, 1921—Continued.

[In thousands of dollars.]

RESOURCES.	Total.	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.
Total resources:													
Apr. 27.....	7,414,835	652,969	2,075,661	536,860	696,720	323,831	416,295	1,218,061	305,385	173,316	229,167	169,204	617,366
May 4.....	7,400,343	654,172	2,073,306	538,036	704,190	309,191	414,064	1,230,981	300,378	171,383	222,195	164,391	618,056
May 11.....	7,364,988	641,859	2,081,701	529,988	698,891	315,638	412,891	1,220,480	297,014	168,476	217,650	162,519	617,881
May 18.....	7,236,985	655,165	1,993,762	533,214	664,910	305,585	423,188	1,208,708	302,058	169,487	213,447	158,066	609,395
May 25.....	7,289,862	649,884	2,064,840	512,086	661,026	300,188	418,443	1,212,611	303,673	165,302	214,420	160,942	626,447
LIABILITIES.													
Net amount of Federal Reserve notes received from Comptroller of the Currency:													
Apr. 27.....	3,990,273	376,208	1,153,505	277,070	346,327	167,787	244,526	670,180	161,011	79,759	103,120	88,067	322,713
May 4.....	3,965,186	371,422	1,148,939	275,208	343,891	164,443	241,394	669,115	158,698	79,067	101,350	86,460	325,199
May 11.....	3,931,591	367,527	1,137,589	275,308	340,353	162,617	238,675	667,230	159,208	77,833	99,953	84,947	320,351
May 18.....	3,903,548	366,258	1,129,232	267,228	337,726	158,076	240,018	665,523	159,695	77,565	98,148	83,751	319,728
May 25.....	3,885,837	363,746	1,123,937	265,602	333,896	157,135	236,948	662,943	159,081	76,653	98,332	82,437	325,127
Collateral received from Federal Reserve Banks:													
Gold—													
Apr. 27.....	1,317,860	170,221	297,965	123,983	194,810	42,094	56,907	174,824	62,987	22,268	31,603	15,609	124,589
May 4.....	1,326,087	175,435	297,514	123,921	195,474	38,149	58,774	191,241	62,574	20,896	30,833	14,001	117,275
May 11.....	1,374,138	168,540	297,074	126,020	194,536	43,323	68,055	216,994	66,083	21,662	34,836	11,487	125,528
May 18.....	1,458,619	183,271	361,578	120,941	195,109	38,023	75,398	228,288	67,471	20,714	34,031	10,291	123,504
May 25.....	1,505,229	177,759	411,284	112,314	194,599	34,981	72,328	233,908	67,198	21,802	33,215	13,978	131,863
Eligible paper—													
Apr. 27.....	2,106,702	106,540	624,191	135,807	155,583	113,950	114,862	373,057	81,387	71,289	94,444	65,528	170,064
May 4.....	2,109,070	107,315	626,853	138,907	164,825	106,599	113,896	370,625	79,106	71,420	90,012	63,930	175,582
May 11.....	2,059,259	105,792	647,038	128,660	164,002	109,698	106,161	336,256	71,723	68,981	82,861	66,085	172,002
May 18.....	1,874,818	105,636	502,952	145,045	132,075	108,886	107,772	314,897	74,892	71,208	81,268	64,024	166,163
May 25.....	1,898,796	108,379	529,619	134,170	132,531	108,072	109,167	315,760	77,394	66,847	82,873	64,527	169,457
Total liabilities:													
Apr. 27.....	7,414,835	652,969	2,075,661	536,860	696,720	323,831	416,295	1,218,061	305,385	173,316	229,167	169,204	617,366
May 4.....	7,400,343	654,172	2,073,306	538,036	704,190	309,191	414,064	1,230,981	300,378	171,383	222,195	164,391	618,056
May 11.....	7,364,988	641,859	2,081,701	529,988	698,891	315,638	412,891	1,220,480	297,014	168,476	217,650	162,519	617,881
May 18.....	7,236,985	655,165	1,993,762	533,214	664,910	305,585	423,188	1,208,708	302,058	169,487	213,447	158,066	609,395
May 25.....	7,289,862	649,884	2,064,840	512,086	661,026	300,188	418,443	1,212,611	303,673	165,302	214,420	160,942	626,447

CONDITION OF MEMBER BANKS IN LEADING CITIES.

For the five weeks ending May 18 member banks in leading cities show a total liquidation of \$260,000,000 of loans and discounts, or at the rate of \$52,000,000 a week, compared with an average reduction in loans of \$68,000,000 a week for the four weeks immediately preceding. During the same period the banks reduced their borrowings from the Federal Reserve Banks by \$267,000,000, or slightly more than the reduction in their own loans.

Following is a chart showing changes in the principal assets and liabilities of member banks for 1920 and 1921 to date; also a tabular summary for the most recent six weeks:

MOVEMENT OF PRINCIPAL ASSETS AND LIABILITIES OF REPORTING MEMBER BANKS.

[In millions of dollars.]

	Apr. 15.	Apr. 22.	Apr. 27.	May 4.	May 11.	May 18.
Number of reporting banks.....	820	821	821	821	821	821
Loans and discounts: ¹						
Secured by United States Government obligations...	740	738	739	744	736	715
Secured by stocks and bonds (other than United States Government obligations)...	2,961	2,957	2,968	2,985	2,982	3,003
All other.....	8,656	8,586	8,542	8,524	8,478	8,379
Total loans and discounts ¹	12,357	12,281	12,249	12,253	12,196	12,097

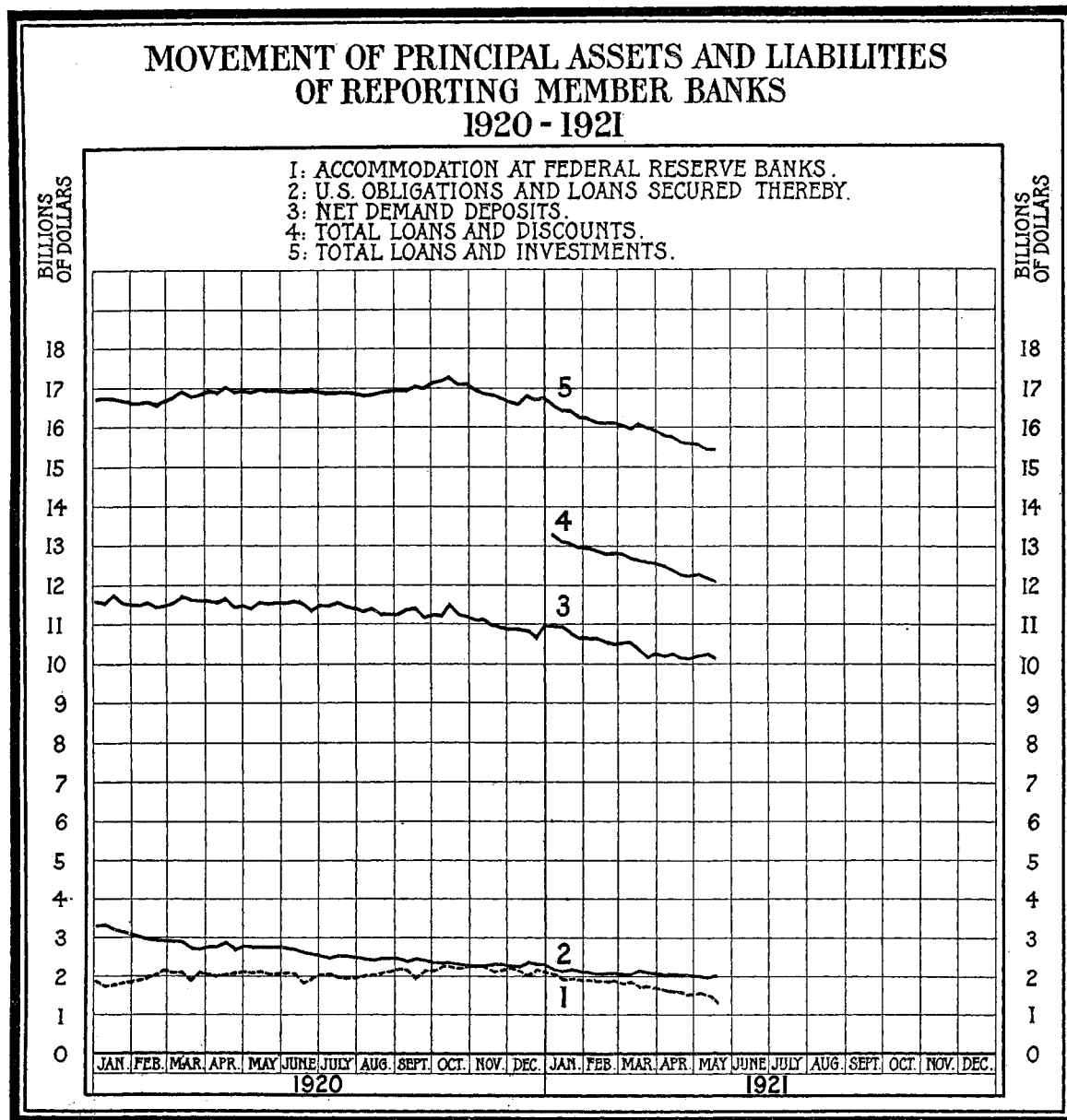
¹ Including bills rediscounted with Federal Reserve Bank.

MOVEMENT OF PRINCIPAL ASSETS AND LIABILITIES OF REPORTING MEMBER BANKS—Continued.

[In millions of dollars.]

	Apr. 15.	Apr. 22.	Apr. 27.	Ma 4.	May 11.	May 18.
United States bonds.....	875	870	876	867	872	871
United States victory notes....	191	191	192	189	189	188
United States certificates of indebtedness.....	286	239	228	206	196	236
Other bonds, stocks, and securities.....	2,047	2,048	2,064	2,067	2,036	2,055
Total loans and discounts, and investments ¹	15,756	15,629	15,603	15,582	15,489	15,447
Reserve balance with Federal Reserve Bank.....	1,270	1,240	1,245	1,261	1,258	1,254
Cash in vault.....	308	313	330	327	340	326
Net demand deposits.....	10,263	10,127	10,138	10,214	10,252	10,156
Time deposits.....	2,924	2,938	2,938	2,941	2,947	3,045
Government deposits.....	329	254	251	210	168	248
Bills payable and rediscounts with Federal Reserve Bank, total.....	1,581	1,583	1,523	1,533	1,506	1,314
Secured by United States Government obligations....	694	707	677	656	686	544
All other.....	887	876	846	877	820	770
Ratio of accommodation at Federal Reserve Banks to total loans and investments.....	10.0	10.1	9.8	9.8	9.7	8.5

Liquidation for the five-week period under review was heaviest for commercial loans proper, which were reduced by \$277,000,000. Loans secured by Government obligations also



show a decrease, but of \$25,000,000 only, while loans secured by stocks and bonds increased by \$42,000,000, apparently in connection with the financing by member banks of recent large flotations of stocks and bonds. Among the banks' investments, no material changes are shown in the holdings of the United States bonds and Victory notes, while holdings of Treasury certificates show a decrease of \$51,000,000, largely owing to the fact that April 15, the beginning of the review period, was the date of a new issue of certificates, whereas May 18, the end of the period, was

three days after a certificate issue. Member bank holdings of corporate and other securities show a slight increase for the five weeks. As a consequence of these changes, total loans and investments of the reporting banks declined from \$15,757,000,000 on April 15, to \$15,447,000,000 on May 18, a decrease of \$309,000,000, or about 2 per cent.

Accommodation of member banks at the Federal Reserve Banks shows a decline for the period from \$1,581,000,000 to \$1,314,000,000, the ratio of accommodation decreasing from 10 to 8.5 per cent. The decrease of \$267,000,000

in accommodation extended by the Federal Reserve Banks to the 820 reporting member banks is to be compared with the reduction by \$262,000,000 in total discounts held by Federal Reserve Banks, indicating that the recent liquidation has been mainly confined to the larger cities, while country banks have slightly increased their borrowings from the Reserve Banks.

Government deposits with the reporting members show a constant decrease from April 15 to May 11, but an increase for the most recent week, during which a new issue of Treasury certificates was allotted. Other demand deposits (net) have shown considerable fluctuations, resulting in a decrease of \$107,000,000 for the period. Time deposits showed a gradual increase for the four weeks, followed by a large advance for the most recent week, and stood

on May 18 at \$3,045,000,000, compared with \$2,924,000,000 five weeks earlier. The increase in time deposits for the most recent week amounted to \$98,000,000, of which \$93,000,000 represented the share of the members in New York City, where deposits were apparently being built up with a view to their utilization in June in connection with the redemption of maturing corporate obligations.

Reserve deposits with the Federal Reserve Banks fluctuated within a narrow range during the five weeks and stood at the end of the period about \$16,000,000 lower than on April 15. Cash in vault, after showing an increase of \$32,000,000 for the first four weeks, shows a decline of \$14,000,000 for the most recent week, and stood at the end of the period at \$326,000,000, as compared with \$308,000,000 five weeks earlier.

PRINCIPAL RESOURCES AND LIABILITIES OF MEMBER BANKS IN LEADING CITIES ON FRIDAY, APR. 22, AND ON WEDNESDAYS FROM APR. 27 TO MAY 18, 1921.

1. ALL REPORTING MEMBER BANKS IN EACH FEDERAL RESERVE DISTRICT.

[In thousands of dollars.]

	Total.	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.
Number of reporting banks:													
Apr. 22.....	821	49	113	58	88	83	43	113	37	35	81	52	69
Apr. 27.....	821	49	113	58	88	83	43	113	37	35	81	52	69
May 4.....	821	49	113	58	88	83	43	113	37	35	81	52	69
May 11.....	821	49	113	58	88	83	43	113	37	35	81	52	69
May 18.....	821	49	113	58	88	83	43	113	37	35	81	52	69
Loans and discounts, including bills rediscounted with Federal Reserve Bank:													
Secured by United States Government obligations—													
Apr. 22.....	737,530	39,754	328,503	71,402	63,653	27,274	22,751	89,529	23,285	13,486	21,599	7,352	28,942
Apr. 27.....	738,864	39,218	332,895	72,690	63,680	26,554	21,354	87,293	22,632	12,677	21,476	7,270	31,119
May 4.....	743,636	37,910	341,928	71,709	62,034	29,214	21,549	88,185	21,998	12,855	22,081	7,210	30,013
May 11.....	736,339	39,070	335,069	72,246	63,169	26,124	22,690	85,860	20,570	13,054	21,564	7,296	29,627
May 18.....	714,852	37,386	320,084	72,984	62,507	26,040	21,113	84,454	20,195	13,149	20,740	7,448	28,752
Secured by stocks and bonds (other than United States Government obligations)—													
Apr. 22.....	2,957,254	184,783	1,218,362	202,680	349,745	112,342	56,051	426,885	118,631	29,808	71,049	37,126	149,792
Apr. 27.....	2,968,385	185,129	1,223,664	203,474	348,508	111,809	55,426	432,349	119,131	30,009	71,361	36,660	150,865
May 4.....	2,985,391	190,856	1,231,617	198,984	348,077	111,224	54,557	442,733	118,563	30,397	72,189	36,213	149,921
May 11.....	2,981,643	195,619	1,226,183	194,817	340,012	113,497	54,371	449,673	118,708	30,160	72,329	36,888	149,586
May 18.....	3,002,893	195,489	1,246,642	195,245	338,268	113,796	55,812	447,201	118,180	31,012	73,419	37,057	150,771
All other—													
Apr. 22.....	8,586,475	632,900	2,977,376	394,278	684,266	336,768	315,640	1,303,614	322,179	233,585	394,137	220,772	770,960
Apr. 27.....	8,541,545	631,810	2,940,583	389,738	679,502	336,140	311,051	1,308,970	324,076	231,279	393,555	221,775	773,063
May 4.....	8,523,913	627,821	2,928,445	391,742	682,297	335,779	314,434	1,311,390	322,726	228,261	387,002	222,404	771,612
May 11.....	8,478,014	623,273	2,910,034	392,621	684,223	332,026	308,037	1,300,583	320,095	227,961	385,581	223,135	770,445
May 18.....	8,379,584	623,085	2,864,663	390,687	679,823	330,100	307,136	1,265,963	320,600	228,101	386,024	218,746	764,656
Total loans and discounts, including bills rediscounted with Federal Reserve Bank:													
Apr. 22.....	12,281,259	857,437	4,524,241	668,360	1,097,664	476,384	394,442	1,820,028	464,095	276,879	486,785	265,250	949,694
Apr. 27.....	12,248,794	856,157	4,497,142	665,908	1,091,660	474,503	387,831	1,828,612	465,839	273,965	486,395	265,705	955,047
May 4.....	12,252,900	859,587	4,501,900	662,435	1,092,408	473,217	380,540	1,842,368	463,287	271,513	481,272	265,827	951,546
May 11.....	12,195,996	857,962	4,471,286	659,684	1,087,404	471,647	385,098	1,836,116	459,373	271,175	479,474	267,119	949,655
May 18.....	12,097,329	855,960	4,431,389	658,916	1,080,598	469,936	384,061	1,797,618	458,975	272,262	480,183	263,251	944,180
United States bonds:													
Apr. 22.....	869,685	33,072	305,572	44,499	97,685	60,780	38,923	77,772	27,629	16,507	33,940	34,319	98,987
Apr. 27.....	870,337	33,159	304,109	44,470	98,012	60,790	39,872	74,928	27,700	16,547	33,672	34,074	103,004
May 4.....	866,633	32,999	304,554	44,450	98,649	60,272	39,859	72,487	27,882	16,196	32,282	33,468	103,537
May 11.....	871,760	33,344	307,878	45,245	98,583	60,800	39,653	72,850	27,706	16,116	32,684	33,240	102,691
May 18.....	870,775	33,497	307,993	45,309	98,729	60,119	39,738	72,823	27,676	16,281	32,544	32,966	102,100

PRINCIPAL RESOURCES AND LIABILITIES OF MEMBER BANKS IN LEADING CITIES ON FRIDAY, APR. 22, AND ON WEDNESDAYS FROM APR. 27 TO MAY 18, 1921—Continued.

1. ALL REPORTING MEMBER BANKS IN EACH FEDERAL RESERVE DISTRICT—Continued.

[In thousands of dollars.]

Table with 14 columns: Total, Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, San Francisco. Rows include categories like United States Victory notes, United States certificates of indebtedness, Other bonds, stocks, and securities, Total loans and discounts, Reserve with Federal Reserve Bank, Cash in vault, Net demand deposits, Time deposits, Government deposits, Bills payable with Federal Reserve Bank, and All other.

PRINCIPAL RESOURCES AND LIABILITIES OF MEMBER BANKS IN LEADING CITIES ON FRIDAY, APR. 22, AND ON WEDNESDAYS FROM APR. 27 TO MAY 18, 1921—Continued.

1. ALL REPORTING MEMBER BANKS IN EACH FEDERAL RESERVE DISTRICT.

[In thousands of dollars.]

Table with 13 columns for cities (Total, Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, San Francisco) and rows for various categories of bills and other resources.

2. MEMBER BANKS IN FEDERAL RESERVE BANK CITIES.

Large table with 13 columns for cities and rows for 'Number of reporting banks', 'Loans and discounts including bills rediscounted with Federal Reserve Bank' (Secured by United States Government obligations, Secured by stocks and bonds, Total), 'United States bonds', 'United States Victory notes', and 'United States certificates of indebtedness'.

PRINCIPAL RESOURCES AND LIABILITIES OF MEMBER BANKS IN LEADING CITIES ON FRIDAY, APR. 22, AND ON WEDNESDAYS FROM APR. 27 TO MAY 18, 1921—Continued.

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

[In thousands of dollars.]

Table with 14 columns: Total, Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, San Francisco. Rows include: Other bonds, stocks, and securities; Total loans and discounts; Reserve with Federal Reserve Bank; Cash in vault; Net demand deposits; Time deposits; Government deposits; Bills payable with Federal Reserve Bank; Bills rediscounted with Federal Reserve Bank.

PRINCIPAL RESOURCES AND LIABILITIES OF MEMBER BANKS IN LEADING CITIES ON FRIDAY, APR. 22, AND ON WEDNESDAYS FROM APR. 27 TO MAY 18, 1921—Continued.

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

[In thousands of dollars.]

	Total.	New York district. ¹	Cleveland district. ²	Richmond district. ³	Atlanta district. ⁴	Chicago district. ⁵	St. Louis district. ⁶	Minneapolis district. ⁷	Kansas City district. ⁸	Dallas district. ⁹	San Francisco district. ¹⁰
Net demand deposits:											
Apr. 22.....	1,594,953	153,380	466,920	98,812	150,031	155,884	85,397	5,058	140,252	60,207	279,012
Apr. 27.....	1,592,454	155,290	461,016	100,555	149,286	160,454	85,062	4,946	138,372	60,556	276,917
May 4.....	1,591,947	155,844	463,653	100,373	147,322	161,060	85,844	4,827	140,124	60,050	272,850
May 11.....	1,602,759	156,388	456,740	99,306	149,347	170,751	87,498	4,826	140,958	59,967	276,978
May 18.....	1,604,564	155,428	467,139	99,387	147,520	171,573	85,824	4,808	138,045	58,918	275,922
Time deposits:											
Apr. 22.....	913,299	69,786	117,482	21,381	83,841	210,778	51,200	3,161	62,032	23,446	270,192
Apr. 27.....	911,842	68,540	117,910	21,344	83,356	210,331	51,072	3,163	62,440	24,287	269,399
May 4.....	915,840	67,535	118,072	21,412	85,919	212,331	50,988	3,176	62,266	24,399	269,742
May 11.....	917,401	67,480	118,687	21,592	87,518	211,901	51,502	3,174	62,246	24,549	268,752
May 18.....	916,749	67,369	117,739	21,600	87,532	212,223	51,404	3,173	62,439	25,614	267,656
Government deposits:											
Apr. 22.....	33,323	2,499	18,418	3,396	1,723	3,201	1,471	.....	157	405	2,053
Apr. 27.....	33,316	2,499	18,493	3,391	1,669	3,201	1,522	.....	157	332	2,052
May 4.....	29,693	2,137	15,710	3,052	1,511	2,620	1,347	.....	1,143	311	1,862
May 11.....	24,477	1,689	12,729	2,693	1,270	1,938	1,138	.....	1,126	258	1,636
May 18.....	35,560	1,922	14,771	4,487	1,733	9,080	983	.....	1,374	349	861
Bills payable with Federal Reserve Bank: Secured by United States Government obligations—											
Apr. 22.....	127,298	15,573	27,519	10,395	22,605	32,194	5,807	72	4,396	1,816	6,921
Apr. 27.....	118,184	14,167	26,005	9,835	21,715	30,811	3,753	122	4,107	1,709	5,960
May 4.....	125,207	14,422	32,565	8,996	19,890	30,556	4,819	122	4,876	1,080	7,881
May 11.....	123,845	14,956	35,577	7,836	18,850	29,736	4,574	122	2,982	930	8,282
May 18.....	100,213	15,297	13,692	8,797	19,858	23,856	5,465	122	2,588	1,390	9,148
All other—											
Apr. 22.....	1,093	.....	.....	183	135	.....	.....	75	.....	100	600
Apr. 27.....	1,257	.....	.....	325	232	.....	.....	.....	.....	100	600
May 4.....	778	.....	.....	.....	.....	.....	.....	78	.....	100	600
May 11.....	845	.....	.....	.....	45	.....	.....	.....	.....	200	600
May 18.....	1,143	.....	.....	350	.....	.....	.....	.....	53	200	540
Bills rediscounted with Federal Reserve Bank: Secured by United States Government obligations—											
Apr. 22.....	22,535	931	5,563	1,906	4,691	5,113	1,573	.....	1,270	259	1,229
Apr. 27.....	21,151	991	5,545	2,007	3,814	5,016	1,574	.....	801	259	1,204
May 4.....	20,528	915	5,585	1,768	3,944	4,821	1,485	.....	678	182	1,250
May 11.....	20,223	922	5,632	1,442	4,111	4,831	1,326	.....	693	182	1,084
May 18.....	17,752	858	5,617	1,792	3,574	2,807	1,238	.....	611	170	1,085
All other—											
Apr. 22.....	137,677	16,727	12,823	15,220	14,292	25,846	12,860	470	12,942	5,239	24,258
Apr. 27.....	134,125	16,878	12,812	16,066	14,212	20,868	14,691	656	11,499	4,421	22,022
May 4.....	129,737	15,470	10,747	16,707	13,966	21,134	13,820	663	10,585	4,374	22,271
May 11.....	116,336	14,244	10,200	15,521	9,964	16,488	13,039	655	9,425	4,071	22,729
May 18.....	112,952	16,069	13,744	15,740	12,292	8,450	12,791	745	9,353	3,791	19,977

¹ Buffalo.

² Pittsburgh and Cincinnati.

³ Baltimore.

⁴ New Orleans, Jacksonville, Birmingham, and Nashville.

⁵ Detroit.

⁶ Louisville, Memphis, and Little Rock.

⁷ Helena.

⁸ Omaha, Denver, and Oklahoma City.

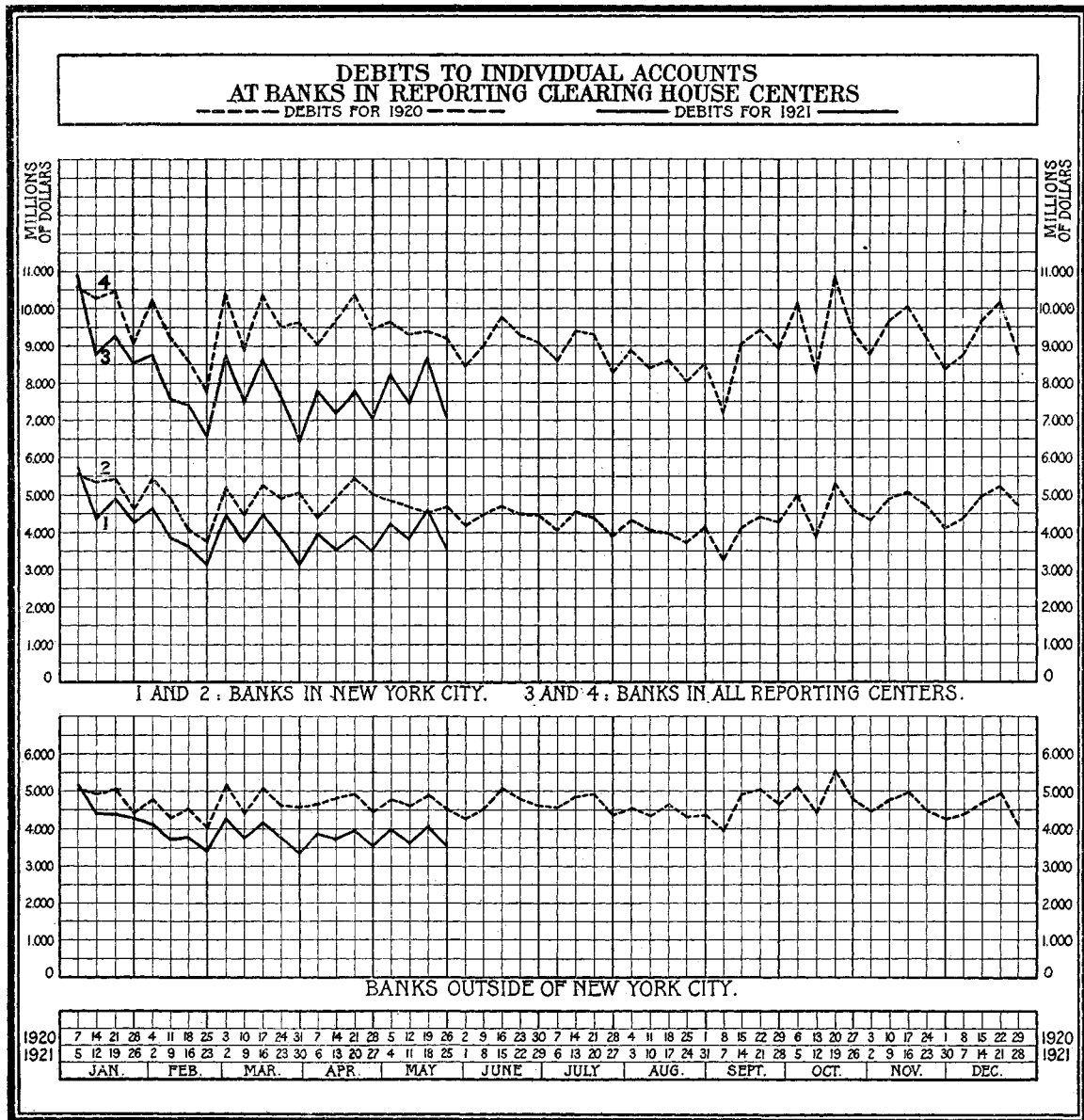
⁹ El Paso and Houston.

¹⁰ Spokane, Portland, Seattle, Salt Lake City, and Los Angeles.

BANK DEBITS.

Debits to individual accounts are indicators of the volume of the Nation's business and are subject to fairly regular fluctuations on alternate weeks, as the result of the larger volume of transactions on weeks containing the last day and the middle day of each month. For this reason, general upward and downward tendencies are not easily apparent. During the present year the first two months showed an unmistakable seasonal downward trend, reflecting the reaction after the increased volume of business caused by the Christmas trade and end-of-year settlements. For the week ending February 23 the low

figure of \$6,481,000,000 is reported. The month of March shows rather larger than average fluctuations, apparently as a consequence of exceptionally heavy Government operations in connection with the March 15 installment of income and excess profits taxes. The last week in March saw the lowest volume of debits for the year—\$6,393,000,000. Since that time the weekly alternations have continued, but each successive low has been somewhat higher than its predecessor. Thus, the low for April 27 was \$6,910,000,000, while the low for May 25 was \$6,992,000,000. It appears, therefore, that there is a slight but unmistakable upward tendency in volume of debits for the last two months.



Comparison of the movement of debits for the five weeks under review with that for the corresponding period of 1920 shows that the general fluctuations for the two years have been substantially parallel, although this year's fluctuations were considerably more pronounced than last year's. The average volume of debits for the most recent five weeks was about 19 per cent below the average

amount for the corresponding period in 1920. This lag compares favorably with the 25 per cent difference reported for the previous four weeks. For New York City, which showed a reduction in the volume of debits earlier last year than did the rest of the country, this year's weekly figures are only 16 per cent below those of last year.

DEBITS TO INDIVIDUAL ACCOUNTS AT CLEARING-HOUSE BANKS.

SUMMARY BY FEDERAL RESERVE DISTRICTS.

[In thousands of dollars.]

Federal Reserve District.	Number of centers included.	1921 Week ending—					1920 Week ending—				
		Apr. 27.	May 4.	May 11.	May 18.	May 25.	Apr. 28.	May 5.	May 12.	May 19.	May 26.
Boston.....	14	337,968	381,326	371,723	423,147	350,134	472,584	480,497	501,830	510,452	482,595
New York.....	7	3,633,454	4,383,619	3,951,005	4,769,214	3,728,729	5,153,062	4,999,839	4,821,757	4,675,732	4,830,296
Philadelphia.....	10	341,057	367,029	325,921	385,837	357,572	416,566	432,265	446,447	445,657	371,444
Cleveland.....	13	406,658	427,353	402,237	446,548	382,354	511,733	501,336	501,268	527,157	522,281
Richmond.....	7	132,372	162,862	142,062	158,400	143,785	179,923	207,042	176,976	198,090	179,012
Atlanta.....	15	159,207	197,860	171,501	176,474	152,659	246,772	268,163	247,556	261,786	248,581
Chicago.....	22	844,906	999,977	831,682	964,083	841,068	1,046,472	1,241,943	1,083,794	1,195,120	1,088,954
St. Louis.....	5	152,462	175,512	166,109	194,058	163,684	215,947	237,628	227,757	253,885	223,857
Minneapolis.....	12	115,530	132,247	126,236	134,627	115,594	160,176	175,529	166,734	174,542	169,730
Kansas City.....	15	219,511	244,968	228,331	237,441	211,975	299,232	323,271	321,630	332,797	306,249
Dallas.....	13	114,531	127,931	132,142	134,802	125,420	155,460	148,501	153,410	164,738	158,389
San Francisco.....	20	451,777	473,472	438,364	477,283	419,245	523,460	519,663	568,450	553,546	529,325
Total.....	153	6,909,633	8,076,156	7,287,313	8,496,914	6,992,219	9,381,426	9,535,677	9,217,609	9,293,502	9,111,513

NOTE.—Figures for the following centers, while shown in the body of the statement, are not included in the summary, complete data for these centers not being available for each week under review: Harrisburg, Pa.; Johnstown, Pa.; Reading, Pa.; Cincinnati, Ohio; Greenville, S. C.; Huntington, W. Va.; Washington, D. C.; Wilmington, N. C.; Moline, Ill.; Springfield, Ill.; East St. Louis and National Stock Yards, Ill.; Quincy, Ill.; Springfield, Mo.; Atchison, Kans.

DATA FOR EACH REPORTING CENTER.

[In thousands of dollars.]

	1921 Week ending—					1920 Week ending—				
	Apr. 27.	May 4.	May 11.	May 18.	May 25.	Apr. 28.	May 5.	May 12.	May 19.	May 26.
District No. 1—Boston:										
Bangor.....	3,413	4,113	3,668	3,415	3,221	5,310	3,617	3,591	3,837	3,530
Boston.....	¹ 210,361	¹ 241,160	¹ 238,890	¹ 277,142	¹ 221,959	302,232	297,204	320,228	318,040	310,634
Boston.....	278,715	314,500	309,765	350,881	285,907					
Fall River.....	5,654	5,582	5,464	5,411	5,367	9,315	11,633	10,298	10,064	11,231
Hartford.....	18,167	22,128	19,289	22,818	18,820	22,628	27,125	29,768	24,500	22,547
Holyoke.....	2,933	2,897	2,847	2,803	2,780	4,786	4,358	4,113	4,835	4,490
Lowell.....	4,366	4,278	4,336	5,380	4,227	6,217	5,896	6,297	7,022	6,248
Manchester.....	4,283	3,978	4,465	4,842	3,918	4,677	5,008	5,055	5,194	4,879
New Bedford.....	5,156	5,395	5,327	6,686	5,179	9,108	8,416	9,710	11,430	9,211
New Haven.....	14,356	18,411	16,544	17,532	15,547	17,506	20,916	21,121	20,337	18,786
Portland.....	7,171	7,824	7,140	7,726	6,297	9,588	8,833	8,411	8,694	8,003
Providence.....	29,285	31,937	31,181	34,486	29,040	38,163	43,224	40,429	45,762	40,068
Springfield.....	12,821	12,835	12,769	13,656	11,949	16,871	17,266	15,397	19,966	17,041
Waterbury.....	5,478	6,447	5,430	5,550	5,858	6,907	7,327	7,203	8,771	7,187
Worcester.....	14,524	14,341	14,373	15,700	15,942	19,276	19,674	20,209	21,991	18,740
District No. 2—New York:										
Albany.....	33,128	38,997	30,081	48,339	33,116	25,561	36,897	28,623	22,058	24,858
Binghamton.....	3,427	3,871	3,691	4,292	3,723	4,143	4,613	4,884	4,908	4,836
Buffalo.....	52,261	60,007	53,446	61,621	54,741	61,824	69,781	68,499	72,054	75,224
New York.....	3,490,083	4,230,772	3,819,830	4,605,558	3,591,329	5,008,128	4,830,094	4,666,599	4,515,498	4,670,039
Passaic.....	4,390	5,009	5,023	5,479	4,619	5,934	4,940	5,583	6,207	5,652
Rochester.....	29,148	30,146	25,025	29,392	27,138	30,788	34,662	31,221	35,298	31,969
Syracuse.....	12,017	14,817	13,909	14,533	14,063	16,684	18,852	16,348	19,709	17,718
District No. 3—Philadelphia:										
Altoona.....	3,111	3,325	2,896	3,524	3,100	3,685	3,291	3,692	3,485	3,400
Chester.....	3,927	4,734	4,398	4,792	3,812	5,303	5,708	5,705	5,688	5,375
Harrisburg.....	5,945	6,763	5,817	6,545	6,174					
Johnstown.....	5,095	5,781	5,160	4,649	4,811					
Lancaster.....	4,634	5,314	4,579	5,071	4,233	5,381	5,840	5,488	5,952	5,902
Philadelphia.....	280,751	304,528	263,674	320,858	297,731	350,597	365,058	377,033	378,693	302,329
Reading.....	6,526	6,101	8,920	8,089	9,214					
Seranton.....	16,663	12,592	17,267	13,613	17,134	15,645	12,992	16,362	12,514	16,237
Trenton.....	10,203	11,500	10,234	11,500	9,531	11,341	13,303	12,269	14,176	12,695
Wilkes-Barre.....	8,309	9,322	8,001	9,352	7,830	8,034	9,393	8,311	8,140	8,945
Williamsport.....	3,649	4,130	4,053	4,148	3,988	3,938	4,105	4,352	3,609	3,978
Wilmington.....	6,006	7,512	7,264	8,378	6,314	7,888	8,328	8,489	8,474	8,256
York.....	3,804	4,072	3,555	4,601	3,899	4,724	4,247	4,746	4,926	4,607
District No. 4—Cleveland:										
Akron.....	12,390	16,879	16,534	16,389	13,140	23,127	23,161	29,968	32,752	30,717
Cincinnati.....	53,093	56,600	56,392	66,590	54,937					
Cleveland.....	117,046	133,788	125,837	137,134	108,757	150,646	164,926	159,309	176,820	163,149
Columbus.....	28,172	27,315	25,469	27,805	26,264	27,732	26,737	26,722	29,388	26,155
Dayton.....	11,843	12,837	11,955	11,979	11,524	11,672	12,425	12,286	12,135	11,852
Erie.....	5,926	6,429	6,035	6,459	6,207	7,137	9,232	7,732	8,064	7,687
Greensburg.....	3,664	4,085	3,316	4,407	3,732	5,195	4,503	3,710	5,317	4,635
Lexington.....	3,614	4,228	3,884	3,768	3,093	5,423	5,511	5,496	5,209	4,607

¹ Debits of banks which submitted reports in 1920.

DEBITS TO INDIVIDUAL ACCOUNTS AT CLEARING-HOUSE BANKS—Continued.

DATA FOR EACH REPORTING CENTER—Continued.

[In thousands of dollars.]

	1921 Week ending—					1920 Week ending—				
	Apr. 27.	May 4.	May 11.	May 18.	May 25.	Apr. 28.	May 5.	May 12.	May 19.	May 26.
District No. 10—Kansas City:										
Atchison.....	900	1,093	1,177	1,133	1,060	3,644	5,171	4,950	3,096	4,288
Bartlesville.....	2,160	2,384	2,060	2,467	1,963	1,327	1,961	1,852	1,815	1,705
Cheyenne.....	1,307	2,048	2,004	1,634	1,397	3,192	3,344	3,684	3,114	3,053
Colorado Springs.....	2,164	2,695	2,447	2,274	2,513	43,707	49,616	45,882	43,433	44,667
Denver.....	34,695	36,375	29,942	31,700	31,602	3,934	3,934	4,165	3,942	3,846
Joplin.....	1,831	1,962	1,999	2,083	1,964	3,297	3,993	3,543	3,369	3,932
Kansas City, Kans.....	3,066	3,417	3,387	3,433	3,230	79,627	88,865	89,362	97,813	91,738
Kansas City, Mo.....	64,476	74,953	66,827	73,636	66,345	5,137	5,494	4,999	5,009	5,536
Muskogee.....	3,801	3,671	4,109	4,501	3,836	19,720	22,435	26,265	23,538	23,818
Oklahoma City.....	18,246	19,933	21,156	19,197	17,228	57,293	61,331	60,218	75,067	56,012
Omaha.....	37,739	39,866	42,221	42,814	37,333	4,065	4,075	4,501	4,969	3,819
Pueblo.....	3,786	4,105	4,239	3,969	2,712	23,037	25,869	23,885	18,546	20,388
St. Joseph.....	14,608	18,389	14,630	14,976	13,263	6,487	6,644	5,723	6,087	5,481
Topeka.....	3,602	3,887	3,802	2,794	2,613	32,006	26,540	28,575	28,215	26,898
Tulsa.....	19,008	20,925	20,549	22,172	16,473	13,260	13,949	14,426	14,694	11,068
Wichita.....	9,022	10,358	8,959	9,791	9,503					
District No. 11—Dallas:										
Albuquerque.....	990	979	874	1,619	1,505	2,082	1,821	2,020	1,654	1,654
Austin.....	2,007	2,742	3,491	2,759	2,969	3,617	3,796	3,941	3,441	3,079
Beaumont.....	2,690	2,784	3,415	3,125	2,841	5,314	4,656	4,914	5,066	4,467
Dallas.....	29,576	33,243	32,027	35,394	29,726	34,296	39,596	37,287	42,081	37,704
El Paso.....	6,708	8,175	7,622	7,926	8,644	9,115	11,085	11,127	11,111	11,915
Fort Worth.....	15,530	19,220	17,650	18,410	18,940	26,602	25,054	22,357	24,983	24,868
Galveston.....	17,892	16,853	22,757	18,732	17,776	9,100	8,170	7,988	9,266	8,604
Houston.....	22,109	25,305	23,931	24,795	23,248	40,000	32,022	33,879	39,149	33,430
San Antonio.....	5,792	6,088	6,583	7,031	6,515	8,878	8,284	8,437	8,450	8,409
Shreveport.....	5,902	7,062	7,146	7,827	6,875	9,202	5,557	13,214	10,151	11,755
Texas, Tex.....	1,125	1,366	1,504	2,003	1,281	2,153	2,509	2,279	2,525	2,040
Tucson.....	1,167	1,246	1,935	1,907	1,916	1,682	1,975	2,008	2,130	1,814
Waco.....	3,043	2,868	3,207	3,274	3,183	3,890	3,815	4,158	4,365	3,650
District No. 12—San Francisco:										
Berkeley.....	2,478	3,529	3,707	3,177	2,519	2,408	2,601	3,556	2,892	2,483
Boise.....	2,063	2,493	2,638	2,410	1,970	2,474	3,079	4,093	3,249	3,699
Fresno.....	8,559	8,670	9,851	9,791	8,749	8,816	7,098	10,307	12,359	12,485
Long Beach.....	5,404	5,767	5,267	5,640	4,631	5,287	5,223	6,226	5,395	4,015
Los Angeles.....	101,086	101,590	95,721	99,070	90,619	98,079	90,611	102,490	86,256	96,272
Oakland.....	17,672	18,651	22,171	19,766	18,108	20,549	19,454	23,091	23,386	20,477
Ogden.....	2,872	3,580	2,854	2,810	3,076	3,482	4,120	4,193	2,791	4,411
Pasadena.....	5,251	5,405	5,524	5,510	4,713	5,572	5,283	6,517	6,415	5,520
Portland.....	37,761	35,392	32,759	34,783	30,819	42,943	44,771	50,524	47,162	41,029
Reno.....	2,200	2,323	2,523	2,694	2,507	2,839	2,517	2,953	2,863	2,467
Sacramento.....	10,993	18,952	12,621	10,950	10,245	13,038	12,176	15,118	12,077	11,149
Salt Lake City.....	15,371	13,828	12,376	12,843	9,573	17,453	19,142	17,468	16,998	17,110
San Diego.....	7,333	7,818	8,207	8,639	6,641	7,110	7,867	9,521	8,504	9,129
San Francisco.....	172,231	186,017	161,859	193,622	167,834	214,729	207,869	223,072	228,314	216,133
San Jose.....	6,620	4,700	4,178	4,352	3,905	4,422	4,810	5,593	5,784	5,034
Seattle.....	28,848	31,910	30,775	32,447	28,777	42,680	40,354	48,407	52,707	45,855
Spokane.....	8,982	9,846	9,669	11,181	9,973	12,523	13,669	12,860	14,217	12,462
Stockton.....	4,293	4,601	4,635	4,478	4,153	3,593	4,186	6,240	5,710	5,202
Tacoma.....	9,326	8,133	8,502	8,902	8,544	11,807	12,371	12,443	13,047	11,329
Yakima.....	2,184	2,267	2,042	2,218	1,889	3,656	3,462	3,778	3,411	3,064

FEDERAL RESERVE CLEARING SYSTEM.

OPERATIONS FROM APR. 16 TO MAY 15, 1921.

[All figures shown in thousands.]

Federal Reserve Bank or branch.	Items drawn on banks located in own district.				Items drawn on Treasurer of United States.		Total items handled, exclusive of duplications.		Items forwarded to other Federal Reserve Banks and their branches.		Items forwarded to parent bank or to branch in same district.		Total items handled, including duplications.	
	In Federal Reserve Bank or branch city.		Outside Federal Reserve Bank or branch city.		Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.
	Number.	Amount.	Number.	Amount.										
Boston.....	652	505,811	3,108	350,289	150	19,629	3,910	875,729	143	44,590			4,053	920,319
New York.....	1,256	1,567,404	4,148	905,413	1,092	170,947	6,496	2,643,764	1,015	455,720	21	6,320	7,532	3,105,804
Buffalo.....	178	77,761	372	44,844	15	2,188	565	124,793	148	25,584	37	18,671	750	169,048
Philadelphia.....	1,533	670,067	1,958	211,262	235	53,070	3,726	934,399	667	150,544			4,393	1,084,943
Cleveland.....	326	179,292	1,034	130,054	86	6,304	1,446	315,650	32	17,527	27	9,554	1,505	342,731
Cincinnati.....	172	110,594	727	67,102	77	7,890	983	186,897	11	12,622	10	3,446	1,004	202,965
Pittsburgh.....	413	234,870	778	87,696	57	12,571	1,248	335,137	62	35,956	27	4,687	1,337	375,780
Richmond.....	104	106,249	1,720	223,893	60	8,147	1,884	338,289	135	48,505	44	9,726	2,063	396,520
Baltimore.....	221	138,130	635	66,991	65	8,874	921	213,995	50	22,887	69	8,160	1,040	245,042
Atlanta.....	95	49,753	298	37,441	36	4,243	429	91,437	28	13,185	35	5,101	492	109,723
Birmingham.....	258	33,372	124	6,973	13	1,196	395	41,541	14	7,436	26	14,776	435	63,753
Jacksonville.....	52	19,466	149	16,778	11	1,196	212	37,440	23	8,728	6	1,948	241	48,116
Nashville.....	49	26,724	181	19,115	20	1,752	250	47,591	30	3,985	9	918	289	52,494
New Orleans.....	57	42,425	99	11,002	38	6,829	194	60,256	37	10,646	5	561	236	71,463
Chicago.....	726	513,407	3,234	291,835	486	58,528	4,446	868,770	268	28,431	7	1,620	4,721	898,521
Detroit.....	234	130,740	384	37,937	38	4,454	656	173,131	7	3,708	4	1,158	667	177,997
St. Louis.....	223	172,350	1,202	75,600	173	11,613	1,598	259,563	24	4,212	8	685	1,630	264,460
Little Rock.....	40	19,716	251	15,302	9	1,184	300	36,202	6	1,107	21	2,177	327	39,486
Louisville.....	86	52,699	381	21,750	45	3,871	512	78,320	8	1,127	3	303	523	79,750
Memphis.....	61	21,795	142	8,122	11	1,301	214	31,218	2	551	2	263	218	32,032
Minneapolis.....	241	103,037	1,278	73,868	55	4,621	1,574	181,526	173	31,225	5	305	1,752	213,056
Helena.....	32	7,863	180	11,393	6	717	218	19,973	5	1,851	3	1,878	226	23,702
Kansas City.....	209	225,862	2,170	90,041	96	7,209	2,475	323,112	236	35,947	70	12,217	2,781	371,276
Denver.....	73	38,844	291	16,128	23	4,009	387	58,981	68	12,918	40	12,049	495	83,948
Oklahoma City.....	56	49,922	835	69,430	9	1,294	900	120,646	40	7,900	13	7,710	953	136,256
Omaha.....	87	46,211	506	32,316	54	2,562	1,648	181,473	39	5,350	17	4,569	704	91,392
Dallas.....	134	50,616	1,438	162,789	29	3,310	1,601	216,715	70	13,550	41	4,389	1,712	234,654
El Paso.....	35	8,688	117	9,401	19	2,167	171	20,256	10	3,465	4	681	185	24,402
Houston.....	54	33,439	286	29,195	56	2,102	396	64,736	20	4,017	6	1,462	422	70,215
San Francisco.....	182	93,752	456	30,976	76	51,653	713	176,381	26	3,619	39	5,090	778	185,090
Los Angeles.....	288	111,022	804	65,553	33	9,338	1,125	185,893	86	13,089	47	10,752	1,258	209,734
Portland.....	54	28,120	182	10,749	19	4,074	255	42,943	4	1,451	28	3,655	287	48,049
Salt Lake City.....	43	21,060	351	26,957	13	2,187	407	50,204	12	10,765	10	6,983	429	67,952
Seattle.....	120	32,833	207	15,142	23	6,822	350	54,797	16	4,819	30	4,528	396	64,144
Spokane.....	34	16,361	155	9,182	10	1,756	199	27,299	9	1,551	15	4,515	223	33,365
Total:														
Apr. 16 to May 15, 1921.....	8,378	5,545,255	30,181	3,282,519	3,238	489,608	41,804	9,319,057	3,524	1,048,568	729	170,857	46,057	10,538,482
Mar. 16 to Apr. 15, 1921.....	9,967	6,382,199	33,701	3,746,158	3,085	600,167	46,751	10,724,392	3,941	1,247,842	898	229,941	51,590	12,202,175
Apr. 16 to May 15, 1920.....	7,288	7,669,914	27,193	4,669,179	2,689	479,638	37,176	14,559,731	3,252	742,960	717	234,308	41,145	15,536,999

¹ Includes items drawn on banks in other Federal Reserve districts forwarded direct to drawee bank.

NOTE.—Number of business days in period for Boston, Birmingham, Atlanta, Omaha, Dallas, El Paso, and Houston was 24, for other Federal Reserve Bank and branch cities, 25 days.

NUMBER OF MEMBER AND NONMEMBER BANKS IN EACH FEDERAL RESERVE DISTRICT, MAY 15, 1921 AND 1920.

Federal Reserve district.	Member banks.		Nonmember banks.			
	1921	1920	On par list.		Not on par list. ¹	
			1921	1920	1921	1920
Boston.....	437	432	255	254		
New York.....	790	772	329	321		
Philadelphia.....	700	687	455	422		
Cleveland.....	877	858	1,083	1,078		
Richmond.....	617	598	1,038	766	551	770
Atlanta.....	489	435	407	444	1,163	1,135
Chicago.....	1,430	1,386	4,263	4,235		
St. Louis.....	580	559	2,516	2,513	168	173
Minneapolis.....	1,013	954	2,794	2,913	55	
Kansas City.....	1,092	1,057	3,411	3,374		
Dallas.....	861	786	1,236	1,241		
San Francisco.....	861	779	994	941		102
Total.....	9,747	9,303	18,781	18,502	1,937	2,180

¹ Incorporated banks other than mutual savings banks.

GOLD SETTLEMENT FUND.

Continued reduction in the volume of clearings and transfers through the gold fund is noted for the three months ending May 19, 1921. Figures of daily clearings for the period under review aggregated \$16,353,275,732, compared with \$18,134,804,741 for the previous quarter, and were the smallest for any three-month period since that ending in May, 1919. The decrease of nearly 10 per cent from figures shown for the immediately preceding quarter, compared with an increase of about 6 per cent in the corresponding period for a year ago, is doubtless a reflection of the lower price level upon which the business of the country is being conducted and in some measure of a reduction in the volume of business.

Interbank transfers declined relatively much more heavily, from \$1,418,949,549 to \$512,012,038, or by 64 per cent, the current figures of transfers being the smallest recorded in any quarter since that ending in May, 1917. This reduction is due primarily to the continued improvement in the reserve position of the various Federal Reserve Banks, resulting in a marked reduction in the amount of interbank discounting.

The Federal Reserve Banks deposited \$300,102,000 net of gold in the fund between February 18 and May 19, and during the same time made net transfers of \$349,036,000 to the Federal Reserve agents' fund, the banks' fund thus showing a decrease of approximately \$50,000,000, or from \$505,901,000 to \$456,967,000. The balance in the agents' fund increased by over \$145,000,000, from \$904,682,000 to \$1,050,618,000, net transfers from the bank of \$349,036,000 being partially offset by net withdrawals of \$203,100,000 from this fund. At the close of business on May 19 the combined balances in the two funds stood at \$1,507,585,000, the net addition to the funds

during the three-month period amounting to \$97,002,000.

The Federal Reserve Bank of New York gained \$153,024,000 through interbank transfers and lost \$171,274,000 through settlements, the result being a net loss during the three-month period of \$18,250,000. The Federal Reserve Banks of Philadelphia, Richmond, St. Louis, Dallas, and San Francisco also show losses during the period under review, while the remaining six banks show gains.

Following are figures showing operations through the two funds from February 18 to May 19, inclusive:

CLEARINGS AND TRANSFERS THROUGH THE GOLD SETTLEMENT FUND, FROM FEB. 18 TO MAY 19, 1921, INCLUSIVE.

	Clearings.	Transfers.
Settlements of—		
Feb. 18-24.....	\$1,161,428,346.93	\$25,806,278.33
Feb. 25-Mar. 3.....	1,335,484,442.55	34,788,193.31
Mar. 4-10.....	1,257,027,764.98	35,436,882.19
Mar. 11-17.....	1,385,235,075.65	15,559,326.20
Mar. 18-24.....	1,337,704,056.37	103,332,579.51
Mar. 25-31.....	1,156,322,184.89	54,868,068.12
Apr. 1-7.....	1,227,664,758.47	31,248,874.59
Apr. 8-14.....	1,215,077,581.76	29,792,760.79
Apr. 15-21.....	1,323,229,247.34	38,837,067.72
Apr. 22-28.....	1,231,352,365.47	39,707,831.22
Apr. 29-May 5.....	1,228,156,578.44	41,834,307.17
May 6-12.....	1,174,392,831.03	41,806,073.46
May 13-19.....	1,320,200,498.48	24,993,776.98
Total.....	16,353,275,732.36	512,012,037.59
Previously reported for 1921.....	8,951,655,082.50	481,151,239.34
Total since Jan. 1, 1921.....	25,304,930,814.86	993,163,276.93
Total for 1920.....	85,074,217,886.97	7,551,584,236.15
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 COMBINED.

Total for 1921, to date.....	\$26,298,094,091.79
Total for 1920.....	92,625,802,123.12
Total for 1919.....	73,984,251,983.42
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, 1921..... 276,901,059,203.33

INTER-FEDERAL RESERVE BANK CHANGES IN OWNERSHIP OF GOLD.

Federal Reserve Bank of—	Total to Feb. 18, 1921.		From Feb. 18 to May 19, 1921, inclusive.				Total changes from May 20, 1915, to May 20, 1921.	
	Decrease.	Increase.	Balance to credit, Feb. 17, 1921, plus net deposits of gold since that date.	Balance, May 19, 1921.	Decrease.	Increase.	Decrease.	Increase.
Boston.....		\$126,431,113.65	\$11,848,655.60	\$35,588,111.04		\$23,739,455.44		\$150,170,569.09
New York.....	\$1,275,878,783.82		64,652,990.25	46,403,220.23	\$18,249,770.02		\$1,294,128,553.84	
Philadelphia.....		86,306,548.83	52,829,660.21	41,694,496.75	11,135,163.46			75,171,385.37
Cleveland.....		328,106,929.09	68,478,404.01	76,318,809.53		7,840,405.52		335,947,334.61
Richmond.....		19,591,758.50	53,859,230.59	21,182,176.52	32,677,054.07		13,085,295.57	
Atlanta.....		45,790,064.25	17,474,831.54	15,196,750.34		22,671,581.88		68,462,546.13
Chicago.....		92,878,079.80	82,138,432.51	112,296,226.48		30,157,793.97		123,035,873.77
St. Louis.....		104,040,443.39	22,208,969.02	16,545,157.84	5,663,811.18			98,376,632.21
Minneapolis.....	9,375,848.13		4,887,112.96	10,025,928.50		5,138,815.54	4,237,032.59	
Kansas City.....		43,258,952.81	31,999,671.23	34,333,606.29		2,333,935.06		45,592,887.87
Dallas.....		19,247,392.01	14,037,799.37	5,181,958.69	8,855,840.68			10,391,551.33
San Francisco.....		419,602,449.62	57,501,020.95	42,200,672.95	15,300,348.00			404,302,101.62
Total.....	1,285,254,631.95	1,285,254,631.95	456,967,115.16	456,967,115.16	91,881,987.41	91,881,987.41	1,311,450,882.00	1,311,450,882.00

¹ Excess of withdrawals over balance Feb. 17, 1921, and deposits since that date.

GOLD WITHDRAWALS AND DEPOSITS, ALSO TRANSFERS AND CLEARINGS, FROM FEB. 18 TO MAY 19, 1921, INCLUSIVE.

FEDERAL RESERVE BANKS' FUND.

Federal Reserve Bank of—	Balance last statement Feb. 17, 1921.	Gold withdrawals.	Gold deposits.	Aggregate withdrawals and transfers to agent's fund.	Aggregate deposits and transfers from agent's fund.	Interbank transfers.	
						Debits.	Credits.
Boston.....	\$49,460,108.70	\$8,824,253.10	\$1,212,800.00	\$48,824,253.10	\$11,212,800.00	\$77,500,000.00	\$9,241,080.24
New York.....	59,926,456.93	39,431,023.36	139,157,556.68	189,431,023.36	194,157,556.68	65,000,937.50	218,024,929.30
Philadelphia.....	42,294,402.97	11,750,392.76	81,285,650.00	115,750,392.76	126,285,650.00	20,000,000.00	14,500,937.50
Cleveland.....	96,814,574.89	22,940,348.32	9,604,177.44	37,940,348.32	9,604,177.44	123,000,000.00	78,745,090.55
Richmond.....	27,238,600.52	11,654,259.93	40,774,890.00	14,154,259.93	40,774,890.00	38,114,319.74	60,000,000.00
Atlanta.....	9,196,706.80	8,676,133.34	43,904,595.00	62,076,133.34	45,404,595.00	6,500,000.00	4,500,000.00
Chicago.....	116,398,668.65	13,797,568.34	44,537,332.20	78,797,568.34	44,537,332.20	57,500,000.00	7,000,000.00
St. Louis.....	23,798,829.39	7,600,523.53	12,010,663.16	23,600,523.53	22,010,663.16	12,500,000.00	5,500,000.00
Minneapolis.....	7,648,852.45	8,268,239.49	1,506,500.00	8,268,239.49	5,506,500.00	12,410,609.56	11,000,000.00
Kansas City.....	33,325,966.94	8,836,552.38	11,510,256.67	14,836,552.38	13,510,256.67	15,000,000.00	6,000,000.00
Dallas.....	7,735,220.43	12,595,621.06	16,898,200.00	12,595,621.06	18,898,200.00	84,486,170.79	83,500,000.00
San Francisco.....	32,062,462.07	11,946,951.29	64,021,010.17	69,946,951.29	95,385,510.17		14,000,000.00
Total.....	505,900,850.74	166,321,866.90	466,423,631.32	676,221,866.90	627,288,131.32	512,012,037.59	512,012,037.59

Federal Reserve Bank of—	Settlements from Feb. 18, 1921, to May 19, 1921, inclusive.				Balance in fund at close of business May 19, 1921.
	Net debits.	Total debits.	Total credits.	Net credits.	
Boston.....		\$1,173,056,725.20	\$1,265,055,100.40	\$91,998,375.20	\$35,588,111.04
New York.....	\$171,273,761.82	4,615,572,300.62	4,444,298,538.80		46,403,220.23
Philadelphia.....	5,636,100.96	1,657,743,002.06	1,652,106,901.10		41,694,496.75
Cleveland.....		1,348,839,049.60	1,400,934,364.57	52,095,314.97	76,318,809.53
Richmond.....	54,562,734.33	1,452,019,519.83	1,397,456,785.50		21,182,176.52
Atlanta.....		517,099,924.90	541,771,506.78	24,671,581.88	15,196,750.34
Chicago.....		2,091,607,626.75	2,172,265,420.72	80,657,793.97	112,296,226.48
St. Louis.....		1,134,757,263.07	1,136,093,451.89	1,336,188.82	16,545,157.84
Minneapolis.....		331,917,253.60	338,466,678.70	6,549,425.10	10,025,928.50
Kansas City.....		916,155,519.74	927,489,454.80	11,333,935.06	34,333,606.29
Dallas.....	7,869,669.89	508,970,779.04	501,101,109.15		5,181,958.69
San Francisco.....	29,300,348.00	603,536,767.95	576,236,419.95		42,200,672.95
Total.....	268,642,615.00	16,353,275,732.36	16,353,275,732.36	268,642,615.00	456,967,115.16

GOLD WITHDRAWALS AND DEPOSITS, ALSO TRANSFERS AND CLEARINGS, FROM FEB. 18 TO MAY 19, 1921, INCLUSIVE—
Continued.

FEDERAL RESERVE AGENTS' FUND.

Federal Reserve agent, at—	Balance last statement, Feb. 17, 1921.	Gold withdrawals.	Gold deposits.	Gold transfers to bank.	Gold transfers from bank.	Total withdrawals, including transfers to bank.	Total deposits, including transfers from bank.	Balance at close of business, May 19, 1921.
Boston.....	\$115,000,000	\$50,000,000	\$85,000,000	\$10,000,000	\$10,000,000	\$60,000,000	\$105,000,000	\$160,000,000
New York.....	26,000,000	10,000,000	.....	55,000,000	150,000,000	65,000,000	150,000,000	111,000,000
Philadelphia.....	112,389,260	61,000,000	.....	45,000,000	104,000,000	106,000,000	104,000,000	110,389,260
Cleveland.....	140,000,000	.....	.....	.....	15,000,000	.....	15,000,000	155,000,000
Richmond.....	50,000,000	48,000,000	30,000,000	.....	2,500,000	48,000,000	32,500,000	34,500,000
Atlanta.....	54,000,000	38,900,000	.....	1,500,000	53,400,000	40,400,000	53,400,000	67,000,000
Chicago.....	188,144,500	105,500,000	65,000,000	.....	65,000,000	105,500,000	130,000,000	212,644,500
St. Louis.....	53,530,600	28,000,000	26,800,000	10,000,000	16,000,000	38,000,000	42,800,000	58,330,600
Minneapolis.....	10,200,000	.....	.....	4,000,000	.....	4,000,000	.....	6,200,000
Kansas City.....	33,360,000	22,000,000	15,000,000	2,000,000	6,000,000	24,000,000	21,000,000	30,360,000
Dallas.....	9,234,000	16,000,000	10,000,000	2,000,000	.....	18,000,000	10,000,000	1,234,000
San Francisco.....	112,824,000	35,500,000	.....	31,364,500	58,000,000	66,864,500	58,000,000	103,959,500
Total.....	904,682,360	414,900,000	211,800,000	160,864,500	509,900,000	575,764,500	721,700,000	1,050,617,860

INTER FEDERAL RESERVE BANK TRANSACTIONS FROM APR. 22 TO MAY 19, 1921, INCLUSIVE.

[In thousands of dollars.]

Federal Reserve Bank.	Transfers.		Daily settlements.		Changes in ownership of gold through transfers and settlements.		Balance in bank's fund at end of period.
	Debit.	Credit.	Total debits.	Total credits.	Decrease.	Increase.	
Boston.....	26,000	6,742	369,022	336,306	1,974	.....	35,588
New York.....	40,000	62,025	1,406,577	1,351,777	32,775	.....	46,403
Philadelphia.....	4,000	2,500	499,893	496,759	4,634	.....	41,694
Cleveland.....	13,500	11,075	399,587	407,392	.....	5,380	76,319
Richmond.....	31,114	30,000	433,852	421,297	13,669	.....	21,182
Atlanta.....	500	1,500	150,240	158,115	.....	8,875	15,197
Chicago.....	4,500	.....	641,276	693,309	.....	47,533	112,296
St. Louis.....	1,500	500	335,248	332,680	3,568	.....	16,545
Minneapolis.....	4,911	10,000	102,205	100,130	.....	3,014	10,026
Kansas City.....	.....	2,000	278,053	282,415	.....	6,362	34,334
Dallas.....	16,317	14,000	156,886	156,511	2,692	.....	5,182
San Francisco.....	.....	2,000	181,263	167,411	11,852	.....	42,201
Total, four weeks ending—							
May 19, 1921.....	142,342	142,342	4,954,102	4,954,102	71,164	71,164	456,967
Apr. 21, 1921.....	154,747	154,747	4,922,294	4,922,294	.....	.....	469,148
May 20, 1920.....	522,776	522,776	6,434,602	6,434,602	.....	.....	405,541
Apr. 22, 1920.....	503,354	503,354	6,795,464	6,795,464	.....	.....	366,504

GOLD AND SILVER IMPORTS AND EXPORTS.

GOLD IMPORTS INTO AND EXPORTS FROM THE UNITED STATES, DISTRIBUTED BY COUNTRIES.

Country.	Imports.					Exports.						
	During 10 days ending Apr. 20, 1921.	During 10 days ending Apr. 30, 1921.	During month of April, 1921.	During 10 days ending May 10, 1921.	From Jan. 1 to May 10, 1921.	From Jan. 1 to May 10, 1920.	During 10 days ending Apr. 20, 1921.	During 10 days ending Apr. 30, 1921.	During month of April, 1921.	During 10 days ending May 10, 1921.	From Jan. 1 to May 10, 1921.	From Jan. 1 to May 10, 1920.
Austria.....					\$9,000							
Belgium.....					38,391	\$335,906						
Denmark.....	\$1,182,261		\$1,182,261		1,272,183							
France.....	7,201,057	\$277,366	10,895,170	\$2,769,593	58,899,961	27,187						
Germany.....				3,686	7,279							\$10,000
Greece.....	9,534		9,534		965,745							
Iceland.....												912
Italy.....		91,020	91,020		102,285	40,000						201,339
Netherlands.....	2,777,080	4,109,747	11,052,004	205,932	12,815,065	1,161,428						
Norway.....		628,297	628,297		628,297	3,324						
Portugal.....	4,807	8,394	13,201		20,892	13,593						
Russia in Europe.....					85,000							
Spain.....	41,432	2,511,448	2,552,880	36,893	3,003,688							
Sweden.....	11,560,594	8,502,200	24,800,664	6,424,787	35,904,407							
Switzerland.....				2,944	2,944							1,100
Turkey in Europe.....					238,488							
United Kingdom—England.....	7,118,280	2,283,576	13,770,896	12,628,549	77,562,753	56,026,757						13,235
Total Europe.....	29,895,045	18,412,048	64,995,927	22,072,384	191,556,378	57,608,195						226,586
Bermuda.....					600							
British Honduras.....						20						
Canada.....	82,090	25,130	158,353	80,916	20,791,604	18,909,820	\$44,341	\$115,113	\$177,595	\$63,651	\$876,594	2,223,783
Costa Rica.....	27,866	2,343	32,245		202,463	116,501						
Guatemala.....	4,000	58,000	83,000	5,000	225,106							
Honduras.....	17,418	9,189	36,984	15,230	173,031	111,547						19,000
Nicaragua.....		3,582	16,324	56,179	263,759	352,172						
Panama.....	163,271	99,581	283,697	253,046	1,039,585	30,160						
Salvador.....	29,680	10,000	68,689	54,545	377,601	117,586						20,000
Mexico.....	151,767	92,973	354,932	243,861	2,045,029	1,698,651	34,500	24,950	87,852	48,515	3,234,352	12,828,676
Cuba.....		193	2,794		9,746	4,500	50,000		50,000	494	250,494	25,000
British West Indies.....	8,800	14,507	23,907	30,727	219,742	18,128						
Virgin Islands of United States.....												10,000
Dominican Republic.....												16,000
Dutch West Indies.....	226,545	218,927	694,858	356,607	2,827,207							
Total North America.....	711,437	534,425	1,755,774	1,096,111	28,175,473	21,359,085	128,841	140,063	315,447	112,660	4,361,440	15,142,459
Argentina.....		392,190	387,056	14,175	630,768	25,693						89,995,000
Bolivia.....				372	1,538	5,542						
Brazil.....		6,231	6,231		14,783	4,585						24,300
Chile.....	12,373	2,358	14,731		67,566	197,467						400,000
Colombia.....	316,470	163,538	750,843	485,540	5,036,135	253,710						700,000
Ecuador.....			67,204	54,382	264,848	253,412						130,000
British Guiana.....	2,026	1,364	3,390		10,798	22,060						
Dutch Guiana.....	4,042	1,236	5,278		26,882							
Peru.....	48,840	76,667	128,611	88	395,301	329,577						
Uruguay.....	38,816	848,712	1,505,845		2,745,009							12,850,000
Venezuela.....	1,829	12,412	17,068	920	317,490	57,136						184,000
Total South America.....	424,396	1,414,708	2,886,257	555,477	9,510,618	1,149,182					24,300	104,509,000
China.....	1,093,132	1,287,809	2,380,941	123,310	12,164,970	1,260						16,286,750
British India.....	871,748	2,148,538	3,214,415	75	11,294,623							4,702,013
Straits Settlements.....			46,758		204,063	2,268,802					60,000	6,683,454
Dutch East Indies.....					6,005,892							7,845,105
French East Indies.....	4,160,000		4,160,000	1,845,892	4,446,396							
Hongkong.....	1,600,851		1,600,851		2,208,234		47,400	18,540	68,340	95,450	616,510	22,676,362
Japan.....					683,296							7,262,067
Turkey in Asia.....	195,604	37,175	237,999	299,633								
Total Asia.....	7,921,335	3,473,522	11,640,964	2,268,910	37,007,474	2,270,062	47,400	18,540	68,340	95,450	676,510	65,455,751
Australia.....					3,900,287							
New Zealand.....		217,000	237,900	10,746	756,926	346,398						300
Tahiti.....												
Philippine Islands.....	60,491	49,300	132,791	57,121	449,908	220,370						
Abysinia.....	1,240		2,040		21,665							
British West Africa.....		13,250	13,250		13,250							28,038
British South Africa.....					51,823							
Portuguese Africa.....					166,328	107,439						
Total, all countries.....	39,013,944	24,114,253	81,664,903	26,060,749	127,610,136	83,060,731	176,241	158,603	383,787	208,110	5,062,550	185,361,834
Excess imports or exports.....	38,837,703	23,955,650	81,281,116	25,852,639	266,547,580							102,301,103

¹ Includes: Ore and base bullion, \$18,734,000; United States mint or assay office bars, \$428,000; other refined bullion, \$190,462,000; United States coin, \$13,862,000; foreign coin, \$48,125,000.

² Includes: Domestic exports—Ore and base bullion, \$27,000; United States mint or assay office bars, \$390,000; other refined bullion, \$56,000; coin \$4,254,000. Foreign exports—Ore and base bullion, \$1,000; coin, \$335,000.

SILVER IMPORTS INTO AND EXPORTS FROM THE UNITED STATES, DISTRIBUTED BY COUNTRIES.

Country.	Imports.						Exports.					
	During 10 days ending Apr. 20, 1921.	During 10 days ending Apr. 30, 1921.	During month of April, 1921.	During 10 days ending May 10, 1921.	From Jan. 1 to May 10, 1921.	From Jan. 1 to May 10, 1920.	During 10 days ending Apr. 20, 1921.	During 10 days ending Apr. 30, 1921.	During month of April, 1921.	During 10 days ending May 10, 1921.	From Jan. 1 to May 10, 1921.	From Jan. 1 to May 10, 1920.
France.....	\$2,000	\$435	\$2,537	\$1,325	\$78,124	\$55,791						
Germany.....	20,266	21,219	41,485	48,281	128,838	128,838						
Greece.....					209,799							
Netherlands.....					805	369						
Norway.....						14,453						
Portugal.....	887	600	1,487		11,317	5,288						
Spain.....				160	15,430							
Sweden.....												\$42,260
United Kingdom, England.....	1,294	53	2,283	1,103,870	1,130,543	519,759	\$797,993	\$210,795	\$1,008,788	\$278,293	\$5,029,109	1,438,306
Total Europe.....	24,447	22,307	47,792	1,153,636	1,574,856	595,660	797,993	210,795	1,008,788	278,293	5,029,109	1,480,566
Bermuda.....							200		200		200	
British Honduras.....						39,170						
Canada.....	127,622	96,711	261,562	65,454	1,631,512	1,588,848	63,383	123,723	266,193	46,166	1,031,212	5,001,365
Costa Rica.....	1,271	320	1,764		7,954	20,236						
Guatemala.....					15	19,980					500	500
Honduras.....	99,525	68,081	246,552	160,477	711,563	1,297,630					800	351,800
Nicaragua.....		19	17,897	10,000	93,442	279,728						
Panama.....	2,215		2,263	61,175	68,510	28,252					226,000	431,000
Salvador.....		2,300	2,300		8,381	3,471,060					50,000	
Mexico.....	793,229	666,256	2,023,747	1,380,052	12,407,144	27,571,035	313,554	10,948	361,880	32,185	1,141,473	1,699,025
Cuba.....		1,971	2,054		9,401	40,194	2,526	1,756	4,282	2,572	305,625	769,967
British West Indies.....		24		1,598	1,744	6,941		5,552	5,942		94,392	17,255
Virgin Islands of United States.....												25,000
Dominican Republic.....						84,800						132,000
Dutch West Indies.....			154	350	1,070	1,000						
French West Indies.....						20						
Haiti.....												4,000
Total North America.....	1,023,862	835,682	2,558,317	1,679,106	14,940,736	34,448,954	379,663	141,979	638,497	80,923	2,850,202	8,431,912
Argentina.....			955	4,600	11,926	10,327				450	900	1,701
Bolivia.....		8,000	8,000	21,130	154,572	655,303						
Brazil.....		238	238		40,509	293						2,333
Chile.....	126,367	18,885	145,252		890,644	1,539,672						
Colombia.....	2,108	1,626	9,742	2,392	65,665	100,284					239,500	
Ecuador.....			3,204	2,785	18,185	20,854						
British Guiana.....	4		4		4							
Dutch Guiana.....					42	6,380						1,002
Peru.....	142,633	243,497	451,394	14,844	1,803,132	5,594,394						
Venezuela.....		12	66		412							10,000
Total South America.....	271,112	272,258	618,855	45,751	2,985,091	7,927,507				450	240,400	15,036
China.....	274	446	720	359	4,768	11,974	63,376		63,376		2,415,219	43,307,131
British India.....			40	53	93	100,000			100,000		1,615,985	223,211
Dutch East Indies.....			68,836		212,288	1,664,701						
French East Indies.....												4,058,373
Hongkong.....					192	1,650	116,819	307,434	424,253	150,309	3,988,532	14,849,538
Japan.....							61,027		83,909		1,635,504	
Russia in Asia.....												970
Turkey in Asia.....				315	315							
Total Asia.....	274	446	69,596	727	217,656	1,678,325	341,222	307,434	671,538	150,309	9,655,240	62,439,223
Australia.....					1,860							
New Zealand.....			33	67	231	3,463						
Philippine Islands.....	353	2,525	3,378	454	8,283	6,789						
Abyssinia.....					31							
British South Africa.....					3,760							
British West Africa.....												5,480
Portuguese Africa.....					14,251	75,935						
Total, all countries.....	1,320,048	1,133,218	3,297,971	2,879,741	19,746,755	44,736,633	1,518,878	660,208	2,318,823	509,975	217,774,951	72,372,217
Excess of imports or exports.....		473,010	979,148	2,369,766	1,971,804		198,830					27,635,584

¹ Includes: Ore and base bullion, \$15,293,000; other refined bullion, \$2,263,000; United States coin, \$451,000; foreign coin, \$1,740,000.

² Includes: Domestic exports—Ore and base bullion, \$2,000; United States mint or assay office bars, \$152,000; other refined bullion, \$9,784,000; coin, \$807,000. Foreign exports—Ore and base bullion, \$2,000; bullion refined, \$5,106,000; coin, \$1,922,000.

DISCOUNT AND INTEREST RATES.

In the following table are presented actual discount and interest rates prevailing during the 30-day period ending May 15, 1921, 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.

Rates for all classes of paper, except paper secured by Liberty bonds, on the whole tended to decline from the levels prevailing in the period ending April 15, 1921. These declines have been most general in the case of prime commercial paper purchased in the open market, in which case they affect a considerable number of centers. Present rates for all classes of paper, except bankers' acceptances, are higher in most reporting centers than rates during the same period of 1920.

DISCOUNT AND INTEREST RATES PREVAILING IN VARIOUS CENTERS DURING 30-DAY PERIOD ENDING MAY 15, 1921.

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.									
No. 1...	Boston.....	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. 2....	New York ¹	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
No. 3....	Philadelphia.....	6 5 6	6 6 6	7 7 7	7 7 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. 4....	Cleveland.....	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. 5....	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
No. 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. 7....	Atlanta.....	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
No. 8....	Birmingham.....	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
No. 9....	Jacksonville.....	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8
No. 10....	New Orleans.....	8 6 7 1/2-8	8 6 7 1/2-8	8 6 7 1/2-8	8 6 7 1/2-8	8 6 7 1/2-8	8 6 7 1/2-8	8 6 7 1/2-8	8 6 7 1/2-8	8 6 7 1/2-8	8 6 7 1/2-8	8 6 7 1/2-8	8 6 7 1/2-8	8 6 7 1/2-8
No. 11....	Nashville.....	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
No. 12....	Chicago.....	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7
No. 13....	Detroit.....	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7
No. 14....	St. Louis.....	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7
No. 15....	Louisville.....	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6	7 6 6
No. 16....	Memphis ²	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8
No. 17....	Little Rock.....	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8
No. 18....	Minneapolis.....	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7
No. 19....	Helena.....	8 8 8	10 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8
No. 20....	Kansas City.....	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
No. 21....	Omaha.....	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2	8 7 7 1/2
No. 22....	Denver.....	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
No. 23....	Oklahoma City.....	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8	8 6 8
No. 24....	Dallas.....	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7
No. 25....	El Paso.....	10 7 8	10 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8	8 8 8
No. 26....	Houston.....	8 6 7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7	7 6 1/2-7
No. 27....	San Francisco.....	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	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	7 6 6 1/2	7 6 6 1/2	7 6 6 1/2
No. 28....	Portland.....	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7
No. 29....	Seattle.....	8 6 1/2	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7
No. 30....	Spokane.....	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7	8 7 7
No. 31....	Salt Lake City.....	8 7 8	9 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8	8 7 8
No. 32....	Los Angeles.....	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7	8 6 7

¹ Rates for demand paper secured by prime bankers' acceptances, high, 6; low, 5 1/2; customary, 6.

² No report.

MONEY HELD OUTSIDE THE UNITED STATES TREASURY AND THE FEDERAL RESERVE SYSTEM, MAY 1, 1921.

	General stock.	Hold in the United States Treasury as assets of the Government. ¹	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).....	\$3,089,679,782	\$444,943,002	\$ 1,609,244,067	\$400,753,864	.....
Gold certificates.....	.....	.....	424,569,174	210,169,675	.....
Standard silver dollars.....	270,482,326	25,022,672	* 33,038,269	44,933,940	.....
Silver certificates.....	.....	.....	59,122,160	112,781,301	.....
Subsidiary silver.....	271,058,297	9,494,814	.....	261,563,483	.....
Treasury notes of 1890.....	.....	.....	.....	1,583,984	.....
United States notes.....	346,681,016	7,282,672	* 90,766,164	248,632,180	.....
Federal Reserve notes.....	3,158,204,305	4,367,839	273,412,268	2,880,424,198	.....
Federal Reserve Bank notes.....	175,014,400	1,975,102	18,928,102	154,111,196	.....
National Bank notes.....	723,816,352	15,263,092	3,385,630	705,167,630	.....
Total:					
May 1, 1921.....	8,040,936,478	508,349,193	2,512,465,834	5,020,121,451	\$46.57
Apr. 1, 1921.....	8,082,773,866	496,945,969	2,534,743,843	5,051,084,054	46.91
Mar. 1, 1921.....	8,084,936,396	493,970,120	2,385,101,578	5,205,858,698	48.41
Feb. 1, 1921.....	8,171,237,897	499,358,809	2,438,773,422	5,233,105,666	48.73
Jan. 1, 1921.....	8,372,970,904	494,296,257	2,377,972,494	5,500,702,153	51.29
July 1, 1920.....	7,887,181,586	485,057,472	2,021,271,614	5,380,852,500	50.19
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	5,105,139,679	47.83
July 1, 1918.....	6,742,225,784	356,124,750	2,018,361,825	4,367,739,209	41.31
Jan. 1, 1918.....	6,256,198,271	277,043,358	1,723,570,291	4,255,584,622	40.53
July 1, 1917.....	5,480,009,884	253,671,614	1,280,890,714	3,945,457,556	37.88

¹ 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.
² Exclusive of \$288,047,808 held with United States Treasurer in gold redemption fund against Federal Reserve notes, but inclusive of balances in gold settlement fund standing to the credit of the Federal Reserve Banks and agents.
³ Includes subsidiary silver.
⁴ Includes Treasury notes of 1890.

FEDERAL RESERVE BANK DISCOUNT RATES.

RATES ON PAPER DISCOUNTED FOR MEMBER BANKS IN EFFECT JUNE 1, 1921.

Federal Reserve Bank.	Paper maturing within 90 days.				Bankers' acceptances maturing within 3 months.	Agricultural and live-stock paper maturing after 90 days, but within 6 months.
	Secured by—		Trade acceptances.	Commercial paper n. e. s.		
	Treasury certificates of indebtedness.	Liberty bonds and Victory notes.				
Boston.....	6	6	6	6	.....	6
New York.....	6	6	6½	6½	6	6½
Philadelphia.....	1 6	5½	6	6	6	6
Cleveland.....	6	6	6	6	6	6
Richmond.....	6	6	6	6	6	6
Atlanta.....	6	6	6	6	6	6
Chicago.....	6	6	6½	6½	6	6½
St. Louis.....	6	6	6	6	5½	6
Minneapolis.....	6	6	6½	6½	6	6½
Kansas City.....	1 6	6	6	6	5½	6
Dallas.....	6	6	6½	6½	6½	6½
San Francisco.....	6	6	6	6	6	6

¹ Discount rate corresponds to interest rate borne by certificates pledged as collateral.

NOTE.—Rates shown for St. Louis and Kansas City are normal rates, applying to discounts not in excess of a basic line fixed for each member bank by the Federal Reserve Bank. In the case of St. Louis average borrowings in excess of the basic line are subject to an additional charge of 1 per cent; while in the case of Kansas City the 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, with a maximum rate of 12 per cent.

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 1920, ARRANGED BY FEDERAL RESERVE DISTRICTS.

[In thousands of dollars.]

	District No. 1 (39 banks).	District No. 2 (134 banks).	District No. 3 (46 banks).	District No. 4 (110 banks).	District No. 5 (55 banks).	District No. 6 (84 banks).	District No. 7 (353 banks).	District No. 8 (91 banks).	District No. 9 (120 banks).	District No. 10 (61 banks).	District No. 11 (183 banks).	District No. 12 (196 banks).	Total United States (1,477 banks).
Capital stock paid in.....	35,261	175,384	24,935	40,334	14,733	25,050	98,554	27,675	10,147	8,460	15,071	50,402	526,506
Surplus.....	38,437	187,600	48,250	68,724	9,704	16,500	83,983	21,595	3,620	3,345	6,032	22,819	510,609
Total capital and surplus.....	73,698	362,984	73,185	109,558	24,437	41,550	182,537	49,270	13,767	11,805	21,103	73,221	1,037,115
Gross earnings:													
Interest and discount.....	20,060	92,921	10,088	20,328	4,456	11,924	49,657	11,601	4,396	3,696	4,804	23,861	257,792
Exchange and collection charges	52	547	83	62	91	736	757	392	85	48	202	564	3,619
Commissions.....	452	3,073	152	353	75	739	1,061	265	81	39	53	315	6,238
Other earnings.....	2,103	21,164	2,256	5,159	602	619	6,782	1,060	210	646	188	1,962	42,807
Total gross earnings.....	22,667	117,705	12,579	25,902	5,224	13,654	58,257	13,318	4,772	4,429	5,247	26,702	310,456
Expenses:													
Salaries and wages.....	3,590	19,731	1,971	4,485	870	2,251	9,627	2,374	894	857	1,261	4,963	52,874
Interest and discount on bor- rowed money.....	1,218	8,188	891	753	796	2,469	4,363	2,146	482	629	630	1,360	23,925
Interest on deposits.....	7,511	34,159	3,114	9,028	1,374	2,438	16,485	2,967	1,474	1,050	733	9,209	89,542
Taxes.....	1,500	6,474	713	1,137	396	1,062	4,666	822	271	259	343	1,113	18,756
Other expenses.....	2,244	12,123	1,292	3,300	712	1,566	5,829	1,699	582	857	897	3,103	34,204
Total expenses.....	16,063	80,675	7,981	18,703	4,148	9,786	40,970	10,008	3,703	3,652	3,864	19,748	219,301
Net earnings since last report.....	6,604	37,030	4,598	7,199	1,076	3,868	17,287	3,310	1,069	777	1,383	6,954	91,155
Recoveries on charged-off assets.....	169	1,136	36	222	47	110	869	96	45	24	55	436	3,245
Total net earnings and re- coveries.....	6,773	38,166	4,634	7,421	1,123	3,978	18,156	3,406	1,114	801	1,438	7,390	94,400
Losses charged off:													
On loans and discounts.....	1,174	5,336	23	192	130	1,052	1,295	793	372	158	859	1,659	13,043
On bonds, securities, etc.....	1,335	8,186	836	1,132	219	1,477	3,003	761	78	145	99	1,100	18,371
Other losses.....	105	1,461	126	366	31	163	1,141	327	61	21	212	658	4,677
Total losses charged off.....	2,614	14,983	985	1,690	380	2,697	5,439	1,881	511	324	1,170	3,417	36,091
Net addition to profits.....	4,159	23,183	3,649	5,731	743	1,281	12,717	1,525	603	477	268	3,973	58,309
Dividends declared.....	2,504	16,308	2,450	3,917	859	1,564	6,147	1,659	396	441	737	3,618	40,600
Ratio of dividends declared to capi- tal stock (annual basis), per cent.	14.2	18.6	19.7	19.2	11.7	12.5	12.5	12.0	7.8	10.4	9.8	14.4	15.4
Ratio of dividends declared to capi- tal and surplus (annual basis), per cent.	6.8	9.0	6.7	7.2	7.0	7.5	6.7	6.7	5.8	7.5	7.0	9.9	7.8
Ratio of net profits to capital and surplus (annual basis), per cent.	11.3	12.8	10.0	10.5	6.1	6.2	13.9	6.2	8.8	8.1	2.5	10.9	11.2

FINANCIAL STATISTICS FOR ENGLAND, FRANCE, ITALY, GERMANY, SWEDEN, AND JAPAN.

A summary of banking and financial conditions abroad is presented statistically in the accompanying tables. Similar material will be published regularly each month in the BULLETIN.

BRITISH FINANCIAL SITUATION.

[Amounts in millions of pounds sterling.]

	Deposit and note accounts, Bank of England and Treasury.				Government floating debt.			Nine London clearing banks. ¹				Discount rates.	
	Bank notes. ¹	Currency notes and certificates outstanding.	Deposits, public and other.	Coin and bullion. ²	Treasury bills.	Temporary advances.	Total floating debt.	Money at call and short notice.	Discounts and advances.	Investments.	Deposits.	3 months' bank bills.	6 months' trade bills.
1913, average of end of month figures.....	29		57	38								Per cent. 4½	Per cent. 4½
1920, end of—													
March.....	99	335	137	141	1,107	205	1,312					5½	6½
April.....	191	337	140	141	1,048	249	1,297					6½	7½
May.....	104	348	118	141	1,062	221	1,283					6½	7½
June.....	107	357	192	146	1,050	244	1,294					6½	7½
July.....	107	362	134	152	1,058	204	1,262					6½	7½
August.....	106	356	116	152	1,067	183	1,250					6½	7½
September.....	100	354	127	152	1,139	143	1,282					6½	7½
October.....	109	356	137	152	1,028	241	1,269					6½	7½
November.....	109	349	123	153	1,097	231	1,328					6½	7½
December.....	113	368	190	157	1,102	306	1,408					6½	7½
1921:													
January.....	109	342	129	157	1,145	242	1,387	99	1,207	341	1,810	6½	7
February.....	108	336	127	157	1,110	189	1,299	88	1,172	340	1,754	6½	7½
March.....	110	344	138	157	1,121	155	1,275	83	1,145	336	1,715	6½	7½
April.....	109	338	141	157	1,100	190	1,290	92	1,127	334	1,710	5½	7
May.....	108	333	128	157	1,152	163	1,315					5½	7

¹ Less notes in currency notes account. ² Held by the Bank of England and by the Treasury as note reserve. ³ Average weekly figures.

FRENCH FINANCIAL SITUATION.

[Amounts in millions of francs.]

	Bank of France.					Situation of the Government.			Value of new stock and bond issues placed upon the French market. ⁴
	Gold reserves.	Silver reserves.	Deposits. ¹	Circulation.	Advances to the Government for purposes of the war. ²	Government revenue. ³	Public debt.	Price of 3 per cent perpetual rents.	
1913, average.....	3,343	629	830	5,565		320	35,000	86.77	
1920, end of—									
April.....	3,608	244	3,469	37,688	25,300	1,057		57.40	
May.....	3,609	240	3,751	37,915	26,050	857		59.35	
June.....	3,610	241	3,653	37,544	26,000	908		57.25	
July.....	3,611	248	3,416	37,696	25,550	1,109		58.90	
August.....	3,612	255	3,267	37,905	25,800	882		56.30	
September.....	3,531	256	3,307	39,208	26,600	1,120	285,836	54.15	
October.....	3,537	264	3,474	39,084	26,600	1,332		56.20	
November.....	3,543	265	3,927	38,807	26,600	1,088		55.40	
December.....	3,552	266	3,575	37,902	26,600	1,168		57.95	
1921:									
January.....	3,553	268	3,429	37,913	25,600	1,204		59.16	995
February.....	3,555	264	3,293	37,808	25,600	921	302,735	58.15	1,861
March.....	3,556	267	3,103	38,435	26,200	972		58.17	844
April.....	3,566	271	3,018	38,211	26,000	1,248		56.92	1,085
May.....	3,570	272	3,041	38,233	26,200			57.50	

¹ Includes Treasury and individual deposits.

² Under the laws of Aug. 5 and Dec. 26, 1914, July 10, 1915, and Feb. 16, 1917.

³ From indirect taxation and Government monopolies.

⁴ Figures of the "Association Nationale des Porteurs Français de Valeurs Mobilières." Bonds issued by the Government and the railroad companies not included.

⁵ Not including about 1,978 million francs held abroad.

⁶ Foreign debt calculated at the exchange rates of Sept. 30, 1920.

⁷ Not including about 1,948 million francs held abroad.

⁸ Foreign debt calculated at the exchange rates of Feb. 28, 1921.

ITALIAN FINANCIAL SITUATION.

[In millions of lire.]

	Leading private banks. ¹			Banks of issue.						Government finances.				Principal revenues from taxation and monopolies during month. ²
	Cash.	Loans, discounts, and correspondents' debts.	Deposits and correspondents' credits.	Loans and discounts.	Gold reserve.	Total reserve.	Deposits and demand liabilities.	Commercial circulation.	Circulation for account of the state.	State currency notes.	Treasury metallic reserve.	Short-term treasury bills.	Total public debt.	
End of December, 1913.....	129	2,007	1,674	857	1,375	1,661	318	2,284	.....	499	117	.....	.....	.....
1920.														
January.....	825	13,054	12,094	4,173	1,038	2,021	2,376	4,920	10,714	2,345	338	.....	.....	.....
February.....	749	13,571	12,629	4,671	1,038	2,047	2,224	4,848	10,599	.....	.....	.....	.....	.....
March.....	818	14,421	13,397	5,322	1,028	2,053	2,296	5,478	10,454	.....	.....	.....	.....	.....
April.....	850	14,884	14,045	5,804	1,038	2,035	2,377	6,029	10,401	.....	.....	.....	.....	.....
May.....	813	15,240	14,044	5,782	1,038	2,065	2,264	6,459	10,402	.....	.....	.....	.....	.....
June.....	874	14,996	14,060	6,784	1,039	2,110	2,379	7,484	10,333	2,538	343	9,300	95,000	.....
July.....	864	14,924	14,131	6,576	1,039	2,113	2,196	7,615	10,284	.....	.....	9,300	.....	561
August.....	872	15,177	14,457	6,233	1,039	2,172	2,276	7,413	10,524	2,546	349	10,200	.....	878
September.....	942	15,653	14,824	6,628	1,039	2,217	2,494	8,231	10,682	.....	.....	10,300	.....	461
October.....	1,035	15,700	14,909	7,083	1,058	2,082	2,337	8,361	10,940	2,546	.....	10,700	99,000	1,268
November.....	1,097	16,003	15,315	6,397	1,058	2,069	2,559	8,577	10,899	.....	.....	11,700	.....	563
December.....	1,297	16,538	15,801	7,074	1,058	2,077	2,559	8,988	10,743	.....	.....	13,200	101,000	1,222
1921.														
January.....	1,184	17,113	16,392	6,931	1,058	2,045	2,635	8,658	10,606	.....	.....	.....	.....	822
February.....	1,012	16,842	15,961	7,158	1,059	.....	2,221	8,618	10,308	.....	.....	.....	.....	1,210
March.....	1,061	17,096	16,425	7,144	1,062	2,043	2,461	9,234	9,531	.....	.....	.....	.....	606

¹ Banca Commerciale Italiana, Banca Italiana di Sconto, Credito Italiano, Banco di Roma.

² Revenues from state railways; from post, telegraph, and telephones; from state domain; from import duties on grain; and from Government sales of sugar are not included.

GERMAN FINANCIAL SITUATION.

[Amounts in millions of marks.]

	Reichsbank statistics.				Darlehns-kassen-scheine in circulation.	Situation of the Government.				Value of new stock and bond issues placed upon the German market. ³	Index number of securities prices. ³
	Reserve.		Note circulation.	Deposits.		Receipts from taxes and Government monopolies.	Floating debt.	3 per cent imperial loan. ¹	5 per cent war loan. ¹		
	Gold.	Reichs und Darlehns-kassen-scheine.									
1913 average.....	1,068	32	1,958	668	.....	265	75.90	.....	.....	.....	.....
1920, end of—											
April.....	1,092	15,193	47,940	16,499	13,776	2,072	74.50	98.75	.....	.....	⁴ 133
May.....	1,092	15,907	50,017	17,024	13,567	2,599	67.50	98.70	.....	.....	⁵ 109
June.....	1,092	17,252	53,975	23,414	13,633	3,227	141,987	62.90	98.30	.....	⁶ 117
July.....	1,092	17,874	55,969	17,282	13,328	3,739	.....	60.64	98.50	.....	⁷ 140
August.....	1,092	18,686	58,401	15,772	13,266	3,635	148,750	60.80	98.70	.....	148
September.....	1,092	19,861	61,735	20,054	13,348	4,126	156,825	62.25	99.90	.....	161
October.....	1,092	21,341	63,596	17,945	13,024	5,121	161,920	66.25	99.00	.....	172
November.....	1,092	20,363	64,284	17,340	12,370	6,130	165,918	68.60	98.75	.....	179
December.....	1,092	23,417	68,806	22,327	12,033	9,103	152,727	65.75	98.90	.....	189
1921, end of—											
January.....	1,092	22,810	66,621	15,834	11,341	8,721	.....	67.00	99.50	2,042	179
February.....	1,092	21,982	67,427	17,357	10,755	⁸ 9,356	.....	67.25	99.75	2,397	155
March.....	1,092	23,836	69,417	28,043	10,168	⁹ 8,527	166,329	67.60	99.70	894	⁸ 163
April.....	1,092	24,149	70,340	20,856	9,543	.....	172,634	72.10	99.80	2,559	159

¹ Quotations of the Berlin Bourse.

² Calculated by the Frankfurter Zeitung with the prices of 10 bonds and 25 stocks. Prices as of Jan. 1, 1920=100.

³ Compilation of the Frankfurter Zeitung.

⁴ As of May 3.

⁵ As of June 1.

⁶ As of July 1.

⁷ As of Aug. 2.

⁸ As of Apr. 2.

⁹ Does not include postal and telegraph receipts, which averaged 361,000,000 marks during the first 10 months of the fiscal year.

SWEDISH FINANCIAL SITUATION.

[In millions of kronor.]

	Riksbank.		Joint-stock banks.			Riksbank.		Joint-stock banks.	
	Gold coin and bullion.	Note circulation.	Bills discounted with the Riksbank.	Loans and discounts.		Gold coin and bullion.	Note circulation.	Bills discounted with the Riksbank.	Loans and discounts.
1913, end of December.....	102.1	234.5	155.2	2,286.9	1920, end of—Continued:				
1920, end of:					October.....	282.4	772.8	501.5	6,079.0
March.....	261.1	741.6	503.5	5,877.4	November.....	282.4	752.8	446.0	6,117.8
April.....	261.0	718.3	493.8	5,969.4	December.....	281.8	759.9	450.3	6,211.3
May.....	261.0	708.3	470.4	5,998.6	1921—January.....	281.9	672.5	429.2	6,172.6
June.....	261.1	736.5	527.6	5,982.9	February.....	281.8	687.6	451.3	6,119.2
July.....	261.3	724.8	511.8	6,028.9	March.....	281.7	716.9	442.2	6,093.6
August.....	261.4	742.2	566.0	6,007.4	April.....	281.8	680.5	400.5	6,065.3
September.....	279.8	779.8	544.7	6,068.7	May ¹	281.6	651.1	.....	5,982.7

¹ Provisional.

JAPANESE FINANCIAL SITUATION.

[Amounts in millions of yen.]

	Bank of Japan.				Tokyo banks.			Average discount rate (Tokyo market). <i>Per cent.</i>
	Private and Government deposits.	Loans and discounts.	Note circulation.	Specie reserve. ¹	Tokyo associated banks, total loans.	Tokyo bank clearings (total within the month).		
1920, end of— ¹								
March.....	1,181	364	1,368	921	1,982	4,135	10.15	
April.....	1,261	432	1,367	917	1,982	3,168	10.62	
May.....	1,209	445	1,328	930	2,089	2,922	10.95	
June.....	1,165	381	1,349	979	2,036	2,524	10.99	
July.....	1,120	273	1,202	1,011	2,029	2,100	10.95	
August.....	1,202	278	1,217	1,040	2,014	2,139	10.80	
September.....	1,079	180	1,170	1,078	2,076	2,082	10.59	
October.....	1,048	164	1,192	1,117	2,133	1,922	10.48	
November.....	1,137	128	1,180	1,152	2,134	2,302	10.44	
December.....	1,040	158	1,439	1,247	2,137	2,841	10.26	
1921, end of—								
January.....	1,071	115	1,235	1,235	2,171	2,013	10.33	
February.....	1,126	103	1,141	1,141	2,188	2,143	9.71	
March.....	1,190	88	1,178	1,178	2,219	2,502	9.23	
April.....					1,848	2,442	.....

¹ In case of Tokyo banks, and note circulation and specie reserve of Bank of Japan, last day of month.² It is generally understood that in recent years a certain portion of the reserve has been held abroad. Specie reserve figures do not include bank's own notes held in the bank.

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