

# FEDERAL RESERVE BULLETIN

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

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

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# FEDERAL RESERVE BULLETIN

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## REVIEW OF THE MONTH.

Developments in public finance during the month of February have followed the same lines that displayed themselves during the preceding month. There has been a continuation of deficit conditions, the total ordinary receipts being \$248,563,615, while the ordinary expenditures were \$351,102,030, the difference representing the deficit on ordinary account of \$102,538,415. Certificates of indebtedness were placed by the Treasury Department in the amount of \$132,886,500 as a result of an offer of \$100,000,000 issued on February 10. Total subscriptions for this amount aggregated \$218,924,500, the allotments being as already stated. Ten Federal Reserve districts oversubscribed their quota.

A noteworthy occurrence of the month was the announcement on the part of the Secretary of the Treasury on February 14 that in accordance with the appropriation act of May 29, 1920, all subtreasuries had been discontinued, the duties and functions performed by them in the past being transferred to and divided among the Federal Reserve Banks and their branches, the mints and assay offices, and the Treasurer of the United States. Secretary Houston stated that the economy effected by this change, partly in a reduction of operating expenses and partly through the elimination of the necessity of keeping working supplies of coin and currency with the assistant treasurers, will save the interest on about \$25,000,000 which the Treasury had to keep in the subtreasuries as a working balance.

No banking results of Treasury business have made themselves evident during the month. As usual, in anticipation of an installment of income and excess profits taxes, large taxpayers and their bankers have been preparing themselves to effect the payments which will fall due on March 15, 1921, as efficiently and with as little disturbance to business as practicable.

In the opinion of some observers this preparation would have the effect, observed upon former occasions, of tending in some degree to tighten conditions in the money market. Rates for both call and time loans and for commercial paper have at all events been maintained at a higher level during February than was true in January.

The improvement in banking outlook observed in former issues has continued during the month of February. The following figures, compiled by way of continuation of similar preceding compilations, show the situation at member banks in leading cities and at Federal Reserve Banks as regards loans, deposits, and rediscounts:

*Government securities, also loans and other investments held by reporting member banks on Jan. 28 and Feb. 25, 1921.*

[In millions of dollars.]

Last Friday.	Government securities, including circulation bonds.	Paper collateralized by Government securities.	All other loans and investments.	Bills payable and rediscounts with Federal Reserve Banks.
Jan. 28.....	1,313.7	812.4	14,137.2	1,908.0
Feb. 25.....	1,303.4	778.0	14,026.4	1,890.7

*Government securities, also discounted and purchased paper held by the 12 Federal Reserve Banks on the last Friday in each month.*

[In millions of dollars.]

Last Friday.	Government securities.	Discounted paper collateralized by Government securities.	Other discounted paper.	Purchased paper.
Jan. 28.....	287.3	1,048.8	1,407.7	165.1
Feb. 25.....	287.4	1,004.0	1,392.3	170.5

It will be observed that the process of eliminating long-term and nonliquid obligations has continued during the month, and while the growth in the ratio of reserves to the outstanding liabilities has been less than during

January it has nevertheless been steady and continuous, and each successive weekly report shows a gain up to the last report date (Feb. 25), the figure for which was 49.9 per cent, a recession of four-tenths of 1 per cent.

This encouraging improvement once more emphasizes the necessity of guarding the portfolios of the banks against possible invasion by nonliquid obligations, whether originating out of speculative domestic operations or long-term foreign trade financing. The problem of the Federal Reserve Banks in the near future will be increasingly that of promoting their own liquidating power and of continuing the progress toward a condition of greater strength and efficiency which they have already so obviously begun. On this point the Federal Reserve Board in its annual report issued on February 16 has uttered some words of warning as follows:

The loans and advances of a Federal Reserve Bank should be as nearly as possible of a self-liquidating character. Continued advances against unsold goods in storage would tend inevitably to involve the banking system in the needless risks and difficulties growing out of general changes in business conditions without improving in any respect the situation as a whole or relieving those obliged to reduce prices or curtail production in order to stimulate the demand necessary to move commodities from producer to consumer. The Board's purpose [is] to maintain the strength of the Federal Reserve Banks, which are the custodians of the lawful reserves of the member banks.

The state of domestic business during the past month has shown an evident trend of improvement, although such gains as have been made have been moderate and by no means uniform throughout the entire commercial field. Prices continued to recede in January, but less rapidly than in December. The price index of the Federal Reserve Board, constructed primarily for the purpose of international price comparisons, showed a recession for January amounting to approximately 5 per cent, as compared with a 10 per cent decline in December. Current figures indicating the drift of affairs both in Great Britain and in the United States during February likewise continue to show a downward movement of prices. Some

important staple commodities are already at or below prewar prices, or, according to current reports, below cost of production. It is also true that various other important commodities have not yielded in the same proportion, but have continued to maintain themselves at a substantially high figure. Iron and steel prices, for example, although cut during the month of February by the so-called "independent producers," have been maintained by the United States Steel Corporation at the general level which was established during the spring of 1919. The figures compiled by the Bureau of Labor Statistics for employment in certain lines, including some textile, leather, and automobile manufacturing enterprises, have shown recessions as compared with January, 1920, which vary from about 35 per cent in some cases to 65 per cent. These must be regarded as representing the lowest level yet reached. The Board's index of production as far as compiled is presented in the following table. It should be borne in mind, as pointed out on former occasions, that these indexes are always, due to the unavoidable delays in obtaining figures, some 30 days behind the date at which they are published. During the month of February it would seem there has been an improvement from the conditions reflected in the table as obtaining up to approximately the close of January.

	December 1920.		January, 1921.		January, 1920.	
	Total.	Relative.	Total.	Relative.	Total.	Relative.
Receipts of cattle, calves, hogs, and sheep at 15 western markets (in thousands of head)	4,859	77.5	5,643	90.0	6,271	100
Receipts of grain at 17 interior centers (in thousands of bushels)	75,058	96.5	98,732	126.9	77,817	100
Sight receipts of cotton (in thousands of bales)	1,580	99.8	1,148	72.5	1,583	100
Shipments of lumber reported by three associations (in millions of feet)	515	57.7	526	58.9	893	100
Bituminous coal production (in thousands of short tons)	52,565	108.0	40,125	82.4	48,689	100
Anthracite coal production (in thousands of short tons)	8,321	109.7	9,419	124.1	7,588	100
Crude petroleum production (in thousands of barrels)	38,961	115.4	38,271	113.3	33,774	100
Pig iron production (in thousands of long tons)	2,704	89.7	2,416	80.1	3,015	100
Steel ingot production (in thousands of long tons)	2,340	78.9	2,202	74.2	2,968	100
Cotton consumption (in thousands of bales)	295	49.8	366	61.8	592	100
Wool consumption (in thousands of pounds)					63,060	100

A development of the month which has been of considerable importance has been the growing recognition on the part of some American exporters and business establishments that they will be under the necessity of meeting severe foreign competition. Such competition is recognized as likely to proceed not only from Great Britain, whose exports of manufactured products have largely increased during the year 1920, as the figures now available clearly manifest, but also from Germany. Indeed, the whole problem of foreign competition and of our foreign economic relationships has assumed a position of new and increasing importance.

The Federal International Banking Corporation of New Orleans, La., whose articles of association and organization certificate were approved by the Federal Reserve Board on December 29, 1920, as announced in the January BULLETIN, received its permit from the Federal Reserve Board to commence active business on February 9, 1921. The corporation, organized under the Edge Act, has a capital of \$7,000,000, and is incorporated for the purpose of engaging in the financing of exports or in other international or foreign financial operations. On February 23, Mr. Archibald Kains, recently president of the American Foreign Banking Corporation of New York and formerly governor of the Federal Reserve Bank of San Francisco, was elected president, and Mr. T. J. Caldwell, formerly vice president of the Fort Worth National Bank, was elected vice president.

During the month further progress toward the attainment of a basis for financing foreign trade has been made in two new directions. The Foreign Trade Financing Corporation, projected by the American Bankers' Association, whose articles of incorporation had been tentatively approved in January, has issued a prospectus and has begun to sell its stock. The process of securing subscribers and of organizing is now proceeding. At the same time the organization of an acceptance bank with various well-known American and foreign banking houses as stockholders has also been announced. The latter institution states its intention to

operate primarily upon a short-term basis, while, as already made clear, the purpose of the Foreign Trade Financing Corporation, projected by the American Bankers' Association, is rather that of operating upon a long-term footing. The one therefore proposes to assist the growth of foreign trade by operating in the American commercial paper market, while the other intends to attain a similar object through operations in the investment market. The situation, as now viewed, raises two interesting questions, (1) whether there exists in the United States to-day a surplus of funds in the hands of bona fide investors which could be attracted to the support of foreign trade upon a basis of interest return, (2) whether there exists a free balance of banking funds which can be availed of by a corporation of large size whose purpose it is to finance foreign trade upon a short-term basis. Admittedly it is not desirable that our banks should become burdened with a greater volume of long-term securities than that which they now hold. Everything that is done in the direction of financing foreign trade, therefore, should be framed with a view to attracting the support of investment funds, whether these are in the hands of individuals or corporations. On this point the Federal Reserve Board, in its annual report, made public on February 16, stated:

In order to coordinate American capital and banking facilities in these transactions Congress enacted what is commonly known as the Edge Act. The object of this law is to provide a means by which long-time credits can be extended legitimately wherever necessary in order to complement the ordinary bank financing of our foreign trade. Banks having demand deposits may not safely extend the long-time credits required, but it was felt that they might properly be authorized to participate with merchants, manufacturers, and producers in the formation of other corporations authorized to extend the necessary long-time credits, and national banks have accordingly been authorized to invest not exceeding 10 per cent of their capital and surplus in the capital stock of such corporations. It is believed that, while not jeopardizing the position of the banks, this plan has the distinct advantage of keeping practical bankers in touch with what is in reality a banker's business, and at the same time that it will result in closer cooperation between those handling short-

time and long-time credits for exports, thus working toward greater security for all concerned.

The facts as to our present foreign-trade situation are clearly indicated in the January figures for foreign trade issued by the Department of Commerce on February 25. According to the statement then given to the public, exports for January totaled \$655,000,000, the balance of exports over imports being \$446,000,000. Taken in conjunction with an even larger export balance in December, 1920, this means that in two months' time some \$900,000,000 has been added to our balance on merchandise account. Not the least remarkable aspect of the situation is the continuance of exports in these two months at a level about three times as high as imports. The fact that our exports of merchandise in January were about \$67,700,000 less than in January, 1920, has been spoken of as an indication of a great shrinkage in foreign trade. The facts in the case, however, are that although this reduction in the value of exports occurred, the far greater reduction in imports tended correspondingly to add to the amount of the uncovered balance of foreign trade outstanding against us. Looked at from another point of view, the direction of export trade can be better understood from a study of the index numbers prepared by the Federal Reserve Board. For January the index number of principal exports was 117.6, and for principal imports was 104.6. The respective index numbers corresponding to these figures were, for December, 1920, 128.4 and 102. The fact thus appears to be that the volume of our export trade is continuing to hold its own at a comparatively high level and that such changes as have occurred in it have not only not reduced the extent to which we have been obliged to finance foreign markets but are currently increasing that extent in very large measure. The fact that many countries are now looking to the United States for aid in the current financing of their business emphasizes this situation and makes clearer than ever the necessity of providing some regular means of "funding" or "carrying" the sum due us.

Notwithstanding the growth of the balance due us on the part of foreigners which might have been expected to operate as a depressing factor in the exchange market, the month of February has been a period of advances in the values of most foreign currencies. Sterling exchange after some temporary weakness during the latter part of the month shows a renewal of strength and ranges around a level nearly as high as any reached within recent months. The following tabular review of exchange conditions during February continues figures on the same subject which have been supplied in former issues:

*Foreign exchange rates, Feb. 5-Feb. 26.*

	Week ended Feb. 5.		Week ended Feb. 12.	
	High.	Low.	High.	Low.
England.....	3.8575	3.7863	3.8875	3.8313
France.....	.0720	.0681	.0723	.0699
Italy.....	.0368	.0360	.0368	.0362
Spain.....	.1403	.1385	.1409	.1390
Germany.....	.0165	.0144	.0172	.0160
Switzerland.....	.1604	.1595	.1631	.1601
Sweden (Stockholm).....	.2200	.2185	.2235	.2185
Holland.....	.3395	.3365	.3430	.3383
Belgium.....	.0758	.0719	.0756	.0734
Argentina.....	.3542	.3498	.3540	.3486
China (Hongkong).....	.5100	.4800	.5100	.4900
China (Shanghai).....	.6800	.6550	.6800	.6600
Japan (Yokohama).....	.4838	.4838	.4838	.4838
Canada.....	.8963	.8825	.8863	.8800

	Week ended Feb. 19.		Week ended Feb. 26.	
	High.	Low.	High.	Low.
England.....	3.9213	3.8450	3.8863	3.8438
France.....	.0748	.0705	.0730	.0707
Italy.....	.0371	.0362	.0367	.0363
Spain.....	.1422	.1382	.1405	.1380
Germany.....	.0176	.0159	.0166	.0158
Switzerland.....	.1667	.1636	.1660	.1646
Sweden (Stockholm).....	.2280	.2220	.2240	.2220
Holland.....	.3450	.3403	.3420	.3394
Belgium.....	.0779	.0741	.0761	.0739
Argentina.....	.3511	.3437	.3492	.3471
China (Hongkong).....	.5000	.4863	.4888	.4800
China (Shanghai).....	.6638	.6500	.6650	.6375
Japan (Yokohama).....	.4838	.4838	.4838	.4838
Canada.....	.8900	.8613	.8338	.8650

There had been fear that the various elements of difficulty connected with the reparations discussion might operate to reduce the strength of the European exchanges as measured in terms of dollars, but there was apparently at no time any serious basis for such fear. On the contrary, the quotation of sterling



throughout the whole course of the negotiations between Germany and the allies has maintained a stable and, on the average, high level. Foreign-exchange conditions have been less encouraging in other parts of the world, and the advent of one or two moratoria has tended to aggravate difficulties which were already recognized. The eastern exchanges have suffered considerable disturbance by reason of the steady fall in the value of silver which has carried that metal down practically to prewar levels. The movement of the price of silver may be sketched as follows:

*Prices of bar silver in New York during February.*

	High.	Low.
Week ended—		
Feb. 5.....	\$0.6375	\$0.5825
Feb. 12.....	.6300	.6075
Feb. 19.....	.6150	.5800
Feb. 26.....	.5875	.5450

With silver at the low levels thus indicated, it was to be expected that there would be decided weakness in exchange on silver-using countries, and this tendency has been emphasized by the fact that bad financing and banking conditions generally have been found to exist in a number of countries which might otherwise have escaped more than incidental effects growing out of the fluctuation in the value of silver.

The unsettled condition of foreign trade, not merely between the United States and other countries, but practically throughout the world, has tended to emphasize more and more strongly the importance of uniformity in foreign trade and foreign banking practice in order to minimize the possible scope of cancellations of orders and in order to fix more definitely the responsibility of banking institutions which have opened confirmed credits. A committee of representatives of New York banking institutions has been at work in the effort to secure uniformity in commercial credit instruments and to standardize the practices adopted under them. In general the defects existing in present American practice on the subject may be enumerated as follows:

1. Participation by banks in the commercial risk involved in merchandising imports.
2. Disagreement as to definition of terms used in communications among banks.
3. Misunderstanding regarding the right to nullify letters of credit.

Nevertheless much of the uncertainty which the cancellation of contracts had produced last autumn in regard to commercial credit instruments is being dissipated. The close of last year was marked by widespread efforts to reject obligations incurred in the importation of raw materials. This tendency was due largely to a lack of knowledge of the binding force inherent in commercial letters of credit. Such misunderstanding is being cleared by public discussion; while the courts on several occasions have defined the liabilities of the various parties involved. The decisions rendered in *Frey & Son (Inc.) v. Sherburne Co.* and the *National City Bank, 184 New York Supp., 661* (Appellate Division, N. Y. Supreme Court), and in *El Reno Grocery Co., etc. v. Lamborn, et al.*, have enabled banks in many instances to pay the drafts which they had agreed to honor under their confirmed letters of credit. Considerable litigation among banks still impends and will continue until relations between city banks and their country correspondents regarding import letters of credit have been clearly defined.

In former issues of the BULLETIN some attention has been given to the growth of the foreign trade of the countries affected by the recent war. Data on this subject are brought down as nearly to date as possible in the following table, from which it is seen that there has been in most countries a steady if slow advance toward the development of greater exporting power. It is evident, however, that in order to bring about a basis of settlement between the different countries or to consider with any degree of seriousness the adjustment of debt among them, it would be necessary to enlarge the movement of trade at a very much more rapid rate, if only to provide a basis for the settlement of the interest upon outstanding indebtedness. Although in the case of these

Cancellations and trade.

Trade development.

countries the capacity to export has been developed satisfactorily, recent business conditions have been such as to cause a reduction in foreign demand and consequently a decline in exports. The following table furnishes the information regarding exportation and importation in as complete a form as is now practicable:

*Exports and imports of leading foreign countries.*

[In millions of dollars at gold parity.]

	United Kingdom.		France. <sup>2</sup>		Italy.	
	Im-ports.	Ex-ports. <sup>1</sup>	Im-ports.	Ex-ports.	Im-ports.	Ex-ports.
<b>1920.</b>						
January.....	893	528	386	139	193	83
February.....	890	636	510	255	220	103
March.....	860	616	603	259	376	115
April.....	813	679	557	266	263	131
May.....	812	664	461	233	270	128
June.....	830	664	500	349	401	145
July.....	795	756	.....	.....	201	100
August.....	746	624	540	464	241	103
September.....	743	637	507	415	232	110
October.....	729	625	501	450	.....	.....
November.....	702	645	516	363	.....	.....
December.....	695	532	569	321	.....	.....
<b>1921.</b>						
January.....	570	451	383	363	.....	.....

<sup>1</sup> Including reexports.

<sup>2</sup> French foreign trade figures for 1919 and January through June, 1920, are expressed in 1918 value units; August through December, 1920, figures are calculated at 1919 rates. A change in the methods of calculating the values for July, August, and December, 1919, and for July, 1920, makes them incomparable with other months.

A careful analysis has now been made of England's balance of trade for the year 1920 by an expert of the Board of Trade. According to these official estimates there is a net balance for the year in favor of England which amounts to £165,000,000. This balance is arrived at by comparing the debits of England to foreign countries for merchandise (which amounted to £378,800,000 for the year) and the credits due to England from abroad for shipping services, interest on investments, banking services, and gold exported (which amounted to £543,500,000 for the year). According to these estimates, England may be credited during 1920 with £340,000,000 for shipping services, £120,000,000 for interest on investments, £40,000,000 for banking and other services, and £43,500,000 for export of gold, or a total of £543,500,000. An element of weakness in this analysis appears to be the fact that no account has apparently been taken of the debts incurred by England for these same

services performed by foreigners. Although exact estimates on this point are not available, there is no doubt that certain sums, for instance, are owing the United States for shipping services and interest on investments. However, the situation as indicated by these estimates shows a very material improvement over conditions in 1919 when, by a similar method of analysis, there was an adverse balance of trade for the year amounting to £149,000,000, and compares quite favorably even with conditions before the war when the favorable balance, including invisible exports, was estimated at £200,000,000.

If the price factor is eliminated, it becomes apparent from further studies of the Board of Trade that imports into England in 1920 were approximately the same as in 1919. Exports, however, were increased by 29 per cent and reexports by 15 per cent. Both imports and exports in 1920 were, however, considerably less in quantity than in 1913, probably as much as 12 per cent in the case of imports and 29 per cent in the case of exports. Thus, although export trade was maintained at a high level in 1920 as compared with 1919, it fell very far short of the prewar figure, mainly because of the decline in the export of coal.

In December, 1920, British exports began seriously to decline from the level established earlier in the year as a result of trade conditions abroad. Textiles were most seriously affected at that time, exports of cotton manufactures shifting from a value of £35,000,000 in November to £25,000,000 in December, wool manufactures from £11,000,000 in November to £8,000,000 in December. Iron and steel exports likewise declined considerably during the month. In January textiles were exported at approximately the same rate as in December, but coal exports fell from a value of £9,300,000 to £5,600,000.

In comparing French foreign trade figures for 1920 with those for previous years, it is necessary to take into consideration the French method of calculating the value of imports and exports. French customs officials require importers and exporters to declare only the kind and quantity of the goods which

pass over the borders of their country. In preparing the current monthly statement of the value of foreign trade the customs department assigns to each commodity its value in French markets during the preceding year. During the following year the value of the trade is calculated again, this time according to the market values of the year to which the figures apply. The figures just published for 1919 and 1920 are calculated according to 1919 prices. In comparing the figures for the two years no allowance is made for the changes in the price level which have taken place within the period in question. The figures are as follows:

*French foreign trade.*

[In millions of francs.]

	1919	1920	Percentage of increase (+) or decrease (-).
<b>IMPORTS.</b>			
Food.....	10,704	8,618	-19
Raw materials.....	14,753	16,801	+14
Manufactured articles.....	10,342	9,986	-3
Total.....	35,799	35,405	-1
<b>EXPORTS.</b>			
Foods.....	1,191	2,211	+86
Raw materials.....	2,444	4,772	+95
Manufactured articles.....	7,388	14,253	+86
Parcel post.....	857	1,199	+40
Total.....	11,880	22,435	+89

On the basis of these figures it is evident that there was a distinct improvement in the French balance of trade during 1920. Imports have declined 1 per cent and exports have increased 89 per cent. In 1920 the excess of the value of imports over exports amounts to 58 per cent of the exports. Whether the relationship will be found unchanged when the 1920 trade is stated in terms of 1920 prices will not be known until next year at this time. The excess of imports over exports of merchandise is not a new situation in French trade. In 1913 the excess of imports amounted to 22 per cent of the export trade. Unfortunately there are no figures available on France's "invisible exports" during the last year, and it is therefore

impossible to say at present what was her true balance of trade in 1920.

In the last two months of 1920 France's exports declined sharply. Detailed figures have not yet been published for December, but in November the principal declines occurred in exports of wines, broad silks, furs, cotton and woolen cloths, machines, tools, and other metal manufactures, automobiles, and rubber manufactures.

Italy's exports from January to September, 1920, totaled 5,513,000,000 lire, when estimated on the basis of 1919 values. This is an increase of 1,751,000,000 lire over the exports during the same period in 1919. Imports into Italy during this period declined from 12,486,000,000 lire in 1919 to 11,905,000,000 in 1920 (on the basis of 1919 values). The increase of exports was not uniform throughout the year. The advance which took place during the first six months of the year grew smaller in the subsequent months. The increase over 1919, which amounted to 1,770,000,000 lire for the period January-June, declined to 1,017,000,000 lire at the end of November. Improvement of the balance of trade, as compared with 1919, amounted to 2,333,000,000 lire for the period January-September, but for January-November it was only 1,705,000,000 lire. The relative decline in exports in the period July-September, 1920, as compared with 1919, was particularly noticeable for manufactured silk and for cotton goods, which are among those categories of goods that had shown the largest increase in the preceding six months.

Conferences have been in progress between the allied premiers and representatives of the German Government at London, with a view to obtaining definite agreement upon the terms of the reparations. What had been determined upon by the Allies was set forth in the last number of the BULLETIN, and was there given on the basis of cable reports as 226,000,000,000 gold marks, payable on an annuity plan over a period of 42 years. A counter proposal involving the payment of

30,000,000,000 gold marks was made by the representatives of the German Government on February 25. Wide divergences between these conflicting proposals led to an immediate adjournment of the conferences without further definite outcome prior to the close of the month. Under the terms of the treaty of Versailles an adjustment of this whole matter was to be effected not later than May 1, 1921. The importance of obtaining a positive settlement of the amount to be paid in reparations, in order to promote more rapid progress in restoring a normal course of international commerce and normal conditions in the investment market, has grown greater than less during the past month or two. Authentic official statements of the exact terms of the proposals which have been presented on either side are not thus far available.

During the month ending February 10 the net inward movement of gold was \$39,534,000, as compared with a net inward movement of \$43,888,000 for the month ending January 10. Net imports of gold since August 1, 1914, were \$930,802,000, as may be seen from the following exhibit:

[In thousands of dollars.]

	Imports.	Exports.	Excess of imports over exports.
Aug. 1 to Dec. 31, 1914.....	23,253	104,972	<sup>1</sup> 81,719
Jan. 1 to Dec. 31, 1915.....	451,955	31,426	420,529
Jan. 1 to Dec. 31, 1916.....	685,745	155,793	529,952
Jan. 1 to Dec. 31, 1917.....	553,713	372,171	181,542
Jan. 1 to Dec. 31, 1918.....	61,950	40,848	21,102
Jan. 1 to Dec. 31, 1919.....	76,534	368,185	<sup>1</sup> 291,651
Jan. 1 to Dec. 31, 1920.....	428,744	322,091	106,653
Jan. 1 to Feb. 10, 1921.....	47,503	3,109	44,394
Total.....	2,329,397	1,398,595	930,802

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

England furnished about 57 per cent, or \$23,734,000, of the \$41,604,000 of gold imported during the monthly period ending February 10, France, Japan, China, Australia, British India, Hongkong, Colombia, the Dutch West Indies, and Mexico furnishing most of the remainder. Of the gold exports, amounting to \$2,070,000, over 68 per cent, or \$1,424,000, was consigned to Mexico and the remainder to Canada, Hongkong, the British West Indies, the Dutch East Indies, and

Brazil. Since the removal of the gold embargo on June 7, 1919, total gold exports have amounted to approximately \$678,996,000. Of this total \$195,414,000 was consigned to Japan, \$146,555,000 to Argentina, \$71,810,000 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 outward movement of silver was \$634,000, as compared with a net outward movement of \$2,394,000 for the month ending January 10. Net exports of silver since August 1, 1914, were \$457,735,000, as may be seen from the following exhibit:

[In thousands of dollars.]

	Imports.	Exports.	Excess of exports over imports.
Aug. 1 to Dec. 31, 1914.....	12,129	22,182	10,053
Jan. 1 to Dec. 31, 1915.....	34,484	53,599	19,115
Jan. 1 to Dec. 31, 1916.....	32,263	70,595	38,332
Jan. 1 to Dec. 31, 1917.....	53,340	84,131	30,791
Jan. 1 to Dec. 31, 1918.....	71,376	252,846	181,470
Jan. 1 to Dec. 31, 1919.....	89,410	239,021	149,611
Jan. 1 to Dec. 31, 1920.....	88,060	113,616	25,556
Jan. 1 to Feb. 10, 1921.....	6,919	9,726	2,807
Total.....	387,981	845,716	457,735

Mexico furnished about three-fifths, or \$3,900,000, of the \$5,688,000 of silver imported during the monthly period ending February 10, the remainder coming principally from Chile, Peru, and Canada. Silver exports during the same period, amounting to \$6,322,000, were consigned principally to England, Hongkong, China, British India, and Japan.

Aggregate liquidation of about 308 millions of loans and investments, accompanied by a commensurate shrinkage in deposits and a much more moderate reduction of borrowings from the Federal Reserve Banks, are the principal developments in the banking field during the four weeks between January 21 and February 18, as indicated by the weekly reports of member banks in leading cities. All loan accounts of the reporting banks show practically continuous declines for the period—loans secured by United States Government obligations by 45 millions; loans secured by

corporate obligations by about 50 millions; and other, i. e. largely commercial, loans and discounts by 168 millions. Changes in the investment block include a net reduction of 31 millions in the holdings of Treasury certificates, notwithstanding an increase of 38 millions shown under this head for the week ending February 18, during which the Treasury allotted about 133 millions of loan certificates, and smaller decreases in United States bonds and notes and in other investments. For the member banks in New York City net liquidation of 130 millions in loans and of 33 millions in investments is shown.

Accommodation of all reporting banks at the Federal Reserve Banks shows a gradual reduction for the period from 1,934 to 1,847 millions, representing 11.8 and 11.5 per cent, respectively, of the banks' aggregate loans and investments. Accommodation of the New York City members at the local Federal Reserve Bank shows increasing totals for the first two weeks of the review period, mainly because of the large withdrawals of bank balances by country correspondents. A reversal of this movement is noted for the last week under review, and on February 28 total borrowings of the New York banks from their Federal Reserve Bank stood at 791 millions, or 3 millions below the January 21 total. The ratio of these borrowings to total loans and investments shows a rise from 14.6 per cent on January 21 to 16 per cent on February 4, followed by a decline to 15 per cent on the last Friday of the review period.

For the four weeks between January 28 and February 25 the Federal Reserve Banks show a reduction of over 60 millions in their total holdings of discounted bills. During the early part of the period all but three Federal Reserve Banks raised their minimum discount rates on bills secured by Treasury certificates, and this action was followed by a decrease during the following two weeks of 37.5 millions in the holdings of this class of paper. Following the allotment on February 15 of about 133 millions of certificates, and in connection with the general increase in bill holdings during the last week of the review period, Federal Reserve Bank holdings of paper secured by

Treasury certificates increased by 14.6 millions, constituting 13.4 per cent of the total amount of paper secured by Government obligations held on February 25, compared with about 15 per cent four weeks previous. Holdings of paper secured by Liberty and other United States bonds show a continuous decline for the period from 607.1 to 577.5 millions, while bills secured by Victory notes show some fluctuations, the February 25 total of 291.7 millions being 7 millions in excess of the corresponding total shown four weeks earlier. Holdings of acceptances purchased in open market fluctuated between 165.1 millions on January 28 and 175.9 millions two weeks later, while Treasury certificates on hand show even more moderate fluctuations between 260 millions on February 4 and 263.6 millions on the following Friday. Total earning assets of the Federal Reserve Banks show a decline of 54.7 millions for the four weeks under review, and on February 25 stood at 2,854.1 millions, or 567.8 millions below the peak figure reported on October 15 of last year.

Considerable reduction in the volume of interbank discounting is noted, the amount of paper held under rediscount for other Federal Reserve Banks showing a continuous decline from 41.1 to 13.6 millions. The latter amount is composed exclusively of paper held under discount by the Cleveland bank for the Federal Reserve Bank of Dallas, both the Atlanta and Minneapolis banks having redeemed all their outstanding rediscounted paper. Holdings of acceptances purchased from the New York Federal Reserve Bank show a decline from 51.8 to 24 millions. The latter amount was held by the Boston, Philadelphia, Cleveland, and San Francisco banks. Net deposits fluctuated within moderate limits, and at the close of the review period stood at 1,671.6 millions, an increase of 28.4 millions since January 28. Weekly figures of Federal Reserve note circulation show a practically continuous decline from 3,090.7 millions on January 28 to 3,037.4 millions on February 18. For the eight weeks since December 23, 1920, when the seasonal return flow of Federal Reserve currency started, the reduction of Federal Reserve note circulation amounted to 367.5 millions,

averaging 45.9 millions per week. For the week ending February 25 an increase of 14.3 in Federal Reserve note circulation is shown. During the four weeks under review there was also a reduction of about 13 millions in Federal Reserve Bank note circulation. Gold reserves, mainly as the result of purchase of imported gold by the New York Federal Reserve Bank, show a continuous increase for the four weeks from 2,106.1 to 2,140.3 millions, while total cash reserves show a slightly larger gain from 2,320 to 2,357 millions. Owing to the substantial gains in reserves and the simultaneous reduction in Federal Reserve note liabilities, the reserve ratio rose from 49 per cent on January 28 to 50.3 per cent on February 18. During the following week increases in both deposits and note liabilities outweighed the small gain in reserves, with the consequence that the February 25 ratio shows a decline to 49.9 per cent.

The usual quarterly conference of the Federal Advisory Council with the Federal Reserve Board was held in Washington on February 21 and 22, and was occupied as usual with a general discussion of banking and financial conditions in the Federal Reserve System. One of the topics considered was the question of rates of discount, the council recommending that the present rates in effect at Federal Reserve Banks be maintained. All of the Federal Reserve districts were represented at the session with the exception of Boston, Philadelphia, and Richmond.

A conference on the reporting of business conditions was held under the auspices of the Board at Washington also on February 21 and 22. The meetings of the first day were devoted to discussion of present methods of reporting employed by the several Federal Reserve Banks. In the meetings of the second day a number of commercial statisticians, primarily interested in the reporting of business conditions, discussed the whole question of the method and contents of such reports. Special attention was given to the subject of indexes of business conditions and to the technical problems involved in the development of such statistics.

#### **Index-Digest of Federal Reserve Bulletin.**

The Federal Reserve Board will publish shortly, primarily for its use and that of Federal Reserve Banks, an index-digest of the FEDERAL RESERVE BULLETIN, prepared by Mr. C. S. Hamlin, one of its members. The digest covers the first six volumes of the BULLETIN, from the years 1915 to 1920, inclusive, 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 Board will print a sufficient number of copies to supply the demand of banks and others who may desire to purchase it.

The price will be \$2 per volume, bound in cloth in the same manner as the BULLETIN. Subscriptions should be addressed to the Federal Reserve Board, Washington. As the edition is to be a limited one, those desiring copies should send in their orders promptly.

**BUSINESS, INDUSTRY, AND FINANCE, FEBRUARY, 1921.**

Business and industry for the month of February have continued in a transitional and unstable condition. Demand for goods has by no means been firmly reestablished. Although there are abundant indications that stocks of goods have been greatly reduced and that a large volume of potential buying is in sight, it has not yet become actual. Current purchasing has been chiefly for immediate needs because of feeling of uncertainty as to the future trend of prices. The Board's index number of wholesale prices, based upon 90 commodities, shows a further decline from 171 to 162 for the month of January. Uncertainty still prevails in a number of directions. A net gain in the activity of certain important manufacturing industries has been noted. This has been most marked in shoes and textiles and has been observed most especially in district No. 1 (Boston). The movement toward better conditions has not been wholly sustained during the early weeks of February, undergoing some setback on account of changes in the prices of basic raw materials. The employment situation in these industries has been somewhat improved, but such improvement has been partially offset by reduced employment in other lines. Conditions as to employment are by no means uniform in the several districts.

In agriculture, the prospects for the spring season are opening favorably. The remaining portion of the 1920 crop, which was to some extent withheld from market, has been moving more steadily to points of consumption. This has tended still further to improve the banking situation in the Northwest and to some extent in the Southern States.

The steady increase in the reserve ratio of the Federal Reserve System has continued throughout the month. Member bank portfolios show continued evidences of growth in liquidity.

*Agriculture.*—The general agricultural situation has improved during the past few weeks. In district No. 11 (Dallas) "good progress in winter plowing and in the growth of winter grains and truck crops was made last month, due to the mild, open weather prevailing in January." In district No. 10 (Kansas City) "the temperatures have been exceptionally mild, and have afforded opportunities through the greater part of the winter for outdoor work on the farms and ranges, as well as being highly beneficial to crops." Light snows and rains have left the fields and ranges in good condition, with sufficient moisture for quick germination of seeds. The winter grain crops are in a healthy state,

and show improvement. In district No. 11 (Dallas) the spring truck crops in the Rio Grande Valley are reported to be making excellent progress. However, the exceptionally mild winter has been conducive to a premature budding of fruit trees in the east Texas fruit-growing section, and some uneasiness is being felt concerning the safety of this crop. This danger is also felt in district No. 10 (Kansas City).

*Grain.*—The movement of grain to market has been in larger volume during January, 1921, than during January, 1920. Total January grain receipts at Minneapolis and Duluth were 18,378,148 bushels, an increase of about 11 per cent over the January, 1920, figures of 16,577,815 bushels, but a decrease of about 24 per cent from the December, 1920, figure of 24,078,849 bushels. Receipts of each of the grains, except oats, decreased when compared with December, but, with the exception of rye, were greater than a year ago. It has recently been estimated that about 70 per cent of the 1920 wheat crop in district No. 9 (Minneapolis) was marketed at mills and terminals by February 1, and that about 40,000,000 bushels of the crop remained on the farms or in country elevators on that date. The marketing of grain at centers in district No. 10 (Kansas City) since the opening of the year has been larger than during the same period last year. The January wheat movement at Kansas City was 10,289,000 bushels, an increase of 52.7 per cent over that for January, 1920. Other markets also reported substantial increases. The heavy marketing, it is stated, "is taken as an indication of a desire on the part of many farmers to liquidate stocks on hand," in spite of the absence of material improvement in prices. The movement of corn to the markets in January was also larger than a year ago and the percentage increase was practically the same as for wheat. Receipts of the leading grains at St. Louis have in general been greater during January, 1921, than during either December or January, 1920. It is reported, however, that "the wheat growers of the Pacific Northwest and the barley growers of California are still inclined to hold their crops for better prices," but the demand is lighter than usual and buyers have no trouble in obtaining sufficient grain. It is estimated that in the wheat-growing areas of Oregon and Washington 45 per cent of the surplus beyond farm consumption remains in first hands as compared with 15 per cent at the same time in 1920. A cooperative wheat growers' association has

been formed in Washington and Idaho, and a similar organization is now projected for Oregon. Price tendencies have been somewhat mixed. Highest, lowest, and median prices for cash sales of wheat and rye in Minneapolis increased in January over December, while similar prices decreased for corn, oats, barley, and flax. The median price of No. 1 dark northern was \$1.84 per bushel in January as compared with \$1.72 in December. At St. Louis quotations have been more stable, although slightly lower. The closing price of No. 2 red winter wheat on January 15 was \$2.02 per bushel, as compared with \$1.96-\$1.99 on February 15.

*Milling operations.*—Milling operations have continued at a low level. Output of mills in district No. 9 (Minneapolis), representing 75 per cent of the total district production, was 2,299,433 barrels during the five weeks ending January 29, as compared with 2,646,150 barrels during the five weeks ending December 25, and 2,949,780 barrels during the five weeks ending January 31, 1920. The mills are operating at about 39 per cent of capacity, as compared with 53 per cent a year ago. Flour production of reporting mills in district No. 10 (Kansas City) was 1,150,416 barrels during the four weeks ending January 29, as compared with 1,882,588 barrels during the corresponding period of 1920. Kansas City mills operated at an average of 62 per cent of capacity, Omaha mills at 29 per cent, and interior mills at 48 per cent. The trade has been confined chiefly to bakers' and jobbers' immediate needs. Demands at the beginning of February resulted in an increase in operations at Kansas City to 73 per cent of capacity and at Omaha to 61 per cent. Some slight improvement was noted in district No. 12 (San Francisco) during January. Reports from 80 principal millers in the district show operations during the month at 40.3 per cent of capacity, as compared with 26.7 per cent in December and 92.1 per cent in January, 1920. January output was 594,787 barrels, an increase of 195,095 barrels over the December figures. The increased demand is attributed to reduced surplus stocks of flour and a fairly steady demand within the district, although export trade continues light.

*Cotton crop.*—The 1920 cotton crop is practically all out of the field and ready for the markets. In district No. 12 (San Francisco) "about 90 per cent of the district's cotton crop is now in the bale," and in district No. 11 (Dallas) "cotton picking in Texas, New Mexico, and Arizona progressed under the best conditions." In the latter district it is reported that most of the unpicked cotton is of such a low grade that it is likely to be left in the field

and turned under. Reports from all districts in the cotton-growing area seem to indicate a considerable reduction of acreage planted in cotton during the 1921 season as compared with 1920, which will be replaced by various grain and forage crops. The farm organization movement has been general, with the emphasis upon better marketing conditions, and at the same time upon a more general diversification of crops so that the farmer may supply his own needs. The movement of cotton has varied somewhat in the several districts, according to the Government market report. Cotton movements throughout the country from August 1 to February 4 were somewhat lighter than last season. Sight receipts were less by about 1,000,000 bales, while port receipts decreased about 700,000 bales. At Galveston, however, receipts this season were about 20 per cent more than last season. District No. 12 (San Francisco) reported that only a small portion of the crop has been sold, while district No. 8 (St. Louis) characterized the movement of cotton as backward.

*Other crops.*—The situation in the leaf tobacco districts has improved somewhat during the month. Tobacco prices in district No. 5 (Richmond) "were somewhat better during January than they were before the holidays, and much of the crop has been sold." The condition has varied with the several markets, in that some have been glutted, while others have been closed because the farmers have been unwilling to accept the prices offered. In the tobacco sections of district No. 8 (St. Louis) country merchants report that farmers are selling the crop and liquidating their indebtedness. In district No. 5 (Richmond) "much talk of reduced acreage in tobacco for 1921 continues, and a cooperative marketing association is being formed among growers." The condition in the manufacturing industry has shown little change. District No. 3 (Philadelphia) reports that, due to uncertainty as to prices, the "demand is somewhat inactive, with purchases being made only to meet the current requirements of local dealers."

The mild weather prevalent throughout the country this winter has caused an early budding of trees in all fruit-growing sections. The exact status of the crop, of course, is not definitely determined until the possibility of damage from late frost has passed, and until that time uneasiness is naturally felt. District No. 12 (San Francisco) reports that "in the Pacific Northwest the buds began swelling six weeks earlier than usual, and in California the almonds and some of the earlier varieties of fruits are already in blossom." The February



estimate of the California citrus fruit crop has confirmed the previous forecast of a record crop. "The quality of the fruit has been high, but it has not been sizing up as well as last year, and in many cases picking has been confined to the larger sizes, which bring higher prices." January, 1921, shipments of oranges have been larger by a thousand cars than those of January, 1920, while shipments of lemons during the same period have been slightly under those for the same period last year.

*Live stock.*—Live stock generally is in excellent condition, due to the open winter and to ample supplies of feed and forage. Fewer cattle are being fed than usual in district No. 10 (Kansas City). Big feeders in the district, particularly in Missouri, are not buying large numbers of stock hogs. Very little sheep feeding is reported. Light rains and snows over a considerable part of the range country in district No. 11 (Dallas) relieved the need of moisture previously noted in scattered localities. While there is still some evidence of drought in isolated sections, and the shortage of grass in the irrigated parts of Arizona has given rise to a serious situation in the sheep industry, range conditions in the southwest in general continue better than they have been for many years. The ranges in the district are stated to be considerably understocked. Good weather and cheap feed in district No. 12 (San Francisco) are making it possible for many livestock men to hold their animals over the winter, unlike last year, when a considerable amount of unfinished stock was forced into the market. There was a stronger demand for feeders during the first two weeks of February, especially for hogs, and on February 7 feeders at Portland sold at a premium of 25 cents over fat pigs, which is the reverse of the usual situation. In the district as a whole, the winter season is usually the time of greatest consumption and smallest supply, and as a result livestock prices held fairly steady, although the Salt Lake market was more sensitive to the weakness in the middle western markets. Further price declines featured the live-stock markets in district No. 10 (Kansas City), although the declines have been less drastic than those recorded last fall. The better class of beef steers has slumped more than the lower grades, heavy hogs have been in less demand than light hogs, and prices of sheep have declined materially in the past month in that district. Hogs alone showed no decrease in price in district No. 11 (Dallas) during January, but the best grades of beef steers, which sold as high as \$9 at the opening of the month, ranged at its close from \$7 to \$7.50. Declines

in dressed-meat prices have affected packing operations to some extent in district No. 10 (Kansas City), while outside buying constituted the bulk of the cattle transactions of the month, packers taking very few of the offerings. Receipts of the principal classes of live stock at 15 western markets show increases over the December figures, but in the case of cattle, calves, and hogs are below the large figures for a year ago. January receipts of cattle and calves were 1,191,814 head, corresponding to an index number of 118, as compared with 984,309 head in December, and 1,392,739 head in January, 1920, corresponding, respectively, to index numbers of 98 and 138. Receipts of hogs increased from 2,932,052 head during December to 3,339,419 head during January, but were less than the January, 1920, figure of 3,842,609 head. The respective index numbers were 133, 152, and 175. January receipts of sheep were 1,112,024 head, corresponding to an index number of 81, as compared with 942,858 head during December, corresponding to an index number of 69, and 1,035,274 head during January, 1920, corresponding to an index number of 76.

*Coal.*—The demand for bituminous coal has fallen off considerably as a result of the mild weather, the curtailment of operations by industrial plants, and the contraction in the tonnage used by the railroads. Production during January was 40,125,000 tons, as compared with 52,565,000 tons during December and 48,689,000 tons during January, 1920. The respective index numbers are 108, 142, and 131. The percentage loss due to absence of a market was 46.9 per cent for the week ending February 5. Domestic coal is in good demand in district No. 6 (Atlanta), but the steam coal market is still quiet. Weekly production in district No. 5 (Richmond) has fallen off about 20 per cent since the end of November. Mine prices reflect the market situation, but retail prices have not followed in the downward movement. Retailers attribute the situation to contracts previously made and to high freight rates. Operators in district No. 3 (Philadelphia) "continue to produce in order to keep their working organizations together." Coal dealers in district No. 5 (Richmond) do not appear to have large stocks on hand, but are purposely limiting them because of price uncertainties. The coke market reflects the situation in the iron and steel industry, as prices have declined and operations have been curtailed. Anthracite production has continued heavy, being favored by mild weather and liberal car supply. January production was 9,419,000 tons, as compared with 8,321,000 tons during December and 7,588,000 tons during January,

1920. The respective index numbers were 127, 112, and 103. There is a poor demand for buckwheat, and many of the larger producers are storing this size with a view to marketing under more favorable conditions. Steam sizes generally are beginning to feel the competitive effect of the low price of bituminous coal, and sales are not as brisk as heretofore.

*Petroleum.*—Decreased consumption has resulted in a considerable drop in the price of crude petroleum. At the close of January, Kansas and Oklahoma crude oil was selling at \$2.50 per barrel, a decrease of \$1 per barrel from the price prevailing at the opening of January, and further cuts in the first part of February reduced the price to \$2 and in some cases to \$1.75. Reductions in prices announced in January by purchasing companies in the major fields of district No. 11 (Dallas) brought prices down from \$3.50 per barrel to \$2, and early in February there was a further cut of 25 cents. In sympathy with the price declines in crude oil, refined products and fuel oil showed substantial declines in district No. 11 (Dallas) during the last 30 days. Production of crude petroleum likewise fell off during January. In district No. 11 (Dallas) the output was 12,746,315 barrels, which was 87,259 barrels less than the December figure. The January production in Oklahoma and Kansas was 10,710,500 barrels. In California, however, production during January established a new high record for the fifth successive month, and for the second time since July, 1919, monthly output exceeded consumption, and stored stocks were consequently increased. Refiners' operations in districts Nos. 10 (Kansas City) and 11 (Dallas) likewise showed a decrease. In Kansas and Oklahoma it is reported that they have been reduced about 40 per cent, a number of the smaller refineries being shut down entirely, while others are operating on shorter time. Pipe-line purchases in most fields in district No. 11 (Dallas) were restricted to 50 per cent of the output. Field forces are being reduced by nearly all the large operators in the district, and as a result drilling operations have slowed up, particularly in north Texas. A decrease was likewise noted in Kansas, Oklahoma, and Wyoming drilling operations during January, but the number of wells completed increased in California and the initial daily production almost doubled.

*Iron and steel.*—The iron and steel industry continued in an unsettled condition. Production shows a further falling off. Pig-iron production during January was 2,416,292 tons, corresponding to an index number of 104, as compared with 2,703,855 tons, corresponding

to an index number of 117, during December. More furnaces in district No. 4 (Cleveland) continue to go out of blast as a result of the continued fall in the price of pig iron, and the number of merchant furnaces now active is the lowest in several years. Pig-iron production in district No. 6 (Atlanta) is "down to the minimum and is still in excess of the business that is being booked." Steel-mill operations in the district, however, are good, but for the country as a whole the production of steel ingots decreased from 2,340,365 tons during December, corresponding to an index number of 100, to 2,203,186 tons during January, corresponding to an index number of 94. The divergence between the independent producers and the United States Steel Corporation in the percentage of capacity operating continues. The respective percentages, it is stated from district No. 3 (Philadelphia), are 30-40 per cent and 80-90 per cent. There were further general reductions in prices by independent steel producers early in February. Quotations are now 10-15 per cent below those of the United States Steel Corporation for most of the standard specification materials, plates, sheets, and bars, but for rails and a few other finished products quotations have been maintained near those of the leading interest. While some new business resulted, uncertainty in the minds of consumers has tended to be augmented, and in many cases the effect has been to postpone purchases not immediately needed. The limited new business obtained, it is stated from district No. 3 (Philadelphia), is "only for present day needs." Despite the difference in the price quotations of the two groups of producers, the subsidiaries of the corporation report negligible cancellations or suspensions due to this cause. The latter, however, is gradually cutting into its order book, unfilled orders at the close of January being 7,573,164 tons, as compared with 8,148,122 tons at the close of December, and the respective index numbers were 144 and 155. It has not, however, as yet made any reductions in wages, although the majority of independent producers have put in effect reductions varying from 15 to 25 per cent. Interest in the industry at present centers upon the policy which it will pursue under the conditions which have developed.

*Nonferrous metals.*—The nonferrous metal markets have remained dull. Among the developments of most interest has been the plan for financing stocks of copper amounting to 400,000,000 pounds, which represents about two-thirds of producers' holdings. This gave the market a touch of firmness until recently, but the other principal nonferrous metals in general have been weak. Prices of zinc ore

declined \$4.50 per ton during January in district No. 10 (Kansas City), but the price of lead ore increased \$2.50 per ton during the same period. During February, however, the leading interest further reduced its price for refined lead (on the New York basis) to 4.4 cents per pound. Zinc production for the entire country during January decreased almost 10 per cent from the December figure, but supplies are plentiful. There has been a slowing down of production in Kansas, Missouri, and Oklahoma, while metal mining in Colorado has been rather quiet since the opening of the year, and production in January was generally reduced, owing to the low price of the base metals. January copper output reported by companies producing about 75 per cent of the refined copper in district No. 9 (Minneapolis) was 20,641,948 pounds, as compared with 21,027,549 pounds during December and 31,957,146 pounds during January, 1920. In district No. 12 (San Francisco), six out of 14 reporting copper producers were not operating in December, while the remaining eight showed percentages of capacity operated up to 67 per cent, with an average of 28 per cent.

*Cotton textiles.*—After a brief period of advance, the price of raw cotton fell to new low levels in February, and spot cotton was quoted at 13.6 cents per pound in New York. It is stated in the report from district No. 2 (New York) that "the increased consumption and steadily advancing foreign exchange rates, factors that ordinarily would cause an advance, were offset by increasing stocks on hand, by decreasing exports, by the reluctance of large buyers to place forward orders, and by the somewhat freer offering of cotton by southern growers." January statistics of consumption, issued by the Census Bureau, indicate some resumption of activity during that month, as 366,270 bales of lint cotton were consumed in the mills of the United States, which was an increase of 71,419 bales over December, 1920. Consumption, however, was still 225,651 bales below that of January of last year. The consumption of the New England mills alone increased from 86,523 bales in December to 114,710 bales in January. Stocks on hand increased slightly, from 535,700 bales to 548,700 bales, but were nevertheless still below normal.

District No. 1 (Boston) states that quotations on finished cotton goods have "a general tendency to sag, and gray goods, 38½ inches, 64 x 60's, 5.35, are again quoted at 8 cents, with occasional sales in second hands at a shade below this figure." Purchases have been in small volume per buyer, but there has been an increase in the number of purchases of staple goods, largely for delivery within a period of

three or four weeks. In district No. 3 (Philadelphia) a revival of activity was followed by reaction beginning in the latter part of January. It is said that many mills received large orders and several sold their entire output for two and three months in advance during the earlier weeks of the year. With a break in the raw cotton market, demand fell off and with the present lack of stabilization of quotations buying is largely confined to filling in stocks for which there is an immediate demand. Manufacturers are again suffering cancellations of goods which are in transit or ready for shipment. The situation in the market for cotton goods is reported to have been in large measure duplicated in the case of cotton yarns. The mills have, however, increased their operating schedules somewhat, and the recent falling off in demand has resulted in subsequent reduction. In district No. 5 (Richmond) textile mills increased their operating capacity during January and mills making tire fabric have received enough orders to keep them running full time, some of them for a period of six or eight weeks.

*Woolen textiles.*—The market for raw wool has shown little change during the month, and prices are near the lowest levels reached during the past year, although some of the finer grades have advanced slightly. The supply of wool in this country is estimated to be already sufficient for the normal consumption of a year exclusive of the spring clip. District No. 3 (Philadelphia) reports increased demand for woolen yarn for the spring season, with a slight advance in price in January and February. Unemployment has diminished and wages have been reduced in a majority of the plants. Woolen and worsted mills in district No. 1 (Boston) have not increased their rate of production during the past month, but top manufacturers are stated to have substantial orders ahead. Manufacturers of woolen cloth in district No. 3 (Philadelphia) report an increase in orders for women's dress goods, largely for immediate delivery, however. One mill in the district received orders for specialties and fancy goods for six months ahead, but preferred to limit its orders to three months in view of existing uncertainties. Two other large manufacturers of dress goods reported that their mills were running at full capacity, with both day and night shifts. It is evident, however, that this unusual activity is not typical of the general situation but is the result of highly specialized demand for goods for immediate delivery. Some increase has been noted in the district in the demand for men's wear and these fabrics have been selling rather freely at a slight advance in price.

*Silk textiles.*—A distinct revival of the demand for silk piece goods has resulted in activity in the silk mills of districts No. 2 (New York) and No. 3 (Philadelphia). In Paterson 14,000 looms, exclusive of 10,000 owned by mills which have failed or are completely closed, are running at 30 per cent of capacity as compared with 20 per cent on January 1. Elsewhere in New Jersey looms were being operated at about 45 per cent of capacity as compared with 33 per cent a month ago. In district No. 3 (Philadelphia) it is said "a number of mills having largely disposed of their finished stock have resumed operations after a lay-off of many months." A liberal estimate of operating capacity is from 50 to 55 per cent. Few orders have been placed, except for immediate delivery, however, in view of the uncertainty of the market for raw silk. The price of silk fell during the month in the face of increased demand and "Shinshui" No. 1 ruled at \$5.70 per pound as compared with \$6.20 during January. The Silk Association of America reported the consumption of raw silk stored in New York at 22,176 bales during January, 1921, an increase of 12,748 bales over the previous month. The amount in storage is placed at 31,859 bales. Imports during the month totaled 9,499 bales.

*Hosiery.*—The break in cotton late in January and the subsequent fall in yarn prices resulted in a drop in hosiery prices following an advance. Many mills have tried to maintain the higher prices, but there is no stable market in view of the existing uncertainties. Hence district No. 3 (Philadelphia) reports that at present orders are very small and have been placed only when necessary to fill in depleted stocks. Reports received from 27 reporting firms which sell to the wholesale trade show a reduction in the value of the product manufactured during January (selling price) of 75.5 per cent as compared with the same month in 1920, and nine-tenths of 1 per cent as compared with December. The value of finished products at the end of the month (selling price) was 34.1 per cent in excess of stocks held a year ago. There was, however, a reduction of 3.5 per cent as compared with the previous month. Unfilled orders on hand at the end of the month (selling price) had dropped 81 per cent as compared with the same month last year, but an advance of 81.9 per cent was recorded as compared with the preceding month. Ten reporting firms which sell to the retail trade showed a decrease in the value of the product manufactured of 93.2 per cent as compared with January, 1920, and 73.8 per cent as compared with the previous month. Unfilled orders on hand at the end of the month (selling price) were

99.3 per cent less than during January, 1920, but 90.2 per cent greater than during the previous month.

*Underwear.*—Underwear mills in district No. 3 (Philadelphia) experienced a fairly active demand during the latter part of January and the first week in February, although orders were accepted only for immediate delivery. Since then demand has declined, and difficulties in fixing upon a price which will be satisfactory to all interests has delayed recovery as in the case of the hosiery industry. As fall lines will be opened the first week in March, it is probable that a waiting policy will be pursued until that time. Firms manufacturing underwear located in district No. 3 (Philadelphia) recorded a decrease in the value of the product manufactured of 69.2 per cent in January as compared with January, 1920, and 12.8 per cent as compared with the preceding month. Finished products on hand at the end of the month were 34.2 per cent in excess of amounts held at the end of January, 1920, and showed a negligible increase of 1.1 per cent as compared with the previous month of December. Orders booked during the month were 71.4 per cent in excess of the corresponding month last year and 245 per cent above those for December. Unfilled orders at the end of the month were 72.3 per cent below the amounts outstanding at the end of January, 1920, and 267.2 per cent in excess of those outstanding at the end of the previous month.

*Finishing of cotton fabrics.*—Thirty-four of the 58 member firms of the National Association of the Finishers of Cotton Fabrics report for the month of January total finished yards billed during the month of 34,315,924, as compared with 39,594,648 during the month of December. The total average percentage of capacity operated was 33 per cent for all reporting districts, as compared with 29 per cent during the preceding month. The total gray yardage of finishing orders received amounted to 72,541,858, as compared with 32,882,178 in December. The total average work ahead at the end of the month amounted to 9 days for all reporting districts, as compared with 4.2 days for the preceding month.

*Knit goods.*—The 61 mills reporting to the Knit Goods Manufacturers of America state that their actual production (in dozens) of winter and summer underwear for the month ending January 31, 1921, amounted to 148,023, which was 16.4 per cent of a normal production of 852,007. Of the 41 mills which report unfilled orders at the first of the month and new orders received during the month, 24 were completely closed down for January, but the totals of unfilled orders amounted to 155,893 dozen at the first of January and new orders

received during January to 251,694 dozen; shipments were 88,269 dozen; cancellations, 2,337 dozen, and production 116,290 dozen, or 20.6 per cent of the normal production of the 41 mills. The 20 representative mills reporting both for December and January show unfilled orders on the first day of January amounting to 85,448 dozen, a gain of 5,199 over the preceding month. New orders received during the month amounted to 137,799 dozen, an increase of 8,037 dozen; shipments were 53,157 dozen, an increase of 10,616 dozen; production rose to 76,514 dozen as compared with 71,503 dozen during December.

*Shoes and leather.*—Prices of hides and skins after a brief period of advance have reacted, falling to such a low point that packers are reported to be tanning hides for their own account rather than sell at the prevailing prices. Calfskins, for example, which dropped from a maximum quotation of \$1.05 per pound to 13 cents after rising to 20 cents during January, fell again to 17 cents. Tanners are unable to avail themselves of the opportunity to buy at present bargain rates because of large stocks already on hand. Upper leather, especially in novelty and fancy colors, is being sold in large quantities in the Boston and Philadelphia markets. District No. 1 (Boston) reports, however, that stocks of leather held by shoe manufacturers in New England are by no means normal for the season, and the major part of the stocks of tanned leather remains in the hands of tanners and dealers. The negligible export demand for leather is likewise an important factor in the way of preventing revival in the tanning industry. District No. 3 (Philadelphia) states, however, that the tanners in that region have as a whole increased their output, and, after wage cuts ranging from 25 to 30 per cent and even to 40 per cent in some cases, are employing a larger number of men. All reports received agree in stating that increased activity in the boot and shoe industry was experienced in January. In large part the increased demand was for goods to be made prior to Easter, and novelty styles were predominant. In district No. 1 (Boston), however, production on the average was not much above 50 per cent of operating capacity and shipments about equaled output. In district No. 3 (Philadelphia), although substantial orders in advance of Easter have been placed, some firms report much more active inquiries than others. In district No. 8 (St. Louis) three leading manufacturers have had heavy orders for women's fancy novelty goods for delivery by April, but January shipments were from 40 to 52.5 per cent below those of January, 1920. "Men's dress shoes, farmers' footwear, and the general

run of utilitarian goods are dull, future orders for spring consumption being nil. Last year this class of goods had been shipped in January for April and May consumption."

*Lumber.*—The market for lumber has shown some improvement, due largely to favorable weather conditions. Reports from district No. 6 (Atlanta) and district No. 11 (Dallas) state that the value of business in southern pine is increasing. Reports from 135 mills in district No. 6 (Atlanta) for the week ending February 4 show actual production still 35.5 per cent below normal and shipments 33.4 per cent below normal production. The 28 mills located in district No. 11 (Dallas) received orders equivalent to 72 per cent of their normal production, while for the preceding four weeks the orders booked by 24 reporting mills were only 46 per cent of normal production. The gain in new business resulted in increasing the January output for the reporting mills. The production was only 36 per cent below normal, while for the month of December it was 47 per cent below normal. Unfilled orders reported by these 28 mills were 36,783,000 feet as compared with 32,358,000 feet reported by 24 mills on December 31. In other sections, however, improvement is not yet perceptible. District No. 5 (Richmond) states that lumber dealers have received but few orders. Districts No. 8 (St. Louis) and No. 9 (Minneapolis) also report dull market conditions and slackening in buying by retail yards. In district No. 9 (Minneapolis) the lumber cut for January was only 45 per cent of that of a year ago. The four lumbermen's associations of district No. 12 (San Francisco) report January production 43.6 per cent less than for December and now approximately one-half of normal production, but it is estimated that 50 per cent of the mills will be in operation by the middle of February. Orders for lumber received during January were 26.2 per cent greater than in December and prices showed an upward tendency. 114 mills belonging to the West Coast Lumbermen's Association reported for the four weeks ended January 29 a cut of 130,865,000 board feet, shipments of 133,645,000 feet, and orders 140,221,000 feet. The corresponding figures for the preceding four weeks, with 116 mills reporting, were as follows: 187,142,000 feet; 188,669,000 feet; 114,737,000 feet.

*Building operations.*—Building operations throughout the United States have declined during the past month. The reduction in the volume of construction is not, however, as great as the figures may indicate, due to the considerable fall in the prices of building materials this year from the abnormally high levels a year ago. Some districts have reported very little activity in the building of

homes, but in district No. 2 (New York) contracts awarded during January for residential building in New York State and northern New Jersey were greater in value by about 90 per cent than in December. This represents about 40 per cent of the aggregate as compared to 25.8 per cent in December. Reports from 13 large cities in district No. 3 (Philadelphia) show that building permits issued during January were valued at \$1,917,548, as compared to \$2,018,690 in December and \$4,939,784 in January, 1920. This large decline in building activity was paralleled by inactivity in the lumber and brick manufacturing trades, as well as in the wholesale hardware trade. In district No. 5 (Richmond) the total valuation of permits issued during January decreased 45.4 per cent as compared with the same period of 1920. Although there has been little provision for additional homes, it is reported that "there appears to be developing a strong movement toward home construction, and various plans for bringing this highly desired result are being put forward." In district No. 6 (Atlanta), while there appears to be considerable increase in valuation of permits issued in some of the smaller towns, practically all the larger cities show decreases which make the total valuation for the district very much lower than a year ago. District No. 8 (St. Louis) showed the value of permits issued in the four chief cities during January, 1921, to be \$1,488,804, which was an increase over the December figure of \$915,471, but was considerably under the large valuation of January, 1920, which was \$2,391,903. Building operation in district No. 9 (Minneapolis), when measured both in number and value of permits issued, decreased substantially when compared to both December and January, 1920. In district No. 10 (Kansas City) the estimated value of building permits issued was 48.2 per cent less during January, 1921, than for that month a year ago. The decline was even more marked in district No. 11 (Dallas), where a decrease of 58.1 per cent occurred during the same period. In district No. 12 (San Francisco), "January, 1921, permits show a 44.2 per cent decrease in value compared to January, 1920, and a 10.3 per cent decrease in the number of permits issued."

*Wholesale trade.*—As compared with January, 1920, the sales of reporting wholesale firms, averaged by lines for the eight districts from which reports are secured, registered declines with the single exception of two wholesalers of auto supplies located in district No. 11 (Dallas). On the other hand, gains are recorded as compared with the month of December in a number of instances. In district No. 5 (Richmond), for example, eight wholesale grocery firms report

an advance in average sales of 4.3 per cent as compared with December. In district No. 6 (Atlanta), dry goods sales were on the average 35.1 per cent above those for December, with thirteen firms reporting, and wholesale hardware sales increased 8.4 per cent for the district, with ten firms reporting, although increases were confined to Atlanta and Nashville. Wholesale shoe sales were likewise 6.1 per cent above the December average, with nine firms reporting. District No. 8 (St. Louis) states that although January hardware sales were from 24 to 60 per cent below January, 1920, increases were registered as compared with December. City business was reported better than that of the rural districts, and no buying for the future had as yet begun. In district No. 10 (Kansas City) the hardware sales of four reporting firms increased slightly as compared with December, but buying remained still solely for immediate requirements. An increase of 50.1 per cent in the sales of three wholesale millinery firms also occurred during the month. In district No. 11 (Dallas) increases were the rule for all reporting lines as compared with December excepting wholesale groceries, for which five firms report an average decrease of 4 per cent, and drugs, for which five concerns reported an average decrease of six-tenths of 1 per cent. The increases in dry goods and hardware amounted to 20.6 and 9.6 per cent, respectively, three firms reporting for each line, while sales of farm implements, two firms reporting, advanced 17.9 per cent, furniture, two firms reporting, showed an increase of 7.9 per cent, and auto supplies, two firms reporting, 17.5 per cent. In district No. 12 (San Francisco) the only increase over December sales was confined to wholesale groceries, which advanced slightly by 1.7 per cent.

As previously stated, the declines in sales as compared with January a year ago are with one exception universal and are in all cases quite heavy. In district No. 3 (Philadelphia) the decrease in sales for 23 reporting hardware firms amounted to 17.4 per cent and a decrease of 26 per cent also occurred as compared with the preceding December. The decreases are attributed in large part to continued dullness in the building trades. The losses in sales of 49 reporting wholesale grocery firms amounted to 31.9 per cent as compared with a year ago, and 11.9 per cent as compared with December. Losses are naturally greatest in sections that feel most acutely the widespread unemployment existing in district No. 3. Standard staple groceries are said to be in the most steady demand, while lines such as high-class canned goods are not taken even at reduced prices. In district No. 4 (Cleveland) decreases in sales as compared with January, 1920, were 20.7 per

cent for seven hardware firms, 51.6 per cent for five dry goods stores, and 36.7 per cent for 15 grocery stores. In district No. 5 (Richmond) decreases ranged from 23.9 per cent in the sales of eight wholesale grocery houses to a drop of 77.6 per cent in the sales of eight wholesale shoe firms. Hardware sales were 77.3 per cent less than a year ago for nine concerns reporting, while furniture sales had dropped 74.1 per cent for five reporting establishments.

In district No. 6 (Atlanta) the decrease in wholesale hardware sales as compared with January, 1920, was heavier than in district No. 3 (Philadelphia), as 10 firms showed an average decrease of 38.7 per cent. In groceries the decrease amounted to 36.7 per cent, 10 firms reporting; in shoes 59.6 per cent, 9 firms reporting; and in dry goods 41.7 per cent, 13 firms reporting. There was also a decrease of 11 per cent in grocery sales as compared with December, but in general there was evidence of revived activity in January as compared with the preceding month. District No. 7 (Chicago) recorded losses of 29.5 per cent in average sales of wholesale groceries, 21 firms reporting, as compared with January, 1920; 61.2 per cent in the case of 12 dry goods houses, and 52 per cent for nine wholesale shoe firms. District No. 10 (Kansas City) reported losses in sales of wholesale establishments ranging from 32.7 per cent in the case of groceries, three firms reporting, to 69.9 per cent in the case of furniture houses, two firms reporting. District No. 11 (Dallas) gives average losses for sales in reporting lines as follows: Groceries, five firms reporting, 36.4 per cent; hardware, three firms reporting, 34.8 per cent; dry goods, three firms reporting, 69.3 per cent; drugs, five firms reporting, 17.6 per cent; furniture, two firms reporting, 26.3 per cent; farm implements, two firms reporting, 71 per cent.

In district No. 12 (San Francisco), with the single exception of the wholesale grocery trade, all reporting lines showed decreases as compared with the preceding month as well as with a year ago. Buying continued light and heavy declines from December sales were largest in the case of auto tires, 10 firms reporting; dry goods, 11 firms reporting; furniture, 12 firms reporting; stationery, 11 firms reporting; and hardware, 23 firms reporting. For each line the percentage decreases were 66.7, 28.7, 22.9, 22.4, and 13.3, respectively. Lesser declines occurred in the case of shoes, 12 firms reporting, and drugs, 4 firms reporting. The losses were 7.1 and 4.3 per cent, respectively. As compared with a year ago, decreases were as follows: Hardware, 29.5 per cent; dry goods, 46.6 per cent; drugs, 12.7 per cent; shoes, 57 per cent; stationery, 6.8 per cent; furniture, 35 per cent; auto tires, 32.7 per cent.

*Retail trade.*—Retail trade during January has been characterized by a general tendency toward a lower price level, and there has been an indication that the public is showing a tendency toward normal purchasing, but is still discriminating as to the quality of goods. Typical of the reports from the several Federal Reserve districts is that from district No. 8 (St. Louis): "The recent wave of economy on the part of the public is being felt, but where prices look cheap, or even reasonable, there is a good response on the part of the shoppers." The value of net sales in general decreased when compared with the same month last year, in particular in the West, but the lower price level prevailing offsets the decrease to a very great extent, so that the volume of sales is practically at the same level. There has, however, been an increase in sales in some eastern districts even at present values. Thus in district No. 1 (Boston) the increase was 1.5 per cent, in district No. 5 (Richmond) it was 5.4 per cent, and in district No. 3 (Philadelphia), 3.1 per cent. On the other hand, there was a decrease of 5.3 per cent in district No. 2 (New York), 12.3 per cent in district No. 9 (Minneapolis), 11.6 per cent in district No. 10 (Kansas City), and 14.3 per cent in district No. 12 (San Francisco). The decrease of stocks on hand at the close of January shows that merchants are still liquidating stocks and making but few replacements. Orders for future delivery, although showing renewed activity, indicate on the whole that merchants are placing orders very cautiously and are endeavoring to operate on what is regarded as a safe basis.

*Prices.*—Wholesale prices in January declined somewhat less rapidly than in December, according to the index numbers compiled by the Bureau of Labor Statistics and the Federal Reserve Board. In February, however, judging by Federal Reserve agents' reports, the rate of decline was accelerated again. During January the increase which occurred in the price of certain agricultural commodities, such as wheat, cotton, and some varieties of live stock, was in large measure responsible for the less rapid decline in general prices during that month. In February, however, the temporary rise in the prices of certain of these commodities was followed by declines, as was notably the case with cotton and wheat, and at the same time large reductions were made in other important lines such as iron and steel products, crude and refined oils, and many types of building materials.

Price developments during recent months have differed strikingly from industry to industry. In the case of textiles and leathers, which were among the earliest to be reduced in price, a period of instability still exists.

Prices are not being reduced as rapidly as during earlier months, but very little confidence is felt in present quotations. It is the general opinion that the recent decline in domestic raw cotton prices is due to the fact that growers are selling more freely than in recent months. Fine grades of wool are quoted slightly higher than a month or so ago, but coarser grades are still at their recent low mark or actually on the decline. Certain grades of hides are quoted slightly higher than last month, but most grades continue to decline. Silk prices have shown relative stability during the last six weeks.

Prices of agricultural commodities, although not showing as rapid declines as during earlier months, are in general somewhat lower than a month ago, wheat and rye showing the greatest strength. Live-stock prices have likewise varied considerably during recent weeks, but the tendency appears to have been toward lower levels.

Lumber and other building materials, which were not affected by price readjustment as early as many other commodities, declined considerably in January, but, in the case of lumber at least, were relatively stable during the first weeks of February. In fact, from southern districts reports are made that there is considerable buying demand, although not enough to cause an increase in prices. Cement and brick continue to decline.

Probably the most significant price changes of the month are the reductions in semifinished and finished steel products, as quoted by the independent steel manufacturers, and those in crude and refined oils. Steel products, as quoted by the independent producers, have been on the decline continually for several months, but the reduction in crude-oil prices is an event of the last few weeks. As in the case of coal, prices of crude oil and its derivatives have declined because of the reduction in industrial demand.

The index number compiled by the Federal Reserve Board for the purpose of international comparisons shows a decline of 5 per cent in wholesale prices in the United States in January, as compared with a 10 per cent decline in December. The index number now stands at 62 per cent above the 1913 level. The index number of the Bureau of Labor Statistics (based upon something over 325 commodities) registered 177 for January, showing a 6 per cent decline from the previous month. All groups of commodities in the Federal Reserve Board computation showed a decline for January except imports. In the case of imported goods, the index number showed an advance of 2 points over the preceding month.

Retail prices of food declined 3 per cent during January, according to the index number

of the Bureau of Labor Statistics based upon 43 articles of food in 51 cities. The index number stood at 72 per cent above 1913 prices in January, 1921.

*Employment conditions.*—In district No. 1 (Boston), the first to report the growth of unemployment on a large scale, the situation during the past month has shown "a slight but irregular improvement." The resumption of operations by a number of large textile mills and the increased activity of many shoe factories are the chief causes of the change for the better. On the other hand, 22 strikes occurred between January 15 and February 17 in the State of Massachusetts, the most important of which was that of the garment workers. It is said that in New York State preliminary estimates for February, at least, indicate no appreciable decrease in numbers employed in January as compared with the preceding month. The decreases occurring in the transport lines and in the building trades have been about counterbalanced by the addition to the working forces of the up-State shoe factories and of the textile mills. So far unemployment in district No. 3 (Philadelphia) continues to be widespread. The Public Employment Bureau, operated by the Pennsylvania State Department of Labor, estimates the numbers unemployed on February 15 as follows: Philadelphia, 80,000; Altoona, 19,625; Harrisburg, 20,360; Johnstown, 7,700; Williamsport, 4,115; Scranton, 13,100.

The metal and machinery trades and common labor show the largest numbers unemployed. In the southeastern sections of the country, district No. 5 (Richmond) and district No. 6 (Atlanta) report an excess supply of labor, notwithstanding the fact that many textile mills have resumed operations on practically full time. In the mining centers of district No. 9 (Minneapolis) 13,097 men were employed by reporting companies in January, 1921, a reduction of 3.4 per cent, as compared with the previous month and 38.6 per cent as compared with a year ago. Although district No. 11 (Dallas) reports considerable unemployment in cities of over 3,000 population, it is estimated that a shortage of agricultural labor is imminent in southwest and west Texas unless a shift from other districts should occur. In district No. 12 (San Francisco), the last to feel the effects of unemployment, the situation is slightly better than in December, and with the resumption of agricultural operations and the reopening of the lumber mills improvement is expected. The United States Employment Service estimated that 63,700 men were unemployed in the three States, Washington, Oregon, and California, some of whom had drifted in from



other States. On January 1, 1921, the numbers actually employed in these three States were 79.1 per cent of those engaged in work on the same date a year ago.

*Financial.*—Financially the developments of the month have been of a negative character. Call-money rates have been, on the whole, rather higher than during January, while there has been little change in charges either for commercial or time funds. Some offerings of high-grade securities have been quickly disposed of, although the rates charged for them were fully as high as those which were required during recent months for the flotation of other issues of the same classes. Only a moderate demand for investment securities has prevailed. Speculative activity has been at a comparatively low ebb and market conditions have been largely professional. In foreign trade there has been but little improvement. Collections are reported as rather better in some directions. Conditions in the countries where moratoria exist have not materially altered. The position of foreign banks has shown some reduction, both in deposits and notes, but the changes have not been sufficiently great to indicate a definite turn in any new direction. Further effort has been made in the direction of organizing corporations designed for the long-term financing of exports. Foreign exchange has, on the whole, been in a stronger condition than during January, the trend of demand sterling quotations being almost steadily upward during the first part of the month, while continental currencies have been for the most part firmer, notwithstanding that the market demand has during a considerable part of the time been dull.

*Foreign trade.*—With the publication by the Department of Commerce of the detailed figures by commodities for December, it is now possible to summarize the results of our foreign trade in 1920. Imports of merchandise during the year are given as \$5,279,398,211, while exports are placed at \$8,228,759,748, an excess of exports of \$2,949,361,537. The excess of exports, therefore, shows a decided reduction compared with an excess of a little over \$4,000,000,000 in 1919. There was thus a tendency last year toward a more balanced condition of our international trade. Only through imports that we receive is it possible for foreign countries to pay us the very large balances now outstanding. For this reason, the steady declines in imports that have been

reported from month to month since June, 1920, when imports were at their peak, are not so encouraging.

Taking the quantities of goods transported instead of values, the Board's foreign trade index shows that in 1920 the volume of exports of 29 principal commodities declined about 9 per cent compared with 1919. Similarly, the volume of imports of 25 principal commodities is shown to have increased but 0.4 per cent. To the extent that these commodities are representative of our foreign trade as a whole, the volume of our trade during 1920 was distinctly less than in 1919, notwithstanding that a new high record of values was established for both exports and imports.

Exports of merchandise in January amounted to \$655,000,000, while imports were valued at \$209,000,000, the excess of exports therefore being \$446,000,000. This is but little under the excess for December, 1920, which was the largest excess on record in any one month excepting only June, 1919. The reductions of commodity prices which have been occurring in recent months have served to stimulate some renewed foreign buying; while, on the other hand, the overstocked condition of domestic markets is reflected in the smaller demand for foreign products.

*Shipping.*—Despite the large volume of our foreign trade, the shipping industry is passing through a period of severe depression. Ocean freight rates have continued downward steadily and at times precipitately the past few months, until steamship companies in many trades are operating on a losing basis. The downward trend of freights was further emphasized in February, when the North Atlantic United Kingdom conference lowered coal charters to \$3.85 per ton from Hampton Roads to Rotterdam and to \$5.50 per ton to River Plate ports. The corresponding quotations in February, 1920, were \$21 to Rotterdam and \$13 to Buenos Aires. The policy of laying up ships until freights improve continues on a large scale. Shipbuilding in American yards is for the present being confined to vessels already laid down. New contracts have been almost entirely wanting for several months past. The amount of construction under way on February 1 was reported by the American Bureau of Shipping as 404 steel ships of 1,579,398 gross tons. Of these vessels, 61 were being built for the United States Shipping Board.

**CONDITION OF WHOLESALE TRADE.**

Percentage of increase (or decrease) in net sales in January, 1921, as compared with January, 1920.

District.	Groceries.		Dry goods.		Hardware.		Shoes.		Furniture.	
	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.	-31.9	49	.....	.....	-17.4	23	.....	.....	.....	.....
No. 4.	-36.7	15	-51.6	5	-20.6	7	.....	.....	.....	.....
No. 5.	-23.9	8	-65.2	8	-47.3	9	-77.6	8	-74.1	5
No. 6.	-36.7	10	-41.7	13	-38.7	10	-59.6	9	.....	.....
No. 7.	-29.5	21	-61.2	12	.....	.....	-52.0	9	.....	.....
No. 10.	-32.7	3	-63.7	2	-44.8	4	.....	.....	-69.9	2
No. 11.	-36.4	5	-69.3	3	-34.8	3	.....	.....	-25.3	2
No. 12.	-26.6	28	-46.6	11	-29.5	23	-57.0	14	-35.0	13

District.	Drugs.		Auto supplies.		Stationery.		Farm implements.		Auto tires.	
	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.
No. 4.	-19.0	4	.....	.....	.....	.....	.....	.....	.....	.....
No. 11.	-17.6	5	+25.6	2	.....	.....	-71.0	2	.....	.....
No. 12.	-12.7	6	.....	.....	-6.8	12	.....	.....	-32.7	10

Percentage of increase (or decrease) in net sales in January, 1921, as compared with preceding month.

District.	Groceries.		Dry goods.		Hardware.		Boots and shoes.		Furniture.	
	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.	-11.9	49	.....	.....	-25.0	23	.....	.....	.....	.....
No. 5.	-10.4	8	+40.3	8	-9.0	9	-7.1	8	-2.4	5
No. 6.	-11.5	10	+35.1	13	+8.4	10	+6.1	9	.....	.....
No. 10.	-0.2	3	.....	.....	-13.6	4	.....	.....	-39.9	2
No. 11.	-4.0	5	+20.6	3	+9.6	3	.....	.....	+7.9	2
No. 12.	+1.7	24	-28.7	11	-13.3	23	-7.1	12	-22.9	12

District.	Drugs.		Auto supplies.		Stationery.		Farm implements.		Auto tires.	
	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.	Per cent.	Number of firms.
No. 11.	-0.6	5	+17.5	2	.....	.....	+17.9	2	.....	.....
No. 12.	-4.3	4	.....	.....	-22.4	11	.....	.....	-66.7	16

**REPORT OF KNIT GOODS MANUFACTURERS.**

Order and production report for month ending Jan. 31, 1921.<sup>1</sup>

Number of mills reporting.....	41
Unfilled orders first of month (dozens).....	155,893
New orders received during month (dozens).....	251,694
<b>Total (A) (dozens).....</b>	<b>407,587</b>
Shipments during month (dozens).....	88,269
Cancellations during month (dozens).....	2,337
<b>Total (B) (dozens).....</b>	<b>90,606</b>
Balance orders on hand Feb. 1 (A minus B).....	316,981

<sup>1</sup> Twenty-four of these reporting mills were closed down completely for January.

Total production of winter and summer underwear for the 6 months ending Jan. 31.

	Number of mills reporting.	Actual production (dozens).	Per cent of normal.
1920:			
August.....	64	585,071	67.3
September.....	63	606,257	74.2
October.....	61	393,422	50.4
November.....	63	191,831	23.2
December.....	61	98,671	11.0
1921: January.....	61	118,023	16.4

For the month (41 mills).

	Dozens.	Per cent of actual production.
Orders.....	251,694	44.7
Shipments.....	88,269	15.6
Cancellations.....	2,337	.4
Production.....	116,290	20.6

Representative mills which reported for December and January furnished the data for the following tables:

[In dozens.]

	December (20 mills).	January (20 mills).	Loss.	Gain.
Unfilled orders first of month.....	80,249	85,448	.....	5,199
New orders.....	57,462	137,799	.....	80,337
Shipments.....	42,541	53,157	.....	10,616
Cancellations.....	11,317	2,087	9,230	.....
Production.....	71,503	76,514	.....	5,011

**FINISHED COTTON FABRICS.**

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, 32 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.

*Production and shipments of finished cotton fabrics.*

	December, 1920.				January, 1921.			
	White goods.	Dyed goods.	Printed goods.	Total.	White goods.	Dyed goods.	Printed goods.	Total.
<b>Total finished yards billed during month:</b>								
District 1.....	5,322,818	7,660,855	4,587,901	18,926,886	5,002,988	7,969,975	4,237,263	17,835,323
2.....	4,244,452	541,777	2,007,457	9,136,678	3,403,981	752,885	156,605	6,964,043
3.....	3,672,383	3,430,103	7,526,931	7,526,931	2,463,224	1,554,046	.....	4,374,204
5.....	2,571,262	46,526	.....	2,617,788	3,699,382	28,483	.....	3,727,865
6.....	39,430	292,833	.....	332,263	.....	23,130	.....	225,256
8.....	.....	.....	.....	1,054,102	.....	.....	.....	1,189,233
<b>Total.....</b>	<b>15,850,345</b>	<b>11,972,094</b>	<b>6,595,358</b>	<b>39,594,648</b>	<b>14,592,705</b>	<b>10,507,515</b>	<b>4,393,868</b>	<b>34,315,924</b>
<b>Total finishing charges billed during month:</b>								
District 1.....	\$128,208	\$332,788	\$269,634	\$817,994	\$114,215	\$341,337	\$235,549	\$722,831
2.....	93,131	25,847	127,937	316,943	67,089	25,883	8,230	165,296
3.....	159,356	137,670	308,401	308,401	91,430	53,943	.....	152,606
5.....	50,757	321	.....	51,078	68,613	225	.....	68,838
6.....	820	12,408	.....	13,228	478	8,633	.....	9,111
8.....	.....	.....	.....	13,438	.....	.....	.....	18,246
<b>Total.....</b>	<b>\$432,272</b>	<b>\$509,034</b>	<b>\$397,571</b>	<b>\$1,521,082</b>	<b>\$341,825</b>	<b>\$430,021</b>	<b>\$243,779</b>	<b>\$1,136,928</b>
<b>Total average per cent of capacity operated:</b>								
District 1.....	29	26	20	24	42	33	16	30
2.....	46	10	22	26	47	16	18	32
3.....	64	29	.....	44	48	19	.....	65
5.....	50	.....	.....	50	65	.....	.....	17
6.....	.....	.....	.....	27	.....	.....	.....	55
8.....	.....	.....	.....	42	.....	.....	.....	.....
<b>Average for all districts.....</b>	<b>41</b>	<b>24</b>	<b>21</b>	<b>29</b>	<b>47</b>	<b>28</b>	<b>16</b>	<b>33</b>
<b>Total gray yardage of finishing orders received:</b>								
District 1.....	5,402,154	7,685,972	3,128,696	16,970,812	12,987,722	15,418,651	6,167,917	36,827,146
2.....	3,687,653	657,929	525,622	7,325,043	5,581,626	2,114,808	5,090,072	19,221,310
3.....	1,930,016	1,941,375	.....	4,245,522	4,954,744	4,277,198	.....	10,042,625
5.....	3,209,979	44,120	.....	3,254,099	4,783,349	51,054	.....	4,834,403
6.....	19,806	221,733	.....	241,539	111,120	205,249	.....	316,369
8.....	.....	.....	.....	845,163	.....	.....	.....	1,300,005
<b>Total.....</b>	<b>14,249,608</b>	<b>10,551,129</b>	<b>3,654,318</b>	<b>32,882,178</b>	<b>28,418,561</b>	<b>22,066,960</b>	<b>11,257,989</b>	<b>72,541,858</b>
<b>Number of cases of finished goods shipped to customers (case equal approximately 3,000 yards):</b>								
District 1.....	2,412	2,060	1,365	10,740	4,018	2,854	1,764	13,236
2.....	3,313	254	.....	5,222	3,765	126	.....	7,727
3.....	2,163	1,705	.....	4,009	2,834	1,766	.....	4,933
5.....	679	.....	.....	1,474	1,476	.....	.....	2,726
6.....	.....	.....	.....	.....	.....	.....	.....	.....
8.....	.....	.....	.....	368	.....	.....	.....	398
<b>Total.....</b>	<b>8,567</b>	<b>4,019</b>	<b>1,365</b>	<b>21,813</b>	<b>12,093</b>	<b>4,746</b>	<b>1,764</b>	<b>29,020</b>
<b>Number of cases of finished goods held in storage at end of month:</b>								
District 1.....	4,838	4,378	3,662	23,360	3,923	3,614	2,905	18,198
2.....	4,102	32	.....	10,402	2,764	291	.....	7,641
3.....	383	338	.....	5,831	309	358	.....	5,207
5.....	1,483	.....	.....	3,028	439	.....	.....	1,621
6.....	.....	.....	.....	.....	.....	.....	.....	.....
8.....	.....	.....	.....	1,579	.....	.....	.....	1,413
<b>Total.....</b>	<b>10,806</b>	<b>4,748</b>	<b>3,662</b>	<b>44,200</b>	<b>7,435</b>	<b>4,263</b>	<b>2,905</b>	<b>34,080</b>
<b>Total average work ahead at end of month (expressed in days):</b>								
District 1.....	4.1	3.3	3.3	3.5	7.7	8.4	7.0	7.7
2.....	9.6	1.0	2.5	4.3	14.0	4.0	12.0	13.0
3.....	8.2	4.5	.....	5.8	11.0	8.1	.....	9.3
5.....	13.0	.....	.....	13.0	8.7	.....	.....	8.7
6.....	.....	.....	.....	2.7	.....	.....	.....	4.4
8.....	.....	.....	.....	5.3	.....	.....	.....	6.2
<b>Average for all districts.....</b>	<b>7.2</b>	<b>3.2</b>	<b>3.2</b>	<b>4.5</b>	<b>9.8</b>	<b>7.7</b>	<b>7.7</b>	<b>9.0</b>

## Fluctuations in the Gross Deposits of Eleven Banks of New York City, 1913-1919.

### PURPOSE OF STUDY.

The study here presented deals with fluctuations in the gross deposits, exclusive of United States deposits, of the 11 banks and trust companies whose loans and discounts were followed for the seven-year period from January 1, 1913, to January 1, 1920.<sup>1</sup> The purpose of the present inquiry is twofold. In the first place, an attempt has been made to relate changes in the gross deposits of the individual banks to changes in loans and discounts with a view to supplementing the interpretation already offered of the reasons for rediscounting and the causes of the great variations in the outstanding amounts of rediscounts. Deposits due to banks have been segregated from other deposits, thereby making it possible to locate more precisely losses resulting from withdrawals of funds or gains in deposits either resulting from or leading to an expansion of operations. In the second place, the examination of the course of deposits as related to loans has been followed in order to throw light on changes in the distribution of assets: i. e., to indicate whether loans and discounts are becoming perceptually more or less important as related to *other investments* in the portfolios of the several banks.

### USE OF GROSS VERSUS NET DEPOSITS.

An objection may be raised to the method of using gross deposits as a means of gauging the extent and effect of withdrawals, and of deducing changes in investment emphasis, on the ground that gross deposits do not adequately reflect the movements of net deposits. A fairly comprehensive comparison of changes in the gross deposits and the net deposits of the several banks has been made, however, and it appears that gross deposits follow changes in net deposits with sufficient precision for the purpose in hand. It is true that a disproportionate increase in collection items, especially exchanges for the clearing house, occurring toward the end of the year, particularly in 1918 and 1919, throws the figures for gross deposits temporarily somewhat out of line in the case of several banks. In such cases, however, the conclusions drawn from an examination of the statistics are not vitiated, as the use of the gross figures minimizes rather than exaggerates the tendencies that are evidently at work.

Moreover, an examination of the course of net deposits for comparative purposes would, were absolute accuracy desired, necessitate the

use of rigid uniformity of method in the computation of such deposits for the entire period covered and for all institutions concerned—a task that would be practically impossible due to the labor entailed and the differences in accounting practice that prevail. The use of gross deposits has furthermore the advantage of making possible a classification of total deposits into bankers' deposits and individual deposits. Net deposits can not be separately computed since there is no way of knowing, for example, what percentage of cash items, exchanges for the clearing house, and amounts due from other banks represent deposits made by individuals as distinct from banks. In following the daily statements, however, changes in the amounts of these items can usually be roughly assigned as to source by noting the changes that have taken place in bankers' and in individual deposits. Over a period of time the trend of these classified gross deposits will, it is safe to say, be a satisfactory index of the relative rates of growth or of decrease of bankers' versus individual accounts. These conclusions receive further support from the fact that the differences in trend as between bankers' deposits and individual deposits are so marked and so characteristically in line with what one would expect.

### CHANGES IN THE RELATIONSHIP OF LOANS AND DISCOUNTS TO OTHER INVESTMENTS.

The attempt which has been made to gauge the growing or decreasing importance of *other investments* in the portfolios of the banks by relating changes in gross deposits to variations in loans and discounts requires some elucidation. The sort of change or absence of change in investment emphasis which it is here intended to bring out would not be made evident by simply noting changes in the absolute amounts of *other investments* or even by comparing their rate of increase with that of loans and discounts. The holdings of United States securities during the war period and subsequently were indubitably great, but the question that is here of concern is whether they engaged the ordinary resources of the banks in such a way as to reduce the importance of loans and discounts in relation to all other investments, excluding from such other investments United States securities paid for by credits created in favor of the Government. The exclusion of such holdings is justified for the reason that investments so offset make no demands upon the ordinary resources of the bank, and therefore can well be ignored so far as the present inquiry is concerned. To the extent that United States securities were not so offset, however, the question does arise as to whether they displaced in-

<sup>1</sup> FEDERAL RESERVE BULLETIN, January, 1921, pp. 41-62.

judged best to omit these data. Averages given for 1917 are in consequence on an eight months' basis, excluding May, June, July, and August. As the statistics of bankers' deposits could not be segregated for the years 1913-1916, inclusive, without undue labor, only the daily averages of total gross deposits are available for this period.

#### FOREIGN DEPOSITS.

In the case of Bank A the separate bookkeeping arrangements of the foreign department necessitated resort to estimates of the amounts of foreign deposits held. The amounts due foreign banks and bankers are combined with other deposits in the foreign department and for the earlier years can only be obtained by the addition of many accounts. Estimates, however, have been based upon these totaled returns, taken at intervals of two weeks, from the books of the foreign department, and as the totals do not vary greatly and are perceptually small in relation to domestic bank deposits the results are substantially accurate. In this case, also, United States deposits were combined with domestic bank deposits until the end of 1917 and domestic bank deposits throughout are combined with general deposits on the daily statement. Hence resort to the general ledger was necessary to secure these items for purposes of subtraction. In this case, however, a complete record of United States deposits on a daily basis has been secured for the whole period.

In the case of Bank Z the separate bookkeeping system of the foreign department results in the exclusion of foreign bank deposits from the daily statement. In this instance no attempt has been made at estimates and the figures therefore cover only domestic banks and bankers. In Table II the comparisons with loans are based on loans exclusive of loan holdings of the foreign department. But, as indicated in Part I of this study (see FEDERAL RESERVE BULLETIN, January, 1921, p. 43), such loan holdings are fairly steady and additions made in estimating the amounts of foreign loans are perceptually insignificant in relation to total loans and discounts. In the case of Bank D and Bank M the deposits of their foreign branches are excluded, but all deposits of the foreign departments of both banks are regularly incorporated in the daily statements and have been included.

#### OVERDRAFTS.

There is unfortunately a lack of uniformity among the banks in their methods of handling overdrafts. The general practice is to

carry both individual and bank overdrafts as separate memoranda, instead of including them among assets in the daily statement. The result is that gross deposits are reduced by a sum equal to the amount of such overdrafts, as otherwise a balance could not be effected. Only two banks incorporate bank overdrafts into their daily statements and in these cases the amounts *due to banks* are increased by the addition of the previously deducted totals of overdrafts. In the case of one of these banks overdrafts are listed separately among the assets in the statement, and, although for a few days at irregular intervals, especially in the latter half of 1919, considerable sums are recorded, the effect upon the daily averages for successive months is slight. Bank overdrafts have probably been an important item for some of the banks studied during the past year, but it is not believed that the method of handling them would appreciably affect averages of bankers' deposits for the period covered. Moreover, the deductions from bankers' deposits made necessary by the exclusion of overdrafts in all but the two instances mentioned is not a disadvantage from the point of view of the present inquiry. Since overdrafts usually result in withdrawals, it does not clarify a study dealing more particularly with the causes and effects of rediscounting to show deposit liabilities unchanged, notwithstanding such withdrawals.

In all cases the amounts *due to banks* are somewhat swollen by the fact that the amounts *due from banks* with which reciprocal accounts are carried are only subtracted at dates of call. Gross balances are therefore given on the daily statements. Despite these and other minor individual differences in the composition of the items, the returns do not as a rule vary much from the official figures at dates of call, although a considerable number of additions and subtractions may be required in arriving at the latter.

#### INDIVIDUAL DEPOSITS.

A discussion of the composition of gross deposits and of bankers' deposits makes it unnecessary to define individual deposits, which consist simply of gross deposits less the sums due to banks and bankers. In all but two cases deductions have been made from individual deposits equal in amount to individual overdrafts, which do not appear among assets in the daily statement. One of the two banks that take account of individual overdrafts lists them separately. In the other case, they are simply added to loans.

vestments in other securities or led to a contraction of loans and discounts in relation to such securities, or, finally, whether by virtue of rediscounting facilities, all classes of holdings increased together.

LIMITATIONS UPON THE USE OF GROSS DEPOSITS.

Over a period of time such facts can be adequately brought out for each individual bank by following the course of gross deposits and noting changes in the relation of total loans and discounts to such deposits (see Table II). It would be misleading, however, to assume that, comparing one bank with another, a low percentage of loans to gross deposits necessarily implied that the bank in question placed greater emphasis upon investments in securities than another bank with a higher percentage of loans to gross deposits. The reason for this is due to the varying importance of the collection items handled by the several banks. The large and shifting amounts of such items for banks carrying many brokers' balances, for example, not only result in creating a great spread between gross deposits and net deposits, but likewise cause both gross and net deposits to show marked changes from day to day. Hence the percentage ratios of the daily averages of loans and discounts for each year to daily averages of gross deposits for the same year, given in Table II, although significant when used in making year to year comparisons for individual banks, afford no basis for interbank comparisons.

CHARACTER OF FLUCTUATIONS IN GROSS DEPOSITS.

Although day-to-day fluctuations in gross deposits expressed as percentages of the yearly average show a much wider range than loans and discounts, the differences between the highest and lowest monthly averages are, as a rule, less pronounced than those of loans and discounts. Moreover, a classification of the several banks according to the degree of variability of gross deposits from month to month would by no means follow the grouping made on the basis of the variability of their loan holdings (see Part I of this study, FEDERAL RESERVE BULLETIN, January, 1921, p. 44). Changes are not only less pronounced from month to month, but the deposits of such a bank as Bank E, for example, with highly unstable loan holdings but very heavy investments in other securities, are, when averaged, about as steady from month to month as those of Bank X with relatively stable holdings of loans and discounts. The average monthly deposits of Bank X, in turn, show a greater

amount of variability than those of other banks whose loan holdings are less steady over the period.

It will be noticed that with a single exception (Bank N—individual deposits) the greatest differences between the highest and lowest daily averages for months both of individual and of bankers' deposits occur in 1917, when there is a steady and extraordinarily great upward movement.

TABLE I.—Difference in range between (1) the highest and lowest daily averages of individual deposits for months and (2) the highest and lowest daily averages of bankers' deposits for months (expressed as percentages of the daily average of (1) individual deposits and (2) bankers' deposits, respectively, for each year).

[Based on items correct to nearest \$1,000.]

	Bank A.		Bank B.		Bank C.		Bank D.		Bank E.		Bank M.	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
1913.	7.6	28.6	20.2	15.2	18.6	29.1	14.0	14.4	25.4	18.1	16.5	16.5
1914.	16.5	42.0	43.6	28.6	12.8	33.2	20.5	54.2	16.5	45.3	125.1	125.1
1915.	47.2	68.7	88.3	47.7	54.5	61.4	44.2	63.8	73.2	49.0	172.3	172.3
1916.	20.5	32.3	32.4	29.1	30.7	23.0	25.9	21.3	32.6	34.9	112.0	112.0
1917.	23.5	37.4	31.5	21.6	16.4	16.1	9.6 <sup>2</sup>	36.2	20.8	37.3 <sup>3</sup>	11.4 <sup>3</sup>	16.7
1918.	14.4	62.2	27.7	10.7	28.7	20.8	19.5	28.3	20.9	25.5	14.4	17.2
1919.	21.8	26.1	30.8	13.1	18.9	17.5	12.3	40.3	46.3	14.1	32.8	25.4

	Bank N.		Bank O.		Bank X.		Bank Y.		Bank Z.	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
1913.	10.3	15.6	10.2	29.9	17.4	21.7	4.6	34.9	10.5	13.7
1914.	35.5	28.9	11.9	41.5	39.6	77.5	14.2	65.0	16.7	30.8
1915.	18.1	51.2	67.4	116.0	67.9	54.3	46.7	88.0	49.5	42.7
1916.	33.0	13.6	29.2	39.3	32.1	36.8	11.9	46.3	23.6	19.9
1917.	8.9	16.2	16.8	47.5	35.0	34.7	27.4	77.2	26.3	24.2
1918.	14.9	8.0	35.9	44.8	22.7	12.9	24.4	85.3	22.1	9.5
1919.	21.0	13.9	57.0	46.0	21.6	12.7	14.2	33.2	18.7	12.4

<sup>1</sup> Gross deposits; no separate records of bankers' deposits.  
<sup>2</sup> Based on returns for 10 months (excludes May and June).  
<sup>3</sup> Based on returns for 8 months (excludes May, June, July, and August).

SIGNIFICANCE OF THESE FLUCTUATIONS.

Gross deposits on the whole do not manifest the same tendency toward increasing instability during the war period that was noted in the case of loans, nor do they keep pace in general with the increases in loan holdings during the last two years of the period studied (see Table I and Table II). From another angle of approach, therefore, the inference drawn in Part II of this study (see FEDERAL RESERVE BULLETIN, January, 1921, pp. 50 et seq.), appears to be confirmed, namely, that the war-time loan expansion and accompanying accentuation of loan fluctuations have been due to rediscounting operations which have grown not only out of governmental operations but have been resorted to in order to maintain loans when deposits began to be more heavily drawn against. The failure of deposits to keep pace with the

rate of increase of loans is chiefly the result of influences affecting bankers' deposits which have not only become of diminishing importance as compared with individual deposits during the last two years of the period studied, following upon a pronounced upward movement (see Table III), but in most cases have actually decreased in amount.

TABLE II.—Percentage ratios of the daily averages for each year of loans and discounts to the daily averages for the corresponding year of gross deposits (exclusive of United States deposits).

[Based on items correct to nearest \$1,000.]

	Bank A.	Bank B.	Bank C.	Bank D.	Bank E.	Bank M.	Bank N.	Bank O.	Bank X.	Bank Y.	Bank Z.
1913.....	63.9	57.2	70.2	52.4	40.9	55.3	76.4	63.9	68.3	80.8	81.4
1914.....	62.6	60.4	78.5	50.0	45.7	53.9	79.2	62.8	69.7	79.2	81.6
1915.....	66.5	62.3	77.7	44.9	42.6	51.9	76.2	66.6	61.5	75.3	84.6
1916.....	71.1	65.3	71.0	52.3	43.3	67.1	72.0	63.1	53.7	87.5	81.9
1917.....	65.3	69.3	74.1	56.5	43.8	63.1	69.4	53.1	55.8	88.2	80.4
1918.....	79.1	73.5	78.5	70.0	41.7	65.1	76.5	69.8	65.5	124.8	84.7
1919.....	83.0	79.0	89.7	68.8	39.3	79.6	75.7	79.3	61.3	140.9	74.0

<sup>1</sup> Based on returns for 10 months (excludes May and June).

<sup>2</sup> Based on returns for 8 months (excludes May, June, July, and August).

TABLE III.—Percentage ratios of the daily averages for each year of bankers' deposits to the daily averages for the corresponding year of individual deposits.

[Based on items correct to nearest \$1,000.]

	Bank A.	Bank B.	Bank C.	Bank D.	Bank E.	Bank M.	Bank N.	Bank O.	Bank X.	Bank Y.	Bank Z.
1913.....	28.8	187.1	93.5	26.8	110.6	( <sup>1</sup> )	94.3	99.6	65.2	17.6	139.0
1914.....	31.7	179.1	99.3	30.3	111.3	( <sup>1</sup> )	82.3	117.0	80.0	14.8	142.5
1915.....	34.1	160.5	114.8	27.0	123.9	( <sup>1</sup> )	100.7	130.8	79.9	22.1	153.0
1916.....	32.1	121.8	114.4	21.5	97.4	( <sup>1</sup> )	110.9	135.0	73.1	19.5	158.0
1917.....	29.7	96.4	100.9	21.7	74.0	<sup>2</sup>	27.9	100.4	109.9	68.2	14.3
1918.....	21.1	68.7	75.6	21.9	53.7	29.3	89.0	77.6	43.3	13.3	102.1
1919.....	16.6	52.6	56.8	29.6	41.3	29.0	69.0	44.3	40.3	7.4	91.0

<sup>1</sup> No separate records of bankers' deposits.

<sup>2</sup> Based on returns for 10 months (excludes May and June).

<sup>3</sup> Based on returns for 8 months (excludes May, June, July, and August).

#### COMPOSITION OF GROSS DEPOSITS.

In computing gross deposits, exclusive of United States deposits, for the several banks, certain items that would be included in official statements have been omitted, while certain minor omissions and additions grew inevitably out of the forms in which the daily statements were kept. In order to make the returns of the trust companies more nearly comparable with those of the national banks, such items as trust deposits, coupon and dividend deposits have been omitted. United States postal savings are likewise excluded from the deposits of national banks and dividends unpaid have been left out in all cases. Time deposits, however, including time certificates of deposit, have been incorporated in the totals, as the

exclusion of time deposits would have eliminated a very important part of all deposits in the case of some national banks as well as trust companies. The changes in such deposits are not only significant, therefore, but withdrawals of time deposits do not carry the same compensating advantage in reduction of required reserves as in the case of demand deposits. For a survey dealing with causes of rediscounting, fluctuations in these items can not be ignored.

Cashiers' checks, officers' checks, and certified checks included in the figures for gross deposits have been classified under individual deposits instead of deposits due to banks and bankers. Such checks doubtless reach banks via other banks as a rule, but they may be in the hands of individuals, may never be used, or may be redeposited in the same bank. Hence the earlier practice of adding these items to individual deposits has been adhered to. (In the case of Bank D such checks do not appear at all. Drafts are drawn against balances kept with other banks and the amounts of said balances are correspondingly reduced on the daily statement.)

#### BANKERS' DEPOSITS.

A number of difficulties were encountered in obtaining bankers' deposits segregated from other deposits, and the records are not entirely complete for Banks D, M, and Y. In the case of Banks D and Y, the difficulties arose out of the fact that United States deposits (Federal Reserve Bank as fiscal agent) were combined with bankers' deposits in the daily statement and in both these cases, in the absence of daily returns, average amounts of such deposits based on weekly reports had to be subtracted from the daily average of amounts due to banks for the several months. The result is that the returns are not on a strictly daily basis, although the variations caused thereby are without doubt slight. The estimates for May and June, 1917, were not satisfactory, due to incomplete data, and the computations given in Table II and Table III therefore are based, for Bank D and Bank Y, on returns for only 10 months. It is not believed from an examination of the daily statements that these computations would be much changed by the inclusion of the figures for May and June. Similar trouble was encountered in the case of Bank M, except that here United States deposits were incorporated with general deposits in the daily statement. In this case, however, daily holdings of United States deposits were later obtained for all but four months of 1917. The weekly estimates for these months are unsatisfactory because of somewhat erratic fluctuations, and so it was

CHANGES IN LOANS AND DISCOUNTS AS RELATED  
TO CHANGES IN GROSS DEPOSITS.

A comparison of percentage changes in the daily averages of loans and discounts from year to year with percentage changes in the daily averages of gross deposits, makes evident the general tendency for the rate of increase of gross deposits to fall behind the rate of growth of loans and discounts for the last two years of the period covered. This fact is brought out by the statistics presented in Table II, giving the daily averages of total loans and discounts expressed as percentages of the daily averages of gross deposits for the same year. Table III brings out the fact that the growth of total deposits has been retarded by the slow movement of bankers' deposits, which have not only decreased in importance when compared with individual deposits, but in most cases show absolute decreases for the years 1918 and 1919 following a marked general rise in 1915-16.<sup>1</sup>

EFFECTS OF LOSSES IN BANKERS' DEPOSITS.

In a large sense, therefore, the loss of bankers' deposits may be said to have had considerable influence upon the rediscounting activity of these New York banks. In the case of Bank Z, for example, bank deposits amounted to 158 per cent of individual deposits in 1916, but were only 91 per cent of the latter in 1919; and, as a matter of fact, there was a drop in the absolute as well as in the relative amounts of these balances. This bank has nevertheless retained large holdings of United States securities not offset by United States deposits, and the result has been that, although its loans have been kept down, even reduced, comparing the 1919 yearly average with that of 1917, it has been necessary to rediscount heavily in order to carry its investments in the face of withdrawals of bank deposits.

BANK Y.

Bank Y, one of the institutions with large rediscounts and expanding loans, until 1919 shows a fairly steady fall in gross deposits from the beginning of 1917. The loss in bankers' deposits, although percentually great, is not so important as it might seem, since

<sup>1</sup> It was noted in Part I of this study, which dealt with fluctuations in loans and discounts, that mergers had occurred during the period studied which affected the returns for Bank N and Bank X in 1914, for Bank A in 1917, and Bank O in 1919. No attempt has been made in Table I to correct the figures in order to eliminate the influence of these mergers. The comparisons presented in Table II and Table III are also in all cases based upon uncorrected figures, both for loans and discounts and for deposits.

these deposits are a relatively small part of total gross deposits and are highly unstable at all times. The percentage ratio of loans to gross deposits in the case of this bank rises from 80.8 per cent in 1913 to 124.8 per cent in 1918 and 140.9 per cent in 1919.<sup>1</sup> Toward the close of 1919, however, the reduction in loans is more pronounced than the loss in gross deposits, which remain fairly stationary. Hence, as might be expected, the rediscounts show a downward tendency during 1919, falling from 35.7 per cent of total loans and discounts in January to 24.4 per cent in December. In the case both of Bank Y and of Bank Z, as was indicated in Part II of this study (see FEDERAL RESERVE BULLETIN, January, 1921, p. 60), an explanation of the heavy rediscounts has to be sought by following the course of deposits.

BANK E.

Attention may be called to the fact that for Bank E the ratio of the daily averages of loans and discounts to gross deposits for each year is extraordinarily low throughout and even drops slightly in 1918 and 1919. In this case there appears to be no tendency for loans to gain upon deposits. The heavy rediscounts have evidently resulted from large investments in United States securities, and, as was shown in Part II of this study, the rediscounting activities of the bank have throughout been intimately related to the fiscal operations of the Government. As a matter of fact, the daily averages of loans and discounts, for the years 1916 and 1917 were above the averages for 1918 and 1919, while the drop in gross deposits for the latter years did not equal the decline in loans. In 1917 and 1919 the daily averages of gross deposits were very close together.

BANK N.

Bank N, on the other hand, with relatively steady loans and with limited rediscounts until the end of 1919, shows little alteration in the relationship of loans to gross deposits in 1918 and 1919 as compared with 1913, 1914, and 1915, although the percentage ratios have risen as compared with 1916 and 1917 when the growth of gross deposits was more rapid than that of loans and discounts.

<sup>1</sup> The exclusion of trust deposits from the totals, although it exaggerates the percentages somewhat, does not falsify the trend. An examination of the net deposits of this bank (including time deposits) reveals the fact that they were well below loans and discounts in 1918 and 1919.



## SUMMARY.

It is not necessary to enter into a detailed discussion for the other banks, since such inferences as can legitimately be drawn will be obvious from an examination of the published tables. In large part, the study merely confirms conclusions already reached by following the lending and rediscounting activities of the several banks. It was apparent in a number of cases that rediscounts bore little relation to Government fiscal operations and that the amounts of rediscounts outstanding could not be explained except on the ground that deposits were not keeping pace with the growth of loans and discounts. This fact was particularly apparent toward the close of 1919.

A growing lack of correspondence between loans and deposits (and, as stated, net deposits parallel gross deposits fairly well) may have resulted from the unusual circumstances of war, but the question arises as to whether it is not a permanent condition. Since reserves can be maintained by rediscounting, will not the loans of individual banks not only tend to become more responsive to changing demands from season to season, but will they not also stand in less intimate relation to deposits at all times, expanding or contracting with more reference to the needs of borrowers and with less regard for the withdrawals of deposits or receipts of cash items. It is likewise probable that the trend in the direction of an expansion of loans at the expense of other investments may be a permanent manifestation. Large investments in easily marketed securities were formerly considered a necessary cover for bankers' deposits. Bankers' deposits have become relatively much less important, while at the same time other (commercial) paper can be more readily liquidated by the individual bank through the process of rediscounting. The shift in investment emphasis is undoubtedly obscured by holdings of war paper over the period studied but, eliminating a part of these holdings by the methods of comparison adopted, it is believed that an increasing proportion of the assets of the banks studied will be found to exist in the form of loans and discounts as opposed to direct holdings of bonds and other securities. The increase in the amounts of loans and discounts, moreover, has grown out of dealings with individuals, as is pretty clear from an examination of the course of bankers' deposits. Although the latter are gross figures, the trend is too unmistakable to leave any doubt on that score. The bankers' deposits are very slightly responsive to changes in total loans and discounts. A priori one would expect that loans and discounts would tend to absorb a greater percentage of the resources of

the New York banks than heretofore. Bankers' deposits—always alleged to be the cause of heavy investments in easily convertible securities—have come to be a less important part of the total deposits of the New York banks studied, while loans and discounts through the acquisition of facilities for rediscounting have become more readily convertible into cash or reserve substitutes for cash.

### The Importance of Securing Reliable Statistics of Business Activity.<sup>1</sup>

Despite the remarkable record of the last one hundred and fifty years in the development of industry and commerce, it is obvious that we have not discovered how to control present-day business so as to prevent frequent recurrences of maladjustment. These recurring periods of business depression bring unwarranted hardship to employees and to the public at large as well as losses to bankers, merchants, and manufacturers. Consequently from the standpoint of human welfare it is essential that we undertake to learn how to prevent this unbalancing of means of production and distribution. We can not safely go ahead enlarging the scope of our business activities, inventing new machines and multiplying factories and shops, unless at the same time we learn how to remove the causes for panics, severe depressions, and frequent periods of unemployment.

The events of the last 18 months emphasize harshly the defects in our methods of conducting business on the modern scale. First occurred a period of rapidly rising prices, which caused hardship and injustice to millions of people. By its effects on employees and on industrial morale, the very rise in prices and in wages interfered with the volume of production that at the outset it had served to stimulate. Then came the inevitable tightening of credit and the refusal of many consumers to buy at high prices. The final outcome was the present business depression, with unemployment, numerous bankruptcies, and discouraging losses to farmers and other producers. All this series of hardships and injustices is due to the imperfections in human institutions. They have occurred because of our ignorance of means of preventing them. In this problem we are not confronted, except incidentally, with the uncontrollable forces of nature. The forces that primarily cause the alternation of boom and depression can be regulated once they are understood. The

<sup>1</sup> A paper read by Prof. Melvin T. Copeland, of Harvard University, at the First Federal Conference on Business Conditions Reporting, Washington, Feb. 21-22, 1921.

severity of these ups and downs is due in large measure to the lack of adequate foresight, lack of general appreciation of the factors that influence the course of business prosperity, and failure to adopt corrective policies in season. These conditions are aggravated seriously by uncertainty. When activity is at its peak, uncertainty as to the availability of supplies encourages speculative buying, as in the fall of 1919. At the other end of the cycle, as during the last three months, depression is intensified by uncertainty as to when demand will revive.

Eventually we doubtless shall learn how to control these business forces to protect the general welfare of the community. We shall learn how to adjust our credit policies, for example, so as to lessen the severity of the fluctuations in general business. This control can be developed, however, only gradually through the scientific study of statistics and other facts that furnish reliable indices of business activity.

I shall not take time on this occasion to review the statistics of business activity that now are available. I assume that we are all familiar with the statistics that are now published in the FEDERAL RESERVE BULLETIN and other leading sources. I wish to make a few suggestions, however, regarding additional statistics that are needed. There are four groups of statistics not at present available which seem to me to be especially desirable as indices of business conditions. These are, briefly, statistics of production, of prices, of mercantile trade, and of credit conditions.

Production statistics of one sort or another are now available for such industries as lumber, coal, petroleum, iron and steel, sugar, leather, shoes, cotton and wool textiles, pulp and paper, and railway equipment. In order to provide a more comprehensive survey of symptomatic tendencies, we need production statistics also for such industries as copper, rubber manufactures, clothing, flour, canned foods, some types of machinery, farm implements, builders' hardware, jewelry, musical instruments, and silk goods. We can judge from the experience of the last 15 years that certain types of industry are affected differently during the course of the business cycle. A tendency toward reaction is shown more quickly in some industries than in others, and the correlation of the statistics for a substantial number of industries should furnish important clues to the causes for speculative activity and for depression. Such statistics also should afford a guide to any tendency toward unbalanced production.

I take it that our business depressions are due fundamentally to unbalanced production

and distribution. From time to time too great a strain is placed upon a portion of our productive facilities, with the result that our whole business machinery is thrown out of gear. We then have to go through a period of lessened activity until the balance is again restored. At present, however, we can talk about this only in rather general terms, for we have not the facts for a careful analysis of this balancing process.

The statistics that we now have for production, however, are not all of equal value and in some cases are not easily correlated. The statistics of active machinery, for instance, are worth having, but statistics of physical output in the plants in which this machinery is operated would be of greater practical use. There is difficulty in defining exactly what is meant by "activity," and for the purposes of long-time comparisons the quantity of physical output would be a better index.

We also need more statistics for stocks of raw materials and finished products on hand. The significance of production statistics often depends on related statistics showing the accumulation or depletion of stocks of materials and products.

Our production statistics also should be made available promptly, ordinarily within 10 days of the end of the month to which they apply. If a two month's interval elapses before the statistics are published, the figures oftentimes are stale for practical use in judging current business conditions. A cotton manufacturer, for example, can not shape his policies on facts two months old. Most of his decisions must be made either on up-to-date facts or upon "general principles," if such facts are not available. His decisions and plans can not be postponed two months for the statistician to complete his task.

In order to obtain such statistics promptly it generally will be necessary to rely upon samples instead of upon a complete census. The sample must be typical; it must be large enough to furnish a representative index; and it must include reports from the same sources each month. Providing these conditions are met, however, the sample is fully as useful for practical purposes, I am satisfied, as a complete census. Production statistics naturally lead up to price statistics.

So far as price statistics are concerned, the problem seems to be the use of existing data rather than the collection of new price quotations. It does not seem to me that we have begun to appreciate the significance of comparative price movements. We have not determined the significance of the varying rates of change of different groups of commodities. Take seasonal articles, such as dry goods, for

example. The significance of the rapid advance in wholesale prices in the fall of 1919 was not generally recognized at the time. Wholesale prices of dry goods were advanced from 20 to 40 per cent at that time on merchandise to be delivered for the following spring season. These prices were to have been reflected several months later in retail trade. Many bankers, merchants, and others failed to appreciate the additional strain that this sharp price advance would make upon the credit resources of the country. It meant that a large volume of trade would have to be financed at much higher prices than were current even in November, 1919. It was obvious that we did not have the credit resources to meet this condition, and a general business reaction was inevitable. Take another trade. It seems reasonable to assume that a rise in the price of canned foods during the spring months has a different significance in judging future business conditions than a rise in the price of sugar, for an increase in sugar prices will be reflected immediately in retail prices, whereas an increase in the price of canned foods may take effect in retail trade only after several months have elapsed. As has been suggested above, these price statistics are to be correlated not only with production statistics but also with credit statistics as indexes to future business conditions.

In mercantile trade we already have the department store statistics that the Federal Reserve Banks have begun to collect. There are a few other scattered indices of conditions in wholesale and retail trade. We should have, however, monthly statistics on sales, purchases, and stocks on hand in the chief branches of retail and wholesale business. Statistics of production can not be utilized properly until we also have reliable indexes of conditions in retail and wholesale trade.

From manufacturers and wholesalers statistics also should be collected to show credit conditions. These should include monthly statements of accounts and notes receivable, accounts and notes payable, collections, and supplementary information. Further than that we also need a comprehensive survey of the whole subject of credit. In this particular field the Harvard Bureau of Business Research is just now developing plans for a study of credit experiences in various industries. The exact methods to be used in this investigation have not been decided, but it is expected that the results will be of use not only in furnishing a guide to conditions in individual industries, but that they also will help to furnish a guide by means of which general credit policies can be regulated. Credit plays so important a part in every industry and

trade that the proper control of credit probably will make it possible to lessen the severity of general business fluctuations. At the present time, however, the facts are not available on which to accomplish this result most advantageously.

These various indexes of business conditions are of use in furnishing a guide to individual business establishments and also in providing indexes to general business conditions. As a guide to the individual business they help to remove uncertainty and doubt as to the actual conditions in the particular trade. They enable one manufacturer to know how his rate of output compares with that in other plants. They also afford an indication of market conditions, showing the tendencies for the output to increase or decrease. They assist the business man in regulating his operations more intelligently by furnishing facts to take the place of surmises and vague rumors. It is to the advantage of all concerned to have this uncertainty and doubt removed. As indexes to general business conditions, these statistics eventually will show where the balance is tending to be upset and furnish a guide to bankers in judging the probable credit requirements of their customers. All these indexes, of course, need to be correlated in order to determine the real significance of each group. A good start already has been made in developing technical methods for such correlation, but only the surface has been scratched. A vast amount of research work still remains to be done in this field.

The cost of collecting such statistics may seem large, yet their value to the industries alone would be greater than the cost of collection. This cost also would be more than counterbalanced by the economic gain to the community through their utilization in alleviating the severity of business depressions. The losses of production resulting from enforced idleness of labor and equipment are irreparable. The losses in the United States alone during the last 12 months from curtailed production amount to a vast sum. This refers to the lost output, not to the drop in money values. In addition, there has been suffering and hardship that can not be measured in dollars and cents. Such conditions have recurred periodically for more than a century and will continue to occur until we learn better how to regulate our business forces. All this loss and suffering can not be prevented, yet through a better understanding of the underlying facts, which include these various statistical indices of business conditions, eventually we shall find out how to administer our business forces to prevent a large portion of this avoidable economic waste.

**The New Wholesale Price Index Number of the Board of Trade in England.**

Since 1903 the Board of Trade in England has been publishing an index number compiled from the prices of 47 commodities, with 1900 as the base year and estimated expenditure in 1881-1890 as the weights. Instead of using wholesale market prices for quotations, however, the Board of Trade has used, in a large proportion of cases, export and import values of commodities. Especially during the past year this index number has moved in a very different fashion from the other well-known English index numbers of wholesale prices, such as those published by the Statist, Economist, and the London Times. The Board of Trade therefore has decided to construct a new wholesale price index number based upon the market quotations of 150 commodities.

With a view to giving proper representation to the various commodities in the index, a study has been made of the census of production for 1912 as compared with that of 1907, and estimates of prewar agricultural, industrial, and commercial activity have been made and applied in the selection of commodities to be included in the new index number. Aside from this method of weighting according to the number of commodities included, no weights are being applied in the construction of the number. In the following table are given the number of quotations to be assigned to the different commodities:

<b>I. Grain:</b>		
Wheat.....	7	
Barley.....	5	
Oats.....	2	
Maize.....	1	
Rice, etc.....	2	17
<b>II. Meat, poultry, fish:</b>		
Beef.....	6	
Mutton.....	3	
Pork.....	5	
Poultry.....	2	
Fish.....	1	17
<b>III. Other food:</b>		
Milk, butter, cheese.....	7	
Fruit and vegetables.....	5	
Sugar.....	2	
Tea and coffee.....	2	
Cocoa.....	1	
Tobacco.....	2	19
<b>Total, food, drink, and tobacco.....</b>	<b>53</b>	
<b>IV. Iron and steel.....</b>	<b>24</b>	
<b>V. Other minerals:</b>		
Coal.....	10	
Petroleum.....	2	
Copper.....	4	
Lead.....	1	
Nickel.....	1	
Tin.....	1	
Zinc.....	1	20
<b>VI. Cotton.....</b>	<b>2</b>	
<b>VII. Other textiles:</b>		
Wool.....	9	
Linen.....	2	
Silk.....	2	
Jute.....	1	
Hemp.....	1	15

<b>VIII. Miscellaneous:</b>		
Chemicals.....	5	
Tallow.....	1	
Oil.....	1	
Paper.....	2	
Leather.....	4	
Rubber.....	1	
Timber.....	4	
China, glass.....	1	
Bricks.....	1	
Stone.....	2	22
<b>Total, commodities other than food, etc.....</b>	<b>97</b>	
<b>Total, all commodities.....</b>	<b>150</b>	
The total number of quotations used is.....		159

In another important respect the index number differs from others now being published in England. It is to be computed by the geometric method, i. e., to quote Mr. A. W. Flux, who discussed the new index number before the Royal Statistical Society on January 18, 1921, "the indexes for individual commodities will be taken and their geometric mean will form the index number for all commodities." In other words, the ratios representing the fluctuations in the prices of the different commodities will be averaged geometrically instead of arithmetically, as has been customary in England, in obtaining the final index number. The sources of quotations used by the Board of Trade are for the most part open-market quotations. Dutiable goods, such as coffee, tea, sugar, and tobacco, will be quoted plus the duties. No effort is being made to carry the index back over earlier years except 1913 and 1920. The number is of the chain index variety instead of the fixed base.

Since the new index number is based upon a far larger number of quotations than is any other of the English index numbers, and is constructed in a thoroughly scientific manner, it is planned to obtain these index numbers by cable as soon as they are available, and to publish them in the FEDERAL RESERVE BULLETIN along with the Statist index number which now appears there.

*Board of Trade index number—Percentage of prices to those of January, 1920.*

Groups.	Sep-tem-ber, 1920.	Octo-ber, 1920.	No-ven-ber, 1920.	De-cem-ber, 1920.	Janu-ary, 1921.
Cereals.....	116.3	120.1	119.3	107.7	101.5
Meat and fish.....	110.6	113.1	115.5	114.6	111.5
Other food.....	97.0	101.7	99.3	97.4	92.9
<b>Total food.....</b>	<b>106.5</b>	<b>110.4</b>	<b>109.8</b>	<b>105.2</b>	<b>100.6</b>
Iron and steel.....	126.2	122.9	117.0	111.0	105.3
Other metals and minerals.....	109.6	107.3	105.1	96.8	90.2
Cotton.....	84.4	70.3	58.5	47.1	41.5
Other textiles.....	82.9	74.4	67.4	59.2	54.0
Other articles.....	103.1	101.9	96.7	88.5	82.8
<b>Total not food.....</b>	<b>102.5</b>	<b>96.5</b>	<b>89.7</b>	<b>80.7</b>	<b>74.7</b>
<b>All articles.....</b>	<b>103.9</b>	<b>101.0</b>	<b>96.2</b>	<b>88.4</b>	<b>82.8</b>

### Banking Expansion in Great Britain.

Below is given a consolidated statement of the condition of the five big joint-stock banks of Great Britain at the close of each year, 1913 to 1920, also the statement of condition on the same dates of each of these banks and, for the years 1913 to 1917, of the three largest banks absorbed by the big banks during the period.

War and post war expansion in British banking is indicated by the growth of deposits, which increased more than threefold—from 525 millions on December 31, 1913, to 1,628 millions on December 31, 1920, the largest increase under this head occurring during the year 1918. Corresponding to this large increase in deposit liabilities there is an increase in investments in British Government securities from 30 millions to 262 millions and an increase in advances, largely on war stock and other Government war obligations, from 273 millions to 768 millions. Bills of exchange or discounts, which the London Economist believes include treasury bills, show a considerable shrinkage during the early period of the war, and in December,

1915, stood at about 41 million pounds, compared with 62 millions in 1913 and 67 millions in 1914. Since then the item has increased almost sevenfold, reaching a total of 282 millions at the close of 1920.

As bearing upon the volume of foreign trade transactions, the changes in the amount of acceptances and indorsements are interesting. At the close of December, 1913, this item stood at about 36 millions. At the close of the following year it had declined to 29 millions, and at the close of 1918 it stood at 45 millions. A year later it had gone up to 104 millions, which is the high figure for the period. At the end of 1920 the item showed a decrease to 79 millions, this decrease reflecting in a general way the relative shrinkage in the amount of foreign trade financing. For the period under review the "big five" banks show a large increase in capitalization, due partly to absorption of and merger with other commercial banks. Their paid-in capital shows an increase from 27 millions at the close of 1913 to 58 millions at the close of 1920, while their reserves show an even larger increase from about 19 millions to 47 millions.

TOTAL FOR THE "BIG FIVE" BANKS.  
[In thousands of pounds.]

	1913	1914	1915	1916	1917	1918	1919	1920
<b>ASSETS.</b>								
Cash in hand and with the Bank of England..	87,212	137,750	136,049	195,484	183,159	237,500	285,481	274,137
Money at call and at short notice.....	68,716	51,967	38,112	58,281	119,943	154,899	82,884	89,342
Investments:								
British Government securities.....	30,358	52,544	184,475	198,376	216,606	236,042	291,669	261,732
Other investments.....	40,142	45,019	38,545	29,125	26,239	33,711	33,090	45,024
Bills of exchange.....	61,637	67,314	41,058	88,922	134,942	260,620	213,930	281,659
Advances.....	273,435	309,991	285,911	288,359	335,083	432,631	712,868	767,586
Acceptances and indorsements.....	36,192	29,001	39,823	46,319	42,020	45,290	104,356	79,384
Sundry assets.....	13,143	14,332	14,478	14,900	15,008	24,652	17,345	19,419
<b>Total.....</b>	<b>610,835</b>	<b>707,918</b>	<b>778,448</b>	<b>919,766</b>	<b>1,073,000</b>	<b>1,425,345</b>	<b>1,741,623</b>	<b>1,818,283</b>
<b>LIABILITIES.</b>								
Capital paid in.....	27,388	28,838	28,838	29,832	30,889	35,724	42,968	58,404
Reserve.....	18,825	19,575	19,575	19,975	21,944	34,453	41,081	46,992
Current, deposit, and other accounts.....	524,753	626,378	636,473	819,883	967,981	1,304,811	1,548,813	1,628,375
Acceptances and indorsements.....	36,192	29,001	39,823	46,319	42,020	45,290	104,356	79,384
Sundry liabilities.....	3,677	4,126	3,739	3,757	10,166	5,067	4,405	5,128
<b>Total.....</b>	<b>610,835</b>	<b>707,918</b>	<b>778,448</b>	<b>919,766</b>	<b>1,073,000</b>	<b>1,425,345</b>	<b>1,741,623</b>	<b>1,818,283</b>

LLOYD'S BANK (LTD.).  
[In thousands of pounds.]

	1913	1914	1915	1916	1917	1918	1919	1920
<b>ASSETS.</b>								
Cash in hand and with the Bank of England..	16,177	24,634	30,420	38,115	34,685	48,768	57,587	51,153
Money at call and at short notice.....	8,617	10,073	3,964	6,430	7,192	15,571	14,622	14,748
Investments:								
War loan and other British Government securities.....	4,863	7,825	36,060	35,775	34,228	53,630	66,232	64,041
Other investments.....	5,530	8,308	6,766	6,107	3,532	8,892	9,533	9,335
Bills of exchange.....	10,830	13,420	4,042	15,307	39,901	74,340	57,492	76,037
Advances.....	50,871	59,440	55,008	58,857	61,467	81,072	135,764	151,079
Acceptances and indorsements.....	7,462	6,226	9,497	11,208	10,375	14,765	32,080	17,868
Sundry assets.....	2,269	3,083	2,853	2,833	2,702	3,647	3,804	4,142
<b>Total.....</b>	<b>106,619</b>	<b>133,009</b>	<b>148,610</b>	<b>171,632</b>	<b>194,082</b>	<b>300,685</b>	<b>377,114</b>	<b>388,403</b>
<b>LIABILITIES.</b>								
Capital paid in.....	4,209	5,009	5,009	5,009	5,009	8,954	9,420	14,138
Reserve.....	3,000	3,600	3,600	3,600	4,000	9,000	9,675	10,000
Current, deposit, and other accounts.....	91,512	117,658	130,017	151,368	174,068	266,808	324,712	345,029
Acceptances and indorsements.....	7,462	6,226	9,497	11,208	10,375	14,765	32,080	17,868
Sundry liabilities.....	436	516	487	447	630	1,158	1,227	1,368
<b>Total.....</b>	<b>106,619</b>	<b>133,009</b>	<b>148,610</b>	<b>171,632</b>	<b>194,082</b>	<b>300,685</b>	<b>377,114</b>	<b>388,403</b>

## BARCLAY &amp; CO. (LTD.).

[In thousands of pounds.]

	1913	1914	1915	1916	1917	1918	1919	1920
<b>ASSETS.</b>								
Cash in hand and with the Bank of England..	9,155	11,930	14,181	23,983	24,527	43,923	65,174	61,710
Money at call and at short notice.....	6,812	5,099	4,470	5,527	10,172	21,325	20,032	21,313
Investments:								
British Government securities and bank stock.....	5,177	8,129	19,735	22,205	21,618	40,792	53,136	47,164
Other investments.....	6,037	6,613	6,174	4,836	4,649	9,758	9,205	16,772
Bills of exchange.....	9,602	9,649	3,721	16,880	28,089	47,442	30,253	44,861
Advances.....	27,340	29,390	28,408	38,204	44,201	78,855	130,095	155,561
Acceptances and indorsements.....	437	638	2,230	2,861	2,151	4,212	13,589	10,228
Sundry assets.....	1,882	1,815	1,853	2,451	2,606	11,716	3,984	4,249
<b>Total.....</b>	<b>66,442</b>	<b>73,263</b>	<b>80,772</b>	<b>116,947</b>	<b>138,013</b>	<b>258,033</b>	<b>325,468</b>	<b>361,858</b>
<b>LIABILITIES.</b>								
Capital paid in.....	3,600	3,600	3,600	4,594	4,594	7,289	8,820	15,592
Reserve.....	1,600	1,600	1,600	2,200	2,200	6,000	7,000	8,250
Current, deposit, and other accounts.....	60,805	67,425	73,342	107,292	129,068	239,382	296,059	327,788
Acceptances and indorsements.....	437	638	2,230	2,861	2,151	4,212	13,589	10,228
Sundry liabilities.....						1,150		
<b>Total.....</b>	<b>66,442</b>	<b>73,263</b>	<b>80,772</b>	<b>116,947</b>	<b>138,013</b>	<b>258,033</b>	<b>325,468</b>	<b>361,858</b>

## LONDON JOINT CITY AND MIDLAND BANK (LTD.).

[In thousands of pounds.]

	1913	1914	1915	1916	1917	1918	1919	1920
<b>ASSETS.</b>								
Cash in hand and with the Bank of England..	17,241	33,197	30,881	47,974	44,110	63,756	68,267	70,196
Money at call and at short notice.....	11,947	9,865	8,651	8,844	31,003	67,811	18,439	18,492
Investments:								
British Government securities.....	3,247	5,428	33,947	33,400	33,117	57,464	64,217	50,279
Other investments.....	4,578	7,649	4,883	3,791	3,891	4,897	3,846	4,744
Bills of exchange.....	11,791	14,088	9,962	23,337	35,053	39,249	52,890	57,672
Advances.....	51,309	62,425	65,921	63,869	81,156	113,432	178,556	189,720
Acceptances and indorsements.....	6,163	7,211	9,158	7,221	8,827	13,146	29,015	27,850
Sundry assets.....	2,308	2,679	2,760	2,753	2,837	3,762	3,619	3,884
<b>Total.....</b>	<b>108,584</b>	<b>142,540</b>	<b>166,163</b>	<b>191,189</b>	<b>239,994</b>	<b>363,517</b>	<b>418,849</b>	<b>422,837</b>
<b>LIABILITIES.</b>								
Capital paid in.....	4,349	4,781	4,781	4,781	5,189	7,173	8,417	10,880
Reserve.....	3,700	4,000	4,000	4,000	4,343	7,173	8,417	10,880
Current, deposit, and other accounts.....	93,833	125,733	147,751	174,621	220,551	334,898	371,743	371,842
Acceptances and indorsements.....	6,163	7,211	9,158	7,221	8,827	13,146	29,015	27,850
Sundry liabilities.....	539	815	473	566	1,084	1,127	1,257	1,425
<b>Total.....</b>	<b>108,584</b>	<b>142,540</b>	<b>166,163</b>	<b>191,189</b>	<b>239,994</b>	<b>363,517</b>	<b>418,849</b>	<b>422,837</b>

## LONDON COUNTY WESTMINSTER AND PARR'S BANK (LTD.).

[In thousands of pounds.]

	1913	1914	1915	1916	1917	1918	1919	1920
<b>ASSETS.</b>								
Cash in hand and with the Bank of England..	13,757	22,525	23,250	32,385	25,198	47,477	58,767	49,124
Money at call and at short notice.....	12,383	5,635	5,142	7,872	26,983	36,970	18,794	22,938
Investments:								
British Government securities.....	5,365	10,551	32,157	32,383	32,409	45,503	59,849	51,940
Other investments.....	3,349	4,296	3,576	3,562	4,841	3,882	5,210	6,044
Bills of exchange.....	15,800	18,369	11,352	14,337	24,288	60,529	49,351	60,336
Advances.....	44,089	46,617	39,941	36,117	40,800	80,973	128,091	130,539
Acceptances and indorsements.....	7,656	4,276	5,022	6,979	5,449	9,276	23,704	19,034
Sundry assets.....	1,849	1,717	1,856	1,709	1,789	2,930	3,030	3,479
<b>Total.....</b>	<b>104,248</b>	<b>113,986</b>	<b>122,296</b>	<b>135,344</b>	<b>161,757</b>	<b>287,540</b>	<b>346,796</b>	<b>343,434</b>
<b>LIABILITIES.</b>								
Capital paid in.....	3,500	3,500	3,500	3,500	4,149	6,831	8,504	8,504
Reserve.....	4,250	4,000	4,000	4,000	4,726	7,430	8,750	9,004
Current, deposit, and other accounts.....	88,214	101,582	109,161	120,255	142,268	262,858	304,548	305,381
Acceptances and indorsements.....	7,656	4,276	5,022	6,979	5,449	9,276	23,704	19,034
Sundry liabilities.....	628	628	613	610	5,165	1,145	1,290	1,511
<b>Total.....</b>	<b>104,248</b>	<b>113,986</b>	<b>122,296</b>	<b>135,344</b>	<b>161,757</b>	<b>287,540</b>	<b>346,796</b>	<b>343,434</b>

## NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND (LTD.).

[In thousands of pounds.]

	1913	1914	1915	1916	1917	1918	1919	1920
<b>ASSETS.</b>								
Cash in hand and with the Bank of England..	10,816	16,125	11,365	16,450	17,295	33,576	35,686	41,954
Money at call and at short notice.....	7,400	3,449	4,654	5,493	8,101	13,222	10,997	11,851
Investments:								
British Government securities.....	6,322	7,311	24,084	35,643	37,712	38,653	48,235	48,308
Other investments.....	6,654	7,050	6,891	4,795	4,691	6,272	5,296	8,129
Bills of exchange.....						39,060	23,944	42,753
Advances.....	41,019	45,239	38,832	41,893	49,257	78,299	140,362	140,687
Acceptances and indorsements.....	824	683	1,810	3,032	1,983	3,891	5,968	4,404
Sundry assets.....	764	835	861	843	824	2,597	2,908	3,665
<b>Total.....</b>	<b>73,799</b>	<b>80,692</b>	<b>88,497</b>	<b>108,149</b>	<b>119,863</b>	<b>215,570</b>	<b>273,396</b>	<b>301,751</b>
<b>LIABILITIES.</b>								
Capital paid in.....	3,000	3,000	3,000	3,000	3,000	5,477	7,807	9,310
Reserve.....	2,000	2,000	2,000	1,800	2,100	4,850	7,239	8,878
Current, deposit, and other accounts.....	67,883	74,916	81,590	100,219	112,597	200,865	251,751	278,335
Acceptances and indorsements.....	824	683	1,810	3,032	1,983	3,891	5,968	4,404
Sundry liabilities.....	92	93	97	98	183	487	631	824
<b>Total.....</b>	<b>73,799</b>	<b>80,692</b>	<b>88,497</b>	<b>108,149</b>	<b>119,863</b>	<b>215,570</b>	<b>273,396</b>	<b>301,751</b>

## UNION OF LONDON AND SMITH'S BANK (LTD.).

[In thousands of pounds.]

	1913	1914	1915	1916	1917
<b>ASSETS.</b>					
Cash in hand and with the Bank of England.....	6,463	9,705	9,145	13,929	13,542
Money at call and at short notice.....	7,437	5,571	3,164	10,035	14,312
Investments:					
British Government securities.....	2,895	3,506	13,276	14,066	13,494
Other investments.....	3,400	4,015	3,963	1,933	1,563
Bills of exchange.....	6,802	5,721	2,498	3,885	6,083
Advances.....	18,234	21,401	18,053	15,331	18,563
Acceptances and indorsements.....	5,016	3,653	4,982	3,600	1,803
Sundry assets.....	1,938	1,963	1,970	1,978	1,981
<b>Total.....</b>	<b>52,185</b>	<b>55,535</b>	<b>57,051</b>	<b>64,757</b>	<b>71,341</b>
<b>LIABILITIES.</b>					
Capital paid in.....	3,555	3,555	3,555	3,555	3,555
Reserve.....	1,150	1,150	1,150	1,150	1,150
Current, deposit, and other accounts.....	41,260	45,833	46,081	55,232	62,818
Acceptances and indorsements.....	5,016	3,653	4,982	3,600	1,803
Sundry liabilities.....	1,204	1,344	1,283	1,220	2,015
<b>Total.....</b>	<b>52,185</b>	<b>55,535</b>	<b>57,051</b>	<b>64,757</b>	<b>71,341</b>

## LONDON JOINT STOCK BANK (LTD.).

[In thousands of pounds.]

	1913	1914	1915	1916	1917
<b>ASSETS.</b>					
Cash in hand and with the Bank of England.....	5,997	8,113	6,578	9,391	11,088
Money at call and at short notice.....	5,644	4,033	2,295	2,043	2,150
Investments:					
British Government securities.....	2,489	2,937	10,138	10,073	29,514
Other investments.....	3,772	4,088	2,805	2,063	1,983
Bills of exchange.....	6,812	6,069	9,483	15,176	1,528
Advances.....	16,218	18,715	15,657	13,574	15,468
Acceptances and indorsements.....	3,153	3,123	2,560	3,583	2,947
Sundry assets.....	1,026	1,045	1,044	1,052	1,020
<b>Total.....</b>	<b>45,111</b>	<b>48,123</b>	<b>50,560</b>	<b>56,955</b>	<b>65,698</b>
<b>LIABILITIES.</b>					
Capital paid in.....	2,970	2,970	2,970	2,970	2,970
Reserve.....	1,125	1,125	1,125	1,125	1,325
Current, deposit, and other accounts.....	37,583	40,900	43,612	48,920	57,979
Acceptances and indorsements.....	3,153	3,123	2,560	3,583	2,947
Sundry liabilities.....	280	305	293	357	477
<b>Total.....</b>	<b>45,111</b>	<b>48,123</b>	<b>50,560</b>	<b>56,955</b>	<b>65,698</b>

## PARR'S BANK (LTD.).

[In thousands of pounds.]

	1913	1914	1915	1916	1917
<b>ASSETS.</b>					
Cash in hand and with the Bank of England.....	7,606	11,521	10,229	13,257	12,714
Money at call and at short notice.....	8,476	8,242	5,772	12,037	20,030
Investments:					
British Government securities.....	6,822	6,857	15,078	14,831	14,514
Other investments.....		3,000	3,487	2,038	1,059
Bills of exchange.....	24,355	26,764	24,091	23,514	24,171
Advances.....	5,481	3,191	4,564	7,835	8,485
Acceptances and indorsements.....	1,107	1,195	1,278	1,281	1,249
Sundry assets.....					
<b>Total.....</b>	<b>53,847</b>	<b>60,770</b>	<b>64,499</b>	<b>74,793</b>	<b>82,252</b>
<b>LIABILITIES.</b>					
Capital paid in.....	2,205	2,423	2,423	2,423	2,423
Reserve.....	2,000	2,100	2,100	2,100	2,100
Current, deposit, and other accounts.....	43,663	52,631	54,919	61,776	68,632
Acceptances and indorsements.....	5,481	3,191	4,564	7,835	8,485
Sundry liabilities.....	498	425	493	459	612
<b>Total.....</b>	<b>53,847</b>	<b>60,770</b>	<b>64,499</b>	<b>74,793</b>	<b>82,252</b>

## FIRST MONTHLY REPORT OF CONDITION OF PRINCIPAL LONDON JOINT-STOCK AND OTHER BANKS.

Among the recommendations of the so-called Cunliffe committee there was one providing for the publication by the banks in Great Britain, on a form approved by the committee, of a monthly statement showing the average of their weekly balance sheets during the month. Pending the passage of a bill making such statement

obligatory, nine of the leading London banks, including the "big five," viz, Lloyd's; Barclay's Bank (Ltd.); London Joint City and Midland; London County Westminster and Parr's; National Provincial and Union; also Glyn, Mills & Co.; Coutts & Co.; Williams, Deacon's; and the Bank of Liverpool and Martin's for the first time issued their figures of monthly averages for January, 1921. These figures are reproduced from the London Economist, as follows:

## Statement of bank accounts.

[Average balance sheets for January, 1921.]

[In pounds.]

	Liverpool and Martin's.	Barclay's.	Coutts & Co.	Glyn, Mills & Co.	Lloyd's.	London County, Westminster & Parr's.	London, Joint City & Midland.	National Provincial & Union.	Williams, Deacon's.	Total.
<b>ASSETS.</b>										
Coin, bank, and currency notes and cash at Bank of England.....	8,555,412	35,247,267	1,640,000	2,633,000	36,844,473	30,634,784	55,061,792	28,805,150	4,614,170	204,036,048
Balances with other banks and checks in course of collection.....	2,580,823	9,292,207	658,000	1,422,000	10,715,135	13,560,461	3,938,510	8,229,204	1,684,116	52,080,456
Money at call and short notice.....	6,470,980	21,022,711	3,402,000	7,313,000	12,715,701	18,908,096	15,498,318	11,131,584	2,465,075	98,927,375
Investments.....	14,093,878	64,034,143	4,727,000	7,582,000	73,545,048	58,803,875	55,023,729	56,509,826	6,992,234	341,311,733
Discounts.....	12,302,492	65,177,230	5,167,000	1,122,000	83,259,279	73,870,544	63,908,369	54,040,595	3,076,792	361,922,301
Loans and advances.....	40,616,076	154,337,357	7,088,000	8,493,000	145,502,418	137,688,276	192,065,130	138,852,025	20,495,626	845,137,908
Cover for acceptances and premises.....	10,823,992	14,065,203	947,000	1,972,000	19,188,459	23,576,792	29,887,811	8,084,689	1,932,981	110,478,927
<b>Total assets.....</b>	<b>95,443,653</b>	<b>363,176,118</b>	<b>23,629,000</b>	<b>30,537,000</b>	<b>381,770,513</b>	<b>357,042,738</b>	<b>415,381,659</b>	<b>305,653,073</b>	<b>41,260,994</b>	<b>2,013,894,748</b>
<b>LIABILITIES.</b>										
Paid-up capital and reserves....	3,748,890	23,842,372	1,600,000	1,500,000	24,137,796	17,819,006	21,719,600	18,187,457	2,875,000	115,430,121
Acceptances and indorsements....	9,559,082	9,819,641	607,000	1,750,000	15,030,051	19,832,964	26,004,051	4,409,915	1,347,802	88,360,506
Deposits, etc. (including undivided profits).....	82,135,681	329,514,105	21,422,000	27,287,000	342,602,666	319,390,768	367,658,008	283,055,701	37,038,192	1,810,104,121
<b>Total liabilities.....</b>	<b>95,443,653</b>	<b>363,176,118</b>	<b>23,629,000</b>	<b>30,537,000</b>	<b>381,770,513</b>	<b>357,042,738</b>	<b>415,381,659</b>	<b>305,653,073</b>	<b>41,260,994</b>	<b>2,013,894,748</b>



### Establishment of the Imperial Bank of India.

In accordance with a law approved on September 19, 1920, the Imperial Bank of India began operations on January 27 of this year. This bank represents a consolidation of the presidency banks of Bengal, Bombay, and Madras, which have been doing business in India since the beginning of the nineteenth century. These banks have acted as fiscal agents of the Government, their business has been rather strictly circumscribed geographically, and they were required to carry large cash reserves and were prohibited from engaging in foreign exchange transactions. To a large extent, the presidency banks have acted as bankers for the exchange banks. Besides the presidency banks, which had about 60 branches, there are in India 45 branches of exchange banks with head offices outside of India, whose business is mainly to finance foreign trade and to deal in foreign exchange. In addition, there are about 60 or 70 joint-stock banks with over 150 branches, doing a local business, and subject to a rather high rate of business mortality. All told, therefore, there are about 250 banks and branches in India, situated in about 150 towns, or in about 20 per cent of the towns having a population of 10,000 or more.

The initiative in the move toward amalgamation was taken by the presidency banks themselves, which presented to the Government of India a memorandum advocating the establishment of the Imperial Bank. Their main arguments were:

1. That extension of banking facilities in India was greatly needed, as it was "useless to educate people into a willingness to follow civilized habits as regards keeping their money if there are not at hand banking facilities for them to do so."

They propose to open, after consolidation, and within five years after its establishment, no less than 100 new branches of the Imperial Bank. (The law as passed includes provision for the establishment of these branches.)

2. It is true that the presidency banks, to a considerable extent, have acted as bankers for local banks, but this consolidation will materially increase their ability to assist the other banks through the rediscount of domestic bills of exchange, known generally as "hundis."

3. An amalgamation of the three presidency banks, together with the establishment of many new branches, would facilitate the handling of the public debt. So long as Government securities were held by a small number of large investors, transactions in connection with the debt could be conducted satisfactorily by a few large banks, but with the enormous war expan-

sion of the debt and its widespread ownership among the masses of the population who have purchased bonds of the Indian war loans, it has become necessary to afford facilities for cashing coupons, paying off maturing obligations, etc., in a large number of small communities.

4. The amalgamation of the three banks would make it possible to abolish Government reserve treasuries by transferring their business to the Imperial Bank. (The law does abolish the reserve treasuries.)

The new bank has a branch in London, which however, may open accounts for or receive deposits only from persons who are or have been customers of the Imperial Bank or of one of the presidency banks in India. The bank's sales or purchases of bills payable outside of India are restricted to bills of such banks as the governor general in council may approve. These provisions are intended to prevent interference of the Imperial Bank with the business of established banks in London.

The Imperial Bank is owned by the shareholders of the three amalgamated presidency banks. Although the bank is to act as fiscal agent of the Government and to carry all the Government balances, the Government will not participate in the bank's profits for the first three years, largely for the reason that the establishment of new branches, which the bank is obliged to undertake, will involve for the immediate future considerable unprofitable business. Moreover, the bank is to be compensated for its work as fiscal agent in connection with the handling of Government securities and coupons. At the end of three years the proposed plan is to determine on the basis of actual experience whether and to what extent the Government is entitled to participation in the bank's profits.

The Government is to be represented on the central board of governors of the Imperial Bank by the controller of the currency or some other officer selected in his place by the governor general, and by not to exceed six other persons nominated by the governor general. These members of the board will have the privilege of attending meetings and of participating in deliberations, but not of voting.

The following is an extract from the law, enumerating the kinds of business in which the Imperial Bank may and may not engage:

#### PART I.

##### BUSINESS WHICH THE BANK IS AUTHORIZED TO CARRY ON AND TRANSACT.

The bank is authorized to carry on and transact the several kinds of business hereinafter specified, namely:

(a) The advancing and lending money, and opening cash credits upon the security of—

I. Stocks, funds, and securities (other than immovable property) in which a trustee is authorized to invest trust money by any act of Parliament or by any act of the governor general in council and any securities of a local government or the government of Ceylon;

II. Such securities issued by State-aided railways as have been notified by the governor general in council under section 36 of the presidency banks act, 1876, or may be notified by him under this act in that behalf;

III. Debentures or other securities for money issued under the authority of any act of a legislature established in British India by, or on behalf of, a district board;

IV. Goods which, or the documents of title to which, are deposited with, or assigned to, the bank as security for such advances, loans, or credits;

V. Accepted bills of exchange and promissory notes indorsed by the payees and joint and several promissory notes of two or more persons or firms unconnected with each other in general partnership; and

VI. Fully paid shares and debentures of companies with limited liability, or immovable property or documents of title relating thereto as collateral security only where the original security is one of those specified in subclauses I to IV, and if so authorized by any general or special directions of the central board, where the original security is of the kind specified in subclause V: *Provided*, That such advances and loans may be made, if the central board thinks fit, to the secretary of state for India in council, without any specific security.

(b) The selling and realization of the proceeds of sale of any such promissory notes, debentures, stock receipts, bonds, annuities, stocks, shares, securities, or goods which, or the documents of title to which, have been deposited with, or assigned to, the bank as security for such advances, loans, or credits, or which are held by the bank, or over which the bank is entitled to any lien or charge in respect of any such loan or advance or credit or any debt or claim of the bank, and which have not been redeemed in due time in accordance with the terms and conditions (if any) of such deposit or assignment;

(c) The advancing and lending money to courts of wards upon the security of estates in their charge or under their superintendence, and the realization of such advances or loans and any interest due thereon, provided that no such advance or loan shall be made without the previous sanction of the local government concerned, and that the period for which any such advance or loan is made shall not exceed six months;

(d) The drawing, accepting, discounting, buying, and selling of bills of exchange and other negotiable securities payable in India or in Ceylon; and, subject to the general or special directions of the governor general in council the discounting, buying, and selling of bills of exchange, payable outside India for and from or to such banks as the governor general in council may approve in that behalf;

(e) The investing of the funds of the bank upon any of the securities specified in Subclauses I to III of clause (a) and converting the same into money when required, and altering, converting, and transposing such investments for or into others of the investments above specified;

(f) The making, issuing, and circulating of bank-post-bills and letters of credit made payable in India, or in Ceylon, to order, or otherwise than to the bearer on demand;

(g) The buying and selling of gold and silver, whether coined or uncoined;

(h) The receiving of deposits and keeping cash accounts on such terms as may be agreed on;

(i) The acceptance of the charge of plate, jewels, title deeds, or other valuable goods on such terms as may be agreed on;

(j) The selling and realizing of all property, whether movable or immovable, which may in any way come into the possession of the bank in satisfaction or part satisfaction of any of its claims;

(k) The transacting of pecuniary agency business on commission;

(l) The acting as administrator, executor, or trustee for the purpose of winding up estates, and the acting as agent on commission in the transaction of the following kinds of business, namely:

I. The buying, selling, transferring, and taking charge of any securities or any shares in any public company;

II. The receiving of the proceeds, whether principal, interest or dividends, of any securities or shares;

III. The remittance of such proceeds at the risk of the principal by public or private bills of exchange payable either in India or elsewhere.

(m) The drawing of bills of exchange and the granting of letters of credit payable out of India, for the use of principals for the purpose of the remittances mentioned in clause (I) and also for private constituents for bona fide personal needs;

(n) The buying, for the purpose of meeting such bills or letters of credit, of bills of exchange payable out of India, at any usance not exceeding six months;

(o) The borrowing of money in India for the purpose of the bank's business, and the giving of security for money so borrowed by pledging assets or otherwise;

(p) The borrowing of money in England for the purposes of bank's business upon the security of assets of the bank, but not otherwise; and

(q) Generally, the doing of all such matters and things as may be incidental or subsidiary to the transacting of the various kinds of business hereinbefore specified.

## PART II.

### BUSINESS WHICH THE BANK IS NOT AUTHORIZED TO CARRY OUT OR TRANSACT.

The bank shall not transact any kind of banking business other than those specified in Part I and in particular—

(1) It shall not make any loan or advance (a) for a longer period than six months, or (b) upon the security of stocks or shares of the bank, or (c) save in the case of the estates specified in clause (c) of Part I, upon mortgage or in any other manner upon the security of any immovable property, or the documents of title relating thereto.

(2) The bank shall not (except upon a security of the kind specified in subclauses I to IV of clause (a) of Part I) discount bills for any individual or partnership firm for an amount exceeding in the whole at any one time such sum as may be prescribed, or lend or advance in any way to any individual or partnership firm an amount exceeding in the whole at any one time such sum as may be so prescribed.

(3) The bank shall not discount or buy, or advance and lend, or open cash credits on the security of any negotiable instrument of any individual or partnership firm, payable in the town or at the place where it is presented for discount, which does not carry on it the several responsibilities of at least two persons or firms unconnected with each other in general partnership.

(4) The bank shall not discount or buy, or advance and lend, or open cash credits on the security of any negotiable security having at the date of the proposed transaction a longer period to run than six months or, if drawn after sight, drawn for a longer period than six months: *Provided*, That nothing in this part shall be deemed to prevent the bank from allowing any person who keeps an account with the bank to overdraw such account, without security, to such extent as may be prescribed.

### Transfer of Note Issue in Australia from Treasury to Commonwealth Bank.

Below are printed the significant portions of an act approved November 30, 1920, by which the note-issue function is transferred from the Commonwealth treasury of Australia to the Commonwealth Bank. The bank will be reorganized somewhat along the lines of the Bank of England, with an issue department distinct from the banking department. The issue department will be controlled by a board consisting of four directors appointed by the governor general, one of whom shall be the governor of the bank, one a representative of the secretary of the treasury, and two outside business men. The new Australian notes will be in a way similar to our own Federal Reserve notes in that, while they are issued by the Commonwealth Bank, they constitute an obligation of the Commonwealth Government. They differ from Federal Reserve notes, however, in that they are legal tender.

Prior to 1910 the bulk of the circulation in Australia consisted of notes of the commercial banks and of metallic money. Between 1910 and 1914 commercial bank notes had decreased to a very small amount, their place being taken by Australian notes issued by the treasury. During the war the amount of coin and bullion in circulation and in the hands of the banks decreased considerably, as the treasury made efforts to concentrate the gold in its vaults. On the other hand, Australian notes in the hands of the commercial banks increased from about 5 millions in 1914 to 35 millions in 1920.

Following are the extracts from the law:

THE COMMONWEALTH OF AUSTRALIA.  
COMMONWEALTH BANK.  
[No. 43 of 1920.]

[An act to amend the Commonwealth bank act, 1911-1914, and for other purposes. (Assented to 30th November, 1920.)]

PART VI-A. ISSUE OF AUSTRALIAN NOTES.

DIVISION 1. PRELIMINARY.

60-b. (1) From and after the commencement of this part (a) a bank shall not issue or circulate as money any note or instrument for the payment of money issued by a State and payable to bearer on demand; and (b) a note or instrument for the payment of money issued by a State and payable to bearer on demand shall not be a legal tender.

(2) A bank which, in contravention of this section, issues or circulates as money any note or instrument issued by a State and payable to bearer on demand shall be liable to a penalty not exceeding £500.

(3) Proceedings for an offense against this section shall only be instituted by the attorney general or by a person acting under his authority.

DIVISION 2. ESTABLISHMENT OF NOTE-ISSUE DEPARTMENT.

60-c. For the purposes of this part there shall be a note-issue department of the bank, which shall be kept distinct from all other departments of the bank.

60-d. (1) The note-issue department shall be managed by a board of directors composed of the governor of the bank and three other directors appointed by the governor general in accordance with this part, of whom one shall be an officer of the Commonwealth treasury.

(2) The governor shall be ex officio chairman of directors.

(3) Of the three persons first appointed as directors in pursuance of this section, one person shall be appointed and shall hold office during good behavior for a term of five years, one for a term of four years, and one for a term of three years.

(4) Thereafter each appointment of director shall be for a term of five years, subject to good behavior.

(5) Every person who is appointed a director shall on the expiration of his term of office be eligible for reappointment.

(6) In case of the illness or absence from the Commonwealth or absence from duty on leave of any director, the governor general may appoint a person to act as a director during the illness or absence.

(7) Three members of the board of directors shall form a quorum.

(8) At meetings of the board of directors the chairman shall have a deliberative vote, and, in the event of an equality of voting, a second or casting vote.

60-e. There shall be paid to each director, other than the governor, such remuneration and traveling allowance as the governor general fixes.

DIVISION 3. TRANSFER OF EXISTING ISSUE TO NOTE-ISSUE DEPARTMENT.

60-f. (1) Upon a date to be fixed by proclamation all the assets and liabilities of the treasurer under the Australian notes act, 1910-1914, shall by force of this act be transferred to the note-issue department of the bank.

(2) The transfer of the assets and liabilities shall be at the values shown in the books of the treasury.

DIVISION 4. ISSUE OF AUSTRALIAN NOTES.

60-g. (1) Subject to this act, the board may from time to time (a) issue Australian notes; (b) reissue Australian notes; and (c) cancel Australian notes.

(2) Australian notes issued in pursuance of this part shall not be deemed to be bank notes within the meaning of the bank notes tax act, 1910.

60-h. (1) Australian notes may be issued in any of the following denominations, namely, 5 shillings, 10 shillings, £1, £5, £10 and shall (a) be printed and issued by the board from the Commonwealth Bank; (b) be a legal tender throughout the Commonwealth and throughout all territories under the control of the Commonwealth except in respect of payments due by the note-issue department; and (c) bear the promise of the treasurer to redeem the notes in gold coin (or, in the case of a single 5 shillings Australian note, in silver coin) on demand at the head office of the Commonwealth Bank.

(2) Upon the commencement of this act Australian notes expressed to be payable at the Commonwealth treasury at the seat of government shall be payable at the head office of the Commonwealth Bank.

(3) Australian notes shall bear thereon the signature of the secretary of the treasury or such other officer of the Commonwealth treasury as the treasurer directs, and the signature of the chairman of directors or such officer of the note-issue department as the board directs. The signatures may be made in the handwriting of the officers or persons or may be made by engraving, lithography, or any mechanical process approved by the treasurer.

60-i. (1) Part of the moneys derived from the issue of Australian notes or acquired on the transfer of the Australian note issue from the treasury, shall be held by the board in gold coin for the purposes of the reserve provided for in section 60-k of this act, and the board may invest the remainder or any part thereof (a) on deposit with any bank; or (b) in securities of the United Kingdom, or of the

Commonwealth, or of a State; or (c) in trade bills with a currency of not more than 120 days.

(2) The board may sell or dispose of any securities in which any moneys have been invested in pursuance of this section.

60-j. The profit derived from the issue of Australian notes shall be expended (a) in the payment of the working expenses of the note-issue department; (b) in the payment of commission, at a rate to be approved by the governor general, to the bank for the purposes of its general business, and (c) in the payment of the balance to the treasury.

60-k. (1) The board shall hold in gold coin and bullion a reserve of an amount not less than one-fourth of the amount of Australian notes issued.

(2) In ascertaining the amount of Australian notes issued, the amount of notes which have been redeemed shall not be included.

60-l. (1) On the last Monday of each month, an officer appointed for the purpose by the board shall prepare and sign a statement, showing at the close of business on that date (a) the number and amount of Australian notes issued and not redeemed and (b) the amount of gold coin held by the note-issue department for the purposes of this act.

60-o. For any Australian notes required by the bank on deposit or for the purposes of its ordinary business, the bank shall make to the note-issue department payment or shall give credit to the board, upon the same terms and conditions as those applicable to any other bank.

60-p. (1) The governor general may, whenever in his opinion any emergency has arisen which renders it desirable in the public interest so to do, by proclamation authorize the transfer, from the board to the treasurer, for such period as is specified in the proclamation, of the control of and responsibility for the whole or part of the Australian note issue, and may by that proclamation or a further proclamation give such directions as are in his opinion necessary or desirable for carrying out the transfer.

(2) Upon the issue of a proclamation in pursuance of this section, the control of and responsibility for the Australian note issue shall, for the period and to the extent specified in the proclamation, be transferred to the treasurer.

(3) When the governor general is of opinion that the emergency on account of which the transfer was made has ceased, he may by proclamation authorize the retransfer of the Australian note issue to the board, and thereupon the Australian note issue shall be retransferred accordingly.

### Gold and Silver Embargo in England.

During the war gold exports were not prohibited in England, but gold did not move out of the country, except by Government action, as the result of transportation difficulties and risks and of patriotic restraint. On March 28, 1919, an order in council was issued under section 1 of the customs (exportation prohibition) act, 1915, absolutely prohibiting the export of gold coin or bullion to any destination. Toward the end of July, 1919, however, an arrangement was made by which new gold, after being shipped to the London market, might be exported under license. No change in this arrangement is made by the new law. On December 23, 1920, the gold and silver (export control) act, 1920, printed below, was passed, which prohibits by law the exportation of gold and silver coin and bullion:

GOLD AND SILVER (EXPORT CONTROL, ETC.) ACT, 1920.  
(10 and 11 Geo. 5.)

#### CHAPTER 70.

[An act to control the exportation of gold and silver coin and bullion and to prohibit the melting or improper use of gold and silver coin. (23 December, 1920.)]

*Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:*

(1) Section 8 of the customs and inland revenue act, 1879 (which enables the exportation of certain articles to be prohibited), shall have effect as if, in addition to the articles therein mentioned, there were included the following articles, that is to say, gold or silver coin and gold or silver bullion.

(2) If any person acts in contravention of or fails to comply with any condition attached to a license authorizing the exportation of any goods prohibited to be exported by virtue of this section, he shall for each offense, without prejudice to any other liability, be liable to a customs penalty of £100.

(3) Gold produced in any part of His Majesty's Dominions and imported into the United Kingdom under any arrangement approved by the treasury may, notwithstanding anything in this section, be exported in accordance with the terms of the arrangement.

(4) In this act the expression "gold or silver bullion" includes gold or silver partly manufactured and any mixture or alloy containing gold or silver.

(5) This section shall continue in force until the 31st day of December, 1925, and no longer, unless Parliament otherwise determines.

Second. (1) It shall not be lawful for any person, except under and in pursuance of a license granted by the treasury, to melt down, break up, or use otherwise than as currency any gold or silver which is for the time being current in the United Kingdom or in any British possession or foreign country.

(2) If any person acts in contravention of this section, or acts in contravention of or fails to comply with any condition attached to a license granted under this section, he shall, for each offense, be liable on summary conviction to a fine not exceeding £100, or to imprisonment with or without hard labor for a term not exceeding two years, or to both such fine and imprisonment, and, in addition to any other punishment, the court dealing with the case, may order the articles in respect of which the offense was committed to be forfeited.

Third. This act may be cited as the gold and silver (export control, etc.) act, 1920.

### Cuban Moratorium.

Prior to the expiration of the third extension of the moratorium established in Cuba on October 10, 1920, a series of three laws, known as the Torriente laws, came into effect to provide for the gradual resumption of ordinary financial operations. The first law provides for payment of outstanding obligations in four installments, running through 105 days for ordinary commercial obligations and 135 days for banking obligations. The second Torriente law provides for a liquidation commission to take over the affairs of insolvent banks, while the third Torriente law provides for the creation

of a commission to arrange for a general revision of the banking laws of Cuba in order to obviate the recurrence of a condition such as that from which Cuba has recently been suffering.

The original moratorium decree was printed in the FEDERAL RESERVE BULLETIN for November, 1920, page 1165. A translation of the text of the three Torriente laws follows:

TORRIENTE LAW NO. 1.

ARTICLE 1. Rights of action arising out of obligations of a mercantile character contracted prior to October 10, 1920, and appearing from bills of exchange, drafts, notes, domestic drafts, I. O. U.'s, and other credit documents included in the Code of Commerce, whether due or to become due within 125 calendar days, counting from the date this law goes into effect, shall not be exercised until after that date unless the debtors, by reason thereof, fail to pay to their creditors 15 per cent within 15 days, 25 per cent within 45 days, 25 per cent within 75 days, 35 per cent within 105 days, all calendar days, counting from date this law goes into effect.

Failure to comply with any of the terms indicated shall permit the exercise of the said rights of action.

The provisions of this article do not apply to obligations which have to be fulfilled with the proceeds from the sale or pledge of cane, sugar, or molasses, or by the transfer of the price of those products, but, on the contrary, contracts containing such obligations must be fulfilled in accordance with the terms agreed upon.

ARTICLE 2. Rights of action in favor of such persons as on October 10, 1920, were depositors of banks, bankers, and savings banks of the Republic to demand a return by them of their deposits shall not be exercised until after 135 calendar days, counting from the date this law goes into effect, unless their deposits are not repaid in the following manner: Fifteen per cent within 15 days, 15 per cent within 45 days, 20 per cent within 75 days, 25 per cent within 105 days, and 25 per cent within 135 days, all calendar days, counting from the date this law goes into effect. The failure to return such deposits in any of the periods before mentioned will allow the exercise of the said rights of action. Whatever sum may have been paid depositors in excess of the sums fixed in the decree of the executive power of October 10, 1920, may be calculated in these part payments.

ARTICLE 3. Banks, bankers, and savings banks of the Republic desiring to avail themselves of the provisions of the present act shall, within 15 calendar days following the taking effect of this law, so communicate to the executive power through the Secretary of the Treasury and the latter, by means of one or more officers which he shall designate for the purpose, shall examine and inspect them, and so long as the same is in force the said banks, bankers, and savings banks shall not carry on any business of any kind without the intervention of the representatives of the Government; but this does not imply any responsibility whatever on the part of the State on account of such transactions.

Corporations other than banks, and persons desiring to avail themselves of the provisions of article 1 shall, within 15 calendar days following the taking effect of this law, so communicate in writing to the municipal or first instance judge of their domicile, according to the following rules:

To the municipal judges, those whose capital registered at the Registro Mercantil be not more than \$5,000.

To the first instance judges, those whose capital be not less than \$5,000.

From the date of filing the petition or the writing, the interested parties shall be entitled to avail themselves of the benefits of this law.

ARTICLE 4. The inspectors referred to in the aforementioned article shall take care, under their responsibility,

that the banks, bankers, and savings banks subject to their inspection and examination proceed to collect obligations in their favor and pay their depositors the sums referred to in article 2.

ARTICLE 5. Debtors of banks, bankers, and savings banks on obligations included in article 1 shall pay in cash the proper proportional part according to the said article without prejudice to their right to deliver, in order to be set off, so far as relates to the whole or any part of the remainder of their indebtedness, such credits as exist in their favor represented by checks, certified and drawn on such banks, bankers, or savings banks.

ARTICLE 6. Rights of action arising out of claims secured by mortgages, pledge, or notarial document claims of any kind, prior to the 10th day of October, 1920, in respect of the principal of the same, can not be exercised until after 135 days, counting from the date this law goes into effect, and shall be subject to the provisions of article 1 hereof, if the debtors by means of a previous and special finding in a special proceeding, in all kinds of judicial proceedings and in any stage thereof, establish that their default is due to the fact that they have not been able to draw from their deposits with banks, bankers, and savings banks the sums of money necessary for the said purpose by reason of the moratorium granted by the executive power and by the provisions of the present law.

In order to bring this special proceeding there shall be attached to the first pleading a notarial estimate wherein the party interested shall make oath that he is in the situation referred to and has no other funds wherewith to fulfill his obligation, and also a certificate, likewise sworn to, of the director or manager of the bank, banker, or savings bank, the which said person must issue within 24 hours after request therefor, from which it shall appear that the deposit was made prior to the 10th of October, 1920, that it exceeds in amount the sum claimed, and has not been attached or made responsible for the payment or subject to the performance of any other obligation. If from these documents the plea of the debtor does not appear to be proved, the judge shall forthwith dismiss the special proceedings, and against his dismissal no further remedy shall be given except an appeal for review. Until the debtor returns his certificates to the bank, banker, or savings bank, together with a notation of the court stating that the obligation sued on has been extinguished or that the debtor has discontinued the special proceeding, the bank, banker, or savings bank shall continue the attachment of the deposit to the amount necessary to abide the result of the general proceeding.

The rights of action for the collection of interest due shall not be included within the provisions of this article.

ARTICLE 7. The provisions of this act do not include the funds of any kind belonging to the State, the Provinces, nor the municipalities, nor to other official organisms, or that appear in the name of specified public officials for payments on their account or the account of private individuals who have turned in such funds to that end, nor those of the International Pan-American Office for the protection of industrial and trade-marks. Likewise, they do not include the funds donated in any manner for the advancement of learning and for prizes to students.

ARTICLE 8. The decree of the executive power of October 10, 1920, and the decrees extending the same dated November 27 and December 31, 1920, shall cease to have any force as soon as the present act begins to take effect.

ARTICLE 9. This law shall begin to take effect three days after the publication thereof in the Gaceta Oficial of the Republic, and the effects of the provisions of the foregoing articles shall terminate the day after the 135th calendar day, counting from the date this law goes into effect, and from that day on all persons affected by the same shall be at liberty to exercise their rights in accordance with existing laws of procedure, and the executive power shall not prevent it by new decrees such as those referred to in the foregoing article.

## ADDITIONAL ARTICLE.

The funds of the State, the Provinces, and the municipalities shall not be deposited hereafter except in their treasuries, and their obligations shall be paid by drawing against the same.

Nor shall any person or private company be appointed fiscal agent, collectors, or paymasters thereof.

The executive power shall enter into such contracts as may be deemed expedient for the payments of all kinds of matters for the external service of the Republic.

Wherefore I command that the present law in all its parts be complied with and executed.

Given at the Presidential Palace, in Havana, this 27th day of January, 1921.

M. G. MENOCAL, *President.*

E. SANCHEZ AGRAMENTE,  
*Secretary of Agriculture, Commerce, and Labor.*

## TORRIENTE LAW NO. 2.

ARTICLE I. The provisions of this act are applicable to credit companies and to banks of issue and discount referred to in sections VII and VIII of Title I, Book II, of the Code of Commerce, in force, and to all such mercantile companies and private bankers the principal business of which may be to receive money on deposit and to keep current accounts with or without interest and savings deposits with any corporation, company, or persons.

Whenever the word bank is used in this act it must be understood as referring to all or any of the companies, corporations, and persons mentioned in this article.

ARTICLE II. There is hereby created a commission, to be composed of three members, which shall be known as the Temporary Banking Liquidation Commission, and whenever the word commission is used in this act it must be understood to refer to that commission. It shall have and exercise the powers and shall perform the duties provided for in this act. The members of said commission shall be appointed by the President of the Republic. One of them shall be the Secretary of the Treasury, who will preside over the commission, and the other two members shall be persons of known fitness on banking matters and not connected in any way with those banks in regard to which the commission is to exercise its functions. The members of the commission shall receive a per diem compensation of \$30 for each day or fraction of a day whereon the commission shall perform any service. The commission shall meet upon the call of its president or on request of any of its members. The presence of the three members of the commission is necessary to make a quorum, and no resolution can be taken unless by the unanimous vote of the commission. This commission shall have a secretary, to be named by it. No member of the commission shall be suspended or dismissed, except for a criminal offense or for other grave cause, duly proved, and always after a hearing. The commission shall appoint, fix the compensation of, and discharge the employees that it may deem necessary to the proper execution of its powers and duties. All the expenses of the commission shall be payable from the public funds not otherwise appropriated. For each commissioner there shall be appointed a substitute having the same qualification as the former and who shall serve when the former should be absent for any cause. The commission shall cease in its functions within 60 days from the final termination of all the business devolving upon it under the present act, and all the other instrumentalities created by this act shall cease in like manner.

ARTICLE III. In any of the cases contemplated by Article V of this act the commission shall be authorized and required, in the form and manner prescribed in Article IV, to take possession of, to control and administer all

the property, rights, and rights of action of any kind, cash on hand, and securities, as well as assets and liabilities of the bank; to exercise all kinds of actions; to receive rents, collect all debts due to the bank under its administration or liquidation, and to compromise the same whenever it shall be necessary in its judgment; to make transfers or cessions of said credits and to contract and enforce obligations in the due course of administration of the bank; and generally to do all such acts and carry out such measures in connection with all the foregoing as the commission may deem necessary to the ends of this act, including the payment of outstanding debts of the bank and the distribution of the money and other properties that shall remain over among those entitled thereto. All the acts above referred to regarding the administration of any bank pursuant to this act shall be carried out with a view either to reestablish its solvency within the briefest possible period or, on the contrary, to bring about the final liquidation and accordingly the definitive cessation of the same.

ARTICLE IV. Of the powers vested in and duties imposed upon the commission by this act, those relating to the administration and liquidation of any bank under its jurisdiction shall be executed through a liquidation board, separately created for each such bank, and which shall be under the inspection, direction, and control of the commission, and to be formed as elsewhere provided in this act. Whenever the word board shall be used it must be understood that the same refers to the liquidation board. The members that the commission may appoint for each liquidation board, as well as the remaining members of the same, may be removed at any time for cause existing in the judgment of the commission, which shall be stated in the resolution. In the case of discharge, as well as in that of resignation of any member, the vacancy resulting shall be filled in like manner as was the original appointment. The compensation of each member of said board shall not exceed \$25 per day and shall be fixed from time to time by the commission, being payable from the funds of the bank concerned as a part of the expenses of administration or liquidation of the same under this act.

ARTICLE V. Banks established in the Republic and included in Article I of this act shall be deemed to be in a condition of suspension of payments for all the purposes and ends of this act whenever they shall be in the cases of articles 870 and 871 of the Code of Commerce as amended by the law of the 24th of June, 1911.

Within 48 hours of their being in those conditions their directors, managers, or administrators shall submit to the commission a statement setting forth the causes which compel them to request of the commission that they be considered in the condition of suspension of payments.

Persons who shall be in the case of the first paragraph of article 876 of the Code of Commerce and any creditor having an obligation evidenced by a title of credit of any bank and showing that the bank has ceased in the ordinary payment of its obligations or who may have an obligation due to him from a bank, evidenced by a title of credit, which may be due and collectible in whole or in part, pursuant to the law of liquidation of the moratorium granted by decree of the 10th of October, 1920, of the executive power, may also request in writing of the commission that the bank in default be deemed to be in a condition of suspension of payments for all the purposes and ends of this act.

ARTICLE VI. On the same day on which the commission shall receive the statement of the bank it shall decree the said condition of suspension of payments, and in the same decree it will appoint two competent persons, who thereupon shall proceed to the main office of the petitioner and, as representatives of the commission, shall take charge of and examine and supervise all the transactions of the bank, within 24 hours thereafter calling an extraordinary general meeting of stockholders, in case the entity concerned should be a stock company, the meeting to take

place within 48 hours after the call, whereat shall be chosen by a majority vote a competent person to represent the stockholders on the liquidation board. When the case shall be that of any other kind of mercantile company or private banker included in this act, the manager of the former or the private banker shall appoint within the above-mentioned period a representative to be a member of the liquidation board.

When the case should be that of the last paragraph of Article V, the commission shall verify the accuracy of what may be set forth in the written statement and, if by it deemed accurate, shall act as if the bank should have requested to be deemed in a condition of suspension of payments, as provided in this act.

ARTICLE VII. By means of a speedy and simple procedure which shall be provided in the regulations that the commission shall prescribe, with the approval of the executive power, the creditors shall designate two representatives for the board; one of them shall be designated by the depositors of any kind of the bank and the other by the creditors who shall not be of the class referred to in article 19 of the law of the 24th of June, 1911, unless these should desire to take part in the appointment.

It will be the duty of the representatives of the commission to do whatever may be necessary in order that the majority of each class of creditors aforesaid shall designate its representative.

During five days the said representatives of the commission shall prepare two registration books for the nomination of representatives, and their substitutes, of the creditors on the liquidation board. Within 20 days following the expiration of the five days aforesaid, the creditors of each class shall appear with their deposit books or with the documents showing their credits at the offices, which shall be made ready for that purpose, in order to record in writing the candidates for whom they vote.

ARTICLE VIII. While the designation of the representative of the stockholders and of the owners of the bank and of the two classes of creditors is pending, those appointed by the commission shall proceed to examine all the books of the bank, to verify the inventory of all the properties and securities thereof and of such as it may have charge of for any reason, likewise verifying the balance of the assets and the liabilities. To this end, the person representing the bank shall deliver to them, on their arrival at its office, the books, inventories, and balances thereof.

ARTICLE IX. As soon as the three representatives aforesaid shall have been designated to form, with those appointed by the commission, the liquidation board provided for in Article IV of this act, the same will be considered as constituted and all its resolutions shall be recorded in a book of minutes, concerning which all the requirements prescribed by article 36 of the Code of Commerce shall be complied with. A verbatim copy of each resolution entered in the minute books shall be forwarded to the president of the commission immediately upon adoption, certified by the secretary of the board and countersigned by the president. The regulations that the commission shall make, with the approval of the executive power, shall prescribe what kind of resolutions shall be recorded in the minute books and which shall set forth the reasons on which based.

From the day of its constitution the board shall take charge, for the commission, of the management, direction, administration, and control of the bank and of its reorganization or liquidation, as the case may be, and accordingly it will exercise, under the supervision, direction, and control of the commission, all those powers and attributions pertaining to stockholders, directors, managers, and private bankers, but all these parties shall not have any other intervention than that provided by this act.

ARTICLE X. The board shall be presided over by one of the two representatives appointed by the commission, to be chosen by the board. For every resolution of the board three votes in favor thereof shall be necessary; such

majority vote to include, at least, the vote of one of the representatives appointed by the commission and the vote of a member of the board representing the creditors. In case there be no majority vote, as aforesaid, of the members of the board, the concurrent vote of the two representatives of the commission shall prevail, and in that case any one of the three remaining members of the board may take an appeal to the commission. This appeal shall be entered in the same minute as the resolution, and the commission shall, within 10 days after receipt of a certified copy thereof, notify the appellant and the board of the confirmation or revocation of the resolution in whole or in part. Against this decision of the commission no further recourse may be had either in the administrative or in the judicial channel.

ARTICLE XI. Resolutions on all questions decided by the board relating to concurrent and preferred creditors, to propositions for reorganization or liquidation of the bank, and to amounts to be paid to the creditors of any class shall not be final until after 10 days from notification of the interested parties. Notice shall be given in writing, and when this should not be possible it shall be given within 24 hours after the adoption of the resolution, by posting on a bulletin board that the board shall have ready for this purpose on the outside of the place where its meetings shall be held, and this notice shall be placed where it shall be easily accessible to the interested parties.

Only in regard to resolutions referred to in this article may any interested party have judicial recourse, the which shall be to the civil chamber of the supreme court by petition in writing, signed by a lawyer, accompanied by a certified copy of the resolution which the board shall issue to the interested parties within the 24 hours following the application therefor. As soon as said chamber shall receive such petition it shall make it known to the board in the most speedy manner in order that it may suspend enforcement of the resolution, and within 10 days, excluding holidays, immediately following, the chamber shall decide what it may deem just. Against this decision no other recourse may be had than a petition for rehearing. When the said chamber shall have rendered a final decision in the matter it shall notify thereof the board by means of a certified copy of the same, and said board shall carry out the decision of said chamber. Within the period fixed for its decision the chamber may hear the board in writing.

All matters submitted to the chamber shall be decided by it according to the provisions of law in force, and in the absence of such provisions, according to custom, to the general principles of law or to commercial usages, so that in no case shall it fail to decide what may be submitted to it for decision.

ARTICLE XII. From the moment that the commission declares the state of suspension of payments according to the provisions of this act, no creditor can initiate any executory process or exercise any special action, excepting the creditors who may have mortgages or pledges to the extent of recovery out of the properties mortgaged or pledged.

Proceedings that may be pending, except as otherwise provided in this act, may be continued, but executory proceedings shall be suspended at the stage of enforcing the judgment and ordinary actions at the stage of execution of judgment.

All pending actions and all proceedings thereunder instituted at any time prior to the taking effect of this act by any bank comprehended in the first article of this act or by the creditors of said banks against them, under the provisions of the bankruptcy laws contained in the Code of Commerce and in the Ley de Enjuiciamiento Civil or of the law of suspension of payments of June 24, 1911, shall not be exercised or continued from the time of the taking effect of this act, but shall cease from the moment of the taking effect of this act, and said bank shall immediately become subject to the commission established by the same and shall be liquidated or reorganized by said commission, according to the provisions of this act. Dur-

ing the period and to the extent of the operation of the provisions of this act, whatever is provided for in it shall exclude all other classes of proceedings that may modify or change its effects, and no existing law shall be held operative in so far as inconsistent with the provisions of this act concerning the matters which the same embraces.

ARTICLE XIII. Within three months after the commission has issued its decree declaring the suspension of payments the board shall submit to the commission, to the creditors and to the stockholders or owners of the bank a plan of reorganization, whenever it may be possible to pay the creditors in installments that in the aggregate do not exceed the period of one year and in the event that the bank shall not have lost an amount greater than 50 per cent of its capital subscribed and paid. Should the case be otherwise, the board will decide to liquidate, as also in case neither the creditors nor the owners of the capital stock accept the reorganization plan. For approval of this plan the votes of the stockholders or persons representing three-fourths of the capital and the votes of the creditors representing three-fourths of the credits of each of the two classes referred to in Article VII of this act shall be necessary, and the plan must also be approved by the commission.

ARTICLE XIV. All the members of the board shall, under the most strict responsibility, comply with the provisions of this act during the exercise of their functions, but the acts of the representatives of the commission shall not in any case entail any responsibility on the part of the commission, nor the acts of the latter on the State, without prejudice to the personal and direct responsibility of each of the members of the commission or of the board.

ARTICLE XV. The commission and also the board are obliged to denounce to the criminal courts, without loss of time, all facts of which they may have knowledge and which constitute criminal offenses.

ARTICLE XVI. The powers vested in the commission by Article III of this Act shall include the power to exercise all kinds of rights of actions appearing therefor before the courts by lawyers, procurators, or agents in all cases in which it may be necessary and specially in those in which property of any kind has been concealed or disposed of, or in which transfers have been made in fraud of creditors; and to this end the provisions of articles 879, 880, 881, and 882 of the existing Code of Commerce and those of article 33 of the law of June 24, 1911, shall be deemed operative to the extent to which reasonably applicable, and it is hereby provided that the commission shall represent in all these particulars the rights of the bank and of the creditors conformably to existing provisions of law.

ARTICLE XVII. All existing laws that conflict with any provisions of this law or with regulations for its enforcement issued by the commission with the approval of the executive power are hereby repealed.

ARTICLE XVIII. The provisions of this special act shall be deemed complementary of the other law of liquidation of the moratorium granted by the executive power on the 10th of October, 1920, and accordingly shall be applicable only to banks, private bankers, and savings banks to which the same relates, and to all corporations, companies, or persons included in the first article of this act which may be comprehended within its provisions during the time in which the commission created by it may be functioning on the work devolving upon that body.

ARTICLE XIX. This act shall begin to take effect from the day of its publication in the Official Gazette of the Republic.

#### ADDITIONAL ARTICLE.

1. The provisions of this act do not include the funds of any kind belonging to the State, the Provinces, nor the municipalities, nor to other official organisms, or that appear in the name of special public officials for payments on their account, or the account of private individuals who have turned in such funds to that end, nor those of the International Pan-American Office for the protection

of industrial and trade marks. Likewise they do not include the funds donated in any manner for the advancement of learning and for prizes to students.

2. Without affecting the duty assigned to the commission created by the second article of this act to notify the tribunals of justice of any fraudulent act within its jurisdiction in the exercise of the functions vested in it, any person may at any time denounce to said tribunals any punishable act committed by any of the institutions included in the first article of this act, to the detriment of its bondholders, stockholders, and bona fide creditors, to establish the responsibilities whereof the tribunals of justice will follow the procedure established by the ordinary jurisdiction in each case.

In pursuance of article 72 of the constitution, this is forwarded to the President of the Republic.

Sessions chamber of the Senate, in Habana, this 29th of January, 1921.

#### TORRIENTE LAW No. 3.

#### CREATING NATIONAL COMMISSION TO STUDY BANKING LEGISLATION.

ARTICLE 1. A national commission is hereby created to consider banking legislation for the Republic.

ARTICLE 2. The commission shall be composed of the Secretary of the Treasury, with two senators not belonging to the same political party, and two members of the House of Representatives not belonging to the same political party, together with five persons representing agriculture, commerce, industry, banking, and land owners. Appointments thereto shall be made by the Chief Executive and the commissioners shall not receive any compensation for their services.

ARTICLE 3. The commission shall appoint its president and its secretary. The latter may be a person not a member of the commission and in such event he neither shall receive any compensation other than that which he may enjoy as an incumbent of some other public office.

Whenever the Secretary of the Treasury attends the sessions of the commissions he shall preside over the same, although he be not the president.

ARTICLE 4. The commission shall submit its report to the Chief Executive, who shall transmit it to Congress together with such recommendation as he may deem proper.

ARTICLE 5. The commission may call upon any executive department to furnish from among its officials or employees such personnel as may be needed for the work of the commission, and such personnel shall receive no other compensation than that provided for their respective regular positions. Such services rendered the commission shall be deemed a matter of merit on the records of the persons so serving.

The Secretary of Finance shall furnish the commission any supplies that may be needed.

ARTICLE 6. This law shall take effect from the date of its publication in the Official Gazette of the Republic, and the expenses thereby occasioned shall be payable from any funds in the Treasury not appropriated for other obligations.

#### 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 February, 1921:

##### DISTRICT No. 1.

Registrar of stocks and bonds:

The Home National Bank of Meriden, Meriden, Conn.  
Trustee, executor, administrator, and registrar of stocks and bonds:  
The Home National Bank of Milford, Milford, Mass.

##### DISTRICT No. 3.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics  
The Tradesmen's National Bank, Philadelphia, Pa.



DISTRICT No. 4.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, and receiver:  
The Second National Bank of Bucyrus, Bucyrus, Ohio.  
Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:  
The Citizens National Bank, Waynesburg, Pa.

DISTRICT No. 5.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:  
The Farmers & Merchants National Bank, Baltimore, Md.

DISTRICT No. 7.

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

DISTRICT No. 9.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:  
The First National Bank of Canton, Canton, S. Dak.

**State Bank 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 February, 1921.

One thousand five hundred and seventeen State institutions are now members of the system, having a total capital of \$538,124,619, total surplus of \$518,234,204, and total resources of \$10,373,232,512.

	Capital.	Surplus.	Total resources.
<i>District No. 2.</i>			
Citizens Trust Co., Fredonia, N. Y. ....	\$100,000	\$85,000	\$1,899,339
<i>District No. 3.</i>			
Aldine Trust Co., Philadelphia, Pa. ....	517,600	340,560	3,310,594
Dime Deposit Bank, Kulpmont, Pa. ....	50,000	30,000	324,477
<i>District No. 6.</i>			
Barnesville Bank, Barnesville, Ga. ....	50,000	10,000	238,034
Bank of Millen, Millen, Ga. ....	50,000	50,000	597,476
The Farmers Bank, Monroe, Ga. ....	150,000	30,000	534,779
Peoples Bank & Trust Co., Bell Buckle, Tenn. ....	30,000		183,138
<i>District No. 7.</i>			
The Gerber State Bank, Argenta, Ill. ...	25,000	2,500	251,649
The Michigan State Bank, Eaton Rapids, Mich. ....	75,000	15,000	654,449
Old State Bank, Fennville, Mich. ....	50,000	10,000	551,690
<i>District No. 8.</i>			
Grenada Bank, Grenada, Miss. ....	250,000	319,000	8,025,071
<i>District No. 11.</i>			
The Paradise State Bank, Paradise, Tex.	25,000		132,008
The Farmers State Bank, Plano, Tex. ....	60,000	40,000	441,643
<i>District No. 12.</i>			
Bellevue Bank & Trust Co., Bellevue, Idaho. ....	50,000		52,500
Farmers & Merchants Bank, Long Beach, Calif. ....	350,000	325,000	6,543,619
Long Beach Savings Bank & Trust Co., Long Beach, Calif. ....	350,000	165,000	4,920,742
Pomeroy State Bank, Pomeroy, Wash. ...	50,000	150,000	1,283,333
The Commercial Bank of Yakima, Yakima, Wash. ....	100,000	10,000	746,863

VOLUNTARY LIQUIDATIONS.

United Loan & Trust Co., Lynchburg, Va.

CONVERSION.

The Citizens State Bank, Stanwood, Wash., has been converted into a national bank.

CHANGE OF NAME.

French-American Bank of Savings, San Francisco, Calif., to The French-American Bank.  
Lansing State Savings Bank, Lansing, Mich., to American State Savings Bank.

**Acceptances to 100 Per Cent.**

Since the issuance of the January 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:

The Wheeling Bank & Trust Co., Wheeling, W. Va.  
First National Bank, Braddock, Pa.

**Commercial Failures Reported.**

The continued large increase in commercial failures, as compared with the low mortality of 1920, is shown in the 1,186 defaults in the United States during three weeks of February, which far exceed the only 367 insolvencies reported to R. G. Dun & Co. in the same period of last year. The statement for January, the latest month for which complete figures are available, discloses 1,895 failures for \$52,136,631 of liabilities, the number being the largest of any month since January, 1916, and the indebtedness the heaviest, excepting that of December, 1920, of any month back to June, 1914. Comparing with the returns of January, last year, increases are shown by the defaults in each of the 12 Federal Reserve districts, not only as to number, but also in respect of the liabilities.

*Failures during January.*

District.	Number.		Liabilities.	
	1921	1920	1921	1920
First.....	183	74	\$3,841,114	\$632,814
Second.....	390	103	9,808,623	1,212,644
Third.....	96	39	2,183,908	828,805
Fourth.....	133	39	6,661,913	327,743
Fifth.....	142	35	3,887,908	284,943
Sixth.....	195	37	4,054,436	235,357
Seventh.....	222	57	9,182,523	1,179,910
Eighth.....	126	34	2,370,168	168,764
Ninth.....	48	15	583,858	132,265
Tenth.....	82	32	1,767,286	367,433
Eleventh.....	155	33	3,359,871	284,096
Twelfth.....	123	71	4,435,023	1,585,258
Total.....	1,895	569	52,136,631	7,240,032

**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 January 29 to February 25, 1921, inclusive:

	Banks.	Amount.
New charters issued to.....	16	
With capital of.....		\$770,000
Increase of capital approved for.....	40	
With new capital of.....		4,960,800
Aggregate number of new charters and banks increasing capital.....	56	
With aggregate of new capital authorized.....		5,730,800
Number of banks liquidating (other than those consolidating with other national banks under the act of June 3, 1864).....	2	
Capital of same banks.....		150,000
Number of banks reducing capital.....	1	
Reduction of capital.....		100,000
Total number of banks going into liquidation or reducing capital (other than those consolidating with other national banks under the act of June 3, 1864).....	3	
Aggregate capital reduction.....		250,000
Consolidation of national banks under the act of Nov. 7, 1918.....	1	
Capital.....		2,000,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement.....		5,730,800
Against this there was a reduction of capital owing to liquidation (other than for consolidation with other national banks under the act of June 3, 1864).....		250,000
Net increase.....		5,480,800

<sup>1</sup> Includes one increase in capital of \$335,800 incident to consolidation under act Nov. 7, 1918.

## RULINGS OF THE FEDERAL RESERVE BOARD.

### Period for which acceptances should be drawn.

The Federal Reserve Board recently received an inquiry from a national bank relative to acceptances which an oil-distributing company had requested it to make against domestic shipments of oil.

An oil-producing company had contracted to sell oil to an oil-distributing company and the latter had, in turn, contracted to sell the oil to a railroad company. The oil was to be shipped by the producing company direct to the railroad company and the distributing company had agreed to make immediate payment to the producing company, but the railroad company had purchased the oil from the distributing company on credit and was not to make payment until sometime after delivery. The distributing company wished to draw drafts upon the national bank, secured at the time of acceptance by bills of lading covering the oil in transit from the producing oil company to the railroad company, and with the proceeds of the accepted drafts to pay the producing company for the oil.

Under the terms of section 13 of the Federal Reserve Act a national bank may accept drafts drawn upon it "which grow out of transactions involving the domestic shipment of goods provided shipping documents conveying or securing title are attached at the time of acceptance." Under this provision the drafts drawn by the distributing company would be eligible for acceptance by the national bank, providing the bank is secured at the time of acceptance by shipping documents which convey or secure title to the oil, and provided, further, that the drafts comply in all other respects with the terms of the law and the regulations of the Federal Reserve Board.

The period for which the drafts are drawn in the first instance should be approximately the same as that required to complete the shipment and to finance the sale of the oil to the railroad company, but should not be in excess of the period of credit which is usual and necessary in transactions of this character. The Federal Reserve Board has ruled, on the one hand, that where a 6 months' credit is required it is improper to grant that credit by means of two 3 months' acceptances for the purpose of making the acceptances at all times eligible for rediscount by Federal Reserve Banks. On the other hand, the Board has ruled and its regulations provide that the period covered by an acceptance should not be in excess of that which is

usual and reasonably necessary to finance the underlying transaction.

It is assumed that the railroad company requires the oil for its immediate use and that the accepting bank will be called upon to surrender the shipping documents after completion of the shipment, so that thereafter it will have no control over the oil. Under these circumstances the aggregate of the acceptances outstanding at any one time must not be in excess of 10 per cent of the bank's capital and surplus, since section 13 provides that no member bank shall accept for any one customer to an amount equal at any one time in the aggregate to more than 10 per cent of its paid-up and unimpaired capital stock and surplus, unless the bank is secured either by attached documents or by some other actual security growing out of the same transaction as the acceptance.

### Eligibility of notes of cold-storage companies.

A recent inquiry received by the Board raises the question of the eligibility of the notes of a cold-storage company.

The cold-storage company uses the proceeds of its notes to make advances to customers who have placed their goods in the company's warehouses to be sold by the company for the account of the customers. The customers give the storage company their notes for the amount of these advances and as security for such notes pledge the warehouse receipts representing the goods stored. The storage company pledges the customers' notes and the warehouse receipts as collateral for their own notes, the eligibility of which is in question.

In the opinion of the Federal Reserve Board such notes of the cold-storage company are ineligible for rediscount by Federal Reserve Banks under the principles enunciated in the Board's ruling with reference to the paper of cotton factors, namely, that paper the proceeds of which are to be used to make loans to third parties is finance paper rather than commercial or agricultural paper, and is not, therefore, eligible for rediscount. (See FEDERAL RESERVE BULLETIN for November, 1920, p. 1176.)

In that ruling it was also pointed out that the notes of the factors' customers, representing loans made by the factors to those customers, might be indorsed and discounted by the factors, and that if subsequently indorsed by a member bank such notes would be eligible

for rediscount by Federal Reserve Banks, provided the customers have used or are to use the proceeds for agricultural or commercial purposes, and provided further, that the notes comply in other respects with the provisions of the law and the regulations of the Federal Reserve Board. Similarly, the notes of the customers of the cold-storage company, representing loans made to them by the company, would be eligible for rediscount if the customers have used or are to use the proceeds for agricultural or commercial purposes and if the notes comply in other respects with the law and the regulations of the Board.

The notes of the cold-storage company would, however, be ineligible under the terms of the Federal Reserve Act if the proceeds are to be used by the cold-storage company to make loans to its customers, even though such notes are secured by the eligible notes of the company's customers. The Board has frequently ruled that paper which is secured by eligible paper is not itself eligible merely because it is so secured. The eligibility or ineligibility of paper depends upon whether or not the proceeds have been used in the first instance for a commercial or agricultural purpose and does not depend upon whether the paper is or is not secured, or upon the character of such collateral security as there may be.

**Deposit of securities in trust department of national bank to secure trust funds deposited in commercial department.**

The Federal Reserve Board has received several inquiries as to whether a national bank, which has received the Board's permission to exercise fiduciary powers under the terms of

section 11 (k) of the Federal Reserve Act and which has deposited with the State authorities the securities required by the State law for the protection of private or court trusts, must also deposit securities in its trust department whenever it deposits in its commercial department trust funds held awaiting investment or distribution.

The fourth paragraph of section 11 (k) of the Federal Reserve Act provides in part that—

\* \* \* Funds deposited or held in trust by the bank awaiting investment shall be carried in a separate account and shall not be used by the bank in the conduct of its business unless it shall first set aside in the trust department United States bonds or other securities approved by the Federal Reserve Board.

The sixth paragraph of that section provides that—

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

These are separate and independent requirements and it is necessary that both be complied with. A national bank, therefore, which deposits in its commercial or savings department funds held or received in its trust department awaiting investment or distribution must keep on deposit in its trust department as collateral security United States bonds or other readily marketable securities owned by the bank at all times equal in market value to the funds so deposited, even though it has already deposited with the State authorities the securities which the State law requires to be so deposited for the protection of private or court trusts. (See Par. V of Regulation F.)

## LAW DEPARTMENT.

### Amendments to the Federal Reserve Act.

The following bills amending section 11 (m) and section 25 (a) of the Federal Reserve Act, respectively, were approved by the President February 27, 1921, and are now law.

AN ACT To amend section 11 of the act approved December 23, 1913, known as the Federal Reserve Act, as amended.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 11 of the act approved December 23, 1913, known as the Federal Reserve Act, as amended, be further amended by striking out the whole of subsection (m) and by substituting therefor a subsection to read as follows:

"(m) Upon the affirmative vote of not less than five of its members, the Federal Reserve Board shall have power to permit Federal reserve banks to discount for any member bank notes, drafts, or bills of exchange bearing the signature or endorsement of any one borrower in excess of the amount permitted by section nine and section thirteen of this Act, but in no case to exceed twenty per centum of the member bank's capital and surplus: *Provided, however,* That all such notes, drafts or bills of exchange discounted for any member bank in excess of the amount permitted under such sections shall be secured by not less than a like face amount of bonds or notes of the United States issued since April twenty-fourth, nineteen hundred and seventeen, for which the borrower shall in good faith prior to January 1, 1921, have paid or agreed to pay not less than the full face amount thereof, or certificates of indebtedness of the United States: *Provided further,* That the provisions of this subsection (m) shall not be operative after October thirty-first, nineteen hundred and twenty-one."

AN ACT To amend the act approved December 23, 1913, known as the Federal Reserve Act.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the first paragraph of the act approved December 24, 1919, known as the Edge Act, amending the Federal Reserve Act, be amended by adding at the end a proviso, so that the paragraph as amended will read as follows:

"Sec. 25. (a) Corporations to be organized for the purpose of engaging in international or foreign banking or other international or foreign financial operations, or in banking or other financial operations in a dependency or insular possession of the United States, either directly or through the agency, ownership, or control of local institutions in foreign countries, or in such dependencies or insular possessions as provided by this section, and to act when required by the Secretary of the Treasury as fiscal agents of the United States, may be formed by any number of natural persons, not less in any case than five: *Provided,* That nothing in this section shall be construed to deny the right of the Secretary of the Treasury to use any corporation organized under this section as depositaries in Panama and the Panama Canal Zone, or in the Philippine Islands and other insular possessions and dependencies of the United States."

### Regulations of Bureau of Internal Revenue governing use of revenue stamps on time drafts.

It recently has been brought to the attention of the Federal Reserve Board that considerable confusion and misunderstanding exists among

bankers with regard to attaching revenue stamps to time drafts, pursuant to the provisions of the Revenue Act of 1918 and the regulations of the Bureau of Internal Revenue issued thereunder. In order to correct this condition, the Federal Reserve Board feels that it is advisable to state its understanding of the present requirements as to the necessity for affixing such stamps to time drafts.

The Revenue Act of 1918, Title XI, Schedule A, provides as follows:

Drafts or checks (payable otherwise than at sight or on demand) upon their acceptance or delivery within the United States whichever is prior \* \* \* and for each renewal of the same, for a sum not exceeding \$100, 2 cents; and for each additional \$100, or fractional part thereof, 2 cents.

In its Regulations 55, relating to stamp taxes on documents (revised October, 1920), the Bureau of Internal Revenue has prescribed certain specific regulations governing the attachment of stamps to such drafts and checks. In view of the constitutional limitation upon taxes upon exports, these regulations make a distinction between time drafts covering the exportation of goods and time drafts which do not cover an export transaction. This distinction will be followed in the following discussion of the bureau's regulations:

1. *Time drafts in general (not covering an export transaction).*—Article 33 of Regulations 55 provides generally that drafts and checks payable otherwise than at sight or on demand (including so-called "trade acceptances," see art. 39), are subject to the stamp tax "if delivered or accepted within the United States." For the purpose of these regulations the territorial jurisdiction of the United States includes the various States, the District of Columbia, Hawaii, and Alaska. The terms "delivered" and "delivery" contemplate only the original delivery which makes the draft a valid negotiable instrument. If a draft is exempt, in view of the place of its acceptance and initial delivery, subsequent deliveries for purposes of discount are immaterial. If, however, a draft is subject to the tax, but no stamp is affixed thereto at the time of its delivery or acceptance, whichever is prior, anyone who receives such draft for discount or otherwise without requiring the necessary stamp to be affixed is subject to a penalty. (See Title XI, sec. 1102, of the Revenue Act of 1918.)

A draft which is mailed to the payee for the purpose of giving effect thereto is "delivered," within the meaning of that term as used in the

regulations, at the place of mailing. Consequently, a draft drawn in the United States but accepted and mailed in Canada to the payee in the United States is not subject to the tax, although subsequently it may be discounted in this country by an American bank.

Pursuant to these regulations, the Bureau has ruled:

(1) A time draft drawn and delivered outside of the United States but accepted within the United States is subject to the tax. (See art. 34.)

(2) A time draft drawn and delivered or accepted in the United States and payable in a foreign country is subject to the stamp tax. (See art. 44.)

(3) A time draft executed and mailed in the United States to a payee in a foreign country is subject to the tax. (See art. 65.)

(4) A time draft executed and mailed in a foreign country to a payee within the United States is not subject to the tax unless accepted within the United States. (See art. 64.)

(5) A time draft drawn abroad on a foreign drawee payable to the order of a foreign payee, although it passes through a bank in this country in the course of collection, is not subject to the tax unless it is delivered by an agent of the drawer to an agent of the payee within the United States. (See art. 36.)

2. *Time drafts covering exportation of goods to foreign countries.*—Articles 41, 42, and 43 of Regulations 55 determine the present requirements as to the necessity for affixing stamps to drafts covering exports to foreign countries. Article 43, as it appears in Regulations 55 (revised October, 1920), has been superseded by T. D. 3100, approved December 11, 1920.

Article 41 provides in part: "A time draft directly covering exports to a foreign country and which constitute an inherent, necessary, and bona fide part of the actual process of exportation is exempt from the stamp tax." So far as such drafts are concerned, it is immaterial whether the time which the draft has to run will expire before or after the termination of the ocean shipment. Article 43, as amended by T. D. 3100, provides in part: "A time draft directly covering a sale for export to a foreign buyer and drawn on a domestic bank as the authorized acceptor of the foreign buyer is exempt from stamp tax."

On the other hand, article 41 provides in part: "Time drafts drawn against the proceeds of" drafts which are an inherent, necessary, and bona fide part of the actual process of exportation "are subject to stamp tax." Article 42 provides: "A time draft drawn on a domestic bank for the purpose of securing money to purchase goods to be exported is

subject to tax regardless of the fact that the contract for the sale of the goods existed at the time the draft was drawn." Article 43, as amended by T. D. 3100, provides in part: "A time draft drawn by or on an exporter or on his bank in payment for export shipments made by the manufacturer on the exporter's order is subject to stamp tax."

The requirement in article 41 that a draft to be exempt must directly cover exports to a foreign country and constitute an inherent, necessary, and bona fide part of the actual process of exportation has been strictly construed by the Bureau of Internal Revenue in its informal rulings. The commissioner has said that the typical draft covered by this regulation is a draft drawn upon a foreign buyer and attached to the bill of lading. Such a draft, however, is exempt from the tax, although it may be discounted and negotiated in this country. The commissioner has also ruled that an equivalent draft drawn upon a fund or agency established in this country by a foreign Government or foreign purchaser to facilitate exchange is exempt. In the latter case, the domestic bank or agency accepts by virtue of a credit agreement with the foreign purchaser, hence the draft is considered equivalent to one drawn upon the foreign purchaser himself and so may be said to be an integral part of the process of exportation.

On the other hand, the fact that a draft is drawn in connection with an export transaction does not render the draft exempt from the stamp tax, although the draft may facilitate the process of exportation and to that extent constitute a part of the transaction. For instance, the bureau has ruled that where an American exporter ships goods to a foreign purchaser and deposits the ocean bills of lading with an American bank (either with or without a trade bill or time draft drawn on the foreign buyer attached thereto), with instructions that these documents be forwarded to its agent abroad for delivery to the exporter's nominee against payment or otherwise, a draft drawn by the exporter for the purpose of anticipating payment by the foreign purchaser and accepted by the American bank with which the bills of lading were deposited is subject to the stamp tax. While the trade bill or foreign draft, if such has been drawn, is exempt from the tax, the bureau considers that in any event the draft drawn upon the American bank to anticipate payment by a foreign purchaser represents a domestic financing, since it is accepted by virtue of a credit agreement with the domestic seller rather than by virtue of a credit agreement with the foreign buyer, and consequently is subject to the tax.

In this connection the commissioner stated under date of September 8, 1920:

Such a draft is merely a domestic means of utilizing domestic credit allowed on account of the collections to be made by the bank, when foreign bills of lading are delivered to it, for payment by the foreign buyer. As a draft under these circumstances can not be considered as strictly covering exports to a foreign country and does not constitute an inherent, necessary, bona fide part of the actual process of exportation, this office holds that the draft is subject to the stamp tax.

The commissioner further stated under date of October 12, 1920:

This exemption does not extend to drafts which represent processes of domestic financing or to drafts which represent the preliminary or subsequent adjustment or use of accounts or funds involved in exportation, and does not apply to drafts given by the domestic buyer to the domestic seller or drawn on the former as a means of payment for goods purchased to be exported.

In view of these rulings, it would seem that, so far as bankers' acceptances are concerned, other than those drawn on foreign banks, the question whether in a given instance a stamp must be affixed to an acceptance depends largely upon whether the accepting bank looks to the domestic seller or exporter to place it in funds to meet the acceptance on maturity or whether it looks to the foreign purchaser for reimbursement. In the first instance a stamp is required. In the second instance the acceptance is exempt from the tax.

To summarize, it appears that the following drafts covering exports are exempt from the stamp tax:

(1) A draft drawn by an American manufacturer or exporter upon a foreign purchaser or upon the purchaser's foreign bank. A draft of this character usually accompanies the shipping documents and is forwarded with them for acceptance upon their release. Such a draft is exempt, although discounted and negotiated in this country.

(2) A draft drawn by an American manufacturer or exporter upon a domestic bank or

other domestic agency which acts for the foreign buyer in accepting the draft.

On the other hand, the following drafts are subject to the tax:

(1) A draft drawn for the purpose of anticipating the collection of a trade bill or a time draft covering the exportation of goods and accepted by an American bank with which such trade bill or time draft has been deposited for collection.

(2) A draft drawn for the purpose of anticipating payment by the foreign purchaser, where no trade bill or time draft has been drawn on the foreign purchaser, and accepted by the American bank with which the shipping documents have been deposited.

(3) A draft drawn by an American exporter on a domestic bank, or on an American exporter by the manufacturer, in payment for goods purchased by the exporter for export abroad.

It should be remembered that although the Commissioner of Internal Revenue has ruled that under the revenue act of 1918 a draft drawn upon an American bank for the purpose of anticipating payment by a foreign purchaser for goods exported is subject to the stamp tax, nevertheless, such a draft may be eligible for rediscount or purchase by a Federal Reserve Bank, under the provisions of the Federal Reserve Act, as an acceptance growing out of a transaction involving the exportation of goods.

3. *Time drafts covering shipments to the Canal Zone and other outlying possessions.*—A time draft covering articles shipped from the United States, Hawaii, and Alaska to the Canal Zone are subject to the stamp tax if the drafts are delivered within the United States, Hawaii, or Alaska. (See art. 45.) The tax is not applicable, however, to a time draft covering a shipment to the Virgin Islands, Philippines, or Porto Rico, because of express legislation exempting such shipments. (See art. 46.)

**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 districts Nos. 1, 5, 9, 11, and 12, the data were received in (and averages computed from) actual amounts (dollars). In districts Nos. 2, 3, 4, 6, 7, 8, and 10, the material was received in the form of percentages, the January, 1921, averages for the cities and districts computed from such percentages being weighted accord-

ing 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 January the tables are based on reports from 23 stores in district No. 1, 27 in district No. 2, 42 in district No. 3, 12 in district No. 4, 25 in district No. 5, 9 in district No. 6, 4 in district No. 7, 11 in district No. 8, 5 in district No. 9, 10 in district No. 10, 17 in district No. 11, and 24 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 twelve Federal reserve districts.*

[Percentage of increase.]

District and city.	Comparison of net sales with those of corresponding period previous year.																		
											Jan. 1, 1920, to close of—		July 1, 1920, to close of—						Jan. 1, 1921, to close of Jan., 1921.
	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Nov., 1920.	Dec., 1920.	Jan., 1921.	Jan., 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Nov., 1920.	Dec., 1920.	Jan., 1921.	
District No. 1:																			
Boston.....	19.4	27.8	16.3	11.6	16.0	0.1	15.0	1.4	5.4	24.7	25.3	16.3	24.1	15.9	9.7	11.0	8.5	5.4	
Outside.....	25.5	28.5	27.2	9.1	14.7	2.2	1.7	16.4	10.1	30.5	30.0	27.2	18.1	16.9	11.1	9.0	5.0	10.1	
District.....	20.7	28.0	19.9	10.9	15.4	.6	11.4	1.4	1.5	25.8	26.2	19.9	15.1	15.2	10.1	10.4	7.7	1.5	
District No. 2:																			
N. Y. City and Brooklyn.....	41.1	26.4	22.4	10.9	13.2	1.7	7.6	13.6	16.5	35.3	32.7	22.4	13.0	3.6	5.2	3.0	3.2	16.5	
Outside.....	22.8	32.3	26.9	26.4	16.9	15.4	18.9	5.9	11.5	30.1	31.7	26.9	27.1	23.4	19.6	22.8	14.3	11.5	
District.....	35.4	28.4	24.4	15.9	3.6	6.2	11.6	11.6	15.3	33.7	33.8	24.4	17.5	10.2	10.0	10.0	5.5	15.3	
District No. 3:																			
Philadelphia.....							8.5	2.9									12.0	9.1	2.9
Outside.....							8.5	10.8	3.3								18.5	21.6	3.3
District.....	50.7	34.3	23.8	22.6	15.2	15.8	8.5	6.1	3.1	30.9	31.0	23.8	24.9	19.6	17.3	14.6	14.1	3.1	
District No. 4.....	31.3	31.5	29.9	25.7	24.6	20.8	26.1	14.7	3.6	32.1	34.6	29.9	27.3	25.9	23.9	24.8	22.0	3.6	
District No. 5:																			
Baltimore.....									5.9									5.9	
Richmond.....									14.2									14.2	
Washington.....									9.3									9.3	
Other cities.....									4.0									4.0	
District.....	11.0	21.4	15.7	20.9	7.5	12.4	13.1	4.9	5.4	9.3	11.4	15.7	21.1	14.1	13.6	13.5	10.4	5.4	
District No. 6.....	31.0	24.3	11.6	27.6	12.6	25.1	14.6	3.0	19.0	28.1	29.3	11.6	19.6	16.9	19.7	18.8	15.3	19.0	
District No. 7.....	49.7	59.6	41.2	33.2	28.6	8.3	17.6	9.6	110.5	49.6	58.7	41.2	29.6	35.5	32.6	24.2	18.1	10.5	
District No. 8.....				20.8	11.8	10.5	10.8	5.3	13.8				18.0	16.8	16.5	13.8	13.3	3.8	
District No. 9.....	4.3	11.8	11.6	8.8	3	12.9	2.9	5	12.3	5.6	12.0	11.6				3.8	7.6	12.3	
District No. 10.....	10.9	12.9	14.1	9.9	7.8	11.9	9.2	15.1	11.6	21.2	17.9	14.1	14.2	11.1	5.2	12.9	.7	11.6	
District No. 11.....			25.9	25.6	12.4	16.0	12.7	12.9	18.9			25.9	25.2	20.9	21.6	17.9	10.5	18.9	
District No. 12:																			
Los Angeles.....	38.2	39.0	35.1	48.9	29.1	19.3	31.2	13.7	17.1	52.2	49.8	35.1	42.4	37.9	33.9	33.7	28.5	17.1	
San Francisco.....	40.9	23.6	21.0	18.6	10.4	11.5	9.9	13.8	12.1	37.6	35.3	21.0	19.6	17.3	15.4	11.7	8.7	12.1	
Oakland.....	17.1	15.2	16.9	15.3		22.0			10.4	25.6	23.3	16.9	14.7		21.3	18.2		10.4	
Sacramento.....	34.4	32.1	20.1	3.1		9.9		2.3	16.8	39.4	38.3	20.1	13.3		16.1		7.0	16.8	
Seattle.....	6.3	11.1	.2	18.0	14.5	14.6	16.4	18.7	23.4	13.9	13.4	.2	14.4	14.2	17.3	19.2	11.1	23.4	
Spokane.....	48.8	62.8	22.7	12.7		4.6	5.6	11.5	10.1	29.1	35.7	22.7	16.8		9.4	8.4	8.6	10.1	
Salt Lake City.....	26.4	18.3	20.6	11.6		8.9	14.7	9.1	1.6	16.4	14.7	20.6	16.1		14.0	12.2	14.6	1.6	
District.....	31.2	27.8	21.2	21.7	14.5	8.2	11.3	14.3	14.3	34.7	33.2	21.2	21.4	19.8	16.8	14.8	5.0	14.3	

<sup>1</sup> Decrease.

Condition of retail trade in the twelve Federal reserve districts—Continued.

[Percentage of increase.]

District and city.	Stocks at close of month compared with—																	
	Same month previous year.										Previous month.							
	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Nov., 1920.	Dec., 1920.	Jan., 1921.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Nov., 1920.	Dec., 1920.	Jan., 1921.
District No. 1:																		
Boston.....	44.5	43.8	32.1	26.3	20.7	9.5	7.1	11.7	10.7	13.4	15.6	17.0	4.9	9.5	14.2	9.0	118.2	114.5
Outside.....	43.8	36.3	30.4	26.4	21.7	15.9	10.6	2.0	10.6	11.8	15.1	.2	3.2	9.7	3.0	12.0	120.5	18.2
District.....	44.3	41.4	31.5	26.4	21.0	11.6	8.2	.7	10.7	12.9	15.5	14.7	4.3	9.5	11.8	4.9	118.9	112.7
District No. 2:																		
N. Y. City and Brooklyn.	47.9	45.5	46.2	30.7	18.0	17.2	5.1	12.3	19.5	16.6	15.4	14.3	7.3	5.7	1.0	14.8	120.4	18.1
Outside.....	51.7	38.4	30.9	26.3	20.2	15.6	3.8	12.7	20.0	11.7	17.7	4.6	5.6	9.3	1.4	17.0	124.0	16.1
District.....	49.1	43.2	39.5	29.3	18.7	16.7	4.6	14.5	12.0	15.0	16.1	1.5	6.8	6.9	.5	15.6	121.1	17.6
District No. 3:																		
Philadelphia.....							5.7	2.2	1.9							15.0	115.5	113.8
Outside.....							17.4	8.0	10.8							14.1	120.0	17.4
District.....	30.4	26.7	28.4	31.0	20.6	16.0	10.1	4.4	14.6	16.7	13.0	3.3	6.2	8.4	.9	14.7	117.3	111.5
District No. 4.....	57.0	53.3	48.3	40.4	34.0	34.9	22.5	11.6	14.0	1.9	11.0	11.4	9.4	9.2	4.8	16.4	120.0	114.6
District No. 5:																		
Baltimore.....									119.7									17.0
Richmond.....									19.8									115.2
Washington.....									128.6									118.7
Other cities.....									120.3									132.1
District.....	67.1	57.2	44.6	29.6	21.1	15.1	5.3	14.2	22.2	2.3	19.2	2.5	2.3	10.2	.1	17.7	125.5	116.2
District No. 6.....	50.2	47.2	51.6	39.8	37.2	30.1	16.3	1.2	18.3	1.5	15.6	5.6	5.4	13.1	.8	16.7	130.8	1.8
District No. 7.....	49.7	77.1	70.1	64.1	55.5	51.7	39.7	27.7	15.5	2.1	.0	8.4	14.6	4.8	1.0	15.9	124.0	11.8
District No. 8.....				24.2	35.4	30.5	17.0	16.2	9.9				5.6	11.6	1.8	14.3	118.8	13.3
District No. 9.....	18.7	30.7	12.6	17.7	22.6	12.0	7.1	13.5	10.9	.8	8.1	14.7	2.9	6.9	.5	14.2	118.7	18.8
District No. 10.....	40.7	39.6	43.6	39.1	29.1	25.0	11.8	9.4	14.9	16.1	18.8	8.9	9.8	4.6	11.9	15.0	123.9	11.1
District No. 11.....			69.5	59.5	52.8	42.3	31.5	8.8	12.9			8.3	22.3	6.6	13.0	19.3	128.8	17.9
District No. 12:																		
Los Angeles.....	65.0	62.9	47.5	31.2	33.4	21.6	16.4	129.7	14.9	1.5	1.4	1.8	12.5	13.7	.2	14.2	145.4	3.6
San Francisco.....	54.9	58.5	43.1	27.1	16.2	15.4	8.0	19.6	19.3	16.5	15.2	1.5	1.4	7.4	15.4	1.8	114.7	19.0
Oakland.....	29.7	33.9	27.7	22.5		8.3	3.8		121.1	1.6	12.6	12.9	2.3		.6	13.1		10.9
Sacramento.....	34.1			11.4		17.5		13.6		11.5	.1		9.8		.3		123.1	
Seattle.....	46.7	35.6	23.4	18.4	3.9	.5	14.4	12.3	121.4	16.7	18.7	14.2	1.9	6.3	2.8	12.9	122.5	111.3
Spokane.....	59.6	57.3	45.8	45.5		40.1	33.6		12.2	13.6	15.7	14.4	1.8	9.1		12.7	14.2	13.6
Salt Lake City.....								12.7									122.4	
District.....	52.6	52.5	40.1	25.3	20.6	15.6	20.1	.3	.4	14.7	13.0	1.8	.7	4.0	1.2	13.4	114.3	14.1

1 Decrease.



Condition of retail trade in the twelve Federal reserve districts—Continued.

[Percentage of increase.]

District and city.	Percentage of average stocks at close of each month to average monthly sales for same period.									Percentage of outstanding orders at close of month to total purchases during previous calendar year.										
	Feb. 1, 1920, to close of—		July 1, 1920, to close of—						Jan. 1, 1921, to close of Jan., 1921.	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Nov., 1920.	Dec., 1920.	Jan., 1921.		
	May, 1920.	June, 1920.	July, 1920.	Aug., 1920.	Sept., 1920.	Oct., 1920.	Nov., 1920.	Dec., 1920.												
District No. 1:																				
Boston.....	348.4	339.2	419.2	447.1	412.7	388.4	368.4	329.9	270.2	15.4	15.4	18.5	13.7	11.4	7.5	5.4	3.6	5.1		
Outside.....	442.5	431.7	436.4	472.1	485.9	482.6	456.6	452.0	392.9	7.5	10.0	9.1	14.2	14.7	10.8	10.4	.....	4.5		
District.....	366.5	358.0	425.1	455.1	433.5	415.6	398.6	357.9	297.2	12.7	12.3	12.0	14.0	13.1	9.1	7.7	.....	4.8		
District No. 2:																				
New York City and Brooklyn.....	392.4	379.9	390.0	489.3	613.7	479.4	464.1	361.1	315.8	15.5	16.8	15.7	16.8	14.7	9.2	6.9	5.3	5.5		
Outside.....	415.7	349.5	485.8	506.3	492.1	441.3	430.6	347.7	351.3	13.9	17.7	18.9	14.3	12.0	6.6	4.1	3.1	4.1		
District.....	399.4	369.9	440.1	496.7	573.9	466.9	452.3	358.0	325.0	14.8	17.2	17.4	15.9	13.6	8.1	5.5	4.5	5.1		
District No. 3:																				
Philadelphia.....							360.4	322.6	281.9								4.7	4.9	4.4	
Outside.....							520.5	458.6	479.3								2.9	4.1	4.8	
District.....	382.6	357.5	399.8	471.2	500.3	437.2	418.0	371.1	357.6	17.6	19.3	19.8	14.2	10.1	5.9	4.0	4.6	4.6		
District No. 4.....	362.8	362.3	403.6	412.7	468.8	466.8	452.1	398.5	306.4	13.2	16.2	18.9	17.0	13.3	7.6	5.9	4.7	7.1		
District No. 5:																				
Baltimore.....									311.8									7.2		
Richmond.....									403.5									5.4		
Washington.....									351.2									3.9		
Other cities.....									407.1									5.4		
District.....	421.5	407.0	505.9	560.7	512.9	489.0	454.5	386.6	344.5	9.9	9.7	16.1	14.8	8.4	7.1	3.0	2.7	6.0		
District No. 6.....						403.9	381.6	307.8	549.1	20.6	17.0	17.4	15.6	11.0	6.9	5.8	4.9	3.1		
District No. 7.....	305.8	323.3	432.7	427.9	410.7	371.0	431.7	391.0	544.3	31.9	19.5	19.3	23.2	15.7	5.1	6.5	5.6	10.8		
District No. 8.....				432.6	377.0	396.8	324.4	245.1	336.5				17.2	9.2	6.1	3.9	3.8	3.4		
District No. 9.....										19.5	20.0	13.7	9.1	.....	12.4	11.9	18.7	4.2		
District No. 10.....	285.4	353.7	384.1	334.0	340.4	343.3	526.8	466.3	480.8	5.4	25.3	15.6	9.7	8.8	3.1	1.9	2.3	22.1		
District No. 11.....				425.5	523.9	454.0	416.7	383.7	357.6			18.6	12.7	10.0	4.1	3.2	2.7	7.0		
District No. 12:																				
Los Angeles.....	480.4	481.3	522.5	454.2	486.0	462.5	478.0	432.5	354.1	29.7	26.2	22.8	15.5	12.0	9.3	7.6	10.6	6.9		
San Francisco.....	469.8	508.8	539.9	512.8	511.5	511.9	515.8	434.3	424.2	23.9	26.0	25.9	21.1	10.8	13.6	9.6	4.3	4.4		
Oakland.....	589.5	573.8	625.1	598.3	.....	732.5	567.4	.....	427.2									.....		
Sacramento.....	533.4	531.3	.....	423.3	.....	387.4	.....	490.5	.....									.....		
Seattle.....	539.7	524.6	470.2	532.7	508.0	502.5	454.5	413.7	463.0	14.2	16.3	16.3	12.2	8.6	6.4	7.0	1.6	2.7		
Spokane.....	605.4	579.4	652.6	675.5	.....	579.0	544.3	458.5	620.5	31.1	25.1	29.9	.....	.....	.....	.....	.....	.....		
Salt Lake City.....							601.4	.....	.....			18.7	.....	.....	.....	.....	2.6	.....		
District.....	508.0	516.0	536.5	489.6	504.0	467.3	488.5	490.7	502.4	23.2	23.1	22.3	14.2	9.5	9.8	7.0	5.8	5.4		

## 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 list of the commodities is given in the July BULLETIN.<sup>1</sup>

Total exports for January, 1921, showed a decrease, while imports showed a very slight increase. The exports of producers' goods and consumers' goods increased slightly, but were more than offset by the larger decrease in the exports of raw materials. The imports of raw materials and producers' goods showed a slight decrease, but were more than compensated for by the very large increase in the imports of consumers' goods.

## Value of exports and imports of selected commodities at 1913 prices.

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

[Monthly average values, 1913=100.]

	Exports.								Imports.							
	Raw materials (12 commodities).		Producers' goods (10 commodities).		Consumers' goods (7 commodities).		Grand total exports (29 commodities).		Raw materials (10 commodities).		Producers' goods (2 commodities).		Consumers' goods (3 commodities).		Grand total imports (25 commodities).	
	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.	Value.	Index number.
1913.																
January....	100,027	116.8	11,762	101.4	30,715	100.9	142,504	111.6	61,347	121.9	40,107	108.3	14,219	108.0	115,673	115.1
February....	71,074	83.0	12,266	105.8	30,790	101.2	114,130	89.4	55,332	110.0	41,060	110.9	14,335	108.9	110,727	110.1
March.....	61,681	72.0	11,836	102.1	28,698	94.3	102,215	80.1	55,555	110.4	45,753	123.6	13,378	101.6	114,686	114.1
April.....	71,446	83.0	14,128	121.8	28,708	94.3	114,282	89.5	52,271	103.9	42,346	114.4	10,896	82.7	105,513	104.9
May.....	68,856	80.4	11,661	100.6	29,923	98.3	110,440	86.5	50,089	99.5	38,409	103.7	7,718	58.6	96,216	95.7
June.....	46,963	54.8	11,612	100.1	28,242	92.8	86,817	68.0	40,822	81.1	38,606	104.3	8,382	63.7	87,810	87.3
July.....	51,325	59.9	11,109	95.8	27,686	91.0	90,120	70.6	40,298	80.1	35,990	97.2	9,698	73.6	85,986	85.4
August.....	74,869	87.4	11,547	99.5	29,370	96.5	115,786	90.7	42,470	84.4	37,385	101.0	11,078	84.1	90,933	90.4
September..	103,614	120.9	10,622	91.6	32,190	105.8	146,226	114.7	52,659	104.6	41,184	111.2	15,883	120.6	109,726	109.2
October....	137,772	160.9	12,608	108.7	34,612	113.8	184,992	144.9	44,407	88.2	22,721	61.4	15,929	121.0	83,057	82.6
November...	126,836	148.1	9,987	86.1	31,246	102.7	168,069	131.6	48,107	95.6	28,788	77.8	15,059	114.4	91,954	91.5
December..	113,326	132.3	10,053	86.7	33,089	108.7	156,468	122.5	60,904	121.0	31,929	86.2	21,446	162.9	114,279	113.7
Year..	1,027,789	100.0	139,191	100.0	365,269	100.0	1,532,249	100.0	604,261	100.0	444,278	100.0	158,021	100.0	1,206,560	100.0
1919.																
January....	84,066	98.2	18,444	159.0	56,748	186.4	159,258	124.7	44,552	88.5	53,071	143.3	14,434	108.1	112,057	111.4
February....	58,488	68.3	14,598	125.9	53,338	175.2	126,424	99.0	47,774	94.9	66,708	180.2	14,230	109.6	128,712	128.0
March.....	57,659	67.3	16,161	139.3	61,585	202.3	135,405	106.1	54,947	109.2	82,546	223.0	25,223	191.6	162,716	161.8
April.....	65,112	76.0	19,356	166.9	80,639	264.9	165,107	129.3	63,385	125.9	88,017	237.7	18,869	143.3	170,271	169.3
May.....	67,595	78.9	15,972	137.7	58,731	192.9	142,298	111.4	81,274	161.4	89,890	242.8	24,861	188.8	196,025	195.0
June.....	98,335	114.8	28,618	247.1	96,088	315.1	223,041	174.7	86,256	171.4	61,886	167.2	18,512	140.6	166,654	165.7
July.....	71,917	84.0	17,150	147.9	52,553	172.7	141,620	110.9	86,443	171.7	77,401	209.1	29,492	224.0	193,336	192.3
August.....	81,250	94.9	19,574	168.8	49,194	161.6	150,018	117.5	85,571	169.9	42,132	113.8	20,953	159.1	148,656	147.8
September..	70,285	82.1	19,359	166.9	43,342	142.4	132,986	104.1	123,524	245.3	70,033	189.2	25,240	191.7	218,797	217.6
October....	70,322	82.1	17,182	148.1	45,844	150.6	133,348	104.4	99,114	196.8	74,736	201.9	20,386	154.8	194,236	193.2
November...	99,552	116.2	15,735	135.7	46,729	153.5	162,016	126.9	98,690	196.1	79,198	213.9	21,254	161.4	199,142	198.1
December..	89,584	104.6	13,208	113.9	43,571	143.1	146,363	114.6	79,965	158.9	71,886	194.2	21,521	163.4	173,372	172.4
Year..	914,165	88.9	215,357	154.7	688,362	188.5	1,817,884	118.6	951,495	157.5	857,504	193.0	254,975	161.4	2,063,974	171.1
1920.																
January....	93,141	108.7	15,647	134.9	35,406	116.3	144,194	112.9	103,796	206.2	90,655	244.9	24,064	182.7	218,515	217.3
February....	70,130	81.9	14,198	122.4	41,645	136.8	125,973	98.7	87,086	173.0	107,162	289.5	19,964	151.6	214,212	213.1
March.....	90,805	106.0	17,279	149.0	56,428	185.4	164,512	128.9	97,039	192.8	125,496	339.0	25,999	197.4	248,534	247.2
April.....	68,048	79.4	17,063	147.1	51,689	169.8	136,800	107.1	87,588	174.0	97,187	262.5	29,076	220.8	213,851	212.7
May.....	63,650	74.3	17,546	151.3	62,457	205.2	143,653	112.5	64,177	127.5	84,134	227.2	14,887	113.1	163,198	162.3
June.....	55,200	64.5	14,663	126.4	46,113	151.5	115,976	90.8	75,225	149.5	95,699	258.5	21,463	163.0	192,387	191.3
July.....	66,924	78.1	19,138	165.0	43,325	142.4	129,387	101.3	60,942	121.0	93,910	253.7	24,562	186.5	179,414	178.4
August.....	67,225	78.5	15,708	135.4	28,594	94.0	111,527	87.3	61,321	121.8	94,866	256.2	22,624	171.8	178,811	177.8
September..	70,699	82.5	13,883	119.7	28,599	94.0	113,181	88.6	51,388	102.1	61,163	165.2	17,226	130.8	129,777	129.1
October....	101,708	118.7	17,649	152.2	37,859	124.4	157,216	123.1	44,866	89.1	48,683	131.5	17,613	133.8	111,162	110.6
November...	95,148	111.1	14,123	121.8	33,996	111.7	143,267	112.2	43,436	86.3	61,590	166.4	14,610	111.0	119,636	119.0
December..	104,828	122.4	21,577	186.0	37,536	123.3	163,941	128.4	39,963	79.4	49,239	133.0	13,401	101.8	102,603	102.0
Year..	947,506	92.2	198,474	142.6	503,647	137.9	1,649,627	107.7	816,827	135.2	1,009,734	227.3	245,489	155.4	2,072,100	171.7
1921.																
January....	90,063	105.2	21,797	187.9	38,356	126.0	150,216	117.6	37,523	74.5	48,393	130.7	19,288	146.5	105,204	104.6

<sup>1</sup> An additional list of 11 commodities of imports is given in October BULLETIN.

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

*Index numbers of wholesale prices (all commodities).*

	United States; Federal Reserve Board (88 Commodities). <sup>a</sup>	United States; Bureau of Labor Statistics (328 quotations). <sup>a</sup>	United Kingdom; Statist (45 commodities). <sup>b</sup>	France; Bulletin de la Statistique Générale (45 commodities). <sup>b</sup>	Italy; Prof. Bachi (38 commodities). <sup>b</sup>	Sweden; Svensk Handelstidning (47 quotations). <sup>c</sup>	Japan; Bank of Japan for Tokyo (56 commodities). <sup>a</sup>	Australia; Commonwealth Bureau Census and Statistics (92 commodities). <sup>a</sup>	Canada; Department of Labor (272 quotations). <sup>c</sup>	Calcutta, India; Department of Statistics (75 commodities). <sup>b</sup>	Germany; Frankfurter Zeitung (75 commodities). <sup>d</sup>
1913.....	100	100	100	100	100	* 100	100	.....	100	.....	.....
1914.....	.....	100	101	101	95	116	96	* 100	101	100	* 100
1915.....	.....	101	126	137	133	145	97	.....	110	.....	.....
1916.....	.....	124	159	187	202	185	117	.....	135	.....	.....
1917.....	.....	174	206	262	299	244	149	* 155	177	.....	.....
1918.....	.....	197	226	339	409	339	193	.....	206	.....	.....
1919.....	.....	215	242	357	364	330	235	.....	217	.....	.....
1920.											
January.....	242	248	288	487	504	319	301	203	248	218	1,020
February.....	242	249	306	522	556	342	313	206	254	209	1,337
March.....	248	253	307	555	619	354	321	209	258	198	1,490
April.....	263	265	313	588	679	354	300	217	261	200	1,480
May.....	264	272	305	550	659	361	271	225	263	210	1,602
June.....	258	269	300	493	615	366	247	233	258	206	1,378
July.....	250	262	299	496	613	363	239	234	256	209	1,418
August.....	234	250	298	501	632	365	235	236	244	209	1,459
September.....	226	242	292	526	660	362	230	230	241	208	1,490
October.....	208	225	282	502	662	346	226	215	234	206	1,510
November.....	190	207	263	461	658	331	221	208	225	194	1,571
December.....	173	189	243	435	635	299	206	197	214	180	1,582
1921.											
January.....	164	177	232	407	(?)	267	201	196	208	178	* 1,531
February.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	* 1,388

<sup>a</sup> Average for the month.

<sup>b</sup> End of month.

<sup>c</sup> Middle of month.

<sup>d</sup> First of month.

<sup>1</sup> The index numbers printed in this article are constructed by the various foreign statistical offices according to methods described in the BULLETIN for January, 1920. In all cases, except that of the United States, the original basis upon which the index numbers have been computed has been shifted to the 1913 base. The monthly and yearly index numbers are therefore only approximate. The latest figures are received by cable and are subject to correction.

<sup>2</sup> July 1, 1913, to June 30, 1914=100.

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

<sup>4</sup> End of July, 1914=100.

<sup>5</sup> Middle of 1914=100.

<sup>6</sup> Last six months of 1917.

<sup>7</sup> This index number has been superseded by a new one compiled by Prof. Bachi based upon the prices of 76 commodities. Details as to how the new index number is compiled will be published in the BULLETIN for April.

<sup>8</sup> January 7.

<sup>9</sup> February 5.

**ENGLAND.**

In the course of the past month announcement has been made by the chancellor of the exchequer that the budget for the year ending March 31, 1922, will be approximately £950,000,000. This sum will provide for ordinary Government expenditures and for interest on the public debt and pensions, but does not allow for the repayment of debt. The budget for the current year ending March 31, 1921, provided for the expenditure of £1,184,000,000 for ordinary expenditure and £234,000,000 for debt reduction. The tentative new budget, therefore, is materially smaller than its predecessor, even if redemption of debt is left entirely out of consideration. In the same speech in which the chancellor announced the approximate size of the new budget he stated also that the excess-profits duty would not be continued after the end of the current accountancy periods, i. e., firms would be held responsible for the excess-profits duty for seven years from the date in 1914, when they began to pay the duty, but not for any further period. In the case of new businesses started during or since

the war, the duty ceased as of December 31, 1920. In this connection it should be remembered, however, that payments under this duty are far in arrears and that it will require two years or more to see the tax entirely paid. The chancellor likewise stated: "I see the way not only to abolish excess-profits duty, but also not to impose any new tax in lieu of it, or to add any new taxes for the coming financial year. There may be new duties imposed in respect of dumped goods or depreciated exchanges. But I do not want to be misunderstood. What I say is that we shall not propose any new taxes on businesses or any addition to the existing taxes, like income tax or the existing customs duties, in making good the loss of revenue due to not extending the excess-profits duty during the coming financial year."

As in the United States, prices in England declined less rapidly in January than during the two months preceding. The Statist index number, recomputed on the 1913 base, shows a drop of 11 points from 243 to 232, as compared with a drop of 20 points during December. The greatest reductions were made in minerals

and metals, although large decreases occurred also in vegetable foods. Meats increased in price.

*Statist index number of wholesale prices.*

[1913=100.]

Date.	Vegetable foods.	Animal foods.	Sugar, coffee, tea.	Food-stuffs.	Minerals.	Textiles.	Sundries.	Materials.
1913.....	100	100	100	100	100	100	100	100
1914.....	110	100	107	105	90	97	105	98
1915.....	155	125	130	137	109	111	131	119
1916.....	193	152	161	169	140	152	163	153
1917.....	252	192	213	218	152	228	212	198
1918.....	248	210	238	229	167	265	243	225
1919.....	252	215	275	238	190	271	268	243
1920.								
January.....	274	230	356	265	256	343	312	302
February.....	297	237	415	286	267	362	329	318
March.....	342	237	393	300	263	360	318	312
April.....	346	265	392	315	263	354	321	311
May.....	351	244	473	318	273	308	311	298
June.....	359	244	496	325	269	308	282	285
July.....	343	278	425	325	276	298	277	283
August.....	317	295	404	319	281	298	278	285
September.....	319	291	334	308	283	286	279	282
October.....	334	290	257	302	276	261	268	266
November.....	308	293	238	291	265	212	253	245
December.....	257	262	212	253	254	205	248	237
1921.								
January.....	234	283	192	251	225	198	230	219

During February metal and coal prices continued to be drastically cut, while textiles apparently wavered above and below earlier minimum prices, demand for wool being perhaps somewhat greater than for cotton. Foreign competition in iron and steel manufactures is the primary cause of price reductions in these lines, and as a result the finished goods have declined in advance of the raw materials. According to a statement in the British Board of Trade Journal for February 10, Belgian and German steel products were up to 50 per cent cheaper than British in December and January. In the following table comparison is made between London prices of important grades on January 24 and February 18, as reported by cable to the New York Journal of Commerce. Although the decreases are not uniform, they average 10 to 15 per cent.

	Jan. 24.	Feb. 18.
Pig iron, Middleborough No. 3.....	£ 10 15	£ 9 15
Staffordshire unmarked bars.....	30 10	26 10
Midland steel ship plates.....	26 5	22 10
Steel soft billets.....	17 ..	15 10
Steel small rounds and squares.....	30 15	25 ..
Steel rails, heavy (60 pounds).....	21 ..	21 ..

Tin plate has likewise been heavily reduced in price, as well as other important metal products.

With the reduction in demand, several blast furnaces are reported to have been damped down, and wages are being reduced. North of England and Midland iron and steel workers have suffered a 5 per cent decrease in wages since the 1st of February and tin-plate workers a 7½ per cent decrease. Both adjustments were made on the basis of sliding scale agreements. Production statistics show a diminishing rate for January.

Lack of foreign demand has likewise caused a material reduction in British export coal prices. All grades of export coal have not been affected to the same degree, but certain types have been reduced as much as 40 to 50 per cent since last October. Production during January was not as large as during preceding weeks and as a result wages of miners were reduced, according to the terms of the November agreement between the miners and operators. An adult miner received a surplus of 3s. 6d. per shift during January, but in February this surplus was reduced to 1s. 6d.

The recent improvement in the demand for raw wool was mainly due to buying on the part of Americans and Japanese and was confined for the most part to the finer grades of Australian wool. There is nothing in the statistical position of the commodity to account for active buying, as Government stocks on December 31, 1920, amounted to 2,584,000 bales, or approximately as much as the annual world production of wool in prewar times. It has been suggested that the possibility of tariff legislation has led to American buying. British yarn prices continued to decline gradually during early February and there was practically no market for piece goods in spite of rather heavy price cutting.

Very little demand has resulted from the reduction of prices in the cotton industry. The Indian demand for cloth has been especially seriously affected by the depreciation in the value of the rupee in foreign exchange. The section of the industry using Egyptian cotton will continue until March 20 on the three-day week basis of production.

	Value of foreign trade.			Production (metric tons).			Ship tonnage under construction (gross tons).
	Imports.	Exports.	Re-exports.	Coal.	Pig iron.	Steel ingots and castings.	
	000's. £39,061	000's. £43,771	000's. £9,131	000's. 24,336	000's. 869	000's. 649	
Monthly average, 1913.....							1 2,002,699
	1920.						
January.....	183,498	105,880	25,464	22,657	676	766	.....
February.....	170,514	85,964	22,604	19,435	656	811	.....
March.....	176,648	103,699	27,031	19,505	710	854	3,394,425
April.....	167,154	106,252	20,407	17,131	655	779	.....
May.....	166,816	119,319	20,260	22,131	738	848	.....
June.....	170,491	116,352	20,124	16,048	726	745	3,578,000
July.....	163,342	137,452	17,848	22,926	750	800	.....
August.....	153,255	114,903	13,368	16,970	752	709	.....
September.....	152,692	117,456	13,351	18,885	741	884	3,731,000
October.....	149,889	112,295	16,134	14,044	533	544	.....
November.....	144,260	119,365	13,115	15,920	404	504	.....
December.....	142,785	96,631	12,699	20,230	675	745	3,709,600
	1921.						
January.....	117,051	92,756	9,955	21,805	638	493	.....

<sup>1</sup> Average of four quarterly estimates.

<sup>2</sup> Five weeks in the month.

British exports during January were slightly less than December. This was accounted for in part by the continued decline in cotton exports; in part by the decline in coal and coke. Imports were likewise very materially lower than at any time since the depression of early 1919.

With the slowing down of industry there has been an ever-increasing problem in connection with wages and the unemployed. As has been noted above, in certain industries wage reductions have been made on the basis of sliding-scale agreements; in other cases, they have been made in accordance with the reduction in the cost of living. In certain other industries, such as the jute industry, they are being urged, irrespective of either of these criteria. As the number of the unemployed increases, the question of their relief becomes of even more pressing importance than that of wage reductions. Insurance is now paid to the unemployed, but it is not large enough to furnish subsistence, and as a result various other measures are being urged. Some of these recommend further relief on the same plan as the present insurance against unemployment, but others urge rather an attack upon

the problem at its source. A revival in export trade, presupposing, as it must, improved conditions on the Continent, appears to some the only method of relief.

	Average percentage increase in cost of living, <sup>1</sup> base, July, 1914.	Per cent of trade-union members unemployed (membership 1,586,507, at end of January).
1920.		
January.....	125	2.9
February.....	130	1.6
March.....	130	1.1
April.....	132	.9
May.....	141	1.1
June.....	150	1.2
July.....	152	1.4
August.....	155	1.6
September.....	161	2.2
October.....	164	5.3
November.....	176	3.7
December.....	169	6.0
1921.		
January.....	165	6.9
February.....	151	.....

<sup>1</sup> Food, rent, clothing, fuel, light, etc.

Figures applying to increase in cost of living are for the beginning of month, and those for trade-union unemployment are for the end of month.

	Deposit and note accounts.				Government floating debt.			Discount rate.	
	Bank notes. <sup>1</sup>	Currency notes and certificates outstanding.	Deposits, public and other.	Coin and bullion. <sup>2</sup>	Treasury bills.	Temporary advances.	Total floating debt.	3 months' bank bills.	6 months' trade bills.
	000's.	000's.	000's.	000's.	000's.	000's.	000's.	Per cent.	Per cent.
1920, end of—									
January.....	£84,258	£329,554	£155,272	£128,434	£1,111,000	£208,000	£1,319,000	5½	6½
February.....	92,426	324,994	190,147	138,946	1,070,000	188,000	1,258,000	5½	6½
March.....	99,371	335,372	137,170	140,672	1,107,000	205,000	1,312,000	5½	6½
April.....	101,284	337,377	140,381	141,018	1,048,000	249,000	1,297,000	6½	7½
May.....	103,614	348,316	117,784	140,955	1,062,000	221,000	1,283,000	6½	7½
June.....	106,858	357,356	191,715	146,382	1,050,000	244,000	1,294,000	6½	7½
July.....	106,869	361,911	133,796	151,734	1,058,000	204,000	1,262,000	6½	7½
August.....	106,294	356,012	115,955	151,529	1,067,000	183,000	1,250,000	6½	7½
September.....	108,791	353,795	127,167	151,615	1,139,000	143,000	1,282,000	6½	7½
October.....	108,839	355,572	136,977	151,699	1,028,000	241,000	1,269,000	6½	7½
November.....	109,213	349,284	123,304	152,613	1,097,000	231,000	1,328,000	6½	7½
December.....	113,401	367,626	189,859	156,768	1,102,000	306,000	1,408,000	6½	7½
1921, January.....	109,035	342,489	128,609	156,784	1,145,000	242,000	1,387,000	6½	7

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

<sup>2</sup> Held by the Bank of England and by the Treasury as note reserve.

## FRANCE.

French foreign trade figures for January, 1921, show a marked decrease in imports. The decline is greatest in imports of foods, which were about 50 per cent less than food imports

during the previous month. Exports in January were slightly larger than in December, with the result that France's "unfavorable balance of trade" was smaller in that month than it was at any time during 1920.

Foreign trade of France.<sup>1</sup>

[In thousands of francs.]

	Imports.				Exports.				
	Food.	Raw materials.	Manufactured articles.	Total.	Food.	Raw materials.	Manufactured articles.	Parcel post.	Total.
1913 average <sup>2</sup> .....	151,465	412,144	138,169	701,778	69,908	154,841	301,420	47,152	573,351
1919 average <sup>3</sup> .....	892,040	1,229,434	861,798	2,983,272	99,201	203,091	615,630	71,444	989,986
1920.									
January.....	538,365	985,410	478,408	2,002,183	84,561	187,626	415,007	35,204	722,398
February.....	653,630	1,336,987	651,299	2,641,916	150,080	347,480	767,423	58,866	1,323,829
March.....	871,857	1,478,987	772,007	3,122,851	114,223	349,521	834,031	39,884	1,337,659
April.....	675,799	1,398,592	813,216	2,887,607	125,678	353,344	844,901	52,987	1,376,910
May.....	547,825	1,193,960	644,911	2,386,696	103,355	348,361	726,654	31,658	1,210,028
June <sup>4</sup> .....	553,951	1,302,867	726,856	2,588,674	216,849	421,735	1,100,931	69,862	1,809,377
July <sup>5</sup> .....	723,749	1,171,091	905,613	2,800,453	210,888	440,482	1,631,883	116,255	2,399,508
August <sup>6</sup> .....	608,822	1,294,160	724,894	2,627,876	229,892	446,131	1,363,469	112,081	2,151,573
September.....	667,709	1,243,294	684,442	2,595,445	262,808	337,464	1,597,808	134,472	2,332,552
October <sup>6</sup> .....	549,834	1,389,928	732,416	2,672,178	200,388	405,858	1,136,356	140,996	1,833,598
November <sup>6</sup> .....	672,861	1,548,681	726,715	2,948,257	218,626	366,981	923,222	146,067	1,600,896
December <sup>6</sup> .....									
1921.									
January <sup>6</sup> .....	346,703	1,101,267	534,498	1,982,468	188,546	436,069	1,142,398	115,605	1,882,618

<sup>1</sup> Not including gold, silver, or the reexport trade.<sup>2</sup> Calculated in 1913 value units.<sup>3</sup> Calculated in 1919 value units.

<sup>4</sup> January-June, 1920, figures are calculated in 1918 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 this year, however, it was not until July that the 1919 price units were decided upon and applied.

<sup>5</sup> Monthly French foreign trade figures are published only in cumulative form, and as the value rates used were changed in July it is impossible to give separate figures for that month.

<sup>6</sup> Calculated in 1919 value units.

In connection with the growth of French export trade in the last year, which is discussed on page 269 of this issue of the BULLETIN, it is interesting to compare some figures on the production of coal and pig iron in France during 1913 and 1920. Preliminary figures are now available giving French coal production by districts. Comparing the situation in 1920 with that in 1913, it is evident that a good deal of progress has been made in developing coal mines in the south of France, in order to compensate in some measure for the destruction of the mines in the Nord and Pas de Calais district. Production during 1920 was, however, 41 per cent smaller than in 1913.

## Coal production in France, by districts.

[In thousands of metric tons.]

District.	1913	1920 <sup>1</sup>
Nord and Pas de Calais.....	27,389	9,749
Loire.....	3,796	5,995
Gard.....	2,137	1,970
Tarn, Aveyron, and Bourbonnais.....	2,725	3,094
Lorraine.....	( <sup>2</sup> )	3,175
All others.....	4,004	320
Total.....	40,051	24,303

<sup>1</sup> Subject to revision. <sup>2</sup> Not included in France at that time.

Although French coal production is still relatively small, during the last half of 1920 (that is, since the Spa agreement) she has been fairly well supplied with coal. The following table gives preliminary figures on the coal imported into France during the last year:

## French imports of coal in 1920.

[In 000's of metric tons.]

From—	January through June, 1920. <sup>1</sup>	July through December, 1920.
England.....	6,982	5,166
Sarre Valley.....	3,227	2,307
Germany.....	2,239	4,470
United States.....	814	2,629
Belgium.....	396	422
Total.....	13,658	14,994

<sup>1</sup> Figures for the last 10 days in March are not available and have been interpolated in making up this table.

The most recent information at present published in regard to pig iron production in France applies to the first six months of 1920, although it is stated that in the latter half of the year, because of the increase in the coal

supply, pig-iron production also increased. The following table gives the average monthly pig-iron production in France in 1913 and the first six months of 1920, by districts:

*Pig iron production in France, by districts.*  
(Monthly average for 1913 and first six months of 1920.)  
[In 000's of metric tons.]

District.	1913	First six months of 1920.
East.....	297	39
West.....	9	9
Southwest.....	22	6
Center.....	14	6
North.....	78	6
Southeast.....	14	2
Alsace-Lorraine.....	( <sup>1</sup> )	43
Total.....	434	113

<sup>1</sup> Not included in France at that time.

In February two new bond issues, sanctioned by the Government, were placed upon the market. One is a 6 per cent loan of the Government of Algeria, the other an issue of 6½ per cent bonds of the Credit Foncier de la France, the French Mortgage Bank, which, although it is privately owned, is operated under Government supervision. It makes two kinds of loans, (1) loans on land, for which there are issued to the public mortgage bonds, and (2) loans to departments and cities, for which there are issued community bonds. The present issue is divided into 2,400,000 bonds of 500

francs each, of which 1,800,000 are community bonds and 600,000 ordinary mortgage bonds. There has been very little change in the scope of the operations of the Credit Foncier since 1913, and a great part of the sums which it will receive in this loan will be loaned again to the departments and cities which are desirous of undertaking public improvements, which have been neglected during the years of the war.

Excepting the decrease in its advances to the Government, the situation of the Bank of France on January 27 differed little from that on December 30. Note circulation had increased slightly, but there had been a corresponding increase in gold reserves. The advances of the bank to the Government stood at their highest point, 26,600,000,000 francs, at the end of December. but had fallen by the end of January to 25,600,000,000 francs. The amount of the advances to the Government increased slightly during February, but on the last week of the month stood again at 25,600,000,000 francs.

Receipts from indirect taxes and Government monopolies for January brought in only 1,204,442,000 francs of the expected 1,362,783,000 francs. This is the first time under the budget adopted last July that the total receipts have fallen below estimates. Disappointing results from the tax on total business turnover, which brought in 184,000,000 francs instead of the anticipated 484,000,000, were mainly responsible for the deficit.

*French financial situation.*

[In francs.]

	Bank of France.					Situation of the Government.		
	Gold reserves (000,000's)	Silver reserves (000,000's)	Deposits <sup>1</sup> (000,000's)	Circulation (000,000's)	Advances to the Government for purposes of the war <sup>2</sup> (000,000's)	Government revenue (000,000's)	Public debt (000,000's)	Price of 3 per cent perpetual rente.
1913, average.....	3,343	629	830	5,565	.....	320	35,000	86.77
1920, end of—								
February.....	* 3,803	251	3,277	37,889	25,800	794	.....	57.80
March.....	* 3,606	247	4,039	37,569	26,300	859	.....	58.82
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	* 233,729	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	.....	54.15
October.....	* 3,537	264	3,474	39,084	26,600	1,332	.....	56.20
November.....	* 3,543	265	3,927	38,307	26,600	1,088	.....	55.40
December.....	* 3,552	266	3,575	37,902	26,600	1,168	245,129	57.95
1921:								
January.....	* 3,553	268	3,429	37,913	25,600	1,204	.....	59.16
February.....	* 3,555	264	3,293	37,808	25,600	.....	.....	58.15

<sup>1</sup> Includes Treasury and individual deposits.

<sup>2</sup> Under the laws of Aug. 5 and Dec. 26, 1914, July 10, 1915, and Feb. 16, 1917.

\* From indirect taxation and Government monopolies.

<sup>3</sup> Not including about 1,978 million francs held abroad.

<sup>4</sup> Foreign debt calculated at par.

<sup>5</sup> Not including about 1,948 million francs held abroad.

Foreign exchange improved greatly during January. The following table shows the marked decrease since the last of December in the price of all the important foreign currencies with the exception of the German marks:

*Foreign exchange situation in France.*

	London (francs to the pound sterling).	New York (francs to the dollar).	Italy (francs to the lire).	Berlin (francs to the mark).	Argen- tina (francs to the peso).	Sweden (francs to the kronor).
Par. ....	25.22	5.18	1.00	1.25	2.50	1.39
Dec. 30.....	59.615	16.865	.58	.23	5.59	3.37
Jan. 27.....	54.025	13.925	.52	.25	4.79	3.04

The course of wholesale prices in France continued downward during January with cuts in the majority of raw materials and staples. The wholesale price index number of the Bureau de la Statistique Générale stands at 407 for January as compared with 435 for December. The following tables give the group index numbers:

*Group index numbers—France.*

[Bulletin de la Statistique Générale.]

[1913=100.]

Date.	Animal food.	Vege- table foods.	Sugar, coffee, and cocoa.	Foods (20).	Min- erals.	Tex- tiles.	Sun- dr.es.	Raw mate- rials (25).
1913.....	100	100	100	100	100	100	100	100
1914.....	103	103	106	104	98	109	99	101
1915.....	126	126	151	131	164	132	145	145
1916.....	162	170	164	167	232	180	199	206
1917.....	215	243	201	225	271	303	302	291
1918.....	286	298	231	281	283	460	420	337
1919.....	392	313	253	336	272	444	405	373
1920:								
January.....	452	432	419	440	413	787	465	525
February.....	484	474	436	474	444	828	503	561
March.....	500	516	439	498	460	884	548	600
April.....	522	511	447	506	507	953	598	653
May.....	480	480	424	472	459	841	601	614
June.....	432	400	392	434	428	734	517	540
July.....	501	370	405	432	469	746	500	548
August.....	515	359	399	432	475	737	524	558
September.....	531	412	544	487	468	715	540	558
October.....	533	421	422	469	453	637	527	528
November.....	519	390	377	442	424	510	498	476
December.....	515	360	355	424	385	475	471	444
1921, January.....	483	334	337	397	341	460	445	415

Among the foodstuffs, meats have declined most, with a fall in some grades of 14 per cent from the December price. Nonferrous metal prices declined very materially in January, mainly because of the uncertainty in regard to the coal situation. A new standard of coal prices was set in February, bringing about a reduction of from 75 to 80 francs in soft coal; of 30 francs in hard coal, and 20 francs in anthracite coal.

The lowering of coke prices, announced in the February BULLETIN, immediately affected pig-iron prices, which declined about 22 per cent. The demand both at home and abroad is very slight at present, and the blast furnaces are suspending work in all sections of the country. Even the furnaces of Lorraine, which up to this time have been the most active, are unable to operate on a full-time basis.

At the end of January the unemployment situation in the textile and silk mills was slightly improved as compared with last month. The Nord district is still the one most affected by lack of work. Mulhouse reports that unemployment is reduced to a minimum and does not seem to be increasing. Among the silk mills of Lyon from 40 to 50 per cent of the looms are still idle, but there is increased activity due to a decrease in wages which had encouraged the factories to open again.

According to the retail price index number of the Bureau de la Statistique Générale, retail prices in Paris during January declined 14 points. This brings the retail price index number down to 410, or 3 points above the wholesale price index number.

*Retail prices in Paris.*

[July, 1914=100.]

Month.	1914	1915	1916	1917	1918	1919	1920	1921
January.....	.....	122	137	139	191	248	290	410
February.....	.....	.....	.....	.....	.....	226	297	.....
March.....	.....	.....	.....	.....	.....	248	339	.....
April.....	.....	116	135	147	218	257	358	.....
May.....	.....	.....	.....	.....	.....	268	378	.....
June.....	.....	.....	.....	.....	.....	263	369	.....
July.....	100	122	132	183	206	261	373	.....
August.....	.....	.....	.....	.....	.....	238	373	.....
September.....	.....	.....	.....	.....	.....	259	407	.....
October.....	.....	120	138	184	237	283	420	.....
November.....	.....	.....	.....	.....	.....	280	426	.....
December.....	.....	.....	.....	.....	.....	285	424	.....

**ITALY.**

Owing to the success of the sixth national loan, which was floated in March, 1920, the Italian fiscal year 1919-20 was apparently concluded without a deficit. According to the annual statement submitted by the minister of the treasury on December 19, 1920, without the loan and some minor long-term credit operations, the Government revenues during the year amounted to a total of 14,233,000,000 lire, as compared with a total expenditure of 23,067,000,000 lire, leaving a deficit of 8,834,000,000 lire. As a result of the long-term credit operations mentioned above which have provided approximately 17,000,000,000 lire, the deficit was completely wiped out and a surplus of 8,000,000,000 lire provided. This



surplus is fictitious, however, to the extent of 7,000,000,000 lire at least, as of the 18,366,000,000 lire subscribed within Italy to the sixth national loan, 10,276,000,000 lire were paid in scrip, while in computing the net revenue from loans, allowance was made for only 2,973,000,000 lire in scrip. Moreover the losses incurred by the Government during 1919-20, on account of the grain supply which amounted to over 6,000,000,000 lire, were not charged to the budget of that year. The success of the national loan, however, made it possible for the treasury to meet all ordinary and extraordinary budget requirements, amounting to 21,213,000,000 lire in the 12 months ending October 31, 1920. During that time only 1,170,000,000 lire in new short-term commitments were placed. During the corresponding period in 1918-19 the floating debt (i. e. short-term treasury bills and note circulation for the needs of the treasury) had been increased by more than 10,000,000,000 lire. In the following table is given a summary of the condition of the public debt on October 31, 1920, as compared with October 31, 1919:

*Italy's public debt, Oct. 31, 1919, and Oct. 31, 1920.*

[In millions of lire.]

	Oct. 31, 1919.	Oct. 31, 1920.	In- crease.	De- crease.
Prewar debt.....	13,638	13,439	.....	199
National loans issued during and after the war.....	14,859	35,450	20,591	.....
5 per cent treasury bonds, 3 and 5 years	6,745	4,570	.....	2,175
Ordinary treasury bills.....	15,961	10,740	.....	5,221
Bank-note circulation for account of the treasury.....	10,350	10,438	88	.....
Treasury currency notes.....	2,271	2,269	.....	2
Foreign debt.....	19,984	20,594	610	.....
Current account of the Institute of Deposits and Loans.....	660	572	.....	88
Total.....	84,468	98,072	13,604	.....

<sup>1</sup> At par of exchange.

The importance of the sixth national loan in funding a part of the floating and semifloating debt is of particular interest. Although the total debt of Italy was increased during the year by nearly 14,000,000,000 lire, short-term treasury bills were reduced by over 5,000,000,000 lire, and long-term bonds by over 2,000,000,000 lire, while the funded debt was increased by 20,000,000,000 lire. On October 31, 1919, the floating or semifloating debt (i. e., short-term treasury bills, long-term bonds, treasury currency notes and bank notes issued for account of the treasury) constituted nearly 42 per cent of the total public debt, while a year later they formed only some 28.5 per cent of the total. During the first three months of the year the

quantity of short-term treasury bills in circulation decreased by 935,000,000 lire in addition to the bills remitted in exchange for the sixth national loan. During the following seven months of the year the circulation again increased, the increase being particularly pronounced following the month of July. In the third quarter of the year there was likewise a large increase in the amount of the three and five year treasury bonds outstanding, so that it can not be said that the reduction in the floating debt has been uniform throughout the year.

The annual statement referred to above contains also the first budget estimates for the fiscal year 1921-22. According to these estimates, the revenue is anticipated to amount to 14,786,000,000 lire, of which 11,300,000,000 lire are from ordinary receipts, the rest being extraordinary revenues, such as refunds, receipts from the sale of war materials, reparations for war damages, etc. Expenditures are estimated at 24,541,000,000 lire, of which 14,767,000,000 lire are ordinary expenditures, while 9,807,000,000 lire are extraordinary expenditures. Among the ordinary expenditures is a charge of over 4,000,000,000 lire for the public debt service and of about 3,000,000,000 lire for salaries and pensions of civil servants, not including railway employees. The anticipated deficit for 1921-22 is 9,711,000,000 lire, or, if account is taken of the excess of disbursements resulting from long-term credit operations over receipts from this source, the deficit is 10,370,000,000 lire. In his estimate of expenditures the minister of the treasury does not include any charge for interest on foreign debt nor is any allowance made for the deficit in the finances of the State railways, which amounted last year to 1,000,000,000 lire.

Finally, the expenditures for war pensions, which are estimated at 1,800,000,000 lire, will necessarily be far larger than this amount as a result of the new pension law which was passed last December. Extraordinary expenditures, on the other hand, may prove to be considerably lower than anticipated by the minister if Parliament passes the Government bill increasing the price of bread, which has been subsidized at the expense of the treasury for a considerable length of time.

NOTE.—In the January issue of the BULLETIN was published a statement of the public debt of Italy on June 30, 1920. Additional data on Italy's financial position have indicated discrepancies in various sources from which the material was drawn. The table following revises the figures then given and summarizes the position of the public debt.

*Italy's public debt on June 30, 1920.*

[In millions of lire.]

I. Debt administered by the general direction of the public debt:		
Perpetual.....	43,275	
Redeemable.....	1,954	
Special <sup>1</sup> .....	1,539	
		46,768
II. Debt administered by general direction of the treasury includes:		
3 and 5 year treasury bonds.....	3,990	
Special bonds placed abroad.....	11,868	
United States credits.....	8,399	
The rest consists chiefly of railway obligations.....		25,806
III. Floating debt includes:		
State currency notes.....	2,269	
Bank notes issued for the account of the State.....	10,333	
Short-term treasury bills and other liabilities of the treasury, about.....	9,000	about 22,000
<b>Total, over.....</b>		<b>94,000</b>

**GERMANY.**

The inflation of the currency continues to be one of the most important financial problems in Germany. The note circulation of the Reichsbank reached its highest point on December 31, 1920, but the reduction during the month of January was very slight. On January 29 the note circulation of the Reichsbank equaled 66,621,000,000 marks and that of the loan banks 11,341,000,000 marks.

*German financial situation.*

[In marks.]

	Reichsbank statistics.				Darlehns-kassen-scheine in circulation.
	Reserve.		Note circulation.	Deposits.	
	Gold.	Reichs- und Darlehns-kassen-scheine.			
1913 average.....	000,000's. 1,068	000,000's. 32	000,000's. 1,958	000,000's. 668	000,000's. .....
1920, end of—					
April.....	1,092	15,193	47,940	16,499	13,776
May.....	1,092	15,907	50,017	17,024	13,567
June.....	1,092	17,252	53,975	23,414	13,633
July.....	1,092	17,874	55,069	17,282	13,328
August.....	1,092	18,686	58,401	15,772	13,266
September.....	1,092	19,861	61,735	20,054	13,348
October.....	1,092	21,340	63,596	17,945	13,024
November.....	1,092	20,363	64,284	17,340	12,370
December.....	1,092	23,417	68,805	22,327	12,033
1921, end of January	1,092	22,810	66,621	15,834	11,341

<sup>1</sup> This includes the annuity paid to the Holy See and a number of debts, both perpetual and redeemable, which are not entered at all, or are entered separately in the Great Book of the Public Debt. An analysis of this table shows in brief that the total funded debt amounted to 73,000,000,000 lire, of which 47,000,000,000 lire (43,000,000,000 lire being perpetual debt) were administered by the general direction of the public debt. The remaining 26,000,000,000 lire of the funded debt are administered by the general direction of the treasury, and include long-term treasury bonds and foreign credits. This may be called the semifloating debt. In addition to these two sums there was outstanding on June 30, 1920, a floating debt of 22,000,000,000 lire. Short-term treasury bills were outstanding to the amount of 9,000,000,000 lire and bank notes issued for the account of the State to the extent of 10,000,000,000 lire.

*German financial situation—Continued.*

[In marks.]

	Situation of the Government.			
	Receipts from taxes and Government monopolies.	Floating debt.	3 per cent imperial loan.	5 per cent war loan. <sup>1</sup>
1913 average.....	000,000's. 265	000,000's. .....	75.90	.....
1920, end of—				
April.....	2,072	.....	74.50	98.75
May.....	2,599	.....	67.50	98.70
June.....	3,227	141,987	62.90	98.30
July.....	3,739	148,750	60.64	98.50
August.....	3,635	.....	60.80	98.70
September.....	4,126	156,825	62.25	99.90
October.....	5,121	161,920	66.25	99.00
November.....	6,130	165,918	68.60	98.75
December.....	9,103	.....	65.75	98.90
1921, end of January.....	.....	.....	67.00	99.50

<sup>1</sup> Quotations of the Berlin Bourse.

In its reply to the questions of the Brussels financial conference the German Government says of this situation:

The total expenditures of the Government at present far exceed its income. As far as these expenditures are not covered by income, the Government is obliged to increase the floating debt. This is accomplished by issuing treasury bills (Reichsschatzanweisungen), which are discounted by the Reichsbank and the proceeds of which are credited to the Government by the bank. The Government then settles its accounts through these credits by withdrawals or transfers. The Reichsbank places as many as possible of these bills with the banks and private investors, and to that extent existing means are drawn upon and further note issue is avoided. However, a considerable and ever increasing amount of treasury bills (at the present time from 45,000,000,000 to 50,000,000 marks) remains in the possession of the Reichsbank. Since the floating debt continues to grow, the issue of voluntary loans in Germany for the purpose of stabilizing financial and economic relationships has no prospect of results worth mentioning, and the treasury bills given to the Reichsbank must be continually prolonged and increased. There is no way of forcing the withdrawal of the paper money issued as a result of the Government's accounts, because the treasury bills are never released from the Reichsbank. As the bulk of this paper money remains in circulation for a very long time the amount of money circulating in the country keeps increasing and causing inflation.

The difference between Government receipts and expenditures, which is the prime cause of the inflation in Germany, has been variously estimated this year. When the budget for the year ending March, 1921, was presented to the Reichstag last October, the amount to be raised by the discounting of treasury bills was placed at 52,000,000,000 marks. The items included in the budget were as follows:

*German budget for the year ending Mar. 31, 1921.*

[Estimate of October, 1920.]

	Expenditure.	Resources.
Ordinary .....	35,344	39,892
Special <sup>1</sup> .....	4,548	.....
Extraordinary.....	52,579	<sup>2</sup> 52,579
Total.....	92,471	92,471

<sup>1</sup> Nonrecurring.

<sup>2</sup> To be supplied mainly by short-term loans (i. e., treasury bills).

The estimate given for ordinary revenue (almost 40,000,000,000 marks) in the October budget estimate is probably too high, as receipts for the first nine months of the year in question have only amounted to 26,000,000,000 marks (not including receipts from postal and railway services which were not regarded as part of the ordinary budget). As the 1920 payment on the capital levy (the Reichsnotopfer) was due before December 31 and was responsible for the increase in tax receipts in that month, it seems unlikely that receipts for the first three months of 1921 will bring the total for the fiscal year to the 40,000,000,000 marks originally planned for. In fact, in one of its recent replies to the questions of the Brussels conference the Government estimated that these receipts will be only 29,776,000,000 marks. In a recent speech the finance minister said that the deficit for the fiscal year, which must be met by discounting treasury bills, would be about 80,000,000,000 marks.

Meanwhile the Government has presented to the Reichstag (which has never approved the original 1920-21 budget) an estimate calling for further expenditures, which will amount to about 7,000,000,000 marks. In order to help relieve the deficit in the operation of postal and railway services it has been decided to raise rates materially, and the finance minister has recently announced that it will soon be necessary to increase indirect taxation.

In connection with the inability of the Reichsbank to sell treasury bills to private banks and investors, statistics on the issues of stock and bonds in Germany during 1920 are particularly interesting. The Frankfurter Zeitung has compiled a summary which places the value of the stocks and bonds offered to the German public during 1920 at 11,445,000,000 marks, of which 9,974,000,000 represents stock in 1,847 companies and 1,472,000,000 bonds. A recent cable says that an official register of offerings of stock places the 1920 total at 8,202,000,000 marks offered by 2,202 companies. No official figures were cabled on bond offerings.

Using either figure, it is evident that a great deal of German money has been invested in industry during the last year. Part of the capital increases are, of course, the result of the depreciation of the mark, but the character of the industries in which the largest investments have been made shows that industrial activity has been reviving in Germany throughout the year. Fifty-one per cent of the Frankfurter Zeitung's total of 11,445,000,000 marks was invested in the mining, smelting, potash, metal, and machine industries, and in electric light and gas works.

Prices continued to decline in Germany during January. Metal and textile prices followed the downward course in world markets. There were also marked declines in several kinds of foodstuffs; eggs, corn, coffee, lentils, peas, lard, rice, condensed milk, margarine, and cacao sharing in the downward movement.

The Frankfurter Zeitung has revised its index number, so that it now includes 75 commodities, and for each of its group index numbers, as well as for the total, it has computed an index for the middle of 1914, a so-called "peace index." In presenting its index number the newspaper retains January 1, 1920, as 100. On this basis the index for the middle of 1914 is 9.80. For purposes of comparison with the index numbers of other countries it has seemed more convenient to recompute the Frankfurter Zeitung's index, using 1914 as 100. The following table indicates the course of prices for the past year:

*Index number of wholesale prices in Germany.*

[July, 1914=100.]

	Agricultural products.	Textiles, leather, etc.	Minerals.	Miscellaneous.	All commodities.
July 1, 1914.....	100	100	100	100	100
1920.					
Jan. 1.....	879	3,425	1,399	833	1,020
Feb. 1.....	1,046	5,171	2,028	1,025	1,337
Mar. 1.....	1,107	5,651	2,280	1,225	1,490
Apr. 1.....	1,186	5,034	1,888	1,417	1,480
May 1.....	1,178	3,938	1,860	1,417	1,602
June 1.....	1,125	3,219	1,538	1,642	1,378
July 1.....	1,283	3,116	1,552	1,625	1,418
Aug. 1.....	1,309	3,288	1,566	1,617	1,459
Sept. 1.....	1,318	3,562	1,650	1,608	1,490
Oct. 1.....	1,344	3,699	1,734	1,592	1,510
Nov. 1.....	1,450	3,801	1,678	1,658	1,571
Dec. 1.....	1,555	3,288	1,636	1,625	1,582
1921.					
Jan. 7.....	1,353	3,219	1,678	1,575	1,531
Feb. 5.....	1,239	3,048	1,580	1,525	1,388

As the index number now stands it confirms the theory that there were three different trends in German prices during 1920. It shows a

sharp rise during January, February, and April, with a pronounced drop in May, a more gradual rise from the 1st of June to the 1st of December, and falling prices in December and January, 1921. The group indexes for textiles and minerals follow much the same curve, although on very different levels, with their highest points on the 1st of March, a pronounced drop in March, April, and May, and another rise from June until November in the case of textiles and until October in the case of metals.

The following table illustrates the improvement in the position of the mark at the end of January and its fluctuations since that time.

Marks to the Par.....	Berlin exchange on—			
	London.	New York.	Paris.	Switzerland.
	Pound sterling. 20.40	Dollar. 4.20	Franc. 0.80	Franc. 0.80
1920.				
Dec. 22.....	253.70	71.92	4.2555	10.9298
Dec. 29.....	257.45	73.92	4.2780	11.1385
1921.				
Jan. 5.....	266.20	74.67	4.3855	11.3985
Jan. 12.....	257.70	68.18	4.2445	10.6890
Jan. 19.....	243.25	64.43	4.0255	10.0145
Jan. 26.....	215.25	56.94	4.0555	8.9910
Feb. 2.....	243.75	63.43	4.4705	10.1140
Feb. 9.....	235.25	60.43	4.3155	9.7900

**JAPAN.**

In the following tables are published data showing the trend of important items in the statement of the Bank of Japan and of the private banks in Tokyo. In all cases the most recent figures are obtained by cable and are subject to correction.

*Tokyo banks.*

[In thousands of yen.]

End of—	Tokyo associated banks.			Tokyo bank clearings (total within the month).	Average discount rate (Tokyo market).
	Total deposits.	Total loans.	Cash on hand.		
1920.					
January.....	1,929,250	1,929,250	192,987	3,063,495	Per cent. 9.38
February.....	1,832,460	2,021,621	179,673	3,532,102	9.67
March.....	1,956,987	1,982,134	201,543	4,135,253	10.15
April.....	1,983,069	1,981,932	189,375	3,168,387	10.62
May.....	1,974,171	2,089,355	195,613	2,922,032	10.95
June.....	1,921,628	2,036,450	210,622	2,524,263	10.99
July.....	1,836,612	2,028,871	162,291	2,109,431	10.95
August.....	1,788,544	2,013,565	121,156	2,139,132	10.80
September.....	1,823,543	2,075,903	152,849	2,032,421	10.59
October.....	1,826,522	2,133,237	147,527	1,921,862	10.48
November.....	1,836,541	2,133,582	160,823	2,302,013	10.44
December <sup>1</sup> .....	1,769,000	1,866,000	228,000	2,841,000	.....
1921.					
January <sup>1</sup> .....	1,723,000	1,876,000	202,000	2,013,000	.....
February <sup>1</sup> .....	1,752,000	1,874,000	269,000	2,143,000	.....

<sup>1</sup> Provisional.

Exports continued to decline during January. The total value for January amounted to 75,000,000 yen, as compared to 87,398,000 yen in December. The small demand for silk in foreign countries is reported to be due in part to the stabilization of the price by the Imperial Silk Co.

*Foreign trade of Japan.*

[In thousands of yen.]

	Imports.	Exports.
1920.		
January.....	204,767	176,348
February.....	270,642	174,288
March.....	329,027	193,570
April.....	296,832	217,457
May.....	295,950	193,363
June.....	220,183	183,810
July.....	157,133	154,318
August.....	123,197	175,061
September.....	117,600	154,355
October.....	107,670	133,814
November.....	108,029	104,605
December.....	105,109	87,398
1921.		
January.....	1105,000	75,000

<sup>1</sup> Provisional.

*Bank of Japan.*

[In thousands of yen.]

	Government deposits.	Private deposits.	Discounts.	Loans.	Advances on foreign bills.	Note circulation.	Rediscount rate.
1920.							
Jan. 31.....	1,118,635	48,557	249,425	55,295	324,397	1,375,170	Per cent. 8.03
Feb. 28.....	1,119,635	26,088	276,846	59,463	339,988	1,360,457	8.03
Mar. 27.....	1,143,223	37,613	290,457	73,259	281,372	1,368,056	8.03
Apr. 24.....	1,170,574	90,131	381,281	51,107	316,727	1,366,577	8.03
May 29.....	1,123,643	85,117	393,854	51,310	322,414	1,327,856	8.03
June 26.....	1,077,872	86,945	334,881	45,711	258,924	1,349,065	8.03
July 31.....	1,061,549	53,096	226,245	46,548	246,107	1,202,433	8.03
Aug. 28.....	1,147,922	53,619	230,750	47,598	256,006	1,217,076	8.03
Sept. 25.....	1,027,427	51,138	132,309	47,915	88,826	1,170,144	8.03
Oct. 20.....	1,006,775	41,497	113,631	50,592	126,136	1,192,082	8.03
Nov. 27.....	1,038,191	98,859	76,376	51,369	91,332	1,118,351	8.03
Dec. 22.....	940,956	98,581	109,233	48,814	73,478	1,311,234	8.03
1921.							
Jan. 22.....	981,689	190,318	55,908	46,353	52,570	1,103,315	8.03

SWEDEN.

In continuation of tables presented in the BULLETIN for February, those published below show the later trend of some of the leading items in the Riksbank statement, the loans and discounts of the private banks, the condition of foreign trade, and the changes in wholesale and retail prices.

[Million kronor.]

	Riksbank.		Joint-stock banks.	
	Gold holdings at home and abroad.	Note circulation.	Bills discounted with the Riksbank.	Loans and discounts. <sup>1</sup>
1920, end of:				
January.....	271.5	673.3	343.1	5,843.4
February.....	265.2	685.5	360.6	5,914.4
March.....	261.1	741.6	507.4	5,877.4
April.....	261.0	718.3	497.7	5,969.4
May.....	261.0	708.3	473.5	5,998.6
June.....	261.1	736.5	531.1	5,982.9
July.....	261.3	724.8	514.2	6,028.9
August.....	261.4	742.2	567.8	6,007.4
September.....	279.8	779.8	547.0	6,068.7
October.....	282.4	772.8	503.4	6,079.0
November.....	282.4	752.8	447.2	6,117.8
December.....	281.8	759.9	451.3	6,211.3
1921: end of January.....	281.9	672.5	431.0	6,172.6

During January wholesale prices continued to decline. The groups which were most affected were coal and textiles, the coal index dropping from 602 in December (on the basis of prices in 1913=100) to 371 in January. Retail prices likewise showed a considerable decrease, in fact the largest since the downward movement began, the index number shifting from 294 in December to 283 in January.

<sup>1</sup> Provisional.

Recent foreign trade figures seem to indicate that the wide difference between imports and exports is being reduced month by month, but that at the same time the total volume of foreign trade is falling off. The peak in the export trade was reached last July, and since that time it has been almost uniformly on the decline.

Value of imports and exports.

[Million kronor.]

	Imports.	Exports.	Excess of imports over exports.
1920.			
January.....	238.0	126.8	111.2
February.....	282.1	106.0	176.1
March.....	301.1	150.5	150.6
April.....	266.9	163.7	103.2
May.....	314.2	227.1	87.1
June.....	283.3	223.6	59.7
July.....	331.1	267.7	63.4
August.....	307.6	229.8	77.8
September.....	324.5	232.8	91.7
October.....	299.3	217.8	81.5
November.....	228.2	176.5	51.7
December.....	197.1	171.3	25.8

Official index number of retail prices of foodstuffs, fuel, and lighting, 1920.

[July, 1914=100.]

1920:	
First quarter.....	293
Second quarter.....	295
July.....	297
August.....	308
September.....	307
October.....	306
November.....	303
December.....	294
1921: January.....	283

Group index numbers—Sweden, Svensk Handelstidning.

[1913=100.]

Date.	Vegetable food.	Animal food.	Raw materials for agriculture.	Coal.	Metals.	Building material.	Paper pulp.	Hides and leather.	Textiles.	Oils.
1913-14.....	100	100	100	100	100	100	100	100	100	100
1914 <sup>1</sup> .....	136	101	114	123	109	104	118	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.										
January.....	248	328	317	864	248	295	388	258	353	204
February.....	273	305	319	936	259	371	476	269	380	226
March.....	270	304	318	960	291	367	682	268	380	275
April.....	265	284	320	1,008	283	367	767	263	368	275
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	253	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

<sup>1</sup> Average for 6 months ending Dec. 31, 1914.

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

[1913=100.]

Date.	Grains and fodder.	Animals and meats.	Dairy products.	Fruits and vegetables.	Other foods.	Textiles.	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.....	226	199	192	206	222	285	213	173	228	171	201	205
1920.												
January.....	269	195	228	265	245	316	237	191	235	232	212	190
February.....	275	195	216	290	251	321	245	199	231	243	215	189
March.....	280	198	206	295	254	322	222	210	237	268	215	194
April.....	291	200	196	316	264	366	239	214	237	268	245	201
May.....	301	207	189	358	275	323	215	213	237	294	257	203
June.....	302	211	183	338	274	314	186	207	238	295	279	206
July.....	292	211	194	295	283	305	183	209	242	282	294	218
August.....	271	204	198	142	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	222	251	141	178	259	252	269	201
1921.												
January.....	186	175	151	184	212	228	131	174	257	248	247	196

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

## Group index numbers—Italy.

Prof. Bachi. [1913=100.]

Date.	Cereals and meats.	Other food-stuffs.	Textiles.	Minerals and metals.	Other goods.	Date.	Cereals and meats.	Other food-stuffs.	Textiles.	Minerals and metals.	Other goods.
1913.....	100	100	100	100	100	1920.					
1914.....	102	84	96	100	96	March.....	381	418	962	996	489
1915.....	132	93	113	207	133	April.....	395	494	1,084	1,076	535
1916.....	156	135	184	380	197	May.....	441	499	840	1,088	525
1917.....	215	171	326	596	266	June.....	445	511	742	917	533
1918.....	315	229	475	750	391	July.....	434	508	759	903	542
1919.....	316	340	427	414	360	August.....	445	510	794	957	540
1920.						September.....	459	520	837	1,040	541
January.....	363	396	777	671	418	October.....	446	502	810	1,092	572
February.....	365	399	840	857	443	November.....	475	535	763	1,009	585
						December.....	481	531	675	928	624

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

[1913=100.]

Date.	Farm products.	Food, etc.	Cloths and clothing.	Fuel and lighting.	Metals and metal products.	Lumber and building material.	Chemicals and drugs.	House furnishing goods.	Miscellaneous.
1913.....	100	100	100	100	100	100	100	100	100
1914.....	103	102	98	96	88	98	101	99	98
1915.....	106	105	99	92	94	94	109	99	99
1916.....	119	124	123	114	142	100	157	115	117
1917.....	189	178	181	175	208	124	198	145	153
1918.....	219	191	240	163	181	152	221	195	192
1919.....	234	214	270	173	161	195	178	246	217
1920.									
January.....	246	253	350	184	177	268	189	324	227
February.....	237	244	356	187	189	300	197	329	227
March.....	239	246	356	192	192	325	205	329	230
April.....	246	270	353	213	195	341	212	331	238
May.....	244	287	347	235	193	341	215	339	246
June.....	243	279	335	246	190	337	218	362	247
July.....	236	268	317	252	191	333	217	362	243
August.....	222	235	299	268	193	328	216	363	240
September.....	210	223	278	284	192	318	222	371	239
October.....	182	204	257	282	184	313	216	371	229
November.....	165	195	234	258	170	274	207	369	220
December.....	144	172	220	236	157	266	188	346	205
1921.									
January.....	136	162	208	228	152	239	182	283	190

## 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.	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
August, 1918.....			317	83		240	328	240		89	96		95	179		119
1920.																
January.....	118	225	226	253	356	214	181	153	159	125	200	96	377	207	167	204
February.....	118	217	215	233	364	185	164	158	155	123	190	92	363	191	158	199
March.....	127	218	222	211	351	179	150	159	135	118	166	87	321	160	151	192
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	160	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	(*)	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

\* Includes pulses.

\* Mutilated cable.

## 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.								
January.....	189	273	227	143	156	147	282	268
February.....	192	283	226	149	161	149	287	272
March.....	205	281	226	162	160	126	298	280
April.....	205	277	234	169	192	160	298	280
May.....	214	265	252	177	197	170	307	297
June.....	214	260	261	187	195	208	307	297
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	291	279	244

**WHOLESALE PRICES IN THE UNITED STATES.**

Wholesale prices continued to decline in January, although at a less rapid rate than during recent months. According to the index number compiled by the Federal Reserve Board for international comparisons, the decline amounted to 5 per cent; according to the index number of the Bureau of Labor Statistics to 6 per cent. The Board's index number, based upon the prices of 88 commodities, showed prices in January to be 64 per cent above the

prewar level, while that of the Bureau of Labor Statistics, based upon something over 325 commodities for the same month, stood at 77 per cent above the 1913 level.

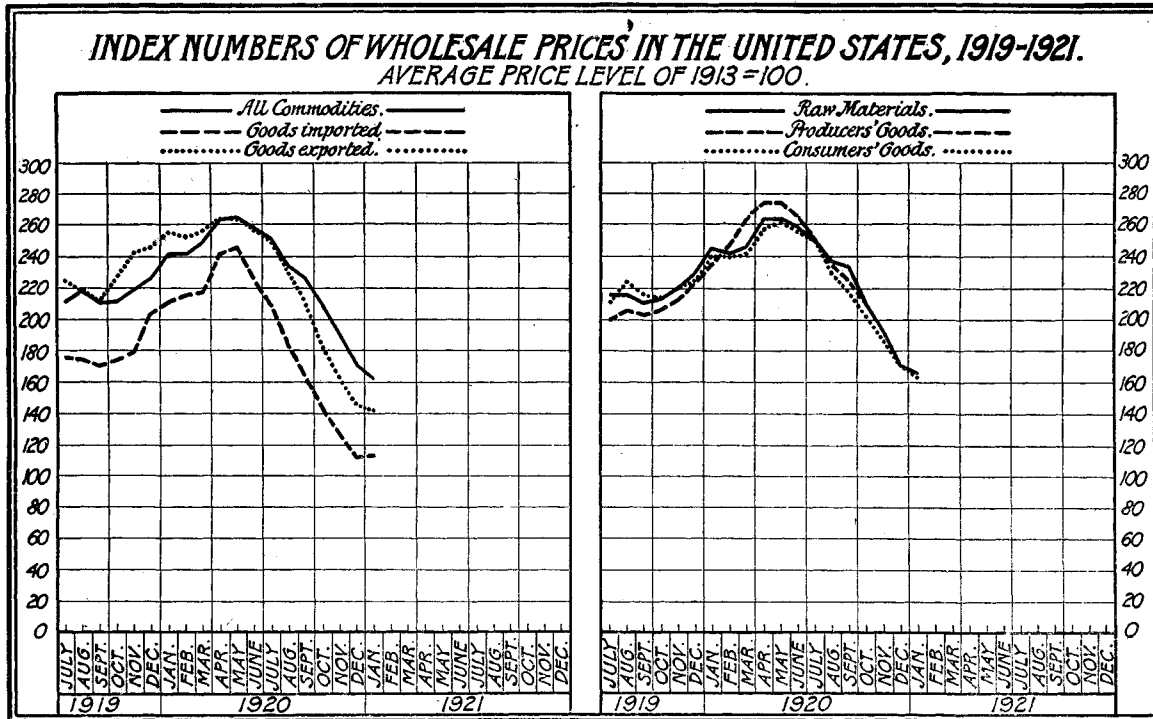
All groups of commodities in the Federal Reserve Board index declined during the month except imports. In this group, however, a slight increase of 2 points was registered, due to slight increases in the prices of rubber, tea, silk, tin, and nitrate of soda. The decline in the index number of raw materials was more rapid during January than that of consumers' or producers' goods.

*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.	Imported.	Exported.	Consumed.	Raw materials.	Producers' goods.	Consumers' goods.	All commodities.
1913.								
Average for the year.....	100	100	100	100	100	100	100	100
1919.								
Average for the year.....	209	174	214	206	209	198	207	206
1920.								
January.....	244	212	255	240	245	236	240	242
February.....	244	216	252	242	242	247	240	242
March.....	250	218	256	247	246	263	241	248
April.....	265	242	264	263	263	274	257	263
May.....	266	246	262	264	263	274	261	264
June.....	260	226	256	257	253	265	255	258
July.....	253	208	248	249	249	251	250	250
August.....	238	182	229	234	237	235	229	234
September.....	231	164	211	227	233	225	218	226
October.....	213	142	181	211	211	209	203	208
November.....	195	127	163	193	192	190	187	190
December <sup>1</sup> .....	178	112	146	176	176	171	171	173
1921.								
January <sup>1</sup> .....	168	114	142	166	164	166	163	164

<sup>1</sup> December and January figures have been revised because of a change in coal quotations which had been incorrectly reported to the Board.





*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).
	Farm products.	Animal products.	Forest products.	Mineral products.	Total raw materials.			
July, 1914.....	102	106	97	91	99	93	103	100
January, 1915.....	108	97	94	90	98	95	102	99
January, 1916.....	116	102	95	112	107	120	111	111
January, 1917.....	163	136	99	181	148	170	147	151
January, 1918.....	242	176	130	172	184	181	193	185
January, 1919.....	234	208	147	179	196	196	216	203
January, 1920.....	291	213	273	190	239	245	259	248
July, 1920.....	287	184	359	256	258	251	272	263
August, 1920.....	259	181	351	265	251	238	250	250
September, 1920.....	232	186	344	277	248	224	240	242
October, 1920.....	191	172	339	272	230	209	224	225
November, 1920.....	170	159	289	246	205	193	214	207
December, 1920.....	155	132	278	224	186	175	196	189
January, 1921.....	155	119	245	215	174	169	184	177

In order to give a more concrete illustration of actual price movements, there are also presented in the following table monthly actual and relative figures for certain commodities of a basic character, covering the period January, 1920, to January, 1921, compared with like figures for January of previous years. The actual average monthly prices shown in the table have been abstracted from the records of the United States Bureau of Labor Statistics.

*Average monthly wholesale prices of commodities.*

[Average price for 1913=100.]

Year and month.	Corn, No. 3, Chicago.		Cotton, middling, New Orleans.		Wheat, No. 1, northern spring, Minneapolis.		Wheat, No. 2, red winter, Chicago.		Cattle, steers, good to choice, Chicago.		Hides, packers, heavy native steers, Chicago.	
	Average price per bushel.	Relative price.	Average price per pound.	Relative price.	Average price per bushel.	Relative price.	Average price per bushel.	Relative price.	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.
July, 1914.....	\$0. 7044	114	\$0. 1331	105	\$0. 8971	103	\$0. 8210	83	\$9. 2188	108	\$0. 1938	105
January, 1915.....	. 7056	115	. 0783	62	1. 3527	155	1. 3910	141	8. 5333	100	. 2300	125
January, 1916.....	. 7356	120	. 1205	95	1. 2894	148	1. 2896	131	8. 6650	102	. 2300	125
January, 1917.....	. 9753	158	. 1735	137	1. 9166	219	1. 9024	193	10. 5300	124	. 3350	182
January, 1918.....	1. 6850	274	. 3105	244	2. 1700	248	2. 1700	220	13. 1125	154	. 3280	178
January, 1919.....	1. 3750	223	. 2850	224	2. 2225	254	2. 3788	241	18. 4125	216	. 2800	152
January, 1920.....	1. 4750	240	. 4035	313	2. 9313	336	2. 6338	267	15. 9375	187	. 4000	218
July, 1920.....	1. 5388	250	. 3950	311	2. 8313	324	2. 8050	284	15. 3813	181	. 2944	160
August, 1920.....	1. 5310	249	. 3380	266	2. 5500	292	2. 4735	251	15. 3500	180	. 2850	155
September, 1920.....	1. 2938	210	. 2706	213	2. 4903	285	2. 4919	253	15. 2500	179	. 2840	154
October, 1920.....	. 8778	143	. 2088	164	2. 1063	241	2. 2047	224	14. 6875	173	. 2550	139
November, 1920.....	. 8003	130	. 1780	140	1. 7528	201	2. 0570	209	14. 5750	171	. 2325	126
December, 1920.....	. 7341	119	. 1444	114	1. 6809	192	2. 0125	204	12. 0338	142	. 1900	103
January, 1921.....	. 6553	106	. 1450	114	1. 7884	205	1. 9613	199	9. 8400	116	. 1675	91

Year and month.	Hogs, light, Chicago.		Wool, Ohio, 1-3 grades, scoured.		Hemlock, New York.		Yellow pine, flooring, New York.		Coal, anthracite, stove, New York, tidewater.		Coal, bituminous, run of mine, Cincinnati.	
	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.	Average price per M feet.	Relative price.	Average price per M feet.	Relative price.	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.
July, 1914.....	\$8. 7563	104	\$0. 4444	94	\$24. 5000	101	\$42. 0000	94	\$4. 9726	98	\$2. 2000	100
January, 1915.....	6. 9875	83	. 5143	109	24. 2500	100	41. 0000	102	5. 1767	102	2. 2000	100
January, 1916.....	7. 1400	84	. 6429	136	22. 2500	92	39. 5000	89	3. 2639	104	2. 2000	100
January, 1917.....	10. 6050	125	. 8143	173	24. 5000	101	41. 5000	93	5. 6899	112	4. 5000	205
January, 1918.....	16. 2125	192	1. 4545	309	30. 5000	126	57. 0000	128	6. 5000	128	3. 6000	164
January, 1919.....	17. 4125	206	1. 1200	255	36. 0000	149	63. 0000	141	7. 9500	137	4. 1000	186
January, 1920.....	15. 1250	179	1. 2364	263	53. 0000	219	112. 0000	251	8. 4291	167	4. 1000	186
July, 1920.....	15. 8875	188	. 9091	193	57. 0000	235	100. 0000	339	9. 4580	187	6. 0000	273
August, 1920.....	15. 7350	186	. 8727	185	57. 0000	235	157. 0000	352	9. 6087	190	6. 0000	273
September, 1920.....	17. 0688	202	. 8964	178	57. 0000	235	157. 0000	352	10. 4363	206	7. 1000	323
October, 1920.....	14. 7875	175	. 7273	154	57. 0000	235	152. 0000	341	10. 4732	207	7. 1000	323
November, 1920.....	12. 1400	144	. 6909	147	57. 0000	235	124. 5000	279	10. 5417	208	7. 1000	323
December, 1920.....	9. 6625	114	. 5455	116	57. 0000	235	124. 5000	279	10. 5479	208	7. 1000	323
January, 1921.....	9. 6700	114	. 5455	116	48. 0000	198	110. 0000	247	10. 6373	210	5. 6000	255

Average monthly wholesale prices of commodities—Continued.

Year and month.	Coal, Pocahontas, Norfolk.		Coke, Connells-ville.		Copper, ingot, electrolytic, New York.		Lead, pig, desilverized, New York.		Petroleum, crude, Pennsylvania, at wells.		Pig iron, basic.	
	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per long ton.	Relative price.
July, 1914.....	\$3.0000	100	\$1.8750	77	\$0.1340	85	\$0.0390	89	\$1.7500	71	\$13.0000	88
January, 1915.....	2.8500	95	1.6250	67	.1300	83	.0380	86	1.4500	59	12.5000	85
January, 1916.....	3.0000	100	2.8750	118	.2288	145	.0550	125	2.2500	92	17.8100	121
January, 1917.....	6.0000	200	7.2500	297	.2950	188	.0750	170	2.8500	116	30.0000	204
January, 1918.....	4.4120	147	6.0000	246	.2350	149	.0684	155	3.7500	153	33.0000	224
January, 1919.....	4.6320	154	5.7813	237	.2038	130	.0558	127	4.0000	163	30.0000	204
January, 1920.....	4.6320	154	6.0000	246	.1931	123	.0872	198	5.0625	207	37.7500	255
July, 1920.....	6.4800	216	14.3750	589	.1900	121	.0860	195	6.1000	249	45.7500	311
August, 1920.....	6.4800	216	15.5500	637	.1900	121	.0898	204	6.1000	249	48.1000	327
September, 1920.....	7.2800	243	15.3125	628	.1869	119	.0816	185	6.1000	249	48.5000	330
October, 1920.....	7.2800	243	14.3125	587	.1675	106	.0731	166	6.1000	249	43.7500	298
November, 1920.....	7.2800	243	8.8500	363	.1455	92	.0628	143	6.1000	249	36.5000	248
December, 1920.....	7.2800	243	6.2375	256	.1369	87	.0478	109	6.1000	249	33.0000	224
January, 1921.....	7.2800	243	5.5313	227	.1288	82	.0497	113	5.7750	236	30.0000	204

Year and month.	Cotton yarns, northern cones, 10/1.		Leather, so'le, hemlock, No. 1.		Steel billets, Bessemer, Pittsburgh.		Steel plates, tank, Pitts- burgh.		Steel rails, open hearth, Pittsburgh.		Worsted yarns, 2-32's cross- bred.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per long ton.	Relative price.	Average price per pound.	Relative price.	Average price per long ton.	Relative price.	Average price per pound.	Relative price.
July, 1914.....	\$0.2150	97	\$0.3050	108	\$19.0000	74	\$0.0113	76	\$30.0000	100	\$0.6500	84
January, 1915.....	.1650	75	.....	.....	19.2500	75	.0110	74	30.0000	100	.6200	80
January, 1916.....	.2100	95	.3250	115	32.0000	124	.0208	141	30.0000	100	.8800	115
January, 1917.....	.3400	154	.5700	203	63.0000	244	.0430	291	40.0000	133	1.2500	161
January, 1918.....	.5363	242	.4900	174	47.5000	184	.0325	220	46.8000	156	2.0000	257
January, 1919.....	.5000	226	.4900	174	43.5000	169	.0300	203	57.0000	190	1.7500	225
January, 1920.....	.7271	329	.5600	199	48.0000	186	.0274	185	50.7500	169	2.2500	290
July, 1920.....	.7009	317	.5700	202	62.5000	242	.0338	228	54.5000	182	1.7500	225
August, 1920.....	.6310	285	.5500	195	61.0000	237	.0325	220	54.5000	182	1.7500	225
September, 1920.....	.5429	245	.5100	181	58.7500	228	.0325	220	54.5000	182	1.6000	206
October, 1920.....	.4343	196	.4900	174	55.0000	213	.0309	209	54.5000	182	1.5000	193
November, 1920.....	.3695	167	.4700	167	49.7000	193	.0281	190	54.5000	182	1.3000	167
December, 1920.....	.3108	140	.4100	145	43.5000	169	.0285	179	50.5000	168	1.4000	142
January, 1921.....	.2878	130	.4000	142	43.5000	169	.0265	179	47.0000	157	1.1500	148

Year and month.	Beef, carcass, good native steers, Chicago.		Coffee, Rio, No. 7.		Flour, wheat, standard patents (1918, standard war), Minneapolis.		Hams, smoked, Chicago.		Illuminating oil, 150° fire test, New York.		Sugar, granu- lated, New York.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per pound.	Relative price.	Average price per gallon.	Relative price.	Average price per pound.	Relative price.
July, 1914.....	\$0.1350	104	\$0.0882	79	\$4.5938	100	\$0.1769	106	\$0.1200	97	\$0.0420	98
January, 1915.....	.1300	100	.0725	65	6.8563	150	.1538	93	.1200	97	.0488	114
January, 1916.....	.1375	106	.0763	69	6.6438	145	.1588	96	.1300	105	.0573	134
January, 1917.....	.1375	106	.0975	88	9.2105	201	.1945	117	.1200	97	.0662	155
January, 1918.....	.1750	135	.0853	77	10.0850	220	.2950	177	.1600	130	.0744	174
January, 1919.....	.2450	189	.1547	139	10.2750	224	.3494	210	.1750	142	.0882	207
January, 1920.....	.2320	179	.1628	146	14.4438	315	.2944	177	.2240	182	.1537	360
July, 1920.....	.2550	197	.1306	117	13.6688	298	.3769	227	.2600	211	.1910	447
August, 1920.....	.2550	197	.0936	84	12.2350	267	.3725	224	.2600	211	.1490	349
September, 1920.....	.2600	201	.0819	74	12.5938	275	.3634	219	.2750	223	.1426	334
October, 1920.....	.2520	195	.0759	68	11.2063	244	.3575	215	.2900	235	.1078	252
November, 1920.....	.2400	185	.0746	67	9.2950	203	.3065	184	.2900	235	.0962	225
December, 1920.....	.2220	171	.0656	59	8.9438	195	.2575	155	.2900	235	.0809	189
January, 1921.....	.1738	134	.0669	60	9.6250	210	.2488	150	.2900	235	.0757	177

### DISCOUNT AND INTEREST RATES.

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

As was the case in the previous period, little change in rates is exhibited. The changes which have occurred are few in number and little tendency toward increase or decrease is apparent, either for any given center or any particular type of paper. Present rates continue higher in almost all cases than rates during the same period last year.

*Discount and interest rates prevailing in various centers during 30-day period ending Feb. 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.	Unindorsed.	Demand.	3 months.		3 to 6 months.												
		30 to 90 days.		4 to 6 months.		30 to 90 days.		4 to 6 months.						H. L.	C.	H. L.	C.	H. L.	C.				H. L.	C.				
No. 1....	Boston.....	7½	6	7	7½	6	7	8	7½	7½	8	7½	7½	7	6	6½	7	7	7	8	7	7½	8	7	7½	7	6	6½
No. 2....	New York <sup>1</sup> .....	8	6	7	8	6	7	8	7	7	8	6	7	7	5½	6-6½	6½	5½	6½	7	5½	6½	7	5½	6½	7	4½	6
No. 3....	Buffalo.....	8	6	7	8	6	7	8	7½	8	8	8	8	6½	6½	6	7	6	7	7	6	7	7	6	7	7	6	6
No. 4....	Philadelphia.....	6	6	6	6	6	6	8	7½	7½	8	7	7½	6	6	6	6	5½	6	6	5½	6	6	6	6	6	6	6
	Cleveland.....	7	6	7	7	6	7	8	8	8	8	8	8	6½	6	6	7	6	7	7	6	7	7	6	7	7	6	6½
	Pittsburgh.....	6	6	6	6	6	6	8	7½	7½	8	7	7½	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
	Cincinnati.....	7	6	6½	7	6	6½	7	6½	6½	7	6	6½	7	6	6	7	6	7	7	7	7	7	7	7	7	6½	7
No. 5....	Richmond.....	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
	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
No. 6....	Atlanta.....	8	7	7	8	7	8	8½	8	8	8	8	8	8	7	7	8	7	8	8	7	8	8	7	8	8	7	7
	Birmingham.....	8	6	7	8	6	7	8	8	8	8	8	8	6	6	6	8	6	7	8	6	7	8	6	7	8	6	7-8
	Jacksonville.....	8	6	8	8	7	8	8	8	8	8	8	8	8	7	7½	8	6	8	8	6	8	8	6	8	8	6	8
	New Orleans.....	8	7	7½	8	7	7½	8	8	8	8	8	8	8	7	8	8	7	8	8	7	8	8	7	8	8	6	7-8
	Nashville.....	8	6	7	8	6	7	8	8	8	8	8	8	8	6	6	8	6	7	8	6	7	8	6	7	8	6	6
No. 7....	Chicago.....	7	6½	7	7	7	7	8	7½	7½	8	7½	7½	9	7	7	7	6½	7	7	6½	7	7	7	7	7	7	7
	Detroit.....	7	6½	7	7	6½	7	8	7½	7½	8	7½	7½	7	6½	7	7	6½	7	7	6½	7	7	6½	7	7	6½	7
No. 8....	St. Louis.....	7	6½	7	7	6½	7	8	8	8	8	8	8	7	6½	6½	8	6½	7	8	6½	7	8	7	7	8	6	6
	Louisville.....	7	6	6	7	6	6	8	8	8	8	8	8	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
	Memphis <sup>2</sup> .....	8	7	8	8	7	8	8	7	8	8	7	8	7½	7	7	8	7	8	8	7	8	8	7	8	8	7	8
No. 9....	Little Rock.....	8	7	8	8	7	8	8	7	8	8	7	8	7½	7	7	8	7	8	8	7	8	8	7	8	8	7	8
	Minneapolis.....	7½	7½	7½	8	7½	7½	8	7½	8	8	7½	8	8	7	7½	8	7½	8	8	7½	8	8	7½	7½	7½	7	7
No. 10....	Kansas City.....	8	6	7	8	6	7	8	6	8	8	6	8	8	6	7	8	6	7	8	6	7	8	6	7	8	6	6-7
	Omaha.....	8	7	7	8	7	7½	8	7½	7½	8	7	8	9	7	8	8	7	8	8	7	8	10	7	8	8	6	7
	Denver.....	8	6	7	8	6	7	8	7½	7½	8	7	8	8	7	7	8	6½	7	8	6½	7	8	6½	7	8	6	7
No. 11....	Oklahoma City.....	10	6	8	10	6	8	8	8	8	8	8	8	9	6	7	10	6	8	10	6	8	10	6	8	10	6	7
	Dallas.....	8	6	7½	8	6	7½	8	8	8	8	8	8	8	6	6½	8	6	7½	8	7	7½	8	7	7½	8	8	8
	El Paso.....	10	7	8	10	7	8	8	8	8	8	8	8	9	7	8	10	7	8	10	8	8	10	8	9	10	6	8
	Houston.....	7½	6	7½	7	7	7	8	7	8	8	7	8	7	6	6	8	6	7	8	6	7	8	6	7	8	6	7
No. 12....	San Francisco.....	7	6	6½	7	6	6½	8	7	8	8	7½	8	7	6	6½	6½	6½	6½	7	6	6½	7	6	6½	7	6	6½
	Portland.....	8	6	7	8	6	7	8	7½	8	8	7½	8	7	6	7	8	6	7	8	6	7	8	6	7	8	6	7
	Seattle.....	8	7	7	8	6½	7	8	7½	8	8	7½	8	8	6½	7	8	6	7	8	6½	7	8	6	7	8	6½	8
	Spokane.....	8	7	7½	8	7	8	8	7	8	8	7	8	7	6½	7	8	7	8	8	7	8	8	7	8	8	7	8
	Salt Lake City.....	8½	8	8	8½	8	8	8	8	8	8	8	8	7	7	7	8	7	8	8	7	8	8	7	8	8	7	8
	Los Angeles.....	8	5½	7	8	6	7	8½	7	8	8½	7	8	8	5	6	7	5½	7	7	5½	7	8	6	7	8	6	7

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

## PHYSICAL VOLUME OF TRADE.

In continuation of tables in the February, 1921, FEDERAL RESERVE BULLETIN there are presented in the following tables certain data relative to the physical volume of trade. The January, 1919, issue contains a description of the methods employed in the compilation of the data and the construction of the accompanying index numbers. In this issue is included a series covering stocks of grain at eleven interior centers. The percentage of idle woolen machinery to total reported has been supplemented by the percentage of idle hours to total reported.

There were signs of an increase in activity in the textile industry. Cotton consumption, after a continuous decline since June, 1920, showed an increase during January, 1921, but was still considerably less than consumption during January, 1920. The number of cotton spindles active during January showed an increase over last month, but was considerably less than the number active during January, 1920. The percentage of idle woolen machinery on the first of the month to total reported in every instance showed a decrease over last month. However, imports of raw silk continued their decline.

Receipts of live stock at fifteen western markets showed a considerable increase over December, 1920, but were still below the receipts during January, 1920. Shipments of stockers and feeders from thirty-four markets during January, 1921, were less than during any month in 1918, 1919, and 1920. January grain receipts at seventeen interior centers increased considerably over the receipts during December, 1920. This increase was due to the large increase in the receipts of corn and oats, while wheat, rye, and barley showed a decrease. Flour receipts showed a small decrease from December receipts and a large decrease from the receipts of January, 1920. Estimated wheat flour production increased slightly during January, but was considerably under the high production figure during January, 1920. Cotton sight receipts showed the usual seasonal decline but still reflect the lighter receipts of the season. The takings of the American spinners also showed this seasonal decrease, being less than December, 1920, as well as January, 1920.

The production of bituminous coal during January showed a considerable decrease both from December and January, 1920, while on the other hand anthracite coal showed a considerable increase during January over the December and January, 1920, figures. Crude petroleum production during January showed a very slight falling off

from December, 1920, but was well above the January, 1920, figure. Pig-iron production during February continued its decline, and the February figure showed the smallest amount produced during any month since October, 1919, when production was curtailed because of the steel strike. The daily production during February fell to 69,187 tons as against 77,478 in January and 102,720 in February, 1920. Parallel to the decline in pig-iron production, there was a considerable falling off during February in steel-ingot production, which was likewise the smallest output since the time of the steel strike. The unfilled orders of the United States Steel Corporation at the close of February, 1921, fell to a new low level and were considerably smaller than the unfilled orders at the close of February, 1920. The January, 1921, structural steel orders and shipments of the membership of the Bridge Builders and Structural Society fell off both when compared with last month and the same month a year ago.

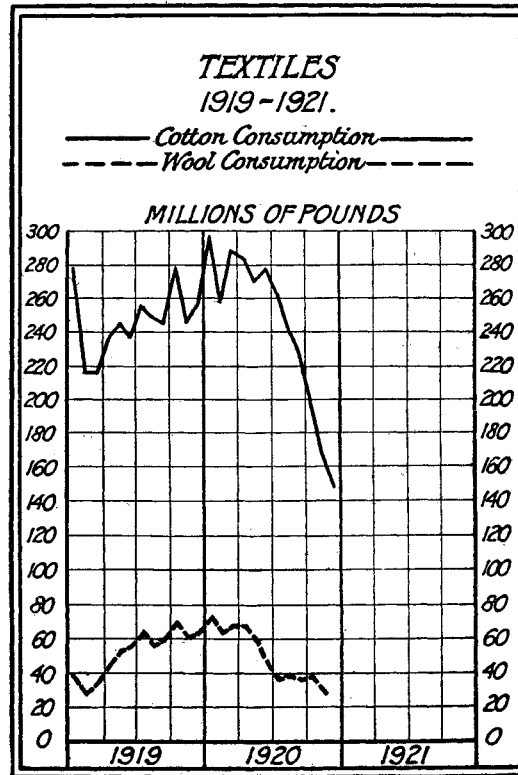
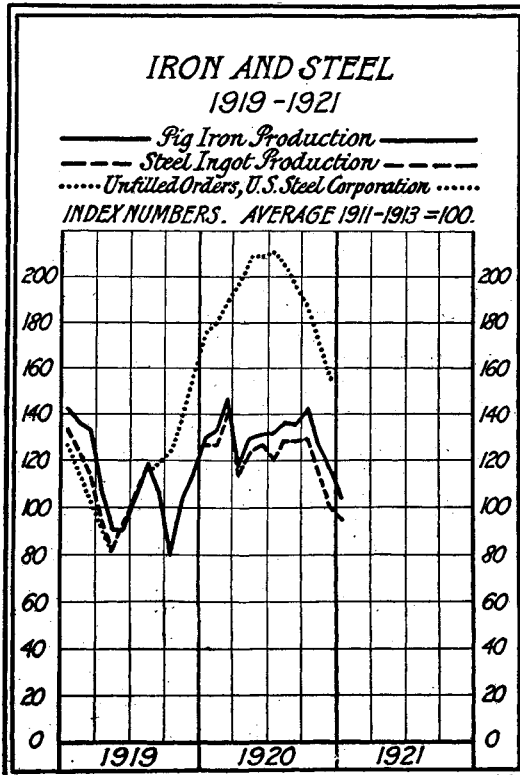
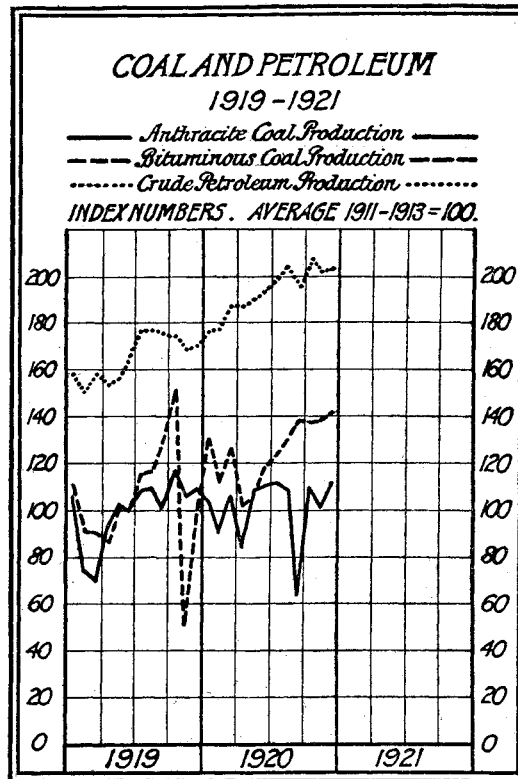
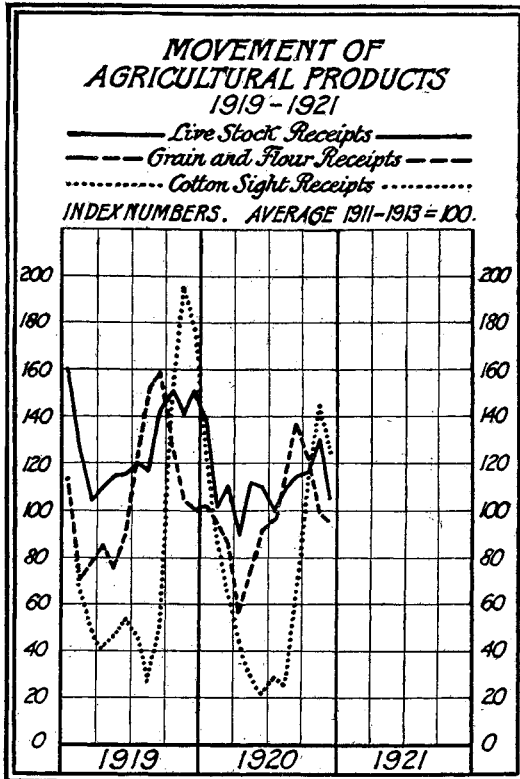
February receipts and shipments of lumber from Chicago and St. Louis showed a slight increase over January, 1921, but were considerably under the receipts and shipments during February, 1920. Production of southern pine increased slightly over December, 1920, but was considerably less than production during January, 1920. January production of Douglas fir, North Carolina pine, and western pine decreased both when compared with December and January, 1920. Production of eastern white pine increased considerably over December, 1920, but decreased when compared with January, 1920. Receipts and meltings of sugar during January, 1921, at the North Atlantic ports decreased both when compared with December and January, 1920. Raw stocks of sugar at the close of January at these ports were practically the same as raw stocks at the close of December, 1920, but twice as large as stocks at the close of January, 1920. California shipments of citrus fruits showed a very slight decrease from the shipments during December, 1920, but were well above the shipments during January, 1920. Shipments of deciduous fruits showed a very large decrease from shipments during December, 1920, and a small decrease from January, 1920.

Railroad net ton-mileage during December showed a very large decrease, being the smallest figure since the outlaw strike during April, 1920. Tonnage of vessels cleared during January, 1921, showed a slight decrease both when compared with December and January, 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.
	Head.	Head.	Head.	Head.	Head.	Head.	Head.	Head.	Head.	Head.
1920.										
January .....	1,861,431	5,203,492	1,559,734	138,541	8,763,198	753,216	1,667,330	677,493	138,145	3,236,184
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 .....	2,403,980	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



*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.]

RECEIPTS.

[Monthly average, 1911-1913=100.]

	Cattle and calves.		Hogs.		Sheep.		Horses and mules.		Total, all kinds.	
	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.
1920.										
January.....	1,392,739	138	3,842,609	175	1,035,274	76	90,022	196	6,360,644	138
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	55,371	120	5,021,900	109
September.....	1,739,009	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	1,865,930	136	24,716	54	5,355,358	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

SHIPMENTS.

1920.										
January.....	549,452	135	1,028,819	212	411,417	82	89,990	219	2,079,678	145
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

*Shipments of stockers and feeders from 34 markets.*

	Cattle and calves.	Hogs.	Sheep.	Total all kinds.		Cattle and calves.	Hogs.	Sheep.	Total all kinds.
1920.									
January.....	346,544	79,474	303,003	729,021	November.....	545,802	52,699	855,545	1,454,046
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	789,337	1,307,379	January.....	202,926	41,892	88,089	332,907
October.....	571,025	59,123	1,055,237	1,685,385					

*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.														
January.....	1,081,643	163	22,872,223	1,844	1,670,500	63	77,501,002	463	13,905,923	93	38,823,902	88	4,251,187	96
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	1,613,637	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	3,063,993	114	68,784,322	411	14,491,763	97	90,080,092	205	2,691,452	61
1921.														
January.....	548,227	82	6,078,550	490	1,725,625	65	43,202,486	258	16,869,841	113	76,185,237	173	3,089,094	70

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

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

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

[Monthly average, 1911-1913=100.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. <sup>1</sup>	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
<b>1920.</b>																
January	25,074,624	93	24,139,094	108	20,925,941	104	4,378,610	396	3,298,544	46	77,816,813	100	2,298,692	117	88,160,927	102
July	29,714,399	110	20,824,268	93	18,734,180	93	3,096,026	280	2,659,921	37	75,028,794	96	2,052,110	105	84,263,289	97
August	43,039,021	160	9,840,320	44	30,728,748	152	3,191,103	288	3,007,508	42	89,806,700	115	1,949,339	99	98,578,726	114
September	46,181,275	171	20,696,955	92	31,031,569	154	5,571,428	503	6,630,056	92	110,111,283	141	1,843,954	94	118,409,076	137
October	45,403,825	168	19,064,508	85	21,235,162	105	4,455,979	403	5,795,028	81	95,954,502	123	2,137,639	109	105,573,878	122
November	39,272,827	146	11,407,224	51	15,282,651	76	3,706,653	335	6,618,362	92	76,287,717	98	2,054,262	105	85,531,896	99
December	33,348,773	124	19,390,714	86	13,777,300	68	3,482,685	315	5,058,808	71	75,058,280	96	1,570,822	80	82,126,979	95
<b>1921.</b>																
January	32,229,218	120	42,036,812	187	18,508,986	92	2,202,705	199	3,753,837	52	98,731,558	127	1,430,904	73	105,170,626	121

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

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

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

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. <sup>1</sup>	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
<b>1920.</b>																
January	17,514,087	114	12,326,051	87	15,822,099	104	3,685,914	521	2,007,718	51	51,355,869	104	4,140,314	122	69,987,282	108
July	19,002,099	123	9,100,527	64	11,345,429	75	4,476,238	632	2,092,672	54	46,016,965	93	3,767,678	111	62,971,516	97
August	24,934,816	162	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	186	6,284,075	44	12,690,866	84	4,339,057	613	3,556,180	91	55,570,771	112	3,187,454	94	69,914,314	108
October	26,258,795	170	10,336,378	73	10,601,178	70	4,742,380	670	4,529,091	116	56,467,822	114	3,758,735	111	73,382,130	114
November	24,950,771	162	7,890,500	56	10,729,045	71	2,998,524	424	4,249,954	109	50,818,794	103	3,949,699	117	68,592,440	106
December	22,253,030	144	7,898,979	56	9,964,743	66	3,171,616	448	3,083,249	79	46,371,617	94	3,141,524	93	60,508,475	94
<b>1921.</b>																
January	20,187,379	131	17,288,509	122	11,523,642	76	2,380,797	336	2,874,359	74	54,254,686	110	2,678,257	79	66,306,843	103

<sup>1</sup> 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.]

[Bushels.]

	Wheat.	Corn.	Oats.	Rye.	Barley.	Total grain.
<b>1919.</b>						
January	88,842,753	4,679,987	13,111,733	12,409,210	8,018,807	127,062,490
February	85,478,959	3,789,022	12,828,201	14,188,718	7,588,455	123,973,355
March	72,596,885	2,053,605	9,807,036	12,634,032	8,171,303	105,062,861
April	40,080,890	3,032,370	9,609,857	10,506,084	9,888,811	73,177,962
May	8,748,521	2,043,927	7,673,302	7,977,227	4,428,096	30,871,073
June	2,911,381	3,765,359	10,942,601	7,977,227	4,879,918	30,256,705
July	14,124,082	2,175,409	12,223,930	8,009,887	2,954,044	39,487,332
August	33,511,934	884,153	14,181,827	10,312,296	2,084,552	60,974,762
September	47,075,432	1,810,777	16,075,583	12,836,893	2,847,168	80,445,853
October	56,436,241	1,166,407	15,616,202	15,311,884	2,360,063	90,890,797
November	58,615,450	1,282,673	12,554,312	14,420,557	1,774,195	88,647,187
December	50,035,556	2,605,266	10,278,575	14,205,637	1,712,006	78,837,040
<b>1920.</b>						
January	42,599,716	2,700,521	9,132,979	13,737,502	1,838,915	70,009,633
February	36,287,715	4,045,698	8,567,984	14,488,665	1,980,286	65,370,348
March	32,766,175	4,415,510	7,524,343	14,404,005	2,016,046	61,126,079
April	30,000,205	4,105,456	6,336,426	8,238,327	1,790,740	50,471,154
May	21,041,109	1,982,296	5,225,293	4,942,485	2,264,906	35,456,089
June	10,698,325	2,845,334	2,801,391	2,395,941	1,669,346	20,508,337
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	709,869	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	2,086,517	54,157,080
November	16,058,407	3,461,911	28,697,974	1,082,195	1,874,666	51,174,853
December	15,525,114	4,793,299	27,358,948	1,007,591	2,378,548	51,063,500
<b>1921.</b>						
January	14,414,231	11,596,518	29,435,153	478,125	2,057,434	57,981,461

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

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

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

[Monthly average, 1911-1913=100.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. <sup>1</sup>	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1920.																
January.....	5,711,009	45	1,491,759	42	2,663,274	56	2,643,611	1,861	1,297,839	78	13,807,492	61	1,561,693	150	20,835,111	76
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	57,752,393	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

<sup>1</sup> Flour reduced to its equivalent in wheat on basis of 4½ bushels to barrel.*Stocks of grain at eight seaboard centers at close of month.*

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

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

[Bushels.]

	Wheat.	Corn.	Oats.	Rye.	Barley.	Total grain.
1920.						
January.....	8,485,491	711,501	2,398,639	2,397,156	2,587,543	16,580,330
July.....	11,923,745	744,167	1,323,940	1,275,554	3,187,611	18,455,017
August.....	13,915,892	1,097,945	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	3,577,550	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	1,780,265	1,602,358	2,105,450	23,273,196

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.]

[Barrels.]

1920.		1920.	
January.....	13,005,000	November.....	9,889,000
July.....	8,152,000	December.....	8,745,000
August.....	9,059,000		
September....	9,650,000	1921.	
October.....	9,981,000	January.....	8,924,000

*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.....	1,148,412	92	636,260	69	151,599	144	521,305	115	2,863,377	243



*Cotton seed.*

[Bureau of the Census.]

[Tons.]

	Received at mills.	Crushed.	On hand at mills (close of month).		Received at mills.	Crushed.	On hand at mills (close of month).
1920.				1920.			
January.....	467,049	625,719	477,478	November.....	829,282	719,455	581,806
July.....	7,259	13,219	30,084	December.....	557,787	546,086	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				

*California shipments of citrus and deciduous fruits.*

[October, 1920, on, California Fruit News and Bureau of Markets.]

[Monthly average, 1911-1913=100.]

	Oranges.		Lemons.		Total citrus fruits.		Total deciduous fruits.
	Carloads.	Relative.	Carloads.	Relative.	Carloads.	Relative.	Carloads.
1920.							
January.....	2,457	100	630	156	3,087	108	123
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	4,142	146	363
1921.							
January.....	3,429	140	627	155	4,056	143	98

<sup>1</sup> 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.													
January.....	208,554	113	181,000	99	37,986	22	November.....	186,274	101	179,000	98	69,251	40
July.....	386,328	210	325,000	177	104,027	60	December.....	148,464	81	154,000	84	63,715	37
August.....	308,313	168	287,000	156	125,340	73	1921.						
September.....	109,302	59	164,000	89	70,642	41	January.....	92,498	50	94,000	51	62,113	36
October.....	109,335	59	118,000	64	61,977	36							

*Naval stores.*

[Data for Savannah, Jacksonville, and Pensacola.]

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

[Barrels.]

	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.									
January.....	8,300	24,910	47,874	165,927	November.....	23,893	49,209	83,177	247,253
July.....	39,158	30,906	117,088	135,979	December.....	21,174	53,356	76,848	300,315
August.....	33,997	27,963	111,497	144,109	1921.				
September.....	32,162	44,396	97,797	176,612	January.....	9,419	51,563	36,333	310,905
October.....	30,260	49,885	88,766	195,837					

Lumber.

[From reports of manufacturers' associations.]

[M feet.]

	Southern pine.			Western pine.			Douglas fir.			Eastern white pine.			North Carolina pine.		
	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.
1920.															
January.....	202	386,481	404,706	53	69,895	144,180	128	327,568	344,568	21	38,007	63,614	25	24,678	26,283
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	98,806	127	299,277	238,965	20	48,962	45,445	20	21,887	16,043
October.....	206	344,427	329,751	49	145,424	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

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.				
February.....	421,692	94	224,286	91	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					
November.....	342,971	74	190,282	75					

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.						
January.....	48,688,000	131	7,588,000	103	1,982,000	76
July.....	45,523,000	123	8,261,000	112	1,693,000	65
August.....	48,389,000	131	8,025,000	108	1,776,000	68
September.....	49,271,000	133	4,646,000	63	1,820,000	70
October.....	52,636,000	142	8,069,000	109	2,065,000	79
November.....	51,012,000	138	7,453,000	101	1,622,000	62
December.....	52,565,000	142	8,321,000	112	1,515,000	58
1921.						
January.....	40,125,000	108	9,419,000	127	1,074,833	41

*Crude petroleum.*

[U. S. Geological Survey.]

[Barrels of 42 gallons each.]

[Monthly average, 1911-1913=100.]

	Produced.		Stocks at end of month (barrels). <sup>1</sup>			Produced.		Stocks at end of month (barrels). <sup>1</sup>	
	Barrels.	Relative.	East of California.	California.		Barrels.	Relative.	East of California.	California.
1920.					1920.				
January .....	33,774,000	176			November .....	38,699,000	202	92,015,000	21,272,000
July .....	38,203,000	199			December .....	38,951,000	203	94,919,000	20,930,000
August .....	39,055,000	204	89,355,000	22,149,000	1921.				
September .....	37,532,000	196	88,155,000	21,874,000	January .....	38,271,000	200	95,369,000	21,261,000
October .....	39,592,000	207	89,584,000	21,265,000					

<sup>1</sup> Figures for stocks east of California are for net pipe-line and tank-farm stocks; those for California are for gross pipe-line, tank-farm, and producers' stocks.

NOTE.—Method of computing stocks has been revised. Figures calculated on the former basis are given for purposes of comparison as follows: August, 129,043,000; September, 128,788,000; October, 129,451,000; November, 131,325,000; December, 133,690,000.

*Total output of oil refineries in United States.*

[Bureau of Mines.]

	Crude oil run (barrels).	Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).
December, 1919 .....	32,427,617	335,659,587	229,476,468	685,084,086	72,040,862
1920.					
January .....	30,815,160	336,719,157	195,956,392	617,555,156	75,878,635
February .....	29,208,723	322,588,697	194,523,334	589,684,857	74,243,073
March .....	33,592,004	367,137,678	191,110,175	686,945,963	81,318,973
April .....	32,852,040	355,597,451	184,469,017	643,088,785	85,568,064
May .....	34,578,282	381,079,291	180,877,089	707,198,355	89,252,410
June .....	34,906,078	415,158,911	173,581,000	689,878,061	94,964,222
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	198,140,024	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

STOCKS AT CLOSE OF MONTH.

	Crude oil run (barrels).	Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).
Dec. 31, 1919 .....	13,143,285	446,793,431	339,319,690	714,124,455	137,318,934
1920.					
Jan. 31 .....	13,200,727	515,934,364	327,548,646	652,080,901	141,690,177
Feb. 29 .....	13,500,599	562,996,489	330,120,942	590,322,125	132,759,244
Mar. 31 .....	14,346,458	626,393,046	334,617,117	580,182,858	130,630,597
Apr. 30 .....	15,145,691	643,552,644	376,358,123	590,687,009	140,355,972
May 31 .....	15,331,375	577,671,795	419,077,605	618,939,135	135,882,485
June 30 .....	16,172,280	504,055,601	421,343,353	641,968,363	133,212,551
July 31 .....	17,086,253	413,279,319	410,853,047	655,152,293	131,866,465
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

*Iron and steel.*

[Fig-iron production, Iron Age; steel-ingot production, American Iron and Steel Institute.]

[Monthly average, 1911-1913=100.]

	Fig-iron production.		Steel-ingot production.		Unfilled orders U. S. Steel Corporation at close of month.	
	Gross tons.	Relative.	Gross tons.	Relative.	Gross tons.	Relative.
1920.						
February .....	2,978,879	133	2,865,124	127	9,502,081	180
July .....	3,067,043	132	2,802,818	120	11,118,468	211
August .....	3,147,402	136	3,000,432	128	10,805,038	205
September .....	3,129,323	135	2,999,551	128	10,374,804	197
October .....	3,282,597	142	3,015,982	129	9,836,852	187
November .....	2,934,908	127	2,638,670	113	9,021,481	171
December .....	2,703,855	117	2,340,365	100	8,148,122	155
1921.						
January .....	2,203,186	104	2,201,866	94	7,573,164	144
February .....	1,937,257	90	1,749,477	80	6,933,867	132

*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.						
January.....	135,000	75.0	67,158	102.0	38,512	58.5
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

*Imports of pig tin.*

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Pounds.	Relative.		Pounds.	Relative.
1920.					
January.....	8,772,953	97	November.....	9,550,535	105
July.....	17,584,167	193	December.....	5,893,627	65
August.....	11,195,937	123			
September.....	9,596,819	106	1921.		
October.....	6,741,331	74	January.....	2,584,347	28

*Raw stocks of hides and skins.<sup>1</sup>*

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

[Pieces.]

	Cattle hides.	Calfskins.	Kipskins.	Goat and kid.	Cabretta.	Sheep and lamb.
Dec. 31, 1919.....	7,349,146	2,117,442	1,122,156	16,736,234	2,062,425	9,296,812
1920.						
Jan. 31.....	6,773,360	1,920,184	1,036,372	14,401,965	1,893,614	8,902,067
Feb. 29.....	6,559,337	1,859,697	1,141,620	17,146,852	2,197,683	9,460,914
Mar. 31.....	6,558,300	1,930,218	966,850	16,436,848	2,047,519	9,227,252
Apr. 30.....	6,072,895	2,281,370	834,711	14,823,461	1,947,499	8,911,681
May 31.....	5,849,375	2,724,056	924,042	14,922,480	2,253,785	9,004,621
June 30.....	6,212,946	3,107,393	915,499	14,623,712	2,070,471	10,993,228
Sept. 30.....	5,926,708	3,542,388	1,083,193	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.....	6,232,852	3,271,905	1,305,776	11,721,505	2,685,670	13,773,089

<sup>1</sup> The number of firms reporting has increased as follows: June, 1,120; Sept., 1,307; Oct., 1,915; Nov., 2,027; Dec., 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.											
January.....	591,921	132	34,739,579	4,855,989	237	1920.					
July.....	525,439	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						
November.....	332,057	74	31,654,126	1,319,995	65						

Textiles—Wool.

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

	Consumption (pounds.) <sup>1</sup>	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.	Under 50-inch reed space.			Woolen.	Worsted.	Wider than 50-inch reed space.	Under 50-inch reed space.			Woolen.	Worsted.
1920.													
January.....	72,720,593	14.5	18.5	8.8	7.2	9.1	10.2						
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	
December.....		51.2	44.8	50.3	41.4	51.7	42.7	59.7	60.4	57.1	51.0	53.9	
1921.													
January.....		57.0	49.2	58.1	52.9	59.4	50.8	66.7	71.2	66.1	62.9	68.4	
February.....		53.9	48.7	56.5	43.8	58.9	43.0	60.0	66.7	64.3	51.0	64.5	

<sup>1</sup> Converted to grease equivalent basis.

Production of wood pulp and paper.

[Federal Trade Commission.]

[Net tons.]

	Wood pulp.	News-print.	Book.	Paper board.	Wrap-ping.	Fine.		Wood pulp.	News-print.	Book.	Paper board.	Wrap-ping.	Fine.
1920.													
January.....	302,541	129,663	96,419	211,934	70,109	32,886	November.....	326,041	122,993	89,564	133,818	65,920	31,208
July.....	312,334	129,853	95,526	218,771	73,487	34,078	December.....	302,527	124,857	76,093	105,227	54,308	27,233
August.....	305,965	128,818	94,424	215,633	75,226	33,122	1921.						
September.....	293,913	121,005	94,142	218,743	70,917	34,207	January.....	275,353	123,830	64,382	105,806	44,620	22,756
October.....	319,877	124,818	93,849	196,604	73,100	34,526							

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.									
January.....	Number. 663,634,243	Number. 58,837,900	Number. 4,528,760,833	Pounds. 33,608,313	1920.	Number. 663,060,015	Number. 57,026,500	Number. 3,529,200,006	Pounds. 18,513,654
July.....	678,751,956	51,766,100	3,053,336,563	30,988,646	November.....	506,126,135	47,380,000	2,816,818,050	15,452,701
August.....	672,020,289	48,171,240	3,569,397,443	32,138,941	December.....				
September.....	678,640,116	50,175,580	3,557,482,503	32,094,569	1921.				
October.....	704,799,089	60,882,760	3,840,334,806	27,123,774	January.....	462,798,039	64,661,867	3,901,560,330	24,750,290

Output of locomotives and cars.

[Locomotives, United States Railroad Administration; February on, 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.
1920.											
January.....	Number. 48	Number. 22	Number. 4,650	Number. 1,914	Number. 6,564	1920.	Number. 204	Number. 73	Number. 6,243	Number. 985	Number. 7,228
July.....	122	54	2,731	434	3,165	November.....	198	93	7,551	1,420	8,971
August.....	114	125	3,409	1,210	4,619	December.....					
September.....	126	69	3,955	1,203	5,058	1921.					
October.....	198	106	6,309	684	6,993	January.....	154	71	7,169	843	8,012

*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.			
January.....	115	253,680	1,050	November.....	119	213,966	885
July.....	173	217,239	899	December.....	87	176,903	732
August.....	178	259,210	1,073	1921.			
September.....	135	261,962	1,084	January.....	94	216,280	895
October.....	120	227,162	940				

*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.													
January.....	1,933,385	1,949,798	3,883,183	95	49.8	188	November.....	3,302,367	2,868,294	6,170,661	151	53.5	202
July.....	3,302,538	3,616,052	6,918,590	169	47.7	180	December.....	2,785,615	2,949,416	5,735,031	140	48.6	183
August.....	3,616,267	3,929,602	7,545,869	184	47.9	181	1921.						
September.....	3,421,531	3,513,599	6,935,130	170	49.3	186	January.....	2,191,201	2,454,617	4,645,818	114	47.2	178
October.....	3,500,312	3,756,512	7,256,824	177	48.2	182							

*Net ton-miles, revenue and nonrevenue.*

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

	1919.	1920.	1920.	
December, 1919.....	33,608,668,000			
January.....		34,764,807,000	June.....	33,157,869,000
February.....		32,695,352,000	July.....	40,450,094,000
March.....		37,991,269,000	August.....	42,706,838,000
April.....		28,530,657,000	September.....	40,989,843,000
May.....		37,902,007,000	October.....	42,562,687,000
			November.....	37,458,630,000
			December.....	34,722,365,000

**GOLD SETTLEMENT FUND.**

A reduction in the volume of clearings through the gold fund from the record total of \$21,821,566,124 for the three months ending November 18, 1920, to an aggregate of \$18,134,804,741 for the quarter ending February 17, 1921, reflects the notable slackening of business and industrial activity during the latter period. Clearings for the period under review are the smallest since the three-month period ending in August, 1919. Interbank transfers declined relatively still more heavily from \$2,487,123,679 to \$1,418,949,549, or by 43 per cent, the current figures of transfers being the smallest recorded in any quarter since November, 1918. This notable reduction is in consequence of the improved reserve position of the Federal Reserve Banks, resulting in a very marked decrease in the volume of interbank rediscounting, and to a much lesser degree to a reduction in the volume of transfers between Federal Reserve Banks for Government account.

During the three months under review the Government made the semiannual interest payments on the first Liberty and Victory loans of about 140 millions, redeemed about 1 billion dollars of maturing loan and tax certificates, issued 1,033 millions of new certificates, and collected the last quarterly installment of income and excess-profits taxes, amounting to 670 millions. These operations aggregated 2,843 millions, while during the immediately preceding quarter similar transactions amounted to approximately 2,706 millions. Transfers between Federal Reserve Banks for Government account, however, amounted to only 190 millions during the current three-month period, compared with 392 millions reported for three earlier months. At the beginning of the period under review the Federal Reserve Banks of Boston, Philadelphia, and Cleveland were carrying 163.9 millions of paper under discount for seven other Federal Reserve Banks, while on February 18 only 14.5 millions was held under discount for one of the latter banks. This improvement in the condition of the Federal Reserve Banks may be taken as indicative of a better financial condition generally, making it less necessary for one section to draw upon the resources of another, and consequently involving less frequent and much smaller shifting of funds by transfer.

The Federal Reserve Banks deposited \$356,277,000 net of gold in the fund between November 19, 1920, and February 17, 1921, and during

the same time made net transfers of \$255,520,000 to the Federal Reserve agents' fund, the balance in the banks' fund thus showing an increase of slightly more than 100 millions, or from \$405,143,000 to \$505,901,000. The balance in the agents' fund likewise increased by nearly 100 millions, from \$807,263,000 to \$904,682,000, net transfers from the banks amounting to \$255,520,000 being partially offset by net withdrawals of \$158,100,000 from this fund. At the close of business on February 17, 1921, the combined balances in the two funds stood at \$1,410,583,000, the net addition to the funds during the three-month period amounting to \$198,177,000.

The Federal Reserve Bank of New York gained \$140,174,000 through interbank transfers and lost \$380,290,000 through settlements, resulting in a net loss during the three-month period of \$240,116,000. The Federal Reserve Banks of Philadelphia, Atlanta, Minneapolis, Dallas, and San Francisco also show losses during the period under review, while the remaining six banks show gains, the gains in the case of the Boston, Cleveland, and Chicago banks being particularly heavy.

Following are figures showing operations through the two funds from November 19, 1920, to February 17, 1921, inclusive:

*Clearings and transfers through the gold settlement fund from Nov. 19, 1920, to Feb. 17, 1921, inclusive.*

	Clearings.	Transfers.
Settlements of—		
Nov. 19-24.....	\$1,408,533,597.60	\$116,704,660.09
Nov. 26-Dec. 2.....	1,662,756,837.77	165,083,630.67
Dec. 3-9.....	1,468,259,420.34	178,940,349.96
Dec. 10-16.....	1,514,672,138.22	155,273,269.73
Dec. 17-23.....	1,578,782,464.26	168,783,550.82
Dec. 24-30.....	1,284,060,402.61	133,889,987.92
Dec. 31-Jan. 6, 1921.....	1,394,651,557.15	115,934,823.86
Jan. 7-13.....	1,351,707,711.66	68,945,826.12
Jan. 14-20.....	1,429,586,887.44	74,144,251.95
Jan. 21-27.....	1,369,059,402.84	102,251,308.87
Jan. 28-Feb. 3.....	1,299,633,417.13	44,409,302.48
Feb. 4-10.....	1,189,191,104.12	57,799,480.17
Feb. 11-17.....	1,183,909,800.30	36,789,106.38
Total.....	18,134,804,741.44	1,418,949,549.02
Total since Jan. 1, 1921.....	8,951,655,082.50	481,151,239.34
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.....	\$9,432,806,321.84
Total for 1920.....	92,625,802,123.12
Total for 1919.....	73,984,251,988.42
Total for 1918.....	50,251,592,000.00
Total for 1917.....	27,154,704,000.00
Total for 1916.....	5,533,966,000.00
Total for 1915.....	1,032,649,000.00

Total clearings and transfers from May 20, 1915, to Feb. 18, 1921..... 260,035,771,433.38

*Inter-Federal Reserve Bank changes in ownership of gold.*

Federal Reserve Bank.	Total to Nov. 19, 1920.		From Nov. 19, 1920, to Feb. 17, 1921, inclusive.				Total changes from May 20, 1915, to Feb. 18, 1921.	
	Decrease.	Increase.	Balance to credit Nov. 18, 1920, plus net deposits of gold since that date.	Balance Feb. 17, 1921.	Decrease.	Increase.	Decrease.	Increase.
Boston		\$55,074,169.88	\$21,896,835.07	\$49,460,108.70		\$71,356,943.77		\$126,431,113.65
New York	\$1,035,762,676.86		300,042,563.89	59,926,456.93	\$240,116,106.96		\$1,275,878,783.82	
Philadelphia		89,619,895.05	45,607,749.19	42,294,402.97	3,313,346.22			86,306,548.83
Cleveland		267,366,164.89	36,073,810.69	96,814,574.89		60,740,764.20		328,106,929.09
Richmond		13,229,032.75	20,875,874.77	27,238,600.52		6,362,725.75		19,591,758.50
Atlanta		47,477,289.55	10,883,032.10	9,196,706.80	1,686,325.30			45,790,964.25
Chicago		8,930,337.64	32,450,926.49	116,398,668.65		83,947,742.16		92,878,079.80
St. Louis		78,970,028.81	1,271,585.19	23,798,829.39		25,070,414.58		104,040,443.39
Minneapolis	8,123,800.58		8,900,900.00	7,648,852.45	1,252,047.55		9,375,848.13	
Kansas City		31,646,402.14	21,713,416.27	33,325,966.94		11,612,550.67		43,258,952.81
Dallas		23,359,866.52	11,847,694.94	7,735,220.43	4,112,474.51			19,247,392.01
San Francisco		428,213,290.21	40,673,302.66	32,062,462.07	8,610,840.59			419,602,449.62
Total	1,043,886,477.44	1,043,886,477.44	505,900,850.74	505,900,850.74	259,091,141.13	259,091,141.13	1,285,254,631.95	1,285,254,631.95

<sup>1</sup> Excess of withdrawals over balance Nov. 18, 1920, and deposits since that date.

*Gold withdrawals and deposits, also transfers and clearings from Nov. 19, 1920, to Feb. 17, 1921, inclusive.*

FEDERAL RESERVE BANKS' FUND.

Federal Reserve Bank.	Balance last statement, Nov. 18, 1920.	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	\$18,732,842.95	\$8,655,785.28	\$13,026,087.26	\$53,655,765.28	\$13,026,087.26	\$150,588,144.33	\$142,632,616.67
New York	79,202,986.51	33,933,106.08	220,772,683.46	93,933,106.08	314,772,683.46	53,550,569.50	193,724,974.32
Philadelphia	44,593,484.55	8,998,065.42	69,012,320.06	73,998,055.42	75,012,320.06	75,202,012.00	87,576,913.55
Cleveland	77,884,846.45	30,828,981.09	19,017,945.33	60,828,981.09	19,017,945.33	436,139,486.44	429,274,231.78
Richmond	14,232,433.78	9,048,008.92	31,691,449.91	25,048,008.92	31,691,449.91	82,997,388.53	95,000,000.00
Atlanta	3,580,444.08	5,153,989.82	36,156,577.84	31,353,989.82	38,656,577.84	145,755,022.38	108,609,770.90
Chicago	58,795,286.27	11,665,276.59	25,320,916.81	51,665,276.59	25,320,916.81	44,229,813.66	5,237,499.97
St. Louis	13,567,991.70	6,637,099.23	11,797,522.34	27,687,099.23	12,797,522.34	25,579,127.36	8,000,000.00
Minneapolis	9,169,679.54	4,774,344.54	4,505,565.00	4,774,344.54	4,505,565.00	91,373,283.34	51,000,000.00
Kansas City	25,496,307.95	6,838,818.80	7,055,927.12	11,838,818.80	8,055,927.12	140,699,038.87	104,824,711.21
Dallas	4,123,500.44	10,433,841.80	14,153,036.30	10,433,841.80	18,158,036.30	172,335,662.61	169,500,000.00
San Francisco	55,763,631.25	37,298,837.56	78,028,008.97	111,298,837.56	96,208,508.97	500,000.00	23,568,830.62
Total	405,143,435.47	174,266,125.13	530,543,040.40	556,466,125.13	657,223,540.40	1,418,949,549.02	1,418,949,549.02

Federal Reserve Bank.	Daily clearings from Nov. 19, 1920, to Feb. 17, 1921, inclusive.				Balance in fund at close of business Feb. 17, 1921.
	Net debits.	Total debits.	Total credits.	Net credits.	
Boston		\$1,323,540,123.78	\$1,402,852,595.21	\$79,312,471.43	\$49,460,108.70
New York	\$380,290,511.78	5,192,078,150.07	4,811,787,638.29		59,926,456.93
Philadelphia	15,688,247.77	1,794,051,499.10	1,778,363,251.33		42,294,402.97
Cleveland		1,577,448,671.32	1,645,054,690.18	67,606,018.86	96,814,574.89
Richmond	5,639,885.72	1,516,648,007.35	1,511,008,121.63		27,238,600.52
Atlanta		590,325,873.72	595,784,799.90	35,458,926.18	9,196,706.80
Chicago		2,272,390,611.41	2,395,330,667.26	122,940,055.85	116,398,668.65
St. Louis		1,233,565,260.81	1,276,214,802.75	42,649,541.94	23,798,829.39
Minneapolis		345,438,666.21	384,559,902.00	39,121,235.79	7,648,852.45
Kansas City		965,874,290.52	1,013,361,168.85	47,486,878.33	33,325,966.94
Dallas	1,276,811.90	627,393,410.29	626,116,598.39		7,735,220.43
San Francisco	31,679,671.21	726,050,176.86	694,370,505.65		32,062,462.07
Total	434,575,128.38	18,134,804,741.44	18,134,804,741.44	434,575,128.38	505,900,850.74

FEDERAL RESERVE AGENTS' FUND.

Federal Reserve agent at—	Balance last statement, Nov. 18, 1920.	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 Feb. 17, 1921.
Boston	\$105,000,000	\$75,000,000	\$40,000,000		\$45,000,000	\$75,000,000	\$85,000,000	\$115,000,000
New York	25,000,000	5,000,000	40,000,000	\$94,000,000	60,000,000	99,000,000	100,000,000	26,000,000
Philadelphia	101,389,260	48,000,000		6,000,000	65,000,000	54,000,000	65,000,000	112,389,260
Cleveland	110,000,000				30,000,000		30,000,000	140,000,000
Richmond	45,500,033	33,000,000	21,499,967		16,000,000	33,000,000	37,499,967	50,000,000
Atlanta	57,000,000	26,700,000		2,500,000	26,200,000	29,200,000	26,200,000	54,000,000
Chicago	176,144,500	121,000,000	93,000,000		40,000,000	121,000,000	133,000,000	188,144,500
St. Louis	40,430,600	30,000,000	23,100,000	1,000,000	21,000,000	31,000,000	44,100,000	53,530,600
Minneapolis	11,200,000	1,000,000				1,000,000		10,200,000
Kansas City	36,360,000	18,000,000	11,000,000	1,000,000	5,000,000	19,000,000	16,000,000	33,360,000
Dallas	13,734,000	16,000,000	15,500,000	4,000,000		20,000,000	15,500,000	9,234,000
San Francisco	85,504,500	28,500,000		18,180,500	74,000,000	46,680,500	74,000,000	112,824,000
Total	867,262,893	402,200,000	244,099,967	126,680,500	382,200,000	528,880,500	626,299,967	904,682,360



**BANK DEBITS DURING FEBRUARY.**

Debits to individual account, as reported to the Federal Reserve Banks by about 150 important clearing-house centers for the four weeks ending February 23, have continued to decline. This decline has been almost uninterrupted from the week ending January 5, during which debits aggregated 10,810 millions, to the week ending February 23, during which the total was 6,481 millions. The decline during the most recent four weeks, however, has not been as rapid as during the first four weeks of the year, while for the most recent week, which contained Washington's Birthday, daily average figures were slightly above those for the week before.

The general downward trend of the volume of debit transactions has been shared by New York City banks and by the banks outside of New York City, nearly all of the large centers participating in the decline. Substantially similar changes in volume of transactions were reported for the corresponding period of 1920. For both years slight increases are reported for the weeks during which mid-January and end of January settlements are made, while outside of those two weeks, a downward tendency prevailed for the entire months of January and February.

*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				1920			
		Week ending—				Week ending—			
		Feb. 2.	Feb. 9.	Feb. 16.	Feb. 23.	Feb. 4.	Feb. 11.	Feb. 18.	Feb. 25.
Boston.....	13	414,058	353,951	368,265	304,962	512,065	439,523	466,920	388,752
New York.....	7	4,771,038	3,988,564	3,766,451	3,235,403	5,579,712	5,051,024	4,208,651	3,882,207
Philadelphia.....	12	396,013	341,825	355,431	320,503	473,239	387,874	399,866	361,137
Cleveland.....	14	544,167	465,256	482,416	505,649	553,003	521,850	558,595	517,074
Richmond.....	7	173,064	147,421	156,110	128,807	202,397	179,855	181,722	159,949
Atlanta.....	15	201,272	178,390	184,036	169,661	280,448	259,505	243,403	232,305
Chicago.....	23	965,209	878,831	889,777	772,115	1,146,650	1,023,257	1,111,029	982,410
St. Louis.....	5	187,951	174,025	187,257	182,902	261,994	239,520	280,949	222,311
Minneapolis.....	12	129,220	121,960	129,591	102,096	157,203	162,930	151,605	140,549
Kansas City.....	16	253,586	235,122	228,254	232,471	324,763	307,781	302,624	273,825
Dallas.....	13	157,370	152,882	140,567	133,928	167,763	147,315	161,929	147,091
San Francisco.....	20	469,798	451,886	457,150	391,533	551,213	483,282	517,968	458,708
<b>Total.....</b>	<b>157</b>	<b>8,662,746</b>	<b>7,490,113</b>	<b>7,345,305</b>	<b>6,481,030</b>	<b>10,210,480</b>	<b>9,203,716</b>	<b>8,585,261</b>	<b>7,766,318</b>

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: Manchester, N. H.; Reading, Pa.; Greenville, S. C.; Huntington, W. Va.; Washington, D. C.; Wilmington, N. C.; Moline, Ill.; East St. Louis, Ill.; Quincy, Ill.; Springfield, Mo.

**DATA FOR EACH REPORTING CENTER.**

[In thousands of dollars.]

District No. 1—Boston:	1921				1920			
	Week ending—				Week ending—			
	Feb. 2.	Feb. 9.	Feb. 16.	Feb. 23.	Feb. 4.	Feb. 11.	Feb. 18.	Feb. 25.
Bangor.....	3,615	3,567	3,563	2,836	3,022	3,035	3,018	2,144
Boston.....	1,273,121	1,226,029	1,236,777	1,192,631	333,020	294,845	300,648	254,187
Do.....	352,702	296,986	307,145	248,934				
Fall River.....	6,547	6,628	5,752	5,282	13,105	8,326	9,472	8,435
Hartford.....	21,108	20,602	21,560	16,082	28,036	18,335	27,058	19,157
Holyoke.....	3,305	2,714	2,793	2,574	4,889	4,438	4,997	4,397
Lowell.....	5,274	4,156	3,886	3,669	5,255	4,922	5,713	4,630
Manchester.....	4,192	4,206	4,103	3,482				
New Bedford.....	5,893	5,358	6,258	5,104	7,813	7,948	10,769	6,609
New Haven.....	18,356	16,559	15,366	13,732	19,529	17,601	16,762	15,287
Portland.....	10,370	8,271	7,514	7,366	8,450	6,892	6,934	5,573
Providence.....	31,766	28,773	29,379	27,053	42,248	34,325	41,060	31,817
Springfield.....	13,788	11,733	15,186	11,992	19,458	16,709	12,647	15,552
Waterbury.....	5,428	5,473	5,299	4,540	7,262	6,664	9,893	6,434
Worcester.....	15,487	14,088	14,932	12,101	19,978	15,483	17,949	14,530

<sup>1</sup> Debits of banks which submitted reports in 1920.





## DISCOUNT AND OPEN-MARKET OPERATIONS OF THE FEDERAL RESERVE BANKS DURING JANUARY, 1921.

Discount and open-market operations of the Federal Reserve Banks during January, 1921, and December, 1920, also during January, 1920, and December, 1919, 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 352 and 353.

*Summary of discount and open-market operations of Federal Reserve Banks in January, 1921 and 1920, and December, 1920 and 1919.*

[In thousands of dollars]

	January, 1921.	December, 1920.	January, 1920.	December, 1919.
Discounts, total.....	8,257,762	9,461,658	6,241,272	7,290,873
Secured by Government obligations.....	4,141,555	5,029,595	5,456,304	6,202,198
Otherwise secured and unsecured, total.....	4,116,207	4,432,063	784,968	1,088,675
Commercial paper, n. e. s.....	4,015,773	4,406,180	751,272	1,002,962
Agricultural paper.....	56,714			
Live-stock paper.....	15,119			
Trade acceptances, total.....	20,171	16,240	16,470	23,467
Domestic.....	20,095			
Foreign.....	76			
Bankers' acceptances, total.....	8,430	9,643	17,226	62,246
Domestic.....	3,005			
Foreign.....	5,425			
Average maturity (in days).....	10.18	11.55	13.21	11.52
Average rate (365-day basis), per cent.....	6.37	6.48	4.90	4.67
Open-market operations:				
Bills purchased, total.....	122,268	252,069	302,452	400,708
Bankers' acceptances, total.....	110,276	239,454	296,965	392,934
In the domestic trade.....	32,275	63,007	60,785	86,379
In the foreign trade.....	78,001	176,447	236,180	306,555
Trade acceptances.....	1,134	1,376	2,707	5,081
In the domestic trade.....	70	255	303	2,007
In the foreign trade.....	1,064	1,121	2,404	3,074
Dollar exchange.....	10,858	11,240	2,781	2,693
Average maturity (in days).....	38.47	38.43	47.05	57.11
Average rate (365-day basis), per cent.....	6.05	6.08	5.10	4.84
United States securities purchased:				
Bonds.....	12		200	4
Certificates of indebtedness.....	274,172	944,253	642,376	758,361

Discount operations in January aggregated 8,258 millions, a decrease of 1,204 millions, or about 13 per cent, from the total of 9,462 millions reported for December, and an increase of about 32 per cent from the total reported for January, 1920. January figures of the volume of discounts are smaller for every Federal Reserve Bank than corresponding December figures. In making comparisons of the relative volume of transactions in the different Federal Reserve Banks it is proper to multiply the actual volume of discounts by the average maturity, as the resulting total permits of comparisons on a basis which allows for both of the factors measuring the volume of credit carried. To illustrate: If one bank discounts successively two notes of \$100 each with a maturity of 15 days, its volume

of discounts will be \$200; while if another bank discounts one \$100 note with a maturity of 30 days, its volume of discounts will be \$100, or only one-half of the volume of the first bank, and yet the amount of credit carried by the two banks will be identically the same. On the other hand, if the first bank's discounts were multiplied by their maturity the figure arrived at would be \$3,000, which is the identical figure arrived at by multiplying the discount of the other bank by its maturity (30). The following statement shows, in millions, the volume of discounts multiplied by the average maturity for each of the twelve Federal Reserve Banks, together with the percentage that the discounts in each bank formed of the total for the system.

[In millions of dollars.]

Federal Reserve Bank.	Volume of discounts in January, 1921, times average maturity.	Percentage distribution.
All banks.....	84,093	100.0
Boston.....	4,653	5.6
New York.....	29,495	35.1
Philadelphia.....	5,540	6.6
Cleveland.....	4,137	4.9
Richmond.....	3,173	3.8
Atlanta.....	4,886	5.8
Chicago.....	13,896	16.5
St. Louis.....	3,889	4.6
Minneapolis.....	2,710	3.2
Kansas City.....	3,275	3.9
Dallas.....	3,289	3.9
San Francisco.....	5,149	6.1

About 35 per cent of the total volume of discounts in January, when allowance is made for average maturity, were at the New York Federal Reserve Bank, the next largest percentage—16 per cent—being reported for the Chicago Federal Reserve Bank, 7 per cent for the Philadelphia bank, and 5 per cent for the Boston bank, the three northeastern banks and Chicago together accounting for nearly two-thirds of the volume of discount transactions of the Federal Reserve System.

January figures are smaller, both for discounts of paper secured by Government obligations and of other paper, the former decreasing from 5,030 millions in December to 4,142 millions in January, to be compared with 5,456 millions in January of the year before, while the latter declined from 4,432 to 4,116 millions, to be compared with 785 millions for the corresponding month a year earlier.

Of the 4,116 millions of discounts not collateraled by Government obligations, about 97 per cent was commercial paper not otherwise

specified, the volume of agricultural paper and of live-stock paper included being 57 millions and 15 millions, respectively.

Trade acceptances discounted in January aggregated about 20 millions, practically the entire amount being acceptances in the domestic trade. Discounted bankers' acceptances amounted to about 8 millions, of which 5 millions represented bills drawn in the foreign trade, and 3 millions bills drawn in the domestic trade.

Average maturity of paper discounted in January was 10.18 days, compared with 11.55 days in December and 13.21 days in January of the year before. At the New York bank the average maturity was 5.3 days, at the Boston bank 9.39 days, and at the Cleveland bank 10.56 days. Much larger average maturities are shown for the other Federal Reserve Banks, those in the West having the highest average maturities. For the Dallas bank, for instance, the average maturity was 35.85 days. Average rate of interest for January was 6.37 per cent, showing a slight decrease from the 6.48 per cent shown the month before, comparable with 4.9 per cent in January, 1920. The variation in the average rate from bank to bank is considerable, the lowest average of 5.61 per cent being reported by the Philadelphia bank, and the highest of 6.79 per cent by the Minneapolis bank.

Total bills purchased in January were materially less than the month before—122 millions compared with 252 millions. In January, 1920, the corresponding amount was 302 millions. This decline in the volume of acceptances purchased by the Federal Reserve Banks is indicative of the development of a better market for acceptances among private investors. Of the bills purchased in January, 110 millions represented bankers' acceptances, and of this amount over 70 per cent were acceptances in the foreign trade. The total of trade acceptances purchased was only slightly over one million, all but \$70,000 of which was in the foreign trade.

No perceptible change in the average maturity or in the average rate of interest charged is shown for acceptances purchased during the month. Compared with the average maturity of January, 1920, the most recent figures of maturity show a decline from 47.05 to 38.47 days and the rate of interest an increase from 5.10 to 6.05 per cent.

During the month under review 31 banks were added to the membership of the system, the total number of member banks increasing from 9,628 at the end of December to 9,659 at the end of January, while the number of banks accommodated through the discount of paper declined from 5,551 to 5,291 and constituted

54.8 per cent of the total membership, as against 57.7 per cent the month before. The number of member banks in each district at the end of December and of January, and the number and percentage accommodated during each of the two months are shown in the following statement:

Federal Reserve Bank.	Member banks in district.		Member banks accommodated.		Percentage accommodated.	
	Jan. 31.	Dec. 31.	January.	December.	January.	December.
Boston.....	439	436	226	256	51.5	58.7
New York.....	786	783	329	345	41.9	44.1
Philadelphia.....	698	698	324	341	46.4	48.9
Cleveland.....	870	869	247	272	28.4	31.3
Richmond.....	611	610	352	373	57.6	61.1
Atlanta.....	468	461	339	310	72.4	67.2
Chicago.....	1,427	1,422	943	959	66.1	67.4
St. Louis.....	574	572	309	318	53.8	55.6
Minneapolis.....	1,007	1,009	614	664	61.0	65.8
Kansas City.....	1,092	1,087	609	671	55.8	61.7
Dallas.....	849	849	566	600	66.7	70.7
San Francisco.....	838	832	433	442	51.7	53.1
Total.....	9,659	9,628	5,291	5,551	54.8	57.7

Federal Reserve Bank holdings of discounted and purchased paper, by classes, at the end of January, 1921, and December, 1920, also at the end of January, 1920, and December, 1919, are shown in summary form in the table below. Detailed figures by Federal Reserve districts for the latest date are given on pp. 354 and 355.

Summary of discounted and purchased bills held by the twelve Federal Reserve Banks at the end of January, 1921 and December, 1920 and 1919.

[In thousands of dollars.]

	Jan. 31, 1921.	December, 1920. <sup>1</sup>	January, 1920. <sup>1</sup>	December, 1919. <sup>1</sup>
Discounted paper, total.....	2,457,116	2,719,134	2,174,357	2,194,878
Secured by United States Government obligations.....	1,040,365	1,141,036	1,457,892	1,510,354
Otherwise secured and unsecured, total.....	1,416,751	1,578,098	716,465	684,524
Commercial and industrial paper, n. e. s.....	1,157,768	1,292,513	614,710	584,280
Agricultural paper.....	140,815	143,145	23,212	24,825
Live-stock paper.....	88,233	103,795	33,693	26,243
Trade acceptances, total.....	17,429	21,427	24,886	33,697
Foreign trade.....	115	.....	.....	.....
Domestic trade.....	17,314	.....	.....	.....
Bankers' acceptances, total.....	12,506	17,218	19,964	15,479
Foreign trade.....	8,419	.....	.....	.....
Domestic trade.....	3,912	.....	.....	.....
Dollar exchange.....	175	.....	.....	.....
Bankers' acceptances purchased, distributed according to classes of accepting institutions, total.....	162,385	258,878	555,522	566,369
Member banks, total.....	89,240	169,387	383,375	405,339
National banks.....	55,914	.....	.....	.....
Nonnational.....	33,326	.....	.....	.....
Nonmember banks and banking corporations.....	32,372	38,374	74,726	65,334
Private bankers.....	18,055	24,905	61,218	55,537
Branches and agencies of foreign banks.....	22,718	26,212	36,203	40,159
Bankers' and trade acceptances purchased, classified according to character of paper:				
Bankers' acceptances, total.....	162,385	258,878	555,522	566,369
Foreign trade.....	119,971	.....	.....	.....
Domestic trade.....	34,581	.....	.....	.....
Dollar exchange.....	7,833	.....	.....	.....
Trade acceptances, total.....	1,315	1,528	6,488	7,734
Foreign trade.....	419	1,023	4,595	5,194
Domestic trade.....	896	505	1,893	2,540

<sup>1</sup> For discounted paper the figures are for the last Friday of each month, for purchased paper for the last day of each month.

For the first time in this statement discounted trade acceptances and bankers' acceptances are distributed in accordance with whether they are bills drawn in the foreign trade or in the domestic trade. Attention is also called to the fact that all the figures beginning with this report refer to the last of the month, whereas previously the figures of discounted paper referred to the last Friday of each month, while figures of purchased paper referred to the last of each month.

Among the principal changes between the end of December and the end of January in the holdings of discounted paper the following are to be noted: A decrease of about 1 million in holdings of paper secured by Government obligations and a decrease of about 161 millions of paper otherwise secured. The largest decrease is in the item "Commercial and industrial paper, n. e. s.," which decreased from 1,293 at the end of December to 1,158 millions at the end of January. Agricultural paper declined by about 2 millions during the same period and live-stock paper by about 15 millions. Discounted trade acceptances held decreased by about 4 millions

and bankers' acceptances by about 5 millions. Discounted trade acceptances held were almost entirely bills drawn in the domestic trade, while of the discounted bankers' acceptances held more than two-thirds were bills drawn in the foreign trade. Of the purchased bankers' acceptances held at the end of January, which amounted to 162 millions, 55 per cent were accepted by member banks, 19.9 per cent by nonmember banks and banking corporations, and 14 per cent by branches and agencies of foreign banks. Of the 89 millions of member bank acceptances purchased, 56 millions were acceptances of national banks and 33 millions of nonnational member banks. This classification of member bank acceptances has not been previously shown.

Of the total purchased bankers' acceptances held, about 120 millions were bills drawn in the foreign trade, 35 millions bills drawn in the domestic trade, and 8 millions dollar exchange. Of the total purchased trade acceptances held, which amounted to something over 1 million, about two-thirds were acceptances in the domestic trade.

*Cash reserves, net deposits, Federal Reserve note circulation, and reserve percentage of each Federal Reserve Bank during the months of January and February, 1921.*

[Daily averages.]

[Amounts in thousands of dollars.]

Federal Reserve Bank.	Total cash reserves.		Net deposits.		Federal Reserve notes in circulation.		Reserve percentage.	
	February.	January.	February.	January.	February.	January.	February.	January.
Boston.....	244,201	237,224	110,438	106,293	263,744	273,605	55.3	62.4
New York.....	564,119	568,255	637,099	652,846	791,813	811,634	39.5	38.8
Philadelphia.....	192,950	211,954	95,689	92,183	250,344	267,523	54.8	58.9
Cleveland.....	309,037	296,418	146,536	142,276	311,618	331,613	67.5	62.5
Richmond.....	97,381	90,215	49,348	44,568	149,399	151,854	49.0	45.9
Atlanta.....	87,703	85,532	40,892	37,257	167,932	170,382	42.0	41.2
Chicago.....	381,128	342,829	232,052	223,607	516,326	521,071	50.9	46.0
St. Louis.....	103,427	95,657	69,434	64,903	122,992	123,893	55.7	48.3
Minneapolis.....	46,451	46,549	42,998	41,943	71,839	70,247	40.4	39.4
Kansas City.....	79,538	74,845	78,756	74,827	100,903	107,019	44.3	41.2
Dallas.....	44,775	46,449	43,130	39,462	68,553	75,448	40.1	40.4
San Francisco.....	192,827	193,347	113,647	113,522	247,115	261,767	53.4	51.5
Total, 1921.....	2,343,537	2,287,274	1,660,099	1,633,687	3,068,578	3,177,656	49.6	47.5
1920.....	2,053,422	2,098,498	1,796,754	1,789,516	2,946,863	2,887,846	43.3	44.9
1919.....	2,183,641	2,164,167	1,692,770	1,618,624	2,462,941	2,540,642	52.5	52.0

*Volume of discount and open-market operations of each Federal Reserve Bank during January, 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.	January, 1921.	January, 1920.
Boston.....	\$495,838,339	\$11,224,063	\$11,700	\$14,820,000	\$521,894,102	\$405,783,943
New York.....	5,565,144,210	60,107,497	.....	164,631,000	5,789,882,707	3,763,534,270
Philadelphia.....	349,825,864	6,671,629	.....	26,721,000	383,218,493	656,620,270
Cleveland.....	391,848,891	10,540,245	.....	10,001,500	412,390,636	357,782,112
Richmond.....	228,796,503	2,932,545	.....	16,000,000	247,729,048	323,243,859
Atlanta.....	180,675,755	1,598,755	.....	3,000,000	185,274,510	157,946,481
Chicago.....	423,043,872	17,655,991	.....	33,736,000	474,435,863	739,687,143
St. Louis.....	144,240,320	1,308,334	.....	1,322,000	146,870,654	203,599,925
Minneapolis.....	81,570,315	400,860	.....	9,000	81,980,175	74,713,411
Kansas City.....	99,101,722	1,154,348	.....	486,000	100,742,070	148,413,298
Dallas.....	91,743,276	.....	.....	1,000,000	92,743,276	83,947,095
San Francisco.....	205,933,178	8,674,221	.....	2,445,500	217,052,899	271,027,704
Total January, 1921.....	8,257,762,245	122,268,488	11,700	274,172,000	8,654,214,433	.....
January, 1920.....	6,241,271,527	302,452,384	200,100	642,375,500	.....	7,186,299,511

Volume of bills discounted during January, 1921, by classes of paper; also average rates and maturities.

Federal Reserve Bank.	Customers' paper, secured by Government obligations.	Member bank's collateral notes.		Commercial paper, n. e. s.	Agricultural paper.	Live-stock paper.
		Secured by Government obligations.	Otherwise secured.			
Boston.....	\$20,966,157	\$283,670,200	.....	\$190,855,345	\$189,557	\$1,500
New York.....	50,474,612	2,256,760,574	.....	3,241,671,833	211,655	7,000
Philadelphia.....	29,705,546	216,994,370	.....	102,776,969	185,849	.....
Cleveland.....	5,572,682	312,747,320	\$162,000	69,181,026	211,671	121,294
Richmond.....	2,213,747	194,884,410	.....	25,593,498	5,155,241	61,961
Atlanta.....	8,929,813	103,823,735	745,090	59,712,347	5,825,023	748,800
Chicago.....	16,877,719	240,709,655	1,304,685	148,423,636	13,020,696	797,410
St. Louis.....	3,473,086	83,630,388	83,000	52,270,169	3,321,068	200,373
Minneapolis.....	745,562	32,320,116	19,846,956	20,482,261	5,667,627	2,280,768
Kansas City.....	2,824,598	70,056,318	.....	14,854,332	8,896,288	1,803,022
Dallas.....	1,107,928	59,577,926	2,403,500	14,448,087	7,870,726	5,699,017
San Francisco.....	5,661,868	137,821,188	5,125,807	45,837,307	6,158,875	3,397,284
Total, January, 1921.....	148,553,318	3,992,997,200	29,671,038	3,986,106,810	56,714,276	15,118,429
December, 1920.....	143,336,856	4,886,257,779	38,638,721	.....	4,367,541,343	.....
January, 1920.....	211,219,182	5,245,083,419	14,533,847	.....	736,600,589	.....
December, 1919.....	156,924,335	6,045,273,038	20,595,436	.....	982,366,770	.....

Federal Reserve Bank.	Trade acceptances.		Bankers' acceptances.		Total, all classes.	Average maturity.	Average rate (365-day basis.)
	Domestic.	Foreign.	Domestic.	Foreign.			
Boston.....	\$104,580	.....	\$51,000	.....	\$495,838,339	Days. 9.39	Per cent. 6.42
New York.....	10,457,848	\$24,756	834,419	\$4,701,513	5,565,144,210	5.30	6.53
Philadelphia.....	163,130	.....	.....	.....	349,825,864	15.84	5.61
Cleveland.....	2,525,910	.....	603,996	* 722,992	391,848,891	10.56	5.90
Richmond.....	887,646	.....	.....	.....	228,796,503	13.87	5.99
Atlanta.....	865,564	.....	25,383	.....	180,675,755	27.04	6.40
Chicago.....	1,404,186	.....	505,885	.....	423,043,872	32.85	6.67
St. Louis.....	689,846	51,355	521,035	.....	144,240,320	26.97	5.98
Minneapolis.....	227,025	.....	.....	.....	81,570,315	33.22	6.79
Kansas City.....	667,164	.....	79,903	.....	99,101,722	33.05	6.70
Dallas.....	556,189	.....	.....	.....	91,743,276	35.85	6.00
San Francisco.....	1,546,413	.....	383,436	.....	205,933,178	24.98	6.00
Total, January, 1921.....	20,095,501	76,111	3,005,057	5,424,505	8,257,762,245	10.18	6.36
December, 1920.....	16,239,959	.....	9,643,021	.....	9,461,657,679	11.55	6.48
January, 1920.....	16,611,090	.....	17,223,362	.....	6,241,271,489	13.21	4.90
December, 1919.....	23,467,322	.....	62,245,690	.....	7,290,872,591	11.52	4.67

<sup>1</sup> Includes \$300,000 of dollar exchange bills.

<sup>2</sup> Includes \$50,000 of dollar exchange bills.

Volume of bankers' and trade acceptances purchased during January, 1921, by classes of paper; also average rates and maturities.

Federal Reserve Bank.	Bankers' acceptances.				Trade acceptances.			Total bills purchased.	Average maturity.	Average rate (365-day basis).
	Foreign.	Domestic	Dollar exchange bills.	Total.	Foreign.	Domestic.	Total.			
Boston.....	\$7,408,696	\$2,940,367	\$875,000	\$11,224,063	.....	.....	.....	\$11,224,063	Days. 22.19	Per cent. 5.98
New York.....	39,706,959	11,497,388	8,006,629	59,210,976	\$896,521	.....	\$896,521	60,107,497	28.01	5.97
Philadelphia.....	4,361,185	1,585,444	725,000	6,671,629	.....	.....	.....	6,671,629	70.46	6.00
Cleveland.....	5,882,858	4,217,419	268,972	10,349,249	121,195	\$69,801	190,996	10,540,245	40.70	6.02
Richmond.....	2,378,145	554,400	.....	2,932,545	.....	.....	.....	2,932,545	43.29	6.08
Atlanta.....	716,582	882,193	.....	1,598,755	.....	.....	.....	1,598,755	55.53	7.10
Chicago.....	10,166,588	6,727,003	762,400	17,655,991	.....	.....	.....	17,655,991	60.85	6.06
St. Louis.....	.....	1,308,334	.....	1,308,334	.....	.....	.....	1,308,334	14.78	6.29
Minneapolis.....	190,860	165,000	45,000	400,860	.....	.....	.....	400,860	73.78	6.03
Kansas City.....	1,136,848	17,500	.....	1,154,348	.....	.....	.....	1,154,348	60.56	7.10
Dallas.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
San Francisco.....	6,072,720	2,380,126	175,000	8,627,846	46,375	.....	46,375	8,674,221	51.54	6.08
Total, January, 1921.....	78,001,421	32,275,174	10,858,001	121,134,596	1,064,091	69,801	1,133,892	122,268,488	38.34	6.05
December, 1920.....	177,656,948	63,555,187	11,239,769	252,451,904	1,120,968	255,000	1,375,968	253,827,872	38.43	6.08
January, 1920.....	236,179,622	60,785,060	2,781,100	299,745,782	2,404,281	302,321	2,706,602	302,452,384	47.05	5.10
December, 1919.....	306,555,328	86,378,589	2,693,252	395,627,169	3,073,839	2,007,085	5,080,924	400,708,093	57.11	4.84

Average daily holdings of each class of earning assets, earnings therefrom, and annual rates of earnings, during January, 1921

Federal Reserve Bank.	Average daily holdings of—			
	All classes of earning assets.	Discounted bills.	Purchased bills.	United States securities.
Boston.....	\$184,136,122	\$144,457,997	\$17,154,880	\$22,523,245
New York.....	1,015,435,593	872,846,697	75,495,412	67,093,484
Philadelphia.....	194,616,339	150,903,977	10,696,611	33,015,751
Cleveland.....	227,578,472	173,786,167	25,827,026	24,965,279
Richmond.....	131,828,374	112,672,334	5,080,095	14,075,945
Atlanta.....	149,242,513	128,771,450	3,527,084	16,943,979
Chicago.....	485,600,507	421,313,601	18,930,274	45,356,632
St. Louis.....	121,355,425	103,354,454	814,345	17,186,626
Minneapolis.....	90,460,075	80,998,327	865,607	8,596,141
Kansas City.....	134,293,785	110,753,910	1,851,406	21,688,469
Dallas.....	83,272,971	70,816,403	145,060	12,311,508
San Francisco.....	216,835,177	164,563,599	38,390,870	13,880,708
Total, January, 1921.....	3,034,655,353	2,535,238,916	201,778,670	297,637,767
December, 1920.....	3,313,502,262	2,730,360,460	244,601,410	339,141,392
January, 1920.....	3,043,951,919	2,142,787,600	575,667,262	325,497,057
December, 1919.....	3,034,224,481	2,157,021,323	549,959,117	327,244,041

Federal Reserve Bank.	Earnings from—				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.
Boston.....	\$929,138	\$801,724	\$87,674	\$39,740	Per cent. 5.94	Per cent. 6.53	Per cent. 6.02	Per cent. 2.08
New York.....	5,304,884	4,773,346	406,985	124,553	6.15	6.44	6.35	2.19
Philadelphia.....	847,828	732,569	54,879	60,380	5.12	5.71	6.04	2.15
Cleveland.....	1,112,581	920,929	147,562	44,090	5.75	6.24	6.03	2.08
Richmond.....	621,241	569,964	26,232	25,045	5.55	5.96	6.08	2.09
Atlanta.....	734,200	683,770	21,192	29,238	5.79	6.27	7.07	2.03
Chicago.....	2,483,646	2,310,014	93,517	80,115	6.02	6.46	5.82	2.08
St. Louis.....	560,689	525,259	4,371	31,059	5.45	6.00	6.34	2.13
Minneapolis.....	483,008	463,613	4,478	14,917	6.29	6.74	6.09	2.04
Kansas City.....	644,294	594,152	11,136	39,006	5.65	6.32	7.08	2.12
Dallas.....	390,266	367,170	725	22,371	5.51	6.10	5.80	2.13
San Francisco.....	1,055,633	834,222	194,071	27,340	5.73	5.97	5.95	2.32
Total, January, 1921.....	15,167,408	13,576,732	1,052,822	537,854	5.89	6.31	6.14	2.13
December, 1920.....	16,792,813	14,844,052	1,250,273	698,488	5.98	6.42	6.05	2.43
January, 1920.....	11,491,688	8,554,400	2,335,809	601,479	4.46	4.71	4.79	2.18
December, 1919.....	11,062,230	8,332,733	2,121,005	608,492	4.29	4.55	4.54	2.19

Holdings of discounted bills on Jan. 31, 1921, distributed by classes.

[In thousands of dollars.]

Federal Reserve Bank.	Total.	Customers' paper secured by Government obligations.	Member banks' collateral notes.		Commercial paper, n. e. s.	Agricultural paper.	Live-stock paper.	Trade acceptances.		Bankers' acceptances.			
			Secured by Government obligations.	Other-wise secured.				Foreign.	Domestic.	Foreign.	Domestic.	Dollar exchange.	
Boston.....	127,917	17,309	36,597	.....	73,484	298	27	.....	134	.....	68	.....	
New York.....	914,817	98,397	313,618	.....	490,524	296	.....	39	2,466	7,351	1,961	165	
Philadelphia.....	150,218	36,834	71,231	.....	41,552	417	.....	.....	184	.....	.....	.....	
Cleveland.....	138,809	12,285	57,807	87	65,783	717	244	.....	1,857	17	12	.....	
Richmond.....	111,932	5,061	45,733	.....	50,022	9,317	36	.....	1,763	.....	.....	.....	
Atlanta.....	127,615	12,305	45,001	357	53,344	12,967	1,535	.....	1,793	301	12	.....	
Chicago.....	385,542	23,795	112,462	653	192,269	52,454	.....	.....	3,525	34	350	.....	
St. Louis.....	97,426	6,394	32,643	5	50,623	4,869	946	53	966	.....	927	.....	
Minneapolis.....	78,541	3,613	15,633	8,929	11,888	14,460	23,823	.....	195	.....	.....	.....	
Kansas City.....	108,184	5,111	31,413	.....	27,803	12,736	29,876	.....	1,245	.....	.....	.....	
Dallas.....	70,429	2,478	13,055	1,470	18,529	15,822	18,229	.....	707	80	59	.....	
San Francisco.....	145,686	6,606	34,984	2,829	67,617	16,462	13,517	23	2,479	636	523	10	
Total:													
Jan. 31, 1921..	2,457,116	230,188	810,177	14,330	1,143,438	140,815	88,233	115	17,314	8,419	3,912	175	
Dec. 30, 1920..	2,719,134	271,526	869,510	17,907	1,274,606	143,145	103,795	21,427	.....	.....	17,218	.....	
Jan. 30, 1920..	2,174,357	317,688	1,140,204	6,427	608,283	23,212	33,693	24,886	.....	.....	19,964	.....	
Dec. 26, 1919..	2,194,878	352,589	1,157,765	8,255	576,025	24,825	26,243	33,697	.....	.....	13,479	.....	



*Holdings on Jan. 31, 1921, of bankers' and trade acceptances purchased or discounted by each Federal Reserve Bank, distributed by classes of acceptances.*

[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.....	22,334	22,132	202	22,200	15,865	4,740	1,595	134	134	.....
New York.....	39,091	27,109	11,982	35,563	25,169	8,100	2,294	3,528	2,866	662
Philadelphia.....	10,508	10,324	184	10,324	8,300	1,124	900	184	184	.....
Cleveland.....	45,063	43,178	1,885	43,066	34,934	7,187	945	1,997	1,876	121
Richmond.....	6,615	4,852	1,763	4,852	3,812	1,040	.....	1,763	1,763	.....
Atlanta.....	5,226	3,119	2,107	3,433	1,180	2,253	.....	1,793	1,793	.....
Chicago.....	15,475	11,566	3,909	11,950	7,730	4,065	155	3,525	3,525	.....
St. Louis.....	2,856	910	1,946	1,837	.....	1,837	.....	1,019	966	53
Minneapolis.....	216	21	195	21	.....	21	.....	195	195	.....
Kansas City.....	2,515	1,271	1,244	1,270	1,059	211	.....	1,245	1,245	.....
Dallas.....	942	96	846	235	79	156	.....	707	707	.....
San Francisco.....	42,794	39,122	3,672	40,140	30,261	7,760	2,119	2,654	2,479	175
Total.....	193,635	.....	.....	174,891	128,339	33,494	8,008	18,744	17,733	1,011
Purchased in open market.....	.....	163,700	.....	162,385	119,971	34,581	7,833	1,315	419	896
Discounted for member banks.....	.....	.....	29,935	12,506	8,418	3,913	175	17,429	17,314	115

*Holdings on Jan. 31, 1921, of bankers' acceptances purchased or discounted by each Federal Reserve Bank, distributed by classes of accepting institutions.*

[In thousands of dollars.]

Federal Reserve Bank.	Total.	Member banks.		Nonmember banks and banking corporations.	Private bankers.	Branches and agencies of foreign banks.
		National.	Non-national.			
Boston.....	22,200	10,372	5,948	3,490	1,275	1,115
New York.....	35,563	12,927	6,480	7,212	4,763	4,181
Philadelphia.....	10,324	3,581	2,580	2,218	404	1,541
Cleveland.....	43,066	10,255	6,877	10,767	6,016	9,151
Richmond.....	4,852	4,782	70	.....	.....	.....
Atlanta.....	3,433	1,300	2,133	.....	.....	.....
Chicago.....	11,950	6,086	4,428	500	515	421
St. Louis.....	1,837	240	1,535	.....	62	.....
Minneapolis.....	21	21	.....	.....	.....	.....
Kansas City.....	1,270	1,119	151	.....	.....	.....
Dallas.....	235	96	.....	.....	.....	139
San Francisco.....	40,140	10,620	6,093	11,234	5,407	6,786
Total.....	174,891	61,399	36,295	35,421	18,442	23,334
Purchased in open market.....	162,385	55,914	33,326	32,372	18,055	22,718
Discounted for member banks.....	12,506	5,485	2,969	3,049	387	616

### CHANGES IN CONDITION OF FEDERAL RESERVE BANKS.

Loan operations of the Federal Reserve Banks during the four weeks between January 28 and February 25, as measured by the amounts of discounted bills held by the Federal Reserve Banks at the close of each week, show a further reduction, the February 25 total of 2,396.3 millions being 60.2 millions below the total shown four weeks earlier. Loan liquidation was continuous for the first three weeks of the period, but gave place to a loan expansion of 31.9 millions during the fourth week under review. Notwithstanding the allotment by the Government

on February 15 of a new series of 132.9 millions of loan certificates, the fluctuations in the amounts of paper secured by Government obligations were in close keeping with those of total discounts, the ratio of so-called Government paper to total discounts varying only between 42.7 per cent on January 28 and 41.9 per cent on the last two Fridays in February. 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 four weeks under review:

*Principal asset and liability items of the twelve Federal Reserve Banks combined on Fridays, Jan. 28 to Feb. 25, 1921.*

[In millions of dollars.]

	Jan. 28.	Feb. 4.	Feb. 11.	Feb. 18.	Feb. 25.
<b>Reserves:</b>					
Total.....	2,320.0	2,326.1	2,342.2	2,353.0	2,357.0
Gold.....	2,106.1	2,111.9	2,122.0	2,132.7	2,140.3
<b>Bills discounted:</b>					
Total.....	2,456.5	2,433.1	2,405.5	2,364.4	2,396.3
Secured by United States Government obligations.....	1,048.8	1,017.2	1,011.7	990.2	1,004.0
All other.....	1,407.7	1,415.9	1,393.8	1,374.2	1,392.3
Bills bought in open market.....	165.1	167.8	175.9	166.9	170.5
Certificates of indebtedness.....	261.5	260.0	263.6	261.8	261.5
<b>Total earning assets.....</b>	<b>2,908.8</b>	<b>2,886.7</b>	<b>2,870.8</b>	<b>2,818.9</b>	<b>2,854.1</b>
Government deposits.....	52.1	48.4	48.5	61.5	63.0
Members' reserve deposits.....	1,731.8	1,742.8	1,740.3	1,720.9	1,722.9
Net deposits.....	1,643.2	1,645.0	1,670.7	1,645.1	1,671.6
Federal Reserve notes in circulation.....	3,090.7	3,075.8	3,050.4	3,037.4	3,051.7
Federal Reserve Bank notes in circulation.....	202.3	197.2	198.2	193.4	189.3
Reserve percentages.....	49.0	49.3	49.6	50.3	49.9

Holdings of paper secured by Government obligations for the first three weeks show a decline of 58.6 millions, and on February 18 for the first time since August 30, 1918, stood below 1 billion. This decline was due to the gradual elimination from Federal Reserve Bank holdings of paper secured by Treasury certificates. During the period under review all of the Federal Reserve Banks, except those of Boston, Minneapolis, and Kansas City, raised their minimum discount rates on such paper, and this action, coupled with the larger investment demand for this class of paper, is reflected in a gradual reduction in the holdings of paper secured by certificates from 157.7 millions on January 28 to 120.2 millions two weeks later. On February 18, following the allotment of the new certificate series, the holdings of this class of paper show a moderate increase of 8.2 millions, as against a reduction of 29.7 millions in paper supported by other United States securities. On the following Friday, in accord with the general increase in discounts, paper secured by certificates shows a further increase of 6.4 millions and constituted 13.4 per cent of the total amount of Government paper held on that date, compared with about 15 per cent on January 28. Holdings of paper secured by

Liberty and other United States bonds show a continuous decline from 607.1 to 577.5 millions, while paper secured by Victory notes shows some fluctuations, the February 25 total of 291.7 millions being 7.7 millions in excess of the corresponding total shown four weeks before.

Notwithstanding a reduction by about 60 millions in the holdings of total discounts, the holdings of 15-day paper remained fairly constant, with the consequence that the proportion of the shortest term paper to discounts of all maturities shows a rise from about 59 to 60.7 per cent. Bills of longer maturities show corresponding decreases, holdings of six-month paper, among others, declining from 54.3 to 37.7 millions. Holdings of acceptances purchased in open market fluctuated between 165.1 millions on January 28 and 175.9 millions two weeks later, while Treasury certificates on hand show even more moderate fluctuations between 260 millions on February 4 and 263.6 millions on the following Friday. In consequence of the changes above noted, total earning assets of the Federal Reserve Banks show a decline of 54.7 millions for the four weeks under review, and on February 25 stood at 2,854.1 millions, or 567.8 millions below the peak figure reported on October 15 of last year.

Considerable reduction in the volume of interbank discounting is noted, the amount of paper held under rediscount for other Federal Reserve Banks showing a continuous decline from 41.1 to 13.6 millions. During the week ending February 18 the Federal Reserve Banks of Atlanta and Minneapolis redeemed all their outstanding rediscounted paper, so that the total at the end of that week is composed exclusively of paper held under discount for Dallas by the Cleveland bank. Holdings of acceptances purchased from the New York Federal Reserve Bank show a decline from 51.8 to 24 millions. The latter amount was held by the Boston, Philadelphia, Cleveland, and San Francisco banks. Aggregate contingent liabilities on bank acceptances held for account of foreign correspondents continued without change at 18.2 millions.

Changes in the several classes of deposits were moderate, members' reserve deposits fluctuating between 1,742.8 millions on February 4 and 1,720.9 millions two weeks later, while Government deposits varied between a low of 48.4 millions on February 4 and a high of 63 millions on the last Friday under review. Net deposits moved inversely with the amount of the "float" carried by the Federal Reserve Banks, the high figure of net deposits, 1,671.6 millions on February 25, coinciding with a low figure of 137.6 millions for the "float," and the low figure of net deposits, 1,645 millions on February 4, corresponding to a high figure of 172.3 millions for the "float."

Weekly figures of Federal Reserve note circulation show a continuous decline from 3,090.7 millions on January 28 to 3,037.4 millions on February 18. For the eight weeks from December 23, 1920, when the seasonal return flow of Federal Reserve currency started, to February 18, 1921, the reduction in Federal Reserve note circulation amounted to 367.5 millions, or, on an average, to 45.9 millions a week. For the week ending February 25, together with the increase in discounts, the Federal Reserve Banks report also an increase of 14.3 millions in Federal Reserve note circulation. During the four weeks under review there was also a reduction of about 13 millions in Federal Reserve Bank note circulation, while the reduction in the circulation of this class of currency since December 23 of last year was about 29.5 millions. Gold reserves, mainly as the result of purchases of imported gold by the New York Federal Reserve Bank, show a continuous increase for the four weeks from 2,106.1 to 2,140.3 millions, while total cash reserves show a slightly larger gain from 2,320 to 2,357 millions. Owing to the substantial gains in reserves and the simultaneous reduction in Federal Reserve note liabilities, the reserve ratio rose from 49 per cent on January 28 to 50.3 per cent on February 18. During the following week increases in both deposit and note liabilities outweighed the small gain in reserves and the February 25 ratio shows a decline to 49.9 per cent.

Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Feb. 4 to 25, 1921.

RESOURCES.

[In thousands of dollars.]

	Total.	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.
<b>Gold and gold certificates:</b>													
Feb. 4.....	199,750	10,793	99,063	4,818	8,193	5,114	6,644	24,000	4,527	8,865	3,357	6,121	18,255
Feb. 11.....	204,985	10,098	111,975	3,945	7,788	4,367	5,231	22,241	4,007	8,644	2,835	5,830	18,024
Feb. 18.....	210,978	9,658	122,498	3,343	7,190	4,016	5,028	21,391	3,684	8,456	2,561	5,611	17,542
Feb. 25.....	217,355	8,632	130,990	3,081	7,011	3,899	4,943	21,210	3,551	8,402	2,506	5,535	17,575
<b>Gold settlement fund—Federal Reserve Board:</b>													
Feb. 4.....	482,192	46,110	47,611	44,562	93,551	24,110	10,259	99,425	30,342	10,850	26,523	5,370	43,479
Feb. 11.....	480,480	37,155	47,039	44,748	96,507	26,091	9,866	119,785	25,526	5,981	30,783	5,270	31,729
Feb. 18.....	511,751	43,607	62,821	42,596	104,834	27,395	10,228	111,294	26,560	8,934	33,340	7,832	32,310
Feb. 25.....	530,104	45,405	47,070	56,403	116,501	28,331	11,552	109,621	25,196	12,687	38,696	8,412	29,740
<b>Gold with foreign agencies:</b>													
Feb. 4.....	3,300	241	1,211	264	270	162	119	393	155	89	158	86	152
<b>Gold with Federal Reserve agents:</b>													
Feb. 4.....	1,274,747	155,769	206,969	138,275	182,043	55,728	61,713	210,829	53,088	24,781	36,783	18,294	130,475
Feb. 11.....	1,289,037	148,450	206,168	132,125	181,299	53,190	60,340	210,518	63,665	25,768	35,271	16,625	132,618
Feb. 18.....	1,260,546	162,511	205,362	122,152	181,353	52,784	59,688	202,243	63,800	25,066	36,403	19,486	129,698
Feb. 25.....	1,234,181	157,857	205,109	119,539	181,568	50,239	60,350	193,341	63,929	25,250	36,468	18,360	122,171
<b>Gold redemption fund:</b>													
Feb. 4.....	151,958	24,384	41,000	8,184	9,642	6,404	7,181	22,695	5,415	3,860	4,660	9,736	8,797
Feb. 11.....	167,476	31,055	41,000	12,650	11,265	7,907	8,333	21,581	5,369	2,737	3,588	11,099	10,892
Feb. 18.....	149,377	15,970	41,000	8,163	11,289	6,857	7,795	28,160	4,823	3,180	4,859	6,935	10,346
Feb. 25.....	158,693	19,913	36,000	10,040	10,181	8,289	6,803	36,008	4,433	2,748	4,418	7,681	12,179





Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Feb. 4 to 25, 1921—Continued.

LIABILITIES—Continued.

[In thousands of dollars.]

	Total.	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	Atlanta.	Chicago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas	San Fran- cisco.
<b>Federal Reserve Bank notes in circulation—Net liability:</b>													
Feb. 4.....	197,210	18,168	35,810	20,738	20,874	10,257	14,222	33,758	8,029	7,260	12,742	6,624	8,728
Feb. 11.....	198,178	17,759	40,124	20,144	20,977	9,959	13,759	32,893	7,906	6,899	12,463	6,447	8,848
Feb. 18.....	193,431	17,589	38,478	19,522	20,761	9,634	13,351	32,083	7,783	6,738	12,319	6,208	8,965
Feb. 25.....	189,325	16,943	37,798	19,052	20,853	9,231	12,791	31,333	7,562	6,688	12,194	5,928	8,902
<b>All other liabilities:</b>													
Feb. 4.....	30,818	1,517	10,640	1,742	1,814	1,013	1,400	4,858	1,208	1,164	2,061	1,325	2,076
Feb. 11.....	33,173	1,659	11,739	1,844	2,116	1,103	1,513	5,124	1,275	1,243	1,991	1,289	2,277
Feb. 18.....	35,591	1,766	12,878	2,032	2,156	1,174	1,613	5,523	1,296	1,333	2,029	1,335	2,456
Feb. 25.....	38,225	1,913	13,995	2,073	2,318	1,274	1,713	6,150	1,396	1,384	2,058	1,386	2,565
<b>Total liabilities:</b>													
Feb. 4.....	5,847,053	455,965	1,707,634	451,389	565,710	275,381	263,947	876,580	245,365	152,962	253,438	165,778	432,904
Feb. 11.....	5,822,491	455,020	1,687,760	453,025	567,244	273,318	266,503	882,870	243,361	149,709	247,181	165,392	431,108
Feb. 18.....	5,856,021	461,895	1,695,503	452,249	567,684	275,679	265,121	884,219	248,191	151,034	252,253	165,244	436,949
Feb. 25.....	5,861,101	462,919	1,700,784	461,475	572,989	272,571	257,523	894,848	246,218	148,903	254,738	162,353	425,780
<b>MEMORANDA.</b>													
<b>Ratio of total reserves to net deposit and Federal note liabilities combined—per cent:</b>													
Feb. 4.....	49.3	66.5	38.1	56.4	66.6	49.0	43.0	51.5	51.4	41.4	40.9	40.0	55.9
Feb. 11.....	49.6	64.0	39.4	55.3	65.1	49.5	42.0	53.0	54.6	38.7	44.3	39.0	53.9
Feb. 18.....	50.3	64.9	41.7	51.5	68.8	48.9	41.9	51.9	54.3	40.0	44.8	40.9	53.0
Feb. 25.....	49.9	64.3	40.5	53.6	69.9	48.6	42.7	50.3	54.2	43.3	46.5	40.4	51.6
<b>Contingent liability as indorser on discounted paper re-discounted with other Federal Reserve Banks:</b>													
Feb. 4.....	32,982						13,442			2,000			17,540
Feb. 11.....	19,427						5,115			500			13,812
Feb. 18.....	14,500												14,500
Feb. 25.....	13,615												13,615
<b>Bankers' acceptances sold to other Federal Reserve Banks without indorsement:</b>													
Feb. 4.....	54,938		54,938										
Feb. 11.....	46,022		46,022										
Feb. 18.....	33,373		33,373										
Feb. 25.....	23,962		23,962										
<b>Contingent liability on bills purchased for foreign correspondents:</b>													
Feb. 4.....	18,227	1,168	8,099	1,280	1,312	784	576	1,904	752	432	768	416	736
Feb. 11.....	18,229	1,168	8,101	1,280	1,312	784	576	1,904	752	432	768	416	736
Feb. 18.....	18,228	1,168	8,100	1,280	1,312	784	576	1,904	752	432	768	416	736
Feb. 25.....	18,228	1,168	8,100	1,280	1,312	784	576	1,904	752	432	768	416	736

Maturities of bills discounted and bought, also of Treasury certificates of indebtedness held by the twelve 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.
<b>Bills discounted:</b>						
Feb. 4.....	2,433,073	1,456,476	238,301	407,392	283,855	47,049
Feb. 11.....	2,405,516	1,431,768	251,266	403,555	274,716	44,211
Feb. 18.....	2,364,408	1,444,358	223,858	389,479	266,151	40,562
Feb. 25.....	2,396,254	1,455,023	222,558	397,788	283,234	37,651
<b>Bills bought:</b>						
Feb. 4.....	167,818	56,559	38,249	56,233	16,777	
Feb. 11.....	175,873	52,666	47,652	58,860	16,695	
Feb. 18.....	166,874	50,848	54,172	44,526	17,328	
Feb. 25.....	170,503	63,335	44,213	43,348	19,607	
<b>United States certificates of indebtedness:</b>						
Feb. 4.....	259,970	5,823	2,000	9,955		230,681
Feb. 11.....	263,574	4,823	6,000	7,646		236,247
Feb. 18.....	261,759	6,323	7,581	6,949		234,093
Feb. 25.....	261,510	8,324	4,407	9,036		234,893







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

On February 18 total loans and investments of reporting banks stood at 16,097 millions, indicating a liquidation of 308 millions for the preceding four weeks and of 1,187 millions from the peak figure of 17,284 millions shown for October 15 of the past year. Accommodation of reporting banks at the Federal Reserve Banks, which had reached a maximum of 2,278 millions on November 5, 1920, and had receded by 344 millions on January 21, shows a further reduction by 87 millions for the four weeks under review, and on February 18 totaled 1,847 millions, or 431 millions less than on November 5. The ratio of accommodations to total loans and investments, which gives an indication of the extent to which member banks shift their loan burden to the Federal Reserve Banks, shows a decline from 11.8 to 11.5 per cent for the four weeks ending February 18, comparable with 13.5 per cent on the first Friday of last November.

Principal resources and liabilities of the reporting member banks on each Friday from January 21 to February 18 are shown in the following table:

*Resources and liabilities of member banks in leading cities on Fridays, from Jan. 21 to Feb. 18, 1921.*

(In millions of dollars.)

	Jan. 21.	Jan. 28.	Feb. 4.	Feb. 11.	Feb. 18.
Number of reporting banks.....	829	829	828	828	826
Loans and discounts: <sup>1</sup>					
Secured by United States Government obligations....	828	812	811	796	783
Secured by stocks and bonds (other than United States Government obligations)....	3,082	3,053	3,061	3,041	3,033
All other.....	9,142	9,091	9,081	9,028	8,973
Total loans and discounts <sup>1</sup> ..	13,052	12,956	12,953	12,865	12,789
United States bonds.....	871	866	875	866	866
United States Victory notes.....	204	205	198	203	199
United States certificates of indebtedness.....	277	243	222	208	246
Other bonds, stocks, and securities	2,001	1,993	1,985	1,976	1,997
Total loans and discounts, and investments <sup>1</sup> .....	16,405	16,263	16,233	16,118	16,097
Reserve balance with Federal Reserve Bank.....	1,334	1,311	1,320	1,309	1,294
Cash in vault.....	345	337	333	314	324
Net demand deposits.....	10,754	10,643	10,653	10,631	10,553
Time deposits.....	2,918	2,919	2,924	2,913	2,907
Government deposits.....	210	146	102	61	142
Bills payable and rediscounts with Federal Reserve Bank, total.....	1,934	1,908	1,900	1,873	1,847
Secured by United States Government obligations....	800	792	773	770	755
All other.....	1,134	1,116	1,127	1,103	1,092
Rates of accommodation at Federal Reserve Banks to total loans and investments.	11.8	11.7	11.7	11.6	11.5

<sup>1</sup> Including bills rediscounted with Federal Reserve Bank.

All classes of loans show declines for each week of the review period (excepting only an increase of 8 millions in loans supported by corporate securities for the week ending February 4). Loans secured by Government obligations decreased from 828 to 783 millions; loans secured by stocks and bonds declined from 3,082 to 3,033 millions; and all other loans and discounts, mainly commercial paper, dropped from 9,142 millions to 8,973 millions. Thus there is shown for the four weeks a total liquidation of 263 millions in loans and discounts. Member banks in New York City show a reduction in loans for the period of 130 millions, or from 4,412 to 4,282 millions.

Member bank holdings of United States bonds and Victory notes show a 10 million reduction for the four weeks, while Treasury certificates held, after a decline from 277 to 208 millions for the first three weeks, show a rise to 246 millions for the most recent week, during which 133 millions of loan certificates were allotted by the Government. Holdings of securities other than United States Government obligations fluctuated within comparatively narrow limits, the lowest figure of 1,976 millions being shown for February 11, after a three weeks' gradual decline from 2,001 millions reported for January 21. For the most recent week, which saw the flotation of substantial foreign loans, a rise in this item to 1,997 millions is noted.

Government deposits shrank from 210 millions on January 21 to 61 millions on February 11, but following the new issue of Treasury certificates, show a rise to 142 millions. Other demand deposits (net) show a decline of 201 millions for the four week period, more than one-half of this decline occurring during the week ending January 28. Time deposits also show a reduction, the total of 2,907 millions on February 18 being about 11 millions less than the amount reported four weeks earlier.

In keeping with the decline in deposit liabilities, a reduction for the period of about 40 millions in reserve deposits of reporting banks is shown. Cash in vault for three weeks reflected the continued return of currency to the Federal Reserve Banks, the total on February 11 being 31 millions below that on February 21. For the most recent week, cash in vault showed a growth of 10 millions, and stood on the last Friday of the period at 324 millions, compared with 345 millions four weeks earlier.

Principal resources and liabilities of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve branch cities, as at close of business on Fridays from Jan. 28, 1921, to Feb. 18, 1921.

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

[In thousands of dollars.]

Table with columns: Total, Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, San Francisco. Rows include categories such as Number of reporting banks, Loans and discounts, United States bonds, and Net demand deposits, with sub-rows for dates: Jan. 28, Feb. 4, Feb. 11, Feb. 18.

Principal resources and liabilities of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve branch cities, as at close of business on Fridays from Jan. 28, 1921, to Feb. 18, 1921—Con.

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

[In thousands of dollars.]

Table with 13 columns: Total, Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, San Francisco. Rows include Government deposits, Bills payable with Federal Reserve Bank, and Bills rediscounted with Federal Reserve Bank, each broken down by date and secured/unsecured categories.

MEMBER BANKS IN FEDERAL RESERVE BANK CITIES.

Table with 13 columns: Total, Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, San Francisco. Rows include Number of reporting banks, Loans and discounts, Loans secured by United States Government obligations, Loans secured by stocks and bonds, Total loans and discounts, United States bonds, and United States Victory notes, each broken down by date.



Principal resources and liabilities of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve branch cities, as at close of business on Fridays from Jan. 28, 1921, to Feb. 18, 1921— Continued.

3. MEMBER BANKS IN FEDERAL RESERVE BRANCH CITIES.

[In thousands of dollars.]

Table with 12 columns: Total, New York district, Cleveland district, Richmond district, Atlanta district, Chicago district, St. Louis district, Minneapolis district, Kansas City district, Dallas district, San Francisco district. Rows include categories like Number of reporting banks, Loans and discounts, United States bonds, United States Victory notes, United States certificates of indebtedness, Other bonds, stocks, and securities, Reserve balance with Federal Reserve Bank, Cash in vault, Net demand deposits, Time deposits, and Government deposits.

*Principal resources and liabilities of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve branch cities, as at close of business on Fridays from Jan. 28, 1921, to Feb. 18, 1921—Con.*

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

[In thousands of dollars.]

	Total.	New York district. <sup>1</sup>	Cleveland district. <sup>2</sup>	Richmond district. <sup>3</sup>	Atlanta district. <sup>4</sup>	Chicago district. <sup>5</sup>	St. Louis district. <sup>6</sup>	Minneapolis district. <sup>7</sup>	Kansas City district. <sup>8</sup>	Dallas district. <sup>9</sup>	San Francisco district. <sup>10</sup>
<b>Bills payable with Federal Reserve Bank:</b>											
Secured by United States Government obligations—											
Jan. 28.....	138,116	17,553	27,263	9,300	23,292	38,510	5,932	5,246	3,651	7,369	
Feb. 4.....	110,993	16,830	11,428	7,953	21,847	30,889	5,669	72	5,759	3,633	
Feb. 11.....	133,519	16,194	35,998	8,386	21,430	31,775	4,811	122	4,990	3,370	
Feb. 18.....	132,021	17,161	27,384	9,370	21,862	32,465	6,126	122	5,254	3,258	
All other—											
Jan. 28.....	380				120					110	150
Feb. 4.....	415				70			75	50	110	110
Feb. 11.....	355				110			75		110	60
Feb. 18.....	655				110			75		110	360
<b>Bills rediscounted with Federal Reserve Bank:</b>											
Secured by United States Government obligations—											
Jan. 28.....	29,304	1,211	8,605	1,993	5,407	5,452	4,078	855	442	1,261	
Feb. 4.....	30,374	1,220	8,720	2,056	6,210	5,386	3,773	1,323	409	1,277	
Feb. 11.....	28,379	1,186	8,694	1,713	5,507	5,128	3,268	1,189	364	1,330	
Feb. 18.....	24,072	1,046	5,382	2,154	5,552	4,527	2,222	1,251	262	1,676	
All other—											
Jan. 28.....	125,640	7,506	4,744	10,895	30,239	14,682	17,779	12,508	6,280	21,007	
Feb. 4.....	129,324	11,614	4,215	10,033	28,684	16,769	17,079	364	13,781	5,973	
Feb. 11.....	127,354	10,871	6,417	10,145	25,078	18,363	14,917	330	13,214	5,732	
Feb. 18.....	119,847	9,818	3,555	11,526	19,562	19,793	16,705	349	12,057	5,490	

<sup>1</sup> Buffalo.

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

<sup>3</sup> Baltimore.

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

<sup>5</sup> Detroit.

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

<sup>7</sup> Helena.

<sup>8</sup> Omaha, Denver, and Oklahoma City.

<sup>9</sup> El Paso and Houston.

<sup>10</sup> Spokane, Portland, Seattle, Salt Lake City, and Los Angeles.

**GOLD AND SILVER IMPORTS AND EXPORTS.**

*Gold imports into and exports from the United States, distributed by countries.*

	Imports.					Exports.						
	During 10 days ending Jan. 20, 1921.	During 11 days ending Jan. 31, 1921.	During month of January, 1921.	During 10 days ending Feb. 10, 1921.	From Jan. 1 to Feb. 10, 1921.	From Jan. 1 to Feb. 10, 1920.	During 10 days ending Jan. 20, 1921.	During 11 days ending Jan. 31, 1921.	During month of January, 1921.	During 10 days ending Feb. 10, 1921.	From Jan. 1 to Feb. 10, 1921.	From Jan. 1 to Feb. 10, 1920.
Austria.....		\$4,000	\$4,000		\$4,000							
Belgium.....				\$38,391	38,391							
Denmark.....		536	536		536							
France.....	\$2,250,237	1,107,129	4,695,491	1,622,741	6,318,232	\$19,576						
Germany.....			61		61							
Greece.....	304,456	78,068	442,554	95,622	538,176							
Italy.....	5,000		5,000	6,265	11,265							\$136,598
Netherlands.....	310,287	84,000	394,287	111,337	505,624	1,238						
Spain.....		39,280	39,280	212,518	251,798							
Turkey in Europe.....		220,000	220,000		220,000							
United Kingdom—England.....	9,046,281	9,221,102	22,275,781	5,466,351	27,742,132	942						9,155
<b>Total Europe.....</b>	<b>11,916,291</b>	<b>10,754,115</b>	<b>28,076,990</b>	<b>7,553,225</b>	<b>35,630,215</b>	<b>21,756</b>						<b>145,753</b>
Canada.....	4,124	157,684	188,123	146,120	334,243	11,298,269	\$108,576	\$47,859	\$180,177	\$74,569	\$254,746	655,146
Costa Rica.....	72,690		104,870	27,385	132,255	3,578						
Guatemala.....				64,106	64,106							
Honduras.....	20,605		26,450	41,000	67,450	4,511						1,000
Nicaragua.....		70,576	76,594	10,762	87,356	87,902						
Panama.....	58,132	4,500	81,860	29,006	110,866	30,000						
Salvador.....	45,360	40,000	127,300	30,825	158,185	53,267						
Mexico.....	312,405	136,081	505,832	254,571	760,403	415,060	845,302	377,080	2,191,203	202,080	2,393,283	4,632,002
Cuba.....	6,122		6,122	552	6,674	1,777		50,000	50,000	100,000	150,000	
British West Indies.....	3,908		3,908	2,700	6,608							16,000
Dominican Republic.....												
Dutch West Indies.....	228,100	250,700	483,800	272,338	756,138							
<b>Total North America.....</b>	<b>751,446</b>	<b>659,541</b>	<b>1,604,919</b>	<b>879,365</b>	<b>2,484,284</b>	<b>11,894,364</b>	<b>953,878</b>	<b>474,939</b>	<b>2,421,380</b>	<b>376,649</b>	<b>2,798,029</b>	<b>5,304,148</b>
Argentina.....	9,060		9,060	8,659	17,719							25,050,000
Bolivia.....	27	533	560		560	1,415						
Brazil.....			190		190		24,300		24,300		24,300	100,000
Chile.....	9,103	2,040	14,321	3,114	17,435	15,007						200,000
Colombia.....	446,811	382,152	975,325	245,369	1,220,694	5,548						500,000
Ecuador.....	64,757		64,757	15,670	80,427							
British Guiana.....				7,408	7,408	18,445						
Dutch Guiana.....			6,517	14,587	21,104							
Peru.....	37,596	44,213	118,924	5,479	124,403	128,487						1,100,000
Uruguay.....												50,000
Venezuela.....	107,620		112,235	18,980	131,215							
<b>Total South America.....</b>	<b>674,974</b>	<b>428,938</b>	<b>1,301,889</b>	<b>319,266</b>	<b>1,621,155</b>	<b>168,902</b>	<b>24,300</b>		<b>24,300</b>		<b>24,300</b>	<b>27,000,000</b>
China.....	51,558	1,260,003	1,311,561	337,881	1,649,442							9,302,109
British India.....		1,006,025	1,014,025	214,661	1,228,686							1,205,020
Straits Settlements.....												3,615,000
Dutch East Indies.....			75,449		75,449			60,000	60,000		60,000	1,110,000
Hongkong.....	55,000	987,000	1,042,000		1,042,000		4,350	168,230	219,300	7,600	226,900	11,268,342
Japan.....		2,053,215	2,053,215		2,053,215							5,706,301
<b>Total Asia.....</b>	<b>106,558</b>	<b>5,306,243</b>	<b>5,496,250</b>	<b>552,542</b>	<b>6,048,792</b>		<b>4,350</b>	<b>228,230</b>	<b>279,300</b>	<b>7,600</b>	<b>286,900</b>	<b>32,206,772</b>
Australia.....	1,459,950		1,459,950		1,459,950							
New Zealand.....						150,614						
Philippine Islands.....	73,346		89,838	54,128	144,116	30,389						
Portuguese Africa.....		115,015	115,015		115,015	37,727						
<b>Total, all countries</b>	<b>14,982,565</b>	<b>17,263,852</b>	<b>38,145,001</b>	<b>9,358,526</b>	<b>47,503,527</b>	<b>12,303,752</b>	<b>982,628</b>	<b>703,169</b>	<b>2,724,980</b>	<b>384,249</b>	<b>3,109,229</b>	<b>64,656,673</b>
Excess of imports or exports.....	14,000,037	16,560,683	35,420,021	8,974,277	44,394,298							52,352,921

<sup>1</sup> Includes: Ore and base bullion, \$5,716,000; refined bullion, \$34,763,000; United States coin, \$1,886,000; foreign coin, \$5,138,000.

<sup>2</sup> Includes: Domestic exports—Ore and base bullion, \$3,000; United States Mint or assay office bars, \$92,000; other refined bullion, \$18,000; coin, \$2,770,000. Foreign exports—Coin, \$226,000.

## Silver imports into and exports from the United States, distributed by countries.

	Imports.						Exports.					
	During 10 days ending Jan. 20, 1921.	During 11 days ending Jan. 31, 1921.	During month of January, 1921.	During 10 days ending Feb. 10, 1921.	From Jan. 1 to Feb. 10, 1921.	From Jan. 1 to Feb. 10, 1920.	During 10 days ending Jan. 20, 1921.	During 11 days ending Jan. 31, 1921.	During month of January, 1921.	During 10 days ending Feb. 10, 1921.	From Jan. 1 to Feb. 10, 1921.	From Jan. 1 to Feb. 10, 1920.
France.....	\$4,069	\$36,329	\$41,626	\$4,912	\$46,538	\$7,664						
Germany.....		4,826	7,237		7,237							
Greece.....	38,510	149,145	187,655		187,655							
Netherlands.....						234						
Spain.....		552	552	11,390	11,942							
United Kingdom—England.....	1,228	4,269	5,497	17,500	22,997	3,655	\$772,291	\$597,854	\$1,370,145	\$730,497	\$2,100,642	\$52,841
Total Europe.....	43,807	195,121	242,567	33,802	276,369	11,553	772,291	597,854	1,370,145	730,497	2,100,642	52,841
British Honduras.....						7,770						
Canada.....	65,669	158,417	242,264	184,035	426,299	664,237	40,100	60,895	259,991	132,794	392,785	2,362,756
Costa Rica.....	657		2,539	1,571	4,110	645						
Guatemala.....				15	17,480							
Honduras.....	60,946		104,070	1,995	106,065	344,592				800	800	89,800
Nicaragua.....		12,523	27,019	17,556	44,575	85,220						
Panama.....	1,925		2,337	57	2,394	16,340	1,000		1,000		1,000	400,000
Salvador.....	367		1,408	1,408	1,775	917,697						
Mexico.....	1,796,830	716,837	3,390,654	1,386,780	4,777,434	7,826,614	104,909	29,831	449,798	65,312	515,110	659,913
Cuba.....				4,500	4,500	19,613		3,000	282,446	683	283,129	14,000
British West Indies.....					122	122			87,250		87,250	1,800
Dominican Republic.....												43,000
Total North America.....	1,926,394	887,777	3,769,250	1,598,039	5,367,289	9,900,208	233,259	93,726	1,080,485	199,589	1,280,074	3,571,269
Argentina.....	856		856	669	1,525							
Bolivia.....	321	21,002	34,323	5,510	39,833	120,690						
Chile.....	118,344	343	136,355	358,073	494,428	209,930						
Colombia.....	9,149	7,059	19,163	1,433	20,596	20,481		142,500	142,500	95,000	237,500	
Ecuador.....	6,119		6,119		6,119							
Dutch Guiana.....		14		28	42							
Peru.....	188,869	185,925	529,754	85,493	615,247	1,795,236						
Venezuela.....	129		132	5	137							
Total South America.....	323,787	214,329	726,716	451,211	1,177,927	2,146,337		142,500	142,500	95,000	237,500	
China.....	16	85	101	108	209	11,974		66,614	896,263	1,007,396	1,903,659	21,421,702
British India.....								667,813	667,813		667,813	
Dutch East Indies.....			83,461		83,461							
Hongkong.....						1,650						
Japan.....								477,452	2,298,062	700,269	2,998,331	5,077,502
Total Asia.....	16	85	83,562	108	83,670	13,624		1,447,359	4,097,618	2,009,863	6,107,481	26,499,204
New Zealand.....						283						
Philippine Islands.....	1,060		1,303	698	2,001	799						
British South Africa.....	480		480		480							
British West Africa.....												3,080
Portuguese Africa.....		10,997	10,997		10,997	4,785						
Total, all countries	2,295,544	1,308,309	4,834,875	2,083,858	6,918,733	12,077,589	1,005,550	2,281,439	6,690,748	3,034,949	9,725,697	30,126,394
Excess of imports or exports.....	1,289,994							973,130	1,855,873	951,091	2,806,964	18,048,805

<sup>1</sup> Includes: Ore and base bullion, \$5,783,000; refined bullion, \$707,000; U. S. coin, \$170,000; foreign coin, \$259,000.

<sup>2</sup> Includes: Domestic exports—Ore and base bullion, \$1,000; U. S. Mint or Assay Office bars, \$152,000; other refined bullion, \$6,220,000; coin, \$325,000. Foreign exports—Refined bullion, \$2,004,000; coin, \$1,024,000.



*General stock of money in the United States, money held by the Treasury and the Federal Reserve System, and all other money in the United States Feb. 1, 1921.*

	General stock.	Held in the United States Treasury as assets of the Government. <sup>1</sup>	Held by or for Federal Reserve Banks and agents.	Held outside United States Treasury and Federal Reserve System.	Amount per capita outside United States Treasury and Federal Reserve System.
Gold coin (including bullion in Treasury).....	\$2,853,480,649	\$427,621,611	<sup>2</sup> \$1,576,996,302	\$389,135,631	.....
Gold certificates.....	.....	.....	248,040,106	211,686,999	.....
Standard silver dollars.....	269,746,326	22,243,794	<sup>3</sup> 42,840,920	54,879,260	.....
Silver certificates.....	.....	.....	81,060,415	67,117,490	.....
Subsidiary silver.....	271,511,384	7,836,848	.....	263,674,536	.....
Treasury notes of 1890.....	.....	.....	.....	1,604,447	.....
United States notes.....	346,681,016	3,938,348	<sup>4</sup> 92,194,667	250,548,001	.....
Federal Reserve notes.....	3,484,226,195	10,223,811	369,349,420	3,104,652,964	.....
Federal Reserve Bank notes.....	225,938,400	5,027,334	24,538,232	196,372,834	.....
National bank notes.....	719,653,927	22,467,063	3,753,360	693,433,504	.....
<b>Total:</b>					
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	1,280,880,714	3,945,457,556	37.88

<sup>1</sup> Includes reserve funds held against issues of United States notes and Treasury notes of 1890 and redemption funds held against issues of national-bank notes, Federal Reserve notes, and Federal Reserve Bank notes, but excludes gold and silver coin and bullion held in trust for the redemption of outstanding gold and silver certificates and Treasury notes of 1890.

<sup>2</sup> Exclusive of amounts held with United States Treasurer in gold redemption fund against Federal Reserve notes, and of gold held with foreign agencies but inclusive of balances in gold settlement fund standing to the credit of the Federal Reserve Banks and agents.

<sup>3</sup> Includes subsidiary silver.

<sup>4</sup> Includes Treasury notes of 1890.

**DISCOUNT RATES OF THE FEDERAL RESERVE BANKS.**

*Rates on paper discounted for member banks approved by the Federal Reserve Board up to Mar. 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.....	5½	6	7	7	.....	7
New York.....	6	6	7	7	6	7
Philadelphia.....	<sup>1</sup> 6	5½	6	6	6	6
Cleveland.....	6	6	6	6	6	6
Richmond.....	6	6	6	6	6	6
Atlanta.....	6	5½	7	7	6	7
Chicago.....	6	6	7	7	6	7
St. Louis.....	6	5½	6	6	5½	6
Minneapolis.....	5½	6	6½	7	6	7
Kansas City.....	<sup>1</sup> 6	6	6	6	5½	6
Dallas.....	6	6	7	7	6	7
San Francisco.....	6	6	6	6	6	6

<sup>1</sup> Discount rate corresponds to interest rate borne by certificates pledged as collateral, with minimum of 5 per cent in the case of Kansas City and 5½ per cent in the case of Philadelphia.

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. Rates on discounts in excess of the basic line are subject to a ¼ per cent progressive increase for each 25 per cent by which the amount of accommodation extended exceeds the basic line, except that the maximum rate charged by the Kansas City bank does not exceed 12 per cent.

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