

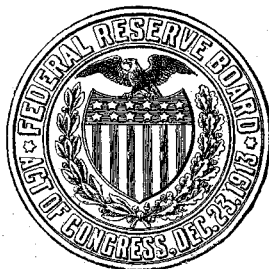
FEDERAL RESERVE BULLETIN

MAY, 1926



ISSUED BY THE
FEDERAL RESERVE BOARD
AT WASHINGTON

*Prices, Production, and Trade
Business Conditions in the United States
Annual Report of the German Reichsbank*



WASHINGTON
GOVERNMENT PRINTING OFFICE
1926

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THE FEDERAL RESERVE BULLETIN is the board's medium of communication with member banks of the Federal reserve system and is the only official organ or periodical publication of the board. It contains, in addition to the regular official announcements, the national review of business conditions, detailed analyses of business conditions, research studies, reviews of foreign banking, and complete statistics showing the condition of Federal reserve banks and member banks. The BULLETIN will be sent to all member banks without charge. To others the subscription price, which covers the cost of paper and printing, is \$2. Single copies will be sold at 20 cents. Outside of the United States, Canada, Mexico, and the insular possessions, \$2.60; single copies, 25 cents.

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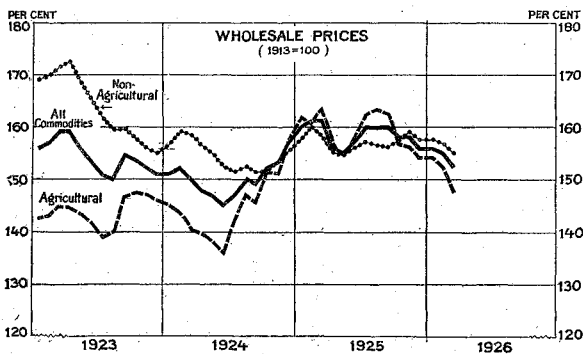
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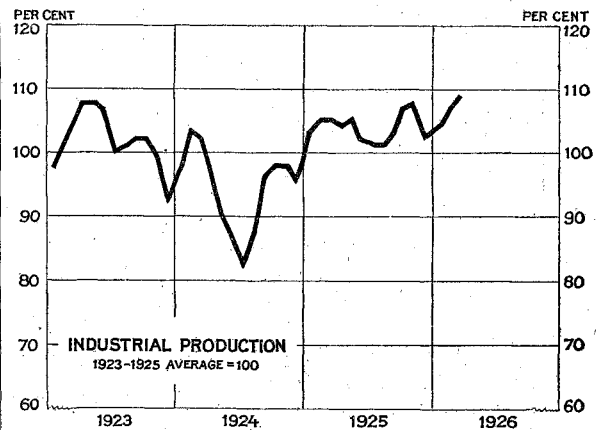
REVIEW OF THE MONTH

For a period of eight months commodity prices have had a gradual but continuous decline, and in March the average of prices was more than 5 per cent below last summer and at the lowest level since the autumn of 1924. This prolonged recession in prices, which for several months had reflected chiefly declines in the prices of farm products, became more general after the beginning of this year, and at the end of the first quarter the prices of nearly all groups of commodities were at a lower level than at any time in more than a year.



The course of prices of agricultural and non-agricultural commodities and of all commodities for the past three years is shown in the chart. In the spring of 1923 prices were at a peak, having advanced about 15 per cent from the low point at the opening of 1922. During the early months of 1923 industrial production had proceeded at a rapid rate and manufacturers were unable to market their output except by making concessions in price, with the consequence that there was a recession in prices of industrial commodities. By June, 1924, prices of nonagricultural commodities had declined by about 12 per cent, while

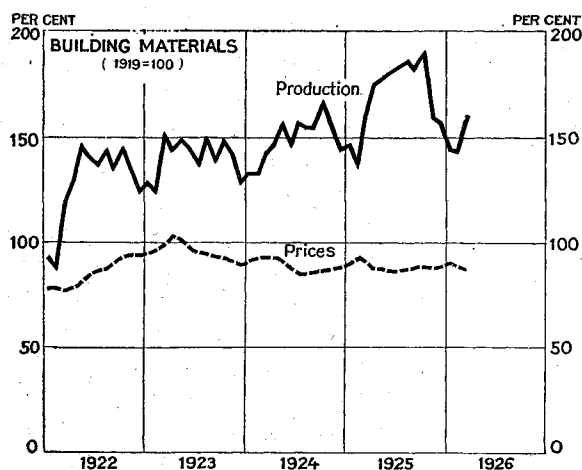
prices of agricultural commodities showed a much smaller reduction. The rise in the average of prices after the middle of 1924 has reflected largely an advance in agricultural prices, and more particularly an advance in the price of wheat, which was caused by a shortage in the world wheat crop. The price decline since the middle of 1925 has also been due for the most part to a recession of agricultural prices, including grains, cotton, wool, and livestock. Prices of industrial materials, on the other hand, have remained fairly stable since the middle of 1924.



A new combined index of production of manufactures and minerals, based upon monthly statistics of daily average output, not adjusted for seasonal changes

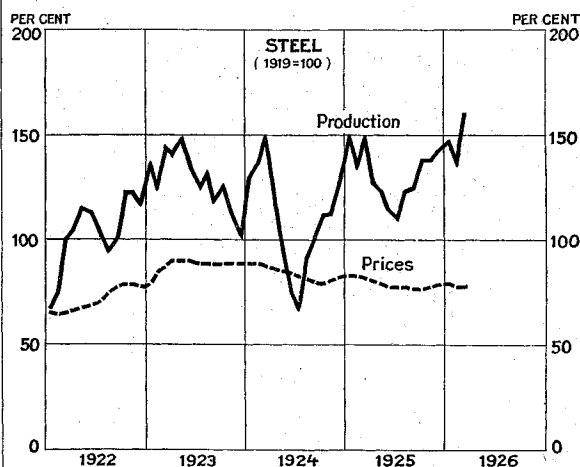
The relative stability of prices of industrial commodities during the past 18 months has accompanied a large growth in industrial activity and in the volume of trade. The large output of basic materials produced during the period has, in fact, been marketed at prices that for many commodities have shown a gradual recession, indicating that in order to move their current output through the channels of distribution producers were obliged to make concessions in the prices of their products.

This has been notably true of iron and steel production, which has been very active, while the prices of steel products have continuously declined. There has also been a downward tendency in the prices of building materials, at a time when construction work has been in record volume. Many industrial enterprises during the past year have thus been conducted on a narrower margin of prices over costs and have depended for their profits on a large volume of output. Changes in the production and prices of steel and of building materials are shown in the charts.



That the general volume of industrial activity has been exceptionally large is indicated by the chart on page 305, which shows the course of the Federal Reserve Board's revised index of industrial production since the beginning of 1923. This index is based on the period 1923-1925 as 100 and differs from the board's index of production in basic industries in that it includes a wider range of industries and particularly the production of automobiles, which has been an important factor in maintaining the volume of industrial output during recent years. In March of this year the output of industries included in this index was larger than at any previous time, and the average for the first quarter of 1926 was above that for any earlier three-months period. This large volume of production has been shared in by most of the important industries. Steel production, supported largely by a demand

from the railroads, from the construction industry, and from manufacturers of automobiles, was larger than in any previous quarter. Automobile production continued in large volume, and was accompanied by considerable activity in the manufacture of tires and tubes. Continued building operations on a large scale have been an important influence in the maintenance of large outputs of lumber, cement, brick, and other building materials. Activity in the mining industry has also been well sustained. While most of the lines of industrial enterprise have been exceptionally active during the first quarter of 1926, certain lines of production, particularly woolen mills



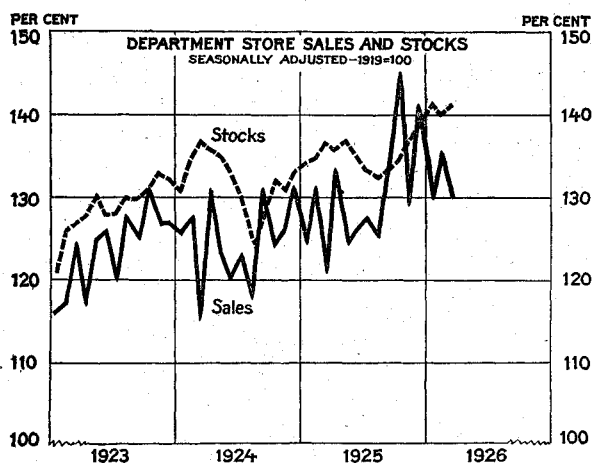
Production of steel ingots and Iron Age composite price of finished steel products

and shoe factories, have shown a marked decline in activity during the first three months of the year.

The large volume of industrial production in recent months has been accompanied by a correspondingly active distribution of commodities through the channels of trade. Some growth in the volume of stocks of materials in certain lines of production, particularly in the automobile industry and allied enterprises, has been reported, but the increase in stocks, as indicated by available statistics, has not been general nor large in volume. Railway shipments continued in 1926 at the exceptionally high level of the latter part of 1925, and their total was larger for the first three months of this year than for the same

period of any previous year. Distribution by wholesalers has continued in large dollar volume, notwithstanding the decline in wholesale prices. The flow of merchandise from the producer to the retail distributor has proceeded without undue interruption or delay, and there has been no evidence of a general accumulation of stocks in the hands of wholesale dealers.

Throughout the period of increasing production and primary distribution of commodities there was a sustained demand for commodities by consumers, both urban and rural, reflecting the relatively high earnings of industrial workers and the relatively good returns to farmers for their crops. In the case



Indexes of sales at 359 stores and stocks at 314 stores, adjusted for seasonal variations

of farmers the fact that the large receipts for the 1924 grain crops enabled them to liquidate a considerable part of their indebtedness to the banks made a larger part of their incomes in 1925 and early in 1926 available for current purchases. The volume of sales by mail-order houses and by dealers in farm implements, which are the best available indications of purchases in rural districts, was consequently large throughout 1925, and was larger for each of the early months of the present year than for the corresponding months of the preceding year. Department-store sales, which reflect buying in urban centers, however, were not so large in the early part of 1926 as in the latter part of last year, even when allowance is made

for the usual seasonal influences. Though the sales in the first quarter of this year were considerably larger than for the corresponding months of 1925, they represent a decided decline from the exceptional figures reached in the autumn of last year, when department-store trade, sustained by good earnings of the industrial population and to some extent by the growth of installment buying, was in record volume. During this unusual growth in the volume of retail trade the department stores increased their stocks of merchandise in anticipation of continued trade expansion, and inventories at department stores are consequently larger than a year ago, as is indicated on the chart, which shows the course of sales and of stocks at department stores since the beginning of 1923.

This increase in the volume of stocks of merchandise carried by retail stores has been a factor in causing a more than growth for commercial loans seasonal growth in the demand for commercial credit at the banks. Thus loans for commercial purposes of member banks in leading cities increased by \$200,000,000 between the end of January and the middle of April, compared with an increase of about \$60,000,000 for the same period in 1925. Last year, however, the growth in commercial loans was accompanied by a much larger increase in loans on securities and a fairly constant volume of investments, so that there was a considerable addition to the total volume of member bank credit outstanding. In 1926, on the contrary, the larger increase in commercial loans, together with a considerable growth in the banks' investment holdings, has been for the most part offset by a decline in loans on securities, with the consequence that in the middle of April total loans and investments of member banks in leading cities were only slightly larger than at the close of the seasonal liquidation at the end of January. In the decline of security loans the principal factor has been the reduction in loans to brokers and dealers in the New York security market, a decline which has been largely caused by a sharp recession in security prices. The volume of these loans from

a total of \$3,139,000,000 on February 17 declined continuously and rapidly to \$2,451,000,000 on April 14, a reduction of \$688,000,000 for the two-months period. The rapid decrease in security loans, together with the inflow during the quarter of about \$75,000,000 of gold, chiefly from Canada, resulted in a reduced demand for accommodation at the Federal reserve banks, and the total volume of reserve bank credit outstanding toward the end of April was about \$70,000,000 less than in the middle of February, and about \$100,000,000 above the level of the spring of 1925. Thus the banking situation in the first weeks of the second quarter of 1926 has been characterized by a continued large volume of bank credit outstanding, a reduced volume of security loans, a growing demand for commercial credit, and a relatively small indebtedness at the reserve banks.

NOTES

Change in discount rate

On April 23, 1926, the discount rate at the Federal Reserve Bank of New York on all classes of paper and all maturities was reduced from 4 to 3½ per cent.

Hearings on Strong bill for price stabilization

Since March 24 the Committee on Banking and Currency of the House of Representatives has been holding hearings on H. R. 7895, introduced by Representative James G. Strong, of Kansas. This bill proposes to amend section 14 (d) of the Federal reserve act to read as follows:

(d) To establish from time to time, subject to review and determination of the Federal Reserve Board, a minimum rate of discount to be charged by such bank for each class of paper, which shall be made with a view to accommodating commerce and promoting a stable price level for commodities in general. All of the powers of the Federal reserve system shall be used for promoting stability in the price level.

Those who have so far appeared before the committee are Mr. G. H. Shibley; Prof. Irving Fisher; Mr. Norman Lombard; Mr. Frank A. Wolff; Mr. William T. Foster; Prof. James Harvey Rogers; Mr. Western Star; Mr. William Elwood Lee; Governor Strong, of the Federal Reserve Bank of New York; Governor Norris, of the Federal Reserve Bank of Philadelphia; Prof. O. M. W. Sprague; Mr. Carl Snyder; Mr. Ethelbert Stewart; Mr. Adolph C. Miller, of the Federal Reserve Board; and Mr. Walter W. Stewart.

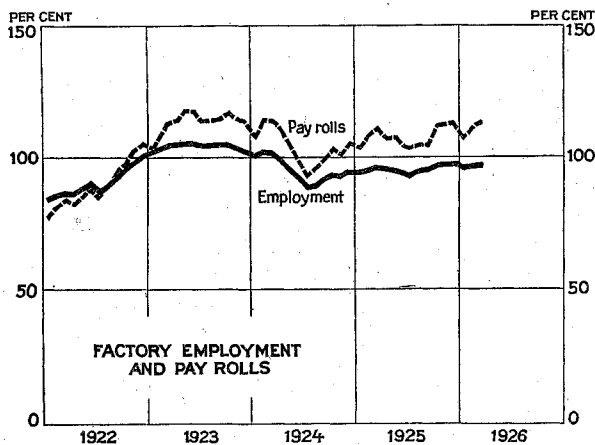
BUSINESS CONDITIONS IN THE UNITED STATES

Industrial output increased in March and the distribution of commodities continued in large volume owing to seasonal influences. The level of wholesale prices declined for the fourth consecutive month.

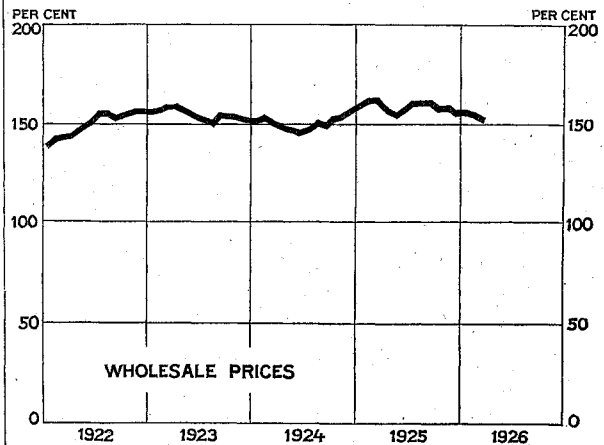
Production.—The Federal Reserve Board's index of production in basic industries increased in March to the highest level for more than a year. Larger output was shown for steel ingots, pig iron, anthracite, copper, lumber, and newsprint, and there were also increases in the activity of textile mills. The output of automobiles increased further and was larger than in any previous month with the exception of last October. Building contracts awarded also increased in March, as is usual at this season, and the total was near the high figure of last summer. Particularly large increases in building activity as compared with a year ago occurred in the New York, Atlanta, and Dallas Federal reserve districts. Contracts awarded continued larger during the first half of April than in the same period of last year. Condition of the winter wheat crop has improved since the turn of the year and on April 1 was estimated by the Department of Agriculture to be 84 per cent of normal, compared with 68.7 per cent last year, and an average of 79.2 per cent for the same date in the past ten years.

Trade.—Wholesale trade showed a seasonal increase in March, and the volume of sales was larger than a year ago in all leading lines except dry goods and hardware. Sales of department stores and mail-order houses increased less than is usual in March. Compared with March a year ago, sales of department stores were 7 per cent and sales of mail-order houses 9 per cent larger. Stocks of principal lines of merchandise carried by wholesale dealers, except groceries and shoes, were larger at the end of March than a month earlier, but for most lines they were smaller than a year ago. Stocks at department stores showed slightly more than the usual increase in March and were about 3 per cent larger than last year. Freight-car loadings during March continued at higher levels than in the corresponding period of previous years. Shipments of miscellaneous commodities and merchandise in less-than-carload lots were especially large. Loadings of coal, owing to the large production of anthracite, were also large, while shipments of coke decreased considerably from the high levels of preceding months.

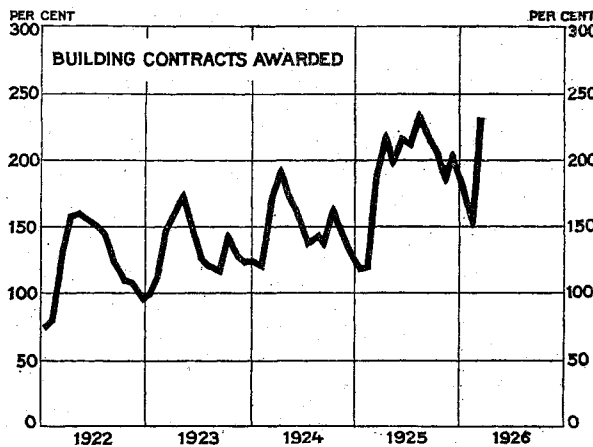
Prices.—Wholesale prices, according to the Bureau of Labor Statistics index, declined by more than 2 per cent in March to the lowest level since September, 1924. The decline was general for nearly all groups of commodities, and the largest decreases were noted in grains, cotton, wool, silk, coke, and rubber. In the first two weeks of April prices of basic commodities were steadier than in March. Prices of grains, flour, and potatoes increased, while prices of cotton goods, wool, silk, bituminous coal, pig iron, and rubber declined.



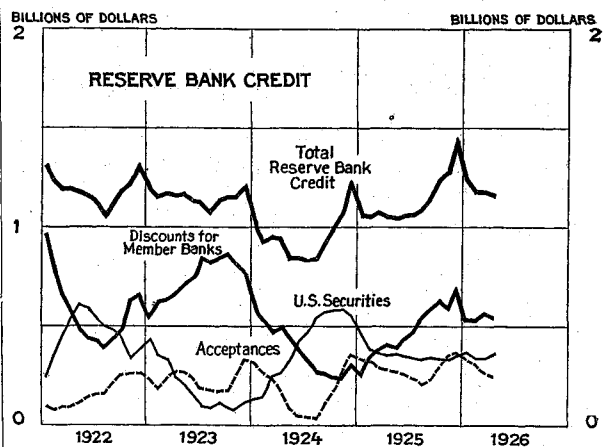
Federal Reserve Board's indexes of factory employment and pay rolls. (1919=100.) Latest figures, March, employment, 97.2; pay rolls, 113



Index of United States Bureau of Labor Statistics. (1913=100, base adopted by bureau.) Latest figure, March, 152



Index of value of building contracts awarded as reported by the F. W. Dodge Corporation. (1919=100.) Latest figure, March, 231



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages for first 22 days in April

Bank credit.—Commercial loans of member banks in leading cities were relatively constant between the middle of March and the middle of April, at a level about \$200,000,000 higher than at the end of January and approximately equal to the high point reached last autumn. Continued liquidation of loans to brokers and dealers was reflected in a further decline in the total of loans on securities, which on April 14 were more than \$500,000,000 below the high point reached at the end of last year.

At the reserve banks an increase in the volume of member bank borrowing during the last two weeks of March was followed by a marked decline in the first three weeks of April, which brought the total near the lowest levels of the year. Holdings of United States securities increased continuously during the month, while acceptances declined seasonally. Total bills and securities were in smaller volume at the end of the period than at any other time during the year and only slightly larger than a year ago.

Open-market rates on commercial paper declined in April from 4¼–4½ per cent to 4–4¼ per cent, and rates on acceptances and on security loans were also lower in April than in March. On April 23 the discount rate at the Federal Reserve Bank of New York was reduced from 4 to 3½ per cent.

BUSINESS INDEXES OF THE FEDERAL RESERVE BOARD

[Monthly average 1919=100]

Year and month	Production in basic industries ¹	Factory employment	Factory pay rolls	Building contracts awarded ¹	Railroad-car loadings ¹	Wholesale trade	Department-store sales ¹		Department-store stocks ¹		Bank debits outside of New York City ¹
							Unadjusted	Adjusted	Unadjusted	Adjusted	
1925											
January.....	127	94	103	164	123	79	108	124	119	134	119
February.....	124	96	109	166	125	76	101	131	127	135	118
March.....	120	96	110	172	117	83	121	121	139	137	118
April.....	119	96	107	169	129	79	136	133	141	136	120
May.....	111	95	107	161	123	79	128	124	136	137	118
June.....	110	94	105	173	117	83	126	126	129	135	122
July.....	113	93	102	188	122	83	95	128	125	133	124
August.....	109	94	105	225	123	87	98	125	131	131	120
September.....	111	95	104	235	121	94	121	134	143	133	123
October.....	116	97	111	210	121	101	165	145	149	134	128
November.....	115	97	112	229	121	86	145	129	154	137	122
December.....	121	97	112	276	130	80	226	141	129	139	124
1926											
January.....	120	96	107	243	118	78	114	130	125	141	126
February.....	120	97	112	208	127	76	104	135	132	140	128
March.....	123	97	113	209	126	85	130	130	143	141	131

¹ The indexes of production in basic industries, building contracts, car loadings, and bank debits are adjusted to allow for seasonal variation; the indexes of department-stores sales and stocks are shown both with and without seasonal adjustments.

MONEY RATES

Prime commercial paper continued to be quoted at $4\frac{1}{4}$ - $4\frac{1}{2}$ per cent during the first three weeks of April, with the majority of names going at $4\frac{1}{4}$ per cent. The supply remained limited throughout the month, while the demand became more active during the last two weeks both in the interior and in New York City. On April 23 the quoted rate became $4\frac{1}{4}$ per cent and on the following day $4\frac{1}{4}$ per cent. Rates on bankers' acceptances of all maturities over 30 days were reduced by $\frac{1}{8}$ per cent on April 7, making the offering rate on 60 and 90 day bills $3\frac{1}{2}$ per cent, the lowest rate in effect since early in January. On April 22 a further reduction occurred and 90-day bills were offered at $3\frac{3}{8}$ and later at $3\frac{1}{2}$ per cent. The price of both short and long-term Government securities rose throughout April, yields on $4\frac{1}{4}$ per cent Liberty bonds reaching the lowest levels since last September. Rates on call money hardened to 5 per cent over the first of April, but later declined and after the 19th of the month fluctuated between $3\frac{1}{2}$ and $4\frac{1}{4}$ per cent. The discount rate of the Federal Reserve Bank of New York was reduced from 4 to $3\frac{1}{2}$ per cent effective April 23. The table below shows money rates prevailing in the New York market during the last three months:

MONEY RATES IN NEW YORK CITY

Month	Prime commercial paper, 4-6 months	Prime bankers' acceptances, 90 days	Average yield on—		Average rate on—	
			U. S. Treasury notes and certificates, 3-6 months	4½ per cent Liberty bonds	Call loans ¹	Time loans ²
April, 1925.....	4	3½	2.78	3.96	3.86	3.95
January, 1926.....	4¼-4½	3½-3¾	3.49	4.04	4.33	4.79
February, 1926.....	4¼	3½	3.13	4.01	4.55	4.68
March, 1926.....	4¼-4½	3½	{ 3.03 3.25 3.08 }	3.98	4.55	4.72
April, 1926.....	4-4½	3½-3¾	3.08	3.94	4.06	4.29
Week ending—						
Apr. 3.....	4¼-4½	3½	3.21	3.97	4.94	4.66
Apr. 10.....	4¼-4½	3½-3¾	3.15	3.96	4.20	4.50
Apr. 17.....	4¼-4½	3½	3.07	3.94	4.40	4.39
Apr. 24.....	4-4½	3½-3¾	3.04	3.93	3.85	4.23

¹ Renewal rate.
² Weekly average of daily average rates on principal maturities.
³ Issues maturing June 15, 1926.
⁴ Issues maturing Sept. 15, 1926.

In the London money market rates showed little change during April. Three-months bank bills were quoted at $4\frac{3}{8}$ per cent the third week in April as compared with $4\frac{7}{8}$ per cent the third week in March, and Treasury bills

were tendered at an average rate of 4.395 per cent that week.

ACCEPTANCES

During the last two weeks of March the supply of acceptances in the New York market increased slightly and the demand remained good, with the continuance of foreign buying and relatively easy money conditions. Early in April the demand increased substantially and dealers, finding some difficulty in replenishing their portfolios, reduced their rates on April 7 by $\frac{1}{8}$ per cent on all except 30-day bills. Firmer money conditions soon afterwards, due in part to exports of currency to Cuba, resulted in heavy offerings of bills in both the New York and Boston markets, with a practical cessation of demand, and large sales to the reserve banks, chiefly of bills with maturities of 30 days or less. The total volume of purchases reported by New York dealers during the period from March 18 to April 14 was the largest since December, and their sales, excepting sales to Federal reserve banks, were the smallest. Their portfolios on April 14 were larger than on any other reporting date for the last three years. Similar conditions characterized the Chicago market, where dealers reported a slight decline in purchases, a large decline in sales, and increased portfolios at the end of the period. Cotton and coffee were the commodities chiefly represented by the bills in the market, with a considerable recent increase in the number of sugar bills.

Bill rates in New York at the beginning and end of the reporting period are given in the following table.

ACCEPTANCE RATES IN THE NEW YORK MARKET

Maturity	March 18, 1926		April 14, 1926	
	Bid	Offered	Bid	Offered
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
30 days.....	3½	3½	3½	3½
60 days.....	3½	3½	3½	3½
90 days.....	3½	3½	3½	3½
120 days.....	3½	3½	3½	3½
150 days.....	4	4	4	4
180 days.....	4	4	4	4

CAPITAL ISSUES

The volume of new domestic securities issued in March, according to the compilation of the Commercial and Financial Chronicle, was among the largest of recent years, being exceeded in 1925 only by the issues of December and in 1926 by those of January. The total for the first quarter of 1926 amounted to

\$1,598,000,000, as compared with \$1,360,000,000 in the first quarter of 1925. The size of the total is accounted for chiefly by the volume of corporate flotations, which was the largest on record in January and in March next to the largest. Municipal issues in March were moderate in amount as compared with previous months. Of the corporate issues, over two-thirds were those of industrial corporations, which showed a large increase over February. Railroad offerings also showed an increase, but those of public utilities a decline. The accompanying table shows the domestic securities issued in March, 1925, and in February and March, 1926.

DOMESTIC CAPITAL ISSUES
[In millions of dollars]

	March, 1926		February, 1926		March, 1925	
	New	Re-fund-ing	New	Re-fund-ing	New	Re-fund-ing
Total.....	558.2	38.8	472.8	25.6	367.9	75.9
Corporate.....	416.1	37.2	323.7	25.0	247.9	70.3
Long-term bonds and notes.....	218.2	34.9	172.8	22.6	153.2	70.3
Short-term bonds and notes.....	24.1	1.0	28.2	---	14.4	---
Stocks.....	173.8	1.3	122.7	2.4	80.3	---
Farm loan issues.....	29.3	.2	4.3	---	11.5	3.0
Municipal.....	112.8	1.4	144.8	.6	108.5	2.6

The volume of foreign securities issued in the United States in March, according to the compilation of the Federal Reserve Bank of New York, was smaller than in any month since last August. An unusually large share of the total, nearly one-half, was issued by corporations. The following table shows the foreign offerings during the first three months of this year, classified geographically and divided between those of corporations and of governments, including provinces and municipalities.

FOREIGN CAPITAL ISSUES
[In millions of dollars]

	March, 1926		February, 1926		January, 1926	
	Gov-ern-ment	Cor-po-rate	Gov-ern-ment	Cor-po-rate	Gov-ern-ment	Cor-po-rate
Total new issues.....	23.2	21.7	44.0	20.4	38.0	32.2
Europe.....	3.7	14.9	42.0	14.0	13.2	30.1
Canada and Newfoundland.....	6.0	4.8	2.0	6.4	10.2	1.4
Latin America.....	13.5	---	---	---	8.9	---
United States insular possessions international.....	---	---	---	---	5.7	.7
International.....	---	2.0	---	---	---	---
Refunding issues.....	3.0	---	40.0	3.6	8.0	5.0
Total new and refunding.....	26.2	21.7	84.0	24.0	46.0	37.2

SECURITY PRICES

During April the prices of representative common stocks recovered about half of their March decline as measured by the price index of 232 stocks computed by the Standard Statistics Co. The index of railroad stock prices, which had declined less rapidly than that of industrials in March, increased almost as sharply in April, and on April 26 was slightly higher than at the middle of last November and but 6 points below its high record at the end of December. Industrial stocks were a little below their levels following the November decline and about 11 points below their January peak. After showing unusual activity during the first week of April, the stock exchange was relatively quiet through the rest of the month, as indicated by the number of shares sold daily. Bond prices, which had declined in March, increased during April to the highest levels since 1917. The following table gives indexes of stock prices computed by the Standard Statistics Co. of New York, the average price of 40 bonds computed by Dow, Jones & Co., and the average number of shares of stock sold daily on the New York Stock Exchange for the last six months and for April a year ago:

INDEX NUMBERS OF SECURITY PRICES

	Price indexes of 1—			Average price of 40 bonds ²	Average number of shares of stock sold daily (000 omitted) ³
	201 industrial stocks	31 railroad stocks	Total, 232 stocks		
Average for—					
April, 1925.....	123.4	107.7	118.8	91.62	1,088
November, 1925.....	150.4	120.0	141.6	92.44	2,397
December, 1925.....	151.6	125.4	144.0	92.76	1,883
January, 1926.....	153.7	125.5	145.5	93.46	1,766
February, 1926.....	154.9	123.5	145.7	94.31	1,806
March, 1926.....	144.0	119.4	136.7	93.94	1,790
April, 1926.....	139.8	118.5	133.6	94.52	1,339
Average for week ending—					
Apr. 5.....	140.2	118.0	133.7	93.93	2,637
Apr. 12.....	136.8	117.1	131.0	94.33	1,105
Apr. 19.....	137.3	117.3	131.4	94.79	1,357
Apr. 26.....	145.0	121.6	138.1	95.03	1,493

¹ For the industrial stocks, the average of 1917-1921 prices equals 100, for the rails the average of the high and low prices made in the 10 years, 1913-1922, equals 100. The indexes are weighted by the number of shares of each stock outstanding. Prices used are closing quotations on Monday.

² Arithmetic average of daily average closing prices, as published in the Wall Street Journal. Weekly averages are for week ending with Saturday preceding date given.

³ Saturday omitted. Weekly averages are for five days ending with Friday preceding date given.

AGRICULTURAL CREDIT

During the first quarter of 1926 rediscounts at Federal intermediate credit banks increased approximately \$10,000,000, which represented advances chiefly to agricultural credit corporations, although advances to livestock loan companies also showed a nominal increase.

All Federal intermediate credit banks, with the exception of those at Springfield and Wichita, increased their holdings of rediscounts during the quarter.

A net reduction in direct loans approximating \$5,600,000 took place during the same period, reductions being made in loans based on tobacco, wheat, canned goods, peanuts, and wool, while cotton and rice loans showed an increase. All banks reduced their direct loans with the exception of those located at Baltimore, St. Louis, and Houston, where additional advances were made on tobacco, coffee, rice, and cotton.

During March outstanding direct loans were reduced by about \$4,000,000, all classes of loans, with the exception of those based on raisins and rice, showing a decline. Reduction in cotton, tobacco, and wheat loans accounted for a greater part of the repayments. During the first half of April an additional reduction of about \$2,500,000 was made in tobacco loans, and nominal reductions were also made in other commodity loans with the exception of those based on raisins and rice, the former remained unchanged while the latter continued to increase.

Rediscounts during March increased by \$6,700,000, with a further expansion of about \$3,400,000 in the period ending April 17. Practically all of this increase represents advances to agricultural credit corporations, the Columbia (S. C.) bank alone advancing over \$5,000,000 during March.

Loans based on eligible commodities and rediscounts for the different financial institutions for the latest available date in April are shown in the accompanying table:

INTERMEDIATE CREDIT BANKS
[In thousands of dollars]

	Apr. 17, 1926	Mar. 20, 1926	Apr. 18, 1925
Direct loans outstanding on—			
Cotton.....	23,985	26,479	2,994
Tobacco.....	12,874	15,588	19,434
Wheat.....	1,369	1,910	1,019
Canned fruits and vegetables.....	412	489	201
Raisins.....	3,600	3,600	4,000
Prunes.....			1,216
Peanuts.....	65	84	337
Wool.....	108	157	
Rice.....	978	894	256
All other.....	340	432	75
Total.....	43,731	49,633	29,532
Rediscounts outstanding for—			
Agricultural credit corporations.....	27,127	21,390	17,841
National banks.....	13	34	8
State banks.....	452	417	667
Livestock loan companies.....	12,088	12,046	10,006
Savings banks and trust companies.....	15	65	96
Total.....	39,695	33,952	28,618

Federal land banks increased their net outstanding farm loans by \$21,676,000 during the first quarter of 1926, as compared with \$26,697,000 for the same period in 1925. Joint-stock land banks during the first three months of this year increased their net holdings of farm loans in the amount of \$33,898,000, or approximately \$3,245,000 more than the volume secured in the corresponding period last year. Reporting life-insurance companies increased their holdings of farm mortgage loans in the amount of \$20,000,000 during the first quarter, or less than the volume of \$22,000,000 purchased in the same period a year ago.

Net outstanding loans for both Federal and joint-stock land banks increased in approximately the same amount during March as in the previous month, the former increasing \$8,000,000 and the latter \$12,000,000. The following table shows the outstanding volume of net mortgage loans at the end of March held by 12 Federal land banks, 53 joint-stock land banks, and 41 life-insurance companies owning more than 82 per cent of the assets of all life-insurance companies:

NET FARM MORTGAGE LOANS OUTSTANDING

[In thousands of dollars]

	March 31, 1926	March 31, 1925
Total, all joint-stock land banks.....	579,457	477,082
Total, Federal land banks.....	1,027,361	954,265
41 life-insurance companies.....	1,543,000	1,474,000

AGRICULTURE

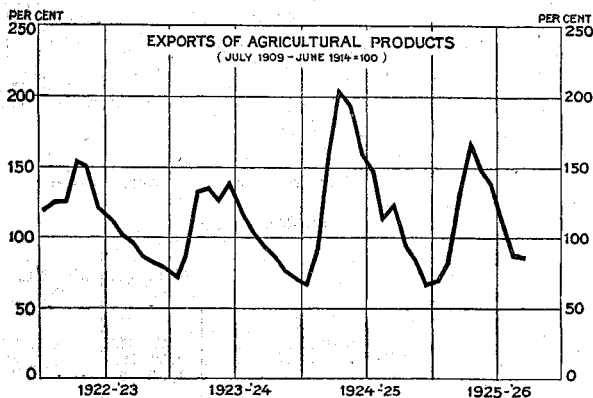
Agricultural operations and marketing of early fruit and vegetables in the South were delayed in March and the early weeks of April by unfavorable weather, and in other sections reports indicate that spring farm activities were somewhat retarded. Ranges, on the other hand, throughout nearly all sections except in California were in materially better condition at the opening of spring than in other recent years, and livestock show much improvement over last year. Reports by the Department of Agriculture indicated that the condition of the winter wheat crop improved considerably between December and April and that the average condition of the crop on April 1 was considerably better than a year ago and the average condition for the past 10 years. On the basis of this improvement in the condition of the crop some commercial estimates indicate that the yield will be between

547,000,000 and 590,000,000 bushels, as compared with a final yield of 398,486,000 bushels in 1925 and 589,632,000 bushels in 1924.

In March farm prices declined 2 per cent from the level of January and February, and the index of 30 commodities prepared by the Department of Agriculture was 7 per cent lower than in March of last year. This decline in farm prices since last year reflects largely the decline in the prices of grains and cotton. The price of grains declined in March to the lowest level since July, 1924, and that of cotton was lower than at any time since March, 1922. Livestock prices averaged 10 per cent higher in the first quarter of 1926 than in 1925, and in March they were near the high levels reached in the summer of 1925. Prices of fruits and vegetables were higher in the first three months of the year than at any time

From December 1, 1925, the date of the last condition report, there has been an increase in condition of 1.4 points, which is in contrast with the usual trend of condition reports, the change in condition between the above dates for the last 10 years representing an average decline of 5.7 points.

After reaching the highest point of the season in early January, wheat prices have maintained a downward trend throughout the first quarter and reached the lowest level of the year in the first half of April. Since that time there has been a slight recovery and the market has shown some strength. Exports of wheat from this country have been at extremely low levels, and the total supply available for export in the principal exporting countries, Australia, Argentina, Canada, and the United States,

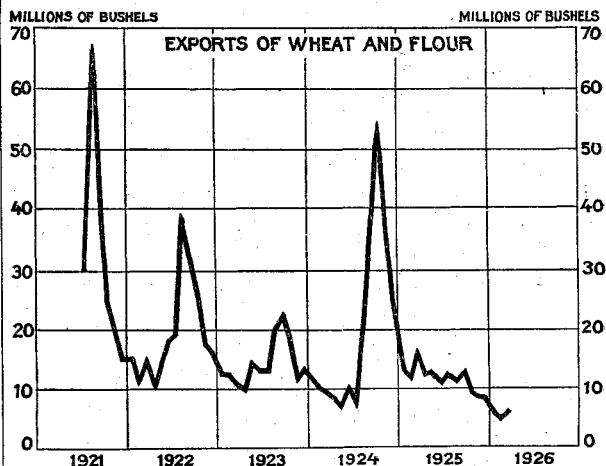


since 1920. Farm wages at the beginning of April were slightly higher this year than in 1925 and 1924, and the supply of farm labor was somewhat smaller than last year.

Total exports of agricultural products, as measured by the Department of Agriculture's index, were in about the same volume in March as in February, but, due largely to smaller exports of cotton and grains, they continued much smaller than last year. Foreign takings of dairy products and eggs increased about 50 per cent in March and were 20 per cent larger than last year. Fruits and vegetables, tobacco, and certain pork products were exported in slightly larger volume than in March, 1925.

Grains.

The condition of the winter-wheat crop as of April 1 is reported by the Department of Agriculture at 84.1 per cent of a normal, compared with 68.7 on April 1, 1925, and 79.2, the average condition for the last 10 years.



together with shipments afloat, is estimated to be 40,000,000 to 50,000,000 bushels smaller than a year ago.

Corn prices declined to new low levels in March, but the market displayed some strength toward the close of the month as cereal manufacturers and feeders were active in their purchases. The usual seasonal decline in marketing restricted receipts to such an extent that they were barely sufficient to meet current needs. Further improvement was made in the corn market during the first two weeks of April as receipts continued light and demand was actively maintained. The quality of the corn marketed during April is reported to be much improved, although considerable high-moisture corn is still in evidence.

An active demand was maintained for oats during March and, although prices declined along with the other grains, prices have held generally firm. Receipts of oats at the princi-

pal markets during the first quarter have been below those of last year and at several markets, recently, the demand has exceeded current receipts. Although stocks are considerably larger than normal they are being reduced at a rapid rate. Export trade has been active and a considerable movement from the lake ports is expected with the opening of navigation. The new crop in the Southwest is reported to be making favorable progress, and it is expected that harvesting will start in southern Texas during the last of May.

The estimated exportable surplus of Argentine flaxseed has been placed at 47,164,000 bushels, which is approximately 50 per cent greater than the estimated surplus of last year. Prices in this country during 1926 have worked to a lower level, No. 1 flaxseed reaching \$2.24 at Minneapolis in early March. At the close of the month, however, the price had advanced to \$2.31.

Cotton

In the late winter and early spring months rainfall throughout the cotton-growing States resulted in considerable subsoil moisture, but the continued cold weather and frequent rains delayed preparations and plantings in the late weeks in March and early weeks of April in the greater portion of the belt. The season is generally later than last year. Early plantings in sections of Florida were retarded by cold weather early in April and much replanting is necessary. In southern Texas, on the other hand, the stand of early planting cotton was generally good and cultivation satisfactory up to the middle of April. Reports from nearly all cotton-growing States indicate that efforts are being made to increase the acreage of food and feed crops and to reduce the acreage planted to cotton, but it is yet too early to ascertain the extent to which a reduction in cotton acreage will actually be made.

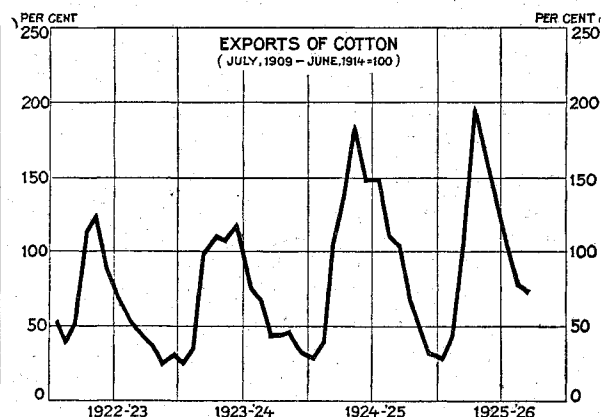
Since January takings of American cotton by domestic and foreign spinners has been smaller each week than in the corresponding weeks of last year, and at the end of March total takings for the season were only 4 per cent larger than last year. This falling off in takings since the beginning of the year is significant when considered in relation to the fact that in the autumn months takings were considerably larger than in the preceding year, and up to the first of January they were about 20 per cent larger than the year before. Exports declined again in March, and for the season through March they were 6 per cent less than a year ago. Changes in the monthly volume of cotton exported in recent years and

a comparison of exports this year with those of last year are shown in the chart.

As a result of the large crop in 1925 and the subsequent decline in takings and exports, total stocks at mills and public warehouses and compresses at the end of March were the largest for that date since 1922, but the larger part of the increase was in stocks at warehouses and compresses. Stocks on March 31 since 1922 are as follows:

STOCKS OF COTTON
[Bales]

March 31	Mills	Warehouses	Total
1922.....	1,557,000	3,752,000	5,309,000
1923.....	2,034,000	2,380,000	4,414,000
1924.....	1,504,000	2,001,000	3,505,000
1925.....	1,635,000	2,025,000	3,660,000
1926.....	1,768,000	4,163,000	5,931,000



In March and the early weeks of April prices of raw cotton fluctuated within narrow limits, but they averaged lower than at any time since early in 1922. A larger proportion of the cotton remaining in the South is of lower grade than ordinarily, and the price differences for the lower grades are generally the widest since 1921 and in some cases since 1920.

Tobacco.

Practically all of the tobacco markets open at the beginning of March were closed during the month or early in April. The crop that was sold by producers in March and April was generally of a very low grade, as is usually the case at the end of the season, and prices for nearly all types were lower than last year. Preparations are being made for planting the new crop, but weather conditions so far have somewhat delayed operations. In sections of the burley tobacco district of Kentucky

reports indicate a disposition to curtail acreage, but in the dark-fired and air-cured tobacco sections in that State the possibility of growing burley is being considered. Exports of leaf tobacco since the beginning of the marketing season last summer have been larger each month, except October, than in the preceding year, and for the entire period, nine months, they were 24 per cent greater than in the corresponding period of last season. Compared with the corresponding period in other recent years, exports this year were larger than in 1923, 1922, and 1921, but were smaller than in 1920 and 1924.

In the tobacco-manufacturing industry production in the first quarter of 1926 was larger than in 1925 for large cigars, cigarettes, and manufactured tobacco products, but the output of small cigars was considerably less than a year earlier. In January and February the output of cigars was much smaller than in the first two months of last year, but in March activity in all branches of the industry was maintained at a higher level than in 1925, and for the first time in recent months the production of cigars exceeded that of the year before.

Fruits and vegetables.

Marketings of fruits and vegetables during the first quarter of 1926 have been in lower volume than in the corresponding period a year ago. Shorter crops of certain products, particularly potatoes and cabbage, have contributed to the restricted movement. Shipments of southern vegetables have been in smaller volume as a result of the unseasonable weather which has delayed the progress of crops and reduced the output. With the exception of apples, practically all the more important fruits and vegetables have sold at prices equal to or higher than those realized in the first quarter of 1925.

Citrus fruits in both Florida and California are reported to be making satisfactory progress. Southern peach orchards, however, were damaged by the March freeze and crop prospects have been somewhat impaired. Reports of frost damage to the fruit crop are of more or less localized nature, many sections, such as the commercial peach area in North Carolina, reporting excellent prospects. In the Ozark Mountain region of northern Arkansas and southern Missouri some damage to early fruit has been reported.

The situation in the apple market remains distinctly unfavorable, as the heavy supplies continue to be a dominant factor in the situation, combined storage stocks on April 1 being

44 per cent heavier than a year ago. Demand, both domestic and export, has exceeded that of last year, but has not been sufficiently large to eliminate the excess stocks.

Garden and truck crops in the Southern States have been handicapped by weather that has been generally too cool and wet. Reduced domestic supplies have been augmented by imports, the March figures being about double those of a year ago. The imports were mainly tomatoes and peppers from Mexico and Cuba and onions from Spain and Egypt. Increases in the prices of potatoes, onions, tomatoes, and sweet potatoes took place during March, and vegetables as a whole continue to sell at a higher level than a year ago.

In eastern markets, potatoes have been quoted at \$5 to \$6 per 100 pounds, and the higher prices have brought out a fairly liberal supply for this time of the year. A considerable amount of low-grade stock has increased the supply to such an extent that the car-lot movement, despite the short crop, does not show a great reduction below the figures of 230,000 cars a year ago. The movement of new potatoes from Florida and Texas is late in getting under way, but is now moving in fair volume.

Livestock.

Range conditions are reported by the Department of Agriculture as being better than the average, with the exception of California, but conditions there were improved by rains during early April. In the Southwest the ranges are the best in years and there is sufficient moisture to provide later feed. The condition of the ranges is reported at 91 per cent on April 1, as compared with 90 per cent a month previous and 80 per cent on April 1, 1925.

Cattle and sheep came through the winter with very light losses and are reported to be in generally good condition. The Department of Agriculture reports the condition of cattle as 93 per cent and sheep as 98 per cent, compared with 84 and 91 per cent, respectively, on April 1, 1925. Available reports as to lambing are very favorable and a good crop is indicated. Demand for stockers and breeding stock is reported to be the best in recent years, indicating that there is some movement to increase herds.

During the first quarter of 1926 the movement of cattle to feed lots was at approximately the same rate as in 1925. The Department of Agriculture estimates that the number of cattle on feed in the Corn Belt States on April 1, 1926, was practically the

same as a year ago. As to the months of marketing, intentions reported by feeders indicate that a larger percentage will be marketed in April and May as compared with reported intentions of last year.

Receipts of cattle and calves at the principal markets during the first three months of the year were in approximately the same amount as in the corresponding period in 1925. Receipts of hogs, on the other hand, were about 20 per cent less, although receipts for the current March displayed a very slight increase over the same month a year ago. An increase of slightly more than 8 per cent took place in shipments of sheep during the current first quarter as compared with last year.

Average prices on native beef steers at the Chicago market were about the same as in February, but approximately 65 cents per hundred under March, 1925. Values declined to the lowest level of the year in early April. Fat cows and heifers averaged 60 cents higher during March as compared with the preceding month, but this gain was practically eliminated in the lower market of April. Grass-fed cattle from the Southwest made their appearance in the market, and a heavy supply of discarded dairy cows has offered considerable competition to the general run of average-grade cattle. Demand for stockers was stimulated by the lower level of prices, and heavy shipments are anticipated as pastures become available in the Central States.

Marketing of heavy-weight hogs during March increased, with average prices slightly lower than in the preceding month. March prices were \$1.50 under those of a year ago. Receipts at the principal marketing centers during the month totaled 3,579,000 head, as compared with 3,528,000 head for the corresponding period a year ago. March receipts show an increase over February of approximately 200,000 head.

Average lamb prices in March were below those of February and a further decline took place in April, average prices for the week ending April 10 being \$12.80 at the Chicago market. The level of prices is more than \$3 below that of the corresponding period of 1925. The movement from Colorado and Nebraska feed lots has practically been completed, and returns to the feeders, on the whole, were not considered satisfactory.

The average prices of livestock at the Chicago market for March, with comparisons, is reported by the Chicago Federal Reserve Bank as follows:

AVERAGE PRICES OF LIVESTOCK

[Per hundred pounds at Chicago]

	Week ended Apr. 10, 1926	Months of—		
		March, 1926	February, 1925	March, 1925
Native beef steers (average) ..	\$9.45	\$9.60	\$9.65	\$10.25
Fat cows and heifers	6.70	7.20	6.60	6.65
Hogs (bulk of sales)	12.05	12.05	12.35	13.55
Yearling sheep	10.00	9.90	11.65	13.50
Lambs (average)	12.80	13.15	13.50	16.20

Dairy products.

The output of dairy products during the first quarter of 1926 was maintained in a volume approximately 10 to 12 per cent higher than in the corresponding period a year ago. During the first two months dairymen received relatively high prices for their product and feed costs were low, compared with 1925. March prices of the current year, however, were below those of a year ago, and the same disparity was in evidence during the first half of April, butter and cheese stocks continuing to be in excess of the usual holdings for this season.

With a seasonal decline that was greater than usual, butter prices decreased approximately 5 cents a pound during March, reaching the lowest March level since 1922. A further reduction of 3 cents also took place during the first half of April. Storage holdings on April 1 were 17,390,000 pounds, as compared with 10,875,000 pounds a year previous. The reduction in stocks during the month of March was only 9,000,000 pounds, as against 18,000,000 pounds for the same month in 1925. Strength in foreign butter markets has eliminated imports as a material factor, and the continued heavy production and slow out-of-storage movement were apparently the dominating elements in the price situation.

Receipts of cheese at primary markets in Wisconsin from January 1, 1926, through the week ending April 10 were about 12 per cent above those of the corresponding period in 1925. Storage stocks in the United States totaled 38,026,000 pounds on April 1, as compared with 27,716,000 on the same date a year ago. The reduction in stocks for the current March were only 4,561,000 pounds, as compared with a reduction of 6,931,000 during the same month in 1925. Prices declined approximately 2 cents a pound during March, and quotations were an additional cent lower in the week ending April 17.

MINING

Mining output increased in March and was greater than in that month of any recent year. Large production of anthracite, copper, zinc, and lead offset a reduction in the output of bituminous coal. Daily average crude petroleum production was larger than in any month since December. Anthracite mines were in complete operation during March for the first time since last August. Weekly figures for April indicate further seasonal declines in the production of bituminous coal at a level higher than in 1924 and 1925, but below that of 1923. Anthracite output, however, in the week of April 17 was larger than in any week since the resumption of operations in February.

Coal and coke.

The advent of warmer weather, together with the resumption of full-time operations in the anthracite fields, have reacted on the market for bituminous coal and coke, and both prices and production have shown the usual spring recession. During the latter part of March and the first half of April, however, the seasonal recession was more marked in prices than in output. On April 12 the Coal Age Index of spot prices for bituminous coal had declined to \$1.91, a new postwar low. Production of bituminous during March was 46,137,000 net tons, the lowest since last August just before the cessation in anthracite, but 23 per cent above March, 1925, and 12 per cent above March, 1924. During the first part of April output continued to recede, but remained well above the levels of the two preceding years. During the week ending April 10 average production per working day was 1,571,000 net tons, as compared with 1,782,000 four weeks earlier and 1,307,000 net tons during the corresponding week in April, 1925. Total 1926 output of bituminous to April 10 amounted to 159,747,000 net tons, the largest for the corresponding periods of any year since the war.

Production of anthracite was high during March, total output of 8,790,000 net tons being the largest monthly production since August, 1925, the month preceding the strike, and above any preceding month since March, 1923. With demand active, the usual April reduction in price did not take place this year.

Total production of coke amounted to 4,935,000 short tons during March, except for December and January, when the demand for anthracite substitutes was at a peak,

the highest since May, 1923. Output of by-product was 3,777,000 tons, the second highest on record, in contrast to production of beehive which totaled 1,158,000 tons, the lowest since October, 1925. During the first part of April, output of beehive continued to decline, production for the week ending April 10 being 231,000 net tons, as compared with 262,000 tons four weeks earlier and 212,000 tons during the corresponding week in April, 1925. Quotations for coke receded further during the period, Connellsville coke being quoted at \$3 on April 13, as compared with \$3.25 on March 16 and \$3.10 on April 14, 1925.

Petroleum.

In the first two months of 1926 production of crude petroleum declined from the levels of the autumn months, but near the end of February the output began to increase, and in nearly every week in March and the first part of April the daily average output increased. Total production, however, for the first three months was about the same as last year—January and February were larger but March was less. Stocks of petroleum east of California were reduced again in March, and at the end of the month they were 7 per cent smaller than a year ago. In January, February, and early in March prices of crude petroleum advanced gradually, but late in March and the first three weeks of April they remained unchanged at \$2.048 per barrel, the Oil, Paint, and Drug Reporter's average price for 10 fields.

Production of petroleum products was less in February than in January, but the output of all products except kerosene continued larger than a year earlier. Gasoline production continued to exceed all records for the corresponding months in previous years, and stocks are likewise increasing. These heavy stocks, however, are not an unfavorable factor when they are considered in relation to consumption. The total supply of 1,858,659,000 gallons on hand at the end of February was equal to 75 days' consumption at the present rate, which is relatively lower than the supply of 1,618,891,000 gallons a year earlier, which was equal to consumption for 79 days. Gasoline prices at refineries advanced each week from the middle of March until the week ending April 10, when they were at a level higher than for any previous week this year. Service-station prices advanced in the first and second weeks of April, but for the week ending April 17 they remained unchanged at

22.32 cents a gallon, according to the Oil, Paint, and Drug Reporter's average price for service stations in 10 sections of the United States.

Nonferrous metals.

Production of nonferrous metals continued high during March, while prices showed a tendency toward somewhat lower levels. During the latter half of March and the first week of April quotations for refined electrolytic copper delivered in New York receded from $14\frac{1}{8}$ to $13\frac{7}{8}$ cents, but subsequently reacted to 14 cents. Production of copper in the United States during March reached 150,900,000 pounds, about the same daily rate as in February but, due to the longer month, a new monthly high. Shipments both on domestic account and for export were high during the month, and stocks showed a material decline at the end. March output of both lead and zinc in the United States was about 6 per cent in excess of March, 1925, and in both cases the second highest total reached. Shipments of slab zinc from refineries, which reached a new high during the month, were in about the same volume as production, with the result that stocks on hand on March 31 remained virtually unchanged at 20,561 tons. Prices for both lead and zinc continued to decline during the latter part of March and the first half of April to the lowest levels since July, 1925, lead being quoted at 8 cents in New York on April 14 as compared with $8\frac{1}{4}$ cents four weeks earlier, while zinc in St. Louis reacted from $7\frac{3}{8}$ - $7\frac{1}{2}$ to $7\frac{1}{8}$ cents during the same period.

With continued selling from China and little demand elsewhere, quotations for bar silver in New York fell from 66 cents on March 17 to $64\frac{5}{8}$ cents on April 14. This is the lowest since early in 1924 and $8\frac{1}{4}$ cents under the recent September high. With the exception of January, March deliveries of tin to the United States were the largest since March, 1925, but stocks in New York showed a decline at the end of the month. Quotations for Straits tin were 64 cents on April 14, in contrast to 66 cents four weeks earlier, the highest since August, 1919.

MANUFACTURING

Output of manufactures as a whole in March was greater than in any previous month. A new index of manufacturing production, compiled by the Federal Reserve Board, based upon daily averages of monthly statistics but otherwise unadjusted for seasonal variations,

stood in March at 112 (1923-25 average equaling 100), as compared with previous records of 111 in February, 110 last October, and 110 in April, 1923. The chart on page 306 shows a combination of this index with a similarly computed index of mineral production. Complete statistics and a description of these indexes will appear in a forthcoming issue of the BULLETIN. The index of manufacturing previously published and shown in this issue on page 336 equaled the high record attained last October. Production of steel ingots, and newsprint and the mill consumption of cotton was larger than in any previous month, and automobile output was exceeded only during last October. Other increases were noted in the production of pig iron, lumber, cement, and flour, and in the number of animals slaughtered. Prices of many basic manufactured products have been weak in the past two months and several declines have occurred.

Food products.

The output of flour for the first quarter of 1926 was approximately 10 per cent under the production for that period a year ago. March production figures, however, show an increase over the preceding month, and the production for both March and the first half of April in practically all the important milling centers, with the exception of those on the Pacific coast, was maintained at a higher level than for the corresponding period last year. Activity in the Pacific coast mills, which has been at a low ebb during 1926, showed some improvement during the last week in March and first half of April.

The flour trade has been marked by a dull and listless market, with buyers purchasing only for current needs. The export trade in 1926, which has been at the lowest level in years, is still inactive, although some European buying was reported in the first week of April, the first active inquiry from this source in some time.

Stocks of meat on hand April 1 were below those of a year ago and below those of the five-year average. Holdings of pork products were particularly low, lard stocks totaling 93,067,000 pounds, as compared with 150,182,000 pounds on April 1, 1925. Exports of meat products during the first quarter were below those of the same period last year, with the exception of lard, which shows a slight increase. For the month of March, stocks of beef, lamb, and miscellaneous meats declined, while holdings of pork and lard increased. The Chicago Fed-

eral Reserve Bank reports that the total value of March sales billed to domestic and foreign customers by 37 meat-packing companies in the United States were 1.1 per cent below February totals and 1.6 per cent larger than for March of 1925.

The current season's sugar production is estimated by the Department of Agriculture at 4.3 per cent larger than the 26,496,000 short tons actually harvested in 1924-25. Most of the increase occurred in the cane-sugar producing countries, according to their statement. The current crop, which is the largest on record, has been accompanied by a very low level of prices. The extreme low was reached in March, and since the announced intention of the Cuban Government to curtail production there has been a gain, refiners quoting the price at 5.25 to 5.60 cents, less 2 per cent for cash, on April 16. Meltings of 497,912 long tons during March were greater than the preceding month, but less than March of last year. Stocks at the end of the month were also larger, amounting to 290,061 long tons on March 31, as compared with 178,803 at the end of the previous month.

Textiles.

In the textile industries manufacturing activity was fairly well sustained during March, according to statistics of raw material consumption, active machines, and employment and pay rolls, although prices were declining and buying was limited in volume. Evidently production was maintained to supply orders previously received as well as purchases for immediate delivery. Reports for April indicate continued slackness in demand and some curtailment of operations, together with further price reductions.

Cotton consumption in March was the largest for any month on record, and the number of active spindle hours was greater than for any month since early 1923. Consumption and active spindle hours were greater than in 1924 and 1925, both in the New England and in the Southern States, but only the southern mills showed increases as compared with the spring months of 1923. Prices of cotton goods and yarns during March and April slowly continued the decline which has been in process almost without interruption since October, and reached the lowest levels since the early part of 1922. Finishers of cotton fabrics reported larger production, orders, and shipments in March than in any month since 1923.

Activity of woolen spindles increased in March as compared with February, but daily average consumption of raw wool, the percentage of active loom and worsted spindle hours to total hours, and factory employment and pay rolls indicated lessened production during March in the woolen and worsted industry. Buying of both raw wool and of woolen products continued in small volume and prices declined further. The Fairchild indexes of prices of raw wool, of tops, and of worsted yarns were at the lowest levels since 1922. The indexes of woolen and worsted goods—all-year numbers—declined in January, but have since remained unchanged. The Fairchild raw wool survey indicates a clip for 1926 of 260,791,000 pounds, as compared with the Department of Agriculture's estimate for 1925 of 254,260,000 pounds. This survey also indicates that a much smaller proportion of the domestic clip had been contracted for on February 15 this year than on the same date last year. Imports of raw wool in March totaled 48,000,000 pounds, the largest for any month since April, 1923. Sales of men's clothing by wholesalers in the New York Federal reserve district were seasonally larger in March than in February and in about the same volume as a year ago. Stocks at the end of the month, however, were 14 per cent greater than on the same date last year. Sales of women's clothing, although much larger than in February, were considerably smaller than in March of last year.

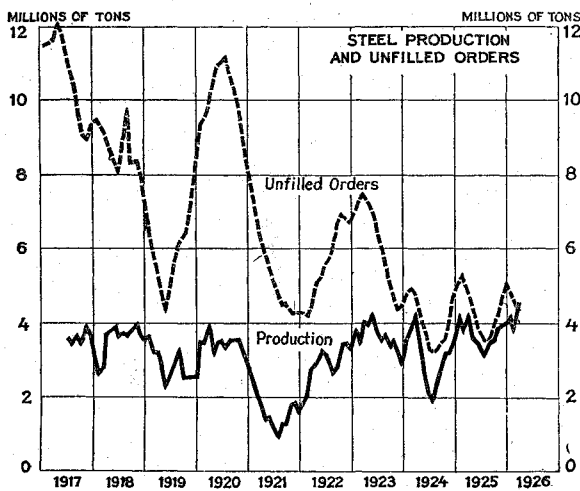
Volume of buying in the silk industry, which early in the year receded from the great activity of last fall, continued relatively limited during March and April. Prices were weak and manufacturing operations were reduced. Takings of raw silk by American mills in March were smaller than in any month since last May. They apparently exceeded imports, however, which were the smallest in a year, and stocks were considerably reduced. The raw silk market has been weak and quotations fell in April below the lowest point of 1925. The Fairchild index of silk goods prices fell from 132.05 on March 1 to 127.41 on April 1. This average, however, still exceeds that of April 1, 1925—123.61.

Demand for women's full-fashioned silk hosiery has continued fairly large, but, in line with declines in raw material costs, several manufacturers have reduced quotations on silk hosiery effective July 1. Preliminary March statistics for the Philadelphia and Atlanta Federal reserve districts indicate increases in production and shipments as com-

pared with February. Unfilled orders for women's full-fashioned hosiery increased considerably, but for other lines unfilled orders were reduced by an excess of shipments over new orders. The underwear market was seasonally dull during early April, with shipments of light-weight lines waiting for warmer weather and buying of winter wear inactive. February production for 150 firms reporting to the Bureau of the Census was well sustained, but unfilled orders, which showed a steady increase for several months until January, and likewise new orders and shipments, declined.

Iron and steel.

Activity in the iron and steel industry was sustained at high levels during March. The production of steel ingots in that month totaled



Unfilled orders of the United States Steel Corporation and production of steel ingots.

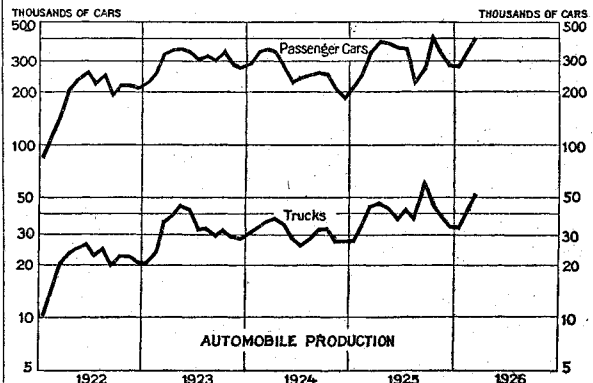
more than in any month on record and the output of pig iron was the largest since March, 1925. Ten more blast furnaces were in operation, according to Iron Age, on April 1 than on March 1. As compared with April 1, 1925, furnaces in blast this year were fewer in number but larger in capacity. Prices of steel have been firm, and the Iron Age composite price of steel products advanced slightly the last week in March. Prices of pig iron and of iron and steel scrap, on the other hand, have declined recently, the Iron Age pig-iron index for April 20 being 20.46, as compared with 21.38 a month earlier, and 21.54 two months earlier. Current trade reports indicate some recession in the volume of buying and curtailment of manufacturing operations since April 1.

For several months, in face of reports of slackened demand for iron and steel products

and a confirmatory decrease in the unfilled orders of the United States Steel Corporation, the volume of steel production has been maintained at remarkably high levels. The accompanying chart shows, by months since 1917, the movement of steel-ingot production and of the unfilled orders of the United States Steel Corporation. The general level of unfilled orders has declined gradually during years of sharp up-and-down movements, and since the latter part of 1923 has apparently become established on a considerably lower basis than in preceding years. During this decline in the volume of unfilled orders production of steel has increased. This seems to indicate a shift in the manner of buying from the custom of placing large advance orders to that of purchasing for almost immediate delivery, and evidently a large volume of business has been transacted upon the latter basis.

Automobiles.

Production of automobiles in March was larger than in any month on record, with the exception of last October. Trade reports indicate that sales of cars in March were in record volume for that month. They did not, however, according to these unofficial reports, equal production, and stocks were consequently



Monthly production in United States and Canada

increased. Dealers reporting to the Chicago Federal Reserve Bank showed increases in sales of both new and used cars as compared with February and with March, 1925. Stocks, however, were much larger than a year ago, the increases being for distributors 48 per cent and for retailers 82 per cent. Stocks were considered rather small a year ago, however, and comparisons with March 31, 1924, when they were large, show a decrease in the combined stocks of 17 per cent. Weekly statistics of employment in Detroit factories, largely

automobile producers, declined continuously from March 9 to April 20, but continued larger than at any time prior to last October. Exports of automobiles in March totaled 33,921 cars, the largest for any month on record.

Production of pneumatic rubber tires increased in March and was larger than in any month since August. The output of inner tubes increased to a less extent. Shipments continued much smaller than production, and stocks were further enlarged to new high records. Crude rubber prices, after an advance early in March, declined in the latter part of March and April, falling below 50 cents a pound for the first time in nearly a year. Imports of rubber equaled 94,421,359 pounds in March, as compared with 94,985,456 pounds in January, the largest for any month on record.

Lumber.

In comparison with production in the corresponding month of last year, lumber production this year in March was in somewhat smaller volume and lumber shipments in somewhat larger volume. In March, as in February and January, according to compilations of the National Lumber Manufacturers Association, shipments of softwoods exceeded production, and in each of these months production of hardwoods exceeded shipments. Consistently with these figures unsold stocks of softwoods at mills as reported to this association tended to accumulate during the first quarter of 1926, and stocks of hardwoods to fall off. Shipments of Douglas fir in March, as reported by mills to the West Coast Lumbermen's Association, were in nearly the same volume this year as last, and somewhat in excess of production, while shipments of southern pine, as reported for March by mills to the Southern Pine Association, were in smaller volume this year than last, and were below production this year as in March of 1925.

Hides, leather, and shoes.

Hide and leather markets during March and most of April continued inactive, with volume of trading limited. A little activity was noted in packer-hide markets during the third week of April, and some prices rose slightly. Prices of hides, however, had fallen irregularly since last August to the lowest point since the middle of 1924. Leather prices have remained comparatively steady since early last fall. Production of sole leather increased in March and was the largest since October; stocks in process

were also increased, whereas tanners' finished stocks were further reduced to a new low level. February figures, the latest available, for upper leather show decreases in production as compared with January and with last year, except in the case of goat and kid leather; stocks in process increased during the month and total finished stocks for cattle and sheep leather decreased and for goat and kid and calf leather increased as compared with January 31, and with a year previous.

Boot and shoe production showed a seasonal increase in March, and preliminary figures indicate a volume of output somewhat smaller than in March, 1925, but larger than in the same month of 1924. For the first quarter output was somewhat less than in the first quarter of any year since 1922. Sales of shoes by wholesale firms, on the other hand, were larger in March and in the first quarter than in the corresponding periods of either 1924 or 1925.

BUILDING

Building and engineering contracts awarded in March in 11 Federal reserve districts comprising 37 States east of the Rocky Mountains and covering 91 per cent of construction activities in the country as a whole, according to compilations by the F. W. Dodge Corporation, represented an aggregate cost value of \$598,000,000, the excess over March awards last year amounting to \$107,000,000, or 22 per cent. Of this increase \$71,000,000 was contributed by the New York district. The net increase of \$36,000,000 shown for the 10 remaining districts covered small decreases over the year in the Philadelphia, Cleveland, Richmond, and Kansas City districts, substantial increases in the Atlanta and Dallas districts, and relatively small increases in the Boston, Chicago, St. Louis, and Minneapolis districts. Generally large increases over February, partly seasonal and partly accounted for by the larger number of working days in March, are shown for the several districts, excepting the Atlanta district, in which the aggregate value of contracts awarded in March (\$61,081,000) was somewhat below that for February (\$63,559,000), although largely in excess of the valuation of awards in March of last year (\$34,274,000).

Residential contracts awarded in March in the 11 districts represented an aggregate value of \$263,000,000, the increase over March of last year amounting to 15.7 per cent, and over February of this year to 46.9 per cent. Over March of last year the net increase for the 11

districts, amounting to \$35,715,000, covered an increase for the New York district of \$36,902,000 and a net decrease of \$1,187,000 for the 10 remaining districts. In seven of these districts awards of residential contracts represented a smaller aggregate construction value this year than last, increases being shown for the Atlanta, Minneapolis, and Dallas districts.

It may be noted that awards in March of this year represented on the average a construction value per award considerably above the corresponding average value for March of last year, the average being \$38,225 this year as compared with \$31,981 last year for all classes of contracts combined, and for residential contracts \$22,433 as compared with \$19,369.

The valuation of "contemplated projects" reported in March to the F. W. Dodge Corporation aggregated \$1,029,000,000, being largely in excess of the corresponding figure (\$789,000,000) for March of last year.

Estimated cost valuation represented by permits issued in 168 cities in March exceeded the valuation of permits issued in February by 59.7 per cent, and exceeded the valuation of permits issued by these same cities last year in March by 4.5 per cent. Net increases over the year are shown for the cities of seven Federal reserve districts and net decreases for the cities of five districts. March reports of permit valuations to the Dodge Corporation from the building departments of 207 cities show over-the-year gains for 86 of these cities, and losses for 121 cities, the aggregate value of permits issued by this group of cities as a whole being 8 per cent greater this year than last.

The New York Federal Reserve Bank's index for cost of building shifted from 196 in February to 195 in March, covering a decrease in both the building materials index (from 177 to 176) and in the index for wage cost of labor in construction industries (from 224 to 223). In March the Bureau of Labor Statistics wholesale price index for building materials declined from 177.1 in February to 175.5, the corresponding figure for March of last year being 179.8.

TRANSPORTATION

Car loadings in March exceeded March loadings for any earlier year of the seven-year period covered by the Federal Reserve Board's compilations. Over last year's March loadings the excess amounted to 331,000 cars, or 8 per cent in a total of 4,341,000 cars loaded, and over the previous high record for the month—that for March, 1923—the excess

amounted to 219,000 cars, or 5 per cent. On a 1919 base as 100, the board's seasonally adjusted index for total car loadings remained practically unchanged at the level of the preceding month, shifting only from 126.9 in February to 126.4 in March. These figures indicate that with allowance made for seasonal variation freight distribution was continuing during these months on a level above that of any earlier month excepting December and April of last year and May of 1923. In the opening weeks of April, loadings this year continued to run above 1925 and for the year to April 17 exceeded last year's loadings by a narrow margin of some 280,000 cars, or 2 per cent.

Nearly two-thirds (64 per cent) of total loadings in March represented miscellaneous and less-than-carload shipments, covering principally the distribution of manufactured products. Although the proportion for this class of freight was somewhat below the corresponding proportion (65.6 per cent) for March of 1925 it was above that for March of any earlier year, the proportion for these earlier years being 62.7 per cent for 1924, 60.6 per cent for 1923, 59.7 per cent for 1922, 63.5 per cent for 1921, and 60 per cent for 1920, and in March of this year more cars were loaded with miscellaneous freight than were loaded with such freight in the corresponding month of any earlier year of the period. March loadings of grain and grain products this year, of coal, of coke, and of livestock exceeded loadings in 1925 and, excepting livestock, ran above 1924, loadings of ore and of forest products being in somewhat smaller volume this year than in March of either 1925 or 1924. Geographically the increase over 1925 has been widely distributed, each of the seven transportation districts showing an excess over 1925 for March loadings, and, with the exception of the northwestern district, an excess, generally by a narrow margin, for the first quarter of the year.

In March the roads maintained an average surplus of 215,000 cars (including 87,000 box cars and 82,000 coal cars), the surplus increasing in the first half of April to 284,000 cars. Of freight cars and of locomotives, the proportion in serviceable condition on April 1 (93 per cent of cars and 83.7 per cent of locomotives), was above the proportion on this date a year ago (91.8 and 81.9 per cent) and above the five-year average for this date as computed by the Bureau of Railway Economics.

Total operating revenues of Class I railways in February exceeded revenues in February of

last year by a margin of \$5,018,751, or 1.1 per cent, and operating expenses for the month were greater this year than last by nearly the same amount, \$4,904,567 or 1.4 per cent, giving an inconsiderable excess for net operating revenue for the month, this year over last, of only \$114,184, or 0.1 per cent in a total net revenue this year of \$99,613,841. The operating ratio or percentage of expenses to revenues was 78.35 per cent in February of this year, as compared with 78.14 per cent in February of 1925. For the two months ended February 28 the rate of return, as computed by the Bureau of Railway Economics, on the book investment of carriers was equivalent to 4.60 per cent on an annual basis, the corresponding figure for 1925 being 4.77 per cent. Carriers in the eastern district were earning in this period at a lower rate this year than last (4.95 as compared with 5.46 per cent), carriers in the southern district at a somewhat higher rate this year (5.97 as compared with 5.75 per cent), and carriers in the western district at nearly the same rate in both years (3.72 as compared with 3.70 per cent).

TRADE

Wholesale trade.

Sales of wholesale firms were in about the same volume in the first quarter of 1926 as in the corresponding period of last year, according to reports from all sections of the country received by the Federal reserve system. Sales of meat, shoes, and drugs were slightly larger, while those of groceries, dry goods, and hardware showed small declines. Stocks of all leading lines of merchandise, except groceries and drugs, carried by the reporting firms averaged smaller during the quarter than in 1925.

For the month of March total sales in nearly all lines were seasonally larger than for February. Trade was stimulated by the early Easter season, but in many sections of the country, weather conditions were unfavorable to the spring sales of some lines, especially dry goods. Grocery and drug sales were larger in all Federal reserve districts from which reports were received and sales of shoes and hardware were also generally larger.

When compared with March of last year sales of groceries, meats, shoes, and drugs were larger, but sales of dry goods and hardware were smaller. The most substantial improvement was in the sales of shoes, which were larger in all Federal reserve districts except the St. Louis and San Francisco districts, but the largest increases were in the Richmond and Atlanta districts.

Value of stocks of principal lines of merchandise carried by wholesale dealers, except groceries and shoes, increased slightly in March and were larger at the end of the month than at the end of February. Compared with March a year ago inventories were generally smaller, except for groceries and drugs. Reports received from firms in several districts indicate that accounts receivable outstanding at wholesale firms at the end of March were larger for all lines than at the end of February and were somewhat larger than a year earlier.

Retail trade.

Retail trade in the first quarter of 1926 was larger than in the first three months of 1925. Department-store sales were 5 per cent larger than in the first quarter of 1925, and increases occurred in all Federal reserve districts except the Minneapolis district. Sales of mail-order houses were 7 per cent larger, and buying at all reporting chain stores also exceeded that of last year. Inventories at department stores were slightly larger than in the first quarter of 1925, but a relatively larger increase in sales resulted in a slightly higher rate of stock turnover at these stores than in the first three months of 1925.

For the month of March sales of department stores reflected the seasonal expansion in spring trade, but the increase was not as large as that which usually occurs between February and March. Compared with March of last year, sales of department stores were about 7 per cent larger and those of mail-order houses increased 9 per cent. Increases in sales in March this year as compared with the corresponding month in 1925 were due in part to the earlier Easter trading season and to the one more business day in March this year. Weather conditions, on the other hand, were generally unfavorable for sales of certain seasonal merchandise. The increase in department-store sales over March, 1925, was general for all sections of the country except the Minneapolis and Kansas City districts, where they were about the same as a year ago.

Stocks of department stores increased in March in response to the growth in sales and averaged at the end of the month 2 per cent larger than in March, 1925. Stocks were larger than in 1925 in eight Federal reserve districts and smaller in four. Larger stocks in the first three months this year than in 1925 were accompanied by a relatively greater increase in sales, and the average rate at which stocks were turned over was higher than in the corresponding period a year ago. Stocks

were sold and replenished at a faster rate than in the previous year in all Federal reserve districts except in the New York and Minneapolis districts, where the rate of turnover was slightly slower.

EMPLOYMENT

Factory employment continued in March at practically the same level as in February, while pay rolls increased slightly. The Federal Reserve Board's index of factory pay rolls, based upon figures of the Bureau of Labor Statistics, reached the highest point since March, 1924. Among the various industries changes in the volume of employment were small, the largest increases occurring in the glass, women's clothing, automobile, and baking industries, with the greatest decreases in slaughtering and meat packing, confectionery, silk, and woolen and worsted goods. Pay-roll increases were greatest in cigars and cigarettes, book and job printing, ice cream, and certain building materials industries. As compared with March, 1925, employment showed an increase of about 1 per cent and pay rolls of 2.6 per cent, reflecting increases in the automobile, machinery, printing, glass, and nonferrous metals industries, which more than offset declines in textiles, lumber, food products, and boots and shoes.

By sections of the country, pay rolls increased in February in six of the nine major geographic divisions, the exceptions being the East South Central, the West South Central, and the Mountain States. Employment likewise decreased in these three sections and also in the Middle Atlantic and West North Central States. As compared with a year ago, only the West South Central and Mountain sections reported smaller pay rolls, while the greatest increases were in the East North Central and South Atlantic divisions. The only wage changes of importance reported for March were increases averaging 2.8 per cent in a few large steam railroad repair shops.

PRICES

Prices of commodities at wholesale declined in the United States about 2 per cent from February to March, according to the index of the Bureau of Labor Statistics. Declines were generally distributed among all the major groups of commodities covered by the index (except house furnishings), with the largest reduction shown for farm products, which declined as a group by about 4 per cent, chiefly in consequence of lower quotations for grains, livestock, cotton, and wool.

The declines of March carried the general index more than 2 per cent below the lowest figure of last year, reached in May. In comparison with that month the principal price declines were in farm products, cloths and clothing, and in house furnishings. Fuel prices increased during the year, while the other principal groups show only minor net changes.

Since last August the index has gradually declined with but little interruption, the net decline over the seven months amounting to about 5.5 per cent. The greater part of this decline has been due to wide movements of a small number of commodities, mostly in the farm products group and the allied groups representing food and textiles. Since last August farm-products have declined about 12 per cent and cloth and clothing about 5 per cent. Fuels and building materials, however, are higher in price than last August, metals are about the same, chemicals and house furnishings are slightly lower, while miscellaneous goods are considerably lower, largely because of reduced prices on rubber.

In April wholesale prices were at about the same level as in March, or slightly lower. Farm products and foods advanced, with somewhat high prices for wheat, cattle, hogs, potatoes, and sugar, while cloths and clothing, metals, and miscellaneous commodities declined. Pig iron, silk, and rubber were lower.

COMMERCIAL FAILURES AND BANK SUSPENSIONS

COMMERCIAL FAILURES

During the month of March 1,984 commercial failures, involving liabilities of \$30,622,547, were reported by R. G. Dun & Co. The number was about 10 per cent larger than in the shorter month preceding, in which only 1,801 insolvencies were reported, and was larger also than for the month of March in any year since 1922. In contrast with the increased number of failures in March total indebtedness in default was about 10 per cent less than in either February this year or March last year—in fact was the lowest, for March, since that month in 1920. The number of failures in March was larger this year than last for all three groups of enterprise into which the statistics are classified—manufacturers, traders, and agents, brokers, etc.—while liabilities were larger for only the trading group. Notwithstanding a considerable increase in number of insolvent manufacturing enterprises, total liabilities involved in this class of failure showed a decrease of 25

per cent, owing largely to smaller liabilities of failed manufacturers of machinery and tools, and of clothing and milinery. Failures during March, 1926, are shown in the following table, by class of enterprise:

COMMERCIAL FAILURES DURING MARCH

Class of enterprise	Number		Liabilities	
	1926	1925	1926	1925
All classes.....	1,984	1,859	\$30,622,547	\$34,004,731
Manufacturing.....	469	429	9,861,821	13,374,584
Trading.....	1,424	1,345	18,622,793	17,594,994
Agents, brokers, etc.....	91	85	2,137,933	3,035,153

The number of failures was larger in March this year than last in all except the Richmond, Atlanta, Chicago, St. Louis, and Kansas City districts, and was the largest on record in the Boston district. Total liabilities were larger this year than last in only the Philadelphia, Cleveland, St. Louis, Dallas, and San Francisco districts. Comparative data, by districts, for the month of March are presented in the following table:

COMMERCIAL FAILURES DURING MARCH, BY FEDERAL RESERVE DISTRICTS

Federal reserve district	Number		Liabilities	
	1926	1925	1926	1925
Total.....	1,984	1,859	\$30,622,547	\$34,004,731
Boston.....	240	198	3,249,565	4,203,160
New York.....	368	348	6,463,891	6,543,180
Philadelphia.....	65	58	1,776,957	1,639,315
Cleveland.....	214	173	3,738,723	3,132,019
Richmond.....	124	127	2,004,057	2,640,261
Atlanta.....	79	116	1,127,953	1,802,227
Chicago.....	298	309	4,062,641	6,805,675
St. Louis.....	78	86	2,808,588	531,515
Minneapolis.....	90	82	926,970	1,924,921
Kansas City.....	84	98	1,214,509	1,782,243
Dallas.....	75	59	809,191	682,936
San Francisco.....	269	205	2,439,502	2,317,288

During the first quarter of the year there were 6,081 failures, compared with 5,131 in the last quarter of 1925 and 5,969 in the first quarter of that year. With the exception of the first quarter of 1922, when there were 7,517 failures, the total this year was larger than that of the first quarter of any year since 1915. In contrast the aggregate liabilities involved in failures during the quarter just ended, amounting to \$108,460,339 and comparing with \$128,481,780 for the same period last year, were smaller than in the first quarter of any year since 1920. Comparing the first

quarter of this year and last, the number of failures was larger this year for manufacturing and trading enterprises and was smaller for agents and brokers, while liabilities were smaller this year for all three classes of enterprises. Commercial failures, by class of enterprise, are shown in the following table for the first quarter of 1925 and 1926:

COMMERCIAL FAILURES DURING THE FIRST QUARTER OF 1925 AND 1926

Class of enterprise	Number		Liabilities (000 omitted)	
	1926	1925	1926	1925
All classes.....	6,081	5,969	\$108,460	\$128,482
Manufacturing.....	1,426	1,318	36,778	40,618
Trading.....	4,402	4,387	60,452	63,316
Agents, brokers, etc.....	253	264	11,230	24,548

BANK SUSPENSIONS

During March 51 banks, with total deposits of \$10,707,000, were reported to the Federal reserve banks as having been closed on account of financial difficulties. Both totals were lower than in the shorter month preceding, when 52 banks, with deposits of \$13,808,000 were reported closed, but were somewhat higher than in March, 1925, during which 43 banks, with deposits of \$10,142,000, were closed. Of the banks closed in March this year, 5, with deposits of \$607,000, were national banks and 1, with deposits of \$187,000, was a member State bank—a total of 6 member banks, with deposits of \$794,000, as against 10, with deposits of \$3,629,000, closed in February. There were 45 nonmember banks, with deposits of \$9,913,000, that suspended in March, compared with 42 banks, having deposits of \$10,179,000 suspending the month before.

The number of reported suspensions was larger in March than in February only in the Richmond district, where 6 banks closed in March as against 2 in February, and in the St. Louis district, where there were 12 suspensions in March (10 of them in the State of Missouri) compared with 3 in the preceding month. Suspensions were most numerous in the Minneapolis and St. Louis districts, and, within these districts, the largest numbers were in the States of Missouri, South Dakota, and Minnesota. Four banks in the Minneapolis district and one bank each in the Richmond, Chicago, and St. Louis districts, which had previously been closed, were reported to

have resumed operations during the month. The number and deposits of banks closed during March, 1926, are shown in the following table, by class of bank; the figures for closed banks represent so far as can be determined banks which have been closed to the public by order of supervisory authorities, or by the directors of the bank, on account of financial difficulties, and it is not known how many of the institutions thus reported may ultimately prove to be solvent:

BANKS CLOSED DURING MARCH, 1926

Federal reserve district	All banks		Member ¹		Nonmember	
	Number	Total deposits ²	Number	Total deposits	Number	Total deposits
All districts.....	51	\$10,707,000	6	\$794,000	45	\$9,913,000
Boston.....						
New York.....						
Philadelphia.....						
Cleveland.....						
Richmond.....	6	632,000			6	632,000
Atlanta.....	1	100,000			1	100,000
Chicago.....	5	757,000	3	375,000	2	382,000
St. Louis.....	12	3,113,000			12	3,113,000
Minneapolis.....	18	4,908,000	1	200,000	17	4,708,000
Kansas City.....	7	1,066,000	2	219,000	5	847,000
Dallas.....	2	131,000			2	131,000
San Francisco.....						

¹ Comprises 5 national banks with deposits of \$607,000 and 1 State member bank with deposits of \$187,000.

² Figures represent deposits for the latest available date prior to the suspension, and are subject to revision when information for the date of suspension becomes available.

FOREIGN TRADE

Total imports and exports of merchandise and the merchandise trade balance of the United States by months in 1925 and 1926, also the trade balance, including imports and exports of gold and silver, for the three months ended March, 1925 and 1926, are shown in the tables following:

MERCHANDISE TRADE BALANCE OF THE UNITED STATES

[In thousands of dollars]

Month	Imports	Exports	Excess of imports	Excess of exports
1925				
Year.....	4,226,590	4,909,846		683,256
January.....	346,165	446,443		100,278
February.....	333,387	370,676		37,289
March.....	385,379	453,652		68,273
April.....	345,091	398,255		52,164
May.....	327,519	370,945		43,426
June.....	325,216	323,348	1,868	
July.....	325,648	339,660		14,012
August.....	340,086	379,823		39,737
September.....	349,954	420,368		70,414
October.....	374,074	490,567		116,493
November.....	376,431	447,804		71,373
December.....	396,640	468,305		71,665
1926				
January.....	416,753	397,196	19,557	
February.....	388,503	352,917	35,586	
March.....	443,098	374,420	68,678	

TRADE BALANCE OF THE UNITED STATES FOR THREE MONTHS ENDED MARCH, 1925 AND 1926

[In thousands of dollars]

	Total	Merchandise	Gold	Silver
1925				
Imports.....	1,099,838	1,064,931	15,978	18,929
Exports.....	1,446,136	1,270,771	149,230	26,135
Net imports (-) or exports (+).....	+346,298	+205,840	+133,252	+7,206
1926				
Imports.....	1,356,695	1,248,354	88,180	20,165
Exports.....	1,161,548	1,124,537	11,163	25,848
Net imports (-) or exports (+).....	-195,151	-123,817	-77,017	+5,683

FOREIGN EXCHANGE

In the exchange and bullion markets an important development during the month has been the decline in the price of silver. After declining since last September, when the New York price averaged 71.885 cents per fine ounce, the highest average recorded since November, 1920, the price of silver dropped to 63 cents on April 22 and averaged 64.76 cents for the month of April, the lowest average since April, 1924. Two chief factors have contributed to this price decline—one is the lifting of the Japanese embargo on the export of silver, which has released large supplies to the world market, and the other is the fact that Chinese merchants and exchange operators, who had imported \$11,859,000 in silver from the United States during the first three months of 1926 and were oversupplied with silver, have been selling silver currency and buying Japanese yen. Although in recent months India has been a buyer rather than a seller of silver, Indian purchases have been made at very low prices and have thus afforded the market little support.

Far Eastern exchanges have moved closely with the changes in the price of silver. The Shanghai tael, which last September averaged 78.47 cents per tael, the highest average quoted since June, 1922, declined to 69.35 cents on April 22, the lowest rate quoted since April, 1924. The Chinese Mexican dollar and the Hongkong dollar exchanges have also moved with the price of silver. The Indian rupee since last September has shown a similar correspondence in movement, although other influences, particularly the selling of council bills by the Government, have greatly narrowed the fluctuations of the rupee. The Japanese yen, on the other hand, has advanced in almost direct proportion to the decline in the price of silver. The yen rose from an average of 40.75

cents per yen in September last to 47.43 cents on April 28, the highest rate quoted since December, 1923. Gold shipments from Japan to the United States were resumed in October of last year with an import into this country of \$4,000,000, the first considerable import of gold from Japan since January, 1921. This was followed by further shipments of \$3,000,000 in November, another of \$4,000,000 in December, and another of \$4,000,000 in February, making a total of \$15,000,000 in gold sent to this country by Japan since last September. It is reported that at least some of this gold is to be used in the support of the exchange.

Sterling maintained a level of about \$4.8625 from March 23 to April 10, declined to \$4.8593 on the 29th, recovered to \$4.8638 on the 24th, and averaged \$4.8622 in April, as compared with \$4.8608 in March. Both French and Belgian francs declined to new low records. The French franc declined from 3.73 cents on March 5 to 3.29 cents on April 28. While the French franc has shown an almost unbroken downward tendency, the Belgian franc has fluctuated over a wide range. It rose from the March low figure of 3.69 cents on March 30 to 3.87 cents on April 10, partly in response to the arrangement of short-term credits abroad to protect the exchange pending the settlement of negotiations for long-term credits; then declined to 3.38 cents on April 30. Italian lire were unchanged at 4.02 cents per lira. The Netherlands florin remained steady at about 40.10 cents until the 23d, after which an upward movement carried it to 40.21 cents on the 29th. Swedish kronor declined from 26.82 cents on April 1 to 26.77 cents on April 20, while Swiss francs rose from 19.26 cents on April 1 to 19.33 cents on April 27. Danish kroner since March 15 have fluctuated between 26.16 and 26.23 cents. Norwegian kroner maintained a higher level during April than during March and showed smaller fluctuations than during the period from the middle of February to the end of March. The Polish zloty declined almost steadily from 13.16 cents at the beginning of March to 10.30 cents per zloty on April 30. The Greek drachma and the Rumanian leu also showed considerable recessions during the past three months.

In Czechoslovakia, the new National Bank opened on April 1, succeeding to the Banking Office of the Ministry of Finance, and assumed the duty of keeping the exchange value of the

Czechoslovak crown between the limits of \$2.95 and \$3.03 in United States currency for 100 crowns. The exchange has stood at about 2.96 cents per crown, or \$2.96 for 100 crowns, since the beginning of 1925.

The Canadian dollar, which had declined very slightly since last November, when it stood a little above parity, rose from the March low figure of \$0.9941 to \$1.1611 on April 24, which is the highest rate quoted since the armistice, although Canada has not yet formally returned to the gold standard.

The Argentine peso, after a sharp decline from 94.10 cents on February 1 to 88.07 cents per peso on March 16, recovered to 89.91 cents by the end of the month, and advanced during April from 89.96 on the 2d to 92.16 cents on the 22d. Brazilian milreis declined from 14.74 cents to 14.08 cents during March and continued their downward movement during the early part of April to 13.73 cents on the 13th, but recovered to 14.43 cents on the 30th. Chilean pesos maintained their level slightly below the new parity of 12.17 cents. The Uruguayan peso, which declined slightly after the middle of February, rose during April from \$1.0160 on the 1st to \$1.0352, which is 10 points above parity.

FOREIGN EXCHANGE RATES

[In cents]

Exchange	Par value	April, 1926		March, 1926			March, 1925, average
		Low	High	Low	High	Average	
Sterling.....	486.65	485.93	486.33	485.73	486.27	486.08	477.63
Belgian franc.....	19.30	3.38	3.87	3.69	4.54	4.23	5.07
Danish krone.....	26.80	26.16	26.20	25.90	26.26	26.11	18.07
French franc.....	19.30	3.29	3.50	3.43	3.73	3.58	5.18
German reichsmark.....	23.82	23.80	23.81	23.80	23.81	23.80	23.80
Italian lira.....	19.30	4.02	4.02	4.00	4.02	4.02	4.07
Netherlands florin.....	40.20	40.09	40.21	40.02	40.10	40.07	39.92
Swedish krona.....	26.80	26.77	26.82	26.80	26.82	26.81	26.95
Swiss franc.....	19.30	19.26	19.33	19.24	19.26	19.25	19.26
Canadian dollar.....	100.00	99.79	100.16	99.41	99.84	99.63	99.87
Argentine peso.....	96.48	89.96	92.16	88.07	92.55	90.33	89.71
Shanghai tael.....	66.85	69.35	72.05	72.29	73.04	72.71	73.36
Japanese yen.....	49.85	45.88	47.43	44.82	45.94	45.39	40.97

GOLD MOVEMENTS

UNITED STATES

Total imports and exports of gold during March and February, 1926, by countries of origin or destination, and comparative figures for the three months ended March, 1926 and 1925, are shown in the following table:

GOLD IMPORTS INTO AND EXPORTS FROM THE UNITED STATES

[In thousands of dollars]

Country of origin or destination	1926		3 months ended March—	
	March	February	1926	1925
IMPORTS				
Total.....	43,413	25,416	88,179	15,978
England.....	2	5	10	3,065
France.....		19	71	71
Canada.....	39,278	9,826	66,943	8,310
Central America.....	145	209	465	400
Mexico.....	531	286	1,856	1,425
Chile.....	2,303	9,753	12,293	123
Peru.....	185	668	975	390
Dutch East Indies.....	178	268	801	473
Japan.....		4,000	4,000	
Philippine Islands.....	186	177	547	444
All other.....	405	205	1,018	1,277
EXPORTS				
Total.....	4,225	3,851	11,163	149,230
Germany.....	348	143	889	45,130
Canada.....	53	25	146	178
Central America.....	200	1,014	1,214	
Mexico.....	728	448	1,741	1,201
Bolivia.....	300		300	20
Venezuela.....	300	800	1,600	200
British India.....	22	812	377	52,757
British Malaya.....	555	326	1,853	
Hongkong.....	1,355	566	2,147	2,594
All other.....	384	217	896	47,150
Net imports.....	39,188	21,565	77,016	
Net exports.....				133,252

GREAT BRITAIN

Following is a table showing gold imports into and exports from Great Britain for March and February, 1926, and for three months ended March, 1926 and 1925:

GOLD IMPORTS INTO AND EXPORTS FROM GREAT BRITAIN

Country of origin or destination	1926		3 months ended March—	
	March	February	1926	1925
IMPORTS				
Total.....	£1,290,113	£3,453,799	£9,268,487	£8,542,048
Belgium.....			595,736	
Netherlands.....	179,705		179,705	60,264
Russia.....		511,515	2,431,800	
Rhodesia.....	183,371	181,922	547,767	553,838
Transvaal.....	767,779	2,695,714	5,140,496	3,343,784
United States.....	22,020	3,801	26,233	4,246,089
West Africa.....	109,208	54,247	300,263	273,131
All other.....	28,030	6,600	46,487	64,967
EXPORTS				
Total.....	2,619,629	1,563,808	6,630,962	11,636,685
Belgium.....	9,095		17,270	97,345
British India.....	691,871	522,851	1,373,046	6,960,005
France.....	267,385	163,097	480,641	58,626
Netherlands.....	190,788	78,966	1,964,396	468,510
Straits Settlements.....	290,670	102,660	726,611	34,226
Switzerland.....	13,600		27,200	40,823
South America.....	10,000	44,000	84,000	2,430
All other.....		652,234	1,957,798	3,974,720
Net exports.....	1,329,516			3,094,637
Net imports.....		1,889,991	2,637,525	

LOANS OF FEDERAL FARM LOAN SYSTEM IN 1925

The ninth annual report of the Federal Farm Loan Board, recently issued, shows that during the year 1925 the combined operations of the three types of institutions comprised in the Federal farm loan system were somewhat more extensive than in 1924, but on a smaller scale than in either 1922 or 1923. The total loans of these institutions outstanding at the end of the year were nearly \$300,000,000 larger than at the end of 1924, and exceeded \$1,600,000,000, of which nearly two-thirds represented the holdings of the Federal land banks, with the balance divided between the Federal joint-stock land banks and the Federal intermediate credit banks in the ratio of about 7 to 1.¹ For the Federal land banks and the joint-stock land banks combined, the net farm-mortgage loans outstanding amounted to \$1,551,244,016, comparable in amount with \$1,871,056,000 of farm-mortgage loans reported for the same date by 52 leading life insurance companies.² This comparison shows that the Federal farm loan system during the nine years of its existence has come to be one of the most important sources of agricultural credit.

Farm loans made during the year by the Federal land banks aggregated \$127,000,000, at rates of interest varying from 5 to 5½ per cent. At the beginning of 1925 the rate of 5½ per cent prevailed in all 12 of the districts, but during the year it was reduced to 5¼ per cent in the Omaha district and to 5 per cent in the St. Paul district, and in certain sections of the St. Louis district. These reductions reflected primarily reductions in operating costs, which result largely from the granting by these three banks of a relatively large volume of mortgage loans in excess of \$100,000,000.

Loans closed and rediscounts made by Federal intermediate credit banks during 1925 amounted to more than \$175,000,000, and the total of their credit outstanding increased about \$18,000,000, or 29 per cent. The interest rate charged on rediscounts was 5 per cent throughout the year, but the rate on direct loans to cooperative marketing associations was 4½ per cent until early in November and 5 per cent thereafter. The increase was occasioned by a change in the condition of the debenture market.

Direct loans and rediscounts of intermediate credit banks amounted to \$80,051,835.

¹ Representing 93 per cent of the funds of all legal reserve life-insurance companies in the United States as reported to and by the association of life insurance presidents. Figures showing the total volume of all farm-mortgage loans in 1925 are not available; the latest official estimate that for 1920, placed this total at \$7,857,700,000.

² The St. Paul district, however, maintained a 5¼ per cent rate, which was reduced to 5 per cent on Apr. 1, 1926.

During the year ending November 30, 1925, private sales of 8,870 farms carrying Federal land bank loans were reported, the sale prices amounting to \$59,000,000. The amount loaned on these farms aggregated \$26,000,000, against appraised values of \$69,000,000. Thus the loans amounted to 38 per cent of the appraised values and to 44 per cent of the sales prices, appraisements exceeding sales prices by 16 per cent. The ratios for each of the last five years are given in the following table:

Year ending Nov. 30	Per cent of loans to appraised value	Per cent of loans to sale prices	Per cent of appraised value to sale prices
1921	40	32	81
1922	41	37	91
1923	40	40	101
1924	39	42	109
1925	38	44	116

The table shows that with each successive year the farms sold have brought a smaller proportion of the value at which they had been originally appraised and a smaller margin over the amount loaned against these farms. This margin, however, as well as that between the amount loaned and the appraised value, has throughout the period been on the conservative side of the rule laid down for Federal land bank loans by the Federal farm loan act: "No such loan shall exceed 50 per cent of the value of the land mortgaged and 20 per cent of the permanent, insured improvements thereon, said value to be ascertained by appraisal." For the joint-stock land banks the farms sold during the year that carried loans of these banks at the time of sale numbered 1,177, originally appraised at 104 per cent of the sale prices received and carrying loans amounting to 43 per cent of the sale prices.

Purpose of loan	Federal land banks	Joint-stock land banks
	Per cent	Per cent
To pay mortgages	65	79
To pay other debts	12	6
For purchase of land mortgaged	9	9
For purchase of other land	1	1
To purchase buildings and improvements	5	3
To purchase implements and equipment	1	1
To purchase livestock	2	1
For other purposes	5	0
Total	100	100

The principal purposes for which the Federal and joint-stock land banks have made loans are indicated by the accompanying table, which covers the period from the time these banks began operations until the end of October, 1925. It will be noted that more than three-fourths of all loans have been for the purpose of enabling borrowers to pay mortgages and other debts.

FOREIGN TRADE OF UNITED STATES, FIRST QUARTER OF 1926

Large growth in merchandise imports in the last half of 1925, accompanied by a decline in merchandise exports, resulted in a large reduction in the excess of exports over imports, and for the period as a whole the export balance averaged smaller than for the corresponding period in any other year since 1922. In the first quarter of 1926 imports continued to increase over the previous year, but exports declined further, and for the three months, January through March, imports were \$124,000,000 larger than exports. Value of imports since the beginning of 1926 was 17 per cent larger than in the first quarter of 1925 and exceeded that of the first quarter of 1924 and 1923 by 32 per cent and 21 per cent, respectively. Purchases abroad of crude materials to be used in manufacturing, which amount to slightly less than one-half of total imports, accounted for the greater part of the increase in the first three months of 1926, but imports of all other groups of merchandise, except manufactured foodstuffs, were also larger. The net increase in the value of imports in the first three months of 1926 was largely accounted for by the growth in the value of rubber, coffee, and silk imported into the United States. Crude rubber increased 30 per cent in quantity in the first quarter, but average prices at which it was purchased were considerably higher, and the value of imports was 205 per cent greater than in the corresponding months of 1925. Imports of raw silk increased 9 per cent in quantity and 13.3 per cent in value in the first quarter, as compared with last year, and those of coffee were 27 per cent greater in quantity and 18 per cent larger in value. A more detailed analysis of imports by groups and certain selected commodities in the first quarters of 1926 is given in the following table:

VALUE OF MERCHANDISE IMPORTS IN FIRST QUARTER
OF 1925 AND 1926

[In thousands of units]

Groups	First quarter, 1925	First quarter, 1926	Increase or decrease (—)
			<i>Per cent</i>
Crude materials.....	\$425, 035	\$573, 463	34. 9
Crude foodstuffs.....	125, 024	141, 844	13. 5
Manufactured foodstuffs.....	118, 946	104, 977	-11. 8
Semimanufactures.....	202, 655	218, 681	7. 9
Finished manufactures.....	193, 271	209, 402	8. 3
Total.....	1, 064, 931	1, 248, 354	17. 5
Certain commodities:			
Rubber—			
Quantity (pounds).....	203, 178	263, 024	29. 5
Value.....	\$66, 102	\$201, 851	205. 4
Silk—			
Quantity (pounds).....	13, 912	15, 122	8. 7
Value.....	\$86, 106	\$97, 518	13. 3
Coffee—			
Quantity (pounds).....	324, 207	412, 281	27. 2
Value.....	\$77, 361	\$91, 169	17. 2

Total value of merchandise exports declined in each month of the first quarter of 1926, and for the entire period the value of exports was 12 per cent smaller than in the first quarter of 1925. Exports of each of the larger groups of commodities, except finished manufactured products, were smaller in the first three months of 1926 than in the corresponding months of last year, but the most substantial declines were due to smaller foreign takings of crude materials and crude foodstuffs. Exports of cotton and wheat declined rapidly, and it was largely due to these two commodities that the value of total exports was smaller for the three months ending in March than last year. Cotton exports in January, February, and March were smaller than in the corresponding months of last year, and for the first quarter ending with March they were 30 per cent less in quantity, and with lower prices they were 42 per cent smaller in value. Exports of wheat were 70 per cent smaller in quantity and 74 per cent less in value than in the first three months of 1925. Exports of finished manufactures, among which machinery and vehicles are the most important items, were 15 per cent larger for the three months' period than in the first quarter of 1925. Exports of automobiles, the largest single item in the group of finished manufactures, were 34 per cent larger in quantity and 33 per cent larger in value than in the first quarter of 1925. More detailed statistics showing exports of commodities and of certain

selected commodities which constitute the greater part of exports from the United States are given in the following table:

VALUE OF MERCHANDISE EXPORTS IN THE FIRST
QUARTER OF 1925 AND 1926

[In thousands of units]

Groups	First quarter, 1925	First quarter, 1926	Increase (+) or decrease (—)
			<i>Per cent</i>
Crude materials.....	\$421, 374	\$286, 273	-32. 1
Crude foodstuffs.....	80, 474	43, 613	-45. 8
Manufactured foodstuffs.....	155, 968	130, 151	-16. 6
Semimanufactures.....	171, 044	163, 290	-10. 4
Finished manufactures.....	422, 388	485, 551	+15. 0
Total.....	1, 251, 243	1, 098, 878	-12. 2
Selected commodities:			
Cotton—			
Quantity (pounds).....	1, 345, 129	936, 340	-30. 4
Value.....	\$336, 567	\$197, 008	-41. 5
Wheat—			
Quantity (pounds).....	25, 832	7, 881	-69. 5
Value.....	\$48, 537	\$12, 837	-73. 6
Automobiles—			
Quantity (number).....	62	83	+33. 9
Value.....	\$66, 927	\$89, 028	+33. 0

DEBT FUNDING AGREEMENTS WITH
FRANCE AND YUGOSLAVIA

Terms of an agreement for funding the indebtedness of France to the United States were announced on April 29 by the World War Foreign Debt Commission. As set forth in the proposed settlement, the amount to be funded covers the principal of obligations held by the United States for cash advanced to France under Liberty bond acts (\$2,933,405,070.15), and of obligations given by France for surplus war supplies purchased on credit (\$407,341,145.01). In this, as in other funding settlements effected by the commission, interest is figured at 4¼ per cent to December 15, 1922, and at 3 per cent thereafter to June 15, 1925, the date of the agreement. So determined, net indebtedness to be funded amounted on June 15, 1925, after deduction of a small cash adjustment payment (\$386,686.89), to \$4,025,000,000. For this aggregate amount bonds are to be issued dated June 15, 1925, and maturing serially from year to year on June 15 over a period of 62 years ending June 15, 1987. Annuities on account of principal and interest are to run in amounts as shown in the schedule following.

SCHEDULE OF ANNUITIES

Year under the agreement	Annuity	Year under the agreement	Annuity
1.....	\$30,000,000.00	13.....	\$105,000,000.00
2.....	30,000,000.00	14.....	110,000,000.00
3.....	32,500,000.00	15.....	115,000,000.00
4.....	32,500,000.00	16.....	120,000,000.00
5.....	35,000,000.00	17 to 61, inclu-	
6.....	40,000,000.00	sive.....	125,000,000.00
7.....	50,000,000.00	62.....	117,674,104.17
8.....	60,000,000.00	Total.....	6,847,674,104.17
9.....	75,000,000.00	Principal.....	4,025,000,000.00
10.....	80,000,000.00	Interest.....	2,822,674,104.17
11.....	90,000,000.00		
12.....	100,000,000.00		

In the commission's statement, it is noted that these annuities provide for payment in full of the principal amount of the debt as funded, with interest after the first five years at 1 per cent for 10 years, at 2 per cent for the succeeding 10 years, at 2½ per cent for the succeeding 8 years, at 3 per cent for the succeeding 7 years, and at 3½ per cent for the remaining 22 years, and that the present value of the proposed annuities on a 4¼ per cent basis is \$2,008,122,624, or approximately 50 per cent of the debt funded.

An agreement for funding the Yugoslavian indebtedness was announced by the commission on May 1. With interest computed as in other settlements at 4¼ per cent to December 15,

1922, and at 3 per cent from that date to June 15, 1925, the amount to be funded, after a cash adjustment payment, is fixed at \$62,850,000, of which \$51,037,886.37 represents principal and \$11,812,113.61 interest accrued to the date of settlement. The annuity runs at \$200,000 a year during the first five years and increases by \$25,000 a year during the succeeding seven years, payments on account of principal increasing annually thereafter. Beginning in the thirteenth year interest is fixed at one-eighth of 1 per cent for 3 years, at one-half of 1 per cent for the succeeding 14 years, at 1 per cent for the succeeding 3 years, at 2 per cent for the succeeding 3 years, and at 3½ per cent for the remaining 27 years. On a 4¼ per cent basis the present value of these payments is given as \$20,236,715 on approximately 32 per cent of the debt funded.

These settlements nearly complete the work of the commission, leaving only \$244,000,000 unfunded out of a total foreign indebtedness to the United States of \$10,102,000,000. Of the amount unfunded, according to the commission's announcement, \$193,000,000 represents Russian indebtedness, \$24,000,000 Austrian (which has been extended by Congress for 20 years), \$15,000,000 Greek, and \$12,000,000 Armenian.

RULINGS OF THE FEDERAL RESERVE BOARD

Change in Federal reserve district boundaries.

The Federal Reserve Board recently issued a formal order directing the transfer of the counties of Bernalillo and Valencia in the State of New Mexico from the eleventh Federal reserve district to the tenth Federal reserve district, effective April 15, 1926. The only member banks situated in the territory transferred are the Albuquerque National Bank and the First National Bank of Albuquerque, and the First National Bank of Belen.

The following is a copy of the order of the Federal Reserve Board:

Whereas the Federal Reserve Board is authorized and empowered under the terms of section 2 of the Federal reserve act from time to time to readjust the Federal reserve districts created by the Reserve Bank Organization Committee; and

Whereas all member banks of the Federal reserve system located in the counties of Bernalillo and Valencia in the State of New Mexico have requested the Federal Reserve Board to transfer the said counties from the eleventh Federal reserve district to the tenth Federal reserve district, and the Federal reserve banks of Kansas City and Dallas have been notified of the proposed transfer and have stated that they do not object thereto; and

Whereas it appears to the Federal Reserve Board that the convenience and customary course of business of the tenth and eleventh Federal reserve districts and the best interests of the Federal reserve system will be served by the transfer of the counties of Bernalillo and Valencia, in the State of New Mexico, from the eleventh Federal reserve district to the tenth Federal reserve district.

Now, therefore, it is ordered:

(I) That the counties of Bernalillo and Valencia, in the State of New Mexico, which are now located in the eleventh Federal reserve district, be and are hereby transferred to and included in the tenth Federal reserve district; and the boundaries of the tenth and eleventh Federal reserve districts be and are hereby readjusted accordingly.

(II) That the changes and readjustments in the tenth and eleventh Federal reserve districts directed in this order shall become effective on the 15th day of April, 1926.

(III) That the Federal reserve banks of Kansas City and Dallas be notified of the changes and readjustments directed in this order and directed to take such action as may be necessary for the transfer of membership of the member banks included in the territory transferred from the eleventh Federal reserve district to the tenth Federal reserve district.

(IV) That a copy of this order be filed with the Comptroller of the Currency to be filed with the certificate of the Reserve Bank Organization Committee.

LAW DEPARTMENT

Authority of Congress for purchase of Buffalo branch bank building.

The following is a copy of a Joint Resolution of Congress approved March 24, 1926, authorizing the Federal Reserve Bank of New York to invest the sum of \$600,000 in the purchase of a bank building for its Buffalo branch:

[PUBLIC RESOLUTION—No. 9—69TH CONGRESS]
[S. J. Res. 44]

Joint Resolution Authorizing the Federal Reserve Bank of New York to invest its funds in the purchase of a site and the building now standing thereon for its branch office at Buffalo, New York.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Reserve Bank of New York is hereby authorized to invest in the purchase of land improved by a bank building, already fully constructed, for its branch office at Buffalo, New York, a sum not to exceed \$600,000, out of its paid-in capital stock and surplus.

Approved, March 24, 1926.

Change in law regarding State taxation of national banks.

The following act amending section 5219 of the Revised Statutes of the United States with reference to State taxation of national banks was recently enacted by Congress and became law on March 25, 1926:

[PUBLIC—No. 75—69TH CONGRESS]
[S. 3377]

An Act To amend section 5219 of the Revised Statutes of the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5219 of the Revised Statutes of the United States be, and the same is hereby, amended so as to read as follows:

"SEC. 5219. The legislature of each State may determine and direct, subject to the provisions of this section, the manner and place of taxing all the shares of national banking associations located within its limits. The several States may (1) tax said shares, or (2) include dividends derived therefrom in the taxable income of an owner or holder thereof, or (3) tax such associations on their net income, or (4) according to or measured by their net income, provided the following conditions are complied with:

"1. (a) The imposition by any State of any one of the above four forms of taxation shall be in lieu of the others, except as hereinafter provided in subdivision (c) of this clause.

"(b) In the case of a tax on said shares the tax imposed shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State coming into competition with the business of national banks: *Provided,* That bonds, notes, or other evidences of indebtedness in the hands of individual citizens not employed or engaged in the banking or investment business and representing merely personal investments not made in competition with such business, shall not be deemed moneyed capital within the meaning of this section.

"(c) In case of a tax on or according to or measured by the net income of an association, the taxing State may, except in case of a tax on net income, include the entire net income received from all sources, but the rate shall not be higher than the rate assessed upon other financial corporations nor higher than the highest of the rates assessed by the taxing State upon mercantile, manufacturing, and business corporations doing business within its limits: *Provided, however,* That a State which imposes a tax on or according to or measured by the net income of, or a franchise or excise tax on, financial, mercantile, manufacturing, and business corporations organized under its own laws or laws of other States and also imposes a tax upon the income of individuals, may include in such individual income dividends from national banking associations located within the State on condition that it also includes dividends from domestic corporations and may likewise include dividends from national banking associations located without the State on condition that it also includes dividends from foreign corporations, but at no higher rate than is imposed on dividends from such other corporations.

"(d) In case the dividends derived from the said shares are taxed, the tax shall not be at a greater rate than is assessed upon the net income from other moneyed capital.

"2. The shares of any national banking association owned by nonresidents of any State, shall be taxed by the taxing district or by the State where the association is located and not elsewhere; and such association shall make return of such shares and pay the tax thereon as agent of such nonresident shareholders.

"3. Nothing herein shall be construed to exempt the real property of associations from taxation in any State or in any subdivision thereof, to the same extent, according to its value, as other real property is taxed.

"4. The provisions of section 5219 of the Revised Statutes of the United States as heretofore in force shall not prevent the legalizing, ratifying, or confirming by the States of any tax heretofore paid, levied, or assessed upon the shares of national banks, or the collecting thereof, to the extent that such tax would be valid under said section."

Approved, March 25, 1926.

Changes in State Bank Membership

The following list shows changes affecting State bank membership during the month ended April 21, 1926, on which date 1,426 State institutions were members of the system:

ADMISSIONS

	Capital	Surplus	Total resources
<i>District No. 2</i>			
Mid-City Trust Co., Plainfield, N. J.	\$200,000	\$85,973	\$512,437
Trust Company of Northern Westchester, Mt. Kisco, N. Y.	100,000	15,000	216,133
<i>District No. 3</i>			
Dime Savings & Trust Co., Allentown, Pa.	231,530	81,530	1,590,052
<i>District No. 7</i>			
Wilmette State Bank, Wilmette, Ill.	100,000	100,000	2,854,202

CHANGES

	Capital	Surplus	Total resources
<i>District No. 3</i>			
Columbia County Trust Co., Bloomsburg, Pa., has changed its title to Bloomsburg Bank-Columbia Trust Co., having absorbed the following member: Bloomsburg National Bank Bloomsburg, Pa.-----	\$125,000	\$125,000	\$2,181,319
<i>District No. 6</i>			
Citizens Bank, West Point, Ga., has absorbed the following member: First National Bank, West Point, Ga.-----	100,000	45,000	1,247,279
<i>District No. 7</i>			
Voluntary withdrawals: Farmers State Bank, Bargersville, Ind.-----	25,000	25,000	265,343
Taylor County State Bank, Clearfield, Iowa.-----	25,000		174,734
Closed: Marshalltown State Bank, Marshalltown, Iowa.-----	100,000	50,000	2,616,954
State Bank of Thompson, Thompson, Iowa.-----	30,000	8,000	306,841
<i>District No. 8</i>			
Voluntary withdrawal: Bank of Crockett, Bells, Tenn.-----	25,000	5,000	418,878
Succeeded by State member: Broadway Savings Trust Co., St. Louis, Mo.-----	200,000	80,000	2,634,420
<i>District No. 9</i>			
Voluntary withdrawal: South Shore Bank, South Shore, S. Dak.-----	25,000	5,000	299,763
<i>District No. 11</i>			
Voluntary withdrawals: First State Bank, Estancia, N. Mex.-----	25,000	1,812	108,879
Central Trust Co., San Antonio, Tex.-----	200,000	35,000	3,661,589
Change of title: Farmers Guaranty State Bank, Brady, Tex., has changed its title to Farmers & Merchants State Bank.			
Insolvent: First State Bank & Trust Co., Cuero, Tex.-----	100,000	50,000	674,937
<i>District No. 12</i>			
Merged with State member: Citizens State Bank, Sawtelle, Calif.-----	200,000	50,000	2,522,100

Fiduciary Powers Granted to National Banks

During the month ended April 21, 1926, the Federal Reserve Board approved applications of the national banks listed below for permission to exercise one or more of the fiduciary powers named in section 11 (k) of the Federal reserve act as amended, as follows: (1) trustee; (2) executor; (3) administrator; (4) registrar of stocks and bonds; (5) guardian of estates; (6) assignee; (7) receiver; (8) committee of estates of lunatics; (9) in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State in which the national bank is located.

Location	District No.	Name of bank	Powers granted
Boothbay Harbor, Me.	1	First National Bank	1, 2, 4, and 6.
Framingham, Mass.	1	Framingham National Bank.	1 to 9.

Location	District No.	Name of bank	Powers granted
Union City, N. J.	2	First National Bank	1 to 9.
Freeport, N. Y.	2	First National Bank	1 to 9.
Haverstraw, N. Y.	2	National Bank of Haverstraw.	1 to 9.
Mount Vernon, N. Y.	2	American National Bank	1 to 9.
Port Richmond, N. Y.	2	Port Richmond National Bank.	1 to 9.
Red Hook, N. Y.	2	First National Bank	1, 2, and 3.
Syracuse, N. Y.	2	Merchants National Bank	1 to 9.
Edwardsville, Pa.	3	Peoples National Bank	1 to 9.
Luzerne, Pa.	3	Luzerne National Bank	1 to 9.
Newville, Pa.	3	First National Bank	1 to 9.
Philadelphia, Pa.	3	Franklin National Bank	1 to 9.
Watsontown, Pa.	3	Farmers National Bank	1 to 9.
Snow Hill, Md.	5	First National Bank	1 to 9.
Towson, Md.	5	Towson National Bank	1 to 9.
Asheboro, N. C.	5	First National Bank	1 to 9.
Farmville, Va.	5	First National Bank	1 to 9.
Miami, Fla.	6	City National Bank	1 to 9.
Bristol, Tenn.	6	First National Bank	1 to 9.
Chicago, Ill.	7	Jefferson Park National Bank.	1 to 9.
Chicago, Ill.	7	Mutual National Bank	1 to 9.
Taylorville, Ill.	7	First National Bank	1 to 9.
Brillion, Wis.	7	First National Bank	1 to 9.
Bunker Hill, Ill.	8	First National Bank	1 to 9.
Tell City, Ind.	8	Tell City National Bank	1 to 9.
Hancock, Mich.	9	First National Bank	2, 3, 5, and 8.
Munising, Mich.	9	First National Bank of Alger County.	2, 3, 5, and 8.
Lewistown, Mont.	9	National Bank of Lewistown.	1 to 9.
Broken Arrow, Okla.	10	First National Bank	1 to 4, 6 to 9.
Longview, Wash.	12	First National Bank	1 to 9.

Changes in National Bank Membership

The Comptroller of the Currency reports the following increases and reductions in the number and capital of national banks during the period from March 20 to April 23, 1926, inclusive:

	Number of banks	Amount of capital
New charters issued	19	\$3,255,000
Restored to solvency	0	0
Increase of capital approved ¹	26	20,025,000
Aggregate of new charters, banks restored to solvency, and banks increasing capital	45	23,280,000
Liquidations	22	2,380,000
Reducing capital ²	3	350,000
Total liquidations and reductions of capital	25	2,730,000
Consolidation of national banks under act of Nov. 7, 1918.	5	54,700,000
Aggregate increased capital for period		23,280,000
Reduction of capital owing to liquidations, etc.		2,730,000
Net increase		20,550,000

¹ Includes two increases in capital aggregating \$11,000,000 incident to consolidations under act of Nov. 7, 1918.

² Includes one reduction in capital of \$50,000 incident to a consolidation under act of Nov. 7, 1918.

Acceptances to 100 Per Cent

The following member institution has been authorized by the Federal Reserve Board to accept drafts and bills of exchange up to 100 per cent of its capital and surplus: Crocker-First National Bank, San Francisco, Calif.

BUSINESS STATISTICS FOR THE UNITED STATES

INDEX OF PRODUCTION IN BASIC INDUSTRIES¹

[Index and relatives for each industry adjusted for seasonal variations. Monthly average 1919=100]

Year and month	General index	Iron and steel		Textiles		Food products						Lumber
		Pig iron	Steel ingots	Cotton	Wool	Wheat flour	Sugar meltings	Animals slaughtered				
								Cattle	Calves	Sheep	Hogs	
1925												
March.....	120	136	147	110	95	94	133	100	138	102	96	125
April.....	119	128	128	121	92	96	134	104	124	120	101	123
May.....	111	113	121	103	91	88	115	104	114	117	92	116
June.....	110	107	115	98	88	102	117	95	126	105	101	117
July.....	113	105	110	99	87	122	117	107	131	101	96	125
August.....	109	102	117	91	90	94	107	97	138	89	108	116
September.....	111	106	123	103	95	100	143	93	129	86	120	116
October.....	116	113	130	111	98	96	167	99	147	88	115	125
November.....	115	116	136	116	97	79	135	84	131	76	96	117
December.....	121	130	149	120	95	80	203	99	166	88	89	133
1926												
January.....	120	131	149	114	89	83	164	96	146	95	91	125
February.....	126	130	152	119	84	90	147	102	157	105	81	122
March.....	123	131	157	120	87	100	120	106	137	121	103	124

Year and month	Coal		Nonferrous metals		Sole leather	News-print	Cement	Petroleum	Tobacco products		
	Bituminous	Anthracite	Copper	Zinc					Cigars	Cigarettes	Manufactured tobacco
1925											
March.....	95	96	142	131	70	110	199	187	86	170	89
April.....	105	103	136	124	69	115	199	194	87	178	95
May.....	99	103	135	127	64	112	193	212	88	175	96
June.....	101	98	136	117	66	110	197	210	93	188	97
July.....	105	113	140	121	71	108	215	204	94	179	101
August.....	109	120	135	122	69	105	207	206	91	173	94
September.....	114	1	139	121	62	111	204	208	95	183	96
October.....	121	1	136	129	69	115	198	198	106	169	99
November.....	126	2	138	129	63	116	194	200	95	165	99
December.....	130	3	139	137	59	117	188	196	85	195	94
1926											
January.....	129	2	141	144	56	115	219	193	80	196	102
February.....	130	34	145	135	66	123	181	193	84	188	100
March.....	117	120	143	139	60	126	186	188	97	207	98

¹ This table contains for certain months the index numbers of production in basic industries together with the series of relatives used in constructing the index. In making the final index the relatives are adjusted to allow for seasonal fluctuations and are weighted. The methods of construction were described in detail and all relatives for each series since January, 1913, were published on pages 1414-1421 of the BULLETIN for December, 1922.

² Revised.

INDEX OF EMPLOYMENT IN MANUFACTURING INDUSTRIES¹

[No seasonal adjustment. Monthly average, 1919=100]

Year and month	General index	Metals and products		Textiles and products			Lumber and products	Railroad vehicles	Automobiles	Paper and printing	Foods and products	Leather and products	Stone, clay, and glass	Tobacco products	Chemicals and products
		Group index	Iron and steel	Group index	Fabrics	Products									
1925															
March.....	96.4	90.1	89.5	100.0	101.0	98.6	99.6	89.9	112.7	105.7	86.2	92.5	116.8	88.5	75.5
April.....	95.9	89.2	88.7	98.9	100.8	96.5	100.6	88.8	121.7	104.7	83.0	88.8	123.2	81.7	75.4
May.....	94.9	88.0	87.5	96.4	99.1	92.9	99.8	84.9	123.5	103.8	83.2	86.8	125.5	87.0	73.2
June.....	94.2	86.9	86.3	95.4	97.5	92.8	100.1	84.7	122.8	103.5	85.6	83.0	125.9	85.8	72.9
July.....	93.1	85.6	84.9	93.3	93.4	93.3	94.5	84.5	122.2	103.4	85.4	85.7	121.3	85.9	73.0
August.....	93.9	86.1	85.4	94.0	93.6	94.5	99.9	84.5	124.2	103.2	85.9	90.2	124.9	85.0	72.6
September.....	95.1	87.4	86.6	94.1	93.3	95.1	102.2	83.7	129.4	104.3	88.0	92.1	125.3	87.1	75.4
October.....	97.0	89.4	88.4	96.9	97.7	95.8	102.8	83.0	137.7	106.0	90.6	91.8	124.7	90.1	76.4
November.....	97.2	91.0	89.9	97.3	99.1	95.0	102.0	82.6	136.3	107.2	89.6	89.0	123.1	89.7	77.4
December.....	97.1	92.6	91.6	97.2	99.3	94.6	100.9	84.6	129.6	107.8	88.5	86.1	121.0	90.1	77.6
1926															
January.....	96.3	92.6	91.9	97.3	99.1	95.0	98.3	84.6	130.2	107.5	86.5	87.9	114.4	80.4	76.9
February.....	97.0	94.2	93.5	97.4	97.6	97.2	98.6	85.7	133.0	106.7	85.7	89.5	114.6	84.2	77.0
March.....	97.2	94.6	93.8	97.1	97.1	97.1	98.7	87.1	136.1	107.4	84.9	88.3	116.8	83.3	77.0

¹ This table contains for certain months index numbers of employment, together with group indexes for important industrial components. The general index is a weighted average of relatives for 34 individual industries. The method of construction was described in detail and indexes for the above groups since January, 1919, were published on pp. 324-325 of the BULLETIN for May, 1925. See also p. 668 of BULLETIN for September, 1925, for certain revisions.

INDEX OF PAY ROLLS IN MANUFACTURING INDUSTRIES¹

[No seasonal adjustment. Monthly average, 1919=100]

Year and month	General index	Metals and products		Textiles and products			Lumber and products	Railroad vehicles	Automobiles	Paper and printing	Foods and products	Leather and products	Stone, clay, and glass	Tobacco products	Chemicals and products
		Group index	Iron and steel	Group index	Fabrics	Products									
1925															
March.....	110.1	97.2	96.5	114.4	114.2	114.7	109.7	100.2	142.9	139.4	98.8	100.0	143.4	88.3	101.6
April.....	107.3	94.4	93.9	108.0	111.7	103.5	107.9	95.4	156.2	137.1	94.0	91.5	149.9	74.2	97.6
May.....	107.4	94.6	94.0	105.0	109.9	99.0	108.6	91.6	163.9	136.7	97.2	90.3	154.6	90.9	98.4
June.....	104.8	91.1	90.4	101.6	103.9	98.8	109.7	90.4	151.2	135.5	100.0	85.1	154.3	90.3	95.7
July.....	102.4	86.8	86.1	101.2	100.9	101.6	105.9	86.7	150.0	133.8	98.9	89.0	145.9	89.0	95.6
August.....	104.5	89.7	88.8	103.8	101.7	106.2	108.0	88.0	146.1	133.7	99.1	98.9	155.7	90.0	93.1
September.....	103.9	88.7	87.7	99.1	96.6	102.1	111.8	84.9	155.3	135.8	100.0	94.8	151.6	90.0	94.9
October.....	111.3	96.2	95.1	107.5	107.9	107.0	117.2	89.2	178.0	142.3	104.5	95.8	156.8	97.1	101.1
November.....	111.7	97.7	96.3	107.0	109.0	104.5	116.7	91.4	178.9	145.4	103.6	87.9	155.4	98.7	103.6
December.....	112.1	101.7	100.6	107.9	111.1	103.9	116.4	91.7	163.5	148.7	103.2	86.5	151.3	99.3	104.9
1926															
January.....	107.0	99.1	98.3	108.1	110.4	105.3	105.8	85.8	136.0	145.5	100.1	89.7	136.9	86.0	102.2
February.....	111.5	102.4	101.7	110.2	109.0	111.5	111.0	91.9	166.3	144.9	99.8	94.2	140.1	84.0	102.8
March.....	113.0	104.2	103.4	109.8	108.2	111.8	111.9	94.5	170.7	147.9	99.3	93.2	144.3	88.4	104.5

¹ This table contains for certain months index numbers of pay rolls, together with group indexes for important industrial components. The general index is a weighted average of relatives for 34 individual industries. The method of construction was described in detail and indexes for the above groups since January, 1919, were published on pp. 324-325 of the BULLETIN for May, 1925. See also p. 668 of BULLETIN for September, 1925, for certain revisions.

INDEXES OF INDUSTRIAL ACTIVITY¹

[No seasonal adjustment. Monthly average 1919=100]

Year and month	Agricultural movements								Mineral production								
	Total	Live-stock	Animal products	Grains	Cotton	Vegetables	Fruits	Tobacco	Total	Anthracite coal	Bituminous coal	Petroleum	Pig iron	Copper	Zinc	Lead	Silver
1925																	
March.....	86	91	108	73	71	128	106	53	123	96	97	191	140	149	131	154	104
April.....	72	87	123	40	43	125	94	17	117	99	87	194	128	140	124	143	109
May.....	79	86	139	62	28	135	136	5	124	108	91	216	115	140	127	147	111
June.....	83	88	164	75	12	142	92	1	124	103	96	212	105	139	117	151	116
July.....	88	86	150	99	14	110	151	(²)	129	113	102	214	105	136	121	145	114
August.....	104	91	119	133	75	107	122	73	136	117	116	212	106	135	122	143	105
September.....	152	93	101	149	234	204	244	171	121	1	121	206	107	134	121	138	103
October.....	166	117	101	96	310	233	391	165	130	1	137	204	119	141	129	164	98
November.....	149	105	110	108	277	116	177	223	125	2	131	196	119	134	129	153	104
December.....	148	106	117	135	239	88	98	326	129	3	136	194	128	137	137	161	105
1926																	
January.....	108	99	96	92	114	106	80	344	129	2	138	190	130	141	144	158	109
February.....	88	81	93	79	74	94	77	273	115	28	120	173	115	135	136	³ 148	³ 107
March.....	85	91	116	65	64	123	92	88	137	120	119	192	135	150	138	164	111

Year and month	Manufacturing production											
	Total	Iron and steel	Automobiles	Textiles	Food products	Lumber	Paper and printing	Leather and shoes	Petroleum	Cement and brick	Tobacco	Rubber-tires
1925												
March.....	135	147	223	122	95	150	142	101	204	158	116	190
April.....	133	128	240	119	88	155	142	98	201	188	113	191
May.....	130	121	250	109	87	165	136	86	212	213	119	195
June.....	126	112	239	105	94	160	133	84	216	202	133	194
July.....	126	109	239	107	97	164	125	87	222	207	135	202
August.....	122	118	153	104	96	167	128	97	222	207	127	203
September.....	126	120	193	107	105	160	128	97	209	191	131	183
October.....	141	134	270	118	114	172	139	103	218	206	141	165
November.....	129	134	225	114	98	139	136	84	212	173	120	155
December.....	128	138	191	119	107	133	138	85	216	152	110	175
1926												
January.....	129	144	186	120	104	135	142	83	216	130	115	172
February.....	125	131	220	115	92	137	134	85	198	112	110	177
March.....	142	154	263	122	99	156	144	95	221	151	136	195

¹ For description and early figures see BULLETIN for March, 1924, and for certain revisions see p. 739 of the October, 1925, BULLETIN.

² Less than one-half of 1 per cent.

³ Revised.

COMMODITY MOVEMENTS

The following statistics are secured from various sources and compiled in the form given below by the Board's Division of Research and Statistics. Earlier figures (in most cases since

1919) can be obtained from previous issues of the BULLETIN or upon application to the Division of Research and Statistics, Federal Reserve Board.

	March, 1926	February, 1926	March, 1925		March, 1926	February, 1926	March, 1925
Grain and Flour				Transportation—Continued			
Receipts at 17 interior centers (000 omitted):				Revenue freight loaded, etc.—Contd.			
Wheat (bushels).....				Classified by nature of products—			
Corn (bushels).....				Coal.....			
Oats (bushels).....				Coke.....			
Rye (bushels).....				Forest products.....			
Barley (bushels).....				Ore.....			
Total grain (bushels).....				Merchandise, l. c. l.....			
Flour (barrels).....				Miscellaneous.....			
Total grain and flour (bushels).....				Total.....			
Shipments at 14 interior centers (000 omitted):				Classified by geographical divisions—			
Wheat (bushels).....				Eastern.....			
Corn (bushels).....				Allegheny.....			
Oats (bushels).....				Pocahontas.....			
Rye (bushels).....				Southern.....			
Barley (bushels).....				Northwestern.....			
Total grain (bushels).....				Central western.....			
Flour (barrels).....				Southwestern.....			
Total grain and flour (bushels).....				Total.....			
Stocks at 11 interior centers at close of month (000 omitted):				BUILDING STATISTICS			
Wheat (bushels).....				Building permits issued in 168 cities, grouped by Federal reserve districts:			
Corn (bushels).....				Number of permits—			
Oats (bushels).....				Boston (14 cities).....			
Rye (bushels).....				New York (22 cities).....			
Barley (bushels).....				Philadelphia (14 cities).....			
Total grain (bushels).....				Cleveland (12 cities).....			
Flour (barrels).....				Richmond (15 cities).....			
Total grain and flour (bushels).....				Atlanta (15 cities).....			
Receipts at 9 seaboard centers (000 omitted):				Chicago (19 cities).....			
Wheat (bushels).....				St. Louis (5 cities).....			
Corn (bushels).....				Minneapolis (9 cities).....			
Oats (bushels).....				Kansas City (14 cities).....			
Rye (bushels).....				Dallas (9 cities).....			
Barley (bushels).....				San Francisco (20 cities).....			
Total grain (bushels).....				Total.....			
Flour (barrels).....				Value of permits (dollars, 000 omitted)—			
Total grain and flour (bushels).....				Boston (14 cities).....			
Stocks at 8 seaboard centers at close of month (000 omitted):				New York (22 cities).....			
Wheat (bushels).....				Philadelphia (14 cities).....			
Corn (bushels).....				Cleveland (12 cities).....			
Oats (bushels).....				Richmond (15 cities).....			
Rye (bushels).....				Atlanta (15 cities).....			
Barley (bushels).....				Chicago (19 cities).....			
Total grain (bushels).....				St. Louis (5 cities).....			
Wheat flour production (barrels, 000 omitted).....				Minneapolis (9 cities).....			
Tobacco				Kansas City (14 cities).....			
Tobacco sales at loose-leaf warehouses (pounds, 000 omitted):				Dallas (9 cities).....			
Dark belt Virginia.....				San Francisco (20 cities).....			
Bright belt Virginia.....				Total.....			
North Carolina.....				Building contracts awarded, by Federal reserve districts (dollars, 000 omitted):			
Burley.....				Boston.....			
Western dark.....				New York.....			
Transportation				Philadelphia.....			
Revenue freight loaded and received from connections (cars loaded, 000 omitted):				Cleveland.....			
Classified by nature of products—				Richmond.....			
Grain and grain products.....				Atlanta.....			
Livestock.....				Chicago.....			
				St. Louis.....			
				Minneapolis.....			
				Kansas City.....			
				Dallas.....			
				Total (11 districts).....			

WHOLESALE AND RETAIL TRADE

WHOLESALE TRADE IN THE UNITED STATES, BY LINES¹

[Average monthly sales 1909=100]

	General index	Groceries	Meat	Dry goods	Shoes	Hardware	Drugs
1924							
October.....	95	100	78	104	67	110	128
November.....	84	89	69	88	57	98	109
December.....	79	83	66	77	57	99	109
1925							
January.....	79	80	71	82	43	89	116
February.....	76	73	69	88	46	90	109
March.....	83	79	73	96	63	107	121
April.....	79	75	68	85	65	107	115
May.....	79	79	75	77	54	101	106
June.....	83	84	79	82	54	105	110
July.....	83	85	79	85	47	99	111
August.....	87	88	78	106	65	98	108
September.....	94	92	82	112	72	109	120
October.....	101	99	87	118	77	122	134
November.....	86	90	72	92	59	108	110
December.....	80	83	72	75	54	101	111
1926							
January.....	78	77	79	79	43	86	111
February.....	76	71	75	86	50	87	110
March.....	85	80	74	93	73	106	133

¹ For description of the wholesale trade index see FEDERAL RESERVE BULLETIN for April, 1923.

CHANGE IN CONDITION OF WHOLESALE TRADE, BY LINES AND DISTRICTS

	Percentage change in sales, March, 1926, compared with—		Percentage change in stocks ¹ at end of March, 1926, compared with—	
	February, 1926	March, 1925	February, 1926	March, 1925
Groceries:				
United States.....	13.8	2.0	- .9	1.1
Boston district.....	18.7	2.6	- .1	9.6
New York district.....	17.7	8.8	-3.5	-1.4
Philadelphia district.....	12.5	-1.6	-1.2	2.2
Cleveland district.....	12.1	0.0	-----	-----
Richmond district.....	11.0	- .3	-5.2	-5.6
Atlanta district.....	12.6	10.5	-----	-----
Chicago district.....	15.1	-1.4	- .7	-4.1
St. Louis district.....	4.1	2.3	-7.3	-4.1
Minneapolis district.....	15.0	-7.0	-2.0	0.0
Kansas City district.....	15.4	-2.0	-2.4	-2.0
Dallas district.....	1.6	.8	1.0	2.0
San Francisco district.....	14.0	-5.7	-----	-----
Dry goods:				
United States.....	8.9	-3.3	1.4	-6.7
New York district.....	5.9	-6.9	-----	-----
Philadelphia district.....	35.5	- .9	- .8	2.4
Cleveland district.....	8.2	-5.3	.3	-11.5
Richmond district.....	-4.3	-7.8	- .1	-21.9
Atlanta district.....	9.3	-4.1	2.5	19.2
Chicago district.....	17.0	-2.1	1.9	-5.6
St. Louis district.....	-18.3	-1.5	- .7	-15.2
Minneapolis district.....	-5.0	-12.0	6.0	2.0
Kansas City district.....	3.1	4.9	- .7	.1
Dallas district.....	-17.9	-10.7	4.9	-1.7
San Francisco district.....	37.0	6.8	-----	-----
Shoes:				
United States.....	45.4	15.8	-4.3	-25.3
Boston district.....	29.9	6.6	-2.1	-13.3
New York district.....	63.4	7.3	-8.7	-4.5
Philadelphia district.....	94.8	3.4	-4.7	-24.9
Cleveland district.....	47.3	5.9	- .4	-16.1

¹ Changes in total stocks for the United States are weighted averages computed on the basis of firms which have reported regularly to the Federal reserve system since January, 1923.

² Sales of agricultural implements for the United States are compiled

CHANGE IN CONDITION OF WHOLESALE TRADE, BY LINES AND DISTRICTS—Continued

	Percentage change in sales, March, 1926, compared with—		Percentage change in stocks ¹ at end of March, 1926, compared with—	
	February, 1926	March, 1925	February, 1926	March, 1925
Shoes—Continued.				
Richmond district.....	43.5	21.2	- .5	-2.7
Atlanta district.....	35.9	21.4	-----	-----
Chicago district.....	59.2	10.1	-4.2	-36.7
St. Louis district.....	15.5	-14.4	-7.9	7.5
Minneapolis district.....	44.0	13.0	-6.0	-17.0
San Francisco district.....	32.1	-2.5	-----	-----
Hardware:				
United States.....	22.0	-1.2	1.0	-5.4
New York district.....	25.1	-7.5	1.5	1.2
Philadelphia district.....	36.1	-2.8	2.6	-8.4
Cleveland district.....	18.3	- .6	2.1	-4.9
Richmond district.....	14.1	-5.2	1.9	6.9
Atlanta district.....	- .3	17.1	2.9	1.9
Chicago district.....	33.3	-8.1	2.5	-9.6
St. Louis district.....	3.3	-3.1	40.5	-18.6
Minneapolis district.....	29.0	6.0	5.0	3.0
Kansas City district.....	22.1	-1.4	- .9	.9
Dallas district.....	.7	- .6	.8	- .8
San Francisco district.....	17.6	5.2	-----	-----
Drugs:				
United States.....	20.9	9.8	1.4	6.8
New York district.....	18.1	10.3	-----	-----
Philadelphia district.....	22.0	15.3	-1.0	8.0
Cleveland district.....	24.3	15.1	-----	-----
Richmond district.....	11.4	7.2	-----	-----
Atlanta district.....	10.9	15.0	-----	-----
Chicago district.....	24.2	6.9	1.2	6.1
St. Louis district.....	15.6	5.0	-----	-----
Kansas City district.....	20.9	-5.7	5.3	-2.5
Dallas district.....	5.7	6.0	1.8	3.2
San Francisco district.....	20.6	5.7	-----	-----
Furniture:				
Richmond district.....	-4.4	-7.6	-----	-----
Atlanta district.....	10.4	-3.7	- .9	15.0
St. Louis district.....	10.9	-27.8	4.2	20.2
Kansas City district.....	34.8	-4.8	-2.8	3.5
San Francisco district.....	5.2	9.5	-----	-----
Agricultural implements:				
United States ²	13.5	17.7	-----	-----
Minneapolis district.....	50.0	39.0	7.0	39.0
Dallas district.....	-28.6	5.7	2.3	.5
Stationery and paper:				
New York district.....	1.1	10.8	-----	-----
Philadelphia district.....	23.1	-2.8	.6	.2
Atlanta district.....	14.6	15.4	-----	-----
San Francisco district.....	14.0	6.1	-----	-----
Automobile supplies:				
San Francisco district.....	26.2	7.0	-----	-----
Clothing:				
New York district.....	17.2	-15.4	-----	-----
St. Louis district.....	-15.9	2.3	-----	-----
Cotton jobbers:				
New York district.....	1.8	-17.8	-11.7	-10.1
Silk goods:				
New York district.....	6.7	-4.7	- .3	* 48.8
Machine tools:				
New York district.....	22.0	19.7	-----	-----
Diamonds:				
New York district.....	21.8	21.6	-----	-----
Jewelry:				
New York district.....	4.4	2.3	2.9	* -9.2
Philadelphia district.....	20.4	26.0	1.3	-6.6
Electrical supplies:				
Philadelphia district.....	17.7	14.3	1.8	-11.4
Atlanta district.....	1.5	88.2	-11.9	-16.3
St. Louis district.....	12.7	9.9	4.3	-10.3
San Francisco district.....	11.9	-3.1	-----	-----
Millinery:				
Kansas City district.....	4.2	-10.9	-----	-----
Stoves:				
St. Louis district.....	30.9	-3.9	27.6	-19.4

by the Chicago Federal Reserve Bank from reports of leading manufacturers and include all of their domestic business.

² Stocks at first of month; quantity, not value.

* Includes diamonds.

RETAIL TRADE, BY REPORTING LINES¹

[Average monthly sales 1919=100]

Year and month	Sales without seasonal adjustment									Sales with seasonal adjustment								
	Department stores (359 stores)	Mail-order houses (4 houses)	Grocery chains (27 chains)	Five-and-ten-cent chains (6 chains)	Drug chains (9 chains)	Cigar chains (3 chains)	Shoe chains (6 chains)	Music chains (4 chains)	Candy chains (5 chains)	Department stores (359 stores)	Mail-order houses (4 houses)	Grocery chains (27 chains)	Five-and-ten-cent chains (6 chains)	Drug chains (9 chains)	Cigar chains (3 chains)	Shoe chains (6 chains)	Music chains (4 chains)	Candy chains (5 chains)
1925																		
January	108	108	250	151	155	122	107	92	162	124	110	249	207	161	141	141	112	193
February	101	105	233	156	146	119	100	99	175	131	116	243	209	161	140	149	120	207
March	121	119	252	177	160	131	127	105	183	121	103	233	185	159	135	127	116	186
April	136	117	258	195	159	131	177	107	210	133	114	255	208	164	139	152	126	210
May	128	95	254	191	163	143	149	96	195	124	106	254	201	166	140	159	116	202
June	126	102	254	187	167	134	152	99	184	126	120	257	203	170	137	142	125	197
July	95	87	259	183	166	136	122	104	181	128	117	269	201	164	137	134	140	185
August	98	89	243	195	171	142	120	123	202	125	118	255	205	171	145	153	143	202
September	121	114	245	191	169	142	129	136	202	134	120	258	206	172	142	135	136	204
October	165	170	318	237	179	151	164	141	215	145	131	309	219	175	145	145	117	209
November	145	144	272	220	167	136	136	139	195	129	116	270	211	177	138	126	111	206
December	226	166	332	427	225	212	188	214	280	141	140	318	231	185	157	143	114	191
1926																		
January	114	116	286	166	178	127	108	101	167	130	118	284	228	185	146	142	122	199
February	104	111	289	170	172	127	97	103	173	136	123	301	227	189	151	145	126	205
March	130	130	302	199	196	142	143	112	206	130	112	278	207	194	147	143	124	204

¹ For description of the retail trade indexes see FEDERAL RESERVE BULLETINS for January and March, 1924.

² Index of sales of grocery chains revised. Comparable index numbers for all months since January, 1919, may be obtained from Division of Research and Statistics, Federal Reserve Board.

DEPARTMENT STORE SALES, BY FEDERAL RESERVE DISTRICTS

[Average monthly sales 1919=100]

Federal reserve district	Number of reporting firms	Sales without seasonal adjustment							Sales with seasonal adjustment						
		1926			1925				1926			1925			
		Mar.	Feb.	Jan.	Dec.	Mar.	Feb.	Jan.	Mar.	Feb.	Jan.	Dec.	Mar.	Feb.	Jan.
United States	359	130	104	114	226	121	101	108	130	135	130	141	121	131	124
Boston	24	119	93	131	225	110	94	110	118	125	145	141	110	126	122
New York	63	131	108	124	243	124	107	120	129	141	156	148	122	140	132
Philadelphia	22	138	103	112	222	125	101	105	149	128	127	141	135	125	120
Cleveland	54	127	106	108	218	125	106	107	125	139	124	133	123	137	123
Richmond	23	130	91	103	230	119	89	93	126	122	125	133	115	120	113
Atlanta	35	108	92	89	190	99	84	83	109	121	108	117	100	111	102
Chicago	63	145	119	119	244	127	107	112	145	151	140	156	127	136	132
Minneapolis	23	94	76	85	167	87	81	92	86	108	100	113	99	115	107
Dallas	21	111	93	94	180	107	90	92	105	118	109	111	101	114	106
San Francisco	31	158	117	129	253	142	113	128	160	154	145	161	143	149	146

DEPARTMENT STORE STOCKS, BY FEDERAL RESERVE DISTRICTS

[Average monthly stocks 1919=100]

Federal reserve district	Number of reporting firms	Stocks without seasonal adjustment							Stocks with seasonal adjustment						
		1926			1925				1926			1925			
		Mar.	Feb.	Jan.	Dec.	Mar.	Feb.	Jan.	Mar.	Feb.	Jan.	Dec.	Mar.	Feb.	Jan.
United States	314	143	132	125	129	139	127	119	141	140	141	139	137	135	134
Boston	24	124	113	110	119	126	115	112	124	121	122	122	127	123	124
New York	63	142	128	125	131	135	123	118	139	138	140	138	132	132	132
Philadelphia	13	201	183	167	176	185	167	147	197	195	187	183	182	177	164
Cleveland	52	137	124	112	123	137	125	112	136	134	133	132	136	134	133
Richmond	19	128	121	114	120	131	118	109	123	128	135	133	125	126	129
Atlanta	22	122	112	111	102	113	107	99	121	116	123	114	112	111	110
Chicago	51	162	153	144	148	156	145	137	163	165	160	159	158	156	154
Minneapolis	22	110	101	96	101	117	106	99	106	104	108	110	112	109	111
Dallas	19	128	118	108	111	125	113	103	127	125	126	130	124	120	119
San Francisco	29	141	132	126	124	136	126	123	139	137	137	136	134	131	134

FOREIGN BANKING AND BUSINESS CONDITIONS

ANNUAL REPORT OF THE GERMAN REICHSBANK

The annual report of the German Reichsbank for 1925, presented by the board of directors to the general assembly of stockholders on March 26, 1926, contains the following summary of the operations of the bank and survey of economic conditions:

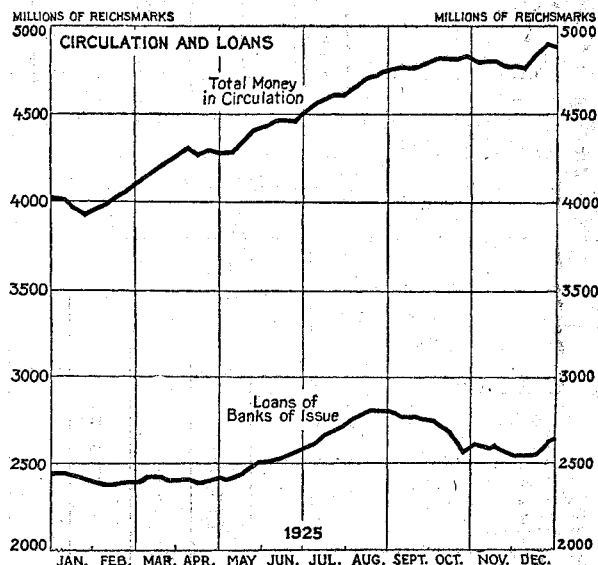
During the year 1925 confidence in the new German currency became more firmly established. Quotations of the reichsmark on the foreign exchanges no longer showed any deviation from parity. In the German commercial banks, in the savings banks, and in the other financial institutions deposits increased in a most encouraging way. Inasmuch as all demands made upon the Reichsbank for foreign exchange bills were met always and to their full amount, the gold convertibility of notes was practically reestablished.

In contrast to the satisfactory development of the currency and exchange conditions, the general economic situation, especially in the latter half of the year, unfortunately presented a less favorable picture—it moved steadily toward a crisis. It almost seemed as though the inevitable results of the manifold blows of fate which Germany had suffered during the last 10 years would get the better of the determination of the German people to achieve self-support and reconstruction. In particular, the continuing shortage of working capital, which during the inflation period had been either destroyed or diverted to unproductive uses, had made the urgently needed restoration of German industry much more difficult; and in connection with excessive interest charges and tax assessments as well as with unfavorable price and market conditions, in spite of the political ray of hope, finally led to a disastrous climax of reduced production, unemployment, business depression, and bankruptcies.

Although the Reichsbank was assuredly not in a position to supply German industry with capital by the aid of the printing press, it nevertheless relieved the situation in so far as it was able—it continued to extend loans to the full limit permitted by its currency policy, and it assisted in word and deed all efforts toward the much-needed accumulation, both at home and abroad, of capital sums for long-term loans for productive purposes.

The strict credit policy adopted in April, 1924, in the interest of the currency could not be modified to any extent during the past year. Nevertheless, through various further measures

adopted by the bank directors, the unsatisfactory features of credit rationing were more and more obviated; in particular, adjustments of considerable magnitude and large extensions of quotas were made in response to seasonal and local needs. Of still greater importance was the announcement of the Reichsbank that it was prepared to rediscount acceptances of certain first class banks and banking establishments without including these in the regular credit quota. In regard to the purchase and sale of securities, the list of securities eligible for purchase was repeatedly extended by the



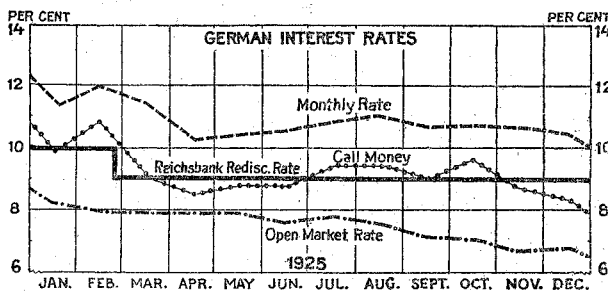
Total money in circulation in Germany, including Reichsbank notes, Rentenbank notes, notes of the private banks of issue, and subsidiary coins; and total loans of the Reichsbank, the Rentenbank, the private banks of issue, and the Gold Discount Bank.

inclusion of numerous kinds of mortgage bonds payable in gold or in reichsmarks.

As is indicated by the accompanying chart showing the money in circulation compared with the discounts and loans on securities at the Reichsbank, the Rentenbank, the private banks of issue, and the Gold Discount Bank, the amounts lent to business enterprises, even in spite of the depression that has taken place, were somewhat larger at the end of 1925 than at the end of the previous year. In the meantime, however, the loans made by the commercial banks and other credit institutions had shown a very notable increase; and during the year capital sums to the value of 2½ billion reichsmarks had come into the country from

abroad. If these vast new credits have not relieved the capital famine of German business more than was actually the case, the reason was generally that these credits could not be placed at the disposal of borrowers for sufficiently long terms nor on sufficiently favorable terms. The sharp rise shown by the curve for the circulation of lawful money, along with which there went an increase in means of payment other than cash, gives further confirmation of the fact that the policy of the Reichsbank which permitted such an expansion of the currency was earnestly considering the interests of German business. That it has exercised no misdirected restraint is also shown by the increasing proportion of protested bills and frozen discounts and loans on securities which have appeared in the condition statements during the year.

In looking back upon rising prices and wages, as well as upon the prevalent speculative turn of mind which has lasted over from



the period of inflation, the paradoxical charge has sometimes been made against the Reichsbank during the past year that it has gone too far in its granting of credits and in its purchases of foreign exchange. In reply to this the bank can point out that it has unquestionably fulfilled its primary duty of maintaining confidence in the currency both at home and abroad, and that it has rendered all possible service consistent with this duty to the urgent needs of German business. The bank has also continued during the past year, with energy and with notable success, its efforts to assist German production by reducing interest rates and the cost of credits. The accompanying chart shows the decline of the more important interest rates during 1925.

The Reichsbank itself lowered its discount rate on February 26, 1925, from 10 to 9 per cent, and its rate on loans on securities from 12 to 11 per cent. The still more striking decline in the rates of the Gold Discount Bank will be discussed later on. In the handling of

giro accounts, costs were reduced for both retail and wholesale transactions, and charges were lowered for deposits of persons who had no regular account. In the purchase of commercial bills, the bank modified its customary policy. For bills to the amount of 5,000 reichsmarks and over, the minimum discount period was reckoned at 5 interest days instead of 10, as formerly. For the purchase of checks, also, the period of interest payments was reduced from 10 to 5 days. The expectation that the whole level of interest rates and charges would be influenced by the measures taken by the Reichsbank has been fully realized, although open-market rates have for the most part remained at a height very burdensome for borrowers and for business interests generally.

Conditions in the German money and capital market have unfortunately failed during the past year to become normal. To be sure, money was almost always to be had in adequate amounts, but almost entirely for short terms. The supply of ready money on the market was increased by the growth of cash holdings of business enterprises, by the building up of capital sums in savings banks, by foreign funds of various kinds which, converted into reichsmarks, had been diverted from their original purpose and were seeking investment in the money market, and by an accumulated surplus in the hands of the public. During the latter part of the year sums were also released on account of the business depression. In its efforts to convert as far as possible into longer term investments such capital sums as were not needed in the market, the Reichsbank continually found itself hampered by the fact that neither lenders nor borrowers were willing to obligate themselves for any but the shortest possible period because of the uncertainty of money and interest developments. This circumstance, as the course of security values showed, was most disastrous to the reconstruction of the market for mortgages, stocks, and bonds, and created for the time being an impossible situation for agriculture. In this connection mention should be made of the measures which the Reichsbank adopted to assist the private discount market to secure suitable investment for the so-called public funds, and to direct foreign credits into the right channels.

The reconstruction of the private discount market was for many reasons of great importance for German business. It made it possible to meet the credit needs of business at a rela-

tively low price and independently of the credit rationing of the Reichsbank. In order to create the necessary foundations for the market, the Reichsbank encouraged those first class banks and banking houses in Berlin which belonged to the so-called "Stempelvereinigung" to offer their acceptances once more for purchase and sale as a means of making their own credit resources available. With the provision that the total of these acceptances should stand in a prescribed ratio to the assets of the bank in question, the Reichsbank announced that it would admit such acceptances to rediscount without including them in reckoning the apportionment of credit. The bank hoped in this way to stimulate the purchase of private discounts. The banking houses above mentioned mutually agreed that for the present no firm should put out acceptances in excess of one-half of its paid-in capital and surplus. Corresponding agreements were entered into with other first class banks in Frankfurt, Cologne, Hamburg, Mannheim, and Carlsruhe; and negotiations were begun with banking firms in other places.

The report for 1924 spoke in detail of the efforts of the Reichsbank with regard to the administration and the application of the reserves of public funds and of other capital sums which were built up under legal compulsion, or which, like the money in the savings banks and insurance companies, had always been under government supervision. The efforts of the bank to bring about the investment of these funds according to sound economic principles were continued during the year under review. Thus, part of these funds found investment in the general credit business of the Reichsbank, which then transferred some of the rediscounted bills in its portfolio to the various organizations. Another part of these funds was supplied by the Reichsbank to the private discount market. Furthermore, considerable amounts of these public funds were placed in the banks and other financial institutions by agreement with the Reichsbank, and were then made available by these as credits for business. It was exceedingly significant that the bank, having regard to the clearly defined interests of lenders, succeeded in converting part of the public funds, hitherto lent for only short terms, into long-term investment in agricultural securities and mortgages, as used to be the prevailing custom before the war.

We can not forbear emphasizing once more at this point that the excessive cash reserves accumulated by public authorities at the close

of the inflation period seem to us a thoroughly unhealthy undermining of the strength of German business. It is to be hoped that a change may be brought about in this respect by the proposed lowering of taxes and by a change in the financial administration. In order that all capital sums that may become available or that may be newly built up may be reserved first of all for productive enterprise, all governmental authorities of the Reich, of the States, and of the municipalities ought to exercise the utmost restraint not only in seeking to obtain foreign credits but also in making demands on domestic resources. Also the separation of the postal service and the railways from the finances of the Reich shows itself in its present form more and more capable of improvement in the interest of a united and concentrated pooling of the resources of all public authorities. The question how, after the decline of the cash reserves of the Reich, the reserves of the post office and the railways can be made available for the general account of the Reich in the way formerly customary, is urgently pressing for solution. In regard to this, the Reichsbank has many times made detailed suggestions.

As to the position which the Reichsbank has taken with regard to foreign capital coming into Germany, detailed explanations were made in last year's report. The same principles have guided the policy of the Reichsbank during the year under review. Furthermore, the bank took occasion to advise against contracting short-term foreign loans, and in general to advise longer term credits, with the result that the proportion between short-term and long-term foreign indebtedness has made notable improvement in the direction indicated.

The bank has taken up during 1925 all foreign exchange bills which originated from foreign credits and were offered to it, and in this way has rendered a great deal of assistance in the line of credits to German trade and industry; for foreign credits which were not used directly to pay for imports could be made available for domestic purposes only when converted into reichsmarks. But, on the other hand, by the purchase of foreign exchange the bank at the same time performed its duty in respect to currency policy. For instance, if it had declined rather large offerings of foreign exchange, the stability of the currency would have been imperiled, and an overvaluation of the mark in comparison with foreign currencies would have come about. In the interest of import and export trade and of obtaining credits, and for general currency reasons, it

seemed imperative to avoid such a departure from parity, even though in the long run it might have brought gold into the country. Moreover, the Reichsbank was, through its own efforts, in a position to buy or sell gold at any time against foreign exchange bills without the danger of disturbing the course of the exchanges; for it repeatedly made use of this power during the year in order to provide the required 30 per cent effective gold reserve for the increasing note circulation. It had to go even further in this respect than was necessary for the needs of the moment in order to provide against unforeseen emergencies as well as for the exchange of the Rentenbank notes in circulation into Reichsbank notes. On the other hand, the accumulation of gold is a measure which for technical market reasons can be pursued only gradually and with an eye to the future. It may be mentioned with thankfulness at this point that the bank directors have arrived at complete agreement with friendly foreign banks of issue in regard to the above-mentioned measures of gold and exchange policy, so that the efforts of the central banks toward cooperation have made encouraging progress.

In its policy of furnishing foreign exchange bills, the Reichsbank has likewise made no change. As has already been mentioned, the bank has satisfied every demand made upon it; especially about the middle of the year it met extensive demands amounting to many hundreds of millions of reichsmarks without any ensuing disturbance of the exchange market or uneasiness of any kind.

The influx of foreign capital into Germany during 1925 continued to an extent which was somewhat dangerous to our currency policy, so that it seemed imperative to do everything possible without injury to legitimate German business interests to contract the use of foreign credits to absolutely necessary and supportable amounts. The most desirable use of such credits is to promote the kind of production which will benefit the German trade balance—that is, which will serve to increase exports or to decrease imports. Inasmuch as loans to public bodies do not for the most part fulfill these conditions, the Reichsbank set about creating a special advisory council for foreign credits to public organizations. In this council the bank is always represented. The function of the council is to examine the applications for foreign credits made by communities, communal organizations, and states, as to their purpose and their necessity, and with regard to the general business and currency situation. It can not be emphatically and seriously enough

reiterated that the sums of several million reichsmarks which even now have to be realized annually in foreign currency for the service of interest and amortization on foreign loans constitute an additional heavy burden, which, besides other things, must be taken out of German business under certain circumstances if German credit is to be maintained. If a sufficiently large amount of foreign cash or cash equivalents should not be produced in the normal processes of business, then a severe curtailment of domestic credit and a corresponding raising of domestic interest rates would have to provide for the improvement of the German balance of payments. Those authorities which float foreign loans or permit them to be floated, except under the compulsion of direct necessity, ought to be aware of this weighty responsibility for currency and economic conditions.

In this connection it should be further mentioned that the Gold Discount Bank was deprived of the note-issue privilege at the time that the new banking law went into effect, which, however, it had never used, and had begun the liquidation of its business; in April, 1925, the bank renewed its activity with the consent of all parties concerned, because it seemed desirable in the interest of German business to retain for those business enterprises which took part in foreign commerce this means of obtaining foreign credits. The Reichsbank, as was mentioned in last year's report, had acquired all the shares of the Gold Discount Bank and paid back the credit granted by the Bank of England to the amount of £5,000,000 even before it fell due. The credits granted by the Gold Discount Bank had reached an amount of £8,800,000 by the end of last year. Further credits to the amount of about £485,000 were sanctioned but not yet drawn upon. With the resumption of business the discount rate was lowered to 7 per cent on May 19, 1925, and again to 6 per cent on October 14.

Discussion of the enlargement of the functions of the Gold Discount Bank for the purpose of assisting agriculture will be deferred to next year's report. The motives for this action are the same which have guided the Reichsbank in other measures for the relief of agriculture—to make available, so far as possible, the sums of money hitherto offered as short-term loans for the long-term credit needs of agriculture. Considering the great economic importance of an increase in agricultural production, it seemed obvious to the directors of the bank that they should regard the interests

of agriculture with special favor. For the measures taken during 1924 in the directions mentioned, we refer to last year's report. In consideration of the unrelieved distress of the agricultural situation, which, apart from the scarcity of working capital, was further aggravated by the unfavorable development of prices for agricultural products, and even more by the fact that the market for long-term credit on which agriculture is particularly dependent had been almost wholly destroyed, the Reichsbank extended the most complete cooperation in the conveyance of rentenmark bills to the Rentenbank as provided by law. The Reichsbank has many times renewed some of the agricultural bills which had been drawn in 1924 in order to give the needy agriculturist opportunity meanwhile to obtain credits elsewhere or to transfer his obligations to the Rentenbank. But, furthermore, even after the transfer of its agricultural bill portfolio to the Rentenbank, the Reichsbank has bought new agricultural bills, so far as was permissible under the provisions of the new banking law. For these bills also it has many times granted extensions.

The indirect credit assistance which the Reichsbank extended to agriculture during the year under review, by trying in every way to stimulate agricultural loans on real estate, has

already been discussed in another part of this record. This assistance was rendered especially by the allocation of all kinds of public funds to definite credits for agriculture—for example, for fertilizers—and by investment in agricultural securities; also by large purchases of such securities for the pension fund of the Reichsbank itself at the beginning of the year 1926. The security market was thus stimulated to a higher price level, a development which was further strengthened by the above-mentioned action of the Gold Discount Bank in favor of agriculture; this encouraged the accumulation of agricultural securities, benefited the whole market for agricultural real estate loans by a notable lowering of the burdens of interest and other charges, and led generally to a definite easing of the capital market. To achieve this end and to allay any doubts which might arise as to their liquidity, the Reichsbank has furthermore many times lengthened the list of agricultural securities which should be eligible for loans on securities at the Reichsbank. Finally, mention should be made of the cooperation of the Reichsbank in the creation of the Rentenbankkreditanstalt and of the Reichsbank's activities as trustee for the foreign loans which the new credit institution has floated.

ANNUAL REPORT OF THE BANK OF POLAND

The report of the Bank of Poland for the year 1925, presented at the annual meeting of the stockholders on March 10, contained the following review of the year:

The reformation of the currency and of Government finance have disclosed numerous shortcomings in the economic organization of the country. We must seek the cause of the happenings of this past year not in this or that measure of the Government, but in the very foundations on which the Government was built and in our past history. Poland owes its unfortunate economic situation to the willful recklessness exhibited in regard to its territories at the time of the partition, to the ravages caused by the World War, to the disastrous occupation of the country, then to the inflation of the currency and the world crisis which followed the war, and, lastly, after the declaration of the independence of the country, to the general optimism which, from the economic point of view, was based on false assumptions. The worst damage has been done in the matter of liquid capital.

The reorganization of the finances of the Government, begun at a rapid rate and without assistance from abroad, had brought together for the treasury numerous reserves, which being thus pooled for the service of the fiscal revenues, seemed to guarantee the equilibrium of the budget. The support given by the public to the plans for reconstruction was considerable, and was shown particularly on the occasion of the offering of subscriptions to shares of the Bank of Poland. Unfortunately, in less than one year an unfavorable reaction came about, due not only to the poor harvest and to the world crisis, but also to errors of management. During the latter half of the year under review the economic crisis resulted in the fall of the exchange value of the zloty, which destroyed part of the gains of the year 1924.

Finances of the Government.—The second year of the administration of the State finances, based on stable exchange, made it possible to appraise more accurately the foundations on which the public finances were established.

The putting into effect of the budgets of 1924 and 1925 has shown that the currency reform was carried through without adequate reserves and without regard to the needs of the national economy. The two budgets were made to balance only by reducing expenditures, which had been voted, and by utilizing extraordinary revenues which had been secured during the execution of the currency reform. Experience having proved that the budget for 1926 was out of line with actual conditions, a reduction of expenditure of about 25 per cent was decided upon.

The budget for 1925 was almost balanced. Estimated expenditures were 2,165,900,000 zlot, and estimated receipts were 2,157,500,000 zlot. Actual expenditures were 90.9 per cent, and actual revenues were 85.8 per cent of the estimates. Thus the year 1925 actually ended with an insignificant deficit but almost without any reserves for the year 1926, the principal sources of reserves, the issue of specie money and the right of borrowing from the Bank of Poland, having been completely exhausted.

Receipts from taxes and monopolies in 1925, estimated at 1,466,000,000 zlot, yielded 1,333,100,000 zlot—about 91 per cent. These receipts for 1925, although they were larger than in 1924, fall short of the estimates or remain at the same level, as the capital levy has not come up to expectations.

Agriculture.—The economic crisis was especially severe in agriculture during the first six months of the year. The chief causes were two—the lack of long-term credits and the poor harvests of the year before. The situation was relieved in the course of the year by the excellent grain harvests which were above the pre-war average.

As harvests throughout the world were reported as very good, the international market for grain was unfavorable both as regards price and demand. The abundance of grain offered by the exporting countries lowered the price, while the importing countries preferred to wait for the price to fall still lower. Agriculture, being unable to obtain credits, was forced to accept any price for its products without waiting until the market at home and abroad might take a turn for the better. A more exhaustive calculation of the world harvest showed that the harvests of grain and the quantity available for export had been estimated too high in various countries. Then followed an improvement of the situation on the world market, which was reflected in a rise of prices and an increased number of outlets for exports. In Poland itself the change brought

about an improvement in price for wheat and flour and an increase in exports, all the more because the declining exchange operated as a domestic premium for the exporter.

Sugar production during the season 1924–25 reached 78 per cent of pre-war, and was 28 per cent higher than for the year before. Sugar exports showed an increase of 33 per cent over the preceding year.

Mines and industry.—In comparison with the year 1924, which had been marked by a considerable decrease in production and by a pronounced increase in unemployment as the sequel of the period of inflation, the first part of the year 1925 showed an improvement in many lines of production, with the exception of coal and iron.

In consequence of more favorable conditions, the increase of production was very considerable in the mining of potassium salts and the metals zinc and lead, which hitherto had not been adequately worked. Activity in steel forging and foundry work has grown, in response to new outlets on the domestic market and to the opportunity of competing with foreign countries, due to more perfect organization and consequent larger output. The same thing has been true in regard to the production of petroleum. On the other hand, coal production has decreased as a result of the general coal crisis in Europe and the difficulties with Germany over tariff questions.

The textile industry, which employs more than 30 per cent of the industrial workers, showed considerable improvement, as did also chemical industries, paper, and public utilities. Leather and clothing industries declined decidedly as a result of foreign competition. Building activity did not come up to expectations, nor did those metal and lumber industries which depend upon building. In articles manufactured for direct consumption there was little change.

The development of industrial and mining production could not reach great proportions, because buying power among the rural population has been reduced by the bad harvests of 1924 and the lack of available funds. The great difficulty in procuring credits has deprived industry of revolving capital; this caused a falling off in production. Polish industry, which had been gradually and painfully developing under very difficult circumstances, found itself in the latter half of the year face to face with a crisis even more menacing because it had not yet recovered from the effects of inflation. The falling off in production, the increase of unemployment, the reduc-

tion of working hours, all growing out of the financial crisis, lowered the capacity of the domestic market which was suffering the effects of the bad harvests. Then followed a still more pronounced falling off in production.

Domestic commerce.—Currency reform, brought about solely by the aid of domestic capital, revealed numerous weaknesses. The most striking of these were the lack of revolving funds, the paucity of the sources of credit, the lessening of consumption, as well as the too onerous tax burdens, both municipal and State.

At the beginning of the year the commercial situation was much more favorable than that of other phases of our economic life. The importing of commodities from abroad, facilitated by credits on very advantageous terms, increased commercial activities. But from the moment that the Government established protective duties to enable domestic products to meet foreign competition on the domestic market, the general movement of commerce with other countries declined.

Foreign commerce and balance of trade.—The trade balance of Poland was unfavorable from March, 1924, to September, 1925. Among the chief causes for this may be cited the poor harvests of 1924, to which should be added the hard conditions of export and the free trade tendencies of our commercial policy. If we consider the situation of the country from August, 1924, to August, 1925, that is, for the period between the harvests of these two years, the deficit on our trade balance amounts to 646,700,000 zlote. During that time Poland imported wheat and flour to the value of 220,600,000 zlote, although in normal times she has a surplus of these commodities for export. The situation was made still worse by the export of the two chief articles produced, coal and sugar, the prices of which were much lower in 1924-25 than in 1923-24. The deficit in the trade balance, brought about by importing grain and flour and by exporting coal and sugar under unfavorable conditions, rose to about 340,000,000 zlote, and this exercised a decisive influence on the rate of exchange. The free-trade principles of our tariff policy tended to lower prices by the import of merchandise, especially by tariff concessions granted to certain commodities for public utility. Experience has shown that this policy requires too much time to achieve the desired results, and that it actually brings about some disturbing effects:

(1) Prices do not decline because commodities from abroad conform to prices on the do-

mestic market. The difference in the prices becomes a premium for the importer.

(2) Sales of merchandise of national origin fall off on the domestic market, while costs of production rise and make competition with foreign goods difficult.

(3) The stock of foreign exchange and of foreign money at the Bank of Poland declines; this directly influences the fall of our exchanges.

The law of May 19, 1925, outlined a new commercial policy, and brought important changes in the application of the customs tariffs of the year 1924. These modifications increased the customs duties on a great number of articles of consumption and luxury articles and protected certain branches of the agricultural industry. From that moment trade policy entered upon a new path—a policy of moderate protection, and the regulation, temporary at first and then permanent, of imports of luxury articles. This measure was necessary for the general economic situation in order to escape the bad effects of our free-trade policy, and also on account of the lack of available capital. Considering the insignificant supply of credits from abroad, this measure was likewise advisable, for it put an end to the outflow of foreign exchange bills from the Bank of Poland and assured their return through the medium of export payments.

The favorable trade balance shown since September makes it possible to predict a favorable balance for the first three months of 1926. The increase in exports is due principally to four factors, which, however, do not exercise a constant influence.

(1) The good harvests make it possible for the country to export grain instead of importing it, as has been the case up till now.

(2) The regulation of the imports of certain commodities had no influence until the beginning of autumn, for goods ordered before the publication of the new decree were being delivered in the meantime.

(3) The fall of the exchange acted, on the one hand, like a high protective tariff which impeded imports, and, on the other, like an export premium which facilitated the quotation of prices on commodities exported.

(4) The scarcity of credit, the burdens of taxation, and the lack of liquid funds compelled industries to release their stocks of commodities on the market at prices lower than replacement costs.

Poland has concluded 21 commercial treaties or conventions up to the present time. By the end of 1924 she had made commercial treaties

with 16 countries; and, during 1925, with the United States (a *modus vivendi*), with Persia, Hungary, Greece; and Czechoslovakia. Some of these agreements, for example that with Czechoslovakia, have not yet been ratified. Conversations with Germany have been begun. The delay in concluding this treaty has been a source of economic difficulties for both contracting parties. On the other hand, it has been profitable for Poland in certain respects, for, in order to compensate for the absence of exports to Germany, it has been necessary to form new and direct relations with various countries; and the difficulty of finding new markets has compelled industry and commerce to perfect their technique and their organization; this delay will enlarge the demand for domestic commodities to supply the needs of the country.

The balance of payments.—The influence of the trade balance on the balance of payments and debts was more clearly realized in Poland than in other countries because of our relatively unimportant economic contacts with foreign countries, apart from the trade in commodities. The tourist business, the reciprocal economic services, and the movement of capital sums have but slight importance in Poland. That is why the unfavorable trade balance is directly reflected in the country's balance of payments. If, in spite of a favorable balance since September and a progressive improvement, the balance of payments in recent months has shown a deficit, it is because the settlements of import and export contracts are made only after some delay. As a result of the granting of credit facilities by foreign countries and the dearth of credit on the domestic market, as well as the voluntary or forced extension of the loan periods, the three month credits, which have been most frequently employed, have been renewed. The favorable trade balance of the last four months of 1925 will not have any influence on the balance of payments until some time during 1926.

The influx of capital from abroad afforded only a slight assistance in the balance of payments during the past year. Aside from Government borrowing abroad the country received no help from adequate loans. The short-term loans floated abroad in considerable numbers have seriously aggravated the crisis during the second part of the year because of their early maturity and of the weakness of the exchange.

The money market.—The total quantity of money in circulation has generally remained

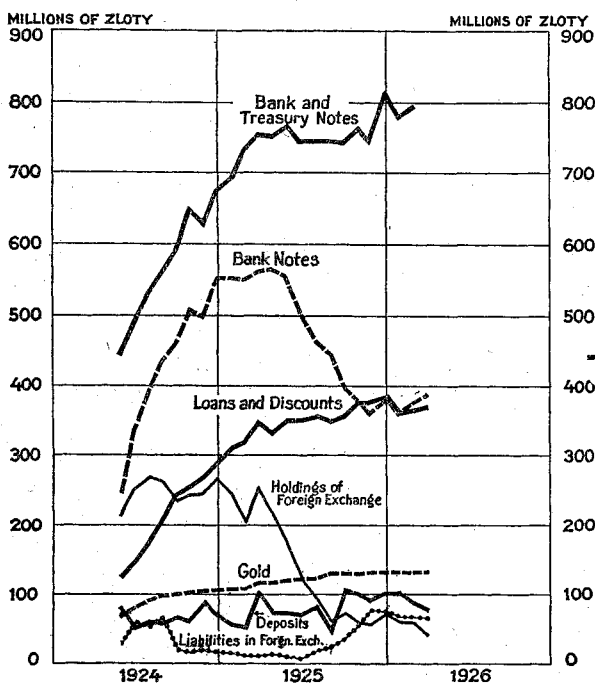
at about the same level during the course of the year. The circulation of the notes of the Bank of Poland, which is included in the total amount, has, however, fluctuated very decidedly. The ratio between the subsidiary coin and paper currency issued by the treasury and the note circulation of the bank was 22.3 per cent at the beginning of the year; rose to 48.5 per cent at the end of June, and to 113.7 at the end of December. This state of affairs made it difficult to support the course of the exchange, but at the same time it lessened the burdensome consequences of the deflation of the bank notes. The fluctuations in the circulation were justified neither by the variations in the prices of commodities nor by the movements of the various economic operations. The price index during the first six months of the year varied between 118 and 121.6; then rose to 127.2 in September, to 136.5 in November, and 154.8 at the end of the year. During the last six months the rise in wholesale prices caused by the decline in the exchange tended to necessitate an increase in the circulation. On the other hand, the depression resulting from the industrial crisis made the demand for currency less pressing.

The total quantity of money in circulation, which averaged somewhat more than 700 million zloté during the year, was certainly inadequate. In the territories which are now part of Poland, the total circulation of notes and specie before the war was about 1,500 million zloté. One can not, however, conclude from this that the lack of currency has been the chief cause of the difficulties prevailing throughout our economic life during the past year; the real cause of the disquieting situation is rather to be found in the dearth of normal credit.

Deposits of all kinds in Poland exceeded 3 billion zloté at the end of the year 1913. In July, at the best period of the year 1925, they rose to 643 millions; that is, about 20 per cent of the pre-war amount, although the money in circulation is about 40 per cent of pre-war. The rebuilding of capital has been insignificant in comparison with the pre-war situation, but by comparison with the inflation period it has shown a certain improvement; this, however, was only temporary, in view of the new changes which appeared toward the end of the year 1925.

The heavy pressure of demands for credit put upon the banks by industry and commerce, as well as the high discount rates, led the banks to adopt a liberal credit policy and, in fact, to permit a considerable lowering of

their cash reserves. The consequent shortage of reserves in the banks in the course of the year was one of the principal causes of the banking crisis which in August affected the economic life of the country. The constant decline in the stock of foreign bills and of foreign money in the Bank of Poland, used to cover the deficit in the balance of payments, made it necessary to restrict discounting. As a consequence of this restriction and the weakening of the exchange, deposits were withdrawn from the banks. Several banks having only small reserves found themselves in a difficult position. On account of the lack of liquid funds they were unable even to pay out



the deposits which were demanded, or were able to pay them only in part. Since October, with the assistance of the Government, some improvement in the general situation is to be noted.

Liquid funds were too small to meet even the most indispensable needs for credit. In all the domains of our economic life, without exception the necessity is apparent of bringing in foreign capital, not only working capital but, still more important, long-term credits for the development of many enterprises. The influx of foreign capital was wholly inadequate during the past year. The Government as well as the private banks and a great number of industrial and commercial enterprises have floated loans

abroad, but in amounts which were not sufficient to meet the most pressing needs and to reduce the high cost of borrowing. All things considered, foreign credits have played but an insignificant part. After the break in the exchange they were called in and, in fact, made the crisis worse.

Under these conditions credits were of course very dear. The market rate of discount was always much above the official rate of the Bank of Poland. After the conversations with America in regard to a Government loan of \$50,000,000 had taken a favorable turn in February, the rate declined, but the financial crisis in August brought about a new and very considerable rise in the private discount rate. The legal interest rate, including commission and costs, could not exceed 24 per cent, according to the Presidential decree of June 29, 1924. But, on account of the difficulties of getting credit, borrowers often agreed to a higher rate.

The money market showed two distinct movements during the course of the year. During the first six months savings accounts became larger, the circulation increased, and interest rates declined. During the last six months a contrary movement took place.

Exchange movements.—The Bank of Poland, when it began to function, assumed no obligation to exchange its notes for gold. It established the dollar as the basis of stability for the zloty, and decided to purchase bills on New York freely at the rate of 5.18 zloty to the dollar, thus assuring the absolute stability of the rate of exchange. The conditions under which currency reform had taken place immediately after the inflation period necessitated a stable rate of exchange in order to bring out foreign securities which had been hoarded in the country and to safeguard savings. This policy was maintained without effort during 1924, but in 1925 it became more difficult every day. Under the pressure of an unfavorable balance of payments the supply of foreign currency and foreign bills in the Bank of Poland decreased rapidly, and fell from 254,100,000 zloty at the beginning of the year to 72,800,000 by the end of July, in spite of the fact that about this time there was realized some 123,000,000 zloty from the Government loan floated in America which constituted an extraordinary replenishment in the portfolio of foreign bills. At the same time the metallic cover for note circulation fell from 64.9 per cent to 42.1 per cent. Inasmuch as available funds in foreign currency were not even sufficient to meet the foreign obligations which had

been incurred, the bank had to restrict the sale of its foreign exchange bills, which were obviously declining. This action brought on the fall of the zloty and fluctuations in the rate of exchange arising out of the relation between supply and demand.

Purchasers who were unable to obtain foreign exchange at the Bank of Poland tried to get it in the domestic private market and in markets abroad, where they offered for sale great quantities of zlote. In view of the weakness of the zloty and the precarious condition of the Polish banks, banking houses abroad threw their stocks of zlote on the market and ceased to renew their short-term credits with the banks. Such was the situation in the second half of the year.

The credit facilities granted at the beginning of the year had to be curtailed in proportion to the decline in the metallic reserves. The bank was also obliged to decrease its note circulation in conformity with the condition of its gold reserve and its supply of foreign exchange bills and foreign currency. The decline of the circulation (from 550,900,000 zlote at the beginning of the year to 381,400,000 zlote at the close of the year) was brought about partly by the sale of foreign exchange and foreign currency and partly by the decline in credit operations.

Apart from raising the discount rate, an act which loses its force unless the difference between the official and the private rate is trifling, deflation and intervention necessarily became the means of defense for the bank. In normal times deflation has a favorable influence on the balance of payments, the course of the exchanges, and the price index. In the existing condition of the country deflation brought about no important results, because the influence of the bank on the money market was lessened by excessive issues of paper currency put out by the Government. The decline in the supply of foreign exchange and foreign currency obliged the Government and the bank to float special "intervention credits" abroad. This made it possible to keep the course of the exchange during October and for the first 10 days of November at a level of about 15 per cent below parity. After the credits had been used up in November and during the first half of December, the situation became worse. At the same time the new laws restricting still further the trading in foreign bills came into force, and further demands upon the bank were largely held in check.

Credit policies.—The credit policy of the bank during the past year has been very dif-

ficult on account of the disparity between the demands for accommodation and the available means of the bank. Theoretically, loans granted by the bank of issue are in the nature of reserve credits for the benefit of the economic welfare of the country; in this country discounting with the Bank of Poland became the chief source of credit, and, in fact the only source during the second half of the year, as a consequence of the limited functioning of the private banks. The bank tried to meet the demands for credit up to the limit of its means; at the same time it had to consider always the maintenance of the metallic reserve at its legal percentage.

The bank has not been able to satisfy all demands for credit, especially during the second half of the year, when credit difficulties were felt in every part of our economic life. Credits granted were almost never drawn upon to their full amount. In normal times this phenomenon would have been evidence of the reserve character of credits at the bank of issue. But if, on the other hand, we consider the suspension of lending by the private banks, and the restricted choice among the securities offered for rediscount, we see that this was merely a result of the unsatisfactory condition of the country's economic life. The bill portfolio of the bank felt the effects of this. All the factories have suffered from the lack of credits, especially long-term loans intended for development work. In the absence of long-term loans, their place was taken by short-term credits, particularly bills for three months and then renewable. Even the strongest enterprises have suffered from this, and the fall in the price of their securities has lowered the value of the portfolio of the bank.

Discount rate.—In order to aid exports the Bank of Poland made a practice of granting certain privileges and agreeing to especially favorable conditions for credits on bills accepted by banking houses abroad; that is, at a rate from 1 to 2 per cent higher than the rate of the country where the bill was payable. On August 12 the bank was obliged to raise the official rate from 10 per cent to 12 per cent, and the rate for advances on securities from 12 per cent to 14 per cent. This measure did not bring about the desired result in view of the disparity between the official and the private rate; nevertheless it had to be used to support the rate of exchange. The bank insisted that the discount rate of the private banks should not be more than twice as high as the official discount rate.

FINANCIAL STATISTICS FOR PRINCIPAL FOREIGN COUNTRIES

[Bank figures are for the last report date of month, except for London clearing banks, which are daily averages]

ENGLAND [Millions of pounds sterling]				
	1926			1925
	March	February	January	March
Bank of England:				
Issue department—				
Gold coin and bullion.....	145	143	143	127
Notes issued.....	165	163	163	147
Banking department—				
Gold and silver coin.....	1	1	1	2
Bank notes.....	22	22	21	22
Government securities.....	37	38	46	39
Other securities.....	87	79	74	77
Public deposits.....	35	16	23	15
Other deposits.....	94	106	101	106
Ratio of gold and note reserve to deposit liabilities (per cent).....	18.5	18.9	18.1	19.8
Bank notes in circulation ¹	87	85	85	97
Currency notes and certificates.....	295	284	286	284
Nine London clearing banks:				
Money at call and short notice.....	110	110	113	108
Discounts and advances.....	1,064	1,073	1,088	1,043
Investments.....	247	255	262	233
Total deposits.....	1,588	1,606	1,637	1,605
Total clearings.....	3,491	3,140	3,488	3,453
Government floating debt:				
Total.....	704	729	785	742
Treasury bills.....	565	582	639	576
Temporary advances.....	139	147	146	167
Index of security prices (December, 1921=100) (per cent).....	116.0	117.6	117.5	116.9
Index number of foreign exchange value of the pound sterling (per cent) ²	100.0	100.0	99.9	-----

¹ Notes issued, less amounts held in banking department and in currency note account.² New series.

FRANCE [Millions of francs]				
	1926			1925
	February	January	December	February
Bank of France:				
Gold reserve ¹	3,684	3,684	3,684	3,682
Silver reserve.....	331	329	325	309
War advances to the Government.....	35,000	34,500	34,200	21,800
Note circulation.....	51,492	50,991	50,618	40,892
Total deposits.....	2,834	3,013	3,188	2,052
Three commercial banks:				
Demand deposits.....	-----	20,162	19,980	14,837
Bills.....	-----	14,144	14,144	10,433
Other loans.....	-----	-----	4,831	4,278
Clearings, daily average of Paris banks.....	1,758	1,574	1,554	1,122
Price of 3 per cent perpetual renté.....	47.02	49.00	49.15	46.85

¹ Not including gold held abroad.

CANADA [Millions of dollars]				
	1926			1925
	February	January	December	February
Chartered banks:				
Gold coin and bullion ¹	61	62	69	52
Current loans and discounts.....	1,123	1,123	1,142	1,131
Money at call and short notice.....	396	377	394	330
Public and railway securities.....	564	563	550	570
Note circulation.....	164	161	174	158
Individual deposits.....	2,166	2,168	2,270	2,136
Gold reserve against Dominion notes.....	121	127	135	125
Dominion note circulation.....	197	214	227	218
Bank clearings ²	1,242	1,331	1,895	1,110
Bank debits ²	2,132	2,368	3,121	1,915

¹ Not including gold held abroad.² Total for month.

GERMANY [Millions of reichsmarks]				
	1926			1925
	March	February	January	March
Reichsbank:				
Gold at home.....	1,228	1,192	1,112	798
Gold abroad.....	263	190	143	205
Reserves in foreign exchange.....	481	461	418	334
Bills of exchange and checks.....	1,216	1,346	1,464	1,578
Miscellaneous assets.....	923	783	609	1,217
Deposits.....	625	586	579	743
Reichsmarks in circulation.....	3,160	2,822	2,649	2,315
Rentenmarks in circulation.....	1,573	1,587	1,589	1,911
Reichsbank clearings.....	4,411	3,886	4,177	4,095
Six Berlin banks: ¹				
Cash.....	-----	109	-----	-----
Bills.....	-----	1,243	-----	-----
Due from other banks.....	-----	631	-----	-----
Miscellaneous loans.....	-----	2,400	-----	-----
Deposits.....	-----	4,530	-----	-----
Index of security prices (Jan. 2, 1925= 100) (per cent).....	81.40	72.61	71.62	97.60
Capital issues.....	28	20	20	31

¹ Bimonthly statements.

ITALY [Millions of lire]				
	1926			1925
	February	January	December	February
Banks of issue:				
Gold reserve ¹	1,134	1,134	1,134	1,132
Total reserve.....	1,998	2,016	2,041	1,794
Loans and discounts.....	10,205	9,622	10,477	7,919
Note circulation for commerce.....	11,181	11,585	12,287	10,326
Note circulation for the State.....	7,066	7,065	7,063	7,145
Total deposits.....	2,278	2,302	2,466	2,817
Leading private banks:				
Cash.....	-----	-----	1,049	955
Loans and discounts.....	-----	-----	9,099	9,037
Due from correspondents.....	-----	-----	4,150	4,281
Participations.....	-----	-----	544	411
Total deposits.....	-----	-----	13,024	13,465
State note issue.....	2,100	2,100	2,100	2,400
Index of security prices (per cent).....	194	205	216	297

¹ Not including gold held abroad.

JAPAN [Millions of yen]				
	1926			1925
	March	February	January	March
Bank of Japan:				
Gold at home and abroad.....	1,057	1,057	1,057	1,059
Advances and discounts.....	299	330	374	459
Advances on foreign bills.....	99	147	172	51
Notes issued.....	1,181	1,293	1,388	1,219
Total deposits.....	796	769	713	929
Total note and deposit liabilities.....	1,977	2,062	2,101	2,148
Tokyo banks:				
Cash on hand.....	112	116	127	135
Total loans.....	2,445	2,449	2,416	2,392
Total deposits.....	1,936	1,959	1,922	1,896
Total clearings.....	3,295	3,246	2,743	2,843

CONDITION OF CENTRAL BANKS IN OTHER COUNTRIES

	1926			1925		1926			1925
	March	February	January	March		March	February	January	March
Austrian National Bank (millions of schillings):					National Bank of Hungary (millions of pengös):				
Gold.....	15	15	15	11	Gold.....	85	76	59	54
Foreign bills.....	550	541	520	492	Foreign bills, etc.....	154	173	194	159
Domestic bills.....	92	111	144	105	Loans and discounts.....	139	149	151	121
Treasury bills.....	183	186	187	211	Advances to Treasury.....	154	154	156	158
Total principal earning assets.....	825	838	851	808	Other assets.....	263	275	280	287
Notes.....	816	812	823	790	Note circulation.....	380	394	405	342
Deposits.....	26	28	45	30	Deposits.....	189	207	195	204
Total note and deposit liabilities.....	842	840	868	820	Miscellaneous liabilities.....	196	199	213	205
National Bank of Belgium (millions of francs):					Bank of Java (millions of florins):				
Gold.....	274	274	274	272	Gold.....		203	202	134
Foreign bills and balances abroad.....	30	30	30	30	Foreign bills.....		20	21	18
Domestic bills.....	1,306	984	1,125	1,318	Loans and discounts.....		63	65	70
Loans to State.....	5,200	5,200	5,200	5,200	Total principal earning assets.....		84	86	88
Notes.....	7,495	7,415	7,462	7,458	Notes.....		338	345	271
Deposits.....	373	162	344	316	Deposits.....		64	56	55
Total notes and deposits.....	7,868	7,577	7,806	7,774	Total note and deposit liabilities.....		402	401	326
National Bank of Bulgaria (millions of leva):					Bank of Latvia (millions of lats):				
Gold.....	42	42	41	40	Gold.....	24	24	24	24
Foreign bills, etc.....	429	441	328	838	Foreign exchange reserve.....	34	31	28	42
Domestic loans and discounts.....	1,229	1,216	1,241	1,269	Bills.....	70	65	63	50
Advances to State.....	5,550	5,500	5,497	5,221	Loans.....	51	51	52	52
Total principal earning assets.....	7,208	7,157	7,066	7,328	Note circulation.....	30	29	29	30
Notes.....	3,466	3,410	3,460	4,278	Government deposits.....	79	78	75	84
Deposits.....	2,876	2,947	2,760	2,004	Other deposits.....	54	50	49	42
Total notes and deposits.....	6,342	6,357	6,220	6,282	Bank of Lithuania (millions of litas):				
Banking Office, Czechoslovakia (millions of Czechoslovak crowns):					Gold.....	30	30	32	33
Gold and silver.....	1,074	1,072	1,071	1,030	Foreign bills.....	33	30	29	57
Balances abroad and foreign currency.....	1,203	1,179	1,180	544	Loans and discounts.....	43	49	50	40
Bills discounted.....	597	544	648	822	Total principal earning assets.....	86	79	79	96
Advances on collateral.....	388	388	465	665	Notes.....	90	82	79	94
Note circulation.....	7,147	7,074	7,245	7,681	Deposits.....	23	25	25	31
Deposits.....	1,039	1,070	1,228	584	Total notes and deposits.....	113	107	104	125
Bank of Danzig (millions of Danzig gulden):					Netherlands Bank (millions of florins):				
Balances with Bank of England.....	18	16	15	20	Gold.....	429	432	438	504
Foreign bills, etc.....	19	19	17	11	Foreign bills.....	177	203	248	132
Loans and discounts.....	15	15	19	20	Loans and discounts.....	209	203	220	255
Total principal earning assets.....	34	34	36	31	Total principal earning assets.....	385	406	468	387
Notes.....	34	32	32	32	Notes.....	821	813	833	898
Deposits.....	3	4	5	14	Deposits.....	35	77	96	43
Total note and deposit liabilities.....	37	36	37	46	Total note and deposit liabilities.....	856	895	929	941
National Bank of Denmark (millions of kroner):					Bank of Norway (millions of kroner):				
Gold.....	209	209	209	209	Gold.....	147	147	147	147
Foreign bills, etc.....	60	78	70	41	Foreign exchange.....	87	90	60	51
Loans and discounts.....	130	110	117	242	Domestic credits.....	296	288	298	355
Advances to State.....	15	15	16	37	Total principal earning assets.....	383	376	338	406
Total principal earning assets.....	205	203	203	320	Notes.....	350	330	335	380
Notes.....	411	399	403	452	Deposits.....	137	143	111	108
Deposits.....	36	42	40	46	Total note and deposit liabilities.....	487	478	446	488
Total note and deposit liabilities.....	447	441	443	498	Reserve Bank of Peru (millions of libras):				
Bank of Finland (millions of Finnish marks):					Gold at home.....	4,010	4,047	4,050	4,184
Gold.....	332	332	332	332	Gold abroad.....	728	759	728	963
Balances abroad and foreign credits.....	1,182	1,227	1,361	859	Bills.....	2,515	2,565	2,506	1,328
Foreign bills.....	65	80	104	4	Note circulation.....	6,375	6,473	6,425	5,863
Domestic bills.....	551	509	421	645	Deposits.....	823	752	648	492
State debts.....	262	262	262	470	Bank of Poland (millions of zloté):				
Note circulation.....	1,386	1,350	1,292	1,384	Gold.....	134	134	134	117
Demand liabilities.....	582	644	788	470	Foreign exchange, etc.....	49	60	61	259
Total notes and demand liabilities.....	1,968	1,994	2,080	1,854	Loans and discounts.....	369	367	361	346
National Bank of Greece (millions of drachmæ):					Note circulation.....	389	377	362	563
Gold and balances abroad.....				2,536	Current accounts—				
Government loans and securities.....				3,813	Private.....	79	88	94	89
Discounts and loans.....				2,969	Treasury.....			7	11
Note circulation.....		4,280	4,195	5,222	Liabilities in foreign currency.....	62	64	64	10
Total deposits.....				3,492					
Total note and deposit liabilities.....				8,714					

CONDITION OF CENTRAL BANKS IN OTHER COUNTRIES—Continued

	1926		1925			1926		1925	
	March	February	January	March		March	February	January	March
Bank of Portugal (millions of escudos):					South African Reserve Bank (thousands of pounds sterling):				
Gold.....	9	9	9	9	Gold.....	7,751	8,116	8,164	12,440
Balances abroad.....	385	368	344	274	Foreign bills.....	5,412	5,587	6,131	3,948
Bills.....	134	138	156	161	Domestic bills.....	1,103	1,825	1,314	868
Note circulation.....	1,808	1,799	1,820	1,698	Total principal earning assets.....	6,515	7,413	7,445	4,816
Deposits.....	72	70	78	67	Notes.....	7,526	8,194	8,609	11,097
					Deposits.....	6,177	6,121	6,018	4,819
					Total note and deposit liabilities.....	13,703	14,315	14,627	15,916
National Bank of Rumania (millions of lei):					Bank of Spain (millions of pesetas):				
Gold.....	568	568	567	563	Gold.....	2,537	2,537	2,537	2,536
Bills.....	8,173	8,199	8,230	7,307	Balances abroad.....	30	29	29	31
Government loans.....	17,013	17,013	17,013	16,724	Bills discounted.....	703	779	801	930
Note circulation.....	20,094	19,989	19,881	19,071	Note circulation.....	4,331	4,373	4,406	4,397
Deposits.....	8,439	8,784	8,659	6,750	Deposits.....	1,118	1,295	1,257	1,077
					Bank of Sweden (millions of kronor):				
State Bank of Russia (note-issuing department; thousands of cher- vonts):					Gold.....	230	230	230	234
Gold.....	14,751	15,334	17,723	16,188	Foreign bills, etc.....	180	183	202	137
Foreign currency.....	5,043	4,981	4,967	6,828	Domestic credits.....	312	293	309	440
Loans and discounts.....	54,980	54,114	51,750	33,929	Total principal earning assets.....	492	475	511	577
Bank notes.....	72,409	75,892	75,992	59,030	Notes.....	527	489	475	521
					Deposits.....	141	163	208	238
					Total note and deposit liabilities.....	668	652	683	759
National Bank of the Kingdom of Serbs, Croats, and Slovenes (millions of dinars):					Swiss National Bank (millions of francs):				
Gold.....	78	77	77	72	Gold.....	418	427	447	481
Foreign bills, etc.....	247	353	353	340	Total principal earning assets.....	398	385	375	364
Loans and discounts.....	1,323	1,330	1,310	1,293	Notes.....	808	775	776	836
Advances to State.....	2,966	2,966	2,966	2,966	Deposits.....	70	94	103	70
Note circulation.....	5,683	5,718	5,783	5,594	Total note and deposit liabilities.....	878	869	879	906
Deposits.....	616	510	568	543					
Total note and deposit liabilities.....	6,299	6,228	6,351	6,137					

DISCOUNT RATES OF 31 CENTRAL BANKS

[Prevailing rates, with date of last change]

Country	Rate	In effect since—	Country	Rate	In effect since—	Country	Rate	In effect since—	Country	Rate	In effect since—
Austria.....	7½	Mar. 31, 1926	Esthonia....	10	July 1, 1925	Japan.....	7.3	Apr. 15, 1925	Portugal....	9	Sept. 12, 1923
Belgium.....	7	Apr. 23, 1926	Finland.....	7½	Oct. 29, 1925	Java.....	6	May 3, 1925	Rumania....	6	Sept. 4, 1920
Bulgaria.....	10	Aug. 31, 1924	France.....	6	July 9, 1925	Latvia.....	8	Feb. 10, 1924	Russia.....	8	Apr. —, 1924
Czechoslovakia.....	6	Jan. 13, 1926	Germany....	7	Mar. 27, 1926	Lithuania..	7	Feb. 1, 1925	South Africa	5½	Nov. 21, 1924
Danzig.....	8	Jan. 19, 1926	Greece.....	10	Aug. 13, 1925	Netherlands	3½	Oct. 2, 1925	Spain.....	5	Mar. 23, 1923
Denmark.....	5½	Sept. 8, 1925	Hungary....	7	Oct. 21, 1925	Norway.....	5½	Apr. 20, 1926	Sweden....	4½	Oct. 9, 1925
England.....	5	Dec. 3, 1925	India.....	6	Dec. 3, 1925	Peru.....	6	Apr. 1, 1923	Switzerland..	3½	Oct. 22, 1925
			Italy.....	7	June 18, 1925	Poland.....	12	Aug. 12, 1925	Yugoslavia..	6	June 23, 1922

Changes during month.—Bank of Norway, from 6 to 5½ per cent on April 20, 1926; National Bank of Belgium, from 7½ to 7 per cent on April 23, 1926.

FOREIGN TRADE OF PRINCIPAL COUNTRIES

UNITED STATES					FOREIGN COUNTRIES				
[Thousands of dollars]									
	1926		12 months ended March—			1926		12 months ended March—	
	March	February	1926	1925		March	February	1926	1925
IMPORTS									
By classes of commodities:									
Total.....	443,098	388,503	4,409,838	3,726,583	France (million francs):				
Crude materials ¹	198,351	174,020	1,898,547	1,352,089	Imports.....	5,095	5,244	48,977	39,539
Foodstuffs, crude, and food animals.....	51,102	42,110	511,049	452,327	Exports.....	4,960	4,409	47,731	41,406
Manufactured foodstuffs.....	40,153	35,998	419,192	476,309	Germany (million gold marks):				
Seminufactures.....	74,697	72,844	773,892	677,623	Imports.....	687	721	11,704	10,893
Finished manufactures.....	78,795	63,531	811,113	768,235	Exports.....	927	788	9,313	7,269
By countries:					United Kingdom (thousand £ sterling):				
Total Europe.....	117,119	105,318	1,253,551	1,139,910	Imports.....	106,864	96,845	1,293,220	1,330,578
France.....	14,456	12,080	153,787	153,009	Exports.....	66,400	62,814	753,995	810,736
Germany.....	18,383	16,548	178,760	142,367	Reexports.....	12,086	13,221	151,619	140,848
Italy.....	8,957	6,774	100,250	84,267	Canada (thousand dollars):				
United Kingdom.....	37,126	37,281	412,441	381,899	Imports.....	100,855	70,709	927,324	796,903
Total North America.....	97,536	87,047	986,626	959,425	Exports.....	113,966	88,809	1,328,537	1,081,362
Canada.....	40,382	37,646	466,853	399,626	Japan (million yen):				
Total South America.....	63,613	51,955	543,802	491,461	Imports.....	284	243	2,474	2,465
Argentina.....	12,677	9,412	84,609	79,150	Exports.....	137	160	2,320	1,934
Total Asia and Oceania.....	153,235	132,612	1,528,538	1,057,823					
Japan.....	22,901	33,177	398,049	347,761					
Total Africa.....	11,595	11,571	97,774	77,960					
EXPORTS									
By classes of commodities:									
Total.....	374,420	352,917	4,763,587	4,761,047	Denmark (million kroner):				
Crude materials ¹	83,031	89,317	1,292,770	1,419,924	Imports.....	134	147	1,978	2,430
Foodstuffs, crude, and food animals.....	15,596	12,172	280,396	430,428	Exports.....	124	121	1,858	2,195
Manufactured foodstuffs.....	40,526	41,837	547,619	563,056	Czechoslovakia (million crowns):				
Seminufactures.....	53,520	47,917	645,693	626,750	Imports.....	1,280	1,117	17,256	16,543
Finished manufactures.....	172,267	154,576	1,900,688	1,624,709	Exports.....	1,475	1,179	18,417	17,992
Reexports.....	9,480	7,098	97,252	91,076	Estonia (million Estonian marks):				
By countries:					Imports.....	593	702	9,583	8,287
Total Europe.....	164,373	171,968	2,396,552	2,616,916	Exports.....	648	683	9,567	8,339
France.....	24,000	21,724	278,213	294,397	Finland (million finmarks):				
Germany.....	21,116	22,166	394,465	459,076	Imports.....	273	287	5,466	4,645
Italy.....	12,260	12,823	172,733	213,156	Exports.....	181	197	5,486	5,075
United Kingdom.....	67,941	75,834	975,363	1,051,538	Hungary (thousand gold crowns):				
Total North America.....	100,567	82,583	1,153,588	1,104,426	Imports.....	62,702	53,308	735,500	743,100
Canada.....	62,446	45,976	677,328	616,224	Exports.....	50,293	53,426	729,900	586,500
Total South America.....	35,413	35,265	420,307	333,460	Italy (million lire):				
Argentina.....	11,878	10,885	151,418	126,155	Imports.....	2,206	1,954	26,394	20,581
Total Asia and Oceania.....	65,826	56,063	702,292	632,105	Exports.....	1,325	1,119	18,190	14,957
Japan.....	22,323	18,934	228,510	227,148	Netherlands (million guilders):				
Total Africa.....	8,242	7,032	91,917	74,140	Imports.....	197	205	2,450	2,408
					Exports.....	130	122	1,783	1,696
					Norway (million kroner):				
					Imports.....	85	106	1,351	1,587
					Exports.....	72	77	1,005	1,101
					Poland (thousand zloty):				
					Imports.....	68,895	68,882	1,475,378	1,610,558
					Exports.....	131,352	159,130	1,482,786	1,266,986
					Russia (thousand rubles):				
					Imports.....	53,600	61,000	774,401	-----
					Exports.....	43,180	34,800	558,603	-----
					Sweden (million kroner):				
					Imports.....	99	107	1,432	1,418
					Exports.....	78	76	1,342	1,286
					Switzerland (million francs):				
					Imports.....	200	201	2,615	2,532
					Exports.....	144	124	1,971	2,047
					Australia (thousand £ sterling):				
					Imports.....	11,404	13,495	157,913	145,787
					Exports.....	16,178	14,636	152,260	144,535
					Egypt (thousand Egyptian pounds):				
					Imports.....	4,162	4,644	57,805	52,295
					Exports.....	4,897	4,804	54,350	60,127
					India (million rupees):				
					Imports.....	180	225	2,236	2,459
					Exports.....	351	353	3,935	3,937
					South Africa (thousand £ sterling):				
					Imports.....	6,363	5,917	69,246	67,026
					Exports.....	5,563	7,098	85,230	69,899

¹ Includes miscellaneous.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES

WHOLESALE PRICES

ALL COMMODITIES

[Pre-war=100]

Year and month	Europe														
	Austria (gold basis)	Belgium	Bulgaria	Czechoslovakia ¹	Denmark ¹	England (Board of Trade)	Finland	France		Germany (Federal Statistical Bureau)	Hungary (gold basis)	Italy	Netherlands	Norway (Oslo)	Poland
								Statistical Bureau	Federal Reserve Board						
1925															
January.....	147	559	3,275	1,045	234	171	1,137	514	456	138	159	658	160	279	120
February.....	146	551	3,309	1,043	234	169	1,141	515	457	137	152	660	158	281	121
March.....	143	546	3,272	1,034	230	166	1,131	514	463	134	145	659	155	276	122
April.....	139	538	3,244	1,020	220	163	1,133	513	460	131	144	658	151	267	119
May.....	138	537	3,177	1,006	216	159	1,122	520	467	132	141	660	151	260	118
June.....	141	552	3,225	998	216	158	1,129	543	483	134	141	683	153	258	119
July.....	137	559	3,041	1,009	206	158	1,118	557	490	135	136	707	155	254	120
August.....	131	567	2,870	993	189	157	1,142	557	491	132	134	731	155	245	124
September.....	127	577	2,834	996	163	156	1,133	556	482	126	135	721	155	231	127
October.....	127	575	2,823	989	163	155	1,121	572	482	124	131	716	154	221	128
November.....	125	569	2,822	977	153	154	1,118	606	498	121	129	712	154	217	137
December.....	125	565	2,913	977	160	153	1,120	633	518	122	130	715	155	213	155
1926															
January.....	122	560	2,901	966	157	151	1,094	634	527	120	127	707	153	214	142
February.....	120	556	2,899	950	151	149	1,091	636	540	118	125	704	150	211	146
March.....	119	583	-----	938	145	144	1,081	632	545	118	123	693	146	204	144
April.....	-----	-----	-----	-----	141	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Year and month	Europe—Continued				North and South America			Asia and Oceania					Africa		
	Russia ¹	Spain	Sweden	Switzerland ¹	United States (Bureau of Labor Statistics)	Canada	Peru	Australia	China (Shanghai)	Dutch East Indies	India (Calcutta)	Japan (Tokyo)	New Zealand	Egypt (Cairo)	South Africa
1925															
January.....	172	191	169	171	160	166	199	163	160	173	171	213	173	157	139
February.....	178	192	169	171	161	165	194	163	159	177	172	210	175	161	-----
March.....	183	193	168	170	161	162	206	160	160	179	168	204	175	155	-----
April.....	195	190	163	166	156	157	206	158	159	175	169	202	175	154	139
May.....	197	191	162	163	155	159	200	159	158	174	164	199	175	151	-----
June.....	191	187	161	162	157	159	200	163	157	173	157	200	174	150	-----
July.....	188	188	161	161	160	153	198	162	163	175	160	198	175	151	127
August.....	175	184	159	160	160	160	200	162	160	176	157	200	175	151	-----
September.....	173	185	157	159	160	157	205	162	160	175	153	201	175	152	-----
October.....	174	187	154	159	158	157	205	163	159	175	160	200	176	153	124
November.....	175	186	155	157	158	161	204	165	158	174	164	198	176	145	-----
December.....	179	187	156	157	156	164	203	170	158	173	163	194	176	140	-----
1926															
January.....	183	186	153	156	156	164	206	161	164	-----	163	192	175	134	124
February.....	190	183	152	155	155	162	205	160	163	-----	158	188	175	134	-----
March.....	194	183	149	151	152	160	204	163	164	-----	155	184	-----	134	-----
April.....	196	-----	-----	-----	-----	-----	204	-----	163	-----	-----	-----	-----	-----	-----

¹ First of month figures.

The foreign index numbers of wholesale prices are cabled to the Federal Reserve Board by the various foreign statistical offices. Index numbers of commodity groups for most of the countries are also available in the office of the Division of Research and Statistics of the Board, and may be had upon request.

Wherever possible the indexes have been shifted from original bases to a 1913 base. Further information as to base periods, sources, number of commodities, and period of the month to which the figures refer may be found on page 43 of the January, 1924, issue of the BULLETIN.

GROUPS OF COMMODITIES

(Pre-war-100)

UNITED STATES—BUREAU OF LABOR STATISTICS

Year and month	All commodities	Farm products	Foods	Clothing materials	Fuel and lighting	Metals and metal products	Building materials	Chemicals and drugs	House furnishings	Miscellaneous
1925—March.....	161	161	159	191	174	134	180	134	170	125
October.....	158	155	158	190	172	128	174	135	168	138
November.....	158	154	160	188	175	130	176	135	166	142
December.....	156	152	157	187	175	130	177	135	166	138
1926—January.....	156	152	156	186	177	129	178	133	165	135
February.....	155	150	153	184	179	128	177	132	164	133
March.....	152	144	151	180	175	128	176	132	164	128

ENGLAND—BOARD OF TRADE

Year and month	All commodities	Total food	Cereals	Meat and fish	Other foods	Total not food	Iron and steel	Other minerals and metals	Cotton	Other textiles	Other articles
1925—March.....	166	172	173	158	183	163	133	136	236	200	160
October.....	155	164	148	167	176	150	120	131	194	181	158
November.....	154	165	152	167	175	148	119	130	182	181	158
December.....	153	167	158	173	169	146	118	131	175	178	156
1926—January.....	151	162	154	165	167	146	119	131	175	176	153
February.....	149	159	148	156	170	144	118	131	174	172	149
March.....	144	151	144	151	156	141	118	130	165	168	147

FRANCE—STATISTICAL BUREAU

Year and month	All commodities	All foods	Animal foods	Vegetable foods	Sugar, coffee, cocoa	All industrial material	Minerals	Textiles	Sundries
1925—March.....	514	459	451	470	441	558	454	768	520
October.....	572	491	485	496	480	637	585	830	578
November.....	606	510	496	522	502	682	606	928	611
December.....	633	538	535	537	529	709	622	953	647
1926—January.....	634	543	532	544	548	707	627	941	645
February.....	636	546	536	541	567	708	646	925	643
March.....	632	548	537	546	565	700	645	914	631

GERMANY—FEDERAL STATISTICAL BUREAU

Year and month	All commodities	Total food products	Grains and potatoes	Fats, sugar, meat, and fish	Colonial goods, coffee, cocoa, etc.	Total industrial products	Hides and leathers	Textiles	Metals and minerals	Coal and iron
1925—March.....	134	132	125	137	182	139	131	207	133	123
October.....	124	118	103	146	181	134	123	192	131	120
November.....	121	115	99	142	181	133	120	188	130	120
December.....	122	116	103	137	183	131	116	182	128	120
1926—January.....	120	115	101	134	185	130	113	176	128	120
February.....	118	112	98	134	183	130	110	172	127	120
March.....	118	113	99	134	180	128	107	166	126	120

RETAIL FOOD PRICES AND COST OF LIVING

RETAIL FOOD PRICES

[Pre-war=100]

	United States (51 cities)	European countries												Other countries				
		Austria (Vienna) ¹	Belgium ²	Bulgaria	England ³	France (Paris)	Germany	Greece (Athens)	Italy (Milan)	Netherlands	Norway	Russia ⁴	Switzerland ⁵	Canada ⁶	Australia	India (Bombay)	New Zealand	South Africa
1925																		
Jan	151	27,168	140	3,131	178	408	137	1,506	590	156	277	205	172	145	148	152	147	120
Feb	148	27,065	137	3,163	176	410	145	1,510	610	157	283	208	172	147	149	152	146	120
Mar	148	26,796	134	3,128	176	415	146	1,562	624	157	284	211	171	145	151	155	149	121
Apr	148	26,448	127	3,100	170	409	144	1,473	620	155	276	217	169	142	152	153	149	124
May	149	27,037	122	3,032	167	418	141	1,443	599	154	265	221	168	141	154	151	150	123
June	152	27,031	127	3,083	166	422	146	1,516	599	152	261	219	169	141	155	149	149	122
July	157	28,550	130	2,906	167	421	154	1,515	602	152	260	218	169	141	156	152	151	120
Aug	157	25,739	135	2,744	168	423	154	1,511	621	152	254	210	169	146	156	147	152	119
Sept	156	25,294	140	2,710	170	431	153	1,544	643	152	241	208	170	146	156	146	153	118
Oct	158	25,186	144	2,698	172	433	151	1,597	646	149	228	215	168	147	157	148	155	119
Nov	164	25,103	146	2,698	172	444	147	1,676	649	149	223	217	168	151	156	149	156	117
Dec	162	25,373	148	2,785	174	463	146	1,718	660	148	221	224	167	156	155	151	154	116
1926																		
Jan	161	-----	141	2,773	171	480	143	-----	681	148	216	226	165	157	155	151	154	116
Feb	158	-----	141	2,771	168	495	139	-----	676	147	212	230	163	155	154	150	153	117
Mar	157	-----	137	-----	165	497	138	-----	654	147	205	234	161	154	159	151	151	118
Apr	-----	-----	-----	-----	159	-----	142	-----	-----	-----	-----	241	-----	-----	-----	150	-----	-----

COST OF LIVING

[Pre-war=100]

	Mas-sachusetts	European countries														Other countries						
		Belgium	Czechoslovakia	England ¹	Estonia	Finland	France (Paris)	Germany	Greece (Athens)	Hungary	Italy (Milan)	Netherlands	Norway	Poland	Spain	Sweden	Switzerland ²	Canada ³	Australia	India (Bombay)	South Africa	
1925																						
Jan	158	521	899	180	113	1,199	-----	124	1,417	141	580	-----	-----	145	188	178	173	149	-----	157	133	
Feb	157	517	911	179	110	1,191	-----	136	1,420	135	592	-----	-----	146	189	-----	172	150	-----	157	133	
Mar	158	511	904	179	114	1,210	386	136	1,449	132	602	179	271	147	192	-----	172	148	150	-----	159	133
Apr	158	506	901	175	112	1,201	-----	137	1,419	130	600	-----	-----	146	191	177	170	147	-----	158	134	
May	158	502	894	173	111	1,176	-----	136	1,408	131	591	-----	-----	143	188	-----	170	146	-----	156	134	
June	159	505	914	172	112	1,191	390	138	1,448	130	596	179	259	144	190	-----	170	146	153	-----	154	134
July	160	509	916	173	114	1,218	-----	143	1,472	126	598	-----	-----	146	190	176	170	146	-----	157	133	
Aug	161	517	894	173	112	1,266	-----	145	1,484	127	610	-----	-----	149	190	-----	170	148	-----	152	132	
Sept	161	525	884	174	110	1,242	401	145	1,503	126	624	179	248	149	190	-----	170	148	154	-----	151	132
Oct	162	533	875	176	108	1,228	-----	144	1,547	124	643	-----	-----	152	189	175	168	140	-----	153	132	
Nov	162	534	863	176	107	1,227	-----	141	1,610	123	643	-----	-----	157	186	-----	168	152	-----	153	131	
Dec	165	534	866	177	109	1,197	421	141	1,644	123	649	177	234	173	183	-----	168	154	155	-----	155	131
1926																						
Jan	164	527	854	175	110	1,166	-----	140	1,673	122	665	-----	-----	170	188	174	167	155	-----	155	131	
Feb	163	526	845	173	110	1,175	-----	139	1,664	121	661	-----	-----	171	183	-----	165	154	-----	154	131	
Mar	161	521	832	172	-----	1,171	-----	141	1,706	119	647	174	225	169	185	-----	163	154	-----	155	131	
Apr	-----	529	-----	168	-----	-----	-----	140	-----	-----	-----	-----	-----	-----	-----	173	-----	-----	-----	153	-----	

¹ January, 1921=100.
² 1921=100.

³ First of the month figures.
⁴ Revised index.

NOTE.—Information as to the number of foods and items included, the original base periods, and sources may be found on page 276 of the April, 1925, issue of the BULLETIN. The original bases of the indexes have been shifted to July, 1914, wherever possible.

BANKING AND FINANCIAL STATISTICS

FEDERAL RESERVE BANKS

AVERAGE DAILY CONDITION FOR MARCH AND FEBRUARY, 1926

[Amounts in thousands of dollars]

Federal reserve bank	Total bills and securities		Total cash reserves		Total deposits		Federal reserve notes in circulation		Reserve percentages	
	March	February	March	February	March	February	March	February	March	February
Boston	85,343	108,148	234,001	207,586	148,287	148,884	155,444	153,527	77.0	68.6
New York	274,928	297,330	993,348	957,503	862,833	855,864	373,257	369,155	80.4	78.2
Philadelphia	99,405	98,885	207,561	209,059	134,749	134,093	148,126	149,403	73.4	73.7
Cleveland	108,604	91,988	298,600	313,020	181,208	181,330	203,094	203,226	77.7	81.4
Richmond	59,645	53,746	95,356	103,989	70,073	72,227	77,965	79,336	64.4	68.6
Atlanta	72,818	74,795	175,353	173,667	84,476	85,237	161,578	160,402	71.3	70.7
Chicago	151,854	144,341	361,923	367,040	330,484	323,522	164,160	162,606	73.2	74.7
St. Louis	63,668	62,134	63,763	66,203	84,561	85,658	37,038	37,309	79.0	78.3
Minneapolis	21,079	30,887	96,370	93,101	57,580	54,274	64,395	64,701	59.8	58.4
Kansas City	63,669	69,678	92,106	92,297	89,574	91,859	64,374	63,290	61.0	57.3
Dallas	49,148	52,948	61,773	59,760	63,315	64,244	38,006	39,977	71.4	77.9
San Francisco	116,778	94,838	253,692	232,124	169,534	172,536	185,949	189,554	74.3	74.1
Total: 1926	1,176,439	1,176,328	2,933,885	2,925,829	2,276,724	2,274,738	1,673,416	1,675,586	74.3	74.1
1925	1,073,855	1,050,323	3,000,252	3,041,913	2,193,473	2,233,531	1,731,223	1,714,929	76.4	77.0
1924	951,774	921,538	3,222,877	3,239,282	1,991,066	1,954,479	2,013,515	2,034,540	80.5	81.2
1923	1,178,919	1,152,862	3,190,635	3,208,682	1,960,540	1,969,757	2,253,189	2,244,733	75.7	76.1
1922	1,191,013	1,215,221	3,095,762	3,070,045	1,794,895	1,814,446	2,195,131	2,176,529	77.6	76.9
1921	2,735,784	2,869,233	2,403,470	2,343,537	1,808,529	1,804,476	2,979,486	3,063,573	50.2	49.6
1920	3,211,936	3,154,094	2,058,293	2,053,422	2,032,787	2,002,503	3,040,440	2,946,863	42.7	43.3

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

FEDERAL RESERVE BANKS—RESOURCES AND LIABILITIES, BY WEEKS

RESOURCES

[In thousands of dollars]

	Total	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chi- cago	St. Louis	Minne- apolis	Kansas City	Dallas	San Fran- cisco
Gold with Federal reserve agents:													
Mar. 24	1,404,307	121,224	344,113	117,037	190,782	48,611	122,928	129,389	14,110	61,837	50,014	27,918	176,344
Mar. 31	1,361,723	93,828	344,020	116,464	170,427	47,151	122,016	129,389	14,092	62,726	49,323	28,231	179,056
Apr. 7	1,384,531	100,280	344,020	119,917	171,115	45,996	128,543	129,367	17,090	62,034	48,379	27,407	190,383
Apr. 14	1,385,430	120,497	288,898	122,427	172,192	50,531	175,689	129,330	16,838	51,969	47,635	27,358	182,066
Apr. 21	1,498,448	117,913	453,808	123,800	172,069	39,114	159,066	129,298	15,197	48,315	45,008	25,216	169,644
Gold redemption fund with U. S. Treasury:													
Mar. 24	58,086	8,331	13,014	13,616	2,718	2,064	2,997	5,542	1,511	954	2,453	1,396	3,490
Mar. 31	49,730	9,967	11,532	5,865	1,825	2,484	3,132	4,480	1,859	1,179	2,733	1,533	3,091
Apr. 7	47,741	7,777	9,968	7,502	1,991	2,634	3,838	3,479	1,223	1,582	3,377	1,758	2,612
Apr. 14	52,815	6,733	13,631	9,256	1,492	1,794	3,165	7,341	878	1,359	3,632	1,089	2,244
Apr. 21	53,429	8,627	12,784	10,655	2,407	2,508	3,093	6,365	434	1,734	1,878	1,151	1,793
Gold held exclusively against Federal reserve notes:													
Mar. 24	1,462,393	129,555	357,127	130,653	193,500	50,675	125,925	134,931	15,621	62,791	52,467	29,314	179,834
Mar. 31	1,411,453	108,795	355,552	122,329	172,252	49,635	125,148	133,869	15,951	63,905	52,106	29,764	182,147
Apr. 7	1,432,272	108,057	353,988	127,419	173,106	48,630	132,381	132,846	18,313	63,616	51,756	29,165	192,995
Apr. 14	1,438,245	127,230	302,529	131,633	173,684	52,596	178,854	136,671	17,716	53,308	51,267	28,397	184,310
Apr. 21	1,551,877	126,540	466,592	134,455	174,476	41,622	162,159	135,663	15,631	50,049	46,886	26,367	171,437
Gold settlement fund with Federal Reserve Board:													
Mar. 24	713,203	35,901	295,730	39,516	32,878	33,707	31,069	135,378	8,381	27,122	28,479	20,744	24,298
Mar. 31	750,959	55,848	318,650	65,951	55,323	33,202	32,050	86,404	5,102	20,023	28,615	16,596	33,190
Apr. 7	730,247	61,584	253,054	61,831	54,982	33,964	29,008	137,199	17,224	19,817	27,603	14,812	19,159
Apr. 14	715,830	42,088	296,155	62,300	56,698	19,970	21,274	125,374	11,228	15,618	25,906	12,699	26,570
Apr. 21	617,881	53,070	206,755	45,344	53,317	23,488	22,144	133,538	8,318	14,423	21,880	11,889	23,715
Gold and gold certificates held by banks:													
Mar. 24	618,885	42,188	342,393	26,044	50,360	4,787	3,742	68,285	19,316	7,098	5,876	10,286	38,510
Mar. 31	604,461	39,684	332,122	22,471	51,165	5,081	3,834	69,665	17,957	7,176	5,924	10,343	39,039
Apr. 7	620,827	36,891	351,112	22,595	51,743	5,636	4,317	69,121	17,836	6,773	5,206	10,367	39,230
Apr. 14	627,663	36,891	358,103	20,873	48,477	6,274	3,621	72,327	18,100	7,094	6,100	10,450	39,353
Apr. 21	625,469	35,530	351,910	22,805	49,608	6,678	4,063	72,378	19,299	7,198	6,515	10,472	39,613

FEDERAL RESERVE BANKS—RESOURCES AND LIABILITIES, BY WEEKS—Continued

LIABILITIES—Continued

[In thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Total deposits:													
Mar. 24.....	2,313,632	150,187	905,864	131,805	176,166	70,841	86,912	323,671	85,477	55,172	87,568	65,243	174,726
Mar. 31.....	2,323,352	147,906	916,060	135,692	181,188	72,867	85,044	313,556	85,104	55,751	88,330	62,093	179,761
Apr. 7.....	2,278,467	146,769	856,596	139,914	181,397	71,143	83,622	334,573	84,843	57,366	89,708	62,063	170,473
Apr. 14.....	2,347,152	152,865	936,272	139,526	185,332	70,234	84,449	317,503	80,533	56,505	89,947	60,645	173,341
Apr. 21.....	2,219,750	144,459	845,781	137,521	176,791	68,018	79,824	317,285	80,508	53,725	88,044	60,193	167,601
Deferred availability items:													
Mar. 24.....	588,910	54,500	121,519	56,539	54,670	52,696	31,835	70,966	31,451	15,058	33,862	27,387	38,427
Mar. 31.....	567,879	54,837	120,743	53,954	49,417	53,318	29,850	69,328	32,253	11,383	31,918	24,986	35,892
Apr. 7.....	582,779	55,520	125,634	54,921	52,770	51,240	33,168	65,353	34,906	12,454	34,513	25,828	36,472
Apr. 14.....	703,600	71,935	157,345	64,705	68,327	61,664	32,708	82,996	38,470	13,362	38,540	20,039	43,509
Apr. 21.....	640,652	72,066	136,080	57,107	59,469	53,782	34,619	75,937	34,033	11,898	35,123	28,439	42,099
Capital paid in:													
Mar. 24.....	120,404	8,772	33,888	11,939	13,460	6,000	4,926	16,296	5,146	3,154	4,236	4,310	8,277
Mar. 31.....	120,427	8,772	33,903	11,932	13,460	6,000	4,934	16,300	5,147	3,152	4,236	4,314	8,277
Apr. 7.....	120,455	8,772	33,922	11,932	13,460	5,995	4,933	16,291	5,147	3,141	4,236	4,344	8,282
Apr. 14.....	120,898	8,772	34,242	11,949	13,475	5,933	4,938	16,288	5,246	3,142	4,242	4,336	8,285
Apr. 21.....	121,452	8,772	34,629	11,949	13,475	6,043	4,945	16,291	5,246	3,142	4,256	4,303	8,401
Surplus:													
Mar. 24.....	220,310	17,020	59,964	20,464	22,894	11,919	8,700	30,613	9,570	7,501	8,979	7,615	15,071
Mar. 31.....	220,310	17,020	59,964	20,464	22,894	11,919	8,700	30,613	9,570	7,501	8,979	7,615	15,071
Apr. 7.....	220,310	17,020	59,964	20,464	22,894	11,919	8,700	30,613	9,570	7,501	8,979	7,615	15,071
Apr. 14.....	220,310	17,020	59,964	20,464	22,894	11,919	8,700	30,613	9,570	7,501	8,979	7,615	15,071
Apr. 21.....	220,310	17,020	59,964	20,464	22,894	11,919	8,700	30,613	9,570	7,501	8,979	7,615	15,071
All other liabilities:													
Mar. 24.....	14,060	688	2,859	568	1,270	905	658	2,296	788	954	672	538	1,864
Mar. 31.....	14,148	677	2,856	554	1,239	921	686	2,378	793	953	668	551	1,872
Apr. 7.....	14,893	712	2,951	618	1,335	971	765	2,450	884	977	719	566	1,945
Apr. 14.....	15,403	791	3,126	590	1,415	964	771	2,298	877	1,253	724	601	1,954
Apr. 21.....	15,411	749	3,019	666	1,410	1,029	874	2,273	895	1,093	769	608	2,026
Total liabilities:													
Mar. 24.....	4,016,312	384,073	1,495,980	367,394	471,799	219,325	293,553	609,031	169,112	146,786	198,836	142,066	420,357
Mar. 31.....	4,002,598	381,952	1,505,509	372,255	469,656	221,010	289,361	594,203	169,500	142,565	197,231	136,151	423,115
Apr. 7.....	4,869,732	376,781	1,448,905	370,600	471,804	217,569	294,287	613,119	172,083	145,818	201,671	137,487	419,658
Apr. 14.....	5,088,459	397,241	1,557,014	380,811	493,121	224,792	328,924	616,718	171,764	145,436	205,302	139,399	427,987
Apr. 21.....	4,879,859	383,671	1,442,866	366,355	468,245	213,772	320,184	614,976	167,207	141,308	199,761	137,631	418,853
MEMORANDA													
Ratio of total reserves to deposit and Federal reserve note liabilities combined (per cent):													
Mar. 24.....	74.3	74.7	81.4	72.3	74.8	66.3	68.8	73.7	52.0	83.2	60.8	64.7	70.0
Mar. 31.....	73.4	74.0	81.5	75.2	75.0	64.7	69.0	65.2	49.1	78.7	60.5	63.8	72.5
Apr. 7.....	74.6	76.5	81.6	76.7	75.2	65.5	70.3	71.9	60.1	76.7	58.3	60.8	72.4
Apr. 14.....	73.0	75.9	76.9	77.5	73.9	60.5	75.6	73.0	57.2	65.9	57.7	59.3	72.0
Apr. 21.....	76.0	81.2	88.3	75.6	76.4	56.8	73.4	73.7	53.8	63.4	53.0	56.2	69.2
Contingent liability on bills purchased for foreign correspondents:													
Mar. 24.....	71,016	5,512	18,363	6,800	7,760	3,844	2,901	9,936	3,119	2,321	2,828	2,538	5,004
Mar. 31.....	69,161	5,512	16,508	6,800	7,760	3,844	2,901	9,936	3,119	2,321	2,828	2,538	5,004
Apr. 7.....	68,172	5,256	17,962	6,570	7,400	3,666	2,766	9,475	2,974	2,213	2,697	2,421	4,772
Apr. 14.....	68,202	5,182	18,697	6,478	7,296	3,614	2,728	9,342	2,932	2,182	2,659	2,387	4,705
Apr. 21.....	67,696	5,182	18,191	6,478	7,296	3,614	2,728	9,342	2,932	2,182	2,659	2,387	4,705
Own Federal reserve notes held by Federal reserve bank:													
Mar. 24.....	321,068	17,005	139,799	28,266	16,106	14,711	19,858	16,935	4,840	3,053	6,082	5,557	48,856
Mar. 31.....	310,221	14,775	141,834	25,112	16,831	15,929	19,586	18,111	4,479	3,025	6,950	5,251	38,338
Apr. 7.....	306,335	17,279	140,448	29,473	16,229	15,358	21,121	17,138	3,917	3,394	6,089	4,397	31,492
Apr. 14.....	321,058	16,626	141,659	30,359	15,475	18,527	28,018	18,263	4,330	3,139	6,192	5,057	32,413
Apr. 21.....	343,555	14,595	148,929	35,522	22,326	18,157	32,212	17,785	4,942	2,744	6,445	4,705	35,193

FEDERAL RESERVE BANKS—HOLDINGS OF BILLS AND SECURITIES AND EARNINGS THEREON, MARCH, 1926

[In thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
HOLDINGS ON MARCH 31, 1926													
Total bills and securities.....	1,225,537	94,846	270,139	96,755	116,345	62,153	78,328	186,870	68,709	30,146	59,449	46,028	115,769
Bills discounted for members.....	632,391	42,770	149,725	61,376	64,183	45,387	49,991	111,731	33,617	4,856	14,081	5,648	49,026
Bills bought in open market.....	249,633	43,664	63,620	10,851	21,023	10,443	10,807	28,766	9,183	8,083	12,074	9,552	21,567
United States securities.....	329,837	7,766	54,465	19,095	30,229	5,872	16,630	45,208	25,543	16,935	32,963	30,541	44,590
Other securities.....	5,185		4,625	808	910	451							
Foreign loans on gold.....	8,491	645	2,329				340	1,165	366	272	331	287	586
Bills Discounted													
Rediscounted bills:													
Commercial and agricultural paper, n. e. s.....	212,818	22,366	11,286	11,602	14,757	21,680	29,105	56,334	18,761	2,918	7,373	3,747	12,889
Demand and sight drafts.....	225						36		30				159
Bankers' acceptances.....	104	102											2
Trade acceptances, domestic.....	2,793	112	178	117	502	385	234	675	302			12	216
Secured by U. S. Government obligations.....	2,094	182		89	366	233	496	126	520		27		55
Member bank collateral notes:													
Secured by U. S. Government obligations.....	309,394	20,008	100,987	36,629	44,073	15,885	13,792	43,154	11,634	346	4,165	1,254	17,467
Otherwise secured.....	104,963		37,274	12,939	4,425	7,204	6,328	11,442	2,370	1,592	2,516	635	13,238
Total discounted bills.....	632,391	42,770	149,725	61,376	64,183	45,387	49,991	111,731	33,617	4,856	14,081	5,648	49,026
Bills Bought													
Bills payable in dollars:													
Bankers' acceptances based on—													
Imports.....	110,354	25,249	25,836	4,461	8,756	4,288	1,953	11,912	3,897	3,063	6,047	3,895	10,997
Exports.....	73,352	7,392	19,088	4,325	6,806	3,053	6,126	9,039	2,718	2,793	3,528	3,551	4,933
Domestic transactions.....	34,329	6,263	8,265	1,293	3,183	2,146	2,051	4,555	1,244	938	1,212	366	2,810
Dollar exchange.....	3,750	877	737	34	222	60		863	441	172	87	81	176
Shipments between or storage of goods in foreign countries.....	23,387	3,838	6,809	738	1,180	766	676	2,315	783	980	1,200	1,659	2,443
All other.....	2,521	45	1,976		130		1	82	100	137			50
Trade acceptances based on imports.....	803		645										158
Bills payable in foreign currencies.....	1,137		261		876								
Total purchased bills.....	249,633	43,664	63,620	10,851	21,023	10,443	10,807	28,766	9,183	8,083	12,074	9,552	21,567
United States Securities													
United States bonds.....	70,054	753	4,044	788	8,686	1,476	1,531	21,155	3,199	8,048	9,482	9,125	1,767
Treasury notes.....	131,644	1,402	29,123	1,176	15,075	2,636	7,114	14,132	10,335	5,139	12,552	12,326	20,634
Certificates of indebtedness.....	128,139	5,611	21,298	17,131	6,468	1,760	7,985	9,921	3,748	3,748	10,929	9,090	23,189
Total U. S. securities.....	329,837	7,766	54,465	19,095	30,229	5,872	16,630	45,208	25,543	16,935	32,963	30,541	44,590
DAILY AVERAGE HOLDINGS DURING MARCH													
Total bills and securities ¹	1,176,439	85,343	274,928	99,405	108,604	59,645	72,818	151,354	63,668	31,079	63,669	49,148	116,778
Bills discounted.....	558,795	35,151	140,813	59,901	56,611	43,558	40,006	75,507	26,126	6,699	17,499	6,641	50,283
Bills bought.....	269,634	42,075	63,363	16,074	20,751	10,354	16,924	29,898	13,431	7,610	13,397	12,594	23,158
United States securities.....	336,193	7,494	68,501	19,366	30,363	5,299	15,280	44,823	23,758	16,508	32,405	29,626	42,770
Foreign loans on gold.....	8,201	623	2,246	781	879	434	328	1,121	353	262	320	287	567
EARNINGS DURING MARCH													
Total bills and securities ¹	3,802	272	871	328	353	197	243	498	205	102	204	155	374
Bills discounted.....	1,905	120	478	204	192	148	140	287	89	23	60	23	171
Bills bought.....	823	129	193	49	64	32	54	92	41	24	41	38	71
United States securities.....	1,027	21	191	61	94	15	47	145	74	54	102	93	130
Foreign loans on gold.....	30	2	9	3	3	2	1	4	1		1	1	2
ANNUAL RATE OF EARNINGS													
Total bills and securities ¹	3.80	3.75	3.73	3.87	3.83	3.88	3.83	3.87	3.79	3.85	3.78	3.72	3.77
Bills discounted.....	4.00	4.00	3.99	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Bills bought.....	3.61	3.61	3.59	3.58	3.63	3.65	3.60	3.63	3.61	3.63	3.62	3.60	3.63
United States securities.....	3.60	3.29	3.29	3.72	3.62	3.31	3.63	3.80	3.65	3.87	3.72	3.70	3.56
Foreign loans on gold.....	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50

¹ Figures include Federal intermediate credit bank debentures as follows: Philadelphia, average daily holdings, \$3,283,000; earnings, \$10,736; annual rate of earnings, 3.85 per cent; Atlanta, average daily holdings, \$280,000; earnings, \$863; annual rate of earnings, 3.52 per cent; and Kansas City, average daily holdings, \$48,000; earnings, \$160; annual rate of earnings, 3.90 per cent.

FEDERAL RESERVE BANKS—VOLUME OF DISCOUNT AND OPEN MARKET OPERATIONS DURING MARCH, 1926

[Amounts in thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Total Volume of Operations	14,192,270	237,050	1,936,961	292,600	307,858	327,185	102,561	382,367	129,904	25,964	128,265	36,659	284,896
Bills bought:													
In open market.....	242,686	34,413	108,099	17,994	11,138	5,757	4,324	19,115	5,557	4,405	6,091	4,395	21,398
From other Federal reserve banks.....	28,919		26,629	1,631							659		
U. S. securities bought in open market.....	699,359	2,948	532,860	3,502	7,792	2,906	10,048	64,952	13,028	5,803	13,811	19,870	21,839
Foreign loans on gold.....	2,090	160	575	200	225	111		84	90	67	82	63	145
Bills Discounted													
Rediscounted bills:													
Commercial, agricultural, and live-stock paper, n. e. s.....	209,995	3,602	8,043	9,933	16,829	15,257	24,659	71,249	38,252	2,174	4,750	2,902	12,345
Demand and sight drafts.....	724						89		214			275	146
Bankers' acceptances.....	102	102											
Trade acceptances.....	2,010	112	198	94	552	290	215	69	301				179
Secured by U. S. Government obligations.....	1,928	52		1	162	144	454	116	474		6	500	19
Member bank collateral notes:													
Secured by U. S. Government obligations.....	2,336,814	76,135	1,100,962	177,739	226,103	205,587	39,546	209,002	62,944	6,195	94,487	5,699	132,415
Secured by eligible paper ²	665,508	119,526	159,595	79,931	45,057	97,133	22,532	17,576	9,044	7,320	8,379	2,955	96,410
Total bills discounted	3,217,081	199,529	1,268,798	267,698	288,703	318,411	87,545	298,012	111,229	15,689	107,622	12,331	241,514
Average rate (365-day basis), per cent.	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Average maturity (in days):													
Member bank collateral notes.....	5.91	6.78	4.89	7.20	5.94	2.51	11.36	10.76	8.19	11.80	3.66	11.70	7.20
Rediscounted bills.....	53.91	48.80	55.16	56.09	50.88	62.39	69.64	47.36	45.18	74.44	73.93	87.90	58.80
Number of member banks on Mar. 31	9,424	418	883	757	860	594	495	1,383	622	822	1,016	850	724
Number of member banks accommodated during month	3,045	199	401	393	295	283	203	488	200	86	175	134	188
Per cent accommodated.....	32.3	47.6	45.4	51.9	34.3	47.6	41.0	35.3	32.2	10.5	17.2	15.8	26.0
Bills Bought in Open Market													
From member banks	53,777	9,899	3,907	5,690	7,452	2,678	3,312	6,367	3,110	1,929	2,880	2,047	4,506
From nonmember banks, banking corporations, etc.:													
With resale agreement.....	137,364	19,136	100,903					5,586					11,739
All other.....	51,845	5,378	3,289	12,304	3,686	3,079	1,012	7,162	2,447	2,476	3,211	2,348	5,153
Total bills bought	242,686	34,413	108,099	17,994	11,138	5,757	4,324	19,115	5,557	4,405	6,091	4,395	21,398
Rates charged:													
3½ per cent.....	186,136	27,439	106,552	9,432	7,785	3,800	2,298	9,752	4,122	2,653	3,882	1,858	6,563
3¼ per cent.....	45,462	6,772	1,128	8,276	2,325	758	1,503	4,311	1,074	1,598	1,606	1,866	14,245
3¼ per cent.....	9,022	191		286	1,015	1,119	91	4,271	324	138	581	594	412
3½ per cent.....	957	5	20			50	19	778			10	25	50
4 per cent.....	890	6	180		13	30	413	3	37	16	12	52	128
4½ per cent.....	26		26										
4¾ per cent.....	20		20										
4¾ per cent.....	107		107										
4¾ per cent.....	66		66										
Average rate (365-day basis), per cent.	3.61	3.58	3.51	3.64	3.64	3.67	3.68	3.70	3.64	3.64	3.65	3.69	3.65
Average maturity (in days)	47.59	54.22	31.90	52.37	44.47	36.94	49.27	44.57	43.98	48.82	50.61	61.94	46.27
Class of bills:													
Bills payable in dollars ³													
Bankers' acceptances based on—													
Imports.....	43,862	7,849	2,225	8,203	3,939	1,858	705	6,200	1,999	1,760	2,858	1,651	4,615
Exports.....	27,259	2,753	2,158	5,335	3,121	1,370	1,443	2,747	1,494	1,282	1,653	1,442	2,491
Domestic transactions.....	18,220	2,942	1,104	2,423	2,022	1,742	1,429	2,544	1,046	551	763	170	1,484
Dollar exchange.....	2,579	225	110	139	260	70		1,120	200	25	62	256	112
Shipment between or storage of goods in foreign countries.....	11,822	1,508	1,204	1,894	1,258	717	330	918	848	787	755	876	727
All other.....	417						417						
Trade acceptances, foreign.....	396		166										230
Bills payable in foreign currencies.....	767		229		538								
Total	105,322	15,277	7,196	17,994	11,138	5,757	4,324	13,529	5,557	4,405	6,091	4,395	9,659
U. S. Securities Bought in Open Market													
United States bonds.....	32,042	215	12,967	210	790	304	1,735	4,031	1,479	533	1,942	5,972	1,864
Treasury notes.....	70,233	1,709	19,459	636	2,754	1,069	2,693	19,218	3,813	2,023	4,450	5,123	7,286
Certificates of indebtedness.....	597,084	1,024	500,434	2,656	4,248	1,533	5,620	41,703	7,736	3,247	7,419	8,775	12,689
Total	699,359	2,948	532,860	3,502	7,792	2,906	10,048	64,952	13,028	5,803	13,811	19,870	21,839

¹ Includes Federal intermediate credit bank debentures as follows: Philadelphia, \$1,575,000; Atlanta, \$560,000.

² Includes \$1,000,000 discounted for the Federal Intermediate Credit Bank of Columbia, S. C.

³ Includes bills taken under a resale contract.

⁴ Exclusive of acceptances bought under a resale contract.

⁵ Exclusive of \$38,000,000 Treasury notes sold under repurchase agreement and subsequently repurchased.

REPORTING MEMBER BANKS IN NEW YORK CITY AND CHICAGO—PRINCIPAL RESOURCES AND LIABILITIES, BY WEEKS

[In thousands of dollars]

	New York City					City of Chicago				
	Mar. 17	Mar. 24	Mar. 31	Apr. 7	Apr. 14	Mar. 17	Mar. 24	Mar. 31	Apr. 7	Apr. 14
Number of reporting banks.....	60	60	60	60	59	46	46	46	46	46
Loans and discounts, gross:										
Secured by United States Government obligations.....	49,942	49,923	51,304	50,804	49,325	15,036	13,473	11,840	14,767	14,190
Secured by stocks and bonds.....	2,016,670	2,040,938	2,099,750	2,064,696	1,938,780	599,001	586,774	592,948	588,197	607,537
All other loans and discounts.....	2,344,456	2,368,279	2,379,578	2,338,763	2,352,634	685,247	683,541	687,450	695,167	686,742
Total loans and discounts.....	4,411,068	4,459,140	4,530,632	4,444,263	4,340,739	1,299,284	1,283,788	1,292,238	1,298,131	1,308,469
U. S. Government securities.....	921,221	865,957	850,924	870,248	894,025	178,158	159,753	130,763	148,244	166,385
Other bonds, stocks, and securities.....	874,762	857,622	864,440	864,625	889,503	207,306	203,593	218,758	213,679	214,515
Total investments.....	1,795,983	1,723,579	1,715,364	1,734,873	1,783,528	385,464	363,346	349,521	361,923	380,900
Total loans and investments.....	6,207,051	6,182,719	6,245,996	6,179,136	6,124,267	1,684,748	1,647,134	1,641,759	1,660,054	1,689,369
Reserve balances with Federal reserve bank.....	717,309	722,421	743,016	682,867	763,152	169,006	162,140	152,364	163,549	157,145
Cash in vault.....	62,048	62,728	62,203	66,417	64,854	20,816	21,063	20,937	21,144	22,497
Net demand deposits.....	5,122,825	5,030,129	5,150,403	4,999,087	5,001,492	1,140,757	1,103,771	1,090,346	1,130,666	1,151,851
Time deposits.....	812,293	818,467	835,248	836,291	814,093	516,724	513,424	480,485	495,874	503,096
Government deposits.....	67,456	52,067	52,067	52,067	52,067	14,823	11,361	11,362	11,362	11,352
Bills payable and rediscounts with Federal reserve bank:										
Secured by United States Government obligations.....	43,587	76,412	57,332	74,012	131,447	15,715	14,669	11,594	10,395	6,220
All other.....	14,761	21,815	30,985	32,684	12,600	741	5,413	32,964	10,896	10,039
Total borrowings from Federal reserve bank.....	58,348	98,227	88,317	106,696	144,047	16,456	20,082	44,558	21,291	16,259

ALL MEMBER BANKS—DEPOSITS, BY FEDERAL RESERVE DISTRICT AND SIZE OF CITY

[In thousands of dollars]

Federal reserve district	Net demand deposits					Time deposits				
	1925	1926			1925	1925	1926			1925
	Dec. 23	Jan. 27	Feb. 24	Mar. 24	Mar. 25	Dec. 23	Jan. 27	Feb. 24	Mar. 24	Mar. 25
Boston.....	1,390,238	1,374,330	1,350,075	1,337,219	1,270,144	795,819	801,024	813,127	820,818	721,631
New York.....	6,496,179	6,455,855	6,371,738	6,370,129	6,109,736	2,180,939	2,230,372	2,251,868	2,283,991	2,063,332
Philadelphia.....	1,183,178	1,190,601	1,170,180	1,169,750	1,127,880	843,836	869,084	876,312	875,945	783,880
Cleveland.....	1,467,169	1,495,667	1,507,999	1,467,382	1,456,781	1,326,753	1,354,620	1,364,418	1,379,613	1,299,175
Richmond.....	610,641	613,437	620,320	605,734	569,755	509,524	513,375	516,626	518,652	492,908
Atlanta.....	825,332	760,379	756,985	726,842	616,226	460,317	438,920	446,715	441,056	386,835
Chicago.....	2,429,093	2,429,995	2,469,183	2,412,260	2,382,909	1,883,019	1,883,018	1,883,284	1,892,013	1,762,222
St. Louis.....	757,463	760,201	745,970	733,071	722,922	447,233	466,253	467,704	472,818	432,651
Minneapolis.....	466,046	452,173	457,021	452,286	475,267	434,857	441,449	440,772	439,126	441,252
Kansas City.....	870,557	862,059	862,546	842,218	872,756	306,105	314,084	320,650	319,296	305,752
Dallas.....	668,749	659,813	654,003	637,392	662,862	163,290	167,330	171,024	169,159	163,780
San Francisco.....	1,335,362	1,311,604	1,294,977	1,259,406	1,235,913	1,301,722	1,322,578	1,340,365	1,357,039	1,240,735
Total.....	18,500,007	18,366,114	18,260,997	18,013,689	17,503,151	10,653,414	10,802,607	10,892,365	10,969,526	10,094,163
Banks in cities and towns having a population of—										
Less than 5,000.....	1,813,189	1,720,826	1,724,373	1,701,022	1,663,485	1,750,155	1,761,695	1,774,543	1,781,595	1,684,816
5,000 to 14,999.....	1,160,017	1,158,992	1,157,660	1,140,139	1,086,008	1,113,508	1,129,972	1,143,579	1,147,134	1,079,743
15,000 to 99,999.....	2,419,650	2,405,814	2,399,216	2,367,207	2,225,264	2,136,370	2,169,045	2,181,037	2,192,271	2,048,373
100,000 and over.....	13,107,151	13,080,482	12,979,748	12,805,321	12,528,394	5,653,381	5,741,895	5,793,706	5,848,526	5,281,221

STATE BANK AND TRUST COMPANY MEMBERS—EARNINGS AND DIVIDENDS

Gross earnings of State bank and trust company members totaled \$394,700,000 for the six months ending December 31, 1925, compared with \$356,600,000 for the corresponding period of 1924, an increase of \$38,100,000. Of the total earnings, \$312,500,000, or about 80 per cent, represented interest and discount on loans and investments. Total expenses for the six-month period amounted to \$281,700,000, an increase of \$22,400,000 over the last six months of 1924. The principal increase in expenses occurred in salaries and wages and in interest on deposits, which now constitute 27.4 per cent and 47.3 per cent, respectively, of total

expenses. Losses charged off amounted to \$34,200,000, of which \$21,000,000 was on loans and discounts and \$7,700,000 on bonds, securities, etc., while recoveries on assets previously charged off totaled \$12,200,000. Net additions to profits amounted to \$91,000,000, or 13.1 per cent of capital and surplus, the average rate ranging from the maximum of 16.8 per cent for banks in the New York district to 3.7 per cent for banks in the Minneapolis district with a net loss shown for banks in the Dallas district. Dividends paid aggregated \$54,600,000, or 7.8 per cent of paid-in capital and surplus.

ABSTRACT OF EARNINGS AND DIVIDENDS REPORTS FOR THE LAST SIX MONTHS OF 1925, BY FEDERAL RESERVE DISTRICTS
[In thousands of dollars]

	District No. 1 (38 banks)	District No. 2 (146 banks)	District No. 3 (82 banks)	District No. 4 (115 banks)	District No. 5 (56 banks)	District No. 6 (114 banks)	District No. 7 (346 banks)	District No. 8 (129 banks)	District No. 9 (85 banks)	District No. 10 (33 banks)	District No. 11 (127 banks)	District No. 12 (165 banks)	Total, six months ending		
													Dec. 31, 1925 (1,436 banks)	June 30, 1925 (1,466 banks)	Dec. 31, 1924 (1,539 banks)
Capital stock paid in.....	37,275	250,309	44,252	85,815	18,978	30,501	115,190	40,090	5,787	8,725	7,400	82,420	726,742	716,871	702,970
Surplus fund.....	40,926	224,419	78,939	106,904	13,604	19,221	113,039	24,443	2,437	3,341	2,476	36,847	666,596	632,543	619,212
Total capital and surplus.....	78,201	474,728	123,191	192,719	32,582	49,722	228,229	64,533	8,224	12,066	9,876	119,267	1,393,338	1,349,414	1,322,182
Gross earnings:															
Interest and discount.....	19,024	103,133	15,980	38,547	5,993	10,968	56,527	13,884	2,294	3,189	1,876	41,057	312,472	287,771	279,485
Exchange and collection charges.....	59	542	30	91	64	507	631	513	62	25	116	250	2,890	2,629	2,801
Commissions.....	451	8,588	169	410	233	569	2,054	607	79	23	25	167	13,375	8,226	8,894
Other earnings.....	3,276	25,224	4,865	9,182	896	2,733	9,495	3,068	206	1,039	139	5,796	65,919	65,217	65,402
	22,810	137,437	21,044	48,230	7,186	14,777	68,707	18,072	2,641	4,276	2,156	47,270	394,656	363,843	356,582
Expenses:															
Salaries and wages.....	4,014	25,701	3,906	8,765	1,563	2,750	13,864	3,573	577	915	669	10,898	77,195	71,790	72,424
Interest and discount on borrowed money.....	193	1,444	288	688	301	454	503	779	16	32	80	628	5,406	3,376	2,783
Interest on deposits.....	9,452	43,218	5,986	18,056	2,163	3,898	24,058	5,208	985	1,343	316	18,568	133,251	127,424	124,088
Taxes.....	1,188	6,051	1,089	2,245	490	1,011	3,499	1,236	116	244	131	1,964	19,314	16,452	17,976
Other expenses.....	2,394	15,437	2,278	5,021	926	2,233	8,158	2,342	285	799	370	6,255	46,498	44,356	41,975
Total expenses.....	17,241	91,851	13,547	34,775	5,443	10,346	50,082	13,188	1,979	3,333	1,566	38,313	281,664	263,398	259,246
Net earnings since last report.....	5,569	45,636	7,497	13,455	1,743	4,431	18,625	4,884	662	942	590	8,957	112,991	100,445	97,336
Recoveries on charged-off assets.....	1,056	4,955	1,110	495	246	395	1,589	408	85	95	61	1,754	12,249	6,435	7,623
Total net earnings and recoveries.....	6,625	50,591	8,607	13,950	1,989	4,826	20,214	5,292	747	1,037	651	10,711	125,240	106,880	104,959
Losses charged off:															
On loans and discounts.....	1,509	6,378	248	1,830	732	2,041	3,093	1,436	503	348	435	2,498	21,051	15,596	22,435
On bonds, securities, etc.....	519	3,025	1,260	925	70	215	598	237	12	82	19	722	7,684	3,751	5,917
Other losses.....	304	1,223	187	824	123	462	618	245	78	67	245	1,098	5,474	3,274	6,220
Total losses charged off.....	2,332	10,626	1,695	3,579	925	2,718	4,309	1,918	593	497	699	4,318	34,209	22,621	34,572
Net addition to profits.....	4,293	39,965	6,912	10,371	1,064	2,108	15,905	3,274	154	540	148	6,393	91,031	84,259	70,387
Dividends declared.....	2,578	21,957	3,969	6,086	1,067	1,863	7,945	2,028	173	513	257	6,171	54,607	46,755	49,003
Ratio of dividends declared to capital stock (annual basis), per cent.....	13.8	17.5	17.9	14.2	11.2	12.2	13.8	10.1	6.0	11.8	6.9	15.0	15.0	13.0	13.9
Ratio of dividends declared to capital and surplus (annual basis), per cent.....	6.6	9.3	6.4	6.3	6.5	7.5	7.0	6.3	4.2	8.5	5.2	10.3	7.8	6.9	7.4
Ratio of net profits to capital and surplus (annual basis), per cent.....	11.0	16.8	11.2	10.8	6.5	8.5	13.9	10.5	3.7	9.0	-----	10.7	13.1	12.5	10.6

¹ Loss.

MONEY RATES PREVAILING IN FEDERAL RESERVE BANK AND BRANCH CITIES

The following table shows the customary rates charged on loans and discounts in the various cities in which the Federal reserve banks and their branches are located, as reported by representative banks. These rates are not averages but are those rates at which the bulk of paper of each class is handled by reporting banks. Where it appears from the reports that no one rate clearly covers the bulk of the paper handled, a range of the rates most commonly charged is given.

District and city	Year and month	Rates prevailing during week ending with the 15th day of the month							
		Customers' prime commercial paper		Inter-bank loans	Loans secured by Liberty bonds	Loans secured by other stocks and bonds		Loans secured by warehouse receipts	Cattle loans
		30-90 days	4-6 months			Demand	Time		
DISTRICT 1									
Boston	1925-April	4 -4½	4 -4½	4 -4½	4½	4½	4½-5		
	1926-February	4½-5	4½-5	4½	4½-4¾	4½	4½-5		
	March	4½-5	4½-5	4½	4½-5	4½	4½-5		
	April	4½-5	4½-5	4½	4½-5	4½	4½-5		
DISTRICT 2									
New York	1925-April	4 -5	4½-5	4 -5	4 -4¾	3½-4½	3¾-5¼	4½-5¼	
	1926-February	4½-5	4½-5	4½-5	4½-5	4½	4¾-5½	5	
	March	4½-5	4½-5	4½-5	4½-5	4½-5	4½-5	5 -5½	
	April	4½-5	4½-5	4½-5	4 -5	4¾-5	5 -5½	5 -5½	
Buffalo	1925-April	5 -6	6	5	5½-6	5 -6	5 -6	6	
	1926-February	5 -6	5 -6	5 -6	5 -6	5 -6	5 -6	6	
	March	5 -6	5 -6	5 -6	5 -6	5 -6	5 -6	6	
	April	5 -6	6	5½-6	6	5 -6	5 -6	6	
DISTRICT 3									
Philadelphia	1925-April	4½	4½	4 -4½	4 -4½	4	4¼-4½	4 -5½	
	1926-February	5	5	5	4¾-5	5	5	5	
	March	4½-5	5	5	4¾-5	5	5	5	
	April	4¾	4½-5	4¾-5	4½-5	5	5	5 -6	
DISTRICT 4									
Cleveland	1925-April	5 -6	5 -6	5	5 -6	5½-6	5½-6	5½-6	
	1926-February	5 -6	5 -6	5	5 -6	5½-6	5½-6	5 -6	
	March	5½-6	5½-6	5	5 -6	6	6	5 -6	
	April	5½-6	5½-6	5	5 -6	5½-6	5½-6	5 -6	
Cincinnati	1925-April	5½-6	5½-6	5 -6	5 -5½	5 -6	5 -6	6	
	1926-February	6	6	5½	5½	6	6	6 -7	
	March	6	6	5½	5½	6	6	6 -7	
	April	6	6	5½	5 -6	6	6	6 -7	
Pittsburgh	1925-April	5 -6	5 -6	5 -6	5 -6	5 -6	5 -6	6	
	1926-February	6	6	6	6	6	6	6	
	March	6	6	6	6	6	6	6	
	April	6	6	6	6	6	6	6	
DISTRICT 5									
Richmond	1925-April	5	5½-6	4½-5	5 -6	5 -6	5 -6	5	
	1926-February	5½	5½	5½	5	5½	5½	6	
	March	5 -6	5 -6	4½-5½	5½-6	4¾-5	5	5½-6	
	April	5½-6	6	4½-5	5½-6	5 -5½	5	5½-6	
Baltimore	1925-April	4¾-5½	4¾-5½	4½-6	4¾-5	4¾-5	5 -5½	5¾	
	1926-February	4¾-5¾	4¾-5¾	4½-5¼	5	5 -5½	5½-5¾	6	
	March	5¼-5¾	5¼-5¾	5½	5¾	5½	5½	6	
	April	5¼-5¾	5¼-5¾	5½	5¾	5½	5½	6	
DISTRICT 6									
Atlanta	1925-April	5 -6	5 -6	5 -6	5 -6	5 -6	5 -6	5 -7	
	1926-February	5 -6	5 -6	5 -6	5 -6	5 -6	5 -6	5 -6	
	March	5 -6	4¾-6	5 -6	4¾-8	5 -8	4¾-8	5 -8	
	April	5 -6	4½-6	5 -6	4¾-8	5 -8	4¾-8	5 -8	
Birmingham	1925-April	5 -6	5 -6	5 -6	6	6	6 -7	6	
	1926-February	6	6	5 -6	6	6	6	6	
	March	5 -6	5 -6	5 -6	6	6	6	6	
	April	5 -6	5 -6	5 -6	6	6	6	6	
Jacksonville	1925-April	4 -7	4 -7	5 -6	5 -6	5 -8	5 -8	4½-6	
	1926-February	4½-6	4½-6	6	4½-6	5 -7	5 -7	4½-6	
	March	4½-8	4½-8	6	4½-8	5 -8	5 -8	4½-8	
	April	4½-8	4½-8	6	6 -8	6 -8	6 -8	6 -8	
Nashville	1925-April	5½-6	5	5½-6	5½-6	5½-6	5½-6	5½-6	
	1926-February	6	5	6	5½-6	5½-6	5½-6	5½-6	
	March	5½-6	6	5½-6	5 -6	5½-6	5½-6	5½-6	
	April	5½-6	6	5½-6	5½-6	5½-6	5½-6	5½-6	
New Orleans	1925-April	5 -6	5 -6	4½-6	5 -6	5 -6	5 -6	5 -6	
	1926-February	5 -6	5 -7	5 -5½	5 -6	5 -6	5 -6	5 -6	
	March	5 -6	5 -6	5 -5½	5 -6	5 -6	5 -6	5 -6	
	April	5 -6	5 -6	5 -5½	5 -6	5 -6	5 -6	5 -6	
DISTRICT 7									
Chicago	1925-April	4½-5	4½-5	5	4½-5	4½-5	4½-5	4½-5	5 -6
	1926-February	4½-5	4½-5	5 -5½	4½-5	4½-5	4½-5½	5 -5½	5 -6
	March	4½-5	5	5	4¾-5	5	5	5 -5½	5 -6
	April	4½-5	5	5	4¾-5½	4¾-5	4¾-5	5 -5½	5 -5½
Detroit	1925-April	5 -6	5 -6	5	5 -6	5½-6	5 -6	5½-6	
	1926-February	4½-6	4½-6	5	4½-6	4¾-6	4¾-6	5½-6	
	March	4½-6	4½-6	5 -5½	5 -6	5 -6	5 -6	5½-6	
	April	5 -6	5 -6	5 -5½	4½-6	5 -6	5 -6	5½-6	

MONEY RATES PREVAILING IN FEDERAL RESERVE BANK AND BRANCH CITIES—Continued

District and city	Year and month	Rates prevailing during week ending with the 15th day of the month							
		Customers' prime commercial paper		Inter-bank loans	Loans secured by Liberty bonds	Loans secured by other stocks and bonds		Loans secured by warehouse receipts	Cattle loans
		30-90 days	4-6 months			Demand	Time		
DISTRICT 8									
St. Louis	1925—April	4½	5	5½	5½	5	5½	5	6
	1926—February	4 - 5½	4¼-5½	4¾-6	5 - 6	4½-6	4½-6	4½-6	5 - 6
	March	4½-5	4½-5	5 - 5½	5 - 6	4½-5½	4½-6	4½-6	5 - 6
Little Rock	1925—April	5 - 6	5 - 6	6	5 - 6	6	6	6 - 7	6
	1926—February	5 - 6	6	6	5 - 6	6	6	6 - 7	6 - 7
	March	6	6	6	6	6	6	6 - 7	6 - 8
Louisville	1925—April	6	6	5	6	6	5	6	6
	1926—February	6	6	5	5½	6	6	6	6
	March	6	6	5	6	6	6	6	6
DISTRICT 9									
Minneapolis	1925—April	4½-5¼	4½-5¼	5½	---	4½-5¼	4½-6	---	---
	1926—February	4¾-5	4¾-5	5 - 5½	---	4¾-5¼	4¾-5¼	---	---
	March	4¾	4¾	5 - 5½	---	4¾-5¼	4¾-5¼	---	---
	April	4¾-5	4¾-5	5 - 5½	---	4¾	4¾	---	---
Helena	1925—April	8	8	6 - 8	---	---	6 - 8	---	8
	1926—February	8	8	6 - 7	---	---	8	---	8
	March	8	7	8	---	---	8	---	8
DISTRICT 10									
Kansas City	1925—April	5 - 6	5 - 6	5 - 6	5 - 6	6	6	5 - 6	6 - 7
	1926—February	4½-6	5 - 6	5 - 6	5 - 6	5 - 6	5 - 6	5 - 6	6 - 7
	March	5 - 5½	5 - 6	5½-6	5 - 6	5 - 6	5 - 6	5 - 6	5½-7
	April	5 - 5½	5½-6	5½-6	5 - 6	5 - 6	5 - 6	5 - 6	5½-7
Denver	1925—April	5 - 6	4 - 5	6 - 7	5 - 6	5 - 6	5 - 6	6 - 8	6 - 8
	1926—February	6	4¾-6	6 - 6½	5½-6	5½-6	5½-6	6 - 8	6 - 7
	March	6	4¾-6	6 - 6½	6	5½-7	5½-7	5½-8	6 - 8
	April	4¾-6	4¾-6	6	5½-6	5½-6	5½-6	5½-8	6 - 8
Oklahoma City	1925—April	6 - 7	6 - 7	6 - 7	5 - 6	6	6 - 7	6 - 7	6 - 8
	1926—February	6 - 7	6 - 7	6 - 7	6	6	6	6 - 7	6 - 8
	March	5 - 7	6 - 7	6 - 7	6	6	6	6 - 7	6 - 8
	April	5½-7	6 - 7	6 - 7	6	6	6	6 - 7	7 - 8
Omaha	1925—April	4½-6	4½-6	6	5	4 - 6	6	6	7
	1926—February	6	5 - 6	6	5	---	6	6	6 - 7
	March	4¾-6	5 - 6	6	5 - 6	---	6	6	7
	April	4¾-6	4¾-6	6	5 - 6	---	6	6	6 - 7
DISTRICT 11									
Dallas	1925—April	4 - 6	4 - 6	5 - 6	5 - 6	5 - 7	5 - 8	5 - 8	7 - 8
	1926—February	4½-6	4½-6	4 - 6	4 - 7	6 - 7	6 - 7	4½-8	6 - 8
	March	4¾-6	4½-6	4 - 6	4 - 6	5 - 6	6 - 7	4½-6	6 - 10
	April	4½-5	4½-6	5 - 6	4 - 6	6	6	4½-6	6
El Paso	1925—April	8	8	6 - 8	8	8	8	8	8
	1926—February	5½-8	6 - 8	6 - 8	6 - 8	8	6 - 8	8	8 - 9
	March	6 - 8	6 - 8	6 - 7	6 - 8	8	8	8	8 - 9
	April	5½-8	6 - 8	6 - 7	6 - 8	8	6 - 8	8	8 - 9
Houston	1925—April	5 - 6	5 - 6	5 - 6	6	5 - 7	5 - 7	5 - 8	7 - 8
	1926—February	5 - 6	5 - 6	5 - 6	5 - 6	5 - 6	5 - 6	5 - 6	6 - 8
	March	5 - 6	5 - 6	5 - 6	5 - 6	5 - 6	5 - 6	5 - 6	6 - 8
	April	5 - 6	5 - 6	5 - 6	5 - 6	5 - 6	5 - 6	5 - 6	6 - 8
DISTRICT 12									
San Francisco	1925—April	5 - 5½	5 - 5½	5 - 6	5 - 6	5 - 6	6	6	---
	1926—February	5 - 5½	5 - 5½	5 - 6	5 - 6	5½-6	6	6	---
	March	5 - 6	5 - 6	5	5 - 6	5 - 6	5 - 6	5 - 6	---
	April	5 - 6	5 - 6	5 - 6	5 - 6	5½-6	6	6	---
Los Angeles	1925—April	6 - 7	6 - 7	6	6 - 7	6 - 7	6 - 7	6 - 7	6 - 7
	1926—February	6 - 7	6 - 7	6	6 - 7	6	6 - 7	6 - 7	6 - 7
	March	6	6	6	6 - 7	6 - 7	6 - 7	6 - 7	---
	April	6	6	6	6 - 7	6 - 7	6 - 7	6 - 7	---
Portland	1925—April	6	6	6	6 - 7	6½-7	6 - 7	7	6 - 6½
	1926—February	6	6	6	6	6 - 7	6	6 - 7	6 - 6½
	March	6	6	6	6	6	6	6 - 7	6
	April	6	6	6	6	6	6	6 - 7	6
Salt Lake City	1925—April	6	5 - 6	6 - 7	6	6	6 - 7	7	7 - 8
	1926—February	6	6 - 7	6	6	4 - 7	6 - 7	7	7 - 8
	March	4¾-6	6	6 - 7	6 - 8	7	7	6 - 8	7 - 8
	April	5 - 6	6 - 7	6	6	5 - 7	6 - 8	6 - 8	7 - 8
Seattle	1925—April	6	6	6	6	6	6	7	---
	1926—February	6	6	5 - 7	6	6	6	7	---
	March	6	6	5 - 7	6	6	6	7	---
	April	6	6	6 - 6½	6	6	6	7	---
Spokane	1925—April	5 - 7	4 - 6	6 - 7	6 - 7	8	6 - 7	6 - 8	6 - 7
	1926—February	5 - 6	4½-6	6 - 7	6 - 7	7	6 - 7	6 - 7	6 - 7
	March	5 - 6	4¾-6	6	6 - 7	---	6 - 7	6 - 7	6 - 7
	April	6	4¾-6	6	6	8	7	7	6 - 7

GOLD AND SILVER EXPORTS AND IMPORTS

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

Country of origin or destination	March				Three months ending March			
	Exports		Imports		Exports		Imports	
	1925	1926	1925	1926	1925	1926	1925	1926
GOLD								
All countries.....	\$25, 104, 416	\$4, 224, 564	\$7, 337, 322	\$43, 412, 576	\$149, 230, 067	\$11, 162, 808	\$15, 977, 649	\$88, 179, 433
France.....					1, 339, 208	18, 488	71, 046	70, 940
Germany.....	15, 120, 000	348, 404			45, 130, 336	889, 261	100	353
Netherlands.....					4, 318, 343			
Poland and Danzig.....					1, 103, 948			
Spain.....	40, 000			19, 343	80, 000		21, 387	27, 603
Sweden.....				35	1, 232, 728			372
England.....	50, 000		2, 935, 456	2, 131	6, 159, 602		3, 064, 777	9, 703
Canada.....	59, 385	52, 659	2, 777, 195	39, 278, 094	178, 036	146, 323	8, 309, 886	66, 943, 132
Central America.....		200, 000	176, 209	144, 913		1, 214, 491	399, 935	464, 755
Mexico.....	461, 289	727, 860	513, 154	531, 242	1, 201, 481	1, 741, 075	1, 424, 874	1, 355, 840
West Indies.....	60, 000	66, 565	45, 442	18, 604	151, 000	120, 614	105, 651	49, 248
Argentina.....	5, 050, 000	51, 000		277	5, 260, 000	102, 000		277
Brazil.....	22, 500	15, 000	4, 997		42, 500	105, 000	4, 997	
Chile.....			84, 501	2, 503, 153			123, 082	12, 293, 102
Colombia.....			144, 044	143, 724			445, 347	331, 033
Ecuador.....			187, 077	97, 011	15, 000	5, 983	262, 164	290, 510
Peru.....				185, 461			389, 693	975, 458
Uruguay.....					802, 290			
Venezuela.....	200, 000	300, 000	27, 604	84, 493	200, 000	1, 600, 000	57, 374	140, 221
British India.....	62, 707	22, 300			52, 757, 093	376, 810		
British Malaya.....	78, 125	535, 039	13, 950		178, 625	1, 852, 788	13, 950	
China.....		250, 655				250, 655	20, 055	
Dutch East Indies.....	30, 000		189, 538	177, 774	80, 000	290, 220	472, 872	501, 408
Hongkong.....	1, 112, 500	1, 355, 082			2, 594, 105	2, 147, 335		
Japan.....								4, 000, 000
Philippine Islands.....			153, 891	185, 508			444, 222	546, 861
Australia.....	2, 757, 910				25, 905, 032		76, 504	8, 051
New Zealand.....			33, 618	15, 721			33, 618	43, 215
Egypt.....			7, 260		498, 240		8, 891	2, 857
Portuguese Africa.....			42, 955	19, 498			208, 092	110, 645
All other.....		300, 000	431	5, 594	2, 500	301, 765	19, 132	13, 849
SILVER								
All countries.....	7, 916, 717	8, 333, 081	6, 660, 750	5, 539, 071	26, 142, 023	25, 848, 400	18, 928, 225	20, 164, 962
France.....			73, 996	1, 571		4, 981	105, 141	112, 792
Germany.....	1, 218, 005	119, 884			1, 236, 000	420, 981	974	4, 137
Poland and Danzig.....								
Spain.....			434	33, 581			44, 895	48, 304
England.....	1, 152, 382		4, 682	844	5, 302, 775	102, 460	24, 780	20, 462
Canada.....	139, 174	168, 932	880, 597	377, 785	359, 989	475, 745	2, 049, 961	1, 075, 571
Central America.....	1, 550		290, 183	116, 219	14, 215	2, 600	434, 918	453, 696
Mexico.....	245, 561	40, 205	3, 766, 618	3, 541, 294	634, 302	401, 481	11, 877, 883	10, 292, 395
West Indies.....	5, 795	8, 865	13, 952	12, 152	33, 840	21, 220	48, 153	28, 843
Bolivia.....			9, 216	8, 522			10, 988	
Chile.....			192, 252	158, 345			478, 291	531, 632
Colombia.....		1, 464	9, 478	3, 370		1, 464	22, 421	27, 086
Peru.....		39, 965	1, 263, 244	1, 132, 061		475, 575	3, 479, 051	7, 174, 525
British India.....	4, 597, 701	3, 268, 389	55, 968		12, 478, 698	12, 082, 255	55, 968	
China.....	521, 998	4, 685, 377			5, 223, 363	11, 858, 547	4, 108	
Dutch East Indies.....			71, 303	80, 589			171, 170	270, 986
Hongkong.....					823, 935			
Portuguese Africa.....			14, 274	28, 162			39, 411	44, 510
All other.....	34, 551		14, 553	44, 576	34, 911	1, 091	80, 112	69, 084

FOREIGN EXCHANGE RATES

[Noon buying rates for cable transfers in New York as published by Treasury. In cents per unit of foreign currency.]

Countries	Monetary unit	Par of exchange	April, 1926		March, 1926				March, 1925			
			Low	High	Low	High	Average		Low	High	Average	
							Rate	Per cent of par			Rate	Per cent of par
Austria.....	Schilling.....	14. 07	14. 0530	14. 0880	14. 0510	14. 0750	14. 0607	99. 93	14. 0470	14. 0760	14. 0583	99. 92
Belgium.....	Franc.....	19. 30	3. 3800	3. 8700	3. 6900	4. 5400	4. 2341	21. 94	5. 0100	5. 1500	5. 0662	26. 25
Bulgaria.....	Lev.....	19. 30	. 7208	. 7263	. 7156	. 7259	. 7204	3. 73	. 7313	. 7357	. 7335	3. 80
Czechoslovakia.....	Crown.....		2. 9615	2. 9622	2. 9616	2. 9621	2. 9618		2. 9643	2. 9694	2. 9665	
Denmark.....	Krone.....	26. 80	26. 1600	26. 2000	25. 9000	26. 2600	26. 1130	97. 44	17. 8500	18. 3400	18. 0692	67. 42
Finland.....	Markka.....	2. 52	2. 5198	2. 5220	2. 5211	2. 5223	2. 5216	100. 06	2. 5200	2. 5239	2. 5214	13. 06
France.....	Franc.....	19. 30	3. 2900	3. 5000	3. 4300	3. 7300	3. 5804	18. 55	5. 0500	5. 3200	5. 1807	26. 84
Germany.....	Reichsmark.....	23. 82	23. 8000	23. 8100	23. 8000	23. 8100	23. 8030	99. 93	23. 8000	23. 8000	23. 8000	99. 92
Great Britain.....	Pound.....	486. 65	485. 9300	486. 3800	485. 7300	486. 2700	486. 0825	99. 88	476. 2000	478. 8600	477. 6250	98. 15
Greece.....	Drachma.....	19. 30	1. 2367	1. 3278	1. 3148	1. 4182	1. 3744	7. 12	1. 4833	1. 6321	1. 5484	8. 02
Hungary.....	Pengo.....	17. 49	17. 5400	17. 6100	17. 5300	17. 5900	17. 5552	100. 37				
Italy.....	Lira.....	19. 30	4. 0200	4. 0200	4. 0000	4. 0200	4. 0156	20. 81	3. 9900	4. 1400	4. 0719	21. 10
Netherlands.....	Florin.....	40. 20	40. 0900	40. 2100	40. 0200	40. 1000	40. 0689	99. 67	39. 8300	39. 9900	39. 9212	99. 31
Norway.....	Krone.....	26. 80	21. 4200	21. 9400	21. 1200	21. 8300	21. 4670	80. 10	15. 2300	15. 8300	15. 4346	57. 59
Poland.....	Zloty.....	19. 30	10. 3000	12. 6000	12. 4100	13. 1600	12. 6888	65. 75	19. 1800	19. 2000	19. 1831	99. 39
Portugal.....	Escudo.....	103. 05	5. 1300	5. 1500	5. 1100	5. 1600	5. 1330	4. 75	4. 8900	4. 9500	4. 9296	4. 56
Rumania.....	Leu.....	19. 30	. 3784	. 4159	. 4111	. 4394	. 4234	2. 19	. 4691	. 4979	. 4866	2. 52
Spain.....	Peseta.....	19. 30	14. 1100	14. 5000	14. 0800	14. 1000	14. 0933	73. 02	14. 1700	14. 2800	14. 2219	73. 69
Sweden.....	Krona.....	26. 80	26. 7700	26. 8200	26. 8000	26. 8200	26. 8125	100. 05	26. 9400	26. 9600	26. 9496	100. 56
Switzerland.....	Franc.....	19. 30	19. 2300	19. 3300	19. 2400	19. 2600	19. 2518	99. 75	19. 2200	19. 2900	19. 2646	99. 82
Yugoslavia.....	Dinar.....	19. 30	1. 7603	1. 7615	1. 7603	1. 7628	1. 7611	9. 12	1. 5821	1. 6191	1. 6006	8. 29
Canada.....	Dollar.....	100. 00	99. 7948	100. 1611	99. 4111	99. 8353	99. 6301	99. 63	99. 8343	99. 9081	99. 8714	99. 87
Cuba.....	Peso.....	100. 00	99. 8581	99. 9563	99. 8875	100. 0188	99. 9542	99. 95	99. 8906	100. 0250	99. 9504	99. 95
Mexico.....	Peso.....	49. 85	48. 5500	48. 7167	48. 4833	48. 6833	48. 5585	97. 41	49. 3333	50. 0333	49. 7439	99. 79
Argentina.....	Peso (gold).....	96. 48	89. 9600	92. 1600	88. 0700	92. 5500	90. 3333	93. 63	87. 3500	90. 6300	89. 7115	92. 98
Brazil.....	Milreis.....	32. 44	13. 7300	14. 4300	14. 0800	14. 7400	14. 4893	44. 66	10. 6400	11. 1700	11. 0381	34. 03
Chile.....	Peso.....	12. 17	12. 0300	12. 1800	12. 0300	12. 1400	12. 0815	99. 27	10. 7700	11. 4200	11. 0985	56. 83
Uruguay.....	Peso.....	103. 42	101. 6000	103. 5200	101. 5500	103. 0800	102. 1818	98. 80	94. 3400	96. 5900	95. 3146	92. 16
China.....	Mexican dollar.....	1 48. 11	50. 5500	53. 4000	52. 2300	53. 9000	52. 8466	109. 85	53. 2300	54. 4000	53. 6488	111. 51
China.....	Shanghai tael.....	1 66. 85	69. 3500	72. 0500	72. 2900	73. 0400	72. 7118	108. 77	72. 8500	74. 4400	73. 3612	109. 74
Hongkong.....	Dollar.....	1 47. 77	53. 4800	55. 7100	55. 7300	57. 5700	56. 3130	117. 88	53. 7700	54. 8800	54. 2692	113. 61
India.....	Rupee.....	48. 66	35. 9700	36. 2800	36. 3000	36. 7300	36. 5756	75. 17	35. 4500	35. 7600	35. 6662	73. 30
Japan.....	Yen.....	49. 85	45. 8800	47. 4300	44. 8200	45. 9400	45. 3915	91. 06	39. 6000	41. 8000	40. 9669	82. 18
Straits Settlements.....	Singapore dollar.....	56. 78	56. 4200	56. 6700	56. 4600	56. 7500	56. 6256	99. 73	54. 6700	55. 7500	55. 1008	97. 04

¹ 1913 average.

SILVER

[Average price per fine ounce]

	April	March
London (converted at average rate of exchange).....	\$0. 65009	\$0. 66340
New York.....	. 64760	. 66223

DISCOUNT RATES OF FEDERAL RESERVE BANKS IN EFFECT MAY 1, 1926

Federal reserve bank	Paper maturing—				
	Within 90 days				After 90 days but within 9 months
	Commercial, agricultural, and livestock paper, n. e. s.	Secured by United States Government obligations	Bankers' acceptances	Trade acceptances	Agricultural and livestock ¹ paper
Boston.....	4	4	4	4	4
New York.....	3½	3½	3½	3½	3½
Philadelphia.....	4	4	4	4	4
Cleveland.....	4	4	4	4	4
Richmond.....	4	4	4	4	4
Atlanta.....	4	4	4	4	4
Chicago.....	4	4	4	4	4
St. Louis.....	4	4	4	4	4
Minneapolis.....	4	4	4	4	4
Kansas City.....	4	4	4	4	4
Dallas.....	4	4	4	4	4
San Francisco.....	4	4	4	4	4

¹ Including bankers' acceptances drawn for an agricultural purpose and secured by warehouse receipts, etc.

Changes during month.—Discount rate at Federal Reserve Bank of New York from 4 per cent to 3½ per cent on April 23.

GOLD SETTLEMENT FUND

INTERBANK TRANSACTIONS FROM MARCH, 18, 1926, TO APRIL 21, 1926, INCLUSIVE

[In thousands of dollars]

Federal reserve bank	Transfers		Transit clearing		Federal reserve note clearing		Changes in ownership of gold through transfers and settlements		Balance in fund at close of period
	Debits	Credits	Debits	Credits	Debits	Credits	Decrease	Increase	
Boston.....	36,000		1,094,107	1,137,359	5,334	2,886		4,804	53,070
New York.....		149,000	3,689,422	3,622,266	8,233	13,490		87,101	206,754
Philadelphia.....	30,000		952,235	984,187	6,063	024		913	45,344
Cleveland.....	17,000	1,000	846,810	859,654	7,605	898	6,863		53,315
Richmond.....	10,000	1,000	748,902	742,246	3,636	3,052	16,240		23,437
Atlanta.....	22,000		483,945	531,165	4,812	4,390		24,798	22,145
Chicago.....	27,000	15,000	1,656,434	1,644,651	4,153	6,766	21,170		133,538
St. Louis.....	2,000	1,000	669,485	661,364	1,247	3,417	6,951		8,317
Minneapolis.....	6,000		213,747	202,970	2,074	1,328	17,523		14,424
Kansas City.....	5,000	2,000	497,859	476,420	2,548	1,917	25,070		21,880
Dallas.....	4,000		304,781	300,265	1,643	1,734	8,425		11,890
San Francisco.....	10,000		410,477	405,657	3,208	2,654	15,374		23,715
Total five weeks ending—									
Apr. 21, 1926.....	169,000	169,000	11,568,204	11,568,204	50,556	50,556	117,616	117,616	617,879
Mar. 24, 1926.....	274,700	274,700	11,060,578	11,060,578	50,807	50,807			713,203
Apr. 22, 1925.....	121,700	121,700	10,141,085	10,141,085					632,338
Mar. 25, 1925.....	148,300	148,300	10,497,817	10,497,817					619,703

¹ Includes Federal reserve note clearing.

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FEDERAL RESERVE DISTRICTS

