

# FEDERAL RESERVE BULLETIN

ISSUED BY THE  
FEDERAL RESERVE BOARD  
AT WASHINGTON

NOVEMBER, 1919



WASHINGTON  
GOVERNMENT PRINTING OFFICE  
1919

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

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# FEDERAL RESERVE BULLETIN

VOL. 5

NOVEMBER 1, 1919.

No. 11

## REVIEW OF THE MONTH.

The month of October has been unusually free from Government fiscal operations likely in any way to influence the direction of the money market. During the month interest disbursements, including interest payments on the fourth Liberty loan due on October 15, amounted to about \$113,000,000, the effect being, as usual, a temporary shifting of funds from Government account to private hands and a corresponding rearrangement of bank deposits. Little extraneous influence originating with the Treasury operations has been felt in any other direction. Expenditures for the month have amounted to approximately \$736,718,000, while income has been \$433,012,000. The opinion expressed in the last issue of the FEDERAL RESERVE BULLETIN that no new certificate issues would be required during the month of October has been justified, the very large cash balance of the Treasury and the substantial yield of the last preceding tax certificate issues having provided all that was necessary to carry the department through the month.

The month has been an unusually active period in private finance. Great fluctuations in call-money rates and variations in the rates charged on commercial paper have occurred since the end of September. There has been an increasing demand for funds from private business, both in commodities and securities. Speculation is attaining an unprecedented activity and is embracing not only corporation issues of all kinds, but also real estate and many classes of commodities. Prices both of farm lands, staple commodities such as cotton, securities, and other properties, continued to rise, notwithstanding the reduction of Government purchases and the fact that the Government has itself released to consumers large

quantities of goods purchased for Army use. Two factors have clearly developed themselves during the month as dominant in the whole financial situation—the problem of domestic speculation and the policy to be pursued with respect to the demands on credit resulting from it.

In a technical sense this condition has reflected itself in a weakening of the reserve position of the Federal Reserve Banks. The reserve percentage reported on October 31 was 47.9 per cent, that being the lowest point ever reached. As has been pointed out in former issues of the BULLETIN, too much importance may be attributed to what is called the “reserve percentage.”

The decline of the reserve percentage at Federal Reserve Banks ought not to be considered as an isolated phenomenon, but has principal significance in connection with the condition of member banks. These banks rediscount for the purpose of restoring their reserve balance. Such a balance may become depleted for any of several reasons, but in a time like the present the chief factor leading to rediscounting is the expansion of loans and discounts made in favor of customers. Analysis of the assets of member banks therefore becomes necessary in order to ascertain the real meaning of an increase in rediscounts. Such an increase may be due to advances in aid of speculation pure and simple, or it may be the outgrowth of legitimate demand for commercial funds. The member bank in rediscounting naturally selects those items from its portfolio upon which the most favorable rate is granted by the Federal Reserve Bank. If there be a preference in favor of some specified kind of paper, as is true to-day of paper secured by Government obligations, such paper almost invariably is selected as the basis for redis-

counting. The fact that the rediscounts with Federal Reserve Banks consist so largely as they have heretofore of what is called "war paper" can not therefore be taken as conclusive evidence of the purpose for which the rediscounting has been undertaken. Loan accounts of member banks, as already indicated, may be extended because of the demand for funds for speculative purposes, or because of advances for strictly commercial and industrial undertakings, or for the purpose of carrying subscriptions to Government securities. Were the differential rate which now favors war-loan paper to be reversed so that it would favor commercial paper, it is likely that the portfolios of the Federal Reserve Banks would change in character. Member banks would select their commercial paper as a basis of rediscount, and in consequence Federal Reserve Bank portfolios might consist primarily of commercial bills rather than of war-loan paper. A true appreciation of the credit situation, therefore, can be obtained only by considering the portfolios of Federal Reserve Banks and those of member banks as an aggregate.

This view of the case makes it important to consider not only the situation at Federal Reserve Banks, but that at member banks as well. In the FEDERAL RESERVE BULLETIN for October there was published the result of a statistical analysis of the entire war-loan paper situation, which showed that as of June 30 last the total volume of such paper in the banking system might be taken as about 6.5 billions of dollars. There has been a decrease in such war paper since June 30, but there has been a continued expansion of loans and investments of member banks, as shown by the following figures:

*Movement of loans and investments of Federal Reserve Banks, and of about 775 member banks in selected cities.*

Date.	Federal Reserve Banks.	Member banks in selected cities.
June 27, 1919.....	\$2,354,167,000	\$14,350,197,000
July 25, 1919.....	2,482,558,000	14,379,579,000
Aug. 29, 1919.....	2,448,977,000	14,968,907,000
Sept. 26, 1919.....	2,503,088,000	15,297,458,000
Oct. 24, 1919.....	2,751,751,000	15,537,104,000

The growing volume of discounts held by the banking system as a whole, in its turn, must be subjected to the same criteria of judgment as have been applied to the holdings of the Federal Reserve Banks. There is no available test of the reasons giving rise to such borrowing except the statements or information which may be furnished by the actual borrower, to the bank at which he discounts. The real character of the situation depends

upon the use that is being made by member banks of credit facilities to be obtained at Federal Reserve Banks. It is just here that the present situation must be regarded as unsatisfactory. The evidence which is currently available seems to point to the fact that member banks, under the influence of strong private demand are, in not a few cases, greatly expanding their loans. The reports which come to the Board from the Federal Reserve districts, general results of which are reviewed in the summary of business conditions for the current month, indicate a marked advance in the growth of speculative transactions. It must be borne in mind that the growth of activity of this kind weakens the entire banking situation. Federal Reserve Banks can not, in a time like the present, easily control this condition of affairs merely through changes of discount rates, however important the influence exercised by such changes. The fact that there is as yet no free movement of gold between nations and that balances of trade are wholly abnormal prevents rediscount changes from exerting the effect which they would in normal times. Cooperation on the part of member banks is therefore necessary to the preservation of a satisfactory condition of strength throughout the banking system as a whole, and good results can not be obtained through any single method, least of all through the use of those modes of restraint and correction which are in ordinary circumstances sufficient for the purpose. The reserve percentage, however, subject to the qualifications and restrictions which

have been stated, is an index of the changing character of the situation, and one whose implications should be constantly kept in mind.

As was stated in the FEDERAL RESERVE BULLETIN for October, the disappearance of the Treasury from the long-term loan market and the rapid reduction in its requirements for short-term accommodation foreshadows the approach of the time when the financial operations of the Government will cease to be the important factor in shaping Federal Reserve Bank policies and rates which they have been. A review of all the conditions in the banking situation has confirmed the Board in the view that in the application of its discount policy an advance of rates should no longer be deferred.

During the month of October serious weakness in foreign exchange has continued to show itself. Both Export and exchange situation. the pound sterling and other European currencies have markedly declined, at times approaching record low rates. The German mark has sold as low as about 3.25 cents and the currencies of the other Central Powers have been of correspondingly low value. These low valuations have been currently ascribed to the uncertainty concerning the trade situation between the United States and the European countries. Very heavy shipments of goods have continued from the United States, the aggregate amount reported for September being \$593,000,000, as compared with a monthly average for the fiscal year of 1919 of about \$602,000,000. This is the season of the year when breadstuffs and raw materials are most largely shipped and the figures for September naturally indicate the beginning of the movement. Exports, while about \$50,000,000 less than for August, approximate the average monthly exports for the earlier part of the year, while imports show an increase over August figures of \$128,000,000. The decrease in the exports shown is due largely to a falling off in the exports to the United Kingdom. Exports to the rest of Europe show but slight changes from the figures

for the earlier months. It is apparent that our foreign trade is beginning to show the effects of lessened dependence upon Government support. The facts with regard to foreign demand seem to indicate that what is desired by other countries is not so much the mere maintenance of existing shipments but is an arrangement which will permit of the very great enlargement of the movement of American goods to these countries. They are, in short, seeking to obtain capital for the reconstruction of their industries and the restoration of industrial prosperity in their territory. This is a matter quite different from the establishment of "credit" to enable current business to continue as between the United States and its foreign customers. On the latter point it would seem that the usual banking machinery is beginning to operate in a normal way, and that there is no reason to doubt its adequacy in practically caring for the demands which grow out of the actual current business of foreign countries.

Sir Auckland Geddes, president of the British Board of Trade, in a recent statement on the exchange situation as affecting the United States, said:

"America is so placed that she, like all the rest of us, is in great difficulties with regard to the future of her trade. She has increased the industrialism of her population. She is not a great exporter of manufactured goods, but she is the greatest exporter of raw materials. Trade is the exchange of goods and America is in this unhappy position, she has so much that there is little she wants, and as a result of that the money exchange between New York and London is moved in her favor, and every movement of the money exchange in her favor is a movement against her power of export. For some time we have got to get raw material from America, and just because we take that raw material it makes it more and more difficult for America to get her manufactured exports across the Atlantic. I am told America is selling great quantities of goods to all European countries, which will have to be paid for in money. The only result of that is that the money exchange will move more and more in her favor and in the export sense more and more steadily against her. This means that

the food from America will be more costly, and the manufactured goods from America so dear as to be almost unbuyable. Europe has largely, therefore, to work out her own salvation. It is no good for anyone, or any nation, to say we will rely on America to see us through. The salvation for Europe is to be found in Europe, and in Europe only. There is only one way to that economic salvation, and that lies through work, hard work and strenuous work, and increased production from mines and fields and factories. It is not only in coal that output is declining, but in every other British industry, except agriculture. In decreasing output lies danger."

During October there has been further agitation in behalf of Government support of export financing. credit.

Two arguments are advanced in support of Government participation or maintenance of this kind of financing: (1) That otherwise the financing will not be done and that consequently meritorious requirements whose satisfaction is necessary in order to bring about the restoration of political order will not be made; and (2) that unless such provision is made other countries will take advantage of our hesitation and will occupy the foreign market to the exclusion of the American exporter. These two arguments are mutually self-destructive since the first is based on the belief that unless the United States supplies the credit necessary to facilitate the movement of goods abroad it will not be furnished, while the latter is confessedly founded upon the view that other countries may be in position to anticipate our action in the maintenance of the sale of our goods abroad. In any event, it is the declared policy of Congress no longer to accept the task involved in foreign financing, but to pass this work to private hands. That not a few representative American financiers believe this policy to be wise has been indicated by the expressions of opinion at the international conference meeting at Atlantic City during the week ending October 25.

Speaking on this subject, Governor Harding before the conference in question said:

"It is the view of the Federal Reserve Board that the need of Europe is for long credits, and

that the situation, therefore, is one which appeals to the investment market. Many of the problems which now confront European countries are present in an acute form in this country, and there is a great need for larger production, reduced consumption, more economy and thrift. The liquid wealth of the world as represented by goods and commodities has been reduced to an alarming extent by reason of the war, and the volume of credit throughout the world is out of all proportion to the volume of goods. In order to bring about more normal conditions, it will be necessary to restore the proper balance between credits and goods. This process will necessarily be a slow one, but it is essential that a beginning should be made and the restoration can be made only by rigid application of the principle of work and save.

"The United States Government, beginning shortly after its entrance into the war, authorized advances to the Governments of the nations associated with it in the war aggregating \$10,000,000,000, nearly all of which has now been allotted and used. There is no reason whatever to believe that our Government will, nor, indeed, could it without the most harmful inflation, continue to make advances out of its treasury to foreign countries, and I am convinced, therefore, that the problem of financing Europe, as far as America is concerned, is one for private initiative and individual enterprise."

In this connection the English export credit plan recently announced is of interest. According to statements officially made it is now

intended to create a first credit of 26 million pounds sterling, designed to facilitate the movement of goods from Great Britain to specified foreign countries which are supposed to require such assistance because they are not in a position to make immediate payment for the supplies they receive. Applications for this export credit are to be made entirely through banks and when made and granted the Government assumes the risk of loans resulting from non-payment or fluctuations in exchange up to four-fifths of the total of such loans, the remaining one-fifth being carried by the bank through which the application was originally filed. This in effect then is equivalent to an assurance that the general public of Great Britain in order to stimulate exports will



assume four-fifths of the risk of loans due to fluctuations in exchange during the life of the export credit. It is an expressed partnership between the Government and the banking interests, in so far as the credit extends. British financiers defend such a policy on the ground that Great Britain's export trade requires stimulation and that it is to the interest of the British public as a whole that exports should be enlarged as rapidly as possible in order that Great Britain may obtain a means of settling her obligations in other countries. How far this would actually work out in practice is, of course, dependent upon the direction taken by these credits and the countries among which they are distributed. Nevertheless, it is generally and broadly true that whatever tends to stimulate the exportation of goods tends also to increase the claims of the exporting country upon the country to which it has made the shipments, but if that country is not in position to pay, it is difficult to see how the exporting country benefits unless the securities tendered in payment appeal to investors on their merits. In the United States we have an entirely different problem. We have shipped far in excess of our customary volume for several years past and have received payment for these exports in the form of obligations which are held by the Government. This process of exportation, as has been frequently explained in the FEDERAL RESERVE BULLETIN, has gone so far as to reduce the available volume of consumable commodities in the United States and has accordingly tended materially to assist the advance of prices. There is therefore no analogy whatever between the situation of Great Britain and that of the United States.

Bankers who have been carefully considering the European situation desire fundamentally to know what is the exact basis for the future granting of credits in Europe. Their attitude toward their stockholders and depositors naturally compels them to consider the sound-

**European demand for credits.**

ness of the credit they extend, as well as its liquidity. Representatives of not a few banks are to-day in Europe for the purpose of obtaining information upon exactly this point, which of course is not the same in any two countries or any two transactions in the same country. The fact that some banks have arranged for this kind of a direct personal survey of the field shows a recognition of the true basis of credit to be given to export credit at the present time. In a general way the demands of Europe may be classified as current or investment, and there should be every effort to discriminate sharply between them. A bank which undertakes to provide investment funds through the medium of current advances, carrying these current advances for long periods, either through a renewal plan or through the actual funding of the obligations as they come due in bonds or notes, has taken the first step toward placing itself in a non-liquid or "tied-up" position, from which it will find the path of emergence a very difficult period. Essentially, the basis for what are properly to be called credits in Europe is dependent upon the export power of European countries, either present or as definitely demonstrated for the immediate future. The recognition of these principles and the separation of different classes of advances made under each head will be of fundamental importance in the right management of our banking situation during the next few months. As Governor Harding in the address already cited says: "It should be borne in mind that while the United States now occupies relatively a stronger position in the field of world finance than it has ever held, our bankers have had comparatively little experience in extending long-time credits in foreign countries. Their transactions have hitherto been in the direction of dealings in short bills and in placing American securities in foreign countries, and it is important that the judgment and cooperation of European bankers be enlisted when we undertake the new rôle of purchasing long-time securities, especially of private enter-

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prises, with which we can not be expected to be familiar. The Federal Reserve Board appreciates very deeply the importance from every point of view of promoting our foreign trade, and believes that the banks of this country generally understand that longer credits than can safely be granted by banks are necessary if we desire to export our surplus of essential commodities."

Among the important events of the past month bearing upon both the question of American exports and foreign exchange has been the action of the British Government in announcing the early placing of a loan of \$250,000,000 in the New York market. Of this sum it is stated that about one-half is to be used in the redemption of outstanding 5½ per cent bonds of early maturity, while the other one-half is to be used for the purchase of American exportable commodities. The loan is of interest from the exchange standpoint because of the fact that it illustrates the method that is being employed by one of the strongest foreign Governments to place its securities in the American market, and thus to work off the market an excess supply of bills which would otherwise tend to depress values. On the other hand, it suggests that even the strongest among the foreign Governments is not yet in position to equalize at any early date its exports and imports with the United States. It illustrates the point which has already been discussed in former issues of the FEDERAL RESERVE BULLETIN that Government credit, with the return of more nearly normal business conditions, is returning to a competitive basis and that there will be a tendency toward the equalization of rates upon investments, as well as a tendency to bring about equalization between foreign Government securities and private investments. The latter movement will be even more marked, should it come to be recognized that Government loans are being placed for the purpose of facilitating or providing a basis for the purchase of goods or the support of commercial operations.

What has been done by Great Britain is likely to be done by other countries, including France, Italy, and Belgium, as has been indicated by them in the conferences that have been in progress during the past month at Atlantic City. If on the other hand German credit demands call for correspondingly large advances for the restoration of business with Germany, this market may be asked to carry an increasing total in foreign obligations. If it be assumed that before the war our normal absorption of new securities was \$5,000,000,000 and that since the war, due to the increase of prices, that figure must be largely raised, the addition of great sums for foreign countries or, what is the same thing, a subtraction of this amount from the funds available for domestic uses, would exert a corresponding influence upon domestic supply of capital. The effect of such a situation would be to maintain the pressure for capital which has already been so marked a feature of the financing of the past year or two and the inevitable accompaniment of this would be the continued withdrawal of consumable goods for export with the concomitant effects to be expected therefrom upon prices and values. All these conditions would result in continuation of high cost of living. The trade movements of the next few months will give valuable and interesting indications as to how these interrelated tendencies are likely to work themselves out.

In the study of the whole financial situation, it is worthy of note that some of our strongest former competitors actually have not the resources to continue competing without injuring themselves and that the expansion of credit which exists here as the result of over-exportation is more than paralleled abroad. The question whether the continental countries will have the resolution to subject themselves to drastic taxation for the purpose of reducing their outstanding obligations is serious, and to the extent that a negative answer is given to this question a continuation of the inflation

which now exists all over the world must be looked for. Such inflation can not go on indefinitely, but invariably brings its own retribution. After almost all foreign wars there has been a period of excessive prices, inflated credits and active trade, eventually followed by the collapse which is the result of the price and industrial disturbances naturally produced by such changes. Active trade under such circumstances is undoubtedly the economic expression of the need to replace destroyed commodities. In these circumstances the question of American trade with foreign countries and of the basis for such credits as we may extend, becomes an unusually important and essential one. Countries which have suffered from war naturally desire to restore at the earliest possible moment their productiveness and to put their industrial machinery into full operation. In order to bring about this result they naturally seek to employ every possible resource which they either possess or can obtain the use of from others.

Besides the regular weekly offerings of British and French treasury bills at rates ranging between 5½ and 6 per cent, the monthly record of foreign financing includes the offering of \$250,000,000 of 3 and 10 year 5½ per cent British gold notes and bonds already discussed. About the middle of the month an offering was announced of \$8,500,000 of 6 per cent gold bonds of the city of Sao Paulo, Brazil. Later in the month announcement was made that an American banking group in conjunction with a British banking firm was to extend a loan of about \$40,000,000 to the Russian Government at Omsk. The American participation was later fixed at \$22,000,000. It was also subsequently announced that the loan to the Omsk Government was to be a straight banking credit. Rupee transactions for the month include the allotment during four successive weeks by the Bank of Montreal on behalf of the India Government of 8,413,000 rupees (telegraphic transfers), at average prices ranging between 43.0945 cents per rupee for the October 1 allotment and

42.645 cents for the October 22 allotment. It is announced that further sales of telegraphic transfers of rupees by the New York agency of the Bank of Montreal on account of the India Government had been temporarily discontinued under instructions from London.

Changes during October in exchange rates on principal European centers were less pronounced than during September, though on the whole the general movement of the exchange market was toward lower levels, end of October quotations of sterling, francs, lire, and marks being all lower than the month before. New low records of 10.81 and 3.25 were set for lire and marks on the last of the month, marking a depreciation from par of 52.1 and 86.3 per cent for Italian and German currencies. Pesetas at the close of the month were quoted slightly above par, compared with 19.15 at the close of September, while Indian rupees notwithstanding the further rise of silver during the month were quoted at the end of October at 41.75 cents, as against 44 cents during the early part of the month. Silver, which at the end of September was quoted in New York at \$1.18½, increased in price during the latter part of October to \$1.23¾, and at the close of the month was quoted at \$1.21¾ per fine ounce.

*Movement of leading foreign exchange cable rates during October.*

Par.		Quotations on—		Per cent below par on Oct. 31.	High during October.	Low during October.
		Sept. 30.	Oct. 31.			
4.8665	Pound sterling...dolls..	4.19	4.1675	14.4	4.2325	4.1575
5.18	French francs per doll..	8.50	8.83	41.3	8.35	8.87
5.18	Italian lire.....do....	9.65	10.81	52.1	9.72	10.81
23.8	Berlin mark.....cents..	4.6	3.25	86.3	4.375	3.25
19.3	Spanish peseta....do....	19.15	19.33	10.2	19.40	19.10
5.18	Swiss francs...per doll..	5.60	5.59	7.3	5.54	5.64
40.2	Dutch florin.....cents..	37.75	37.9375	5.6	38.50	37.625
26.8	Swedish crown...do....	24.65	23.95	10.6	24.70	23.95
32.44	Indian rupee.....do....	43.5	41.75	128.7	44.00	41.75
	Shanghai tael...do....	136.00	140.00	.....	144.00	130.00
54.62	Brazilian milreis .do....	25.875	25.125	54.0	25.70	25.00
42.46	Argentine peso <sup>2</sup> ...do....	42.35	42.389	42.2	42.471	42.307

<sup>1</sup> Above par.

<sup>2</sup> Paper.

During the month ending October 10 the net outward movement of gold was \$28,322,000, as compared with a net outward movement of \$40,998,000 for the month ending September

**Gold movement.**

10. The gain in the country's stock of gold since August 1, 1914, was \$890,267,000, as may be seen from the following exhibit:

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

	Imports.	Exports.	Excess of imports over exports.
Aug. 1 to Dec. 31, 1914.....	23, 253	104, 972	1 81, 719
Jan. 1 to Dec. 31, 1915.....	451, 955	31, 426	420, 529
Jan. 1 to Dec. 31, 1916.....	685, 745	155, 793	529, 952
Jan. 1 to Dec. 31, 1917.....	553, 713	372, 171	181, 542
Jan. 1 to Dec. 31, 1918.....	61, 950	40, 848	21, 102
Jan. 1 to Oct. 10, 1919.....	57, 962	239, 101	1 181, 139
Total.....	1, 834, 578	944, 311	890, 267

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

Gold imports for the monthly period, amounting to \$2,839,000, were received principally from New Zealand, Canada, Dutch East Indies, and Belgium. Of the gold exports, amounting to \$31,161,000, \$10,000,000 were consigned to China, \$6,300,000 to Hongkong, \$6,000,000 to Japan, and \$2,200,000 to British India, the remainder going principally to Salvador, Dutch East Indies, Denmark, and Spain. Since the removal of the gold embargo on June 7 total gold exports have amounted approximately to \$224,700,000. Of this total about \$58,000,000 were shipped to Japan, \$33,000,000 to Argentina, \$29,000,000 to China, \$28,000,000 each to Spain and Hongkong, and the remainder largely to British India, Uruguay, Venezuela, Canada, and France.

As the result of a temporary suspension of Treasury loan operations member banks in the leading cities were able to reduce, during the four weeks ending October 17, by over 180 millions their holdings of Treasury certificates, besides liquidating about 41 millions of loans secured by United States war obligations and reducing by over 16 millions their net investments in Liberty bonds and Victory notes. For the same period, however, the banks, chiefly the New York City members, report a practically continuous increase, totaling over 110 millions, of loans secured by stocks and bonds and a 255 million increase in other loans and investments. Aggregate holdings by re-

porting member banks of United States war obligations and war paper declined from 3,405.9 to 3,168.6 millions, or from 22.3 to 20.5 per cent of their total loans and investments, while loans secured by stocks and bonds increased from 3,027.2 to 3,141.1 millions, or from 19.8 to 20.5 per cent of their total loans and investments.

During the four-week period ending October 24 the Federal Reserve Banks' discount operations continued extremely heavy, resulting in an increase by October 24 of about 200 millions in their holdings of discounted bills over the corresponding September 26 total. It is notable that the larger portion of the additional bill holdings is composed of ordinary commercial paper (at slightly higher rates) and not, as in the past, of paper secured by United States war obligations. This change is due, of course, to the substantial curtailment in the volume of Treasury certificates outstanding and held by the banks, and the simultaneous increase in the demand for accommodation by the member banks. Acceptances on hand show some fluctuations, the October 24 holdings of 368.8 millions being 26.3 millions in excess of the holdings reported four weeks earlier. Largely as the result of increases in the holdings of bills discounted and bought in the open market, the total earning assets of the Federal Reserve Banks reached a total of 2,751.8 millions, an increase for the four weeks of 248.7 millions.

Together with the increase in discount operations went increases of 158.3 millions in net deposits, of 98.1 millions in Federal Reserve note circulation, and of 12.1 in the Federal Reserve Banks' liabilities on Federal Reserve bank notes in circulation. Gold reserves of the Federal Reserve Banks show an increase of 28.7 millions, this amount representing the difference between the total of 61 millions of gold transferred from the continent in Europe to the Bank of England vaults in London and the aggregate gold deposits of the Treasury on the one hand and the export withdrawals of gold on the other.

The banks' reserve ratio reached the low level of 48.3 per cent on October 17 and on

October 24 stood at 48.7 per cent, compared with 51 per cent four weeks earlier.

The Federal Reserve Board on October 22-24 held its annual financial conference with Federal Reserve Agents at Washington.

**Financial conference.**

Subjects of current interest with reference to internal matters of organization were discussed, but, in addition, attention was given to the general financial situation and the policy of Federal Reserve Banks. Federal Reserve Agents presented to the Board a series of reports bearing upon the topics under discussion, and among them was included an expression of opinion with reference to the present credit situation, from which the following extract is taken:

Of the topics assigned to the committee there has only been opportunity to consider briefly the question of the present expansion of credit and what methods of control of credit may be successfully used by the Federal Reserve Banks in view of the Government's past and prospective financial program.

The increasing demands for credit appear to come (a) from the higher costs of commodities and labor in the production and distribution of goods, caused by excess of demand over supply, and (b) from the higher prices of securities, land, and other forms of fixed property, as well as of many commodities, caused by active speculation all over the country.

The normal check for the Federal Reserve Banks to use is a higher discount rate. But in the opinion of your committee the conditions prevailing at home and abroad are so abnormal as to render this method not wholly effective of itself. The European countries are extremely short of goods, and we ourselves have not yet been able to satisfy the accumulated demand for goods, resulting from two years of patriotic self-denial on the one hand and a more widely diffused spending power on the other. Furthermore, international trade is extremely unsettled and all the important European exchanges are heavily in our favor. It is evident that the use of credit for producing the goods of which the world is short should not be unduly curtailed, and it seems equally evident that the immoderate use of credit by those engaged in speculation in securities, land, and commodities to force

prices higher is not only undesirable from its effect on the cost of living but is laying the foundations for future collapse and depression.

Some increase in the bank rate, however, seems the necessary first step in any program for the restraint of undesirable credit expansion, as an indication to the banks that, with the war financing of the Government now on a declining scale, the Federal Reserve Banks may be expected henceforth to function normally. But such increase, which need not be large or uniform in all districts, would be ineffective unless accompanied by a campaign, undertaken gradually and with great discretion to secure greater moderation by banks in the extension of credit for speculative and other undesirable purposes.

The fact that Government financing is on a descending scale no longer seems to require such a degree of uniformity in Federal Reserve Bank rates as prevailed during the war, when the Liberty bond rate necessarily overshadowed all others and practically dictated uniformity. It is the belief of your committee that rates at the several banks need no longer be established either simultaneously or at similar levels.

The Nashville branch of the Federal Reserve Bank of Atlanta was opened for business on October 21, with Bradley Curry, formerly of the Fourth and First National Bank of Nashville, as manager. With the exception of Chattanooga, the new branch bank will serve the whole State of Tennessee east of the Tennessee River.

**Branch banks.**

The Federal Reserve Board on November 3 made the following announcement with reference to the hearing held in Washington on October 21, 1919, regarding the establishment of a branch of the Federal Reserve Bank of Kansas City in the southern territory of the Tenth Federal Reserve District:

The Federal Reserve Board has considered the briefs and oral arguments presented by the respective petitioners in the matter of the establishment of a branch Federal Reserve Bank in the southern portion of the Tenth Federal Reserve District by the Federal Reserve Bank of Kansas City, and has reached the following conclusions:

While the portion of the district tributary to these cities is being well served in the matter

of rediscount facilities by the Federal Reserve Bank of Kansas City, it is the opinion of the Board, however, that a branch with limited powers in the matter of rediscounts, the activities of which should be devoted mainly to the forwarding and receipt of currency and to transit operations, would be a convenience to the member banks and to the public in the territory served by such branch, and would increase the efficiency of the transit system. In view of the proximity of Wichita to Kansas City, it is manifest that a branch located at that point would not give any appreciable additional facilities in this respect to the more remote portions of the district; and the Board will, therefore, direct the Federal Reserve Bank of Kansas City to establish a branch at either Oklahoma City or Tulsa. In view of the technical nature of transit operations, the Board has requested a report from the Federal Reserve Bank of Kansas City, giving an analysis of the source, volume, and direction of outgoing business, and the volume and direction of incoming business, together with a complete analysis of all mail schedules with reference to the territory to be served by a branch located in one or the other of these two cities. The Federal Reserve Bank

of Kansas City has therefore been directed to transmit to the Board, not later than November 25, 1919, the information called for, in order that a decision may be reached as to the proper location of a branch.

On October 31 the Federal Reserve Bank of New York announced in a circular letter to member banks the retirement of Mr. Robert H. Treman, senior deputy governor of the Federal Reserve Bank of New York. A minute adopted by the directors of the bank on the occasion of Mr. Treman's retirement concluded with the following paragraph: "The directors of the Federal Reserve Bank wish to express their affection and profound respect for him, sentiments which have grown and developed in these years of close association with him, and to record their acknowledgment and grateful appreciation of the distinguished, unselfish, and patriotic service which he has rendered to the bank and to the country."

**BUSINESS AND FINANCIAL CONDITIONS DURING OCTOBER.**

Great general prosperity throughout the country, with strong demand for commodities verging at times upon recklessness in buying, is the general business situation as reported by Federal Reserve agents in the several Federal Reserve districts for the month of October. Crop returns have been good in most sections, and even where decline in output has brought the total yield below the forecasts, prices are reported as the highest on record, the money returns being thus largely augmented in spite of the decreased volume. Staple commodities have moved satisfactorily to market during the month, although the volume of grain thus shipped is smaller than last year, while shortage in some commodities, such as sugar, has brought about unusual care in the distribution of existing supplies. Production of coal has been on the increase, while the demand has been unusually strong, owing to the fears of consumers concerning the prospect of a strike to date from November 1. There has been no decline in general manufacturing, while prices continue firm. The upward movement of trade usually noted in the autumn has been in evidence during the month. Speculative activity has been extensive throughout the country and is reaching dangerous levels. This and the prevailing high prices have led in some quarters to a further development of the spirit of conservatism noted in the last issue of the FEDERAL RESERVE BULLETIN, and in some important lines of business leading factors forecast the possibility of a shrinkage either of prices or of volume of business, or both. A troublesome factor in the industrial situation is seen in the existence of a widespread condition of industrial and social unrest, and while disturbances growing out of strikes have not increased during the month, prospects for a growth in this direction have been such as to cause some anxiety.

General business conditions in district No. 1 "continue to reflect unprecedented prosperity as defined in terms of high wages and purchas-

ing power, high prices, complete full time employment in all lines of industry, orders booked by manufacturers in some cases far into 1920, projected plans for expansion of plants and equipment, and the absence of serious or widespread dislocation of working relationship between employer and employee in any of the great basic industries; although industrial unrest lies very close to the surface." In district No. 2 the financial situation is characterized by heavy demand for funds and increase in speculative activity, wholesale and retail trade is in large volume, and labor conditions are distinctly unsettled, finding particular expression in several great strikes. In district No. 3 the demand for commodities of all kinds continues unabated, prices display great firmness, and labor troubles have not proved very disturbing. In district No. 4 "most concerns are operating at capacity," although in jobbing and wholesale trade there is some hesitation due to uncertainty of labor conditions. Retailers report strong demand. In district No. 5 crop returns, owing to the high prices realized, have been abundant, business is active, and "unfavorable factors have had little deterrent effect." In district No. 6 general business conditions "show no outstanding change," and "fall retail trade is opening up in large volume," although both corn and cotton crops are poor. In district No. 7 "business generally continues to reflect the greatly increased buying power growing out of the high wages and agricultural prosperity of the last three years." In district No. 8 "most lines of wholesale and retail business show increases over the corresponding period in 1918" and "optimism still prevails." In district No. 9 general business is active, the unusually good corn crop has been harvested, and the general outlook is good. "Reports from all trade and industrial centers of district No. 10 tell of continued activity in practically all lines of business in the face of such discouragements as would at other times be calculated to bring business to a standstill.

Apparently there is a determination on the part of business to carry on, and there is a growing feeling of confidence that efforts now being made will bring an amicable adjustment of the differences between labor and capital." In district No. 11 there is "an auspicious opening of fall activities in all lines of trade," the disappointing outlook for cotton is offset by excellent yields and adequate prices realized on other farm products, the production of the oil fields is steadily increasing, and conditions on the whole are sound and prosperous. "Active trade in large volume, labor disturbances, centralized to a large extent around San Francisco Bay, with full employment elsewhere, and harvesting and movement of crops" have characterized the situation in district No. 12.

During October the labor situation has occupied a position of primary importance. The reports of Federal Reserve agents show that there has been an increasing degree of general unrest throughout the country, which has culminated in a series of strikes, either actual or seriously threatened. The steel strike, which has already been long drawn out, although with production well maintained, is apparently approaching its end. This strike has not in recent weeks seriously hampered production, and the report from district No. 4 is to the effect that its influence "has been on a steadily declining scale. Certain districts and plants from the beginning were able to maintain their organizations almost intact, and in other cases the defection was not of proportions to cripple general operations." On the other hand, serious labor difficulties in New York, prominently among the longshoremen and in the printing trades, have resulted in extensive unemployment. More serious, perhaps, in its possibilities than any other labor disturbance was the threat of a general coal-mining strike to be called on November 1, negotiations for an adjustment having been brought to nothing during the latter part of the month. A hopeful indication in the labor difficulty is the fact that in some districts a smaller number of actual

strikes, or a smaller number of men out of work as a result of strikes, is reported. Unfortunately, on the other hand, has been the fact that the industrial conference at Washington, from which much was hoped, partially disintegrated, thus disappointing the expectations of many who had believed that it would be productive of great and immediate good. From several districts it is reported that current opinion had strongly inclined to the view that a satisfactory solution of the difficulties would result from the meeting, and disappointment in the outcome was accordingly keen. Summing up district labor situations, it would appear that in the New England region there is no general or serious dislocation of working relationships, although there is unusual caution among employers, while in Philadelphia but little disturbance has been experienced. Conditions in the South, at Atlanta and the adjacent region, are fairly satisfactory, while in Minneapolis and the Northwest there is full employment, at good wages. Unrest exists in New York and Chicago, while the labor situation in the Southwest and on the Pacific coast is still unsettled, although some controversies heretofore in progress are now apparently approaching adjustment or are actually disposed of.

Commodity prices show a recession from the high levels reached during the month of August. The general index number of the Bureau of Labor Statistics stands at 221 for the month of September, as compared with the revised figure of 226 for the month of August, a decrease of 2.6 per cent. The downward tendency noted in some of the leading staples during the month of September has continued during the present month, in particular corn and livestock, though increases are noted in the prices of other staples, such as raw cotton and silk and various of the non-ferrous metals. Scarcity of merchandise in certain leading lines, and insufficiency of anticipated output to meet demand is a factor tending to keep these prices at present high levels. While there is a widespread belief that the peak of prices has been reached, in certain



quarters no great declines in the near future are anticipated, but rather comparative stability. Producers' goods remained unchanged in price, the index number being 212, while decrease in price occurred for both the groups of raw materials and consumers' goods, the respective index numbers decreasing 1.7 per cent, from 218 to 214, and 6.3 per cent, from 241 to 226. Among the subgroups included in the group of raw materials, the index numbers for farm and animal products show considerable decreases, from 251 to 240 and from 235 to 215 respectively, while the numbers for forest and mineral products show increases, from 193 to 218 and from 180 to 184 respectively.

In agriculture there has been a further increase in the estimated yield of corn, as against small decreases for spring wheat and oats. Both wheat and oats show low yield per acre, and the quality is poor. In district No. 9 "the unusually good corn crop has been harvested, but the rather unsatisfactory yield of wheat, which is both light and shrunken, has presented difficulties in connection with seed supplies for next spring." Reports indicate a slight reduction in the acreage of wheat sown this fall in district No. 10, while "corn has been helped by the September moisture and has matured nicely." In district No. 7 "the corn crop is in very fine condition in most localities," and wheat sowing has been aided by the recent rains, but the acreage in the excessively dry sections is smaller than last year.

It is reported that the deciduous fruit crop in district No. 12 promises to be the largest on record. In district No. 4 "tobacco is disappointing, estimates placing the 1919 crop at 25 per cent below that of 1918." Last year's unsold tobacco is now moving at 4 to 5 cents per pound over late quotations. The crop in district No. 5 is estimated at only 60 per cent of normal, but prices are the highest ever realized, and it is being sold rapidly. The condition of cotton showed a further decline to 51.1 per cent on October 25, and the crop is moving slowly.

Deterioration in quality is also noted in consequence of the unfavorable weather conditions which have prevailed, and extraordinary prices for the choicer qualities have resulted, as well as increases in the prices of other grades. Some tendency on the part of planters to hold the staple is reported.

Movement of grain to market is in smaller volume than last year. Receipts of wheat at 13 interior centers during September were 56,480,997 bushels, as compared with 67,699,895 bushels during September, 1918, while receipts of corn and oats show a greater falling off, being respectively 12,906,830 bushels and 20,945,038 bushels, as compared with 19,309,863 bushels and 28,957,695 bushels during September, 1918. Wheat and oats prices in the Kansas City district show a slight decline up to the middle of the month, while corn prices have declined considerably. It is reported that milling operations are heavy, and that mills are well sold up as far in advance as permitted. Recent trade reports, however, indicate a decreased demand. Flour production during September, as reported by the United States Grain Corporation, was 14,087,800 barrels, as compared with 12,042,000 barrels during August.

In view of the prevailing shortage of sugar, care is being used in the distribution of available supplies; all contracts on the books of refiners will be pooled, and a zoning system will be instituted, whereby the East will be supplied by Atlantic Coast refiners, the West by domestic beet sugar producers, and the South by southern refiners.

Receipts of cattle at 15 primary markets during September were considerably less than for the same month last year, the respective figures being 1,871,042 head and 2,249,017 head, corresponding to index numbers of 186 and 223, while receipts during August, 1919, were 1,541,133 head, corresponding to an index number of 153. Receipts of hogs were also smaller, being 1,704,944 head during September, 1919, corresponding to an index number of 78, as compared with 1,775,842 head during

September, 1918, corresponding to an index number of 81, and 1,595,759 head during August, 1919, corresponding to an index number of 73. Receipts of sheep, however, show a considerable increase, being 2,890,831 head during September, as compared with 2,220,229 head during August and 2,408,609 head during September, 1918, the respective index numbers being 212, 162, and 176. Drought conditions in the Northwest are reported to be largely responsible for the heavy movement of sheep. Decreases in the prices of the various classes of live stock are noted. It is noted in Chicago that "the average price of beef and mutton is considerably lower than a year ago," while "the prices of hogs are the lowest in two years."

The labor situation has continued the dominant feature in the iron and steel industry. Due to the fact that the strike was only called on September 22, little effect is shown in the September figures for the standard indexes of the industry. Pig-iron production during September amounted to 2,441,554 tons, corresponding to an index number of 105, as compared with 2,743,388 tons during August, corresponding to an index number of 118. The unfilled orders of the United States Steel Corporation at the close of September were 6,284,638 tons, as compared with 6,109,103 tons at the close of August, the respective index numbers being 119 and 116. Operators report continually increased production since the opening of the month.

Buying activity is reported to have centered to considerable extent in pig iron, the prices of which, both for prompt and for forward delivery, have advanced, though trade reports indicate some tendency toward spot transactions in view of the threatened strike of the bituminous coal miners. Demand for finished products has also been heavy, but there has been reluctance on the part of producers to accept further bookings in certain lines. Increases in the prices of certain products, such as tank plates, structural shapes, and steel bars, have occurred. Premiums are offered largely for prompt delivery. The growing shortage of some forms of finished steel has resulted in

depletion of warehouse stocks, but price declines for old materials in Chicago were noted during the second week of the month.

Production of bituminous coal during September was 47,403,000 tons, as compared with 42,883,000 tons during August, the respective index numbers being 128 and 116. Increased production is reported during the present month, the output for the week ending October 11 establishing a new high record for the year. While from Philadelphia it is reported that prices have sagged somewhat, due to the large tonnage thrown on the market as a result of the steel strike, consumers in general have readily taken the coal offered, in view of the strike situation in the central competitive field. Anthracite coal shipments during the month of September were 5,687,401 tons, corresponding to an index number of 101, as compared with 6,144,144 tons during August, corresponding to an index number of 109. Active demand exists for domestic sizes, but steam sizes are weak. The wage agreement with the miners has been renewed, to continue in effect until April 1, 1920. The output of beehive coke increased from 1,733,971 tons during August, to 1,790,466 tons during September. A decrease is, however, noted since the opening of the steel strike, production during the third week of the strike being but 69 per cent of the prestrike average, although still above the low level prevailing during the second quarter of the year.

Relative quiet continues in the nonferrous metal industries. Transactions in copper have consisted largely of resales, while increases in the prices of lead, tin, and zinc were noted in the first half of the month. In September there was "practical paralysis of the entire shipping of ore and fuel" in the Joplin district, due to an extreme "dearth of cars," and extremely large stocks of ores accumulated before relief came at the close of the month.

No abatement in general manufacturing is noted. The cotton-yarn market continues firm, with inquiries numerous. It is reported that cotton-mill output is contracted for up to

the close of the year, and that considerable orders are being booked for 1920. Fine goods continue very firm and high, but from Boston it is reported that fear exists that adjustment of prices of print goods and fancy products to meet the recent advances in the price of cotton may react unfavorably upon demand, or at least cause increased consumption of less expensive grades.

The raw-wool market continues quiet, with prices of high-grade wools firm. Lack of interest in low-grade wools continues, reflecting absence of public demand for low-priced fabrics. Considerable interest is displayed in the prospective offerings of Australian wool by the British Government, and their possible effect upon the market. In worsted yarns there is absence of desire on the part of both buyer and seller to contract ahead for the more distant future. Mill openings of both men's and women's wear woolens for spring are on an allotment basis. It is reported from the Philadelphia district that "they could very easily book new business far into 1920," but that disinclination to do so exists. Marked advances have occurred in the price of raw silk, and an upward tendency in the price of fine silk goods is noted. A scarcity of merchandise is reported in knit goods, with no general contracting for spring delivery, because of price uncertainty, except in the case of silk hosiery, in which orders for next June delivery have been noted. Recent trade reports indicate little placing with manufacturers of new orders for clothing, due apparently to heavy early purchases.

The hide and leather markets during the present month have been relatively quiet, and the upward movement of prices appears to have been checked. A waiting attitude has been largely assumed by tanners with respect to hide purchases, although several large recent sales of packer hides in Chicago have been reported. In leather the between-season inactivity has been noted, but prices in general have been well maintained. Lower grades, however, have moved at concessions in price. Tanners have thus been enabled to catch up in some

measure with orders previously booked. Active demand for shoes continues, in excess of the ability of manufacturers to supply. Retailers' purchases have not been restrained by the high prices prevailing. From Boston it is stated that "some of the largest concerns in the United States have reached a point where it will be impossible for them to accept additional orders for five or six months."

The customary seasonal swell in the volume of business continues. Sales, both wholesale and retail, in many sections are reported to be in excess both of those for previous months and for the same period last year. Stocks of both wholesalers and retailers in leading lines are running low, and complaint is being made of difficulty in obtaining merchandise. The demand for high-grade goods continues, although in both the Boston and Kansas City districts a growing tendency is noted on the part of consumers to limit the amount spent for various articles, and from the former it is reported that "in buying wearing apparel and other articles of household use, except food, the public in general is not paying the full amount of the increase in prices necessary to obtain the quality which it formerly bought."

A continuance of building activity is reported. Permits issued during September show a seasonal decrease from the August figures, the latter, however, being the record month of the present year. Labor difficulties and shortage and high cost of construction both for labor and material have continued to be retarding factors. Continuance of a satisfactory amount of building throughout the winter is predicted. Seasonal decrease in the demand for lumber is reported from certain districts. Slightly lower prices are reported on certain grades, such as southern pine, while others, in particular western pine, have increased in price. Increased production as yet has succeeded but little in building up stocks.

Official figures for the month of September show a decrease to \$161,100,000 in the export balance from the figure of \$338,900,000 for the month of August. This is the lowest figure for

any month since July, 1917. Accompanying a decrease of approximately \$50,000,000 in exports was an increase of \$128,000,000 in imports. Interest was displayed in the foreign trade conference which assembled at Atlantic City during the latter part of the month.

Large decreases in exports are shown for meats, chiefly bacon, hams, shoulders and lard, and raw cotton, the September exports of the latter article being 50 per cent less in quantity than the month before. On the other hand, exports of breadstuffs, mainly flour and wheat, were larger both in quantity and value than for the preceding two months. Of the total increase since August of about 128 millions in imports, 70 millions represent an increase in the value of crude materials imported, chiefly raw silk from Japan, Egyptian cotton, hides and skins, also fibers, and about 32 millions an increase in the value of imported articles of food, chiefly sugar, from Cuba and coffee from Brazil.

In the stock market the present month has been characterized by a continuance of the speculative activity which commenced during the last week in September, and price advances have occurred. Bond prices have shown a tendency to rise, the returning strength of high-grade railroad bonds being especially marked. Transactions in Liberty bonds have been heavy, and they have led the rise in the general investment market. September issues of new securities were the heaviest for any

month during the present year, and October issues are reported to show little or no falling off in volume. Speculation was not adversely affected by the increase in call money rates which accompanied the recent great increase in loans of the New York Clearing House banks and borrowings from the Federal Reserve Bank of New York. After touching 15 per cent at the close of September rates remained at a relatively high level throughout the early part of October, and again reached 15 per cent on October 14 and 15, since which time they have declined sharply with an increase in available funds and reached a low figure of 4 per cent. An upward tendency in commercial paper rates in New York is reported, as well as a limited demand for acceptances. The customary heavy seasonal demand for funds is generally noted. Rates in other centers have been steady and have not reflected the erratic fluctuations in the New York market. The board's figures of the volume of check transactions continue at a high level. The banking situation continues to be regarded as sound, though need of caution in loan expansion is emphasized in certain quarters, particularly in view of heavy seasonal requirements for funds and the high-price levels now prevailing. Credit and collection conditions are good and failures, while showing an increase for September over those for the two previous months, continue unprecedentedly small and few.

## SPECIAL REPORTS.

## REPORTED BY DISTRICT NO. 1.

*General retail trade.*—Retail trade continues active and merchants are prosperous, reflecting the condition of their customers, the reports from many quarters indicating apparently no slackening in the buying of either necessities or luxuries. Volume of business is reported as showing an increase not only in amount as reflected in selling prices but in the number of transactions. The latter is not, however, proportionately as great as the former, i. e., increased business, when measured in terms of money, does not because of the steady rise in prices necessarily mean an increase in transactions. There has been a widespread impression that the people in general have been in recent months disposed to extraordinary extravagance and numerous incidents within almost everyone's experience, many of which find their way into print, are constantly cited to support this belief. There is, on the other hand, evidence that such cases are exceptional; indeed, that in buying wearing apparel and other articles of household use, except food, the public in general is not paying the full amount of the increase in prices necessary to obtain the same quality which it formerly bought; and the number of persons who positively refuse to pay for goods with respect to which they can exercise discretion in buying more than a fixed figure which they deem consistent with their means, or necessary to adhere to in view of the cost of other items which enter into the family budget and over which they have no control, is reported by some of the larger stores to be apparently increasing. Whether this attitude on the part of the public, if it expands and is steadily sustained, will ultimately have an appreciable influence on retail prices remains to be seen; in the meantime retailers continue to experience difficulties in getting deliveries of goods in season for consumption, a circumstance making for continued high and in some lines still higher prices, though merchants prefer to be optimistic in the belief that, in general, prices have reached the peak.

*Wool and woolen goods.*—Wool dealers report the market, while in general still marking time, to be gradually showing increased activity. No relief from the shortage in the finer goods is yet in evidence, with resulting buoyancy in prices. There is considerable speculation as to the effect upon this situation of the offering here probably early in the new year of 50,000 bales of Australian wool by the British Government,

it being generally assumed that this will take place notwithstanding the opposition of the growers which has been very vigorous, and the opening of the London sales to American competition. Some dealers sympathize with the growers in the view that the movement to bring about this sale reflects a shortsighted policy, inasmuch as the argument made in its behalf for the benefit of the manufacturers, and presumably for the consuming public, might be advanced with equal force with respect to furnishing an outlet for surplus stocks of other materials accumulated by Great Britain, it being contended that a reactionary effect upon American industry might result which would in the long run offset immediate advantages; other dealers are inclined to look upon the situation more philosophically, taking the ground that the demand for fine goods is so great that it will readily absorb the best grades of wool which they believe will form the bulk of the Australian shipment. In the meantime the auctions of our own Government supply, chiefly of the medium and coarse grades, are scheduled to come off next month and their possible effect upon the offering of the British stock remains to be seen. Mills are running to capacity and so long as the public remains insistent in its demand for only the finer grades of cloth for suitings, leaving a narrow market for the medium and coarser grades of wool, high prices may be expected to continue.

*Cotton and cotton goods.*—The falling off both in quantity and quality in this year's cotton crop due to unfavorable weather conditions, which have prevailed over much of the cotton-growing section of the South, together with the high cost of labor, and the fact that the supply of last year's crop which was carried over was largely of the coarser grades, has resulted in such extraordinary prices for the choice qualities as to cause a marked reaction in buying activity, for while retail current demands for print goods and all kinds of fancy products, such as costly shirtings, show little sign of abatement, mill men are fearful that any further increase in prices to meet the cotton price levels recently set by the southern growers would prove the traditional straw which broke the camel's back; indeed, buyers themselves, while eager to take whatever the mills are able to offer in the way of fine goods at the prices hitherto prevailing, are reported as balking when confronted with the advances in the price of cloth they would find it necessary to pay to meet the sudden rise in the price of the raw material. Thus a situation has been

created in the fine-goods market which may be expected to cause a reaction to set in, or, at any rate, to reconcile the consumer to accepting the less expensive grades. Manufacturers of goods for household use are sold 60 to 90 days ahead, but are by no means running in all cases to capacity, being apparently reluctant, with few exceptions, to take orders for delivery very far into the new year, because of uncertainty as to prices and labor conditions. The situation as respects the market for coarser grades, such as are used for ducking, automobile tops, hose, etc., is somewhat different, customers of the mills for this class of goods being not so dependent upon market fluctuations in the price of raw cotton in making sales to supply the demands of current trade, and therefore willing to make contracts with the manufacturers for monthly deliveries for many months in advance on the basis of the cost of cotton at the time of delivery. Mills having, or able to install, the equipment to handle orders of this kind are accordingly willing to book orders for practically an indefinite period in advance, and there are instances of this being done far into 1920.

*Leather and shoes.*—Continued prosperity dominates all branches of the allied shoe and leather trades, from hides to shoes, a condition equally true of the related industries, such as the manufacture of shoe machinery, lasts, tanning materials, and shoe findings. Some of the largest concerns in the United States have reached a point where it will be impossible for them to accept additional orders for five or six months, and an actual shortage of footwear, although perhaps it will not be acute, is a possibility since the shortened hours of labor are beginning to show their effect in reduced production. The upward tendency in hide and leather prices has been somewhat checked, but at the present time these commodities remain on a strong basis. In the meantime, shoe prices, always six months or so removed from leather quotations of the moment, have continued to advance. The present checking of leather values, however, gives some ground for the hope that the "peak" in shoe prices will be reached by the midsummer of 1920. Extensions to existing plants are being made in some quarters, and the example set by those who have had the courage to take the initiative in this respect will probably be followed by other concerns as soon as they are better able to forecast economic conditions. The export trade in both leather and shoes is still averaging large totals. Certain prominent concerns are

making ambitious plans for foreign trade after conditions are stabilized, and one of the largest New England companies has recently organized subsidiary British and French corporations to simplify the distribution of its products throughout northern Europe.

REPORTED BY DISTRICT NO. 2.

*Money and banking.*—The past 30 days have been marked by important movements in money and banking in this district, particularly in the city of New York. In this period loan accounts of New York Clearing House banks reached new high levels. The loans and investments of the Federal Reserve Bank of New York increased to a point not far below the highest ever reached. The call money rates, as yet the accepted indicator of money market conditions, rose on three days to 15 per cent and frequently to 10 and 12 per cent.

The elements which precipitated the rise in loans and in rates had their roots in the conditions described in our report of a month ago. On September 15 and the days immediately following the Federal Reserve Bank of New York paid \$374,000,000 of certificates of indebtedness, and at the same time sold \$437,000,000 of new certificates, chiefly of one year maturity. During September also there was an actual decrease of \$400,000,000 in the Government debt. The result was momentary ease on the money market, a reduction of \$225,000,000 in the borrowings by the member banks of this district at the Federal Reserve Bank, and a recrudescence of great speculative activity at a time when the normal demands for autumn business and crop moving are normally at their apex.

At the Federal Reserve Bank the reduction in member-bank borrowings was transient. The mounting credit demands of the season and of speculation in securities, real estate, and other forms of property, together with the withdrawal of \$166,000,000 Government deposits created by the sale of certificates of indebtedness, produced directly or indirectly in three weeks a rise of \$240,000,000 in the borrowings at the Federal Reserve Bank, until on October 17 total loans and investments reached \$974,400,000, only \$24,000,000 below the total of last July, the maximum for this bank.

The increase in loans and investments of New York Clearing House banks from September 19 to October 17 was about \$45,000,000, with the peak on October 10, when the total stood at \$5,433,000,000, the highest ever

reached, and more than \$110,000,000 above the figure for three weeks previously. This expansion occurred in spite of a material liquidation of war obligations held by the banks. During the same period the banks in this district which report their condition to us each Friday reduced their Government bond holdings by \$9,000,000, their certificates of indebtedness by \$109,000,000, and their loans secured by United States bonds by \$37,000,000; while their loans secured by stocks and other bonds increased \$112,000,000.

Nor is this movement confined to New York City and the Second Federal Reserve District. The liquidation of Government securities and paper which is taking place in the banks of every section of the country has released much credit, but this credit has not been used to reduce borrowings at the Federal Reserve Banks; it has been promptly absorbed by the demands of production and distribution or by the speculation in securities, commodities, and real estate, which is proceeding actively in nearly every part of the country. The demands for credit which have lately been imposed upon the Federal Reserve system have reduced its reserves to less than 49 per cent, the lowest in its history, despite the recent introduction into these reserves of about \$107,000,000 of gold received from Germany in payment for foodstuffs, a wholly exceptional transaction.

One of the most important developments of the past few months has been the general tendency on the part of the banks to distribute, rather than to hold, their certificates of indebtedness. On September 30, the last date for which figures are available, the total amount of certificates outstanding in the country was \$3,755,000,000, and it is estimated from the figures of the 776 banks which report weekly that the aggregate amount of certificates held by all banks in the United States was well under \$2,000,000,000.

The steady liquidation of Government paper in the banks and the demand for Government bonds in the market at rising prices indicate the gradual absorption by savings of those bonds for which the savings of the country during the war were insufficient. Among the large borrowings made for the purpose of participating in Liberty loans were those of the large insurance companies, and they are now nearly or completely liquidated. This evidence of saving is confirmed in the reports of 64 insurance companies showing that for the first six months of this year \$845,000,000 more

new insurance was written than in the corresponding period a year ago. The New York State savings banks show an increase of \$137,000,000 in deposits for the first six months of this year, against \$5,164,000 for the same months of 1918. On the other hand, extravagance in personal expenditures is everywhere reported, and there is still an obvious disposition on the part of holders of small denomination Liberty bonds to sell. In certain issues the total of \$50 bonds which have been presented at the Federal Reserve Bank for exchange into higher denominations—suggesting that the purchasers have sold them to buyers able to hold \$1,000 bonds—exceeds the number originally issued in this district. But as New York is the primary market for the sale of Government bonds, large amounts of small denomination bonds are constantly being sent here from other districts for sale. However, the great volume of such exchanges is indicative of the extent of the continued selling by small holders.

The movement of call money gives an accurate reflection of the movements described above. Immediately after September 15, when this bank disbursed funds in payment of certificates of indebtedness, the call-money rate for a few days fell to 4 per cent, but the ease soon passed. At the end of September the rate touched 15 per cent and remained high, with only transient declines to the middle of October, when it again touched 15 per cent on two successive days. At the end of the period, with an increase in available funds and a decline in the loan totals of the banks, it fell sharply and reached a low figure of 4 per cent.

Rates for time money tended upward as early as the first week in October, reaching 6 per cent for the shorter maturities as against 5½ in the latter part of September. The rate for longer maturities reached 7 per cent on October 15 and 8 per cent a day later.

Throughout the period commercial paper rates have ruled at 5½ per cent, with the best names selling at 5 per cent. Few New York banks have been in the market, but an active demand has come from their out-of-town correspondents. Offerings have been limited, but latterly rates have inclined upward, in sympathy with higher call money. Dealers in acceptances report poor sales for the same reason and that their holdings have increased extensively. Rates on acceptances are unchanged.

Bank clearings for September increased only one-half per cent from August. During Octo-

ber clearings have been heavy and increasing, a result of the increase in commercial transactions and the active stock market.

*Stock market.*—The position of equilibrium into which the stock market had worked itself by the middle of September has in a broad sense been maintained ever since, and this is especially true of railroad shares. The prices of these within the past month have not moved enough to pass either above the peaks of recent rallies or below the bases of recent breaks. Even the industrial issues have continued to move within a price area too confined to denote any new or powerful tendency. Yet they have passed slightly above the previous high tide of the 1919 upward movement, even though they held the new advance only for a couple of days.

Realizing sales depressed the market somewhat during the third week of September, and a negligible amount of liquidation was reported. Yet railroad shares, which were the weakest group, did not go any lower than a month earlier; and in the case of the industrials as an average, the lowest prices reached in the latter half of September were not much below the highest prices attained in August. During the reaction of the third week of the month the volume of transactions on the New York Stock Exchange shrank to about 920,000 shares daily, whereas in the upward movement that occupied the fourth week of September and the first ten days of October the trading averaged about 1,450,000 shares daily. Otherwise expressed, the trading and investing public seemed willing to stand aside and wait while the market was sagging, but participated in the movement as soon as the advance was resumed.

On the whole the market seems to have moved according to the rules of speculation rather than of investment. Purchasers appear to have been guided by matters of expectation rather than by performances in the way of earnings and dividends. The steel strike was rather the reverse of a depressing influence, because current market opinion exaggerated the appearance of victory won by the steel companies at the outset. Moreover, high rates for call money, precipitated to a considerable degree by the activity of the market, did not act as a deterrent to the traders, but were regarded merely as an incidental and minor offset to expected profits. Throughout most of the period urgent liquidation has been notable for its absence.

*Bond Market and new financing.*—Bond prices have shown a tendency to rise, indicating that the market has already adapted itself

in considerable degree to new requirements for a higher gross return on investments which taxation and the value of money have dictated. The returning strength of high-grade railroad bonds is especially marked, a firmness that is shared, though not to the same extent, throughout the list, with the exception of street-railway bonds. That the obligations of the railroads have risen as a group beyond other corporation issues is no doubt the reflection of confidence that in coming railroad legislation property rights will be protected. Within the past month underlying first mortgage railroad bonds have recovered about  $2\frac{1}{2}$  points, while general mortgage, debenture, and convertible bonds have risen about  $1\frac{1}{2}$  points. Industrial bonds have risen about three-eighths of a point.

The month's transactions in Liberty bonds have been heavy, proof that the public interest in United States Government issues is being maintained. Liberty and Victory bonds led the rise in the general investment market, and are still leading it. There is every reason, in the volume of the issues, their unparalleled security, and the familiarity with them of large and small investors, why they should do so. Further, their net yield to many investors is greater than the net yield, after taxes, of corporation bonds showing the same gross yield. Irrespective of taxation, the effect of which varies greatly between individual holders, the yields of these issues, except the  $3\frac{1}{2}$  per cent bonds of the first Liberty loan and the Victory  $3\frac{3}{4}$ 's, range from 4.29 for the first 4 per cent converted bonds to 4.87 for the Victory  $4\frac{3}{4}$ 's (the yields being figured on the life of the bonds).

New investment securities continue to be offered in large volume. The offerings of September are reported to have been about \$380,000,000, as compared with the previous high record this year of \$371,000,000 and with a general average of about \$240,000,000 per month. The circulars received thus far during October reflect little or no falling off in the output of new securities. Aside from a larger proportion of high-grade Government and municipal issues, the general average character of these new securities is about the same as in the recent past. State and local government bonds have been issued in greater variety than in recent times.

*Foreign trade and foreign exchange.*—The outstanding event in the September foreign trade record for the country was the leap in the total for imports, which, according to the



summary figures from the Department of Commerce, were up \$100,000,000 from the previous high record attained in July. Exports, on the other hand, declined from \$646,000,000 in August to \$593,000,000 in September. Thus the favorable balance of trade for the month is reduced to \$158,000,000 and aggregates \$3,170,000,000 for the year.

At this writing only totals are available, and it is impossible to define the imports which account for the increased total. The fundamental explanation is doubtless in the condition of the foreign exchange market, which encourages imports and sets up an automatic tariff against our goods abroad.

There was a sharp advance in practically all the foreign exchanges during the last week in September, partly due to speculation, but during October there has been an almost constant decline. Sterling, after rising to 4.26, gradually dropped to 4.14¾ on the 18th, which was within about 3 cents of the low record reached in August. Francs rose rather sharply to 7.86 on September 29 and then gradually declined to 8.77 on October 15. Lire took the same course and declined from 9.52 to 10.16.

#### REPORTED BY DISTRICT NO. 4.

General strike conditions which have prevailed in the iron and steel industry since September 22 have interrupted but have failed to check the progressive development of trade in these major lines. The effect of the strike on production has been on a steadily declining scale. Certain districts and plants from the beginning were able to maintain their organizations almost intact, and in other cases the defection was not of proportions to cripple general operations. These conditions especially have applied to the Pittsburgh district, to the east, to the south, and to other scattered localities. As a result, shipments to consumers have been fairly well maintained from a number of directions, and these with stocks of material on hand by the former, together with the piecing out from jobbers' and warehouse stocks, have reduced the effect of the shortage of iron and steel in general manufacturing or construction work. In fact, the secondary results of the strike as yet have not been serious or crippling as far as general industry is concerned.

It is apparent, nevertheless, that the loss of iron and steel production now being sustained is beginning to have a strong bearing upon the market position of iron and steel, and this irre-

vocable tonnage which is steadily growing promises to be a continuing and important factor for a long time. The conservative policy as regards price advances which has been pursued by the iron and steel manufacturers, it is indicated, has been disrupted by the shortages of material which are growing as a result of the strike. The economic loss produced by strikes through interrupted production and the cost to the public at large are clearly illustrated by this situation. Because many blast furnaces are banked and unable to ship pig iron, even where they have stocks on their yards, prompt iron is commanding premiums of \$2 and \$3 per ton or more. Prices for forward delivery have been advanced \$2 a ton or more. A similar condition prevails in mill products. Prompt or early material is commanding premiums and in some lines higher prices are being asked and paid for forward delivery. It is a question when normal production shall have been restored whether the market will return to something near the level prevailing at the time of the strike; present indications are to the contrary, since former output and efficiency of the mills in many cases are likely to be matters of slow recovery.

Because the extent of the strike has varied widely in different districts, the restriction of output in different products has been dissimilar. This promises to have its bearing on future market conditions in these respective lines. The leading producer of sheets has restored its production to 85 per cent, while independent sheet mills are running at 75 per cent of the rate in force at the time of the strike. The Carnegie Steel Co. has cut down its idle list of blast furnaces since September 22 from 35 to 20. The Cleveland and Youngstown districts have remained the points of greatest continuing disaffection, but the first return of the men to any appreciable extent the past week has made the situation more promising from the standpoint of manufacturers. In the Pittsburgh, Chicago, and other mill territories the drift of the men back to their jobs now is more pronounced and general than at any time since the strike.

The boats of the bulk freight fleet are still taking considerable delay due to labor trouble ashore, and much time has been lost since the last week in September on account of the steelworkers' strike.

Shipments to the furnaces that are idle have been cut off and a large part of the ore is being placed on dock. That is a slow operation, as about 80 per cent of the ore is sent forward

direct to the furnaces under normal conditions, and some of the unloading plants at the lake front are down.

Ore has been moving faster than it can be handled. There has been a big line-up at all the docks and some of the ore carriers have been held in port a week or more.

Retail business throughout the district is in excellent shape, judging from the reports from all classes of merchants. While the greatest activity has been in the shops which cater to the women folks, other stores have felt the wave of heavy buying. Dealers in women's wear report that there has been an unexpectedly heavy buying of winter merchandise in addition to the heavy purchases for immediate and fall use.

The dry goods jobbing business during the past few weeks has shown some hesitation due to uncertainty of labor conditions. The sky seems to be clearing, however, and retailers are now buying with more freedom. Orders for spring delivery are beyond expectations, indicating that customers have confidence in the future.

Dry goods of all kinds are becoming very scarce, and will become more so unless some move is made to increase production. There is a short cotton crop, which aggravates the situation and makes for still higher prices. This shortage of cotton, together with decreased production, forecasts nothing but high prices for months to come.

There is still a reckless disregard in buying, especially in the purchasing of the nonessentials. This recklessness shown in the choice and price of commodities is one of the strong factors that is causing continual high prices.

There is, however, a distinct falling off in the purchase of shoes at the very high prices quoted, also in some other departments where the advances have been abnormal.

But in the face of this merchants claim that conditions are such that the prices at which they are selling their merchandise to-day seem criminally low from their standpoint, considering the price of replacement quoted them. In leather goods and woollens they state they are to-day retailing merchandise at a price at which it will be impossible to duplicate at wholesale.

The fear that exists in the thinking retailers' minds is how long can this condition continue and what must be done to prevent this continuous rise. It is impossible for them to merchandise on a standardized basis as they formerly did, as the manufacturers, despite

the high prices, claim they will not be able to fill their orders.

#### REPORTED BY DISTRICT NO. 5.

The tobacco crop is estimated at 60 per cent of normal, but the highest prices ever obtained are being realized. It is being sold rapidly and the proceeds are already providing some liquidation and assisting in the limited marketing of cotton.

The cotton crop is estimated at a little over 10,000,000 bales, which will only supply to a limited extent the needs of the world. Owing to the disarranged exchange markets and the determination of planters to market the staple only as full prices can be obtained, the crop is moving slowly at about 35 cents for middling cotton. The liquidation of agricultural paper has begun and bank deposits are showing considerable improvement, but money is still in good demand.

With the proceeds of tobacco, reasonable sales of cotton at present prices and the gradual liquidation of advances for raising the crop, the cotton movement will be financed without serious difficulty. Spinners and manufacturers are making maximum profits.

The farming interests of Maryland have had a satisfactory year with the exception of the canners. Forty per cent to 50 per cent of the canneries in the eastern section are reported as idle for several months past, owing to damage by excessive rains to tomatoes and other truck products.

In trade circles, purchases by retail merchants have been well sustained and the indications are for a steady demand for merchandise throughout the balance of the year. Great difficulty is being experienced in securing a full quota of supplies from producers. Deliveries are very slow and in many lines allotments for future deliveries are being made, and advances in prices are expected rather than recessions. Great difficulty in obtaining raw materials is still reported.

#### REPORTED BY DISTRICT NO. 6.

*Agriculture.*—Present indications are that the cotton yield of Georgia will be the lowest since 1896. The boll weevil has covered most of the cotton counties in the State and has done great damage. The adverse weather has also aided in reducing the crop. Long periods of flooding rains early in the season were followed in August and September by severe drought and heat.

The cotton crop of Alabama will show a decreased production this year. The percentage is now estimated at 55 per cent of a normal crop. Boll weevils and unusually wet and cold weather during the early spring, together with unsatisfactory labor conditions, greatly reduced this crop.

Reports from Florida indicate that conditions in the Sea Island cotton market are about the same as previously reported. Some sales have been made recently at about 65 cents, but it is thought the price will rise and many are holding out on this account.

The corn crop of Georgia is reported to be the poorest in several years. Despite the very material increase in acreage, the total output will be far below that of last season.

The Mississippi corn crop is reported to be the shortest since 1916. The corn acreage was slightly reduced this year, and some of that planted was abandoned and not replanted on account of weather conditions and labor troubles. The acreage planted in sweet potatoes was increased 10 per cent, and the indication is the crop will be increased about 800,000 bushels over last year.

The corn crop of Tennessee made a slight improvement during the month of September, the condition on October 1 being reported at 75 per cent of normal, compared with a 10-year average of 81 per cent. The buckwheat crop of upper east Tennessee suffered for moisture, as did late white potatoes. Sweet potatoes are showing up well, and harvesting is going on in some places with good yields and quality.

The Tennessee tobacco crop took on renewed life during September, and what at one time was expected to be a short and poor crop has turned out to be one of the best ever produced in the State.

*Lumber.*—The lumber market during the past month has settled somewhat and prices are slightly lower. This is due in part to the slackened demand in the Northern States with the approach of cold weather, and the further fact that weather conditions in the producing States have been favorable to increased output. The railroads are buying very little, and the export demand has declined. Even though the market is easier and prices have declined slightly, it is not probable that there will be any large reduction in prices because stocks are very scant at the mills. The car supply is unsatisfactory.

*Naval stores.*—Both turpentine and rosin show a marked decline during September, due principally to the comparatively larger re-

ceipts. On account of the high prices these commodities had reached, no importance is attached to this decline. Both products are again on the upgrade. Labor conditions in this industry are decidedly better and operations are now going on in a satisfactory manner.

#### REPORTED BY DISTRICT NO. 7.

Business, generally speaking, continues to reflect the greatly increased buying power growing out of the abnormal wage distribution and agricultural prosperity of the last three years. Manufacturing in most lines in the Middle West is exceedingly active and the people are spending their incomes as freely as though they expected to be able to continue indefinitely on the war-time basis.

About the only indication of a distinct tendency toward conservatism is found among the merchants, who despite the lavish buying of luxuries and other merchandise are carrying comparatively small stocks of merchandise and manufactured products, measured in volume. One factor in this, however, apparently is the limited amount of raw material and the continued high prices, mercantile concerns hesitating to stock up at high prices in face of an inevitable subsequent readjustment to a lower level.

There are indications cropping out here and there of a growing tendency to expand manufacturing plant capacity instead of increasing present plant efficiency in order to care for the present demand. Bankers are beginning to scrutinize their loans more closely, with a view of checking a possible disposition on the part of borrowers negotiating loans ostensibly for commercial purposes when working capital is gradually being absorbed in plant expansion. The menace of such a condition, if it becomes general, lies in the absorption of floating credit by necessitating the use by banks of their own liquid assets in obtaining rediscounts at the Federal Reserve Bank.

The banking situation continues to reflect heavy borrowing all through the Middle West. Cattle feeding and other agricultural purposes, as well as manufacturing and the continued high-price level, call for a use of credit in peace times equal to if not greater than a year ago when we were at war. Advices from member banks, however, reveal some development of conservatism which is manifesting itself in a closer discrimination in the matter of making loans, with a view of checking the more speculative enterprises in their work of expansion

and the forcing of greater economy and development of efficiency in operation, to the end that production may be increased without a corresponding plant expansion.

The tonnage being booked by the big steel companies operating at Gary is reported on an average to be very satisfactory. The demand for steel in such lines as implement and automobile manufacturing is in excess of the ability to produce the material, and western steel makers say that they are not in a position to accept further orders for shipment prior to February or March. There appears to be a large demand for steel, which is more or less held in abeyance on account of strikes, not only in the steel industry but in various localities in building and other trades. The export demand is large, and once the labor situation clears up, predictions are for an unusually good demand for steel during the entire coming year.

In building lines the demand for material is marked, due somewhat of course to the settlement of the building trades strike in Chicago; consequently all building material fabricators are well supplied with work. The demand for steel continues light from railroads, and the indications are that no large commitments will be made before the first of the year.

The average price of beef and mutton is considerably lower than a year ago, notwithstanding the smaller receipts at the principal markets during September compared with the previous year, which showed a decrease of 23 per cent for cattle, 18 per cent for calves, and a small decrease in the receipt of hogs. The prices of hogs are the lowest in two years. There are big stocks of pork abroad, which Germany would absorb if she could finance the operation. With cheaper corn in sight there are predictions of a \$12 price for hogs. Receipts of sheep increased 26 per cent. The receipts for the first nine months of the year showed a decrease of 10 per cent for cattle, 1 per cent for calves, and an increase of 29 per cent for sheep. The increase in the receipts of sheep are due to big runs which have arrived from the dry northwest, a lot of lambs being light in weight.

The drought districts of the northwest have also contributed to shipment of cattle, excepting beef stock which is being fed for the market. In consequence, there have been big runs of light cattle, selling for \$10 to \$12 per hundred. Declining markets and high prices for feeds, however, are contributing

to losses for cattle raisers, who have to fall back on their cushion of profits made in the last two years.

#### REPORTED BY DISTRICT NO. 8.

A survey of the industries in the several manufacturing centers in the district indicates that many lines of business have developed materially beyond a prewar basis. The number of employees has increased and wages are from 40 per cent to 100 per cent higher. In addition to this many new industries have been established. A large manufacturer of shoes says there is a good demand for his product, but that he is somewhat hampered by the "underproduction of labor." His orders on hand for future delivery are far above normal. The market, he says, is very high, but shows some signs of weakness. Manufacturers of clay products, brick, tile, clay pipe, etc., say there is a good demand for their products from small manufacturers and for municipal and other internal improvements. The demand is about 75 per cent of normal. The steel strike and dullness in the metal trades has restricted the demand for fire brick. Prices tend to decline.

*Wholesale and jobbing.*—A large wholesale hardware concern reports that its business is improving. It attributes this to the good harvests, remunerative prices to farmers, and to the optimistic spirit prevailing. Its business increased considerably over last year, but decreased slightly from last month. There is still a tendency in some quarters to buy only for immediate wants.

Wholesale grocery firms say prices are tending to lower levels; that there is a good demand for their products, but that orders on hand for future delivery are not as large as last year. There are few complaints of the Government's sale of foodstuffs.

Wholesale dry-goods houses say there is a strong demand for their products. One firm says its business decreased 5 per cent from last year, but increased 10 per cent over last month. It asserts it has already booked large orders for the spring and summer of 1920.

The demand for the best grades of cotton, which is exceptionally strong at this time, has put cotton factors and jobbers in an optimistic frame of mind. Their only complaints are of export difficulties and of a prospective shortage of farm labor.

*Retail.*—Some retailers say that the "anti-profiteering agitation" and the high prices

have affected their sales adversely. In the South, the unseasonably warm weather has delayed the demand for fall and winter goods. While some stores report increases in business as high as 61 per cent over last year and 35 per cent over last month, yet one concern states that its apparent margin of increase is due largely to an extension of its plant and to the higher prices.

REPORTED BY DISTRICT NO. 9.

The demand upon milling and manufacturing institutions throughout the ninth reserve district is steady and is increasing. Most mills and plants are operating at capacity with large orders ahead, which are sufficient to guarantee a continuation of the present active conditions through the winter months.

The rainfall in the western half of the district has so far been unsatisfactory and this has, to a considerable extent, interfered with fall plowing. In regions that were visited by grasshoppers this year the farmers are, however, steadily plowing fields that are likely to be infested. In the eastern half of the district where moisture conditions are better, a normal amount of fall plowing will be accomplished.

The corn crop, which is unusually good, has been harvested and is safely in the shock or in crib. The yields have been good in all parts of the district where corn is an important crop and the quality is excellent.

Killing frosts were late in arriving, and this condition was favorable to good yields of late garden and field produce. The late season has also favored the maturity of fodder crops and large amounts of rough forage are available for winter use. This, with the season's excellent hay crop, will be of great value in consequence of the high prices of mill feed and similar products.

The rather unsatisfactory wheat yields and the fact that most of the wheat from this crop is light in weight or shrunken has already presented difficulties in connection with seed supplies for next spring. Milling interests and State agricultural authorities are investigating the available supplies of good seed and are taking early steps to prevent the marketing of wheat that will be required for the planting of next year's crop. With plans for action already under way there is a good prospect that notwithstanding the readily apparent shortage in the seed wheat supply, a solution of the problem will be found before the planting season comes around.

The amount of wheat and other grains coming into the market is less than last year. Bank clearings have shown a tendency to decline during the month as a result of the limited movement, and railroad grain traffic is reduced 40 to 50 per cent.

Wholesalers and jobbers are doing a very satisfactory business and both sales and collections are good. They are still meeting with difficulty in procuring satisfactory supplies of merchandise, and report that the difficulty of securing supplies is due to the shortage of production in eastern mills and factories. Retailers report that in money volume their sales are generally above normal. Buyers have plenty of money and are spending it freely. Retail collections are good. Retail lines in common with wholesale lines report difficulty in maintaining their stocks and in procuring prompt delivery of merchandise.

REPORTED BY DISTRICT NO. 10.

*Agriculture.*—Fall rains, generally light and well scattered over the district, have made pastures green in nearly all sections, and with fall-sown wheat getting a good start the farmers are sure of fine pasturage until Christmas, or until the heavy snows come. In parts of Colorado and Wyoming snow fell early this year, but grass is green in the low ranges.

Preparation of the soil and seeding of wheat progressed satisfactorily over the greater part of the winter wheat area in September, although the ground was somewhat dry for best results in southwest Missouri, southeast Kansas, northwest Oklahoma, and north of the Platte in Nebraska. Improved weather conditions in these sections early in October helped out the situation materially. Reports from many sections are that wheat is coming up fine and it has a good stand and a dark rich green color. It is too early for accurate estimates of the acreage of wheat sown this fall, but reports thus far would indicate a slight reduction of the acreage from last year's planting. Threshing of the 1919 crop of wheat is still under way in the western part of this district.

The September moisture helped the corn in a good many localities and improved the condition perceptibly. The corn has matured nicely and without damage from frost. The season is now over except the gathering. Taking the corn belt as a whole the yield for 1919 is better than the five-year average. Practically all grain sorghums have matured nicely and the yield is heavy. Cotton is fairly good in Oklahoma, though heavy rains in September did

some damage to the crop. The production of broom corn will be greater than that of last year, but on a greatly reduced acreage.

The digging and hauling of sugar beets to the factories is now under way, and great activity is reported in all of the sugar-beet sections of Colorado, Wyoming, Nebraska, and Kansas. The beets are of excellent quality, but the yield per acre is short of last year's yield. The largely increased acreage this year, however, is said to insure a larger production of beets by several thousand tons.

That 1919 has been a good all-round year agriculturally was disclosed in a practical way at the International Soils Product Show in Kansas City, where the products of this district came in competition with those of the irrigated sections of Arizona, the fertile lands of Manitoba, and other favored sections of this country. Kansas, Oklahoma, and Colorado each had wonderfully fine prize-winning State exhibits, while several of the counties and sections of other States of this district also had remarkable exhibits.

*Grain movement and milling.*—The movement of wheat to the markets of this district has been in larger volume since harvest time than at the same time last year—and this in the face of embargoes, car shortage, and the permit-to-ship system. The increase at Kansas City, Omaha, and St. Joseph for the months of July, August, and September were 17 per cent larger than for the same after-harvest three months in 1918. It has been about the same at Wichita, Oklahoma City, and other grain centers of the district. Corn receipts at all points have been about 50 per cent of the volume of receipts up to this time last year, due to the fact that practically no corn was held over from last year's scanty crop. A marked increase of corn receipts is looked for when the movement of this year's crop is under way. Receipts of oats were in about the same proportion as corn, about 50 per cent of last year's marketing at this time.

Top and bottom prices of No. 1 hard wheat at Kansas City in September were \$2.57 and \$2.18 per bushel. October brought something of a decline, as on the 14th No. 1 hard wheat was selling at \$2.27 to \$2.50, with a preference for the dark variety. No. 1 red wheat was selling at that date at \$2.24 to \$2.25, having suffered a decline in about the same proportion as the hard wheat. The top and bottom of corn prices in September was \$1.77 and \$1.36 for No. 2 mixed, showing a sharp break from the high prices of July and August. A further

decline brought No. 2 mixed corn down to \$1.39 on October 14, and at the same time No. 3 mixed was \$1.36 to \$1.38. Oats were slightly off in September as compared with the August prices, the top and bottom September prices being 73 cents and 67 cents for No. 2 white oats. Mid-October saw No. 2 white oats selling at 69 cents to 70 cents.

Milling operations have been heaviest of the year in the past four weeks. At Kansas City operations have been 89 per cent to 103 per cent capacity, at Omaha 85 per cent to 90 per cent capacity and at interior milling points at 86 per cent to 90 per cent capacity. All points show a good increase over last year's operations in flour making. The flour trade has been heavy, due largely to the fact that buyers could not longer afford to hold back in the hope of obtaining lower prices. Prices are showing very slight changes only.

*Live stock.*—Receipts of cattle, although meeting demands except as to finished fat cattle, failed to come up to the September mark of 1918 as a result of car shortage on the one hand and unsatisfactory prices on the other. The market during September was very erratic. Beef steers started off at \$18.75 for tops, dropped to a top price of \$15.25 during the month, and at the close the top price paid was \$17. The market was steadier in the fore part of October, with top prices around \$18. All grades of cattle average 50 cents to \$1.50 lower than a year ago. Efforts toward establishing foreign credits and a promised reduction of ocean shipping rates on beef are expected to help bring a stabilization of the cattle market.

Hog prices at the end of September reached the low level of \$16 to \$16.90 for bulk sales, having declined from \$17.75 to \$19.60 at the beginning of the month. Big declines followed early in October. On the 11th the average for the week was \$15.53, and bulk sales on the 16th were at \$13.75 to \$14.40, the lowest price level for hogs since July, 1917. The receipts were light and the demand uneven. With a good corn crop, a larger movement of heavy hogs is anticipated.

Drought conditions in the northwest are said to be largely responsible for the unprecedented run of sheep on the markets this autumn. This is evidenced by the enormous receipts at Omaha, Kansas City, Denver, and St. Joseph. Omaha made the highest one month record for sheep receipts at any market, with a total of 849,811 in September. Packers took about 30 per cent of the sheep offered and the remainder went to various parts of the country as feeders

and breeders. Prices fluctuated greatly in September. From \$14.50 at the beginning of the month best western lambs advanced to \$16 by the 10th then dropped to \$14 by the 22d, and at the close of the month sold at \$15. On October 16 western lambs from Colorado and Utah sold at \$14.50 and native lambs at \$14.

Reports from over the district indicates an increased supply of finished stock on the market as pastures are in excellent condition and there is now an abundance of feed.

REPORTED BY DISTRICT NO. 11.

*Agriculture.*—The cotton crop is both late and short. Picking is progressing in north Texas, where the plant was about three weeks late in maturing. In south Texas the crop was considered almost a total failure, both as to quantity and quality. Recent rains and cold weather have severely affected the growing staple, and it is now freely predicted that the Texas yield this year will fall considerably below 3,000,000 bales.

The Texas wheat crop for this year is estimated to be 25,000,000 bushels in excess of that of 1918. The acute car shortage has greatly hindered shipments, but efforts are being made by the Railroad Administration to relieve the situation, and it is thought that the bulk of the crop will be moved within the next 30 days.

A bountiful corn crop has been harvested, insuring an ample feed supply for farmers and stockmen for the coming winter.

Rice and hay are being harvested under adverse weather conditions, and a fair yield of both is indicated.

*Live stock.*—Recent rains in west Texas have relieved conditions there appreciably and placed the ranges in excellent condition. Both grass and feedstuffs are reported as plentiful, and stockmen are well prepared for the winter. Breeding herds, however, are greatly depleted, and unless the breeders are able to obtain needed financial assistance further sacrifices of herds are inevitable. With the exception of "stockers," prices on all classes of live stock are reported as declining, although receipts at Fort Worth continue to show a loss in all classes except sheep as compared with the corresponding period last year.

*Retail trade.*—An exceptionally heavy volume of sales is reported in all lines of retail trade. Cash sales are being made in large and increasing volume, and the call for high-priced merchandise shows no sign of diminishing.

While the return from the cotton crop has not been received in sufficient volume to reflect its full effect upon trade, there is every evidence of a steady increase in the general prosperity reported last month in all lines of mercantile activities.

*Wholesale trade.*—Wholesale houses throughout the district report a continuance of an almost unprecedented volume of fall trade, many complaining of inability to maintain stocks to supply the demand. Some mills are reported to be canceling or reducing orders previously accepted. Apparently the retailers are buying with full confidence as to the future and no fear of losses from an early depression of prices.

REPORTED BY DISTRICT NO. 12.

Movement of wheat in the Pacific Northwest is as rapid as transportation facilities will permit, it being estimated that fully 60 per cent is now out of the farmers' hands. Plowing and seeding of winter wheat is progressing satisfactorily in Oregon, but lack of favorable weather is retarding fall seeding in western Washington and northern Idaho. A large decrease in acreage is predicted in both districts. California produced nearly one-fifth and the twelfth Federal reserve district slightly more than one-fourth of the total barley production of the United States.

Arizona and California (including that part of the Imperial Valley situated in Mexico) have grown 176,000 bales of cotton during 1919, an increase of 53,000 bales over 1918. With indicated yields of 305 pounds and 333 pounds per acre, respectively, these yields, which are the highest per acre in the United States, exceed the average by 147 and 175 pounds, respectively.

With an average production of 66 bushels of rice per acre, as compared with an average of 36.6 bushels for the 11 rice-growing States, California assumes second place in amount grown, its acreage having increased from 16,000 acres in 1914 to 138,000 in 1919.

The deciduous fruit crop of the district promises to be the largest on record. Commercial production of apples is estimated at 30,690,000 boxes, as compared with 21,309,000 boxes in 1918. Recent windstorms in Washington may reduce this estimate by approximately 1,000,000 boxes. In spite of this, Washington retains the position of the largest commercial apple-growing State in the United States, with a crop of approximately 15,000,000 boxes.

## SPAIN'S FOREIGN COMMERCE AND FINANCE: 1914-1919.<sup>1</sup>

### BALANCE OF TRADE.

Spain is primarily an agricultural country, but is also rich in mineral resources. Her exports consist largely of products of the soil, such as wines, fruits, nuts, vegetables, and olive oil, together with such minerals as iron ore, pyrites, lead, copper, and mercury. On the other hand, Spain imports coal, cotton, fertilizers, tobacco, lumber, and especially machinery and other manufactured products. A table showing Spain's balance of trade for a series of years follows.

#### *Spain's balance of trade 1910-1919.<sup>2</sup>*

[Exclusive of gold and silver.]

[In thousands of pesetas.]

Year.	Imports.	Exports.	Excess of imports.	Excess of exports.
1910.....	1,099,757	1,060,615	39,142	.....
1911.....	1,070,183	1,086,812	.....	16,628
1912.....	1,137,087	1,131,852	5,235	.....
1913.....	1,411,914	1,173,302	238,612	.....
1914.....	1,082,449	929,914	152,535	.....
1915.....	967,739	1,242,447	.....	274,708
1916.....	912,973	1,361,549	.....	448,576
1917.....	733,823	1,311,314	.....	577,491
1918.....	575,708	933,409	.....	362,701
1919 (4 months).....	575,682	454,332	.....	187,650

Before the war Spain's imports generally exceeded her exports by considerable amounts, but during the war period the demand for Spanish products on the part of the belligerents increased very greatly, with the result that the balance of trade, beginning with the year 1915, was heavily in Spain's favor. It should be noted that the figures in the table are from official Spanish sources and that the values of exports are not actual values but values assigned to different articles by the Government.

<sup>1</sup> An article on "Activities of the Bank of Spain," by Arthur N. Young, trade commissioner, which appeared in Commerce Reports for October 18, 1919, gives a description of the organization and functions of the bank. The present study, therefore, deals in some detail only with Spain's foreign commerce during the war period, with foreign exchange, with the gold policy of the Bank of Spain, and with credits granted to the Allies. Acknowledgment is made of Mr. Young's assistance in the preparation of this study.

Principal sources: Annual reports and weekly statements of the Bank of Spain; Anuario Estadístico de España, 1917; Estadística General del Comercio de España en 1916; Resúmenes Mensuales de la Estadística del comercio Exterior de España; Boletín oficial de la Cámara de Comercio de Madrid; Anuario oficial de valores de la Bolsa de Madrid, 1919-1920; España Económica Y Financiera (weekly).

<sup>2</sup> Compiled by Trade Commissioner Arthur N. Young from official sources.

These values have not been increased since the outbreak of the war, while prices have advanced, so that at current prices the excess of exports over imports would be considerably greater than is indicated by the figures.

This very large excess of exports has been balanced during the past five years by the following items: Additions to the Bank of Spain's gold holdings, which from December 31, 1913, to September 20, 1919, increased by 1,814 millions; purchase by Spanish nationals of 615 millions of Spain's foreign loan obligations, loans of 685 millions to the Allies, and a considerable amount of Spanish railway and other securities repatriated during the period.

### THE BANK OF SPAIN.

The Bank of Spain, which stands at the center of Spanish finance, has the monopoly of note issue, acts as the fiscal agent of the Government, and occupies an important place both as a bankers' bank and the largest bank for the public, reflecting in its balance sheets many of the important economic developments of the country. A table showing the balance sheets at the end of each year, 1913-1918, and principal asset and liability items on September 20, 1919, is attached. It will be noted that the gold holdings of the bank increased from 674 million pesetas at the end of 1913 to 2,488 millions on September 20, 1919. Silver holdings, on the other hand, show a substantial decline, from 716 millions to 640 millions. The banks' discounts more than doubled during the period and its holdings of "polizas," or notes secured by personal property, commercial paper, or merchandise, increased from 292 millions on December 31, 1913, to 980 millions on September 20, 1919. Notes in circulation show a great expansion, corresponding to the country's enlarged business activity and the prevailing higher level of prices. The limit of note circulation, which was 2 billion pesetas before the war, was raised on several occasions during the period under review and is now 4 billions, the actual circulation having increased from 1,931 millions to 3,708 millions. Legal reserve requirements for notes changed as the outstanding amounts increased. The following table from Commerce Reports for October 18, 1919, shows the requirements in detail:



*Legal reserve requirements of the Bank of Spain.*

Amount of note issue.	Reserves.			
	Amount required.	Gold required.	Silver required.	Kind of gold or silver.
Ang. 1, 1914:	<i>Pesetas.</i>	<i>Pesetas.</i>	<i>Pesetas.</i>	Spanish silver or gold, foreign gold at par, or gold bars at rate of 3,444.44 pesetas per kilo of fine gold.
Up to 1,200,000,000.....	400,000,000	200,000,000 or more....	200,000,000 or less.....	
From 1,200,000,000 to 1,500,000,000...	180,000,000	120,000,000 or more....	60,000,000 or less.....	
From 1,500,000,000.....	350,000,000	250,000,000 or more....	100,000,000 or less.....	Specie; no kind specified. Gold; no kind specified. Gold only, of which not more than 15 per cent may be without legal currency unless the minister of finance authorizes it on account of the international situation. Gold only, none without legal currency to be held without authorization of minister of finance.
Since Aug. 1, 1914:				
From 2,000,000,000 to 2,500,000,000...	500,000,000	Not specified.....	500,000,000 or less.....	
From 2,500,000,000 to 3,000,000,000...	500,000,000	500,000,000.....	None.....	Gold only, none without legal currency to be held without authorization of minister of finance.
From 3,000,000,000 to 3,500,000,000...	500,000,000	500,000,000.....	None.....	
From 3,500,000,000 to 4,000,000,000...	500,000,000	500,000,000.....	None.....	
Total.....	2,930,000,000	2,070,000,000 or more...	360,000,000 or less.....	

It will be noted that the required percentage of metallic reserve increases with the volume of circulation and that an increasing proportion of the reserve is required to be in gold. All notes over 2 billion pesetas require a 100 per cent gold reserve. The actual reserve position of the bank at the outbreak of the war and at subsequent dates is shown in the table below.

*Notes in circulation and reserves of the Bank of Spain.*

[Amounts in thousands of pesetas.]

Date.	Notes in circulation.	Metallic reserves..			Percentage of reserve to notes.	
		Total.	Gold.	Silver.	Total reserves.	Gold reserves.
July 25, 1914..	1,919,000	1,273,300	543,500	729,800	66	28
Dec. 31, 1914..	1,973,600	1,282,600	573,100	708,900	65	29
Dec. 31, 1915..	2,100,200	1,620,100	867,200	752,900	77	41
Dec. 30, 1916..	2,360,100	1,991,900	1,250,900	741,000	84	53
Dec. 31, 1917..	2,798,600	2,676,100	1,966,900	709,200	96	70
Dec. 31, 1918..	3,334,300	2,869,700	2,228,300	641,400	86	67
Sept. 20, 1919.	3,708,400	3,050,700	2,410,300	640,400	82	66

The reserve ratio rose steadily during the period under discussion, except in 1919, and stood at 82 per cent on September 20 last, as compared with 66 per cent at the outbreak of the war. At the same time the percentage of gold reserve rose from 28 to 65 per cent, so that gold, which constituted less than half of the total metallic reserve in July, 1914, formed nearly four-fifths of the total reserve in September of the present year.

Dividends paid by the Bank of Spain were 20 per cent for each year, 1914-1917. In 1918

dividends were 21 per cent and in addition 30 million pesetas, amounting to 20 per cent of the stock, were distributed in 4 per cent bonds. The charter of the Bank of Spain expires at the end of 1921, and in connection with its pending renewal an effort is being made to increase the part of the government in the management and its share in the profits of the bank.

**TRADE WITH THE ALLIES AND FOREIGN EXCHANGE.**

Of special interest in connection with Spain's economic developments during the war period is her trade with Great Britain, France, and the United States, and the exchange rates prevailing in Spain in respect to these countries. A table showing the monthly high and low rates prevailing during 1914-1918 and the first eight months of 1919 is attached.

Great Britain's exports to and imports from Spain during the period, as shown in the British foreign trade accounts, were as follows:

[In thousands of pounds sterling.]

Calendar year.	Exports from Great Britain to Spain.	Imports from Spain to Great Britain.	Excess of imports.
1913.....	8,631	14,394	5,763
1914.....	7,142	14,114	6,972
1915.....	7,453	18,864	11,411
1916.....	10,187	25,034	14,847
1917.....	5,575	22,166	16,591
1918.....	3,869	30,697	26,828
1919 (Jan.-June).....	4,955	17,298	12,343

During the entire period covered by the table England's imports from Spain exceeded her exports to that country, but the adverse balance in the trade with Spain became much greater since the outbreak of the war. The rate of sterling exchange in Madrid was about par in 1914, but in 1915 the low rates recorded each month were below par, the high still remaining above par. During that year England supported her exchange by gold exports to Spain, but in 1916 sterling exchange fell definitely below par, the pound sterling being quoted in Madrid during December of the year at between 21.98 to 23.1 pesetas as against par of 25.22 pesetas. During 1917 the pound declined still further and continued to decline until June, 1918, the lowest figure quoted during the period being 16.63. Since the launching of the allied military drive in mid-summer of 1918, sterling exchange began to rise and has remained more favorable to Great Britain than during the preceding years, but is still below par.

Spain's trade with France, according to official French trade accounts, was as follows:

[In thousands of francs.]

Calendar year.	Exports from France to Spain.	Imports from Spain to France.	Excess of imports.
1913.....	151,232	281,592	130,360
1914.....	112,267	193,095	80,828
1915.....	139,475	581,362	441,887
1916.....	190,151	883,884	693,733
1917.....	206,942	1,348,149	1,141,207
1918.....	163,027	567,596	404,569
1919 (January-June).....	93,597	498,306	404,709

France's exports to Spain show moderate increases throughout the war period, but her imports from Spain increased by leaps and bounds, until in 1917 they amounted to 1,348 million francs. The large excess of imports from Spain resulted in a fall of French exchange in Madrid, which from above par in 1914 fell as low as 61.35 pesetas per 100 francs in June, 1918. The success of the Allied offensive, however, together with a decrease in the demand for Spanish supplies, resulted in a rise in French exchange which was quoted as high as 95.07 in November, 1918. Since that time exchange has fallen again, fluctuating in August, 1919, between 64.50 and 72.60 pesetas per 100 francs, and reaching in September a new low level of 58.90 pesetas per 100 francs.

The trade between the United States and Spain is shown in the following table:

[In thousands of dollars.]

Year ending June 30--	Exports from United States to Spain.	Imports from Spain to United States.	Excess of exports.
1913.....	31,472	23,220	8,251
1914.....	30,388	24,659	5,729
1915.....	38,113	18,027	20,085
1916.....	52,837	27,864	24,973
1917.....	76,978	36,863	40,115
1918.....	67,163	24,566	42,598
1919.....	98,932	30,979	67,952

It will be seen that exports from the United States to Spain exceeded the imports throughout the period under review, the excess being much greater since 1915 than in 1913 or 1914. In 1915 and 1916 this excess amounted to over 20 million dollars, in 1917 and 1918, over 40 millions, and in 1919 to 68 millions. In spite of our favorable trade balance, the dollar was quoted in Madrid below par in May, 1916, continued to fall until June, 1918, when it was quoted as low as 3.53 pesetas (5.18 being par), and did not reach par again until July, 1919. Since that time quotations have been generally above par. This apparently anomalous decline of dollar exchange in the face of a balance of trade favorable to the United States may be explained by the following facts: Spain, as shown above, had large trade balances against Great Britain and France, which resulted in the accumulation of sterling and franc exchange in the hands of Spanish merchants and brokers. In normal times exchange rates can not fall below the so-called gold point; that is, the point when it becomes more profitable to ship gold than to pay the premium on bills of exchange, but during the war the activities of submarines made the shipment of gold so expensive and hazardous that the gold point ceased to operate as the limiting factor of variations in exchange rates, and furthermore, gold exports were soon prohibited by the belligerents. Thus, unfavorable trade balances depressed sterling and franc exchange in Spain very much below the gold point. In the United States, on the other hand, sterling exchange was pegged at 4.76 $\frac{2}{3}$ , or only 2 per cent below par, and franc exchange at about 5.70, or 9 per cent below par. Spanish merchants in need of American exchange to pay for purchases in the United States were, therefore, able to purchase sterling or franc bills at a low rate in Spain and buy therewith in New York dollar exchange at the "pegged" rate. For example, a Spanish merchant who desired to

pay in America for goods valued at 100,000 pesetas in June, 1918, would buy sterling exchange at 18.05 pesetas per pound; that is, he would obtain 5,540.17 pounds for his 100,000 pesetas; this amount he would convert at \$4.76375 per pound into \$26,391.98. In this way the Spanish importer would receive \$26,391.98 for 100,000 pesetas, or at the rate of about 3.79 pesetas per dollar. Since dollar exchange was thus obtainable at a low rate, a higher rate would not be paid for it and the depreciation of sterling and franc exchange was in this way reflected, through the "pegged" rate, in a depreciation of the dollar in terms of Spanish currency.

The situation that developed was in effect that for purposes of foreign exchange America, Great Britain, and France were a unit, American exchange being more favorable than that of France or England, only to the extent that the "pegged" rate in New York was below par, i. e., about 2 per cent for the pound and 9 per cent for the franc. Thus, for example, the high rate of sterling exchange in January, 1918, was 19.91, that of franc exchange 72.88, and that of dollar exchange 4.135. At these rates the discount amounted to 21 per cent for sterling, 27 per cent for francs, and 20 per cent for dollars. This relationship continued to be maintained approximately up to the time of the "unpegging" of the exchanges in March of the present year. In November, 1918, at the time of the armistice, all three exchanges were at a high point: 24.57 for sterling, 95.07 for francs, and 5.11 for dollars, but in December, January, and February, the unfavorable trade balance existing between France and England on the one hand, and Spain on the other, depressed all the three rates again. In March franc and sterling exchange continued to decline, while dollar exchange, which became independent of the others as soon as the fixed rate ceased to be operative, began to advance in response to America's own favorable balance of trade with Spain. The advance at first was gradual, but when in June the United States Government removed its embargo on gold, dollar exchange rose at once above par and has generally remained at a premium since that time.

A diagram illustrating the movement of the three exchanges is attached. The rates plotted on the chart show the movement of the monthly high rates and are expressed in percentages of par. It may be said that during the operation of the fixed rates in New York trade balances of Great Britain, France, and the United States with Spain, could, for purposes

of analyzing their bearing upon exchange, be grouped together. Their unfavorable balance with Spain amounted to over 240 million dollars in 1917, and to over 150 million dollars in 1918, and so long as the exchange rates remained linked together by the "pegging" arrangement, all the three countries had unfavorable rates in Madrid, but as soon as the arrangement was discontinued each country's exchange rate was determined independently by the trade balances existing between it and Spain.<sup>1</sup>

#### GOLD POLICY OF THE BANK OF SPAIN.

Prior to the adoption of the gold embargo by the United States in the fall of 1917 large amounts of American gold were shipped to Spain to avoid the unfavorable rate, the amount of gold exported from the United States to Spain in 1916 being about 17 millions, and in 1917 about 102 millions. With these large amounts of gold going to Spain and the rate of exchange for bills being low, the Bank of Spain was able to buy American gold considerably below its bullion value, the rate in December, 1917, being as low as 4.85, as against a par of 5.18, the discount being over 6 per cent. Pounds sterling were also purchased at a discount, the lowest figures recorded being 24.75. As a result the bank accumulated a large stock of gold, the composition of which at the end of 1917 and 1918 was as follows:

	Million pesetas.	
	1917	1918
Spanish coins .....	378.3	378.9
Foreign gold:		
Francs .....	214.5	284.2
Pounds sterling .....	437.6	597.0
Marks .....	.4	.5
Dollars .....	822.5	854.1
Various .....	2.4	2.4
Gold bars .....	1,477.4	1,738.2
	111.2	111.2
Total .....	1,966.9	2,228.3

It will be seen that about two-fifths of the gold in the possession of the Bank of Spain consisted of American gold coins, large quantities of which were purchased at a discount. The profit and loss account of the Bank of Spain shows that profits from the purchase of gold at a discount amounted in 1917 to 29,976,306.50 pesetas and in 1918 to 2,848,653.51 pesetas.

<sup>1</sup>This entire subject has been discussed in an article by Paul P. Gourvitch, in the *Annalist* for Apr. 23, 1917, p. 559.

These profits were used to distribute an extra "bond" dividend to the stockholders, amounting to 30 millions or 20 per cent per share. Since the removal of the gold embargo on June 9, the United States has shipped about 28 millions of gold to Spain, but war restrictions being no longer in force, and franc and sterling exchange having been "unpegged," this gold was accepted in Spain at its bullion value.

#### CREDITS TO ALLIES.

In order to facilitate purchases in Spain by the nationals of the United States, Great Britain, and France, the Spanish Government through the medium of the Bank of Spain, arranged for credits to be granted to these countries. The British credit of 75 million pesetas, granted on April 12, 1919, carried 5 per cent interest. The credit is guaranteed by the British treasury and is granted to a syndicate of English bankers, who agree to export to Spain up to 150,000 tons of coal monthly during the life of the agreement at a fixed price calculated at the par of exchange. Acceptances of the British purchaser were discounted by Spanish commercial banks and rediscounted with the Bank of Spain.

Another trade agreement was concluded between France and Spain in 1918, the financial features of which are as follows: The Spanish Government agrees to authorize a consortium of Spanish bankers and merchants to open to a syndicate of French bankers a credit not exceeding 35 million pesetas during each of the 10 months beginning March, 1918, that is to say 350 millions in all. These credits were to be guaranteed by the deposit with the Bank of Spain of obligations of the French treasury made out in pesetas, and payable in Spain, and wherever possible by the deposit of Spanish securities. A further credit of 105 millions was extended in 1919.

In the case of the United States a credit of 250 million pesetas was granted, of which 155 millions have been used. The Banco de Urujiño and the Banco de Barcelona handled the first 75 millions of acceptances, and arranged for a syndicate of 62 Spanish banks for the remaining 175 millions. In America a syndicate of bankers, represented by the Mercantile Bank of the Americas, is acting in the matter. The acceptances are handled largely through transfers of credits on the books of the Bank of Spain, so that no large increase in note circulation is caused by the transaction.

#### Balance sheets of the Bank of Spain, 1913-1918, and principal items for Sept. 20, 1919.

[In 1,000 pesetas.]

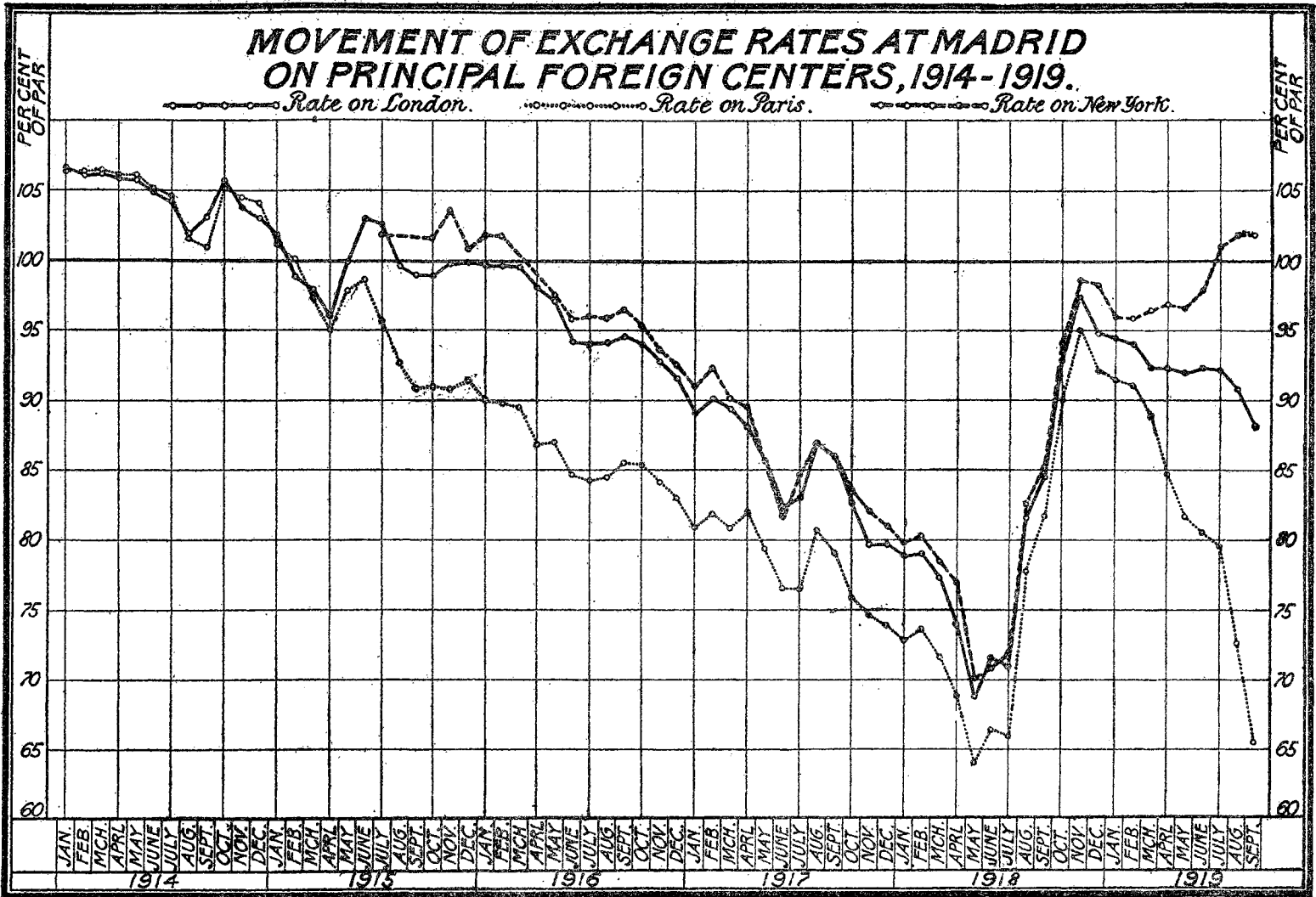
	Dec. 31, 1913.	Dec. 31, 1914.	Dec. 31, 1915.	Dec. 31, 1916.	Dec. 31, 1917.	Dec. 31, 1918.	Sept. 20, 1919.
<b>ASSETS.</b>							
Gold.....	674,128	720,331	970,421	1,341,066	2,055,902	2,315,022	2,487,891
Silver.....	716,291	708,857	752,905	741,042	709,206	641,395	640,395
Minor coins for account of treasury.....	2,982	3,107	3,205	3,324	3,200	2,719	2,412
Bills receivable.....	6,920	4,019	5,216	3,114	4,881	5,673	4,677
Discounts.....	456,784	529,146	468,408	436,375	429,979	855,502	954,057
Loans secured by personal property.....	10,749	18,632	15,432	15,727	19,486	21,252	33,526
Pólizas:							
Unsecured.....	332,608	229,432	185,334	161,603	155,950	149,050	132,567
Secured by personal property, commercial paper, and merchandise.....	291,797	427,915	361,327	418,853	574,994	647,680	980,419
Due from correspondents in Spain.....	24,911	25,581	18,584	15,911	14,129	14,055	11,277
Other bills.....	25,437	34,771	29,522	15,816	9,481	6,730	787,798
Securities.....	11,655	11,655	11,655	89,035	11,655	104,670	11,655
Perpetual 4 per cent interior loan obligation.....	344,432	344,432	344,432	344,437	344,437	344,475	344,475
Current accounts.....	419,347	352,680	274,016	312,461	370,452	376,680	.....
Account with the treasury.....	192,696	253,314	267,723	162,692	185,220	228,356	253,088
Real estate and furniture.....	14,848	14,084	13,088	14,250	14,273	12,717	11,682
Other assets.....	5,740	5,740	101,271	42,109	5,733	5,733	.....
<b>Total.....</b>	<b>3,531,325</b>	<b>3,683,696</b>	<b>3,822,598</b>	<b>4,115,515</b>	<b>4,909,078</b>	<b>5,731,204</b>	.....
<b>LIABILITIES.</b>							
Capital.....	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Reserves.....	20,000	22,000	24,000	26,000	26,000	30,000	30,000
Bonds of the Bank of Spain.....	.....	.....	.....	.....	.....	30,000	30,000
Profit and loss.....	22,137	23,897	23,367	23,519	50,811	25,839	18,710
Notes in circulation.....	1,931,234	1,973,640	2,100,174	2,360,084	2,798,642	3,334,288	3,708,408
Current accounts.....	485,124	608,463	697,788	748,203	942,442	1,158,761	982,625
Current accounts in gold.....	639	1,073	1,911	3,239	7,430	2,726	4,133
Deposits.....	8,808	10,882	10,753	9,418	8,553	9,435	10,603
Dividends, interest, and other bills payable.....	73,050	64,890	67,761	67,400	67,439	76,516	45,609
Accounts with the treasury.....	149,944	115,340	67,306	54,810	50,483	50,220	303,176
Credits granted secured by personal property, commercial paper, or merchandise.....	108,845	225,846	192,278	193,629	273,902	342,702	437,248
Credits granted without security.....	96,213	78,820	80,367	74,366	81,590	77,948	70,305
Other liabilities.....	485,231	408,844	406,886	404,847	446,787	442,768	78,092
<b>Total.....</b>	<b>3,531,325</b>	<b>3,683,696</b>	<b>3,822,598</b>	<b>4,115,515</b>	<b>4,909,078</b>	<b>5,731,204</b>	.....

*Rates of foreign exchange for the years 1914-1919 in Madrid on Paris, New York, and London.*

[Sources: Anuario Estadístico de España, 1917; for 1917 and 1918, Boletín Oficial de la Cámara de Comercio de Madrid (Official Bulletin of the Chamber of Commerce); for 1919, España Económica y Financiera.]

	Francs.		Dollars.		Pounds sterling.		High rates expressed in percentages of par.		
	High.	Low.	High.	Low.	High.	Low.	Francs.	Dollars.	Pounds sterling.
<b>1914.</b>									
January.....	106.45	105.30			26.89	26.61	106.45		106.6
February.....	106.30	105.97			26.77	26.70	106.30		106.1
March.....	106.32	105.95			26.79	26.69	106.32		106.2
April.....	106.17	105.96			26.72	26.66	106.17		105.9
May.....	106.12	105.30			26.69	26.53	106.12		105.8
June.....	105.15	103.00			26.47	25.91	105.15		104.9
July.....	104.65	103.22			26.30	25.60	104.65		104.2
August.....	101.68	96.30			25.70	25.00	101.68		101.9
September.....	101.00	96.00			26.00	24.75	101.00		103.1
October.....	105.50	100.00			26.65	25.75	105.50		105.7
November.....	104.50	103.28			26.17	25.81	104.50		103.8
December.....	104.15	100.40			25.98	25.19	104.15		103.0
<b>1915.</b>									
January.....	101.25	100.15			25.70	25.13	101.25		101.8
February.....	100.20	97.40			25.18	24.65	100.20		98.9
March.....	97.45	94.20			24.68	24.03	97.45		97.0
April.....	95.00	93.85			24.22	23.93	95.00		96.9
May.....	97.85	95.00			25.19	24.45	97.85		99.1
June.....	98.65	95.75			26.00	25.02	98.65		103.6
July.....	95.75	92.00	1 5.28		25.88	25.00	95.75	101.95	102.5
August.....	92.75	89.50			25.10	24.81	92.75		99.9
September.....	90.90	88.80			24.94	24.76	90.90		98.9
October.....	91.00	90.10	1 5.27		24.95	24.67	91.00	101.76	98.9
November.....	90.80	89.75	1 5.37		25.17	24.91	90.80	103.69	99.8
December.....	91.55	90.00	1 5.23		25.20	24.99	91.55	100.99	99.9
<b>1916.</b>									
January.....	90.00	89.500	5.280	5.260	25.127	24.976	90	101.95	99.6
February.....	89.841	89.120	5.280	5.280	25.131	25.050	89.841	101.95	99.6
March.....	89.500	86.00			25.083	24.620	89.500		99.5
April.....	86.950	84.925			24.775	24.200	86.950		98.2
May.....	87.00	84.300	5.050	5.050	24.480	23.768	87.00	97.51	97.1
June.....	84.625	81.996	4.965	4.965	23.756	22.992	84.625	95.87	94.2
July.....	84.375	83.033	4.980	4.980	23.737	23.390	84.375	96.16	94.1
August.....	84.457	83.285	4.970	4.980	23.750	23.440	84.457	95.97	94.2
September.....	85.500	84.226	5.00	4.980	23.840	23.627	85.500	96.55	94.5
October.....	85.300	84.200	4.940	4.880	23.720	23.402	85.300	95.39	94.0
November.....	84.250	84.250	4.855	4.855	23.395	22.967	84.250	93.75	92.8
December.....	83.00	78.800	4.800	4.800	23.100	21.980	83	92.68	91.6
<b>1917.</b>									
January.....	80.981	79.933	4.720	4.675	22.476	22.175	80.981	91.14	89.1
February.....	81.900	80.500	4.785	4.715	22.720	22.360	81.900	92.39	90.1
March.....	80.857	78.680	4.670	4.650	22.516	21.920	80.857	90.17	89.3
April.....	82.050	78.800	4.640	4.610	22.210	21.580	82.050	89.59	88.1
May.....	79.431	76.200			21.620	20.748	79.431		85.7
June.....	76.650	73.066	4.230	4.220	20.776	19.995	76.650	81.68	82.4
July.....	76.550	75.122	4.380	4.380	20.965	20.296	76.550	84.57	83.1
August.....	80.750	75.720	4.500	4.380	21.900	20.835	80.750	86.89	86.8
September.....	79.00	73.275	4.460	4.455	21.700	20.150	79.00	86.12	86.0
October.....	75.888	73.520	4.380	4.260	20.860	20.253	75.888	83.61	82.7
November.....	74.600	73.566	4.255	4.225	20.392	20.091	74.600	82.16	79.7
December.....	73.80	72.175	4.195	4.120	20.111	19.680	73.80	81.00	79.7
<b>1918.</b>									
January.....	72.88	71.59	4.135	4.085	19.91	19.60	72.88	79.84	78.9
February.....	73.61	71.87	4.16	4.07	19.95	19.55	73.61	80.32	79.1
March.....	71.79	68.83	4.07	3.94	19.50	18.70	71.79	78.59	77.3
April.....	68.80	62.05	3.99	3.63	18.66	16.78	68.80	77.04	74.9
May.....	64.02	61.65	3.63	3.54	17.34	16.70	64.02	70.09	68.8
June.....	66.44	61.35	3.67	3.53	18.05	16.63	66.44	70.86	71.6
July.....	66.03	63.62	3.72	3.60	17.91	17.25	66.03	71.83	71.0
August.....	77.89	65.60	4.28	3.72	20.57	17.85	77.89	82.64	81.6
September.....	81.73	77.70	4.41	4.26	21.32	20.30	81.73	86.15	84.5
October.....	90.03	85.28	4.87	4.37	23.41	22.18	90.03	94.03	92.8
November.....	95.07	90.20	5.11	4.87	24.57	23.51	95.07	98.67	97.4
December.....	92.10	91.00	5.095	4.97	23.92	23.63	92.10	98.38	94.8
<b>1919.</b>									
January.....	91.55	91.00	4.975	4.94	23.80	23.64	91.55	96.06	94.4
February.....	91.00	84.11	4.97	4.60	23.71	21.86	91.00	95.97	94.0
March.....	88.80	83.22	5.00	4.72	23.30	22.39	88.80	96.55	92.4
April.....	84.77	80.23	5.02	4.93	23.30	22.91	84.77	96.93	92.4
May.....	81.76	74.05	5.01	4.84	23.23	23.03	81.76	96.74	92.1
June.....	80.50	76.00	5.07	4.93	23.30	22.79	80.50	97.90	92.4
July.....	79.50	73.60	5.24	5.06	23.26	22.84	79.50	101.18	92.2
August.....	72.60	61.50	5.28	5.05	22.90	20.75	72.60	101.95	90.8
September.....	68.00	58.90	5.28	5.18	22.24	21.69	68.00	101.95	88.2

<sup>1</sup> Average figures. Only one figure quoted.



**Circulation of Federal Reserve Notes, 1917-1919.**

In the tables below and accompanying diagrams is shown the course of Federal Reserve note circulation of all the Federal Reserve Banks during the past three years and for the present year, also the amounts of Federal Reserve notes reported outstanding and in actual circulation by the several Federal Reserve Banks in the four main sections of the country. Starting with the very moderate amount of 273 millions of notes at the beginning of 1917, Federal Reserve note circulation increased slightly over 100 millions by the first week of April, when the United States joined the Great War. During the following six months the circulation of Federal Reserve notes almost doubled, and by the close of the year reached a total of 1,246 millions, the increase during the last three months of the year being much larger than during the first six months of the war. During the calendar year 1918 the increase in note circulation with the exception of the first month in the year was continuous up to November 21, when following the armistice for the first time a slight recession in the volume of circulating Federal Reserve notes is noted. During 1919 the volume of circulation has fluctuated around 2½ billions, but has shown no rapid increase, except since the middle of September. A comparison of the curves for the three years indicates that during 1917 and 1918 the increase in circulation caused by the necessities of war finance and the rapid rise in prices was so great that it is difficult to trace the effects of seasonal demands for currency. Nevertheless one may note an acceleration in the rate of growth beginning with September of each year and a recession at the beginning of the year, marking a diminution of the exceptional demands for currency for crop-moving purposes and during the period preceding the Christmas holidays.

The curves indicating the course of Federal Reserve note liabilities of the banks in the

different geographic sections show in general a close parallelism between the movement in volume of circulation in all sections of the country. It is seen, however, that during the year ending October 24 a greater expansion of circulation occurred during the crop-moving season in the Middle West and in the South.

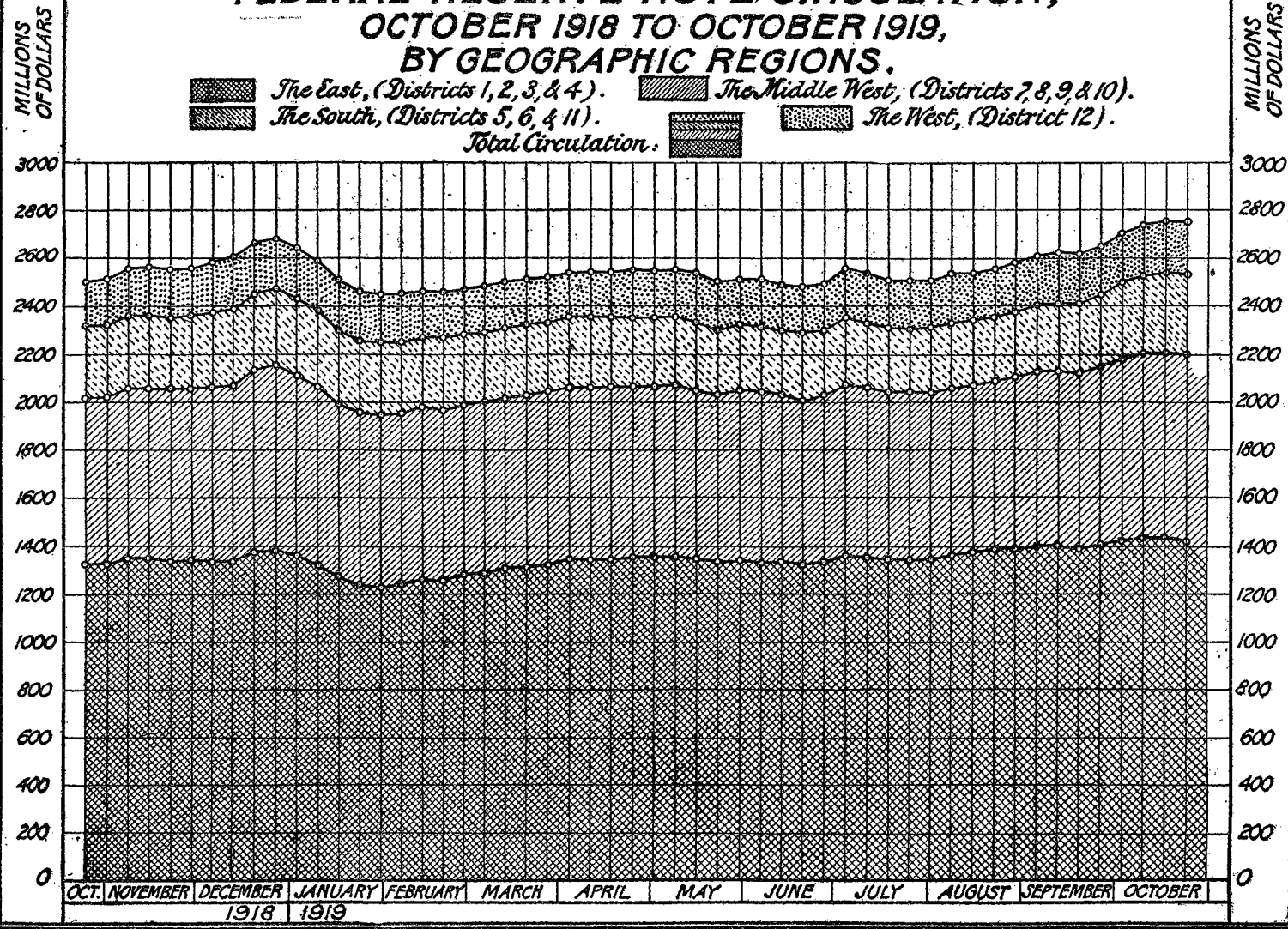
*Federal Reserve notes in actual circulation, by geographic regions.*

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

	Boston, New York, Philadelphia, Cleveland.	Chicago, St. Louis, Minneapolis, Kansas City.	Rich- mond, Atlanta, Dallas.	San Fran- cisco.	Federal Reserve system.
<b>1918.</b>					
Oct. 25.....	\$1,333,095	\$689,777	\$297,334	\$187,706	\$2,507,912
Nov. 1.....	1,324,564	690,968	299,018	190,954	2,515,504
Nov. 8.....	1,356,354	699,682	308,412	193,748	2,558,196
Nov. 15.....	1,349,561	706,651	310,095	196,210	2,562,517
Nov. 22.....	1,341,270	709,132	307,416	197,397	2,555,216
Nov. 29.....	1,342,465	714,592	310,410	201,209	2,558,676
Dec. 6.....	1,343,512	722,836	312,104	206,071	2,584,523
Dec. 13.....	1,349,376	730,455	312,849	211,900	2,604,580
Dec. 20.....	1,380,926	750,061	320,270	212,444	2,663,701
Dec. 27.....	1,388,724	764,368	320,460	211,692	2,685,244
<b>1919.</b>					
Jan. 3.....	1,365,480	753,626	316,981	211,518	2,647,605
Jan. 10.....	1,324,531	741,905	315,109	209,116	2,590,681
Jan. 17.....	1,270,580	726,874	311,054	204,531	2,513,039
Jan. 24.....	1,245,734	718,827	302,449	199,546	2,466,556
Jan. 31.....	1,238,552	710,514	302,837	198,826	2,450,729
Feb. 7.....	1,244,382	711,662	301,789	196,332	2,454,165
Feb. 14.....	1,268,672	711,684	294,517	193,515	2,468,388
Feb. 20.....	1,267,120	710,756	295,979	192,393	2,466,248
Feb. 28.....	1,281,008	709,412	290,547	191,340	2,472,307
Mar. 7.....	1,291,137	712,945	291,567	192,888	2,488,537
Mar. 14.....	1,309,861	714,147	288,317	190,770	2,503,095
Mar. 21.....	1,316,382	714,054	289,989	190,262	2,510,687
Mar. 28.....	1,328,762	712,234	292,280	188,500	2,521,776
Apr. 4.....	1,341,959	721,013	293,684	191,014	2,547,670
Apr. 11.....	1,348,771	719,474	290,693	189,650	2,548,588
Apr. 18.....	1,348,255	714,789	289,531	191,129	2,543,704
Apr. 25.....	1,353,737	715,451	288,452	191,912	2,549,552
May 2.....	1,350,987	712,964	286,785	198,304	2,549,040
May 9.....	1,358,844	712,933	284,611	200,361	2,556,749
May 16.....	1,343,745	710,227	278,776	199,291	2,532,039
May 23.....	1,331,259	702,692	274,232	196,070	2,504,253
May 30.....	1,343,894	705,986	275,102	194,310	2,519,292
June 6.....	1,335,891	704,686	276,471	195,989	2,513,037
June 13.....	1,330,564	700,398	273,609	194,694	2,499,265
June 20.....	1,322,056	697,480	273,535	195,182	2,488,253
June 27.....	1,331,962	700,241	272,229	194,748	2,499,180
July 4.....	1,366,423	709,845	274,868	201,212	2,552,348
July 11.....	1,357,755	705,809	273,501	201,062	2,538,127
July 18.....	1,339,846	701,159	273,307	197,736	2,512,048
July 25.....	1,340,133	699,909	269,127	195,328	2,504,497
Aug. 1.....	1,348,166	695,810	268,100	194,744	2,506,820
Aug. 8.....	1,360,081	707,357	269,439	195,180	2,532,057
Aug. 15.....	1,370,232	705,465	266,816	198,341	2,540,904
Aug. 22.....	1,379,550	711,243	264,253	198,488	2,553,534
Aug. 29.....	1,395,138	717,063	264,907	203,521	2,580,629
Sept. 5.....	1,407,092	726,292	270,926	207,387	2,611,697
Sept. 12.....	1,408,329	728,532	273,995	210,372	2,621,228
Sept. 19.....	1,398,214	731,393	280,922	210,729	2,621,258
Sept. 26.....	1,415,823	741,101	288,104	210,326	2,655,354
Oct. 3.....	1,428,068	757,812	306,877	215,429	2,708,186
Oct. 10.....	1,435,784	770,013	320,156	215,731	2,741,684

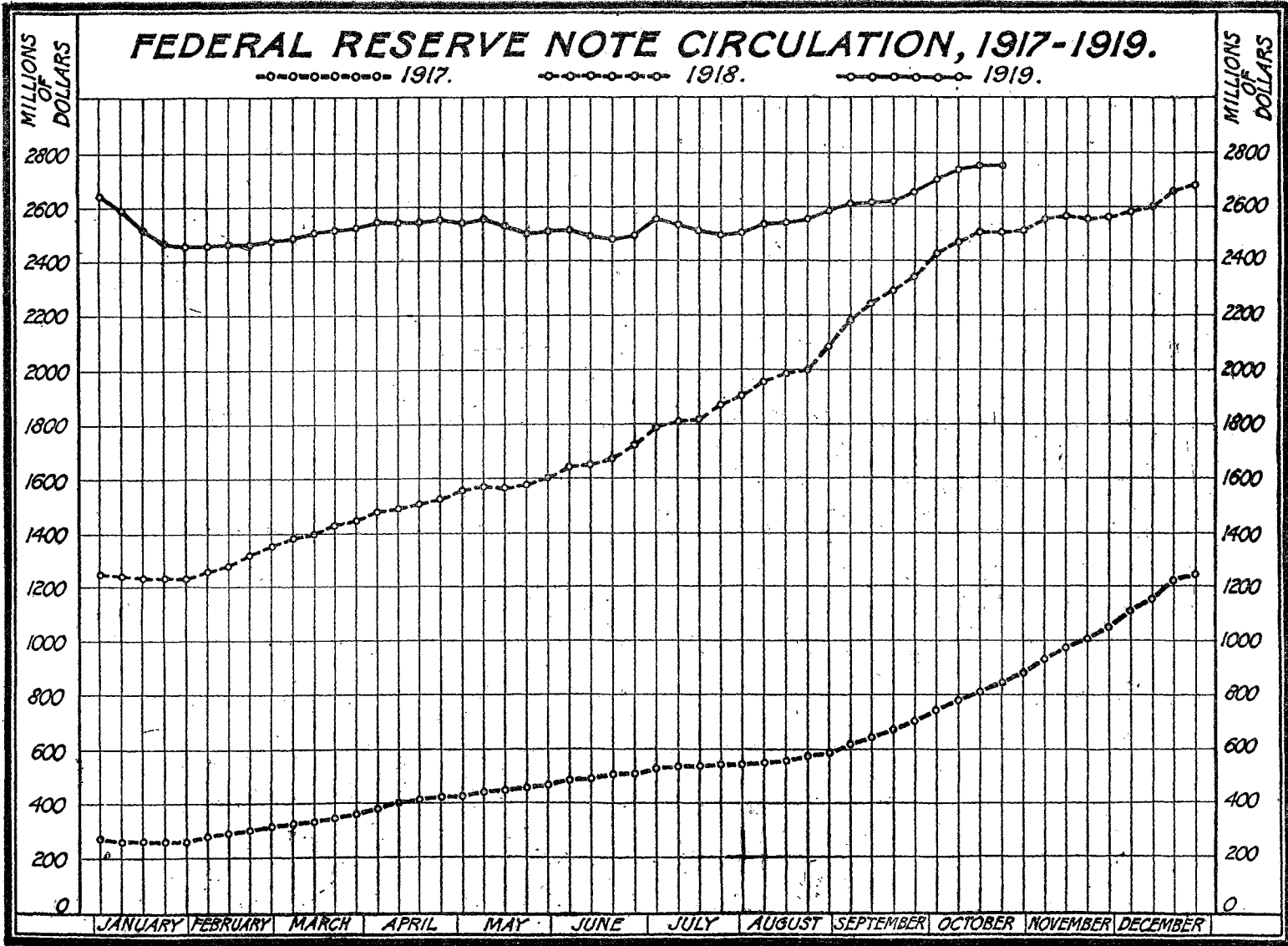
## FEDERAL RESERVE NOTE CIRCULATION, OCTOBER 1918 TO OCTOBER 1919, BY GEOGRAPHIC REGIONS.

*The East, (Districts 1, 2, 3, & 4).*    
  *The Middle West, (Districts 7, 8, 9, & 10).*  
 *The South, (Districts 5, 6, & 11).*    
  *The West, (District 12).*  
 *Total Circulation.*





144501-19-6



NOVEMBER 1, 1919.

FEDERAL RESERVE BULLETIN.

1045

## Federal Reserve notes in actual circulation, 1917-1919.

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

	1917	1918	1919
Jan. 3.....	272, 873	1, 251, 205	2, 647, 605
Jan. 10.....	268, 168	1, 242, 199	2, 590, 681
Jan. 17.....	262, 987	1, 238, 797	2, 513, 089
Jan. 24.....	259, 768	1, 234, 984	2, 496, 556
Jan. 31.....	260, 090	1, 236, 101	2, 450, 729
Feb. 7.....	278, 523	1, 261, 219	2, 454, 165
Feb. 14.....	291, 739	1, 281, 045	2, 468, 388
Feb. 20.....	303, 171	1, 314, 581	2, 466, 248
Feb. 28.....	314, 258	1, 351, 091	2, 472, 307
Mar. 7.....	326, 612	1, 383, 990	2, 488, 537
Mar. 14.....	336, 061	1, 406, 228	2, 503, 095
Mar. 21.....	346, 804	1, 429, 509	2, 510, 687
Mar. 28.....	357, 765	1, 452, 838	2, 521, 776
Apr. 4.....	376, 510	1, 479, 920	2, 547, 670
Apr. 11.....	401, 809	1, 499, 377	2, 548, 688
Apr. 18.....	414, 357	1, 514, 287	2, 543, 704
Apr. 25.....	420, 509	1, 526, 232	2, 549, 652
May 2.....	428, 502	1, 556, 660	2, 549, 040
May 9.....	438, 218	1, 569, 618	2, 556, 749
May 16.....	446, 501	1, 569, 445	2, 532, 039
May 23.....	454, 402	1, 578, 621	2, 504, 253
May 29.....	464, 865	1, 600, 968	2, 519, 292
June 6.....	481, 469	1, 639, 579	2, 513, 037
June 13.....	491, 615	1, 651, 500	2, 499, 265
June 20.....	499, 721	1, 677, 951	2, 488, 253
June 27.....	508, 807	1, 722, 216	2, 499, 180
July 3.....	527, 459	1, 791, 569	2, 552, 348
July 11.....	532, 508	1, 813, 425	2, 538, 127
July 18.....	534, 226	1, 829, 045	2, 512, 048
July 25.....	534, 015	1, 870, 835	2, 504, 497
Aug. 1.....	540, 785	1, 906, 465	2, 506, 820
Aug. 8.....	549, 244	1, 955, 276	2, 532, 057
Aug. 15.....	558, 782	1, 985, 419	2, 540, 904
Aug. 22.....	573, 049	2, 032, 837	2, 553, 534
Aug. 29.....	587, 915	2, 092, 708	2, 580, 629
Sept. 5.....	621, 299	2, 180, 679	2, 611, 697
Sept. 12.....	644, 567	2, 245, 429	2, 621, 228
Sept. 19.....	670, 246	2, 295, 031	2, 621, 258
Sept. 26.....	700, 212	2, 349, 326	2, 655, 354
Oct. 3.....	740, 916	2, 431, 004	2, 708, 186
Oct. 10.....	779, 885	2, 478, 378	2, 741, 684
Oct. 17.....	815, 210	2, 502, 488	.....
Oct. 24.....	847, 506	2, 507, 912	.....
Oct. 31.....	881, 001	2, 515, 504	.....
Nov. 7.....	932, 512	2, 558, 196	.....
Nov. 14.....	972, 585	2, 592, 517	.....
Nov. 21.....	1, 015, 892	2, 555, 215	.....
Nov. 28.....	1, 056, 983	2, 568, 676	.....
Dec. 5.....	1, 110, 537	2, 584, 523	.....
Dec. 12.....	1, 153, 385	2, 604, 580	.....
Dec. 19.....	1, 227, 642	2, 663, 701	.....
Dec. 26.....	1, 246, 488	2, 685, 244	.....

## Governmental Measures to Encourage Foreign Commerce.

In view of the great interest which attaches at the present time to Governmental action in connection with the encouragement of foreign commerce, the following summary of measures undertaken in this direction by some of the leading countries is presented.

## GREAT BRITAIN.

The British Government has arranged for a credit of £26,000,000 for goods sold to different countries. The London Times for September 26, 1919, contains the following statement:

## EXPORT CREDITS SCHEME—FULLER EXPLANATORY STATEMENT.

The following announcement by the board of trade embodies a previous announcement on the subject of the export credits scheme, published on September 5, together with certain alterations and additions bringing that announcement up to date:—

The Government are prepared through the export credits department of the board of trade, 10, Basinghall-street, E.C.2, to consider applications for advances up to 80 per cent. of the cost of the goods to the seller (including freight and insurance and the commission paid to the Department by the seller), in respect of exports to

Finland,  
The Baltic Provinces (Latvia, Esthonia, and Lithuania),  
Poland,  
Czecho-Slovakia,  
Yugo-Slavia,

The areas in Russia to which the scheme for insurance against abnormal commercial risks applies.

Any variations which may be made from time to time in the countries to which the scheme relates will be announced.

Advances will be made subject to the following conditions:—

1. The bills of lading are to be surrendered to the purchaser against his acceptance of a bill of exchange in sterling drawn by the seller for the full amount of the invoice at a tenor conforming to the agreed length of credit and against the deposit by the acceptor of security (see the next paragraph). The Government will release the drawer from any recourse against him for the amount of the advances made except in the case of misrepresentation by such drawer.

2. The purchaser must agree to take up the bills of lading against a deposit of currency which, calculated on the basis of the market exchanges, will be the equivalent of the amount of the draft plus a margin (usually 15 per cent), which value will have to be maintained. This deposit must be made with the Department's agents in the country of purchase and will be held as security for the due payment of the bill of exchange. The relative insurance policies will be retained as additional security.

3. The Department will consider proposals for the deposit of produce or securities instead of currency, and in certain cases for the deposit of fixed amounts of currency.

## PREFERENCE FOR STERLING PAYMENT.

4. When the advance is needed, the shipping documents must be accompanied by a letter of guarantee from an approved bank of the country of purchase or elsewhere, stating that the bill of exchange will be accepted and the deposit of security made upon the first presentation of the documents to the buyer, and undertaking that the value of such security will be maintained. Applications accompanied by a banker's guarantee of sterling payment of the bill at maturity will receive preferential consideration.

5. For the convenience of exporters the Department is prepared to receive applications, and if so decided, provisionally to sanction advances prior to the shipment of the goods. In such cases a limit of time must be stated within which the shipping documents, &c., will be produced and the advance taken.

6. The advance made by the Department will be a first charge upon the proceeds of the bill and security, but, if

such proceeds are less than the cost (including freight, insurance, and commission paid by the seller to the Department), the loss represented by the difference will be shared between the Department and the drawer of the bill, the share of the Department being in the proportion which the advance bears to the amount of such cost, freight, insurance, and commission.

7. The credits will be granted for such periods as the Department may determine in each case at the time of application for the advance.

8. Advances will not be made for the export of raw materials or of surplus Government stores, and preference will be given to the finance of goods where the larger part of the cost is due to manufacture in this country.

9. All applications must be passed to the Department by the bankers of the seller, whose recommendation must be attached.

10. After collection of an amount equal to the cost (including freight, insurance, and the commission paid to the Department by the seller), the bill of exchange and any relative security will be transferred to the seller if payment of the full amount has not been made.

11. At any time after the maturity of the bill or after any default the Department will be entitled to close a transaction and transfer the bill of exchange and relative security to the seller, who will bear his proportion, as indicated above, of any loss incurred.

#### DEPARTMENT'S CHARGES.

12. Interest will be calculated at the rate of 1 per cent above the Bank of England rate from time to time ruling with a minimum of 6 per cent per annum, and will be payable by the purchaser in accordance with clauses to be inserted in the bill of exchange. The purchaser must agree to increase at the end of each six months the security deposited so as to cover the amount of such interest. Commission to defray the expenses of the Department and to form a fund to meet any losses will be payable by the seller at the time the advance is taken. He may, however, include this commission in his invoice and add same to the amount of his cost, freight, and insurance when calculating the amount of the advance. The rates will not be less than 3 per cent for the first year, 4 per cent for the second year, and 5 per cent for the third year; but in the event of the bill of exchange being paid before maturity proportionate rebate will be allowed to the purchaser. In no case, however, will the charge be reduced below 2 per cent.

13. The conditions set out above may be modified at any time or in special cases.

With the consent of Barclays Bank (Ltd.), Mr. L. A. Davis, deputy foreign manager of that bank, has been appointed manager of the Department.

#### CANADA.

In the early summer of 1919 credits of \$25,000,000 each were extended to Belgium, Roumania, Greece, and France under the authority of Orders in Council. Purchases are being made by nationals of these various countries in London through the agency of the Canadian mission in that city, Canadian representatives with samples and prices being in London for the purpose. The orders which result are

distributed by the Canadian Trade Commission among the manufacturers of Canada, who are able to participate in a given order at the prices quoted. These prices are all in Canadian dollars, so there is no question of exchange. The Canadian merchant receives payment on production of ocean bills of lading; but if ships are not provided the material is put in storage and 90 per cent of the purchase price is paid immediately to the Canadian and the balance after shipment is made. The Canadian Government, under the arrangement whereby these credits were established, receives from the foreign Government 5-year term bonds for the value of the goods sold, these bonds bearing interest at 5½ per cent, payable semiannually in Canadian dollars. Whatever obligation is executed by the Roumanian purchaser runs only against the Roumanian Government.

#### FRANCE.

France's principal activity in the field of foreign trade has been her exports of munitions and military supplies to many of the new countries of Europe as well as to the Anti-Bolshevik forces in Russia. In connection with general commercial exports it is interesting to note that a bill has been introduced in Parliament and has passed the Chamber of Deputies establishing a French National Bank of Foreign Commerce. The capital of this bank is to be 100 million francs, supplied by a syndicate of French banks and exporters. The Government agrees to turn over to the Bank of Commerce the proceeds of the excess profits tax on the notes issued by the Bank of France, after deducting certain amounts allotted for agricultural credit. These amounts are to be used as follows: First, as an annual subsidy not to exceed two million francs, and, secondly, for making advances to the Bank of Commerce, without interest, up to a maximum of 25 million francs during a period of 20 years. The sums thus turned over by the Government are to be carried by the bank as a special reserve account, to which will be added also during the period of the Government subsidy the share of the Government in the bank's profits, which is fixed at 30 per cent of the net earnings above 5 per cent of the capital. The Government's advances to the bank are to be discontinued when the special reserve fund reaches 25 million francs, and the annual subsidy will cease to be paid when this amount is reached by the reserve fund or when the capital of the bank will earn 7 per cent in net dividends (reduced to 6 per cent by the senate). The subsidy, however, is guar-

anted for five years from the establishment of the bank.

#### SPAIN.

The Spanish Government has made arrangements for credits of 75 million pesetas to Great Britain, of 455 millions to France, and of 250 millions to the United States. These credits are discussed on page 1040 of this issue.

#### ITALY.

The Italian Government has apparently not undertaken any steps to promote foreign trade. A project is under consideration for the establishment in Italy of an institution for the insurance of credits granted to foreign customers, along the lines of the British Trade Indemnity Co. The details of the plan have not as yet been made public.

#### ARGENTINA.

A convention was entered into on January 14, 1918, between Argentina and England, France and Italy, by which credits of respectively 80, 80, and 40 million dollars in gold were to be granted to these countries for the purchase of Argentine products. Amounts drawn under these credits were to carry 5 per cent interest, payable quarterly. Balances outstanding against the borrowing Governments were to be covered within 24 months. The Argentine Government in the meantime retains the right to draw against the foreign Governments for direct operations in exchange up to the equivalent of the amounts drawn under the above mentioned credits when the rate of exchange does not exceed 49 pence on England, 5.25 francs on France, and 6.15 lire on Italy. A decree issued simultaneously fixed the minimum prices for cereal exports. The convention carries a proviso to the effect that drawings by the Argentine Government on England, France, and Italy under the agreement must not be used for direct or indirect remittances to the United States. The credits were to be handled by the Argentine Banco de la Nacion, which was to receive notes from the Caja de Conversion to be used in the transactions arising from the credits, such notes to be delivered only when reserves are not below the legal 40 per cent. When payment by the borrowers is made, the notes were to be returned and canceled. Fifty per cent of the Bank's profits from these notes was to be converted into gold and employed for the purpose

of augmenting the conversion fund. The convention was approved a second time by the President of Argentina and the representatives of England, France, and Italy on February 4, 1919, but the Senate on April 11, 1919, refused to ratify it on the ground that it would benefit dealers in the ports but would not be beneficial to the producers. A recent cable from Ambassador Stimson, published in the Commercial and Financial Chronicle for October 11, states that the Chamber of Deputies has returned a majority report in favor of granting the proposed credit. The cable also stated that a delegation representing the Chamber of Commerce of Rosario, a great grain center, had requested President Irigoyen to expedite the loan by calling an extra session of Congress.

#### URUGUAY.

For the purpose of stabilizing exchange and facilitating the exportation of Uruguayan products, the Government has made provisions for the granting of credits to Great Britain, France, and Italy.

The bill (law of February 2, 1918) granting the credit to Great Britain authorized the Bank of the Republic to open in current account a credit up to 15,000,000 pesos (\$15,510,000), in favor of the British Government or its order, to be applied to the purchase of Uruguayan products. It was stipulated that this credit should expire in two years but might be renewed by mutual agreement with legislative sanction; it was to be secured by a deposit of bonds of the consolidated debt of Uruguay or of other Uruguayan loans. Interest at the rate of 5 per cent per annum was to be payable at Montevideo in coin or in matured coupons of Uruguayan bonds at their face value. It was agreed that any balance due at the expiration of the time set should be paid in gold coin, the exportation of which was guaranteed by the British Government.

In addition to this loan to the British Government the same law authorized the Banco de la Republica to make loans up to the amount of 8,000,000 pesos (\$8,272,000) to individuals, societies, or corporations not domiciled in the country. These loans, intended to facilitate the exportation of national products, were to be made on the basis of bona fide commercial transactions. As security the borrowers had to deposit abroad gold, bonds, or coupons of the national debt, or any other foreign securities acceptable to the bank. As in the case of the Government loan the maturity of these

loans was not to exceed two years. It was suggested that bonds of the Republic or bonds of the Banco Hipotecario del Uruguay (Government mortgage bank) would be particularly acceptable, but transactions of this kind were restricted to 3,000,000 pesos. The recipients of this credit had to prove a legal domicile in the Republic.

Subsequently, on December 4, 1918, the credit granted to the British Government by the law of February 2, was increased to 20,000,000 pesos (\$20,680,000), with a proviso that a further credit of 10,000,000 pesos (\$10,340,000) under the same conditions might be extended when the 20 million credit was exhausted.

By the same law (February 2, 1918) a similar credit in current account up to 15,000,000 pesos (\$15,510,000) was granted to France, the terms being practically the same as those of the British credit. The French convention contained a stipulation, not found in the British, to the effect that the Bank of the Republic should not use the accounts for direct or indirect remittances to the United States.

Under the conventions it was agreed that the Uruguayan Government should draw against balances in its favor when London exchange was as high as 52½ pence, though it was further provided that, if Great Britain and France should in their negotiations with Argentina agree upon a more favorable rate, then this rate should become a part of the conventions of Uruguay upon the latter's demand. In May, 1919, a similar credit of from 15,000,000 to 20,000,000 Uruguayan pesos (\$15,510,000 to 20,680,000), was granted for the same purpose and under the same conditions to the Italian Government.

### Cost of Living in District No. 2.<sup>1</sup>

(From monthly report of the Federal Reserve Agent of the Second (N. Y.) Federal Reserve District.)

Investigation has been made of the changes in the cost of living, particularly as they relate to retail food prices in the city of New York and to rents in this and other cities. The cost of living, at least as far as it relates to the item of food, appears upon the present evidence to be little or no more oppressive than it was a year ago. Figures secured at first hand from representative retail dealers, operating in all

<sup>1</sup> It will be noted that the increases in the cost of living indicated here do not differ greatly (in so far as the results of the two studies are comparable) from those shown by the more elaborate investigation of the Bureau of Labor Statistics, summary tables of which are published in the September number of the Monthly Labor Review.

somewhat more than 500 stores of all classes in many parts of New York City, indicate that the rise of food prices since 1914 has been about as follows:

Item.	1914 to 1918.	October, 1918, to October, 1919.
	<i>Per cent.</i>	<i>Per cent.</i>
Flour.....	61.9	9.2
Potatoes.....	96.8	9.9
Sugar.....	56.4	1.2
White beans.....	84.4	120.3
Apples.....	57.7	43.9
Pork.....	68.4	17.7
Beef.....	69.8	17.5
Lamb.....	100.7	18.3
All meat.....	74.5	13.3
Vegetables.....	74.3	3.8

<sup>1</sup> Decrease.

The decreases have helped materially to offset the increases, if indeed they have not offset them altogether. Though the prices were derived from trustworthy sources, it is to be understood that every dealer approached did not have figures for all products; yet enough were secured to give what is deemed to be a fairly accurate picture of comparative food costs. In the table given below the percentages have been applied to the typical expenditures of a group of families whose total expenses in 1914 averaged \$1,260, and whose food costs amounted to a little less than half that sum. Taking that year's record of expenditures as a base, and after weighting the percentages to represent a group of foodstuffs, the following results were obtained:

Expense items.	1914	October, 1918.	October, 1919.
Meats, etc.....	\$236.40	\$412.50	\$398.90
Dairy products.....	143.30	250.05	250.05
Sugar and miscellaneous.....	67.30	105.25	106.50
Breadstuffs.....	62.65	101.45	110.80
Vegetables.....	26.40	46.00	47.75
Total.....	536.05	915.25	914.00

Thus it would appear that retail costs of foodstuffs in New York City, taking the typical family expenditures for this purpose as a whole, increased between 1914 and 1918 about 70.7 per cent, and that they are now about the same as they were a year ago.

Other important elements in the cost of living, such as clothing and rents, are not equally susceptible of tabulation, primarily because of great individual variation. Particularly as to clothing there is difficulty in

making exact comparisons over a period of time, item for item. Observations of retail clothing purchasing indicates that there has been a great change in the nature and quality of articles in demand; high-priced clothing is sought to the relative exclusion of the cheaper grades. Thus clothing items in budgets of families which were formerly in the category of the one used above are inordinately inflated.

A study of rent increases in New York City, supplemented by reports from Buffalo and Rochester, does not give adequate statistical information on which to base closely drawn conclusions. It would appear, however, that rents lagged somewhat behind other rising costs and that the increase in the past year has been very nearly equal to that of the previous four-year period. Thus, an estimate for moderate-priced dwellings in the borough of Brooklyn indicates 25 per cent increase, divided evenly between the 1914-1918 period and the year 1919. In the borough of Manhattan increases in household rents have varied greatly; for private houses of an old type and in less-favored neighborhoods rents have increased no more than 5 per cent, whereas apartments of the best sort are in such demand that a 40 or 50 per cent increase in the entire period is not unusual. The average residential rent increase for the city is estimated at between 20 and 30 per cent for the period, from one-half to three-quarters of which took place in the last year. The mayor's committee, which has been hearing complaints of alleged profiteering in rents and has treated some 24,000 cases, tells us that it estimates that not over 5 per cent of the landlords who have appeared before it are actual profiteers. Commercial rents in New York City, including rents of offices, are usually for long terms, and while instances appear of increases up to 100 per cent, on the whole the increases have been much less, and in any case the rise should be spread over a period of years.

In Rochester the average increase is reported to be about 26 per cent, with rents for property in the favored business districts up 33 per cent, for dwellings under \$30 a month up 20 per cent, and for higher types of residences up 25 per cent. Buffalo reports an extraordinary shortage of dwellings, with tenants renting at sight without the mediation of real estate agents. Thus individual cases vary greatly, but it appears that the increases run from 14 to 36 per cent, with commercial rent increases materially less.

### Erratum.

For the table on page 949 of the October BULLETIN entitled "United States equivalent of London price of silver per ounce, 1,000 fine, and value of silver in a rupee, 1873-1918," substitute the following:

Date.	Price of silver.	Gold value of silver in a rupee.	Date.	Price of silver.	Gold value of silver in a rupee.
1873.....	1.29769	0.44608	1896.....	0.67565	0.23225
1874.....	1.27883	.43960	1897.....	.60438	.20776
1875.....	1.24233	.42705	1898.....	.59010	.20285
1876.....	1.16414	.40017	1899.....	.60154	.20678
1877.....	1.20189	.41315	1900.....	.62007	.21315
1878.....	1.15358	.39654	1901.....	.59595	.20486
1879.....	1.12392	.38635	1902.....	.52795	.18148
1880.....	1.14507	.39362	1903.....	.54257	.18651
1881.....	1.13229	.38922	1904.....	.57876	.19895
1882.....	1.13562	.39037	1905.....	.61027	.20978
1883.....	1.10874	.38113	1906.....	.67689	.23268
1884.....	1.11068	.38180	1907.....	.66152	.22740
1885.....	1.06510	.36613	1908.....	.53490	.18387
1886.....	.99467	.34192	1909.....	.52016	.17881
1887.....	.97946	.33669	1910.....	.54077	.18589
1888.....	.93974	.32304	1911.....	.53928	.18538
1889.....	.93511	.32144	1912.....	.61470	.21130
1890.....	1.04834	.35968	1913.....	.60458	.20782
1891.....	.98800	.33963	1914.....	.55312	.19014
1892.....	.87145	.29956	1915.....	.51892	.17838
1893.....	.78030	.26823	1916.....	.68647	.23597
1894.....	.63479	.21821	1917.....	.87530	.30088
1895.....	.65406	.22483	1918.....	1.04157	.35804

### Acceptances to 100 Per Cent.

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

Citizens & Southern Bank, Savannah, Ga.  
 First National Bank, Valdosta, Ga.  
 National Bank of Commerce, Forth Worth, Tex.  
 Stockyards National Bank, Forth Worth, Tex.  
 Waxahachie National Bank, Waxahachie, Tex.  
 Utica Trust & Deposit Co., Utica, N. Y.  
 First National Bank, Gainesville, Tex.  
 Lowry National Bank, Atlanta, Ga.  
 Chicago Trust Company, Chicago, Ill.  
 First National Bank, St. Louis, Mo.

### Foreign Branch Banks.

A list of branches of national banks and international and foreign banks, doing business under agreement with the Federal Reserve Board, which have opened for business during October, is given below:

Mercantile Bank of the Americas, New York City:  
 Madrid, Spain.  
 National City Bank of New York:  
 Calle Rondeau, Montevideo, Uruguay.  
 Barcelona, Spain.  
 International Banking Corporation, New York City:  
 Tsingtao, Province of Shantung, China.  
 Asia Banking Corporation, New York City:  
 Canton, China.

**State Banks and Trust Companies Admitted.**

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

One thousand one hundred and thirty-three State institutions are now members of the system, having a total capital of \$398,535,946, total surplus of \$481,912,151, and total resources of \$8,850,565,687.

	Capital.	Surplus.	Total resources.
<i>District No. 3.</i>			
The Grange Trust Co., Huntingdon, Pa.....	\$125,000	.....	\$664,586
The Schuylkill Haven Trust Co., Schuylkill Haven, Pa.....	125,000	\$55,000	1,212,121
<i>District No. 4.</i>			
Marshall County Bank, Moundsville, W. Va.....	150,000	40,000	1,224,577
<i>District No. 5.</i>			
Citizens Bank & Trust Co., Rock Hill, S. C.....	100,000	5,000	567,572
<i>District No. 7.</i>			
American State Bank, Fort Madison, Iowa.....	100,000	8,000	1,200,211
Bank of Fountain, Fountain, Mich..	25,000	5,000	173,394
<i>District No. 8.</i>			
Bank of Commerce, El Dorado, Ark.....	50,000	5,000	55,000
Belleville Savings Bank, Belleville, Ill.....	150,000	400,000	4,239,859
Farmers & Merchants Bank, Dyer, Tenn.....	40,000	18,941	331,188
<i>District No. 10.</i>			
Citizens State Bank, Liberal, Kans..	50,000	17,000	542,497
Farmers State Bank, Cozad, Nebr....	50,000	10,000	829,669
Cordell State Bank, Cordell, Okla....	30,000	3,000	368,896
Cheyenne State Bank, Cheyenne, Wyo.....	100,000	20,000	459,352
First State Bank, North Bend, Nebr..	25,000	15,000	578,073
<i>District No. 12.</i>			
Bank of Norwalk, Norwalk, Calif....	25,000	10,000	303,349
French-American Bank of Savings, San Francisco, Calif.....	1,000,000	250,000	13,551,774
The San Francisco Savings & Loan Society, San Francisco, Calif.....	1,000,000	2,300,000	60,509,192
Savings Union Bank & Trust Co., San Francisco, Calif.....	1,500,000	1,625,000	45,621,028
Commercial Trust & Savings Bank, Santa Barbara, Calif.....	575,000	200,000	6,480,670
Renton State Bank, Renton, Wash..	25,000	2,500	65,531
Anglo-California Trust Co., San Francisco, Calif.....	1,500,000	500,000	21,002,732

NOTE.—The Mount Ayr State Bank, Mount Ayr, Iowa, has withdrawn from membership.  
 The Bank of Commerce, Philadelphia, Pa., has converted into National Bank of Commerce; the Drovers & Merchants Bank, Philadelphia, Pa., has converted into Drovers and Merchants National Bank; and the Rigby State Bank, Rigby, Idaho, has converted into First National Bank.

**Commercial Failures Reported.**

Commercial failures in the United States during September reported to R. G. Dun & Co., as for every month so far this year, made a very favorable comparison with those of the corresponding period in 1918, being only 473 in number, with liabilities amounting to \$8,791,319, against 674 for \$17,407,130 the same month a year ago. These returns show a reduction of 29.8 per cent in number and 49.5 per cent in the sum owed compared with September of last year, and except in August and July of this year, when the totals in both instances were smaller, the number is much less than for any month in several decades and the liabilities lighter than for any month since September, 1909. Separation of these insolvencies, according to Federal Reserve districts, reveals the fact that in every district, except the fifth and sixth, September business reverses were much less numerous than for the same month in 1918, with the falling off especially pronounced in the second, seventh, ninth, and eleventh districts. The exhibit as to liabilities, however, is hardly so uniformly favorable, six districts out of the twelve, namely, the fourth, fifth, sixth, eighth, tenth, and twelfth, reporting more or less expansion, with that in the fourth, \$1,559,307 against \$582,903 last year, the most noticeable. These increases, however, were far more than counterbalanced by the marked improvement in the remaining districts, notably the first, where \$1,037,546 compared with \$1,978,500; the second, \$2,335,120 with \$5,188,489; the third, \$816,230 with \$4,223,184; and the seventh, \$661,371 with \$3,453,050.

*Failures during September.*

Districts.	Number.		Liabilities.	
	1919	1918	1919	1918
First.....	52	71	\$1,037,546	\$1,978,500
Second.....	92	126	2,335,120	5,188,489
Third.....	29	88	816,230	4,223,184
Fourth.....	48	58	1,559,307	582,903
Fifth.....	42	27	704,352	245,936
Sixth.....	40	32	771,880	257,383
Seventh.....	48	125	661,371	3,453,050
Eighth.....	18	38	210,616	395,975
Ninth.....	9	23	90,282	304,400
Tenth.....	20	27	152,458	182,859
Eleventh.....	7	33	48,883	272,521
Twelfth.....	68	76	408,274	321,930
Total.....	473	674	8,791,319	17,407,130

### New National Bank Charters.

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

	Banks.	
New charters issued to.....	41	
With capital of.....	\$3, 930, 000.	
Increase of capital approved for <sup>1</sup> .....	34	
With new capital of <sup>1</sup> .....	8, 910, 000	
Aggregate number of new charters and banks increasing capital.....	75	
With aggregate of new capital authorized.....	12, 840, 000	
Number of banks liquidating (other than those consolidating with other national banks under the act of June 3, 1864).....	5	
Capital of same banks.....	775, 000	
Number of banks reducing capital.....	0	
Reduction of capital <sup>2</sup> .....	400, 000	
Total number of banks going into liquidation or reducing capital (other than those consolidating with other national banks under the act of June 3, 1864).....	5	
Aggregate capital reduction <sup>2</sup> .....	1, 175, 000	
Consolidation of national banks under the act of Nov. 7, 1918.....	4	
Capital.....	1, 475, 000	
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was.....	12, 840, 000	
Against this there was a reduction of capital owing to liquidation (other than for consolidation with other national banks under the act of June 3, 1864) and reductions of capital of <sup>2</sup> .....	1, 175, 000	
Net increase.....	11, 665, 000	

<sup>1</sup> Includes two increases of capital aggregating \$100,000 incident to consolidations under the act of Nov. 7, 1918.

<sup>2</sup> Includes a reduction in capital of \$400,000 incident to a consolidation under the act of Nov. 7, 1918.

### Fiduciary Powers Granted to National Banks.

The application of the following banks for permission to act under section 11-k of the Federal Reserve Act has been approved by the Federal Reserve Board during the month of October, 1919:

#### DISTRICT No. 1.

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

Foxboro National Bank, Foxboro, Mass.  
First National Bank, New Bedford, Mass.

#### DISTRICT No. 2.

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

First National Bank, Amsterdam, N. Y.  
First National Bank, Corning, N. Y.  
Oneida Valley National Bank, Oneida, N. Y.  
Connecticut National Bank, Bridgeport, Conn.

#### DISTRICT No. 3.

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

Haddonfield National Bank, Haddonfield, N. J.  
First National Bank, Elmer, N. J.  
Ventnor National Bank, Ventnor, N. J.  
Nazareth National Bank, Nazareth, Pa.  
National Bank of Pottstown, Pottstown, Pa.  
National Bank of Spring City, Spring City, Pa.  
Allentown National Bank, Allentown, Pa.

#### DISTRICT No. 4.

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

Citizens National Bank, Cincinnati, Ohio.  
First National Bank, Cincinnati, Ohio.  
Second National Bank, Cincinnati, Ohio.  
National City Bank, Cleveland, Ohio.  
Union National Bank, Fostoria, Ohio.  
Merchants National Bank, Hillsboro, Ohio.  
First National Bank, Troy, Ohio.  
Union Commerce National Bank, Cleveland, Ohio.

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

First National Bank, Ellwood City, Pa.  
Bank of Pittsburgh, N. A., Pittsburgh, Pa.

Trustee and registrar of stocks and bonds:

Merchants National Bank, Defiance, Ohio.  
First National Bank, Marietta, Ohio.

#### DISTRICT No. 5.

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

Seaboard National Bank, Norfolk, Va.  
First National Bank, Greenville, S. C.

#### DISTRICT No. 6.

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

City National Bank, Tuscaloosa, Ala.

#### DISTRICT No. 7.

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

Dixon National Bank, Dixon, Ill.  
First National Bank, Cambridge, Ind.  
First National Bank, Elkader, Iowa.  
National Union Bank, Jackson, Mich.

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

First National Bank, Hawarden, Iowa.

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

Old National Bank, Battle Creek, Mich.

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

Farmers & Merchants National Bank, Benton Harbor, Mich.

#### DISTRICT No. 8.

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

First National Bank, Jeffersonville, Ind.  
England National Bank, Little Rock, Ark.



DISTRICT No. 11.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:  
 First National Bank, Nogales, Ariz.  
 City National Bank, El Paso, Tex.  
 First National Bank, Orange, Tex.

DISTRICT No. 12.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:  
 Medford National Bank, Medford, Oreg.  
 United States National Bank, Portland, Oreg.  
 Capital National Bank, Salem, Oreg.  
 Guardian of estates, assignee, and receiver:  
 First National Bank, Junction City, Oreg.

**Dissolution of Capital Issues Committee.**

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.  
 A PROCLAMATION.

Whereas Congress, on April 5, 1918, enacted a law known as "The war finance corporation act;" and  
 Whereas, under section 206 of said act, it is provided that the President may at any time by proclamation declare that the title relating to the Capital Issues Committee is no longer necessary and that thereupon it shall cease to be in effect:  
 Now, therefore, I, Woodrow Wilson, President of the United States, by virtue of the authority in me vested, do hereby proclaim and declare that title two of said war finance corporation act, relating to the Capital Issues Committee, is no longer necessary, and I further direct that the

committee shall close up its affairs, and that all the records, including letters, correspondence, and testimony in the possession of said committee, be turned over to the Federal Trade Commission.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.  
 Done this thirtieth day of August, in the year of our Lord one thousand nine hundred and nineteen and of the independence of the United States of America the one hundred and forty-fourth.

By the President:  
 ROBERT LANSING,  
*Secretary of State.*

WOODROW WILSON.

**Crop Statistics, by Federal Reserve Districts.**

Forecasts of corn production as of October are even more favorable than the forecasts of the previous month, while wheat forecasts are somewhat below those issued in September. The estimate of hay production issued as of September remains unchanged, while the forecast for oats is lower by about 5 million bushels in October than in September. The forecast of oats production in the 10 districts for which data are given is higher on October 1 than on September 1, indicating that a decline more than sufficient to offset this increase occurred in the forecasts for the two nonreporting districts, namely, the Kansas City and the Dallas districts.

*Acreage and production of corn, wheat, oats, and hay in Federal Reserve districts and in the United States, 1919 and 1918.*  
 [In thousands of units of measurement.]

	Total for United States.	Total for 10 districts.	District 1—Boston.	District 2—New York.	District 3—Philadelphia.	District 4—Cleveland.	District 5—Richmond.	District 6—Atlanta.	District 7—Chicago.	District 8—St. Louis.	District 9—Minneapolis.	District 12—San Francisco.
<b>CORN.</b>												
Acreage:												
1919.....	102,977	78,761	188	951	1,533	5,273	8,803	14,964	24,178	15,366	7,235	270
1918.....	107,494	91,230	202	967	1,545	5,442	8,745	15,191	35,346	16,726	6,811	255
Production (bushels):												
Forecast as of Sept. 1, 1919....	2,857,692	2,285,382	9,094	40,141	66,547	203,618	198,884	246,448	897,618	377,951	236,708	8,373
Forecast as of Oct. 1, 1919....	2,900,511	2,326,484	9,321	41,802	67,748	208,278	196,806	243,020	916,881	382,687	251,448	8,493
Estimated, 1918.....	2,582,814	2,266,195	9,273	35,604	59,805	184,232	205,689	253,494	895,138	372,977	241,402	8,581
<b>WHEAT.</b>												
Acreage:												
1919.....	71,526	45,888	32	593	1,523	2,954	3,678	1,268	5,166	7,357	17,477	5,840
1918.....	59,110	41,445	41	497	1,344	2,853	3,565	1,168	3,766	5,680	17,551	4,980
Production (bushels):												
Forecast as of Sept. 1, 1919....	923,350	580,639	764	12,509	25,836	59,253	41,237	12,022	86,287	103,537	134,473	104,721
Forecast as of Oct. 1, 1919....	918,471	577,500	636	12,527	25,836	59,310	41,237	12,022	86,287	103,537	131,919	104,139
Estimated, 1918.....	917,100	669,928	902	8,979	22,312	52,012	40,754	11,710	74,585	101,837	281,025	75,812
<b>OATS.</b>												
Acreage:												
1919.....	42,365	31,754	334	1,149	748	-----	1,211	1,317	14,118	2,438	9,285	1,154
1918.....	44,400	35,661	332	1,339	764	2,432	1,238	1,497	14,923	2,597	9,333	1,206
Production (bushels):												
Forecast as of Sept. 1, 1919....	1,224,815	944,732	12,004	27,412	20,742	68,394	25,393	25,833	438,683	67,019	218,582	40,670
Forecast as of Oct. 1, 1919....	1,219,521	948,319	11,388	29,679	23,165	71,339	25,444	26,152	441,272	62,124	218,177	39,579
Estimated, 1918.....	1,538,359	1,342,577	13,230	54,811	29,773	101,356	28,111	30,860	640,005	77,486	329,045	37,850
<b>HAY.</b>												
Acreage:												
1919.....	69,719	54,494	3,700	4,658	2,226	-----	3,288	3,723	12,618	5,626	12,285	6,370
1918.....	71,254	59,041	3,631	4,658	2,226	4,397	3,287	3,744	12,735	5,762	12,394	6,207
Production (tons):												
Estimate as of Sept. 1, 1919....	103,544	81,862	4,835	6,862	3,013	5,719	4,286	4,372	18,010	7,398	14,994	12,373
Estimated, 1918.....	90,443	75,208	4,393	5,847	3,116	6,122	4,203	3,805	16,344	6,500	14,304	10,574

## RULINGS OF THE FEDERAL RESERVE BOARD.

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

### Cotton factors' paper.

The Federal Reserve Board has carefully considered the question whether cotton factors' paper may properly be considered eligible for rediscount as commercial paper within the meaning of section 13 of the Federal Reserve Act. In view of the fact that it is apparent from all the evidence on hand that the circumstances and conditions under which so-called cotton factors' paper is issued vary so much in different cases, it is impossible to give any categorical answer to the question presented, or to make any general ruling that cotton factors' paper, as such, is eligible or ineligible for rediscount.

The Board is clearly of the opinion on the one hand, that paper, the proceeds of which are used to lend to some third party, is finance paper rather than commercial paper and is, in consequence, ineligible for rediscount even though that third party may use the proceeds for a commercial purpose. On the other hand, the Board believes that any paper, the proceeds of which are used to purchase goods to sell to some third party, is eligible for rediscount as commercial paper within the meaning of section 13.

Whether or not a given transaction falls within one class or the other is solely a question of fact for the determination of the directors of the Federal Reserve Bank to which the paper is presented for rediscount. The mere fact that a borrower on a given note is a cotton factor does not of itself render that note ineligible since its eligibility is a matter to be determined by the use to which the proceeds of that particular note are put. If a cotton factor borrows on his own note to increase his capital for the purpose of lending to his customers, the note would come within the first class and would be ineligible, but if it can be determined that the proceeds of the note instead of being loaned to a customer by the factor are used by the fac-

tor to purchase goods which are shipped to the customer and which are charged by the factor against the customer's account, then the note attains a commercial status because of the commercial purpose to which its proceeds are applied by the factor.

In order to ascertain the necessary facts it may be proper for a Federal Reserve Bank to require statements or affidavits from the maker of the note as to the exact nature of the transaction out of which it arises. With these principles as a guide, the Federal Reserve Bank must determine the eligibility of any particular paper in the light of the circumstances in which it was issued, and its proceeds disposed of.

### Deposits of member banks in foreign banks.

In response to several inquiries the Federal Reserve Board has had occasion to rule that that part of section 19 of the Federal Reserve Act as amended by the act of June 21, 1917, which provides that "no member bank shall keep on deposit with any State bank or trust company which is not a member bank a sum in excess of 10 per cent of its own paid-up capital and surplus," does not prohibit a member bank from keeping on deposit with any foreign bank a sum in excess of 10 per cent of the member bank's paid-up capital and surplus.

Section 19 was amended as above indicated with the express purpose of permitting member banks to carry such balances in foreign banks.

### Deposits of the United States Shipping Board and Emergency Fleet Corporation.

In the opinion of the Federal Reserve Board, deposits of the United States Shipping Board and deposits of the Emergency Fleet Corporation are not United States Government deposits within the meaning of that part of the law which provides that reserve requirements of the Federal Reserve Act "shall not apply to deposits of public moneys of the United States." Member banks, therefore, should maintain appropriate reserves against all deposits of the United States Shipping Board and the Emergency Fleet Corporation.

## LAW DEPARTMENT.

### Limitations on loaning power of national banks.

House Bill 7478, amending sections 5200 and 5202 of the United States Revised Statutes, was approved by the President on October 22, 1919, in the form printed on page 965 of the October 1, 1919, BULLETIN.

The amounts which a national bank may properly lend to any one person, company, corporation or firm (including in the liability of a company or firm, the liabilities of the several members thereof) under the provisions of section 5200, as amended, are stated below in terms of the percentage of the paid-up and unimpaired capital stock and surplus of the lending bank.

CHARACTER OF LOANS.	AMOUNTS LOANABLE.
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(A) Accommodation or straight loans, whether or not single name.	Maximum limit, 10 per cent of bank's paid-up and unimpaired capital and surplus.
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(B) "Bills of exchange drawn in good faith against actually existing values."	No limit imposed by law.
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The law expressly provides that this phrase shall also include:

(a) Drafts and bills of exchange secured by shipping documents conveying or securing title to goods shipped.

(b) Demand obligations, when secured by documents covering commodities in actual process of shipment.

(c) Bankers' acceptances of the kinds described in section 13 of the Federal reserve act.

(C) Commercial or business paper (of other makers) actually owned by the person, company, corporation, or firm negotiating the same.	No limit imposed by law.
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(D) Notes secured by shipping documents, warehouse receipts, or other such documents, conveying, or securing title covering readily marketable nonperishable staples, including live stock.	15 per cent of bank's capital and surplus, in addition to the amount allowed under (A); or if the full amount allowed under (A) is not loaned then the amount which may be loaned in the manner described under (D) is increased by the loanable amount not used under (A). In other words, the amount loaned under (A) must never be more than 10 per cent, but the aggregate of (A) and (D) may equal, but not exceed 25 per cent.
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No bank may make any loan under (D), however.

(a) Unless the actual market value of the property securing the obligation is not at any time less than 115 per cent of the face amount of the note; and

(b) Unless the property is fully covered by insurance, and in no event shall the privilege afforded by (D) be exercised for any one customer for more than 6 months in any consecutive 12 months.

(E) Notes secured by not less than a like face amount of bonds or notes of the United States issued since April 24, 1917, or by certificates of indebtedness of the United States.	10 per cent of bank's capital and surplus, in addition to the amount allowed under (A); or if the full amount allowed under (A) is not loaned, then the amount which may be loaned in the manner described under (E) is increased by the loanable amount not used under (A). In other words, the amount loaned under (A) must never be more than 10 per cent, but the aggregate of (A) and (E) may equal, but not exceed 20 per cent.
--	---

(F) Notes secured by United States Government obligations of the kinds described under (E) the face amount of which is at least equal to 105 per cent of the amount of the customer's notes.	No limit; but this privilege under regulations of the Comptroller of the Currency, expires December 31, 1920.
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Some examples of what a national bank may lend at any one time to any one customer under the amendment to section 5200 approved Oct. 22, 1919, expressed in terms of percentage of the bank's capital and surplus.

	Illustration 1.	Illustration 2.	Illustration 3.
(A) Accommodation or straight loans . . .	Per cent. 10	Per cent. 5	Per cent. 5
(D) Notes secured by warehouse receipts, etc . . . . .	15	20	15
(E) Notes secured by alike face amount of U. S. Government obligations . . . . .	10	10	15
Total . . . . .	35	35	35

(B) Bills of exchange drawn against actually existing value.	No limit imposed by law.
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(C) Commercial or business paper.	No limit imposed by law.
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(F) Notes secured by at least 105 per cent of United States Government obligations.	No limit imposed by law.
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### WHAT A FEDERAL RESERVE BANK MAY DISCOUNT FOR ITS MEMBER BANKS.

The limitations imposed upon the amounts of rediscounts which a Federal Reserve Bank may make for a member bank, whether State or national, are determined by the provisions of the Federal Reserve Act and are not in any way affected by the amendment to section 5200.

Under the provisions of section 13 of the Federal Reserve Act any Federal Reserve Bank may rediscount for any member bank, whether State or national, the obligations of any one borrower to the extent of 10 per cent of the member bank's capital and surplus, but it is expressly provided that "bills of exchange drawn against actually existing values" shall not be included in determining that 10 per cent limit.

In the opinion of the Federal Reserve Board this phrase "bills of exchange drawn against actually existing values" includes, among other kinds of paper "drafts or bills of exchange secured by shipping documents conveying or securing title to goods shipped" and "bankers' acceptances of the kinds described in section 13 of the Federal Reserve Act," even though section 13 (unlike the amendment to section 5200) does not expressly state that those two classes of paper are bills of exchange drawn against actually existing values. In the opinion of the Board, however, accepted demand bills on which the drawer is released from liability are not "bills of exchange" within the meaning of section 13 and must, therefore, be included in determining the limits on the amount of paper of any one borrower which a Federal Reserve Bank may rediscount for any member bank.

Under the terms of section 11 (m), as amended by the act of March 3, 1919, any Federal

Reserve Bank may, until December 31, 1920, rediscount for any member bank, whether State or national, the obligations of any one borrower to the extent of 20 per cent of the member bank's capital and surplus, provided, however, that the excess over and above 10 per cent must be secured by bonds or notes of the United States issued since April 24, 1917, or by certificates of indebtedness of the United States.

LIMITATIONS ON THE POWER TO REDISCOUNT FOR MEMBER STATE BANKS.

The above discussion relates to the general powers of a Federal Reserve Bank to make rediscounts for any member bank, whether State or national. It must be observed, however, that under the terms of section 9 of the Federal Reserve Act no Federal Reserve Bank can rediscount for a member State bank *any* of the paper of any one borrower who is liable to such member State bank in excess of 10 per cent of the capital and surplus of that State bank, but it is provided that the discount of bills of exchange drawn against actually existing values and the discount of commercial or business paper actually owned by the person negotiating the same shall not be included in determining the amount to which a borrower is liable to such member State bank.

The provisions of section 9 are in no way affected by the amendment to section 5200 of the Revised Statutes, and the same test as to the eligibility of any part of the line of paper of any one borrower which is held by a member State bank is applicable now as before that amendment to section 5200.

Under the provisions of Section 11 (m), as amended by the act of March 3, 1919, the Board has ruled that a Federal Reserve Bank may, until December 31, 1920, rediscount for a member State bank paper secured by not less than a like face amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States, without regard to the amount the borrowing bank may already have loaned to its customer under his regular line of credit, provided, however, that the aggregate of all rediscounts of the paper of any one borrower must in no case exceed 20 per cent of the capital and surplus of the member State bank.

In other words, if the regular line of credit of the borrower from a member State bank is *not* more than the 10 per cent limit fixed by section 9 of the Federal Reserve Act, Federal Reserve Banks may rediscount for State member banks to the same extent that they may

for member national banks. If, however, the regular line of credit of the borrower from the member State bank is *more* than that 10 per cent limit, then the Federal Reserve Bank can not rediscount any of that regular line of credit, but may rediscount that paper which is secured by Government obligations of the kinds specified up to the limits described above. (See ruling of the Federal Reserve Board printed on pages 361 and 362 of the April, 1919, FEDERAL RESERVE BULLETIN.)

Federal incorporation of institutions engaged in foreign banking or other financial operations.

Senate bill 2472, known as the "Edge bill," providing for the Federal incorporation of institutions to engage in international or foreign banking or other financial operations, which after being favorably acted on by the Senate, passed the House in the form printed below and was referred to conference committee. The part struck out represents matter in the Senate bill eliminated by the House, and the part in italics represents new matter added by the House.

UNION CALENDAR No. 136.

[Sixty-sixth Congress, first session. S. 2472. Report No. 408.]

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the act approved December 23, 1913, known as the Federal Reserve Act, as amended, be further amended by adding a new section as follows:

"BANKING CORPORATIONS AUTHORIZED TO DO FOREIGN BANKING BUSINESS.

"SEC. 25 (a). Corporations to be organized for the purpose of engaging *principally* in international or foreign banking or other *international or foreign* financial operations, or in banking or other financial operations in a dependency or insular possession of the United States, either directly or through the agency, ownership, or control of local institutions in foreign countries, or in such dependencies or insular possessions as provided by this section, and to act when required *by the Secretary of the Treasury* as fiscal agents of the United States, may be formed by any number of natural persons, not less in any case than five.

"Such persons shall enter into articles of association which shall specify in general terms the objects for which the association is formed and may contain any other provisions not inconsistent with law which the association may see fit to adopt for the regulation of its business and the conduct of its affairs.

"Such articles of association shall be signed by all of the persons intending to participate in the organization of the corporation and thereafter shall be forwarded to the Federal Reserve Board and shall be filed and preserved in its office. The persons signing the said articles of association shall,

under their hands, make an organization certificate which shall specifically state:

"First. The name assumed by such corporation, which shall be subject to the approval of the Federal Reserve Board, but shall include the word 'Federal,' and no other financial corporation hereafter organized under any law other than an act of Congress shall use such word in its name under a penalty of \$25 for each day that such word is used in violation of this provision.

"Second. The place or places where its operations are to be carried on.

"Third. The place in the United States where its home office is to be located.

"Fourth. The amount of its capital stock and the number of shares into which the same shall be divided.

"Fifth. The names and places of business or residence of the persons executing the certificate and the number of shares to which each has subscribed.

"Sixth. The fact that the certificate is made to enable the persons subscribing the same, and all other persons, firms, companies, and corporations, who or which may thereafter subscribe to or purchase shares of the capital stock of such corporation, to avail themselves of the advantages of this section.

"The persons signing the organization certificate shall duly acknowledge the execution thereof before a judge of some court of record or notary public, who shall certify thereto under the seal of such court or notary, and thereafter the certificate shall be forwarded to the Federal Reserve Board to be filed and preserved in its office. Upon duly making and filing articles of association and an organization certificate, and after the Federal Reserve Board has approved the same and issued a permit to begin business, the association shall become and be a body corporate, and as such and in the name designated therein shall have power under such conditions and regulations as the Federal Reserve Board may prescribe to adopt and use a corporate seal, which may be changed at the pleasure of its board of directors, to have succession for a period of twenty years unless sooner dissolved by the act of the shareholders owning two-thirds of the stock or by an Act of Congress or unless its franchises become forfeited by some violation of law; to make contracts; to sue and be sued, complain, and defend in any court of law or equity; to elect or appoint directors, all of whom shall be citizens of the United States; and, by its board of directors, to appoint such officers and employees as may be deemed proper, define their authority and duties, require bonds of them, and fix the penalty thereof, dismiss such officers or employees, or any thereof, at pleasure and appoint others to fill their places; to prescribe, by its board of directors, by-laws not inconsistent with law or with the regulations of the Federal Reserve Board regulating the manner in which its stock shall be transferred, its directors elected or appointed, its officers and employees appointed, its property transferred, and the privileges granted to it by law exercised and enjoyed.

"Each corporation so organized shall have power, under such rules and regulations as the Federal Reserve Board may prescribe:

"(a) To purchase, sell, discount, and negotiate, with or without its indorsement or guaranty, notes, drafts, checks, bills of exchange, acceptances, including bankers' acceptances, cable transfers, and other evidences of indebtedness; to purchase and sell, with or without its indorsement or guaranty, securities, including the obligations of the United States or of any State thereof but not including shares of stock in any corporation except as herein provided; to accept bills or drafts drawn upon it subject to such limitations and restrictions as the Federal Reserve Board may impose; to issue letters of credit; to purchase and

~~sell, exchange, coin and bullion coin, bullion, and exchange; to borrow and to lend money on real or personal security; to issue debentures, bonds, and promissory notes under such limitations as the Federal Reserve Board may prescribe, but in no event having liabilities outstanding thereon at any one time exceeding ten times its capital stock and surplus; to receive deposits outside of the United States and to receive only such deposits within the United States as may be incidental to or for the purpose of carrying out transactions in foreign countries or dependencies or insular possessions of the United States; and generally to exercise such powers as are incidental to the powers conferred by this Act or as may be usual, in the determination of the Federal Reserve Board, in connection with the transaction of the business of banking or other financial operations in the countries, colonies, dependencies, or possessions in which it shall transact business and not inconsistent with the powers specifically granted herein. Whenever a corporation organized under this section receives deposits in the United States it shall carry reserves in such amounts as the Federal Reserve Board may prescribe, but in no event less than 5 per centum of its deposits.~~

"(b) To establish and maintain for the transaction of its business agencies but not branches in the United States and branches or agencies in foreign countries, their dependencies or colonies, and in the dependencies or insular possessions of the United States, at such places as may be approved by the Federal Reserve Board and under such rules and regulations as it may prescribe, ~~and to establish and maintain such additional branches or agencies as the Federal Reserve Board may from time to time authorize even in, including countries or dependencies not specified in the original organization certificate.~~

"(c) With the consent of the Federal Reserve Board to purchase and hold stock or other certificates of ownership in any other corporation organized under the provisions of this section, or under the laws of any foreign country or a colony or dependency thereof, or under the laws of any State, dependency or insular possession of the United States engaged principally in the business of banking or in any other financial operation of the kinds authorized by this section but not transacting business in the United States, except such as in the judgment of the Federal Reserve Board may be incidental to its international or foreign business: *Provided, however, That, except with the approval of the Federal Reserve Board, no corporation organized hereunder shall invest in any one corporation an amount in excess of 10 per centum of its own capital and surplus, except in a corporation engaged in the business of banking, when 15 per centum of its capital and surplus may be so invested: Provided further, That no corporation organized hereunder shall purchase, own, or hold stock or certificates of ownership in any other corporation organized hereunder or under the laws of any State which is in substantial competition therewith, or which holds stock or certificates of ownership in corporations which are in substantial competition with the purchasing corporation.*

"Nothing contained herein shall prevent corporations organized hereunder from purchasing and holding stock in any corporation where such purchase shall be necessary to prevent a loss upon a debt previously contracted in good faith; and stock so purchased or acquired in corporations organized under this section shall within six months from such purchase be sold or disposed of at public or private sale unless the time to so dispose of same is extended by the Federal Reserve Board.

"No corporation organized under this section shall carry on any part of its business in the United States except such as, in the judgment of the Federal Reserve Board, shall be incidental to its international or foreign

business: *And provided further, That except such as is incidental and preliminary to its organization no such corporation shall exercise any of the powers conferred by this section until it has been duly authorized by the Federal Reserve Board to commence business as a corporation organized under the provisions of this section. No corporation organized under this Act shall engage in commerce and trade, or deal in commodities or foodstuffs, or as a condition of extending credit dictate or attempt to control the buyer or seller in the disposition of commodities, or interfere with the freedom of competition in the sale of commodities.*

*"No corporation organized under this section shall engage in commerce or trade in commodities except as specifically provided in this section, nor shall they control or fix or attempt to control or fix the price of any such commodities. The charter of any corporation violating this provision shall be subject to forfeiture in the manner hereinafter provided in this section. It shall be unlawful for any director, officer, agent, or employee of any such corporation to use or to conspire to use the credit, the funds, or the power of the corporation to fix or control the price of any such commodities, and any such person violating this provision shall be liable to a fine of not less than \$1,000 and not exceeding \$5,000 or imprisonment not less than one year and not exceeding five years, or both, in the discretion of the court.*

*"No corporation shall be organized under the provisions of this section with a capital stock of less than \$2,000,000, one-quarter of which must be paid in before the corporation may be authorized to begin business, and the remainder of the capital stock of such corporation shall be paid in installments of at least 10 per centum on the whole amount to which the corporation shall be limited as frequently as one installment at the end of each succeeding two months from the time of the commencement of its banking business operations, until the whole of the capital stock shall be paid in. The capital stock of any such corporation may be increased at any time, with the approval of the Federal Reserve Board, by a vote of two-thirds of its shareholders or by unanimous consent in writing of the shareholders without a meeting and without a formal vote, but any such increase of capital shall be fully paid in within ninety days after such approval; and may be reduced in like manner, provided that in no event shall it be less than \$2,000,000. No corporation, except as herein provided, shall during the time it shall continue its operations, withdraw or permit to be withdrawn, either in the form of dividends or otherwise, any portion of its capital. Any national banking association may invest in the stock of any corporation organized under the provisions of this section, but the aggregate amount of stock held in all corporations engaged in business of the kind described in this section and in section 25 of the Federal Reserve Act as amended shall not exceed 10 per centum of the subscribing bank's capital and surplus.*

*"A majority of the shares of the capital stock of any such corporation shall at all times be held and owned by citizens of the United States, by corporations the controlling interest in which is owned by citizens of the United States, chartered under the laws of the United States or of a State of the United States, or by firms or companies, the controlling interest in which is owned by citizens of the United States. The provisions of section 8 of the Act approved October 15, 1914, entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' as amended by the Acts of May 15, 1916, and September 7, 1916, shall be construed to apply to the directors, other officers, agents, or employees of corporations organized under the provisions of this section: *Provided, however, That nothing herein contained shall (1) prohibit any director or other officer, agent or em-**

*ployee of any member bank, who has procured the approval of the Federal Reserve Board from serving at the same time as a director or other officer, agent or employee of any corporation organized under the provisions of this section in whose capital stock such member bank shall have invested; or (2) prohibit any director or other officer, agent, or employee of any corporation organized under the provisions of this section, who has procured the approval of the Federal Reserve Board, from serving at the same time as a director or other officer, agent or employee of any other corporation in whose capital stock such first mentioned corporation shall have invested under the provisions of this section.*

*No member of the Federal Reserve Board shall be an officer or director of any corporation organized under the provisions of this section, or of any corporation engaged in similar business organized under the laws of any State, nor hold stock in any such corporation, and before entering upon his duties as a member of the Federal Reserve Board he shall certify under oath to the Secretary of the Treasury that he has complied with this requirement.*

*"Shareholders in any corporation organized under the provisions of this section shall be liable for the contracts, debts, and engagements of such corporations to the extent of double the amount of their stock holdings amount of their unpaid stock subscriptions. No such corporation shall become a member of any Federal reserve bank.*

*"Should any corporation organized hereunder violate or fail to comply with any of the provisions of the laws of the United States this section, all of its rights, privileges, and franchises derived herefrom may thereby be forfeited. Before any such corporation shall be declared dissolved, or its rights, privileges, and franchises forfeited, any non-compliance with, or violation of such laws shall, however, be determined and adjudged by a court of the United States of competent jurisdiction, in a suit brought for that purpose in the district or territory in which the home office of such corporation is located, which suit shall be brought by the United States at the instance of the Federal Reserve Board or the Attorney General. Upon adjudication of such noncompliance or violation, each director and officer who participated in, or assented to, the illegal act or acts, shall be liable in his personal or individual capacity for all damages which the said corporation shall have sustained in consequence thereof. No dissolution shall take away or impair any remedy against the corporation, its stockholders, or officers for any liability or penalty previously incurred.*

*"Any such corporation may go into voluntary liquidation and be closed by a vote of its shareholders owning two-thirds of its stock.*

*"Whenever the Federal Reserve Board shall become satisfied of the insolvency of any such corporation, it may appoint a receiver who shall take possession of all of the property and assets of the corporation and exercise the same rights, privileges, powers, and authority with respect thereto as are now exercised by receivers of national banks appointed by the Comptroller of the Currency of the United States: *Provided, however, That the assets of the corporation subject to the laws of other countries or jurisdictions shall be dealt with in accordance with the terms of such laws.**

*"Every corporation organized under the provisions of this section shall hold a meeting of its stockholders annually upon a date fixed in its by-laws, such meeting to be held at its home office in the United States. Every such corporation shall keep at its home office books containing the names of all stockholders thereof, and the names and addresses of the members of its board of directors, together with copies of all reports made by it to the Federal Reserve Board. Every such corporation shall make reports to the Federal Reserve Board at such times*

and in such form as it may require; and shall be subject to examinations whenever examination once a year and at such other times as may be deemed necessary by the Federal Reserve Board by examiners appointed by the Federal Reserve Board, the cost of such examinations, including the compensation of the examiners, to be fixed by the Federal Reserve Board and to be paid by the corporation examined."

The directors of any corporation organized under the provisions of this section may, semiannually, declare a dividend of so much of the net profits of the corporation as they shall judge expedient; but each corporation shall, before the declaration of a dividend, carry one-tenth of its net profits of the preceding half year to its surplus fund until the same shall amount to 20 per centum of its capital stock.

~~Every banking corporation authorized to do foreign banking business under the provisions of this section shall, for the purpose of taxation, make reports to the Federal Reserve Board and the Commissioner of Internal Revenue at such times and in such form as they may require, including a true report of the names of the actual stockholders of such corporations; and the amount of stocks held by each and all such corporations organized and transacting business under the provisions of this section shall be taxed the same as member banks of the Federal Reserve System.~~

Any corporation organized under the provisions of this section shall be subject to tax by the State within which its home office is located in the same manner and to the same extent as other corporations organized under the laws of that State which are transacting a similar character of business. The shares of stock in such corporation shall also be subject to tax as the personal property of the owners or holders thereof in the same manner and to the same extent as the shares of stock in similar State corporations: Provided, however, That such shares owned by nonresidents of any State shall be taxed only in the city or town in which the corporation's home office is located, and not elsewhere.

Any corporation organized under the provisions of this section may at any time within the two years next previous to the date of the expiration of its corporate existence, by a vote of the shareholders owning two-thirds of its stock, apply to the Federal Reserve Board for its approval to extend the period of its corporate existence for a term of not more than twenty years, and upon certified approval of the Federal Reserve Board such corporation shall have its corporate existence for such extended period unless sooner dissolved by the act of the shareholders owning two-thirds of its stock, or by an act of Congress or unless its franchise becomes forfeited by some violation of law.

Any bank or banking institution incorporated by special law of any State or of the United States or organized under the general laws of any State or of the United States and having an unimpaired capital sufficient to entitle it to become a corporation under the provisions of this section may, by the vote of the shareholders owning not less than two-thirds of the capital stock of such bank or banking association, with the approval of the Federal Reserve Board, be converted into a Federal corporation of the kind authorized by this section with any name approved by the Federal Reserve Board: Provided, however, That said conversion shall not be in contravention of the State law. In such case the articles of association and organization certificate may be executed by a majority of the directors of the bank or banking institution, and the certificate shall declare that the owners of at least two-thirds of the capital stock have authorized the directors to make such certificate and to change or convert the bank or banking institution into a Federal corporation. A majority of the directors, after executing the articles of association and the organization certificate, shall have power to execute all other papers and to do whatever may be required to make its organization perfect and complete as a Federal corporation. The

shares of any such corporation may continue to be for the same amount each as they were before the conversion, and the directors may continue to be directors of the corporation until others are elected or appointed in accordance with the provisions of this section. When the Federal Reserve Board has given to such corporation a certificate that the provisions of this section have been complied with, such corporation and all its stockholders, officers, and employees, shall have the same powers and privileges, and shall be subject to the same duties, liabilities, and regulations, in all respects, as shall have been prescribed by this section for corporations originally organized hereunder.

Every officer, director, clerk, employee, or agent of any corporation organized under this section who embezzles, abstracts, or willfully misapplies any of the moneys, funds, credits, securities, evidences of indebtedness or assets of any character of such corporation; or who, without authority from the directors, issues or puts forth any certificate of deposit, draws any order or bill of exchange, makes any acceptance, assigns any note, bond, debenture, draft, bill of exchange, mortgage, judgment, or decree; or who makes any false entry in any book, report, or statement of such corporation with intent, in either case, to injure or defraud such corporation or any other company, body politic or corporate, or any individual person, or to deceive any officer of such corporation, the Federal Reserve Board, or any agent or examiner appointed to examine the affairs of any such corporation; and every receiver of any such corporation and every clerk or employee of such receiver who shall embezzle, abstract, or willfully misapply or wrongfully convert to his own use any moneys, funds, credits, or assets of any character which may come into his possession or under his control in the execution of his trust or the performance of the duties of his employment; and every such receiver or clerk or employee of such receiver who shall, with intent to injure or defraud any person, body politic or corporate, or to deceive or mislead the Federal Reserve Board, or any agent or examiner appointed to examine the affairs of such receiver, shall make any false entry in any book, report, or record of any matter connected with the duties of such receiver; and every person who with like intent aids or abets any officer, director, clerk, employee, or agent of any corporation organized under this section, or receiver or clerk or employee of such receiver as aforesaid in any violation of this section, shall upon conviction thereof be imprisoned for not less than two years nor more than ten years, and may also be fined not more than \$5,000; in the discretion of the court.

Whoever, being connected in any capacity with any corporation organized under this section, represents in any way that the United States is liable for the payment of any bond or other obligation or the interest thereon issued or incurred by any corporation organized hereunder, or that the United States incurs any liability in respect of any act or omission of the corporation, shall be punished by a fine of not more than \$10,000 and by imprisonment of not more than five years.

#### Exercise of trust powers by national banks located in New York.

The following is an opinion rendered October 15, 1919, by Mr. Justice Isaac M. Kapper, of the Supreme Court of the State of New York to the effect that since the enactment of section 11 (k) of the Federal Reserve Act, as amended by the act of September 26, 1918, a State no longer has the power to prohibit the exercise of trust powers by national banks or to discriminate against such banks by prohibiting its courts from appointing them in fiduciary

capacities when the laws of that State permit the appointment of competing State corporations in such capacities. The opinion also holds that, as a matter of fact, no intent to discriminate against national banks can be inferred from section 2352 of the New York Code of Civil Procedure and that a national bank which has been granted the necessary permit under section 11 (k) of the Federal Reserve Act, is a "suitable person" within the meaning of this code section and may be appointed special guardians thereunder:

In the Matter of the Petition of Bessie B. Mollineaux, Supreme Court, Nassau County.

The purchaser of an infant's real estate sold in this proceeding objects to the title, and this motion is made to compel acceptance. The purchaser's sole objection is to the appointment by the supreme court of a national bank as special guardian in a proceeding for the sale of the real estate of an infant, asserting that such a corporation is not among those qualified for such an appointment under section 2352 of the Code of Civil Procedure which, he further asserts, is the only authority for appointing a special guardian in such a proceeding. Said section is as follows: "Upon an application to sell, mortgage, release, or lease real property or an interest in real property of an infant, the court must appoint a suitable person to be the special guardian of the infant with respect to the proceedings, who must thereupon file with the clerk a bond as prescribed in the last section. Any trust company authorized by the laws of this State to act as general guardian of the estate of an infant without giving security may be appointed such special guardian, and in such case the court, in the order of appointment, may dispense with the giving and filing of any such bond." It is the contention of the purchaser that if a corporation may be appointed a special guardian, the code section in question contains a limitation which confines such corporate appointee to a trust company. The purchaser frankly concedes that all the broad powers conferred upon the Federal Reserve Board by recent acts of Congress, to authorize national banks to act in certain specified trust capacities, permits the designation of a national bank to act in practically all fiduciary capacities, excepting those expressly limited, as by the code section in question. This concession shortens the discussion materially, and it suffices to say that in the case of *National Bank v. Union Trust Co.* (244 U. S., 416) the United States Supreme Court has rendered futile any controversy over the powers of national banks to act as fiduciaries. That decision goes to the extent of declaring the principle that when Congress, in the exercise of its constitutional powers, has clothed national banks with authority to exercise the functions possessed by rival State corporations of a similar character the State is without power to nullify such action by Congress by discriminatory legislation in favor of State corporations. The State may reasonably regulate the exercise of the powers so conferred, but may not prohibit. Since that decision, which was based upon section 11 (k) of the Federal act of December 23, 1913, Congress, by an

amendatory act of September 7, 1918 (sec. 9794-k), has authorized the Federal Reserve Board to empower national banks to assume other specified trust relationships, "or to act 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." That amendment further provided that "whenever the laws of such State authorize or permit the exercise or any or all of the foregoing powers by State banks, trust companies, or other corporations which compete with national banks, the granting to and the exercise of such powers by national banks shall not be deemed to be in contravention of State or local law within the meaning of this act." Hence we see that Congress, by appropriate legislation, has vested national banks with power to act in enumerated trust capacities, and under the cited decision of the United States Supreme Court such legislation became the controlling and paramount law, superior to any inconsistent State legislation. In my judgment the State no longer has power to prohibit the exercise within its domain of the powers and functions so conferred upon such banks, and no power to accomplish this result indirectly by discrimination in favor of local corporations and against national banks or agencies of similar character. And any prior State legislation which limited the exercise of specified powers to certain specified State corporations or agencies became inoperative when Congress clothed Federal corporations and agencies of a rival character with like powers. But I do not think that a legislative intent to discriminate against national banks or agencies or to prohibit their acting in the trust capacities enumerated in the Federal acts referred to can be inferred from the code section 2352 (supra). The Federal acts in question were passed in 1913 and 1918, while the amendment to section 2352 of the code, permitting the appointment of a trust company as special guardian was passed in 1893 (chap. 268, Laws of 1893). It seems plain, therefore, that national banks were not in the legislative mind when the amendment of 1893 was enacted, for at that time such banks had not been vested by Congress with power to act in any of the trust capacities enumerated in the subsequent legislation referred to, and were therefore in no event eligible to appointment to any trust capacity in the State of New York. I am, moreover, of the opinion that section 2352 of the code is a limitation only to the extent of dispensing with the security required when a trust company is the appointee, and that that section containing, as is obvious, no express inhibition against the appointment of a non-resident natural person or a foreign or domestic corporation as special guardian, the sole statutory requirement being that the appointee must be a "suitable person," empowers the supreme court to appoint a national bank, otherwise duly empowered to act in a fiduciary capacity, as special guardian, for such bank, being so duly qualified, is therefore a "suitable person" within the meaning of the statute. This view is fortified by the concession made by the purchaser here that the national bank, special guardian at bar, is empowered to act in all trust capacities, so far as concerns the doctrine of ultra vires, and could not act in the present case because, as claimed, said bank was ineligible for appointment under the code, as stated at the outset. As above stated, this view is held untenable. In my opinion the motion should be granted.



**WHOLESALE PRICES.**

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

Quotations for two commodities, namely, phosphate rock and eggs (Louisiana, at the market, New Orleans), have been omitted. Index numbers for September are provisional, due to the fact that certain data were not received in time to render them available for use in the calculations.

A recession in wholesale prices is noted during the month of September from the high level reached during the month of August. The general index number of the Bureau of Labor Statistics for September stands at 221, as compared with 226 for the month of August. Decrease is noted in the index numbers for both the groups of raw materials and of consumers' goods, while the index number for the group of producers' goods remains unchanged at 212. Among the commodities included in this group, decreases in the prices of cotton yarns, linseed oil, steel plates, tallow, and bran were offset by increases in the prices of worsted yarns, harness oak and side chrome leather, various building materials, such as lath, brick, window glass, and red cedar shingles, cast-iron pipe, silver, wood pulp, and sulphuric acid.

The index number for the group of consumers' goods has decreased 6.3 per cent, from 241 to 226. Although increases in price occurred in the case of an extended list of commodities, among which may be mentioned but-

ter, eggs, and milk, salmon, veal, and wheat flour (winter patents, Kansas City), illuminating oil, men's vici kid shoes, hosiery, and cotton underwear, these were more than offset by decreases in the prices of other commodities, principally foodstuffs, such as potatoes, beans, rice, coffee, wheat flour (standard patents, Minneapolis), rye flour, corn meal, lard, glucose, and various meats, in particular fresh and mess beef, bacon, hams and mess pork, lamb and mutton, and poultry, as well as cheese, print cloths, and cottonseed oil.

A decrease of 1.7 per cent, from 218 to 214, is noted in the index number for the group of raw materials. Diversity is exhibited in the changes in the index numbers for the several subgroups. While the numbers for the farm and animal products subgroups show considerable decreases, the numbers for the forest and mineral subgroups have increased. The index number for the last-named group now stands at 184, as compared with 180 for August, an increase of 2.1 per cent. Decreases in the prices of copper, tin, and zinc were more than offset by increases in the prices of various sizes of anthracite and bituminous coal, coke, lead, crude petroleum, and southern foundry pig iron. An increase of 12.9 per cent, from 193 to 218, is noted in the number for the forest products subgroup, No. 2 Douglas fir and yellow pine surfaced boards alone among the commodities included in the group not having increased in price. The decrease of 4.3 per cent, from 251 to 240, in the number for the group of farm products is due to decreases in the prices of corn, oats, rye, and barley, cotton, flaxseed, and timothy, which were not offset by increases in the prices of various classes of wheat, hops, alfalfa, and tobacco. An increase in the price of silk did not serve to offset decreases in the prices of various classes of live stock, in particular cattle, hogs, sheep, and poultry, wool and hides, in consequence of which the index number for the animal products subgroup shows a decrease of 8.4 per cent, from 235 to 215.

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

[Average price for 1913=100.]

Year and month.	Raw materials.					Producers' goods.	Consumers' goods.	All commodities (Bureau of Labor Statistics index number).
	Farm products.	Animal products.	Forest products.	Mineral products.	Total raw materials.			
July, 1914.....	102	106	97	88	98	92	103	99
September, 1914.....	104	110	96	86	100	100	108	103
September, 1915.....	102	104	92	92	98	99	99	98
September, 1916.....	133	125	95	117	121	142	130	127
September, 1917.....	214	195	129	167	181	203	175	182
September, 1918.....	255	219	143	180	204	203	209	207
1919.								
January.....	234	208	147	179	196	196	216	203
February.....	224	210	148	175	194	192	205	197
March.....	237	217	149	173	199	190	210	201
April.....	246	224	145	170	202	186	214	203
May.....	255	225	146	170	205	189	219	207
June.....	250	217	156	173	203	196	217	207
July.....	261	233	166	177	214	202	230	219
August.....	251	235	193	180	218	212	241	226
September.....	240	215	218	184	214	212	226	221

In order to give a more concrete illustration of actual price movements there are also presented in the following table monthly actual and relative figures for certain commodities of a basic character, covering the period January, 1919, to September, 1919, compared with like figures for September of previous years; also for July, 1914, the month immediately preceding the outbreak of the great war. The actual average monthly prices shown in the table have been abstracted from the records of the United States Bureau of Labor Statistics.

## Average monthly wholesale prices of commodities.

[Average price for 1913=100.]

Year and month.	Corn, No. 3, Chicago.		Cotton, middling, New Orleans.		Wheat, No. 1, northern spring, Minneapolis.		Wheat, No. 2, red winter, Chicago.		Cattle, steers, good to choice, Chicago.		Hides, packers', heavy native steers, Chicago.	
	Average price per bushel.	Relative price.	Average price per pound.	Relative price.	Average price per bushel.	Relative price.	Average price per bushel.	Relative price.	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.
July, 1914.....	\$0.7044	114	\$0.1331	105	\$0.8971	103	\$0.8210	83	\$9.2188	108	\$0.1938	105
September, 1914.....	.7748	126	.0838	66	1.1364	130	1.1069	112	9.7313	114	.2100	114
September, 1915.....	.7269	118	.1053	83	.9811	112	1.0760	109	8.9500	105	.2650	144
September, 1916.....	.8522	138	.1532	121	1.6080	184	1.5344	156	9.8000	115	.2600	141
September, 1917.....	2.0613	335	.2160	170	2.2213	254	2.1775	221	14.9875	176	.3300	179
September, 1918.....	1.5313	249	.3578	282	2.2169	254	2.2363	227	18.4100	216	.3000	163
January, 1919.....	1.3750	223	.2850	224	2.2225	254	2.3788	241	18.4125	216	.2800	152
February, 1919.....	1.2763	207	.2694	212	2.2350	256	2.3450	238	18.4688	217	.2800	152
March, 1919.....	1.4588	237	.2681	211	2.3275	266	2.3575	239	18.5750	218	.2763	150
April, 1919.....	1.5955	259	.2670	210	2.5890	296	2.6300	267	18.3250	215	.2950	160
May, 1919.....	1.7613	286	.2947	232	2.5925	297	2.7800	282	17.7438	209	.3513	191
June, 1919.....	1.7563	285	.3185	251	2.4575	281	2.3613	239	15.4600	182	.4075	222
July, 1919.....	1.9075	310	.3377	266	2.6800	307	2.2580	229	16.8688	198	.4860	264
August, 1919.....	1.9213	312	.3125	246	2.5250	289	2.2394	227	17.6375	207	.5200	283
September, 1919.....	1.5410	250	.3078	242	2.5350	290	2.2385	227	16.8050	198	.4638	252

Average monthly wholesale prices of commodities—Continued.

[Average price for 1913=100.]

Year and month.	Hogs, light, Chicago.		Wool, Ohio, 1-3 grades, scoured.		Hemlock, New York.		Yellow pine, flooring, New York.		Coal, anthracite, stove, New York, tidewater.		Coal, bituminous, run of mine, Cincinnati.	
	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.	Average price per M feet.	Relative price.	Average price per M feet.	Relative price.	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.
July, 1914.....	\$8.7563	104	\$0.4444	94	\$24.5000	101	\$42.0000	94	\$4.9726	98	\$2.2000	100
September, 1914.....	9.0188	107	.4583	97	24.2500	100	42.0000	94	5.1794	102	2.2000	100
September, 1915.....	7.7000	91	.5714	121	20.5000	85	38.5000	86	5.1529	102	2.2000	100
September, 1916.....	10.7750	127	.6857	146	23.7500	98	38.0000	85	5.6625	112	2.5000	114
September, 1917.....	18.4250	218	1.3714	291	30.5000	126	57.0000	128	6.1303	121	3.3000	150
September, 1918.....	20.0700	237	1.4365	305	.....	.....	63.0000	141	6.9000	136	4.1000	186
January, 1919.....	17.4125	206	1.1200	255	36.0000	149	63.0000	141	7.9500	157	4.1000	186
February, 1919.....	17.4688	207	1.0909	232	36.0000	149	64.0000	144	7.9500	157	4.0000	182
March, 1919.....	18.8550	223	1.2000	255	36.0000	149	64.0000	144	7.9044	156	4.0000	182
April, 1919.....	20.3813	241	1.0909	232	36.0000	149	64.0000	144	7.9045	156	4.0000	182
May, 1919.....	20.7000	245	1.0727	228	36.0000	149	65.0000	146	7.9857	158	4.0000	182
June, 1919.....	20.7800	246	1.1818	251	36.0000	149	68.0000	152	8.1174	160	4.0000	182
July, 1919.....	22.3875	265	1.2364	263	41.0000	169	73.0000	164	8.1881	162	4.0000	182
August, 1919.....	21.6125	256	1.2364	263	.....	.....	78.0000	175	8.3145	164	4.0000	182
September, 1919.....	18.2100	215	1.2182	259	.....	.....	95.0000	213	8.4020	166	4.5000	205

Year and month.	Coal, Pocahontas, Norfolk.		Coke, Connellsville.		Copper, ingot, electrolytic, New York.		Lead, pig, desilverized, New York.		Petroleum, crude, Pennsylvania, at wells.		Pig iron, basic.	
	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per long ton.	Relative price.
July, 1914.....	\$3.0000	100	\$1.8750	77	\$0.1340	85	\$0.0390	89	\$1.7500	71	\$13.0000	88
September, 1914.....	3.0000	100	1.7250	71	.1238	79	.0388	88	1.4500	59	13.0000	88
September, 1915.....	2.8500	95	1.6750	69	.1775	113	.0490	111	1.6000	65	14.7500	100
September, 1916.....	4.0000	133	2.7500	113	.2775	176	.0650	148	2.3000	94	18.3100	125
September, 1917.....	3.9080	130	11.7500	482	.2525	161	1.0380	236	3.5000	143	42.7500	291
September, 1918.....	4.6320	154	6.0000	246	.2600	165	.0805	183	4.0000	163	32.0000	215
January, 1919.....	4.6320	154	5.7813	237	.2038	130	.0558	127	4.0000	163	30.0000	204
February, 1919.....	4.6320	154	5.2188	214	.1731	110	.0508	115	4.0000	163	30.0000	204
March, 1919.....	4.9000	163	4.4688	183	.1509	96	.0524	119	4.0000	163	28.9375	197
April, 1919.....	4.9000	163	3.9000	160	.1530	97	.0507	115	4.0000	163	25.7500	175
May, 1919.....	4.9000	163	3.8437	158	.1600	102	.0508	115	4.0000	163	25.7500	175
June, 1919.....	5.1400	171	4.0000	164	.1756	112	.0530	120	4.0000	163	25.7500	175
July, 1919.....	5.1400	171	4.0950	168	.2150	137	.0561	128	4.0000	163	25.7500	175
August, 1919.....	5.1400	171	4.2138	173	.2281	145	.0579	132	4.0000	163	25.7500	175
September, 1919.....	.....	.....	4.5920	188	.2220	141	.0609	138	4.2500	173	25.7500	175

Year and month.	Cotton yarns, northern cones, 10/1.		Leather, sole, hemlock No. 1.		Steel, billets, Bessemer, Pittsburgh.		Steel plates, tank, Pittsburgh.		Steel rails, open hearth, Pittsburgh.		Worsted yarns, 2-32's crossbred.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per pound.	Relative price.
July, 1914.....	\$0.2150	97	\$0.3050	108	\$19.0000	74	\$0.0113	76	\$30.0000	100	\$0.6500	84
September, 1914.....	.1700	77	.....	.....	21.0000	81	.0120	81	30.0000	100	.6600	85
September, 1915.....	.1700	77	.3100	110	24.1000	93	.0135	91	30.0000	100	.8500	119
September, 1916.....	.2750	124	.3700	131	45.0000	174	.0350	236	35.0000	117	1.2000	154
September, 1917.....	.4200	190	.4800	170	66.2500	257	.0800	541	40.0000	133	1.7000	219
September, 1918.....	.6100	276	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
January, 1919.....	.5000	226	.4900	174	43.0000	169	.0300	203	57.0000	190	1.7500	225
February, 1919.....	.4164	188	.4900	174	43.5000	169	.0300	203	57.0000	190	1.7000	219
March, 1919.....	.4132	187	.4900	174	42.2500	164	.0291	197	54.5000	182	1.5000	193
April, 1919.....	.4300	194	.4900	174	38.5000	149	.0265	179	47.0000	157	1.5000	193
May, 1919.....	.4826	218	.4900	174	38.5000	149	.0265	179	47.0000	157	1.5000	193
June, 1919.....	.5608	253	.5100	181	38.5000	149	.0265	179	47.0000	157	1.6000	206
July, 1919.....	.5912	267	.5300	188	38.5000	149	.0265	179	47.0000	157	1.6000	206
August, 1919.....	.6130	277	.5700	202	38.5000	149	.0265	179	47.0000	157	1.6242	209
September, 1919.....	.5903	267	.5700	202	38.5000	149	.0253	171	47.0000	157	1.7500	225

## Average monthly wholesale prices of commodities—Continued.

[Average price for 1913=100.]

Year and month.	Beef, carcass, good native steers, Chicago.		Coffee, Rio No. 7.		Flour, wheat, standard patents, 1914-1917, 1919; standard war, 1918, Minneapolis.		Hams, smoked, Chicago.		Illuminating oil, 150° fire test, New York.		Sugar, granulated, New York.	
	Average price per pound.	Relative price.	Average price per pound.	Relative price.	Average price per barrel.	Relative price.	Average price per pound.	Relative price.	Average price per gallon.	Relative price.	Average price per pound.	Relative price.
July, 1914 . . . . .	\$0.1350	104	\$0.0882	79	\$4.5938	100	\$0.1769	106	\$0.1200	97	\$0.0420	98
September, 1914 . . . . .	.1438	111	.0763	69	5.9400	130	.1905	115	.1200	97	.0680	159
September, 1915 . . . . .	.1350	104	.0675	61	5.3313	116	.1447	87	.1200	97	.0506	119
September, 1916 . . . . .	.1375	106	.0988	89	8.4250	184	.1900	114	.1200	97	.0637	149
September, 1917 . . . . .	.1900	147	.0913	82	11.2625	246	.2675	161	.1300	105	.0823	193
September, 1918 . . . . .	.2450	189	.0959	86	10.2100	223	.3281	197	.1750	142	.0845	198
January, 1919 . . . . .	.2450	189	.1547	139	10.2750	224	.3494	210	.1750	142	.0882	207
February, 1919 . . . . .	.2450	189	.1544	139	10.5500	230	.3338	201	.1750	142	.0882	207
March, 1919 . . . . .	.2450	189	.1602	144	11.2125	245	.3381	203	.1810	147	.0882	207
April, 1919 . . . . .	.2450	189	.1695	152	12.2150	266	.3595	216	.1850	150	.0882	207
May, 1919 . . . . .	.2430	188	.1931	173	12.4188	271	.3769	227	.1850	150	.0882	207
June, 1919 . . . . .	.2025	156	.2114	190	12.0125	262	.3806	229	.2000	162	.0882	207
July, 1919 . . . . .	.2075	160	.2303	207	12.1550	265	.3835	230	.2050	166	.0882	207
August, 1919 . . . . .	.2350	181	.2150	193	12.0063	262	.3838	231	.2180	177	.0882	207
September, 1919 . . . . .	.2275	176	.1663	149	11.6200	254	.3480	209	.2200	178	.0882	207

## DISCOUNT AND INTEREST RATES.

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

Quotations are also given of rates charged on ordinary loans to customers secured by Liberty bonds and certificates of indebtedness. Assistance to customers to enable them to purchase such Government obligations has generally been extended at lower rates, either at the rate borne by such obligations or at a rate slightly higher. The tables also show quotations in

New York for demand paper secured by prime bankers' acceptance, a type of paper which made its appearance in the New York market some months ago. Quotations for new type of paper will be added from time to time as deemed of interest.

In the majority of centers no marked changes in rates are noted during the period under review, rates in general being reported firm. Rates for commercial paper purchased in the open market, in particular customary rates, however, show a decrease in a considerable number of centers. The increase in the high rate for demand collateral loans in New York does not appear to be reflected in other centers, with the possible exception of Philadelphia. Comparison with rates prevailing during the period ending October 15, 1918, reveals decreases in many centers in the rates for commercial paper purchased in the open market, as well as less marked decreases in the rates for customers' commercial paper, for interbank loans, and in the low rates for collateral loans.

### Discount and interest rates prevailing in various centers.

DURING 30-DAY PERIOD ENDING SEPT. 15, 1919.

District.	City.	Prime commercial paper.				Interbank loans.	Bankers' acceptances, 60 to 90 days.		Collateral loans—stock exchange or other current.			Cattle loans.	Secured by warehouse receipts, etc.	Secured by Liberty bonds and certificates of indebtedness.
		Customers'.		Open market.			Indorsed.	Unindorsed.	Demand.	3 months.	3 to 6 months.			
		30 to 90 days.	4 to 6 months.	30 to 90 days.	4 to 6 months.									
No. 1....	Boston.....	H. L. C. 6 5 5½	H. L. C. 6 5½ 5½	H. L. C. 5½ 5½ 5½	H. L. C. 5½ 5½ 5½	H. L. C. 5½ 5 5½	H. L. C. 4½ 4½ 4½	H. L. C. 4½ 4½ 4½	H. L. C. 6 6 6	H. L. C. 6 5½ 5½	H. L. C. 6 5½ 6	H. L. C.	H. L. C.	H. L. C. 5 4½ 4½
No. 2....	New York 1	6 5 5½-5½	6 5 5½-5½	6 5½ 5½-5½	6 5½ 5½	6 4½ 5	5½ 4½ 4½	5½ 4 4½-4½	8 3½ 5½-6	6 5 6	6 5 6	.....	.....	6 6 4½-5
	Buffalo.....	6 5 6	6 5 6	6 5 5½-5½	6 5 5½-5½	6 5 6	5½ 5½ 5½	5½ 5½ 5½	6 5 6	6 5 6	6 5 6	.....	.....	6 5 6
No. 3....	Philadelphia..	6 5 5½	6 5½ 5½	5½ 5½ 5½	5½ 5½ 5½	6 5 5	.....	.....	7 3½ 6	6 5½ 6	6 5½ 6	.....	.....	6 4½ 5
No. 4....	Cleveland.....	6 5 6	6 5 6	.....	.....	5 5 5	.....	.....	6 5 6	6 5 6	6 5 6	.....	6 6 6	6 5 6
	Pittsburgh...	6 5½ 5½	6 5½ 5½	5½ 5½ 5½	5½ 5½ 5½	6 5½ 5½	4½ 4½ 4½	4½ 4½ 4½	6 5½ 6	6 5½ 6	6 5½ 6	.....	6 6 6	6 5 5½
	Cincinnati...	6 5 6	6 5½ 6	6 5 6	6 5 6	6 5 5½	4½ 4½ 4½	5 4½ 4½	6 6 6	6 5 6	6 6 6	.....	6 5½ 6	5½ 5 5
No. 5....	Richmond.....	6 5½ 5½	6 5½ 6	.....	.....	6 5 5½	.....	.....	6 5½ 6	6 5½ 6	6 5½ 6	.....	6 6 6	6 4½ 5
	Baltimore.....	6 5½ 6	6 5½ 6	.....	.....	6 5½ 5½	.....	.....	6 5 6	6 5½ 6	6 5½ 6	.....	.....	6 5½ 5½
No. 6....	Atlanta.....	8 5 6	8 5 6	6 5½ 6	6 5½ 6	6 5 6	6 5½ 6	6 5½ 6	8 5 6	6 5 6	7 5 6	.....	6 5 6	8 5 6
	Birmingham..	8 6 6	8 6 6	8 5 5½-6	8 5½ 5½-6	8 5 6	.....	.....	8 6 6	8 6 6	8 6 6	.....	8 6 6	8 4½ 6
	Jacksonville..	8 6 7	8 5½ 6	0½ 5½ 6	0½ 5½ 6	6 6 6	7 6 7	7 6 7	7 6 6	8 6 7	8 6 7	.....	8 6 8	8 6 6
	New Orleans...	7 5 5½-6	7 5½ 6	5½ 5 5½	5½ 5½ 5½	6 5½ 6	.....	.....	6 5½ 5½-6	6½ 5½ 5½-6	6½ 6 6	.....	0½ 5 5½-6	6½ 4½ 5-6
No. 7....	Chicago.....	6 5 5½-6	6 5 5½-6	5½ 5 5½-5½	5½ 5 5½-5½	6 5½	4½ 4½ 4½	4½ 4½ 4½	6 5½	6 5½	6 5½	6 5½	6 5½	6 5 5½
	Detroit.....	6 5½ 6	6 5½ 6	5½ 5½ 5½	5½ 5½ 5½	6 5 5½	4½ 4½ 4½	4½ 4½ 4½	6 6 6	6 5½ 6	6 5½ 6	.....	.....	6 5½ 6
No. 8....	St. Louis.....	6 5½ 5½	6 5½ 5½	5½ 5½ 5½	5½ 5½ 5½	6 5½ 5½	5 4½ 4½	5 4½ 4½	6 5½ 5½	6 5½ 5½	6 5½ 6	.....	6 5 6	6 4½ 5½
	Louisville.....	6 5½ 6	6 5½ 6	5½ 5½ 5½	5½ 5½ 5½	5 5 5	.....	.....	6 5 6	6 5 6	6 5 6	.....	6 5 6	6 5 5½
	Memphis.....	6 5½ 6	6 5½ 6	5½ 5½ 5½	5½ 5½ 5½	6 5 5½	.....	.....	6 6 6	6 6 6	6 6 6	.....	6 6 6	6 4½ 5
	Little Rock...	7 6 6	7 6 6	6 5½ 5½	6 5½ 5½	6 6 6	.....	.....	7 6 6	7 6 6	7½ 6 6½	.....	.....	7 5½ 6
No. 9....	Minneapolis..	5½ 5½ 5½	6 5½ 5½	5½ 5½ 5½	5½ 5½ 5½	6 5½ 5½	4½ 4½ 4½	4½ 4½ 4½	6 5½ 6	6 5½ 6	6 6 6	.....	6 5½ 5½	5½ 5 5
No. 10...	Kansas City...	7 5 6	7 5 6	5½ 5½ 5½	5½ 5½ 5½	7 5 6	6 5 6	6 5 6	8 5 6	8 5 6	8 5 6	8 6 6-7	8 5½ 6	6 4½ 6
	Omaha.....	6 5½ 6	6 5½ 6	6 5½ 6	6 5½ 6	7 5½ 6	.....	.....	8 5½ 6	7 5½ 6	7 5½ 6	.....	7 5½ 6	6 5 6
	Denver.....	8 5 6	8 5 6	5½ 5 5½	5½ 5½ 5½	6 6 6	.....	.....	8 5 6	8 5 6	8 5 6	.....	8 6 6	8 4½ 6
No. 11...	Dallas.....	8 6 6	8 6 6	.....	.....	6 6 6	.....	.....	8 6 6	6 6 6	6 6 6	10 6 8	8 6 8	8 6 6
	El Paso.....	8 6 8	8 6 8	6 6 6	6 6 6	8 6 8	.....	.....	8 6 8	8 6 8	8 6 8	.....	8 8 8	8 6 8
No. 12...	San Francisco..	6 5 5½-6	6 5 5½-6	5½ 5½ 5½	5½ 5½ 5½	6 5 5½	5 4½ 4½-5	5 4½ 4½-5	6 5 6	6 5 6	6 5 5½-6	.....	.....	6 4½ 6
	Portland.....	7 6 6	7 6 6	5½ 5½ 5½	5½ 5½ 5½	6 6 6	4½ 4½ 4½	4½ 4½ 4½	6 6 6	7 6 6	6 6 6	.....	.....	7 6 6
	Seattle.....	8 5 7	8 6 6	6 5 5½	6 5 5½	7 6 6	7 4½ 5	4½ 4½ 4½	8 5 7	8 5 7	8 5 7	.....	.....	8 4½ 7
	Spokane.....	8 6 7	8 6 7	5½ 5½ 5½	5½ 5½ 5½	6 6 6	.....	.....	7 5½ 5½	8 6 7	8 6 7	.....	.....	8 6 8
	Salt Lake City	8 6 7	8 6 7	5½ 5½ 5½	5½ 5½ 5½	7 6 6	.....	.....	8 6 7	8 6 7	8 6 7	.....	.....	8 5 6

<sup>1</sup> Rates for demand paper secured by prime bankers' acceptances, high 5½, low 4½, customary 4½-5½.

Discount and interest rates prevailing in various centers—Continued.

DURING 30-DAY PERIOD ENDING OCT. 15, 1919.

District.	City.	Prime commercial paper.				Interbank loans.	Bankers' acceptances, 60 to 90 days.		Collateral loans—stock exchange or other current.			Cattle loans.	Secured by warehouse receipts, etc.	Secured by Liberty bonds and certificates of indebtedness.
		Customers'.		Open market.			Indorsed.	Unindorsed.	Demand.	3 months.	3 to 6 months.			
		30 to 90 days.	4 to 6 months.	30 to 90 days.	4 to 6 months.									
No. 1....	Boston.....	H. L. C. 6 5 5½	H. L. C. 6 5½ 5½	H. L. C. 6 5½ 5½	H. L. C. 6½ 5½ 5½	H. L. C. 5½ 5 5½	H. L. C. 4½ 4½ 4½	H. L. C. 4½ 4½ 4½	H. L. C. 6 6 6	H. L. C. 6 6 6	H. L. C. 6 6 6	H. L. C. -----	H. L. C. -----	H. L. C. 6 4½ 4½
No. 2....	New York 1....	6 5 5½-5½	6 5 5½-6	5½ 5 5½-5½	5½ 5 5½-5½	6 4½ 5	5 4½ 4½-4½	6 4½ 4½	15 4 6	6 4½ 6	6 5 6	-----	-----	5½ 4½ 4½-6
	Buffalo.....	6 5 6	6 5 6	6 5 5½	6 5 5½	6 5 5-6	5½ 5½ 5½	4½ 4½ 4½	6 5 6	6 5 6	6 5 6	-----	-----	6 5 6
No. 3....	Philadelphia..	6 5 5½	6 5 5½	5½ 5 5½	6 5½ 5½	6 4½ 5	4½ 4½ 4½	4½ 4½ 4½	9 4½ 6	6 5 6	6 5 6	-----	-----	6 5 5
No. 4....	Cleveland.....	6 6 6	6 6 6	5½ 5 5½	5½ 5 5½	6 5½ 5½	4½ 4½ 4½	4½ 4½ 4½	6 6 6	6 6 6	6 6 6	-----	6 6 6	6 6 6
	Pittsburgh....	6 5 5½	6 5½ 6	5½ 5 5½	5½ 5 5½	6 5 5½	4½ 4½ 4½	4½ 4½ 4½	6 5 6	6 6 6	6 6 6	-----	6 6 6	6 5½ 5½
	Cincinnati....	6 5½ 6	6 5½ 6	6 5 6	6 5½ 6	6 5 5½	4½ 4½ 4½	5 4½ 4½	6 6 6	6 6 6	6 6 6	-----	6 5½ 6	5½ 5 5
No. 5....	Richmond.....	6 5½ 6	6 5½ 6	-----	-----	6 5 5½	-----	-----	6 5 6	6 5 6	6 5 6	-----	6 6 6	6 4½ 5½
	Baltimore.....	6 5 5½	6 5 5½	-----	-----	6 5½ 5½	-----	-----	6 5 5½	6 5 5½	6 5 6	-----	-----	6 5 5½
No. 6....	Atlanta.....	6 5 6	8 5 6	6 5½ 6	6 5½ 6	6 5 6	6 5½ 6	6 5½ 6	6 5 6	6 5½ 6	7 5½ 6	-----	6 5½ 6	6 4 6
	Birmingham..	8 6 6	8 6 6	8 5 5½-6	8 5 5½-6	8 5 6	6 6 6	6 6 6	8 6 6	8 6 6	8 6 6	-----	8 6 6	6 4½ 6
	Jacksonville..	8 6 7	8 6 7	6 5½ 6	6 5½ 6	6 6 6	6 6 6	7 6 6	8 6 8	7 6 6	7 6 6	-----	8 6 7	7 6 6
	New Orleans... 7 5 5½-6	7 5 5½-6	6 5½ 5½	6 5½ 5½	6 5 5½-6	6 5 5½-6	-----	-----	7 5 5½-6½	7 5 6-6½	7 5 6-6½	-----	8 5½ 6-7	6 4½ 5-6
No. 7....	Chicago.....	6 5½ 5½-6	6 5½ 5½-6	5½ 5½ 5½	5½ 5½ 5½	5½ 5½ 5½	4½ 4½ 4½	4½ 4½ 4½	6 5½ 6	6 5½ 6	6 5½ 6	6 5½ 5½	6 5½ 5½	6 5 5½-6
	Detroit.....	6 5½ 6	6 5½ 6	5½ 5½ 5½	5½ 5½ 5½	5½ 5 5½	4½ 4½ 4½	4½ 4½ 4½	6 6 6	6 5½ 6	6 5½ 6	-----	-----	6 5 6
No. 8....	St. Louis.....	6 5½ 5½	6 5½ 5½	5½ 5½ 5½	5½ 5½ 5½	6 5½ 6	5 4½ 4½	5 4½ 5	6 5½ 6	6 5½ 6	6 5½ 6	6 5½ 6	6 5½ 6	6 4½ 5½
	Louisville....	6 5½ 6	6 5½ 6	5½ 5½ 5½	5½ 5½ 5½	5 5 5	5 4½ 4½	5 4½ 4½	6 5 6	6 5 6	6 5 6	-----	-----	6 4½ 5
	Memphis.....	6 5 6	6 5 6	6 5½ 6	6 5½ 6	6 5 6	6 6 6	6 6 6	6 6 6	6 5 6	6 5 6	-----	6 5½ 6	6 4½ 6
	Little Rock... 7 6 6	7 6 6	5½ 5½ 5½	5½ 5½ 5½	6 6 6	6 6 6	-----	-----	7 6 6½	7 6 7	7 6 7	-----	-----	7 6 6
No. 9....	Minneapolis... 5½ 5½ 5½	6 5½ 5½	5½ 5 5½	5½ 5 5½	5½ 5½ 5½	5½ 5½ 5½	4½ 4½ 4½	4½ 4½ 4½	6 5½ 6	6 5½ 6	7 5½ 6	-----	6 5½ 6	5½ 5 5½
No. 10....	Kansas City... 7 5 6	7 5 6	5½ 5½ 5½	5½ 5½ 5½	7 5 6	7 5 6	6 5 6	6 5 6	6 5 6	6 5 6	6 5 6	8 6 6-7	8 5½ 6	6 4½ 6
	Omaha.....	6 5½ 6	6 5½ 6	5½ 5½ 5½	5½ 5½ 5½	7 5½ 6	-----	-----	6 5½ 6	6 5½ 6	6 5½ 6	-----	-----	6 5 5½-6
	Denver.....	8 5 6	8 5 6	5½ 5 5½	5½ 5 5½	7 6 6	-----	-----	8 6 6	8 6 6	8 6 6	8 6 6	8 6 6	8 4½ 6
No. 11....	Dallas.....	8 6 6	8 6 6	-----	-----	6 6 6	-----	-----	6 6 6	6 6 6	6 6 6	-----	-----	8 6 6
	El Paso.....	8 6 8	8 6 8	6 6 6	6 6 6	8 6 8	-----	-----	8 6 8	8 6 8	8 6 8	-----	8 6 8	8 6 8
	Houston.....	7 5 6	7 6 6	8 6 7	8 6 7	6 5 6	-----	-----	7 6 7	8 6 7	8 6 7	-----	8 6 7	8 5 8
No. 12....	San Francisco. 6 5 5½-6	6 5 5½-6	5½ 5½ 5½	5½ 5½ 5½	6 5 5½	6 5 5½	6 4½ 4½-6	6 4½ 4½-6	6 5 6	6 5 5½-6	6 5 6	-----	-----	7 6 6
	Portland.....	7 6 6	7 6 6	5½ 5½ 5½	5½ 5½ 5½	6 6 6	4½ 4½ 4½	4½ 4½ 4½	6 6 6	7 6 6	6 6 6	-----	-----	6 6 6
	Seattle.....	8 5 6	8 5 6	6 5 5½	6 5 5½	8 5½ 6	-----	-----	8 5 6	8 5 6	8 6 6	-----	-----	8 4½ 6
	Spokane.....	8 5½ 7	8 6 7	5½ 5½ 5½	5½ 5½ 5½	6 5 6	6 6 6	4½ 4½ 4½	7 6 7	8 6 7	8 6 7	-----	-----	8 6 6
	Salt Lake City 8 6 7	8 6 7	5½ 5½ 5½	5½ 5½ 5½	7 6 6	7 6 6	-----	-----	8 6 7	8 6 7	8 6 7	-----	-----	8 5 6

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

**PHYSICAL VOLUME OF TRADE.**

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

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

*Live-stock movements.*

[Bureau of Markets.]

	Receipts.					Shipments.				
	Cattle and calves, 60 markets.	Hogs, 60 markets.	Sheep, 60 markets.	Horses and mules, 44 markets.	Total, all kinds.	Cattle and calves, 54 markets.	Hogs, 54 markets.	Sheep, 54 markets.	Horses and mules, 44 markets.	Total, all kinds.
1918.	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>	<i>Head.</i>
September.....	2,808,273	2,393,545	3,319,682	125,121	8,646,621	1,226,121	793,820	2,075,140	118,733	4,213,814
1919.										
January.....	2,111,704	5,861,685	1,567,613	110,411	9,651,413	761,168	1,546,875	608,016	106,459	3,022,518
February.....	1,440,329	4,404,751	1,131,805	82,526	7,059,411	523,326	1,288,134	418,827	76,512	2,311,799
March.....	1,501,597	3,632,874	1,216,988	68,938	6,420,397	563,893	1,272,654	481,907	64,332	2,382,786
April.....	1,751,943	3,668,210	1,388,732	50,770	6,859,655	698,589	1,107,411	575,136	49,634	2,430,780
May.....	1,822,410	3,862,785	1,425,018	33,977	7,144,190	783,086	1,181,745	614,275	34,658	2,613,764
June.....	1,580,256	3,812,466	1,685,236	40,067	7,118,025	709,637	1,373,824	828,046	36,889	2,948,396
July.....	2,007,266	2,998,836	2,177,940	48,691	7,232,735	706,843	963,662	997,338	43,738	2,711,581
August.....	2,019,139	2,103,609	3,211,331	81,917	7,415,996	894,816	690,821	2,014,267	74,268	3,674,172
September.....	2,377,054	2,401,677	3,810,441	140,848	8,730,020	1,150,183	860,614	2,466,937	135,724	4,613,458

*Receipts and shipments of live stock at 15 western markets.*

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

RECEIPTS.

[Monthly average, 1911-1913=100.]

	Cattle and calves.		Hogs.		Sheep.		Horses and mules.		Total, all kinds.	
	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.
1918.										
September.....	2,249,017	223	1,775,842	81	2,408,609	176	82,656	180	6,516,124	141
1919.										
January.....	1,656,046	164	4,603,335	209	1,079,377	79	56,631	123	7,395,419	160
February.....	1,096,118	116	3,451,894	168	774,881	61	48,786	114	5,371,679	125
March.....	1,094,614	109	2,842,663	129	847,842	62	41,805	91	4,826,924	105
April.....	1,255,379	125	2,823,484	128	970,070	71	31,509	68	5,080,442	110
May.....	1,262,065	125	3,049,223	139	934,613	68	21,345	46	5,267,246	114
June.....	1,122,782	111	3,061,838	139	1,116,003	82	28,418	62	5,329,041	115
July.....	1,527,881	152	2,411,539	110	1,558,767	114	37,866	82	5,536,053	120
August.....	1,541,133	153	1,595,759	73	2,220,229	162	57,206	124	5,414,327	117
September.....	1,871,042	186	1,704,944	78	2,890,831	212	88,283	192	6,555,100	142

SHIPMENTS.

1918.										
September.....	932,131	229	488,298	101	1,426,120	283	74,473	182	2,921,022	203
1919.										
January.....	589,362	145	988,035	204	357,386	71	56,282	137	1,991,065	139
February.....	404,296	107	881,507	195	240,815	51	47,829	125	1,574,447	118
March.....	423,819	104	925,802	191	289,742	58	41,837	102	1,631,200	117
April.....	506,835	125	748,437	154	319,625	63	29,974	73	1,604,871	112
May.....	530,153	130	787,009	162	290,803	58	19,865	46	1,626,830	113
June.....	503,354	124	1,005,505	208	465,776	83	25,322	62	1,939,957	139
July.....	515,071	127	691,283	143	694,942	133	32,836	80	1,934,132	135
August.....	650,252	160	455,705	94	1,352,252	269	49,996	122	2,508,205	175
September.....	872,043	214	501,856	104	1,849,958	307	83,264	203	3,307,121	230

*Exports of certain meat products.*

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Beef, canned.		Beef, fresh.		Beef, pickled and other cured.		Bacon.		Hams and shoulders, cured.		Lard.		Pickled pork.	
	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.	Pounds.	Relative.
1918. September..	7,349,591	1,109	34,071,816	2,747	3,009,998	113	41,621,488	249	36,190,919	242	33,267,902	76	2,843,374	64
1919.														
January....	12,636,060	1,907	17,436,495	1,406	6,030,937	226	101,000,122	603	54,846,433	367	37,850,338	86	2,273,683	51
February....	3,151,723	1,318	13,729,993	1,186	3,635,120	146	114,842,525	735	49,283,053	354	68,972,779	168	1,956,362	47
March.....	3,997,973	1,358	14,651,276	1,181	3,749,394	140	151,086,397	902	85,712,426	574	97,239,435	221	2,141,508	48
April.....	2,896,759	437	21,639,915	1,744	2,673,681	100	141,814,255	847	109,569,968	734	86,555,951	197	2,494,454	56
May.....	5,669,232	856	14,872,987	1,199	2,957,163	111	68,957,465	412	49,707,874	333	55,807,234	127	2,065,072	47
June.....	6,574,766	992	15,212,094	1,226	4,768,308	178	172,441,100	1,030	96,854,552	649	114,328,804	260	3,151,639	71
July.....	5,392,104	814	8,680,524	700	3,320,564	124	117,679,193	703	47,452,834	318	68,163,734	155	2,392,515	54
August....	2,894,361	437	8,075,866	651	2,494,113	93	84,150,778	502	40,147,727	269	48,968,628	111	2,117,796	43
September..	1,213,709	183	7,285,951	587	3,523,887	132	57,179,511	341	18,209,239	122	36,960,364	84	2,792,439	63

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

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

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

[Monthly average, 1911-1913=100.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. <sup>1</sup>	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1918. Sept'ber..	77,091,253	286	23,546,962	105	36,474,801	181	4,443,850	401	7,773,073	108	149,329,939	192	2,583,888	132	160,957,435	186
1919.																
January....	24,652,641	91	28,731,387	128	22,945,659	114	5,615,054	507	8,943,782	125	90,888,523	117	1,396,888	71	97,174,519	112
February....	14,049,055	56	13,034,652	62	15,961,423	82	2,406,029	233	6,556,594	98	52,007,953	72	1,052,368	58	56,653,609	70
March.....	13,768,496	51	13,431,797	60	17,076,822	85	4,955,130	448	11,723,691	163	60,955,936	78	1,485,320	70	67,639,876	78
April.....	11,208,305	42	18,301,721	82	20,063,678	99	5,498,493	497	9,634,405	134	64,706,602	83	1,990,349	102	73,663,173	85
May.....	11,625,657	43	10,301,200	46	19,206,465	95	4,280,911	387	8,416,141	117	53,830,374	69	2,447,200	125	64,842,774	75
June.....	8,125,034	30	21,098,146	94	24,576,968	122	2,791,618	252	12,878,517	180	69,470,283	89	1,894,599	97	77,995,979	90
July.....	49,612,115	184	12,549,219	56	25,239,109	125	3,105,486	281	3,627,091	120	99,127,020	127	1,572,420	80	106,202,910	122
August....	30,714,559	299	8,503,282	38	29,774,582	147	3,824,263	345	6,638,871	93	129,455,657	166	2,283,145	117	131,738,702	152
Sept'ber..	69,953,295	259	16,267,145	72	26,721,030	132	5,446,371	492	5,294,256	74	123,682,097	159	3,275,034	162	138,419,750	160

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

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

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

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. <sup>1</sup>	
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.
1918. Sept'ber..	28,676,514	186	9,507,098	67	25,002,316	165	1,068,641	151	3,238,586	83	67,493,155	137	4,433,259	131	87,442,821	135
1919.																
January....	9,934,531	64	13,488,569	95	19,769,237	130	794,028	112	4,718,631	121	48,704,996	99	2,796,463	83	61,289,080	95
February....	8,876,844	62	8,649,063	65	13,603,691	96	404,365	61	6,006,178	165	37,540,141	81	1,932,258	61	46,235,302	77
March.....	14,857,872	96	7,544,393	53	16,183,222	107	3,720,930	526	6,049,703	155	48,356,120	98	3,039,020	90	62,031,710	96
April.....	30,784,328	199	15,708,842	111	16,019,086	105	8,143,580	1,150	6,632,763	170	77,268,599	156	3,532,772	104	93,166,073	144
May.....	31,901,327	207	7,784,931	55	17,069,617	112	7,525,794	1,063	6,677,508	171	70,959,177	144	4,320,146	128	90,399,834	140
June.....	8,151,872	53	8,620,052	61	15,638,317	103	2,740,593	367	9,588,195	246	44,748,029	91	3,130,826	92	58,836,746	91
July.....	12,423,422	81	8,102,275	57	15,628,503	103	1,546,100	218	9,133,004	234	46,833,304	95	2,589,176	76	58,484,596	90
August....	36,986,481	240	6,135,459	36	17,919,623	118	1,436,377	203	5,028,674	129	66,806,624	135	3,805,273	112	83,630,358	129
Sept'ber..	37,730,048	245	6,622,779	47	16,651,580	110	2,317,740	327	2,943,167	75	66,265,314	134	4,787,300	141	87,808,164	136

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



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

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

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

[Monthly average, 1911-1913=100.]

	Wheat.		Corn.		Oats.		Rye.		Barley.		Total grain.		Flour.		Total grain and flour. <sup>1</sup>		
	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Bushels.	Relative.	
1918.																	
Sept'ber..	23,786,074	189	582,856	16	5,304,250	112	435,549	307	730,332	44	30,839,061	136	783,902	75	34,366,620	125	
1919.																	
January..	9,768,801	78	1,411,366	40	9,275,187	195	566,191	398	1,738,326	105	22,759,871	100	2,026,246	194	31,877,978	116	
February..	7,805,811	66	783,263	24	4,713,794	106	2,299,664	1,734	995,454	64	16,597,986	78	1,302,061	134	22,457,261	88	
March.....	13,789,851	109	636,127	18	3,254,914	69	3,830,424	2,731	2,285,954	138	23,847,270	105	1,644,676	157	31,248,312	114	
April.....	12,581,074	100	1,089,425	31	4,604,521	97	5,069,529	3,568	1,853,372	112	25,197,921	111	2,549,370	244	36,670,086	134	
May.....	14,157,852	112	1,588,571	45	5,642,176	119	7,061,048	4,970	3,561,412	215	32,011,059	141	2,535,547	243	43,421,021	158	
June.....	10,260,075	81	1,051,177	30	10,249,644	216	3,670,055	2,583	6,564,620	396	31,795,571	140	2,340,158	224	42,326,282	114	
July.....	5,806,227	46	901,842	25	6,959,186	146	1,479,951	1,042	9,723,852	586	24,871,058	110	1,514,135	145	31,684,666	116	
August.....	26,902,757	214	815,132	23	5,676,984	119	64,510	45	4,993,395	301	38,452,778	169	1,385,762	133	44,688,707	163	
Sept'ber..	28,010,858	222	512,072	14	5,345,464	113	535,701	377	2,171,521	131	36,275,616	161	2,165,163	207	46,318,850	169	

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

<sup>2</sup> Figures for Portland not included.

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

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

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

[Bushels.]

	Wheat.	Corn.	Oats.	Rye.	Barley.	Total grain.
1918.						
September.....	14,313,717	181,619	3,153,590	144,646	2,208,017	20,001,589
1919.						
January.....	15,365,491	645,317	5,495,937	1,972,696	3,047,346	26,526,787
February.....	12,635,613	417,520	6,110,159	1,735,876	3,930,465	24,829,633
March.....	12,732,472	346,543	5,650,120	1,920,348	4,403,665	25,053,148
April.....	7,448,992	464,503	5,335,971	3,434,873	5,420,013	22,104,352
May.....	7,913,162	448,020	4,047,059	1,690,860	4,263,510	18,362,611
June.....	4,180,160	214,079	5,475,856	514,252	6,783,798	17,168,145
July.....	5,557,644	265,196	3,760,063	867,491	5,528,176	15,978,570
August.....	17,396,269	155,491	2,216,989	578,250	5,414,183	25,761,182
September.....	21,171,440	172,254	1,901,510	516,142	4,061,830	27,823,176

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

*Cotton.*

[New Orleans Cotton Exchange.]

[Crop years 1911-1913=100.]

	Sight receipts.		Port receipts.		Overland movement.		American spinners' takings.		Stocks at ports and interior towns at close of month.	
	Bales.	Relative.	Bales.	Relative.	Bales.	Relative.	Bales.	Relative.	Bales.	Relative.
1918-19.										
August.....	401,860	32	226,242	25	50,482	48	372,394	82	1,306,868	111
September.....	988,156	79	536,190	58	42,028	40	352,025	77	1,644,690	140
October.....	1,632,921	130	779,371	85	158,768	151	697,623	154	2,189,007	186
November.....	1,710,686	136	641,283	70	217,450	207	1,007,892	222	2,745,815	233
December.....	1,709,734	136	690,782	75	157,038	149	929,491	205	2,697,141	229
January.....	1,392,468	111	705,493	77	157,270	149	705,353	155	2,637,908	224
February.....	768,444	61	477,696	52	106,368	101	383,157	84	2,689,379	228
March.....	601,858	48	460,066	50	75,489	72	202,556	45	2,604,549	221
April.....	494,106	39	462,363	50	79,700	76	149,566	33	2,484,852	211
May.....	536,139	43	502,082	55	99,041	94	193,016	42	2,417,631	205
Season, total.....	11,724,104	78	6,735,898	61	1,528,262	121	5,850,715	107	1,928,959	164
1919-20.										
August.....	313,301	25	238,271	26	49,630	47	302,238	67	1,412,048	120
September.....	584,776	47	260,698	28	26,138	25	300,001	66	1,501,805	127

California shipments of citrous and deciduous fruits.

	Oranges.		Lemons.		Total citrus fruits.		Total deciduous fruits.
	Carloads.	Relative.	Carloads.	Relative.	Carloads.	Relative.	Carloads.
1918.							
September.....	549	22	275	68	824	29	5,879
1919.							
January.....	3,120	128	531	131	3,651	128	109
February.....	3,180	139	658	174	3,838	144	198
March.....	5,113	209	897	221	6,010	211	67
April.....	5,450	223	1,038	256	6,488	228	36
May.....	5,888	241	1,501	371	7,389	259	276
June.....	3,648	149	1,520	375	5,168	181	896
July.....	2,568	105	1,038	256	3,606	127	4,199
August.....	1,785	73	436	108	2,221	78	6,601
September.....	1,840	75	414	102	2,254	79	6,781

Sugar.

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

[Tons of 2,240 pounds.]

	Receipts.	Meltings.	Raw stocks at close of month.		Receipts.	Meltings.	Raw stocks at close of month.
1918.				1919.			
September.....	176,867	210,745	56,978	April.....	450,938	387,548	185,315
1919.				May.....	471,205	446,685	201,301
January.....	243,806	197,145	66,189	June.....	429,617	493,293	151,692
February.....	389,815	337,420	122,757	July.....	394,557	435,247	115,341
March.....	355,710	361,010	106,889	August.....	333,686	356,048	85,650
				September.....	352,345	295,278	55,644

Sugar.

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

[Weekly Statistical Sugar Trade Journal.]

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

	Receipts.		Meltings.		Raw stocks at close of month.			Receipts.		Meltings.		Raw stocks at close of month.							
	Tons.	Relative.	Tons.	Relative.	Tons.	Relative.		Tons.	Relative.	Tons.	Relative.	Tons.	Relative.						
1918.													1919.						
September.....	145,555	79	139,000	76	46,869	27	April.....	318,492	173	277,000	151	107,582	62						
1919.													May.....	325,736	177	307,000	167	126,318	73
January.....	172,054	93	147,000	80	36,544	21	June.....	271,875	148	313,000	171	85,193	49						
February.....	283,172	165	229,000	134	90,716	53	July.....	264,782	144	292,000	159	57,975	34						
March.....	232,471	126	261,000	142	62,187	36	August.....	246,419	134	229,000	125	75,394	44						
							September.....	262,137	142	292,000	159	45,531	26						

Naval stores.

[Data for Savannah, Jacksonville, and Pensacola.]

[In barrels.]

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

	Spirits of turpentine.		Rosin.			Spirits of turpentine.		Rosin.	
	Receipts.	Stocks at close of month.	Receipts.	Stocks at close of month.		Receipts.	Stocks at close of month.	Receipts.	Stocks at close of month.
1918.					1919.				
September.....	14,530	123,630	52,181	242,981	April.....	8,379	75,546	19,493	225,657
1919.					May.....	26,358	47,115	50,435	229,404
January.....	7,645	125,541	34,835	285,808	June.....	31,904	33,733	63,456	221,612
February.....	5,583	121,676	22,154	259,974	July.....	27,747	30,656	77,062	235,707
March.....	4,226	97,450	14,388	243,813	August.....	21,013	24,756	74,402	203,812
					September.....	21,574	27,021	72,616	190,580

Lumber.

[From reports of manufacturers' associations.]

[M feet.]

	Southern pine.			Western pine.			Douglas fir.			Eastern white pine.			North Carolina pine.		
	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.	Number of mills.	Production.	Shipments.
1918.															
September.....	190	346,069	350,628	45,45	130,029	80,859	106	316,000	248,000	26	72,937	38,711	41	31,908	34,963
1919.															
January.....	200	330,137	325,241	21,49	40,354	68,910	122	225,688	227,129	13	7,565	15,172	40	28,629	23,896
February.....	195	328,069	309,494	24,48	46,037	71,103	122	228,031	238,035	15	6,802	17,081	39	25,806	18,034
March.....	198	378,752	361,125	27,48	71,426	81,328	120	254,650	255,544	11	7,118	17,525	41	32,110	22,672
April.....	203	397,005	397,677	43,49	124,341	97,679	114	264,623	266,308	11	11,431	14,020	38	22,369	21,877
May.....	205	414,899	430,238	45,48	140,037	127,730	111	345,964	388,803	11	24,548	17,136	31	14,375	17,393
June.....	204	360,084	426,193	49	156,561	139,923	115	300,410	327,364	12	29,741	26,525	38	20,733	28,865
July.....	206	401,939	466,786	48	148,533	140,680	114	268,634	301,050	9	27,332	22,470	35	22,326	34,191
August.....	204	417,036	423,002	48	152,748	140,236	118	416,422	397,290	11	20,247	26,839	36	27,177	30,159
September.....	202	416,640	372,727	51	154,102	138,537	126	332,905	261,797	12	16,913	22,574	35	33,146	35,468

RECEIPTS AND SHIPMENTS OF LUMBER AT CHICAGO.

[Chicago Board of Trade.]

[Monthly average, 1911-1913=100.]

	Receipts.		Shipments.			Receipts.		Shipments.	
	M feet.	Relative.	M feet.	Relative.		M feet.	Relative.	M feet.	Relative.
1918.					1919.				
September.....	171,515	81	63,133	89	April.....	144,253	68	59,055	77
1919.					May.....	162,365	77	66,001	86
January.....	134,604	63	47,922	62	June.....	184,862	87	80,762	105
February.....	97,511	49	45,585	64	July.....	200,148	94	90,134	118
March.....	124,040	59	46,902	61	August.....	170,385	80	87,953	115
					September.....	205,909	97	93,120	121

## Coal and coke.

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

[Monthly average, 1911-1913=100.]

	Bituminous coal, estimated monthly production.		Anthracite coal, shipments over 9 roads.		Coke, estimated monthly production.					
	Short tons.	Relative.	Long tons.	Relative.	Beehive.		By-product.		Total.	
					Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.
September 1918.....	51,757,334	140	6,234,395	111	2,570,238	98	2,410,798	274	4,981,036	143
January 1919.....	41,485,000	112	5,934,241	105	2,401,567	92	6,779,482	257	12,772,392	122
February.....	31,566,000	91	3,871,932	74	1,822,894	75				
March.....	33,719,000	91	3,938,908	70	1,768,449	68				
April.....	32,164,000	87	5,224,715	93	1,316,960	50				
May.....	37,547,000	101	5,711,915	101	1,135,840	43				
June.....	37,055,000	100	5,619,591	100	1,170,752	45				
July.....	42,754,000	115	6,052,334	108	1,512,178	58				
August.....	42,880,000	116	6,144,144	109	1,733,971	66				
September.....	47,403,000	128	5,687,401	101	1,790,466	68				

## Movement of crude petroleum in United States.

[U. S. Geological Survey.]

[Barrels of 42 gallons each.]

	Marketed.		Stocks at end of month (barrels.)		Marketed.		Stocks at end of month (barrels.)
	Barrels.	Relative.			Barrels.	Relative.	
September 1918.....	28,674,000	150	135,680,000	April 1919.....	29,810,000	153	132,694,000
January 1919.....	29,869,000	156	129,558,000	May.....	29,339,000	153	132,165,000
February.....	26,511,000	138	128,910,000	June.....	31,239,000	163	135,646,000
March.....	30,412,000	159	131,110,000	July.....	33,521,000	175	141,742,000
				August.....	33,986,000	177	137,891,000
				September.....	34,487,000	180	138,517,000

## Total output of oil refineries in United States.

[Bureau of Mines.]

	Crude oil run (barrels).	Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).
August 1918.....	28,534,275	330,335,046	149,678,850	671,113,871	72,892,879
January 1919.....	26,967,332	303,710,556	158,501,260	589,630,056	68,304,613
February.....	25,232,876	283,518,194	164,181,787	553,853,753	62,503,072
March.....	27,866,775	311,306,755	170,290,930	574,774,156	67,063,995
April.....	27,775,217	319,807,838	183,453,728	588,808,408	70,954,128
May.....	30,267,227	354,472,377	190,345,026	652,166,738	76,442,252
June.....	28,920,764	338,336,985	178,974,224	632,205,805	64,636,153
July.....	31,202,522	342,491,757	205,727,289	638,185,469	67,037,414
August.....	32,362,057	326,846,167	219,502,888	685,702,461	72,020,214

## STOCKS AT CLOSE OF MONTH.

	Crude oil run (barrels).	Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).
Aug. 31 1918.....	13,946,595	285,446,538	424,281,481	569,016,413	137,496,986
Jan. 31 1919.....	15,380,185	383,212,692	332,393,181	646,411,414	158,370,431
Feb. 28.....	14,820,601	453,449,187	303,062,436	692,816,000	152,297,163
Mar. 31.....	15,106,361	546,062,429	294,677,623	749,067,806	165,495,254
Apr. 30.....	15,184,844	593,616,170	276,356,837	807,895,498	170,122,088
May 30.....	16,372,314	594,035,688	244,635,631	788,740,572	173,754,109
June 30.....	16,775,723	593,896,610	252,542,434	811,790,637	175,384,775
July 31.....	15,304,915	514,919,358	279,855,061	817,809,519	173,884,303
Aug. 31.....	15,131,549	434,531,446	296,065,646	830,329,785	170,572,819

*Iron and steel.*

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

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

	Iron ore shipments from the upper Lakes.		Pig iron production:		Steel ingot production.		Unfilled orders U. S. Steel Corporation at close of month.	
	Gross tons.	Relative.	Gross tons.	Relative.	Gross tons.	Relative.	Gross tons.	Relative.
September..... 1918.	8,995,014	148	3,418,270	148	3,197,658	134	8,297,905	157
January..... 1919.			3,302,260	143	3,082,427	130	6,684,268	127
February.....			2,940,168	136	2,688,011	120	6,010,787	114
March.....			3,090,243	133	2,662,265	110	5,430,572	103
April.....	1,412,239		2,478,218	107	2,239,711	93	4,800,685	91
May.....	6,615,341	109	2,108,056	91	1,929,024	80	4,282,310	81
June.....	7,980,839	132	2,114,863	91	2,219,219	92	4,892,855	93
July.....	9,173,429	151	2,428,541	105	2,508,176	104	5,578,661	106
August.....	4,423,133	73	2,743,388	118	2,746,081	114	6,109,103	116
September.....	8,178,483	135	2,487,965	107			6,284,638	119

*Imports of pig tin.*

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Pounds.	Relative.	1919.		
			Pounds.	Relative.	
September..... 1918.	10,630,666	117	April.....	504,903	6
January..... 1919.			May.....	449,270	5
February.....	8,461,444	93	June.....	112,000	1
March.....	6,271,977	74	July.....	113,120	1
	8,284,970	91	August.....	9,872,459	109
			September.....	11,087,403	122

*Raw stocks of hides and skins.*

[Bureau of Markets.]

[In pieces.]

	Cattle hides.	Calfskins.	Kipskins.	Goat.	Kid.	Cabretta.	Sheep and lamb.
Jan. 31..... 1919.	5,922,514	1,294,949	515,523	4,239,381	245,815	601,686	6,844,680
Feb. 28.....	5,791,095	1,266,021	429,704	5,683,585	227,513	843,344	9,033,943
Mar. 31.....	5,108,516	1,219,935	415,882	7,987,277	181,952	559,576	8,264,864
Apr. 30.....	5,256,384	1,845,254	421,474	12,080,410	724,209	1,520,522	9,095,516
May 31.....	4,549,004	2,273,368	386,244	15,121,868	1,246,075	2,044,524	8,039,531
June 30.....	4,696,332	2,285,015	558,033	16,991,195	2,521,016	1,697,754	8,118,702
July 31.....	4,966,081	2,339,368	554,516	15,589,944	1,964,828	2,767,694	6,815,160
Aug. 31.....	5,498,844	2,145,320	585,269	18,263,446	880,276	2,348,769	7,126,885
Sept. 30.....	5,786,081	2,023,864	906,438	13,650,470	822,330	2,533,079	7,291,563

NOTE.—Figures for Sept. 30 are provisional.

Textiles.

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

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

	Cotton consumption.		Cotton spindles active during month.	Wool consumption (pounds).	Percentage of idle woolen machinery on first of month to total reported.						Imports of raw silk.	
	Bales.	Relative.			Looms.		Sets of cards.	Combs.	Spinning spindles.		Pounds.	Relative.
					Wider than 50-inch reed space.	Under 50-inch reed space.			Woolen.	Worsted.		
1918.												
September.....	489,962	109	33,488,181	47,648,413	13.8	15.1	7.0	13.2	8.3	20.2	3,973,754	194
1919.												
January.....	556,721	124	33,856,472	32,573,970	40.3	32.6	32.2	30.7	36.5	37.5	1,461,827	71
February.....	433,516	103	33,282,593	23,186,818	52.3	41.5	38.7	39.8	41.1	48.6	1,742,812	91
March.....	433,720	96	32,642,376	29,320,063	58.1	42.4	39.1	47.8	41.8	52.7	1,784,412	87
April.....	475,753	106	33,213,026	39,159,945	48.4	38.9	26.5	34.2	28.4	36.1	2,988,838	146
May.....	487,998	109	33,556,011	45,084,834	36.6	32.9	17.1	22.5	16.8	25.8	4,878,646	238
June.....	474,407	105	33,943,405	48,849,892	29.6	26.6	15.4	12.8	15.2	21.1	3,848,354	188
July.....	509,793	113	34,184,407	54,973,093	22.0	26.0	9.7	7.6	8.9	13.5	5,202,407	254
August.....	502,536	112	34,187,310	48,933,476	22.1	24.9	9.4	6.5	8.9	10.9	3,802,500	186
September.....	491,313	109	34,216,662	52,985,961	19.9	22.8	8.1	5.5	7.9	12.8	6,755,271	330
October.....					16.0	20.7	8.2	5.9	7.7	7.2		

Production of wood pulp and paper.

[Federal Trade Commission.]

[Net tons.]

	Wood pulp.	News print.	Book.	Paper board.	Wrap-ping.	Fine.							
							Wood pulp.	News print.	Book.	Paper board.	Wrap-ping.	Fine.	
1918.							1919.						
September.....	246,741	95,670	65,751	161,775	58,891	31,607	April.....	284,984	116,278	67,628	138,302	48,158	22,470
1919.							May.....	294,067	105,819	76,821	151,651	56,579	25,010
January.....	283,270	116,154	70,443	140,859	50,490	27,675	June.....	277,142	114,896	71,938	152,957	60,656	27,122
February.....	238,228	103,248	62,616	125,208	45,480	24,600	July.....	260,685	113,929	75,613	169,593	63,769	30,036
March.....	278,675	114,746	63,699	136,175	48,069	23,514	August.....	260,987	113,413	82,737	189,782	64,861	33,122
							September.....	266,915	111,434	81,024	184,897	63,353	31,923

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

[Commissioner of Internal Revenue.]

	Cigars.		Cigarettes.	Chewing and smoking tobacco.	Cigars.		Cigarettes.	Chewing and smoking tobacco.	
	Large.	Small.	Small.		Large.	Small.	Small.		
1918.									
July.....	Number. 634,609,533	Number. 79,237,849	Number. 3,796,878,822	Pounds. 36,607,578	1919.				
1919.					Number.	Number.	Number.	Pounds.	
January.....	518,706,482	72,458,974	3,079,212,253	29,308,616	April.....	510,357,494	73,314,273	2,650,182,742	29,883,710
February.....	476,329,947	60,138,630	3,126,274,662	27,472,269	May.....	551,659,749	57,611,547	2,767,699,400	33,340,102
March.....	549,098,351	84,493,373	3,845,079,275	29,227,678	June.....	576,976,572	48,855,070	3,140,393,217	31,312,150
					July.....	569,965,088	47,290,267	3,585,111,783	33,838,667
					August.....				

*Output of locomotives and cars.*

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

	Locomotives.		Output of cars.				Locomotives.		Output of cars.		
	Domestic shipped.	Foreign completed.	Domestic.	Foreign.	Total.		Domestic shipped.	Foreign completed.	Domestic.	Foreign.	Total.
1918.						1919.					
September.....	Number. 267	Number. 213	Number. 2,666	Number. 3,564	Number. 6,230	April.....	Number. 197	Number. 36	Number. 7,777	Number. 7,373	Number. 15,150
1919.						May.....	207	31	4,573	8,533	13,106
January.....	282	84	8,172	3,635	11,807	June.....	160	44	1,785	5,307	7,092
February.....	135	164	6,623	4,657	11,280	July.....	121	73	2,777	6,936	9,713
March.....	258	128	5,978	5,795	11,773	August.....	160	173	18,509	5,015	23,524
						September.....	111	51	19,980	4,302	24,282

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

[Monthly average, 1911-1913=1,100.]

	Number.	Gross tonnage.	Relative.		Number.	Gross tonnage.	Relative.
1918.				1919.			
September.....	170	308,470	1,276	April.....	201	375,605	1,554
1919.				May.....	250	395,408	1,636
January.....	132	264,346	1,094	June.....	272	422,889	1,750
February.....	135	271,430	1,203	July.....	245	397,628	1,645
March.....	186	298,005	1,233	August.....	238	455,338	1,884
				September.....	202	378,858	1,568

*Tonnage of vessels cleared in the foreign trade.*

[Department of Commerce.]

[Monthly average, 1911-1913=100.]

	Net tonnage.				Per cent- age of Ameri- can to total.	Rela- tive.		Net tonnage.				Per cent- age of Ameri- can to total.	Rela- tive.
	American.	Foreign.	Total.	Rela- tive.				American.	Foreign.	Total.	Rela- tive.		
1918.							1919.						
September.....	2,009,194	2,290,872	4,300,066	111	46.7	185	April.....	1,744,753	2,058,220	3,802,973	98	45.9	181
1919.							May.....	2,424,837	2,469,194	4,894,031	126	49.5	196
January.....	1,166,391	1,896,123	3,062,514	78	33.1	151	June.....	2,339,320	2,511,501	4,850,821	125	48.2	191
February.....	1,262,487	1,671,070	2,933,557	75	43.0	170	July.....	2,362,571	2,920,247	5,282,818	136	44.7	177
March.....	1,161,416	1,737,171	2,898,587	75	40.1	158	August.....	2,957,249	2,797,818	5,755,067	148	51.4	203
							September.....	2,627,480	2,481,676	5,109,156	131	51.4	203

*Net ton-miles, revenue and nonrevenue.*

[United States Railroad Administration.]

	1918.	1919.
September.....	39,579,023,000	April..... 28,629,739,000
1919.		May..... 32,440,708,000
January.....	30,383,169,000	June..... 31,953,366,000
February.....	25,681,943,000	July..... 34,914,294,000
March.....	28,952,925,000	August..... 36,361,653,000
		September..... 38,860,311,000

## Commerce of canals at Sault Ste. Marie.

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

## EASTBOUND.

	Grain, other than wheat.		Wheat.		Flour.		Iron ore.		Total.	
	Bushels.	Relative.	Bushels.	Relative.	Barrels.	Relative.	Short tons.	Relative.	Short tons.	Relative.
September..... 1918.	817,251	92	5,955,593	31	1,137,110	98	8,750,841	147	9,154,660	131
April..... 1919.	4,176,041		16,729,000				1,139,326		1,756,266	
May.....	9,370,374	105	29,096,116	151	910,524	78	6,622,227	112	7,895,542	113
June.....	6,694,901	75	6,402,051	33	1,031,630	89	3,004,897	135	8,554,979	122
July.....	7,100,008	80	2,391,840	12	915,420	79	3,912,609	150	9,343,396	133
August.....	5,284,741	59	1,487,218	8	935,700	81	4,727,994	80	5,080,651	72
September.....	2,918,591	33	10,180,991	53	917,420	79	7,978,562	134	8,525,794	122

## WESTBOUND.

	Hard coal.		Soft coal.		Total.		Total freight.	
	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.
September..... 1918.	293,800	95	2,796,577	146	3,245,413	130	12,400,073	131
April..... 1919.	142,864		415,824		616,897		2,373,163	
May.....	248,263	80	2,239,738	117	2,670,784	107	10,566,326	111
June.....	227,200	73	2,266,984	118	2,664,437	107	11,219,416	118
July.....	344,462	111	2,037,265	106	2,572,756	103	11,916,152	125
August.....	185,387	60	1,189,558	62	1,529,310	61	6,609,961	70
September.....	231,030	75	1,156,841	60	1,677,123	67	10,202,917	107



**BANK TRANSACTIONS DURING SEPTEMBER-OCTOBER.**

In the table below are shown debits to individual account for four weeks ending October 22, as reported by 156 of the country's most important clearing houses. In addition debits to individual account for each of the four weeks are compared with figures for the corresponding weeks of last year, comparable data being available for 138 centers.

Aggregate debits to individual account for the week ending October 1 were about 5 per cent above the figures for the immediately preceding week, the increase apparently reflecting to a large extent interest and dividend payments made at the end of the month and of the third quarter. A further increase was shown for the following week, but a decided drop for the week ending October 15. The last week of the period saw a large increase in

debits to individual account which totaled over 10½ billions and exceeded the 10 billion mark for the first time since the week ending September 17. The large figures for the week ending October 22 were apparently due in part to interest payments by the Government on Liberty bonds of the fourth issue and also to heavy trading on the exchange during the week.

Debits to individual account reported for the four-week period September 25-October 23, 1918, show a decline during the first week and a steady increase for the three weeks following. The figures of debits for 1918 constitute between 70 and 80 per cent of the corresponding figures for the four weeks of the present year, which is accounted for in part by the rise in the price level.

*Debits to individual account at clearing-house banks during each of the four weeks ending Oct. 22, 1919, and Oct. 23, 1918.*

[In thousands of dollars.]

Federal Reserve district.	1919 Week ending—				1918 Week ending—			
	Oct. 22.	Oct. 15.	Oct. 8.	Oct. 1.	Oct. 23.	Oct. 16.	Oct. 9.	Oct. 2.
<b>No. 1—Boston:</b>								
Bangor.....	3,416	3,100	3,200	3,184	2,930	2,701	2,777	2,738
Boston.....	382,293	324,726	311,552	271,665	253,531	220,153	206,541	230,041
Fall River.....	10,177	8,398	8,797	7,522	10,562	6,859	9,199	8,573
Hartford.....	25,316	20,794	27,832	27,374	21,972	16,836	19,265	24,634
Holyoke.....	4,135	3,426	3,941	4,171	4,169	2,998	3,045	2,154
Lowell.....	5,916	5,191	5,017	4,948	6,469	5,003	5,251	5,108
New Bedford.....	9,070	7,236	7,180	6,812	7,213	7,496	5,465	6,063
New Haven.....	20,162	17,396	18,318	16,714	16,975	15,113	16,410	15,053
Portland.....	7,788	10,255	9,710	9,635	9,368	6,748	7,953	9,101
Providence.....	51,008	36,772	34,952	31,426	43,753	29,355	28,010	29,040
Springfield.....	20,623	17,717	16,449	15,493	12,501	7,810	8,406	8,808
Waterbury.....	6,547	6,967	7,217	6,719	9,727	7,081	6,820	7,284
Worcester.....	30,443	17,495	17,622	16,049	17,242	14,513	14,725	15,976
<b>No. 2—New York:</b>								
Albany.....	22,569	19,979	21,860	18,420	20,226	.....	15,914	19,446
Binghamton.....	3,976	3,357	3,893	3,346	2,696	2,740	2,763	2,811
Buffalo.....	72,122	59,628	62,091	62,965	58,184	56,764	59,838	61,553
New York.....	5,712,080	4,680,034	5,414,266	5,365,713	4,221,573	3,453,918	3,406,518	3,831,077
Passaic.....	5,879	5,131	4,412	4,217	3,984	3,623	4,650	3,436
Rochester.....	32,126	28,049	28,222	28,873	28,960	24,306	23,832	27,114
Syracuse.....	16,378	12,599	16,259	16,348	14,707	10,368	12,600	9,123
<b>No. 3—Philadelphia:</b>								
Altoona.....	3,612	2,922	3,540	3,039	3,426	3,102	2,936	2,966
Chester.....	5,504	2,431	4,666	4,759	5,647	4,909	4,240	4,959
Harrisburg.....	4,075	4,226	4,453	3,900	6,125	5,292	6,045	6,385
Johnstown.....	3,404	3,142	3,859	3,465	3,254	3,119	3,129	3,348
Lancaster.....	6,235	5,347	5,919	5,342	5,802	4,656	4,557	4,702
Philadelphia.....	377,703	293,453	345,720	345,454	341,184	275,702	264,404	325,756
Reading.....	4,555	3,841	4,045	4,269	6,331	5,749	6,305	5,440
Scranton.....	12,622	13,192	13,895	16,510	12,106	11,621	11,538	14,616
Trenton.....	11,093	10,634	10,098	9,929	10,448	8,447	7,734	8,833
Wilkes-Barre.....	7,776	9,394	7,859	8,287	7,468	6,722	6,007	6,968
Williamsport.....	3,690	3,190	3,722	3,549	3,610	3,612	3,155	3,094
Wilmington.....	10,615	11,086	10,255	10,453	11,531	7,012	8,367	9,044
York.....	4,303	3,615	4,416	3,975	3,579	3,195	3,223	3,168
<b>No. 4—Cleveland:</b>								
Akron.....	25,546	18,639	26,136	24,001	15,940	13,300	13,144	12,388
Cincinnati.....	63,902	57,562	55,490	63,081	60,836	50,635	45,948	49,036
Cleveland.....	162,212	167,539	162,109	157,980	146,703	134,676	115,797	.....
Columbus.....	30,396	30,184	28,872	27,445	28,194	26,047	23,816	20,675
Dayton.....	11,532	11,874	11,465	12,131	13,623	11,232	10,824	11,236
Erie.....	7,326	6,320	7,440	7,171	7,845	6,976	6,395	7,196
Greensburg, Pa.....	6,190	6,664	4,500	6,256	2,791	3,315	2,660	3,026
Lexington.....	4,891	3,865	4,419	4,516	3,327	3,360	3,420	4,142

Debts to individual account at clearing-house banks during each of the four weeks ending Oct. 22, 1919, and Oct. 23, 1918—Continued.

[In thousands of dollars.]

Federal Reserve district.	1919 Week ending—				1918 Week ending—			
	Oct. 22.	Oct. 15.	Oct. 8.	Oct. 1.	Oct. 23.	Oct. 16.	Oct. 9.	Oct. 2.
<b>No. 4—Cleveland—Continued.</b>								
Oil City.....	3,301	2,610	3,407	2,412	3,326	2,361	3,018	2,409
Pittsburgh.....	192,566	171,756	156,107	186,596	.....	.....	.....	.....
Springfield.....	3,426	3,593	2,891	3,537	2,675	3,055	2,594	3,324
Toledo.....	23,074	31,365	30,963	27,455	25,482	22,837	20,100	23,502
Wheeling.....	11,527	9,213	7,656	7,096	9,183	7,696	6,200	9,168
Youngstown.....	13,442	14,812	17,901	17,633	13,458	12,726	16,452	14,418
<b>No. 5—Richmond:</b>								
Baltimore.....	111,169	103,178	105,051	103,600	85,350	72,818	72,901	82,719
Charleston.....	12,713	10,540	10,118	9,380	.....	.....	.....	.....
Charlotte.....	4,000	6,400	4,300	5,800	6,700	6,100	5,863	5,596
Columbia.....	10,714	8,938	9,753	8,797	7,963	6,449	7,723	.....
Norfolk.....	22,243	20,687	21,315	17,712	19,789	17,644	16,314	16,295
Raleigh.....	5,000	4,963	4,800	4,600	4,570	3,372	4,415	3,207
Richmond.....	40,946	33,616	31,640	29,084	25,605	26,838	23,412	24,633
<b>No. 6—Atlanta:</b>								
Atlanta.....	41,388	38,772	34,632	32,294	27,075	27,329	24,400	25,391
Augusta.....	15,379	12,858	14,072	11,963	9,589	9,176	12,186	9,947
Birmingham.....	16,241	15,139	15,401	15,630	13,735	13,202	13,079	14,302
Chattanooga.....	12,130	13,052	12,220	11,103	9,777	8,680	8,532	8,920
Jacksonville.....	12,053	11,265	10,981	12,006	10,370	8,352	8,808	10,270
Knoxville.....	6,642	6,855	6,966	6,627	5,600	5,814	6,197	6,817
Macon.....	11,835	9,809	9,094	8,844	7,793	7,176	6,431	7,236
Mobile.....	8,182	8,001	8,344	6,792	7,110	7,395	8,058	7,086
Montgomery.....	6,183	6,181	6,562	5,296	4,969	5,105	5,426	4,223
Nashville.....	23,208	22,367	23,238	21,351	21,607	23,522	19,744	21,801
New Orleans.....	84,556	71,809	72,919	70,782	54,293	51,712	53,811	61,357
Pensacola.....	2,386	2,273	2,618	2,334	2,147	1,645	1,433	1,957
Savannah.....	28,664	22,452	22,350	18,481	20,662	16,804	19,669	17,408
Tampa.....	4,800	4,805	4,856	4,336	3,536	3,806	3,854	3,797
Vicksburg.....	2,384	2,421	2,051	1,088	1,730	1,693	1,920	1,665
<b>No. 7—Chicago:</b>								
Bay City.....	3,269	2,917	3,164	2,545	2,796	2,557	2,373	2,494
Bloomington.....	3,042	2,515	2,896	2,904	2,365	2,170	2,399	2,851
Cedar Rapids.....	9,759	7,055	12,039	7,740	.....	.....	.....	.....
Chicago.....	739,158	626,381	700,787	654,015	593,013	550,815	527,764	558,351
Davenport.....	8,024	7,008	9,077	8,051	6,983	6,349	8,452	9,153
Decatur.....	3,900	3,117	4,130	3,471	3,387	3,049	3,225	3,333
Des Moines.....	23,165	22,229	25,337	19,531	18,060	17,554	.....	.....
Detroit.....	145,039	153,759	136,873	133,288	104,764	101,655	87,134	94,642
Dubuque.....	2,977	2,578	2,315	2,265	.....	.....	.....	.....
Flint.....	10,736	8,433	9,553	10,208	3,900	2,700	2,300	1,477
Fort Wayne.....	7,480	5,572	6,208	5,732	4,998	3,134	4,135	2,954
Grand Rapids.....	18,684	16,541	18,686	18,015	5,747	5,362	5,221	4,731
Indianapolis.....	34,578	33,111	30,596	30,342	33,491	31,143	29,171	15,555
Jackson.....	5,421	3,317	4,330	4,239	.....	.....	.....	.....
Kalamazoo.....	4,193	4,175	4,273	3,756	2,919	2,884	3,074	3,320
Lansing.....	6,480	6,078	5,735	5,587	2,991	3,225	3,816	3,408
Milwaukee.....	66,962	61,493	55,581	56,642	58,854	57,768	55,742	50,479
Peoria.....	10,217	9,670	9,507	9,092	11,164	10,875	11,834	12,234
Rockford.....	5,684	5,853	6,608	4,964	5,463	4,848	4,683	2,454
Sioux City.....	14,720	14,458	14,853	14,146	.....	.....	.....	.....
South Bend.....	2,111	5,208	4,639	3,671	3,982	3,649	3,263	3,204
Springfield.....	4,759	4,382	3,707	5,705	4,144	4,732	3,525	4,565
Waterloo, Iowa.....	3,854	3,238	3,759	3,369	3,842	3,246	3,064	2,871
<b>No. 8—St. Louis:</b>								
Evansville.....	4,620	4,647	4,164	4,451	4,680	3,973	3,643	3,971
Little Rock.....	11,762	13,097	11,899	9,907	9,061	6,350	8,750	6,347
Louisville.....	34,653	32,708	30,983	30,077	48,954	29,431	25,852	28,912
Memphis.....	42,007	42,099	34,432	27,052	29,900	49,687	26,561	33,145
St. Louis.....	166,686	155,773	149,206	140,367	138,424	135,935	139,594	132,185
<b>No. 9—Minneapolis:</b>								
Aberdeen.....	2,154	1,988	2,465	1,930	1,827	1,981	2,255	1,886
Billings.....	2,823	2,555	2,385	2,226	2,280	2,030	1,890	2,187
Duluth.....	24,534	23,498	24,482	23,892	56,895	61,194	66,884	67,964
Fargo.....	10,147	9,860	9,336	9,181	3,832	3,503	4,304	3,551
Grand Forks.....	2,376	2,708	2,609	2,226	1,832	1,757	1,854	1,983
Great Falls.....	2,441	2,142	2,773	2,174	.....	.....	.....	.....
Helena.....	2,765	2,817	3,431	2,531	2,774	2,822	2,645	3,287
Minneapolis.....	104,046	101,901	103,328	98,807	112,748	115,667	122,376	110,310
St. Paul.....	39,690	39,806	37,227	42,102	45,218	38,824	32,974	37,674
Superior.....	2,081	2,131	2,169	2,189	3,007	2,349	2,813	2,299
Winona.....	2,174	1,215	1,515	1,404	.....	.....	.....	.....
<b>No. 10—Kansas City:</b>								
Atchison.....	541	534	510	448	.....	.....	.....	.....
Bartlesville, Okla.....	3,193	2,789	3,212	3,477	1,763	2,021	1,536	2,257
Colorado Springs.....	3,143	3,085	2,704	2,841	2,827	2,681	2,685	2,242
Denver.....	35,218	34,112	31,875	34,068	28,992	28,985	26,345	22,156
Joplin.....	3,526	3,660	3,479	3,206	3,707	4,228	3,644	3,607
Kansas City, Kans.....	3,322	3,421	3,422	3,322	3,017	3,196	4,531	3,306
Kansas City, Mo.....	91,887	88,454	92,754	88,571	91,927	91,012	91,031	110,391
Muskogee, Okla.....	5,977	5,775	6,002	4,580	3,617	3,521	3,233	3,253

Debts to individual account at clearing-house banks during each of the four weeks ending Oct. 22, 1919, and Oct. 23, 1918—Continued.

[In thousands of dollars.]

Federal Reserve district.	1919 Week ending—				1918 Week ending—			
	Oct. 22.	Oct. 15.	Oct. 8.	Oct. 1.	Oct. 23.	Oct. 16.	Oct. 9.	Oct. 2.
<b>No. 10—Kansas City—Continued.</b>								
Oklahoma City.....	19,619	18,344	19,328	17,764	15,542	17,290	15,091	17,900
Omaha.....	66,407	66,359	73,564	66,295	62,744	62,842	65,394	63,288
Pueblo.....	3,462	4,061	6,264	4,258	4,138	4,568	4,934	4,333
St. Joseph.....	21,457	17,437	17,330	14,177	18,575	22,934	21,411	18,671
Topeka.....	5,932	6,311	6,328	5,234	4,574	4,456	4,815	4,254
Tulsa.....	23,696	26,586	21,841	24,778	19,624	21,006	16,791	15,959
Wichita.....	12,802	11,644	12,416	13,732	8,265	9,303	8,203	6,372
<b>No. 11—Dallas:</b>								
Albuquerque.....	1,937	1,590	1,910	1,372	1,439	1,501	1,253	.....
Austin.....	4,220	3,602	4,690	3,395	3,100	3,212	4,099	3,436
Beaumont.....	4,427	4,138	3,948	3,869	4,430	3,855	4,216	3,218
Dallas.....	53,532	50,805	43,485	44,960	35,531	29,312	34,426	28,018
El Paso.....	9,522	8,540	7,995	6,517	6,390	5,205	5,930	5,872
Fort Worth.....	25,387	24,822	24,217	22,831	15,347	16,274	18,275	16,813
Galveston.....	13,223	10,304	10,054	8,749	8,556	5,941	11,553	8,913
Houston.....	40,934	35,111	30,418	33,252	29,493	24,114	26,516	26,942
San Antonio.....	7,824	7,949	8,373	6,696	.....	.....	.....	.....
Shreveport.....	6,579	6,666	6,666	6,220	6,292	5,434	6,391	6,300
Texarkana.....	2,089	1,793	1,744	1,773	1,738	1,448	1,162	1,111
Tucson.....	1,240	1,043	1,156	988	1,927	1,659	2,122	1,883
Waco.....	5,889	3,652	4,876	4,445	.....	3,213	4,475	4,863
<b>No. 12—San Francisco:</b>								
Berkeley.....	2,696	2,334	2,469	2,314	.....	.....	.....	.....
Boise.....	3,764	3,435	3,407	2,810	2,907	2,390	.....	.....
Fresno.....	14,077	11,651	11,069	10,132	6,508	6,694	5,574	5,836
Long Beach.....	3,899	3,729	3,946	3,450	2,226	2,254	2,193	2,390
Los Angeles.....	86,318	74,120	74,690	81,000	59,673	51,805	50,465	52,608
Oakland.....	18,595	16,450	20,150	14,192	14,130	10,439	13,662	11,151
Ogden.....	4,330	4,159	4,239	4,686	3,655	4,074	3,774	4,261
Pasadena.....	3,982	3,863	4,122	4,849	2,253	2,185	2,689	2,098
Portland.....	55,096	56,040	51,959	46,463	52,706	48,350	49,357	44,790
Reno.....	3,729	2,958	3,058	2,579	2,120	1,776	2,518	1,947
Sacramento.....	16,464	16,305	15,755	16,264	11,726	11,850	14,358	12,924
Salt Lake City.....	19,749	17,749	14,399	16,883	18,347	17,447	14,447	16,422
San Diego.....	6,836	5,162	5,368	4,568	5,941	5,416	5,461	5,294
San Francisco.....	205,646	192,515	191,786	199,631	165,541	150,119	146,718	155,233
San Jose.....	9,419	7,105	7,684	7,102	.....	.....	.....	.....
Seattle.....	58,270	51,992	53,666	53,801	56,702	51,880	51,158	54,156
Spokane.....	15,297	14,524	15,006	14,554	10,643	9,476	10,176	10,711
Stockton.....	6,159	3,650	5,952	5,555	4,498	5,398	4,497	4,509
Tacoma.....	12,100	11,634	11,797	10,471	12,178	12,836	11,466	14,343
Yakima.....	4,533	3,285	3,814	3,041	2,518	2,213	2,020	1,959

Recapitulation showing figures for clearing-house centers reporting each of the four weeks ending Oct. 22, 1919.

[In thousands of dollars.]

Federal Reserve district.	Number of centers included.	1919 Week ending—			
		Oct. 22.	Oct. 15.	Oct. 8.	Oct. 1.
No. 1—Boston.....	13	576,899	479,473	471,787	421,702
No. 2—New York.....	7	5,365,130	4,808,777	5,551,003	5,499,882
No. 3—Philadelphia.....	13	455,187	356,478	422,452	422,931
No. 4—Cleveland.....	14	558,631	536,046	519,416	547,310
No. 5—Richmond.....	7	206,785	188,322	186,977	173,973
No. 6—Atlanta.....	15	276,531	248,039	246,304	228,927
No. 7—Chicago.....	23	1,134,212	1,010,118	1,075,203	1,009,278
No. 8—St. Louis.....	5	259,728	248,324	230,684	210,854
No. 9—Minneapolis.....	11	195,231	190,621	191,720	188,662
No. 10—Kansas City.....	15	300,182	287,602	301,029	286,751
No. 11—Dallas.....	13	176,803	161,922	149,532	145,067
No. 12—San Francisco.....	20	550,959	502,671	504,336	504,345
<b>Grand total.....</b>	<b>156</b>	<b>10,556,278</b>	<b>9,018,393</b>	<b>9,850,443</b>	<b>9,644,682</b>

Recapitulation showing figures for clearing-house centers reporting each of the four weeks ending Oct. 22, 1919, and Oct. 23, 1918.

[In thousands of dollars.]

Federal Reserve district.	Number of centers included.	1919 Week ending—				1918 Week ending—			
		Oct. 22.	Oct. 15.	Oct. 8.	Oct. 1.	Oct. 23.	Oct. 16.	Oct. 9.	Oct. 2.
No. 1—Boston .....	13	576,899	479,473	471,787	421,702	415,462	342,696	333,867	364,623
No. 2—New York .....	6	5,842,561	4,788,798	5,529,143	5,481,462	4,330,104	3,551,719	3,510,198	3,935,114
No. 3—Philadelphia .....	13	455,187	356,478	422,452	422,981	421,011	343,138	331,850	399,879
No. 4—Cleveland .....	12	203,853	196,701	201,200	202,734	186,685	163,590	155,071	160,514
No. 5—Richmond .....	5	183,358	168,844	167,106	160,796	142,023	126,772	122,905	132,450
No. 6—Atlanta .....	15	276,531	248,039	246,304	228,927	200,043	191,501	193,598	202,377
No. 7—Chicago .....	19	1,081,147	962,059	1,018,644	963,622	869,525	813,786	772,823	817,372
No. 8—St. Louis .....	5	259,728	248,324	230,684	210,854	231,019	225,376	204,110	204,560
No. 9—Minneapolis .....	9	190,616	187,264	187,432	185,084	230,513	230,136	237,995	231,141
No. 10—Kansas City .....	14	299,641	287,068	300,519	286,303	269,312	278,043	269,544	287,989
No. 11—Dallas .....	10	161,153	148,731	134,373	132,554	112,804	96,454	114,690	102,506
No. 12—San Francisco .....	17	535,080	489,797	490,776	492,119	431,370	394,212	390,533	400,629
Grand total .....	138	10,065,754	8,561,576	9,400,420	9,189,088	7,839,871	6,757,423	6,637,184	7,239,154

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

Discount operations during the month of September aggregated \$6,726,155,257, showing an increase of over 292 millions, or 4.5 per cent, over the total for August. The total for the month under review does not include amounts of bills discounted for other Federal Reserve Banks, which totaled \$189,000,000, as against \$195,945,500 the month before. Increases in the aggregates of discount operations for September, as compared with August, were reported for each Federal Reserve district, except the New York and the Richmond districts, the largest relative increases being shown for the St. Louis, Minneapolis, and Kansas City districts, where agricultural operations are at their height during the month of September.

War paper constituted about 90 per cent of the total paper discounted during the month, compared with 95 per cent in the previous month. Discounts of trade acceptances for the month of September aggregated \$10,619,405 (as against \$6,427,411 for August), and included a much larger amount, \$1,327,231 as compared with \$366,333, of acceptances in the foreign trade. Purchases of foreign trade acceptances were reported by the Boston and New York Federal Reserve Banks. Bankers' acceptances discounted during the month aggregated \$388,454, member bank bills secured by eligible paper \$29,801,567 (as against \$20,028,459 in August), while ordinary commercial and agricultural paper totaled \$447,060,323, compared with \$235,824,380 for the preceding month.

Over 96 per cent of the total discounts for the month was 15-day paper, i. e., bills maturing 15 days from date of discount or rediscount with the Federal Reserve Bank. Six-month bills, consisting of agricultural and live stock paper, totaled \$5,443,693, compared with \$4,216,353 the month before, the increase over the low total reported during the height of the crop-moving season being probably due to the increased demand for accommodation in connection with the sowing of fall crops. The average maturity of all the paper discounted during the month works out at 9.44 days, as against 9.33 days for August. About 86 per cent of the paper discounted during the month took the 4 per cent rate and over 10 per cent the 4½ per cent rate. The average rate of discount charged during the month works out at 4.18 per cent, as against 4.12 per cent the month before. Of the paper purchased in open market, the bulk carried a 4, a 4½, a 4¾, or a 4½ per cent rate, the average rate

for this class of paper bought during the month being 4½ per cent.

On the last Friday in September the Federal Reserve Banks held a total of \$1,882,263,000 of discounted bills, compared with \$1,815,134,000 on the last Friday in August and \$1,713,430,000 on the corresponding date in 1918. Of the total discounts on hand at the end of September about 84 per cent was the share of war paper, compared with about 87 per cent on the last Friday in August and 71 per cent about the end of September, 1918. At the New York bank this proportion was about 93 per cent and at the Boston bank but slightly less. Discounted trade acceptances on hand about the end of September totaled about \$10,960,000, as against \$9,000,000 at the end of August and \$19,254,000 the previous year. Holdings of agricultural paper totaled \$32,931,000, as against \$30,363,000 about the end of August and \$35,440,000 on the corresponding date the year before, while holdings of live-stock paper were \$27,273,000, compared with \$27,538,000 the month before and \$48,703,000 about the close of September of last year. Of the total agricultural paper on hand the largest proportion, about 30 per cent, was held by the Dallas bank, while of the total live-stock paper over one-half represents the holdings of the Kansas City bank.

During the month the membership shows a net increase of 29, the number of members at the close of September being 8,933, as compared with 8,904 at the end of August. Member banks accommodated by the discount of paper in September numbered 3,722, as against 3,460 in August. In the following exhibit are shown the numbers of member banks in each Federal Reserve district at the end of September and of July, together with the number in each district accommodated during each of the two months.

Federal Reserve Bank.	Number of member banks in district.		Number of member banks accommodated.	
	Sept. 30.	Aug. 31.	September.	August.
Boston.....	430	429	231	243
New York.....	743	741	378	381
Philadelphia.....	673	670	338	389
Cleveland.....	840	835	222	213
Richmond.....	573	572	337	299
Atlanta.....	429	427	255	241
Chicago.....	1,363	1,364	494	468
St. Louis.....	530	528	205	185
Minneapolis.....	905	896	164	163
Kansas City.....	1,017	1,014	351	295
Dallas.....	749	748	420	341
San Francisco.....	681	680	227	242
Total.....	8,933	8,904	3,722	3,460

Bills purchased in the open market during September, largely by the New York bank, both for its own account and for account of other Federal Reserve Banks, totaled \$205,048,335, compared with \$194,210,625 in August. Of the total bills purchased, \$201,962,430 were bankers' acceptances, over 75 per cent of which were based upon foreign trade transactions. Purchases of trade acceptances amounting to \$2,773,437 were reported by the New York, Cleveland, and San Francisco banks, and were also based largely on foreign trade transactions. The average maturity of all bills purchased during the month was 46.15 days, compared with 50.73 days for August, while the average rate of discount charged works out, the same as for August, at 4½ per cent.

On September 30 the Federal Reserve

Banks report a total of \$300,129,000 of purchased bills on hand, compared with \$367,163,000 on August 31, 1919, and \$289,320,000 on September 30, 1918. Of the most recent total all but \$2,976,000 were bankers' acceptances, while of the remainder \$209,100,000 were bills accepted by member banks, \$33,104,000 by private banks and bankers, \$21,873,000 by foreign banks and their agencies, and \$33,076,000 by other nonmember institutions. Of the \$2,976,000 of purchased trade acceptances held at the end of the month, \$591,000 were domestic trade acceptances and \$2,385,000 were foreign trade acceptances. Of the latter amount all but \$291,000 were reported by the New York and San Francisco banks, and represent largely acceptances drawn by exporters in the Far East.

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

Federal Reserve Bank.	Bills discounted for member banks.	Bills bought in open market.	Municipal war-rants.	United States bonds.	United States Victory notes.	United States certificates of indebtedness.	Total United States securities.	Total investment operations.	
								Sept., 1919.	Sept., 1918.
Boston.....	\$314,051,634	\$20,353,090				\$31,170,000	\$31,170,000	\$365,574,774	\$249,026,363
New York.....	3,495,701,094	64,460,086				858,955,000	858,955,000	4,419,116,180	3,081,248,564
Philadelphia.....	1,003,715,978	687,216				16,087,500	16,087,500	1,020,490,694	167,232,191
Cleveland.....	300,427,161	23,450,835			\$50	179,754,500	179,754,550	503,632,546	160,066,781
Richmond.....	344,921,874	5,228,079				16,600,000	16,600,000	366,747,953	218,416,000
Atlanta.....	212,738,726	3,950,570		1 \$200		19,000,000	19,000,200	235,739,496	123,787,635
Chicago.....	378,009,982	24,031,764				652,755,000	652,755,000	1,054,796,746	466,437,999
St. Louis.....	208,364,700	7,213,275						215,577,975	120,403,692
Minneapolis.....	66,850,995	12,698,615				53,393,000	53,393,000	132,942,610	77,127,901
Kansas City.....	139,961,557	600,000			50	6,409,500	6,409,550	146,971,107	78,861,372
Dallas.....	117,312,012	1,025,272				7,000,000	7,000,000	125,337,284	76,531,393
San Francisco.....	144,049,494	41,351,533				28,963,000	28,963,000	214,364,027	134,829,649
Total, September, 1919.....	6,728,155,257	205,048,335		200	100	1,870,087,500	1,870,087,800	8,801,291,392	
Total, September, 1918.....	4,685,139,704	183,132,122	\$3,764	106,950		85,582,000	85,688,950		4,953,969,540
Total, 9 months ending Sept. 30, 1919.....	56,408,282,658	1,748,762,357	1,000	1,328,025	373,950	3,844,462,000	3,846,163,975	62,003,209,990	
Total, 9 months ending Sept. 30, 1918.....	22,479,290,117	1,201,402,637	1,697,919	72,560,163		3,178,118,660	3,250,678,823		26,933,069,496

1 3½ per cent Liberty bonds.

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

Federal Reserve Bank.	Average daily holdings of the several classes of earning assets.				
	Discounted bills.	Purchased bills.	United States securities.	Municipal warrants.	Total.
Boston.....	\$121,518,581	\$44,534,884	\$23,016,383	.....	\$189,069,848
New York.....	651,052,987	73,305,700	93,588,333	.....	817,947,020
Philadelphia.....	196,612,074	843,226	29,304,400	.....	226,759,700
Cleveland.....	123,713,210	40,364,448	29,797,153	.....	193,874,811
Richmond.....	90,225,882	6,654,159	11,387,300	.....	108,267,341
Atlanta.....	95,306,288	4,255,822	14,058,336	.....	113,620,946
Chicago.....	186,297,025	43,767,685	66,230,283	.....	296,294,993
St. Louis.....	74,701,186	13,485,058	18,221,400	.....	106,407,644
Minneapolis.....	39,309,700	20,512,233	10,429,733	.....	70,251,666
Kansas City.....	72,820,622	20,388,280	21,154,381	.....	114,363,283
Dallas.....	55,831,494	549,675	11,232,667	.....	67,613,836
San Francisco.....	69,944,873	85,274,436	11,824,950	.....	167,044,259
Total, September, 1919.....	1,777,333,922	353,935,606	340,245,819	.....	2,471,515,347
Total, September, 1918.....	1,603,152,988	249,750,577	67,085,047	\$67,959	1,920,056,571

Federal Reserve Bank.	Earnings from—					Calculated annual rate of earnings from—				
	Dis-counted bills.	Pur-chased bills.	United States securities.	Munic- ipal war- rants.	Total.	Dis- counted bills.	Pur- chased bills.	United States securities.	Munic- ipal war- rants.	Total.
Boston.....	\$417,693	\$154,473	\$38,360	.....	\$610,526	4.18	4.22	2.03	.....	3.93
New York.....	2,165,396	257,264	173,551	.....	2,596,211	4.05	4.21	2.26	.....	3.86
Philadelphia.....	651,312	2,945	50,317	.....	704,574	4.03	4.24	2.08	.....	3.78
Cleveland.....	416,064	140,063	51,209	.....	607,336	4.09	4.22	2.09	.....	3.81
Richmond.....	318,703	25,115	18,795	.....	362,613	4.30	4.59	2.01	.....	4.07
Atlanta.....	337,184	16,444	24,066	.....	377,694	4.17	4.55	2.02	.....	3.91
Chicago.....	644,182	152,803	111,825	.....	908,810	4.21	4.25	2.05	.....	3.73
St. Louis.....	256,937	47,396	32,601	.....	336,934	4.18	4.27	2.17	.....	3.85
Minneapolis.....	138,800	74,856	19,580	.....	233,236	4.30	4.44	2.28	.....	4.04
Kansas City.....	282,756	70,576	42,575	.....	395,907	4.72	4.21	2.45	.....	4.21
Dallas.....	207,937	2,213	20,075	.....	230,225	4.53	4.89	2.17	.....	4.14
San Francisco.....	258,940	299,340	22,715	.....	580,995	4.41	4.27	2.34	.....	4.23
Total, September, 1919.....	6,095,904	1,243,488	605,669	.....	7,945,061	4.17	4.27	2.17	.....	3.91
Total, September, 1918.....	5,627,767	859,195	149,923	\$273	6,637,158	4.27	4.19	2.73	4.88	4.21

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

Federal Reserve Bank.	Customers' paper se- cured by Govern- ment war obligations.	Member banks' collateral notes.		Trade accept- ances.	Bankers' accept- ances.	All other discounts.	Total.	Average maturity in days.	Average rate (365-day basis).
		Secured by Government war obliga- tions.	Otherwise secured.						
Boston.....	\$32,126,812	\$270,424,246	\$793,000	<sup>1</sup> \$348,356	\$25,000	\$10,334,270	\$314,051,684	11.85	Per cent. 4.18
New York.....	41,329,289	3,282,979,949	.....	<sup>2</sup> 3,567,082	261,962	167,562,782	3,495,701,094	6.49	4.04
Philadelphia.....	21,821,228	928,134,397	25,500	270,787	.....	53,464,066	1,003,715,978	6.69	4.01
Cleveland.....	7,216,667	267,276,330	222,000	1,506,098	.....	24,206,016	300,427,161	13.16	4.12
Richmond.....	4,357,478	321,731,170	3,719,000	466,194	.....	14,648,032	344,921,874	9.79	4.31
Atlanta.....	3,137,658	182,040,760	2,738,500	522,391	.....	24,349,417	212,788,726	16.95	4.19
Chicago.....	4,321,217	302,664,200	407,110	484,222	.....	70,133,233	378,009,982	20.29	4.36
St. Louis.....	3,356,953	179,143,487	166,000	674,714	75,000	24,948,541	208,364,700	14.10	4.29
Minneapolis.....	109,588	54,050,800	115,000	99,953	.....	12,475,654	66,850,995	19.39	4.44
Kansas City.....	2,231,991	98,807,348	19,658,957	384,550	.....	18,878,711	139,961,557	20.76	4.55
Dallas.....	553,820	103,036,973	1,956,500	58,465	.....	11,706,264	117,312,012	18.91	4.36
San Francisco.....	1,900,002	125,533,030	.....	2,236,593	26,462	14,353,347	144,049,494	16.41	4.39
Total.....	122,462,708	6,115,822,800	29,801,567	10,619,405	388,454	447,060,323	6,726,155,257	9.43	4.18

<sup>1</sup> Includes \$140,152 of trade acceptances in the foreign trade.

<sup>2</sup> Includes \$1,187,079 of trade acceptances in the foreign trade.

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

Federal Reserve Bank.	Bankers' acceptances.			Trade acceptances.			Finance bills.	Total bills purchased.	Average maturity in days.	Average rate (365-day basis).
	In the domestic trade.	In the foreign trade.	Total.	In the domestic trade.	In the foreign trade.	Total.				
Boston.....	\$4,278,173	\$16,074,917	\$20,353,090					\$20,353,090	29.52	Per cent. 4.19
New York.....	11,593,546	52,114,666	63,708,212	\$50,000	\$577,821	\$627,821	\$124,053	64,460,086	36.65	4.22
Philadelphia.....	115,478	571,738	687,216					687,216	49.70	4.26
Cleveland.....	7,291,861	15,593,423	22,885,284	384,504	181,047	565,551		23,450,835	49.93	4.23
Richmond.....	1,404,079	3,822,000	5,226,079					5,226,079	36.38	4.56
Atlanta.....	3,229,498	721,072	3,950,570					3,950,570	59.45	4.56
Chicago.....	5,213,178	18,818,586	24,031,764					24,031,764	60.50	4.25
St. Louis.....	1,136,218	6,077,057	7,213,275					7,213,275	48.67	4.26
Minneapolis.....	4,600,432	7,941,183	12,541,615				157,000	12,698,615	54.42	4.21
Kansas City.....	600,000		600,000					600,000	76.25	4.25
Dallas.....	575,272	450,000	1,025,272					1,025,272	58.10	4.67
San Francisco.....	8,519,496	31,220,557	39,740,053	45,088	1,534,977	1,580,065	31,415	41,351,533	54.86	4.24
Total.....	48,557,231	153,405,199	201,962,430	479,592	2,293,845	2,773,437	312,468	205,048,335	46.15	4.25

Amounts of bills discounted and acceptances bought by each Federal Reserve Bank during July, August, and September, 1919, distributed by maturities.

Federal Reserve Bank.	15-day maturities.			30-day maturities.			60-day maturities.		
	Discounts.	Acceptances.	Total.	Discounts.	Acceptances.	Total.	Discounts.	Acceptances.	Total.
Boston.....	\$854,792,064	\$27,134,601	\$881,926,665	\$10,141,295	\$14,933,934	\$25,075,229	\$16,545,600	\$23,310,798	\$39,856,398
New York.....	10,853,552,453	79,958,754	10,933,511,207	9,571,247	48,449,655	58,020,902	25,466,697	43,188,831	68,655,528
Philadelphia.....	2,950,776,573	569,180	2,951,345,753	1,478,222		1,478,222	1,667,876	60,000	1,727,876
Cleveland.....	835,163,017	7,149,475	842,312,492	5,734,611	11,402,765	17,137,376	9,639,600	20,471,145	30,110,745
Richmond.....	1,103,200,183	1,708,600	1,104,908,783	9,826,072	7,788,916	17,614,988	13,683,522	3,449,275	17,132,797
Atlanta.....	538,379,313	878,934	539,258,247	5,862,236	2,266,500	8,128,736	11,871,581	3,236,436	15,108,017
Chicago.....	1,023,862,238	14,028,923	1,037,891,161	14,254,434	3,444,963	17,699,397	34,322,337	30,756,425	65,078,762
St. Louis.....	469,337,826	6,559,208	475,897,034	8,417,407	1,393,161	9,810,568	10,626,206	7,538,727	18,164,933
Minneapolis.....	119,032,717	73,487	119,106,204	2,509,791	2,030,651	4,540,442	8,441,057	16,939,440	25,380,497
Kansas City.....	312,209,990		312,209,990	4,605,520		4,605,520	15,210,158		15,210,158
Dallas.....	287,434,576	226,000	287,660,576	3,373,405	785,103	4,158,508	7,561,698	365,000	7,926,698
San Francisco.....	377,192,993	1,405,893	378,598,886	1,928,267	11,123,295	13,051,562	5,385,077	40,513,688	45,898,765
Total.....	19,724,933,943	139,693,055	19,864,626,998	77,702,507	103,618,943	181,321,450	160,421,409	189,829,765	350,251,174

Federal Reserve Bank.	90-day maturities.			Over 90-day maturities.			Total.		
	Discounts.	Acceptances.	Total.	Discounts.	Acceptances.	Total.	Discounts.	Acceptances.	Total.
Boston.....	\$84,001,440	\$22,511,684	\$106,513,124	\$10,244		\$10,244	\$965,490,643	\$87,891,017	\$1,053,381,660
New York.....	125,286,172	86,892,314	212,178,486	1,600		1,600	11,013,878,169	258,489,554	11,272,367,723
Philadelphia.....	4,641,814	846,731	5,488,545	1,000		1,000	2,958,565,485	1,475,911	2,960,041,396
Cleveland.....	9,549,228	31,415,587	40,964,815	23,349		23,349	860,109,805	70,438,972	930,548,777
Richmond.....	20,768,696	3,310,000	24,078,696	351,564		351,564	1,147,830,037	16,256,791	1,164,086,828
Atlanta.....	15,011,517	4,657,135	19,668,652	1,494,667		1,494,667	572,619,314	11,039,005	583,658,319
Chicago.....	43,987,905	29,764,628	73,752,533	2,904,395		2,904,395	1,119,281,309	77,994,939	1,197,276,248
St. Louis.....	18,925,624	6,637,962	25,563,586	305,077		305,077	507,612,140	22,129,058	529,741,198
Minneapolis.....	2,789,419	12,074,369	14,863,788	833,285		833,285	133,597,269	31,117,947	164,715,216
Kansas City.....	15,575,551	621,115	16,196,666	6,361,620		6,361,620	353,962,839	621,115	354,583,954
Dallas.....	9,020,094	776,650	9,796,744	4,147,868		4,147,868	311,537,641	2,152,753	313,690,394
San Francisco.....	11,691,180	43,093,852	54,785,032	2,570,448		2,570,448	398,767,965	96,136,728	494,904,693
Total.....	361,189,646	242,602,027	603,791,673	19,005,117		19,005,117	20,343,252,616	675,743,790	21,018,996,406



Rediscounts and sales of discounted and purchased paper between Federal Reserve Banks from July 1 to September 30, 1919

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

Discounted or purchased by Federal Reserve bank of—	Rediscounted or sold by Federal Reserve Bank of—													
	New York.			Philadelphia.			Richmond.			Atlanta.	Minneapolis.	Dallas.		
	July.	August.	September.	July.	August.	September.	July.	August.	September.	September.	September.	July.	August.	September.
New York.....	10,012										22			
Cleveland.....				114,000	40,000	63,000	65,000	50,137	25,000	20,500		16,500	7,000	30,000
Chicago.....					7,000		20,000	51,709	10,000					
St. Louis.....							80,000	36,100	35,000	2,500		4,000		
Minneapolis.....		10,013	15,010											
Kansas City.....	27,043	10,028	7,088											
San Francisco.....														
Total.....	37,055	20,041	22,098	114,000	47,000	63,000	165,000	137,946	70,000	26,000	22	16,500	11,000	30,000
Purchased bills.....	37,055	20,041	22,098	114,000	47,000	63,000	165,000	137,946	70,000	26,000	22	16,500	11,000	30,000
Discounted bills.....														

Discounted or purchased by Federal Reserve Bank of—	Rediscounted or sold by all Federal Reserve Banks.								
	During July, August, and September, 1919.						Total since Jan. 1, 1919.		
	July.	August.	September.	Total.	Purchased bills.	Discounted bills.	Total.	Purchased bills.	Discounted bills.
New York.....			22	22	22		55,178	15,178	40,000
Cleveland.....	10,012		3,000	13,012	10,012	3,000	259,252	30,235	229,017
Chicago.....	195,500	97,137	128,500	431,137		431,137	1,132,970	25,136	1,107,834
St. Louis.....	20,000	51,709	10,000	81,709		81,709	136,760	5,071	131,709
Minneapolis.....	80,000	47,100	37,500	164,600		164,600	437,895	19,282	418,613
Kansas City.....		10,012	15,010	25,023	25,023		40,093	35,093	5,000
San Francisco.....	27,043	10,028	7,088	44,159	44,159		111,583	111,583	
Total.....	332,555	215,987	211,120	759,662			2,173,751		
Purchased bills.....	37,055	20,041	22,120		79,216			241,578	
Discounted bills.....	295,500	195,946	189,000			680,446			1,932,173

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

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

Federal Reserve Bank.	Agricultural paper.	Live-stock paper.	Customers' paper secured by Government war obligations.	Member banks' collateral notes.		Trade acceptances.	Bankers' acceptances.	All other discounts.	Total.
				Secured by Government war obligations.	Otherwise secured.				
Boston.....			75,260	48,591	303	423	119	8,606	133,302
New York.....	148		80,386	537,451		2,892	159	44,508	665,544
Philadelphia.....	57		11,665	168,486	3	407	19	21,219	201,856
Cleveland.....	34	2	9,174	102,461	162	1,551		16,726	130,110
Richmond.....	3,207	18	14,196	57,901	2,065	839		14,062	92,288
Atlanta.....	4,237	1,086	5,220	66,088	1,713	581		19,361	98,236
Chicago.....	5,835		6,000	166,455	227	437		39,592	218,546
St. Louis.....	557	192	6,611	53,570	316	762	145	22,385	84,538
Minneapolis.....	493	2,618	110	34,476		88		5,073	42,858
Kansas City.....	4,149	15,305	1,464	43,021	11,815	613	37	11,767	88,171
Dallas.....	9,844	5,280	805	31,225	526			8,022	55,702
San Francisco.....	4,371	2,822	3,136	48,751	100	2,368		9,583	71,132
Total.....	32,932	27,273	214,027	1,358,476	17,230	10,961	479	220,904	1,882,232
Per cent.....	1.8	1.4	11.4	72.2	0.9	0.6		11.7	100
Total, September, 1918.....	35,440	48,703	158,205	1,062,176	39,593	19,254		349,999	1,713,430
Per cent.....	2.1	2.9	9.2	62.0	2.3	1.1		20.4	100

Acceptances purchased and held by each Federal Reserve Bank on Sept. 30, 1919, distributed by classes of accepting institutions  
 (In thousands of dollars; i. e., 000 omitted.)

Federal Reserve Bank.	Bank acceptances.					Trade acceptances.			Grand total.	
	Member banks.	Non-member trust companies.	Non-member State banks.	Private banks.	Foreign bank branches and agencies.	Total.	Domestic.	Foreign.		Total.
Boston.....	34,686	455	703	3,048	365	39,857				39,857
New York.....	32,980	1,648	9,061	12,505	9,195	65,389	288	813	1,101	66,490
Philadelphia.....	307		100	218	63	688				688
Cleveland.....	22,668	2,058	3,239	3,250	2,151	33,366	92	291	383	33,749
Richmond.....	6,319					6,319				6,319
Atlanta.....	5,923					5,923				5,923
Chicago.....	34,912	55	475	1,844	185	37,471				37,471
St. Louis.....	6,434	1,660	225	224	564	9,107				9,107
Minneapolis.....	16,381	361	682	304	550	18,278				18,278
Kansas City.....	7,021		1,721	863	480	10,085				10,085
Dallas.....	844					844				844
San Francisco.....	40,309	2,018	8,615	10,564	8,320	69,826	211	1,281	1,492	71,318
Totals:										
Sept. 30, 1919.....	208,784	8,255	24,821	33,420	21,873	297,153	591	2,385	2,976	300,129
Aug. 30, 1919.....	264,827	3,111	32,665	43,815	20,955	365,373	561	1,229	1,790	367,163
July 31, 1919.....	269,568	8,935	31,928	42,593	18,967	371,991	576	673	1,249	373,240
Sept. 30, 1918.....	233,926	2,859	2,479	27,551	13,999	280,814	2,745	5,761	8,506	289,320
Sept. 29, 1917.....	131,997	14,987	2,193	21,708	2,286	173,171			6,942	180,113

**OPERATION OF THE FEDERAL RESERVE CLEARING SYSTEM SEPT. 16 TO OCT. 15, 1919.**

	Items drawn on banks in Federal Reserve city (daily average).		Items drawn on banks in district outside Federal Reserve city (daily average).		Total items drawn on banks in own Federal Reserve district (daily average).	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
Boston.....	20,830	\$25,949,826	95,422	\$15,807,002	116,252	\$41,756,828
New York.....	29,237	81,130,871	143,156	73,677,839	172,393	154,808,710
Philadelphia.....	48,868	33,913,950	56,848	8,544,079	105,716	42,458,029
Cleveland.....	7,204	9,417,088	87,438	28,643,958	94,642	38,061,046
Richmond.....	3,061	7,964,434	62,028	20,287,053	65,089	28,251,487
Atlanta.....	3,671	4,550,589	33,340	10,040,019	37,011	14,590,608
Chicago.....	26,305	30,725,000	95,843	18,064,000	122,148	48,789,000
St. Louis.....	6,606	10,763,307	54,907	9,943,114	61,513	20,706,421
Minneapolis.....	6,923	11,119,096	29,244	3,054,874	36,167	14,173,970
Kansas City.....	6,598	12,453,253	81,705	15,406,291	88,303	27,859,544
Dallas.....	1,703	2,642,080	37,236	9,149,307	38,939	11,791,387
San Francisco.....	3,755	4,443,118	47,695	10,800,026	51,450	15,243,144
<b>Totals:</b>						
Sept. 16 to Oct. 15, 1919.....	164,761	235,072,612	824,862	223,417,562	919,623	458,490,174
Aug. 16 to Sept. 15, 1919.....	149,460	203,529,081	761,680	202,812,209	911,140	411,341,290
July 16 to Aug. 15, 1919.....	139,678	194,733,618	731,680	176,612,134	871,358	371,345,752
Sept. 16 to Oct. 15, 1918.....	64,931	203,639,006	495,441	169,025,374	560,372	377,664,390

	Items drawn on banks in other districts (daily average).		Items handled by both parent banks and branches (daily average).		Items drawn on Treasurer of the United States (daily average).		Number member banks in district.	Number nonmember banks on par list.	Incorporated banks other than mutual savings banks not on par list.
	Number.	Amount.	Number.	Amount.	Number.	Amount.			
Boston.....	13,724	\$13,381,162			5,229	\$1,053,109	430	242	.....
New York.....	38,870	22,820,878	1,984	8960,709	37,641	28,841,970	746	322	.....
Philadelphia.....	26,922	9,649,316			5,817	2,210,813	674	409	.....
Cleveland.....	3,849	4,072,707	2,681	1,423,107	5,202	1,019,213	841	1,025	64
Richmond.....	7,986	7,741,748	491	805,605	1,976	395,076	575	443	1,019
Atlanta.....	3,452	3,312,945	4,033	2,279,072	3,290	1,365,560	431	348	1,220
Chicago.....	7,473	1,784,000	538	550,000	13,552	2,032,000	1,363	3,211	986
St. Louis.....	394	493,091	1,008	313,764	5,600	562,422	530	1,848	801
Minneapolis.....	1,808	1,549,579			1,129	154,575	909	1,504	1,360
Kansas City.....	8,287	5,994,756	4,149	2,000,141	5,168	386,222	1,019	2,828	451
Dallas.....	4,645	2,389,591	4,221	795,813	4,242	859,072	748	750	405
San Francisco.....	1,477	1,775,705	4,057	2,289,777	4,591	6,292,609	689	922	142
<b>Totals:</b>									
Sept. 16 to Oct. 15, 1919.....	119,387	74,965,478	23,162	11,417,988	93,437	45,272,641	8,955	13,852	6,457
Aug. 16 to Sept. 15, 1919.....	107,279	66,883,891	21,959	10,984,785	77,201	51,935,604	8,920	13,040	7,178
July 16 to Aug. 15, 1919.....	110,817	66,552,940	20,787	9,119,203	83,659	57,868,769	8,694	12,578	7,621
Sept. 16 to Oct. 15, 1918.....	89,455	70,992,919	13,033	11,127,973	106,539	51,048,140	8,510	10,318	

## OPERATIONS OF THE FEDERAL RESERVE BANKS.

Aggregate increases of 248.7 millions in earning assets, primarily discounted bills, a further addition of 98.1 millions to the Federal Reserve note circulation, and a gain of 28.7 millions in gold reserves represent the principal changes in condition of the Federal Reserve Banks during the four weeks between September 26 and October 24.

War paper holdings of the Federal Reserve Banks show a continuous increase from 1,572.5 millions on September 26 to 1,698.9 millions on October 17 and a reduction to 1,666.1 millions the following week. Other discounts on hand show an increase during the first three weeks from 309.7 to 422.8 millions, and a reduction during the next week to about 416 millions, the total increase for the period under review being 106.3 millions for commercial paper proper, as against 93.6 millions for war paper. While all the banks, except those at Richmond, St. Louis, and Dallas, report substantial increases in their holdings of discounts other than war paper, over 80 per cent of the increase represents the combined shares of the New York, Chicago, and Minneapolis banks. Acceptances on hand show some fluctuations, net liquidation in the beginning of October being followed by additions to the volume held during the latter part of the month, the October 24 holdings being 26.3 millions larger than four weeks before. It is interesting to note that October 24 acceptance holdings of the San Francisco bank, 97.2 millions, are but slightly below those of the New York bank, these two banks reporting over one-half of the total acceptances held by all the 12 banks. An increase in Treasury certificate holdings from 251.1 to 273.6 millions represents in part additional investments in one-year 2 per cent certificates to secure Federal Reserve Bank notes, partly also temporary purchases of these securities from nonmember banks, largely by the New York bank. As the result of the above operations the total earning assets of the banks increased from 2,503.1 on September 26 to 2,761.3 millions on October 17, and stood at 2,751.8 millions on October 24, or 248.7 millions above the total shown four weeks earlier.

War paper holdings of the several Federal Reserve Banks include amounts held under rediscount for other Federal Reserve Banks. During the period under review the total of

such paper declined from 70.2 to 43.1 millions, this being the amount held under rediscount by the Chicago bank for the Philadelphia, Richmond, Atlanta, and Dallas banks. Similarly acceptance holdings of the several banks are inclusive of the amounts of bank acceptances purchased from other Federal Reserve Banks. The total of these bills shows a decline from 31.7 to 12.7 millions, all held by the San Francisco bank.

Government deposits fluctuated between 61.3 and 133.6 millions, and at the end of the period stood at about 84 millions, or 22.7 millions higher than at the beginning of the period. Members' reserve deposits attained their maximum—1,841.1 millions on October 17—and declined to 1,813.6 millions the week after, the increase for the period being 82.2 millions. Other deposits, including foreign Government credits, likewise reached their maximum on October 17, when 101.4 millions were reported, while the October 24 total of 98.9 millions is 3.2 millions larger than at the beginning of the period. Net deposits, except for the latest week under review, show a continuous growth, and on October 24 figure out at 1,792.4 millions, or 158.3 millions larger than four weeks before. Federal Reserve note circulation went up from 2,655.4 to 2,753.5 millions, or at the rate of 24.5 millions a week. Most of the increase in note circulation took place during the earlier part of the period; in fact, for the last week under review only a nominal increase of less than a million dollars is noted. During the same period the banks' aggregate liabilities on Federal Reserve bank notes increased steadily from 239.5 to 251.6 millions.

Transfer to London of about 61 millions of gold held in custody heretofore by the national banks of Belgium and the Netherlands and inclusion of the amounts transferred among the reserves of the Federal Reserve Banks, also gold deposits by the Treasury, were partly offset by export withdrawals of gold, the net result being an increase in the gold holdings of the banks by 28.7 millions. This moderate increase in reserve is, however, more than outweighed by the large increases in the deposit and Federal Reserve note liabilities of the banks, as may be seen from the decline of the reserve ratio during the period from 51 to 48.7 per cent.





Resources and liabilities of each Federal Reserve Bank at close of business on Fridays, Oct. 3 to Oct. 24, 1919—Continued.

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

LIABILITIES—Continued.

	Boston.	New York.	Phila- del- phia.	Cleve- land.	Rich- mond.	Atlanta	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
<b>Other deposits, including foreign</b>													
<b>Government credits:</b>													
Oct. 3.....	5,672	43,819	6,912	6,104	3,662	2,814	9,739	3,728	2,241	3,615	2,141	7,466	97,913
Oct. 10.....	5,689	43,178	6,773	6,140	3,625	3,207	9,263	3,851	2,167	3,772	2,125	7,413	97,203
Oct. 17.....	5,682	43,878	6,875	6,153	3,636	2,718	11,350	3,651	2,197	3,638	2,128	9,524	101,430
Oct. 24.....	5,717	44,146	6,695	6,146	3,655	2,922	9,664	3,836	2,193	3,654	2,015	8,235	98,878
<b>Total gross deposits:</b>													
Oct. 3.....	177,772	968,698	180,278	203,954	120,065	88,521	348,473	117,367	76,803	141,387	77,433	133,825	2,634,576
Oct. 10.....	182,158	935,469	181,917	193,396	130,950	86,345	346,366	132,677	75,549	146,793	85,908	146,335	2,643,863
Oct. 17.....	219,112	1,048,286	213,601	227,097	140,533	137,211	385,979	133,052	79,102	155,360	96,348	162,645	2,958,326
Oct. 24.....	188,658	991,882	189,148	204,623	137,329	90,830	346,628	124,946	73,339	147,944	89,450	144,875	2,729,652
<b>Federal Reserve notes in actual circulation:</b>													
Oct. 3.....	211,841	761,705	213,801	241,221	121,695	128,384	457,059	120,420	83,406	96,927	56,798	215,429	2,708,186
Oct. 10.....	213,067	759,830	216,987	245,900	126,448	133,448	462,546	126,438	83,944	97,085	60,260	215,731	2,741,684
Oct. 17.....	215,092	758,191	219,271	243,718	131,791	137,215	462,597	128,315	83,979	96,490	61,143	214,767	2,752,569
Oct. 24.....	213,903	750,809	216,396	246,295	135,114	140,943	463,729	128,611	84,236	96,275	60,930	216,216	2,753,457
<b>Federal Reserve bank notes in circulation—net liability:</b>													
Oct. 3.....	21,248	51,700	26,631	21,335	9,909	12,818	39,030	16,510	7,602	16,980	9,324	8,850	241,937
Oct. 10.....	21,192	52,813	27,135	21,940	10,365	12,878	39,848	16,666	7,692	17,407	9,626	9,614	247,176
Oct. 17.....	21,270	52,675	27,251	22,088	10,783	13,202	40,847	16,439	7,758	17,578	9,731	10,053	249,675
Oct. 24.....	21,352	52,953	27,537	21,730	10,931	13,633	40,956	16,247	7,853	17,716	9,751	10,931	251,590
<b>All other liabilities:</b>													
Oct. 3.....	2,352	10,913	2,368	2,197	1,414	1,261	3,433	1,200	911	1,610	1,014	2,322	30,995
Oct. 10.....	2,391	11,654	2,507	2,346	1,491	1,329	3,559	1,265	995	1,691	1,095	2,525	32,848
Oct. 17.....	2,512	12,362	2,647	2,477	1,537	1,432	3,731	1,307	1,046	1,772	1,128	2,664	34,615
Oct. 24.....	2,790	13,181	2,763	2,624	1,614	1,545	4,045	1,353	1,139	1,897	1,182	2,848	36,981
<b>Total liabilities:</b>													
Oct. 3.....	424,953	1,847,983	436,151	483,973	261,197	237,169	869,783	262,096	174,079	264,762	149,922	370,063	5,782,131
Oct. 10.....	431,048	1,814,735	441,625	478,853	277,368	240,187	874,107	283,665	173,540	270,836	162,242	383,843	5,832,049
Oct. 17.....	470,226	1,926,484	475,855	510,659	292,761	255,301	914,942	285,734	177,255	279,063	173,704	399,828	6,161,812
Oct. 24.....	438,943	1,863,798	448,929	490,550	293,105	253,192	877,253	277,771	171,938	271,717	166,669	384,765	5,938,630
<b>MEMORANDA.</b>													
<b>Contingent liability as indorser on discounted paper rediscounted with other Federal Reserve Banks:</b>													
Oct. 3.....			17,625		19,905	8,920					17,340		63,790
Oct. 10.....			9,850		15,000	6,650					18,840		50,340
Oct. 17.....			19,410		10,000	9,060					15,250		53,720
Oct. 24.....			12,815		5,000	9,337					15,900		43,052

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

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

	Within 15 days.	16 to 30 days.	31 to 60 days.	61 to 90 days.	Over 90 days.	Total.
<b>Bills discounted:</b>						
Oct. 3.....	1,657,457	117,639	167,570	65,320	7,951	2,015,937
Oct. 10.....	1,756,690	77,632	167,147	64,444	7,942	2,073,855
Oct. 17.....	1,777,863	109,132	162,437	63,495	8,800	2,121,727
Oct. 24.....	1,721,280	115,689	143,163	91,868	10,239	2,082,139
<b>Bills bought:</b>						
Oct. 3.....	104,417	69,704	116,849	34,904	793	326,667
Oct. 10.....	95,228	60,772	129,186	41,144	522	326,852
Oct. 17.....	95,063	59,443	131,462	56,248	722	342,938
Oct. 24.....	88,601	79,954	124,124	76,167		368,846
<b>United States certificates of indebtedness:</b>						
Oct. 3.....	20,856	16,850	9,499	28,229	187,714	263,148
Oct. 10.....	14,156	15,500	13,497	24,177	200,221	267,551
Oct. 17.....	32,290	4,990	18,227	19,769	194,129	269,414
Oct. 24.....	31,814	3,000	26,762	14,875	198,134	278,585

## FEDERAL RESERVE NOTES.

*Federal Reserve note account of each Federal Reserve Bank at close of business on Fridays from Oct. 3 to Oct. 24, 1919.*

(In thousands of dollars; i. e., 000 omitted.)

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Federal Reserve notes received from agents:													
Oct. 3.....	222,053	839,380	226,454	253,963	126,401	131,701	480,811	138,017	85,082	102,468	59,578	233,214	2,899,122
Oct. 10.....	222,059	846,434	228,374	259,028	131,342	136,579	486,411	149,238	85,752	102,827	62,908	238,292	2,949,244
Oct. 17.....	227,569	842,682	232,002	258,068	136,692	141,244	490,903	149,062	85,499	102,740	63,591	240,080	2,970,132
Oct. 24.....	226,453	839,326	234,266	257,407	139,671	144,922	494,424	150,577	86,445	102,117	63,982	241,040	2,980,610
Federal Reserve notes held by banks:													
Oct. 3.....	10,712	77,675	12,653	12,742	4,766	3,317	23,752	17,597	1,676	5,541	2,780	17,785	190,936
Oct. 10.....	8,992	86,604	11,387	13,128	4,894	3,131	23,865	22,800	1,808	5,742	2,648	22,561	207,560
Oct. 17.....	12,477	84,491	12,731	14,350	4,901	4,029	28,306	20,747	1,520	6,250	2,448	25,313	217,563
Oct. 24.....	12,550	88,517	17,870	11,112	4,557	3,979	30,695	21,966	2,209	5,842	3,032	24,824	227,153
Federal Reserve notes in actual circulation:													
Oct. 3.....	211,341	761,705	213,801	241,221	121,695	128,384	457,059	120,420	83,406	96,927	56,798	215,429	2,708,186
Oct. 10.....	213,067	759,830	216,987	245,900	126,448	133,448	462,546	126,438	83,944	97,985	60,260	215,731	2,741,694
Oct. 17.....	215,092	758,191	219,271	243,718	131,791	137,215	462,597	128,315	83,979	96,490	61,143	214,767	2,752,569
Oct. 24.....	213,903	750,809	216,396	246,295	135,114	140,948	463,729	128,611	84,236	96,275	60,930	216,216	2,753,457
Gold deposited with or to credit of Federal Reserve agent:													
Oct. 3.....	74,166	287,654	73,946	134,536	34,096	45,576	272,036	49,553	34,506	35,961	19,918	104,450	1,166,398
Oct. 10.....	71,272	285,358	79,167	136,261	37,237	48,654	277,635	54,434	38,476	34,521	21,314	102,368	1,186,697
Oct. 17.....	70,382	284,406	78,795	133,120	40,786	49,619	282,128	66,857	37,823	35,233	21,497	100,656	1,201,302
Oct. 24.....	67,467	283,000	75,058	132,740	39,215	50,918	285,649	70,013	37,119	35,110	22,028	99,616	1,197,933
Paper delivered to Federal Reserve agent:													
Oct. 3.....	173,500	833,652	156,749	173,964	95,037	102,791	272,793	101,264	60,952	94,939	59,808	139,194	2,264,643
Oct. 10.....	177,280	832,520	154,424	174,758	98,116	101,595	254,613	97,467	63,376	97,742	60,850	149,333	2,312,574
Oct. 17.....	180,059	900,059	154,645	180,488	100,966	105,793	267,399	90,399	70,516	102,690	62,906	155,127	2,371,947
Oct. 24.....	167,172	877,733	163,226	179,177	103,959	102,546	287,094	86,868	68,329	102,749	64,368	163,661	2,366,882



Federal Reserve note account of each Federal Reserve agent at close of business on Fridays, Oct. 3 to Oct. 24, 1919.

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

	Boston.	New York.	Phila- delphia.	Cleve- land.	Rich- mond.	At. lanta.	Chi- cago.	St. Louis.	Minne- apolis.	Kansas City.	Dallas.	San Fran- cisco.	Total.
<b>FEDERAL RESERVE NOTES.</b>													
Received from Comptroller:													
Oct. 3.....	419,800	1,789,460	466,860	423,680	259,600	257,140	740,800	248,780	142,280	181,720	111,240	338,760	5,380,120
Oct. 10.....	428,400	1,805,760	466,860	423,680	266,260	261,000	753,760	262,120	145,480	183,720	118,980	345,920	5,461,940
Oct. 17.....	432,900	1,812,440	466,860	434,060	271,260	263,960	759,080	264,120	145,480	186,020	126,820	348,620	5,511,020
Oct. 24.....	439,480	1,827,220	472,860	435,860	278,120	274,000	770,680	265,080	145,480	186,020	131,740	350,620	5,577,160
Returned to Comptroller:													
Oct. 3.....	155,247	824,080	205,546	140,897	108,671	74,904	225,269	92,453	45,668	71,362	41,892	99,346	2,085,335
Oct. 10.....	158,141	835,326	209,826	144,672	110,530	76,326	230,469	93,572	46,698	72,803	42,497	101,428	2,122,288
Oct. 17.....	161,031	845,758	212,698	146,812	111,980	77,361	235,977	95,148	47,351	74,090	42,814	103,140	2,154,160
Oct. 24.....	163,947	857,294	216,434	149,193	113,552	78,563	240,536	96,993	48,055	75,213	43,283	104,180	2,187,243
Chargeable to Federal Reserve agent:													
Oct. 3.....	264,553	965,380	261,314	282,783	150,929	182,236	515,531	156,327	96,612	110,358	69,348	239,414	3,294,785
Oct. 10.....	270,259	970,434	257,034	279,008	155,730	184,674	523,291	168,548	98,782	110,917	76,483	244,492	3,339,652
Oct. 17.....	271,869	966,682	254,162	287,248	159,280	186,599	523,103	168,972	98,129	111,950	84,006	245,480	3,357,460
Oct. 24.....	275,533	969,926	256,426	286,667	164,568	195,437	530,144	168,087	97,425	110,807	88,457	246,440	3,389,917
In hands of Federal Reserve agent:													
Oct. 3.....	42,500	126,000	34,860	28,820	24,528	50,535	34,720	18,310	11,530	7,860	9,770	6,200	395,663
Oct. 10.....	48,200	124,000	28,660	19,950	24,388	48,095	36,880	19,310	13,030	8,060	13,575	6,200	339,408
Oct. 17.....	44,300	124,000	22,160	29,180	22,588	45,355	32,200	19,910	12,630	9,190	20,415	5,400	337,328
Oct. 24.....	49,080	130,600	22,160	29,260	24,897	50,515	35,720	17,510	10,980	8,690	24,495	5,400	409,307
Issued to Federal Reserve Bank less amount returned to Federal Reserve agent for redemption:													
Oct. 3.....	222,053	839,380	226,454	253,963	126,401	131,701	480,811	138,017	85,082	102,468	59,578	233,214	2,899,122
Oct. 10.....	222,059	846,434	228,374	259,028	131,342	136,579	486,411	149,238	85,752	102,827	62,908	238,292	2,949,244
Oct. 17.....	227,569	842,682	232,002	258,038	136,692	141,244	490,963	149,062	85,499	102,740	65,591	240,080	2,970,132
Oct. 24.....	226,453	839,326	234,266	257,407	139,671	144,922	494,424	150,577	86,445	102,117	65,962	241,040	2,980,610
Collateral held as security for outstanding notes:													
Gold coin and certificates—													
Oct. 3.....		183,740		30,125		2,500		4,000	13,052		8,831		242,248
Oct. 10.....		183,740		32,125		2,500		4,000	13,052		8,831		244,248
Oct. 17.....		183,740		30,125		2,500		4,000	13,052		8,831		242,248
Oct. 24.....		183,740		30,125		2,500		4,000	13,052		8,831		242,248
Gold redemption fund—													
Oct. 3.....	14,166	13,914	15,557	14,411	2,096	2,076	8,812	2,622	2,654	1,601	3,103	12,596	93,608
Oct. 10.....	14,272	11,618	11,278	14,136	3,237	2,654	8,611	3,503	1,624	2,161	3,499	11,515	88,108
Oct. 17.....	11,382	10,666	13,406	12,995	1,786	3,119	9,103	3,927	3,971	2,873	3,182	15,539	91,949
Oct. 24.....	13,467	9,260	14,669	12,615	2,215	2,918	8,544	4,082	3,267	1,750	3,713	14,499	90,999
Gold settlement fund, Federal Reserve Board—													
Oct. 3.....	60,000	90,000	58,389	90,000	32,000	41,000	263,224	42,931	18,800	34,360	7,984	91,854	830,542
Oct. 10.....	57,000	90,000	67,889	90,000	34,000	43,500	269,024	46,931	23,800	32,360	8,984	90,853	854,341
Oct. 17.....	59,000	90,000	65,389	90,000	39,000	44,000	273,025	58,930	20,800	32,360	9,484	85,117	867,105
Oct. 24.....	54,000	90,000	60,389	90,000	37,000	45,500	277,105	61,931	20,800	33,360	9,484	85,117	864,686
Eligible paper, minimum required— <sup>1</sup>													
Oct. 3.....	147,887	551,726	152,508	119,427	92,305	86,125	208,775	88,464	50,576	66,507	39,660	128,764	1,732,721
Oct. 10.....	150,737	561,076	149,207	122,767	94,105	87,925	208,776	94,804	47,276	68,306	41,594	135,924	1,762,547
Oct. 17.....	157,187	558,276	153,207	124,948	95,906	91,625	208,775	82,205	47,676	67,507	42,094	139,424	1,768,830
Oct. 24.....	158,986	556,326	159,208	124,667	100,456	94,004	208,775	80,564	49,326	67,007	41,934	141,424	1,782,677

<sup>1</sup> For actual amounts, see "Paper delivered to Federal Reserve agent," on p. 1092.

Amounts of Federal Reserve notes received from and returned to other Federal Reserve Banks for redemption or credit during the period from Jan. 1 to Sept. 30, 1919.

	Boston.		New York.		Philadelphia.		Cleveland.		Richmond.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$29,467,500	\$45,431,500	\$45,579,250	\$25,642,500	\$2,681,500	\$2,230,000	\$3,477,450	\$1,193,100	\$3,527,350	\$1,642,750
New York.....	3,094,000	5,134,600	47,069,000	45,635,050	27,972,000	47,385,500	25,553,600	17,137,150	24,430,800	18,188,750
Philadelphia.....	1,327,250	3,499,750	17,428,150	21,147,100	7,452,500	6,241,500	8,647,000	7,495,000	7,820,870	10,635,750
Cleveland.....	1,670,750	3,537,750	18,533,000	21,837,950	4,764,250	5,772,500	8,165,500	4,683,350	5,436,100	7,970,000
Richmond.....	1,202,380	1,812,450	10,000,310	12,581,300	1,351,000	2,678,000	3,706,430	2,232,400	4,963,970	6,558,250
Chicago.....	2,458,500	4,667,850	21,233,500	23,849,900	2,185,900	3,874,500	13,735,500	12,803,300	4,235,500	6,774,000
St. Louis.....	767,390	911,050	7,505,400	5,105,400	614,625	1,133,500	4,495,095	1,287,850	2,118,145	1,995,500
Minneapolis.....	309,500	1,023,750	2,614,000	3,401,250	255,500	828,000	338,000	1,183,550	424,000	1,780,250
Kansas City.....	345,650	1,217,900	3,383,200	4,639,500	317,600	1,126,000	1,219,950	1,265,750	753,550	1,802,500
Dallas.....	229,755	394,400	2,388,300	2,279,250	264,600	406,500	1,690,700	368,600	426,900	615,500
San Francisco.....	795,240	926,100	5,932,020	9,072,200	495,980	736,550	1,430,340	652,850	1,022,260	496,250
Total.....	41,667,915	68,557,100	181,666,130	175,241,400	48,355,455	72,412,550	71,949,565	50,302,900	55,159,445	58,430,500

	Atlanta.		Chicago.		St. Louis.		Minneapolis.		Kansas City.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$1,787,250	\$1,151,380	\$4,634,450	\$2,793,700	\$899,450	\$776,610	\$1,048,850	\$333,000	\$1,226,650	\$354,150
New York.....	13,908,100	10,585,960	27,773,250	21,575,500	5,786,350	7,605,105	3,813,350	2,609,000	5,210,800	3,418,700
Philadelphia.....	2,805,000	2,138,415	5,221,510	4,490,000	1,194,500	1,498,715	884,000	422,000	1,183,500	604,700
Cleveland.....	2,411,450	3,718,680	14,161,550	14,150,000	1,456,200	4,494,895	1,339,550	857,000	1,430,350	1,233,450
Richmond.....	6,831,750	4,745,870	6,864,310	4,293,000	2,025,000	2,127,775	1,796,250	411,500	1,822,000	769,750
Atlanta.....	.....	5,332,795	4,777,500	.....	6,862,225	7,490,160	3,318,880	428,000	1,704,075	1,186,850
Chicago.....	4,672,500	5,130,345	.....	.....	9,792,000	18,357,180	13,735,000	12,117,000	11,649,500	6,590,100
St. Louis.....	7,349,910	6,820,475	18,459,180	9,869,000	.....	.....	1,399,215	731,500	7,031,585	6,079,900
Minneapolis.....	443,500	841,250	12,245,500	13,706,500	729,000	1,397,615	.....	.....	1,996,000	1,649,350
Kansas City.....	1,240,750	1,916,725	6,890,100	11,673,000	6,021,000	7,027,530	1,649,350	1,987,000	.....	.....
Dallas.....	2,111,650	3,291,900	1,721,600	2,539,000	2,008,605	4,153,215	295,450	299,500	2,448,200	2,864,000
San Francisco.....	872,595	726,255	5,998,100	7,953,500	1,132,065	1,592,390	2,570,090	2,863,000	4,191,415	2,993,750
Total.....	44,434,365	41,062,955	100,302,345	97,795,700	37,906,795	56,811,190	29,409,985	23,058,500	39,894,075	28,144,700

	Dallas.		San Francisco.		Total.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$379,000	\$193,600	\$912,500	\$805,490	\$61,153,700	\$37,116,780
New York.....	2,634,150	1,864,000	10,078,750	6,077,670	176,658,650	181,968,835
Philadelphia.....	441,000	301,700	786,500	975,195	79,146,880	79,326,125
Cleveland.....	433,200	517,150	755,450	1,430,540	53,631,750	65,230,065
Richmond.....	599,750	365,250	506,250	1,053,590	53,578,810	49,648,285
Atlanta.....	3,109,650	1,917,500	748,455	877,920	39,890,170	42,540,330
Chicago.....	2,507,000	1,344,250	7,849,000	5,870,985	94,053,900	101,979,610
St. Louis.....	4,144,715	1,818,000	1,598,240	1,118,565	55,483,500	36,870,740
Minneapolis.....	271,000	236,050	2,990,500	2,732,550	23,116,500	28,760,115
Kansas City.....	2,810,000	1,991,900	2,915,250	4,111,265	27,516,800	38,759,070
Dallas.....	.....	.....	1,525,450	1,529,035	14,101,210	18,740,900
San Francisco.....	1,529,805	660,600	.....	.....	25,969,820	28,678,445
Total.....	18,859,270	11,210,000	30,666,345	26,582,805	709,271,690	709,619,300

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

Liquidation of over 180 millions of Treasury certificates, also of 17.2 millions of other United States Government securities, besides a reduction of 40.9 millions in the total war paper holdings represent the main developments along war finance lines during the month according to reports received from 778 member banks in leading cities and covering the four-week period between September 19 and October 17. No new issues of Treasury certificates were made nor did any of the outstanding series fall due during the period under review. The above reduction in certificate holdings in a way measures, therefore, the amount which the banks were able to place in the hands of the public during the four weeks. Holdings of United States bonds and Victory notes show a substantial drop on September 26, since when there has been but little change in the amounts reported, while the volume of war paper on hand shows a practically continuous decline.

Loans secured by stocks and bonds with the exception of one week show a continuous increase from 3,026.2 to 3,141.1 millions for all reporting banks, and from 1,303.2 to 1,413.6 millions for the member banks in New York City. Outside of New York City changes in this item have been fairly moderate, reductions in these loans by the banks in the Atlanta, Chicago, Minneapolis, Kansas City, and Dallas districts about offsetting the increases elsewhere. All other loans and investments show a steady rise to October 10, when a total of 8,870 millions is shown. On October 17 the corresponding total shows a slight recession to 8,854.6 millions, this total marking, however, an increase for the period of 251.3 millions. During the four weeks the aggregate of Government war securities and war paper declined by 237.3 millions to 3,168.6 millions, or from 22.3 to 20.5 per cent of the total loans and investments of

all reporting banks, while the amount of loans secured by stocks and bonds increased by 114.9 millions, or from 19.8 to 20.4 per cent of the banks' total loans and investments. For New York City the ratio of the first group item shows a reduction from 28.1 to 25.3 per cent, as against a rise in the ratio of the latter item from 22.6 to 24.4 per cent.

Government deposits declined almost steadily, from 770.9 to 482.8 millions, while other demand deposits (net) at the end of the period stood at 11,153.5 millions, or 180.2 millions above the total four weeks earlier. For the New York City banks a decline of 140.8 millions in Government deposits and a slight decline in other demand deposits are noted, indicating substantial withdrawals of balances by banks in the interior from their metropolitan correspondents. Time deposits went up 59.6 millions in all parts of the country, banks reporting successive gains under this head. Reserve balances with the Federal Reserve Banks show an increase for the four weeks of 146.7 millions, of which 90.5 millions represents the share of the New York City banks. These increases go hand in hand with the increase in loans and deposits of the reporting banks, also with the increase in accommodation at the Federal Reserve Banks, which went up 442.9 millions for all reporting banks and 272.8 millions for the New York City banks. The combined ratio of this amount and Government deposits to the aggregate investments of the banks in Government war securities and their holdings of war paper gives some clue as to the extent to which the burden of war financing is shifted by the member banks to their Reserve Banks. During the period under review this ratio shows an increase from 59.7 to 69 per cent for all reporting banks, and from 51.4 to 65.6 per cent for the member banks in New York City.









## IMPORTS AND EXPORTS OF GOLD AND SILVER.

*Gold imports into and exports from the United States.*

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

	10 days ending Sept. 20, 1919.	10 days ending Sept. 30, 1919.	10 days ending Oct. 10, 1919.	Total since Jan. 1, 1919.	Total, Jan. 1 to Oct. 10, 1918.
<b>IMPORTS.</b>					
Ore and base bullion.....	161	782	705	13,074	11,825
United States mint or assay office bars.....					6
Bullion, refined.....	13	57	845	28,871	38,387
United States coin.....	105	13	12	10,730	6,779
Foreign coin.....			146	5,287	178
<b>Total.....</b>	<b>279</b>	<b>852</b>	<b>1,708</b>	<b>57,962</b>	<b>57,175</b>
<b>EXPORTS.</b>					
Domestic:					
Ore and base bullion.....				15	115
United States mint or assay office bars.....	3,814	5,074	7,269	67,442	4,334
Bullion, refined.....	19		19	12,597	3,397
Coin.....	5,997	3,071	5,882	158,800	28,302
<b>Total.....</b>	<b>9,830</b>	<b>8,145</b>	<b>13,170</b>	<b>238,854</b>	<b>34,148</b>
Foreign coin.....	1	6	9	247	425
<b>Total exports.....</b>	<b>9,831</b>	<b>8,151</b>	<b>13,179</b>	<b>239,101</b>	<b>34,573</b>

Excess of gold exports over imports since Jan. 1, 1919, \$181,139,000. Excess of gold imports over exports since Aug. 1, 1914, \$890,267,000.

*Silver imports into and exports from the United States.*

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

	10 days ending Sept. 20, 1919.	10 days ending Sept. 30, 1919.	10 days ending Oct. 10, 1919.	Total since Jan. 1, 1919.	Total, Jan. 1 to Oct. 10, 1918.
<b>IMPORTS.</b>					
Ore and base bullion.....	1,573	3,187	2,093	55,129	32,674
United States mint or assay office bars.....					50
Bullion, refined.....	69	196	381	6,444	19,385
United States coin.....	44	28	22	804	965
Foreign coin.....	128	81	253	4,356	3,589
<b>Total.....</b>	<b>1,814</b>	<b>3,492</b>	<b>2,749</b>	<b>66,733</b>	<b>56,663</b>
<b>EXPORTS.</b>					
Domestic:					
Ore and base bullion.....				4	14
United States mint or assay office bars.....				71,235	21,702
Bullion, refined.....	1,867	4,121	2,459	87,578	138,636
Coin.....	16	13	75	2,308	2,831
<b>Total.....</b>	<b>1,883</b>	<b>4,134</b>	<b>2,534</b>	<b>161,125</b>	<b>168,183</b>
Foreign:					
Bullion, refined.....	57	2,390	1,011	16,100	4,131
Coin.....	191	414	71	3,495	5,226
<b>Total.....</b>	<b>248</b>	<b>2,804</b>	<b>1,082</b>	<b>19,595</b>	<b>9,357</b>
<b>Total exports.....</b>	<b>2,131</b>	<b>6,938</b>	<b>3,616</b>	<b>180,720</b>	<b>172,540</b>

Excess of silver exports over imports since Jan. 1, 1919, \$113,987,000. Excess of silver exports over imports since Aug. 1, 1914, \$393,747,000.



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

	General stock of money in the United States	Held in the United States Treasury as assets of the Government. <sup>1</sup>	Held by and for Federal Reserve Banks and agents.	Held outside the United States Treasury and Federal Reserve system.	Amount per capita outside the United States Treasury and Federal Reserve system.
Gold coin <sup>2</sup> .....	\$2,905,726,555	\$367,522,935	\$1,467,825,272	\$397,076,567	.....
Gold certificates.....	.....	.....	360,051,100	313,250,681	.....
Standard silver dollars.....	308,145,759	65,551,989	.....	81,784,880	.....
Silver certificates.....	.....	.....	5,281,421	153,809,165	.....
Subsidiary silver.....	243,380,383	7,777,605	<sup>3</sup> 4,836,334	230,766,444	.....
Treasury notes of 1890.....	.....	.....	.....	1,718,304	.....
United States notes.....	346,681,016	17,943,605	<sup>4</sup> 59,928,022	268,809,389	.....
Federal Reserve notes.....	2,866,288,515	39,048,355	177,508,375	2,669,731,785	.....
Federal Reserve bank notes.....	251,190,800	49,520,795	10,255,405	191,415,600	.....
National-bank notes.....	721,485,210	68,848,084	2,023,440	650,613,736	.....
<b>Total:</b>					
Oct. 1, 1919.....	7,662,898,238	616,213,318	2,087,709,369	4,958,975,551	\$46.61
Sept. 1, 1919.....	7,563,705,808	611,419,803	2,099,226,575	4,853,059,430	45.65
Aug. 1, 1919.....	7,525,115,361	588,526,823	2,142,473,627	4,794,114,911	45.13
July 1, 1919.....	7,588,473,771	578,848,043	2,167,280,313	4,842,345,415	45.00
Apr. 1, 1919.....	7,586,752,855	550,628,454	2,195,151,766	4,840,972,635	45.17
Jan. 1, 1919.....	7,780,793,606	454,948,160	2,220,705,767	5,105,139,679	47.83
Oct. 1, 1918.....	7,391,008,277	380,246,203	2,084,774,897	4,925,987,177	46.34
July 1, 1918.....	6,742,228,784	356,124,750	2,018,361,825	4,367,739,209	41.31
Apr. 1, 1918.....	6,480,181,525	339,856,674	1,873,524,132	4,266,800,719	40.47
Jan. 1, 1918.....	6,256,193,271	277,043,358	1,723,570,291	4,255,584,622	40.53
Oct. 1, 1917.....	5,642,264,856	242,469,027	1,429,422,432	3,970,373,397	37.97
July 1, 1917.....	5,490,009,884	253,671,614	1,280,880,714	3,945,457,556	37.88
Apr. 1, 1917.....	5,312,109,272	258,198,442	952,964,705	4,100,976,125	39.54

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

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

<sup>3</sup> Includes standard silver dollars.

<sup>4</sup> Includes Treasury notes of 1890.

DISCOUNT RATES.

Discount rates of each Federal Reserve Bank approved by the Federal Reserve Board up to Oct. 31, 1919.

Federal Reserve Bank.	Discounts other than trade acceptances.							Trade acceptances.	
	Secured by U. S. Government war obligations.			Otherwise secured, also unsecured, <sup>2</sup> maturing within—				Maturing within—	
	Maturing within 15 days, including member banks' collateral notes.		Maturing within 16 to 90 days.						
	Secured by U. S. certificates of indebtedness.	Secured by Liberty bonds and Victory notes.		15 days, including member banks' collateral notes.	16 to 60 days.	61 to 90 days.	91 to 180 days (agricultural and live-stock paper).	15 days.	16 to 90 days.
Boston.....	4	4	4½	4	4½	4½	5	4	4½
New York <sup>1</sup> .....	4	4	4½	4	4½	4½	5	4	4½
Philadelphia.....	4	4	4½	4	4½	4½	5	4	4½
Cleveland.....	4	4	4½	4½	4½	4½	5½	4½	4½
Richmond.....	4	4½	4½	4½	4½	4½	5	4½	4½
Atlanta.....	4	4	4½	4½	4½	4½	5	4½	4½
Chicago.....	4	4½	4½	4½	4½	4½	5½	4½	4½
St. Louis.....	4	4	4½	4	4½	4½	5½	4	4½
Minneapolis.....	4	4	4½	4½	4½	5	5½	4½	4½
Kansas City.....	4	4½	4½	4½	5	5	5½	4½	4½
Dallas.....	4	4½	4½	4½	4½	5	5½	4½	4½
San Francisco.....	4½	4½	4½	4½	5	5	5½	4½	4½

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

<sup>2</sup> Rates on paper secured by War Finance Corporation bonds, 1 per cent higher than on commercial paper of corresponding maturity.

NOTE 1.—Acceptances purchased in open market, minimum rate 4 per cent.  
 NOTE 2.—Whenever application is made by member banks for renewal of 15-day paper the Federal Reserve Banks may charge a rate not exceeding that for 90-day paper of the same class.

**FOREIGN EXCHANGE RATES.**

Monthly ranges of exchange rates on leading foreign money centers, quoted in New York during the three months ending October, 1919.

	Exchange at par.	August.		September.		October.	
		Low.	High.	Low.	High.	Low.	High.
<b>London:</b>							
60-day bankers' bills.....dollars for £.	4.8665	4.15	4.3425	4.1125	4.25	4.13	4.215
Demand bills.....do.	4.8665	4.1625	4.3525	4.1325	4.2625	4.15	4.3225
Cable transfers.....do.	4.8665	4.17	4.3625	4.14	4.27	4.1575	4.24
<b>Paris:</b>							
Demand bills.....francs for 100 dollars.	518.1347	817.00	730.00	922.00	782.00	887.00	838.00
Cable transfers.....do.	518.1347	815.00	728.00	920.00	780.00	885.00	836.00
<b>Berlin:</b>							
Demand bills.....dollars for 100 marks <sup>1</sup>	23.82	4.00	6.25	3.375	4.60	3.25	4.375
<b>Milan:</b>							
Demand bills.....lire for 100 dollars.	518.1347	967.00	862.00	1013.00	947.00	1080.00	975.00
Cable transfers.....do.	518.1347	965.00	860.00	1011.00	945.00	1078.00	973.00
<b>Prague:</b>							
Demand bills.....dollars for 100 kronen <sup>1</sup>	20.26	3.65	5.50	2.85	4.00	2.35	3.85
<b>Vienna:</b>							
Demand bills.....dollars for 100 kronen <sup>1</sup>	20.26	2.125	3.00	1.20	2.625	.85	1.65
<b>Jugo-Slavia:</b>							
Demand bills.....dollars for 100 kronen <sup>1</sup>	20.26	2.50	3.75	1.75	2.35	1.45	2.15
<b>Warsaw:</b>							
Demand bills.....dollars for 100 marks <sup>1</sup>	22.82	4.50	6.75	3.25	4.50	2.30	3.85
<b>Brussels:</b>							
Demand bills.....francs for 100 dollars <sup>1</sup>	518.1347	855.00	755.00	900.00	797.00	868.50	835.00
<b>Madrid:</b>							
Demand bills.....dollars for 100 pesetas	19.30	18.88	19.75	18.80	19.25	19.08	19.28
<b>Helsingfors:</b>							
Demand bills.....dollars for 100 marka <sup>1</sup>	19.30	6.50	8.50	5.00	6.75	3.50	5.25
<b>Athens:</b>							
Demand bills.....dollars for 100 drachma <sup>1</sup>	19.30	17.50	19.80	16.75	17.50	17.25	18.90
<b>Sofia:</b>							
Demand bills.....dollars for 100 lev <sup>1</sup>	19.30	3.25	6.00	2.50	5.00	3.00	4.50
<b>Bucharest:</b>							
Demand bills.....dollars for 100 lei <sup>1</sup>	19.30	4.75	6.75	4.30	6.00	4.25	5.75
<b>Belgrade:</b>							
Demand bills.....dollars for 100 dinar <sup>1</sup>	19.30	8.00	13.00	7.00	8.50	5.00	7.50
<b>Amsterdam:</b>							
Demand bills.....dollars for 100 florins.	40.20	36.4375	37.5625	36.9375	38.125	37.625	38.0625
<b>Stockholm:</b>							
Demand bills.....dollars for 100 kronor.	26.80	24.00	24.90	24.10	24.60	23.90	24.60
<b>Copenhagen:</b>							
Demand bills.....dollars for 100 kroner.	26.80	21.45	22.05	21.55	22.40	21.30	21.75
<b>Christiania:</b>							
Demand bills.....do.	26.80	22.70	23.70	22.60	23.50	22.65	23.20
<b>Zurich:</b>							
Demand bills.....francs for 100 dollars.	518.1347	574.00	558.00	571.00	547.00	566.00	556.00
<b>Canada:</b>							
Demand bills.....dollars for 100 Canadian dollars <sup>2</sup>	100.00	94.6875	96.50	95.875	97.00	96.00	96.75
<b>Mexico City:</b>							
Demand bills.....dollars for 100 pesos <sup>1</sup>	49.35	48.375	50.00	48.875	49.00	49.00	49.125
<b>Bogota:</b>							
Demand bills.....dollars for 100 Colombian dollars <sup>1</sup>	97.33	97.00	100.00	97.75	98.25	98.00	100.50
<b>Montevideo:</b>							
Demand bills.....centavos to dollar <sup>1</sup>	96.09	98.50	97.00	99.75	99.25	99.50	96.30
<b>Buenos Aires:</b>							
Demand bills.....dollars for 100 gold pesos <sup>1</sup>	96.48	103.75	104.50	103.50	104.10	103.60	104.00
<b>Rio de Janeiro:</b>							
Demand bills.....dollars for 100 paper milreis <sup>1</sup>	* 54.62	24.875	27.50	24.50	25.00	25.00	25.70
<b>Valparaiso:</b>							
Demand bills.....dollars for 100 paper pesos <sup>1</sup>	* 36.50	20.00	22.00	19.00	20.00	20.00	21.25
<b>Yokohama:</b>							
Demand bills.....dollars for 100 yen.	49.35	50.50	50.75	50.375	50.75	50.50	50.75
<b>Hongkong:</b>							
Demand bills.....dollars for 100 Hongkong dollars.		80.25	86.00	83.75	88.50	87.00	96.00
<b>Shanghai:</b>							
Demand bills.....dollars for 100 Shanghai taels.		122.25	135.00	130.00	136.50	135.50	142.00
<b>Singapore:</b>							
Demand bills.....dollars for 100 Singapore dollars <sup>1</sup>	56.78	56.25	56.50	54.00	56.25	53.00	56.00
London average price of silver at nominal rate of £ (\$4.8665) (dollars per fine ounce)							
				1.28984	1.35494	1.40511	
New York average price of silver (dollars per fine ounce)				1.11398	1.14652	1.19154	

<sup>1</sup> Cable rates.

<sup>2</sup> Checks (demand).

<sup>3</sup> Rate for a gold milreis.

<sup>4</sup> Rate for gold peso.

## EARNINGS AND DIVIDENDS OF STATE BANK AND TRUST COMPANY MEMBERS.

*Abstract of reports of earnings and dividends of State bank and trust company members of the Federal Reserve system for the first six months of 1919, arranged by districts.*

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

	District No. 1 (36 banks).	District No. 2 (110 banks).	District No. 3 (36 banks).	District No. 4 (80 banks).	District No. 5 (42 banks).	District No. 6 (57 banks).	District No. 7 (303 banks) (1).	District No. 8 (52 banks).	District No. 9 (75 banks).	District No. 10 (29 banks) (1).	District No. 11 (115 banks).	District No. 12 (103 banks).	Total United States (1,038 banks).
Capital stock paid in.....	29,275	131,913	22,250	32,986	9,860	16,540	74,770	22,750	6,823	4,550	7,857	12,280	371,854
Surplus.....	31,633	166,086	46,129	60,182	7,041	10,856	68,126	18,868	2,289	2,333	2,681	4,680	420,904
<b>Total capital and surplus....</b>	<b>60,908</b>	<b>297,999</b>	<b>68,379</b>	<b>93,168</b>	<b>16,901</b>	<b>27,396</b>	<b>142,896</b>	<b>41,618</b>	<b>9,112</b>	<b>6,883</b>	<b>10,538</b>	<b>16,960</b>	<b>792,758</b>
Gross earnings:													
Interest and discount.....	14,282	72,627	8,314	13,288	2,906	5,583	33,527	7,353	2,166	2,223	2,394	4,436	169,099
Exchange and collection charges.....	52	372	91	62	40	287	467	287	51	37	54	93	1,893
Commissions.....	189	2,218	95	216	10	113	458	201	81	37	10	101	3,729
Other earnings.....	1,543	10,232	1,881	4,159	601	719	3,167	847	49	226	55	287	23,766
<b>Total gross earnings.....</b>	<b>16,066</b>	<b>85,449</b>	<b>10,381</b>	<b>17,725</b>	<b>3,557</b>	<b>6,702</b>	<b>37,619</b>	<b>8,688</b>	<b>2,347</b>	<b>2,523</b>	<b>2,513</b>	<b>4,917</b>	<b>198,487</b>
Expenses:													
Salaries and wages.....	2,368	10,463	1,444	2,256	470	1,076	7,565	1,427	496	371	539	955	29,430
Interest and discount on bor- rowed money.....	692	5,538	1,003	548	316	614	1,284	921	75	92	305	397	11,785
Interest on deposits.....	6,012	30,228	2,505	6,855	999	1,446	13,715	2,135	971	928	235	1,332	67,361
Taxes.....	845	5,194	655	696	237	382	2,374	434	159	75	147	308	11,501
Other expenses.....	1,345	7,620	836	2,196	289	970	3,934	1,057	320	320	333	633	19,858
<b>Total expenses.....</b>	<b>11,262</b>	<b>59,043</b>	<b>6,443</b>	<b>12,551</b>	<b>2,311</b>	<b>4,488</b>	<b>28,872</b>	<b>5,974</b>	<b>2,021</b>	<b>1,786</b>	<b>1,564</b>	<b>3,620</b>	<b>139,935</b>
Net earnings since last report.....	4,804	26,406	3,938	5,174	1,246	2,214	8,747	2,714	326	737	949	1,297	58,552
Recoveries on charged-off assets....	351	807	32	159	182	310	538	46	39	29	34	204	2,731
<b>Total net earnings and re- coveries.....</b>	<b>5,155</b>	<b>27,213</b>	<b>3,970</b>	<b>5,333</b>	<b>1,428</b>	<b>2,524</b>	<b>9,285</b>	<b>2,760</b>	<b>365</b>	<b>766</b>	<b>983</b>	<b>1,501</b>	<b>61,283</b>
Losses charged off:													
On loans and discounts.....	234	989	32	133	138	162	660	99	31	50	97	136	2,761
On bonds, securities, etc.....	249	2,133	1,163	310	177	20	360	328	6	.....	3	140	4,889
Other losses.....	259	1,058	66	162	22	71	319	61	9	4	26	118	2,175
<b>Total losses charged off.....</b>	<b>742</b>	<b>4,180</b>	<b>1,261</b>	<b>605</b>	<b>337</b>	<b>253</b>	<b>1,339</b>	<b>488</b>	<b>46</b>	<b>54</b>	<b>126</b>	<b>394</b>	<b>9,825</b>
Net addition to profits.....	4,413	23,033	2,709	4,728	1,091	2,271	7,946	2,272	319	712	857	1,107	51,458
Dividends paid.....	1,841	11,912	2,135	2,824	507	838	4,546	1,292	356	326	278	680	27,535
Ratio of net profits to capital and surplus (annual basis) (percent).	14.5	15.5	7.9	10.1	12.9	16.6	11.1	10.9	7.0	20.7	16.3	13.1	13.0

<sup>1</sup> Two banks not reporting.

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