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REVIEW OF THE MONTH.

Public finance in February.

The outstanding feature of public finance during the month of February has been the further development and announcement of the conditions under which the fifth Liberty loan is to be offered to the public. It has been decided to make the actual offering of the loan a little later than had been originally intended, opening the campaign on April 21 and financing the Government in the meantime by further issues of short-term certificates of indebtedness. Of these certificates two issues have been placed on the market during the month of February, being announced under dates of February 7 and February 21 and for amounts of $687,381,500 and $620,578,500, respectively. The total of such certificates of indebtedness of all issues now outstanding in anticipation of the proceeds of the fifth loan is thus $3,845,678,000. Assuming that the fifth loan will amount to about $6,000,000,000, it is thus seen that practically two-thirds of the entire issue has already been drawn from the banks and applied to public purposes. Government expenses have materially declined during the month of February, the total net expenditures for the month being only about $1,200,000,000. As an offset to this favorable showing it should, however, be remembered that the month contained only 28 days, so that the reduction is not so great, relatively speaking, as it seems. Nevertheless, the turn of the tide has undoubtedly set in, and it may be expected that from this time forward, in the absence of new or unusual appropriations, the monthly outgoes of the Government will be less rather than more. The banks, however, are already carrying a very substantial burden of certificates of indebtedness, as has just been pointed out, and before the actual floating of the new loan it may be expected that the total of their advances will have aggregated well toward a billion dollars above the proceeds of the new loan or, what is the same thing, that outstanding issues of certificates will have had to be met from the proceeds of new issues, as has been the case in the past. Meanwhile, the House of Representatives on February 8 adopted the conference report on the war revenue bill, the Senate taking similar action on February 12, while the measure was signed and became a law on February 24. This act is now expected to produce a revenue of at least $6,000,000,000, of which the first payment of substantial amount must be made at the time when the returns are filed with the Bureau of Internal Revenue on March 15. These tax contributions will thus be received in time to be of material assistance in solving the financial problems of the Government, since the tax receipts will probably antedate by about five to six weeks the first installments from subscriptions to the fifth loan.

The fifth Government loan.

The Secretary of the Treasury on February 10 sent to the chairman of the House Ways and Means Committee a notable letter in which he set forth plans for the financing of the fifth Government loan. With this letter was transmitted the draft of an act designed to carry into effect the plan of finance which Mr. Glass had thus sketched. The bill as thus proposed would (1) increase the authorized issue of bonds from $20,000,000,000 to $25,000,000,000; (2) remove the limitation as to interest rate so far as regards bonds maturing not more than 10 years from the date of issue; (3) authorize the issue of not to exceed $10,000,000,000 of interest-bearing, noncirculating notes having maturities from one to five years; (4) authorize the issue of bonds and notes payable at a premium; (5) exempt war-savings certificates from income surtaxes; (6) confer authority upon the Secretary of the Treasury to determine the exemptions from taxation in respect to future issues of bonds and notes and to enlarge the exemptions of existing Liberty bonds in the hands of subscribers for new bonds and notes; (7) exempt from income surtaxes and profits taxes all issues of Liberty bonds and bonds of the War Finance Corporation held abroad; (8) extend the period for conversion of 4 per cent Liberty bonds on the lines suggested in the Secretary of the Treasury's letter of January 15 to the chairman of the House Ways and Means Committee; (9) create a 2½ per cent cumulative sinking fund for the retirement of the war debt; (10) continue the existing authority for the purchase of obligations of foreign Governments after the termination of the war in accordance with the views expressed by Secretary McAdoo by letter and in his testimony before the Ways and Means Committee; and (11) extend the authority of the War Finance Corporation so as to permit it to make loans in aid of our commerce, thus supplementing the aid which may be given by the Treasury on direct loans to foreign Governments and in a measure relieving the Treasury of demands for such loans.

An alternative proposal.

The Ways and Means Committee of the House of Representatives has, however, been disposed to modify the plan proposed by the Secretary of the Treasury by the substitution of short-term notes for bonds. This alternative plan accordingly provides for the issue of several classes or grades of short-term notes, one bearing a lower rate of interest and entirely nontaxable, another bearing a higher rate of interest and fully taxable, with one or two intermediate grades providing for rates of interest higher than that fixed for the nontaxable notes, but not as high as the rate established for the taxable issue. These intermediate issues would be only partially exempt from taxation. The difference between the general proposal to place an issue of long-term bonds and that which contemplates the sale of short-term notes of varying maturities and conditions is practically one of banking technique. Short-term securities are not, on the whole, as well adapted for investment by private individuals as longer term issues, while financial custom has usually dictated the absorption of short-term issues by investment institutions. Practically, therefore, the alternative plan just outlined would tend toward the placing of a greater volume of the new issues definitely in the hands of the banks and of investment institutions throughout the country, and less in the hands of private individuals. This is equivalent to saying that it may probably be more difficult to obtain a wide distribution of the fifth loan if it be offered in the form of short-term notes than if it be sold as longer term bonds. The alternative plan would also tend to make the whole operation more transitory and temporary in its working than would the original plan of a bond issue. It would necessarily imply that the early maturity of the notes must be looked forward to and that an extensive refunding operation must take place when such maturity arrives. On the whole, the note plan would therefore operate to increase the inflationary tendency already noticeable in the present banking situation and would add, relatively speaking, to the burden carried by the banks. Should the commercial banks continue to retain the notes thus purchased, they would in effect be retaining upon a longer basis than had been expected the Government securities which are now in their hands. If, for example, the present issues of Treasury certificates should be paid for through sales of short-term notes which were largely taken by the banks, the transaction would amount in practice to the conversion of the certificates which might be in the hands of the banks into short-term investment paper which might remain practically where the certificates are now held. There would be some readjustment or redistribution of these holdings, but so far as the banking community as a whole was concerned, the case would be somewhat the same as at present. This would mean a continuation of the tendency to finance business to a considerable extent by the use of "war paper" and would make it more difficult to transfer Government obligations to the strong boxes of private investors. Such a result is to be avoided if possible. On this point the Secretary of the Treasury has said: "Whether they [the new securities] be bonds or notes, it is absolutely essential that the widest possible measure of distribution be realized."

The return to normal conditions.

In transmitting to the House Ways and Means Committee the bill providing for the financing of the fifth loan, the Secretary of the Treasury gave utterance to the following noteworthy expression of opinion concerning present conditions as to prices and the extension of bank credit: "The necessary and desirable contraction of our credit structure has begun and will be greatly facilitated by the enactment of appropriate legislation to permit the liquidation of claims arising under informal army contracts. Steps have been taken to break the deadlock which had arisen growing out of the maintenance, nominally at least, of war prices in certain basic industries. Upon the enactment of appropriate legislation to enable the Food Administration to protect the guaranties given by the United States, I am hopeful that it will prove possible to restore the operation of the law of supply and demand with respect to foodstuffs with, as I believe, a consequent reduction in the cost of living. A period of rising prices and of intense industrial activity such as we have experienced during the past four years is always a period of great apparent prosperity, and a period of falling prices and of the contraction of credits is always a period of depression. The retardation of the process of readjustment by artificial means can only increase the evils inherent in the situation. Buying will not begin and activity will not set in until the community at large is satisfied that prices have reached bedrock." Mr. Glass further expressed the opinion that a sound and conservative financial policy on the part of the Government would unquestionably result in "a new period of great and growing prosperity," believing that even before the expiration of two months from the present date the successful placing of the Victory Liberty loan and the consequent readjustment of business relations to correspond to the conditions thus created might reasonably be expected.

The problem of readjustment.

As has thus been pointed out by the Secretary of the Treasury in unmistakable terms, an urgent problem of business readjustment is that of restoring prices to a stable basis. The era of inflated prices maintained by aid of legislation or by Government administrative action thus draws to a close, and the aim to be sought is not that of perpetuating war conditions but that of returning to a stable footing upon terms and conditions that would be just and fair to all concerned. There is much agreement with the Secretary of the Treasury in his statement that the readjustment must begin with a reduction in the cost of living to the consumer, sorely tried as the latter has been by the great inflation of prices and the additions made to his living costs in many directions. "Readjustment" thus becomes a problem which involves the effective transfer of labor from war work back to peace employment at stable and satisfactory remuneration, the curtailment of costs of production to a point that will enable our manufacturers to satisfy domestic demand and compete favorably with foreigners for the export trade, and the adjustment of values generally to one another upon the new basis created by normalization of prices and wages. It would be unreasonable for any factor in production to assert that it would not bear its share in this general process of readjustment. Such readjustment is designed for the common benefit of all participants in industry and the public at large. If it be equitably carried out, its effects will not tend to favor any particular class or group in the community, but will operate, while leaving all in the same relative position, or at all events in an admittedly equitable relationship one to another, to increase the general volume of business and the regularity and smoothness with which the industrial mechanism moves and functions.

Labor readjustment.

The phase of the problem which has been receiving most attention during the past month and which has in many ways been productive of most difficulty, has been the determination of the workers' share in the process. It was unavoidable that as a result of the war very great changes in the character of employment, as well as in the rate of wages, should occur. It seemed equally inevitable that in the process of transition back to a peace basis there should be similar readjustment of a reverse sort. Not a few industries have necessarily suspended or curtailed their operations, because their product is no longer wanted, or at all events is not demanded in the same volume as formerly. The placing of labor in peace industries at remunerative wages, opening to it channels of occupation and advancement as fast as it is released either from service in the Army or from the equally important industrial war work, can not be instantly effected, but every endeavor should nevertheless be made to carry it out as rapidly as conditions will permit.

Striking appreciation of this necessity was expressed by the President when immediately upon his return to Washington he summoned a conference of the governors of the several States to meet at the White House on March 3. The purpose of the conference was that of determining a method of business readjustment which shall be uniform and which shall enlist the united efforts of the several States. The President's action shows the urgency of the problem which the country is facing in connection with the restoration of business to a peace basis.

One way of estimating the degree of our success in readjustment is that of ascertaining how rapidly and how successfully this reabsorption of labor is effected. Reports received from Federal Reserve agents and from various other sources indicate that at least a reasonable degree of progress in this matter is being attained. The problem of unemployment, while undoubtedly serious for the time, does not appear to be growing in magnitude as rapidly as some had predicted. In the following table derived from the records of the United States Employment Office is furnished an approximate estimate of the total amount of unemployment existing throughout the country at the date for which the figures were collected:

Week ending—	Number cities reporting.	Number cities showing shortage.	Estimated shortage.	Number cities showing surplus.	Estimated surplus.	Number cities showing industrial relations as—		
						Good.	Unsettled.	Acute.
1918.								
Dec. 7	122	29	48,226	16	22,200	91	8	5
Dec. 14	122	30	47,130	26	30,000	95	7	4
Dec. 21	120	25	41,002	37	66,350	88	7	7
Dec. 28	122	26	35,542	41	91,889	91	6	7
1919.								
Jan. 4	121	27	33,397	47	120,589	87	9	6
Jan. 11	122	22	20,033	46	175,951	82	8	8
Jan. 18	122	18	18,644	55	211,700	83	12	12
Jan. 25	122	18	14,350	61	258,332	83	14	8
Feb. 1	122	16	11,360	69	292,831	78	17	10
Feb. 8	122	17	9,313	72	323,685	75	14	17
Feb. 15	122	18	8,943	74	358,797	74	15	18
Feb. 22	122	18	8,014	82	367,130	74	17	16

Industrial readjustment.

The process of industrial readjustment has undoubtedly been advanced considerably during the month of February. A notable phase of it is seen in the reduction of ocean freight rates, first put into effect by British shipowners and then extended and carried further by the United States Shipping Board. The effect of this readjustment has been to reduce by fully two-thirds, or in some cases three-fourths, the extraordinarily high charges which had been levied during the war. The new ocean rates have not been reduced to the prewar level, but they have been brought down well toward it. In line with this same tendency to rearrangement of charges is the cutting of not a few basic prices. Thus, for example, prices of various grades of iron and steel have reached a distinctly lower stage during the month, pig iron selling as low as $29.20 per ton, while copper, "stabilized" at 26 cents when the war was at its height, has now receded to a price of 17 cents, with sales at 16 cents or lower, while other metals have declined in the same or a greater proportion. It is believed that these alterations and others like them may be taken as definite indications that the work of industrial reorganization is under way. Further indication is found in the circumstance that during the month of February a genuine increase in the number of new building enterprises occurred, this increase representing a substantial percentage of the work in progress at this time a year ago. Active buying of some staples for the purpose of providing the necessary materials of manufacture has also recommenced, and the effect has in some directions been to bring about an upward trend in prices which had previously declined from the war level. Increase of strictly peace orders is reported at many factories producing essential materials or partly manufactured articles. This is a necessary preliminary to the restoration of demand in the full sense of the term at factories producing goods for immediate consumption.

Safeguarding capital.

One danger often encountered in periods of industrial readjustment is found in the offer of securities, so called, representing undesirable or at least inopportune investment proposals. These naturally grow out of the fact that in time of extensive industrial reorganization there is much shifting of investments, without due appreciation of the hazards of the situation. Besides such sincere if mistaken efforts looking to the placing of new securities which are honest in intent even though not well founded in prospect, there are frequently to be noted many classes of issues whose projectors have been more desirous of making profits than of providing a safe security. The danger is particularly acute in a period like the present when many persons in the community who have purchased Liberty bonds are holding them in part on the strength of borrowed funds and only in part on the strength of savings. To this is added the fact that others who have paid fully for their investments feel that now that the country's emergency is over they may reasonably be permitted to exchange their holdings for more remunerative securities. Since, in many cases, Liberty bonds are held by persons who have not in the past had much experience in modern forms of investment, the danger in the situation may become acute through the exchange of Government securities of undoubted value for securities of doubtful solidity bearing promise of large returns. From the broader standpoint the effect of this process of gathering Liberty bonds into the hands of those who wish to make a profit is that of tending to throw the securities upon the market at a time when every effort should be made to bring about their absorption and retention by bona fide investors of the country as a whole. It was to meet this situation that the Capital Issues Committee prepared a bill which, with the approval of the Secretary of the Treasury, was recommended to Congress for adoption.

Foreign trade outlook.

It is now becoming more and more evident that an important phase of readjustment must be sought in connection with our foreign trade. Opinion as to this branch of business has undergone some change during the past month. Up to the opening of February it had still been hoped by many that there would be a swift revival of activity and that our manufactured products would be exported in something approaching the volume developed during the war. Several influences have intervened to prevent such a development. Important among these is the unsatisfactory position of the exchanges, making it imperatively necessary for some foreign countries to devote their efforts to improving the exchanges by keeping down the amount of their current foreign indebtedness. Moreover, it has appeared that no inconsiderable part of the foreign-trade activity of the year 1918 was directly due to the fact that the United States was financing this export movement at low rates of interest through the advances made by the Treasury Department to the several foreign Governments. That these will not be continued upon their former level is, of course, an inevitable incident of our change from a war to a peace basis, and with this change in Treasury policy some change in the activity of those branches of export trade which were dependent upon assistance of this kind is unavoidable. Finally, and perhaps more important than the other factors, is the circumstance that many of the industrial districts of Europe are proving far better able than had been expected to supply the wants of buyers in the countries which have suffered most and are already beginning to take care of the trade of these regions. A further factor is the circumstance that no settled policy has as yet been adopted by the Government with respect to financing purchases in our market on long credit. The unstable peace situation is also probably to be regarded as a factor of some consequence. It is not strange, therefore, that our exports of steel and other metals and of basic materials of many kinds have fallen short of the more optimistic expectations that had been entertained and expressed. Our export figures for 1918 loom large and those for the month of January attain in the aggregate record proportions; but they do not consist in the expected kinds of manufactured goods. Even with reference to that portion of our export trade which consists of food products, it is to be noted that the situation has not yet reached final adjustment. While we have been endeavoring to maintain the fixed price of $2.26 per bushel for wheat Argentina and Australia have been exporting their available surpluses of the grain at a very much lower figure, the price in Australia, as reported by cable, being about $1.37 for some large shipments, although differences in transportation cost tend to equalize delivery prices. This has naturally operated to curtail the demand for our wheat abroad, and while that demand may be increased at a later date after the wheat surpluses of the other parts of the world have been partially or wholly exhausted, it is still uncertain at what price our available surplus will be disposed of. The export trade in grain must, therefore, adjust itself to a basis of tolerably close competition, which may be expected to result in fixing and maintaining a general level of prices decidedly lower than that with which we emerged from the war—how low can not as yet be stated. It is because of the perception of the unlooked-for difficulties in our export business that the Secretary of the Treasury in his letter to the Ways and Means Committee made recommendation that authority be granted to the War Finance Corporation for the making of loans "in aid of our commerce," the purpose being to assist in the continuous exportation of our available supply of goods. A special reason mentioned by the Secretary of the Treasury for the grant of this authority is found in the fact that the Government is possessed of large holdings of property of various kinds in European countries of which it wishes to dispose, and this may be effected either through advances on the part of the Treasury which will result in transferring the goods to European owners against the pledge of their Governments, or may be effected by advances obtained from the War Finance Corporation for the purpose of expediting the movement of the goods into private hands.

Restoration of balance of trade.

Restoration of something approximating a normal trade situation between countries is indeed an indispensable element in the process of world readjustment. Without such restoration it will prove impossible to resume free movements of specie and to bring about an organization of foreign trade upon a basis that may be regarded as enduring. In the long run, exports and imports, including services, gold, and other items, taking one country as compared with the remainder of the world, must tend to equalize themselves. When they do not the "adverse" balance must be carried as an investment or advance by the country which has exported the excess of goods; in other words, must be carried on credit. During the war there have been great changes in the debtor and creditor relationships of most countries, and the United States has assumed the position of a large creditor, notwithstanding that in the past it has invariably occupied that of a debtor. There is a limit to the extent to which it is ever economically advantageous for one country thus to become indebted to another, since it must annually liquidate the interest on the advances made to it or else issue new securities, a process which in itself speedily reaches its limit unless the growth of indebtedness results in a commmensurate increase in productive and paying power. These facts underlie the "exchange situation" to which reference is frequently made, and do much to explain the restricting of the movement of goods into foreign markets. Various countries are indebted to the United States, and while in some instances they themselves have claims upon other countries, the claims are not in such condition as to make either principal or interest available for liquidating indebtedness to us, either in cash or in goods. Such a country must therefore expect to continue to occupy a dual position, its status as a creditor almost necessarily signifying continuance in like manner as debtor. Action in attempting to restrict the movement of merchandise, such as was initiated by Great Britain in the adoption of a so-called restriction policy, would not perhaps have been thought necessary were it not for the difficulties of their exchange position. Trade with the Central Powers has not yet been opened, but so soon as it is, the problem of payment for their importations will become serious. Germany and Austria, it is true, have but little foreign war indebtedness, but other nations are hardly in position to extend to them, even if disposed, very large advances of credit. This condition of affairs will tend to make the scope of their foreign commerce dependent to a considerable degree upon the extent to which they can finance themselves through regular commercial and financial channels abroad. Thus, while government restrictions upon the movement and production of goods are in many respects being materially modified, especially domestically, it remains true that the artificial distribution of indebtedness due to the loans of the war period will render it difficult to set international trade free of the restrictions which war has imposed. Even when such freedom has been obtained the dictates of prudence and self-restraint will intervene to prevent the countries which now owe most, either to their own people or to foreigners, from buying as they otherwise would. This is merely another way of saying that international, like domestic, credit is already greatly overstrained, and that it will be the part of wisdom not to subject it to further severe burdens until it has had time to regain some measure of normality.

Price tendencies.

One feature of readjustment during the month of February has been the downward tendency in prices. Sauerbeck's index number for February shows a recession in England from the high point of 197, reached just before the armistice, to about 190, and such data as can be obtained for wages indicate a tendency on the part of the remuneration of labor to settle to lower levels, but in some cases to make its appearance in the abolition of overtime, the shorter hours work being paid at the normal or standard rate in each case. Elsewhere labor has been disposed to accept moderate readjustment of schedules of payment that were admittedly above normal. An automatic readjustment has been effected in those cases where large corporations have been paying wages in part upon a profit-sharing basis or upon a basis which regulated the return to the laborer in accord with the amount of net earnings realized. In these instances the reduction of net earnings caused by heavier taxation and by lower prices are reflected in part upon the workers who carry them in the form of loss of the higher earnings which would have been realized had industry been more profitable than was actually the case. Neither wages nor prices have as yet shown any extensive or marked recession, but such evidence as is available indicates a tendency of both in the same direction. This tendency is also observable in foreign countries, where, as in the United States, some "unrest" on the part of labor is reported in consequence of the failure to determine the basis on which wages and profits shall be adjusted to the changing price level. The Board's reports of business conditions in various parts of the country point to the fact that the process of wage readjustment is proving easier here than abroad, partly due to the stronger condition of industry and the fact that there is a much broader market for goods in the United States than exists anywhere else at the present time. Buying power on the part of the mass of population is at a far higher point in the United States than in European countries. The underlying problems of the situation are, however, the same everywhere. It is impossible to continue business indefinitely upon the lower price schedule with expenses of production the same as that which had developed out of the higher price basis.

The Industrial Board.

Immediately before the return of the President it was made known that, having received approval from the President of certain plans which it had proposed for the readjustment of prices, "The Industrial Board of the Department of Commerce" had been formed for the purpose of examining into the business situation and suggesting such remedies as may be thought expedient. The general conditions which have led to the creation of this board are found in the stagnation of business and industrial activity and the prevalence of a very high level of prices and living costs, while it is believed that there exists a large but withheld buying power which is not being applied to the employment of labor or the purchase of commodities. The object of the new board is therefore that of ascertaining what remedies for existing conditions may be applied through consultation with leaders of industry and through the development of principles and methods suited to the requirements of the case. At such conferences it is intended to discuss with these leaders of industry the general situation in each branch of business and the development of principles which should apply to and govern the solution of the problems as thus recognized. It is believed that these principles and views will be readily understood by the majority of those called into conference, and that the discussion of them will without much delay lead to general acceptance. One problem to be dealt with by the board will be that of bringing about an equitable disposal of the great volume of commodities now held by the Government for later sale. Such commodities will be placed upon the market in a way that will not interfere with the orderly production and marketing of goods. The work of this industrial board will undoubtedly be modified to some extent as necessities for the program worked out at the conference between the President and the governors of the States seem to require.

Interest and discount rates.

The month of January has witnessed no material change in the general rates of interest and discount prevailing at Federal Reserve Banks. The reasons for the maintenance of stable conditions are the same as have already been set forth in former numbers of the FEDERAL RESERVE BULLETIN and grow out of the problems of financing the needs of the Government, which are already well known. Commercial rates of discount, as shown by the regular reports of the Board, have been very nearly uniform throughout the country, although the tendency has been toward rather higher rates than have heretofore existed. The slight upward movement is due to the gradual development of demand for means of financing new enterprises. There is some evidence that liquidation is in process. This is entirely due to natural causes and not to a change in the discount policy of Federal Reserve Banks There have been no noteworthy changes in Federal Reserve Bank rates. Such liquidation as has taken place at Federal Reserve Banks is not to be regarded as resulting from change in the Board's discount policy, that policy being what it has been throughout the recent period of heavy Government financing.

The heavy return movement of Federal Reserve notes occurring during January and amounting in the aggregate to about $235,000,000 has given way to a slight outflow in the month of February, indicating the self-regulating character of Federal Reserve note circulation in the existing circumstances. The heavy return flow noted above is in part to be explained by the natural liquidation which normally occurs at the turn of the year but in larger measure was probably occasioned by the return to banking channels of the considerable volume of notes that there is reason to believe were hoarded during the war.

Banking conditions abroad.

It is gratifying to observe that further progress toward the development of genuine banking strength has been made during the past month. In the FEDERAL RESERVE BULLETIN for February reference was made to the increased strength of the Bank of England. The percentage of reserve as figured by that institution, which had risen to about 20.13 per cent at the close of January, had still further increased to 20.58 per cent on February 20. Not only the restriction of foreign trade, but the continuous effort to eliminate war paper is having its effect upon the credit situation in Great Britain. Considerable reduction in the outstanding circulation of notes probably indicates a condition parallel to that existing in the United States during the period of note reduction through which we have just been passing. In France the outstanding note circulation shows no sign of decline, the reserve on hand now standing at 10.81 per cent, or somewhat below the situation at the close of 1918, when it stood at 11.29 per cent. The situation in the Bank of France shows that conditions in that country are more nearly static than they are in Great Britain, the power to contract inflation and reduce loans being less positive than is true across the channel. The foreign trade of France has of course suffered very much more than has that of Great Britain, due to the fact that some of her choicest industrial districts were largely or wholly destroyed as a result of war. Restoration of banking soundness is, however, being approached through elimination of consumption and consequently through relative cessation of purchases. France will approximate to her prewar conditions by a route quite different from that of Great Britain—that, namely, of domestic saving and economy, accompanied probably by slower restoration of foreign trade than will be true of her neighbor. Of the Central Powers too little is as yet known to say with certainty what direction is being taken by banking and credit conditions. The situation in Germany and Austria will be considerably modified when they are again placed in immediate communication with the outside world. Meanwhile, it may be generally said that throughout the European countries there is much evidence of concern as to the parity of inflated banking and currency, with a disposition to limit foreign trade to what is necessary or "essential" to industry, get back to a basis of adequate reserve relationships, and thus to approach the time when international trade can be entirely relieved of its restrictions. This is genuine progress toward true readjustment, even though in some cases it may seem to be of a negative character.

The following figures form the latest available data with reference to banking reserve and liabilities in some of the principal countries:

[In thousands of dollars.]

	Date.	Gold and silver on hand.	Deposit liability.	Notes in circulation.	Ratio of aggregate deposit and note liabilities to gold and silver on hand.
					Per cent.
Bank of England	Feb. 5, 1919	[1] 396,346 [2] 1,506,094	711,494	[1] 340,590 [2] 138,695	[1] 37.67 [2] 9.21
Bank of France	Feb. 6, 1919	730,814	511,067	6,246,830	10.81
German Reichsbank	Dec. 31, 1918	543,116	3,160,600	[3] 5,280,700	6.43
Austro-Hungarian Bank.	....do......	64,598	1,446,806	[4] 8,713,207	.0064

[1] Bank of England data.
[2] Currency note account.
[3] Exclusive of war loan bank notes (Darlehenskassenscheine) in circulation.
[4] Including $1,502,954,000 of interest-bearing scrip (Kassenscheine) issued to the Government and payable, after 3 and 6 months, presumably in bank notes.

Gold situation.

The growing interest in the possibility of an international gold clearance fund, especially since the report of the Federal Reserve Board for the year 1918, recalls earlier efforts in this direction made by the International High Commission. This body, established by the Governments of American Republics, and consisting of national sections, each of nine jurists or financiers with the Minister of Finance as chairman, had from the outset the task of bringing about more stable financial relations between Latin America and the United States, especially through the establishment of the gold standard, or gold exchange standard wherever not in effect. Study of this problem led to the conviction that two steps would greatly facilitate the eventual extension of substantial assistance by the United States to those Republics of Latin America which were in need of help to set their currency systems on a firm basis, first, the use of an international clearance fund, and, secondly, the use of a money account. The executive council of the commission prepared in the early summer of 1916 a draft of a convention, with a view to provide for the inviolability of such a fund. The draft and explanatory memoranda were in due course submitted to the Ministers of Finance and to the diplomatic officers of the Republics participating in the work of the commission. After carful consideration the governments of seven countries have expressed a willingness to conclude the convention with the United States, and the matter is the subject of serious study in other countries.

Since the last issue of the BULLETIN, in which were published summaries of the work of other committees which had studied conditions in the gold-mining industry, the report of the committee appointed by Secretary of the Treasury McAdoo to make an investigation, with a view to definitely ascertaining the difficulties confronting gold production and submitting suggestions of methods of relief, has filed a report with the Secretary of the Treasury under date of February 11, printed elsewhere in this issue.

Gold imports and exports.

During the month ending February 10 the net outward movement of gold was $2,125,000, as compared with a net outward movement of $93,000 for the month ending January 10.

Gold imports for the month amounting to $1,925,000 came largely from Canada, Mexico, and Nicaragua, while gold exports totaling $4,050,000 were consigned chiefly to Colombia, Venezuela, and Mexico.

The gain in the country's stock of gold since August 1, 1914, was $1,069,451,000 as may be seen from the following exhibit:

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

	Imports.	Exports.	Excess 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 Feb. 10, 1919	2,636	4,591	[1] 1,955
Total	1,779,252	709,801	1,069,451

[1] Excess of exports over imports.

Operations of the Federal Reserve Banks.

Issues of two additional series of Treasury certificates aggregating over 1,300 million dollars and the redemption by the Government on January 30 of the outstanding balance of certificates of the October 1, 1918, series are the principal Government operations affecting the condition of the Federal Reserve Banks during the period between January 24 and February 20. Holdings of war paper, which declined nearly 140 millions during the week ending January 31, show an increase of over 245 millions for the two weeks following, the total of 1,603 millions held on February 14 being the largest ever reported. Since then a decrease of 6.5 millions is shown, the final figures for February 20 indicating a net gain of less than 100 millions for the four weeks under review. All the banks, except those at St. Louis and Minneapolis, report increases in the amounts of war paper on hand. For the New York bank the net increase for the period was 43.5 millions, for the Boston bank 20.2 millions, and for the Chicago bank 16.6 millions. Other discounts on hand declined from 264.5 to 222 millions. As a result the share of war paper in the total discounts on hand shows a rise from 85 to about 88 per cent. For the eastern banks this ratio is in excess of 90 per cent.

Aggregate holdings of acceptances show a further decline from 284.5 to 269.9 millions. Moreover, interbank sales have caused some redistribution in the holdings of this class of paper, with the result that both Cleveland and San Francisco report larger amounts of acceptances on hand than New York.

No appreciable change is shown in the amounts of Government securities held, by far the larger share of these obligations representing 1-year 2 per cent certificates deposited with the Treasury to secure Federal Reserve bank notes in circulation. Total earning assets increased 41.1 millions, and on February 21 stood at 2,263.6 millions.

For the period under review the banks increased their gold holdings from 2,101.3 to 2,125 millions and their net deposits from 1,679.5 to 1,730.8 millions. There was no further increase in the volume of Federal Reserve notes in circulation, increases in circulation during the first two weeks in February being followed by a slight decline for the last week under review. Aggregate liabilities of the banks on Federal Reserve bank notes in circulation show a slow though continuous increase from 126.8 to 133.5 millions. No material change in the banks' reserve percentage is shown, the gain in reserves proving sufficient to counterbalance the increase in deposit liabilities. On February 21 this percentage stood at 52.2, as against 52.3 per cent on January 21.

In the following table are shown the changes between January 24 and February 20, 1919, in the total discounted and purchased bills held by each of the Federal Reserve Banks, as well as changes between the two dates in the holdings of other classes of investments:

[000 omitted.]

Federal Reserve Bank.	Jan. 24.	Feb. 20.	Net increase.	Net decrease.
Boston	$144,866	$158,022	$13,156	....
New York	803,942	795,680	....	$8,262
Philadelphia	190,454	191,644	1,190	....
Cleveland	144,552	164,197	19,645	....
Richmond	103,289	103,042	....	247
Atlanta	89,134	83,185	....	5,949
Chicago	204,223	206,071	1,848	....
St. Louis	67,791	71,594	3,803	....
Minneapolis	39,760	51,016	11,256	....
Kansas City	85,284	81,178	....	4,106
Dallas	51,327	52,718	1,391	....
San Francisco	121,950	130,027	8,077	....
Total	2,046,572	2,088,374	41,802	....
United States long-term securities	28,571	28,095	....	476
United States short-term securities	147,398	147,123	....	275
All other earning assets	4	4	....	....
Total investments held	2,222,545	2,263,596	41,051	....

Condition of member banks.

For the period between January 17 and February 14 weekly reports of member banks in about 100 selected cities, including all the cities in which Federal Reserve Banks and their branches are located, indicate a reduction from 825.6 to 723.7 millions in their holdings of United States bonds, other than circulation bonds, and an increase from 1,467 to 1,743 millions in their holdings of Treasury certificates. Decreases in United States bonds on hand apparently reflect to some extent amounts placed with subscribing customers upon receipt of partial payments. Since October 25 of the past year when a maximum of 1,018.4 millions of these bonds were shown among the assets of reporting banks, the total has declined by 294.7 millions. Meanwhile the amount of Treasury certificates held by reporting banks, as the result of the successive issues of these certificates both in anticipation of the fifth war loan and tax payments, has gone up 793.6 millions, indicating a net increase of direct investments in Government war securities of slightly less than 500 millions.

Loans secured by United States war obligations show a decrease for the four weeks from 1,182.7 to 1,170 millions. Since October 25, 1918, but little change in this item is noted. Aggregate holdings of United States war securities and war paper on February 14 were 3,636.7 millions and constituted 26 per cent of the total loans and investments of all reporting banks, as against 25.1 per cent shown four weeks earlier and 22.3 per cent on October 25, the Friday following the closing of the fourth war loan.

On February 14 member banks in New York City report 1,593.9 millions of United States war securities and war paper, or 43.8 per cent of the total shown for all reporting banks, as against 45.3 per cent shown four weeks earlier. Member banks in all the 12 Federal Reserve cities show corresponding holdings of 2,546.8 millions, or about 70 per cent of the total for all reporting banks, as against 71 per cent four weeks previous.

During the period under review Government deposits fluctuated between 489.4 millions on January 24 and 693.7 millions the following week, the February 14 total of 644.5 millions being 14.5 millions below the corresponding January 17 figure. Larger concentration of these deposits in New York City is noticed, member banks in that city reporting an increase from 225.4 to 307.4 millions. Other demand deposits show a continuous decline to February 7 from 10,080 to 9,787 millions. At the end of the following week the total stood at 9,911.7 millions, a decline of 168.3 millions since January 17, largely at the New York banks. Time deposits show an increase from 1,605 to 1,624 millions.

Reserve balances with the Federal Reserve Banks at the end of the four weeks were uniformly lower than at the beginning of the period. For all reporting banks a decrease from 1,298.9 to 1,255.4 millions is shown, while for the banks in the 12 Federal Reserve cities an even larger decline from 979.4 to 929.2 millions is noted. A similar decline is shown for cash in vault, the February 14 total of 361.1 millions being 25.5 millions less than the total reported at the close of the initial week.

Federal Advisory Council.

The stated quarterly meeting of the Federal Advisory Council occurred on February 17 and 18, in Washington, all members being present. Several important topics of discussion were presented and discussed by the council. A general and growing appreciation of the usefulness of the Federal Reserve system had been found by the members to exist in the several districts, and it was reported that the system enjoyed a high degree of confidence not only for what it had already accomplished but as a basis for sound banking in time of peace. Among specific suggestions made by the council were the recommendation that collections be made by the most direct and expeditious route, that member banks' collateral notes be allowed to run for 90 days instead of for 15 days only during the further continuance of Government war financing, and that immediate credit be given in members' reserve accounts for bank acceptances paid to any Federal Reserve Bank. The council reported that the acceptance market is developing satisfactorily notwithstanding the retardation due to the short-time financing of the Government. In this same connection it was suggested that section 5202 of the national bank act be amended so as to exclude from its prohibitions the liability created by national banks as an indorser on bills owned by the bank and rediscounted at home or abroad. General discussion of the conditions under which Government's obligations could best be marketed resulted in expressions of opinion on various topics relating to the technique of the issue as well as to the conditions under which paper secured by Government obligations may be rediscounted at Federal Reserve Banks. As to this point the council said "Until the Liberty bonds already issued and the Victory bonds to be issued are distributed among permanent investors and paid for by them, and until the banks are relieved of the obligation they are under to carry such large lines of them for their patriotic customers who have gone in debt for them, the discount rates at the Federal Reserve Banks should continue to show some preference on loans covered by Government securities."

Changes in personnel.

During the month of January several important changes in personnel have occurred in the Federal Reserve system. In the Advisory Council Mr. J. P. Morgan has been succeeded by Mr.

A. B. Hepburn for the second district; Mr. J. W. Norwood has been succeeded by Mr. Joseph G. Brown for the fifth district; Mr. J. R. Mitchell has been succeeded by Mr. C. T. Jaffray for the ninth district; and Mr. Herbert Fleishhacker has been succeeded by Mr. A. L. Mills for the twelfth district. Governor Rolla Wells, of the Federal Reserve Bank of St. Louis, has been succeeded by Mr. David C. Biggs. In the Atlanta district, Federal Reserve Agent M. B. Wellborn has succeeded Mr. Jos. A. McCord as governor of the Federal Reserve Bank of Atlanta, while Mr. McCord has become Federal Reserve agent in place of Mr. Wellborn. Mr. Louis C. Adelson, formerly assistant secretary of the Federal Reserve Board, has become deputy governor of the Federal Reserve Bank of Atlanta. In the New York district, Mr. R. M. Gidney, formerly assistant Federal Reserve agent, has become manager of the new branch of the Federal Reserve Bank of New York at Buffalo. Mr. George L. Harrison, formerly assistant counsel of the Federal Reserve Board, has been appointed general counsel of the Board in place of General Counsel Milton C. Elliott, who has resigned to enter private practice. Mr. Elliott continues as consulting counsel to the Federal Reserve Board.

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BUSINESS CONDITIONS IN FEBRUARY, 1919.

While progress in the readjustment of business to peace conditions is reported by the Board's representatives in the several districts to have been made during the month of February, and while the advance in different parts of the country is reported generally gratifying, some uneasiness is expressed by the public at large because the progress is not more rapid. Although the readjustment process is still far from having reached completion, there is much evidence that the factors which must be reckoned with in bringing about the desired reorganization of business and financial relationships are cooperating in a fairly satisfactory way. "Although business is by no means on a settled basis," reports the First Federal Reserve District, "confidence is apparently returning." In the Third District the process of readjustment "has made some progress," while elsewhere in spite of some difficult conditions approach to a settled status has been distinctly marked. In the Seventh District it is observed that "both labor and capital are cooperating to continue the orderly readjustment now under way." This general situation establishes a favorable basis upon which to build the processes of modification and alteration that are now at work in various fields of effort.

Labor and employment conditions ever since the signing of the armistice with Germany have been regarded as constituting the fundamental problem of business readjustment and coupled with them the reintroduction of a normal footing for prices. Reports as to labor unemployment have been numerous in the press, but the reports of Federal Reserve agents show that there has probably thus far been overanxiety and exaggeration with respect to this matter. From several of the manufacturing districts of the Federal Reserve system it is reported that labor conditions are far from satisfactory, and that there is considerable unemployment; but it is also noted that the condition does not seem to have grown worse during February. The process of absorbing unemployed labor is certainly proceeding with some degree of success. While the existence of unemployment is admitted by most of the Federal Reserve agents, it appears that the surplus of labor is smallest in the South and Southwest, while in only a very few districts is it reported that serious labor controversies are in progress. As to wages and their readjustment to the new conditions, the trend is by no means uniform or decisive. In the South and Southwest there are no indications of any reduction in the wage scale, while in the North and East employees are demanding higher wages, notwithstanding the existence of considerable unemployment. Some revisions of wage scales are reported from the Middle West, but there is as yet no general revision of wages downward, although there are indications of a tendency to let wages settle to a definite level which shall without question be higher than that existing before the war. There has been a tendency to provide labor for a greater number of persons by eliminating overtime or establishing short time. The connection between wages, prices, and costs is well recognized, and it is the view of manufacturers in general that wages should not go down faster than prices. Such revisions as are occurring, therefore, are frequently parallel, wages and prices receding in like measure. The opposition of labor to any reduction in wages is very general and extremely positive, but in some cases it is accompanied by the modifying statement that cuts in wages must not go further than changes in costs of living.

The price question is inevitably of commanding importance, not only to the employee but also to the community as a whole. The Secretary of the Treasury has called attention in his letter to the chairman of the Ways and Means Committee to the necessity of reducing costs of living. Alterations have, however, proceeded only very slowly. Sauerbeck's index number for British prices shows up to February 15 a recession of $5\frac{4}{10}$ points from the peak of 197, reached toward the close of the war. The general index number of the Bureau of Labor Statistics for the period ending January 31 has declined four points from the peak of 206, reached during November and December, 1918. The Board's analysis of the prices furnished by the Bureau of Labor shows that a recession of about three points has occurred in the group of raw materials, where the index number for the period ending January 31 declined from 198 to 195. The index numbers for all of the subgroups included under the head of raw materials have likewise declined. In the subgroup of mineral products the reduction has been from 182 to 177, largely due to the decided cut in the price of copper. During the month the market for metals generally has shown a sharp decline with decided weakness at the end of the month. Lead, zinc, and copper have shown marked recessions, while grains, except wheat, have likewise fallen off sharply. Prices in iron and steel are largely nominal, although tentatively quoted the same as at the opening of the year, and the policy of the trade is to leave the initiative as to price concessions to the consumer. Firm bids for desirable business will probably be met by most producers.

In manufacturing, the problems of the readjustment situation are naturally more obvious than elsewhere. One of the most difficult problems is presented by the textile industry. In District No. 1 curtailment of woolen-mill production is still in progress, while in District No. 3 readjustment is still proceeding and values are unsettled. The cotton industry is even more directly affected. In New England the cotton market is at a complete standstill, so far as the raw material is concerned, while the mills that are operating are running only a few days each week, and profits have been reduced to a minimum or have disappeared. In the Third District demand for yarns has reached a minimum figure and prices have declined sharply. Spot-cotton business is in a complete state of stagnation, while it is estimated that the mills in both North and South have about a three months' supply of raw cotton still on hand. Cancellations have occurred in various lines, while in a number of specialties, such as underwear, manufacturers continue to suffer from slack business.

In leather and shoes, raw material is to-day higher than when the armistice was signed, and by some it is predicted that the price of shoes will advance rather than decline. This has led some manufacturers to continue production, even though they have no orders. Leather dealers in the Third District are reported to be optimistic.

Iron and steel production has shown no increase in activity and the demand for steel is insufficient to take the output of the mills, while equipment establishments are working mostly on old orders. In the Pittsburgh district there has been a decrease of business, while in Youngstown operations are about 60 per cent of normal. The division of the steel industry which is affiliated with the railroads is practically suspended. Unfilled orders of the United States Steel Corporation show a continuous decline from 7,379,152 tons at the close of December to 6,684,268 tons at the close of January, the index numbers being 140 and 127, respectively, while pig-iron production shows a decline from 3,433,617 tons in December to 3,302,260 tons in January, the index numbers, respectively, being 148 and 143. Steel ingot production has increased from 2,992,291 tons to 3,082,427 tons, an increase of four points from 125 to 129. In view of this situation it is notable that some iron and steel men predict a period of unusual prosperity after a somewhat further readjustment has occurred. In coal, demand has been relatively light, due to the mild winter, and consuming plants are well equipped. This has enabled miners in some districts to moderate their activity, and from Ohio and Pennsylvania it is reported that some of the larger mines are operating only from one to three days per week.

In metals some drastic revisions of conditions have occurred. Prices of lead, zinc, copper, and other nonferrous metals have fallen in a notable way, and the market has shown weakness. Gold mining has improved in the Colorado district. Petroleum, while threatened with a decline in crude, shows steady progress in the development of new wells and in the output. The production of copper during January shows curtailment, while mining earnings were poor and prices shrank in some cases to 16 cents per pound. The large accumulation of copper which occurred during the latter months of the war has provided the larger mines with the means of meeting the demand for many months to come.

Agriculturally the outlook throughout the country is bright. From the Southern States comes the report that the prospects indicate a large cotton acreage, so much so that a determined effort has been organized for the purpose of holding off the market as much of last year's crop as possible and for the curtailment of the planted area by one-third. With reference to wheat, the Ninth District reports that the midwinter output has been helped by weather conditions, and that preparations are being made with a view to a very large crop. The Pacific Coast reports that stored stocks of grain are beginning to move slowly, and that the general outlook is excellent, the soil being in good condition, while combined acreage of winter and spring wheat may attain record proportions. Flour milling in the Ninth District, however, is suffering from lack of orders, due in part to the falling off in exports resulting from the shifting of foreign demand to the Argentine and Australian product. In the Tenth District there has been a spurt in activity during the first six weeks of 1919. The January production of wheat flour for the country at large, as reported to the United States Food Administration, was 12,994,000 barrels, as compared with 11,759,000 barrels in December. Cereals other than wheat have fallen in price, and in consequence some reduction in acreage may occur. Citrus fruit crops have been damaged by unfavorable weather in December and January, but the entire yield is likely to develop favorably. Complete returns for 1918 are now available as to prunes, raisins, and the like, the raisin crop of 1918 being the largest ever recorded, with a total value close to $19,000,000. From the Southeast it is reported that fruit and truck crops have been unusually remunerative, the movement of oranges and grapefruit being very large.

In live stock excellent crop prospects and improved conditions are leading to large expansion of business by stockmen. The Tenth District reports unusually heavy receipts of cattle, fat steers ranging up to $18.40 per hundred pounds, as compared with $13.50 a year ago. Receipts of hogs during January at Kansas City were 535,000 head, or 50 per cent more than in January, 1918, with prices at a maximum. Receipts at 15 principal markets were considerably heavier than a year ago with respect to all food animals. The receipts of hogs were especially large, the figures standing at 4,603,335, as compared with 3,333,591 a year ago. On the other hand, figures for January for cattle and sheep show a slight falling off from the December level.

In retail trade favorable reports are general, notwithstanding disturbed conditions and reduced production in some districts. Even from some of the manufacturing districts it is reported that the retail business situation is very encouraging, with an increase in some lines of 25 per cent over 1918. In the First District the public is purchasing freely, while in the South and West at least fairly good trade is reported. In the Middle West reductions of prices are noted in some quarters and buying has not been satisfactory. Everywhere retailers themselves are purchasing from hand to mouth on account of uncertainty of prices. This has unsettled the jobbing and wholesaling business which in any case would show a normal reduction in activity at this season of the year. There is a strong demand in many quarters for jewelry and luxuries, including pianos, which indicates that consumers still have resources for current use.

Financially, conditions during the month have been quiet and reassuring. Interest and discount rates have on the whole been stable, with a tendency toward moderate decline in rates for time paper, especially paper with prime commercial names. Call money has been firm, with an upward tendency reaching 7 per cent on February 24. The suspension of operations by the money pool has had but little if any perceptible effect upon conditions. Rates at Federal Reserve Banks have remained practically unchanged, with the exception of a slight alteration at Boston. Bank operations, as shown by the Board's report of bank deposits (published in place of clearings) show a marked increase in volume, which has been especially pronounced in the larger centers. From the Seventh District it is reported that bank clearings are still very large, gross bank deposits showing decided increase. Banking conditions in general show a condition of greater ease, with some accumulation of funds at centers and a strong tendency on the part of hoarded money to return to the banks. According to some bankers' estimates, the amount of hoarded money that has been returned to banks since the armistice would aggregate $300,000,000.

Business Readjustment in the United States.

The following special reports to the Federal Reserve Board have been obtained as the result of a questionnaire sent to Federal Reserve agents for the purpose of ascertaining the extent of readjustment in the several districts. The questions asked were as follows:

1. To what extent has business in the district readjusted itself to peace conditions?
2. How far has labor been reemployed in peace activities?
3. How far have the industries of the district readjusted themselves to a normal basis?
4. What changes in basic prices have occurred?
5. How far has demand resumed its normal footing?
6. What special difficulties are being encountered?
7. What is the outlook for business, both domestic and export?
8. What is the prevailing tone of business sentiment?

Not all have given specific replies to the various inquiries, but the reports so far as published are given as received. Lack of specific data rendered it difficult to make positive answers in all cases.

REPORTED BY DISTRICT NO. 1.

Throughout the entire district, there is evident less apprehension regarding future conditions. Although business is by no means on a settled basis, confidence is apparently returning, and there is more inclination to enter into future commitments.

Retailers, having been cautioned for months of the probable loss to those having large stocks on hand during the transition, made haste in the closing month of last year, to cancel orders, and have since refused to commit themselves to anything but a day to day purchase policy. Jobbers and wholesalers have followed the same course, with the result that manufacturers have but few orders on their books.

In the meantime, the public has purchased so freely that now the dealer is again coming into the market.

The northern section of the district (Maine, New Hampshire, and Vermont), which, because it was devoted largely to agriculture was least affected by war conditions, has been little troubled by the readjustment. Labor is being comparatively well employed, and business is running much as usual.

The southern section, on the other hand, is more densely populated and given over very largely to industrial pursuits. During the war great expansion was experienced, with profits large and wages high. The sudden slackening of its activities brought a drastic readjustment. The first shock of this has evidently passed, and sentiment is much more cheerful.

Labor conditions are far from satisfactory in the manufacturing centers, and the paradoxical condition is being experienced of employees striking for increased wages, in a period of considerable unemployment. Disturbances have been confined largely to textile cities, Lawrence, Mass., being the storm center.

A reassuring feature is found in the fact that the local labor union has refused its support, and the strike is being conducted by a radical element. It is believed that the majority of the employees would return to their work were it not for fear of bodily harm from the strikers.

The general situation as regards unemployment has changed but little, except that those centers which released many workers on war goods, and consequently had a large surplus of help, are being eased by persons leaving to obtain employment elsewhere, or to return to their former homes.

Rates are lower than a month ago, although a little strengthening is apparent from the quotations made early in the month. The restriction of business and consequent release of working capital has helped subscriptions to United States certificates of indebtedness.

Call money is quoted $5\frac{1}{2}$ per cent. Time money is quoted $5\frac{1}{4}$ per cent to $5\frac{3}{4}$ per cent, with commercial paper selling as low as 5 per cent. Bankers' acceptances are quoted $4\frac{3}{16}$ per cent indorsed, and $4\frac{5}{16}$ per cent unindorsed.

In answer to inquiries as to the trend of their deposits since November 11, 1918, letters have been received from 17 of the largest savings banks located in the larger cities in the six New England States. Without exception, these banks have had an increase in deposits. In five cases this was classed as being extraordinarily large; in fact, four described it as the largest in their history. Of the other 12, 6 had large and 6 had moderate increases.

In some places, especially those having a foreign population, evidences that money has been hoarded are coming to light, and currency is being deposited in the same bank wrapper as when withdrawn months ago.

The increase in deposits, however, is attributed more to the high wages being received and now being saved. In one manufacturing center, on a recent pay day, the average deposit was about $100 as compared with $36 on a corresponding day in 1915.

REPORTED BY DISTRICT NO. 2.

Business and industry appear still to have reached only a comparatively early stage in the readjustment to peace conditions. From practically all lines, no matter how diverse, comes the report that business is much curtailed. Most concerns either continue to center effort in liquidating stocks which were on hand when the armistice was signed or, where such liquidation has been practically completed, are waiting on prices and buying or producing only enough to meet immediate requirements. Relatively few are purchasing or producing to anticipate even a moderately distant future. In general, the nearer a concern is to the ultimate consumer the more it has been able to achieve in the process of liquidation and readjustment.

We have no evidence of any widespread reduction in the hourly rate of wages in any industry; in some lines there has even been an increase since the armistice. Nevertheless, the average employee's weekly earnings have decreased, due in part to the elimination of overtime. Moreover, many who had acquired a certain degree of specialized skill and a proportionately increased earning power in industries engaged in war production have been thrown out of work by the shutting down of those industries, and, being unable to find peace-time jobs requiring the same type of knowledge, have been forced to go back into the ranks of unskilled labor.

Reports indicate that the labor cost per unit may have decreased, because of the elimination of overtime, the weeding out of the least efficient labor as employers find it necessary to lay off some of their force, and the closer application of employees who remain and who now begin to prize their jobs more highly than they did.

REPORTED BY DISTRICT NO. 3.

During the past month the process of readjustment of industries in this district has made some progress. There have been recessions in prices of many commodities and in anticipation of further reductions the attitude of buyers has continued to be marked by conservatism. Many producers are operating at small profits because of the continuation of high manufacturing costs and the necessity of quoting goods at more reasonable prices. It is reported that dealers are selling some lines of goods at less than the cost of production. Curtailment of production has been noted and this has been aided, in the case of many textile lines, by the unsettled labor situation.

The retail business situation continues to be very encouraging. Compared to January there has not been very much change, but compared to last year the estimated increase of volume of business runs from 18 to 25 per cent. The mild weather has resulted in a comparatively light demand for heavyweight material. Many of the stores are still in possession of large stocks of winter goods which they will have to carry over until next winter.

Following is a table showing the result of inquiries made of representative concerns in the district as to industrial and business conditions. From the replies received it seems that the transition from war work to civilian business is proceeding satisfactorily, and inventories do not seem to be unusually large. Labor is in greater supply in almost every line and appears to be less restless. The uncertainty of the future and the lack of satisfactory amounts of orders on hand are reflected in the small number of firms reporting any anticipated construction of plants or extensive repairs. Five per cent of the replying concerns consider the outlook excellent; 17 per cent, good; 20 per cent, fair; 54 per cent, uncertain; 8 per cent, poor.

Industries reporting.	Replies received.	Are the quantities of materials, supplies, and goods as shown by your last inventory larger than usual?		Are they principally for war work or civilian business?		Have the prices of your product been lower recently from the high prices prevailing during the war?		Summary of replies. Is labor more abundant?		Is labor less restless?		Is there less reemployment?		Is labor more efficient?		Has there been any lowering of wages?		Are you paying less for raw materials?		Is the supply adequate?		Do you anticipate making any extensions or repairs to your plant in the near future which will necessitate the purchase of building materials or equipment?		Have you a satisfactory amount of orders on hand?		Outlook.				
		Yes.	No.	War work.	Civilian business.	Yes.	No.	Yes.	No.	Yes.	No.	Yes.	No.	Yes.	No.	Yes.	No.	Yes.	No.	Yes.	No.	Yes.	No.	Yes.	No.	Excellent.	Good.	Fair.	Uncertain.	Poor.
Agricultural implements	5	2	3	...	5	...	5	4	1	4	1	4	1	3	1	...	4	2	3	5	...	...	4	5	...	...	2	2	1	..
Automobiles and parts	3	2	1	1	1	3	...	3	...	2	1	8	...	1	2	...	3	3	...	3	...	1	2	1	2	...	1	...	2	..
Canning	5	4	1	1	4	5	...	3	1	2	1	1	2	...	3	1	3	1	3	3	...	1	4	...	4	...	...	...	5	..
Cement, slate, and stone	4	3	1	...	4	...	4	4	...	2	2	2	1	1	2	...	4	2	1	4	...	1	3	1	3	1	1	...	2	..
Chemicals, fertilizers, drugs, soaps, etc	8	3	4	...	7	6	2	7	1	4	3	5	2	3	4	1	6	6	1	7	...	1	7	5	2	...	4	2	2	..
Coal	4	1	3	...	4	1	3	3	1	2	2	2	2	1	3	...	4	1	3	4	...	...	4	...	4	...	...	...	1	3
Confectionery	4	3	1	...	4	1	3	4	...	3	1	2	2	1	2	...	4	...	4	4	...	2	2	3	1	1	1	1	1	..
Cotton and cotton goods	4	1	3	...	4	4	...	3	1	2	2	3	1	2	2	...	4	4	...	4	...	...	4	...	4	...	...	2	1	1
Department stores	3	3	1	...	3	2	1	3	...	2	1	2	...	2	1	...	3	...	...	...	...	1	1	...	...	...	1	2	...	..
Dry goods and notions	4	2	2	...	4	3	1	4	...	3	1	3	1	2	2	...	4	4	...	4	...	...	4	1	2	...	1	1	2	..
Dyeing and finishing	3	3	...	...	3	2	1	3	...	1	2	2	...	...	3	...	3	2	...	3	...	...	3	1	2	...	...	...	3	..
Furniture	3	2	1	...	3	2	1	3	...	3	...	1	2	2	1	...	3	...	3	3	...	1	2	3	...	1	1	1	...	..
Glass	4	2	1	...	4	3	1	3	1	3	1	2	2	3	1	2	2	3	1	3	1	2	2	1	3	...	...	2	2	..
Grocers and food products	19	13	5	...	19	13	4	18	1	13	5	14	4	8	10	1	18	6	5	15	...	2	17	5	10	...	1	6	11	1
Hardware	7	4	3	...	7	5	1	7	...	4	3	5	1	7	5	...	7	4	3	7	...	...	7	...	6	...	3	...	3	1
Hats	2	1	1	...	2	1	1	2	...	2	...	2	...	1	1	...	2	1	1	2	...	...	2	1	1	1	1	...	...	..
Hosiery and knit goods	15	8	6	2	12	13	1	14	1	6	8	11	4	5	10	1	14	12	3	15	...	1	14	3	12	...	2	...	12	1
Iron and steel	13	5	8	2	10	11	1	13	...	7	5	13	...	6	6	...	13	8	2	13	...	2	11	5	8	...	1	3	5	4
Leather, hides, and glazed kid	13	2	11	...	13	2	11	13	...	13	...	9	3	5	7	1	12	4	8	8	4	4	9	7	6	2	2	3	4	1
Linoleum	3	1	2	...	3	3	...	3	...	1	2	2	1	1	2	1	2	2	1	2	1	...	3	...	3	...	...	...	3	..
Locomotives, boilers, engines, etc	10	4	6	3	7	8	2	10	...	6	4	8	2	2	6	1	9	6	4	10	...	1	9	3	7	...	1	1	6	2
Lumber and millwork	10	4	5	1	9	2	7	8	2	7	2	3	4	5	4	1	9	2	6	6	2	1	8	2	7	...	1	6	3	..
Machinery, foundry products, machine tools, etc	26	13	12	4	20	17	9	25	1	15	10	20	4	6	17	2	24	19	6	26	...	7	19	7	19	1	1	2	20	2
Men's and women's wear	5	1	4	...	5	2	3	2	2	2	2	3	1	2	2	...	5	2	2	3	1	...	5	...	3	...	...	1	4	..
Paints	2	2	...	...	2	...	2	2	...	1	1	1	1	...	2	...	2	2	...	2	...	...	2	...	2	...	...	...	2	..
Paper, paper products, and twine	7	2	5	...	7	5	2	7	...	6	1	7	...	3	4	1	6	4	2	6	...	2	5	1	5	2	3	...	2	..
Petroleum	3	1	2	...	3	2	1	3	...	2	1	21	1	2	1	...	3	3	...	2	...	1	2	2	1	1	1	1	...	..
Pottery	6	2	4	...	6	3	3	6	...	4	2	5	1	...	5	...	6	...	6	6	...	1	5	...	5	...	...	...	4	2
Rubber goods	3	1	2	...	3	...	3	2	1	2	1	2	1	...	2	...	3	2	1	3	...	2	1	...	2	...	...	1	2	..
Shipbuilding	3	2	1	1	1	2	1	3	...	1	2	...	2	...	3	...	3	2	1	3	...	...	3	2	1	...	...	...	3	..
Shoes	6	3	3	...	6	2	4	1	5	1	4	...	5	...	5	...	6	...	6	1	3	1	5	5	1	...	3	2	1	..
Silks, laces, etc	10	5	5	1	9	6	4	10	...	6	4	8	2	4	6	2	8	5	5	10	...	3	7	4	6	...	1	3	6	..
Tin plate and tin cans	3	2	1	...	3	2	...	3	...	3	...	3	...	2	1	...	3	2	1	3	...	...	3	1	2	...	2	...	1	..
Tobacco, cigars, etc	6	1	5	...	6	1	5	6	...	1	5	2	3	1	3	...	6	3	3	4	2	...	6	4	2	1	1	2	2	..
Wire	3	1	2	1	2	1	2	2	1	2	1	2	1	3	...	1	2	1	1	2	1	1	2	2	1	...	1	1	1	..
Wooden boxes	2	...	2	2	...	2	...	2	...	2	...	1	...	2	...	...	2	1	...	2	...	1	1	1	1	...	1	...	1	..
Woolens and worsted	14	2	12	1	13	13	1	13	1	4	10	11	3	2	12	1	13	12	...	13	1	1	13	2	12	...	1	3	9	1
Miscellaneous (gummed labels, pianos, pens)	3	3	...	...	3	...	3	3	...	3	...	1	2	2	1	...	3	...	3	3	...	1	2	3	...	...	2	...	1	..
Total	239	114	129	20	221	148	93	225	21	147	91	186	62	90	142	17	228	131	89	212	16	42	203	81	150	11	41	48	128	19

REPORTED BY DISTRICT NO 4.

Readjustments appear to be progressing fairly satisfactorily. There are, however, two things which tend to delay.

The first is the adjustment of Government contracts. Many firms have been unable, as yet, to make their annual reports on account of not knowing in just what position they stand in regard to these contracts and, consequently, firms interested hesitate to make plans for the future until they know, to a fair degree of certainty, what funds will be available for new projects.

Another hindrance to the resumption of peace time activities is the high prices. There have been some small recessions in prices, but these serve to accentuate the waiting mood for the reason that they have not been of sufficient magnitude to convince buyers that they have reached a level at which business will become active. In fact, these slight reductions are disturbing rather than helpful.

Unemployment of labor does not exist to such an extent as to elicit concern at the present time, but it is rather the fear of what will take place if it continues and becomes general.

Overtime and bonuses are a thing of the past. Some manufacturers have discharged quite a few of the men who had been engaged on high-priced special war work, but advised them, at the same time, that there was employment in other parts of the factory at lower wages and shorter hours. In many cases this has resulted in labor being discharged at one window and reemployed at another without causing any trouble.

It would seem that it would be impossible to have what is called a normal market until all commodities are governed by the law of supply and demand.

This district is prosperous largely as the steel and iron trade is prosperous, and so far in these industries the curtailment of output has not been such as to occasion very much concern when it is taken into question how largely this industry was given over to war work. There have been no drastic cuts in this line. There is a high output of ingots. Steel sheets are in demand for automobile makers and tin plate mills are very active. Steel manufacturers making railway accessories report their business very dull.

It would seem that if prices could once reach such a level as to give confidence to buyers the underlying basis of business is on such a foundation that general business would be prosperous and labor fully employed.

Men of judgment and foresight generally are optimistic as to the future, believing that when some general line finds its bearings and commences activities others will soon follow.

REPORTED BY DISTRICT NO. 5.

Inquiries have been sent to all lines of business in an effort to cover the readjustment situation thoroughly. The questions are stated below and brief summaries are given indicating the tenor of different replies, together with my own summary on each subject.

1. To what extent has business in this district readjusted itself to peace conditions?

Answers:

None.
Not all.
Slowly.
Delayed.
Very little.
Twenty-five per cent.
Thirty per cent.
Forty per cent.
Partially.
Fair progress.
Not yet normal but less trouble in getting goods.
Being adjusted with little disturbance.
Very large extent.
Good.
Normal.
Now adjusted.
O. K.
Fertilizers, interfered with by low prices of cotton.
Flour and grain, uncertain on account of Food Administration.
Tobacco, remarkably well.
Shoes, adjustment reasonably satisfactory.

Summary: From number and character of replies, readjustment is apparently proceeding with reasonable rapidity and quite as satisfactorily as could be expected.

2. How far has labor been reemployed in peace activities?

Answers:

Many unemployed and others on short time.
Very little surplus except in coal fields.
Still a scarcity.
Fully employed, more farm labor needed.
Working full number of men.
Well employed, efficiency improved.
Very little unemployed.
Returning men getting old positions and conditions improving.
All who have applied.
All returning soldiers reinstated.
All desiring work get it.
Being absorbed in peace activities as quickly as released.
Quickly employed in peace activities and discharged soldiers reinstated.
Finding work.
Have secured enough labor to fill up.
Little or no surplus; soldiers rapidly employed.
Fairly well employed; 90 per cent.
More labor needed.
Still scarce.

Summary: Many answers cover entire labor situation but are given as they have an important bearing on the subject of reemployment. Conditions are improving, reemployment seems to be proceeding satisfactorily. Coal regions only are reporting unsatisfactory conditions.

3. How far have the industries of the district readjusted themselves to a normal basis?

Answers:

Canning, prices broken and very little demand at reduced prices.
Furniture, not to any extent.
Not very far, lack orders, labor unrest.
Waiting.
Government claims not paid, delaying return to normal conditions.
Estimates ranging from 25 to 75 per cent.
Fairly well.
Products declining in price, labor at unchanged wages.
Fair progress in some lines, others quite difficult.
Very rapidly.
Doing nicely.
Rapidly adjusting to normal.
Satisfactorily.
About normal.
Practically normal.
Apparently in normal condition.

Summary: Industrial readjustment proceeding satisfactorily, only serious complaint apparently from cotton mills, whose products have declined considerably in price.

4. What changes in basis prices have occurred?

Answers:

Have declined 5 to 40 per cent, dry goods 20 to 33⅓ per cent.
Grain, 10 to 25 per cent, except wheat.
Corn decline, 25 cents per bushel.
Very slight.
Small.
No material change.
Only slight reductions.
Very few changes.
Some farm products show some little decline.
All commodities a little lower basis.
Slight decline, prices generally well maintained.
Labor, very little.

Summary: Only moderate concessions in prices apparent, but buyers disposed to hold off, anticipating further declines.

5. How far has demand resumed its normal footing?

Answers:

Little demand for canned goods.
Very little demand.
Slow.
Less demand for fertilizers.
Demands 25 to 80 per cent or normal, building about 50 per cent.
Not yet normal.
Fairly well.
About normal, except building material.
Normal, but orders not plentiful.
Good, expecting spring trade.
Shoes, behind in deliveries.

Summary: Demands would appear to be 60 to 80 per cent of normal.

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6. What special difficulties are being encountered?

Answers:

Wide, uncertain on account of Government control.
Cancellations of Government contracts.
No demand for canned goods.
Government cancellations, revenue legislation, and high prices of labor.
Heavy losses on goods on hand.
Distrust of to-day's prices.
Hesitation on account of expected decline.
Waiting for lower prices.
High wages of labor, taxes, and cost of materials.
Public awaiting lower prices.
High labor, poor railroad and steamship facilities.
No reduction in overhead charges.
Buyers seeking lower prices.
Limited demand, buyers awaiting lower prices.
Restrictions on exportations.
Coal strikes and nonproduction.
Cotton mills accumulating stocks.
Low price of cotton.
Building, difficulty in obtaining loans based on present cost level.

Summary: Waiting attitude, indisposition to make commitments based on present prices.

7. What is the outlook for business, both domestic and export?

Answers:

No export demand.
Domestic poor, foreign depends on ability to ship.
Grain, domestic bad, buying from hand to mouth; export, none, prices artificial.
Not encouraging.
Only fair.
Small volume for spring.
Fair.
Not encouraging now, but anticipate improvement.
With return of confidence, bright, both domestic and foreign.
Looks good if could only get it started.
Improvement after six months.
Building, anticipating improvement.
Anticipate good business.
Reasonably good.
Good, domestic.
Tobacco good; export good, if restrictions removed.
Very good.

Summary: General disposition not to take present difficulties too seriously, and improvement generally anticipated.

8. What is the prevailing tone of business sentiment?

Answers:

Pessimistic.
Pessimistic, but our policy is "peptomistic."
Depressed.
Hesitating.
Waiting.
Not encouraging, awaiting removal of Government restrictions.
Uncertainty.
Upset, difficult to say.
Present gloomy; along future, optimistic.

Answers—continued.

Fair.

Hopeful, can not get worse; hope better.

Cautious, conservative.

Healthful, optimistic as to future.

Tobacco good, others awaiting developments.

Good.

Good, with exception of "soreheads."

Good; will soon be normal.

Summary: Making the best of present conditions and looking for future improvement.

REPORTED BY DISTRICT NO. 6.

The transition from a war to a peace basis has up to this time caused no considerable general disturbance in the Sixth Federal Reserve District. The amount of trade has held up fairly well, although it has not come up to the volume expected after the signing of the armistice. This trade, however, has been to a large extent in goods already manufactured and in the hands of the jobbers and wholesalers. There has been a marked slowing up in manufacturing, due to the cancellation of orders by the Government, and to the fact that orders from general trade are not forthcoming.

With the cancellation of Government orders, it is necessary for business to turn its attention to general trade, and this it is doing cautiously. A definite and decided decline in prices all along the line is momentarily expected, and manufacturers are delaying the purchase of raw materials with this in view. Factories in some lines are operating to an extent necessary to supply immediate and current demands; others have shortened their hours, while a few have closed entirely for the time being. Some of the cotton mills in the district are operating on full time, and while in a few instances some employees doing night work have been released, revival of other lines of business has been sufficient to absorb those who are in need of work. The closing down of the powder plant at Nashville created abnormal conditions with regard to the number of unemployed men. Many of these employees, however, were not residents of Nashville and have gradually drifted back to their homes. The milling interests in that community are in an unsettled condition, and probably will be until the price of wheat is put upon a more permanent basis. During the past few weeks inventories and readjustment of stocks to meet peace conditions have largely occupied the time of merchants and manufacturers. Trade has been steady, but quiet in practically all lines.

Expecting an early settling down to more nearly normal conditions, some of the large houses are adding to their traveling forces. Automobile agencies, and many other lines which during the period of the war were classed as "nonessential," are again actively in the field, reorganizing their forces, and in this way giving employment to many of those who have been engaged in war work, as well as the returning soldiers.

While it is true that some soldiers have probably returned to the farm, reports show that a very small percentage of those who left farm work to enter the Army have returned to the farm. It is indicated that, having become accustomed to crowds and being attracted by life in the Army, they are reluctant to return to life in the country. Many reports show that returning soldiers, especially colored soldiers, who have already gone to work, are not rendering as efficient service as before they went to war.

There is a great reluctance on the part of those who have been engaged in war work, and receiving higher wages than ever before, to return to work they were doing before the war, and to their old wages. While the cost of living has of course increased, this class of workers have been enabled to enjoy many luxuries which they have previously not been in a position to purchase. In all probability wages will not reach the level of the prewar period for a long time, and the general standard of living of these classes of workers will be higher than before the war. On this account prices of everyday necessities of life will remain higher than before the beginning of the war.

Prices of meat and bread, the two main articles of food, remain as high as at any period during the past several months, and have shown no indication of declining. Butter, eggs, and a few other articles have declined to some extent, and reports indicate that lowering of prices of various other items of food may be expected.

Buying in practically all lines, not only by jobbers and retailers, but also by the ultimate consumer, is being done in a "hand-to-mouth" manner; people are buying just what they actually need for immediate use, and are not buying in quantities, expecting an early lowering of prices. This frequent purchasing of small quantities is holding the demand steady in many lines.

The principal difficulty in this district is the low price of cotton. Farmers are determined not to sell cotton now in their hands for less than 35 cents a pound, and coupled with this they have organized a powerful movement to reduce this year's acreage planted to cotton at least one-third, raising more foodstuffs and feed, cattle, and hogs. All indications point to a considerable reduction in cotton acreage, and the purchasing of less fertilizer.

Connected with this movement, there is a feeling of optimism and a belief that the price of cotton will soon begin to respond; and it is felt that as soon as cotton begins to move at a satisfactory price almost all lines of business in these States may expect a largely increased volume of trade. In the meantime, however, there is a policy of "watchful waiting" being pursued by manufacturers, wholesalers, jobbers, and retailers.

REPORTED BY DISTRICT NO. 7.

Aside from the current rumor of a possible general building strike on April 1, there seems to be no indications of interference by labor, through strikes, with a general business readjustment to a peace footing in this district. Both labor and capital are cooperating to continue the orderly readjustment now under way. Efforts are being made to give the returning soldier employment as soon as he is released from military service. At the same time care is being exercised to avert the unnecessary throwing out of employment of those who were taken on during the war period, and where such are let out, to assist them in finding employment in other lines now expanding their operations in consequence of the withdrawal of war-production restrictions.

Careful inquiry discloses that at present the number of unemployed men in the Seventh Federal Reserve District is remarkably small when the progress which has been made in readjustment is considered. The country is entering the fourth month since hostilities in Europe ceased, and industry in the Seventh Federal Reserve District is able to continue operations on a scale to maintain labor employment not far below normal at this season of the year. Those connected with the United States Employment Service, and the various relief organizations, say that the existing distress in consequence of unemployment is less than usual at this period of the year.

The slow recession of living costs has checked a tendency to force wage reductions, and this has encouraged cooperation on the part of labor organizations in the effort to avoid strikes wherever possible.

In the Middle West the speeding up of all activities of production for war purposes was confined chiefly to the normal products of manufacturing enterprises which could be utilized in war, rather than being directed to making of munitions and other strictly war material. There were some very large contracts for munitions and other strictly war products made during the last six months of actual hostilities. In many instances, however, these contractors had scarcely reached the stage of quantity production and in some cases had not completed their plant expansions when the war stopped, hence the large number of unsettled and informal claims to be passed upon by the War Claims Board.

So far in Chicago and the immediate vicinity there are reported 658 contracts on which there are claims to be adjusted. Of this number 200 are in, and approximately 75 have been passed. The amount of money represented by the face value of these contracts when completed is variously estimated, but probably approximates $400,000,000 for the Ordnance Department alone, with something like $200,000,000 on other classes of contracts. It does not follow that the amount of the claims will closely approach this total if those already passed on are a fair criterion. Detroit, it is estimated, has contracts to be adjusted the face value of which aggregate upward of $100,000,000, and Indianapolis has about $60,000,000. No estimate is obtainable from Milwaukee.

Necessarily the difficult feature of this situation lies in the plight of the subcontractor, the prime contractor hesitating to make payment to the subcontractor until he has some idea of what the Government is going to allow him in the adjustment on his contract. Meanwhile the subcontractor, as well as the prime contractor, has borrowed liberally at the banks to provide raw material and to work it up. Until the Government allows these claims, the credit situation is somewhat involved.

It is expected, however, in a few days the Government will complete arrangements by which partial payment can be made by the prime contractors to subcontractors, which will relieve the situation. While the amount is not large, comparatively speaking, the wide distribution and the number of small concerns affected make this an important factor because it restricts the ability of small manufacturers to make definite plans for proceeding on a peace footing.

Notwithstanding this handicap the labor situation, according to the latest statistics, shows a remarkably small number of unemployed. An indication of this is found in the following compilation from the United States Employment Service statistics from a limited number of representative plants:

	Towns.	Number of concerns.	Number of employees.	Estimated surplus.
Michigan	5	247	178,806	37,500
Indiana	7	157	109,013	8,300
Wisconsin	3	212	108,086	12,000
Illinois	7	556	295,979	[1] 940

[1] This Illinois surplus represents Joliet and Rockford, the other five Illinois towns, including Chicago, reporting no unseasonal surplus.

CHICAGO'S LABOR WELL EMPLOYED.

Want advertisements in the leading mediums used by employers and those seeking employment usually are a fair criterion of labor conditions in Chicago. It is interesting, therefore, to study some comparisons between January and November. In November last there were 20,625 advertisements for male and 14,506 advertisements for female help in one of the leading mediums, while in January there were 15,895 advertisers for male and 18,110 for female help, a decrease of 4,730 for male and an increase of 3,604 for female help. "Situations wanted" statistics are in agate lines, and show 2,011 lines for men and 1,229 lines for women desiring positions in November compared with 3,215 lines for men and 1,767 for women in January, an increase of 1,204 lines on "Situations wanted" for men and 538 lines on "Situations wanted" for women in the two months.

Uppermost in the business mind, of course, is the thought of eliminating as far as possible the hazard of future commitments in a period of declining prices, but offsetting this is the existence, especially in the Middle West, of a greatly increased buying power, growing out of the high prices for the natural products of this vast agricultural section, together with the high wages received during the war period.

With retail stocks reported as normal or below, and with skilled labor at all the industrial centers pretty fully employed, and with labor conciliated, apprehension of the usual disturbing features of a general readjustment period is being dispelled. Any development indicating that the price readjustment has reached a point of stability, will, it is believed, turn the tide and stimulate business activity all along the line. However, that point has not yet been reached.

Food commodity tonnage in stock is about prewar normal, but dollar value is considerably larger on account of the high prices, indicating that considerable readjustment remains to be done along that line. Inability to adjust prices generally is retarding the flow of merchandise. This applies with equal force to dry goods and kindred lines of business. This hesitancy slowed down manufacturing, and while the volume of retail business reported for January and February is 30 to 45 per cent greater than last year and collections are good, yet manufacturers apparently have not reached a point where they feel justified in guaranteeing prices to customers. There has been a depreciation in cotton and woolen goods during the last 60 days of approximately 25 per cent. Stocks of merchandise are rapidly being diminished, and depreciation in price will not seriously affect the retailers, as stocks are comparatively small. Jobbers guaranteed prices for spring merchandise up to March 1, to a large extent, and purchases are being restricted to nearby markets. Road sales for immediate delivery are good.

REPORTED BY DISTRICT NO. 8.

Reports from various lines of industries indicate that a large percentage of employers are cooperating in furnishing employment to soldiers and sailors who have been released. Many employers are taking them back, as well as retaining their present force. A campaign has been started in St. Louis with the slogan "Make a job for every fighter," and this is resulting in employers giving preference to the soldiers and sailors. Munition workers who have been released are gradually being absorbed by other industries. However, general business has not as yet resumed such proportions as fully to absorb the present supply of labor. It is estimated that there are approximately 15,000 unemployed workers in St. Louis. In the other centers in this district the number seems to be very small. Those out of employment seem to be mostly unskilled workmen, as there is a good demand for skilled workers in many lines. For several weeks past the St. Louis office of the United States Employment Service has been placing an average of about 800 men in jobs each week. The labor situation seems to be improving in this district, and with the revival of business activity it is believed that the surplus supply of labor will be fully absorbed.

HOW FAR THE INDUSTRIES OF THE DISTRICT HAVE READJUSTED THEMSELVES.

Reports from the different industries in this district indicate that business is gradually resuming a normal basis, but that it has not as yet been fully accomplished. Prices in many lines have not yet declined far enough to induce vigorous operations. However, declines in the prices of certain commodities have taken place, which has stimulated buying. In other lines merchants are still buying only for their immediate needs. With further readjustments of prices, a marked revival in business is anticipated. Iron and steel manufacturers report that normal demands are gradually filling the gap created by the cancellation of war contracts. Some report that they are now doing practically a normal business. The demand for automobiles, garages, etc., is helping the iron and steel industry. Shoe manufacturers are doing an active business, though it is not quite up to this time last year. Wholesalers and jobbers of dry goods state that their business is declining, as merchants are buying cautiously, anticipating further reductions in the prices of cotton goods. A large clothing manufacturer states that he is drawing in his lines a little. The flour milling industry is still considerably below normal. Business in the electrical line is becoming more normal. Considerable improvement in the wholesale grocery trade is apparent, as is also the case in the drug and millinery lines. Readjustment of the candy industry is taking place slowly. This is also true of the lumber industry. One of our large manufacturers ventures the statement that the industries in this district have readjusted themselves to the extent of about 75 per cent.

WHAT CHANGES IN BASIC PRICES HAVE OCCURRED.

Manufacturers of iron and steel products report that slight reductions in the basic prices of metals have taken place, averaging about 10 per cent. The price of leather remains firm. Dealers in dry goods report that there have been reductions in their line of from 10 to 30 per cent. Electrical supply houses report some lowering in the prices of copper wire and other raw materials. Wholesale grocery houses state there has been a slight reduction in some of their articles. Drug manufacturers report that declines have occurred in articles used in the manufacture of munitions, such as glycerin, carbolic acid, and their derivatives. Candy manufacturers say that material in their line is practically as high now as last year. Some slight reduction in the price of paper is reported. Little change in the price of lumber.

HOW FAR THE DEMAND HAS RESUMED ITS NORMAL FOOTING.

In the iron and steel line, leading manufacturers estimate that the demand has resumed from 60 to 85 per cent of its normal footing. However, one large boiler manufacturer states: "The demand is far from its normal footing. There are many excellent inquiries for prices, but after prices are furnished there is a tendency to hold back placing orders, making it difficult to obtain business." A large shoe manufacturer estimates that the demand is only about 70 per cent of normal, and another states that he expects it to be normal within 60 days. Hardware dealers report that their business is practically normal. A large department store also states that the demand is normal. A large wholesaler of dry goods states that the demand for his goods has resumed its normal footing to the extent of from 60 to 70 per cent. Another dry goods house states that the volume of business in its community is above normal or prewar average, although somewhat less than for the corresponding period of 1918. A large electrical manufacturing company states that the demand is normal. The millinery demand has been favorably affected by the termination of the war. A large wholesale drug concern states that its sales during January were the largest in its history. The demand for lumber is reported to be much below normal, and the demand for paper is said to be about 80 per cent of normal.

WHAT SPECIAL DIFFICULTIES ARE BEING ENCOUNTERED.

Reports from the various lines of industries in this district indicate that the following are the main difficulties being encountered: (1) Tendency on the part of buyers to wait for reduced prices; (2) high cost of labor and the more or less unsettled labor conditions; (3)

marked decline in price of cotton; (4) lack of building and construction work; and (5) slow transportation. A large flour mill states that preference is given for the export of wheat instead of flour, and this control of the export flour trade is its special difficulty.

WHAT IS THE OUTLOOK FOR BUSINESS, BOTH DOMESTIC AND EXPORT.

Reports from practically all lines of industries in this district express the belief that domestic business will show a healthy increase in the near future, but that its full development will be gradual. A large iron and steel manufacturer states that domestic business will be good after prices have declined to normal. A large paper company states: "We anticipate good demand for both domestic and export trade, because in both cases orders have been held up for several months, thus accumulating a demand." Efforts are being made in this district to develop foreign trade, and reports indicate that the outlook is favorable.

WHAT IS THE PREVAILING TONE OF BUSINESS SENTIMENT.

The present prevailing tone of business sentiment in this district is one of conservative optimism. Business men, as a rule, are looking to the future in confidence. An iron and steel manufacturer states that "after a general readjustment in price of raw materials and labor, business will be good." A boiler manufacturer states: "The prevailing tone of business sentiment is an element of doubt as to what the future holds. All manufacturers are afraid of the high cost of labor and are therefore reluctant to place an order for material, being unable to determine whether there is going to be an improvement or not, and are therefore operating conservatively." A dry goods company reports: "Business sentiment in our district shows utmost confidence. Overcoming prevailing timidity only obstacle to assumption of a good volume of business." The vice president of a large hardware company, who is familiar with trade conditions in this district, states: "Same conditions will continue for 30 to 60 days."

REPORTED BY DISTRICT NO. 9.

The readjustment process is in full swing throughout this district, with surprisingly little variation from ordinary and normal conditions. The return of men in various military units and in the naval service has been slow. Many have not yet received their discharge. The disposition of employers has been to hold open the posts formerly held by men in the service, and there has been little complaint of inability to obtain satisfactory opportunities for employment. With the opening up of spring activities within a very short time, the opportunity for reemployment of these men will improve considerably, and no difficulty is anticipated in absorbing them into industry and the ordinary agricultural and business activities.

The district has been short of farm labor since the beginning of the war, and men fitted for this class of activity will be in great demand.

A powerful factor in preventing radical changes due to readjustment has been the fact that the district is largely agricultural and will obtain a guaranteed price on wheat and probably very good prices for their agricultural products throughout 1919. The war has therefore brought no curtailment in an agricultural sense, but, on the other hand, the indications all point to a considerably increased acreage of wheat, due to the Government guaranty, and to increased acreages of rye and good acreages of other grains due to a continuously active demand.

The chief readjustment now in progress is confined to industrial plants that have been largely engaged on war orders. So far as those plants are concerned that were employers of considerable numbers of men, they have in all cases taken steps to discount the termination of war contracts by providing other work to take their place, and while forces have been reduced, there has been no unemployment so far, and men released from war service have found ready employment in other lines. As an indication of this, there is at several points in the district at the present time a demand for carpenters. Comparatively few men are looking for jobs.

In an industrial sense the district is in a very healthy condition, and there are no signs of any sharp decrease in the employment afforded by such concerns.

The spring outlook indicates the gradual resumption of building activities, which, especially at urban centers, have been sharply curtailed. Counties and municipalities throughout the district are planning large amounts of spring work of a public nature and will again take up numerous projects, involving paving, municipal construction, road and bridge work, drainage, etc. Readjustment conditions were recently given very careful study by the mayors of the principal cities and towns of Minnesota in conference in Minneapolis, and throughout the district the disposition is to provide for municipal committees on reemployment of men in service to act in an advisory capacity with the public officials in the handling of current problems.

The district is prosperous, and the outlook for 1919 will continue to be very satisfactory, if spring planting conditions are favorable and the farmers enjoy a satisfactory crop year.

REPORTED BY DISTRICT NO. 10.

Transition from a war to a peace basis is underway in the Tenth Federal Reserve District. Generally, and in a large way, it is making rapid progress, although in some lines of industry the change involves intricate problems that, in the present state of the business mind are quite difficult of solution. It is agreed that the one big problem which stands in the way of harmonious and equitable adjustment is how to get down from high war prices to equitable peace prices without working unnecessary hardships or entailing undue losses.

The bank clearings of seventeen clearing-house cities of the district, considered a fair index to the volume of business, exhibit a total of $1,495,332,000 in January, 1919, as compared with $1,457,456,000 in December, 1918, and $1,389,721,000 in January, 1918, indicating a gain of about 2.6 per cent for January, 1919, over December, and 7 per cent over January of last year. While the volume of business reflected in these figures would indicate that business is rapidly returning to normal conditions, an analysis of the situation discloses that this is largely the result of the continued heavy movement of agricultural products and live sotck to the markets under stimulus of prices but little if any below the high peak of war prices.

The mining and oil industries, the former seriously handicapped in its efforts at readjustment by a slump in prices of products, contributed their share to this large volume of business. Heavy-meat packing operations and a fair flour output from mills of the district also helped make up the total.

There are many signs to indicate a return to former activity of those manufactuing industries which were idle during the war or else given over to the making of war essentials, since restrictions as to labor, fuel, and materials have been removed by the Government. Most of the present activity, however, is in filling orders that have been on the books, many of them for months. New orders are coming slowly, due to the high cost of everything that enters into the cost of production. While it can be said that the movement of factories to peace basis is more rapid, for the reason that their products are generally essential, it is certain that manufacturing in this district can not reach its wonted activity until there is a price readjustment on an equitable basis. The same condition also exists as to building, improvements both public and private, road construction, railroad work, etc., all of which are retarded by high prices of materials and labor. And this in the face of the fact that there is an increasing demand for all kinds of manufactured products, machinery, tractors, automobiles, trucks, lumber and building materials of all kinds, such as would, if unhampered, make 1919 the best year in history.

Throughout the Tenth Federal Reserve District, however, the sentiment respecting the future is one of optimism. It has its foundation in the knowledge that as an agricultural, meat-producing, mining, and oil-producing section there is no limit to be placed on its resources, and that the United States will be called upon to not only supply a large portion of the food for Europe but to help with its products and manufactures in the reconstruction of the battle-front regions, in addition to supplying a rapidly growing trade with other countries and on other continents.

REPORTED BY DISTRICT NO. 11.

The industries of the district are being readjusted to peace times, and the present outlook is encouraging. In some lines of trade there is a strong tendency to defer buying and the execution of contracts pending more settled market conditions. Wholesalers of every class of goods report that the public expect a substantial reduction in prices, and are restricting their buying. There seems to be no real foundation for a considerable drop in prices. Of course, some declines are to be expected and, in fact, are already apparent. These have occurred principally in dairy products and country produce. Various commodities in the grocery line have also been affected, while others have shown a good advance. According to our reports, the market on foodstuffs is the only one in which the prices have been affected.

There is a feeling of optimism as to the future in this district, which we mainly attribute to very fine crop prospects. At the present time, the outlook for a record production in small grain and foodstuffs is very encouraging. During the past 90 days fine rains and snows have fallen over the greater part of the district. This moisture has effectually broken the drouth of many months' duration.

The cattle industry, one of great importance in this section, is greatly improved, and we look for a further recovery as the season advances.

As in other sections of the country, the labor situation presents some problems. There is considerable unemployment in both skilled and unskilled lines, and we fear some disturbances in the way of strikes will occur. As yet no attempt has been made to reduce salaries, and until there is a decline in living costs, we do not think any immediate attempt will be made to cut salaries. Men discharged from the Army are given preference in organizations, but the end of the war found labor conditions pretty well adjusted, and the return of demobilized soldiers has created quite a surplus. This condition will be greatly improved as the spring season advances and building operations are resumed.

At present everything points to unprecedented activity in construction lines, as housing facilities are badly needed, especially in the larger cities, and with the end of the war industries which have deferred construction will now get the same under way.

REPORTED BY DISTRICT NO. 12.

The principal activities of this district being agricultural rather than industrial, readjustments from war to peace conditions have been made with slight disturbance. When the armistice was signed, most of the crops had been harvested and the canning season had practically ended. Contracts for many products had been entered into, leaving only deliveries uncompleted, most of which have now been made. Food being still essential, plans for the next season were entered into on practically the same scale as those of last year, with the hope for relief from agricultural labor shortage.

The principal war industry on the Pacific coast was shipbuilding, and its activity is practically unabated so far as steel-ship building is concerned, except for the elimination of overtime and extra shifts and delays due to strikes. The metal trades, practically all of which were operating in connection with the building of ships, have likewise continued their activity. The Government has canceled contracts in this district for 60 wooden ships of 213,000 total tonnage, distributed as follows: Portland 29, tonnage 105,000; Seattle 21, tonnage 73,000; California 10, tonnage 35,000. This caused a rapid decline in the industry, and if present plans are carried out all Government work on wooden ships will be finished by July.

Lumber production in the Pacific Northwest was affected by the diminished demand for shipbuilding, but has since shown improvement both as to prices and demand, with production considerably below normal. Spruce production for the Government air service, with a monthly output of approximately 17,000,000 feet, has been eliminated.

Petroleum was produced in California during the war under the supervision of the Government, but this activity has been returned to the oil companies who have been released by the Government from war obligations. They are, however, still operating under licenses, but production and employment are practically the same as during the war.

The activity of the copper and mining industries has been materially reduced. The textile manufacturers of this district did not have many war contracts at the cessation of hostilities nor were they required to make any considerable physical changes in their equipment during the war in order to perform the contracts which were awarded. Production in these lines is practically back to normal.

The number employed in the plants building steel ships has remained approximately the same since November. A large number of persons who had been attracted to this industry from other lines of work during the war left the shipyards upon the signing of the armistice, but their places were almost immediately taken by workers from the wooden-ship yards and by returning soldiers and sailors. The present month and the month of January have been the dull season in the lumber mills and logging camps and in the rural communities. As set out in the report of February 15, this has caused considerable unemployment in the Pacific Northwest and the agricultural centers, but the surplus will be absorbed by the reopening of these industries within the next 30 or 60 days. In Utah about 2,500 men employed in the copper industry have been discharged, and it is expected that more will be released unless the copper market improves in the near future.

Basic prices in general are assuming a slight downward trend, although the tendency is not uniform. The most noticeable decline is seen in the case of food products but even in these the average decrease is slight, some have estimated it at from 4 to 5 per cent. Seattle reports that prices of dairy products have receded, raw milk declining from $3.70 to $3.20 per hundred; condensed milk from $6.75 to $6 per case; butter from 65 cents to 53 cents per pound; cream cheese from 38 cents to 27 cents. On the other hand mill feed has advanced from $31.50 a ton two months ago, to $45 at the present time. In Spokane mill feed has advanced about 50 per cent while oats, hay, barley, and cereals have dropped about 15 per cent. The prices of live stock show a very slight increase, while packing house provisions have dropped from 10 to 12 per cent. Beans are from 2 to 2½ cents per pound lower than during the war. Portland reports that price recession has been noticeable since the first of the year. Various products, particularly grain, have declined only slightly. In the month of January, food prices in California reached their highest point since war was declared, following which a general downward trend was noticed. Both butter and egg prices have dropped to a somewhat greater extent than might be considered seasonal. On November 1 butter sold at wholesale for 60 cents per pound, on December 28, at 67 cents and on January 25, at 45 cents; it is now 55 cents. On November 9, eggs sold at wholesale for 89 cents per dozen, on January 15, for 66 cents, and on February 19, at 38½ cents. Milk prices are stationary. Live stock prices have remained at practically a uniform level for several months. Fancy wheat hay which was quoted at $28 a ton on the 1st of November dropped to $24 a ton on December 31, remaining at that level up to the present time. Grain prices show few fluctuations. The price of copper has fallen from 26 cents a few months ago to 17 cents per pound. The latest quotation on quicksilver is $90 per flask as compared with an average price of $117 during the year 1918. There is no change in the price of logs, but finished lumber prices, which receded following the armistice, have now gone back to the approximate maximum price set by the Government during the war.

Although wholesale business is reported good, retailers, in anticipation of lower prices, are buying only to meet immediate needs. In California there is an increased demand for heavy agricultural implements and building hardware. The demand for lumber in the Pacific Northwest from country yards is above normal but from the city yards, which handle most of the business, it is far below normal. There are many inquiries from prewar markets for flour and lumber for export, but lack of tonnage and high rates prevent actual transfers. Money is plentiful and demand active.

Unsettled labor conditions have presented the principal difficulty in industry for the past two months. The strikes in Seattle, Tacoma, and the San Francisco Bay district are fully covered in the report of February 15. Since that time the San Francisco Bay district shipworkers' strike has been practically settled by the organization of a new boilermakers' union, 5,000 of the 6,000 strikers having returned to work. The Seattle and Tacoma shipworkers are still on strike but the general labor situation in those cities is much more settled.

The question of railway and ocean rates is causing much concern to business men on the Pacific coast. The lowering of ocean rates without a decrease in railway freight rates, which were twice increased during the war, has caused freight from the territory between the Atlantic and the Mississippi to be routed to the Orient through New York rather than the Pacific coast ports. Importers and exporters express the belief that without such business it will be impossible to maintain the trans-Pacific steamship lines.

While this is the dull season of the year in the export and import business, much hope is expressed for extensive foreign trade development. A number of new concerns have been organized for the purpose of engaging in export business, and a number of eastern companies have sent their representatives to the Pacific coast and some to the Orient for the purpose of estimating the possibilities of foreign trade with the idea of opening branches. Other concerns are planning to send representatives to the Orient, especially to Vladivostok, Shanghai, Australiasia, and the Dutch East Indies to study trade conditions.

The prevailing tone of business sentiment is one of uncertainty and apprehension as to the possibilities of immediate business development on a peace basis, both on account of unsettled labor conditions and the Government's unsettled policy on the administration of the railways.

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Fifth Liberty Loan.

Secretary Glass, on February 13, 1919, presented to the Ways and Means Committee the following statement concerning the fifth Liberty bond bill, proposed by him for financing the fifth loan:

In order that any of you who may not have had an opportunity to read it may be familiar with the general considerations which led me to propose legislation in the form now before you as a draft of a fifth Liberty bond bill I will ask you to bear with me while I read my letter of February 10 to Mr. Kitchin.

WASHINGTON, D. C.,
February 10, 1919.

DEAR MR. KITCHIN: Now that the revenue bill has passed the House I desire, in accordance with the intimation contained in my letter of January 15 to you and my talk with you and Mr. Fordney, to ask the attention of the Ways and Means Committee to the necessity of the immediate enactment of legislation amending the Liberty bond acts so as to make possible the funding by a Victory Liberty loan in the spring of the floating debt which has been incurred and will be incurred up to that time. The Victory Liberty loan could not be issued successfully, now that hostilities have ceased, within the limitations imposed by existing laws.

After most careful consideration of the matter and after receiving and considering the views of bankers, Liberty loan workers, and others whose views are most entitled to consideration, very reluctantly I am constrained to say that I can not wisely determine now, in February, the terms of the bonds or other obligations which it would be wise to offer for subscription in April, when the Liberty loan campaign should probably begin. At the moment we are in a period of readjustment. To the slackening of industrial and commercial activity incident to the termination of active warfare has been added the usual dullness of the winter season. The necessary and desirable contraction of our credit structure has begun and will be greatly facilitated by the enactment of appropriate legislation to permit the liquidation of claims arising under informal Army contracts. Steps have been taken to break the deadlock which had arisen growing out of the maintenance, nominally at least, of war prices in certain basic industries. Upon the enactment of appropriate legislation to enable the Food Administration to protect the guaranties given by the United States, I am hopeful that it will prove possible to restore the operation of the law of supply and demand with respect to foodstuffs, with, as I believe, a consequent reduction in the cost of living. A period of rising prices and of intense industrial activity such as we have experienced during the past four years is always a period of great apparent prosperity, and a period of falling prices and of the contraction of credits is always a period of depression. The retardation of the process of readjustment by artificial means can only increase the evils inherent in the situation. Buying will not begin and activity will not set in until the community at large is satisfied that prices have reached bedrock. I am very hopeful that measures now under discussion may result in the rapid acceleration of the readjustment, and I am firmly convinced that if that be done America has before her a new period of great and growing prosperity. I am even sanguine enough to believe that it is within the range of the possible that so much may have been accomplished on the lines above indicated before the expiration of two months from now that the whole situation will have been changed, and that we may look forward to the successful issue of the Victory Liberty loan on terms which to-day would seem quite impossible.

Furthermore, merely as a matter of the technique of bond selling, it would be a fatal mistake to fix the terms of the loan so long in advance of the offering. The issue would become stale and its attractions would have been discounted long before the loan campaign begins. It will be remembered that the second Liberty bond act was approved as late as September 24 and the bonds were offered on October 1, 1917; that the third Liberty bond act was approved April 4 and the bonds offered on April 6, 1918; and that the supplement to the fourth Liberty bond act was approved September 24 and the bonds offered on September 28, 1918.

Therefore, and in view of the early expiration of the life of the present Congress and the apparent impossibility of convening and organizing the new Congress in time to enact further bond legislation before the Victory Liberty loan campaign begins, I reluctantly ask greater latitude in the exercise of a sound discretion as to the terms of the Victory Liberty loan than has been conferred by the Congress in respect to previous loans. I should be only too glad to have the Congress share with me the responsibility of this extraordinarily difficult determination, but, believing that it would be a grave mistake to reach a final determination at this time, I must ask authority to deal with the matter as the situation may develop.

Holding these views, I have ventured to have prepared and I submit to you herewith, a draft of a bill to amend the Liberty bond acts and for other purposes. This bill would (1) increase the authorized issue of bonds from $20,000,000,000 to $25,000,000,000; (2) remove the limitation as to interest rate so far as regards bonds maturing not more than 10 years from the date of issue; (3) authorize the issue of not to exceed $10,000,000,000 of interest-bearing, noncirculating notes having maturities from one to five years; (4) authorize the issue of bonds and notes payable at a premium; (5) exempt war-savings certificates from income surtaxes; (6) confer authority upon the Secretary of the Treasury to determine the exemptions from taxation in respect to future issues of bonds and notes and to enlarge the exemptions of existing Liberty bonds in the hands of subscribers for new bonds and notes; (7) exempt from income surtaxes and profits taxes all issues of Liberty bonds and bonds of the War Finance Corporation held abroad; (8) extend the period for conversion of 4 per cent Liberty bonds on the lines suggested in my letter of January 15 to you; (9) create a $2\frac{1}{2}$ per cent cumulative sinking fund for the retirement of the war debt; (10) continue the existing authority for the purchase of obligations of foreign governments after the termination of the war in accordance with the views expressed by Secretary McAdoo by letter and in his testimony before the Ways and Means Committee; and (11) extend the authority of the War Finance Corporation so as to permit it to make loans in aid of our commerce, thus supplementing the aid which may be given by the Treasury on direct loans to foreign governments and in a measure relieving the Treasury of demands for such loans.

I am sure that your committee will wish to discuss all of these matters fully with me, and I shall not burden you at this time with a fuller statement of my views concerning them.

I am sending a copy of this letter to Senator Simmons.

Very truly, yours,

(Signed) CARTER GLASS.

On the date the armistice was signed the United States was in the fortunate position of having outstanding no short-time indebtedness, excluding war saving certificates, that was not covered and more than covered by the deferred installments on subscriptions for the bonds of the fourth Liberty loan. But expenditures in November, December, and January, according to the Treasury daily statement, exclusive of transactions in the principal of the public debt, amounted to $5,958,576,114.24, or at the rate of nearly $2,000,000,000 a month, and the amount of Treasury certificates of indebtedness outstanding on January 31 was $4,798,064,800, of which $3,225,099,500 were issued in anticipation of the Victory Liberty loan. Expenditures for the first seven months of the fiscal year ending June 30, 1919, exclusive of the principal of the public debt amounted to $12,594,498,537.96. It is apparent that unless there should be a very radical reduction in expenditures during the last five months of the current fiscal year Secretary McAdoo's hope that the expenditures for the whole fiscal year would be in the neighborhood of only $18,000,000,000 must be disappointed. I have not as yet been able to obtain revised estimates from the War Department and other departments of the Government of their probable expenditures. The cash disbursements during the first ten days of the current month of February have shown a gratifying decrease, but the knowledge that heavy payments on the settlement of informal Army contracts are being held in abeyance awaiting the enactment of appropriate legislation and that protracted discussion concerning the terms of peace will necessitate the continuance of large military expenditures abroad; the continuance of large expenditures by the Shipping Board; the Navy program, and the guaranties and commitments of the Food Administration prevent me from looking forward to any great reduction in cash disbursements in the early future.

With these things before us and with a floating debt of nearly $5,000,000,000, increasing at the rate of, say, $1,400,000,000 a month, you will, I know, not be surprised by my recommendation of an increase in the authorized amount of bonds.

The amount of bonds authorized and unissued under existing Liberty bond acts is slightly in excess of $5,000,000,000; the authorization under the first bond act having been $2,000,000,000, and under the second, third, and fourth acts $20,000,000,000, and approximately $17,000,000,000 of bonds having been issued under the four acts. It is needless to say that the Treasury does not contemplate the issue in connection with the Victory Liberty loan of any such amount of bonds as $10,000,000,000. It has, however, been the practice of the Treasury since the second Liberty loan to allot the entire amount of bonds subscribed for. In order to be in a position to do this in connection with the Victory Liberty loan if it should then be thought wise to follow that policy, it is necessary to authorize some increase in the amount of bonds authorized to be issued. In making the change it seemed wise to suggest an increase to a figure which, so far as at present information is available, would seem to represent the maximum possible amount of the bonded debt growing out of the war.

Not in addition to but as an alternative of the issue of such bonds I have suggested the authorization of an issue of notes limited to $10,000,000,000, and I should like to suggest also an increase in the maximum amount of Treasury certificates from $8,000,000,000 to $10,000,000,000. It can not be too plainly stated that these three items of $10,000,000,000 each are not cumulative. It is contemplated merely that authority should be given to the Treasury to finance the existing and expected indebtedness either by the issue of Treasury certificates or by the issue of notes or by the issue of bonds. It may be desirable to adopt all of these methods in succession. It may be desirable to issue Treasury certificates in the first instance and bonds to refund them, as has been done in the past. It may be desirable to refund the Treasury certificates into notes and the latter ultimately into bonds. Conditions may be such that the issue of a series of notes of a shorter maturity than is indicated in section 4 of the second Liberty bond act as appropriate for a bond issue, but of a longer maturity than that permitted for Treasury certificates of indebtedness, would be desirable. Conditions in April might be such that it would be easy and wise to issue a short-time note bearing a relatively high rate of interest and carrying with it the privilege of conversion into bonds bearing interest at a lower rate and having a longer maturity. This would make necessary authority for the issue of both the notes and the bonds to the full amount to be raised, but, of course, would not necessitate the existence of both as outstanding indebtedness at any one time. On the other hand, it might be desirable to make an alternative offer of bonds and notes, leaving the subscriber a choice between the two. This also would necessitate double authorization but only one debt.

In respect to the notes and also in respect to bonds of a maturity of 10 years or less, I have asked authority to determine the interest rate as the situation may develop. I am by no means convinced that conditions will be such in April as to necessitate an increase in the interest rate over that provided in existing law to an important extent if at all, yet if I were obliged to determine now what is the lowest rate at which I could undertake with certainty to finance the requirements of the Government when the issue is offered in April I should be obliged to name a maximum rate much higher than that which, if developments are as favorable as I expect they will be in the interval, will, I hope, be sufficient to float the loan. There is not, I venture to say, a solvent banking house in America which would enter into a firm obligation to-day to purchase in April any important amount of securities of any character at any price whatever—certainly not at a price which failed to make such an allowance for contingencies in the interval as would be regarded as prohibitive by the borrower. Yet that is exactly what the Congress would require the Secretary of the Treasury to do if it were to fix the interest rate to-day. I can not undertake the responsibility of saying now at what rate the bonds or notes may be sold in April, and if you were to-day to fix a maximum rate such as to be sufficient in any possible contingency you would by that very act tend to force the adoption of that maximum rate when the loan is offered. No Liberty loan has ever been sold at a lower rate than the maximum fixed by the act under which it was issued. On the other hand, in the second Liberty bond act, which was approved nearly a year and a half ago, you conferred upon Secretary McAdoo authority to issue Treasury certificates of indebtedness without limit as to the rate of interest, and he and I have been able to maintain the rate of 4½ per cent for such certificates during a full year, including the period when our war prospects were at their darkest and the recent period when the cessation of hostilities has made the problem of selling Government securities most difficult. The floating debt, represented by Treasury certificates now outstanding and to be issued in the interval before the Victory Liberty loan is offered, must be refunded, and bonds or notes must be sold to an amount sufficient to accomplish this purpose. To withhold from the Secretary of the Treasury the power to issue bonds or notes bearing such rate of interest as may be necessary to make this refunding possible might result in a catastrophe. To specify in the act the maximum amount of interest at a figure sufficient to cover all contingencies would be costly, because the maximum would surely be taken by the public as the minimum.

I have suggested that authority be conferred upon the Treasury to issue bonds or notes payable at a premium at maturity believing that it might be found desirable to issue bonds following the lines of the British national war bonds which have been issued so successfully during the past year and a half. Payment of a slight premium at maturity would have a number of advantages over an increase in the nominal interest rate: (1) it would carry with it an inducement to saving and to the retention of the bonds; (2) it would tend to limit depreciation in the market; (3) it would probably have a somewhat less injurious effect upon the market value of existing issues of Liberty bonds and other securities than a flat increase in the interest rate; and (4) it would make possible more exact computation of the effective interest rate to be borne by the bonds or notes than is possible where bonds are issued and paid at par. A fractional semiannual interest payment involves infinite annoyance to bond holders, banks, and the Government itself, which would be to a great extent avoided by payment of a small premium only once at maturity. I do not undertake to say that it will be found wise to issue bonds or notes payable at a premium but I do say that the Treasury should be equipped with authority to do so if that be found expedient.

I have asked for authority to determine the exemptions from taxation to be carried by the bonds, notes, and Treasury certificates. Such exemptions could not be greater than that conferred by the Congress in the first Liberty bond act. It would not be less than exemption from State and local taxes. Within these limits I believe it is expedient that the Treasury should have authority to determine the exemptions. As a matter of principle, I agree entirely with Secretary McAdoo that exemptions from taxation even in respect to the Government's own bonds are undesirable. He, however, found it necessary as a practical matter to modify those views to meet the exigencies of the situation in connection with the fourth Liberty loan. The bonds of the second Liberty loan carried a higher rate of interest than those of the first, the bonds of the third carried a higher rate of interest than those of the second, and the bonds of the fourth carried greater exemptions from taxation than those of the third. That something must be done to make the bonds or notes of the Victory Liberty loan more attractive than their predecessors is apparent. Whether the needed attraction should be found in increased interest rate or in additional exemptions from taxation or by a combination of both would be unwise to determine now. In the discussion of the pending revenue bill and of the supplement to the fourth Liberty bond act Secretary McAdoo called attention to the relation between income taxes and the rate of interest on the bonds. In his letter of June 5, 1918, to Mr. Kitchin concerning the revenue bill Secretary McAdoo wrote as follows:

"This brings me to another consideration of great moment in the Government's financial plans. I hope that it will not be necessary further to increase the interest rate on Government bonds. The number of subscribers to the three Liberty loans aggregate 30,000,000. The people who subscribed are impatient of those who have not. Various plans have been urged upon me for forcing the people to buy Liberty bonds. The man of small means who buys a $100 bond wants his neighbor to do so, too. There is a popular demand also for high taxes upon war profits. There is also a popular demand that all the people should contribute to financing the war. There should, therefore, be a substantial increase in the normal income tax rate and a higher tax should be levied upon so-called unearned than on earned incomes. Income derived from Liberty bonds would be exempt from this taxation, and the relation between income from Liberty bonds and income from other securities would be readjusted without increasing the rate of interest on Liberty bonds. It would not tax the patriotic purchasers of Liberty bonds on their holdings, but it would weigh heavily upon the shirkers who have not bought them. It would make the return from Liberty bonds compare favorably with the return from other securities. It would give the Government's bonds an essential and necessary advantage over those of corporate borrowers, and would very greatly decrease the relative advantage which State and municipal bonds now enjoy through the total exemption which they carry. It would produce a gradual readjustment of the situation in the investment markets instead of an abrupt one, as would be the case if the interest rate on Liberty bonds should be increased.

"A normal tax falls upon all alike. Therefore, as I pointed out in my statement before the Ways and Means Committee last summer, there is not the same objection to the exemption from normal income taxes as there is to the exemption from surtaxes. A substantial increase in the normal income tax is the soundest and surest way of stabilizing the price of Government bonds. If we have to increase the interest rate on Government bonds, the increased rate may continue for 10 to 30 years and some of the bonds which we have issued will go to great premiums not long after the war is over. If we make the bonds at the present rate more attractive by increasing the normal tax, then the decrease in taxation which will follow the close of the war will automatically adjust the situation. I believe that to stabilize the price of Government bonds by first increasing and subsequently reducing the normal income taxes, from which the holders of these bonds are exempt, is sound finance and sound economics.

"There is another feature deserving of consideration. We are asking the people to finance this war, and we are offering them an investment paying $4\frac{1}{4}$ per cent interest. The people have responded wonderfully to this appeal. In the last Liberty loan campaign 17,000,000, approximately, subscribed. There is a wide-spread feeling that many people who are able to do so, especially those who are making vast profits out of the war, are not doing their part, either in the purchase of Liberty bonds or in the payment of taxes—that they are investing in corporate stocks and bonds producing high returns instead of in the bonds of their own Government producing reasonable returns, when the first duty of patriotism and self-protection demands that they shall buy Government bonds for the protection of the Nation in its hour of peril.

"There is a natural feeling among the masses of the people that taxation upon incomes and upon war profits should be high enough to bring the return from corporate investments more nearly on a parity with the return from Government bonds; that the Government should not be forced to compete for credit with war industries, which are profiting abnormally and which, unless restrained by the exercise of sound and just taxation, will constantly add to the difficulties of the people of the United States in their effort to supply the Government at reasonable interest rates with the credit it needs to fight successfully this war for liberty."

And on September 5, 1918, Secretary McAdoo wrote to Mr. Kitchin concerning the supplement to the fourth Liberty bond bill as follows:

"The delay in the enactment of the tax bill, the fact that the rates of income surtaxes, to which the interest on Liberty bonds, except the first Liberty loan, is subject, will be higher, and the rate of normal income tax on unearned income will be lower, than I had contemplated, materially affect the prospects of the fourth Liberty loan.

* * * * *

"The market price of Liberty bonds, which responded favorably to the suggestion of an increased normal tax, from which the bonds will be exempt by their terms, was depressed by the newspaper reports of a greatly increased surtax, to which the interest on the bonds will be subject.

* * * * *

"Last year I had the privilege of explaining to you and your colleagues on the Ways and Means Committee very fully the reasons why I advocated making the income from Liberty bonds subject to income surtaxes. I still believe that that course was wise and that the arguments advanced in favor of it were sound. It will not do, however, to press any theory, however sound, to an extremity, and it is obvious that, as a practical matter, we can not keep the interest rate on Government bonds stationary, or substantially so, and continue indefinitely to increase the surtaxes, to which the income from those bonds is subject, without at the same time limiting the market for Liberty bonds to those who have little or no surtaxes to pay.

* * * * *

"In order to give the numerous small holders of Liberty bonds the advantage of a market upon which they may sell their bonds in case of necessity, and also to attract subscriptions from the great number of investors of ample means, but not of great wealth, it will be necessary immediately either to increase the interest rate or to neutralize the increased surtaxes by freeing the bonds to a limited extent from such taxes.

* * * * *

"I am influenced in this determination by the fact that it continues necessary to sell Liberty bonds in competition with billions of dollars of bonds of the United States, the various States and municipalities, which are wholly exempt from surtaxes, as well as from all forms of taxation, so that the person whose income is subject to surtaxes is apt to make a comparison of the income return from the Liberty bonds which he is asked to subscribe for, not with the income return from corporation and other securities such as carry no exemption from taxation, but with the income return from wholly exempt bonds of the United States and the various States and municipalities. Under the existing state of the Constitution and laws, such a comparison can not be avoided. In these circumstances we must find a middle ground between the sound view which would refuse all exemptions from surtaxes and the practical necessity of taking into account the fact that such exemptions will in any event be gained, as surtaxes are steadily increased, by shifting funds into governmental, State, and municipal bonds, the income from which is exempt from surtaxes as well as from normal taxes.

"In granting such exemption, I think appropriate provision should be made to the end that those who subscribe for bonds of the fourth Liberty loan may, to the extent of a specified portion of their holdings, participate in the exemption in respect to bonds of the first Liberty loan converted, the second Liberty loan converted and unconverted, and the third Liberty loan."

The considerations which led Secretary McAdoo to recommend increased exemptions from taxation in September are more potent now. The Capital Issues Committee, which had exercised a restraining influence upon the issue of State and municipal securities, has ceased to function and such securities are now being issued without restriction. The Treasury itself has found it necessary to resume the sale of bonds of the Federal land banks and these must continue to be issued in increasing amounts carrying as they do exemption from all taxation. Those who are subject to higher rates of surtaxes will escape taxation at those rates to a very considerable degree by investment in the $8,000,000,000 or $10,000,000,000 of existing securities carrying exemption therefrom and the new securities of the same character continually being offered. They will seek also for investment more speculative securities carrying a very high nominal income rate. Low-rate taxable bonds have no attraction for them.

The cessation of hostilities, the discontinuance of war work and war wages have greatly decreased the investment power of the millions of patriotic Americans of small means who subscribed so liberally to the second, third, and fourth Liberty loans. They will, I know, subscribe and subscribe largely to the Victory Liberty loan. But whether it be in their power to subscribe as largely as they have subscribed for bonds of other loans I do not know. In any event it is essentially in their interest that an obligation be devised which will not only be attractive to them in the first instance but which will have such characteristics as will tend to insure the maintenance of its market price after the drive is over. I can not now determine what those characteristics should be, but I regard it as essential that I should be free to enlarge the exemptions from taxation if, when the time comes to determine the terms of the new issue, that should seem desirable.

I believe it essential that in connection with the issue of the Victory Liberty loan a plan should be devised which will fully protect the interests of the holders of the existing Liberty loan bonds. As a matter of public policy it would not be wise nor right to make a gift to the holders of those bonds, but I believe it will be wise and proper to confer upon those holders of the old bonds who subscribe to the new loan additional exemptions from taxation under terms and conditions and within limitations to be determined. Such a course would not only be a great aid to the sale of the obligations of the new loan but should be effective to improve the market price of existing issues which has suffered from heavy liquidation due, I believe, in large measure, to the changed conditions following the cessation of hostilities.

I have recommended that the holders of war-savings certificates be exempt from taxation to the same extent as the holders of bonds of the first Liberty loan. These certificates are of short maturity. The maximum amount which may be held by anyone is limited to $1,000. The interest is not payable until maturity or earlier redemption and in the hands of holders who await the date of maturity before collecting their certificates will in any event therefore escape war taxation. The effort has been and is being made to get the widest possible distribution of these certificates among the people of the United States. I believe the loss in revenue from this exemption will be negligible and that the conferring of the exemption will make the certificates what they ought to be, clearly the most desirable security issued by the Government, for I feel entirely confident that the Government will not, under any conditions which can now be foreseen, ever have to issue any security more attractive than an obligation bearing interest at the rate of 4 per cent per annum, compounded quarterly, and exempt from all taxation.

I have suggested that Liberty bonds and War Finance Corporation bonds held abroad should be exempt from all taxation. This is an enlargement of a provision already adopted by the Congress in relation to such bonds payable in foreign moneys. The early cessation of hostilities put an end to efforts to sell obligations payable in foreign moneys before any important amount had been sold. I believe substantial amounts would be invested in the United States Government bonds of the various Liberty loans by persons in neutral countries with which the exchanges are now adverse to the United States if such investors could be assured of exemption from taxation in the United States. This would supply a number of desirable markets for the secondary distribution of Liberty bonds and would have a beneficial effect upon those exchanges which are now adverse.

As to the extension of the privilege of converting the 4 per cent Liberty loan bonds into 4¼ per cent bonds, I expressed myself fully in my letter of January 15 to Mr. Kitchin, as follows:

WASHINGTON, D. C., *January 15, 1919.*

DEAR MR. KITCHIN: The total amount issued of 4 per cent bonds of the first Liberty loan converted was $568,318,450, of which there remain outstanding as of December 31, 1918, in the hands of the public, unconverted, after deducting bonds purchased and retired by means of the bond purchase fund and bonds held by the War Finance Corporation, $200,680,900.

The total amount issued of 4 per cent bonds of the second Liberty loan was $3,807,862,350, of which there remain outstanding as of December 31, 1918, in the hands of the public, unconverted, after deducting bonds purchased by means of the bond purchase fund and bonds held by the War Finance Corporation, $866,999,900.

Total 4 per cent Liberty bonds outstanding as of December 31, 1918, $1,067,680,800.

Under the terms of the contract with the holders of these bonds the conversion privilege expired on November 9, 1918, six months after it arose. Every effort was made by Secretary McAdoo to give publicity to the fact of the conversion privilege and its approaching expiration, and that privilege remained open for six months. My belief is that those who did not avail themselves of the conversion privilege within the period fixed by the terms of the contract which the Government made with them fall among the class of small holders who are unaccustomed to bond investments and who, on account of the very wide distribution of Liberty loan bonds were not reached by general publicity, and could not except in the case of registered bonds, be reached by department circular. Insistence upon the letter of the contract will result in loss to a group of patriotic bondholders toward whom a special duty of consideration exists. The United States has suffered nothing by their failure to act promptly in the exercise of the conversion right and it is my judgment that the conversion privilege should be extended. I propose to submit to your committee in connection with the bond bill which it will be necessary for me to present at an early date for your consideration, a provision intended to extend the conversion privilege so that the higher rate of 4¼ per cent shall be effective from the semiannual interest payment date next succeeding the date of presentation for conversion.

I am writing this letter to you now and giving it to the press in order that the holders of these bonds may be informed of my views concerning the matter.

I am sending a copy of this letter to Senator Simmons.

Very truly, yours,

(Signed) CARTER GLASS.

HON. CLAUDE KITCHIN,
Chairman Committee on Ways and Means,
House of Representatives.

I believe that immediate steps should be taken to set up a sinking fund for the retirement of the war debt. I have suggested the creation of a 2½ per cent cumulative sinking fund calculated to retire the whole debt, so far as I can now estimate it, within a period of some 25 years.

A cumulative sinking fund has the advantage of making the amount to be set aside for the service of the debt both on account of interest and sinking fund substantially a permanent item at a fixed figure until the debt is retired. The maturities and redemption dates for existing Liberty loan bonds have been arranged with great wisdom and thoughtfulness by Secretary McAdoo, the bonds of the second loan being redeemable during the period between 1927 and 1942, those of the third loan being payable in 1928, those of the fourth loan being redeemable during the period between 1933 and 1938, and those of the first loan being redeemable during the period between 1932 and 1947. Secretary McAdoo announced before he retired, and I have confirmed the announcement that the Victory Liberty loan will be of short maturities. Assuming that these maturities will cover the period between one year after the termination of the war and the year 1927 it will always be in the power of the Government to use the sinking fund effectively for the redemption of bonds of the Liberty loans.

I should accompany the bill with a recommendation for the repeal of the existing paper sinking funds had not this recommendation been repeatedly made in the annual reports of the Secretary of the Treasury without action.

I have with me and would like to make a part of my statement the following:

(1) Statements showing classified receipts and disbursements, exclusive of the principal of the public debt, by months from March 1, 1917, to January 31, 1919, as published in daily Treasury statements.

(2) Memorandum concerning the existing authorizations for issues of Liberty bonds showing the balance of authority under existing law.

(3) Statement showing the interest-bearing debt of the United States as of January 31, including the issue of Treasury certificates which opened on January 30, the final figures for which were not received until a week or 10 days later.

(4) Statement of the bonds purchased by the Treasury for the bond purchase fund to January 31, 1919.

(5) Statement showing the final allotment of subscriptions to the fourth Liberty loan corrected to February 1.

(6) Copy of the British war loan act of July 30, 1918.

This latter, I think, will interest you as bearing upon the extent of the discretion which I have asked the Congress to repose in me under the unusual circumstances now confronting the Treasury. Following is the authority conferred upon the British Treasury by the Parliament:

(1) Any money required for the raising of any supply granted to His Majesty for the service of the year ending the thirty-first day of March, nineteen hundred and nineteen, and, in addition, of a sum not exceeding two hundred and fifty million pounds, or for the raising of any sum required for cancelling securities or treasury bills under the powers of this act, may be raised in such manner as the Treasury think fit, and for that purpose they may create and issue any securities by means of which any public loan has been raised or may be raised, or such other securities bearing such rate of interest and subject to such conditions as to repayment, redemption, or otherwise, as they think fit.

The bill contains two provisions designed to meet a situation which is of vital importance both to the United States and the European allies. The first of these provisions authorizes loans to the allied Governments to provide for purchases in the United States for export therefrom, for expenditures in the United States in connection with such purchases and for the payment of interest to the United States, subject to two limitations—one that the credits shall cease one year after the termination of the war and the other that the total amount advanced shall be limited to the amount remaining unexpended of the sum authorized by previous legislation to be loaned to foreign governments for war purposes.

The second provision authorizes the War Finance Corporation to make advances under proper restrictions to exporters not to exceed at any one time the sum of $1,000,000,000.

These proposals are designed to meet partially the situation growing out of the temporary exhaustion of the European allies as regards foreign commerce and finance and out of the transition of the United States from a debtor to a creditor nation which has been brought about by the war.

Destruction of property by the enemy, demands on the man power and manufacturing facilities of the nations and the limitations imposed by shipping requirements upon the supplies of raw materials have combined to reduce the commercial production of the European allied countries available for export to small proportions and at the same time the needs of the war have compelled them to make imports on a scale far transcending anything known before the war.

During the years 1917 and 1918 our foreign trade showed a net balance of $6,400,000,000 (or $3,200,000,000 a year) and our trade with Great Britain, France, and Italy alone accounted for $6,235,000,000 of this balance. In the year immediately preceding the opening of the European war, i. e., the year ending June 30, 1914, our total balance of trade was $471,000,000, and our balance with the three countries named $337,000,000. The trade figures for Great Britain for 1918 (up to November) show that its exports for the year were in money values smaller and in quantity far smaller than in the preceding year, and her total trade for the 11 months ending November showed an excess of imports of practically $3,500,000,000.

The necessity of foreign purchases before we entered the war has greatly impaired the resources of the European allies available to meet an adverse balance of trade, so that to-day they can not import goods they need without financial assistance. The Treasury has insisted that, as far as possible, this finance should be secured through private channels; but the United States, before the war, was an importer of capital rather than an exporter, and it is not to be expected that our people will adjust themselves to the changed situation so rapidly as to make it possible for all, or even the greater part, of the needs of these countries to be met privately. Investment in foreign securities was practically unknown in the United States before the commencement of the European war, and the habit is one which can not be widely extended in a short period of time. Some measure of governmental aid during the transition period is therefore necessary if we are to be able to export the food supplies and other commodities which European allies desire to secure and which it is to our interest to sell them.

In asking the extension of the powers of the War Finance Corporation, it has been my thought to avail of methods approximating as nearly as possible to commercial practice, and to enable the funds to be secured without resort to the Treasury or the issue of Liberty bonds. The War Finance Corporation will of course, if the legislation is enacted, secure funds by the issues of its bonds to the public which it is already authorized to make.

I do not feel, however, that this action alone will meet the situation. Our exporters will, of course, be liable to the War Finance Corporation for all advances made by it, and must limit their commitments, however well secured they may be. Moreover, in some cases our Government will either directly, or in effect, be the vendor. The machinery of the War Finance Corporation is not applicable to such cases. It is anticipated that substantial sales of property of the United States Government now in Europe to foreign governments can be effected to the mutual advantage of the governments concerned. The materials referred to include railroad materials and equipment, port and dock equipment, and other property of the American Expeditionary Forces. Again, the Government as guarantor of the price of wheat has a direct interest in foreign sales of wheat.

The interest payments due from the several governments on their obligations held by the United States now aggregate over $200,000,000 each half year and it is probable that few of the governments at the present time can meet these payments without assistance. The requirements for reconstruction of Belgium and northern France can not yet be fully determined, but it is probable that some of them will be such as can not be met without Government loans.

For these reasons I urgently ask the authority to broaden the purposes for which the loans to foreign governments may be made. I do not ask an increased appropriation, and it would not be my purpose to avail of the authority where commercial loans or the powers of the War Finance Corporation could, in my judgment, be used to meet the requirements. I do, however, feel very strongly that before the Congress adjourns powers should be given sufficiently broad to enable the situation to be dealt with. We are creditors of the European allies to the extent of over $8,000,000,000, and we have a very real interest in the early restoration of their economic life and their ability to enter upon foreign trade. These allies include the countries to which for many years the greatest volume of our exports has flowed, and if our foreign trade is to continue and to grow, our trade with these countries must continue to be a large part of the total. Business in the United States is now hesitant and unemployment is growing. Upon the maintenance of our exports depends in a large measure whether this situation shall become aggravated or relieved.

I am convinced that exports must be greatly curtailed unless the Government for the present emergency (and only during that emergency) lends financial aid along the lines I have indicated. I view with the greatest concern the task of raising the funds needed by the Government during this year, but I am nevertheless willing somewhat to increase those needs for this purpose, being satisfied that the resultant effects will be such that the task as a whole will thereby be lightened.

Authorizations for issues of Liberty bonds.

The first Liberty bond act (Apr. 24, 1917) authorized new issues of bonds of not to exceed	$5,000,000,000
The same act authorized the issue under the terms of such act of the unissued bonds previously authorized, as follows:	
For construction of Panama Canal (act Aug. 5, 1909), but including the unissued Panama Canal bonds authorized to be issued for the nitrate plant (act June 3, 1916), and for the Shipping Board (act Sept. 7, 1916), the amount of issued postal-savings bonds being deducted from the amount authorized, approximately	225,000,000
For extraordinary expenditures (act Mar. 3, 1917)	100,000,000
For expediting naval construction (act Mar. 4, 1917)	150,000,000
And in addition authorized an additional amount to provide for payment of loan of 1908–1918	63,945,460
Total authorization under first Liberty bond act	5,538,945,460
First Liberty loan subscriptions allotted	2,000,000,000
Balance bonds unissued under first Liberty bond act	3,538,945,460
The second Liberty bond act (Sept. 24, 1917) authorized the issue of bonds (in addition to the $2,000,000,000 issued under the first Liberty bond act) not to exceed in the aggregate	7,538,945,460
and provided that of such sum $3,538,945,460 should be in lieu of unissued bonds authorized by the first Liberty bond act.	
The third Liberty bond act (Apr. 4, 1918) increased the authority for the issue of bonds to	12,000,000,000
and	
The fourth Liberty bond act (July 9, 1918) further increased such authority to	20,000,000,000

Issues of Liberty bonds under second Liberty bond act, and under such act as amended:

Subscriptions allotted—		
Second Liberty loan	$3,807,891,900	
Third Liberty loan	4,176,516,850	
Fourth Liberty loan	6,993,073,250	
		$14,977,482,000
Balance authority under existing law for issues of Liberty bonds		5,022,518,000

FEBRUARY 12, 1919.

Interest-bearing debt of the United States, Jan. 31, 1919.

[Preliminary figures, subject to correction.]

Title.	Rate.	Amount outstanding.
BONDS.	*Pr. ct.*	
Consols of 1930	2	$599,724,050
Loan of 1925	4	118,489,900
Panamas of 1916–1936	2	48,954,180
Panamas of 1918–1938	2	25,947,400
Panamas of 1961	3	50,000,000
Conversion bonds	3	28,894,500
Postal-savings bonds	2½	11,349,960
First Liberty loan of 1932–1947	3½	1,413,805,200
First Liberty loan of 1932–1947, converted	4	198,865,200
First Liberty loan of 1932–1947, converted	4¼	376,129,100
Second Liberty loan of 1927–1942	4	860,365,100
Second Liberty loan of 1927–1942, converted	4¼	2,752,153,400
Third Liberty loan of 1928	4¼	4,055,687,050
Fourth Liberty loan of 1933–1938	4¼	6,917,000,000
		17,457,365,040
TREASURY CERTIFICATES.		
Certificates of indebtedness:		
In anticipation of Victory Liberty loan—		
Series V. A (Dec. 5, 1918–May 6, 1919)	4½	613,438,000
Series V. B (Dec. 19, 1918–May 20, 1919)	4½	572,494,000
Series V. C (Jan. 2, 1919–June 3, 1919)	4½	751,684,500
Series V. D (Jan. 16, 1919–June 17, 1919)	4½	600,101,500
Series V. E (Jan. 30, 1919–July 1, 1919)	4½	687,381,500
In anticipation of internal-revenue taxes—		
Tax series of 1919 (Aug. 20, 1918–July 15, 1919)	4	66,811,000
Series T. (Nov. 7, 1918–Mar. 15, 1919)	4½	794,172,500
Series T. 2 (Jan. 16, 1919–June 17, 1919)	4½	297,775,000
Pittman Act	2	123,008,000
Special issues	2–4½	291,198,800
		4,798,064,800
War-savings certificates (cash receipts)	4	1,011,609,242
TOTAL INTEREST-BEARING DEBT.		
Bonds		17,457,365,040
Treasury certificates		4,798,064,800
War-savings certificates		1,011,609,242
		23,267,039,082

DIVISION OF LOANS AND CURRENCY,
February 12, 1919.

Bond purchase fund.

Bonds purchased to January 31, 1919:		Par amount.
First Liberty loan converted 4's		$656,000
Second Liberty loan 4's	$63,050,000	
Second Liberty loan converted 4¼'s	132,295,000	
		195,345,000
Third Liberty loan 4¼'s		115,935,500
Fourth Liberty loan 4¼'s		35,000,000
Total		346,936,500

Fourth Liberty loan—Final allotment of subscriptions.

[Corrected to Feb. 1, 1919.]

Federal Reserve district:	
Boston	$632,124,850
New York	2,044,931,750
Philadelphia	598,763,650
Cleveland	701,909,800
Richmond	352,685,200
Atlanta	217,885,200
Chicago	969,209,000
St. Louis	295,340,250
Minneapolis	242,046,050
Kansas City	295,951,450
Dallas	146,090,500
San Francisco	462,250,000
Treasury	[1] 33,885,550
Total	6,993,073,250

[1] Includes Army subscriptions; subject to change.

Victory Liberty Loan Act.

Following is the text of the Victory Liberty Loan Act which was signed by the President on March 3, 1919:

[H. R. 16136.]

AN ACT To amend the Liberty Bond Acts and the War Finance Corporation Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Second Liberty Bond Act is hereby amended by adding thereto a new section to read as follows:

"SEC. 18. (a) That in addition to the bonds and certificates of indebtedness and war-savings certificates authorized by this Act and amendments thereto, the Secretary of the Treasury, with the approval of the President, is authorized to borrow from time to time on the credit of the United States for the purposes of this Act, and to meet public expenditures authorized by law, not exceeding in the aggregate $7,000,000,000, and to issue therefor notes of the United States at not less than par in such form or forms and denomination or denominations, containing such terms and conditions, and at such rate or rates of interest, as the Secretary of the Treasury may prescribe, and each series of notes so issued shall be payable at such time not less than one year nor more than five years from the date of its issue as he may prescribe, and may be redeemable before maturity (at the option of the United States) in whole or in part, upon not more than one year's nor less than four months' notice, and under such rules and regulations and during such period as he may prescribe.

"(b) The notes herein authorized may be issued in any one or more of the following series as the Secretary of the Treasury may prescribe in connection with the issue thereof:

"(1) Exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority;

"(2) Exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations;

"(3) Exempt, both as to principal and interest, as provided in paragraph (2); and with an additional exemption from the taxes referred to in clause (b) of such paragraph, of the interest on an amount of such notes the principal of which does not exceed $30,000, owned by any individual, partnership, association, or corporation; or

"(4) Exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) all income, excess-profits, and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations.

"(c) If the notes authorized under this section are offered in more than one series bearing the same date of issue, the holder of notes of any such series shall (under such rules and regulations as may be prescribed by the Secretary of the Treasury) have the option of having such notes held by him converted at par into notes of any other such series offered bearing the same date of issue.

"(d) None of the notes authorized by this section shall bear the circulation privilege. The principal and interest thereof shall be payable in United States gold coin of the present standard of value. The word 'bond' or 'bonds' where it appears in sections 8, 9, 10, 14, and 15 of this Act as amended, and sections 3702, 3703, 3704, and 3705 of the Revised Statutes, and section 5200 of the Revised Statutes as amended, but in such sections only, shall be deemed to include notes issued under this section."

SEC. 2. (a) That until the expiration of five years after the date of the termination of the war between the United States and the German Government, as fixed by proclamation of the President, in addition to the exemptions provided in section 7 of the Second Liberty Bond Act in respect to the interest on an amount of bonds and certificates, authorized by such Act and amendments thereto, the principal of which does not exceed in the aggregate $5,000, and in addition to all other exemptions provided in the Second Liberty Bond Act or the Supplement to Second Liberty Bond Act, the interest received on and after January 1, 1919, on an amount of bonds of the First Liberty Loan converted, dated November 15, 1917, May 9, 1918, or October 24, 1918, the Second Liberty Loan, converted and unconverted, the Third Liberty Loan, and the Fourth Liberty Loan, the principal of which does not exceed $30,000 in the aggregate, owned by any individual, partnership, association, or corporation, shall be exempt from graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations.

(b) In addition to the exemption provided in subdivision (a), and in addition to the other exemptions therein referred to, the interest received on and after January 1, 1919, on any amount of the bonds therein specified the principal of which does not exceed $20,000 in the aggregate, owned by any individual, partnership, association, or corporation, shall be exempt from the taxes therein specified: *Provided*, That no owner of such bonds shall be entitled to such exemption in respect to the interest on an aggregate principal amount of such bonds exceeding three times the principal amount of notes of the Victory Liberty Loan originally subscribed for by such owner and still owned by him at the date of his tax return.

SEC. 3. That section 5 of the Second Liberty Bond Act, as amended by section 4 of the Third Liberty Bond Act, is hereby further amended by striking out the figures "$8,000,000,000" and inserting in lieu thereof the figures "$10,000,000,000."

SEC. 4. That section 3 of the Fourth Liberty Bond Act is hereby amended to read as follows:

"SEC. 3. That, notwithstanding the provisions of the Second Liberty Bond Act or of the War Finance Corporation Act or of any other Act, bonds, notes, and certificates of indebtedness of the United States and bonds of the War Finance Corporation shall, while beneficially owned by a nonresident alien individual, or a foreign corporation, partnership, or association, not engaged in business in the United States, be exempt both as to principal and interest from any and all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States or by any local taxing authority."

SEC. 5. That the privilege of converting 4 per centum bonds of the First Liberty Loan converted and 4 per centum bonds of the Second Liberty Loan into $4\frac{1}{4}$ per centum bonds, which privilege arose on May 9, 1918, and expired on November 9, 1918, may be extended by the Secretary of the Treasury for such period, upon such terms and conditions and subject to such rules and regulations, as he may prescribe. For the purpose of computing the amount of interest payable, bonds presented for conversion under any such extension shall be deemed to be converted on the dates for the payment of the semiannual interest on the respective bonds so presented for conversion next succeeding the date of such presentation.

SEC. 6. (a) That there is hereby created in the Treasury a cumulative sinking fund for the retirement of bonds and notes issued under the First Liberty Bond Act, the Second Liberty Bond Act, the Third Liberty Bond Act, the Fourth Liberty Bond Act, or under this Act, and outstanding on July 1, 1920. The sinking fund and all additions thereto are hereby appropriated for the payment of such bonds and notes at maturity, or for the redemption or purchase thereof before maturity by the Secretary of the Treasury at such prices and upon such terms and conditions as he shall prescribe, and shall be available until all such bonds and notes are retired. The average cost of the bonds and notes purchased shall not exceed par and accrued interest. Bonds and notes purchased, redeemed, or paid out of the sinking fund shall be canceled and retired and shall not be reissued. For the fiscal year beginning July 1, 1920, and for each fiscal year thereafter until all such bonds and notes are retired there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the purposes of such sinking fund, an amount equal to the sum of (1) 2½ per centum of the aggregate amount of such bonds and notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligations of foreign governments held by the United States on July 1, 1920, and (2) the interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years.

The Secretary of the Treasury shall submit to Congress at the beginning of each regular session a separate annual report of the action taken under the authority contained in this section.

(b) Sections 3688, 3694, 3695, and 3696 of the Revised Statutes, and so much of section 3689 of the Revised Statutes as provides a permanent annual appropriation of 1 per centum of the entire debt of the United States to be set apart as a sinking fund, are hereby repealed.

SEC. 7. (a) That until the expiration of eighteen months after the termination of the war between the United States and the German Government, as fixed by proclamation of the President, the Secretary of the Treasury, with the approval of the President, is hereby authorized on behalf of the United States to establish, in addition to the credits authorized by section 2 of the Second Liberty Bond Act, as amended, credits with the United States for any foreign government now engaged in war with the enemies of the United States, for the purpose only of providing for purchases of any property owned directly or indirectly by the United States, not needed by the United States, or of any wheat the price of which has been or may be guaranteed by the United States. To the extent of the credits so established from time to time the Secretary of the Treasury is hereby authorized to make advances to or for the account of any such foreign government and to receive at par from such foreign government for the amount of any such advances its obligations hereafter issued bearing such rate or rates of interest, not less than 5 per centum per annum, maturing at such date or dates, not later than October 15, 1938, and containing such terms and conditions, as the Secretary of the Treasury may from time to time prescribe. The Secretary, with the approval of the President, is hereby authorized to enter into such arrangements from time to time with any such foreign government as may be necessary or desirable for establishing such credits and for the payment of such obligations before maturity.

(b) The Secretary of the Treasury is hereby authorized from time to time to convert any short-time obligations of foreign governments which may be received under the authority of this section into long-time obligations of such foreign governments, respectively, maturing not later than October 15, 1938, and in such form and terms as the Secretary of the Treasury may prescribe; but the rate or rates of interest borne by any such long-time obligations at the time of their acquisition shall not be less than the rate borne by the short-time obligations so converted into such long-time obligations; and, under such terms and conditions as he may from time to time prescribe, to receive payment, on or before maturity, of any obligations of such foreign governments acquired on behalf of the United States under authority of this section, and, with the approval of the President, to sell any of such obligations (but not at less than par with accrued interest unless otherwise hereafter provided by law), and to apply the proceeds thereof, and any payments so received from foreign governments on account of the principal of such obligations, to the redemption or purchase, at not more than par and accrued interest, of any bonds of the United States issued under the authority of the First Liberty Bond Act or Second Liberty Bond Act as amended and supplemented, and if such bonds can not be so redeemed or purchased, the Secretary of the Treasury shall redeem or purchase any other outstanding interest-bearing obligations of the United States which may at such time be subject to redemption or which can be purchased at not more than par and accrued interest.

(c) For the purposes of this section there is appropriated the unexpended balance of the appropriations made by section 2 of the First Liberty Bond Act and by section 2 of the Second Liberty Bond Act as amended by the Third Liberty Bond Act and the Fourth Liberty Bond Act, but nothing in this section shall be deemed to prohibit the use of such unexpended balance or any part thereof for the purposes of section 2 of the Second Liberty Bond Act, as so amended, subject to the imitations therein contained.

SEC. 8. That the obligations of foreign governments acquired by the Secretary of the Treasury by virtue of the provisions of the First Liberty Bond Act and the Second Liberty Bond Act, and amendments and supplements thereto, shall mature at such dates as shall be determined by the Secretary of the Treasury: *Provided*, That such obligations acquired by virtue of the provisions of the First Liberty Bond Act, or through the conversion of short-time obligations acquired under such act, shall mature not later than June 15, 1947, and all other such obligations of foreign governments shall mature not later than October 15, 1938.

SEC. 9. That the War Finance Corporation Act is hereby amended by adding to Title I thereof a new section, to read as follows:

"SEC. 21. (a) That the corporation shall be empowered and authorized, in order to promote commerce with foreign nations through the extension of credits, to make advances upon such terms, not inconsistent with the provisions of this section, as it may prescribe, for periods not exceeding five years from the respective dates of such advances:

"(1) To any person, firm, corporation, or association engaged in the business in the United States of exporting therefrom domestic products to foreign countries, if such person, firm, corporation, or association is, in the opinion of the board of directors of the corporation, unable to obtain funds upon reasonable terms through banking channels. Any such advance shall be made only for the purpose of assisting in the exportation of such products, and shall be limited in amount to not more than the contract price therefor, including insurance and carrying or transportation charges to the foreign point of destination if and to the extent that such insurance and carrying or transOortation charges are payable in the United States by such exporter to domestic insurers and carriers. The rate of interest charged on any such advance shall not be less than 1 per centum per annum in excess of the rate of discount for ninety-day commercial paper prevailing at the time of such advance at the Federal reserve bank of the district in which the borrower is located; and

"(2) To any bank, banker, or trust company in the United States which after this section takes effect makes an advance to any such person, firm, corporation, or association for the purpose of assisting in the exportation of such products. Any such advance shall not exceed the amount remaining unpaid of the advances made by such bank, banker, or trust company to such person, firm, corporationm or association for such purpose.

"(b) The aggregate of the advances made by the corr poration under this section remaining unpaid shall never at any time exceed the sum of $1,000,000,000.

"(c) Notwithstanding the limitation of section 1 the advances provided for by this section may be made until the expiration of one year after the termination of the wa- between the United States and the German Government as fixed by proclamation of the President. Any such advances made by the corporation shall be made upon the promisory note or notes of the borrower, with full and adequate security in each instance by indorsement, guaranty, or otherwise. The corporation shall retain power to require additional security at any time. The corporation in its discretion may upon like security extend the time of payments of any such advance through renewals, the substitution of new obligations, or otherwise, but the time for the payment of any such advance shall not be extended beyond five years from the date on which it was originally made."

SEC. 10. That section 15 of the War Finance Corporation Act is hereby amended to read as follows:

"SEC. 15. That all net earnings of the corporation not required for its operations shall be accumulated as a reserve fund until such time as the corporation liquidates under the terms of this title. Such reserve fund shall, upon the direction of the board of directors, with the approval of the Secretary of the Treasury, be invested in bonds and obligations of the United States, issued or converted after September 24, 1917, or upon like directions and approval may be deposited in member banks of the Federal Reserve System, or in any of the Federal reserve banks, or be used from time to time, as well as any other funds of the corporation, in the purchase or redemption of any bonds issued by the corporation. The Federal reserve banks are hereby authorized to act as depositaries for and as fiscal agents of the corporation in the general performance of the powers conferred by this title. Beginning twelve months after the termination of the war, the date of such termination to be fixed by a proclamation of the President of the United States, the directors of the corporation shall proceed to liquidate its assets and to wind up its affairs, but the directors of the corporation, in their discretion, may, from time to time, prior to such date, sell and dispose of any securities or other property acquired by the corporation. Any balance remaining after the payment of all its debts shall be paid into the Treasury of the United States as miscellaneous receipts, and thereupon the corporation shall be dissolved."

SEC. 11. That the short title of this act shall be "Victory Liberty Loan Act."

Approved March 3, 1919.

Amendments to the Federal Reserve Act.

The bill embodying amendments to the Federal Reserve Act was signed by the President on March 3, The text of the act follows:

(S. 5236.)

AN ACT To amend sections seven, ten, and eleven of the Federal Reserve Act, and section fifty-one hundred and seventy-two, Revised Statutes of the United States.

Be it enacted by the Senate and House of Representatives of the United States of Ameirca in Congress assembled, That that part of the first paragraph of section seven of the Federal Reserve Act which reads as followst "After the aforesaid dividend claims have been fully met, all the net earnings shall be paid to the United States as a franchise tax, except that one-half of such net earnings shall be paid into a surplus fund until it shall amount to forty per centum of the paid-in capital stock of such bank," be amended to read as follows:

"After the aforesaid dividend claims have been fully met, the net earnings shall be paid to the United States as a franchise tax, except that the whole of such net earnings, including those for the year ending December thirty-first, nineteen hundred and eighteen, shall be paid into a surplus fund until it shall amount to one hundred per centum of the subscribed capital stock of such bank, and that thereafter ten per centum of such net earnings shall be paid into the surplus."

SEC. 2. That that part of section ten of the Federal Reserve Act which reads as follows: "The members of said board, the Secretary of the Treasury, the Assistant Secretaries of the Treasury, and the Comptroller of the Currency shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank," be amended to read as follows:

"The Secretary of the Treasury and the Comptroller of the Currency shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank. The appointive members of the Federal Reserve Board shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank, except that this restriction shall not apply to a member who has served the full term for which he was appointed."

SEC. 3. That section eleven of the Federal Reserve Act as amended by the Act of September seven, nineteen hundred and sixteen, be further amended by striking out the whole of subsection (m) and by substituting therefor a subsection to read as follows:

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

SEC. 4. That section fifty-one hundred and seventy-two, Revised Statutes of the United States, be amended to read as follows:

"SEC. 5172. That in order to furnish suitable notes for circulation, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved in the best manner to guard against counterfeiting and fraudulent alterations, and shall have printed therefrom and numbered such quantity of circulating notes in blank or bearing engraved signatures of officers as herein provided, of the denominations of $1, $2, $5, $10, $20, $50, $100, $500, and $1,000, as may be required to supply the associations entitled to receive the same. Such notes shall express upon their face that they are secured by United States bonds deposited with the Treasurer of the United States by the written or engraved signatures of the Treasurer and Register, and by the imprint of the seal of the Treasury, and shall also express upon their face the promise of the association receiving the same to pay on demand, attested by the written or engraved signatures of the president or vice president and cashier; and shall bear such devices and such other statements and shall be in such form as the Secretary of the Treasury shall, by regulation, direct."

Approved March 3, 1919.

Study of Credit Barometrics.

In the following pages are given the results of a study of "credit barometrics" prepared by Mr. Alexander Wall, of the National Bank of Commerce, Detroit, Mich., at the request of the Board, under the general supervision of the Division of Analysis and Research of the Federal Reserve Board. This report was first prepared for the use of the Federal Reserve Board and of the Federal Reserve Banks, but the general interest in credit conditions has led to its publication in the belief that it may attract comment and discussion relative to the principles presented in it. The methods pursued were originated by Mr. Wall and have been carried out by him along his own lines, subject only to general criticism and suggestion.

To the Federal Reserve Board, Washington, D. C.:

This report on credit barometrics will consist of several main divisions, the first treating the theory involved; the second the method of compilation in the examination just made; the third displaying the results of the examination.

THE THEORY.

The theories lying behind the credit barometric work about to be outlined developed from a desire to establish some sort of indicator in credit work. Common practice has (as far as has been made public) developed only one general theory, which has become accepted as more or less standard. This theory is known as "the two-for-one rule" and consists of the principle that, in order to establish a good credit proportion, the subject statement must show at least two dollars of current assets for every dollar of current liability. The reason for this measure is basicly sound, because from a credit standpoint companies must be looked at partially, at least, as a liquidating proposition in which there is bound to be a shrinkage of assets, in that some accounts will be slow and bad and some merchandise out of season and antequated, whereas the corresponding debt is not subject to shrinkage. These proportions have become accepted only by common practice, and there is a question as to whether the two-for-one or the 200 per cent ratio is right, too large, or too little. It provides a substantial margin, and has on that account become rather generally acknowledged as safe. The establishment of any such ratio is not a matter of theory, but has been a matter of experimentation.

While the establishment of such a ratio can not be a matter of pure mathematics, there is a mathematical principle which can be evoked in the experimentation so as to arrive at a fairly definite standardization. This is the law of averages, and it has been applied by insurance actuaries in different kinds of insurance, so that the extent of an individual's life, the probability of fire or accident, etc., which are not mathematical problems, have been reduced to an almost exact science. All of this has been done by using the law of averages as a mathematical principle upon which to base the experimentation. The present study is based on the adaptation of the law of averages in the establishing of certain measures to be used with intelligence by bank-credit men, manufacturers, and merchants in their attempts to disclose weaknesses in the financial structure.

It can not be definitely determined what proportion of the final decision in any credit risk rests entirely upon an analysis of the property statement. Different bank-credit men who have been interviewed in this connection estimate the percentage of the entire decision that rests on the statement at between 40 and 60 per cent, leaving in contra 60 to 40 per cent of the final decision resting upon the so-called moral risk, the knowledge of the credit grantor of the ability of the management to produce economically, the moral fiber of the managers, the condition of the plant, general business conditions, localized business conditions, and other matters of this kind. Even if only 40 per cent of the decision rests upon an analysis of the statement, it still behooves the credit man and the financial system of the country to develop this 40 per cent to a 100 per cent efficiency within itself, if possible, and it is with this in mind primarily that the theories in this report are advanced. However, as the study develops it will be seen that by comparison the barometrics compiled will do a great deal toward uncovering sectional and type trade conditions that may be unsound or top-heavy.

The adoption of the current ratio theory is in itself purely a quantative proposition, in which the current assets in bulk are measured against the current liabilities in bulk. It is quite as important, however, that a qualitative analysis of the current assets be made, and for that reason other ratios have been developed in this study, which it seems wise to explain, perhaps, in detail at this point.

It has become custom to insist that merchandise inventory, both finished product, merchandise in process, and raw material, be entered on the property statement at cost, unless market conditions are such that the market value of the commodities has fallen below cost, when a reduction in the valuation is called for. This is done to prevent the inflation of the assets by the taking of profits before they have been actually realized, as no profit is actually sure until the merchandise has been sold and the actual cash or equivalent received. This is sound business sense. When we consider, however, the next economic step in manufacture and distribution, the book account, or the bills receivable, we do not find that this cost proposition exists. We do not hear it argued that the accounts and bills receivable should be carried on the statement at cost; and there is a large question as to whether or not such a plan would be feasible, equitable, or even possible. We are then confronted with the fact that, in the current assets, we have merchandise figured at cost, and receivable at cost plus. It seems very evident that if at any time any manufacturer or merchant billed out his entire inventory, transforming it into receivables, there would be a considerable increase in the total amount of the current assets, which would not make necessary any increase in the current debt, as has the cost of manufacture. It might be a mere bookkeeping transaction, accomplished easily and injecting into the current assets an amount equivalent at the very least to the entire expected profits on the transaction.

The effect of such a transformation would unquestionably be to raise the current ratio. In an explanation of the result of this action, I have used the following example in a number of instances, and have used figures which, at the start, showed a 200 per cent ratio, simply because that has been the more generally advertised proper current ratio. We start with the following presumption that a merchant has 50 units of merchandise against which he owes 25 units of debt—thus establishing the 200 per cent ratio. We then presume that this merchandise is turned into receivables, and that, in so doing, the merchant adds 25 units for profit, etc., giving 75 units of assets against 25 units of debt, producing a 300 per cent current ratio by the mere transformation from physical merchandise into receivables. It is not a question as to whether the receivables are more desirable than the merchandise, as there are arguments pro and con in this connection. It is, however, unquestionaly a fact that the transfer tends to raise the current ratio.

Therefore it becomes interesting in the study of successive statements of any company to determine the proportions that have existed from year to year between the receivables and the merchandise. If we find that the percentage of the receivables to the merchandise is increasing we may be certain that there is a larger percentage of profit included in the current assets, and logically we should expect to see an increase in the current ratio itself. If this is not the case, it makes it possible for us to inquire from the customer how this change or proportion has been affected, and why the current ratio has not risen. This is the first qualitative analysis of the current ratio, in that it gives us some comparative idea as to the value of the receivables at cost plus, as compared to the value of the merchandise at cost.

The liquidity of the receivables is a most important qualitative consideration in studying the current ratio. It is manifestly evidenced that if we were positive that the receivables of subject A were collectible with greater certainty, or more rapidly, than the receivables of subject B, we ought to be content to allow A to operate with a lower current ratio because of the better quality. This liquidity can, in a certain measure, be determined by establishing a ratio between the net sales for the year and the receivables. If subject A discloses a percentage of this kind amounting to 600 per cent, we have the indication that his receivables are being collected six times a year, or that the average length of sale approximates 60 days. Whereas, if an analysis of the statement of subject B discloses the fact that this ratio is only 400 per cent, we see that subject B is collecting his receivables only four times a year, or that the average life of the receivables is 90 days. Everything else being equal, the receivables of subject A are more liquid, and hence of greater value.

Very much the same reasoning may be applied as between the sales and the merchandise, indicating the liquidity of the merchandise.

These two tests of integral parts of the current assets are a further analysis of the current ratio from the qualitative sense, and, if properly used, may offset a decrease in the quantitative measure of the current ratio.

While the nonliquid or fixed assets of a company under credit analysis are often not seriously considered as of much value, they may be used to good effect if a proper analysis of them is made. The net worth of a partnership or corporation is distributed over all the assets, divided between the current and noncurrent. It is a well-defined credit axiom that the noncurrent assets should be provided for by the invested funds of the owners of the business. It has been recognized in the Federal Reserve act that paper is only rediscountable when the proceeds from its issue have been used for commercial purposes and not for plant development. If we were to establish a ratio relationship between the net worth of any credit subject, and its plant investment, we would determine what amount over and above that required for plant the stockholders or owners of the business had provided. If the net worth of a company is 50 units and the plant is 25 units, the owners of the business have supplied all of the money necessary for the plant and 25 units additional active commercial working capital, which may be used to purchase raw materials, pay for the cost of manufacture, carry their customers, etc. Therefore, whereas the noncurrent or fixed assets are not very generally used in determining the credit risk, the relationship between the invested funds and the noncurrent assets discloses an interesting condition of how much the owners have put into the current part of the business. If this ratio is studied from year to year it makes an interesting check on net worth. A mere increase in net worth, as shown by comparative analysis is interesting, of course, but the distribution of this increase is far more interesting. If the percentage between net worth and fixed assets is a falling one, it is pretty certainly disclosed that the subject company is expanding its plant more rapidly than the net worth of the company in proportion. It is tying up a greater fraction of its invested funds in nonliquid assets and its capitalization is becoming more and more fixed capital. It is an indication of transformation of active into semimoribund capital and is a very decided mark of a condition which when it exists on a broad scale is conducive to tightness of commercial credit, and this is one of the first steps toward a condition of crisis. It is often brought about by an optimism due to rising prices and the hope of great profits through increased production. It is a check on building operations that may leave the subject company plant topheavy.

Whereas we have already considered sales in their relationship to receivables, and merchandise, in order to determine the liquidity of certain of the current assets, we may also use them in order to determine the activity in the invested funds by establishing a ratio between sales and net worth. This may disclose any one of three conditions. First, the proportion between sales and net worth may be such that it appears to be normal. Second, this ratio may show a too rapid turnover, which may indicate undercapitalization and a feverish condition of the business. Third, this ratio may show a too low turnover, indicating dry rot or nonproductivity of the invested funds.

There is also an additional study of the statement that is of considerable value. As we have considered the net investment in its comparison of the fixed assets and sales, it is also well to consider it in proportion to that part of the funds used in the production which have been supplied by outside interests. This is the commercial or floating capital of the country, and is represented in the individual statement by the total debt. If we establish, therefore, a ratio between the total debt, as disclosed upon the property statement, and the net worth of the company, we disclose the proportion of the total capital used that is being supplied by creditors and by the owners of the business.

The seven ratios, briefly outlined, are those which the writer has adopted under the caption of internal analysis, in an attempt to analyze the current ratio, the capitalization plans, and the vitality of the business. Taken year after year in comparison they bring out interesting phases that there mere quantitative analysis or the current ratio, in the old comparative analysis of statements would not disclose

The internal analysis theory, while interesting and instructive, is only part of the business study which could be made, and for the making of which this report is an argument. There can be no question but that different proportions should and do exist between the assets and liabilities of different types of business. It would hardly be logical or fair to compare the current ratio of a hardware concern with the current ratio of a millinery company, although, when we admit the two for one theory this is largely what is done, with purely inspirational mental reservations. Type is a certain factor in credit analysis, and the establishment of type is what should be attempted upon a large scale. This would consist first of all in assembling the property statements of as many businesses as possible, sorting or segregating them into types, and accumulating them into a typical type statement, made up of the totals of the different items of all of the individual statements. The proportions that were then found to exist upon this type statement would be a decided advance, if used in the measurement of the individual statements, over the hard-boiled two-for-one theory. These would vary from year to year with changing conditions and would create a flexible barometric measure.

However, the mere segregation into types is not by any means sufficient or scientific, as the different customs, economic and social requirements of different parts of the country would affect companies even in the same line of business. It is hardly to be supposed that a dry-goods company operating in New England would operate under the same economic laws, or be able to maintain the same proportions as one operating in California. Therefore it seems advisable in the type study to separate the types on some sectional plan, and to establish typical figures by economic sections, so that within any one section any type of business may be measured up against the typical ratios for that kind of business within that section.

Before leaving this section of the argument and taking up the method by which this was done, I can not but call attention to the fact that the sales of a company are a most important matter in the proper analysis of the property statement. The scope of the present examination would have been at least doubled, and probably trebled, if for every statement examined the sales were forthcoming. The number of statements upon which the figures of this report are based is 981. In order to secure these 981 statements in which complete figures were available, it was necessary to examine between 2,000 and 2,500 property statements. I would urge upon the Federal Reserve Board that, if possible, they develop a policy that rediscounting eligibility be dependent upon the supplying of sales, and possibly operating memoranda, in addition to the property statement. This in some lines of business would be radical, and in some lines of business not necessary, but by and large the principle is one that should unquestionably be put forth without fear or favor, and insisted upon, excepting where good cause can be advanced why the information should not be forthcoming. The principal argument has been that customers do not wish to disclose their sales for fear that their competitors will gain an intimate knowledge of the business to which they are not entitled. This seems to be a very weak-kneed position, and I would strongly urge that the Federal Reserve Board take this particular thing under very serious consideration.

THE METHOD.

Through consultation and otherwise, on the basis of establishing sections of the country which could be considered in analyzing on the type basis, a number of sections were laid out, which have been used in the statistical work of this report. These sections were indicated on an accompanying skeleton map. They are, of course, subject to adjustment, and may not meet the approval of other credit students. They, however, follow general economic lines, and have served in this particular compilation.

The commercial paper brokers were used as the source of information, and almost without exception they have forwarded to the writer complete sets of the statements of their commercial paper names, totaling something in the neighborhood of 2,500 names. These statements were first segregated according to sections, and the essential items of each statement transcribed to a form for ready compilation herewith attached.

The figures on these forms were then totaled by sections, and the following mixed type table developed, indicating the scope of the examination. In this table, which has been labeled No. 1, the first column represents the number of statements within the section that have been found available for use. The second column indicates the number of the section in which the name originated, and the following columns indicate the amounts of the various items. In order to condense and simplify the work, three ciphers have been omitted, and in reading the tables this must be remembered. (See table marked "No. 1" attached hereto.)

These figures were later sorted according to types of business within sections, listed in the same manner, and the results are indicated on the tables marked "Nos. 2 to 10," both inclusive, attached hereto and made a part hereof.

The next process was to establish the seven ratios, which have been discussed on a national basis, taking all of the statements as disclosed on Chart No. 1. These figures establish the seven ratios for mixed figures in the nine different sections, and also for the total mixed figures over the country as a whole. (Chart No. 11.)

Following this Charts Nos. 12 to 20, inclusive, were perpared, taking up several principal lines of business in which the statements received seem to provide enough statistics so that an analysis as between sections would be possible.

Following this the ratio Charts Nos. 21 to 29, inclusive, were developed, carrying out the development of the seven-point analysis for these lines of business in the varying sections, establishing the type sectional barometric figures. Charts Nos. 11 and 30 were also developed to indicate mixed type ratios and total national ratios and also the ratios for the several types of business taken as examples.

RESULTS.

A proper understanding of the results of this analysis is, of course, best disclosed by a careful comparison of figures, in detail. This, perhaps, would not be within the province of this report, other than to call attention to the more salient features, because deductions from the figures will vary with the individual knowledge and inspiration of the person making the analysis. It may be interesting however, to indicate, briefly, some of the more evident thoughts that are brought to the surface.

At the beginning of this examination, mention was made of the current ratio theory of two for one, or 200 per cent. If we turn to Chart 11, and investigate the current ratio, it will be found that the lowest point in the mixed types is displayed in section 1, and registers 233.43 per cent. The highest ratio is found in section 8 and registers 305.55 per cent, a considerable fluctuation, and the minimum being substantially above 200 per cent. The proportion of the ratio of receivables to merchandise varies from the low point in section 9 of 56.11 per cent, to the high point in section 4 of 82.43 per cent. The worth to fixed assets ratio varies from the low point in section 3 of 165.15 per cent to a high point in section 7 of 345.43 per cent. The liquidity of the receivables ratio varies from a low point of 515.08 per cent in section 5, to a high point of 890.14 per cent in section 3. The liquidity of the merchandise varies from a low point of 360.82 per cent in section 5 to a high point of 544.55 per cent in section 3. The activity of the invested funds varies from a low point of 142.52 per cent in section 8 to a high point of 297.60 per cent in section 6. The ratio of debt to net worth ranges from a low point of 22.16 per cent in section 8 to a high point of 52.46 per cent in section 3. If we are to consider these ratios in their relationship to types of business, we will find a, perhaps, even more interesting variation. In this particular phase, I have eliminated from the consideration the types of business in sections where less than five statements have been considered. The highest current ratio found is in the hardware type in section 6, based on 13 names, and runs to 381.05 per cent. The lowest ratio in this type is 253.97, based on 16 names in section 7. The lowest current ratio for type by sections is 157.98 per cent, being a somewhat peculiar ratio, in that it is one taken between the current assets and the total liabilities, because of the fact that in this particular section, in this particular line of business, a large part of the debt has been funded in several instances, but still from a liquidating standpoint is still largely current. This ratio is found as a result of 10 packers' statements in section 3. The highest packers' ratio is found in section 2, being made up of only one statement, which shows a current ratio of 640 per cent, and is probably not typical. The national figures, using the current assets and current liabilities only for packers, is 235.49 per cent, and the ratio between the current assets and the total liabilities, thereby taking account of the bonded or deferred debt, is 160.65 per cent. A fair credit current ratio is probably something in the neighborhood of 185 per cent.

An analysis of Chart No. 30, made up of the national ratios of various types of business, discloses the fact that type No. 7, or farm implements, registers the highest current ratio. It amounts to 355.78 per cent, based on the composite figures of 20 statements, representing in bulk a net worth of $61,328,000 and sales of $63,074,000. Taken on the purely quantitative two-for-one theory, this would seem like a very high average. When taken however, from the qualitative angle, this extremely high ratio does not appear so prominently supersatisfactory. While the final mixed current ratio taken from the whole 981 statements is only 241.56 per cent, giving type 7 an apparent margin of betterment of 114.22 points, the qualitative ratios of sales to receivables, and sales to merchandise, do not show to as good advantage. These by comparison are as follows:

	Mixed national figures.	Type 7.
	Per cent.	*Per cent.*
Current ratio	241.56	355.78
Sales—Receivables	734.61	329.62
Sales—Merchandise	473.44	209.33

The greater slowness of turnover, both of receivables and merchandise, evidences much less liquidity of receivables, and slower merchandising.

The ratio of sales to worth of 102.84 per cent, as compared to the mixed ratio of 249.34 per cent, indicates a very much slower than the average turnover, or a more torpid investment.

In contra to this type study it will be interesting to analyze the typical indications of type 12, or the packer group. Here we find a current ratio of 235.08 per cent, some 6 points below the mixed type. When we substitute for this the ratio between current assets and total debt, 160.65 per cent, or an estimate true ratio of say 175–180 per cent, we find the current ratio from 60 to 70 points below national mixed current ratio. Here again, however, we find the qualitative ratios supporting the lower ratio in the same manner in which they tended to level the higher ratio. The same kind of comparative summary is interesting.

	Mixed national figures.	Type 12.
	Per cent.	*Per cent.*
Current ratio	241.56	160-170
Sales—Receivables	734.61	1,027.30
Sales—Merchandise	473.44	829.57

The very much faster turnover of receivables and merchandise indicates clearly greater liquidity in the current assets, and hence a greater potential liquidating strength in the current ratio, even if quantitatively lower.

The ratio of sales to worth, 483.27 per cent, as compared to the mixed ratio of 249.34 per cent, also indicates a much more active investment. This is somewhat offset by the fact of the higher debt ratio of 80.36 per cent, compared to the mixed ratio of only 47.19 per cent.

This shows how the internal 7-point ratio analysis expands ordinary analysis by checking and explanatory studies. This same comparison between the ratios of an individual statement and the type and national mixed figures shows weaknesses of collection methods, poor or good merchandising, etc.

The two types used in detail were selected because they formed radical extremes, but typical variations occur in the other types, and within any type sectional variations of a similar nature are so very apparent that a detailed explanation in this report is omitted other than to call attention to the charts on which they are indicated.

In order to eliminate unnecessary details and still to disclose the principle, I have compiled Chart No. 30, indicating a comparison between nine types of business, using the national ratios. These businesses are as follows:

Dry goods, wholesale 1
Hardware, wholesale 2
Grocers, wholesale 3
Milling 4
Tanners 5
Drugs 6
Farm implements, etc 7
Furniture 8
Lumber 9
Packers, fruits, etc 10
Department stores 11
Packers 12
Boots and shoes 13
Paper 14
Iron and steel 15
Oils 16
Hats, caps, men's clothing, etc 17
Seeds, etc 18
Knitting mills, etc 19
Building materials, etc 20
Machinery 21
Household supplies 22
Foodstuffs, miscellaneous 23
Rubber goods 24
Auto accessories, etc 25
Cotton mills 26
Fuel 27
Woolen 28
Automobiles 29
Miscellaneous 30

An examination of this chart indicates that the current ratio in the packing business is lowest of that of any of the types. With the old-fashioned 200 per cent current ratio theory this might lead the analyst to believe that the packing business was weak, because of the lowness of its current ratio, although inspirational analysis has made indefinite allowances. If, however, we apply to the condition the qualitative analysis, we find that the receivables in the packing business display a very much greater liquidity, as does also the merchandise, the sales to receivable ratio and the sales to merchandise ratio being very much higher than in any of the other types of business. This substantiates the general belief that a packing company can operate safely on a very much lower current ratio than can the other types of business. We also find that the activity of the investment in the packing business is very much higher than that of other lines of business. The ratio of worth to fixed assets indicates that the packers rely very largely upon outside investment for the carrying of their current assets, because it displays a very low ratio. This is substantiated also by the ratio of debt to net worth, and it is considerably higher than any of the other types under discussion.

This national chart, taken as a first guide in comparison with an individual statement, would indicate whether or not the figures of the individual statement were approximately in line with the type of business into which they fall. This being generally established, we may progress to the analysis of the figures by comparing them with the section within which the type operates and get a further viewpoint as to the nearness of the approach to the actual condition in the line of business.

CHART NO. 1.—*Mixed national figures.*

Statements.	Section.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
91	1	$199,451	$85,443	$91,177	$75,184	$101,774	$119,008	$210,651	$440,701
138	2	273,596	116,598	124,321	87,423	145,813	155,780	286,737	576,535
165	3	774,845	328,285	419,068	252,652	412,997	483,659	798,773	2,248,963
107	4	66,278	25,374	26,514	27,224	33,026	21,079	61,119	152,147
72	5	167,817	61,958	78,428	62,364	89,025	85,228	170,007	321,225
144	6	195,008	82,273	83,276	70,094	106,046	96,615	180,478	537,104
127	7	101,250	40,110	40,802	38,902	54,113	24,113	83,295	244,267
36	8	33,330	10,908	10,971	12,416	17,860	27,673	49,491	70,538
41	9	68,461	26,668	26,786	22,026	39,253	28,953	69,421	170,932
981	....	1,880,036	777,517	901,343	648,285	1,005,907	1,033,108	1,909,972	4,762,412

Chart No. 2.—*Section No. 1.*

Statements.	Type.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
6	1	$11,215	$4,646	$5,067	$5,039	$5,674	$2,037	$8,191	$29,749
2	2	788	352	352	319	325	193	833	1,974
5	3	3,207	1,578	1,643	1,470	1,470	451	2,027	10,037
1	4	587	150	150	122	411	87	524	7,165
6	5	22,709	10,847	10,847	8,332	12,790	1,870	12,554	45,226
2	6	18,427	6,749	6,749	3,913	13,011	35,461	42,532	44,711
1	8	640	230	230	219	349	398	809	1,459
4	9	3,522	1,312	1,359	1,654	1,612	2,220	4,391	8,056
1	10	2,548	941	941	1,685	717	232	1,840	10,000
1	11	694	226	226	263	411	559	812	2,199
1	12	641	430	430	290	282	688	797	2,629
20	13	51,265	23,669	24,083	23,200	23,871	13,678	41,616	109,817
2	14	1,040	501	575	236	714	2,144	2,069	2,502
2	15	2,445	836	998	601	1,742	2,014	3,661	4,628
4	17	2,751	1,371	1,423	749	1,786	722	2,039	4,503
2	19	953	353	353	303	595	597	1,139	1,942
5	20	6,224	2,741	3,782	3,121	2,395	6,489	8,863	16,328
5	21	5,028	1,968	2,267	1,543	2,342	5,921	8,069	9,709
3	23	1,567	305	305	1,002	316	635	1,871	6,562
4	24	18,424	8,123	8,127	7,166	9,246	11,128	21,425	35,800
14	28	44,776	18,115	21,270	13,958	27,715	22,484	44,589	85,705
91	....	199,451	85,443	91,177	75,184	107,774	110,008	210,651	440,701

Chart No. 3.—*Section No. 2.*

Statements.	Type.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
7	1	$11,690	$5,436	$6,048	$5,500	$5,400	$2,026	$7,659	$25,266
10	2	6,428	2,410	2,791	1,706	4,155	1,372	4,949	13,760
24	3	17,858	7,794	10,707	6,835	9,213	9,326	16,568	59,128
7	5	9,051	3,452	3,731	3,028	4,717	2,632	7,889	14,474
3	6	5,755	2,154	2,154	1,640	3,430	3,892	7,050	12,234
2	7	2,798	1,360	1,360	1,070	1,453	1,886	3,323	6,618
2	8	4,406	2,384	2,384	2,334	1,735	6,092	8,120	5,944
3	9	2,533	1,059	1,059	1,175	802	948	2,410	6,300
1	10	228	69	69	51	143	802	961	1,038
10	11	34,515	12,617	12,727	11,980	19,102	29,711	52,286	83,707
1	12	1,120	175	175	278	751	2,189	2,685	2,652
14	13	43,765	20,216	20,241	12,860	24,570	1,503	24,473	53,080
3	14	2,606	759	2,855	880	917	7,361	5,999	7,135
1	15	661	300	300	139	507	1,023	662	1,005
7	16	27,126	13,743	13,743	7,839	17,058	14,897	28,740	100,552
18	17	45,383	20,723	20,770	14,759	27,792	33,830	57,222	78,057
2	18	1,767	453	453	308	1,311	519	1,833	1,897
8	19	6,762	3,293	3,435	2,075	4,050	5,697	8,385	19,604
2	20	1,783	367	587	406	1,272	1,144	2,339	3,422
4	21	6,333	2,413	2,413	2,179	3,539	2,652	6,275	17,599
2	22	4,313	1,852	2,950	1,187	1,757	6,358	7,495	12,062
3	23	9,447	5,476	5,476	3,456	4,975	13,398	17,504	33,264
2	24	26,518	7,462	7,462	5,508	6,727	6,226	11,304	15,787
2	28	740	431	431	230	437	296	606	1,950
138	....	273,596	116,598	124,321	87,423	145,813	155,780	286,737	576,535

CHART No. 4.—*Section No. 3.*

Statements.	Type.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
12	1	$12,680	$5,093	$5,125	$4,831	$7,209	$2,623	$10,184	$23,783
14	2	8,898	2,253	2,603	3,318	5,234	3,446	9,578	18,192
29	3	24,420	10,038	10,095	7,423	15,601	6,477	20,642	80,095
1	4	820	76	76	43	97	454	1,049	5,869
8	5	17,443	5,561	6,989	4,517	11,894	7,195	16,857	33,697
3	6	1,906	939	....	806	970	554	1,078	4,211
5	7	7,806	2,983	4,483	1,141	5,093	9,758	12,818	11,475
10	8	6,585	2,269	2,458	2,088	4,364	5,793	9,838	12,935
6	9	12,309	4,432	4,607	3,199	7,656	14,970	20,690	23,148
1	10	1,045	606	606	564	373	278	717	1,775
2	11	1,143	653	1,050	280	820	1,200	1,286	2,767
10	12	397,286	169,890	251,470	146,215	176,792	157,932	297,443	1,490,928
9	13	6,258	2,025	2,137	2,742	3,243	861	4,922	13,438
4	14	1,900	682	682	656	1,134	2,688	3,788	5,514
7	16	11,510	5,290	5,846	3,138	7,254	8,818	13,225	32,009
4	17	5,578	2,679	2,679	2,266	2,714	497	3,024	8,759
4	18	5,060	3,153	5,837	806	3,888	5,294	4,957	6,069
4	19	2,848	949	949	704	1,919	1,272	3,058	3,779
3	20	3,330	765	2,003	1,116	2,041	9,877	10,727	4,996
8	21	12,963	4,731	5,111	3,957	7,688	6,781	13,940	16,347
4	22	9,458	4,211	4,273	1,586	7,250	16,896	21,698	18,450
2	23	5,676	3,116	3,116	2,539	1,483	8,882	11,313	42,966
6	24	155,008	71,858	71,901	41,308	100,052	142,477	211,522	274,343
1	25	9,796	3,924	3,924	2,318	6,300	16,354	22,048	24,103
1	27	1,869	1,092	1,092	1,621	1	601	1,294	9,262
2	28	2,730	1,555	1,555	779	1,216	731	1,432	5,456
5	29	48,511	17,462	17,462	12,691	30,711	50,950	68,885	72,577
165	....	774,845	328,285	419,068	252,652	412,997	483,659	798,773	2,248,963

CHART No. 5.—*Section No. 4.*

Statements.	Type.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
6	1	$4,287	$1,497	$1,497	$1,920	$2,340	$472	$3,494	$7,817
25	2	19,791	7,281	7,327	8,077	10,655	2,693	15,530	36,303
47	3	20,139	7,574	7,646	9,242	9,526	3,623	16,387	64,049
4	4	1,890	166	166	629	322	895	2,515	8,264
1	5	203	99	99	61	128	15	119	479
4	6	2,405	794	996	944	1,368	556	1,962	4,743
1	7	764	280	280	361	390	152	636	941
2	8	1,715	564	564	983	669	324	1,501	2,652
2	9	1,437	664	664	675	597	562	1,339	2,566
6	11	6,205	3,074	3,644	1,709	3,255	5,935	8,483	10,712
1	13	815	216	216	470	324	71	669	914
5	19	5,263	2,352	2,602	1,665	2,648	4,082	6,170	10,626
1	20	846	530	530	314	470	1,068	1,362	1,005
2	22	518	283	283	174	334	621	952	1,086
107	....	66,278	25,374	26,514	27,224	33,026	21,079	61,119	152,147

CHART No. 6.—*Section No. 5.*

Statements.	Type.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
4	1	$9,203	$4,216	$4,446	$4,104	$4,055	$1,551	$6,290	$13,598
8	2	21,262	8,074	8,108	8,487	11,805	5,810	18,765	41,161
15	3	20,638	8,683	10,319	8,812	10,455	4,067	13,957	60,143
2	5	20,241	8,635	8,635	4,978	14,255	9,302	20,880	31,983
3	7	31,971	5,858	11,871	12,376	15,776	14,910	31,413	22,176
3	8	1,236	448	448	376	818	555	1,325	1,773
11	9	13,273	5,516	6,220	6,595	5,953	4,154	11,163	22,210
3	12	6,087	2,950	2,950	1,754	3,505	4,059	7,155	33,864
7	13	9,082	3,930	3,930	3,847	4,417	1,695	6,722	16,126
2	14	4,902	2,347	9,273	1,346	1,158	16,079	11,707	9,651
3	16	3,360	1,450	1,526	922	2,166	2,590	4,425	24,035
3	17	7,712	3,562	4,357	2,986	4,419	3,449	6,679	12,173
1	18	349	148	148	97	237	140	338	634
2	19	4,109	2,204	2,204	1,250	2,537	2,486	4,390	6,459
1	20	269	63	63	75	186	783	987	404
2	21	5,510	2,163	2,163	1,980	3,116	4,296	7,643	8,356
1	22	8,252	1,445	1,445	2,349	3,846	8,798	15,605	15,000
1	24	361	266	302	30	321	504	563	1,479
72	....	167,817	61,958	78,428	62,264	89,025	85,228	170,007	321,225

CHART NO. 7.—*Section No. 6.*

Statements.	Type.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
12	1	$42,364	$21,648	$21,648	$19,137	$20,442	$9,654	$26,546	$82,025
13	2	8,989	2,359	2,434	2,309	5,944	1,182	7,536	18,290
27	3	24,384	10,228	10,348	8,499	14,443	5,079	18,968	75,238
25	4	17,093	6,853	6,853	3,786	7,615	15,674	25,105	134,939
1	5	435	167	167	147	273	73	341	371
4	6	2,401	412	412	844	1,471	535	2,503	5,265
6	7	4,491	1,597	1,669	1,876	2,334	2,103	4,693	6,239
1	8	262	133	133	99	158	72	201	454
15	9	8,984	3,551	3,552	3,556	4,555	3,702	9,315	13,495
4	11	15,571	5,568	5,718	4,256	8,654	22,311	32,177	42,201
1	12	220	118	118	20	195	155	257	916
10	13	52,600	22,904	23,084	19,374	29,979	26,212	33,822	121,073
2	14	576	129	129	170	394	310	697	2,226
2	16	663	280	280	286	341	256	648	1,645
4	17	4,920	2,632	2,632	1,817	2,806	540	3,230	7,402
2	18	915	259	259	274	538	358	1,014	3,055
1	19	1,056	355	355	530	515	182	683	1,413
4	20	3,422	1,400	1,685	1,108	2,185	4,116	5,320	8,048
5	21	3,998	1,394	1,514	1,274	2,432	2,168	4,528	8,688
3	22	791	245	245	310	424	654	1,184	1,526
2	23	873	41	41	422	348	879	1,710	2,095
144	....	195,008	82,275	83,276	70,094	106,046	96,615	180,478	537,104

CHART NO. 8.—*Section No. 7.*

Statements.	Type.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
27	1	$31,834	$13,118	$13,128	$12,106	$16,392	$7,020	$25,752	$61,409
16	2	10,865	4,278	4,359	3,734	6,306	1,466	7,642	19,856
46	3	34,425	15,383	15,658	14,013	18,134	4,373	22,898	96,495
9	4	2,906	918	918	777	1,616	1,965	3,901	25,241
1	5	1,526	226	226	883	454	339	1,645	5,632
1	6	806	213	238	291	482	168	739	2,156
1	7	208	53	53	75	103	86	242	502
4	8	2,248	998	998	946	1,261	662	1,917	3,112
4	9	2,030	412	412	938	968	2,612	4,232	2,188
6	11	4,102	1,381	1,396	1,286	2,594	2,385	5,091	7,923
2	13	2,179	673	673	798	1,237	222	1,729	3,290
1	14	395	128	128	238	151	100	367	666
2	15	3,741	919	1,080	1,433	2,092	1,120	3,720	7,949
2	16	622	279	279	323	214	537	841	2,799
1	17	337	47	47	136	160	13	303	608
2	20	1,074	273	273	153	830	507	1,308	1,610
2	21	1,937	811	936	772	1,119	538	968	2,831
127	....	101,250	40,110	40,802	38,902	54,113	24,113	83,295	244,267

CHART NO. 9.—*Section No. 8.*

Statements.	Type.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
4	1	$1,849	$698	$698	$743	$1,058	$837	$1,987	$4,027
4	2	4,851	1,899	1,899	1,732	2,977	1,741	4,651	9,949
5	3	1,811	562	562	761	977	195	1,429	4,790
1	4	796	126	126	276	305	538	1,008	6,751
1	6	512	73	73	149	347	33	467	1,122
7	9	5,315	2,116	2,116	2,550	2,467	2,295	5,416	11,430
1	10	422	....	....	122	268	672	1,043	1,231
3	11	1,353	427	427	324	878	1,031	1,926	3,158
1	12	1,776	1,046	1,046	591	1,108	1,272	2,003	4,987
1	13	211	118	118	98	80	156	249	401
1	17	533	152	152	165	367	....	381	716
1	21	1,790	968	1,031	570	1,165	1,024	1,801	1,466
1	22	905	415	415	394	464	83	554	2,043
4	23	10,780	2,096	2,096	3,759	5,175	17,579	26,148	17,301
1	25	426	212	212	182	224	217	431	1,166
36	....	33,330	10,908	10,971	12,416	17,860	27,673	49,494	70,538

CHART No. 10.—*Section No. 9.*

Statements.	Type.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
5	1	$7,854	$3,178	$3,178	$2,956	$4,006	$546	$5,525	$12,659
7	2	10,417	3,595	3,655	3,006	6,808	1,887	8,512	18,175
7	3	5,591	2,229	2,262	2,292	3,067	872	4,200	17,727
4	4	8,533	2,414	2,414	2,626	2,935	6,112	12,233	50,560
2	5	4,263	1,761	1,787	1,368	2,521	1,099	3,576	5,848
3	6	2,812	1,006	1,006	852	1,823	336	2,106	5,597
2	7	8,888	3,869	3,869	2,236	5,681	3,185	8,203	13,123
3	8	4,846	2,028	2,023	2,317	2,421	1,285	4,103	6,911
2	9	1,789	697	697	696	922	3,550	4,675	4,264
2	11	3,700	1,530	1,530	574	2,814	821	2,990	9,866
2	12	10,330	3,663	3,663	2,584	5,368	9,114	12,212	22,805
2	13	1,638	698	698	519	987	146	1,086	3,397
41	....	68,461	26,668	26,786	22,026	39,253	28,953	69,421	170,932

CHART No. 11.—*National mixed type ratios.*

Sections	1	2	3	4	5	6	7	8	9	Nat.
Number of statements	91	138	165	107	72	144	127	36	41	981
	Per ct.	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*
Current ratio	233.43	234.65	236.02	261.20	270.85	237.02	252.40	305.55	256.81	241.24
Receivable merchandise	69.76	59.95	61.17	82.43	70.05	66.09	71.89	69.51	56.11	64.64
Worth—fixed assets	191.48	184.06	165.15	289.95	199.47	186.80	345.43	178.84	239.77	184.47
Sales—receivable	586.16	659.48	890.14	558.87	515.08	766.26	627.90	568.12	776.04	734.61
Sales—merchandise	408.91	395.39	544.55	460.68	360.82	506.48	451.58	394.94	435.46	473.44
Sales—worth	209.21	200.71	281.55	248.97	188.94	297.60	293.25	142.52	246.22	249.34
Debt—worth	43.28	43.35	52.46	43.38	46.13	46.14	48.98	22.16	38.58	47.19

CHART No. 12.—*Wholesale dry goods—Type 1.*

Statements.	Section.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
6	1	$11,215	$4,646	$5,067	$5,039	$5,674	$2,037	$8,191	$29,749
7	2	11,690	5,436	6,048	5,500	5,400	2,026	7,659	25,266
12	3	12,680	5,093	5,125	4,831	7,209	2,623	10,184	23,783
6	4	4,287	1,497	1,497	1,920	2,340	472	3,494	7,817
4	5	9,203	4,216	4,466	4,104	4,055	1,551	6,290	13,598
12	6	42,364	21,648	21,648	19,137	20,442	9,654	26,546	82,025
27	7	31,834	13,118	13,128	12,106	16,392	7,020	25,752	61,409
4	8	1,849	698	698	743	1,058	837	1,987	4,027
5	9	7,854	3,178	3,178	2,956	4,006	546	5,525	12,659
83	....	132,976	59,530	60,855	56,236	66,576	26,766	95,628	260,333

CHART No. 13.—*Wholesale hardware—Type 2.*

Statements.	Section.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
2	1	$788	$352	$352	$319	$325	$193	$833	$1,974
10	2	6,428	2,410	2,791	1,706	4,155	1,372	4,949	13,760
14	3	8,898	2,253	2,603	3,318	5,234	3,446	9,578	18,192
25	4	19,791	7,281	7,327	8,077	10,655	2,693	15,530	36,303
8	5	21,262	8,074	8,108	8,487	11,805	5,810	18,765	41,161
13	6	8,989	2,359	2,434	2,309	5,904	1,182	7,536	18,290
16	7	10,865	4,278	4,359	3,734	6,306	1,466	7,642	19,856
4	8	4,851	1,899	1,899	1,732	2,977	1,741	4,651	9,949
7	9	10,417	3,595	3,655	3,006	6,808	1,887	8,512	18,175
99	....	92,289	32,501	33,528	32,688	54,209	19,790	77,996	177,660

CHART No. 14.—*Wholesale grocer—Type 3.*

Statements.	Section.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
5	1	$3,207	$1,578	$1,643	$1,470	$1,470	$451	$2,027	$10,037
24	2	17,858	7,794	10,707	6,835	9,213	9,326	16,568	59,128
29	3	24,420	10,038	10,095	7,423	15,601	6,477	20,642	80,095
47	4	20,139	7,574	7,646	9,242	9,526	3,623	16,387	64,039
15	5	20,638	8,683	10,319	8,812	10,455	4,067	13,957	60,143
27	6	24,384	10,228	10,348	8,499	14,443	5,079	18,968	75,238
46	7	34,425	15,383	15,658	14,013	18,134	4,373	22,898	96,495
5	8	1,811	562	562	761	977	195	1,429	4,790
7	9	5,591	2,229	2,262	2,292	3,067	872	4,200	17,727
205	....	152,473	64,069	69,240	59,247	82,886	34,463	117,076	467,692

CHART No. 15.—*Tanners—Type 5.*

Statements.	Section.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
6	1	$22,709	$10,847	$10,847	$8,332	$12,790	$1,870	$12,554	$45,226
7	2	9,051	3,452	3,721	3,028	4,717	2,632	7,889	14,474
8	3	17,443	5,561	6,989	4,517	11,894	7,195	16,857	33,697
1	4	203	99	99	61	128	15	119	479
2	5	20,241	8,635	8,635	4,978	14,255	9,302	20,880	31,983
1	6	435	167	167	147	273	73	341	871
1	7	1,536	226	226	883	454	339	1,645	5,632
2	9	4,263	1,761	1,787	1,368	2,521	1,099	3,576	5,848
28	....	75,881	30,738	32,481	23,314	47,032	22,525	63,861	138,210

CHART No. 16.—*Drugs—Type 6.*

Statements.	Section.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
2	1	$18,427	$6,749	$6,749	$3,913	$13,011	$35,461	$42,532	$44,711
3	2	5,755	2,154	2,154	1,640	3,430	3,892	7,050	12,234
3	3	1,906	939	939	806	970	554	1,478	4,211
4	4	2,405	794	996	944	1,368	556	1,962	4,743
4	6	2,401	412	412	844	1,471	535	2,503	5,265
1	7	806	213	238	291	482	168	739	2,156
1	8	512	73	73	149	347	33	467	1,122
3	9	2,812	1,006	1,006	852	1,823	336	2,106	5,597
21	....	35,024	12,340	12,567	9,439	22,902	41,535	58,837	80,039

CHART No. 17.—*Farm implements—Type 7.*

Statements.	Section.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
2	2	$2,798	$1,360	$1,360	$1,070	$1,453	$1,886	$3,323	$6,618
5	3	7,806	2,983	4,483	1,141	5,093	9,758	12,818	13,475
1	4	764	280	280	361	390	152	636	941
3	5	31,971	5,858	11,871	12,376	15,776	14,910	31,413	22,176
6	6	4,491	1,597	1,669	1,876	2,334	2,103	4,693	6,239
1	7	208	53	53	75	103	86	242	502
2	9	8,888	3,869	3,869	2,236	5,681	3,185	8,203	13,123
20	....	56,926	16,000	23,585	19,135	30,830	32,080	61,328	63,074

CHART No. 18.—*Lumber—Type 9.*

Statements.	Section.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
4	1	$3,522	$1,312	$1,359	$1,654	$1,612	$2,220	$4,391	$8,056
3	2	2,533	1,059	1,059	1,175	802	948	2,410	6,300
6	3	12,309	4,432	4,607	3,199	7,656	14,970	20,690	23,148
2	4	1,437	664	664	675	597	562	1,339	2,566
11	5	13,273	5,516	6,220	6,595	5,953	4,154	11,163	22,210
15	6	8,984	3,551	3,552	3,556	4,551	3,702	9,315	13,495
4	7	2,030	412	412	938	968	2,612	4,232	2,188
7	8	5,315	2,116	2,116	2,550	2,467	2,295	5,416	11,430
2	9	1,789	697	697	696	922	3,550	4,675	4,264
54	....	51,192	19,759	20,686	21,038	25,528	35,013	63,631	93,657

CHART No. 19.—*Packers—Type 12.*

Statements.	Section.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
1	1	$641	$430	$430	$290	$282	$688	$797	$2,629
1	2	1,120	175	175	278	751	2,189	2,685	2,652
10	3	397,286	169,890	251,470	146,215	176,792	157,932	297,443	1,490,928
3	5	6,087	2,950	2,950	1,754	3,505	4,059	7,155	33,864
1	6	220	118	118	20	195	155	257	916
1	8	1,776	1,046	1,046	591	1,108	1,272	2,003	4,987
2	9	10,330	3,663	3,663	2,584	5,268	9,114	12,212	22,805
19	....	417,460	177,272	259,851	151,732	187,901	175,409	322,552	1,558,781

CHART No. 20.—*Boots and shoes—Type 13.*

Statements.	Section.	Current assets.	Current liabilities.	Debt.	Receivables.	Merchandise.	Fixed.	Worth.	Sales.
20	1	$51,265	$23,669	$24,083	$23,200	$23,871	$13,678	$41,616	$109,817
14	2	43,765	20,216	20,241	12,860	24,570	1,503	24,473	53,080
9	3	6,258	2,025	2,137	2,742	3,243	816	4,922	13,438
1	4	815	216	216	470	324	71	669	914
7	5	9,082	3,930	3,930	3,847	4,417	1,695	6,722	16,126
10	6	52,600	22,904	23,084	19,374	29,979	26,212	33,822	121,073
2	7	2,179	673	673	798	1,237	222	1,729	3,290
1	8	211	118	118	98	80	156	249	401
2	9	1,638	698	698	519	987	146	1,086	3,397
66	....	167,813	74,449	75,180	63,908	88,707	44,499	115,288	321,536

CHART No. 21.—*Dry goods—Type 1.*

Sections	1	2	3	4	5	6	7	8	9	Nat.
Number of statements	6	7	12	6	4	12	27	4	5	83
	Per cent.	*Per cent.*	*Per cent.*	*Per ct.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Current ratio	241.39	215.04	248.96	288.37	218.28	195.69	242.67	264.89	247.13	223.38
Receivable merchandise	90.41	101.85	67.01	82.05	101.21	93.61	73.85	70.22	73.48	84.61
Worth—fixed	402.11	378.03	388.29	740.25	405.54	274.97	366.83	237.39	1,011.90	357.27
Sales—receivable	590.37	459.38	492.29	407.13	331.33	428.16	507.26	541.49	428.24	462.10
Sales—merchandise	524.30	467.88	329.90	334.05	335.33	401.25	374.62	380.62	316.00	391.03
Sales—worth	363.19	329.88	233.53	223.72	216.18	308.99	238.46	202.66	229.12	272.23
Debt—worth	61.86	78.96	50.32	42.84	71.00	36.36	50.97	35.12	57.52	63.66

CHART NO. 22.—*Hardware—Type 2.*

Sections	1	2	3	4	5	6	7	8	9	Nat.
Number of statements	2	10	14	25	8	13	16	4	7	99
	Per cent.	*Per cent.*	*Per cent.*	*Per ct.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Current ratio	223.22	266.72	394.94	271.82	263.33	381.05	253.97	255.45	289.76	283.95
Receivable merchandise	98.15	41.06	63.39	75.80	71.89	38.84	59.21	58.17	44.15	60.29
Worth—fixed	431.60	260.70	277.94	576.68	322.97	637.56	521.28	267.14	457.00	394.11
Sales—receivable	618.80	806.58	548.28	449.46	484.98	792.11	531.76	574.42	604.62	543.50
Sales—merchandise	607.38	331.16	347.57	340.71	348.67	207.70	314.87	334.19	266.96	327.73
Sales—worth	236.97	278.03	189.93	233.76	219.34	242.70	259.83	213.91	213.52	227.78
Debt—worth	42.25	56.39	27.17	47.15	43.20	32.29	48.86	40.82	42.93	42.98

CHART NO. 23.—*Grocers—Type 3.*

Sections	1	2	3	4	5	6	7	8	9	Nat.
Number of statements	5	24	29	47	15	27	46	5	7	205
	Per cent.	*Per cent.*	*Per cent.*	*Per ct.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Current ratio	203.26	229.12	243.27	265.89	237.68	238.42	223.78	322.22	250.82	237.98
Receivable merchandise	100.00	74.18	47.58	97.56	84.26	58.84	77.27	77.89	74.73	71.60
Worth—fixed	499.41	177.66	318.69	452.58	343.17	373.45	523.62	732.82	481.65	339.71
Sales—receivable	682.78	865.07	1,079.03	692.91	682.51	885.25	688.61	629.43	773.42	788.06
Sales—merchandise	682.78	641.77	413.39	672.25	575.25	520.93	532.12	490.29	577.89	564.25
Sales—worth	495.16	356.87	388.01	390.79	430.91	396.65	421.41	335.19	422.07	399.47
Debt—wotrh	81.05	64.61	48.90	46.65	73.93	54.55	68.38	39.32	53.85	59.14

CHART NO. 24.—*Tanners—Type 5.*

Sections	1	2	3	4	5	6	7	8	9	Nat.
Number of statements	6	7	8	1	2	1	1	....	2	28
	Per cent.	*Per cent.*	*Per cent.*	*Per ct.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Current ratio	209.35	262.19	313.66	205.05	234.40	260.47	379.64	....	241.28	246.86
Receivable merchandise	65.14	64.19	37.97	47.65	34.92	53.84	25.59	....	54.26	49.57
Worth—fixed	671.33	299.73	234.28	793.33	224.46	467.12	487.90	....	325.37	283.51
Sales—receivable	542.79	359.33	746.00	785.24	642.98	592.51	637.82	....	427.48	592.81
Sales—merchandise	353.60	306.84	283.31	374.21	224.36	319.04	1,240.52	....	231.97	293.86
Sales—worth	360.25	183.47	199.89	402.53	153.17	255.42	342.37	....	166.53	216.42
Debt—worth	86.40	47.29	41.46	43.35	41.35	48.97	13.37	....	49.97	50.86

CHART NO. 25.—*Drugs—Type 6.*

Sections	1	2	3	4	5	6	7	8	9	Nat.
Number of statements	2	3	3	4	0	4	1	1	3	21
	Per cent.	*Per cent.*	*Per cent.*	*Per ct.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Current ratio	273.03	267.17	202.98	302.89	....	582.75	378.40	701.36	279.52	283.83
Receivable merchandise	30.07	47.81	83.09	69.00	....	57.37	60.37	42.94	46.73	41.21
Worth—fixed	111.94	181.14	266.78	352.87	....	467.85	439.88	1,415.15	626.78	141.85
Sales—receivable	1,142.62	745.97	522.45	502.43	....	623.81	740.89	753.02	656.92	847.96
Sales—merchandise	343.64	356 66	434.12	346.71	....	357.91	347.30	323 33	307.02	349.48
Sales—worth	105.12	173 53	284.91	241.74	....	210.34	291.74	240.25	265.76	136 05
Debt—worth	15.86	30.55	63.53	50.76	....	16.46	32.20	15.63	47.76	21.35

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CHART No. 26.—*Farm implements—Type 7.*

Sections	1	2	3	4	5	6	7	8	9	Nat.
Number of statements	....	2	5	1	3	6	1	....	2	20
	Per cent.	*Per cent.*	*Per cent.*	*Per ct.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Current radio	....	205.73	261.68	272.85	545.78	281.21	483.61	....	329.72	355.78
Receivable merchandise	....	73.64	22.40	92.56	78.45	80.37	72.81	....	39.35	63.50
Worth—fixed	....	176.19	131.35	418.42	210.88	223.15	281.39	....	257.56	191.17
Sales—receivable	....	618.50	1,180.98	260.66	179.18	232.56	569.32	....	586.86	329.62
Sales—merchandise	....	455.47	264.57	241.28	140.56	267.30	487.37	....	230.99	209.33
Sales—worth	....	199.15	105.12	147.95	70.59	132.94	207.43	....	150.97	102.84
Debt—worth	....	40.92	34.97	44.02	37.79	35.56	21.90	....	47.16	38.45

CHART No. 27.—*Lumber—Type 9.*

Sections	1	2	3	4	5	6	7	8	9	Nat.
Number of statements	4	3	6	2	11	15	4	7	2	54
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Current ratio	268.44	239.18	277.72	216.41	240.62	252.99	492.71	251.18	256.67	259.08
Receivable merchandise	102.60	146.50	41.78	113.06	110.78	78.13	96.90	103.36	75.58	82.37
Worth—Fixed	97.79	254.21	138.20	238.25	268.92	251.62	162.02	186.43	131.68	181.73
Sales—Receivable	487.06	536.17	723.60	380.14	336.77	379.49	233.26	448.23	612.64	445.18
Sales—Merchandise	499.75	785.53	302.35	429.81	373.08	296.52	226.03	463.31	462.47	366.87
Sales—Worth	184.46	261.41	111.87	191.63	198.96	144.87	51.70	211.04	91.20	147.18
Debt—Worth	30.94	43.94	22.25	49.58	55.71	38.13	43.92	39.06	17.90	32.50

CHART No. 28.—*Packers—Type 12.*

Sections	1	2	3	4	5	6	7	8	9	Nat.
Number of statements	1	1	10	....	3	1	....	1	2	19
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Special current ratio	....	....	157.98	....	....	....	....	....	....	160.65
Current ratio	149.06	640.00	233.84	....	206.33	186.44	....	169.79	282.00	235.49
Receivable merchandise	102.83	37.02	82.70	....	50.04	10.25	....	53.33	49.05	80.75
Worth—Fixed	110.02	122.65	188.33	....	176.27	165.80	....	157.46	133.99	183.88
Sales—Receivable	906.55	953.95	1,019.68	....	1,093.67	4,580.00	....	843.82	882.54	1,027.30
Sales—Merchandise	932.36	353.12	843.32	....	766.16	469.74	....	450.00	432.89	829.57
Sales—Worth	329.86	98.77	501.24	....	473.06	356.42	....	248.97	186.74	483.27
Debt—Worth	53.95	6.50	84.54	....	41.22	45.91	....	58.22	29.98	80.56

CHART No. 29.—*Boots and shoes—Type 13.*

Sections	1	2	3	4	5	6	7	8	9	Nat.
Number of statements	20	14	9	1	7	10	2	1	2	66
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Current ratio	216.59	216.48	309.03	377.31	231.09	229.65	323.77	178.81	234.67	225.40
Receivable merchandise	97.18	52.34	84.55	145.06	87.09	64.62	64.51	122.50	52.58	72.04
Worth—Fixed	204.25	1,628.27	513.18	942.25	396.57	129.05	778.82	159.61	743.85	259.07
Sales—Receivable	473.34	412.75	490.08	194.46	419.18	624.92	412.28	409.18	654.52	503.12
Sales—Merchandise	460.04	216.03	414.36	282.09	365.08	403.85	265.96	501.25	344.17	362.46
Sales—Worth	263.88	216.89	273.01	136.62	239.89	357.97	190.28	161.04	312.79	278.89
Debt—Worth	57.86	82.70	43.41	32.28	58.46	68.25	38.92	29.82	64.27	65.21

CHART No. 30.—*National type ratios.*

Types	1	2	3	5	6	7	9	12	13
Number of statements	83	99	205	28	21	20	54	19	66
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Current ratio	223.38	283.95	237.98	246.86	269.35	355.78	259.08	235.49	225.40
Special current ratio								160.65	
Receivable merchandise	84.61	60.29	71.60	49.57	41.21	63.50	82.37	80.75	72.04
Worth—Fixed	357.27	394.11	339.71	283.51	141.65	191.17	181.73	183.88	259.07
Sales—Receivable	462.10	543.50	788.06	592.81	847.96	329.62	445.18	1,027.30	503.12
Sales—Merchandise	391.03	327.73	564.25	293.86	349.48	209.33	366.87	829.57	362.46
Sales—Worth	272.23	227.78	399.47	216.42	136.05	102.84	147.18	483.27	278.89
Debt—Worth	63.66	42.98	59.14	50.86	21.35	38.45	32.50	80.56	65.21

NOTE.—These tables are of course not complete, but are indicative of what may be accomplished by coordinated barometric research.

DEVELOPMENT OF THE COLLECTION SYSTEM.

The New York Clearing House Association has adopted a new set of rules and regulations relating to the method of making collections for members of the association or for others clearing through such members, as well as the rate to be charged for the collections in question. Simultaneous with the transmission of these regulations, effective March 1, the Federal Reserve Bank of New York has sent out under date of February 26 a schedule showing when the proceeds of acceptances will be available if collected through the Federal Reserve Bank of New York. There is herewith reprinted the circular sent out by the clearing house, as follows:

NEW YORK CLEARING HOUSE—RULES AND REGULATIONS REGARDING COLLECTIONS OUTSIDE OF THE CITY OF NEW YORK.

(Effective Aug. 12, 1918; amended Sept. 3, 1918; Feb. 10, 1919, effective Mar. 1, 1919.)

Pursuant to authority conferred upon it by the constitution of the New York Clearing House Association, the clearing house committee of said association establishes the following rules and regulations regarding collections outside of the City of New York (except as to items on clearing nonmembers), by members of the association, or banks, trust companies, or others clearing through such members, and the rates to be charged for such collections, and also regarding enforcement of the provisions hereof:

SECTION 1. These rules and regulations shall apply to all members of the association, and to all banks, trust companies, or others clearing through such members, but not to branches in foreign countries of member banks. The parties to which the same so apply are hereinafter described as collecting banks.

SEC. 2. For all items deposited by or collected for the account of the Governments of the United States, the State of New York, or the City of New York, from whatever source received (but not checks, warrants, etc., issued by said Governments and deposited by or collected for the account of the bank's other customers), the charge shall be discretionary with the collecting banks.

SEC. 3. For checks or drafts drawn on banks, bankers, and trust companies, and for all other items, the charges shall be not less than those prescribed for the respective points in the following schedule, subject to the provisions of sections 4, 5 and 6:

States.	Checks or drafts drawn on banks, bankers, and trust companies.	All other items.
Alabama	One-tenth of 1 per cent.	One-tenth of 1 per cent.
Arizona	do	Do.
Arkansas	do	Do.
California	do	Do.
San Francisco	One-twentieth of 1 per per cent.	Do.
Colorado	One-tenth of 1 per cent.	Do.
Denver	One-twentieth of 1 per cent.	Do.
Connecticut	Discretionary	Do.
Delaware	do	Do.
District of Columbia	do	Do.
Florida	One-eighth of 1 per cent.	One-eighth of 1 per cent.
Georgia	One-tenth of 1 per cent.	One-tenth of 1 per cent.
Atlanta	One-fortieth of 1 per cent.	Do.
Idaho	One-tenth of 1 per cent.	Do.
Illinois	One-twentieth of 1 per cent.	Do.
Chicago	One-fortieth of 1 per cent	Do.
Indiana	One-twentieth of 1 per cent.	Do.
Iowa	One-tenth of 1 per cent.	Do.
Kansas	do	Do.
Kansas City	One-fortieth of 1 per cent	Do.
Kentucky	One-tenth of 1 per cent.	Do.
Louisville	One-fortieth of 1 per cent	Do.
Louisiana	One-eighth of 1 per cent.	One-eighth of 1 per cent.
New Orleans	One-twentieth of 1 per cent.	One-tenth of 1 per cent.
Maine	Discretionary	Do.
Maryland	do	Do.
Baltimore	do	Do.
Massachusetts	do	Do.
Boston	do	Discretionary.[1]

[1] See section 6.

States.	Checks or drafts drawn on banks, bankers, and trust companies.	All other items.
Michigan	One-twentieth of 1 per cent.	One-tenth of 1 per cent.
Detroit	One-fortieth of 1 per cent	Do.
Minnesota	One-tenth of 1 percent	Do.
Minneapolis	One-fortieth of 1 per cent	Do.
St. Paul	do	Do.
Mississippi	One-eighth of 1 per cent	One-eighth of 1 per cent.
Missouri	One-tenth of 1 per cent	One-tenth of 1 per cent.
Kansas City	One-fortieth of 1 per cent	Do.
St. Louis	do	Do.
Montana	One-tenth of 1 per cent	Do.
Nebraska	do	Do.
Omaha	One-twentieth of 1 per cent.	Do.
Nevada	One-tenth of 1 per cent	Do.
New Hampshire	Discretionary	Do.
New Jersey	do	Do.
Hoboken	do	Discretionary.
Jersey City	do	Do.[1]
New Mexico	One-eighth of 1 per cent.	One-eighth of 1 per cent.
New York	Discretionary	One-tenth of 1 per cent.
New York City	do	Discretionary.
North Carolina	One-eighth of 1 per cent.	One-eighth of 1 per cent.
North Dakota	One-tenth of 1 per cent	One-tenth of 1 per cent.
Ohio	One-twentieth of 1 per. cent.	Do.
Cincinnati	One-fortieth of 1 per cent	Do.
Cleveland	do	Do.
Oklahoma	One-tenth of 1 per cent	Do.
Oregon	do	Do.
Portland	One-twentieth of 1 per cent.	Do.
Pennsylvania	Discretionary	Do.
Philadelphia	do	Discretionary.[1]
Pittsburgh	do	One-tenth of 1 per cent.
Rhode Island	do	Do.
South Carolina	One-eighth of 1 per cent.	One-eighth of 1 per cent.
South Dakota	One-tenth of 1 per cent	One-tenth of 1 per cent.
Tennessee	do	Do.
Texas	do	Do.
Dallas	One-twentieth of 1 per cent.	Do.
Utah	One-tenth of 1 per cent	Do.
Salt Lake City	One-twentieth of 1 per cent.	Do.
Vermont	Discretionary	Do.
Virginia	One-tenth of 1 per cent	Do.
Richmond	Discretionary	Do.
Washington	One-tenth of 1 per cent	Do.
Seattle	One-twentieth of 1 per cent.	Do.
Spokane	do	Do.
West Virginia	One-tenth of 1 per cent	Do.
Wisconsin	do	Do.
Wyoming	do	Do.

[1] See section 6.

SEC. 4. The charge for checks and drafts drawn on banks, bankers and trust companies located in Federal Reserve cities and cities where Federal Reserve Bank branches are at present or may hereafter be established, shall be governed by the "Schedule showing when the proceeds of items will become available," as published by the Federal Reserve Bank of New York from time to time; that is to say, for such items on said cities where immediate credit is given and for such items which become available one day after receipt, the charge shall be discretionary; for such items available two days after receipt, the charge shall be one-fortieth of 1 per cent; for such items available four days after receipt the charge shall be one-twentieth of 1 per cent; and for such items available eight days after receipt, the charge shall be one-tenth of 1 per cent.

SEC. 5. In case the charge upon any item at the rates above specified does not equal ten (10) cents, the collecting bank shall charge not less than that sum; but all items received in any one deposit and subject to the same rate, may be added together and treated as one item for the purpose of determining the amount of exchange to be charged.

SEC. 6. (a) On acceptances of banks, bankers, and trust companies taken by member or clearing nonmember institutions the charge shall be governed by the "Schedule showing when the proceeds of bankers' acceptances will become available," as published by the Federal Reserve Bank of New York from time to time; that is to say, for such items for which credit is available at the Federal Reserve Bank of New York on the day of maturity, the charge shall be discretionary; where credit is available at said bank one or two days after maturity, one-fortieth of 1 per cent; where credit is available at said bank three or four days after maturity, one-twentieth of 1 per cent; where credit is available at said bank later than four days after maturity, one-tenth of 1 per cent.

(b) All notes or other time obligations, not provided for in subdivision (a) of this section, purchased by member or clearing nonmember institutions payable elsewhere than in New York City, shall be subject to a charge of not less than one-tenth of 1 per cent, except that in the States of Florida, Louisiana, Mississippi, New Mexico, North Carolina, and South Carolina the charge shall be not less than one-eighth of 1 per cent: *Provided, however*, That for notes or other time obligations purchased or discounted by any collecting bank, payable elsewhere than in New York City, but with respect to which, the maker, indorser, or guarantor; or any bank, banker, or trust company maintaining an account with the collecting bank, gives a written agreement at the time of such purchase or discount that payment is to be provided in New York City on date of maturity in New York funds at par, the charge shall be discretionary.

SEC. 7. The charges herein specified shall in all cases be collected at the time of deposit or not later than the 10th day of the following calendar month. No collecting bank shall, directly or indirectly, allow any abatement, rebate, or return for or on account of such charges or make in any form, whether of interest on balances or otherwise, any compensation therefor.

SEC. 8. In case any member of the association shall learn that these rules and regulations have been violated by any of the collecting banks, it shall immediately report the facts to the chairman of the clearing-house committee, or, in his absence, to the manager of the association. Upon receiving information from any source that there has been a violation of the same, said chairman, or, in his absence, said manager, shall call a meeting of the committee. The committee shall investigate the facts and determine whether a formal hearing is necessary. In case the committee so concludes, it shall instruct the manager to formulate charges and present them to the committee. A copy of these charges, together with written notice of the time and place fixed for hearing regarding the same, shall be served upon the collecting bank charged with such violation, which shall have the right at the hearing to introduce such relevant evidence and submit such argument as it may desire. The committee shall hear whatever relevant evidence may be offered by any person and whatever arguments may be submitted and shall determine whether the charges are sustained. In case it reaches the conclusion that they are, the committee shall call a special meeting of the association and report thereto the facts with its conclusions. If the report of the committee is approved by the association, the collecting bank charged with such violation shall pay to the association the sum of $5,000, and in case of a second violation of these rules and regulations, any collecting bank may also in the discretion of the association be excluded from using its privileges directly or indirectly, and, if it is a member, expelled from the association.

Resolved, That the foregoing rules and regulations are hereby established and adopted, to take effect upon the 12th day of August, 1918:

RULINGS AND INTERPRETATIONS OF SOME OF THE FOREGOING RULES AND REGULATIONS.

(*a*) All applications for rulings on regulations regarding collection charges must be made in writing and addressed to the clearing-house committee. All rulings will be printed and sent to members and other institutions connected with the New York Clearing House.

(*b*) The clearing-house rules contemplate the charging of collection rates on all out-of-town items, from whatever source derived, unless otherwise provided in the rules. This ruling is made comprehensive in order to meet ingenious cases for evasion.

(*c*) A ruling has been asked on the following:

A suggestion that drafts be deposited in other than discretionary cities with the correspondents of a New York Clearing House member in such cities, to the credit of such member, the depositor to receive credit in the New York institution at par immediately upon notification of such deposit, and to be allowed to draw against such credits the same as against New York funds—

It is held that this and similar cases are in contravention of clearing-house rules. If exceptions were allowed, the flood of cases would practically nullify the rules.

In the case of bought paper the broker should allow the charge as part of the purchase.

(*d*) No exception is made to the general rules governing collection charges for items drawn "with exchange," or bearing similar phrases, or when stamped "collectible at par through any Federal Reserve Bank." Such items must be charged for in accordance with the within-named rates.

Counsel has ruled that checks stamped "payable in exchange" are not negotiable; therefore, such checks should not be accepted for deposit.

(*e*) When items subject to collection charges are returned unpaid, the charge may be remitted.

(*f*) Stocks, bonds, and coupons and drafts with bills of lading or collateral attached are subject to the rules governing collection charges.

(*g*) Any agreement, expressed or implied, entered into by a clearing-house member or by a nonmember clearing through a member, with any individual, firm, or corporation, by the terms of which it is intended that the rate of interest agreed to be paid on deposits is to offset and compensate for charges made on out-of-town checks, is a violation of clearing-house rules, and if brought to the attention of the committee, will be dealt with as provided by section 8 of the clearing-house rules and regulations relating to the charges on out-of-town items.

The circular transmitted by the Federal Reserve Bank of New York referred to is as follows:

[Circular No. 147. Federal Reserve Bank of New York. Feb. 26, 1919. Schedule showing when proceeds of bankers' acceptances will be available if collected through the Federal Reserve Bank of New York.]

On and after March 1, 1919, bankers' acceptances will be received by the Federal Reserve Bank of New York for collection from its member banks and from Federal Reserve Banks, but bankers' acceptances payable at New York Clearing House banks will not be received from clearing-house members.

By arrangements completed with all other Federal Reserve Banks the proceeds of bankers' acceptances payable in cities where Federal Reserve Banks or their branches are at present or may hereafter be established will be available, subject to payment, on day of maturity.

Proceeds of bankers' acceptances payable elsewhere than in Federal Reserve or Federal Reserve branch cities will be available, subject to payment, one or more days after maturity, until further notice, in accordance with the following schedule:

District.	Credit available at maturity for items payable in—	Credit for items payable elsewhere in district available.
1. Boston	Boston, Mass.	1 day after maturity.
2. New York	New York, N. Y.	Do.
	Buffalo, N. Y.	Do.
3. Philadelphia	Philadelphia, Pa.	Do.
4. Cleveland	Cleveland, Ohio	Do.
	Cincinnati, Ohio	Do.
	Pittsburgh, Pa.	Do.
5. Richmond	Richmond, Va.	2 days after maturity for Maryland, District of Columbia, and Virginia; 3 days after maturity for West Virginia, North Carolina, and South Carolina.
	Baltimore, Md.	Do.

District.	Credit available at maturity for items payable in—	Credit for items payable elsewhere in district available.
6. Atlanta	Atlanta, Ga	1 day after maturity for acceptances of member banks only; acceptances of nonmembers when collected.
	New Orleans, La	Do.
	Jacksonville, Fla	Do.
	Birmingham, Ala	Do.
7. Chicago	Chicago, Ill	1 day after maturity.
	Detroit, Mich	Do.
8. St. Louis	St. Louis, Mo	Do.
	Louisville, Ky	Do.
	Memphis, Tenn	Do.
	Little Rock, Ark	Do.
9. Minneapolis	Minneapolis, Minn	Do.
	St. Paul, Minn	Do.
10. Kansas City	Kansas City, Mo	Do.
	Omaha, Nebr	Do.
	Denver, Colo	Do.
11. Dallas	Dallas, Tex	Do.
	El Paso, Tex	Do.
12. San Francisco	San Francisco, Cal	Do.
	Spokane, Wash	Do.
	Portland, Oreg	Do.
	Seattle, Wash	Do.
	Salt Lake City, Utah	Do.

UNIFORM ACCEPTANCE COLLECTION SCHEDULE ADOPTED BY ALL FEDERAL RESERVE BANKS.

The Federal Reserve Board has been advised by all Federal Reserve Banks that they are prepared to collect bankers' acceptances received from or for the account of any Federal Reserve Bank, and that, subject to final payment, proceeds of such acceptances will be available in accordance with the schedule printed above. The items to be collected must be received by the collecting Federal Reserve Bank or branch in time for the presentation at maturity to the accepting bank or the bank designated as the place of payment.

The Industrial Board of the Department of Commerce.[1]

Having received approval from the President of the plans proposed to readjust prices, "The Industrial Board of the Department of Commerce" has been formed, composed of representative men from industry, labor, and the Government, who are being selected under the chairmanship of George N. Peek, formerly vice chairman of the War Industries Board. They are to put into practical effect a program for the readjustment of prices for basic materials in such a fashion as to create a firm foundation on which the consumer can base his future purchases, and the producer can form necessary estimates. The Industrial Board has the assistance of the Council of National Defense.

The following is a summary of the industrial situation and an outline of the work of the board.

GENERAL CONDITIONS.

1. There exists at the present time an abnormal situation in the industrial world. It is a condition of stagnation of business and industrial activity. Mills and factories are idle or are producing but a small part of what they are capable of doing; building operations, now deferred for several years, are not beginning, and, in fact, resumption is not contemplated until the confused conditions of the transition period are clarified. Many enterprises, such as street-railway companies in various municipalities, laboring under restrictions of charter contracts, are confronted with advanced wage scales and unprecedented prices of materials needed for repairs and necessary extensions. Unemployment exists and this unemployment is increasing at such a rate as to challenge the best thought that can be given to the situation.

2. One of the striking features of the present situation is the high prices demanded for practically all articles and commodities of trade and commerce. This high-price condition is undoubtedly the cause of most of the business inactivity and, therefore, also is the cause of the widespread unemployment of labor.

3. The living costs of the present are unusually high and will continue high until there are substantial reductions in the cost of the necessary staple foodstuffs.

4. A large and it is believed satisfactory latent buying power exists in the country—an abundance of money—but it is not being used to employ labor and to purchase goods and materials.

5. The present conditions have come about by a series of unusual happenings due to the war. The industries and labor of the country were diverted into new and unnatural channels in order to mobilize all efforts possible in the winning of the war.

The capacities of many factories were expanded, new ones built, abandoned plants remodeled and put into production, and industry was managed and operated in accordance with war necessities.

This control and direction of effort and change of policies resulted in the complete suspension of the ordinary operation of the law of supply and demand, the demand for war commodities, and the necessary agreements with industries as to prices and terms of conversion of industry to war work, etc., had the effect of inflating prices to an abnormal extent, so as to encourage maximum production, even by

[1] Official press statement.

producers operating under the greatest handicaps and at the highest costs. Prices were advanced disproportionately, some articles showing increase in selling prices over prewar prices of 250 per cent, while others showed but approximately 50 per cent. The law of supply and demand is really inoperative at the present time, for the reason that it is found difficult, if not impossible, for this law to resume normal functioning on account of the fact that at the present time the price relations between the industries producing basic essentials are out of balance and not properly adjusted to efficiently meet peace-time conditions.

6. It therefore is apparent that the trouble resulting in the present stagnant, unsatisfactory condition of industry is due to the continuance of the high, uneven, unstable prices of war times, which were, in many instances, agreed to by agencies of Government functioning for war purposes and not to any unhealthy general condition. These abnormal prices still remain because there has been provided, up to this time, no agency to bring about the necessary reductions.

SOME SUGGESTIONS WHICH OUGHT TO BE OBSERVED IN SEEKING A SOLUTION OF THE PROBLEM.

1. A wise solution is equally important to the Government, to industry, and to labor, for their true interests are so indissolubly connected and united that no detriment can be suffered by one without a harmful effect and reaction upon the others.

2. The vital need of the situation is resumption of industrial activity to the fullest extent possible, and it should be the aim to find the wisest and most effective way to accomplish this.

3. It is felt that the proper basis of selling prices for the present will be found to be upon a scale higher than those of the prewar days. However, the level should be established on the lowest plane possible, having due regard for industry, labor, and Government. The announcement of such a plane of prices will immediately create confidence in the buying public.

4. It is believed that the reductions from the high prices to the proper level, so that consumers may be justified in buying, should be made at once by one reduction.

The effort should be to wholly eliminate the abnormal, unbalanced stimulation that business has had and the inflated prices that have resulted, and to start anew upon a normal level, and thereafter, industry, having adopted that level, can safely rely upon the law of supply and demand to govern future values. Such a policy adopted and announced will, it is believed, when understood by the consumers, induce at once sufficient buying to start factories, fill empty yards and warerooms, and to inaugurate the interrupted building and other programs.

5. Industry and labor have a mutual interest in remedying present conditions, but industry should take the first step by the reduction of prices of commodities and should require of labor only reasonable aid.

PROCEDURE—REMEDY.

1. It is believed that a remedy for these conditions can be had by a comparatively simple program. As the President has approved my appointing a board which will make a study of the subject and take action thereon and as it will be made plain that the Department of Commerce and its board has the support of the President, there can be no doubt that industry generally will be glad to cooperate with the board in an endeavor to arrive at a solution of the difficulties.

2. Therefore, one of the first steps which the board should take would be to call into consultation and conference the leaders of industry in such numbers and by such groups as it may be felt is wise. Probably the first of these conferences should be with representatives of industries producing basic materials, such as iron, steel, lumber, textiles, cement, copper, brick, and other construction materials, and from time to time thereafter such others as may be deemed proper. It is believed, however, that industries dealing in finished products will be able to largely (if not entirely) adjust their prices in line with the above policy without material aid from the committee.

3. At such conferences the general situation or conditions outlined above and as they may change up to the time of the conference should be considered and carefully understood, and the above-mentioned principles which ought to apply and govern the solution of the problems should also be fully understood and appreciated. It is believed that these principles and views will be readily accepted by the great majority of those called into conference and further that if any of those who come into conference question these principles and views, a discussion thereof in the conference will, without any considerable delay, lead to a unanimous acceptance thereof.

4. In addition to giving assistance to industry in reaching satisfactory price bases the board ought to be able to give valuable advice in regard to such questions as the disposal of surplus war materials, it being desirable to accomplish this in such a way as to have as little detrimental effect as possible upon private industrial activities.

It will be the endeavor of the board to act promptly by consulting and interchanging views with these representatives of industry in the fullest and freest manner possible, with a view to aiding and assisting industry in general to resume activities to the fullest practicable extent. The immediate object is to bring about such reduced prices as will bring the buying power of the Government itself, including the railroads, telephones, and telegraphs, into action and make it possible for the Government to state that it is willing to be a buyer for its needs at the reduced prices. If these conferences result in such an understanding on the part of the Government with respect to the important basic industries concerning proper prices and bases for prices at which purchases may be made by it, and these are approved by the board, it is believed that upon announcement thereof to the country in general the public will feel justified in promptly beginning a program of extensive buying.

Such a procedure will in substance establish immediately a basis upon which to resume activities, and in this way the law of supply and demand will be enabled to come into play, and from that time forward it will control the changes and readjustments in selling prices of materials and the trend of prices, it is believed, will be upward and not downward.

(Signed) WILLIAM C. REDFIELD,
Secretary of Commerce.

Conditions In the Gold Mining Industry.

The following report has been rendered to the Secretary of the Treasury under date of February 11:

SIR: On November 2, 1918, your predecessor appointed the undersigned a committee to investigate present conditions in the gold mining industry and to study the problem carefully and thoroughly with a view to definitely ascertaining all the difficulties confronting gold production and submitting suggestions of sane and sound methods of relief.

The nature of the problem submitted to the committee was well stated in the letter of Secretary McAdoo to Delegate Sulzer of Alaska, under date of June 10, 1918, to which reference has been made in almost all resolutions or discussions of the subject since that time. * * *

At that time the war was at its height and there was every prospect of a prolonged war. Contrary to the belief apparently entertained in many quarters, the structure of banking credit in any country during war time does not depend very much, if at all, on the amount of gold that can be made available as a reserve for that structure. Undoubtedly the rise in prices in this country since 1914 is to a great extent due to the heavy importations of gold during 1915 and 1916, but it does not follow that the export of a corresponding amount of gold at the present time would operate to bring down prices. As a matter of fact it is the judgment of this committee that it would not so operate until we have reached or approached normal peace conditions. In time of peace the gold reserve is undoubtedly an important factor in controlling the credit structure, but in time of war that structure is determined by other causes. This distinction is sometimes overlooked and much inaccurate thinking is due to this oversight. Under war conditions the imperative necessity of the Government for the production of war essentials determines Government expenditure, and this expenditure can not be modified to meet the banking needs of the country; on the contrary, the banking policies of the country must conform to the fiscal policy of the Government. Under these circumstances the only way in which the expansion of banking credits can be checked is by a reduction of civil demands to correspond with the expanding needs for Government expenditure. The credit saved through this reduction of civil demands becomes available to the Government through the purchase of Government securities or through the payment of taxes. To the extent to which such saving and resulting investment does not take place Government obligations must be taken by the banks, giving rise to credits to the Government which create additional purchasing power for the use of the Government. This additional purchasing power, in turn, competes with the demands of private individuals, driving up prices against the Government and against the civil consumer and ultimately impairs the individual's purchasing power to an amount roughly equivalent to the impairment that might better have been brought about through voluntary saving. The credit structure thus erected depends inevitably upon Government needs and upon the willingness and ability of the community to impose upon itself voluntary restraint in expenditure. In other words, the structure will be high if the community fails to save.

The results in saving achieved in the United States were remarkable but no program of saving can be instantly put in effect and the expansion of the credit structure that took place under these circumstances was inevitable and could not have been controlled through any reduction in the gold reserve.

This being so and a long war being believed in prospect, it was important to maintain a strong gold reserve in order that there might be no impairment of confidence in the convertibility of our currency and in our ability ultimately to settle any international indebtedness in gold.

The cessation of hostilities has radically changed this situation, and with the change in the situation any need of particular effort to promote or stimulate our gold production which may have existed has ceased. There is now no danger of an impairment of confidence. The dimensions of our financial problems are becoming clear and we know that we can without permanent strain meet any financial requirement the Government will be willing to assume. Some further expansion of credit may result from our expenditures for demobilization and readjustment but we can look forward to a comparatively early contraction of our credit structure with the attending circumstances of a free gold market and a gold reserve that shall once more perform its normal function of regulating credit conditions. That movement will, we believe, be both preceded and accompanied by lower commodity prices.

Under these circumstances, there is in our opinion not need for artificial stimulation of gold production. Not only has any need therefor passed, but there have come nto operation causes that will in due time restore all industry, including the mining of gold, to a normal basis.

Gold mining will then become again normally profitable and respond automatically to normal stimuli.

It is therefore the judgment of this committee that no steps should be taken by the Government to stimulate or promote the production of gold.

The representatives of the gold-mining interests very properly based their suggestions for relief on the public necessity for a larger production of gold and not on the hardships suffered by them as parties interested in an industry in which the margin of profit had been rapidly shrinking, and in many cases had entirely disappeared or been turned into a loss. They recognized that such diminishing profits and such losses were inevitable under the shifting conditions of war, and that merely as producers they had no better claim to relief than any other section of the community suffering a reduction of profits or incurring losses under the changing incidents of war conditions.

In the course of its consideration of the subject referred to it, this committee has conferred with a committee appointed by the American Gold Conference held at Reno in August, 1918, under the presidency of Gov. Emmet D. Boyle, of Nevada. It has had the benefit of the very complete survey of the conditions of the gold-mining industry contained in the report dated October 30, 1918, of the committee appointed by the Secretary of the Interior to study the gold situation, of which Hennen Jennings, Esq., was chairman; and of the report dated November 29, 1918, of the gold-production committee appointed by the commissioners of the British treasury under the chairmanship of Lord Inchcape. They have conferred with or secured the views of Prof. Irving Fischer and other eminent economists, besides which they have had referred to them a considerable volume of correspondence expressing widely varying views which had been received by the Secretary of the Treasury and the Director of the Mint.

It is interesting to note that the British treasury committee arrived at the same conclusion as that which we have reached.

We can not refrain from expressing gratification at the substantial unanimity of opinion among those whose position or experience entitles their views to respectful consideration against suggested measures of relief that would have had a tendency to undermine or upset our standards of value.

Respectfully submitted.

ALBERT STRAUSS.
EDWIN F. GAY.
RAYMOND T. BAKER.
EMMETT D. BOYLE.
POPE YEATMAN.

Computation of Discount and Interest for Taxation Purposes.

The Commissioner of Internal Revenue has authorized the publication of the following letter written in response to an inquiry from a national bank with reference to the method of reporting discount and interest on time loans for taxation purposes:

FEBRUARY 11, 1919.

Receipt is acknowledged of your letter of February 8, 1919, in which you state:

"On January 1, 1918, we changed our method of handling discount and interest on time loans. Up to this time all discount and interest charged on loans had been credited directly to discount and interest, but at this date, the actual amount of discount and interest, which had been so credited and was still unearned, was ascertained, credited to unearned account on our books, and thereafter all discount and interest collected in advance was credited to this account, our discount earned receiving credit for each day's actual earnings."

You ask to be advised what course you should pursue in the preparation of your income and war-excess profits tax returns for the year 1918. The method of treating discount and interest on time loans adopted by you on January 1, 1918, has been generally recognized as the correct method of computing such income, and the Comptroller of the Currency has suggested the adoption of this method by all national banks. The amount of income from discount and interest on time loans which you should report for the year 1918 is the amount of such income actually earned during that year, and as the amount of such income for the year 1917 and years prior thereto has been computed and reported upon a different method, amended returns should be filed showing the correct amount of such income for each year back to 1909, inclusive, or to the date of the organization of your bank, if it was organized subsequent to 1909.

(Signed) DANIEL C. ROPER,
Commissioner.

Method of Reporting Certain Items in Comptroller's Call.

On November 1, 1918, the Comptroller of Currency sent to all national banks the following notice:

"As it has been the custom of many national banks to credit discounts as collected direct to profits and to credit profits with accruing interest only after actual collection, it has been thought proper to give the banks a reasonable time to make the adjustments which will be required in order to report accurately items 21 and 27 (interest earned but not collected, and interest collected but not earned).

"Therefore national banks may exercise their discretion on this call as to including items 21 and 27 in this report of condition (i. e., Nov. 1, 1918). Banks will, however, be required to report these items correctly from January 1, 1919. They have had a reasonable opportunity to adjust their books to show these items accurately. Notice has been printed in each report of condition since December 31, 1917, that banks should prepare for this change."

On December 28, 1918, the Comptroller notified the banks that, due to the shortage of help occasioned by sickness and the extra work which the Government loans had entailed, compliance with the above notice would not be compulsory for the present.

Condition of National Banks.

The Comptroller of the Currency on February 10 issued the following statement relative to the condition of national banks:

For the first time in their history the resources of our national banks, at the last call, December 31, 1918, passed the $20,000,000,000 mark and amounted to $20,042,224,000. This is an increase of $220,820,000 over the preceding call of November 1, 1918, and an advance as compared with December 31, 1917, of $1,968,916,000. These extraordinary figures tell us that the total resources of the national banks of the United States have more than doubled since January 7, 1911, when they amounted to only $9,820,483,000, the increase in eight years having been $10,221,741,000.

The following figures give a comparison between the statements of November 1, 1918, and December 31, 1918:

Deposits aggregated $15,423,081,000, an increase of $371,608,000 over the greatest deposits ever previously reached. Of the increase in deposits, $101,356,000 was represented by time deposits, the remainder of the increase was in amount due to banks and bankers. Demand deposits showed a slight reduction.

Loans and discounts December 31, 1918, amounted to $9,918,294,000, a reduction as compared with November 1, 1918, of $178,646,000. The percentage of loans and discounts to deposits November 1, 1918, was 67.08 per cent, and on December 31, 1918, these had been reduced to 64.31 per cent.

Bills payable and rediscounts on December 31, 1918, were $1,380,835,000, a reduction as compared with November 1, 1918, of $186,156,000.

Of the $1,380,835,000 of bills payable and rediscounts outstanding December 31, 1918, $817,264,000 were bills payable with the Federal Reserve Banks; $61,564,000 were bills payable with other than Federal Reserve Banks, while the liability for rediscounts due Federal Reserve Banks and others amounted to $502,007,000.

United States bonds, including Liberty bonds and United States certificates of indebtedness, held December 31, 1918, amounted to $2,949,878,000, a reduction since November 1, 1918, of $206,434,000.

Other bonds, securities, etc., on December 31, 1918, amounted to $1,683,071,000, an increase of $22,606,000.

Capital, surplus, and undivided profits of national banks on December 31, 1918, amounted to $2,293,613,000.

The circulation of national banks December 31, 1918, was $676,827,000, an increase of $1,129,000, as compared with November 1, 1918, and an increase of $2,573,000, as compared with the same date of previous year.

The amount of Liberty bonds of the first, second, third, and fourth loans owned by national banks on December 31, 1918, was reported at $955,935,000, or 5.62 per cent of the $17,000,000,000 Liberty bonds placed.

In addition to the Liberty bonds the national banks reported holdings of United States certificates of indebtedness on December 31, 1918, amounting to $982,125,000.

On December 31, 1918, the national banks reported that the amount of money loaned by them on the security of Liberty bonds was $1,020,436,000, and the amount of money loaned by them on the security of certificates of indebtedness was $36,667,000.

The reports show that the amount of Liberty bonds of all four issues owned by national banks in the central reserve cities of New York, Chicago, and St. Louis was $172,616,000; in other reserve cities $250,707,000, and by the country banks $532,612,000.

Of the United States certificates of indebtedness held by the national banks, $358,532,000 were owned by the national banks of the three central reserve cities; $266,419,000 by national banks in other reserve cities, and by the country banks, $357,174,000.

Of the money loaned by the national banks on Liberty bonds, the national banks of the three central reserve cities were loaning $423,677,000; national banks in other reserve cities were loaning $345,943,000; while the country banks were loaning on Liberty bonds $250,816,000.

Of the $36,667,000 which was being loaned on United States certificates of indebtedness, the central reserve cities were loaning $13,875,000; national banks in other reserve cities were loaning $20,249,000; while the country national banks were loaning $2,543,000.

Of the $955,935,000 Liberty bonds owned by national banks only $36,589,000 were the 3½ per cent bonds of the first issue.

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 February.

Nine hundred and seventy-three State institutions are now members of the system, having a total capital of $352,817,051, total surplus of $403,812,242, and total resources of $7,382,801,351.

	Capital.	Surplus.	Total resources.
District No. 2.			
The Hamilton Trust Co., Paterson, N. J.	$500,000	$400,000	$9,408,688
District No. 4.			
Union Banking Co., Columbiana, Ohio	50,000	25,000	605,190
Farmers Bank, McCutchinville, Ohio	30,000		119,921
Citizens Bank, Shelby, Ohio	100,000	40,000	1,186,778

	Capital.	Surplus.	Total resources.
District No. 5.			
The Home Bank, St. Matthews, S. C.	$25,000	$25,000	$325,553
District No. 6.			
Pickens County State Bank, Carrollton, Ala.	60,000	....	60,000
District No. 7.			
Ridgely-Farmers State Bank, Springfield, Ill.	600,000	150,000	750,000
Farmers State Bank, Colfax, Ind.	25,000	1,000	234,014
First Commercial Bank, Pontiac, Mich.	200,000	80,000	3,074,264
Wayne Savings Bank, Wayne, Mich.	50,000	50,000	981,832
District No. 9.			
State Savings Bank, Laurium, Mich.	100,000	125,000	1,388,212
District No. 10.			
The Conqueror Trust Co., Joplin, Mo.	125,000	75,000	2,286,266
District No. 11.			
Wellington State Bank, Wellington, Tex.	50,000	25,000	357,166
Guaranty State Bank & Trust Co., Gatesville, Tex.	50,000	8,000	304,255
District No. 12.			
Stockgrowers Bank & Trust Co., Pocatello, Idaho	138,580	3,000	797,852
Iron Commercial & Savings Bank, Cedar City, Utah	50,000	1,000	217,677

The following members of the Federal Reserve System have converted into national banks: Farquahar Savings Bank, College Springs, Iowa; Union Bank of Jackson, Mich.; Redmond Bank of Commerce, Redmond, Oreg.

Acceptances to 100 Per Cent.

Since the issue of the February 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:

Atlantic National Bank, Jacksonville, Fla.
Fletcher American National Bank, Indianapolis, Ind.
International Trust Co., Boston, Mass.
Commonwealth Trust Co., Boston, Mass.

Fiduciary Powers Granted to National Banks.

The applications of the following banks for permission to act under section 11(k) of the Federal Reserve act have been approved by the Federal Reserve Board during February:

DISTRICT No. 2.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
- Little Falls National Bank, Little Falls, N. Y.
- State National Bank, North Tonawanda, N. Y.
- First National Bank, Port Jervis, N. Y.
- Farmers & Manufacturers National Bank, Poughkeepsie, N. Y.
- Farmers National Bank, Rome, N. Y.
- Nassau National Bank, Brooklyn, N. Y.
- Carthage National Bank, Carthage, N. Y.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics—Continued.
- National Bank of Commerce, New York City.
- Union National Bank, Troy, N. Y.
- Oneida National Bank, Utica, N. Y.
- Ilion National Bank, Ilion, N. Y.
- First National Bank, Brooklyn, N. Y
- Peoples National Bank, Hoosick Falls, N. Y.
- Westchester County National Bank, Peekskill, N. Y.

Guardian of estates, assignee, receiver and committee of estates of lunatics:
- Lambertville National Bank, Lambertville, N. J.

Trustee, executor, administrator, guardian of estates, assignee and receiver:
- National Bank of Vernon, Vernon, N. Y.

DISTRICT No. 3.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver and committee of estates of lunatics:
- First National Bank, Huntingdon, Pa.
- First National Bank, Wrightsville, Pa.
- National Bank of Chester County, West Chester, Pa.
- Philadelphia National Bank, Philadelphia, Pa.

Guardian of estates, assignee, receiver and committee of estates of lunatics:
- Wyoming National Bank, Wilkes-Barre, Pa.

DISTRICT No. 4.

Trustee under a will, registrar of stocks and bonds, trustee under a mortgage securing an issue of bonds, and such other trust capacities, if any, as the proper courts in Ohio may authorize:
- Fifth-Third National Bank, Cincinnati, Ohio.
- Merchants National Bank, Dayton, Ohio.
- Winters National Bank, Dayton, Ohio.
- Lebanon National Bank, Lebanon, Ohio.
- First National Bank, Hamilton, Ohio.
- Central National Bank, Marietta, Ohio.
- First National Bank, Bellaire, Ohio.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver and committee of estates of lunatics:
- Warren National Bank, Warren, Pa.

DISTRICT No. 6.

Guardian of estates and receiver:
- First National Bank, Tuskaloosa, Ala.
- First National Bank, Mobile, Ala.

Guardian of estates, assignee, receiver, and committee of estates of lunatics:
- Peoples National Bank, McMinnville, Tenn.
- LaGrange National Bank, LaGrange, Ga.

Trustee, executor, administrator, guardian of estates, and receiver:
- Anniston National Bank, Anniston, Ala.

Guardian of estates and committee of estates of lunatics:
- Fourth and First National Bank, Nashville, Tenn.

DISTRICT No. 7.

Trustee, executor, administrator, guardian of estates, assignee, and receiver:
- Old Second National Bank, Aurora, Ill.
- Joliet National Bank, Joliet, Ill.
- Third National Bank, Rockford, Ill.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, and receiver:
- First National Bank, Linn Grove, Iowa.
- First National Bank, Everly, Iowa.

DISTRICT No. 8.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
  Hannibal National Bank, Hannibal, Mo.
  National Bank of Commerce, St. Louis, Mo.
Trustee, executor, administrator, guardian of estates, assignee, and receiver:
  Farmers & Merchants National Bank, Nashville, Ill.

DISTRICT No. 9.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
  First National Bank, Bemidji, Minn.
  First National Bank, Albert Lea, Minn.
  Fergus Falls National Bank, Fergus Falls, Minn.

DISTRICT No. 10.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics:
  Inter-State National Bank, Kansas City, Mo.
Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, and receiver:
  Commonwealth National Bank, Kansas City, Mo.
Guardian of estates, assignee, receiver, and committee of estates of lunatics:
  Tootle-Lacy National Bank, St. Joseph, Mo.

DISTRICT No. 12.

Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and guardian of estates of lunatics:
  National Bank of Commerce, Seattle, Wash.
Trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, and receiver:
  First National Bank, Pullman, Wash.

Commercial Failures Reported.

Thus far the economic readjustments which have inevitably followed the war's ending have brought no increase in the country's business mortality. Maintaining the highly favorable features which have characterized the returns for a long period, commercial failures in the United States during three weeks of February, as reported by R. G. Dun & Co., numbered only 459, as against 752 in the same weeks of 1918, when the record was also gratifying. The exhibit for January, the latest month for which complete statistics are available, discloses only 673 insolvencies, with $10,736,398 of liabilities. Not only are these figures well below the 1,178 defaults, involving $19,278,787 of January, 1918, but the number of reverses is the smallest of any January on record, and only in January of 1905, 1900, 1899, and 1898 was the indebtedness below this year's. Comparing the January statement by Federal Reserve districts, it is seen that failures are fewer in number than in January, 1918, in all of the 12 districts except the eighth and eleventh, where no change appears. In most cases the reductions are sizable, while only in the third, fifth, and eleventh districts are increased liabilities shown.

Failures during January.

Districts.	Number.		Liabilities.	
	1919	1918	1919	1918
First	66	160	$850,345	$1,671,615
Second	134	243	3,258,200	5,474,984
Third	35	51	976,464	705,692
Fourth	58	95	1,103,950	1,292,797
Fifth	34	39	617,155	496,483
Sixth	43	59	376,517	391,985
Seventh	74	183	988,347	2,581,533
Eighth	60	60	654,396	981,566
Ninth	25	41	203,589	316,366
Tenth	26	62	320,331	3,932,938
Eleventh	48	48	695,082	455,538
Twelfth	70	137	692,022	977,290
Total	673	1,178	10,736,398	19,278,787

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 February 1, 1919, to February 28, 1919, inclusive:

	Banks.	
New charters issued to	11	
With capital of		$575,000
Increase of capital approved for	37	
With new capital of		2,125,000
Aggregate number of new charters and banks increasing capital	48	
With aggregate of new capital authorized		2,700,000
Number of banks liquidating (other than those consolidating with other national banks under the act of June 3, 1864)	10	
Capital of same banks		1,450,000
Number of banks reducing capital	4	
Reduction of capital[1]		2,080,000
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)	14	
Aggregate capital reduction		3,530,000
Consolidation of national banks under the act of Nov. 7, 1918	2	
Capital		3,000,000
The foregoing statement shows the aggregate of increased capital for the period of the banks embraced in statement was		2,700,000
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		3,530,000
Net decrease		830,000

[1] Includes two reductions of capital aggregating $2,045,000 incident to consolidations under the act of Nov. 7, 1918.

RULINGS OF THE FEDERAL RESERVE BOARD.

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

Bankers' acceptances against open accounts of foreign purchasers.

National banks can not accept drafts for the purpose of enabling domestic concerns to extend credits on open account to foreign purchasers.

[See opinion of General Counsel in Law Department.]

Domestic acceptances—Security and limitations.

Although section 13 of the Federal Reserve act authorizes member banks to accept drafts drawn in domestic transactions only when secured at the time of acceptance by attached shipping documents or warehouse receipts or other such documents, nevertheless the security may properly be released after acceptance; provided, however, that in any case where the total amount accepted for any one customer exceeds 10 per cent of the capital and surplus of the accepting bank the security can not be released unless some other actual security growing out of the same transaction is substituted therefor. A trust receipt which permits the customer for whom the draft is accepted to obtain control of the goods is not actual security for the purposes of this section of the law.

Although the Federal Reserve Banks legally may rediscount any draft which section 13 authorizes a member bank to accept, nevertheless such reserve banks are not required by law to rediscount every such acceptance tendered to them for that purpose, whether or not it is secured at the time it is presented for rediscount.

[See opinion of General Counsel in Law Department.]

Section 22 of the Federal Reserve Act.

The Federal Reserve Board is of the opinion that there is nothing in the provisions of section 22 of the Federal Reserve Act, as amended by the act of September 26, 1918, to prohibit an officer of a national bank from receiving a reasonable commission for his services as trustee in a foreclosure proceeding in which his bank is interested as a general creditor.

LAW DEPARTMENT.

The following opinions of General Counsel have been authorized for publication by the Board since the last edition of the BULLETIN:

BANKERS' ACCEPTANCES AGAINST OPEN ACCOUNTS OF FOREIGN PURCHASERS.

An opinion has been asked on the following statement of facts:

"We should like to have your opinion and advice as to a certain method of financing export business, which has been proposed to us by one of our good customers, who are of unquestioned standing.

"The company in question finds that competition, particularly with European sellers, is compelling them to refrain from drawing drafts, either sight or time, against shipments to certain big buyers abroad. These buyers insist on having goods sent to them on open account, and as the terms are frequently as long as 90 days, or even 4 months, it means that for a South American shipment a delay of 6 or 7 months can easily elapse from time of shipment from New York to receipt of proceeds in New York, even when the bill is paid without extension of original terms. To help him finance such a class of business, he proposes that at regular intervals (to illustrate, once a week) he will exhibit duplicate invoices and duplicate documents, showing shipments actually made during the past week, and ask us to accept his time draft on us, for 90 days, with privilege of one or two renewals, if necessary, to aid him in carrying the load on these exports until returns are received."

The question to be determined is whether drafts drawn under the foregoing circumstances may be treated as growing out of a transaction involving the importation or exportation of goods?

Although it is clear that there has been an exportation of goods, it does not appear that the drafts in question can be said to have grown out of the transaction which involved the exportation, within the meaning of the act.

As previously pointed out the language used in the act is broad enough to vest in the Board a wide discretion to determine how remotely or how directly the drafts drawn must be connected with the transaction involving the exportation. Considering the general purposes of the act, however, it is clearly contemplated that these credits were to be opened for the purpose of facilitating international commerce; that is to say, to enable the parties to the transaction actually to export and sell the goods. It was hardly the intention of Congress to authorize member banks to exercise this power for the purpose of enabling domestic concerns to extend credits on open account to foreign purchasers. In the opinion of this office the approval of this credit would require a forced construction of the provisions of section 13 of the Federal Reserve Act.

JANUARY 29, 1919.

DOMESTIC ACCEPTANCES—SECURITY AND LIMITATIONS.

It appears that some confusion of thought exists in the minds of certain officers of Federal Reserve Banks and member banks as to the Board's interpretation of those provisions of section 13 of the Federal Reserve Act which relate (1) to the power of member banks to accept drafts drawn in domestic transactions; (2) to the eligibility for rediscount by Federal Reserve Banks of member bank acceptances.

It is understood that the provisions in question have been interpreted by the Board in various rulings, as follows:

POWER OF MEMBER BANKS TO ACCEPT DRAFTS DRAWN IN DOMESTIC TRANSACTIONS.

Subject to the limitations prescribed by the Act, member banks are authorized—

(a) To accept drafts or bills of exchange which grow out of transactions involving the domestic shipment of goods, provided shipping documents conveying or securing title are attached *at the time of acceptance.*

(b) To accept drafts or bills of exchange which are secured *at the time of acceptance* by warehouse receipts or other such documents conveying or securing title covering readily marketable staples.

All drafts accepted in domestic transactions must therefore be secured at the time of acceptance either by shipping documents or warehouse receipts or other such documents, as specified in the law. If the aggregate amount of drafts accepted for one person, firm, or corporation exceeds a sum equal to 10 per cent of the capital and surplus of the accepting bank, such drafts, whether in a foreign or domestic transaction, must remain secured throughout the life of the draft since the Act provides that—

"No member bank shall accept, whether in a foreign or domestic transaction, for any one person, * * * to an amount equal at any time in the aggregate to more than 10 per centum of its paid-up and unimpaired capital stock and surplus, unless the bank is secured either by attached documents or by some other actual security growing out of the same transaction as the acceptance."

To give this language any meaning it must be assumed that the accepting bank may, if it chooses, release the security in any case in which the total amount accepted for any one customer does not exceed 10 per cent of its capital stock and surplus. Unless this interpretation is placed upon the statute, the provision just quoted would be meaningless in so far as it relates to domestic transactions, since all drafts accepted in domestic transactions must be secured at the time of acceptance.

In any case, however, where the total amount accepted for any one customer exceeds 10 per cent of the capital stock and surplus of the accepting bank the security legally can not be released unless some other actual security growing out of the same transaction as the acceptance is substituted therefor. This immediately raises the question as to whether or not the ordinary trust receipt substituted for shipping documents, warehouse receipts, etc., constitutes an actual security such as is required by this provision of the Act. In an opinion filed by this office on October 12, 1917, and printed on page 881 of the November, 1917, BULLETIN, it was stated—

"that a trust receipt which permits the purchaser of the goods to obtain control of those goods either for milling or other purposes is not an actual security within the meaning of the Act, and that, therefore, acceptances secured by such trust receipts come within the 10 per cent limitation imposed by section 13.

"A different situation results, of course, in any case where the trust receipt is of such a character as not to permit the purchaser to gain control of the goods as where they are held for the account of the acceptor by some person, warehouse, or corporation independent of the borrower."

The view expressed in this opinion has been followed by the Federal Reserve Board in various rulings relating not only to the purchaser in a transaction involving a sale, but also to any customer for whom a draft is accepted, regardless of whether or not there is an actual sale of the goods covered by the documents attached to the draft.

ELIGIBILITY FOR REDISCOUNT OF MEMBER BANK ACCEPTANCES.

Under the terms of section 13 any draft or bill of exchange which a member bank has the power to accept under the provisions of that section is technically eligible for rediscount by a Federal Reserve Bank. This does not mean, however, that Federal Reserve Banks are required by law to rediscount every such acceptance tendered to them for that purpose. In developing a general market for acceptances the Federal Reserve Banks are necessarily called upon to carry a large amount of this class of paper, but it is important that the Federal Reserve Board and the Federal Reserve Banks should take all necessary steps to insure conservatism in the exercise of the acceptance power by member banks. The policy of the Board, therefore, as reflected in its various rulings, has been to caution Federal Reserve Banks that in rediscounting drafts accepted in domestic transactions they should consider and in many cases investigate the circumstances under which the draft was accepted in order to determine whether or not the particular transaction complies with the spirit as well as the letter of the statute.

It was in view of this policy that the Federal Reserve Board has consistently refrained from encouraging Federal Reserve Banks to rediscount or purchase warehouse acceptances after the warehouse receipts have been released, though there is nothing in the law which prohibits the rediscount of such acceptances. It is recognized, however, that an unrestricted policy of rediscounting or purchasing such acceptances after the warehouse receipts have been released might very probably lead to an abuse of the domestic acceptance privilege by facilitating the use of the warehouse receipt as a mere cloak for a straight loan in violation of the provisions of section 5200. It can not be stated, of course, as a hard and fast rule that the acceptance of a draft secured by a warehouse receipt was not a bona fide transaction merely and solely because the warehouse receipt has been surrendered before the acceptance is presented to the Federal Reserve Bank for rediscount. It should, however, put the bank on notice and should suggest extreme caution in order to determine whether in fact the acceptance complies in every way with both the letter and spirit of the law. When Congress granted the power to accept drafts in domestic transactions, it clearly intended to facilitate domestic commerce and did not contemplate that this power should be used for the purpose of extending unreasonable lines of credit to individual borrowers in substantial violation of the limitations of section 5200 of the Revised Statutes. If Congress had intended to give greater latitude to banks under its jurisdiction in the matter of loans of this character a much more direct method would have been to remove or to broaden the limitations of section 5200.

The Board has recognized the fact, however, that in the ordinary course of business, shipping documents securing accepted drafts must be released in order that the customer for whom the draft was accepted may procure the goods represented by such documents. It also recognizes the fact that where such drafts are secured by warehouse receipts it is probable that at some period during the life of the draft it may be necessary for the receipt to be surrendered to the customer for whom the draft is accepted in order that the transaction involved may be consummated. In the case of shipping documents it is ordinarily necessary to release the documents at an earlier period than in the case of warehouse receipts.

In either case, as a matter of policy the security should not be surrendered by the accepting bank until this becomes necessary in order for the transaction to be consummated and even when surrendered, banking prudence requires that the bank protect itself by procuring either a trust receipt or a definite agreement on the part of the customer to whom the security is surrendered that the proceeds derived from the sale of the goods represented by the shipping documents or warehouse receipts will be deposited with the accepting bank when available to pay the draft at maturity and will not be used by the customer for other purposes. It should be remembered, however, as previously stated, that in any case where a trust receipt is substituted the 10 per cent limit applies if the trust receipt is such as to give control over the goods to the borrower or the customer for whom the draft was accepted.

FEBRUARY 28, 1919.

TAXATION OF DIVIDENDS DECLARED TO INCREASE CAPITAL.

The following letter has been received from the Commissioner of Internal Revenue with reference to the taxation of dividends declared out of surplus for the purpose of increasing the capital stock of a bank:

FEBRUARY 28, 1919.

SIR: Receipt is acknowledged of your letter of February 11, 1919, requesting information so that a proper reply may be given to the following telegram received by you from one of the Federal Reserve Banks:

"Please advise if dividend from surplus to increase the capital stock of a bank is subject to taxation."

It is not clear what this question means. If the bank declares a cash dividend in pursuance of a plan by which all or part of the stockholders are to pay back to the bank the amount so paid, in exchange for new stock, these dividends are taxable to the extent that any other cash dividends are taxable under the act. If, on the other hand, a stock dividend is declared, it is subject to the rules laid down in the act with reference to stock dividends.

A distribution by a corporation out of earnings or profits accumulated prior to March 1, 1913, or out of any assets except earnings or profits accumulated since February 28, 1913, is not a dividend within the meaning of the statute. A distribution by a personal service corporation out of earnings or profits accumulated since December 31, 1917, is not a dividend. A distribution out of earnings or profits accumulated before March 1, 1913, is free from tax as a dividend; out of assets other than earnings or profits accumulated since February 28, 1913, may or may not be free from tax, according as each stockholder receives more or less than he paid for his stock or its fair market value as of March 1, 1913, and, in the case of a personal service corporation, out of earnings or profits accumulated since December 31, 1917, is taxed to the stockholders as though they were partners.

Dividends paid in securities or other property (other than its own stock), in which the earnings of a corporation have been invested, are income to the recipients to the amount of the fair market value of such property when receivable by the stockholders. A dividend paid in stock of another corporation is not a stock dividend. Where a corporation declares a dividend payable in stock of another corporation, setting aside the stock to be so distributed and notifying the stockholders of its action, the income arising to the recipients of such stock is its fair market value at the time the dividend becomes payable. Scrip dividends are subject to tax in the year in which the warrants are issued.

A dividend paid in stock of the corporation is income to the amount of the earnings of profits distributed, as shown by the transfer of surplus to capital account on the books of the corporation, usually equal to the par value of the stock distributed. But stock distributions made out of surplus other than earnings or profits accumulated since February 28, 1913, are not dividends within the meaning of the statute and are free from tax as dividends. Stock dividends paid from earnings or profits accumulated after February 28, 1913, received by a fiduciary and retained as an accretion to the estate under the terms of the will or trust, are income to the estate.

Any stock dividend received by a taxpayer between January 1 and November 1, 1918, or declared and credited to a stockholder during such period and received by him before the expiration of 30 days after the passage of the statute, is deemed to have been paid from the most recently accumulated earnings or profits and shall be taxed to the recipient at the rates prescribed for the years in which the corporation accumulated the earnings or profits so distributed. Thus, such a stock dividend will be deemed to have been paid from the earnings of 1918 (unless paid during the first 60 days of 1918), and the recipient, if an individual, will be liable to any surtax at the rates for the year 1918, unless at the time such dividend was paid or credited the current earnings up to that time were not sufficient to cover the distribution, in which case the excess over the earnings of the taxable year will be deemed to have been paid from the most recently accumulated surplus of prior years and will be taxed at the rate or rates for the year or years in which earned. A corporation declaring and paying such a stock dividend out of earnings accumulated over a period of years should make a record in its books of the amount of the dividend paid out of each year's undistributed profits and advise the stockholders accordingly.

Respectfully,

(Signed) DANIEL C. ROPER,
Commissioner.

BANK TRANSACTIONS DURING JANUARY-FEBRUARY.

Debits to individual account reported by clearing-house banks in 151 leading centers for the four weeks ending February 19 averaged about 9 per cent less than for the preceding five weeks, reflecting somewhat the slackening in trade and industry and the hand-to-mouth buying during the more recent period. It should be noted, however, that bank transactions about the close of 1918 and during most of January were unusually heavy, averaging over 9 per cent in excess of like transactions during the four weeks immediately preceding.

Large declines in the figures for the second week in February are due to the fact that owing to the observance of Lincoln's birthday as a holiday by the banks in the leading centers, the reported figures for that week cover five days only.

Figures of debits to bank account on the whole follow a parallel course, all the districts, just as in the case of debits to individual account, showing smaller totals than for the immediately preceding period.

The following circular instructions have been sent to Federal Reserve agents and to clearing-house managers:

FOR THE GUIDANCE OF FEDERAL RESERVE AGENTS.

In reporting weekly debits to bank account, Federal Reserve Banks should include debits to members' reserve account and nonmembers' clearing account only. Do not include any debits on account of transactions with other Federal Reserve banks. Debits to special depositary banks shown on the books of the Fiscal Agent Department should not be included with debits to either Government or bank account.

FOR THE GUIDANCE OF CLEARING-HOUSE MANAGERS.

1. Reports should be confined to the banks which are members of the local clearing house, or which clear through clearing-house members (so-called clearing house nonmember banks). In order that we may be able to follow more intelligently changes in the weekly figures, may we request that your telegraphic reports state in addition to total debits also number of banks covered by the report.

2. Debits to individual account should include all debits charged to the accounts of individuals, firms, and corporations, also of the United States Government, including debits to war-loan deposit account. Checks and other debits against savings accounts and payments from trust accounts, also certificates of deposit paid should be reported among debits to individual account.

3. Debits to bank account should include all debits to account of banks and bankers, exclusive of (a) debits to account of Federal Reserve bank, (b) debits in settlement of clearing-house balances. It is important that the report show aggregate debits to individual account separately from aggregate debits to bank account.

Weekly figures of clearing-house bank debits to deposit accounts.

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

District.	Debits to individual account.				Debits to banks' and bankers' account.			
	Jan. 29.	Feb. 5.	Feb. 11-12.	Feb. 19.	Jan. 29.	Feb. 5.	Feb. 11-12.	Feb. 19.
No. 1—Boston:								
Bangor	2,131	3,105	2,245	2,730	279	306	367	271
Boston	229,283	272,062	220,036	226,339	177,228	190,969	178,068	183,991
Fall River	6,220	7,218	6,166	5,325	422	443	562	587
Hartford	16,227	19,497	13,744	18,181	1,234	2,012	1,193	1,659
Holyoke	2,663	3,168	2,304	3,009	698	892	499	539
Lowell	5,336	5,278	4,240	4,799	398	522	280	240
New Bedford	5,714	6,172	5,573	6,591	110	246	280	287
New Haven	18,946	17,011	11,067	16,540	506	589	679	629
Providence	29,166	27,942	25,736	28,365	1,643	1,451	1,462	1,757
Springfield	12,508	14,401	12,305	12,604	522	698	621	324
Waterbury	5,691	6,981	4,606	7,164	661	563	419	653
Worcester	12,843	14,736	11,900	13,468	1,413	1,600	1,266	1,310
No. 2—New York:								
Albany	20,858	14,353	17,923	14,976	12,652	12,166	8,386	8,647
Binghamton	2,960	3,236	2,193	2,968	....	....	....	....
Buffalo	53,456	59,034	37,725	62,840	11,236	9,170	6,627	10,657
New York	3,736,138	4,302,842	2,901,788	3,881,924	1,584,480	1,704,622	1,328,967	1,689,166
Passaic	2,917	3,554	3,202	3,241	203	465	204	352
Rochester	21,618	27,324	18,614	26,581	634	746	612	559
Syracuse	12,438	18,588	9,956	12,306	506	447	495	592
No. 3—Philadelphia:								
Altoona	2,230	2,471	1,802	2,528	....	....	....	....
Chester	5,503	5,228	3,684	4,980	71	....	25	68
Harrisburg	4,905	4,826	4,383	5,937	17	3	2	5
Johnstown	2,299	3,162	1,822	2,916	168	171	152	181
Lancaster	3,564	4,222	2,721	4,329	55	56	193	71
Philadelphia	268,552	306,129	222,493	302,813	354,046	318,047	263,982	346,270
Reading	3,428	3,613	3,029	4,641	....	....	....	....
Scranton	12,589	11,545	10,286	10,798	1,550	1,970	1,410	1,810
Trenton	7,774	10,014	7,744	12,796	302	275	80	318
Wilkes-Barre	4,444	6,366	5,261	6,729	73	154	69	109
Williamsport	2,981	2,802	2,415	2,846	312	384	274	240
Wilmington	8,920	10,673	6,641	8,926	....	....	....	....
York	2,611	3,006	2,639	3,090	47	54	42	31
No. 4—Cleveland:								
Akron	16,045	17,123	16,086	16,955	652	112	36	108
Cincinnati	52,211	57,547	49,168	50,494	42,335	47,416	39,436	42,591
Cleveland	125,878	125,756	103,922	119,997	101,302	102,925	99,050	116,028
Columbus	21,525	25,220	21,812	22,240	2,850	3,280	3,110	3,409
Dayton	10,545	11,176	10,877	10,103	512	433	401	348
Erie	6,524	6,863	5,858	6,198	64	215	59	47
Greensburg, Pa	3,537	2,765	2,760	2,308	....	....	....	....
Lexington, Ky	9,716	10,510	8,951	10,872	6,311	11,702	7,482	7,851
Oil City	1,756	2,432	1,984	2,741	3,211	2,433	2,661	2,636
Pittsburgh	175,877	167,172	154,406	154,753	320,370	316,025	266,386	325,236
Springfield	3,157	2,372	2,717	2,749	1,985	2,432	1,688	2,153
Toledo	21,351	21,406	21,449	22,461	7,182	6,436	7,091	6,550
Wheeling	10,716	10,888	6,481	7,561	8,506	7,267	6,482	7,657
Youngstown	14,287	12,835	12,550	9,695	1,047	945	1,095	629
No. 5—Richmond:								
Baltimore	72,921	81,360	69,191	74,982	38,439	42,305	38,330	39,915
Charleston	6,690	7,704	6,376	6,378	3,285	3,352	2,913	2,914
Charlotte	6,300	5,600	5,111	5,500	8,000	7,900	6,576	8,100
Columbia	5,824	6,488	9,215	6,857	3,402	2,448	3,000	2,641
Norfolk	19,449	17,494	18,970	16,498	19,369	24,457	24,270	22,738
Raleigh	5,319	5,570	3,565	5,900	3,283	3,200	2,481	2,900
Richmond	24,196	30,846	25,080	22,177	80,267	74,659	77,760	68,313
No. 6—Atlanta:								
Atlanta	23,548	26,024	27,835	23,027	26,444	25,087	28,034	21,508
Augusta	6,446	6,687	5,682	5,707	2,070	2,086	1,947	1,975
Birmingham	9,685	14,291	13,451	11,004	8,105	3,530	3,621	3,970
Chattanooga	7,591	10,040	7,208	9,012	4,604	3,901	3,654	4,431
Jacksonville	10,563	10,910	9,944	9,903	10,322	8,922	9,967	7,826
Knoxville	4,758	6,180	5,335	5,769	1,939	1,636	1,554	1,924
Macon	4,944	5,360	4,535	4,495	3,221	3,029	2,825	2,519
Mobile	6,413	6,977	6,501	6,527	961	683	840	972
Montgomery	4,145	4,370	3,703	5,839	719	555	513	439
Nashville	18,964	19,061	17,190	18,855	13,822	13,469	13,405	12,649
New Orleans	69,239	71,910	62,285	65,198	38,807	37,279	37,090	42,516
Pensacola	2,071	2,154	1,861	2,266	993	874	920	1,043
Savannah	12,301	12,416	11,737	11,722	9,632	8,489	8,290	7,586
Tampa	4,594	4,327	4,346	4,707	1,775	1,501	1,783	1,577
Vicksburg	1,874	2,142	1,945	1,604	150	232	164	87
No. 7—Chicago:								
Bay City	2,848	2,374	2,440	3,076	444	564	330	473
Bloomington	2,227	2,340	1,831	2,388	1,097	895	756	893
Cedar Rapids	4,440	5,432	5,050	3,495	8,111	9,211	5,664	9,685
Chicago	544,374	623,177	436,154	614,073	554,959	579,627	433,252	629,074
Davenport	5,931	8,454	6,202	8,421	1,870	2,460	1,704	2,239
Decatur, Ill	2,884	3,125	2,229	2,917	558	525	455	527
Des Moines	16,020	18,233	15,205	18,172	36,253	36,104	28,081	37,478
Detroit	93,136	107,015	68,400	130,534	42,380	41,346	30,784	48,832

Weekly figures of clearing-house bank debits to deposit accounts—Continued.

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

District.	Debits to individual account.				Debits to banks' and bankers' account.			
	Jan. 29.	Feb. 5.	Feb. 11-12.	Feb. 19.	Jan. 29.	Feb. 5.	Feb. 11-12.	Feb. 19.
No. 7—Chicago—Continued.								
Dubuque	1,800	2,300	1,700	2,021	1,000	2,000	1,250	1,267
Flint	4,293	5,163	3,900	3,725	19	89	24	23
Fort Wayne	4,569	5,154	3,919	4,671	1,599	1,606	1,335	1,593
Grand Rapids	16,602	14,777	14,742	13,890	4,364	4,067	3,097	3,958
Indianapolis	26,693	24,670	22,635	32,674	22,714	22,120	17,819	25,613
Kalamazoo	2,644	3,250	2,239	3,338	407	439	384	462
Lansing	3,125	3,476	2,904	4,307	147	171	85	195
Milwaukee	49,411	59,628	50,728	48,654	27,622	28,659	26,829	26,082
Peoria	10,362	11,637	10,090	12,590	1,949	2,310	1,915	2,323
Rockford, Ill	4,033	4,822	3,595	4,979	84	135	117	210
Sioux City, Iowa	16,765	14,747	16,609	15,273	14,679	14,695	16,110	11,131
South Bend	....	3,803	2,332	3,167	....	1,876	1,190	2,178
Springfield, Ill	2,851	2,662	2,792	2,918	1,640	1,798	1,645	2,286
Waterloo, Iowa	2,854	3,263	2,391	2,925	1,109	1,260	1,019	1,227
No. 8—St. Louis:								
Evansville	4,252	2,605	2,279	3,300	1,246	1,548	812	1,714
Little Rock	7,689	7,695	6,839	7,263	6,650	6,432	5,871	7,020
Louisville	41,643	40,924	41,959	50,130	38,007	41,147	40,216	40,216
Memphis	28,703	29,220	25,301	26,161	24,254	21,974	22,300	24,401
St. Louis	129,907	154,953	124,323	128,110	126,470	120,015	120,866	123,731
No. 9—Minneapolis:								
Aberdeen	1,130	1,257	992	1,284	974	1,061	752	973
Billings	1,649	1,763	1,431	2,066	1,009	772	1,063	901
Duluth	29,534	25,525	15,533	14,082	3,676	3,386	4,271	4,418
Fargo	1,763	2,537	1,732	1,541	2,089	2,417	1,784	1,185
Grand Forks	1,062	1,197	1,187	1,180	1,149	1,250	1,005	1,088
Great Falls	2,925	3,249	2,981	3,126	4,164	3,985	4,264	3,922
Helena	2,352	2,016	2,113	2,281	2,936	2,566	2,394	2,959
Minneapolis	64,792	67,776	42,993	62,127	73,683	68,027	52,421	69,247
St. Paul	34,833	38,196	29,106	36,793	42,682	44,020	32,617	41,605
Superior	1,300	1,422	1,811	1,830	98	135	124	117
Winona	901	1,217	978	950	824	755	589	877
No. 10—Kansas City:								
Atchison	810	939	1,002	781	596	526	496	44
Bartlesville, Okla	1,733	2,585	2,066	2,351	66	54	66	42
Colorado Springs	1,809	2,210	1,691	2,111	574	762	563	901
Denver	27,515	31,785	23,144	26,138	22,144	22,650	16,607	19,604
Joplin	2,767	3,243	3,145	2,888	614	525	444	508
Kansas City, Kans	3,065	3,120	3,221	3,249	5,151	5,343	5,122	4,877
Kansas City, Mo	78,456	85,428	82,612	84,119	162,846	166,887	163,918	158,679
Muskogee, Okla	2,604	3,133	3,291	3,074	2,132	2,383	2,040	1,776
Oklahoma City	12,895	12,939	11,049	12,791	11,622	12,111	9,529	11,123
Omaha	59,454	64,564	45,106	63,486	60,672	62,355	50,175	57,627
Pueblo	3,199	4,505	3,216	4,121	838	827	712	949
St. Joseph	22,059	21,226	18,516	16,729	18,468	18,386	17,943	13,751
Topeka	3,718	5,631	3,803	5,195	1,370	1,849	1,483	1,734
Tulsa	18,790	17,421	18,552	18,223	7,190	7,749	8,253	9,106
Wichita	7,866	9,822	9,750	7,055	11,528	13,451	12,347	13,057
No. 11—Dallas:								
Albuquerque	1,191	1,686	1,313	1,331	3,481	4,143	3,757	3,435
Austin	3,542	3,841	2,703	4,470	3,093	3,187	2,637	4,022
Beaumont	3,685	4,582	3,769	4,691	334	583	487	443
Dallas	28,901	29,749	24,340	36,988	61,546	69,843	57,688	72,868
El Paso	5,919	6,659	5,649	7,121	8,384	8,668	7,028	9,243
Fort Worth	17,281	19,146	16,336	17,300	42,268	41,194	36,178	41,839
Galveston	6,303	6,288	5,667	5,421	3,991	4,214	4,540	3,382
Houston	24,271	25,091	18,679	27,918	43,064	46,548	37,090	50,792
San Antonio	a 6,617	a 6,107	a 5,427	a 7,496	....	....	....	....
Shreveport	5,222	3,694	3,828	4,789	4,327	4,482	5,203	3,757
Texarkana	997	1,681	1,259	1,844	387	477	418	476
Tucson	1,678	1,933	1,867	1,579	1,569	1,549	1,560	1,317
Waco	3,063	3,055	2,485	3,823	2,180	2,005	1,689	2,027
No. 12—San Francisco:								
Boise	2,365	2,472	2,018	1,845	4,711	6,094	4,528	3,613
Fresno	5,156	5,845	5,170	5,913	3,379	3,450	2,598	3,255
Long Beach	2,322	2,652	2,083	2,782	65	123	101	89
Los Angeles	54,512	62,125	46,217	68,820	35,715	40,014	30,788	46,700
Oakland	10,614	13,133	11,749	11,141	2,728	2,817	2,794	2,019
Ogden	3,690	3,298	3,570	3,713	5,261	4,021	5,311	5,506
Pasadena	2,744	2,767	2,097	3,445	319	300	300	306
Portland	36,571	36,018	26,622	42,418	22,159	22,679	15,781	26,321
Reno	1,508	1,695	1,345	2,218	1,504	1,611	1,256	1,812
Sacramento	11,366	15,336	9,288	11,610	4,374	6,021	4,253	5,712
Salt Lake City	13,343	14,633	11,673	14,651	22,172	21,064	16,262	21,936
San Diego	4,654	5,768	4,156	5,571	222	383	382	407
San Francisco	128,852	171,171	115,922	167,053	97,288	110,798	82,702	111,265
Seattle	42,249	43,949	27,368	42,199	20,954	24,304	16,468	23,770
Spokane	7,238	8,804	6,625	8,854	7,056	7,471	6,720	7,802
Stockton	4,139	3,500	3,174	4,940	2,460	2,616	1,767	3,371
Tacoma	9,432	9,214	8,107	10,342	7,803	6,685	5,808	7,554
Yakima	1,523	1,908	1,570	2,008	439	342	377	499

a Figures comprise debits to individual as well as to banks' and bankers' account.

Recapitulation showing figures for clearing-house centers reporting for each of the four weeks.

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

	Number of centers included.	Debits to individual account.				Debits to banks' and bankers' account.			
		Jan. 29.	Feb. 5.	Feb. 11-12.	Feb. 19.	Jan. 29.	Feb. 5.	Feb. 11-12.	Feb. 19.
No. 1—Boston	12	346,728	397,571	319,922	345,115	185,114	200,291	185,696	192,247
No. 2—New York	7	3,850,385	4,428,931	2,991,401	4,004,836	1,609,711	1,727,616	1,345,291	1,709,973
No. 3—Philadelphia	13	329.800	374,057	274,920	373,329	356,641	321,114	266,229	349,103
No. 4—Cleveland	14	473,125	474,065	419,021	439,127	496,327	501,621	434,977	515,243
No. 5—Richmond	7	140,699	155,062	137,508	138,292	156,045	158,321	155,330	147,521
No. 6—Atlanta	15	187,136	202,849	183,558	185,635	123,564	111,273	114,607	111,022
No. 7—Chicago	21	817,862	925,699	675,755	935,041	723,005	750,081	572,655	805,571
No. 8—St. Louis	5	212,194	235,397	200,701	214,964	196,627	191,116	190,065	197,082
No. 9—Minneapolis	11	142,241	146,155	100,857	127,260	133,284	128,374	101.284	127,292
No. 10—Kansas City	15	246,740	268,551	230,164	252,311	305,811	315,858	289,698	293,778
No. 11—Dallas	13	108,670	113,512	93,322	124,771	174,624	186,893	158,275	193,601
No. 12—San Francisco	18	342,278	404,288	288,754	409,523	238,609	260,793	198,196	271,937
Total	151	7,197,858	8,126,137	5,915,883	7,550,204	4,699,362	4,853,351	4,012,303	4,914,370

WHOLESALE PRICES.

In continuation of figures shown in the February BULLETIN there are presented below monthly index numbers of wholesale prices for the period July, 1918, to January, 1919, compared with like figures for January 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 four commodities, namely, butter (prime first, San Francisco), canned goods (tomatoes, standard, New Jersey) and underwear, merino (shirts and drawers, and union suits) have been omitted. On the other hand, quotations for flour (buckwheat, New York) drillings (brown Pepperell), sheetings, brown (4-4 Pepperell), and bleached (10-4 Pepperell), suitings (Middlesex, blue, 15 ounce), and tobacco, smoking (Bull Durham), which had been dropped temporarily have been secured for the months of December and January, and the commodities were again included in the calculation of the index number for the latter month. In addition to the above changes, the usual annual revision of the list of commodities has been made. The quotation for flour at Minneapolis is now for standard patents, instead of for standard war, as during the year 1918. Pure rye flour is now quoted on a barrel basis. Freight has been added in the case of structural steel and of barbed galvanized wire, while discounts are now used for bar iron (best refined), shingles (red cedar), hosiery (women's combed peeler cotton hose), oleomargarine, shirtings (bleached, Lonsdale and Rough Rider), and women's dress goods (French serge). The source from which the quotations for Portland cement and for lime are drawn has been changed. Index numbers for January are provisional, due to the fact that certain data were not received in time to render them available for use in the calculations.

A considerable fall in prices between December and January is indicated in the table which follows. The general index number of the Bureau of Labor Statistics has decreased from 206 to 202. The decrease has been general, as is shown by the fact that the index number for each of the 3 groups of commodities has fallen. The decrease has been greatest in the case of the group of producers' goods, the index number for which shows a further decrease from 199 to 194. Increases occurred only in several cases among commodities included in the group. Among these may be mentioned chrome calf leather, oleo oil, and wood alcohol. On the other hand decreases in price were considerable in many instances, and occurred for an extended list of commodities. Among these were certain metal products, such as bar iron, steel billets and plates, copper wire, tin plate, zinc sheets and pipe, both lead and cast iron, cotton and worsted yarns, wood pulp, jute and rope, tallow, certain chemicals, such as soda ash, caustic soda, glycerin, paint materials—in particular linseed oil and carbonate of lead—rosin, and rubber.

The index number for the group of raw materials has decreased from 198 to 195. The index numbers for all subgroups within this group have likewise fallen. The decrease is least pronounced in the case of the animal products subgroup, the index number for which shows a decrease from 208 to 207. Slight increases in the prices of cattle, poultry, and sheep, also goatskins, were almost offset by decreases in the prices of packer hides and silk, while decreases in the price of various grades of wool account for the entire decrease in the number for the group. The index number for the farm products sub group has fallen from 237 to 232. While wheat has either remained constant or, in the case of winter wheat, increased in price, and the price of hops has also risen, the increases are much more than offset by decreases in the prices of corn, cotton, oats, and tobacco, as well as to a lesser extent by decreases in the prices of flax and hay. The index number for the forest products subgroup has decreased from 150 to 147. The decrease is due to the fall in the prices of plain and quartered white oak and poplar, which was not offset by slight increases in the prices of Douglas fir and maple. None of the commodities included in the mineral products subgroup have risen in price, and by far the larger number remain unchanged. The further decrease in the index number of the subgroup, from 182 to 177, is due to decreases in the prices of coke, copper ingots, pig iron, pig lead, and spelter.

The index number for the group of consumers' goods has fallen from 216 to 212. This is the first decrease in the number which has occurred since March, 1918. Considerable diversity is, however, exhibited by the fluctuations in the prices of the commodities included in the group. Increases in price occurred in the cases of certain meats, in particular beef (New York quotation), lamb and mutton, and poultry, wrapping paper, whisky, peanuts, potatoes, apples, glucose, and cotton blankets, and slight increases in certain of the quotations for wheat flour. These increases, however, were much more than offset by decreases in the prices of certain cotton textiles, among which should be mentioned underwear, ginghams, print cloths, tickings, sheetings, shirtings and drillings, certain meats, such as bacon and hams, lard, wheat flour (Kansas City quotation), corn meal, coffee, beans, lemons and oranges, illuminating oil, and the usual considerable seasonal decreases in butter and eggs.

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
January, 1915	108	97	94	85	96	94	103	98
January, 1916	116	102	95	108	106	119	111	110
January, 1917	161	136	99	175	147	166	147	150
January, 1918	240	174	130	171	183	181	192	185
July, 1918	237	209	140	180	196	196	202	198
August, 1918	246	215	143	180	200	199	205	202
September, 1918	255	219	143	180	204	203	209	207
October, 1918	240	209	143	181	198	205	210	204
November, 1918	234	208	150	183	197	205	214	206
December, 1918	237	208	150	182	198	199	216	206
January, 1919	232	207	147	177	195	194	212	202

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 covering the same period for certain commodities of a basic character. The actual average monthly prices shown in the table have been abstracted from the records of the United States Bureau of Labor Statistics.

Average monthly wholesale prices of commodities.

[Average price for 1913=100.]

Year and month.	Corn, No. 3, Chicago.		Cotton, middling, New Orleans.		Wheat, No. 1, northern spring, Minneapolis.		Wheat, No. 2, red winter, Chicago.		Cattle, steers, good to choice, Chicago.		Hides, packers', heavy native steers, Chicago.	
	Average price per bushel.	Relative price.	Average price per pound.	Relative price.	Average price per bushel.	Relative price.	Average price per bushel.	Relative price.	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.
July, 1914	$0.7044	114	$0.1331	105	$0.8971	103	$0.8210	83	$9.2188	108	$0.1938	105
January, 1915	.7056	115	.0783	62	1.3527	155	1.3910	141	8.5333	100	.2300	125
January, 1916	.7356	120	.1205	95	1.2894	148	1.2896	131	8.6650	102	.2300	125
January, 1917	.9753	158	.1735	137	1.9166	219	1.9024	193	10.5300	124	.3350	182
January, 1918	1.6850	274	.3105	244	2.1700	248	2.1700	220	13.1125	154	.3280	178
July, 1918	1.5900	258	.2945	232	2.1700	248	2.2470	228	17.6250	207	.3240	176
August, 1918	1.6225	264	.3038	239	2.2231	255	2.2325	226	17.8250	210	.3000	163
September, 1918	1.5313	249	.3578	282	2.2169	254	2.2363	227	18.4100	216	.3000	163
October, 1918	1.3270	216	.3150	248	2.2155	254	2.2345	227	17.8563	210	.3000	163
November, 1918	1.2675	206	.3007	237	2.2206	254	2.2375	227	18.1563	213	.2900	158
December, 1918	1.4290	232	.2958	233	2.2205	254	2.3088	234	18.3600	216	.2900	158
January, 1919	1.3750	223	.2850	223	2.2225	254	2.3788	241	18.4125	216	.2800	152

Year and month.	Hogs, light, Chicago.		Wool, Ohio, ¼–⅜ grades, scoured.		Hemlock, New York.		Yellow pine, flooring, New York.		Coal, anthracite, stove, New York tidewater.		Coal, bituminous, run of mine, Cincinnati.	
	Average price per 100 pounds.	Relative price.	Average price per pound.	Relative price.	Average price per M feet.	Relative price.	Average price per M feet.	Relative price.	Average price per long ton.	Relative price.	Average price per short ton.	Relative price.
July, 1914	$8.7563	104	$0.4444	94	$24.5000	101	$42.0000	94	$4.9726	98	$2.2000	100
January, 1915	6.9875	83	.5143	109	24.2500	100	41.0000	92	5.1767	102	2.2000	100
January, 1916	7.1400	84	.6429	136	22.2500	92	39.5000	89	5.2639	104	2.2000	100
January, 1917	10.6050	125	.8143	173	24.5000	101	41.5000	93	5.6899	112	4.5000	205
January, 1918	16.2125	192	1.4545	309	30.5000	126	57.0000	128	6.5000	128	3.6000	164
July, 1918	18.0000	213	1.4365	305	34.5000	142	60.0000	135	6.5968	130	4.1000	186
August, 1918	19.7750	234	1.4365	305	....	....	63.0000	141	6.5992	130	4.1000	186
September, 1918	20.0700	237	1.4365	305	....	....	63.0000	141	6.9000	136	4.1000	186
October, 1918	18.0938	214	1.4365	305	....	....	63.0000	141	6.9000	136	4.1000	186
November, 1918	17.7063	209	1.4365	305	....	....	63.0000	141	7.8071	140	4.1000	186
December, 1918	17.4400	206	1.4365	305	....	....	63.0000	141	7.9500	143	4.1000	186
January, 1919	17.4125	206	1.1200	255	36.0000	149	63.0000	141	7.9500	143	4.1000	186

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
January, 1915	2.8500	95	1.6250	67	.1300	83	.0380	86	1.4500	59	12.5000	85
January, 1916	3.0000	100	2.8750	118	.2288	145	.0550	125	2.2500	92	17.8100	121
January, 1917	6.0000	200	7.2500	297	.2950	188	.0750	170	2.8500	116	30.0000	204
January, 1918	4.4120	147	6.0000	246	.2350	149	.0684	155	3.7500	153	33.0000	224
July, 1918	4.6320	154	6.0000	246	.2550	162	.0802	182	4.0000	163	32.0000	218
August, 1918	4.6320	154	6.0000	246	.2600	165	.0805	183	4.0000	163	32.0000	218
September, 1918	4.6320	154	6.0000	246	.2600	165	.0805	183	4.0000	163	32.0000	218
October, 1918	4.6320	154	6.0000	246	.2600	165	.0805	183	4.0000	163	33.0000	224
November, 1918	4.6320	154	6.0000	246	.2600	165	.0805	183	4.0000	163	33.0000	224
December, 1918	4.6320	154	6.0000	246	.2540	161	.0667	152	4.0000	163	33.0000	224
January, 1919	4.6320	154	5.7813	237	.2038	130	.0558	127	4.0000	163	30.0000	204

Average monthly wholesale prices of commodities—Continued.

[Average price for 1913=100.]

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 ton.	Relative price.	Average price per pound.	Relative price.	Average price per long ton.	Relative price.	Average price per pound.	Relative price.
July, 1914	$0.2150	97	$0.3050	108	$19.0000	74	$0.0113	76	$30.0000	100	$0.6500	84
January, 1915	.1650	75	....	....	19.2500	75	.0110	74	30.0000	100	.6200	80
January, 1916	.2100	95	.3250	115	32.0000	124	.0208	141	30.0000	100	.8800	115
January, 1917	.3400	154	.5700	203	63.0000	244	.0430	291	40.0000	133	1.2500	161
January, 1918	.5363	242	.4900	174	47.5000	184	.0325	220	46.8000	156	2.0000	257
1918.												
July	.6412	290	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
August	.6400	289	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
September	.6100	276	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
October	.6100	276	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
November	.5927	268	.4900	174	47.5000	184	.0325	220	57.0000	190	2.1500	277
December	.5500	249	.4900	174	45.1000	175	.0310	209	57.0000	190	2.0000	257
January, 1919	.5000	226	.4900	174	43.5000	169	.0300	203	57.0000	190	1.7500	225

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
January, 1915	.1300	100	.0725	65	6.8563	150	.1538	93	.1200	97	.0488	114
January, 1916	.1375	106	.0763	69	6.6438	145	.1588	96	.1300	105	.0573	134
January, 1917	.1375	106	.0975	88	9.2105	201	.1945	117	.1200	97	.0662	155
January, 1918	.1750	135	.0853	77	10.0850	220	.2950	177	.1600	130	.0744	174
1918.												
July	.2400	185	.0855	77	10.7020	233	.3025	182	.1710	139	.0735	172
August	.2420	187	.0853	77	10.2100	223	.3225	194	.1750	142	.0735	172
September	.2450	139	.0959	86	10.2100	223	.3281	197	.1750	142	.0845	198
October	.2450	189	.1040	93	10.2100	223	.3361	202	.1750	142	.0882	207
November	.2450	189	.1069	96	10.2100	223	.3541	213	.1750	142	.0882	207
December	.2450	189	.1725	155	10.2100	223	.3670	221	.1750	142	.0882	207
January, 1919	.2450	189	.1547	139	10.2750	224	.3494	210	.1750	142	.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 30-day periods ending January 15 and February 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 table also shows quotations in New York for demand paper secured by prime bankers' acceptances, a type of paper which made its appearance in the New York market several months ago. Quotations for new types of paper will be added from time to time as deemed of interest.

During the period under review, the decrease which had been remarked for the periods ending December 15 and January 15 on the whole has continued, though to a lesser extent. In certain cases, among which may be mentioned the three large eastern centers, Chicago, St. Louis, and Salt Lake City, the decrease occurs for the majority of the types of paper for which quotations are given. Rates in other cases. however, have remained firm, though no instances of pronounced increase in rates are noted. There has been a tendency for customary rates charged on prime commercial paper purchased in the open market to decline, though for other types of paper such rates in general, with few exceptions, remain unchanged, the movement in rates in general being confined to changes in the high and low quotations. Rates charged on prime commercial paper purchased in the open market exhibit the most marked decrease. In a number of centers, among which may be mentioned Richmond, Jacksonville, Louisville, and San Francisco, lower rates for this type of paper are shown during the period ending February 15 than during the period ending January 15, while rates for customer's paper remain practically unchanged. For the latter type of paper, however, as also for time paper secured by prime stock exchange or other current collateral, a slight tendency to decrease in rates may be noted. On the other hand, rates for bankers' acceptances in general have been firm, and in Philadelphia and New York (in the latter for indorsed acceptances only) have shown a tendency toward a slight fractional increase, while in Chicago and Minneapolis there has been a tendency toward decline. Rates on paper secured by Liberty bonds and certificates of indebtedness, which on the whole are lower than on ordinary commercial loans, or on loans secured by other collateral, remain practically unchanged.

Discount and interest rates prevailing in various centers.

DURING 30-DAY PERIOD ENDING JAN. 15.

District.	City.	Prime commercial paper. Customers. 30 to 90 days.			Customers. 4 to 6 months.			Open market. 30 to 90 days.			Open market. 4 to 6 months.			Interbank loans.		
		H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.
No. 1...	Boston	6¼	5	6	6¼	5½	6	6¼	5	5½	6¼	5½	5¾	5½	5	5½
No. 2...	New York a	6	5	5¼-6	6	5	5¾-6	6	5	5¼-6	6	4½	5½-6	6	4¾	5-5½
No. 3...	Philadelphia	6	5¼	6	6	5¼	6	6	5	5½	6	5	5½	6	5	5½
No. 4...	Cleveland	6	5	6	6	5	6	6	5	6	6	5	6	5½	5	5
	Pittsburgh	6	6	6	6	6	6	6	5	5¾	6	5	5¾	6	5½	6
	Cincinnati	6	5½	6	6	6	6	6	5½	6	6	6	6	6	5	5½
No. 5...	Richmond	6	6	6	6	6	6	6	5¼	6	6	5¼	6	6	5½	6
	Baltimore	6	5½	6	6	5½	6	5¾	5¾	5¾	5¾	5¾	5¾	5½	5½	5½
No. 6...	Atlanta	7	5½	6	7	5½	6	6	6	6	6	6	6	6	5½	6
	Birmingham	8	6	6	8	6	6	8	5	6	8	5	6	8	6	6
	Jacksonville	8	6	7	8	6	7	6½	6	6½	6½	6	6½	6	6	6
	New Orleans	6½	5¾	6	6½	6	6¼	6¼	6	6	...	...	...	6	5	5½
No. 7...	Chicago	6	5¼	5½-6	6	5	5½-6	6	5	5½	6	5	5½	6	5½	5½-6
	Detroit	6	5	6	6	5	6	...	...	...	...	...	...	6	5½	6
No. 8...	St. Louis	6	5½	6	6	5½	6	6	5¼	5½	6	5¼	5½	6	5	6
	Louisville	6	5½	6	6	5½	6	6	5½	6	6	5½	6	5	5	5
	Memphis	6	5	6	6	5	6	...	...	...	...	...	...	6	5	6
No. 9...	Minneapolis	6	5¾	6	6	5¾	6	5½	5	5½	6	5½	5½	6	6	6
No. 10..	Kansas City	6	5	6	6	5	6	6	5½	6	6	6	6	6	5	6
	Omaha	6	5½	6	6	5½	6	6½	5	6	6½	5¼	6	6½	5½	6
	Denver	8	6	6	8	6	6	6	5¼	5½	6	5¼	5½	7	6	6
No. 11..	Dallas	8	6	6	8	6	6	...	...	...	...	...	...	6	6	6
	El Paso	8	6	8	8	6	8	8	6	6	8	6	6	8	6	7
No. 12..	San Francisco	6	5½	6	6	5½	6	6	5½	6	6	5½	6	6	5	5-6
	Portland	7	5½	6	7	5½	6	6	5¾	6	6	5¾	6	7	6	6
	Seattle	8	6	6	8	6	6	6	5	5½	6¼	6	6	6	6	6
	Spokane	8	6	7	8	6	7	...	...	...	...	...	...	6	6	6
	Salt Lake City	8	7	8	8	7	8	6	5½	6	6	5½	6	7	6	7

District.	City.	Bankers' acceptances, 60 to 90 days. Indorsed.			Unindorsed.			Collateral loans—stock exchange or other current. Demand.			3 months.			3 to 6 months.		
		H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.
No. 1...	Boston	4 3/16	4 3/16	4 3/16	4 5/16	4¼	4 5/16	6	5½	6	6	5½	6	6	6	6
No. 2...	New York a	4 5/16	4	4 3/16-4¼	6	4	4¼-6	6½	3¾	4½-6	6	5½	5¾-6	6	5½	5¾-6
No. 3...	Philadelphia	4¼	4⅛	4 3/16	4⅜	4 3/16	4¼	6	4	6	6	5¾	6	6	6	6
No. 4...	Cleveland	4¼	4 3/16	4 3/16	4⅜	4 5/16	4 5/16	6	5	6	6	5	6	6	5	6
	Pittsburgh	4 5/16	4 3/16	4¼	4 7/16	4 5/16	4⅜	6	5	6	6	6	6	6	6	6
	Cincinnati	4¾	4¼	4½	5	4½	4¾	6½	6	6	6½	6	6	6½	6	6
No. 5...	Richmond	...	...	...	...	...	...	6	6	6	6	6	6	6	6	6
	Baltimore	...	...	...	...	...	...	6	5½	5¾	6	5½	5¾	6	5½	5¾
No. 6...	Atlanta	...	...	...	6	6	6	6	6	6	6	6	6	6	6	6
	Birmingham	6	6	6	6	6	6	8	6	6	8	6	6	8	6	6
	Jacksonville	6	6	6	7	6	6½	8	6	7	8	6	7	8	6	7
	New Orleans	...	...	...	6	6	6	6	6	6	6	6	6	7	6	6
No. 7...	Chicago	4½	4 3/16	4½	4 5/16	4 3/16	4 5/16	6	6	6	6	5½	6	6	5½	6
	Detroit	...	...	...	5½	5½	5½	6	5	6	6	5	6	6	5	6
No. 8...	St. Louis	6	4¼	6	6	4¼	6	6	5	6	6	5	6	6	5	6
	Louisville	...	...	...	...	...	...	6	6	6	6	6	6	6	6	6
	Memphis	5	5	5	5	5	5	6	5	6	6	5	6	6	5	6
No. 9...	Minneapolis	4¾	4¼	4¾	5	4¼	4¾	6½	5½	6	6½	6	6	6½	6½	6½
No. 10..	Kansas City	...	...	...	...	...	...	7	5	6	7	5	6	7	5	6
	Omaha	...	...	...	6	6	6	6	6	6	8	6	6	8	6	6
	Denver	...	...	...	...	...	...	8	5½	6	8	5½	6	8	5½	6
No. 11..	Dallas	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
	El Paso	...	...	...	...	...	...	8	6	8	8	6	8	8	6	8
No. 12..	San Francisco	6	4	4½-5	5	4¼	4⅝	6	5	6	6	5	6	6	5	6
	Portland	4⅜	4⅛	4¼	4⅜	4⅛	4¼	6	5	6	8	6	6	8	6	6
	Seattle	4½	4⅜	4½	4¾	4⅝	4¾	8	6	6	8	6	6	8	6	7
	Spokane	...	...	...	5	5	5	6	5½	6	8	6	7	8	6	7
	Salt Lake City	...	...	...	...	...	...	8	7	8	8	7	8	8	7	8

District.	City.	Cattle loans.			Secured by warehouse receipts, etc.			Secured by Liberty bonds and certificates of indebtedness.		
		H.	L.	C.	H.	L.	C.	H.	L.	C.
No. 1...	Boston	...	...	...	...	...	...	5	4¼	4¼
No. 2...	New York a	...	...	...	...	...	...	6	4¼	4¼-5
No. 3...	Philadelphia	...	...	...	...	...	...	6	4¼	4¾
No. 4...	Cleveland	...	...	...	...	...	...	6	4¼	
	Pittsburgh	...	...	...	6	6	6	6	4¼	6
	Cincinnati	...	...	...	...	...	...	5	4¼	4½
No. 5...	Richmond	...	...	...	...	...	...	6	4¼	4¼
	Baltimore	...	...	...	...	...	...	5½	4¼	5
No. 6...	Atlanta	...	...	...	6	6	6	6	4¼	6
	Birmingham	...	...	...	8	6	6	8	4¼	4¼-6
	Jacksonville	...	...	...	8	6	7	6	6	6
	New Orleans	...	...	...	6	6	6	6	4¼	5
No. 7...	Chicago	...	...	...	...	...	...	5	4¼	4¼
	Detroit	...	...	...	...	...	...	6	4¼	6
No. 8...	St. Louis	...	...	...	...	...	...	6	4¼	5½
	Louisville	...	...	...	...	...	...	6	4¼	6
	Memphis	...	...	...	...	...	...	6	4¼	5
No. 9...	Minneapolis	...	...	...	5½	5¼	5½	5½	5	5
No. 10..	Kansas City	8	6	7	...	...	...	6	4¼	6
	Omaha	8	6	6-7	...	...	...	7	5	5½-6
	Denver	8	6	6	...	...	...	6	4¼	6
No. 11..	Dallas	10	6	8	...	...	...	6	6	6
	El Paso	10	8	8	...	...	...	8	7	8
No. 12..	San Francisco	...	...	...	...	...	...	6	4¼	
	Portland	...	...	...	...	...	...	6	4¼	6
	Seattle	...	...	...	...	...	...			6
	Spokane	...	...	...	...	...	...	7	4½	6
	Salt Lake City	...	...	...	...	...	...	6	6	6

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

District.	City.	Prime commercial paper. Customers. 30 to 90 days.			Customers. 4 to 6 months.			Open market. 30 to 90 days.			Open market. 4 to 6 months.			Interbank loans.		
		H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.
No. 1...	Boston	6	5	5½	6	5	5½	6	5	5¼	6	5	5¼	5½	5	5½
No. 2...	New York b	6	5	5¼-5¾	6	5	5½-5¾	6	5	5¼-5½	6	5	5½	6	4½	5-5½
No. 3...	Philadelphia	6	5	5½	6	5	5½	6	5	6	6	5	5½	5½	5	5
No. 4...	Cleveland	7	5	6	6	5	6	6	5	6	6	5	6	5	5	5
	Pittsburgh	6	6	6	6	6	6	6	5	5¼	6	5	5¼	6	6	6
	Cincinnati	6	5½	6	6	6	6	6	5½	6	6	6	6	6	5	5½
No. 5...	Richmond	6	5½	6	6	6	6	5¼	5	5¼	5¼	5	5¼	6	5½	5½
	Baltimore	6	5½	6	6	5½	6	5¾	5¾	5¾	5¾	5¾	5¾	6	5	5½
No. 6...	Atlanta	7	5½	6	7	5½	6	6	5½	6	6	5½	6	6	5	6
	Birmingham	8	6	6	8	5	6	8	5	6	8	5	6	8	5	6
	Jacksonville	8	6	7	7	6	7	6	5¼	5½	6	5¼	5½	6	6	6
	New Orleans	6½	5½	6	6¾	5½	6	5½	5	5½	6	5½	6	6	5	5½
No. 7...	Chicago	6	5½	5½-6	6	5¼	5½-6	6	5	5¼	6	5	5¼	5½	5½	5½
	Detroit	6	5½	6	6	5½	6	...	...	...	5½	5	5¼	6	5½	5½
No. 8...	St. Louis	6	5	5½	6	5	6	6	5	5¼	6	5	5¼	6	5	5½
	Louisville	6	6	6	6	6	6	5½	5	5½	5½	5	5½	5	5	5
	Memphis	6	5½	6	6	5½	6	6	6	6	6	6	6	6	6	6
No. 9...	Minneapolis	6	5½	6	6	5½	6	5¼	5	5¼	5½	5¼	5½	6	6	6
No. 10..	Kansas City	6	5	6	6	5	6	6	6	6	6	6	6	6	5	6
	Omaha	6	5½	6	6	5½	6	6	5¼	5½	6	5¼	5½	7	5½	6
	Denver	8	6	6	8	5½	6	6	5	5½	6	5	5½	7	6	6
No. 11..	Dallas	8	6	6	8	6	6	...	...	...	...	...	...	6	6	6
	El Paso	8	6	8	8	6	8	8	6	6	8	6	6	8	6	7
No. 12..	San Francisco	6	5	6	6	5	6	5½	5	5-5½	6	5	5¼-5½	6	5	5
	Portland	8	5½	6½	8	6	7	5½	5	5¼	6	5	5½	6	6	6
	Seattle	8	6	6	8	6	6	6½	5	6	6½	5	6	6	6	6
	Spokane	8	6	7	8	5½	6	...	...	...	...	...	...	7	6	6
	Salt Lake	8	6	8	8	6	8	5½	5	5	5½	5	5	6	6	6

District.	City.	Bankers' acceptances, 60 to 90 days. Indorsed.			Unindorsed.			Collateral loans—stock exchange or other current. Demand.			3 months.			3 to 6 months.		
		H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.	H.	L.	C.
No. 1...	Boston	4¼	4 3/16	4 3/16	4 5/16	4¼	4 5/16	6	5½	5½	6	5½	5¾	6	5½	5¾
No. 2...	New York b	4¾	4 3/16	4¼-4 5/16	4½	4⅛	4¼-4⅜	6½	3¾	5	6	5	5½	6	5	5½-6
No. 3...	Philadelphia	4¼	4 3/16	4¼	4 5/16	4¼	4 5/16	6	4	4½	6	5	5½-5	6	5½	6
No. 4...	Cleveland	4¼	4 3/16		4⅜	4 5/16		7	5	6	7	5	6	6	5	6
	Pittsburgh	4⅜	4¼	4 5/16	4 7/16	4 3/16	4⅜	6	5	6	6	6	6	6	6	6
	Cincinnati	4¾	4¼	4½	5	4½	4¾	6½	6	6	6½	6	6	6½	6	6
No. 5...	Richmond	...	...	...	...	...	...	6	6	6	6	6	6	6	6	6
	Baltimore	6	5½	6	6	5½	6	6	5½	5¾	6	5	5¾	6	5½	5¾
No. 6...	Atlanta	5	5	5	...	...	...	6	6	6	6	6	6	6	6	6
	Birmingham	...	...	...	...	...	...	8	6	6	8	6	6	8	6	6
	Jacksonville	7	6	6½	6	6	6	7	6	6½	7	6	7	7	6	7
	New Orleans	6	5½	5½	6	6	6	6	5	6	6½	5	6	6¾	5½	6
No. 7...	Chicago	4 5/16	4 5/16	4 5/16	4 5/16	4¼	4 5/16	6	5	5½	6	5	5½	6	5	5½
	Detroit	...	...	...	5½	5½	5½	6	6	6	6	5½	6	6	6	6
No. 8...	St. Louis	6	4¼	6	6	4¼	6	6	4	6	6	5	5½	6	5	6
	Louisville	4¼	4 3/16	4¼	4¼	4 3/16	4¼	6	5	6	6	5	6	6	5	6
	Memphis	...	...	...	...	...	...	6	6	6	6	6	6	6	6	6
No. 9...	Minneapolis	4¼	4 1/16	4 3/16	4½	4¼	4¼	6½	6	6	6	5½	6	6	5½	6
No. 10..	Kansas City	...	...	...	...	...	...	7	5	6	7	5	6	7	5	6
	Omaha	6	6	6	6	6	6	6	5	6	8	5½	6-7	8	5½	6-7
	Denver	...	...	...	...	...	...	8	5½	6	8	5¼	6	8	5¼	6
No. 11..	Dallas	6	6	6	6	6	6	...	...	...	6	6	6	6	6	6
	El Paso	...	...	...	...	...	...	8	6	8	8	6	8	8	6	8
No. 12..	San Francisco	5½	6	4⅜-5½	...	...	...	6	5	6	6	5	6	6	5	6
	Portland	...	...	...	4⅜	4	4¼	6	5	6	8	5	6½	8	5	6½
	Seattle	4½	6	4½	5	5	5	8	6	6	8	6	6	8	6	6
	Spokane	5	5	5	5	5	5	7	6	6	8	6	7	8	6	7
	Salt Lake	...	...	...	...	...	...	8	6	7	8	6	7	8	6	7

District.	City.	Cattle loans.			Secured by warehouse receipts, etc.			Secured by Liberty bonds and certificates of indebtedness.		
		H.	L.	C.	H.	L.	C.	H.	L.	C.
No. 1...	Boston	...	...	...	...	...	...	5	4¼	4¼
No. 2...	New York b	...	...	...	...	...	...	6	4	4¼-4¾
No. 3...	Philadelphia	...	...	...	...	...	...	6	4¼	4¼
No. 4...	Cleveland	...	...	...	...	...	...	6	4¼	
	Pittsburgh	...	...	...	6	6	6	6	4¼	6
	Cincinnati	...	...	...	...	...	...	5	4¼	4¼
No. 5...	Richmond	...	...	...	...	...	...	6	4¼	5
	Baltimore	...	...	...	...	...	...	5¾	4¼	5
No. 6...	Atlanta	...	...	...	6	6	6	6	4¼	6
	Birmingham	...	...	...	8	6	6	8	4¼	
	Jacksonville	...	...	...	7	7	7	6	6	6
	New Orleans	...	...	...	6½	5½	6	6	4¼	5
No. 7...	Chicago	...	...	...	...	...	...	6	4¼	5
	Detroit	...	...	...	...	...	...	6	4¼	6
No. 8...	St. Louis	...	...	...	...	...	...	6	4¼	5½
	Louisville	...	...	...	...	...	...	6	4¼	5
	Memphis	...	...	...	...	...	...	6	4¼	5
No. 9...	Minneapolis	...	...	...	5½	5	5¼	5½	5	5
No. 10..	Kansas City	8	6	7	...	...	...	6	4¼	6
	Omaha	8	6	6-7	...	...	...	7	5	6
	Denver	8	6	6	...	...	...	6	4¼	6
No. 11..	Dallas	10	6	8	...	...	...	8	6	
	El Paso	10	8	8	...	...	...	8	7	8
No. 12..	San Francisco	...	...	...	...	...	...	6	4¼	4¼
	Portland	...	...	...	...	...	...	8	4¼	6¼
	Seattle	...	...	...	...	...	...			6
	Spokane	...	...	...	...	...	...	8	4¼	6
	Salt Lake	...	...	...	...	...	...	7	6	6

a Rates for demand paper secured by prime bankers' acceptances, high 6, low 4¼, customary 4¼-5.
b Rates for demand paper secured by prime bankers' acceptances, high 5½, low 4¼, customary 4½-4¾.

PHYSICAL VOLUME OF TRADE.

In continuation of tables in the February 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.	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*	*Head.*
January	1,694,490	4,341,474	1,287,695	157,504	7,481,163	555,520	1,260,724	524,457	151,468	2,492,169
July	2,110,835	3,113,281	1,585,735	51,393	6,861,244	665,800	949,301	734,539	45,549	2,395,189
August	2,009,744	2,476,190	2,129,325	80,122	6,695,381	850,363	849,618	1,198,691	76,653	2,975,325
September	2,799,913	2,386,475	3,303,955	124,201	8,614,544	1,219,333	786,917	2,059,990	114,023	4,180,263
October	2,832,022	3,421,641	3,234,026	146,072	9,633,761	1,300,084	896,258	2,069,057	140,845	4,406,244
November	2,625,381	4,605,158	2,535,115	135,344	9,900,998	1,232,771	1,216,860	1,446,523	131,308	4,027,462
December	2,132,491	5,569,356	1,640,365	72,471	9,414,683	785,770	1,429,251	716,100	71,243	3,002,364
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

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.]

[Monthly average, 1911-1913=100.]

RECEIPTS.

	Cattle and calves.		Hogs.		Sheep.		Horses and mules.		Total, all kinds.	
	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.
1918.										
January	1,317,368	131	3,333,591	152	946,495	69	87,444	190	5,684,898	123
July	1,697,193	168	2,530,414	115	1,141,488	84	36,782	80	5,405,877	117
August	1,588,553	158	1,970,086	90	1,424,677	104	54,271	118	5,037,587	109
September	2,249,017	223	1,775,842	81	2,408,609	176	82,656	180	6,516,124	141
October	2,267,534	225	2,570,525	117	2,357,524	173	83,574	182	7,279,157	158
November	2,053,359	204	3,431,782	156	1,677,537	123	64,482	140	7,227,160	156
December	1,706,945	169	4,197,313	191	1,114,761	82	36,153	79	7,055,172	156
1919.										
January	1,656,046	164	4,603,335	209	1,079,377	79	56,631	123	7,395,419	160

SHIPMENTS.

	Cattle and calves.		Hogs.		Sheep.		Horses and mules.		Total, all kinds.	
	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.	Head.	Relative.
1918.										
January	401,864	99	755,282	156	316,304	63	85,528	208	1,558,978	109
July	495,211	122	662,728	137	483,151	96	31,379	76	1,672,469	116
August	652,440	160	599,577	124	751,886	149	51,923	127	2,055,827	143
September	932,131	229	488,298	101	1,426,120	265	74,473	182	2,921,022	197
October	994,943	245	486,460	100	1,479,774	294	84,393	206	3,045,570	212
November	921,831	227	659,432	136	903,283	179	63,589	155	2,548,135	177
December	588,425	145	787,461	163	445,987	89	37,072	90	1,858,945	129
1919.										
January	589,362	145	988,035	204	357,386	71	56,282	138	1,991,065	139

Grain and flour.

[U. S. Food Administration.]

GRAIN MOVEMENT.

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

	Wheat.			Corn.			Oats.		
	Receipts.	Shipments.	Stocks at close of month.	Receipts.	Shipments.	Stocks at close of month.	Receipts.	Shipments.	Stocks at close of month
1918.									
June	....	....	12,415	....	....	37,794	....	....	39,097
July	196,060	94,823	81,422	59,466	54,792	31,919	90,006	87,893	37,923
August	287,652	160,162	163,027	48,131	42,999	25,559	177,324	124,597	86,030
September	286,200	150,636	246,690	62,137	46,453	28,522	126,138	102,510	104,739
October	241,260	150,077	286,169	59,437	47,501	25,727	110,620	107,693	103,943
November	155,665	138,438	254,474	47,024	41,886	21,646	86,871	95,008	88,300
December	178,916	127,612	253,767	59,237	50,312	23,427	80,199	81,220	83,363
1919.									
January	129,998	80,495	245,683	98,648	79,935	30,448	102,887	89,613	85,811

	Barley.			Rye.			Total grains.		
	Receipts.	Shipments.	Stocks at close of month.	Receipts.	Shipments.	Stocks at close of month.	Receipts.	Shipments.	Stocks at close of month.
1918.									
June	....	....	10,606	....	....	2,181	....	....	102,093
July	14,285	7,077	16,984	3,474	2,024	2,912	363,291	246,609	171,160
August	21,340	9,923	27,174	8,422	4,449	6,128	542,869	342,130	307,918
September	27,002	15,295	37,782	16,092	7,409	12,854	517,569	322,303	430,587
October	23,889	19,843	40,670	20,667	15,047	17,309	455,873	340,161	473,818
November	22,697	21,153	39,991	17,521	13,552	19,199	329,778	310,037	423,610
December	23,255	22,287	40,320	15,721	8,721	25,779	357,328	290,152	426,656
1919.									
January	27,687	27,130	40,673	16,686	10,201	30,031	375,906	287,374	432,646

WHEAT FLOUR PRODUCTION.

[In thousands of barrels; i. e.. 000 omitted.]

	Production.	Stocks at mills at close of month.		Production.	Stocks at mills at close of month.
1918.			**1918.**		
June	....	1,109	October	11,752	3,422
July	6,780	1,606	November	11,175	3,387
August	10,391	2,386	December	11,759	3,260
September	11,335	3,064	January, 1919	12,994	3,341

California shipments of citrus and deciduous fruits.

	Oranges.		Lemons.		Total citrus fruits.		Total deciduous fruits.
	Carloads.	Relative.	Carloads.	Relative.	Carloads.	Relative.	Carloads.
1918.							
January	1,409	58	237	59	1,646	58	....
July	914	37	561	139	1,475	52	3,758
August	767	31	732	181	1,499	53	9,126
September	549	22	275	68	824	29	5,879
October	485	20	639	158	1,124	39	7,143
November	1,125	46	676	167	1,801	63	1,044
December	3,565	146	722	178	4,287	150	267
1919.							
January	3,130	128	531	131	3,651	128	109

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.
1918.			
July	288,449	320,908	135,061
August	218,690	263,383	100,392
September	176,867	210,745	56,978
October	242,912	207,566	77,233
November			

	Receipts.	Meltings.	Raw stocks at close of month.
1918.			
December	138,141	172,528	50,989
	92,785	123,091	13,774
1919.			
January	243,806	197,145	66,189

[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.	
	Tons.	Relative.	Tons.	Relative.	Tons.	Relative.
1918.						
January	123,080	67	90,000	49	39,494	23
July	186,225	101	221,000	120	55,322	32
August	159,252	87	175,000	95	39,375	23
September	145,555	79	139,000	76	46,869	27
October						

	Receipts.		Meltings.		Raw stocks at close of month.	
	Tons.	Relative.	Tons.	Relative.	Tons.	Relative.
1918						
November	151,703	82	156,000	85	42,522	25
December	139,343	76	139,000	76	43,112	25
	58,751	32	92,000	50	11,170	7
1919.						
January	172,054	93	147,000	80	36,544	21

Lumber.

[From reports of manufacturers' associations.]

[M feet.]

	Southern pine.			Western pine.			Douglas fir.			Eastern white pine.			North Carolina pine.		
	No. of mills.	Production.	Shipments.	No. of mills.	Production.	Shipments.	No. of mills.	Production.	Shipments.	No. of mills.	Production.	Shipments.	No. of mills.	Production.	Shipments.
1918.															
January	188	381,705	393,997	24,46	64,999	93,386	127	336,200	304,600	26	34,762	38,666	25	14,341	11,913
July	201	412,002	453,786	42,45	147,533	112,915	123	269,100	266,300	26	86,658	59,412	36	31,517	34,815
August	202	391,648	437,776	44,47	151,156	109,402	130	292,200	275,000	26	95,942	51,327	31	24,118	34,377
September	190	346,069	350,628	45	130,029	80,859	106	316,000	248,000	26	72,937	38,711	41	31,908	34,963
October	202	321,214	353,266	42,47	121,850	79,701	115	356,487	324,080	27,21	32,787	26,152	42	27,912	36,478
November	194	312,126	353,810	38,46	90,078	74,103	121	259,396	239,493	16	23,529	23,828	42	32,596	36,012
December	204	310,068	322,831	27,46	63,315	63,823	121	211,664	209,999	11	799	14,176	43	26,728	21,570
1919															
January	200	330,137	325,241	21.49	40,354	68,910	......	....	....	13	7,565	15,172	40	28,629	23,869

RECEIPTS AND SHIPMENTS OF LUMBER AT CHICAGO.

[Chicago Board of Trade.]

[Monthly average 1911-1913=100.]

	Receipts.		Shipments.	
	M feet.	Relative.	M feet.	Relative.
1918.				
January	122,976	58	58,362	76
July	243,598	115	98,145	128
August	208,963	99	78,707	103
September	171,515	81	68,133	89
October				

	Recepits.		Shipments.	
	M feet.	Relative.	M feet.	Relative.
1918.				
November	130,503	62	70,590	92
December	142,230	67	72,723	95
	163,908	77	60,831	79
1919.				
January	134,604	63	47,922	62

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.					
					Beehive.		By-product.		Total.	
	Short tons.	Relative.	Long tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.	Short tons.	Relative.
1918.										
January	42,607,206	115	5,638,383	100	2,242,362	86	1,649,819	187	3,892,181	114
July	55,587,312	150	7,084,775	126	2,813,910	108	2,300,673	261	5,114,583	146
August	55,732,092	150	7,180,923	128	2,657,072	102	2,387,675	271	5,044,747	144
September	51,757,334	140	6,234,395	111	2,570,238	98	2,410,798	274	4,981,036	143
October	52,885,813	143	6,286,366	112	2,611,885	100	2,563,183	291	5,175,068	148
November	44,386,987	120	5,276,659	94	2,339,197	89	2,523,746	287	4,862,943	139
December	40,634,525	110	5,736,260	102	2,255,296	86	2,562,048	291	4,817,344	138
1919.										
January	41,484,000	112	5,934,241	105	2,401,567	92	2,441,433	277	4,843,000	139

Movement of crude petroleum (east of Rocky Mountains).

[U. S. Geological Survey.]

[Barrels of 42 gallons each.]

	Marketed.		Stocks at end of month.		Marketed.		Stocks at end of month.
	Barrels.	Relative.	Barrels.		Barrels.	Relative.	Barrels.
1918.				**1918.**			
January	18,800,500	160	118,836,090	November	21,495,283	183	102,669,518
July	21,617,464	184	110,950,501	December	20,783,899	177	99,419,237
August	20,496,991	174	108,768,635		19,637,286	167	96,318,452
September	20,384,523	173	104,746,889	**1919.**			
October				January	21,527,000	183	97,258,000

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).
1918.					
January	23,842,587	242,632,044	119,358.184	547,866,248	56,623,425
February	23,386,676	234,324,619	121,218,320	510,165,397	58,300,914
March	26,239,662	269,627,968	151,228,007	587,985,804	69,308,351
April	26,201,544	293,396,162	153,703,682	578,255,341	71,022,204
May	28,510,698	319,391,202	160,590,760	631,586,209	79,589,735
June	28,140,479	315,023,445	151,840,252	628,842,033	74,420,996
July	29,170,718	332,022,095	156,828,826	658,439,682	79,303,107
August	28,534,275	330,335,046	149,678,850	671,113,871	72,892,879
September	28,390,431	314,595,959	164,963,798	653,085,050	70,593,079
October	29,237,767	314,251,318	164,928,640	661,780,441	72,244,633
November	27,411,636	312,388,640	169,278,105	604,403,494	72,178,602
December	26,958,157	291,744,465	161,742,713	587,873,987	64,987,842
Stocks at the close of month.					
Jan. 31	12,324,191	469,277,166	436,254,045	547,450,775	141,907,918
Feb. 28	11,633,411	518,794,609	411,150,157	502,046,087	150,259,653
Mar. 31	13,122,241	526,382,386	356,580,540	483,447,727	146,572,398
Apr. 30	12,600,062	509,197,134	393,527,476	471,644,479	144,383,212
May 31	11,824,633	460,637,479	343,311,945	515,020,224	161,009,729
June 30	11,956,151	418,440,353	426,285,676	550,704,759	158,316,257
July 31	14,026,525	349,928,604	432,807,129	519,012,839	136,460,207
Aug. 31	13,946,595	285,446,538	424,281,481	569,016,413	137,496,986
Sept. 30	14,462,100	269,772,723	436,628,907	583,407,769	147,425,556
Oct. 31	15,438,576	250,328,369	419,409,944	596,116,351	135,196,542
Nov. 30	15,222,401	270,072,011	397,804,012	583,777,918	132,923,478
Dec. 31	15,749,771	297,326,983	380,117,829	659,001,357	138,853,574

Iron and steel.

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

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

	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.
1918.						
January	2,411,768	104	2,203,845	92	9,477,853	180
July	3,420,988	148	3,113,635	130	8,883,801	169
August	3,389,585	146	3,083,680	129	8,759,042	166
September	3,418,270	148	3,197,658	134	8,297,905	157
October	3,486,941	151	3,352,196	140	8,353,293	158
November	3,354,074	145	3,060,154	128	8,124,663	154
December	3,433,617	148	2,992,291	125	7,379,152	140
1919.						
January	3,302,260	143	3,082,427	129	6,684,268	127
February	2,940,168	136	2,688,011	120	....	....

Nonferrous metals.

[Tin, Department of Commerce; spelter, United States Geological Survey.]

[Monthly average 1911-1913=100.]

	Imports of pig tin.		Spelter.				Imports of pig tin.		Spelter.		
			Production.		Stocks at close of month.				Production.		Stocks at close of month.
	Pounds.	Relative.	Short tons.	Relative.			Pounds.	Relative.	Short tons.	Relative.	
1918.						**1918.**					
January	12,572,727	138	46,223	171	58,354	November	10,734,179	118	43,555	161	31,874
						December	5,887,063	68	46,903	174	34,765
July	15,567,667	171	46,467	172	42,480						
August	16,317,437	180	45,811	170	43,477	**1919.**					
September	10,630,666	117	43,492	161	41,318	January, 1919	8,461,444	93	49,215	182	46,073
October	9,885,984	109	45,631	169	30,608						

NOTE.—Figures of spelter production for January partly estimated.

Textiles.

[Silk, Department of Commerce; cotton, Bureau of the Census; wool, Bureau of Markets; idle machinery, Jan.-Sept., 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.	
					Looms.		Sets of cards.	Combs.	Spinning spindles.			
	Bales.	Relative.			Wider than 50-inch reed space.	Under 50-inch reed space.			Woolen.	Worsted.	Pounds.	Relative.
1918.												
January	523,917	117	33,552,732	53,827,887	9.6	12.1	6.1	8.1	6.2	14.7	2,470,187	121
July	541,792	120	33,674,896	50,951,651	10.4	10.2	5.9	10.5	6.5	13.2	1,997,314	98
August	534,914	119	33,646,811	51,516,457	12.2	14.3	6.0	10.2	6.6	15.3	3,813,595	186
September	490,779	109	33,524,275	47,648,413	13.8	15.1	7.8	13.2	8.3	20.2	3,973,754	194
October	440,833	98	32,760,623	48,692,509	18.3	24.3	9.3	12.5	8.8	18.8	2,814,270	138
November	457,376	102	33,121,507	38,282,723	21.1	26.8	11.1	23.8	11.9	30.1	2,336,345	114
December	472,941	105	33,652,612	32,355,081	22.5	24.9	13.8	17.8	16.1	27.4	2,680,863	131
1919.												
January	556,721	124	33,856,472	32,573,970	40.3	32.6	32.2	30.7	36.5	37.5	1,461,837	71
February	....	....	....	....	52.3	41.5	38.7	39.8	41.1	48.6	....	....

NOTE.—Figures of idle wool machinery for Nov. 1 and Dec. 1 are not entirely comparable with previous figures, due to fact that later figures are for number of machines running on single shift, while earlier figures count as two a machine running double time. The effect is, however, small.

Production of wood pulp and paper.

[Federal Trade Commission.]

[Net tons.]

	Wood pulp.	News print.	Book.	Paper board.	Wrapping.	Fine.
1918.						
July	....	103,348	69,458	177,931	70,526	34,609
August	262,377	113,826	76,439	192,810	71,249	36,910
September	246,741	99,528	66,581	168,384	61,390	37,833
October	237,624	88,155	60,743	143,373	56,903	28,533
November	270,849	97,693	67,262	152,321	61,681	33,429
December	273,973	107,129	64,501	134,103	51,947	29,975
1919.						
January	283,270	116,289	73,809	142,764	52,226	29,407

Tax-paid manufactured tobacco products in the United States (excluding Porto Rico and Philippine Islands).

[Commissioner of Internal Revenue.]

	Cigars.		Cigarettes.	Chewing and smoking tobacco.
	Large.	Small.	Small.	
	Number.	*Number.*	*Number*	*Pounds.*
1918				
January	532,833,941	69,439,836	2,447,265,488	30,109,316
July	634,609,533	79,237,849	3,796,878,822	36,607,578
August	624,491,239	60,880,910	3,442,446,234	40,764,853
September	585,400,449	60,556,000	3,403,205,736	37,893,818
October	594,764,527	63,111,160	3,027,300,975	39,440,893
November	537,794,904	63,177,200	2,986,775,643	32,618,009
December	527,586,098	59,139,250	2,788,379,210	25,276,695
1919.				
January	518,706,482	72,458,974	3,079,212,253	29,308,616

Output of locomotives and cars.

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

	Locomotives.		Output of cars.		
	Domestic shipped.	Foreign completed.	Domestic.	Foreign.	Total.
	Number.	*Number.*	*Number.*	*Number.*	*Number.*
1918.					
January	....	....	4,281	2,183	6,464
July	....	....	3,312	4,410	7,722
August	214	77	2,437	4,847	7,284
September	267	213	2,666	3,564	6,230
October	295	313	4,555	2,681	7,236
November	224	252	6,743	2,330	9,093
December	281	177	7,876	3,402	11,278
1919.					
January	282	84	8,172	3,635	11,807

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

[Monthly average 1911-1913=100.]

	Number.	Gross tonnage.	Relative.
1918.			
January	57	64,795	268
July	193	229,931	951
August	177	295,849	1,224
September	170	308,470	1,276
October	202	357,532	1,479
November	171	357,660	1,480
December	153	283,359	1,173
1919.			
January	132	264,346	1,094
February	135	271,430	1,203

Tonnage of vessels cleared in the foreign trade.

[Department of Commerce.]

[Monthly average 1911-1913=100.]

	Net tonnage.				Percentage of American to total.	Relative.
	American.	Foreign.	Total.	Relative.		
1918.						
January	891,351	1,739,923	2,631,274	68	33.9	134
July	2,093,310	2,941,171	5,034,481	129	41.6	164
August	2,332,577	2,808,466	5,141,043	132	45.4	179
September	2,009,194	2,290,872	4,300,066	111	46.7	185
October	1,875,947	2,163,383	4,039,330	104	46.4	184
November	1,770,935	1,991,725	3,762,660	97	47.0	186
December	1,141,319	2,053,517	3,194,836	82	35.7	141
1919.						
January	1,166,391	1,896,123	3,062,514	78	38.1	151

Net ton-miles, revenue and nonrevenue.

[United States Railroad Administration.]

1918.	
January	27,619,867,000
July	38,761,201,000
August	38,469,847,000
September	38,592,137,000
October	39,548,562,000
November	35,533,026,000
December	33,659,507,000
1919.	
January	30,383,169,000

GOLD SETTLEMENT FUND.

Clearing and transfer operations through the gold settlement fund for the 13 weeks ending February 20, 1919, totaled $15,305,209,000, averaging $1,177,324,000 per week, as against an average of $1,139,593,000 per week for the immediately preceding 9 weeks. The New York bank reports a loss through settlement of $1,473,882,000 and a gain through transfers of $1,409,847,000. As the result of these operations the bank shows a decrease of $64,035,000 of gold, which was, however, more than fully made up by deposits and transfers of gold from the Federal Reserve agent's fund, the bank's balance in the gold fund at the close of the period showing a net gain of $15,965,000. Chicago reports a gain through settlements and transfers of $38,800,000, while other important gains are shown for the Atlanta, St. Louis, and Kansas City banks.

Government loan operations, including the placing of six issues of Treasury certificates totaling about 3,800 millions and the transfer of the larger portion of the funds raised to New York City, account largely for the unusually large volume of the transactions.

Net deposits of gold in the banks' fund aggregated $126,838,000, of which $111,198,000 was transferred to the agents' fund, resulting in a net increase in the banks' fund of $15,640,000. During the same period the agents' fund shows a gain of $19,902,000. On February 20 the total amount standing to the credit of the Federal Reserve Banks and agents was $1,347,459,000, as against $1,311,917,000 on November 21, 1918.

Below are given figures showing operations of these funds for the period November 22, 1918, to February 20, 1919, both inclusive:

Amounts of clearings and transfers through the gold-settlement fund, by Federal Reserve Banks, from Nov. 22, 1918, to Feb. 20, 1919, both inclusive.

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

	Total clearings.	Transfers.
Settlement of—		
Nov. 22–29	1,160,334	144,741
Nov. 30–Dec. 5	930,853	127,103
Dec. 6–12	1,044,159	287,468
Dec. 13–19	1,082,467	165,188
Dec. 20–26	944,679	64,651
Dec. 27–Jan. 2	1,014,823	218,876
Jan. 3–9	1,155,677	192,844
Jan. 10–16	1,020,725	65,942
Jan. 17–23	1,139,184	192,810
Jan. 24–30	1,009,724	80,909
Jan. 31–Feb. 6	1,010,963	179,521
Feb. 7–13	788,963	61,162
Feb. 14–20	1,117,683	103,760
Total	13,420,234	1,884,975
Total for 1919 to date	7,426,623	913,585
Total for 1918	45,439,487	4,812,105
Total for 1917	24,319,200	2,835,504

CLEARINGS AND TRANSFERS.

Total for 1919 to date	8,340,208
Total for 1918	50,251,592
Total for 1917	27,154,704
Total for 1916	5,533,966
Total for 1915	1,052,649
Total clearings and transfers from May 20, 1915, to Feb. 20, 1919	92,333,119

Changes in ownership of gold.

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

Federal Reserve Bank.	Total to Nov. 21, 1918.		From Nov. 22, 1918, to Feb. 20, 1919, both inclusive.				Total changes from May 20, 1915, to Feb. 20, 1919.	
	Decrease.	Increase.	Balance to credit Nov. 21, plus net deposits of gold since that date.	Balance Feb. 20, 1919.	Decrease.	Increase.	Decrease.	Increase.
Boston		22,851	50,946	41,674	9,272			13,579
New York	679,471		106,582	42,547	64,035		743,506	
Philadelphia		27,865	38,682	41,193		2,511		30,376
Cleveland		133,769	55,502	56,036		534		134,303
Richmond		26,297	25,308	19,759	5,549			20,748
Atlanta		38,576	6,762	19,331		12,569		51,145
Chicago		167,464	64,789	103,589		38,800		206,264
St. Louis		53,682	6,719	26,654		19,935		73,617
Minneapolis		36,383	20,152	22,488		2,336		38,719
Kansas City		39,561	22,628	36,946		14,318		53,879
Dallas		26,140	9,971	11,120		1,149		27,289
San Francisco		106,883	49,961	36,665	13,296			93,587
Total	679,471	679,471	458,002	458,002	92,152	92,152	743,506	743,506

Gold settlement fund—Summary of transactions from Nov. 22, 1918, to Feb. 20, 1919, both inclusive.

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

Federal Reserve Bank.	Balance last statement Nov. 21, 1918.	Gold withdrawals.	Gold deposits.	Aggregate withdrawals and transfers to agent's fund.	Aggregate deposits and transfers from agent's fund.	Transfers.		Settlements from Nov. 22, 1918, to Feb. 20, 1919, both inclusive.				Balance in fund at close of business Feb. 20, 1919.
						Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston	34,694	4	14,351	20,004	36,256	177,454	98,552		1,179,160	1,248,790	69,630	41,674
New York	26,582		40,000	26,000	106,000	45	1,409,892	1,473,882	4,899,332	3,425,450		42,547
Philadelphia	32,728	500	9,380	47,460	53,414	58,000	89,000	28,489	1,500,753	1,472,264		41,193
Cleveland	45,579	18,000	22,923	43,009	52,923	338,100	2,687		935,185	1,271,132	335,947	56,036
Richmond	13,953	11	7,366	14,011	25,366	45,000	18,000		754,382	775,833	21,451	19,759
Atlanta	6,425	370	8,807	12,970	13,307	81,096	83,075		438,540	449,130	10,590	19,331
Chicago	166,194		24,154	196,040	94,635	497,801	61,302		1,481,056	1,956,355	475,299	103,589
St. Louis	33,356	4,883	6,246	37,883	11,246	114,270	681		782,056	915,580	133,524	26,654
Minneapolis	16,644		6,708	10,000	13,508	276,399	1,786		204,415	481,364	276,949	22,488
Kansas City	24,429		2,199	7,000	5,199	115,009			564,242	693,569	129,327	36,946
Dallas	2,246	468	3,193	468	8,193	49,801	106,000	55,050	341,119	286,069		11,120
San Francisco	39,532		5,747	30,000	40,429	132,000	14,000		339,994	444,698	104,704	36,665
Total	442,363	24,236	151,074	444,836	460,476	1,884,975	1,884,975	1,557,421	13,420,234	13,420,234	1,557,421	458,002

Federal reserve agents' fund—Summary of transactions from Nov. 22, 1918, to Feb. 20, 1919, both inclusive.

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

Federal reserve agent at—	Balance last statement, Nov. 21, 1918.	Gold withdrawals.	Gold deposits.	Withdrawals for transfers to bank.	Deposits through transfers from bank.	Total withdrawals.	Total deposits.	Balance at close of business, Feb. 20, 1919.
Boston	52,000	10,095		21,905	20,000	32,000	20,000	40,000
New York	110,000			66,000	26,000	66,000	26,000	70,000
Philadelphia	66,963	13,000		44,034	46,960	57,034	46,960	56,889
Cleveland	100,000			30,000	25,000	30,000	25,000	95,000
Richmond	58,000	6,000		18,000	14,000	24,000	14,000	48,000
Atlanta	36,170	8,000		4,500	12,600	12,500	12,600	36,270
Chicago	198,386	33,000		70,481	196,040	103,481	196,040	290,944
St. Louis	43,631	5,200		5,000	33,000	10,200	33,000	66,431
Minneapolis	41,800	6,000		6,800	10,000	12,800	10,000	39,000
Kansas City	45,360	5,000		3,000	7,000	8,000	7,000	44,360
Dallas	10,684	1,000		5,000		6,000		4,684
San Francisco	106,561	4,000		34,682	30,000	38,682	30,000	97,879
Total	869,555	91,295		309,402	420,600	400,697	420,600	889,457

DISCOUNT OPERATIONS DURING EACH MONTH IN 1918.

The following table and accompanying diagram show the monthly changes in the volume of bills discounted by all the Federal Reserve Banks and by the Federal Reserve Bank of New York. Similar data are shown for the volume of discounted war paper. These data are supplementary to the information presented on page 65 of the January BULLETIN, where figures of weekly holdings of discounted war paper and other bills are given.

Beginning with the month of April, the month preceding the flotation of the third war loan, there has been an almost continuous increase in total discount operations, the only break occurring during the month of November. Operations for December were almost three times as large as in April. Of the total volume of discounts for the year the New York bank reports 61.7 per cent, this share being as high as 73 per cent for the month of June.

About 84 per cent of the year's discounts is represented by war paper. This share on the whole shows a perceptible increase toward the end of the year and exceeds 90 per cent for December. About two-thirds of the total volume of war paper discounted during the year is reported by the New York bank. During May and June—i. e., the period immediately preceding and following the placing of the third war loan—nearly 80 per cent of all the war paper was discounted by that bank. These percentages are considerably lower for the later months of the year, indicating more than proportionate increases in war loan financing on the part of the other Federal Reserve Banks in connection with the fourth Liberty loan.

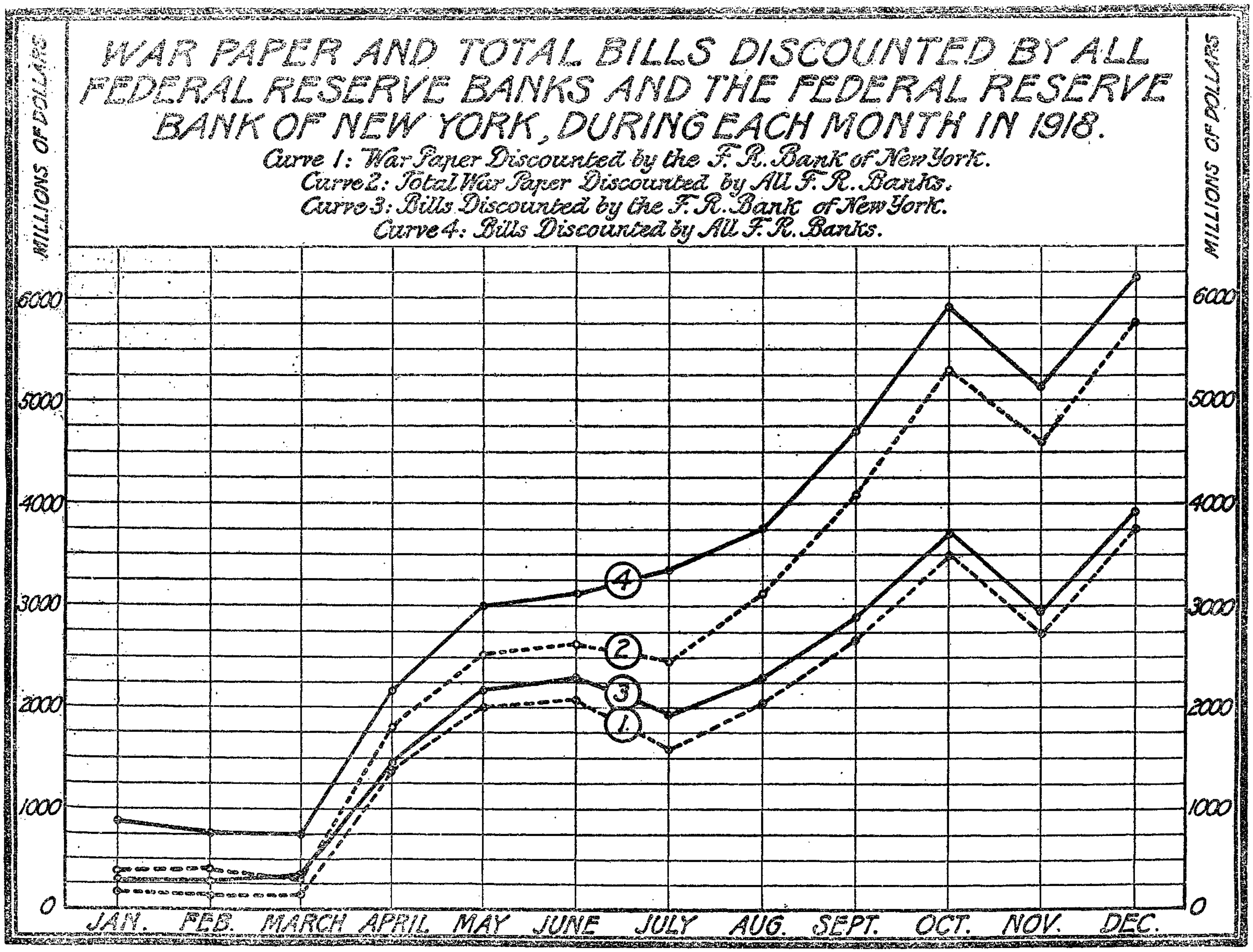
During the month of November the Treasury did not issue any certificates, while a 20 per cent installment on the fourth Liberty loan was paid in during the later part of the month. As a result, discounts of war paper and total discounts for the month show a decided decline.

Total bills and war paper discounted during each month in 1918 by all Federal Reserve Banks and by the New York Federal Reserve Bank.

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

	Total war paper discounted.	War paper discounted by the Federal Reserve Bank of New York.	Per cent of war paper discounted by the Federal Reserve Bank of New York to total war paper discounted.
January	392,031	192,373	49.1
February	399,056	155,496	39.0
March	307,621	167,777	54.5
April	1,811,420	1,367,204	75.5
May	2,517,027	1,998,827	79.4
June	2,620,737	2,084,878	79.6
July	2,469,401	1,591,817	64.5
August	3,127,430	2,049,745	65.5
September	4,079,671	2,652,423	65.0
October	5,308,755	3,493,489	65.8
November	4,601,338	2,738,423	59.5
December	5,759,297	3,761,991	65.3
Total	33,393,784	22,254,444	66.6

	Total bills discounted.	Bills discounted by the Federal Reserve Bank of New York.	Per cent of bills discounted by the Federal Reserve Bank of New York to total bills discounted.
January	868,421	299,141	34.4
February	762,440	267,801	35.1
March	759,113	321,342	42.3
April	2,178,411	1,460,681	67.1
May	2,993,023	2,181,143	72.9
June	3,137,226	2,290,685	73.0
July	3,343,458	1,935,042	57.9
August	3,762,359	2,306,087	61.3
September	4,685,139	2,893,616	61.8
October	5,903,963	3,713,306	62.9
November	5,154,592	2,948,291	57.2
December	6,215,083	3,918,403	63.0
Total	39,763,228	24,535,538	61.7



WAR PAPER AND TOTAL BILLS DISCOUNTED BY ALL FEDERAL RESERVE BANKS AND THE FEDERAL RESERVE BANK OF NEW YORK, DURING EACH MONTH IN 1918.

Curve 1: War Paper Discounted by the F. R. Bank of New York.
Curve 2: Total War Paper Discounted by All F. R. Banks.
Curve 3: Bills Discounted by the F. R. Bank of New York.
Curve 4: Bills Discounted by All F. R. Banks.

DISCOUNT OPERATIONS OF FEDERAL RESERVE BANKS.

For the month of January discount operations of the Federal Reserve Banks aggregated $5,994,382,265, compared with the record total of $6,215,083,531 for the immediately preceding month and $868,421,473 for January, 1918. Of the total discounts for the month under review the share of war paper, i. e., member banks' notes and customers' paper secured by United States war obligations, was 95.3 per cent compared with 92.7 per cent for December, 1918, and about 45 per cent a year before. About 60 per cent of the total war paper discounted during January, as against 65 per cent for the month before, and a slightly smaller percentage of the month's total discounts are reported by the New York bank. With the exception of New York and Cleveland all Federal Reserve Banks show increases in discount operations as compared with December of the past year.

Discounts of member banks' notes, secured by eligible paper, totaled $20,114,004, compared with $51,586,141 for December, 1918, the Kansas City bank reporting over 60 per cent of this class of paper. Trade acceptances discounted during the month totaled $10,903,033, compared with $11,942,831 for the month immediately preceding. Of the smaller total, $1,166,725 were bills based upon transactions in the foreign trade handled by the Boston and New York banks, while the remainder were bills based upon transactions in the domestic trade. The above totals are exclusive of $1,939,095 of foreign trade acceptances and $1,241,615 of domestic trade acceptances bought during the month in open market by the banks at Boston, New York, and Cleveland. In addition, four banks report the discount of $1,577,514 of bankers' acceptances as against $719,812 the month before.

About 96 per cent of the total discounts for the month was composed of 15-day paper, i. e., bills maturing within 15 days from date of discount with the Federal Reserve Bank. Of the remainder more than 75 per cent was 90-day paper, chiefly war-loan paper discounted by the three eastern banks. Discounts of 6-month paper, i. e., agricultural and live-stock paper maturing after 90 days but within 6 months from date of discount with the Federal Reserve Banks, totaled $11,464,726, of which nearly 82 per cent was handled by the Kansas City and Dallas banks.

Of the total discounts for the month over 88 per cent was discounted at the 4 per cent and nearly 10 per cent at the 4½ per cent rates. Accordingly, the average monthly rate of discount for the system works out at 4.15 per cent, as against 4.18 per cent in December and 4.20 per cent in November of the past year, notwithstanding an increase in the average monthly rates of discount shown for the New York and Philadelphia banks. Average maturities of paper discounted with the banks on the whole were substantially longer than the month before, with the result that the calculated average maturity of all the paper discounted shows an increase from 8.54 to 10.34 days.

On the last Friday of the month the Federal Reserve Banks held a total of $1,601,128,000 of all classes of discounts, as against $1,702,938,000 on the last Friday of the month before, and $627,662,000 on the corresponding date in 1918. Of the total discounts held, the share of war paper was 84.8 per cent, as against 82.2 per cent the month before and about 50 per cent on the corresponding date in January, 1918. For the three eastern and the Cleveland banks this share is shown in excess of 90 per cent, while for the Kansas City and Dallas banks the proportion was below 40 per cent. Discounted trade acceptances on hand totaled $13,924,000, compared with $15,985,000 about the end of 1918. Holdings of agricultural paper totaled $30,921,000, compared with

$29,384,000 on the last Friday in December, while live-stock paper on hand aggregated $28,710,000, nearly all of which is reported by the Kansas City, Dallas, and San Francisco banks.

During the month the number of members increased from 8,695 to 8,713. The number of members discounting during January is given as 3,316, as against 3,288 the month before, as may be seen from the following exhibit, showing the number of member banks at the end of the last two months, also the number of banks accommodated during these two months:

Federal Reserve Bank.	Number of member banks in district.		Number of member banks accommodated.	
	Dec. 31, 1918.	Jan. 31, 1919.	December, 1918.	January, 1919.
Boston	424	424	196	191
New York	723	724	379	395
Philadelphia	660	663	342	351
Cleveland	814	817	136	153
Richmond	565	566	238	242
Atlanta	425	425	251	245
Chicago	1,333	1,338	482	416
St. Louis	513	511	176	176
Minneapolis	867	868	161	168
Kansas City	994	994	317	334
Dallas	728	733	388	419
San Francisco	649	650	222	226
Total	8,695	8,713	3,288	3,316

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

Federal Reserve Bank.	Bills discounted for members.	Bills bought in open market.	Municipal warrants.
Boston	$370,959,398	$24,383,920	
New York	3,468,059,283	75,582,937	
Philadelphia	683,722,748	883,390	
Cleveland	203,974,133	31,770,316	
Richmond	283,356,053	4,083,668	
Atlanta	169,835,236	4,088,494	[1] $1,000
Chicago	308,946,073	15,436,290	
St. Louis	139,201,035	10,199,890	
Minneapolis	17,317,075	10,457,484	
Kansas City	96,339,672	6,048,056	
Dallas	90,077,895	2,062,000	
San Francisco	162,593,664	16,495,261	
Total, January, 1919	5,994,382,265	201,491,706	1,000
Total, January, 1918	868,255,150	130,619,509	1,247,082

	United States securities.						Total investment operations.	
	$3\frac{1}{2}$ per cent.	4 per cent.	$4\frac{1}{4}$ per cent.	1-year Treasury notes.	United States certificates of indebtedness.	Total.	January, 1919.	January, 1918.
Boston					$7,666,000	$7,666,000	$403,009,318	$34,672,991
New York					716,083,000	716,083,000	4,259,725,220	786,021,686
Philadelphia					1,860,000	1,860,000	686,466,138	51,165,270
Cleveland					16,485,000	16,485,000	252,229,449	133,205,719
Richmond					15,414,000	15,414,000	302,853,721	138,591,928
Atlanta					1,167,000	1,167,000	175,091,730	22,549,478
Chicago					6,457,000	6,457,000	330,839,363	218,398,030
St. Louis					500,000	500,000	149,900,925	39,721,655
Minneapolis					8,989,500	8,989,500	36,764,059	7,747,060
Kansas City			$150		2,557,500	2,557,650	104,945,378	44,769,907
Dallas			7,025		725,000	732,025	92,871,920	12,378,111
San Francisco		$1,000,000	7,000		50,543,000	51,550,000	230,638,925	36,779,544
Total, January, 1919		1,000,000	14,175		828,447,000	829,461,175	7,025,336,146	
Total, January, 1918	$1,094,100	13,243,538		$520,000	511,022,000	525,879,638		1,526,001,379

[1] All city warrants.

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

	Average balances for the month of the several classes of earning assets.				
	Discounted bills.	Purchased bills.	United States securities.	Municipal warrants.	Total.
Boston	$128,211,454	$15,051,933	$9,340,847		$152,604,234
New York	684,720,582	83,058,817	76,287,083		844,066,482
Philadelphia	177,059,450	2,872,847	11,812,255		191,744,552
Cleveland	110,101,482	38,767,687	15,372,490		164,241,659
Richmond	89,084,194	6,873,218	7,176,910		103,134,322
Atlanta	77,734,791	11,429,893	6,988,323	$8,484	96,161,491
Chicago	165,739,209	42,380,675	23,003,629		231,123,513
St. Louis	64,624,598	7,688,127	8,124,626		80,437,351
Minneapolis	32,371,000	18,851,000	6,728,000		57,950,000
Kansas City	66,559,290	17,378,628	14,108,648		98,046,566
Dallas	49,464,836	2,379,419	8,369,492		60,213,747
San Francisco	88,984,131	33,999,542	10,810,964		133,794,637
Total, January, 1919	1,734,655,017	280,731,786	198,123,267	8,484	2,213,519,554
Total, January, 1918	611,235,224	265,590,363	148,256,057	1,283,577	1,026,365,221

	Earnings from—					Calculated annual rates of earnings from—				
	Discounted bills.	Purchased bills.	United States securities.	Municipal warrants.	Total.	Discounted bills.	Purchased bills.	United States securities.	Municipal warrants.	Total.
						Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Boston	$445,833	$53,087	$16,248		$515,168	4.09	4.15	2.05		3.97
New York	2,362,449	297,704	144,898		2,805,052	4.06	4.22	2.24		3.91
Philadelphia	620,820	10,737	22,274		653,831	4.12	4.40	2.22		4.01
Cleveland	394,917	140,358	35,052		570,327	4.13	4.29	2.68		4.08
Richmond	326,210	27,675	12,344		366,228	4.33	4.48	2.25		4.18
Atlanta	284,938	44,529	12,651	$36	342,154	4.32	4.59	2.13	5.06	4.19
Chicago	607,981	155,067	41,752		804,800	4.32	4.31	2.14		4.10
St. Louis	231,759	27,725	15,104		274,588	4.22	4.25	2.19		4.02
Minneapolis	117,566	66,347	14,357		198,270	4.28	4.14	2.51		4.03
Kansas City	271,288	63,187	25,884		360,359	4.80	4.28	2.16		4.33
Dallas	195,726	9,023	16,933		221,682	4.66	4.47	2.38		4.34
San Francisco	342,300	126,257	22,758		491,315	4.54	4.37	2.48		4.33
Total, January, 1919	6,201,787	1,021,696	380,255	36	7,603,774	4.21	4.29	2.26	5.06	4.04
Total, January, 1918	2,038,285	820,806	403,826	4,349	3,267,266	3.94	3.64	3.27	3.99	3.75

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

Federal Reserve Bank.	Customers' paper secured by Government war obligations.	Member banks' collateral notes.		Trade acceptances.	Bankers' acceptances.	All other discounts.	Total.	Average maturity in days.	Average rate (365 day basis).
		Secured by Government war obligations.	Otherwise secured.						
									Per cent.
Boston	$57,552,105	$302,716,850	$2,740,000	[1] $1,470,858	$320,434	$ 6,159,151	$370,959,398	17.72	4.05
New York	65,434,147	3,303,157,768		[2] 3,189,254	1,109,279	95,168,835	3,468,059,283	7.20	4.07
Philadelphia	35,788,437	617,370,301		182,126		30,381,884	683,722,748	9.85	4.12
Cleveland	10,787,844	183,103,000		1,128,430		8,954,859	203,974,133	13.70	4.19
Richmond	7,063,780	266,933,014	709,500	721,168		7,928,591	283,356,053	10.79	4.28
Atlanta	5,488,116	135,331,686	762,800	987,686		27,264,948	169,835,236	18.04	4.21
Chicago	5,651,524	276,499,667	1,095,827	612,710		25,086,345	308,946,073	16.69	4.17
St. Louis	1,556,204	128,158,850	625,000	558,573	142,950	8,159,458	139,201,035	13.93	4.17
Minneapolis	6,418	16,478,140	43,200	6,107		783,210	17,317,075	16.83	4.39
Kansas City	315,052	69,949,098	12,317,127	830,397		12,927,998	96,339,672	24.22	4.82
Dallas	812,410	70,948,810	1,814,550	410,718		16,091,407	90,077,895	26.62	4.65
San Francisco	1,685,136	148,384,462	6,000	805,006	4,851	11,708,209	162,593,664	16.65	4.54
Total	192,141,173	5,519,031,646	20,114,004	10,903,033	1,577,514	250,614,895	5,994,382,265	10.34	4.18

[1] Includes $1,133,412 in the foreign trade.

[2] Includes $33,313 in the foreign trade.

Bankers' and trade acceptances in the foreign and domestic trade and finance bills purchased during the month of January, 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 (per cent).
	In the domestic trade.	In the foreign trade.	Total.	In the domestic trade.	In the foreign trade.	Total.				
Boston	$9,821,502	$14,095,313	$23,916,815		$367,105	$367,105	$100,000	$24,383,920	44.84	4.20
New York	25,763,409	46,065,628	71,829,037	$1,045,205	1,493,695	2,538,900	1,215,000	75,582,937	41.85	4.21
Philadelphia	44,000	839,390	883,390					883,390	39.71	4.26
Cleveland	12,966,620	18,255,206	31,221,826	196,410	78,295	274,705	273,785	31,770,316	78.14	4.27
Richmond	2,391,168	1,692,500	4,083,668					4,083,668	69.78	4.56
Atlanta	2,851,894	1,236,600	4,088,494					4,088,494	73.70	4.56
Chicago	14,338,094	1,097,211	15,435,305				985	15,436,290	71.12	4.36
St. Louis	7,367,684	2,832,206	10,199,890					10,199,890	33.93	4.26
Minneapolis	6,616,249	3,841,235	10,457,484					10,457,484	63.69	4.23
Kansas City	2,995,857	3,052,199	6,048,056					6,048,056	62.27	4.33
Dallas	35,000	2,027,000	2,062,000					2,062,000	44.74	4.62
San Francisco	10,488,206	5,898,055	16,386,261				109,000	16,495,261	67.04	4.34
Total	95,679,683	100,932,543	196,612,226	1,241,615	1,939,095	3,180,710	1,698,770	201,491,706	54.82	4.28

Discounted bills, including member bank's collateral notes, held by each Federal Reserve Bank on the last Friday in January, 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.	All other discounts.	Total.
				Secured by Government war obligations.	Otherwise secured.			
Boston			87,968	30,114	15	1,973	[1] 5,786	125,856
New York	158		103,925	487,317		2,341	[2] 40,020	633,761
Philadelphia	173		24,396	131,956		385	14,478	171,388
Cleveland	31	86	13,296	74,297		1,926	6,043	95,679
Richmond	2,335	9	11,664	58,370	110	1,882	8,704	83,074
Atlanta	2,054	175	5,820	42,548	738	1,702	18,169	71,206
Chicago	9,367		7,894	120,231	1,202	1,196	13,975	153,865
St. Louis	48	137	2,362	42,083	425	735	[3] 7,804	53,594
Minneapolis	954	916	3,532	15,679	22	7	623	21,733
Kansas City	3,770	15,814	333	24,574	9,969	1,177	7,899	63,536
Dallas	7,373	8,000	1,504	16,045	1,048		16,378	50,348
San Francisco	4,028	3,573	4,064	47,599	3	600	[4] 17,221	77,088
Total	30,291	28,710	266,758	1,090,813	13,532	13,924	157,100	1,601,128
Per cent	1.9	1.8	16.7	68.1	.8	.9	9.8	100
Total, January, 1918	3,032	7,672	154,436	159,250	70,829	17,033	215,410	627,662
Per cent	.5	1.2	24.6	25.4	11.3	2.7	34.3	100

[1] Includes $329,337 of bankers' acceptances.
[2] Includes $65,555 of bankers' acceptances.
[3] Includes $1,145,544 of bankers' acceptances.
[4] Includes $9,104 of bankers' acceptances.

Acceptances purchased and held by each Federal Reserve Bank on Jan. 31, 1919, distributed by classes of accepting institutions.

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

Federal Reserve Bank.	Member banks.	Nonmember trust companies.	Nonmember State banks.	Private banks.	Foreign bank branches and agencies.	Total.	Trade acceptances.			Total.
							Domestic.	Foreign.	Total.	
Boston	16,313		472	2,137	379	19,301		480	480	19,781
New York	54,198	908	6,842	12,343	6,157	80,448	1,005	2,274	3,279	83,727
Philadelphia	2,094			19		2,113		20	20	2,133
Cleveland	36,775	1,270	2,561	4,944	1,998	47,548	866	96	962	48,510
Richmond	7,614					7,614				7,614
Atlanta	10,377					10,377				10,377
Chicago	30,352			69		30,421				30,421
St. Louis	7,510		538		250	8,298				8,298
Minneapolis	22,723			829		23,552				23,552
Kansas City	13,737		602	324	416	15,079				15,079
Dallas	2,845					2,845				2,845
San Francisco	19,699		971	1,498	5,919	28,087		869	869	28,956
Totals:										
Jan. 31, 1919	224,237	2,178	11,986	22,163	15,119	275,683	1,871	3,739	5,610	281,293
Dec. 31, 1918	234,323	2,545	10,442	19,740	12,994	280,244	2,536	4,388	6,924	287,168
Nov. 30, 1918	310,069	2,028	10,703	27,871	19,818	370,489	4,016	5,019	9,035	379,524
Jan. 31, 1918	240,259	5,547	3,522	22,099	6,947	278,374			6,363	284,737
Feb. 5, 1917	50,361	23,511	972	13,775	140	88,759			4,041	92,800

RESOURCES AND LIABILITIES OF FEDERAL RESERVE BANKS.

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve system at close of business on Fridays, Jan. 31, to Feb. 14, and on Thursday, Feb. 20.

RESOURCES.

[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.
Gold coin and certificates:													
Jan. 31	3,635	259,612	256	14,203	2,232	8,126	22,464	4,292	8,274	203	5,872	9,747	338,916
Feb. 7	3,015	260,597	194	20,966	2,297	8,199	22,655	4,154	8,306	243	5,911	12,068	348,605
Feb. 14	3,436	261,690	145	21,172	2,311	8,252	22,560	4,244	8,296	162	5,946	9,550	347,764
Feb. 20	3,604	260,805	123	21,616	2,319	8,303	22,456	4,206	8,303	112	5,956	12,614	350,417
Gold settlement fund, Federal Reserve Board:													
Jan. 31	45,289	20,765	47,627	65,833	16,848	11,750	89,716	37,950	27,454	35,159	3,740	20,555	422,686
Feb. 7	39,792	78,818	49,579	45,596	13,176	13,810	83,845	33,625	16,099	23,898	3,968	16,844	419,050
Feb. 14	41,673	21,300	44,815	58,013	20,088	15,949	120,662	29,082	22,589	31,996	7,993	23,118	437,278
Feb. 20	41,675	42,547	41,193	55,923	19,758	19,331	103,589	26,654	22,488	36,946	11,120	36,665	457,889
Gold with foreign agencies:													
Jan. 31	408	2,011	408	524	204	175	816	233	233	291	204	321	5,828
Feb. 7	408	2,011	408	525	204	175	816	233	233	291	204	321	5,829
Feb. 14	408	2,011	408	525	204	175	816	233	233	291	204	321	5,829
Feb. 20	408	2,011	408	525	204	175	816	233	233	291	204	321	5,829
Gold with Federal Reserve agents:													
Jan. 31	52,220	260,979	78,632	140,744	54,106	41,187	304,032	64,267	58,174	51,230	22,206	125,553	1,253,330
Feb. 7	52,079	259,121	75,603	132,620	52,231	41,071	302,489	68,667	57,475	49,744	22,058	118,008	1,231,166
Feb. 14	51,343	258,669	72,702	130,996	50,246	41,243	299,327	70,475	55,918	48,797	20,540	117,107	1,217,363
Feb. 20	51,156	257,793	71,497	130,482	49,165	41,398	296,815	69,442	55,318	47,785	20,021	107,111	1,197,983
Gold redemption fund:													
Jan. 31	8,909	25,000	7,900	1,553	3,938	4,075	24,650	3,186	4,632	3,504	2,179	1,820	91,346
Feb. 7	9,816	25,000	9,532	1,049	5,018	4,270	31,241	4,424	3,666	4,888	2,306	2,323	103,533
Feb. 14	12,424	25,000	14,301	2,570	6,634	4,378	24,397	3,523	4,108	5,704	2,208	5,866	111,113
Feb. 20	13,495	25,000	15,372	1,769	4,694	4,803	26,340	4,347	4,619	6,632	1,728	4,124	112,923
Total gold reserves:													
Jan. 31	110,461	568,367	134,823	222,857	77,328	65,313	441,678	109,928	98,767	90,387	34,201	157,996	2,112,106
Feb. 7	105,110	625,547	135,316	200,756	72,926	67,525	441,046	111,103	85,779	79,064	34,447	149,564	2,108,183
Feb. 14	109,284	568,670	132,371	213,276	79,483	69,997	467,762	107,557	91,144	86,950	36,891	155,962	2,119,347
Feb. 20	110,338	588,156	128,593	210,315	76,140	74,010	450,016	104,882	90,961	91,766	39,029	160,835	2,125,041
Legal tender notes, silver, etc.:													
Jan. 31	4,164	52,930	429	1,609	223	867	2,062	2,558	181	330	1,767	420	67,540
Feb. 7	5,056	51,666	379	2,063	204	1,059	1,735	2,464	189	293	1,817	506	67,431
Feb. 14	5,249	51,657	299	1,351	231	878	1,396	2,311	160	277	1,822	340	65,971
Feb. 20	5,650	52,307	386	1,008	264	857	1,275	2,232	173	266	1,887	186	66,491
Total cash reserves:													
Jan. 31	114,625	621,297	135,252	224,466	77,551	66,180	443,740	112,486	98,948	90,717	35,968	158,416	2,179,646
Feb. 7	110,166	677,213	135,695	202,819	73,130	68,584	442,781	113,567	85,968	79,357	36,264	150,070	2,175,614
Feb. 14	114,533	620,327	132,670	214,627	79,714	70,875	469,158	109,868	91,304	87,227	38,713	156,302	2,185,318
Feb. 20	115,988	640,463	128,979	211,323	76,404	74,867	451,291	107,114	91,134	92,032	40,916	161,021	2,191,532
Bills discounted:													
Secured by Government war obligations—													
Jan. 31	118,082	591,242	156,352	87,593	70,034	48,368	128,125	44,445	19,211	24,907	17,549	51,665	1,357,571
Feb. 7	133,374	639,721	168,186	84,325	77,286	51,503	128,253	41,737	18,110	27,313	20,594	60,745	1,451,147
Feb. 14	146,403	731,071	177,622	97,060	81,019	58,542	131,878	43,025	15,999	33,000	21,393	66,040	1,603,052
Feb. 20	138,158	707,364	177,360	95,522	84,477	60,197	154,870	45,248	17,420	32,324	17,653	65,865	1,596,458
All other—													
Jan. 31	7,774	42,519	15,036	8,086	13,040	22,838	25,740	9,149	2,522	38,629	32,799	25,425	243,557
Feb. 7	7,844	49,226	13,175	7,282	12,563	19,430	25,749	8,454	2,214	40,795	32,024	24,498	243,254
Feb. 14	7,318	51,449	14,291	6,745	12,008	17,929	20,812	7,279	1,937	39,363	32,099	22,619	233,849
Feb. 20	7,831	46,917	12,168	7,316	11,480	15,008	17,952	8,355	1,992	37,990	33,265	21,722	221,996
Bills bought in open market:													
Jan. 31	19,781	83,727	2,133	48,510	7,614	10,377	30,421	8,298	23,552	15,079	2,845	28,956	281,293
Feb. 7	15,588	64,524	2,153	63,235	7,714	9,619	31,458	8,649	28,374	14,197	2,963	34,228	282,702
Feb. 14	11,213	54,927	2,274	61,750	7,619	8,550	34,709	15,268	26,570	12,242	2,595	37,351	275,068
Feb. 20	12,033	41,399	2,116	61,359	7,085	7,980	33,249	17,991	31,604	10,864	1,800	42,440	269,920
United States Government long-term securities:													
Jan. 31	538	1,394	1,385	1,083	1,234	529	4,510	1,153	119	8,868	3,971	3,468	28,252
Feb. 7	538	1,393	1,385	1,084	1,234	528	4,510	1,153	119	8,868	3,970	3,468	28,250
Feb. 14	538	1,393	1,385	1,084	1,234	378	4,510	1,154	119	8,868	3,970	3,468	28,101
Feb. 20	538	1,392	1,385	1,084	1,234	378	4,510	1,153	118	8,868	3,967	3,468	28,095
United States Government short-term securities:													
Jan. 31	9,416	155,853	10,800	12,060	5,299	6,521	17,612	7,068	9,468	5,416	4,400	22,619	266,532
Feb. 7	9,416	46,503	10,780	11,186	5,299	6,964	17,612	7,068	9,395	5,482	4,400	5,396	139,501
Feb. 14	10,416	48,033	11,280	11,066	5,299	6,964	16,612	7,068	9,300	5,416	4,399	5,351	141,204
Feb. 20	11,416	52,727	11,280	11,340	5,375	6,964	16,612	7,568	9,199	5,416	3,900	5,326	147,123
All other earning assets:													
Jan. 31						4							4
Feb. 7						4							4
Feb. 14						4							4
Feb. 20						4							4

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve system at close of business on Fridays, Jan. 31, to Feb. 14, and on Thursday, Feb. 20—Continued.

RESOURCES.

[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.
Total earning assets:													
Jan. 31	155,591	874,735	185,706	157,332	97,221	88,637	206,408	70,113	54,872	92,899	61,564	132,131	2,177,209
Feb. 7	166,760	801,367	195,679	167,112	104,096	88,048	207,582	67,061	58,212	96,655	63,951	128,335	2,144,858
Feb. 14	175,888	886,873	206,852	177,705	107,179	92,367	208,521	73,794	53,925	98,889	64,456	134,829	2,281,278
Feb. 20	169,976	849,799	204,309	176,621	109,651	90,531	227,193	80,315	60,333	95,462	60,585	138,821	2,263,596
Bank premises:													
Jan. 31	800	2,343	500	....	291	217	2,936	540	....	400	221	400	8,648
Feb. 7	800	2,368	500	....	290	217	2,936	540	....	400	221	400	8,672
Feb. 14	800	2,658	500	....	295	217	2,936	540	....	400	221	400	8,967
Feb. 20	800	2,658	500	....	296	217	2,936	541	....	400	221	400	8,969
Uncollected items and other deductions from gross deposits:													
Jan. 31	51,865	155,188	78,474	55,655	59,519	36,873	78,038	37,662	15,872	49,901	22,619	49,788	691,454
Feb. 7	45,680	141,365	69,144	49,236	56,649	30,385	66,967	39,783	11,781	53,522	25,305	35,044	624,861
Feb. 14	58,671	199,761	78,876	49,018	44,083	31,598	72,470	43,328	16,973	49,975	19,666	37,046	701,465
Feb. 20	53,617	158,844	70,851	52,342	47,922	30,956	66,962	41,830	11,125	52,801	18,185	28,371	633,806
5 per cent redemption fund against Federal Reserve bank notes:													
Jan. 31	385	1,886	525	533	280	337	980	325	214	633	313	356	6,767
Feb. 7	432	1,846	550	551	270	345	952	274	304	633	308	357	6,822
Feb. 14	511	1,833	575	534	244	364	904	313	283	627	298	356	6,842
Feb. 20	510	1,851	575	525	228	350	872	282	264	686	310	356	6,809
All other resources:													
Jan. 31	367	3,403	1,225	1,032	1,382	466	1,065	487	132	389	657	1,026	11,631
Feb. 7	295	2,894	714	1,329	400	420	1,187	410	85	388	654	1,012	9,788
Feb. 14	333	2,948	998	1,425	499	707	1,110	432	94	418	748	946	10,658
Feb. 20	363	2,236	735	693	388	436	1,026	439	90	417	717	940	8,480
Total resources:													
Jan. 31	323,633	1,658,852	401,682	439,018	236,244	192,710	733,167	221,613	170,038	234,939	121,342	342,117	5,075,355
Feb. 7	324,133	1,627,053	402,282	421,047	234,835	187,999	722,405	221,635	156,350	230,955	126,703	315,218	4,970,615
Feb. 14	350,736	1,714,400	420,471	443,309	232,014	196,128	755,099	228,275	162,579	237,536	124,102	329,879	5,194,528
Feb. 20	341,254	1,655,851	405,949	441,504	234,889	197,357	750,280	230,521	162,946	241,798	120,934	329,909	5,113,192

LIABILITIES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Capital paid in:													
Jan. 31	6,778	20,754	7,570	9,088	4,060	3,191	11,231	3,801	2,936	3,660	3,172	4,672	80,913
Feb. 7	6,773	20,923	7,471	9,090	4,062	3,193	11,294	3,801	2,940	3,660	3,177	4,677	81,061
Feb. 14	6,773	20,925	7,473	9,204	4,064	3,196	11,295	3,801	2,948	3,659	3,194	4,679	81,211
Feb. 20	6,773	20,925	7,566	9,209	4,084	3,196	11,300	3,820	2,948	3,712	3,194	4,679	81,406
Surplus fund:													
Jan. 31	1,535	8,322	1,304	1,776	1,156	775	3,316	801	726	1,211	592	1,224	22,738
Feb. 7	1,535	8,322	1,304	1,776	1,156	775	3,316	801	726	1,211	592	1,224	22,738
Feb. 14	1,535	8,322	1,304	1,775	1,156	775	3,316	801	726	1,211	592	1,224	22,738
Feb. 20	1,535	8,322	1,304	1,776	1,156	775	3,316	801	726	1,211	592	1,224	22,738
Government deposits:													
Jan. 31	9,481	3,482	6,810	12,444	2,925	[1]376	3,344	7,519	7,678	4,977	1,199	5,445	64,928
Feb. 7	16,397	20,070	14,826	4,586	4,573	404	10,832	5,604	1,931	5,115	6,469	6,002	96,809
Feb. 14	27,920	43,132	18,950	19,155	5,121	7,599	25,892	11,100	8,023	10,020	3,756	12,302	192,970
Feb. 20	24,150	44,352	15,323	15,689	6,439	5,005	29,607	11,610	9,669	14,411	4,284	25,136	205,675
Due to members—reserve account:													
Jan. 31	102,814	708,910	99,120	130,443	54,133	48,942	235,575	61,529	49,868	72,007	40,264	89,527	1,693,132
Feb. 7	95,339	659,132	101,261	122,250	53,874	42,136	222,596	60,511	47,186	69,038	38,335	78,783	1,590,441
Feb. 14	98,880	673,336	98,697	130,188	53,256	45,517	224,556	59,501	48,033	72,094	38,105	80,995	1,623,158
Feb. 20	96,364	635,846	93,287	128,372	53,517	42,859	220,035	61,461	46,723	70,598	37,501	77,349	1,563,912
Deferred availability items:													
Jan. 31	39,176	113,710	63,512	40,707	30,979	20,588	49,600	30,253	10,549	30,668	12,457	29,843	472,042
Feb. 7	37,537	114,269	54,944	37,142	30,595	20,109	42,617	31,915	7,369	32,297	15,814	14,613	439,221
Feb. 14	45,084	147,206	65,533	35,852	30,648	20,407	57,517	35,573	7,626	32,026	17,752	22,502	517,726
Feb. 20	40,432	119,811	61,019	43,801	31,916	24,095	52,774	35,251	7,792	34,033	15,431	13,902	480,257
Other deposits, including foreign government credits:													
Jan. 31	2,635	101,550	850	807	554	461	3,498	675	1,948	2,495	1,108	4,228	120,809
Feb. 7	1,468	99,481	643	324	137	325	2,392	1,740	274	448	226	5,093	112,551
Feb. 14	1,517	101,583	1,011	251	76	64	853	218	190	346	73	6,091	112,273
Feb. 20	130	104,470	663	725	239	45	1,130	434	125	98	148	6,551	114,758
Total gross deposits:													
Jan. 31	154,106	927,652	170,292	184,401	88,591	69,615	292,017	99,976	70,043	110,147	55,028	129,043	2,350,911
Feb. 7	150,741	892,952	171,674	164,302	89,179	62,974	278,437	99,770	56,760	106,898	60,844	104,491	2,239,022
Feb. 14	173,401	965,257	184,191	185,446	89,101	73,587	308,818	106,392	63,872	114,486	59,686	121,890	2,446,127
Feb. 20	161,076	904,479	170,292	188,587	92,111	72,004	303,546	108,756	64,309	119,140	57,364	122,938	2,364,602

[1] Overdraft.

Resources and liabilities of each Federal Reserve Bank and of the Federal Reserve system at close of business on Fridays, Jan. 31, to Feb. 14, and on Thursday, Feb. 20—Continued.

RESOURCES.

[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 in actual circulation:													
Jan. 31	149,565	647,913	209,921	231,153	136,070	111,391	405,026	109,367	90,528	105,593	55,376	198,826	2,450,729
Feb. 7	152,479	650,046	208,865	232,992	133,892	113,065	407,665	109,442	89,986	104,569	54,832	196,332	2,454,165
Feb. 14	155,884	664,613	214,301	233,874	130,958	110,320	409,884	109,282	89,051	103,467	53,239	193,515	2,468,388
Feb. 20	158,190	666,858	213,257	228,815	130,661	113,009	410,057	108,979	88,812	102,908	52,309	192,393	2,466,248
Federal Reserve Bank notes in circulation—net liability:													
Jan. 31	8,260	36,890	10,317	9,933	4,750	6,462	17,299	6,363	4,746	12,260	5,888	6,277	129,445
Feb. 7	9,136	36,800	10,537	10,058	4,859	6,678	17,265	6,483	4,830	12,452	5,927	6,290	131,315
Feb. 14	9,577	36,524	10,670	10,102	4,965	6,878	17,281	6,606	4,872	12,516	6,007	6,293	132,291
Feb. 20	9,989	36,305	10,919	10,144	5,055	6,979	17,432	6,720	4,985	12,585	6,051	6,301	133,465
All other liabilities:													
Jan. 31	3,389	17,321	2,278	2,667	1,617	1,276	4,278	1,305	1,059	2,068	1,286	2,075	40,619
Feb. 7	3,469	18,010	2,431	2,829	1,687	1,314	4,428	1,338	1,108	2,165	1,331	2,204	42,314
Feb. 14	3,566	18,759	2,532	2,907	1,770	1,372	4,505	1,393	1,110	2,197	1,384	2,278	43,773
Feb. 20	3,691	18,962	2,611	2,973	1,822	1,394	4,629	1,445	1,166	2,242	1,424	2,374	44,733
Total liabilities:													
Jan. 31	323,633	1,658,852	401,682	439,018	236,244	192,710	733,167	221,613	170,038	234,939	121,342	342,117	5,075,355
Feb. 7	324,133	1,627,053	402,282	421,047	234,835	187,999	722,405	221,635	156,350	230,955	126,703	315,218	4,970,615
Feb. 14	350,736	1,714,400	420,471	443,309	232,014	196,128	755,099	228,275	162,579	237,536	124,102	329,879	5,194,528
Feb. 20	341,254	1,655,851	405,949	441,504	234,889	197,357	750,280	230,521	162,946	241,798	129,934	329,909	5,113,192

Maturities of bills discounted and bought, United States Government short-term securities, and municipal warrants.

[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.
Bills discounted:						
Jan. 31	1,219,001	77,373	95,112	184,717	24,925	1,601,128
Feb. 7	1,302,953	72,951	88,873	204,853	24,771	1,694,401
Feb. 14	1,450,476	57,683	87,087	218,152	23,503	1,836,901
Feb. 20	1,451,139	56,820	95,961	191,538	22,996	1,818,454
Bills bought:						
Jan. 31	61,546	74,984	103,623	41,140	....	281,293
Feb. 7	76,048	65,083	103,872	37,699	....	282,702
Feb. 14	82,689	63,848	103,967	24,564	....	275,068
Feb. 20	81,985	66,051	98,850	23,034	....	269,920
United States short-term securities:						
Jan. 31	132,845	370	631	15	132,671	266,532
Feb. 7	6,339	....	967	7,169	125,026	139,501
Feb. 14	7,869	724	130	217	132,264	141,204
Feb. 20	12,563	130	....	350	134,080	147,123
Municipal warrants:						
Jan. 31	....	....	....	1	3	4
Feb. 7	....	....	4	....	....	4
Feb. 14	....	....	4	....	....	4
Feb. 20	....	....	4	....	....	4

FEDERAL RESERVE NOTES.

Federal Reserve note account of each Federal Reserve Bank at close of business on Fridays, Jan. 31 to Feb. 14, and on Thursday, Feb. 20, 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 agent—net:													
Jan 31	162,564	767,671	217,669	254,562	141,466	114,958	444,167	121,411	91,830	112,897	56,948	217,277	2,703,420
Feb. 7	159,887	767,972	218,541	251,853	140,278	116,351	442,624	121,146	91,481	111,411	55,582	214,733	2,691,859
Feb. 14	160,110	779,760	222,085	250,494	134,575	114,774	439,462	120,594	90,324	110,064	54,629	213,831	2,690,702
Feb. 20	161,423	767,024	225,424	247,030	135,814	116,589	436,950	121,121	90,024	109,551	53,050	213,835	2,677,835
Federal Reserve notes held by bank:													
Jan. 31	12,999	119,758	7,748	23,409	5,396	3,567	39,141	12,044	1,302	7,304	1,572	18,451	252,691
Feb. 7	7,408	117,926	9,676	18,861	6,386	3,286	34,959	11,704	1,495	6,842	750	18,401	237,694
Feb. 14	4,226	115,147	7,784	16,620	3,617	4,454	29,578	11,312	1,273	6,597	1,390	20,316	222,314
Feb. 20	3,233	100,166	12,167	18,215	5,153	3,580	26,893	12,142	1,212	6,643	741	21,442	211,587
Federal Reserve notes in actual circulation:													
Jan. 31	149,565	647,913	209,921	231,153	136,070	111,391	405,026	109,367	90,528	105,593	55,376	198,826	2,450,729
Feb. 7	152,479	650,046	208,865	232,992	133,892	113,065	407,665	109,442	89,986	104,569	54,832	196,332	2,454,165
Feb. 14	155,884	664,613	214,301	233,874	130,958	110,320	409,884	109,282	89,051	103,467	53,239	193,515	2,468,388
Feb. 20	158,190	666,858	213,257	228,815	130,661	113,009	410,057	108,979	88,812	102,908	52,309	192,393	2,466,248
Gold deposited with or to credit of Federal Reserve agent:													
Jan. 31	52,220	260,979	78,632	140,744	54,106	41,187	304,032	64,267	58,174	51,230	22,206	125,553	1,253,330
Feb. 7	52,079	259,121	75,603	132,620	52,231	41,071	302,489	68,667	57,475	49,744	22,058	118,008	1,231,166
Feb. 14	51,343	258,669	72,702	130,996	50,246	41,243	299,327	70,475	55,918	48,797	20,540	117,107	1,217,363
Feb. 20	51,156	257,793	71,497	130,482	49,165	41,398	296,815	69,442	55,318	47,785	20,021	107,111	1,197,983
Paper delivered to Federal Reserve agent:													
Jan. 31	145,637	717,489	143,199	138,602	87,500	76,857	184,286	59,921	43,509	78,615	53,193	94,677	1,823,485
Feb. 7	156,806	753,471	154,433	149,041	95,023	77,007	185,460	58,840	46,636	82,305	55,381	105,448	1,920,051
Feb. 14	164,934	837,447	151,538	164,772	98,455	76,396	187,399	65,572	43,984	84,605	56,087	106,317	2,037,506
Feb. 20	158,022	795,680	157,072	163,409	100,892	78,049	206,071	66,467	49,824	81,178	52,718	112,624	2,022,006

Federal Reserve note account of each Federal Reserve agent at close of business on Fridays, Jan. 31 to Feb. 14 and on Thursday, Feb. 20, 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.
Received from Comptroller:													
Jan. 31	253,120	1,305,480	330,420	325,840	200,580	199,600	553,600	163,780	124,480	157,700	101,960	250,520	3,967,080
Feb. 7	253,600	1,313,480	330,420	327,840	201,780	200,560	559,440	163,900	124,480	157,700	101,960	250,520	3,985,680
Feb. 14	254,560	1,326,680	330,420	327,840	202,820	200,560	559,440	164,540	124,480	157,700	101,960	250,520	4,001,520
Feb. 20	256,560	1,326,680	330,420	327,840	204,820	204,560	559,440	166,700	124,480	158,700	101,960	251,520	4,013,680
Returned to Comptroller:													
Jan. 31	64,656	374,309	77,361	42,713	40,879	29,897	60,993	33,554	21,200	31,183	23,297	24,243	824,285
Feb. 7	67,333	383,508	80,389	45,457	43,267	31,014	68,536	35,339	21,899	32,669	23,803	24,787	858,001
Feb. 14	70,070	388,920	85,290	47,081	45,840	31,841	71,698	36,531	22,456	33,616	24,221	25,689	883,253
Feb. 20	71,257	407,656	86,496	50,595	46,601	32,686	74,210	37,564	23,056	34,629	24,740	26,685	916,175
Chargeable to Federal Reserve agent:													
Jan. 31	188,464	931,171	253,059	283,127	159,701	169,703	492,607	130,226	103,280	126,517	78,663	226,277	3,142,795
Feb. 7	186,267	929,972	250,031	282,383	158,513	169,546	490,904	128,561	102,581	125,031	78,157	225,733	3,127,679
Feb. 14	184,490	937,760	245,130	280,759	156,980	168,719	487,742	128,009	102,024	124,084	77,739	224,831	3,118,267
Feb. 20	185,303	919,024	243,924	277,245	158,219	171,874	485,230	129,136	101,424	124,071	77,220	224,835	3,097,505
In hands of Federal Reserve agent:													
Jan. 31	25,900	163,500	35,390	28,565	18,235	54,745	48,440	8,815	11,450	13,620	21,715	9,000	439,375
Feb. 7	26,380	162,000	31,490	30,530	18,235	53,195	48,280	7,415	11,100	13,620	22,575	11,000	435,820
Feb. 14	24,380	158,000	23,045	30,265	22,405	53,945	48,280	7,415	11,700	14,020	23,110	11,000	427,565
Feb. 20	23,880	152,000	18,500	30,215	22,405	55,285	48,280	8,015	11,400	14,520	24,170	11,000	419,670
Issued to Federal Reserve Bank, less amount returned to Federal Reserve agent for redemption:													
Jan. 31	162,564	767,671	217,669	254,562	141,466	114,958	444,167	122,411	91,830	112,897	56,948	217,277	2,703,420
Feb. 7	159,887	767,972	218,541	251,853	140,278	116,351	442,624	121,146	91,481	111,411	55,582	214,733	2,691,859
Feb. 14	160,110	779,760	222,085	250,494	134,575	114,774	439,462	120,594	90,324	110,064	54,629	213,831	2,690,702
Feb. 20	161,423	767,024	225,424	247,030	135,814	116,589	436,950	121,121	90,024	109,551	53,050	213,835	2,677,835
Collateral held as security for outstanding notes:													
Gold coin and certificates on hand—													
Jan. 31	....	178,740	....	31,650	....	2,504	....	....	13,052	....	12,581	2,000	240,527
Feb. 7	....	173,740	....	23,270	....	2,504	....	....	13,052	....	12,581	....	225,147
Feb. 14	....	173,740	....	23,270	....	2,504	....	....	13,052	....	12,581	....	225,147
Feb. 20	....	173,740	....	23,270	....	2,504	....	....	13,052	....	12,581	....	225,147
Gold redemption fund—													
Jan. 31	9,220	12,239	12,082	14,094	2,106	2,413	5,087	3,336	2,122	2,870	2,941	11,632	80,142
Feb. 7	9,079	15,381	12,714	14,350	2,231	2,297	5,544	2,736	2,423	3,384	3,293	11,130	84,562
Feb. 14	9,343	14,929	15,813	12,726	2,246	2,469	6,382	2,544	1,866	2,437	2,775	10,228	83,758
Feb. 20	11,156	14,053	14,608	12,212	1,165	2,624	5,871	3,011	3,266	3,425	2,756	9,232	83,379
Gold settlement fund, Federal Reserve Board—													
Jan. 31	43,000	70,000	66,550	95,000	52,000	36,270	298,945	60,931	43,000	48,360	6,684	111,921	932,661
Feb. 7	43,000	70,000	62,889	95,000	50,000	36,270	296,945	65,931	42,000	46,360	6,184	106,878	921,457
Feb. 14	42,000	70,000	56,889	95,000	48,000	36,270	292,945	67,931	41,000	46,360	5,184	106,879	908,458
Feb. 20	40,000	70,000	56,889	95,000	48,000	36,270	290,944	66,431	39,000	44,360	4,684	97,879	889,457
Eligible paper, minimum required[1]—													
Jan. 31	110,344	506,692	139,037	113,818	87,360	73,771	140,135	57,144	33,656	61,667	34,742	91,724	1,450,090
Feb. 7	107,808	508,851	142,938	119,233	88,047	75,280	140,135	52,479	34,006	61,667	33,524	96,725	1,460,693
Feb. 14	108,767	521,091	149,383	119,498	84,329	73,531	140,135	50,119	34,406	61,267	34,089	96,724	1,473,339
Feb. 20	110,267	509,231	153,927	116,548	86,649	75,191	140,135	51,679	34,706	61,766	33,029	106,724	1,497,852

[1] For actual amount see "Paper delivered to Federal Reserve agent," on page 285.

MEMBER BANK CONDITION STATEMENT.

Principal resources and liabilities of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve Branch cities as at close of business on Fridays from Jan. 24 to Feb. 14, 1919.

1. TOTAL FOR ALL REPORTING BANKS.

[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.
Number of reporting banks:													
Jan. 24	45	106	56	90	82	46	101	38	35	76	44	53	772
Jan. 31	45	106	56	90	82	47	101	38	35	76	44	52	772
Feb. 7	45	106	56	90	82	47	101	36	35	76	44	52	771
Feb. 14	45	106	56	90	82	47	101	36	35	76	44	53	771
United States bonds to secure circulation:													
Jan. 24	14,352	46,051	11,497	41,055	24,990	15,265	19,855	17,155	6,419	13,712	17,929	34,505	262,785
Jan. 31	14,402	46,101	11,497	41,207	24,949	15,265	19,857	17,154	6,469	13,712	17,929	34,505	263,047
Feb. 7	14,402	46,201	11,497	41,355	24,949	15,265	19,855	16,908	6,469	13,779	18,029	34,505	263,214
Feb. 14	14,402	46,201	11,497	41,355	24,949	15,265	19,855	16,907	6,466	13,780	17,929	34,505	263,111
Other United States bonds including Liberty bonds:													
Jan. 24	23,355	304,343	43,426	85,545	55,951	42,811	104,439	39,456	12,382	30,863	21,393	36,035	799,999
Jan. 31	23,701	292,176	44,721	80,816	60,192	40,887	90,976	31,780	13,321	29,689	21,443	40,025	769,727
Feb. 7	22,179	290,218	42,557	77,238	59,195	36,954	82,094	30,242	12,501	27,865	21,191	36,874	739,108
Feb. 14	22,234	288,174	44,904	76,762	56,739	35,292	73,009	31,082	12,064	26,765	20,600	36,088	723,713
United States certificates of indebtedness:													
Jan. 24	95,524	719,832	85,297	110,598	44,585	47,117	162,596	39,185	26,707	30,834	15,908	79,036	1,457,219
Jan. 31	102,353	727,789	97,017	117,388	45,571	45,111	183,478	43,622	28,523	31,566	15,830	76,528	1,514,776
Feb. 7	90,290	688,070	94,654	120,260	48,197	46,503	180,166	43,575	28,407	31,342	15,662	76,829	1,463,955
Feb. 14	106,787	820,317	113,187	148,712	53,230	55,122	212,577	52,576	33,574	38,650	16,947	91,314	1,742,993
Total United States securities owned:													
Jan. 24	133,231	1,070,226	140,220	237,198	125,526	105,193	286,890	95,796	45,508	75,409	55,230	149,576	2,520,003
Jan. 31	140,456	1,066,066	153,235	239,411	130,712	101,263	294,311	92,556	48,313	74,967	55,202	151,058	2,547,550
Feb. 7	126,871	1,024,489	148,708	238,853	132,341	98,722	282,115	90,725	47,377	72,986	54,882	148,208	2,466,277
Feb. 14	143,423	1,154,692	169,588	266,829	134,918	105,679	305,441	100,565	52,104	79,195	55,476	161,907	2,729,817
Loans secured by United States bonds and certificates:													
Jan. 24	84,704	656,169	146,053	92,619	38,141	19,674	78,986	24,191	10,112	11,279	7,820	19,603	1,189,351
Jan. 31	83,137	641,654	147,639	94,491	40,262	18,264	70,173	24,079	25,278	11,383	8,054	18,831	1,183,245
Feb. 7	84,723	653,367	145,727	95,205	39,385	18,082	86,783	24,217	10,490	11,004	8,680	20,690	1,198,353
Feb. 14	85,109	624,873	147,033	94,880	39,455	18,205	85,326	24,417	10,337	11,009	8,661	20,726	1,170,031
Other loans and investments:													
Jan. 24	761,795	3,970,774	627,326	956,036	363,233	314,042	1,363,398	372,555	225,099	438,484	175,430	523,977	10,092,149
Jan. 31	758,122	3,991,812	622,872	966,860	359,183	311,468	1,357,629	379,280	220,124	436,441	174,315	522,614	10,100,720
Feb. 7	756,195	3,944,615	606,526	961,214	367,549	301,478	1,334,404	368,379	230,599	441,324	171,141	522,587	10,006,011
Feb. 14	753,434	3,962,778	620,808	969,792	370,261	295,561	1,372,965	380,020	219,552	435,609	170,119	522,039	10,072,938
Total loans and investments:													
Jan. 24	979,730	5,697,169	913,599	1,285,853	526,900	438,909	1,729,274	492,542	280,719	525,172	238,480	693,156	13,801,503
Jan. 31	981,715	5,699,532	923,746	1,300,762	530,157	430,995	1,722,113	495,915	293,715	522,791	237,571	692,503	13,831,515
Feb. 7	967,789	5,622,471	900,961	1,295,272	539,275	418,282	1,703,302	483,321	288,466	525,314	234,703	691,485	13,670,641
Feb. 14	981,966	5,742,343	937,429	1,331,501	544,634	419,445	1,763,732	505,002	281,993	525,818	234,256	704,672	13,972,786
Reserve with Federal Reserve Bank:													
Jan. 24	80,884	647,056	59,823	93,276	34,620	28,215	157,020	39,395	22,855	46,277	17,176	49,026	1,275,623
Jan. 31	77,412	665,999	64,774	91,319	35,410	32,653	157,359	40,406	22,319	46,728	18,610	54,465	1,307,454
Feb. 7	67,247	618,148	63,933	83,882	34,732	28,691	157,324	41,755	21,703	40,262	18,127	49,415	1,225,219
Feb. 14	71,659	629,340	62,289	91,572	36,010	30,980	159,283	39,811	22,476	43,034	17,995	50,989	1,255,438
Cash in vault:													
Jan. 24	22,946	129,266	19,195	35,377	18,955	16,118	64,360	12,591	9,395	16,318	9,313	21,176	368,296
Jan. 31	21,268	116,842	19,012	35,255	17,675	14,932	64,586	11,027	8,596	16,031	8,943	19,783	353,950
Feb. 7	22,720	118,817	18,604	34,220	18,547	14,492	62,068	10,806	8,001	15,186	9,352	19,764	353,177
Feb. 14	22,849	122,083	19,650	33,487	17,226	14,509	65,584	11,032	8,764	15,501	9,058	21,395	361,138
Net demand deposits on which reserve is computed:													
Jan. 24	736,627	4,649,208	628,969	782,470	323,045	246,855	1,160,537	296,360	211,522	386,893	152,170	421,135	9,995,791
Jan. 31	708,411	4,607,734	632,839	784,828	324,778	242,624	1,168,571	300,626	223,913	387,001	153,844	417,149	9,952,408
Feb. 7	685,120	4,485,633	637,511	783,043	328,222	243,505	1,146,789	300,170	214,015	386,415	152,569	423,915	9,786,907
Feb. 14	701,918	4,519,933	631,872	802,527	324,189	244,791	1,189,781	303,131	210,747	391,[illegible]34	157,960	433,184	9,911,667
Time deposits:													
Jan. 24	106,139	252,089	19,170	278,231	64,110	99,896	402,876	90,926	50,343	65,723	27,498	130,596	1,587,597
Jan. 31	106,333	259,377	20,086	280,156	67,191	100,778	405,638	92,679	55,670	66,263	25,805	131,745	1,611,721
Feb. 7	108,733	256,937	20,468	281,848	65,567	102,327	408,903	92,652	50,878	67,117	28,209	132,813	1,616,452
Feb. 14	108,729	258,187	21,316	283,294	68,960	101,446	410,243	92,014	51,263	65,651	28,361	134,990	1,624,454
Government deposits:													
Jan. 24	40,404	241,668	30,859	57,269	11,276	11,682	57,798	17,160	6,809	10,044	4,448	30	489,447
Jan. 31	55,389	367,800	55,088	34,115	23,850	17,647	69,698	26,300	11,397	19,930	4,205	8,262	693,681
Feb. 7	48,261	305,566	38,352	47,623	14,420	11,644	72,262	19,663	6,695	11,899	2,987	2,597	581,969
Feb. 14	49,334	351,948	43,513	54,382	14,483	15,618	59,837	26,441	10,254	15,700	2,603	423	644,536

Principal resources and liabilities of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve Branch cities as at close of business on Fridays from Jan. 24 to Feb. 14, 1919—Continued.

2. MEMBER BANKS IN FEDERAL RESERVE BANK CITIES.

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

	Bo ton.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Number of reporting banks:													
Jan. 24	21	65	41	11	9	7	44	15	8	17	7	9	254
Jan. 31	21	65	41	11	9	8	44	15	8	17	7	9	255
Feb. 7	21	65	41	11	9	8	44	15	8	17	7	9	255
Feb. 14	21	65	41	11	9	8	44	15	8	17	7	9	255
United States bonds to secure circulation:													
Jan. 24	4,228	35,783	7,487	4,471	2,773	3,800	1,119	10,555	2,340	4,598	4,060	18,400	99,614
Jan. 31	4,278	35,883	7,487	4,471	2,732	3,800	1,119	10,555	2,390	4,598	4,060	18,400	99,773
Feb. 7	4,278	35,983	7,487	4,471	2,732	3,800	1,119	10,553	2,390	4,590	4,060	18,400	99,863
Feb. 14	4,278	35,983	7,487	4,471	2,732	3,800	1,119	10,552	2,387	4,591	4,060	18,400	99,860
Other United States bonds, including Liberty bonds:													
Jan. 24	13,410	256,357	34,515	17,944	8,591	5,656	46,667	26,894	2,475	8,899	4,667	13,734	439,809
Jan. 31	13,587	245,572	34,887	17,430	10,009	5,161	35,404	19,992	2,359	8,045	4,829	15,203	412,478
Feb. 7	12,303	246,554	32,995	15,423	9,914	4,754	31,516	18,107	1,950	7,163	4,572	14,474	399,725
Feb. 14	12,190	246,282	35,586	14,209	9,526	4,042	26,558	18,946	1,763	6,882	4,408	14,109	394,491
United States certificates of indebtedness:													
Jan. 24	69,665	677,237	74,051	22,300	7,099	8,084	87,340	28,557	10,637	6,552	7,221	30,578	1,029,321
Jan. 31	74,536	680,490	86,126	25,157	6,795	7,474	107,956	30,995	11,900	7,180	7,653	27,489	1,073,751
Feb. 7	62,423	642,664	84,030	25,418	7,777	7,271	105,493	29,745	12,336	6,772	7,661	27,506	1,019,096
Feb. 14	73,220	765,179	100,699	32,344	8,426	8,436	119,871	36,528	14,265	9,974	8,378	33,661	1,210,981
Total United States securities owned:													
Jan. 24	87,303	969,377	116,053	44,715	18,463	17,540	135,126	66,006	15,452	20,049	15,948	62,712	1,568,744
Jan. 31	92,401	961,945	128,500	47,058	19,536	16,435	144,479	61,542	16,649	19,823	16,542	61,092	1,586,002
Feb. 7	79,004	925,201	124,512	45,312	20,423	15,825	138,128	58,405	16,676	18,525	16,293	60,380	1,518,684
Feb. 14	89,688	1,047,444	143,772	51,024	20,684	16,278	147,548	66,026	18,405	21,447	16,846	66,170	1,705,332
Loans secured by United States bonds and certificates:													
Jan. 24	67,093	611,077	138,739	25,610	14,551	4,190	56,455	18,348	5,670	1,863	2,604	9,001	955,201
Jan. 31	65,195	595,076	140,289	27,809	15,620	3,944	46,806	18,302	5,540	2,050	2,943	7,962	931,536
Feb. 7	67,478	610,341	140,679	29,038	15,314	4,307	63,764	18,048	5,576	2,132	3,306	10,205	970,188
Feb. 14	67,691	582,392	141,840	28,725	14,954	4,320	62,180	18,376	5,512	2,381	2,712	10,212	941,295
Other loans and investments:													
Jan. 24	535,457	3,567,545	552,675	265,320	73,153	57,478	843,771	251,216	96,021	151,369	39,714	202,098	6,635,817
Jan. 31	533,124	3,603,231	548,855	268,478	70,296	59,867	843,486	258,562	95,383	154,389	41,050	205,046	6,681,767
Feb. 7	531,162	3,570,079	531,609	270,710	70,409	58,438	812,181	256,858	103,914	153,990	39,776	203,655	6,602,781
Feb. 14	526,882	3,577,771	545,067	273,682	74,418	51,326	847,786	258,434	94,802	153,041	39,962	202,252	6,645,423
Total loans and investments:													
Jan. 24	689,853	5,147,999	807,467	335,645	106,167	79,208	1,035,352	335,570	117,143	173,281	58,266	273,811	9,159,762
Jan. 31	690,720	5,160,252	817,644	343,345	105,452	80,246	1,034,771	338,406	117,572	176,262	60,535	274,100	9,199,305
Feb. 7	677,644	5,105,621	796,800	345,060	106,146	78,570	1,014,073	333,311	126,166	174,647	59,475	274,240	9,091,653
Feb. 14	684,261	5,207,607	830,679	353,431	110,056	71,924	1,057,514	342,836	118,719	176,869	59,520	278,634	9,292,050
Reserve with Federal Reserve Bank:													
Jan. 24	66,347	612,674	53,766	22,642	6,103	4,024	107,621	28,291	10,865	15,779	4,108	18,437	950,657
Jan. 31	62,678	627,034	58,505	22,850	6,733	6,743	109,743	30,597	10,623	11,800	5,001	25,102	977,409
Feb. 7	53,491	583,670	57,683	17,013	6,456	5,413	109,336	29,415	9,923	13,270	4,088	18,491	908,249
Feb. 14	57,353	596,269	56,033	21,422	6,472	5,680	109,207	28,131	10,605	15,080	4,587	18,396	929,235
Cash in vault:													
Jan. 24	13,751	107,571	15,301	8,219	1,885	2,693	39,609	7,224	2,940	5,064	1,318	5,709	211,284
Jan. 31	12,739	103,140	15,091	7,405	1,485	2,721	38,706	6,133	2,445	4,514	1,534	5,261	201,174
Feb. 4	13,988	104,418	14,744	7,506	1,676	2,479	37,939	6,376	2,377	4,179	1,690	5,705	203,077
Feb. 14	14,166	107,228	16,059	7,662	1,625	2,397	39,227	6,198	2,716	4,596	1,621	5,485	208,980
Net demand deposits on which reserve is computed:													
Jan. 24	565,406	4,272,158	549,496	177,916	57,920	44,078	783,471	200,004	92,596	136,803	39,347	171,763	7,090,958
Jan. 31	545,425	4,233,775	552,832	174,444	61,806	42,494	788,192	206,260	89,483	134,000	41,260	169,431	7,039,402
Feb. 7	522,182	4,119,832	557,356	176,951	59,919	42,362	776,641	204,298	97,342	136,911	42,124	172,687	6,908,605
Feb. 14	536,674	4,145,539	551,594	181,094	58,245	43,509	799,410	204,154	90,310	137,905	42,754	172,579	6,963,767
Time deposits:													
Jan. 24	32,016	195,877	11,978	122,193	6,379	17,932	153,726	62,967	17,319	8,387	3,128	10,082	641,984
Jan. 31	31,644	202,723	12,394	122,665	8,575	19,060	155,219	62,888	17,388	8,458	3,097	10,332	654,443
Feb. 7	33,288	200,087	12,840	123,455	7,674	19,239	156,239	62,388	17,286	8,430	3,138	10,875	654,939
Feb. 14	33,311	200,855	13,429	123,742	8,710	19,394	157,450	63,122	17,466	7,481	3,101	10,535	658,596
Government deposits:													
Jan. 24	31,615	225,360	28,123	14,308	1,912	2,623	39,931	13,211	2,405	4,633	2,406	30	366,557
Jan. 31	43,500	344,081	50,593	9,671	5,081	3,615	51,371	19,811	3,894	9,777	2,445	4,880	548,719
Feb. 7	37,990	287,546	35,808	13,676	2,548	2,019	53,840	13,827	2,905	5,674	1,467	1,407	458,707
Feb. 14	36,528	307,386	40,251	17,002	2,317	2,495	39,054	18,984	4,369	8,093	1,528	423	478,430

Principal resources and liabilities of member banks in leading cities, including member banks located in Federal Reserve Bank cities and in Federal Reserve branch cities as at close of business on Fridays from Jan. 24 to Feb. 14, 1919—Continued.

3. MEMBER BANKS IN FEDERAL RESERVE BRANCH CITIES.

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

	Cleveland District.[1]	Richmond District.[2]	Atlanta District.[3]	Chicago District.[4]	St. Louis District.[5]	Kansas City District.[6]	Dallas District.[7]	San Francisco District.[8]	Total.
Number of reporting banks:									
Jan. 24	39	18	21	12	19	17	6	28	160
Jan. 31	39	18	21	12	19	17	6	27	159
Feb. 7	39	18	21	12	17	17	6	27	157
Feb. 14	39	18	21	12	17	17	6	28	158
United States bonds to secure circulation:									
Jan. 24	23,316	4,991	5,085	1,805	5,250	4,487	1,255	8,485	54,674
Jan. 31	23,316	4,991	5,085	1,805	5,249	4,487	1,255	8,485	54,673
Feb. 7	23,616	4,991	5,085	1,805	5,005	4,487	1,255	8,485	54,729
Feb. 14	23,616	4,991	5,085	1,805	5,005	4,487	1,255	8,485	54,729
Other United States bonds, including Liberty bonds:									
Jan. 24	51,347	8,150	18,134	24,948	10,948	8,925	2,419	14,341	139,212
Jan. 31	47,032	9,297	16,759	22,996	10,303	9,605	2,148	15,837	133,977
Feb. 7	47,029	9,099	15,716	20,039	10,752	9,679	2,099	14,630	129,043
Feb. 14	48,706	8,253	15,266	19,843	10,235	8,628	2,108	14,710	127,749
United States certificates of indebtedness:									
Jan. 24	67,879	18,142	27,210	40,062	9,318	13,034	1,429	36,643	213,717
Jan. 31	71,245	19,077	26,522	40,224	11,099	13,053	1,539	37,763	220,522
Feb. 7	73,681	19,939	26,976	39,305	12,229	13,118	1,551	37,553	224,352
Feb. 14	91,212	21,881	31,922	49,325	14,775	15,341	1,544	43,385	269,385
Total United States securities owned:									
Jan. 24	142,542	31,283	50,429	66,815	25,516	26,446	5,103	59,469	407,603
Jan. 31	141,593	33,365	48,366	65,025	26,651	27,145	4,942	62,085	409,172
Feb. 7	144,326	34,029	47,777	61,149	27,986	27,284	4,905	60,668	408,124
Feb. 14	163,534	35,125	52,273	70,973	30,015	28,456	4,907	66,580	451,863
Loans secured by United States bonds and certificates:									
Jan. 24	56,993	11,188	10,673	9,025	4,434	6,694	367	6,402	105,776
Jan. 31	56,739	11,982	9,464	9,897	4,492	6,639	360	5,909	105,482
Feb. 7	56,071	11,946	9,306	9,670	4,889	6,381	367	5,959	104,589
Feb. 14	55,964	11,936	9,198	9,799	4,725	5,836	375	5,883	103,716
Other loans and investments:									
Jan. 24	512,240	97,095	169,491	249,999	106,228	149,527	14,150	211,410	1,510,140
Jan. 31	515,900	95,269	164,824	248,459	105,427	150,151	13,718	205,755	1,499,503
Feb. 7	508,494	106,682	164,037	247,676	96,366	148,080	14,093	207,835	1,493,263
Feb. 14	511,689	107,798	164,229	247,765	105,430	148,246	13,908	210,225	1,509,290
Total loans and investments:									
Jan. 24	711,775	139,566	230,593	325,839	136,178	182,667	19,620	277,281	2,023,519
Jan. 31	714,232	140,616	222,654	323,381	136,570	183,935	19,020	273,749	2,014,157
Feb. 7	708,891	152,657	221,120	318,495	129,241	181,745	19,365	274,462	2,005,976
Feb. 14	731,187	154,859	225,700	328,537	140,170	182,538	19,190	282,688	2,064,869
Reserve with Federal Reserve bank:									
Jan. 24	55,478	12,787	17,164	22,824	10,090	15,960	1,420	20,615	156,338
Jan. 31	52,473	12,362	18,603	21,418	9,238	15,114	1,213	19,088	149,509
Feb. 7	51,199	13,226	16,422	21,389	11,078	13,599	1,727	20,540	149,180
Feb. 14	54,458	12,468	17,985	22,010	10,516	13,549	1,581	22,076	154,643
Cash in vault:									
Jan. 24	16,451	6,511	8,479	10,919	4,786	5,340	554	7,110	60,150
Jan. 31	15,583	6,692	7,836	11,361	4,155	5,544	767	7,200	59,138
Feb. 7	16,017	5,770	7,397	10,861	3,797	5,405	557	6,658	56,462
Feb. 14	15,831	5,671	7,696	12,375	4,114	5,543	566	7,421	59,217
Net demand deposits on which reserve is computed:									
Jan. 24	454,172	103,806	146,245	157,543	86,407	124,140	10,900	153,833	1,242,046
Jan. 31	458,982	109,014	143,500	158,259	87,110	122,893	10,982	151,610	1,242,350
Feb. 7	454,083	112,382	142,724	151,815	85,533	120,541	11,322	155,477	1,233,877
Feb. 14	466,148	112,453	142,181	161,620	88,754	122,774	11,804	161,346	1,267,080
Time deposits:									
Jan. 24	88,062	13,966	49,415	158,284	21,232	35,096	5,106	89,904	461,065
Jan. 31	88,918	13,566	49,301	159,433	21,453	35,182	3,059	90,585	461,497
Feb. 7	89,377	13,207	49,180	160,799	23,426	35,874	5,458	91,112	468,433
Feb. 14	89,786	13,331	49,547	161,445	21,993	35,944	5,471	93,703	471,220
Government deposits:									
Jan. 24	37,232	4,578	6,355	7,914	3,604	2,769	381	0	62,833
Jan. 31	20,768	9,718	10,097	9,551	6,047	4,717	221	17	61,136
Feb. 7	27,999	6,622	6,796	7,844	5,462	3,215	372	1,190	59,500
Feb. 14	31,076	6,548	9,513	11,833	6,899	4,102	275	0	70,246

[1] Pittsburgh and Cincinnati.
[2] Baltimore.
[3] New Orleans, Jacksonville, and Birmingham.
[4] Detroit.
[5] Louisville, Memphis, and Little Rock.
[6] Omaha and Denver.
[7] El Paso.
[8] Spokane, Portland, Seattle, and Salt Lake City.

IMPORTS AND EXPORTS OF GOLD AND SILVER.

Gold imports and exports into and from the United States.

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

	Ten days ending Jan. 20, 1919.	Eleven days ending Jan. 31, 1919.	Ten days ending Feb. 10, 1919.	Total since Jan. 1, 1919.	Total, Jan. 1, 1918, to Feb. 8, 1918.
IMPORTS.					
Ore and base bullion	341	843	261	2,006	1,026
United States mint or assay office bars					
Bullion, refined	173	37	262	622	1,441
United States coin	8			8	2,100
Foreign coin					14
Total	522	880	523	2,636	4,581
EXPORTS.					
Domestic:					
Ore and base bullion			1	1	11
United States mint or assay office bars	135			135	
Bullion, refined			1	1	12
Coin	306	2,395	1,193	4,435	4,216
Total	441	2,395	1,195	4,572	4,239
Foreign:					
Bullion, refined					
Coin	19			19	172
Total	19			19	172
Total exports	460	2,395	1,195	4,591	4,411

Excess of gold exports over imports since Jan. 1, 1919, $1,955,000.
Excess of gold imports over exports since Aug. 1, 1914, $1,069,451,000.

Silver imports and exports into and from the United States.

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

	Ten days ending Jan. 20, 1919.	Eleven days ending Jan. 31, 1919.	Total Jan. 1 to Jan. 31, 1919.	Total Jan. 1 to Jan. 31, 1918.	Ten days ending Feb. 10, 1919.	Total since Jan. 1, 1919.
IMPORTS.						
Ore and base bullion	589	2,255	4,389	2,489	1,854	6,243
United States mint or assay office bars						
Bullion, refined	43	249	716	3,170	254	970
United States coin	15	25	68	93	22	90
Foreign coin	96	188	403	245	454	857
Total	743	2,717	5,576	5,997	2,584	8,160
EXPORTS.						
Domestic:						
Ore and base bullion				1		
United States mint or assay office bars	4,714	6,020	10,734	5,972	9,218	19,952
Bullion, refined	2,135	4,121	8,079	44	883	8,962
Coin	6	72	78		20	98
Total	6,855	10,213	18,891	6,017	10,121	29,012
Foreign:						
Bullion, refined	92	29	182	223		182
Coin	22	260	542	387	114	656
Total	114	289	724	610	114	838
Total exports	6,969	10,502	19,615	6,627	10,235	29,850

Excess of silver exports over imports since Jan. 1, 1919, $21,690,000.
Excess of silver exports over imports since Aug. 1, 1914, $301,450,000

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

	General stock of money in the United States.	Held in the United States Treasury as assets of the Government.[1]	Held by or 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 the Federal Reserve System.
Gold coin [2]	$3,085,459,209	$330,089,676	$1,475,074,167	$418,094,011	....
Gold certificates	....	....	459,714,110	402,487,245	....
Standard silver dollars	373,685,930	51,235,103	....	87,479,957	....
Silver certificates	....	....	9,287,120	223,898,835	....
Subsidiary silver	242,203,752	8,258,055	2,726,187	231,219,510	....
Treasury notes of 1890	....	....	....	1,784,915	....
United States notes	346,681,016	11,515,175	55,525,750	279,640,091	....
Federal Reserve notes	2,703,420,225	37,115,287	222,948,540	2,443,356,398	....
Federal Reserve bank notes	138,250,180	2,857,366	7,703,579	127,689,235	....
National-bank notes	721,928,498	48,761,064	19,778,107	653,389,327	....
Total:					
Feb. 1, 1919	7,611,628,810	489,831,726	2,252,757,560	4,869,039,524	$45.56
Jan. 1, 1919	7,780,793,606	454,948,160	2,220,705,767	5,105,139,679	47.83
Dec. 1, 1918	7,669,576,580	416,383,232	2,123,208,487	5,129,984,861	48.13
Nov. 1, 1918	7,590,173,171	399,321,725	2,125,198,801	5,065,652,645	47.59
Oct. 1, 1918	7,391,008,277	380,246,203	2,084,774,897	4,925,987,177	46.34
Sept. 1, 1918	7,092,955,371	369,937,060	2,070,371,803	4,652,646,508	43.83
Aug. 1, 1918	6,895,089,799	390,798,058	2,054,455,993	4,449,835,748	41.97
July 1, 1918	6,742,225,784	356,124,750	2,018,361,825	4,367,739,209	41.31
Jan. 1, 1918	6,256,198,271	277,043,358	1,723,570,291	4,255,584,622	40.53
Apr. 1, 1917	5,312,109,272	258,198,442	952,934,705	4,100,976,125	39.54

[1] 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.
[2] Includes balances in gold settlement fund standing to the credit of the Federal Reserve banks and agents.
[3] Includes standard silver dollars.
[4] Includes Treasury notes of 1890.

DISCOUNT RATES.

Discount rates of each Federal Reserve Bank approved by the Federal Reserve Board up to Jan. 31, 1918.

Federal Reserve Bank.	Maturities.							
	Discounts.						Trade acceptances.	
	Within 15 days, including member banks' collateral notes.	16 to 60 days.	61 to 90 days.	Agricultural and live-stock paper over 90 days.	Secured by U. S. certificates of indebtedness or Liberty loan bonds.		1 to 60 days, inclusive.	61 to 90 days, inclusive.
					Within 15 days, including member banks' collateral notes.	16 to 90 days.		
Boston	4	4¾	4¾	5	4	4¼	4½	4½
New York [1]	4	4¾	4¾	5	4	4¼	4½	4½
Philadelphia	4	4¾	4¾	5	4	4¼	4½	4½
Cleveland	4¼	4¾	4¾	5¼	4	4¼	4½	4½
Richmond	4½	4¾	4¾	5	[2] 4¼	[2] 4¼	4½	4½
Atlanta	4¼	4¾	4¾	5	4	[2] 4¼	4½	4½
Chicago	4	4¾	4¾	5½	4	[2] 4¼	4½	4½
St. Louis	4	4¾	4¾	5½	4	[2] 4¼	4½	4½
Minneapolis	4½	4¾	5	5½	4	4¼	4½	4½
Kansas City	4½	5	5	5½	[2] 4¼	[2] 4¼	4¾	4¾
Dallas	4½	4¾	5	5¼	4	4¼	4½	4½
San Francisco	4¼	5	5	5½	4¼	4½	4¾	4¾

[1] Rates for discounted bankers, acceptances maturing within 15 days, 4 per cent; within 16 to 60 days, 4¼ per cent; and within 61 to 90 days, 4½ per cent.

[2] Rate of 4 per cent on paper secured by fourth Liberty loan bonds where paper rediscounted has been taken by discounting member banks at rate not exceeding interest rate on bonds.

NOTE 1.—Acceptances purchased in open market, minimum rate 4 per cent.

NOTE 2.—In case the 60-day trade acceptance rate is higher than the 15-day discount rate, trade acceptances maturing within 15 days will be taken at the lower rate.

NOTE 3.—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.

OPERATION OF THE FEDERAL RESERVE CLEARING SYSTEM, JAN. 16, 1919, TO FEB. 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	13,928	$20,807,364	76,359	$10,149,529	90,287	$30,956,893
New York	15,637	77,738,636	145,215	50,513,399	160,852	128,252,035
Philadelphia	21,051	26,519,902	39,331	5,235,218	60,382	31,755,120
Cleveland	5,215	6,792,011	57,835	23,327,077	63,050	30,119,088
Richmond	2,183	7,688,619	42,617	13,168,929	44,800	20,857,548
Atlanta	2,371	2,385,808	23,641	6,824,424	26,012	9,210,232
Chicago	14,674	25,333,000	53,415	9,877,000	68,089	35,210,000
St. Louis	4,938	7,935,372	30,990	7,374,527	35,928	15,309,899
Minneapolis	3,564	8,631,890	20,718	1,855,438	24,282	10,487,328
Kansas City	4,422	9,464,557	54,767	13,038,519	59,189	22,503,076
Dallas	1,412	2,153,956	24,072	7,073,389	25,484	9,227,345
San Francisco	1,549	3,484,309	30,991	7,923,310	32,540	11,407,619
Totals:						
Jan. 16 to Feb. 15, 1919	90,944	198,935,424	599,951	156,360,759	690,895	355,296,183
Dec. 16, 1918, to Jan. 15, 1919	95,622	221,889,946	635,080	165,386,737	730,702	387,276,683
Nov. 16 to Dec. 15, 1918	85,174	219,162,199	590,685	167,471,893	675,859	386,634,092
Jan. 16 to Feb. 15, 1918	46,207	153,847,568	227,312	80,248,466	273,519	234,096,034

	Items drawn on banks in other districts (daily average).		Items handled by both parent bank and branches (daily average).		Items drawn on Treasurer of United States (daily average).		Number of member banks in district.	Number of non-member banks on par list.	Number of non-member banks in district.
	Number.	Amount.	Number.	Amount.	Number.	Amount.			
Boston	9,066	$10,092,952			8,816	$3,706,628	424	244	244
New York	31,117	14,818,565			53,614	25,202,729	722	321	321
Philadelphia	21,130	8,960,943			7,834	4,244,132	656	345	425
Cleveland	3,282	5,294,298	2,010	$2,738,894	6,702	2,588,546	819	755	1,132
Richmond	5,031	6,112,719	206	639,102	3,348	487,030	568	312	1,507
Atlanta	2,554	3,246,370	3,629	1,852,349	5,242	2,081,600	426	227	1,574
Chicago	5,506	1,267,000	341	298,000	15,257	5,233,000	1,338	2,500	4,160
St. Louis	754	663,044	858	537,625	9,759	3,017,237	511	1,233	2,572
Minneapolis	1,169	1,469,109			1,055	210,129	871	1,207	2,838
Kansas City	5,973	3,913,487	2,800	2,314,470	6,703	754,704	994	2,190	3,190
Dallas	3,655	1,666,048	977	200,118	3,284	537,511	735	249	1,184
San Francisco	735	926,995	1,986	2,455,842	4,437	15,157,756	653	1,039	1,201
Totals:									
Jan. 16 to Feb. 15, 1919	89,972	58,431,530	12,807	11,036,400	126,051	63,221,002	8,717	10,622	20,348
Dec. 16, 1918, to Jan. 15, 1919	99,828	64,079,660	13,662	10,080,440	77,282	37,753,800	8,691	10,342	
Nov. 16 to Dec. 15, 1918	88,326	66,301,701	13,394	10,704,900	135,173	60,766,938	8,643	10,281	
Jan. 16 to Feb. 15, 1918	44,654	42,852,372	7,128	5,836,958	48,224	21,316,033	7,972	9,319	

CONDITION OF PRINCIPAL EUROPEAN BANKS OF ISSUE, 1913–1918.

Bank of England.

(Combined data for issue and banking departments.)

(From the London Economist.)

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

	Dec. 31, 1913.	Dec. 30, 1914.	Dec. 29, 1915.	Dec. 27, 1916.	Dec. 26, 1917.	Dec. 25, 1918.
ASSETS.						
Gold and silver	170,245	338,191	250,510	264,275	283,899	384,994
Government securities:						
Held by issue department	89,787	89,787	89,787	89,787	53,605	53,604
Held by banking department	64,233	72,061	159,816	278,304	283,732	346,037
Other securities	253,729	516,998	545,416	518,094	497,958	484,582
Total	577,994	1,017,037	1,045,529	1,150,460	1,119,194	1,269,217
LIABILITIES.						
Proprietors' capital	70,822	70,822	70,822	70,822	70,822	70,822
Rest (surplus)	15,827	15,978	16,118	16,111	16,065	15,850
Public deposits	49,913	131,067	241,755	253,624	204,439	115,059
Other deposits	297,280	623,182	544,914	616,715	604,232	725,289
Seven-day and other bills	66	116	87	107	50	48
Notes in circulation	144,086	175,872	171,833	193,081	223,586	342,149
Total	577,994	1,017,037	1,045,529	1,150,460	1,119,194	1,269,217

Bank of France.

(From weekly statements of the Bank of France.)

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

	Dec. 26, 1913.	Dec. 10, 1914.[1]	Dec. 30, 1915.	Dec. 28, 1916.	Dec. 27, 1917.	Dec. 26, 1918.
ASSETS.						
Gold in vault	678,856	799,359	967,950	652,885	639,682	664,009
Other metallic reserve	123,532	67,750	67,953	56,910	47,798	61,441
Total vault reserve	802,388	867,109	1,035,903	709,795	687,480	725,450
Gold held abroad	....	....	....	326,766	393,162	393,162
Foreign credits	....	....	203,962	159,380	150,231	450,939
Government securities:						
Bonds, consols, and advances to the Government—						
Permanent investments	57,900	....	57,900	57,900	57,900	57,900
Advances to the Government since outbreak of war	....	694,800	965,000	1,428,200	2,412,500	3,309,950
Treasury bills discounted (advances to foreign Governments)	....	....	121,590	347,400	621,460	680,518
Other Government securities	....	....	21,882	21,742	21,805	21,757
Loans and discounts	294,607	41,165	82,859	119,599	176,009	401,614
Bills matured and extended	....	702,040	354,002	258,395	221,395	....
Advances on bullion, specie, securities, etc	149,074	[2] 150,686	222,320	254,326	236,386	234,633
Bank premises	....	....	....	....	....	8,960
Sundry assets	93,064	....	79,806	105,919	130,046	299,202
Total	1,397,033	....	3,145,224	3,789,422	5,108,374	6,584,085
LIABILITIES.						
Capital	35,223	35,223	35,223	35,223	35,223	35,223
Surplus, including special reserves	8,206	....	8,292	8,292	8,292	8,292
Dividends unpaid	309	....	4,211	4,853	4,985	973
Government deposits	77,848	34,075	33,562	2,897	48,609	21,555
Other deposits	111,038	515,687	407,970	436,223	562,352	456,676
Bank notes in circulation	1,102,715	1,927,306	2,568,801	3,219,012	4,311,002	5,838,172
Sundry liabilities	61,694	....	87,165	82,922	137,911	223,194
Total	1,397,033	....	3,145,224	3,789,422	5,108,374	6,584,085

[1] No data available as at end of 1914. Incomplete data for Dec. 10, 1914, taken from the annual report of the bank for 1914.
[2] Advances on securities only.

German Reichsbank.

(From the Deutscher Reichsanzeiger).

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

	Dec. 31, 1913.	Dec. 31, 1914.	Dec. 31, 1915.	Dec. 30, 1916.	Dec. 31, 1917.	Dec. 31, 1918.
ASSETS.						
Gold	278,453	498,089	581,954	599,873	572,768	538,808
Other metallic reserve	65,886	8,774	7,633	3,884	43,161	4,764
Total metallic reserve	344,339	506,863	589,587	603,757	615,929	543,572
Imperial Treasury and Loan Bank certificates	10,996	208,250	306,512	100,457	312,920	1,254,599
Notes of other banks	3,038	1,264	745	332	160	715
Bills, checks, and discounted Treasury bills	354,798	936,903	1,381,189	2,287,124	3,473,873	6,530,491
Advances on collateral	22,485	5,443	3,079	2,322	1,217	1,429
Securities	96,012	8,086	12,227	19,932	21,220	37,159
Sundry assets	53,582	51,173	64,791	186,622	497,752	569,060
Total	885,250	1,717,982	2,358,130	3,200,546	4,923,071	8,937,025
LIABILITIES						
Capital paid in	42,840	42,840	42,840	42,840	42,840	42,876
Surplus	16,671	17,726	19,171	20,342	21,453	22,629
Notes in circulation	617,240	1,200,924	1,646,465	1,917,007	2,729,324	5,285,182
Other liabilities payable on demand	188,763	418,144	561,445	1,086,281	1,915,993	3,291,924
Sundry liabilities	19,736	38,348	88,209	134,076	213,461	294,414
Total	885,250	1,717,982	2,358,130	3,200,546	4,923,071	8,937,025

Austro-Hungarian Bank.

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

	Dec. 31, 1913.	Dec. 31, 1914.	Dec. 31, 1915.	Dec. 31, 1916.	Dec. 31, 1917.	Dec. 31, 1918.
ASSETS.						
Gold coins and gold in bars	251,421	213,757	138,758	58,759	53,717	53,074
Bills and foreign notes	12,156	2,854	12,156	1,143	12,156	4,826
Silver and fractional coins	52,989	25,454	13,387	11,851	11,443	11,524
Total	316,566	242,065	164,301	71,753	77,316	69,424
Notes of the war loan banks	....	9,008	24,567	24,189	21,722	90,478
Discounted bills, warrants, etc	187,607	415,999	603,091	578,771	571,746	584,133
Advances on securities	62,931	687,769	667,188	694,552	694,738	1,691,512
Loans to Austrian Government	....	....	79,248	745,216	1,932,804	4,464,088
Loans to Hungarian Government	....	....	47,433	328,502	842,411	1,830,694
Old Austrian debt	12,156	12,156	12,156	12,156	12,156	12,156
Treasury certificates:						
Austrian Government	....	....	....	....	....	955,879
Hungarian Government	....	....	....	....	....	547,075
Securities	3,467	9,893	10,124	10,331	10,356	2,533
Mortgages	60,757	60,537	60,144	60,587	59,110	57,410
Other assets	27,823	26,343	42,880	58,598	205,948	253,474
Total	671,307	1,463,770	1,711,132	2,584,655	4,428,307	10,558,856
LIABILITIES.						
Capital stock	42,546	42,546	42,546	42,546	42,546	42,546
Surplus	6,515	7,020	7,696	8,291	8,548	8,509
Notes in circulation	505,212	1,040,694	1,451,093	2,206,033	3,735,882	7,210,253
Scrip payable in 3 and 6 months (Kassenscheine)	....	....	....	....	....	1,502,954
Deposits in giro account and other demand liabilities	34,119	289,126	55,271	86,103	396,762	1,446,806
Mortgage bonds	59,106	58,495	57,905	58,121	55,966	54,512
Other liabilities	23,809	25,889	96,621	183,561	188,603	293,276
Total	671,307	1,463,770	1,711,132	2,584,655	4,428,307	10,558,856

ABSTRACT OF CONDITION OF MEMBER BANKS.

Abstract of reports of condition of member State banks and trust companies in each Federal Reserve district on Dec. 31, 1918.

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

	District No. 1 (31 banks).	District No. 2 (101 banks).	District No. 3 (29 banks).	District No. 4 (66 banks).	District No. 5 (37 banks).	District No. 6 (54 banks).	District No. 7 (288 banks).
RESOURCES.							
Loans and discounts	325,927	1,581,254	133,162	285,776	63,806	119,449	709,835
Overdrafts	268	650	102	156	163	556	362
Customers' liability under letters of credit	3	3,714		95		421	7,715
Customers' liability account of acceptances	13,268	115,182	722	6,464	1,026	7,883	13,708
Liberty bonds	13,172	177,024	16,862	27,525	6,399	14,887	74,527
Other United States bonds (exclusive of United States bonds borrowed)	72	455	5	915		7	1,582
United States certificates of indebtedness	35,299	123,837	12,882	25,897	4,618	12,407	74,313
War savings and thrift stamps actually owned	122	243	28	151	33	90	673
Stock of Federal Reserve Bank	1,694	8,237	1,995	2,708	471	791	4,090
Other bonds, stocks, etc. (exclusive of securities borrowed)	85,501	494,682	96,346	145,437	11,174	17,379	181,593
Banking house	8,528	41,463	6,946	13,240	1,754	6,629	15,056
Other real estate owned	241	6,319	2,805	4,332	758	2,218	1,906
Furniture and fixtures	390	673	340	920	188	534	2,206
Due from banks and bankers	32,111	251,613	14,670	33,686	9,986	30,832	93,387
Exchanges for clearing house, also checks on banks in same place	17,065	231,602	3,975	7,353	887	6,599	29,701
Outside checks and other cash items	2,316	12,753	456	1,019	306	3,108	11,021
Gold coin and certificates	1,849	11,985	373	404	119	485	3,121
All other cash in vault	14,768	43,256	5,768	11,347	3,045	6,912	33,842
Lawful reserve with Federal Reserve Bank	34,450	270,612	16,424	24,241	4,709	13,631	75,186
Items with Federal Reserve Bank in process of collection	7,038	28,189	3,320	3,124	386	2,268	7,608
Interest earned but not collected	527	13,439	736	805	10	255	928
Other assets	4,987	71,429	6,491	1,693	592	2,191	21,335
Total	599,596	3,488,611	324,408	597,288	110,430	249,532	1,363,695
LIABILITIES.							
Capital stock paid in	27,075	118,371	21,302	31,645	9,381	15,840	72,620
Surplus fund	30,581	159,121	45,286	59,212	6,621	10,584	66,207
Undivided profits, less expenses and taxes paid	7,856	37,277	8,093	10,346	2,045	2,020	15,834
Interest and discount collected but not earned	1,152	4,676	44	378	181	327	664
Amount reserved for taxes accrued	1,648	6,599	709	950	55	268	4,071
Amount reserved for interest accrued	1,476	5,014	396	362	149	222	830
Due to Federal Reserve Bank	275	655		1	4	19	122
Due to banks and bankers	18,691	392,751	6,527	13,255	7,125	30,347	74,674
Demand deposits	385,164	2,129,633	173,491	199,604	49,203	115,235	497,032
Time deposits	85,026	216,822	28,747	234,320	26,182	43,329	536,786
United States deposits	8,667	97,159	4,690	8,158	1,943	5,030	25,635
Bills payable with Federal Reserve Bank	11,607	168,058	31,397	28,087	5,091	15,746	40,585
Bills payable other than with Federal Reserve Bank	943	4,813	1,891	630	1,130	931	2,226
Cash letters of credit and travelers' checks outstanding	65	7,006		89		421	7,715
Acceptances	14,195	120,063	722	6,183	1,001	7,995	15,142
Other liabilities	5,175	20,593	1,113	4,068	319	1,218	3,552
Total	599,596	3,488,611	324,408	597,288	110,430	249,532	1,363,695
Liability for rediscounts, including those with Federal Reserve Bank	39,122	125,163	1,944	3,823	1,472	19,785	20,612

Abstract of reports of condition of member State banks and trust companies in each Federal Reserve district on Dec. 31, 1918—Continued.

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

	District No. 8 (44 banks).	District No. 9 (70 banks).	District No. 10 (27 banks).	District No. 11 (97 banks).	District No. 12 (86 banks).	Total United States (930 banks).
RESOURCES.						
Loans and discounts	182,074	50,758	51,285	36,585	90,767	3,630,678
Overdrafts	417	97	108	207	297	3,381
Customers' liability under letters of credit	510		7		494	12,959
Customers' liability account of acceptances	8,642	13	410	237	1,158	168,713
Liberty bonds	27,635	2,475	3,627	3,567	7,345	375,045
Other United States bonds (exclusive of United States bonds borrowed)	14	199	170	411	53	3,883
United States certificates of indebtedness	15,772	3,940	2,445	1,237	9,330	321,977
War savings and thrift stamps actually owned	100	43	44	74	113	1,714
Stock of Federal Reserve Bank	1,318	244	254	262	481	22,545
Other bonds, stocks, etc. (exclusive of securities borrowed)	34,548	4,488	10,755	716	14,978	1,097,597
Banking house	5,680	873	920	1,196	2,765	105,050
Other real estate owned	838	218	126	450	1,835	22,046
Furniture and fixtures	703	290	135	426	596	7,401
Due from banks and bankers	27,782	11,185	15,373	6,224	16,467	543,316
Exchanges for clearing house, also checks on banks in same place	5,801	783	1,481	578	2,093	307,918
Outside checks and other cash items	1,795	344	1,034	371	872	35,395
Gold coin and certificates	1,014	151	180	112	635	20,428
All other cash in vault	5,523	1,701	1,761	1,822	3,847	133,592
Lawful reserve with Federal Reserve Bank	15,761	3,673	4,944	2,731	8,217	474,579
Items with Federal Reserve Bank in process of collection	6,366	171	1,523	364	1,141	61,498
Interest earned but not collected	147	87		14	222	17,170
Other assets	5,243	128	214	670	253	115,226
Total	347,683	81,861	96,796	58,254	163,959	7,482,113
LIABILITIES.						
Capital stock paid in	23,825	6,289	5,265	6,823	11,674	350,110
Surplus fund	20,145	1,970	3,224	2,260	4,469	409,680
Undivided profits, less expenses and taxes paid	5,311	1,218	669	465	2,181	93,315
Interest and discount collected but not earned	264	75	195	13	142	8,111
Amount reserved for taxes accrued	277	78	98	67	187	15,007
Amount reserved for interest accrued	344	72	136	24	131	9,156
Due to Federal Reserve Bank				29	4	1,109
Due to banks and bankers	36,757	13,148	17,246	3,388	14,230	628,139
Demand deposits	131,535	27,432	46,026	33,991	63,624	3,851,970
Time deposits	75,575	29,659	20,020	6,006	58,548	1,361,020
United States deposits	5,312	820	963	377	1,710	160,464
Bills payable with Federal Reserve Bank	33,208	701	1,819	2,100	3,610	342,009
Bills payable other than with Federal Reserve Bank	1,208	374	644	2,530	1,643	18,963
Cash letters of credit and travelers' checks outstanding	511		4		524	16,335
Acceptances	8,642	13	410		1,157	175,523
Other liabilities	4,769	12	77	181	125	41,202
Total	347,683	81,861	96,796	58,254	163,959	7,482,113
Liability for rediscounts, including those with Federal Reserve Bank	10,726	407	416	2,423	2,151	228,044

Abstract of reports of condition of member State banks and trust companies of the Federal Reserve System on Dec. 31, 1918, arranged by classes.

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

	Central reserve city banks (54 banks).	Other reserve city banks (140 banks).	Country banks (736 banks).	Total United States (930 banks), Dec. 31, 1918.	Total United States (847 banks), Nov. 1, 1918.
RESOURCES.					
Loans and discounts	1,813,458	1,031,502	785,718	3,630,678	3,664,049
Overdrafts	713	1,351	1,319	3,383	3,357
Customers' liability under letters of credit	11,826	1,120	13	12,959	31,798
Customers' liability account of acceptances	134,327	31,641	2,745	168,713	168,937
Liberty bonds	178,698	97,264	99,083	375,045	386,049
Other United States bonds (exclusive of United States bonds borrowed)	127	1,327	2,429	3,883	
United States certificates of indebtedness	130,169	116,598	75,210	321,977	266,899
War savings and thrift stamps actually owned	107	423	1,184	1,714	1,911
Stock of Federal Reserve Bank	10,120	7,828	4,597	22,545	22,317
Other bonds, stocks, etc. (exclusive of securities borrowed)	498,395	352,851	246,351	1,097,597	1,067,650
Banking house	39,958	40,522	24,570	105,050	100,788
Other real estate owned	5,545	11,671	4,830	22,046	22,149
Furniture and fixtures	719	2,597	4,085	7,401	7,097
Due from banks and bankers	284,833	146,225	112,258	543,316	504,539
Exchanges for clearing house, also checks on banks in same place	251,544	45,010	11,364	307,918	191,620
Outside checks and other cash items	16,934	12,636	5,825	35,395	30,426
Gold coin and certificates	13,893	3,032	3,503	20,428	21,901
All other cash in vault	47,741	43,256	42,595	133,592	106,138
Lawful reserve with Federal Reserve Bank	304,440	108,824	61,315	474,579	420,443
Items with Federal Reserve Bank in process of collection	33,570	20,671	7,257	61,498	46,326
Interest earned but not collected	12,069	3,049	2,052	17,170	12,792
Other assets	72,863	36,612	5,751	115,226	66,890
Total	3,862,049	2,116,010	1,504,054	7,482,113	7,144,076
LIABILITIES.					
Capital stock paid in	140,791	111,722	97,597	350,110	335,196
Surplus fund	199,122	151,359	59,199	409,680	394,106
Undivided profits less expenses and taxes paid	40,212	29,549	23,554	93,315	104,480
Interest and discount collected but not earned	4,789	2,352	970	8,111	6,524
Amount reserved for taxes accrued	9,934	3,766	1,307	15,007	12,779
Amount reserved for interest accrued	5,174	1,986	1,996	9,156	16,045
Due to Federal Reserve Bank	393	95	621	1,109	806
Due to banks and bankers	438,336	130,841	58,962	628,139	544,387
Demand deposits	2,260,166	934,269	657,535	3,851,970	3,379,073
Time deposits	313,322	549,521	498,177	1,361,020	1,278,948
United States deposits	102,312	34,978	23,174	160,464	572,618
Bills payable with Federal Reserve Bank	172,422	108,442	61,145	342,009	222,824
Bills payable other than with Federal Reserve Bank	....	6,685	12,278	18,963	23,956
Cash letters of credit and travelers' checks outstanding	15,118	1,208	9	16,335	18,969
Acceptances	140,711	32,290	2,522	175,523	189,104
Other liabilities	19,247	16,947	5,008	41,202	44,261
Total	3,862,049	2,116,010	1,504,054	7,482,113	7,144,076
Liability for rediscounts, including those with Federal Reserve Bank	138,982	59,802	29,260	228,044	218,784
Ratio of reserve with Federal Reserve Bank to net deposit liability (per cent)	13.1	10.0	7.0	11.0	11.1

Abstract of reports of condition of all member banks of the Federal Reserve system on Dec. 31, 1918, arranged by classes (including 7,762 national banks and 930 State banks and trust companies).

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

	Central reserve city banks (101 banks).	Other reserve city banks (506 banks).	Country banks (8,085 banks).	Total United States (8,692 banks), Dec. 31, 1918.	Total United States (8,596 banks), Nov. 1, 1918.
RESOURCES.					
Loans and discounts	4,595,232	4,099,068	4,851,660	13,545,960	13,758,061
Overdrafts	1,740	3,426	11,183	16,349	20,163
Customers' liability under letters of credit	14,147	11,360	656	26,163	44,361
Customers' liability account of acceptances	290,593	150,586	19,036	460,215	488,530
Liberty bonds	418,069	446,941	723,415	1,588,425	3,579,260
United States securities (exclusive of United States securities borrowed)	476,580	519,620	879,580	1,875,780	
War savings and thrift stamps actually owned	241	1,519	6,449	8,209	12,080
Stock of Federal Reserve Bank	21,814	24,862	33,969	80,645	79,744
Other bonds, stocks, etc. (exclusive of securities borrowed)	805,175	761,364	1,248,618	2,815,157	2,760,037
Banking house	79,273	133,609	173,978	386,860	382,707
Other real estate owned	7,518	25,022	34,518	67,058	68,894
Furniture and fixtures	1,321	7,976	32,604	41,901	41,733
Due from banks and bankers	488,066	780,612	925,094	2,193,772	2,035,664
Exchanges for clearing house, also checks on banks in same place	880,003	252,574	61,545	1,194,122	793,703
Outside checks and other cash items	35,897	37,595	33,184	106,676	94,424
Cash in vault	173,654	199,033	302,493	675,180	571,090
Lawful reserve with Federal Reserve Bank	775,958	452,116	426,668	1,654,742	1,519,651
Items with Federal Reserve Bank in process of collection	128,324	186,986	32,572	347,882	306,751
Due from United States Treasurer	5,602	15,362	24,605	45,569	39,160
Interest earned but not collected	20,934	10,626	20,420	51,980	25,769
Other assets	88,918	39,345	7,532	135,795	91,177
Total	9,309,059	8,159,602	9,849,779	27,318,440	26,712,959
LIABILITIES.					
Capital stock paid in	327,541	433,920	697,634	1,459,095	1,442,206
Surplus fund	405,692	400,697	448,146	1,254,535	1,223,342
Undivided profits, less expenses and taxes paid	125,155	111,933	194,694	431,782	482,217
Interest and discount collected but not earned	20,694	19,560	16,733	56,987	34,387
Amount reserved for taxes accrued	31,438	15,035	6,632	53,105	44,303
Amount reserved for interest accrued	7,233	4,725	9,151	21,109	30,390
Due to Federal Reserve Bank	1,240	2,434	6,346	10,020	10,882
Due to banks and bankers	1,858,018	1,506,296	429,741	3,794,055	3,435,053
Demand deposits	5,041,602	3,670,680	4,597,021	13,309,303	12,016,310
Time deposits	423,642	979,148	2,431,530	3,834,320	3,650,943
United States deposits	192,848	159,888	118,896	471,632	1,707,627
Bills payable with Federal Reserve Bank	456,831	417,958	284,484	1,159,273	1,081,956
Bills payable other than with Federal Reserve Bank	530	19,216	60,781	80,527	102,661
Cash letters of credit and travelers checks outstanding	24,971	12,176	874	38,021	42,608
Acceptances	303,122	157,192	20,310	480,624	521,823
National-bank notes outstanding	48,842	173,485	453,984	676,311	675,165
Other liabilities	39,660	75,259	72,822	187,741	211,086
Total	9,309,059	8,159,602	9,849,779	27,318,440	26,712,959
Liabilities for rediscounts, including those with Federal Reserve Bank	237,437	280,907	211,707	730,051	847,938
Ratio of reserve with Federal Reserve Bank to net deposit liability (per cent)	13.5	10.3	7.5	10.4	10.4

Abstract of reports of condition of all member banks in each Federal Reserve district on Dec. 31, 1918 (including 7,762 national banks and 930 State banks and trust companies).

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

RESOURCES.	District No. 1 (423 banks).	District No. 2 (723 banks).	District No. 3 (661 banks).	District No. 4 (814 banks).	District No. 5 (565 banks).	District No. 6 (426 banks).	District No. 7 (1,334 banks).
Loans and discounts	1,022,913	4,315,769	860,729	1,165,551	626,741	478,150	1,993,197
Overdrafts	682	1,775	304	946	1,213	1,729	1,990
Customers' liability under letters of credit	48	5,940	300	1,612	11	519	8,100
Customers' liability account of acceptances	56,476	236,349	19,305	21,161	13,315	14,978	48,357
Liberty bonds	76,377	512,038	172,712	165,816	97,137	72,058	205,508
Other United States securities (exclusive of United States securities borrowed)	134,715	522,550	108,158	173,775	98,977	98,673	268,925
War savings and thrift stamps actually owned	392	717	432	968	550	458	1,734
Stock of Federal Reserve Bank	6,692	20,807	7,463	9,073	4,057	3,187	11,194
Other bonds, stocks, etc. (exclusive of securities borrowed)	222,160	999,026	371,649	395,762	84,155	46,698	351,521
Banking house	29,384	84,619	31,176	53,602	24,475	19,570	49,861
Other real estate owned	1,328	10,610	6,244	10,614	3,007	5,381	7,181
Furniture and fixtures	1,778	3,512	3,126	3,827	2,694	2,782	6,564
Due from banks and bankers	126,754	403,009	114,334	203,704	101,840	111,923	364,812
Exchanges for clearing house, also checks on banks in same place	57,070	825,770	51,377	36,543	21,446	16,390	87,119
Outside checks and other cash items	8,671	34,079	4,314	4,203	4,898	7,281	17,665
Cash in vault	52,179	169,508	54,358	76,142	39,807	30,765	111,320
Lawful reserve with Federal Reserve Bank	101,612	708,515	97,867	126,328	56,687	46,879	224,878
Items with Federal Reserve Bank in process of collection	26,267	109,058	36,587	40,752	23,024	10,641	34,033
Due from United States Treasurer	3,114	6,940	4,444	7,387	3,362	2,169	5,442
Interest earned but not collected	2,566	24,196	2,877	4,417	1,023	851	5,515
Other assets	6,736	86,102	6,811	2,059	1,021	2,465	22,965
Total	1,937,914	9,080,889	1,954,567	2,504,242	1,209,440	973,547	3,827,881
LIABILITIES.							
Capital stock paid in	120,332	315,770	98,028	155,246	82,286	65,676	221,753
Surplus fund	105,173	379,565	151,312	150,421	55,382	41,643	158,724
Undivided profits, less expenses and taxes paid	43,071	136,716	36,389	47,589	16,319	11,904	52,323
Interest and discount collected but not earned	5,397	17,706	3,828	4,183	3,716	1,913	7,555
Amount reserved for taxes accrued	3,644	23,344	2,671	3,478	1,147	824	10,226
Amount reserved for interest accrued	2,302	7,836	1,323	1,584	1,477	631	2,276
Due to Federal Reserve Bank	625	4,586	161	457	2,556	294	468
Due to banks and bankers	139,383	1,482,391	186,811	258,922	136,133	107,867	553,027
Demand deposits	1,092,569	5,045,425	901,715	1,090,512	535,182	446,023	1,560,066
Time deposits	216,078	562,115	285,171	552,997	216,756	152,915	920,701
United States deposits	32,328	191,206	25,644	32,326	19,528	22,941	60,860
Bills payable with Federal Reserve Bank	52,144	501,142	162,116	78,202	59,426	54,624	89,526
Bills payable other than with Federal Reserve Bank	3,147	8,467	3,458	3,648	6,328	5,266	7,000
Cash letters of credit and travelers' checks outstanding	280	16,195	340	1,702	21	540	8,949
Acceptances	61,511	246,812	20,832	20,998	13,915	15,213	50,619
National bank notes outstanding	50,654	87,920	54,386	89,741	51,623	40,144	78,848
Other liabilities	9,276	53,693	20,382	12,236	7,645	5,129	44,960
Total	1,937,914	9,080,889	1,954,567	2,504,242	1,209,440	973,547	3,827,881
Liabilities for rediscounts, including those with Federal Reserve Bank	148,241	236,111	30,290	39,507	33,231	41,622	64,091

Abstract of reports of condition of all member banks in each Federal Reserve district on Dec. 31, 1918 (including 7,762 national banks and 930 State banks and trust companies)—Continued.

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

RESOURCES.	District No. 8 (514 banks).	District No. 9 (867 banks).	District No. 10 (994 banks).	District No. 11 (727 banks).	District No. 12 (644 banks).	Total United States (8,692 banks).
Loans and discounts	558,238	564,129	751,952	438,910	769,681	13,545,960
Overdrafts	985	1,322	2,214	1,719	1,470	16,349
Customers' liability under letters of credit	1,171	1,060	360	9	7,033	26,163
Customers' liability account of acceptances	21,821	5,638	1,929	4,373	16,513	460,215
Liberty bonds	77,168	31,760	63,295	45,707	68,849	1,588,425
Other United States securities (exclusive of United States securities borrowed)	77,413	81,565	87,567	66,389	157,073	1,875,780
War savings and thrift stamps actually owned	607	504	580	622	645	8,209
Stock of Federal Reserve Bank	3,799	2,930	3,660	3,154	4,629	80,645
Other bonds, stocks, etc. (exclusive of securities borrowed)	82,873	53,598	73,694	14,495	119,526	2,815,157
Banking house	19,044	15,658	17,697	16,745	25,029	386,860
Other real estate owned	2,682	3,854	3,680	4,469	8,008	67,058
Furniture and fixtures	2,364	2,943	3,351	3,414	5,546	41,901
Due from banks and bankers	123,364	160,246	208,302	77,981	197,503	2,193,772
Exchanges for clearing house, also checks on banks in same place	18,881	15,314	24,615	8,729	30,868	1,194,122
Outside checks and other cash items	3,405	4,624	5,528	6,056	5,952	106,676
Cash in vault	27,436	23,417	32,416	20,954	36,878	675,180
Lawful reserve with Federal Reserve Bank	53,650	49,741	70,080	36,217	82,288	1,654,742
Items with Federal Reserve Bank in process of collection	25,187	3,235	17,752	12,412	8,934	347,882
Due from United States Treasurer	2,063	1,840	2,372	2,390	4,046	45,569
Interest earned but not collected	1,361	3,030	2,195	1,019	2,930	51,980
Other assets	5,605	244	343	1,002	442	135,795
Total	1,109,117	1,026,652	1,373,582	766,766	1,553,843	27,318,440
LIABILITIES.						
Capital stock paid in	80,552	65,060	80,236	68,673	105,483	1,459,095
Surplus fund	46,857	33,363	42,838	37,985	51,272	1,254,535
Undivided profits, less expenses and taxes paid	17,773	16,455	16,603	13,234	23,406	431,782
Interest and discount collected but not earned	2,479	2,468	4,170	2,113	1,459	56,987
Amount reserved for taxes accrued	1,184	2,127	1,472	1,455	1,533	53,105
Amount reserved for interest accrued	670	1,092	784	289	845	21,109
Due to Federal Reserve Bank	3	74	620	102	74	10,020
Due to banks and bankers	185,779	175,062	286,396	80,207	202,077	3,794,055
Demand deposits	464,067	396,785	646,691	396,377	733,891	13,309,303
Time deposits	162,227	277,460	179,813	54,298	253,789	3,834,320
United States deposits	15,855	13,061	23,550	10,551	23,782	471,632
Bills payable with Federal Reserve Bank	50,516	3,820	27,147	30,100	50,510	1,159,273
Bills payable other than with Federal Reserve Bank	3,969	2,112	9,162	20,185	7,785	80,527
Cash letters of credit and travelers' checks outstanding	1,188	1,067	413	61	7,265	38,021
Acceptances	22,008	5,887	1,975	4,226	16,628	480,624
National Bank notes outstanding	41,140	29,497	46,677	44,203	61,478	676,311
Other liabilities	12,850	1,262	5,035	2,707	12,566	187,741
Total	1,109,117	1,026,652	1,373,582	766,766	1,553,843	27,318,440
Liabilities for rediscounts, including those with Federal Reserve Bank	23,398	4,116	32,538	41,618	35,288	730,051

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