

MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

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Vol. III (Serial
No. 118)

Minneapolis, Minnesota

November 28, 1924

EDITORIAL NOTICE:—This report is prepared monthly in the office of the Federal Reserve Agent for the purpose of providing the Federal Reserve Board with complete accurate, and impartial information concerning business conditions in the Northwest. It is also printed for public use and will be mailed free of charge to anyone making request for it.

DISTRICT SUMMARY FOR THE MONTH

The volume of business transacted in this district during the month of October, when measured by dollar values, reached a record-breaking total. The explanation is to be found largely in the extraordinary movement of grain as compared with last year. However, the local labor market also indicates business expansion, because data compiled by us shows that the unemployed laborer is in a much better bargaining position now than at any time since April of this year.

Grain receipts at Minneapolis and the Head-of-the-Lakes reached the remarkable total of 98,865,652 bushels during October. The immensity of this figure is best shown by a comparison with September receipts this year of about 86,000,000 bushels and October receipts last year of less than 35,000,000 bushels. More than half of the grain marketed in October was routed to Duluth and nearly 52,000,000 bushels were shipped down the lakes during the month. Prices of all grains advanced during October, with the exception of corn, which declined four cents per bushel in its median price.

European demand for North American bread stuffs continued strong during October. Wheat exports from Atlantic and gulf ports, including both Canadian and American grain, amounted to 42,556,000 bushels in the four weeks ending October 25, as compared with 23,890,000 bushels in the same period last year. These figures are derived from the weekly reports of the Commercial and Financial Chronicle. Flour exports from the same ports totaled 2,185,000 barrels in the same four weeks of October, as compared with 1,217,000 barrels a year ago. Rye exports amounted to 12,476,000 bushels in the October period, while in the same period last year, they totaled only 2,795,000 bushels. As prices of wheat and rye were forced upward by this export demand, European purchasers extended their orders to the less desirable grains—namely, barley and oats. Barley exports from Atlantic and gulf ports were about 5½ million bushels in October, as compared with less than 2 million bushels in September and a little more than 1 million

bushels in October, 1923. Similarly, in the case of oats, nearly 5 million bushels were exported in October from these ports, as compared with 2½ million in September, and only one-third of a million bushels in October a year ago. During the week ending November 1, exports of barley from Atlantic and gulf ports totaled 2,228,000 bushels, a volume more than five times as large as the volume of barley exports in the same week last year.

Receipts of livestock at terminals during October were one-fourth lower than last year for cattle, one-seventh lower for hogs and slightly less for sheep. The movement of feeders, as compared with last year, showed an improvement only for hogs. This means that a change of sentiment has probably taken place among hog raisers. Median prices of hogs, butcher steers and lambs at South St. Paul advanced, although some decline is normally expected for this season of the year. The steady development of dairying is shown by the greater receipts of calves than last year and by declines in their median prices greater than normal for this season.

Prospective building activity, as reflected by building permits granted in 18 important cities of this district, was greater in October this year than a year ago. Improved business confidence is also apparently indicated by the fact that larger projects are under way now than last year. The housing situation in the cities is satisfactory, although more dwellings are for rent now than for several years past. However, this is not reaching such a point of surplus as to break values seriously nor to retard new building. It is noteworthy that there was a greater reduction in the offerings for rent in October than is customary for this season of the year.

During the four weeks ending October 29, selected member banks in the larger cities of this district had a rise in deposits of 29 million dollars, and simultaneously increased their loans, purchased investments and enlarged their reserves. Member banks in the agricultural sections were able to repay a large portion of their borrowings from this bank. Crop financing called for an expansion of 6 millions in Federal reserve notes during the five weeks end-

ing November 5. The repayment of loans to, and the accumulation of member bank reserve deposits with us during the first week of November increased our total reserves, consisting largely of gold, to practically 100 million dollars.

During the two weeks ending November 12, selected member banks in the larger cities realized an increase of 24 millions in deposits and increased their loans and investments. For the first time since our record began in 1919, these banks paid off completely all their obligations to this Federal Reserve Bank. Interest rates declined during the month ending November 15.

October figures for retail sales indicate that the new crop money had not then begun to have its expected effect in retail trade. There were seasonal increases in sales at department stores and lumber yards, but both reported somewhat lower sales as compared with a year ago. Wholesale trade sales and department store stocks both indicate that there is a pronounced tendency to increase inventories in anticipation of good sales in the near future. Wholesale trade was decidedly better than a year ago in all lines, except hardware. It is particularly noteworthy that farm implements showed a volume 42 per cent better than a year ago. Collections by wholesalers have been very good as compared with a year ago, which indicates, possibly, that the new crop money is being used first to pay debts, rather than for the purchase of new merchandise.

Manufacturing improved in volume during October, with nearly record-breaking totals for linseed oil, and moderate gains shown in flour production and in shipments by lumber manufacturers. Flour production at Minneapolis dropped to very low levels, although country mills showed a substantial increase. Lumber cut by manufacturers, as well as their stocks, was lower than either a month ago or a year ago.

Crop reports on November 1 indicated an improved yield for corn, flax and potatoes, as compared with the reports one month earlier. The merchantable percentage of corn is very low, ranging from 30 to 44 per cent in the different states of this district. As farmers in a large part of this district use corn mainly for silage, the poor quality of the corn as grain is of smaller importance than it would be in the corn belt.

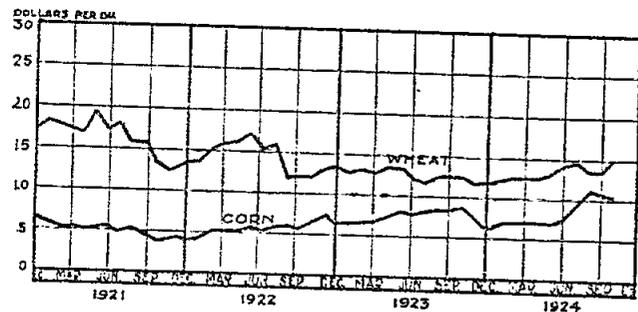
TOPICAL REVIEWS

Grain receipts: All of the grains showed important increases in receipts during October over the same month last year. Two and one-half times as much wheat was received and five and one-half times as much rye. The maintenance of a satisfactory price for oats and barley has also affected receipts, and three times the last year's volume of these grains was received in October. Twice as much flax arrived at the terminals in October as in

the same month last year, which is evidence of the larger flax crop this year. There were increases in October this year as compared with September in receipts of wheat, rye and flax. This is a seasonal occurrence for flax, but contrary to the seasonal movement for wheat and rye.

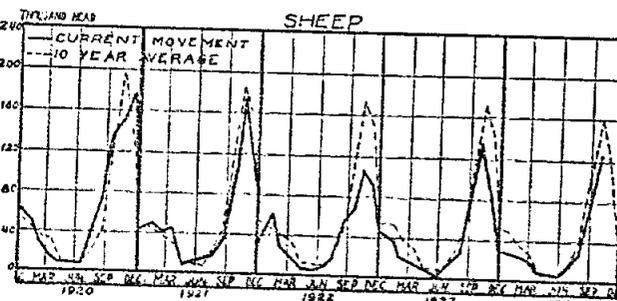
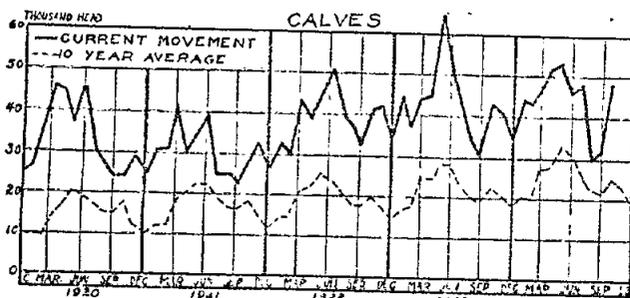
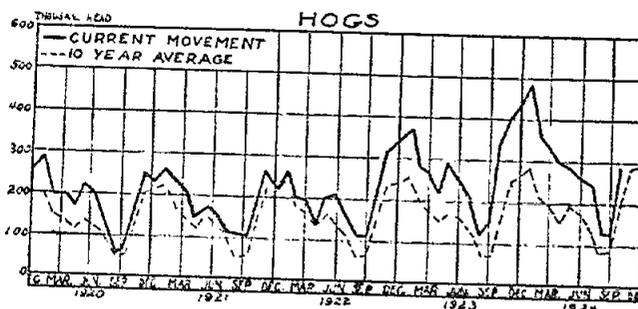
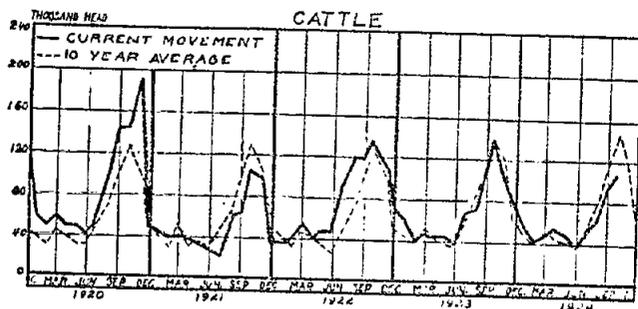
Stocks of grain at Minneapolis and the Head-of-the-Lakes increased two-fifths during the month of October and were nearly one-half larger at the end of October than a year ago. Nearly all of the increase in stocks during the year was due to larger holdings of oats, which totaled 29,000,000 bushels at the close of the month. For the other grains, increases have not been as large as might be expected from the heavy marketing movement. Stocks of wheat increased 40 per cent during October and were only 14 per cent larger than a year ago. Stocks of rye remained practically unchanged during October and were only one-third as great as last year. Stocks of the other grains increased seasonally during October and were somewhat larger than last year.

All grain prices advanced during October, with the exception of corn. Rye was 27 cents per bushel higher in October than in September. The median price of rye was \$1.21 $\frac{3}{8}$ in October, a higher figure than any since June, 1921. Wheat and flax median prices were each 15 cents higher in October than in September. Barley and oats median prices both advanced 2 cents over the median prices of September. Corn showed a decline in median price, amounting to 4 cents per bushel.



Median Prices of Cash Wheat and Corn at Minneapolis.

Livestock receipts in October were not as large as in the same month last year, with the exception of calves. Ordinarily, October is the most active month in receipts of cattle and sheep. This year cattle receipts were 23 per cent below a year ago and 25 per cent smaller than the 10 year average. Receipts of sheep, as well, were slightly smaller in October than last year in the same month and 20 per cent under the 10 year average. Receipts of hogs were 14 per cent smaller than last year, but were larger than the 10 year average. The movement of calves, on the other hand, was larger in October than in any preceding October since our records began. When October is compared with September this year, all classes show seasonal increases.



Monthly Receipts of Cattle, Calves, Hogs and Sheep at South St. Paul Compared with the Ten Year Average.

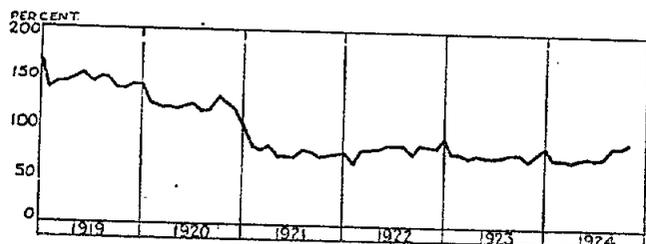
Shipments of feeder hogs in October were 8 per cent larger than in October last year. Other classes of feeders moved in smaller volume, especially calves. Shipments of feeder calves and cattle have not been as small in October since 1920.

The smaller marketing movement has had a salutary effect on livestock prices. For hogs, the median price in October was 35 cents higher per hundredweight than the median price in September, although usually there is a decline in price at this season of the year, as the volume of receipts increases. The price of butcher steers held firm in October at the September level, after the rapid decline in price which occurred a month earlier. For this class as well, the usual price movement is downward at this time of year. Butcher cows and feeder steers showed the usual price declines in October. The price of lambs was 75 cents per hundredweight higher in October than in September, although generally there is no change in price between these two months. Veal calves alone exhibited a marked decline of \$1.00 per hundredweight in median price during October. Part of this decrease was seasonal, but the price of calves was undoubtedly affected by the huge October receipts.

Important produce prices in the Minneapolis wholesale market have declined recently, with the exception of eggs. Eggs have shown a strong seasonal increase, which began in May and has been very rapid since August. The price of hens on the other hand, reached the lowest point of the year on October 31. Butter prices have not shown their usual seasonal increase this fall on account of abnormally large cold storage holdings. The price of potatoes was only 90 cents a hundredweight on October 31, a decrease from the previous month and 10 cents a hundredweight lower than the price on the same date last year.

Foreign demand for United States foodstuffs is changing in important respects. Bread grains are in larger demand, and the demand for meats is diminishing. Rye production in Canada and in 18 countries of Europe is reported by the United States Department of Agriculture as more than 100,000,000 bushels below the production of the same countries last year. The effect of this shortage is now being felt in the United States, as exports of rye have been unusually heavy this year and may reach 40,000,000 bushels for the season, in the opinion of the Department.

The Department of Agriculture estimates European wheat import requirements at from 496,000,000 to 593,000,000 bushels in the year ending June 30, 1925. In the year ending June 30, 1924, Europe imported less than 532,000,000 bushels. The heavy export of wheat this fall makes it seem probable that the European import requirements will exceed those of last year. Increased import requirements are evident from the small crop returns of the United Kingdom, Italy, Germany, Greece and Switzerland. To meet this demand, it is estimated that



Our Index of All Livestock Prices at South St. Paul, Adjusted to Eliminate Seasonal Changes

the United States and Canada will each have from 190,000,000 to 210,000,000 bushels of wheat available for export. In the year ending June 30, 1924, Canadian exports amounted to about 344,000,000 bushels of wheat and the United States exported 128,000,000 bushels. Argentina will have from 150,000,000 to 170,000,000 bushels of wheat for export in 1924-1925, as compared with about 174,000,000 bushels exported last year. Exports from Australia will be about the same this year as last, exports from British India will be larger and exports from southeastern Europe will be smaller. Reports of better crops in Manchuria and Japan have caused the Department to lower its estimate of the wheat requirements of non-European deficit countries from 150,000,000 bushels to 130,000,000 bushels.

Europe is now more nearly self-sustaining in the matter of meat than at any time since 1913, according to the Department of Agriculture. The number of cattle in seven countries is within 5 per cent of the 1913 figure, sheep within 3 per cent and swine within 11 per cent of pre-war numbers. The increase in the number of swine, which is of more significance to the United States than the increase in cattle and sheep, is most pronounced in Denmark, England, Wales and Germany. This increase in swine will curtail the foreign market for United States bacon and, to a lesser extent, the foreign market for lard.

Crop Notes: State reports on November 1 indicated an increase in the acre yield of corn in each of the four states within this district, except Montana. This increase improved the four-state totals by 16,000,000 bushels, as compared with the October 1 figures, or approximately 6 per cent. The improvement for the whole United States, however, was less than 1 per cent. The four-state acre yield figure, 24.3 bushels, was slightly better than that for the entire United States, which was 23.5.

The percentage of the corn crop that is of merchantable quality in this district is extremely low, ranging from only 30 per cent in North Dakota to 44 per cent in South Dakota, while the estimate for the entire United States is only 63.2, or about 20 points below the 10 year average.

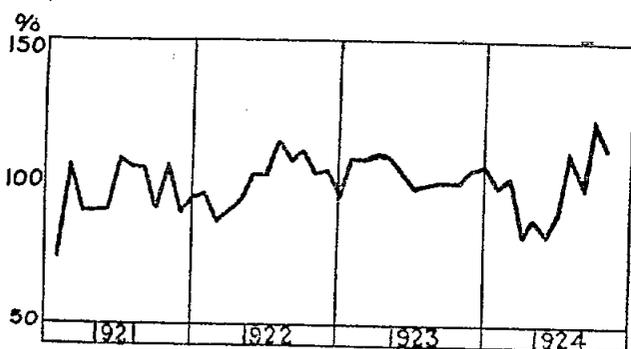
Weather conditions were favorable for flax during October. The estimated yield per acre was increased in each of our four states between October 1 and November 1. The increase was seven-tenths of a bushel in Minnesota and Montana, one-half of a bushel in North Dakota and one-tenth of a bushel in South Dakota. The November 1 preliminary estimated production for the four states of 29,868,000 bushels is almost 5,000,000 bushels greater than the first forecast made last July. This increase has been due to the unusually favorable growing condition throughout the entire season. The November 1 figure is 70 per cent greater than last year's estimate and more than 200 per cent greater than the previous five year average. The quality of the 1924

flax crop, estimated at 91.6 per cent, does not equal the high quality crop of 1922, but is higher than for several recent years.

October weather conditions were particularly favorable for potatoes in Minnesota, resulting in a 6,000,000 bushel increase between October 1 and November 1. The estimated yield per acre was increased more than 16 bushels per acre, to 132 bushels. The weather in the other three states in our district was not so favorable, resulting in declines aggregating one and one-half million bushels. Throughout the United States, there were only five commercial potato growing states that suffered reductions, three of which were Montana, North Dakota and South Dakota. The preliminary estimate for the United States, 454,119,000 bushels, exceeds the record breaking crop of 1922 by nearly a million bushels and on approximately 85 per cent of the 1922 acreage. The quality of the crop was unusually high, being estimated at 92 and 94 per cent for Minnesota and North Dakota, with slightly lower estimates for the other two states.

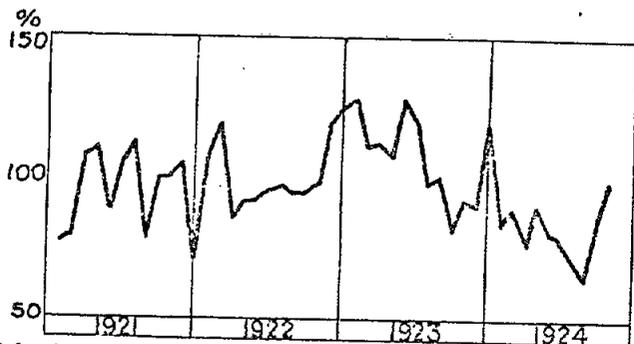
Debits to individual accounts during October at 16 cities in this district reached the unparalleled figure of \$1,108,086,000. This was 19 per cent larger than the previous record figure of October, 1920, and nearly 50 per cent larger than the total in October last year. This increase in debits is to be explained largely by the huge marketing movement of bread grains which began in September. Debits at Duluth and Minneapolis were responsible for most of the increase. Both cities made new records and several other cities located in the grain belt, also recorded new high totals during the month. Debits at Duluth were 42 per cent larger in October than debits at St. Paul. This is the first time in the course of our records that Duluth has even approached the St. Paul volume of debits. There were moderate increases over last year in debits at three lower Mississippi Valley cities which are not in the grain belt and also at South St. Paul and Sioux Falls, where the main industry is meat packing. The larger volume of debits in October this year than in October, 1920, was reached with prices much lower now than in the earlier peak period, consequently, the physical volume of business is much greater now than then. The median price of number 1 dark northern wheat in October, 1924, was \$1.50 a bushel, whereas in October, 1920, this grade of wheat was selling at \$2.20 per bushel.

Wholesale trade and the distribution of goods during October continued to show an increasing demand for goods by retailers in the Northwest. Whether this is a result of increased buying in the farming sections of the district or merely an anticipation of future buying, it is, of course, impossible to state. Representative dry goods wholesalers sold 12 per cent more goods in October than in the same month last year and about the same volume as in September. Wholesalers of shoes sold 8 per cent



Sales by Representative Wholesale Dry Goods Firms in the Ninth Federal Reserve District. Curve Adjusted to Eliminate Seasonal Changes.

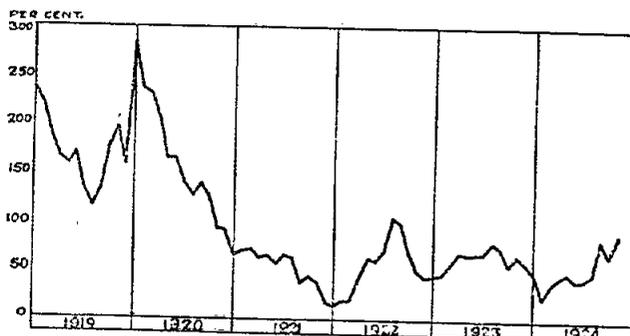
more goods in October than a year ago and 5 per cent more than in September. The wholesale shoe industry in this district has made a remarkable recovery in the last two months, from a volume 35 per cent below normal in August to a volume 1 per cent below normal in October. Sales of farm implement were 42 per cent greater in October than a year ago and almost double the volume of sales in October, 1922. There was, however, a seasonal decline of 50 per cent from the September volume of sales. Wholesale grocers reported a small increase over September and over October last year. Wholesalers of hardware were the only group whose sales did not reflect increased country buying. Their sales in October were smaller than September sales and no larger than sales in October last year. This condition was to be expected, however, in view of the fact that there is no increase in the volume of building in rural districts this fall.



Sales by Representative Wholesale Shoe Firms in the Ninth Federal Reserve District. Curve Adjusted to Eliminate Seasonal Changes.

Carloadings of various commodities forwarded into the Northwest territory, figures for which are compiled by the Minneapolis Traffic Association, exhibited practically the same changes in rural demand as have been noted above in the case of sales reports by representative wholesalers. Agricultural implement shipments totaled 109 cars in October, as compared with 82 cars in October, 1923, 63 cars in October, 1922, and 48 cars in October, 1921. If allowance is made for seasonal changes, the October volume of agricultural implement shipments was better than in any month since August, 1922. Shipments of automobiles, trucks and tires did not main-

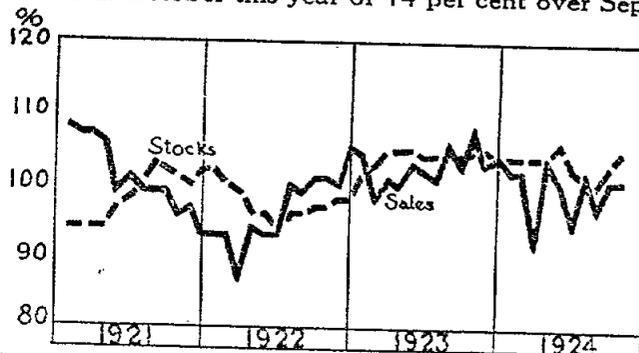
tain the September volume and were smaller than in October last year. However, October automobile shipments were larger than in the summer and larger than in October of 1920, 1921 and 1922. Shipments of building material and furniture have not shown a revival this fall, except during the month of August. In other words, they reflect the slack building situation in the country, which is also evidenced in the records of retail lumber yards and wholesale hardware dealers.



Farm Implement and Vehicle Shipments into the Northwest Trade Territory, Measured by Cars, with Seasonal Changes Removed.

Collections by wholesale firms have been good this fall, with the exception of those by shoe wholesalers. Although farm implement dealers sold 18 per cent more merchandise in the first 10 months of 1924 than in the same period a year ago, their accounts and notes receivable were 25 per cent less on November 1 than a year ago. Similar favorable comparisons between sales and receivables can be made for hardware, dry goods and grocery wholesalers. In the case of shoes, however, wholesalers reported a volume of business in the first 10 months of 1924 which was 23 per cent smaller than in the same period last year, but receivables were only 8 per cent smaller on November 1 than a year ago. Between October 1 and November 1, the receivables of farm implement firms were reduced 14 per cent, and receivables of hardware wholesalers were reduced 9 per cent. The other groups reported minor increases in this period.

Department store sales showed the customary increase in October this year of 14 per cent over Sep-



Department Store Sales and Stocks in Cities of the Ninth Federal Reserve District. Curves Adjusted to Eliminate Seasonal Changes.

tember, but the October volume of sales was 7 per cent smaller than in the same month last year. The outstanding event of October in department store activity was the rapid rise in stocks of merchandise in retailers' hands. October was the second month of this increase from the low point of August 31, and stocks are now at a level which has only been exceeded once in the last four years. Outstanding orders for merchandise, on the other hand, were smaller at the end of October than at the end of September and smaller than a year ago.

Retail lumber sales at country yards increased nearly 7 per cent in October over the September volume, but were 3 per cent smaller than last year in October. The increase in October over September sales is apparently a seasonal occurrence, for it has occurred in each of the last five years. It is, therefore, not a significant development.

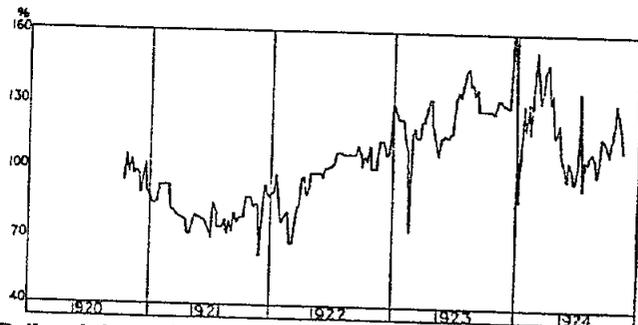
October is ordinarily the last active building month in the rural sections of this district. From November to April, building activity depends much on the weather. It is evident, therefore, from the foregoing facts that the increased cash income in the farming sections of the Northwest has not been used this fall to carry on an increased building program. Lumber retailers report that their accounts and notes receivable are now lower than at the same time in any of the preceding three years, for which this office has records. Collections are progressing satisfactorily. October collections were 24 per cent larger than collections in September and only 8 per cent smaller than collections in October a year ago, when the volume of accounts and notes receivable was much greater.

Manufacturing in this district made a better record in October than in September. Linseed manufacturing was particularly active. Shipments of linseed oil from Minneapolis in October were the largest in any month since our record began in 1910, with the single exception of April, 1913. Shipments of oil cake were larger than in any other October since 1913 and were almost double the volume of shipments in September.

Flour production, at mills outside the Twin Cities and Duluth-Superior, was slightly larger than in September and 13 per cent larger than in October last year. In fact, the October production by these mills, reported to the Northwestern Miller, was larger than in any month since October, 1919. Minneapolis flour production, on the other hand, was smaller in October than in any other October since our record began in 1910, but the October production did show a small seasonal increase over September. Total flour production in this district was 2 per cent larger in October than in September, but nearly 7 per cent smaller than in October last year.

Shipments by lumber manufacturers in the Northwest showed a slight increase in October over the September volume, instead of the usual moderate de-

cline at this season. This trend was in evidence both in the weekly carloading records of the American Railway Association for the Northwestern District and in reports to this office by representative lumber manufacturers. Shipments were in about the same volume in October as a year ago. The cut of lumber in October, on the contrary, was 49 per cent less than in September and 40 per cent less than in October last year. Manufacturers have allowed their stocks of lumber to decline 6 per cent between the end of September and the end of October and more than 1 per cent from the volume held a year ago. There is some evidence of plans for increased production next year, however, in the fact that the number of men employed in the woods by representative firms was 7 per cent larger in October than a year ago and 27 per cent larger than in September.



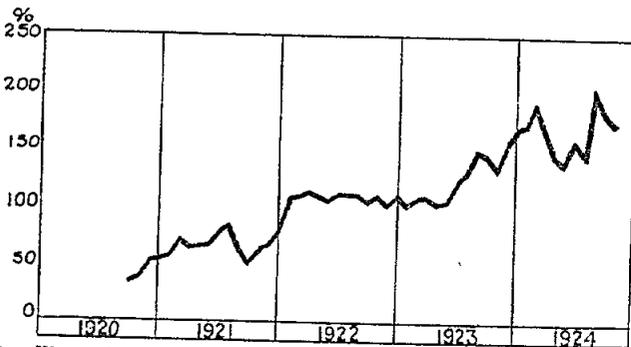
Railroad Carloadings of Forest Products in the Northwestern District by Weeks. Curve Adjusted to Eliminate Seasonal Changes.

The employment situation at Minneapolis, measured by want ads in a typical urban newspaper, has returned to a condition as favorable for the man in search of work as at any time since April of this year. This has not come about through an increase in the demand for labor, but rather through a decrease in the offered supply. Part of the unemployment of the summer months has evidently been relieved by laborers shifting their type of employment, or moving to other localities.

Building permits issued in 18 cities in this district during the month of October showed a seasonal increase of 19 per cent in valuation over the total for the month of September and were 6 per cent larger than the total in October last year. The number of permits issued was 8 per cent less in October than a year ago. The larger valuation and smaller number of permits issued indicates that larger projects are under way this fall.

Dwellings for rent continue plentiful, according to current indications. The number of "dwellings for rent" advertisements in a typical large Twin City newspaper during October was 27 per cent larger than in October last year and was much larger than in the same month in any of the other post-war years. There has been, however, a slight reduction in the number of dwellings for rent in October as compared with the two months immediately preced-

ing, even after allowance is made for the normal seasonal reduction in advertising.



Dwellings for Rent Advertisements in a Twin City Newspaper. Curve Adjusted to Eliminate Seasonal Changes

Business failures were slightly more numerous in this district in October this year than in September, but fewer than in October a year ago. The business failure situation was really more favorable in October than in September, for ordinarily there is a more pronounced increase at this time of year than has occurred this year. Business failures in October were 65 in number, with liabilities amounting to \$1,160,571, according to a report recently received from R. G. Dun and Company.

Banking conditions in this district continued to be affected during October by the rapid reduction in loans and accumulation of deposits at country banks. Loans at the Federal Reserve Bank of Minneapolis were reduced materially, and deposits from correspondent banks continued to pile up in the large Twin City member banks.

Reports from 25 selected member banks indicated an increase of 24½ million dollars in demand deposits at these banks during October. Practically all of this increase was in deposits from correspondent banks. Time deposits increased 4½ millions during the month. With these additional funds at their disposal, the banks increased their loans 17 million dollars, purchased 9 million dollars of United States and other securities and increased their reserve nearly 2 million dollars. The increase in loans was largely in the commercial classification.

During the two weeks ending November 12, our group of 25 selected city member banks reported an increase of 23 million dollars in demand deposits and an increase of 1 million dollars in time deposits. Practically none of this increase was in country bank balances and the increase is, therefore, an evidence of the larger volume of working funds in the hands of city customers. With the additional funds, these banks increased their security holdings 6 millions, enlarged their loans another 6 millions, chiefly in the classification "loans secured by stocks and bonds," added 3½ millions to their reserves and paid off the remainder of their borrowings from this Federal Reserve Bank. They also increased their balances with correspondent banks by 10 per cent in the two

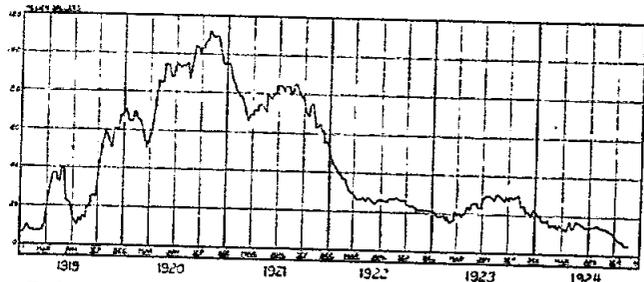
week period. November 12 was the first date since our record began in 1919 when this group of banks has not been borrowing from the Federal Reserve Bank.

Interest rates at Minneapolis commercial banks declined from an average of 4.87 per cent on October 15 to 4.69 per cent on November 15. This is the lowest rate quoted by these banks in the six year period for which this office has collected figures.

Savings deposits at Minneapolis, St. Paul and Duluth-Superior were slightly larger on November 1 than on October 1 and nearly 3 per cent larger than on November 1 last year. The average savings deposit has risen almost continuously since June 1, which was the low point at the end of the recent decline.

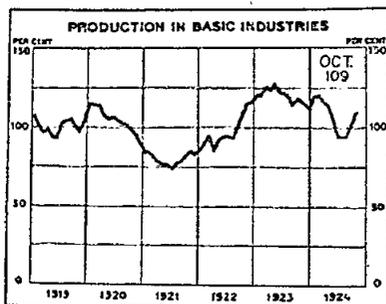
Commercial paper outstanding in this district continued during October the great increase in volume which began three months ago. On October 31 the volume was 24 per cent larger than on September 30, 43 per cent larger than on October 31 last year and larger than the volume in any other month since January, 1921.

This Federal Reserve Bank experienced a reduction of nearly 2¾ million dollars in member bank borrowings during the month of October. There was a small reduction in holdings of purchased bills and an increase of about the same amount in security holdings. Federal reserve notes in circulation increased nearly 4 million dollars in response to the more active state of business. Member bank reserve deposits increased nearly 3 million dollars. The cash reserves of this bank increased nearly 6 millions during the month.

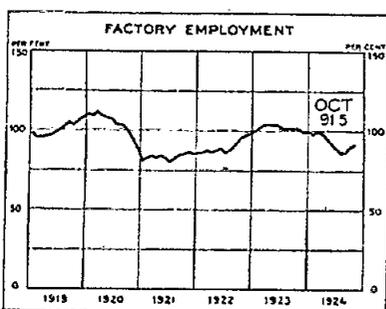


Federal Reserve Accommodation to the Ninth District.

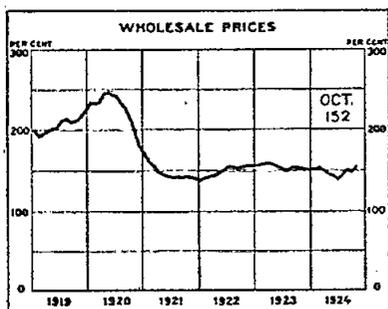
This Federal Reserve Bank experienced a further reduction in discounts of more than 1 million dollars in the two weeks ending November 12. The total discounts of this bank were on that date only \$5,630,000. Federal reserve notes in circulation increased 2 million dollars during the two week period and member bank reserve deposits were increased 4 millions. Other changes in the balance sheet were declines in purchased bill holdings and in government deposits, and increases in United States security holdings and in cash reserves.



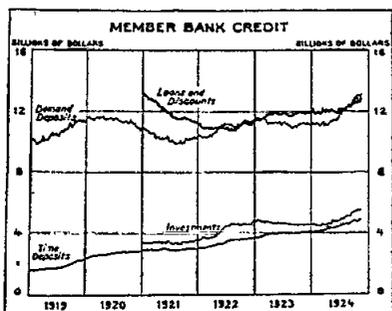
Index of 22 Basic Commodities, Corrected for Seasonal Variation. (1919 = 100).



Index for 88 Manufacturing Industries. (1919 = 100).



Index of United States Bureau of Labor Statistics. (1918 = 100, Base Adopted by Bureau).



Weekly Figures for Member Banks in 101 Leading Cities. Latest Figures in Millions, November 12.

Loans and Discounts, 12,872; Demand Deposits, 13,196; Investments, 5,560; Time Deposits, 4,828.

Summary of National Business Conditions (Compiled November 26 by Federal Reserve Board)

Production of basic commodities and factory employment showed further increases in October, and distribution of merchandise was in large volume. The general level of wholesale prices advanced, reflecting largely a rise in the prices of agricultural products.

PRODUCTION: The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, increased 6 per cent in October, and was 16 per cent above the low point of midsummer, though still considerably below the level of the early months of this year. Output of iron and steel, cotton and woolen textiles, lumber, and bituminous coal was subsequently larger than the month before. Factory employment increased 2 per cent in October, reflecting larger working forces in most of the manufacturing industries. Building contract awards increased and were 14 per cent above a year ago.

Crop estimates by the Department of Agriculture in November showed increases in the expected yields of corn, cotton, tobacco and potatoes. The movement of crops to market in October reached the largest volume in five years and exports of grain and cotton were in greater volume than in the corresponding month of any recent year.

TRADE: Railroad freight shipments were larger in October than in any previous month, owing to exceptionally heavy loadings of miscellaneous merchandise and grain. Wholesale trade increased slightly, but was 3 per cent less than in October, 1923. Sales of dry goods, shoes and hardware were considerably smaller than a year ago, while sales of groceries and drugs were larger. Department store sales showed a seasonal increase, but were 4 per cent less than last year, and sales of mail order houses and chain stores also increased and were in greater volume than in 1923. In preparation for Christmas trade, merchandise stocks at department stores increased substantially and were 2 per cent larger than a year ago.

PRICES: The wholesale price index of the Bureau of Labor Statistics rose 2 per cent in October as a result of considerable advances in the prices of farm products and foods, and slight increases in the prices of clothing and chemicals. Fuel and metal prices declined and prices of building materials and house furnishings were practically unchanged. During the first half of November, quotations on all grains, cotton, silk, copper and rubber advanced, while prices of raw sugar and bituminous coal declined.

BANK CREDIT: Loans for commercial purposes at member banks in leading cities, which had increased rapidly from the beginning of September to the middle of October, advanced only slightly in the following four weeks. The growth of loans secured by stocks and bonds was also relatively small, notwithstanding great activity in the securities market. Holdings of investments by these banks continued the increase which began in the early months of the year. A large part of the increase in demand deposits during the four weeks ending November 12, when they were higher than at any previous time, was in bankers' balances, indicating a continued movement of funds to the large centers.

At the Reserve banks an increase in earning assets was the result of larger offerings of acceptances, reflecting firmer money conditions, while discounts and holdings of United States securities remained practically unchanged during the four weeks ending November 19. The increase in acceptances carried total earning assets to the highest point since the early part of the year. Money in circulation increased in October for the third successive month, and the total on November 1 was \$215,000,000 larger than in August. Money rates continued to show a firmer tendency and by November 23 were generally from $\frac{1}{4}$ to $\frac{1}{2}$ of one per cent higher than in October.