MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

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Vol. III (Serial No. 131) Minneapolis, Minnesota December 29, 1925

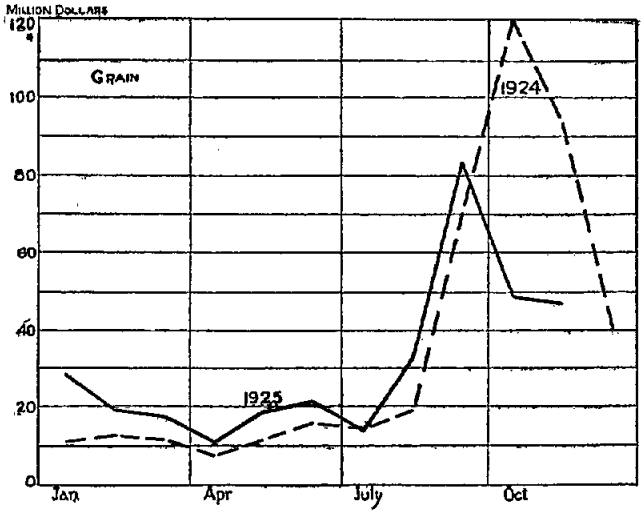
DISTRICT SUMMARY FOR THE MONTH

The outstanding events of a favorable character in business conditions during November and the early part of December in this district are the improvement in total check payments through banks in the eight wheat belt cities (November, 4 per cent, and first two weeks in December, 12 per cent), the large marketings of livestock through South St. Paul at higher prices and the increase in building permits at eighteen reporting cities of this district, all as compared with a year ago.

There has been a continuation of the noteworthy decline in the marketings of the cash grains; and the median prices obtained for them have averaged less during recent months, including November, than during the same months of last year.

Merchandising during November at retail declined both as compared with last year and with a month ago; and sales by wholesalers exhibited mixed trends. Outstanding orders of retailers for merchandise at the end of November were much less than a year ago and than a month earlier.

Carloadings in November, after correction is made for the increase in less-than-carload-lots, which represent a variable tonnage, and for iron ore because of a later season on the lakes this year, increased less than 1 per cent over a year ago.



Estimated Value of Cash Grain Receipts at Minneapolis and Duluth-Superior at median terminal prices. The grains included are bread wheat, durum wheat, rye and flax.

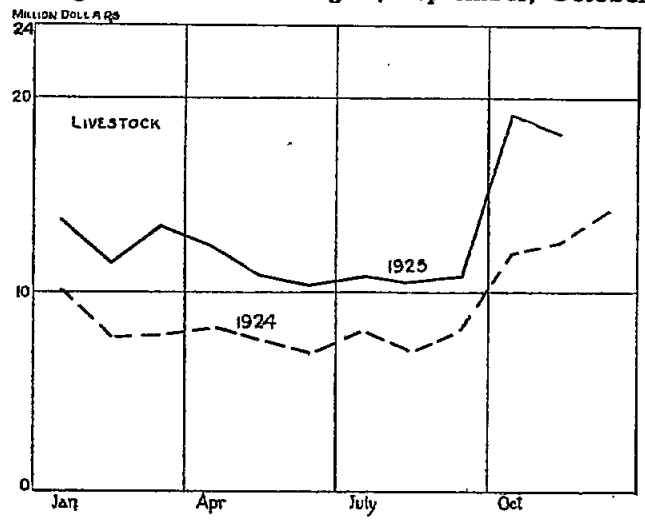
Other indexes of the physical volume of business showed mixed trends.

Check payments through banks in this district as a whole were substantially below a year ago both in October and in November, but slightly higher in the first two weeks of December than last year.

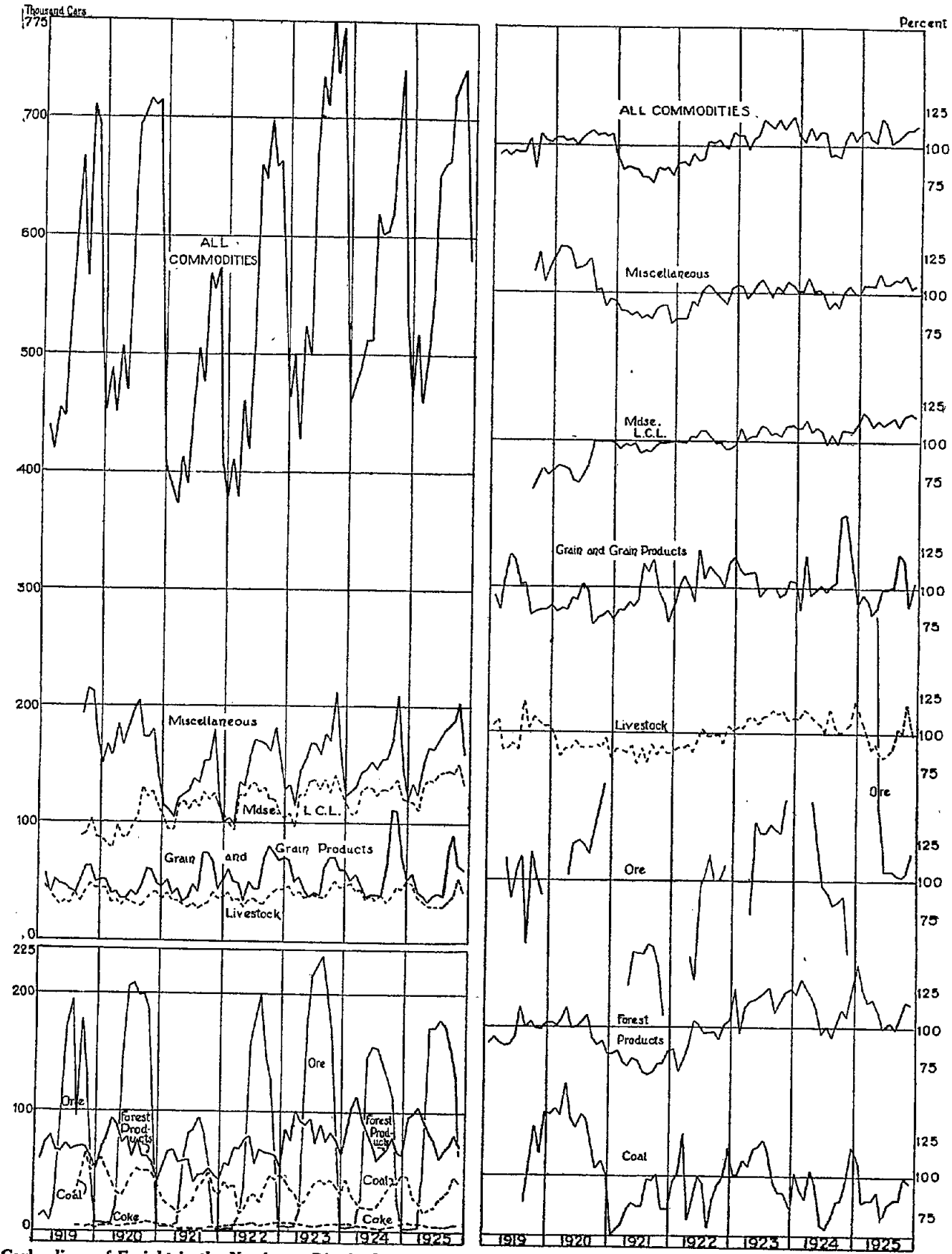
Unimportant changes were shown in banking conditions. Banks in the larger cities had an increase in demand deposits due largely to the seasonal building up of correspondent accounts by country banks. This Federal Reserve Bank had a slight increase in loans. Interest rates charged their customers by banks in the larger cities were slightly greater than a year ago, although unchanged from last month.

Prospective business activity, as reflected by building permits granted, was greater in November than a year ago, both in valuation and in the number of permits granted, and did not show the customary seasonal decline in either number or valuation as compared with the preceding month. On the other hand, building contracts awarded during the month decreased, both as compared with last year and with the preceding month.

Estimates based upon crop forecasts and the marketings of grain and livestock in this district during the months of August, September, October



Estimated Value of Livestock Receipts at South St. Paul at median terminal market prices. The livestock classes included are cattle, calves, hogs and sheep.



Carloadings of Freight in the Northwest District by months, 1919-1925. The curves on the left illustrate changes in the actual loadings; and the curves on the right illustrate monthly percentage changes from the corresponding months in a typical year.

and November of this year and last, indicate that returns to farmers in the district this year are smaller than they were in 1924.

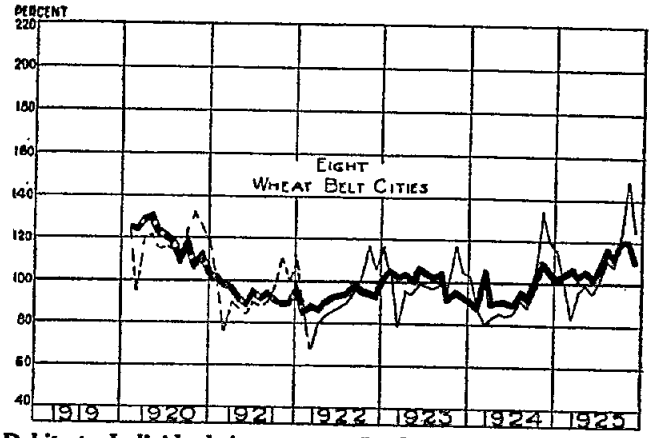
TOPICAL REVIEWS

Carloadings of freight in the Northwestern District during the month of November were 9 per cent larger than carloadings in November last year. All classifications showed increases except grains and grain products and livestock, for which there were decreases of 13 and 8 per cent, respectively. The most important increase occurred in shipments of ore, which were more than twice as large as in November last year, owing to the continuation of the movement from the mines two weeks longer this fall than a year ago. Shipments of forest products were 8 per cent larger than last year, shipments of miscellaneous commodities were 5 per cent larger, and shipments of merchandise in less-than-carload lots were 9 per cent larger. Deducting less-than-carload shipments and shipments of ore from the November figures in both years, the carloadings of other classes were less than 1 per cent larger in November this year than a year ago.

Carloadings were 22 per cent smaller in November than in October, with decreases being shown by all groups except coke. The greatest decline occurred in shipments of ore, which were less than one-half as large in November as in October. If seasonal changes be removed, the November record is seen to be better than the October record in grains and grain products, ore and miscellaneous merchandise, and not as favorable as the October record in livestock, coal, forest products and less-than-carload merchandise.

Debits to individual accounts at banks in seventeen cities of this district in November were 11 per cent smaller than the volume in November a year ago. The greater part of the decrease was due to declines at Duluth-Superior and Minneapolis, amounting to 36 and 8 per cent, respectively. There were also declines as compared with last year at Billings, Helena, Dickinson, Minot and Red Wing. The wheat belt group of cities showed an increase of 4 per cent in debits over last year in spite of declines at four out of the eight cities in this group. Debits at St. Paul were 5 per cent greater than a year ago. The three Mississippi Valley cities combined reported a 10 per cent increase. South St. Paul and Sioux Falls reported increases of 34 per cent and 26 per cent, respectively. As compared with October, the November volume of debits was lower in every city except Winona. The seventeen cities combined reported a decrease of 10 per cent from the October volume. Comparing with expected seasonal changes, it appears that the decline was more than usual in the complete group of cities and in every subdivision except Duluth-Superior.

Representative department stores in the larger cities of this district had 6 per cent smaller sales during November this year than in November a year ago. This development was not unexpected after the extremely large volume of sales in October. If sales in October and November are combined, as it is necessary to do to obtain a fair measure of this fall's business, the department stores have sold 8 per cent more goods this fall than a year ago. For the first eleven months of 1925, their sales have been 4 per cent larger than in the corresponding portion of last year. Stocks of merchandise in retailers' hands were about as large at the end of November as a year ago, and the turnover of merchandise in November this year was somewhat less than in November last year. Probably as a result of this reduced turnover, unfilled orders for merchandise placed with wholesalers and manufacturers by these retail stores were 15 per cent smaller than a year ago. November department store sales were 22 per cent smaller than sales in October, but stocks showed an increase of 2 per cent, and outstanding orders decreased 25 per cent.



Debits to Individual Accounts at Banks in Eight Wheat Belt Cities in the Ninth Federal Reserve District by months, 1920-1925. Heavy curve represents figures adjusted to eliminate seasonal changes; light curve represents actual, or unadjusted, figures. The cities included are Aberdeen, Billings, Dickinson, Fargo, Grand Forks, Helena, Jamestown and Minot.

Wholesale trade in this district was larger during November, 1925, than in the corresponding month last year in all lines except dry goods, in which line there was a decrease of 16 per cent. Sales of shoes at wholesale increased 11 per cent, hardware sales increased 4 per cent, and sales of groceries increased 3 per cent. Sales of farm implements, which are very small at this time of year, were 23 per cent larger than a year ago. As compared with the volume of wholesale trade in October, the November sales were smaller in all lines, especially in the case of shoes.

Life insurance sales in the four complete states of this district were 29 per cent larger during November than during the corresponding month a year ago. Each of these states, except South Dakota, showed an increase, that in North Dakota being most pronounced. There was a seasonal decrease in sales in November as compared with October sales.

Retail lumber sales, measured in board feet, were 3 per cent larger during November than in the corresponding month last year, and showed a 14 per cent decrease from the volume of sales in October. Whereas sales for the first seven months of 1925 were 51 per cent larger than sales in the same months of 1924, sales for the first eleven months of 1925 were only 34 per cent larger than in the corresponding portion of 1924. Stocks of lumber in retailers' hands were 4 per cent larger at the close of November than a year ago, but 9 per cent smaller than stocks at the end of October this year.

Credit extended in the Northwest to carry purchasers' accounts, or to carry increased inventories, is slightly larger this fall than a year ago. No concern is to be felt over this development at the present time because it is a natural accompaniment of increased sales, and the total has not reached large proportions. However, it is a trend which must be watched, because if credit sales become inflated the business situation throughout the country will be greatly weakened. Credit extended by retailers to their customers, as evidenced by reports from companies operating 607 retail lumber yards, was nearly 8 per cent larger at the close of November than the volume of credit extended a year ago. Credit extended by wholesalers was 2 per cent larger at the close of November than a year ago, according to the experience of seventy-five wholesale firms reporting to this office. Representative farm implement dealers reported an increase of 21 per cent in their accounts and notes receivable, shoe wholesalers reported an increase of 23 per cent and dry goods wholesalers showed an increase of 4 per cent. In groceries and hardware, wholesalers reported decreases of 4 per cent in their receivables.

Livestock receipts at South St. Paul were larger during November than a year ago for all classes. The greatest increase, amounting to 18 per cent, occurred in hogs, receipts of which have been exceeded only once during any one month in 1925. With the higher prices prevailing, the cash returns from November receipts of hogs were the largest for any month of this year. As compared with the October movement, there were declines of one-third in receipts of cattle and sheep and one-eighth in calves, but receipts of hogs showed a seasonal increase of one-fourth.

Feeder shipments were larger during November than a year ago, with pronounced increases in shipments of calves, hogs and sheep. Shipments of feeder hogs amounted to 25,000 head and have been exceeded only once in the last seven years. Feeder cattle shipments were only 5 per cent larger than in November last year, showing that the abnormally large demand for feeder cattle in October has not continued. As compared with feeder shipments in October, the November shipments were much smaller for cattle, calves and sheep, but nearly double for hogs.

Livestock prices for all important groups were higher than a year ago. As in past months, the most favorable comparison appears in hogs, for which the November median price this year was $11.10 per hundredweight, as compared with $8.25 a hundredweight a year ago. All livestock prices were higher in November than in October this year, with the exception of hogs, which declined 15 cents per hundredweight, and veal calves, which declined $1.75 per hundredweight.

This month (November) a new price index has been constructed for prime butcher steers. With this new quotation it will be possible to observe

COMPARATIVE STATISTICS OF BUSINESS IN

	Unit	November 1925	October 1925	November 1924	% Nov. 1925, of Oct., 1925	% Nov. 1925, of Nov., 1924
Debits to Individual Accounts—17 cities		$875,678,000	$978,196,000	$987,178,000	90	89
Carloadings—N. W. District	Cars	580,835	744,651	631,137	78	109
Grain Receipts at Mpls. and Dul.-Sup.—						
Wheat	Bu.	22,976,390	22,354,794	39,622,817	103	58
Corn	Bu.	742,414	387,845	389,107	191	191
Oats	Bu.	4,121,005	5,861,048	5,902,984	70	70
Barley	Bu.	3,224,827	3,868,000	4,693,049	83	69
Rye	Bu.	1,835,597	2,415,663	5,819,465	76	32
Flax	Bu.	3,522,280	5,457,793	9,043,388	65	39
Grain Stocks at End of Month at Mpls. & D.-S.—						
Wheat	Bu.	14,815,943	18,558,460	22,904,663	80	65
Corn	Bu.	57,085	36,165	305,738	158	19
Oats	Bu.	29,152,280	30,448,526	29,500,093	96	99
Barley	Bu.	3,994,813	3,452,581	2,615,843	116	153
Rye	Bu.	6,551,636	5,990,747	4,983,690	109	131
Flax	Bu.	2,124,059	3,301,704	2,095,861	64	101
Median Cash Grain Prices—						
Wheat—No. 1 Dk. Nor.	Bu.	$1.63⅝	$1.56⅝	$1.54½	104	106
Durum—No. 2 Amber	Bu.	1.40⅝	1.23½	1.60	114	88
Corn—No. 3 Yellow	Bu.	.91½	.81	1.08½	113	84
Oats—No. 3 White	Bu.	.35⅝	.35¼	.48¼	101	74
Barley—No. 3	Bu.	.61	.62½	.79	98	77
Rye—No. 2	Bu.	.79	.78	1.25½	101	63
Flax—No. 1	Bu.	2.56	2.58¼	2.64½	99	97

	Unit
Livestock Receipts at South St. Paul—	
Cattle	Head
Calves	Head
Hogs	Head
Sheep	Head
Median Livestock Prices at South St. Paul—	
Butcher Cows	Cwt.
Butcher Steers	Cwt.
Stock. & Feed. Steers	Cwt.
Veal Calves	Cwt.
Hogs	Cwt.
Lambs	Cwt.
Flour—	
Production—T. C. & D.-S.	Bbls.
Shipments from Mpls.	Bbls.
Linseed Products Shipments from Mpls.	Lbs.
Iron Ore Shipments	Tons
Coal Receipts—Dul.-Sup.—	
Soft	Tons
Hard	Tons
Retail Sales—	
28 Department Stores	
544 Lumber Yards	Bd. Ft.

the spread in price between the purchase price of feeder steers and the sale price of prime fed steers. When the price of prime butcher steers is much above the price of feeder steers, there should be a strong demand for feeder stock, unless supplies of feed are scarce and high priced. To determine the ruling price of butcher steers in each month, it has been decided to determine the median price of one-tenth of the butcher steers reported as sold at South St. Paul, that one-tenth being the steers sold at the highest prices during the month. This is a much better quotation of the price of prime butcher steers than merely the highest price received during the month.

To illustrate this point, in November the recorded sales of all grades of butcher steers amounted to 2,436 head. The highest price received was $13.50, at which price only one steer was sold. The next highest price was received for a lot of twenty-one steers sold at $13.00 per hundredweight. The third highest price was received for one steer sold at $12.00 per hundredweight. Obviously, a price from $12.00 to $13.50 per hundredweight would not be a fair quotation for prime butcher steers, because only one one-hundredth of the steers sold during the month received such a high price. If the sample of prime butcher steers is enlarged to include one-tenth of the steers, the price range was from $9.50 to $13.50, with the median falling at $10.00. This is undoubtedly a fair test of the price which may be expected by experienced livestock feeders for finished steers. Feeder steers sold during November at a median price of $6.35 per hundredweight, and the median price of prime butcher steers was about $10.00 per hundredweight, allowing the livestock feeder approximately $3.65 per hundredweight to cover the costs of labor, feeding, shipping and losses.

Wholesale produce prices on the last day of November were higher than last year for important commodities, with the exception of eggs. Creamery butter sold at 49 cents a pound in Minneapolis, as compared with 45 cents a pound a year ago. There was, however, an increase of only 1 cent a pound between the end of October and the end of November this year as compared with an increase of 8 cents a pound in the same month a year ago. Eggs sold at 46 cents a dozen at the end of November this year, as compared with 48 cents a dozen a year ago. Hens sold at 21 cents a pound, as compared with 17 cents a year ago. There was an increase of 4 cents a pound in hens during the month of November this year, while last year the price remained unchanged during the month. The price of potatoes was $4.00 a hundredweight at the end of November this year as compared with 90 cents a hundredweight a year ago.

Grain future sales during November were larger at Minneapolis and smaller at Duluth than in November last year. Combining the sales at the two cities, there was an increase of 12 per cent over last year's volume. At Minneapolis there was an increase of 20 per cent, with all grains sold in a larger volume. At Duluth, there was a decrease of 7 per cent, caused by smaller sales of rye and flax. As compared with future sales in October this year, the November sales were about one-fourth larger at both cities. Sales were larger in November than in October for all grains in both cities, except wheat at Minneapolis and flax at Duluth.

Building permits issued during the month of November at eighteen cities in this district were 38 per cent larger in valuation and 10 per cent more in number than those issued in November a year

THE NINTH FEDERAL RESERVE DISTRICT

November 1925	October 1925	November 1924	% Nov. 1925, of Oct., 1925	% Nov. 1925, of Nov., 1924
$123,386	$178,972	$120,014	68	102
49,760	57,300	42,522	87	117
423,781	332,513	360,664	127	118
93,377	140,688	85,772	66	109
$4.75	$4.50	$4.00	106	119
7.50	6.75	6.00	111	125
6.35	6.00	5.00	106	127
9.00	10.75	7.00	84	129
11.10	11.25	8.25	99	135
15.00	14.00	13.50	107	111
1,240,126	1,718,030	1,090,128	72	114
1,152,320	1,574,892	1,008,111	73	115
49,866,002	51,720,587	47,519,899	96	105
4,257,010	7,004,113	2,056,141	61	207
976,078	1,242,816	1,188,790	79	82
3,100	.....	87,431	...	4
$2,648,710	$3,382,280	$2,828,360	78	94
17,950,000	20,978,000	17,525,000	86	103

	November 1925	October 1925	November 1924	% Nov. 1925, of Oct., 1925	% Nov. 1925, of Nov., 1924
WHOLESALE TRADE—					
Farm Imps. ..... 4 firms	$169,080	$171,210	$137,980	99	123
Hardware .....18 firms	2,129,300	2,293,680	2,041,580	93	104
Shoes ..... 5 firms	755,170	927,830	678,150	81	111
Groceries .....54 firms	5,923,220	6,303,100	5,779,050	94	103
BUILDING—					
No. of Permits.....18 cities	1,759	2,140	1,589	82	110
Value of Permits....18 cities	$7,590,100	$4,864,200	$5,490,000	156	138
Contracts Awarded	5,872,200	6,932,900	6,594,400	85	89
BUSINESS FAILURES—					
Number	90	87	65	103	138
Liabilities	$963,797	$1,267,785	$2,063,142	76	47
SECURITIES SOLD—					
To Banks	$4,495,700	$3,493,900	$5,217,100	129	86
To General Public	5,392,800	6,522,400	5,518,300	83	98
9TH F. R. D. MEMBER BANKS—					
Demand Deposits	$466,660,000	$453,904,000	$503,546,000	102	93
Time Deposits	433,519,000	435,496,000	420,176,000	100	103
25 CITY MEMBER BANKS—	Dec. 16 1925	Nov. 18 1925	Dec. 17 1924	% Dec. of Nov.	% 1925 of 1924
Loans	$254,068,000	$250,574,000	$278,502,000	101	91
Securities	116,375,000	108,744,000	107,974,000	107	108
Demand Deposits	239,048,000	233,152,000	266,782,000	103	90
Time Deposits	109,132,000	108,327,000	102,924,000	101	106
Borrowings at F. R. Bank...	2,537,000	603,000	.....	421	...
MINNEAPOLIS F. R. BANK—					
Loans to Member Banks	6,298,551	4,098,167	4,563,774	154	138
F. R. Notes in Circulation...	69,292,905	67,353,625	72,142,395	103	96

ago. As compared with the October volume of permits, the November volume did not show the expected decreases. The valuation of permits in November was 56 per cent larger than the valuation of permits in October, although there is usually a decline of about 12 per cent. The number of permits issued decreased only 18 per cent, as compared with an expected decrease of 40 per cent.

Building contracts awarded in this district during November were 11 per cent smaller than those awarded in November last year, according to the compilation of the F. W. Dodge Corporation. This decrease occurred in spite of increases of 37 per cent in residential building, 38 per cent in industrial building and 74 per cent in educational building. The most important decrease was in the item of public works and utilities, for which the volume of contracts awarded in November of this year was less than 10 per cent of the volume awarded in the same month last year. Commercial building decreased 31 per cent and there were less important declines in contracts awarded for hospitals and institutions, public buildings, religious and memorial buildings and social and recreational buildings.

November contracts were 15 per cent smaller than October contracts, due to declines in public works and utilities, hospital and institutional contracts, religious and memorial building contracts and contracts for public buildings. Residential and industrial contracts were about as large in November as in October. Educational building contracts were three and one-half times as large in November as in October, and there was a 37 per cent increase in commercial building contracts.

Banking developments during November and the first half of December were of small significance. There were small reductions in borrowings by member banks in the rural portions of the district and country banks increased their deposits with city correspondents.

Demand and time deposits of member banks in this district increased 9 million dollars, or 1 per cent, during the month ending November 25. In the smaller cities, with less than 15,000 population, there was an increase of 3 million dollars in deposits; and in the larger cities, there was an increase of 6 million dollars. Since member banks in the larger cities include the reserve city banks which are experiencing increases in country bank deposits, it is probable that a large part of the increase in total deposits in the larger cities is a reflection of country bank conditions.

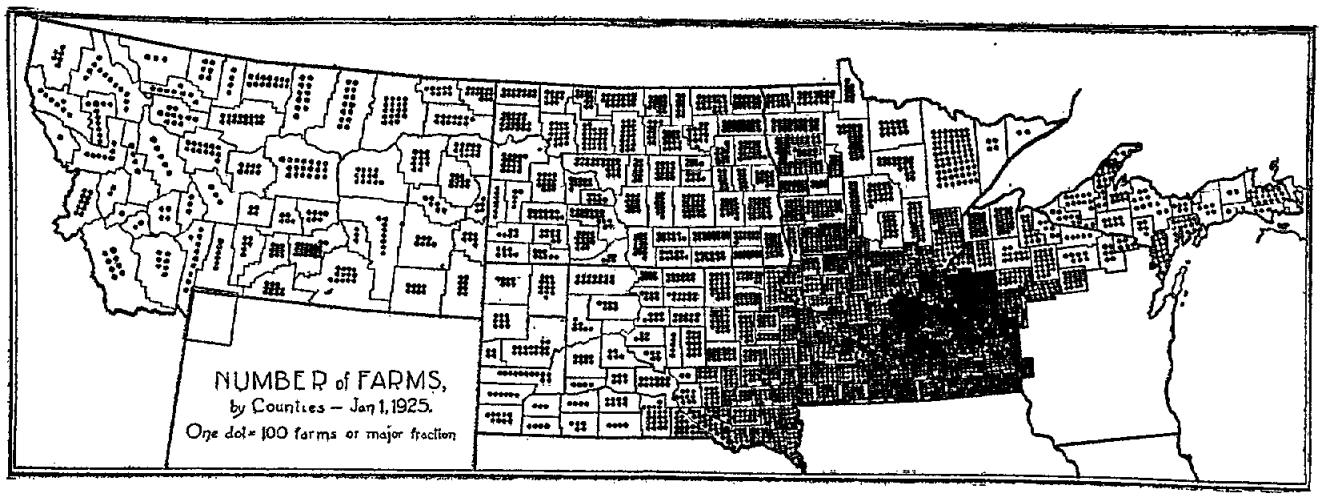
The twenty-five city member banks reporting weekly to this office, experienced an increase of 7 million dollars in demand deposits during the four weeks ending November 25. Their commercial loans (the class "all other") expanded nearly 3 millions and their loans secured by stocks and bonds were increased 1 million dollars, while security holdings increased one-half million dollars. During the two weeks ending December 9, these banks experienced a further increase of 5 million dollars in demand deposits, partly offset by a decline of 1 million dollars in time deposits. Their loans secured by stocks and bonds increased more than 3 millions and their security holdings increased nearly 2 millions, while "all other" loans remained unchanged. As a result of the gradual increase in earning assets, the total loans and investments of these banks reached the highest point of the present crop year on December 9, but were 6 per cent smaller than on December 10, 1924, which was the peak of last year's expansion. The increases in deposits at these banks were apparently in those deposits due to country banks, for six of these banks which report this latter classification separately experienced an increase of 3⅓ million dollars in deposits "due to banks" in the four weeks ending November 25 and an increase of 4½ millions during the next two weeks.

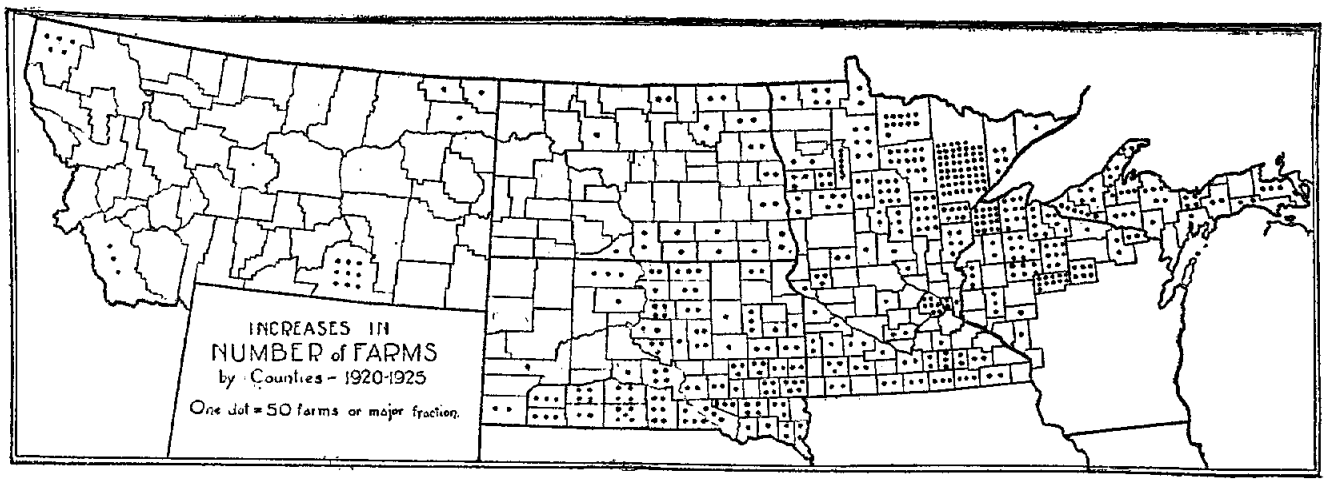
This Federal Reserve Bank experienced very slight increases in loans to member banks during the seven weeks ending December 16. In the four weeks ending November 25, there were increases in loans to member banks in South Dakota, Wisconsin and Michigan, partly offset by decreases in loans to member banks in Minnesota, North Dakota and Montana. During the succeeding three weeks ending December 16, a further slight increase was occasioned by increased borrowings by Twin City member banks, which more than counterbalanced decreases in the other states. This bank reduced its holdings of purchased bills 7 million dollars during the four weeks ending November 25, but again increased its holdings of such bills by 13 million dollars during the following three weeks. Federal reserve notes in circulation increased 1½ millions during the four weeks ending November 25, and an additional 1 million dollars in the three weeks ending December 16. Member bank reserve deposits increased 3½ millions in the four weeks ending November 25 and a further 1½ millions in the following three weeks.

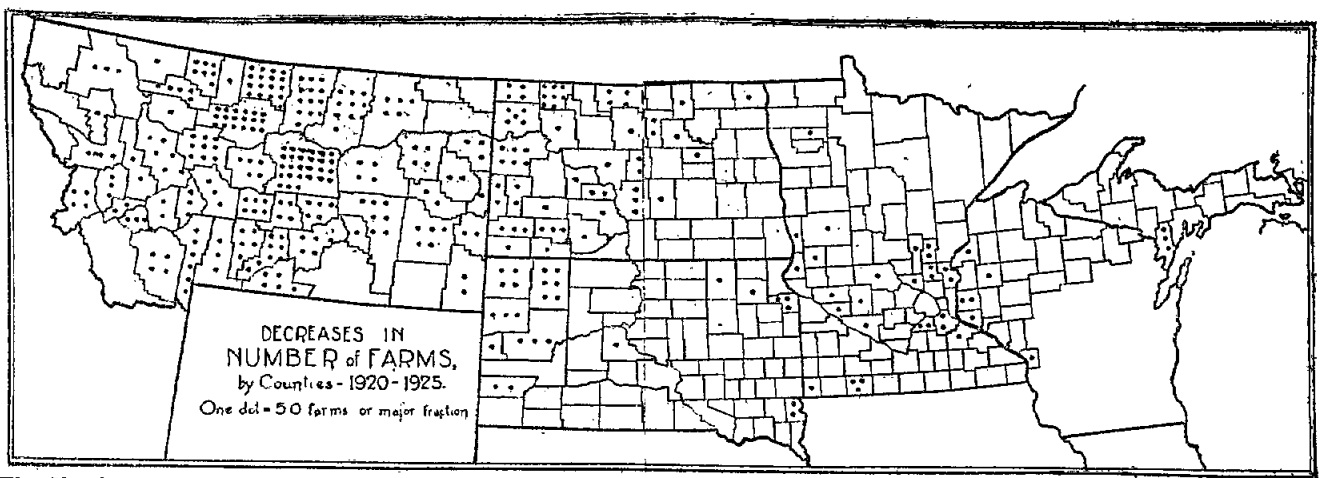
Savings deposits at twenty-six representative banks throughout this district were 7½ per cent larger on December 1 this year than a year ago, although the number of depositors increased only 1 per cent. The greatest increases occurred in St. Paul, Minneapolis and upper Michigan banks. Savings deposits were practically unchanged in volume between November 1 and December 1 this year.

Commercial paper outstanding in this district increased 7 per cent between October 31 and November 30 this year, which is more than the expected increase, but the volume on the latter date was 27 per cent smaller than the volume outstanding a year earlier.

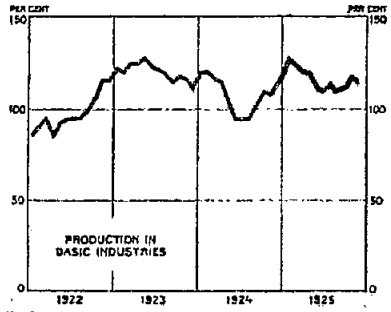
Interest rates quoted by Minneapolis commercial banks on loans to customers were practically the same on December 15 as on November 15, but were slightly higher than a year ago on December 15.



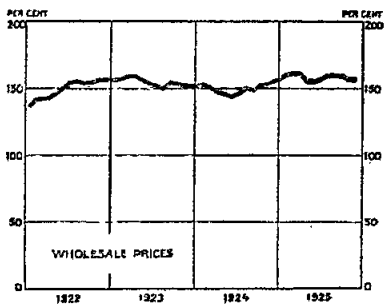




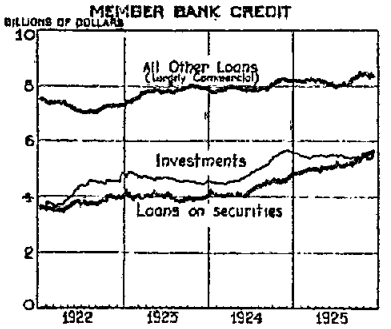
The Number of Farms in the Ninth Federal Reserve District by Counties, January 1, 1925, and Increases and Decreases in the Number of Farms between 1920 and 1925. Source: United States Census Reports.



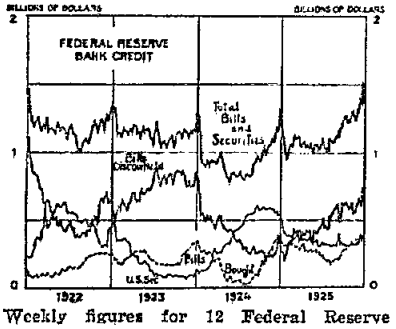
Index of 22 basic commodities corrected for seasonal variations. (1919 = 100.) Latest figure: November, 115.



Index of United States Bureau of Labor Statistics. (1913 = 100, base adopted by Bureau.) Latest figure: November, 158.



Weekly figures for member banks in 101 leading cities. Latest figures in millions: December 16, All Other Loans, 8,389; Investments, 5,512; Loans on Securities, 5,680.



Weekly figures for 12 Federal Reserve Banks. Latest figures in millions; December 23, Total Bills and Securities, 1,505; Bills Discounted, 764; Bills Bought, 370; United States Securities, 360.

Summary of National Business Conditions

(Compiled December 25 by Federal Reserve Board)

Production of basic commodities in November continued in about the same volume as the month before, and the general level of prices remained unchanged. Activity of wholesale and retail trade was below the record level of October, but larger than in November of last year.

PRODUCTION: Output of basic industries included in the Federal Reserve Board's index of production was at about the same rate in November as in October, but, owing to a smaller number of working days, the index declined by about 1 per cent. Increases occurred in average daily production of pig iron, steel ingots, copper, and bituminous coal, and in the consumption of cotton, while the production of flour, sugar, and meat products declined. Automobile production in November was seasonally less than in October, but continued large for this time of the year. Employment and payrolls in manufacturing industries showed small increases in November as compared with October. Employment and workmen's earnings increased in the machinery industries, while in food products and tobacco and in the clothing industry there were seasonal declines. Building contracts awarded were smaller in November than in October, but were large when compared with the volume for November of previous years.

Final estimates by the Department of Agriculture in 1925 indicate that the acreage of all crops harvested was slightly larger than in 1924, but that the aggregate production of crops was in about the same volume. Yields of cotton, corn and tobacco were considerably larger than last year, while the production of wheat, oats, potatoes, and hay was smaller.

TRADE: Sales in leading lines of wholesale trade showed the usual decline in November from the seasonally high levels in October, but continued larger than in the corresponding month of any of the past five years. Total volume of trade at department stores and mail order houses was smaller than in October, owing largely to the smaller number of business days in November. However, department store sales were the largest on record for November and sales at mail order houses were the largest for that month in the past six years. Merchandise stocks at department stores showed considerably more than the usual increase in November and were 4 per cent larger than in November of last year. Distribution of commodities by railroads during November reached new high levels for the month. Movements of merchandise and miscellaneous commodities, coal, and coke were larger, while those of livestock, grain and forest products were somewhat smaller than in November of the two preceding years.

PRICES: Wholesale prices, according to the index of the Bureau of Labor statistics remained the same in November as in October. Prices of livestock, meats, and cotton goods declined, but these decreases were offset in the general average by advances in the price of grains, fuel, lumber, and rubber. In the first three weeks of December prices of wheat, flour, and hardwood lumber were slightly higher than in November, while quotations on cattle, cotton, coke, copper, and hides were lower.

BANK CREDIT: At member banks in leading cities the volume of credit outstanding on December 9 was near the high level reached early in November. Loans for commercial and agricultural purposes declined somewhat during the period, and there was also a decrease in the banks' security holdings; continued growth of loans on securities, however, was sufficient to offset these reductions and the total of loans and investments remained practically unchanged.

At the reserve banks the seasonal demand for currency and credit resulted in an increase of total bills and securities in December to the highest level in nearly four years. This increase in reserve bank credit in use has been in the form of discounts for member banks, as the volume of purchased bills held changed but little between the middle of November and the middle of December, and holdings of United States securities also remained constant, except for a temporary increase connected with treasury financing on December 15. Money in circulation increased by $71,000,000 between November 1 and December 1, and the continued demand for currency in December was reflected at the reserve banks both in increased federal reserve note circulation and in a decline in cash reserves. During the latter part of November and the early part of December open market rates on commercial paper and acceptances remained substantially unchanged. Later in December increased demand for credit and currency, largely seasonal in character, was reflected in firmer money conditions.