

MONTHLY REVIEW

OF AGRICULTURAL AND BUSINESS CONDITIONS IN THE NINTH FEDERAL RESERVE DISTRICT

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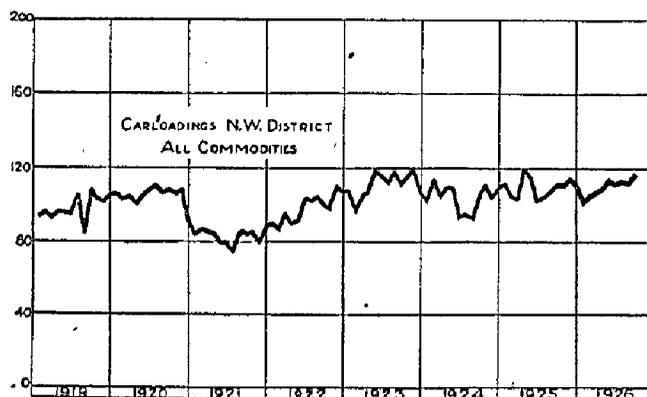
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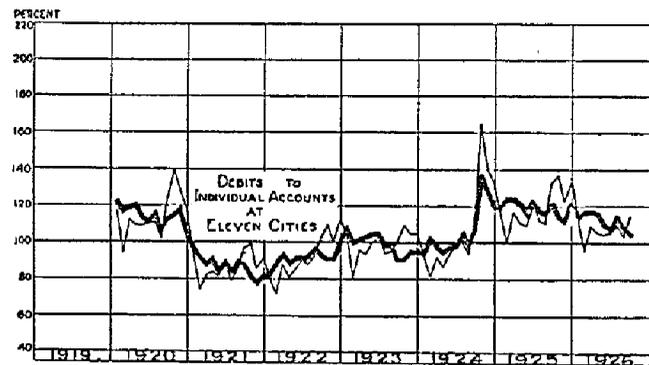
DISTRICT SUMMARY FOR THE MONTH

The physical volume of business, as reflected by carloadings in the northwestern district during September increased 3 per cent more than the customary seasonal advance, and totaled 5 per cent more than in September last year. All groups of commodities showed increases as compared with the seasonal expectancy, except miscellaneous commodities and grains and grain products. An increase of 56,000 carloads for iron ore offsets the decrease of 31,000 carloads of grain and grain products, and is the prime cause of the total increase shown over last year. Receipts of all grains at terminals were below last year, except receipts of corn. Live stock receipts at terminals were greater in volume and sold at better prices than last year and last month. The increase for the year in the receipts of cattle and hogs was largely unfinished animals which went out again as feeders to the country. Shipments of linseed products and of lumber by manufacturers were both below September of last year. Flour shipments from Minneapolis were above last year, last month and the usual seasonal increase.



Freight Carloadings in the Northwestern District by Months 1919-1926. Curve adjusted to eliminate seasonal changes.

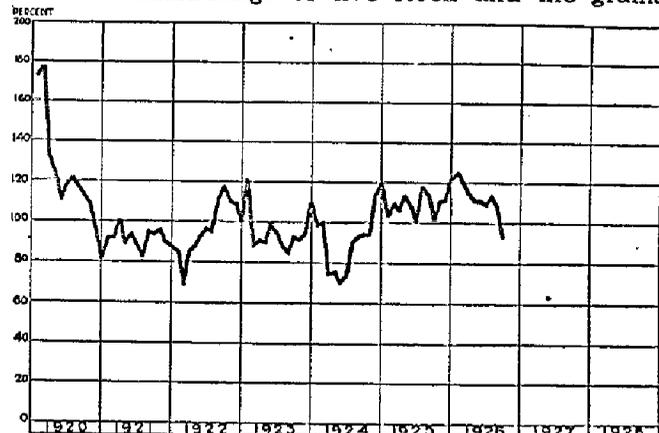
The money value of business in this district in September, as reflected in the total volume of check payments made through banks at representative cities, was 12 per cent less than a year ago and the smallest September total since 1923. The slump in grain marketing accounts for much of this decline, but the declines in the median prices of bread wheat, corn, barley and flax also were more significant than



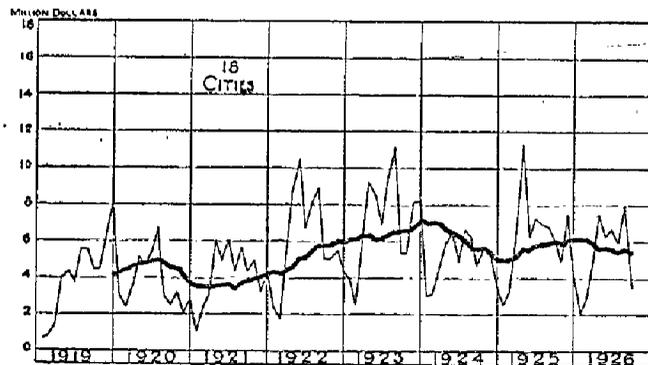
Debits to Individual Accounts at Banks in Cities of the Ninth Federal Reserve District. Heavy curves represent figures adjusted to eliminate seasonal changes; light curves represent actual, or unadjusted, figures. The "Eleven Cities" include Minneapolis, St. Paul, Duluth, Superior, and seven others reporting to us since 1920.

the gains shown in the median prices of durum, rye and oats as compared with last year. Declines were not shown in the live stock receiving centers; and our group of Mississippi Valley Cities had higher totals relative to seasonal trends than at any time since early in 1923. As compared with last month, the volume of check payments increased; but the increase was 4 per cent less than the customary seasonal increase.

Potential purchasing power made available in this district in September, as indicated by the money value of marketings of live stock and the grains



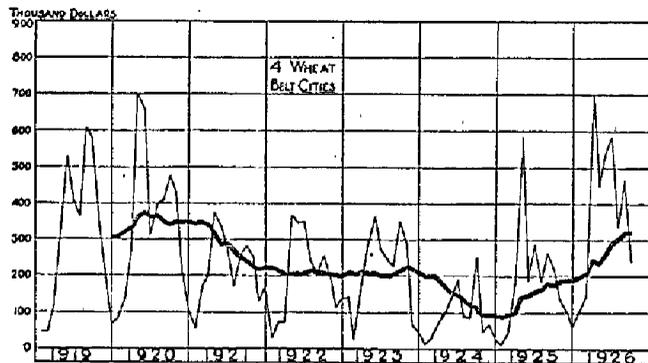
Lumber Sales by Retail Yards in the Ninth Federal Reserve District, with Seasonal Changes Eliminated.



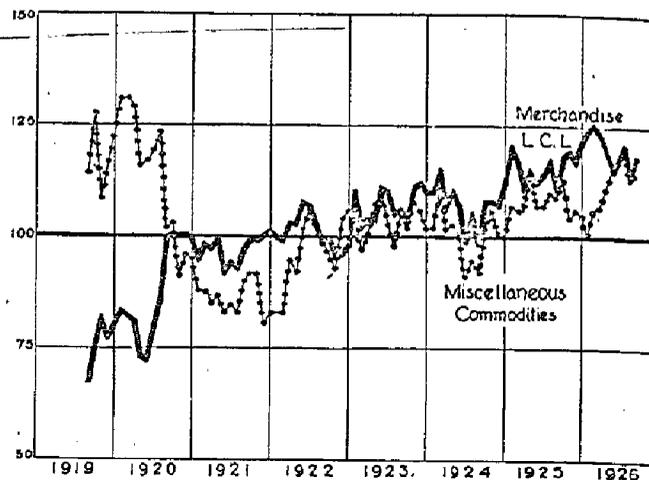
Valuation of Building Permits issued at 18 Cities in Ninth Federal Reserve District. Light curve, actual figures, heavy curve, 12 months moving average.

combined at our terminals during the month, declined 33 per cent, as compared with September of last year, in spite of the gains in live stock income. A large part of this decline was due to the fact that September was a rainy month, impairing road conditions and delaying threshing operations. Sales of lumber, as reported in board feet, by 514 retail yards scattered throughout this district, declined 21 per cent as compared with last September and declined 19 per cent as compared with August, the customary decline in the latter figure being but 4 per cent at this time of year. Sales by department stores in the larger cities were 2 per cent greater in September than a year ago.

The total valuation of building permits granted during September in eighteen reporting cities of this district was 44 per cent below the same month of last year; however, gains were shown in our groups of wheat belt and mixed farming cities. The total was the smallest shown for any September since 1920. As compared with last month, the total valuation of building permits declined 56 per cent, whereas the usual decline is 39 per cent at this season. After eliminating seasonal trends by means of a twelve months' moving average, the total valuation of building permits has shown a steady decline since January, 1926, for these



Valuation of Building Permits Issued at 4 Wheat Belt Cities (Fargo, N. D.; Great Falls and Helena, Mont.; Aberdeen, S. D.) Light curve, actual figures; heavy curve, 12 months moving average.



Freight Carloadings of Miscellaneous Commodities in Carload Lots and Merchandise in Less-than-carload Lots in the Northwest by Months 1919-1926. The curves have been adjusted to eliminate seasonal changes.

eighteen reporting cities and a steady increase since January, 1925, for our group of four wheat belt cities.

Forward buying, as reflected in the ratio of carloadings of miscellaneous merchandise to less-than-carload lots of merchandise in the northwestern region, declined 6 per cent in September as compared with August, after making proper allowance for the usual seasonal trends. According to the same method of computation, the loadings of carlot merchandise have declined for two consecutive months, and the loadings of fractional carlots have increased the last month. Sales by wholesalers were lower in September than a year ago in all lines reporting to us, the largest declines being shown for implements, dry goods and shoes.

Banking conditions this fall reflect less liquidating power in the current crop than prevailed last year.

THE BANKING SITUATION DURING THE CROP MOVING PERIOD

Smaller crops and a movement to market much later than usual have delayed and diminished the customary autumn return to banking liquidity in this district. Deposits subject to reserve and available for loans and investments did not increase as much during September as they did a year ago in September. In the smaller cities and towns, which are very close to agriculture, deposits at member banks decreased one million dollars this year between August 25 and September 22, whereas a year ago they increased eight million dollars between the corresponding dates. In the larger cities, deposits increased nine million dollars this year between the above dates, as compared with an increase of 13 million dollars a year ago.

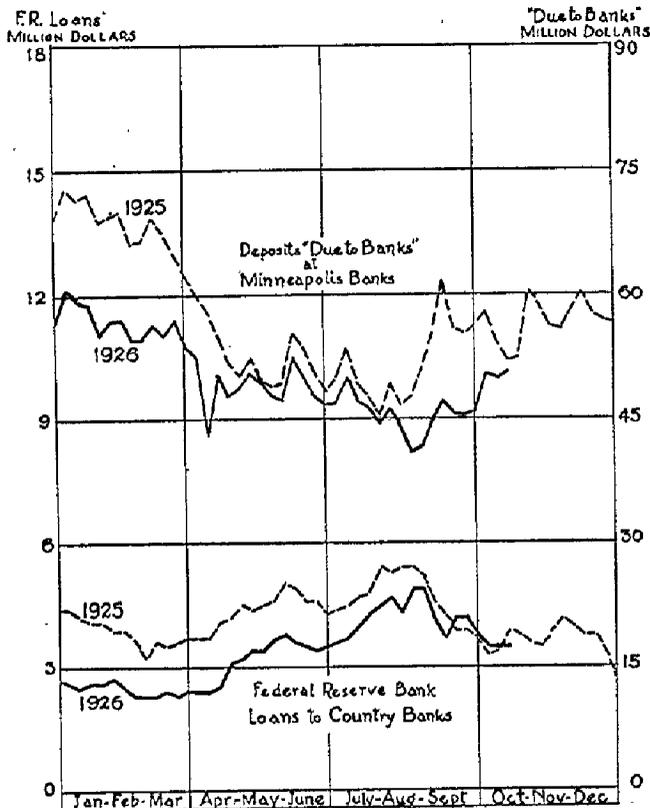
Further evidence of the delay in the effect of the crop on country bank conditions is given in the chart

below, which shows the course of the two most sensitive indexes of country bank conditions now available. In this chart it is very apparent that country member banks have not been able to repay their loans to this Federal Reserve Bank as rapidly as a year ago. Last year between August 26 and October 14, two million dollars of borrowed money were paid back by country banks to this Federal Reserve Bank. In 1926 during the corresponding seven weeks, less than 1½ millions were repaid to this bank. A similar picture of conditions is given by the curves in the upper half of the chart, where it is clearly seen that country banks have not deposited as large sums with their correspondent banks this year as a year ago and that the flow of these funds to the city banks has been much delayed this year.

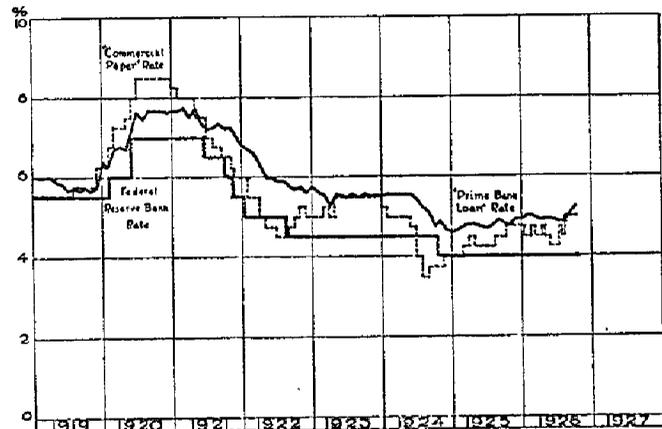
City member banks in this district have experienced a noticeable increase in the utilization of their loanable funds for commercial purposes during the crop moving period from August 25 to October 20. Although deposits increased 26 million dollars during this period, a large part of the increase (20 million dollars) represented checks in process of collection and balances due from banks. During the same seven week period, loans largely for commercial purposes increased 21 million dollars, and it was necessary to increase vault cash and reserves with this Federal Reserve Bank by four mil-

lion dollars. To obtain the funds necessary for increasing commercial loans and reserves, investments were sold in the amount of nine million dollars, and loans secured by stocks and bonds were reduced four millions. Borrowings from this Federal Reserve Bank remained unchanged. The portion of the funds required, which was not obtained from the above named sources, may have been obtained by borrowing from banks other than the Federal Reserve Bank. Of the increase of 26 million dollars in total deposits, 16 million dollars was in deposits "due to banks," nine millions in individual demand deposits and four millions in time deposits. State, county and municipal deposits were reduced two million dollars and United States Government deposits decreased slightly.

Interest rates charged by Minneapolis banks on prime customers' loans have risen sharply in response to the pressure for loans noted in the above paragraphs. The chart below shows the course of interest rates at Minneapolis. It will be noted that the increase of nearly one-half of 1 per cent in the last two months was the most rapid upward movement since 1920. The Minneapolis commercial bank loan rate was approximately 5¼ per cent on October 15, which was the highest rate quoted by these banks since June, 1924. This rate was 1¼ per cent higher than the Minneapolis Federal Reserve Bank rate on October 15. Commercial paper rates charged the borrower, have advanced ¾ of 1 per cent since June, and now stand at 5 per cent, which is the highest level reached since May, 1924. These commercial paper rates are probably one of the most sensitive indexes of banking conditions in this district, because they reflect demand for banking funds and the supply of banking funds not needed by customers but available for short term investment.



Country Bank Condition in the Northwest as Indicated by Federal Reserve Bank Loans and Deposits with City Correspondent Banks.



Interest rates at Minneapolis on Prime Bank Loans, Commercial Paper and Federal Reserve Bank Loans, 1919-1926.

An analysis of commercial paper outstanding gives a further clue to the reason for the increase in rates. It is customary for the volume of commercial paper outstanding to increase about 1¼ million dollars during the month of September.

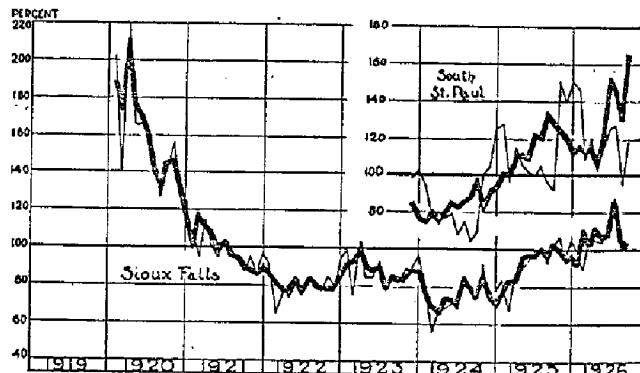
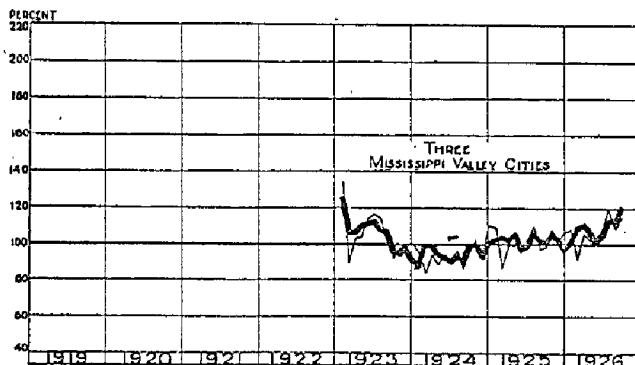
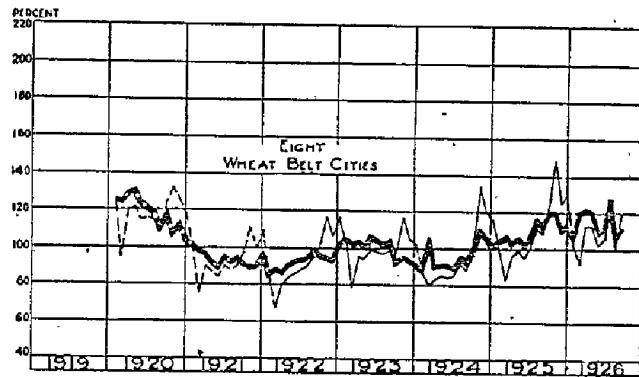
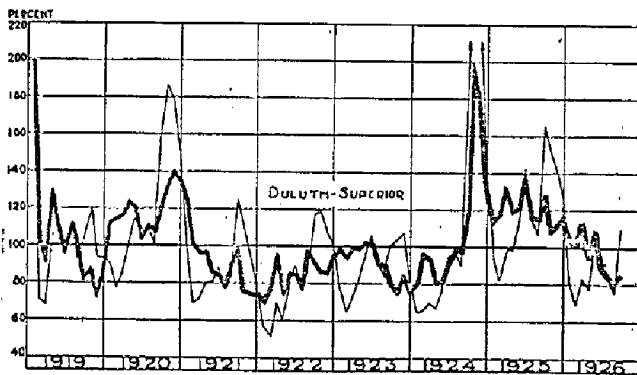
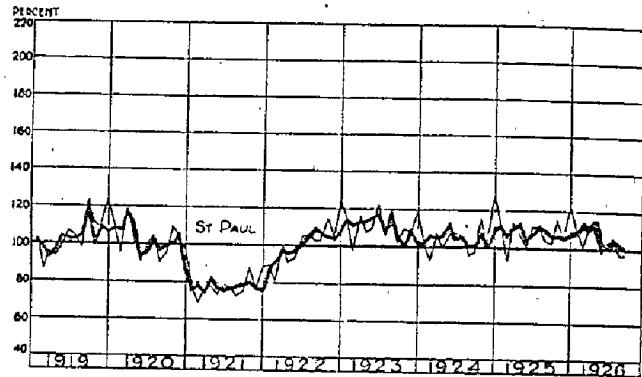
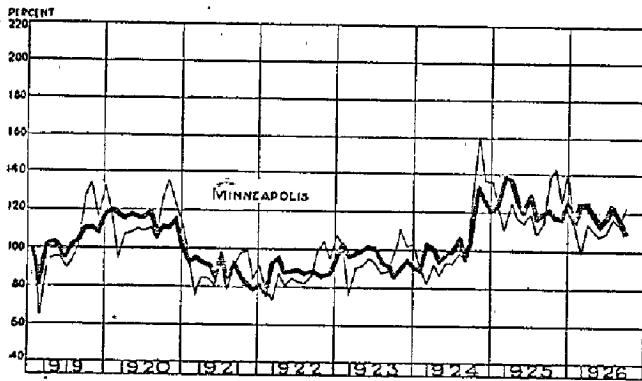
This year the increase was only three-fourths of a million dollars. The volume outstanding on September 30 was the smallest volume outstanding on that date in any year since 1922.

Sales of securities to bankers during September were less than one-half as large as in September last year, reflecting again the smaller amount of funds available for investment this fall.

At this Federal Reserve Bank there has been an increase during the period in total bills and securities of 6½ millions, in Federal reserve notes in circulation of nearly five millions and in member bank reserve accounts of five millions. Analysis of the holdings of bills and securities shows that United States securities increased seven millions, purchased

bills increased 1½ millions, bills discounted for member banks decreased 1½ millions, and other investments decreased ½ million.

Crop reports on October 1, issued by the Agricultural Statistician in each of the four complete states in the Ninth Federal Reserve District—Minnesota, Montana, North Dakota and South Dakota—indicated that all late crops suffered from unfavorable weather in the latter half of September. Unusually large amounts of rain caught much of the flax and wheat in the shock, and prevented threshing, with consequent deterioration in quality. Extremely cold weather, reaching zero in Montana, froze some of the corn in each state, but did little damage to flax and potatoes. Information regarding the crops in each state is given below:



Debits to Individual Accounts at Banks in Cities and Regional Groups of Cities in the Ninth Federal Reserve District. Heavy curves represent figures adjusted to eliminate seasonal changes; light curves represent actual figures.

Minnesota: One half the corn crop suffered a reduction in quality from the frost, but the crop was sufficiently advanced so that the frost only reduced the production forecast about five per cent. Potatoes were well matured ahead of the frost so there was little damage from that source, but the excessive moisture has delayed digging. The large amount of moisture in the soil may seriously affect the quality of the crop, particularly of that portion grown on low lands, as these potatoes may not stand up in storage. The preliminary estimates of yields and production of oats and hay show but little improvement over the early summer forecasts. The lack of rain prior to July 1 lowered the condition of these crops to such an extent that the somewhat more favorable weather during the latter part of the summer brought no noticeable betterment.

Montana: Only one-third of the corn crop in Montana was mature when the freezing weather came in late September. Most of the balance was badly frozen and will not only store poorly, but will make inferior feed. The reported zero weather at many points reduced the potato production forecast fifteen per cent. One-third of the wheat was either standing or was in the shock on October 1, and has had its quality greatly reduced by the wet weather. The amount of rainfall was not as great

in Montana as in the states in the eastern part of the Ninth Federal Reserve District, but the intervals between rains have not been long enough to permit the drying of the grain so that threshing operations could be resumed.

North Dakota: Seventy-five per cent of the corn crop in North Dakota was frosted. The winter feed situation, however, is reported to be better than it was a month earlier, owing to rains reviving the pastures. A considerable portion of flax was immature at the time of the frost, and most of the balance was in the shock. Both flax and wheat in the shock have been damaged by rains, but, nevertheless, the quality of the wheat is only 1 per cent below last year's high quality crop and is 4 per cent above the average of the last ten years.

South Dakota: While only 60 per cent of South Dakota's corn crop was mature at the time of the first killing frost, 70 per cent was fully matured in the East Central and Southeastern sections, where corn is the principal crop. Over half of the immature corn in these two sections was in the "hard dough" stage, leaving less than 15 per cent to be classified as "soft." Acre yields for all crops in this state are low, chiefly due to insufficient rainfall early in the season and at the time the grains were filling.

OCTOBER 1 PRODUCTION FORECASTS AND PRELIMINARY ESTIMATES OF YIELD AND PRODUCTION BY STATES WITH COMPARISONS

United States Department of Agriculture

(Yields in bushels per acre—Production in thousands, i. e., 000's omitted)

	CORN			FLAX			POTATOES		
	Forecast	Forecast	Production	Forecast	Forecast	Production	Forecast	Forecast	Production
Minnesota	10-1-26 148,373	9-1-26 156,003	1925 156,852	10-1-26 7,825	9-1-26 7,892	1925 7,600	10-1-26 26,773	9-1-26 27,135	1925 26,772
Montana	5,026	6,031	6,484	975	939	1,220	3,045	3,552	3,780
North Dakota	22,380	23,633	24,816	7,397	7,273	8,768	7,056	6,944	7,280
South Dakota	101,076	104,267	83,405	2,644	2,511	3,801	3,422	3,198	3,965
Four States	276,855	289,934	271,557	18,841	18,615	21,389	40,296	40,829	41,797
United States	2,679,988	2,697,872	2,905,053	19,492	19,255	22,018	350,821	351,558	325,902

	SPRING BREAD WHEAT				DURUM WHEAT				ALL SPRING WHEAT			
	1926		1925		1926		1925		1926		1925	
	Preliminary Estimate	Yield	Production	Yield	Preliminary Estimate	Yield	Production	Yield	Preliminary Estimate	Yield	Production	Yield
Minnesota	22,535	12.3	24,232	13.2	2,590	14.0	2,158	15.2	25,125	12.5	26,390	13.0
Montana	37,517	12.3	30,563	10.5	876	8.5	1,210	10.0	38,393	12.2	31,773	11.0
North Dakota	45,193	7.2	63,629	10.2	38,869	9.4	48,749	14.5	84,062	8.1	112,378	11.7
South Dakota	6,130	4.2	16,464	10.5	5,664	6.0	14,476	13.8	11,794	4.9	30,940	11.8
Four States	111,375	8.9	134,888	10.7	47,999	8.9	66,593	14.2	159,374	8.9	201,481	11.7
United States									213,336	10.2	270,875	12.9

	OATS				BARLEY				TAME HAY			
	1926		1925		1926		1925		1926		1925	
	Preliminary Estimate	Yield	Production	Yield	Preliminary Estimate	Yield	Production	Yield	Preliminary Estimate	Yield	Production	Yield
Minnesota	128,963	28.5	202,188	42.0	30,275	25.0	33,630	30.0	2,790	1.17	4,132	1.75
Montana	17,420	26.0	14,355	22.5	4,475	25.0	3,276	21.0	1,894	1.55	2,034	1.65
North Dakota	43,129	17.0	72,873	30.2	28,643	14.3	42,930	22.5	874	.90	1,452	1.62
South Dakota	29,486	11.5	100,198	34.0	10,900	10.0	23,608	26.0	1,035	.85	1,520	1.32
Four States	218,998	21.3	389,614	35.3	74,293	16.6	103,444	25.3	6,593	1.14	9,138	1.62
United States	1,282,414	27.9	1,511,888	33.3	196,762	22.3	217,497	26.4	83,158	1.41	86,723	1.46

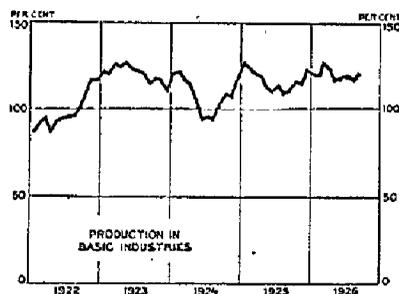
COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

Debits to Individual Accounts—	Unit	September 1926	August 1926	September 1925	% Sept. 1926 of Aug. 1926	% Sept. 1926 of Sept. 1925
17 cities		\$816,717,000	\$731,896,000	\$924,981,000	112	68
Minneapolis		420,792,000	386,878,000	474,560,000	109	89
St. Paul		152,327,000	152,028,000	161,397,000	100	94
Duluth-Superior		106,141,000	72,393,000	158,807,000	147	67
8 Wheat Belt Cities.....		61,367,000	52,806,000	65,425,000	116	94
3 Mississippi Valley Cities.....		20,703,000	19,572,000	17,559,000	106	118
South St. Paul.....		37,321,000	29,840,000	29,087,000	125	128
Sioux Falls		18,066,000	18,379,000	18,146,000	98	100
Carloadings—Northwestern District—						
Total	Cars	770,529	751,237	731,452	103	105
Grains and Grain Products.....	Cars	60,483	53,523	91,258	113	66
Livestock	Cars	45,948	35,403	38,443	130	120
Coal	Cars	37,291	28,283	35,872	132	104
Coke	Cars	7,114	6,629	5,079	107	140
Forest Products	Cars	72,851	68,090	73,415	107	99
Ore	Cars	209,671	215,127	153,630	97	136
Merchandise—L. C. L.	Cars	145,204	148,844	144,306	98	101
Miscellaneous	Cars	191,967	195,338	189,449	98	101
Building Permits—						
Number—18 Cities		1,839	2,013	2,313	91	80
Value—18 Cities		\$3,459,200	\$7,910,200	\$6,126,100	44	56
Minneapolis		1,579,100	1,897,500	2,239,000	83	71
St. Paul		960,100	1,689,400	2,669,300	57	36
Duluth-Superior		186,300	716,200	478,100	26	39
4 Wheat Belt Cities.....		242,800	463,500	214,900	52	113
6 Mixed Farming Cities.....		424,800	3,059,800	413,700	14	103
4 Mining Cities.....		66,100	83,800	111,100	79	59
Building Contracts Awarded—						
Total		\$9,119,300	\$8,571,200	\$9,472,900	106	96
Residential		2,661,200	2,910,700	2,963,900	91	90
Commercial, Industrial & Utility.....		3,996,200	3,214,600	3,794,700	124	105
Educational		414,000	1,059,400	626,000	39	66
All other		2,047,900	1,386,500	2,088,300	148	98
Grain Receipts at Minneapolis and Duluth-Superior—						
Wheat	Bu.	27,267,454	15,995,898	43,549,044	170	63
Corn	Bu.	1,273,529	669,795	308,568	190	413
Oats	Bu.	3,664,194	4,758,869	14,913,179	77	25
Barley	Bu.	4,769,246	1,990,592	12,426,567	239	38
Rye	Bu.	3,183,368	1,031,651	5,897,998	308	54
Flax	Bu.	2,148,117	1,015,055	5,739,659	212	37
Grain Stocks at End of Month at Minneapolis and Duluth-Superior—						
Wheat	Bu.	17,949,456	6,666,077	19,849,815	269	90
Corn	Bu.	1,040,934	397,927	94,838	261	1,098
Oats	Bu.	27,841,627	24,958,179	31,109,870	111	89
Barley	Bu.	3,193,860	2,483,089	4,020,063	129	79
Rye	Bu.	7,338,818	6,102,657	4,727,986	120	155
Flax	Bu.	787,605	753,308	2,039,302	104	39
Median Cash Grain Prices—						
Wheat—No. 1 Dark Northern.....	Bu.	1.48½	1.56⅞	1.58¼	95	94
Durum—No. 2 Amber.....	Bu.	1.40½	1.59¾	1.26½	88	111
Corn—No. 3 Yellow.....	Bu.	.76⅝	.81	.90½	95	85
Oats—No. 3 White.....	Bu.	.36⅞	.37½	.36⅞	98	102
Barley—No. 3	Bu.	.60	.61	.64	98	94
Rye—No. 2	Bu.	.93½	.95⅞	.84¾	98	110
Flax—No. 1	Bu.	2.34	2.44½	2.58	96	91

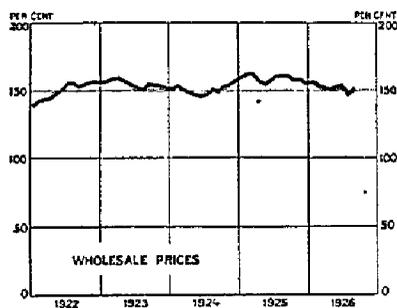
COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

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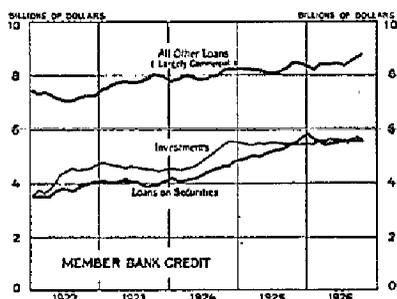
Unit	September 1926	August 1926	September 1925	% Sept. 1926 of Aug. 1926	% Sept. 1926 of Sept. 1925
Livestock Receipts at South St. Paul—					
Cattle	143,807	103,416	94,731	139	152
Calves	50,478	43,717	39,855	115	127
Hogs	188,515	142,191	158,727	133	119
Sheep	112,867	44,387	81,404	254	139
Median Livestock Prices at South St. Paul—					
Butcher Cows	\$5.75	\$5.75	\$4.50	100	128
Butcher Steers	7.75	9.00	6.00	86	129
Prime Butcher Steers	10.50	10.15	104
Stocker & Feeder Steers	6.00	6.00	5.75	100	104
Veal Calves	12.00	11.00	9.00	109	133
Hogs	12.75	10.50	9.40	121	136
Heavy Hogs	11.25	9.75	115
Lambs	13.00	13.25	12.25	98	106
Ewes	6.00	6.00	100
Flour—					
Production—Twin Cities & Duluth-Superior	1,363,392	1,053,760	1,535,856	129	89
Shipments from Minneapolis	1,372,885	1,035,223	1,342,195	133	102
Linseed Products Shipments from Minneapolis. Lbs.					
	35,951,826	24,536,383	38,755,777	147	93
Retail Sales—					
21 Department Stores	\$2,619,170	\$2,165,870	\$2,565,950	121	102
514 Lumber Yards	16,462,000	20,268,000	20,832,000	81	79
Retail Merchandise Stocks—					
19 Department Stores	\$7,090,160	\$6,779,750	\$7,760,850	104	91
477 Lumber Yards	102,144,000	109,822,000	112,324,000	93	91
Life Insurance Sales (4 States)					
	\$21,774,000	\$23,266,000	\$23,400,000	94	93
Wholesale Trade—					
Farm Implements—6 firms	344,640	886,640	472,850	39	73
Hardware—13 firms	2,225,020	1,953,360	2,311,270	114	96
Shoes—5 firms	805,050	732,650	938,790	110	86
Groceries—46 firms	5,521,590	5,664,730	5,876,490	97	94
Business Failures—					
Number	95	85	66	112	144
Liabilities	\$1,106,200	\$631,509	\$405,371	175	273
Securities Sold—					
To Banks	1,727,500	2,160,600	3,925,300	80	44
To General Public	4,789,800	4,622,100	5,974,900	104	80
Ninth Federal Reserve District Member Banks—					
Net Demand Deposits	420,655,000	409,868,000	458,587,000	103	92
Time Deposits	436,744,000	439,558,000	433,357,000	99	101
24 City Member Banks—					
	Oct. 20 1926	Sept. 15 1926	Oct. 21 1925	% Oct. '26 of Oct. of Sept. 1925	% Oct. of Oct. 1925
Loans	\$249,519,000	\$236,772,000	\$246,126,000	105	101
Securities	106,941,000	115,407,000	109,161,000	93	98
Net Demand Deposits Subject to Reserve ..	209,354,000	209,779,000	224,624,000	100	93
Time Deposits	122,264,000	119,263,000	109,361,000	103	112
Borrowings at Federal Reserve Bank	9,226,000	5,045,000	4,166,000	183	221
Minneapolis Federal Reserve Bank—					
Loans to Member Banks	12,662,197	9,230,908	8,097,884	137	156
Federal Reserve Notes in Circulation	65,531,545	63,454,140	67,357,855	103	97



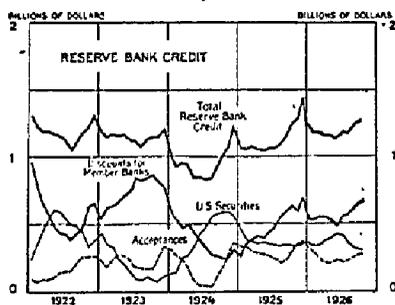
Index of 22 Basic Commodities adjusted for seasonal variations (1919=100). Latest figure, September, 121.



Index of United States Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure, September, 150.5.



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first weekly report dates in October.



Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 22 days in October.

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

Industrial and trade activity increased in September and is at present in considerably larger volume than in mid-summer. The price of cotton has declined sharply within recent weeks, while prices of most groups of commodities have advanced. The volume of bank credit has increased seasonally, and money rates have remained firm.

PRODUCTION: Production in basic industries and factory employment and payrolls, according to the Federal Reserve Board's indexes, after changing but little for about four months, advanced in September to the highest points since last spring. The increase has been particularly large in textile mill activity. Consumption of cotton has increased considerably, woolen mill activity is the largest since January, and employment has increased in nearly all branches of the textile industry. Iron and steel production was maintained from early in August until the latter part of October at a level higher than for the corresponding period of previous years. Automobile output was reduced in September but continued larger than a year ago. Mining of coal has steadily increased since mid-summer, and the weekly run of crude petroleum from wells in October reached the highest level since June of last year. Building contracts awarded during August and September were only slightly smaller in value than the awards for the corresponding period of last year and in the first half of October far exceeded those of a year ago. A substantial decline in contracts for residential structures has been largely offset by increases in awards for industrial and engineering projects. The Department of Agriculture's October 18 estimate placed cotton production at 17,454,000 bales, an increase of about three-quarters of a million bales over the estimate made on the first of the month and of 1,350,000 bales over last year's crop.

TRADE: Wholesale trade and retail trade increased in September and were slightly larger than last year. Inventories of department stores increased slightly more than is usual in September, and at the end of the month were about as large as a year ago. Railroad freight carloadings reached new high weekly records in September, and shipments were maintained during the early weeks of October in much larger volume than in previous years. A great part of the increase as compared with last year is due to shipments of coal and ore, but loadings of manufactured commodities have also been larger.

PRICES: The general level of wholesale prices advanced slightly in September and October, notwithstanding the drop in the price of cotton to the lowest level since 1921. The Bureau of Labor Statistics index of wholesale prices was about 1 per cent higher in September than in August, reflecting advances both in agricultural and in non-agricultural commodities. In recent weeks, prices of corn, non-ferrous metals, and paper have declined, while prices of livestock, meats, poultry and dairy products and bituminous coal have increased.

BANK CREDIT: Between September 22 and October 20, the seasonal increase in the demand for credit for agricultural and commercial purposes was reflected in a continued growth in the commercial loans of member banks in leading cities. Loans on securities and holdings of investments declined, but the banks' total loans and investments were about \$60,000,000 larger on October 20 than four weeks earlier.

At the Reserve banks, the volume of member bank borrowing, after considerable fluctuations in response to temporary conditions, was in October at about the same average level as in September. There was little change in the banks' holdings of United States Securities, while acceptance holdings continued to increase, as is usual at this season.

Except for a temporary firming around the first of October, there has been little change in the condition of the money market. Rates on commercial paper and on acceptances have remained at the levels established in September.