

# MONTHLY REVIEW

## OF AGRICULTURAL AND BUSINESS CONDITIONS IN THE NINTH FEDERAL RESERVE DISTRICT

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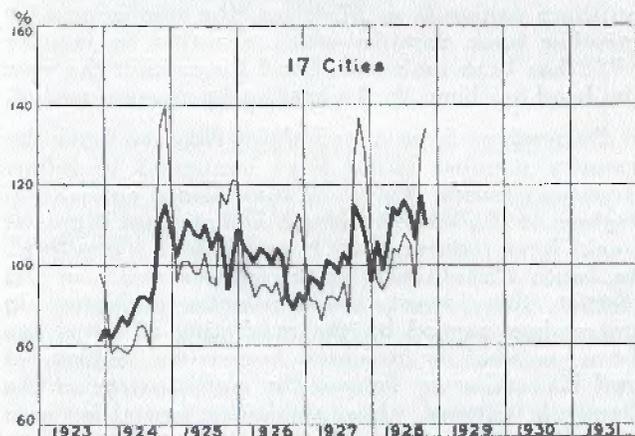
### DISTRICT SUMMARY OF BUSINESS

The volume of business in the Ninth Federal Reserve district during October and the first half of November, was fully equal to that of the same period a year ago. The volume outside of the larger cities exceeded the volume a year ago. In the larger cities, the volume was slightly under last year's totals for the corresponding period.

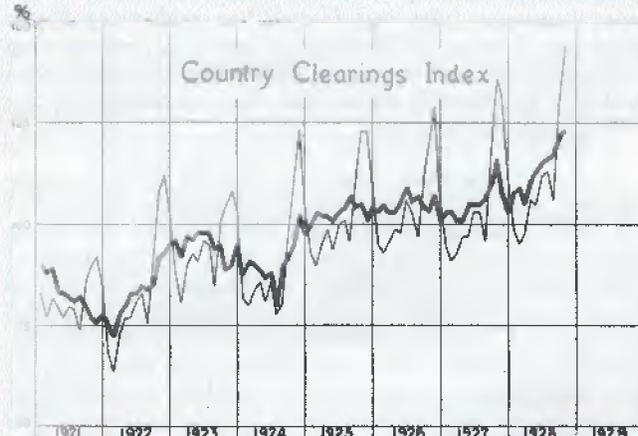
The daily average of debits to individual accounts in October was 2 per cent smaller than the average in October last year. Minneapolis, St. Paul and Duluth reported smaller volumes of debits to individual accounts, as compared with last year, and the smaller cities in the wheat belt and mixed farming regions reported increases. In the first two weeks of November, debits were 3 per cent under the level of last year, although nine of the seventeen cities showed increases. The country check clearings index for October increased 6 per cent over October last year. In the first half of November, country check clearings were 12 per cent larger than in the corresponding period last year. Building permits and contracts, freight carloadings of miscellaneous commodities and ore, postal receipts,

linseed product shipments, country lumber sales and wholesale hardware sales exceeded the records of October last year. Security sales, department store sales, furniture sales, wholesale shoe and grocery sales, flour production and carloadings of grains, livestock, coal and forest products were smaller than in October last year. Business failures reported by R. G. Dun and Company were seventy-four in number during October 1928, as compared with eighty-eight in October 1927.

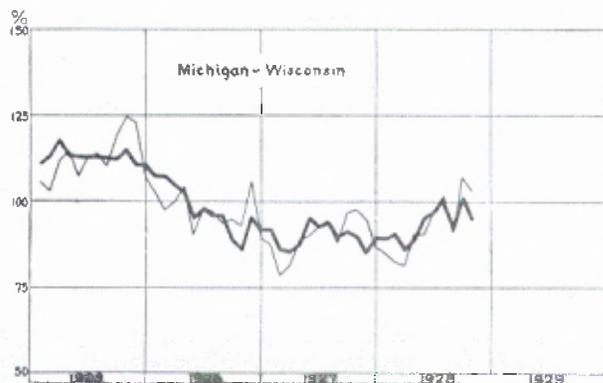
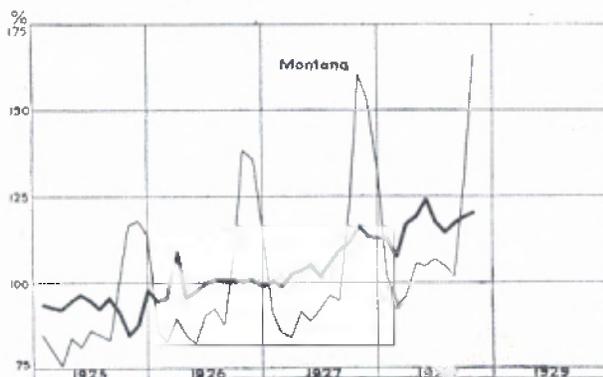
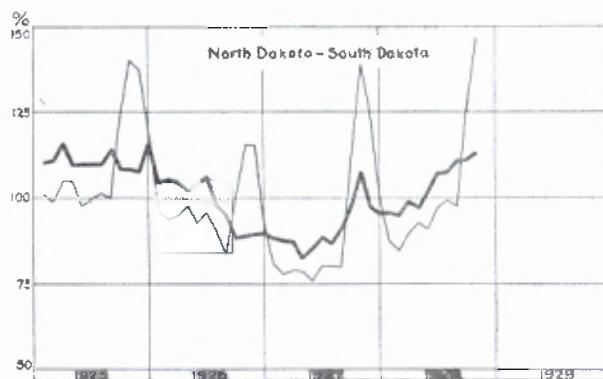
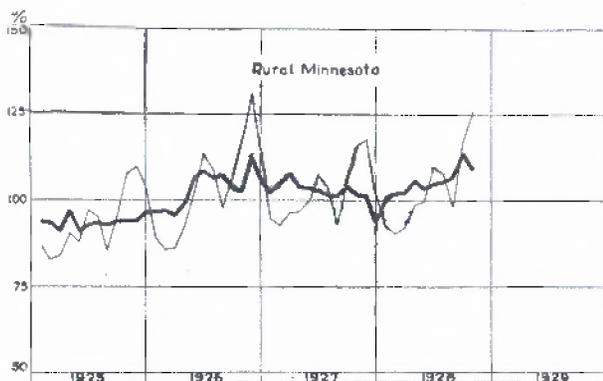
Farm income from cash crops and hogs was 14 per cent smaller in October than in the corresponding month last year. Wheat receipts during August, September and October amounted to 113 million bushels, as compared with 121 million bushels in the corresponding months last year, in spite of the fact that the 1928 crop exceeded the 1927 crop. The income from dairy products during September exceeded the September income from this source a year ago by 34 per cent, or 5 million dollars. October prices of corn, rye, flax, milk, hens, butcher cows and steers, feeder steers and veal calves exceeded prices a year ago. Prices of wheat, oats, barley, butter, eggs, potatoes, prime butcher steers, hogs and lambs did not exceed last year's October prices.



Debits to Individual Accounts at Banks in Seventeen Cities in the Ninth Federal Reserve District. The heavy curve represents figures adjusted to eliminate seasonal changes; the light curve represents unadjusted figures as percentages of the average month.



Country Check Clearings Index for the Ninth Federal Reserve District. The light curve represents figures without seasonal adjustments. The heavy curve represents figures with seasonal adjustments.



Regional Subdivisions of the Country Check Clearings Index for the Ninth Federal Reserve District. The light curves represent figures without seasonal adjustments. The heavy curves represent figures with seasonal adjustments.

### DISTRICT SUMMARY OF BANKING

In the fall of the year, interest always centers around the financial results of the crop. With available statistical records, the first two evidences of crop effects are revealed by country member bank deposits and country bank borrowing from the Federal Reserve Bank. Both records indicate that the 1928 crop was reasonably satisfactory. Deposits at country member banks increased 5 per cent between July and November and were 5 per cent larger than in November last year, which was the high point of the year. However, deposits have not yet recovered all of the loss sustained during 1926 and the first half of 1927.

Country member banks in North Dakota experienced the largest increase from July to November of any of the states, but this increase did not bring the deposits of North Dakota back to the level of the preceding November. In Montana, there was almost no seasonal decline in deposits during the spring and summer months of 1928, and the increase in deposits which occurred this fall brought the total deposits for country member banks in that state up to the highest level in the six years for which monthly figures are available. In South Dakota, deposits have climbed quite steadily from the low point in the summer of 1927, and the gain this fall brought the deposits of country member banks in South Dakota back to the level of De-

ember 1925. In Minnesota, country deposits have not shown much change for two years. A small upward movement this fall has brought the level of country member bank deposits in Minnesota to a higher point than was reached in any of the minor fluctuations of 1927 and 1928, but not back to the level of 1926. Country member bank deposits in the part of Wisconsin located in this district have been receding for the last few months, but continue to be higher than a year ago. In the northern peninsula of Michigan, the gain in country member bank deposits which occurred in January 1928 has been maintained and throughout the year the level has been the highest in the six-year period.

Borrowings from the Federal Reserve Bank by country member banks have continued to follow divergent trends typical of the various agricultural regions of the district. North Dakota and Montana banks have reduced their borrowings to a low level. In South Dakota and in the eastern states of the district, the August and September reduction in borrowings caused by the marketing of crops has been replaced by increased borrowings in October and November to finance the requirements of the livestock industry, whose marketing period is somewhat later in the year. A small amount of reduction in the borrowing of banks in the livestock district occurred in the two weeks ending November 14.

In the larger cities, the member banks have experienced an increase in deposits during the last

MILLION DOLLARS

MILLION DOLLARS

COUNTRY MEMBER BANK DEPOSITS

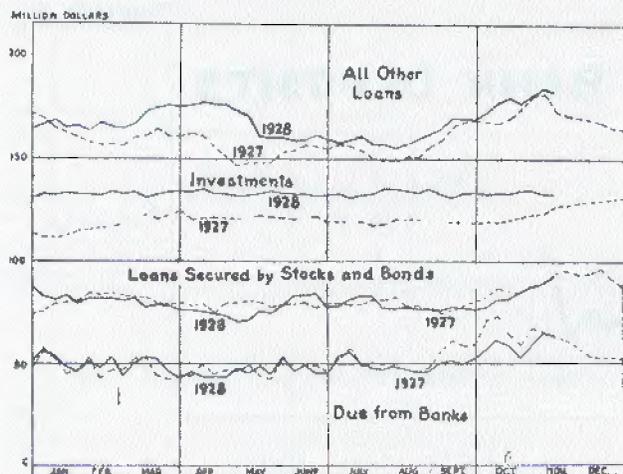


Country Member Bank Deposits in the Ninth Federal Reserve District. These country member banks are all member banks in cities with less than fifteen thousand population. The scales have been exaggerated to make the changes in deposits more apparent.

few weeks equalling the increase in 1927, although the ownership of these deposits is somewhat different in 1928 from the condition a year ago. On November 14, deposits "due to banks" were 12 million dollars smaller than on the corresponding date last year; other demand deposits were 10 million dollars larger and time deposits were 4 million dollars larger. Deposits of public funds were 1 million dollars smaller.

The principal assets of these city banks were larger on November 14 than a year earlier. Commercial loans (the "all other" classification) were

9 million dollars larger than last year and showed only a slight decline from the preceding week, which was the highest point reached since the spring of 1925. Investment holdings were 3 million dollars larger than a year ago, but have shown no increase this fall, which is at variance with the usual seasonal increase. Loans secured by stocks and bonds were 2 million dollars smaller than a year ago; deposits "due from banks" were at the same level as last year and items in process of collection were 6 million dollars larger than a year ago. With deposits no larger than last year and assets some-



Principal Assets of Selected City Member Banks in the Ninth Federal Reserve District, Weekly 1927 and 1928.

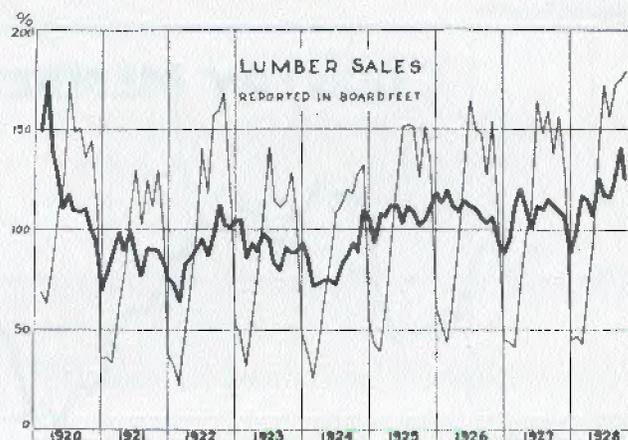
what increased over last year's volume, the borrowings of these banks from the Federal Reserve Bank were 14 million dollars larger than a year ago.

#### COUNTRY LUMBER RECORDS 1920-1928

The condition of the country lumber trade is a useful index to include in the general knowledge of country business conditions. For this district, this index is based on reports from companies operating more than five hundred retail lumber yards in the Northwest, all of which are outside of the larger cities. The information has been collected by the Federal Reserve Agent of Minneapolis for nearly nine years. Consolidations and other changes in the reporting companies have made necessary a revision of the figures and the opportunity thus afforded was used for a thorough revision of seasonal corrections. Charts are presented below, giving the revised country lumber records from 1920 to 1928, inclusive.

These charts show about the same picture of changes in the lumber business of the rural part of the district during the last nine years that has occurred in general business in the territory. The effects of good and bad crops are clearly perceptible. Probably the most useful of the curves is that of lumber sales measured in board feet. In this series price changes are not a factor. In the chart below the heavy curve shows the trend of these sales, after removing seasonal influences. The curve begins with a high level of sales in the early months of 1920, when agriculture was expanding its plant under the stimulus of war time prices for farm products. The decline from February 1920 to December 1920 was very sharp. The lumber business was at a low level of sales throughout 1921 and the first two months of 1922. A short revival occurred in 1922, reaching a peak in September of that year coincident with the peak of marketing of the large 1922 crop.

The year 1923 and the first half of 1924 was a period of recession to practically the same level as had existed in the first two months of 1922. The last half of 1924 witnessed a revival in the lumber



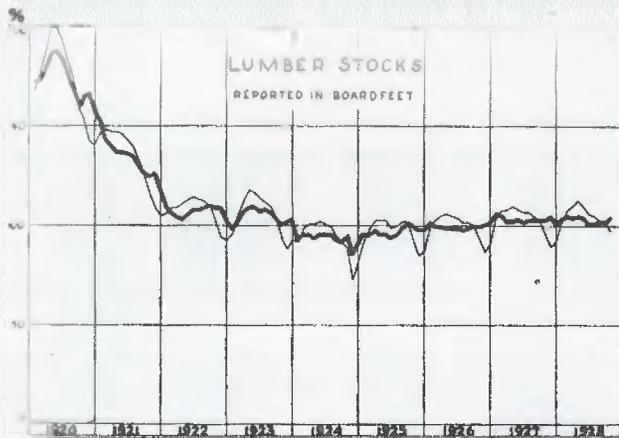
Country Lumber Sales by Representative Companies in the Ninth Federal Reserve District. Data reported in board feet. The heavy curve represents figures adjusted to eliminate seasonal changes; the light curve represents unadjusted figures as percentages of the average month.

business caused by good returns from farm activities. The year 1925 and the first half of 1926 showed business well sustained at a level higher than in any year since 1920. The poor crop of 1926 caused a moderate recession in lumber sales. In 1927 and the first half of 1928, lumber sales were at the level which was reached in 1925. From July to September 1928, lumber sales showed a sharp upward movement carrying the curve to a higher level than at any time since February 1920. In October, the curve receded somewhat, but remained at a high level.

The foregoing description refers to the curve of lumber sales measured in board feet with seasonal changes eliminated. The seasonal changes are very pronounced in the retail lumber business. The reader should be cautioned against drawing important conclusions based on the action of the curve during the slack winter months of December, January and February, for a small change in volume due to weather conditions during these months would have a pronounced effect upon the curve with seasonal changes eliminated.

From a banker's standpoint, sales are only one of the items of interest in the discussion of the history and current position of an industry. Merchandise stocks, merchandise turnover and the amount of customers' accounts and notes which is carried by the industry are other pertinent matters. It is interesting to note that stocks of lumber (measured in board feet) declined sharply between 1920 and 1922, and then moderately until November 1924. Since that time they have remained at a low level, although they have followed a slightly rising course which is natural in view of the rising volume of sales.

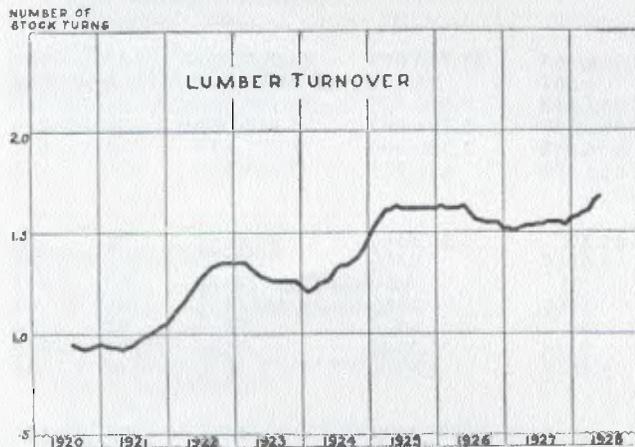
One of the tests of the efficiency of merchandising is the rate of turnover of merchandise. In the case of the retail lumber business in the Northwest, this test has been made by dividing the twelve-month moving averages of stocks into twelve-month



Retail Lumber Stocks of Representative Companies in the Ninth Federal Reserve District. Data in board feet. The heavy curve represents figures adjusted to eliminate seasonal changes; the light curve represents unadjusted figures as percentages of the average month.

moving sums of sales. Both series were measured in board feet. The resulting index of turnover shows that the average stock of lumber was turned less than one time per year in 1920 and the first part of 1921. The rate of turnover then improved rapidly until the winter of 1922-1923. There was a setback in 1923 and the first part of 1924, followed by a continuation of rapid improvement which ended in 1925. Since that time the rate of turnover has been maintained at about 1.6 turns per year. The most recent figure available, which refers to the twelve-month period beginning with November 1927 and ending with October 1928, revealed a rate of turnover higher than in any other twelve-month period in the record, the figure standing at 1.68.

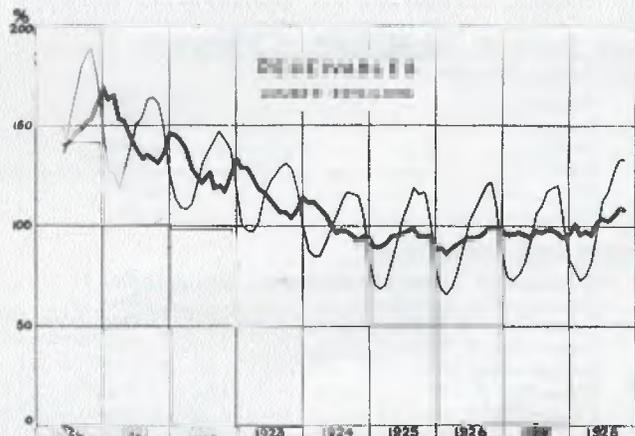
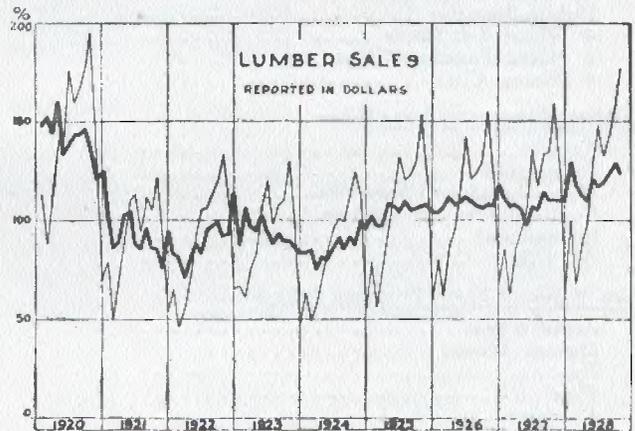
The extent to which trade must be financed by extending credit is an important matter for bankers and business men to watch. A certain increase in credit extension naturally accompanies an increase in sales, but at times the growth in credit extension



Retail Lumber Turnover, as indicated by the ratio between twelve-month moving averages of stocks and twelve-month moving sums of sales. Both series measured in board feet.

exceeds the growth in sales and creates a weakened financial condition of the company, industry or community, as the case may be. The retail lumber statistics furnish an excellent cross-section of the mercantile credit position of the rural portion of this district. The records which have been collected over the past nine years include sales in dollars and accounts and notes receivable outstanding at the end of every month. These series are shown in chart form below. Heavy curves have been drawn to show the course of these series after eliminating the seasonal changes which are very pronounced.

Comparing the course of the two heavy curves, it will be seen that the decrease in sales began in 1920; whereas the decrease in receivables began in 1921. From 1922 to 1925, receivables continued to decrease, while sales remained stationary, except for the effects of changes in farm income which were mentioned above in the description of the curve of lumber sales in board feet. During the years 1926 and 1927, sales and accounts and notes receivable remained practically unchanged. In the fall of 1928, a change occurred. The increase in the curve of sales was accompanied by a moderate increase in accounts and notes receivable.



Retail Lumber Sales, as reported in dollars, and the Accounts and Notes Receivable of Lumber Retailers at the end of each month, 1920-1928. The heavy curve represents figures adjusted to eliminate seasonal changes; the light curve represents unadjusted figures as percentages of the average month.

## COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

	Oct., 1928	Sept., 1928	Oct., 1927	%Oct. 1928 of Sept. 1928	%Oct. 1927 of Oct. 1927
<b>Debits to Individual Accounts, Daily Averages—Unit</b>					
17 Cities .....	\$42,163,000	\$40,619,000	\$43,050,000	104	98
Minneapolis .....	20,907,000	20,795,000	21,186,000	101	99
St. Paul .....	7,544,000	7,536,000	7,752,000	100	97
Duluth-Superior .....	6,489,000	5,818,000	7,430,000	112	87
8 Wheat Belt Cities .....	3,757,000	3,108,000	3,330,000	121	113
4 Mixed Farming Cities .....	1,766,000	1,807,000	1,542,000	98	115
South St. Paul .....	1,700,000	1,555,000	1,810,000	109	94
<b>Carloadings—Northwestern District—</b>					
Total—Excluding L. C. L. ....	Cars 634,233	603,988	584,294	105	109
Grains and Grain Products .....	Cars 84,131	103,288	86,070	81	98
Livestock .....	Cars 43,911	35,125	43,938	125	100
Coal .....	Cars 40,580	30,827	44,738	132	91
Coke .....	Cars 5,823	5,525	5,163	105	113
Forest Products .....	Cars 71,515	63,610	72,437	113	99
Ore .....	Cars 165,370	168,698	123,009	98	134
Miscellaneous .....	Cars 222,803	196,915	208,939	113	107
Merchandise—L. C. L. ....	Cars 151,515	140,398	154,132	108	98
<b>Building Permits—</b>					
Number—18 Cities .....	1,839	1,738	1,853	106	99
Value—18 Cities .....	\$ 5,687,000	\$ 4,946,900	\$ 3,252,800	115	175
Minneapolis .....	3,217,000	2,235,000	1,304,800	144	247
St. Paul .....	1,076,700	877,600	711,900	123	151
Duluth-Superior .....	437,400	341,500	236,900	128	185
4 Wheat Belt Cities .....	471,900	793,200	255,300	59	185
6 Mixed Farming Cities .....	424,600	644,900	625,100	66	68
4 Mining Cities .....	59,400	54,700	118,800	109	50
<b>Building Contracts Awarded—</b>					
Total .....	\$ 9,555,800	\$ 6,811,400	\$ 7,063,100	140	135
Residential .....	4,474,700	1,861,500	3,343,400	240	134
Commercial and Industrial .....	1,264,800	1,588,600	1,360,500	80	93
Public Works and Utilities .....	3,171,200	2,666,400	835,500	119	380
Educational .....	360,500	174,700	196,200	206	184
All Other .....	284,600	520,200	1,327,500	55	21
<b>Cash Value of Farm Products Sold—</b>					
Bread Wheat .....	\$41,683,000	\$40,762,000	\$52,600,000	102	79
Durum Wheat .....	25,962,000	19,335,000	18,432,000	134	141
Rye .....	3,627,000	4,597,000	5,922,000	79	61
Flax .....	15,008,000	6,628,000	16,667,000	226	90
Potatoes .....	6,312,000	2,370,000	11,620,000	266	54
Dairy Products—See Note .....	20,448,000	23,332,000	15,273,000	88	134
Hogs .....	11,720,000	7,556,000	16,052,000	155	73
<b>Grain Stocks at End of Month at Minneapolis and Duluth-Superior—</b>					
Wheat .....	Bu. 52,966,163	32,785,075	36,788,363	162	144
Corn .....	Bu. 1,081	26,392	2,031,818	4	0
Oats .....	Bu. 3,082,738	4,016,407	10,646,263	77	29
Barley .....	Bu. 2,824,255	3,791,487	1,149,069	74	246
Rye .....	Bu. 1,854,068	1,550,080	1,221,649	120	152
Flax .....	Bu. 2,628,159	616,711	5,465,930	426	48
<b>Median Cash Grain Prices—</b>					
Wheat—No. 1 Dark Northern .....	Bu. \$1.23	\$1.25 <sup>1</sup> / <sub>8</sub>	\$1.31 <sup>1</sup> / <sub>2</sub>	98	94
Durum—No. 2 Amber .....	Bu. 1.09 <sup>1</sup> / <sub>2</sub>	1.03 <sup>1</sup> / <sub>4</sub>	1.21	106	90
Corn—No. 3 Yellow .....	Bu. .93	.97	.79 <sup>3</sup> / <sub>8</sub>	96	117
Oats—No. 3 White .....	Bu. .39 <sup>1</sup> / <sub>4</sub>	.37 <sup>1</sup> / <sub>4</sub>	.44 <sup>7</sup> / <sub>8</sub>	105	87
Barley—No. 3 .....	Bu. .59	.61	.72	97	82
Rye—No. 2 .....	Bu. .94 <sup>1</sup> / <sub>2</sub>	.93 <sup>3</sup> / <sub>4</sub>	.91 <sup>3</sup> / <sub>4</sub>	101	103
Flax—No. 1 .....	Bu. 2.28 <sup>1</sup> / <sub>2</sub>	2.07 <sup>1</sup> / <sub>2</sub>	2.11 <sup>3</sup> / <sub>4</sub>	110	108
<b>Wholesale Produce Prices—</b>					
Butter .....	Lb. .45 <sup>1</sup> / <sub>2</sub>	.46 <sup>3</sup> / <sub>8</sub>	.45 <sup>1</sup> / <sub>2</sub>	98	100
Milk .....	Cwt. 2.64	2.65	2.60	100	102
Hens—4 <sup>1</sup> / <sub>2</sub> Pounds .....	Lb. .21 <sup>1</sup> / <sub>2</sub>	.22 <sup>1</sup> / <sub>2</sub>	.19	96	113
Eggs .....	Doz. .31 <sup>1</sup> / <sub>2</sub>	.29 <sup>1</sup> / <sub>2</sub>	.32 <sup>1</sup> / <sub>2</sub>	107	97
Potatoes .....	Bu. .60	.52 <sup>1</sup> / <sub>2</sub>	1.05	114	57

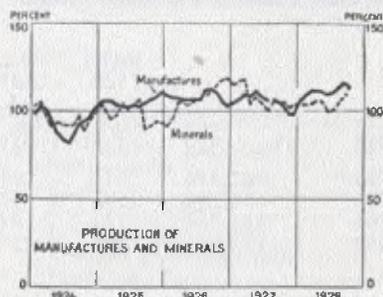
Note: September, 1928; August, 1928 and September, 1927.

# NINTH FEDERAL RESERVE DISTRICT

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## COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT (Continued)

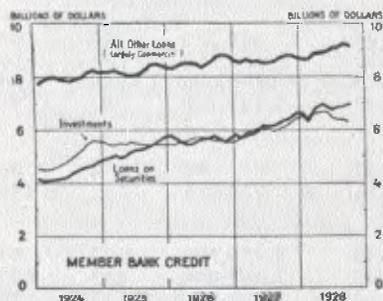
	Unit	Oct., 1928	Sept., 1928	Oct., 1927	%Oct. 1928 of Sept. 1928	%Oct. 1928 of Oct. 1927
<b>Livestock Receipts at South St. Paul—</b>						
Cattle .....	Head	139,760	121,356	163,570	115	85
Calves .....	Head	49,397	33,765	51,747	146	95
Hogs .....	Head	261,299	107,741	286,594	243	91
Sheep .....	Head	283,978	151,091	205,004	188	139
<b>Median Livestock Prices at South St. Paul—</b>						
Butcher Cows .....	Cwt.	\$8.00	\$9.00	\$6.75	89	119
Butcher Steers .....	Cwt.	10.50	12.00	9.50	88	111
Prime Butcher Steers .....	Cwt.	14.00	16.50	14.00	85	100
Stocker and Feeder Steers .....	Cwt.	9.75	10.75	7.50	91	130
Veal Calves .....	Cwt.	13.50	16.50	12.00	82	113
Hogs .....	Cwt.	9.25	11.50	10.25	80	90
Heavy Hogs .....	Cwt.	8.75	11.00	9.75	80	90
Lambs .....	Cwt.	12.75	13.50	13.00	94	98
Ewes .....	Cwt.	6.00	6.00	6.00	100	100
<b>Flour—</b>						
Production—Twin Cities and Duluth-						
Superior .....	Bbbs.	1,357,348	1,156,430	1,409,248	117	96
Shipments from Minneapolis .....	Bbbs.	1,199,033	1,066,222	1,374,333	112	87
<b>Linseed Products Shipments from Minneapolis—</b> Lbs.						
		45,507,465	40,699,774	44,693,978	112	102
<b>Retail Sales—</b>						
Department Stores .....		\$ 2,199,450	\$ 2,417,690	\$ 2,599,030	91	85
Furniture Stores .....		590,720	663,480	616,680	89	96
Country Lumber Yards .....	Bd. Ft.	18,242,000	17,860,000	15,961,000	102	114
<b>Retail Merchandise Stocks—</b>						
Department Stores .....		\$ 6,206,380	\$ 5,943,730	\$ 6,695,540	104	93
Furniture Stores .....		2,773,000	2,784,270	2,949,040	100	94
Country Lumber Yards .....	Bd. Ft.	81,035,000	84,984,000	80,080,000	95	101
<b>Life Insurance Sales— (4 States)</b>						
		\$25,106,000	\$20,571,000	\$23,085,000	122	109
<b>Wholesale Trade—</b>						
Farm Implements .....		152,180	350,740	189,330	43	80
Hardware .....		2,509,390	2,458,270	2,286,960	102	110
Shoes .....		671,370	621,840	790,600	108	85
Groceries .....		5,389,230	5,551,590	5,444,140	97	99
<b>Business Failures—</b>						
Number .....		74	67	88	110	84
Liabilities .....		\$ 677,804	\$ 405,656	\$ 660,024	167	103
<b>Securities Sold—</b>						
To Banks .....		2,418,500	2,348,300	3,956,500	103	61
To Insurance Companies .....		1,531,500	1,136,000	1,462,000	135	105
To General Public .....		7,683,000	6,697,000	9,608,800	115	80
<b>Real Estate Activity in</b>						
<b>Hennepin and Ramsey Counties—</b>						
Warranty Deeds Recorded .....		2,115	1,468	2,204	144	96
Mortgages Recorded .....		2,076	1,634	2,051	127	101
<b>Member Bank Deposits—</b>						
		Nov. 7, 1928	Oct. 10, 1928	Nov. 9, 1927	%Nov. 1928 of Oct. 1928	%Nov. 1928 of Nov. 1927
In Cities under 15,000 Population .....		\$478,867,000	\$474,612,000	\$456,413,000	101	105
In Cities over 15,000 Population .....		494,704,000	470,110,000	476,349,000	105	104
<b>24 City Member Banks—</b>						
		Nov. 14, 1928	Oct. 17, 1928	Nov. 16, 1927		
Loans Secured by Stocks and Bonds .....		\$ 92,276,000	\$ 82,991,000	\$ 93,926,000	111	98
All Other Loans .....		182,421,000	179,127,000	173,102,000	102	105
Securities .....		130,296,000	132,874,000	127,188,000	98	102
Net Demand Deposits Subject to Reserve .....		239,505,000	235,023,000	253,059,000	102	95
Time Deposits .....		137,465,000	134,283,000	132,755,000	102	104
Borrowings at Federal Reserve Bank .....		14,142,000	16,237,000	0	87	...
<b>Minneapolis Federal Reserve Bank—</b>						
Bills Discounted .....		18,260,355	20,789,544	2,024,054	88	902
Federal Reserve Notes in Circulation .....		62,316,555	62,197,640	62,681,600	100	99



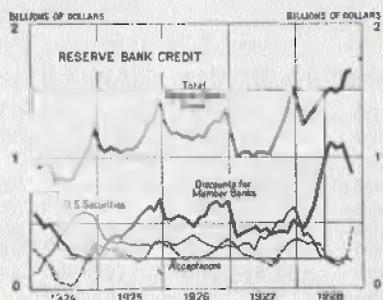
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-25 average=100). Latest figures, October, manufactures, 114, minerals 114.



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, October, 97.9.



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



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 23 days in November.

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

Industry continued active in October and the distribution of commodities was in large volume. Wholesale commodity prices declined sharply owing chiefly to decreases in the prices of farm products. Member bank credit in use increased in October and November, while Reserve bank credit outstanding showed little change. Conditions in the money market were somewhat easier.

**PRODUCTION:** Industrial production continued in October at the high level of September and considerably above the level of a year ago. The output of minerals increased over September, while the production of manufactures declined slightly. Factory employment and payrolls increased to the highest level since early in 1927. The production of pig iron was particularly large in October and the first half of November, and the output of steel continued in record volume. Automobile production declined considerably in October after exceptional activity in September and showed further reduction in November, as is usual at this season. Activity increased in October in meat packing and in the textile industries, with the exception of silk. Copper mining and smelting continued at a high level, and the output of coal and petroleum increased by more than the usual seasonal amount, while the production of zinc declined. There was also a decline in the output of lumber and building materials. Building contracts awarded continued to increase in October and were larger than in that month of any previous year, but declined sharply during the first two weeks of November. The increase in October was due principally to large contracts for engineering and industrial projects.

The November cotton crop estimate of the Department of Agriculture was slightly larger than the October estimate and indicated a yield of 14,133,000 bales, 1,178,000 bales more than the production of 1927. Ginnings of the current crop prior to November 14 totaled 11,320,302 bales, compared with 10,894,912 in the similar period of a year ago. Indicated yields of wheat, corn, oats, potatoes and tobacco were larger than the 1927 crops, while estimates of hay, rye and flaxseed were smaller.

**TRADE:** Department store sales in October were in about the same volume as in the same period in the preceding year, but showed somewhat less than the seasonal increase from the high level of September. Inventories of these stores increased during the month, but continued smaller than a year ago. The volume of distribution at wholesale was larger than in September and showed a substantial gain over October, 1927. Freight carloadings continued larger in October and November than a year ago, reflecting chiefly large loadings of miscellaneous freight.

**PRICES:** Wholesale commodity prices declined in October after a continuous increase for three months and the Bureau of Labor Statistics' index for October at 97.8 per cent of the 1926 average was over 2 per cent below that for September. This decline reflected chiefly a large decrease in prices of farm and food products and hides and leather. Prices of industrial commodities increased slightly, with small gains recorded in metals, building materials and chemicals and drugs. The principal increases occurred in prices of iron and steel, copper and raw silk. During the first three weeks of November, prices of cotton, pig iron, copper and petroleum increased, and prices of most farm and food products, except corn, pork and sugar, recovered somewhat after the October decline.

**BANK CREDIT:** Between October 24 and November 21, there was a considerable increase in loans and investments of member banks in leading cities, but at the end of this period the total was still below the large volume outstanding at the middle of the year. Loans, chiefly for commercial purposes, remained at a high level during the period and loans on securities showed further growth, reflecting a marked increase in the volume of loans to brokers and dealers in securities. Investments showed a further decline. During the four weeks ending November 21, there was little change in the volume of Reserve bank credit in use. Reserve bank holdings of acceptances increased further and discounts for member banks declined. During the last week of October and the first three weeks of November, conditions in the money market were somewhat easier; the rate on 4 to 6 months' commercial paper declined from a level of 5½ per cent to a range of from 5¼ to 5½ per cent, and rates on call and time loans in the open market also declined slightly.