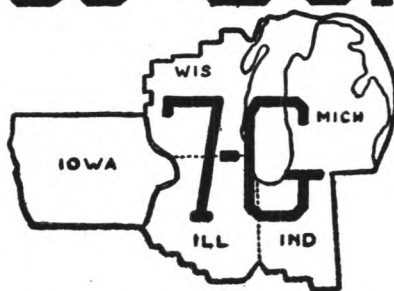


# BUSINESS CONDITIONS

## SEVENTH FEDERAL



## RESERVE DISTRICT

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**M**ANUFACTURING activity in the Seventh Federal Reserve district declined further in September but remained above the level of a year ago. In the steel, automotive, and agricultural machinery industries, operations continued to be reduced, and output from steel and malleable casting foundries was less than in August. As compared with the same period of 1928, production of passenger automobiles and of agricultural machinery continued slightly larger, although sales declined, and steel mills operated at about last year's rate; output of steel castings was much heavier in September this year. Other industries showing greater activity than a year ago, include the manufacture of stoves and furnaces, production of furniture, and of bituminous coal. Building construction manifested no great improvement; September contracts awarded aggregated a little more than a month previous or a year ago, but residential contracts and permit figures continued to register declines. Payrolls the middle of September for reporting industries had been reduced from the preceding month, although the volume of employment was slightly greater in most lines.

Merchandising conditions in general continued favorable. Department store trade, and sales of shoes and furniture at retail showed large seasonal expansion in September over August, and the volume of business was also heavier than a year ago, although sales by department stores registered only a slight gain over last September. Wholesale hardware, dry goods, and electrical supply trade increased in the comparison with the preceding month and the corresponding period of 1928, while grocery sales were less, with the drug and shoe trade below August but larger than a year ago.

In agriculture, conditions have been good for the maturing of corn; most plant growth for the season was stopped by frosts in September. Plowing and seeding have been slowed down by the hardened condition of the soil. September marketing of wheat, corn, and oats was under a year ago, with corn receipts at markets about the same as in August and those of wheat and oats less. Flour production and sales declined in both comparisons. Meat packing plants reported September production as heavier than for the preceding month or last September, while sales increased in the former but declined in the latter comparison. The volume of butter produced and sold at creameries of the district was smaller than in August, with production under a year ago and sales larger. Market receipts from cheese factories were below August and the corresponding month of 1928.

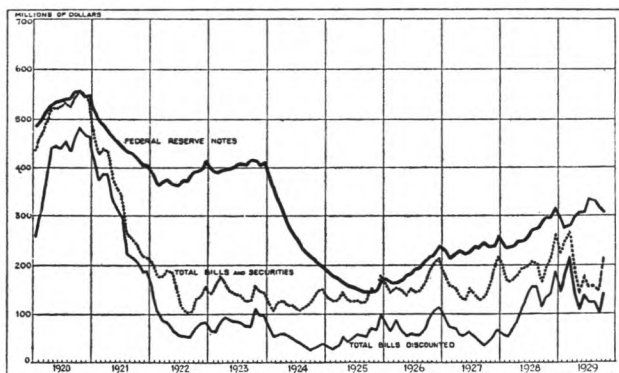
A substantial demand for credit prevails in the district, with rates changing little from a month previous. Federal Reserve Bank loans to member banks have increased considerably and loans of the latter to customers likewise have expanded. Bills bought in the open market by the Reserve bank have been heavier than since the early part of 1928. Sales of commercial paper by dealers declined in September from August and from a year ago, while bankers' acceptances displayed an opposite trend. Savings deposits and volume of payment by check were smaller in the

month-to-month comparison, with the former likewise under the same period last year and payment by check heavier.

### CREDIT CONDITIONS AND MONEY RATES

Demand for credit upon Seventh district banks, for commercial purposes and on securities, is active, some banking centers reporting slightly higher rates than a month ago. Cattle feeding operations continue to absorb a considerable volume of credit. In Chicago, conditions are substantially unchanged from a month ago; brokers' demand loans carry 8 per cent, over-the-counter accommodation 6 to 7 per cent, and collateral loans  $6\frac{1}{2}$  to 7 per cent. The average rate earned on loans and discounts by six large Chicago banks during the calendar month of September was 6.45 per cent, as against 6.40 per cent in August and 5.70 per cent in September 1928. In Detroit, the corresponding figure for five large banks was 6.23 per cent in September, 6.16 per cent in August, and 5.76 a year ago. The prevailing rate on commercial loans in the latter city during the week of October 15 was  $6\frac{1}{2}$  per cent.

### POSITION OF THE FEDERAL RESERVE BANK OF CHICAGO



Monthly averages of weekly figures. Latest figures, averages of first three weekly report dates in October, 1929, in thousands of dollars: Federal Reserve Notes, 306,936; Total Bills and Securities, 212,122; Total Bills Discounted, 141,756.

Bills and securities held by the Federal Reserve Bank of Chicago on October 16, totaling \$229,156,000, represented the highest amount since April 3 when \$243,847,000 was reported. On September 18 the item stood at \$163,608,000 and on October 17, 1928, at \$187,544,000. Loans to member banks have reversed their trend during the past month and have increased considerably. On October 16 they totaled \$150,238,000, compared with \$113,419,000 September 18 and \$125,804,000 on the corresponding date of last year. Bills bought in the open market amounted to \$53,041,000 on October 16, constituting the highest amount held since February 1, 1928, with \$57,961,000. Holdings of United States Government securities on October 16 of \$23,876,000

Compiled October 26, 1929

compared with \$26,350,000 on September 18 and \$33,716,000 on October 17 last year. Federal Reserve notes in actual circulation have declined steadily during the past few weeks, on October 16 amounting to \$303,805,000 against \$317,588,000 a month previous.

Commercial loans of reporting member banks in the Seventh district are in approximately the same volume as a month ago; security loans in comparison with mid-September are at a higher level. Total loans and discounts of \$2,778,880,000 on October 16 compared with \$2,709,807,000 September 18. Investment holdings of \$662,298,000 on September 18 were \$651,141,000 on October 16, a drop of which approximately \$5,000,000 took place in holdings of U. S. Government securities by banks in cities other than Chicago and Detroit. Net demand deposits have gained, \$1,950,470,000 on October 16 as against \$1,898,990,000 September 18, for which the city of Chicago was mainly responsible. Time deposits of all reporting member banks decreased approximately ten million dollars between the dates indicated above, for the most part in Detroit, a small gain being shown in Chicago. The aggregate for the district on October 16 was \$1,232,256,000 compared with \$1,242,143,000 September 18.

Commercial paper sales in the Middle West aggregated 26.0 per cent smaller in volume during September than in the preceding month and were 36.2 per cent less than last year, according to a compilation for nine reporting dealers. Demand remained moderate, with the supply ranging between limited and good. For the first half of October, the sales of four Chicago dealers totaled somewhat in excess of the corresponding weeks of September; half of the firms experienced a recession. Supply and demand averaged fair. Selling rates for September ranged from 6 per cent for low to  $6\frac{1}{2}$  per cent for high, a preponderance of the paper moving at 6 to  $6\frac{1}{4}$  per cent. Quotations opened on October 15 at 6 and  $6\frac{1}{4}$  per cent for low and  $6\frac{1}{2}$  per cent for high, with the customary charge between 6 and  $6\frac{1}{2}$  per cent; some of the dealers reported a little more paper going at 6 per cent than a month ago. September 30 outstandings of five mid-western dealers totaled 2.9 per cent greater than for the preceding month and 15.0 per cent lighter than last year; outstandings of twenty-three concerns in the United States decreased from \$267,094,620 on August 31 to \$264,753,153 at the close of September.

A compilation of the reports from five dealers shows that average weekly transactions in the Chicago open bill market from September 12 to October 16 were less than in the preceding period by 11.4 per cent in the quantity of purchases and 5.9 per cent in amount of sales, although gains of 126.1 and 104.2 per cent, respectively, were recorded over a year ago. Receipts from other offices increased 27.0 per cent over those of August 15 to September 11 and 46.2 per cent over last year, while shipments to other offices aggregated 37.5 per cent heavier than a month previous and 203.3 per cent greater than for the corresponding weeks of 1928. Supplies ranged between fair and good during the period, with the demand only fair and centering on 90-day maturities. Acceptances were drawn against grain, packing-house products, coal, merchandise, rice, coffee, cotton, flour, canned goods, poultry, autos, and a long list of miscellaneous commodities. Portfolios were reduced 16.7 per cent from September 16, 1929, but were 12.7 per cent in excess of October 17, 1928. Rates continued firm and closed on October 16 at  $5\frac{3}{8}$  per cent for 30-day bills to  $5\frac{1}{2}$  per cent for those of 180 days.

Fourteen banks in the Seventh Federal Reserve district reported the volume of bills accepted by them as 20.4 per cent greater in September than in the preceding month

and 208.4 per cent in excess of a year ago. Purchases and sales declined 29.3 and 26.9 per cent, respectively, from August but continued to show marked expansion over 1928. Acceptances of three Chicago banks decreased 38.7 per cent during the first half of October from the corresponding weeks of September and were drawn for grain, cotton, coffee, packing-house products, electrical equipment, textiles, iron and steel, malt and hops, machinery, chemicals, raw silk, paper, tea, sugar, rice, tobacco, zinc, and a large list of miscellaneous commodities. Liability for outstandings increased 8.5 per cent over August 31, and exceeded that of last September by 149.7 per cent. Holdings were 58.0 per cent lower on September 30 than a month previous, declining 43.0 per cent from last year; portfolios contained a 69.5 per cent smaller amount of the banks' own bills than on August 31. September purchases of bankers' acceptances by the Federal Reserve Bank of Chicago totaled \$33,014,690, in contrast to \$18,009,414 in the preceding period, and its holdings increased to \$30,931,285 at the close of the month.

**Volume of Payment by Check**—The accompanying tabulation shows the dollar amounts of the volume of check payment in thirty-eight clearing house centers of the Seventh district in September 1929, August 1929, and September 1928, with percentage changes between the current and the preceding month:

(000 omitted from dollar amounts)				
	SEPTEMBER 1929	AUGUST 1929	PER CENT CHANGE	SEPTEMBER 1928
Chicago .....	\$4,962,697	\$5,399,433	-8.1	\$4,033,895
Detroit, Milwaukee, and Indianapolis .....	1,901,917	1,789,044	+6.3	1,707,409
Total four larger cities.....	\$6,864,614	\$7,188,477	-4.5	\$5,741,304
34 smaller centers.....	1,076,040	1,111,808	-3.2	992,490
Total 38 centers.....	\$7,940,654	\$8,300,285	-4.3	\$6,733,794

**Savings Deposits**—October 1 marked a decline of 0.5 per cent from August 31 in the volume of regular saving deposits in the Seventh Federal Reserve district, and also a recession of 0.8 per cent in average account with an expansion of 0.3 per cent in the number of depositors, according to a tabulation for 196 reporting banks. Declines of 0.5 per cent and 2.5 per cent for total deposits and average account, respectively, were recorded in the comparison with last year; the number of depositors, however, increased 2.1 per cent. State totals followed the trend of the district, with one exception—the volume of regular savings deposits in Michigan increased 3.1 per cent over the corresponding month of 1928. Individually, more than half of the reporting banks showed deposits at a level below the preceding month but, against a year ago, 100 reported a gain.

**Bonds**—As in previous months, trading in the Chicago bond market during September was marked by general quietness. Prices, though weak and at very low levels, failed to create much public interest. The actual volume of new flotations during the month was materially higher than in August, an abnormally low period, but smaller than for any other of the preceding months in 1929. New offerings were dominated by public utility, industrial, and municipal issues, with practically all carrying some stock purchase feature. The type of purchaser has shown little change, demand coming for the most part from institutions, such as insurance companies, and for the rest from miscellaneous sources. During the first two weeks of October, a generally improved tone was indicated in the market.

## AGRICULTURAL PRODUCTION AND FOODSTUFFS

Frost stopped plant growth throughout most of the Seventh district during the third week in September; in certain of the northern counties more or less damage to late potatoes was also reported. Conditions have been rather favorable for drying out and maturing the corn, so that early October found the bulk of the crop out of danger; some corn still needed a week or two to mature, and present prospects point to a larger percentage of the

crop being light and chaffy than last year, although little of it will be soft or sour. Plowing and seeding have made slow to fair progress because of the dry, hard condition of the soil. Some grain is up and shows a fair to good stand. Corn cutting, silo filling, potato digging, the lifting of sugar beets, and the harvesting of other fall crops are well under way. Pastures have been rather poor but are improving a little.

## CROP PRODUCTION

Estimated by the U. S. Bureau of Agricultural Economics as of October 1  
(In thousands of bushels unless otherwise specified)

	SEVENTH DISTRICT		UNITED STATES		5-Yr. Av.
	FORECAST 1929	FINAL 1928	FORECAST 1929	FINAL 1928	
Corn .....	867,992	1,017,822	2,528,077	2,835,678	2,746,740
Oats .....	502,829	624,072	1,226,573	1,448,677	1,345,081
Winter Wheat .....	58,342	36,411	568,233	578,133	549,257
Spring Wheat .....	4,622	6,582	223,535	324,058	260,411
Barley .....	64,786(a)	84,181(a)	313,368	356,667	208,783
Buckwheat .....	1,336(a)	1,514(a)	11,706	13,148	13,949
Flaxseed .....	210(e)	320(e)	16,599	18,690	23,243
Potatoes (white) .....	46,261	76,982	345,177	464,483	382,756
Potatoes (sweet) .....	1,545(b)	1,581(b)	76,594	77,661	78,045
Apples (total crop) .....	16,648(a)	19,970(a)	140,637	185,743	183,452
Peaches .....	4,951(d)	3,449(d)	44,837	68,374	52,224
Pears .....	1,404(d)	1,694(d)	20,358	24,012	20,211
Grapes* .....	83(a)	91(a)	1,996	2,671	2,250
Sugar Beets* .....	418(c)	526(c)	8,228	7,101	7,462
Dry Beans .....	5,757(c)	5,972(c)	18,208	16,621	17,058
Tobacco** .....	42,406	49,005	1,472,525	1,378,139	1,330,576
All Tame Hay* .....	23,163	16,781	100,582	92,983	92,810
Broom Corn* .....	4.9(f)	4.8(f)	46.2	54.5	56.6

\*In thousands of tons. \*\*In thousands of pounds.

(a) Five states including the Seventh district. (b) Indiana, Illinois, Iowa. (c) Michigan, Wisconsin. (d) Indiana, Illinois, Michigan, Iowa. (e) Wisconsin, Iowa. (f) Illinois.

**Grain Marketing**—Receipts of wheat at interior primary markets in the United States were much less in September than in the preceding month, a year ago, or the 1924-28 average for the period, largely as a reflection of the unusually heavy marketings during July and August. September receipts of corn at these centers remained on a level with a month previous and the five-year average, but were below last year; the volume of oats showed a recession in all three comparisons. Reshipments of grain declined; the quantity of corn, however, exceeded the 1924-28 September average, and that of oats expanded over a year ago. Inventories of wheat, oats, and rye at principal points of accumulation in the United States increased slightly on October 12 over September 14, while the stock of corn and barley decreased; all holdings were considerably above last October. Trading in grain futures by members of the Chicago Board of Trade declined 37.4 per cent in September from the preceding month, though exceeding the corresponding period of 1928 by 45.8 per cent. Chicago quotations for cash wheat and corn trended downward after the middle of September, but the average for the month as a whole was about the same as in August; prices of oats and contract corn advanced and those of rye and contract wheat declined in the month-to-month comparison.

## FLOUR PRODUCTION IN THE SEVENTH DISTRICT

Changes in September, 1929, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED
	AUGUST 1929	SEPTEMBER 1928	
Production (bbls.) .....	— 6.8	—10.1	30
Stocks of flour at end of month (bbls.) .....	— 8.3	— 4.4	26
Stocks of wheat at end of month (bu.) .....	— 4.1	+19.9	26
Sales (volume) .....	—40.5	— 5.8	12
Sales (value) .....	—38.3	— 3.6	12

Production includes wheat and other flours. Balance of items refer to wheat flour only.

**Movement of Live Stock**—September receipts of live stock at public stock yards in the United States were in excess of August. The marketing of cattle, sheep, and lambs decreased from a year ago, while that of hogs and calves increased; hog, sheep, and lamb receipts remained above the five-year average for the month.

## LIVE STOCK SLAUGHTER

	CATTLE	HOGS	LAMBS AND SHEEP	CALVES
Yards in Seventh District, September, 1929 .....	248,942	652,494	383,080	87,183
Federally Inspected Slaughter, U. S.				
September, 1929 .....	752,815	3,103,758	1,316,926	365,084
August, 1929 .....	725,714	3,129,991	1,298,048	337,969
September, 1928 .....	764,212	2,508,303	1,307,442	352,091

Reshipments to feed lots showed a further expansion in September but aggregated considerably less than for the corresponding period of last year.

## AVERAGE PRICES OF LIVE STOCK

(Per hundred pounds at Chicago)

	WEEK ENDED		MONTHS OF	
	OCT. 19, 1929	SEPT. 1929	AUG. 1929	SEPT. 1928
Native Beef Steers (average) .....	\$13.95	\$13.60	\$14.50	\$16.00
Fat Cows and Heifers .....	9.65	9.30	9.70	10.25
Calves .....	14.00	17.00	15.95	17.35
Hogs (bulk of sales) .....	9.55	9.95	10.70	11.95
Yearling Sheep .....	9.60	9.00	9.90	10.60
Lambs .....	12.80	12.90	13.15	14.15

**Meat Packing**—Slaughtering establishments in the United States reported September production as slightly in excess of August and much heavier than a year ago. Employment for the last payroll of the month increased 0.9 per cent in number of workers, 0.5 per cent in hours worked, and 0.7 per cent in total earnings as compared with August. Trade in domestic markets averaged good for lard, fresh pork, sausage, boiled ham, and veal, and was fair for dry salt meats. Demand improved somewhat for lamb, bacon, smoked picnics, and dressed beef, though remaining rather slow for beef rounds. The total value of sales billed to domestic and foreign customers by fifty-seven meat packing companies in the United States showed a seasonal expansion of 6.5 per cent in September over a month previous but fell 1.7 per cent below the corresponding period of 1928. Prices at Chicago declined sharply from August. Domestic demand at the beginning of October ranged between fair and good. Inventories at packing plants and cold-storage warehouses in the United States were reduced from September 1 but exceeded those of last year and the 1924-28 October 1 average; stocks of beef and lamb, however, gained over the preceding month.

September shipments for export totaled slightly heavier than in August, although nearly half of the individual firms reported a recession in the comparison. Foreign trade remained rather quiet, except for a good inquiry for oleo oil; some improvement was recorded in European demand for lard after mid-month because of the prevailing lower level of prices. Inventories of American products in foreign countries, including goods in transit, were indicated as slightly smaller on October 1 than at the beginning of September. European quotations trended downward but were nearer Chicago parity than in the preceding month.

**Dairy Products**—Butter production in the Seventh Federal Reserve district declined 20.7 per cent in September from the preceding month and was 2.7 per cent under a year ago, according to a compilation for sixty-five creameries. Similar trends for the United States were indicated by statistics of the American Association of Creamery Butter Manufacturers. The tonnage of creamery butter billed to customers by sixty-seven companies in the Seventh district decreased 18.1 per cent from August and increased 2.4 per cent over last September. Receipts of American cheese at Wisconsin markets from factories within the state showed a recession during the five weeks ended October 5 of 15.2 per cent from the preceding period and of 20.4 per cent from a year ago, while reshipments from those centers declined 4.8 and 19.2 per cent in the respective comparisons. Stocks of dairy products in the United States were smaller on October 1 than a month previous, with larger holdings of butter and cheese and lighter inventories of eggs than last October or the five-year average. Chicago receipts of cheese and eggs decreased and those of butter increased in September compared with a year ago; each showed a recession in volume from August. Prices advanced during September.

## COAL

Demand for domestic sizes of coal remained brisk through September and the early part of October, but the market for fine sizes showed no improvement. Prices on the latter grades have weakened further in some instances. Illinois production of bituminous coal in September, aggregating 4,766,665 tons, gained almost 400,000 tons over the preced-

ing month and the same amount over September last year. The number of mines in operation increased from 155 in August to 170, and the number of men employed from 44,955 to 45,792, while the number of days worked showed little change, averaging 14.9; in September 1928, 167 mines were in operation, employing 50,785 men for 15.7 days.



Production of bituminous coal in the United States totaled 44,515,000 tons in September, a gain of 626,000 tons over a month previous and comparing with 41,971,000 tons in September 1928. Anthracite output aggregated 6,792,000 tons, exceeding the August volume by 838,000 tons and larger than in either September a year ago or of 1927 when

5,927,000 and 6,596,000 tons, respectively, were mined. The volume of bituminous coal loaded during September at Lake Erie ports for shipment to other lake ports, increased somewhat over the figure for the preceding year and was considerably larger than for the corresponding month of 1927.

## INDUSTRIAL EMPLOYMENT CONDITIONS

Most of the industrial groups reporting on employment in the Seventh Federal Reserve district, showed a larger volume on September 15 than a month earlier, the aggregate gain amounting to 0.7 per cent, or the same percentage increase as was reported for the preceding period. Substantial additions to the number of workers were registered by food products, by lumber products in which group furniture factories accounted for most of the increase, by rubber products, and by the paper and printing industries. Losses in employment were reported for the chemical industries, and the stone, clay, and glass products group where there has been a gradual curtailment of operations since last May.

Although the volume of employment has been maintained at a satisfactory level, payroll amounts at industrial plants of the district reflect a less favorable condition. All but one of the reporting industries showed a decrease in

this item from the preceding month, the aggregate declining 2.3 per cent. The exception to the downward trend in payroll amounts was furnished by the food products group, in which meat packing as well as the canning and preserving industries were seasonally active. Vehicles registered the heaviest decline, due to a curtailment in working hours. Chemicals and the stone, clay, and glass products also showed heavy reductions in payroll figures.

Outside of the manufacturing industries, there was little change in general conditions, the demand for labor remaining practically the same as a month previous. Building operations were somewhat less active. At the free employment offices, the unemployment indexes indicated no definite trend, the number of applicants for each 100 positions available decreasing from 137 to 136 for Illinois and from 119 to 107 for Indiana. Iowa showed a slight increase, from 196 for August to 209 in September.

### EMPLOYMENT AND EARNINGS—SEVENTH FEDERAL RESERVE DISTRICT

INDUSTRIAL GROUPS	NUMBER OF WAGE EARNERS			TOTAL EARNINGS		
	WEEK ENDED			WEEK ENDED		
	SEPTEMBER 15 1929	AUGUST 15 1929	PER CENT CHANGE	SEPTEMBER 15 1929	AUGUST 15 1929	PER CENT CHANGE
All groups (10).....	458,622	455,581	+ 0.7	\$11,893,026	\$12,179,002	— 2.3
Metals and metal products (other than vehicles).....	212,329	212,090	+ 0.1	5,503,957	5,625,338	— 2.2
Vehicles.....	46,719	47,006	— 0.6	1,284,219	1,386,379	— 7.4
Textiles and textile products.....	30,803	30,469	+ 1.1	731,325	745,538	— 1.9
Food and related products.....	53,518	51,757	+ 3.4	1,382,269	1,360,799	+ 1.6
Stone, clay, and glass products.....	13,301	13,555	— 1.9	374,240	392,693	— 4.7
Lumber and its products.....	28,213	27,496	+ 2.6	640,589	641,128	— 0.1
Chemical products.....	14,942	15,287	— 2.3	392,694	417,891	— 6.0
Leather products.....	19,342	19,438	— 0.5	432,413	450,148	— 3.9
Rubber products.....	4,308	4,167	+ 3.4	93,376	94,359	— 1.0
Paper and printing.....	35,147	34,316	+ 2.4	1,057,944	1,064,729	— 0.6

## MANUFACTURING ACTIVITIES AND OUTPUT

**Agricultural Machinery and Equipment**—Sales of agricultural machinery and equipment trended downward as usual this autumn, the recessions in September from August totaling 30.4 per cent in the heavy line, 18.0 per cent in light machinery, and 8.1 per cent in barn equipment. Decreases of 6.4 per cent in the tractor, thresher, combination harvester-thresher group, and of 1.0 per cent in "all other" (exclusive of barn supplies), with an increase of 20.4 per cent in barn equipment were recorded in the comparison with last September.

### PRODUCTION AND SALES OF FARM EQUIPMENT IN THE UNITED STATES

Changes in September, 1929, from previous months

	PER CENT CHANGE FROM AUGUST 1929	SEPTEMBER 1928	COMPANIES INCLUDED
Domestic sales billed.....	—29.9	+ 5.8	67
Sales billed for export.....	—4.8	—22.9	36
Total sales billed.....	—24.8	—3.4	67
Production.....	—1.9	+ 5.6	66

Production computed from average employment during the month. Sales based on value.

**Automobile Production and Distribution**—A sharp drop took place during September in automobile production; the number of passenger cars manufactured in the United States totaled 364,786, a recession of 17.5 per cent from the preceding month and only 1.7 per cent above a year ago. For the nine months of this year output of passenger cars totaled 4,005,177, which compares with 3,059,938 for the same period last year, or an increase of 30.9 per cent and greater than for the entire year 1928 when 3,821,136 cars were produced. September truck production of 49,681 compared with 55,379 for August and 56,423 a year ago; truck output for the three quarters of 1929 aggregated 618,702 against 405,963 for the nine months of 1928, and compared with 530,910 for all of last year.

Wholesale distribution of automobiles in the Middle West continued to decline in September and remained considerably under the 1928 level. Sales at retail likewise were less in both comparisons, the recession in the number of cars sold from last September being the first in the year-to-year comparison since April 1928, although declines in aggregate value were recorded in January and February this year. Used car sales, though smaller than in the preceding month, remained much larger than a year ago. Deferred payment sales constituted 44.6 per cent of the total retail sales of forty dealers in September, which compares with 49.8 per cent a month previous and with 42.5 per cent for twenty-two dealers in September 1928.

### MIDWEST DISTRIBUTION OF AUTOMOBILES

Changes in September, 1929, from previous months

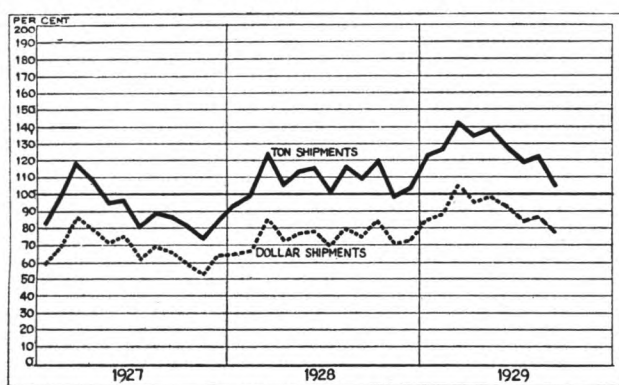
	PER CENT CHANGE FROM AUGUST 1929	SEPTEMBER 1928	COMPANIES INCLUDED AUGUST 1929	SEPTEMBER 1928
New cars				
Wholesale—				
Number sold.....	—26.7	—44.2	37	27
Value.....	—23.1	—42.1	37	27
Retail—				
Number sold.....	—19.4	— 6.6	63	41
Value.....	—11.4	—12.3	63	41
On hand September 30—				
Number.....	+14.6	+28.0	65	43
Value.....	+13.4	+17.7	65	43
Used cars				
Number sold.....	—17.0	+17.5	64	42
Salable on hand—				
Number.....	+ 5.9	+22.6	64	42
Value.....	+12.5	+ 0.9	64	42

**Iron and Steel Products**—A further slowing down in the steel industry of the district was apparent in September, in contrast to increased activity displayed a year ago at this time. The effect of lighter demand for steel from the

automotive field has been partially counteracted in recent weeks, however, by heavy purchases by railroads. September operations averaged about 85 per cent of capacity, or the same as last year and somewhat reduced from the August rate of above 90 per cent. Illinois and Indiana pig iron production likewise declined in September from August, though continuing in excess of a year ago; a daily average output of 23,408 tons compared with 24,940 tons for August and 20,330 tons in September 1928. Pig iron production for the country showed a similar trend, as did that of steel ingots. The reductions in September from August were all in contrast to gains shown in the same comparison a year ago. Unfilled orders of the United States Steel Corporation on September 30 had increased 244,370 tons from August 31 to 3,902,581 tons, which compares with 3,698,368 on the corresponding date of 1928.

Bar, plate, and shape prices at Chicago have remained steady, while some weakening in wire products has been noticeable. Composite iron and steel prices for the United States have shown a declining trend since the middle of September. Chicago scrap iron and steel prices have been lower in recent weeks.

#### SHIPMENTS OF MALLEABLE CASTINGS



Index numbers of shipments by 23 malleable casting foundries in the Seventh Federal Reserve district. Monthly average 1923-24-25 = 100. Latest figures, September, 1929: Tonnage, 104.1; Value, 77.5.

Steel casting foundries of the Seventh district report a considerably smaller amount of new orders booked in September than a month previous and a slightly lesser volume than a year ago. Shipments and production declined in the

comparison with August but were much heavier than for September last year. For malleable foundries, orders, shipments, and production declined from the preceding month and September 1928, although the aggregate value of shipments increased slightly in the latter comparison. Stove and furnace manufacturers reported seasonally heavier shipments for September and likewise a larger volume than a year ago. Production gained over the preceding month, but was a little under the rate of last September. Orders booked increased in both comparisons, being more than double the August volume.

**Shoe Manufacturing, Tanning, and Hides**—Preliminary statistics of the United States Department of Commerce show that shoe production in the Seventh Federal Reserve district decreased 6.3 per cent in September from a month previous. Tanning operations aggregated less than in August but were above a year ago; sales of leather increased in both comparisons. Individually, however, a majority of the reporting firms experienced a recession in sales from the preceding period. Prices held firm in September and then showed a slightly easier tendency early in October.

September trading in packer green hides at Chicago totaled in excess of August, while the movement of calf skins remained rather small; shipments from the city decreased and purchases by district tanners increased in the comparison. Prices eased after mid-September but the average for the month was slightly above that of August.

**Furniture**—Twenty-six furniture manufacturers in the Seventh district booked orders during September totaling 12.8 per cent greater than in August, though falling 5.8 per cent below a year ago. Sixteen of the firms reported a gain over the preceding month, while fourteen indicated an increase over September 1928. Shipments increased 11.2 and 1.6 per cent, respectively, over a month and a year previous. The volume was greater than orders received in September and, with cancellations, effected a decline of 11.8 per cent in unfilled orders on hand September 30 from those held August 31. The item, however, was 5.6 per cent above the amount held a year ago. Production, averaging 87.8 per cent of capacity for twenty firms, increased somewhat over August and was also above the corresponding period of last year.

**Raw Wool and Finished Woolens**—Irregularity characterized the raw wool market during September, with manufacturers continuing their hand-to-mouth policy of purchasing. Prices remained fairly steady at August levels; toward the latter part of the month, however, declining prices at the London sales affected the domestic markets, causing a drop of about 5 per cent in fine wools. Medium grades were firm in price.

### BUILDING MATERIAL AND CONSTRUCTION ACTIVITIES

Sales of lumber, as reported by twenty-one wholesale and manufacturing concerns of the Chicago Federal Reserve district, showed a heavy decline in September from the preceding month, reflecting the slow demand from both retail yards and industrial consumers. The decline for the month averaged 18.9 per cent in dollar value and 16.4 per cent in board foot measure, or somewhat greater than a year ago when September sales showed a loss of 13.6 per cent in dollars and of 11.1 per cent in board feet. Current sales were approximately 8 and 12 per cent below last year's level in the two units of measurement. Outstanding accounts decreased 2.9 per cent from August 31 and at the close of September averaged 159 per cent of monthly sales, as compared with a ratio of 133 per cent at the end of August and of 145 a year ago. Most of the reporting firms had a smaller volume of stocks on hand than either a month previous or last year at the same time.

At 182 retail yards of the district, September sales aggregated 4.7 per cent more than during August, and were 2.7 per cent in excess of the figure for last September. Accounts receivable increased 5.3 per cent during the month and totaled 267 per cent of monthly sales, as compared with 265 and 258 per cent for the preceding month and a year ago. Stocks were reported as considerably smaller than a month earlier but fully as large as those on September 30, 1928. At Chicago, receipts of lumber as well as shipments out of the city declined seasonally, both items continuing well below the level of 1928. Total receipts for the nine months of the year have been 8.9 per cent smaller

and shipments 1.2 per cent less than during the corresponding period of 1928.

Shipments of cement from plants within the Seventh district showed a contraction during September from the heavy volume reported for the preceding month, and were less than a year ago. Production registered a heavy decline in both comparisons, and stocks were reduced from a month previous but remain greatly in excess of last year. Shipments of cement to points within the five states of the district during the month of August totaled 6,913,013 barrels, or 17.3 per cent more than in July and 2.9 per cent above the volume reported for August 1928. The demand for brick was quiet in September and production at brick yards is being curtailed. The movement of brick, however, continues in about the same volume as during August, so that stocks are being reduced.

**Building Construction**—Contracts awarded in the Seventh district during September aggregated \$102,562,268, of which \$30,377,325 was for residential construction. The total was 2.1 per cent more than in August and 3.4 per cent above the amount recorded for September 1928, while contracts awarded for residential building were 1.5 per cent below the August figure and 22.2 per cent less than a year ago. Contracts for the first nine months of this year have totaled 8.8 per cent less than for the corresponding period of 1928, residential contracts alone showing a decline of 22.0 per cent. Permits issued in 104 cities of the district fell off 4.3 per cent in number and 17.2 per cent in estimated valuation from the preceding month, and were 4.3 and 22.4 per

cent, respectively, below figures reported for September last year. Although a majority of the reporting cities showed declines in both the monthly and yearly comparison, the greater share was contributed by the city of Chicago where the permit valuation totaled \$11,316,200, or 37.6 per

cent less than in August and 42.5 per cent below last year's figure. For the fifty cities included in our index figures on permits, the estimated valuation during the first nine months of 1929 has been 21.3 per cent less than during the corresponding period in 1928.

## MERCHANDISING CONDITIONS

**Wholesale Trade**—Half the reporting lines of wholesale trade had larger sales in September than a month previous, the various groups following the trend shown a year ago for the same period; despite a slight decline recorded for the wholesale grocery trade, about three-fifths of the firms reported increases. All groups except groceries sold a greater volume this year in September than a year ago. In the first nine months of 1929, grocery firms reported sales 1.2 per cent above the corresponding period of 1928, hardware sales were 6.8 per cent larger, dry goods 5.3, drugs 2.3, and electrical supplies 15.1 per cent heavier, while

sales by wholesale shoe firms totaled 0.1 per cent smaller in the comparison. With the exception of groceries and drugs, September collections were heavier than a month previous and except for shoes above a year ago. General comments by reporting firms, however, show that collections are no better than fair, except in the hardware trade where they are improving. Price levels in drugs, hardware, and shoes remain firm, grocery and dry goods prices trend upward, while those on electrical supplies are steady to lower.

### WHOLESALE TRADE DURING THE MONTH OF SEPTEMBER, 1929

	Net Sales During Month PER CENT CHANGE FROM PRECEDING MONTH	During Month SAME MONTH LAST YEAR	Stocks at End of Month PER CENT CHANGE FROM PRECEDING MONTH	End of Month SAME MONTH LAST YEAR	Accounts Outstanding End of Month PER CENT CHANGE FROM PRECEDING MONTH	End of Month SAME MONTH LAST YEAR	Ratio to Net SALES DURING MONTH	Collections During Month PER CENT CHANGE FROM PRECEDING MONTH	End of Month SAME MONTH LAST YEAR
Groceries .....	(30) - 0.3	(31) - 1.7	(20) + 5.0	(20) - 11.3	(27) + 4.8	(28) - 6.8	(28) 92.9	(24) - 6.2	(22) + 1.1
Hardware .....	(13) + 3.5	(13) + 4.9	(9) + 0.6	(9) + 8.9	(13) + 5.1	(13) + 5.7	(13) 206.1	(10) + 4.2	(10) + 5.0
Dry Goods .....	(9) + 20.9	(9) + 2.6	(7) - 8.0	(7) + 0.1	(9) + 14.7	(9) + 0.5	(9) 263.4	(8) + 6.6	(8) + 2.0
Drugs .....	(13) - 3.1	(13) + 0.7	(12) + 1.9	(12) + 5.2	(11) + 0.0	(11) + 1.8	(11) 141.8	(7) - 2.0	(7) + 2.5
Shoes .....	(8) - 4.6	(8) + 1.5	(6) - 5.4	(6) - 1.3	(7) + 8.2	(7) + 7.5	(7) 285.9	(6) + 3.8	(6) - 4.6
Electrical Supplies .....	(33) + 7.5	(33) + 8.9	(26) + 6.7	(26) + 14.3	(32) + 5.5	(32) + 3.9	(32) 134.6	(22) + 3.9	(21) + 22.8

Figures in parentheses indicate number of firms included.

**Department Store Trade**—A further seasonal gain was recorded during September in Seventh district department store trade, sales of 121 firms totaling 23.2 per cent heavier than the August volume. As compared with September last year, sales were only 0.2 per cent larger; Detroit, Indianapolis, and Milwaukee effected this increase, as a decline of 1.0 per cent was shown for Chicago and one of 7.1 per cent for other cities. In the first nine months of 1929, sales have aggregated 4.8 per cent more than in the same period of 1928, stores in the four larger cities sharing in the gain, while those in smaller centers recorded a decline of 0.4 per cent. Stocks continue to increase slightly; on September 30 they averaged 5.5 per cent heavier than a month previous and 2.7 per cent larger than a year ago. The rate of turnover, however, remains about the same, averaging .35 times for the month and 2.86 for the year to date.

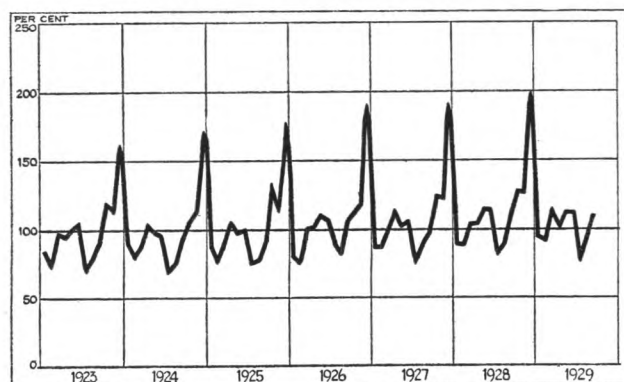
September collections totaled 0.4 per cent more than in August and were 9.5 per cent above last September, while accounts receivable the end of the month were larger by 19.0 and 9.9 per cent, respectively, than a month or a year previous. Collections averaged 38.9 per cent of accounts outstanding the end of August, which compares with 38.6 per cent a year ago.

**Chain Store Trade**—Twenty-two chains reported September sales aggregating 7.3 per cent less than in the preceding month but 6.0 per cent above a year ago. The 2,711 units operated during the period represented an increase of 0.4 per cent over August and of 15.2 per cent over September last year. Average sales per store declined 7.7 and 8.0 per cent in the respective monthly and year-to-year comparisons. Aggregate sales of grocery, cigar, drug, shoe, and five-and-ten-cent chains were smaller than a month previous, while those in the musical instrument, furniture, and men's and women's clothing groups increased; as compared with September 1928, only grocery and musical instrument chains showed declines.

**Other Retail Trade**—The usual heavy seasonal expansion took place during September in sales of shoes by twenty-seven dealers and twenty-three department stores in the district, the volume sold gaining 50.1 per cent over the preceding month; the increase was mostly attributable to department stores, however, as the majority of dealers recorded declines. As in previous months since April, sales were larger than for the corresponding month of 1928, the gain averaging 4.1 per cent, and for the three quarters of 1929, sales have totaled 4.5 per cent more than for the same period a year ago. Stocks on hand September 30 were 5.4 and 4.7 per cent heavier, respectively, than a month or a year previous. Accounts receivable the same date on dealers' books aggregated 23.0 per cent more than on August 31 and 11.4 per cent above a year ago; collections during the month fell 23.7 per cent below the August volume and were 0.3 per cent smaller than on September 30 last year. Accounts receivable averaged 51.8 per cent of September sales, as compared with 60.4 per cent for August and 52.4 per cent for September 1928.

Further gains were shown for September in retail distribution of furniture and house furnishings; increases of 37.0 per cent over August and of 3.0 per cent over a year ago were recorded in aggregate sales of twenty-five dealers and twenty-eight department stores. Installment goods sold by dealers totaled 26.6 per cent above the preceding month but 5.5 per cent less than for last September. Stocks of dealers and department stores changed little in the month-to-month comparison and were 3.6 per cent heavier than on September 30, 1928. Accounts receivable on dealers' books increased 5.0 per cent between August 31 and the end of September and gained 1.6 per

### DEPARTMENT STORE SALES IN THE CITY OF CHICAGO



Index numbers of sales by 34 department stores in the City of Chicago. Monthly average 1923-24-25=100. Latest figure, September, 1929: 109.3.



cent over a year ago, while collections during the month were less by 3.9 and larger by 3.8 per cent in the respective monthly and yearly comparisons. Collections on installment sales fell 9.3 per cent below August, totaling 1.6 per cent under September last year.

September sales of hardware by 205 retail dealers in the five states including the Seventh district aggregated 0.2 per cent more than in the preceding month, Iowa and Wisconsin showing gains of 9.1 and 2.7 per cent, respectively, and Illinois, Indiana, and Michigan declines of

5.2, 3.2, and 1.3 per cent. For ninety-seven firms for which both the monthly and yearly comparisons are available, September sales totaled 1.0 per cent above the corresponding month of 1928; Illinois dealers reported the volume sold as 1.8 per cent heavier than a year ago, Michigan 2.9, and Wisconsin 7.2 per cent greater, while sales in Iowa were 5.6 per cent smaller and in Indiana 14.4 per cent less. For the nine months of 1929, sales of the ninety-seven dealers have been 6.8 per cent larger, with all states except Indiana contributing to the gain.

## MONTHLY BUSINESS INDICES COMPUTED BY FEDERAL RESERVE BANK OF CHICAGO

(Index numbers express a comparison of unit or dollar volume for the month indicated, using the monthly average for 1923-1924-1925 as a base, unless otherwise indicated. Where figures for latest month shown are partly estimated on basis of returns received to date, revisions will be given the following month. Data refer to the Seventh Federal Reserve District unless otherwise noted.)

	No. of Firms	Sept. 1929	Aug. 1929	Sept. 1928	Aug. 1928
<b>Meat Packing—(U. S.)—</b>					
Sales (in dollars).....	59	126.3	118.8	128.4	116.1
<b>Casting Foundries—</b>					
<b>Shipments:</b>					
Steel—In dollars .....	15	84.5	93.8	63.9	75.6
In tons.....	15	88.4	100.3	61.7	74.4
Malleable—In dollars.....	23	77.5	87.2	75.8	80.3
In tons.....	23	104.1	120.9	109.9	116.1
<b>Stoves and Furnaces—</b>					
Shipments (in dollars).....	11	202.2	138.9	174.6	125.2
<b>Agricultural Machinery &amp; Equipment—(U. S.)—</b>					
Domestic Sales (in dollars).....	83	153.2	218.4	145.7	187.5
Exports (in dollars).....	56	272.0	285.7	353.7	387.5
Total Sales (in dollars).....	83	172.6	229.3	179.1	219.7
Production .....	82	153.6	156.4	145.5	146.1
<b>Furniture—</b>					
Orders (in dollars).....	27	118.0	104.6	126.4	104.7
Shipments (in dollars).....	27	134.2	120.6	132.4	111.7
<b>Electric Energy—</b>					
Output of Plants (KWH).....	8	143.7	150.3	145.6	151.8
Industrial Sales (KWH).....	8	201.6	210.0	186.4	183.0
<b>Flour—</b>					
Production (in bbls.).....	32	101.5	109.0	112.8	106.4
<b>Output of Butter by Creameries—</b>					
Production .....	74	105.8	133.1	109.2	137.3
Sales .....	74	98.8	119.4	97.6	122.4
<b>Iron and Steel—</b>					
<b>Pig Iron Production:<sup>1</sup></b>					
Illinois and Indiana.....		135.0	143.9	117.3	116.4
United States .....		117.7	123.4	103.9	103.0
Steel Ingot Production—(U. S.) <sup>1</sup> .....		135.4	136.9	124.5	116.1
Unfilled orders U. S. Steel Corp.....		81.7	76.6	77.5	75.9
<b>Automobile Production (U. S.):</b>					
Passenger cars .....		123.8	149.9	121.7	135.7
Trucks .....		140.6	156.7	159.7	171.8
<b>Stamp Tax Collections—<sup>2</sup></b>					
Sales or Transfers of Capital Stock.....		775.4	705.9	271.6	197.7
Sales of Produce on Exchange—Futures		165.8	181.4	80.9	82.7
<b>U. S. Primary Markets—<sup>3</sup></b>					
<b>Grain Receipts:</b>					
Oats .....		68.1	178.3	70.3	128.5
Corn .....		87.2	85.5	91.2	95.3
Wheat .....		136.8	293.3	214.8	234.6
<b>Grain Shipments:</b>					
Oats .....		57.3	79.2	47.3	54.6
Corn .....		51.1	60.7	54.9	71.0
Wheat .....		91.4	176.6	118.3	133.8

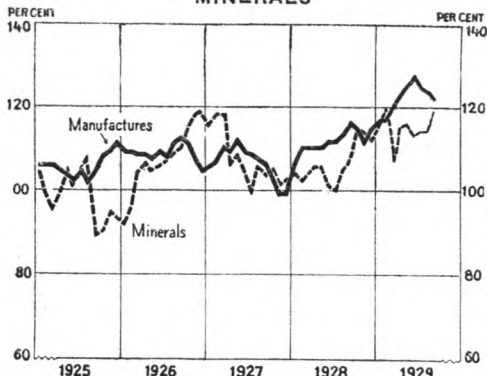
	No. of Firms	Sept. 1929	Aug. 1929	Sept. 1928	Aug. 1928
<b>Wholesale Trade—</b>					
<b>Net Sales (in dollars):</b>					
Groceries .....	37	101.1	101.4	103.5	105.3
Hardware .....	15	106.7	102.2	100.5	96.3
Dry Goods.....	10	118.0	98.7	113.5	99.8
Drugs .....	12	104.9	108.4	104.4	104.5
Shoes .....	8	112.2	117.7	110.5	116.9
<b>Retail Trade (Dept. Stores)—</b>					
<b>Net Sales (in dollars):</b>					
Chicago .....	34	109.3	92.3	110.4	89.0
Detroit .....	4	211.0	136.2	205.9	130.8
Indianapolis .....	5	131.3	88.2	98.7	81.4
Milwaukee .....	5	119.4	94.0	115.2	96.3
Outside .....	53	98.0	94.6	103.6	90.6
Seventh District.....	101	127.3	100.1	125.2	96.6
<b>Retail Trade—(U. S.)—</b>					
Department Stores .....	523	109	89	106	85
<b>Chain Stores:</b>					
Grocery .....	34	216	233	200	205
Drug .....	13	200	211	164	169
Shoe .....	7		134	130	110
Five and Ten Cent.....	14	147	161	144	134
<b>Freight Carloadings—(U. S.)—</b>					
Grain and Grain Products.....		113.3	134.9	135.4	126.3
Live Stock.....		98.1	74.3	108.4	77.5
Coal .....		115.7	100.0	110.0	96.7
Coke .....		103.0	98.3	88.9	78.6
Forest Products.....		91.6	96.3	92.8	92.9
Ore .....		184.4	196.1	168.7	166.8
Merchandise and Miscellaneous.....		128.3	120.2	126.8	116.5
Total .....		123.5	116.7	121.8	111.8
<b>Building Construction—</b>					
<b>Contracts awarded (in dollars):</b>					
Residential .....		103.5	105.0	133.0	148.3
Total .....		149.7	146.6	144.8	158.1
<b>Permits:</b>					
Chicago .....	Number	37.7	33.6	43.5	49.8
Cost.....		41.3	66.1	71.7	57.5
Indianapolis .....	Number	57.4	58.1	68.5	65.8
Cost.....		72.1	83.3	92.5	94.4
Des Moines.....	Number	75.3	51.6	78.4	54.1
Cost.....		81.6	114.6	44.5	27.7
Detroit .....	Number	81.8	82.4	84.4	78.5
Cost.....		76.1	75.3	81.0	83.4
Milwaukee .....	Number	100.9	101.6	82.0	94.7
Cost.....		102.8	87.1	116.1	144.4
Others (45).....	Number	102.3	105.1	106.8	97.2
Cost.....		93.5	106.0	100.4	113.1
Fifty Cities.....	Number	86.8	87.5	86.6	84.5
Cost.....		65.8	79.6	83.3	81.9

<sup>1</sup>Average daily production; <sup>2</sup>First Illinois internal revenue district; <sup>3</sup>Monthly average receipts 1923-24-25=100.

# NATIONAL SUMMARY OF BUSINESS CONDITIONS

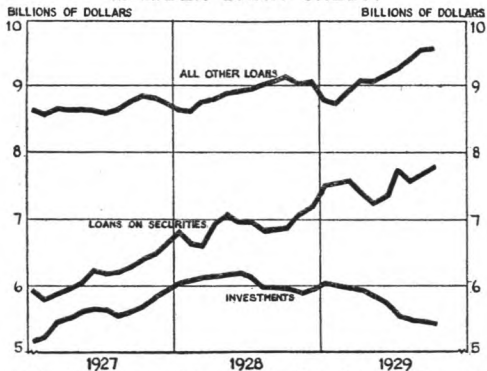
(By the Federal Reserve Board)

## PRODUCTION OF MANUFACTURES AND MINERALS



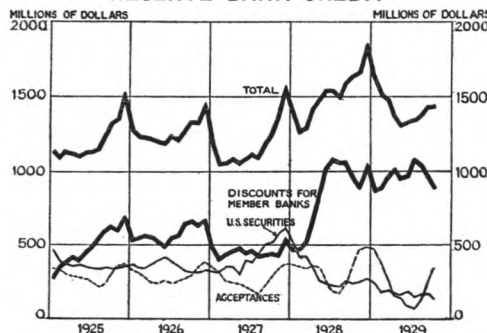
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-25 average = 100). Latest figures, September, 1929: Manufactures, 122; Minerals, 119.

### MEMBER BANK CREDIT



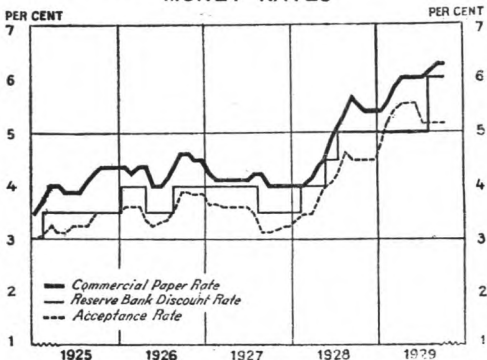
Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures, averages of first three weeks in October, 1929: Loans on Securities, 7,796 million; All Other Loans, 9,569 million; Investments, 5,400 million.

### RESERVE BANK CREDIT



Monthly averages of daily figures for twelve Federal Reserve banks. Latest figures, averages of first 19 days in October, 1929: Total Reserve Bank Credit, 1,433 million; Discounts for Member Banks, 889 million; U. S. Securities, 137 million; Acceptances, 329 million.

### MONEY RATES



Monthly rates in the open market in New York: commercial paper rate on 4- to 6-month paper, and acceptance rate on 90-day bankers' acceptances. Latest figures, averages of first 23 days in October, 1929: Commercial Paper Rate, 6.25 per cent; N. Y. Reserve Bank Discount Rate, 6.00 per cent; Acceptance Rate, 5.13 per cent.

INDUSTRIAL activity increased less in September than is usual at this season. Production during the month continued above the level of a year ago, and for the third quarter of the year was at a rate approximately 10 per cent above 1928. There was a further decline in building contracts awarded. Bank loans increased between the middle of September and the middle of October, reflecting chiefly growth in loans on securities.

## PRODUCTION

Output of iron and steel declined further in September, contrary to the seasonal tendency; there was a sharp decrease in output of automobiles and automobile tires, and a smaller than seasonal increase in activity in the textile and shoe industries, which continued to produce at a high rate in comparison with the preceding year. Meat packing plants were more active than in August. Factories increased the number of their employees during September and payrolls were also slightly larger.

Output of coal showed a substantial increase from August, and the average daily production of copper mines was somewhat larger. Iron ore shipments declined seasonally, and petroleum output was reduced for the first time in several months. For the first half of October, reports indicate a further reduction in steel plant operations, a continued increase in production of bituminous coal, and some increase in petroleum output following a moderate decrease during September.

Building contracts awarded in September declined seasonally from August and were substantially below the corresponding month in any year since 1924. For the third quarter, the volume of contracts was 6 per cent less than a year ago. During the first three weeks of October, contracts continued substantially below the level of last year.

October estimates by the Department of Agriculture indicate a cotton crop of 14,915,000 bales, 3 per cent larger than last year; a corn crop of 2,528,000,000 bushels, 11 per cent smaller than the crop of a year ago, and 8 per cent below the five-year average; and a total wheat crop of 792,000,000 bushels, 12 per cent below last year but only slightly under the five-year average.

## DISTRIBUTION

Freight carloadings increased by slightly less than the usual seasonal amount in September, and continued to be larger than a year ago. In the first two weeks of October carloadings were smaller than in the corresponding weeks of 1928.

Department stores sales in leading cities increased seasonally during the month of September and were 2 per cent larger than a year ago. For the third quarter as a whole, sales of the reporting stores exceeded those of the third quarter of last year by 3 per cent.

## PRICES

Wholesale prices showed little change from August to September, according to the index of the Bureau of Labor Statistics. Prices of meats and live stock declined considerably, while prices of grains advanced. The prices of raw silk, cotton and cotton goods were higher in September, and the price of coal increased, while prices of iron and steel products, tin, gasoline, and cement were lower. During the first three weeks of October prices declined for a considerable number of commodities, including wheat, flour, hides, steel, tin, cotton, silk, and wool.

## BANK CREDIT

Between the middle of September and the middle of October, there was a slight increase in the volume of loans and investments of member banks in leading cities. The banks' loans on securities increased rapidly, while all other loans, including loans for commercial and agricultural purposes, declined somewhat after reaching a seasonal peak on October 2. Security holdings of the reporting banks continued the decline which has been almost uninterrupted for more than a year.

At the reserve banks there was little change in the volume of credit outstanding during the four-week period ending October 19. Further increase in the holdings of acceptances by the Federal Reserve banks was accompanied by a decline in discounts for member banks, largely at the Federal Reserve Bank of New York.

Open-market rates on bankers' acceptances and on prime commercial paper were unchanged during the last half of September and the first three weeks of October. On October 23, rates on bankers' acceptances declined by one-eighth per cent to a 5 per cent level for the principal maturities. Rates on demand and time loans on securities declined during the first half of October.