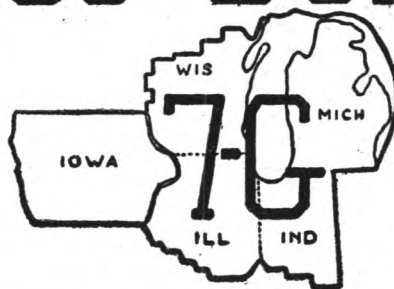


BUSINESS CONDITIONS

SEVENTH
FEDERAL



RESERVE
DISTRICT

Volume 12, No. 12

MONTHLY REVIEW PUBLISHED BY THE
FEDERAL RESERVE BANK OF CHICAGO

December 1, 1929

INDUSTRIAL production during October in the Seventh Federal Reserve district remained near the September level with fewer industries showing gains over the corresponding period of 1928 than in earlier months of the year. Operations in the automotive, stove and furnace, and cement industries were reduced from a month previous and a year ago, whereas expansion was recorded in meat packing, tanning, and in the manufacture of furniture, shoes, and steel castings. Coal mining, flour milling, and malleable casting operations increased over September but fell slightly below a year ago; an opposite trend was shown in pig iron and agricultural machinery production. Steel mills operated at slightly below the September rate and some further curtailment was evidenced early in November. Building construction remained under last year. Industrial employment declined 1.1 per cent from September but totaled 5.0 per cent greater than in the corresponding month of 1928.

The 1929 harvest in the Seventh district was in line with the early forecasts, falling short of last year. Preliminary estimates for corn, potatoes, tobacco, and a number of minor crops were revised slightly upward on November 1. Farm work has made satisfactory progress this autumn. Live stock marketings for October exceeded those of September and aggregated nearly the same as a year ago; a decrease was recorded in the movement of grain. Creameries were

more active than last October, while operations in the cheese industry declined; production and sales of butter and cheese showed a seasonal recession from September.

An expansion in most phases of trade was experienced in October over September; declines, however, were recorded in the sales of automobiles and of furniture at retail, in agricultural machinery, building materials, shoes, in wholesale dry goods, and shipments of malleable castings. As compared with a year ago, distribution increased for packing-house products, flour, steel castings, stoves, furniture at wholesale and retail, and for lumber at retail; recessions were found in practically all other reporting lines.

Demand for credit remained active in October. Money rates eased about the middle of November. Loans and discounts of member banks remained at a higher level than a year ago, while rediscounts at the Federal Reserve Bank expanded over the preceding month but were below last year. Dealers' sales of commercial paper met with a good demand and were considerably in excess of September, though below the corresponding period of 1928; open-bill market transactions gained markedly in both comparisons. Bank liability for outstanding acceptances had advanced to a very high level by the end of October. November 1 savings deposits fell off from a month previous and last year. The rediscount rate of the Federal Reserve Bank of Chicago was reduced from 5 per cent to 4½ per cent on November 23.

CREDIT CONDITIONS AND MONEY RATES

After an extended period of firm money in the district, the tone became somewhat easier by the middle of November, banks in the city of Chicago at the beginning of the third week marking rates down on all types of loans. Brokers' demand loans were reduced from 8 to 6 per cent, and commercial loans by ¼ to ½ per cent. The average rate earned on loans and discounts by six of the larger banks in Chicago during the calendar month of October was 6.38 per cent as against 6.45 per cent in September. Banks in the more important financial centers experienced a heavy demand throughout October for security as well as commercial loans. The average rate earned on loans and discounts by five Detroit banks in October declined to 6.18 per cent from 6.23 shown in September; the prevailing rate on commercial loans in that city was 5¾-6 per cent for the week ending November 15.

\$244,602,000 was reported as the amount of bills and securities of this bank on November 13; this aggregate, though the largest since last March, reflected a very moderate gain after October 23 in loans to member banks, for the most part Chicago institutions, and a similar trend in holdings of U. S. Government securities; the drop in loans on November 20 brought this item to less than 4 million above the figure on the corresponding date a year ago, as shown in the above tabulation. Member bank reserve deposits declined considerably during the first three weeks of November, and on November 20 were more than 7 million below the level of October 23, the decline in this item and in other deposits exclusive of government and foreign bank deposits, being responsible for the lessened volume of total deposits shown above.

Condition of Reporting Member Banks, Seventh District

(000 omitted)	Nov. 20		Nov. 21	
	1929	1928	1929	1928
Total Bills and Securities.....	\$216,877	\$170,821	\$213,043	
Bills Discounted	129,374	93,915	137,994	
Bills Bought in Open Market.....	43,226	50,240	39,894	
U. S. Government Securities.....	42,277	24,666	35,154	
Total Reserves	483,525	533,928	470,470	
Total Deposits	357,429	366,601	357,973	
Federal Reserve Notes in Circulation	305,902	302,449	291,845	
Ratio of Total Reserves to Deposit and Federal Reserve Note Liabilities Combined	72.8%	79.8%	72.4%	

	Nov. 20		Oct. 23		Nov. 21	
	1929	1928	1929	1928	1929	1928
Total Loans and Discounts.....	\$2,763	\$2,765	\$2,765	\$2,574		
Commercial Loans	1,427	1,435	1,435	1,471		
Loans on Securities.....	1,336	1,330	1,330	1,103		
Investments	657	652	652	767		
Net Demand Deposits.....	1,914	1,945	1,945	1,900		
Time Deposits	1,213	1,269	1,269	1,268		
Borrowings from Federal Reserve Bank....	86	63	63	114		

Changes in the condition of reporting member banks in the district from October 23 to November 20 were slight. A two million drop in total loans reflects an increase of six million in security loans more than offset by a decline of

Compiled November 26, 1929

eight million in commercial loans. Decreases in net demand and time deposits are also indicated in the above tabulation, while borrowings at the Federal Reserve Bank gained twenty-three million dollars between the dates shown.

Reports from nine dealers in the Middle West show October sales of commercial paper as 57.2 per cent in excess of September and 11.3 per cent below a year ago, with a steady to strong demand for bills during the period and a moderate to good supply. Sales of four Chicago dealers totaled greater for the first half of November than for the corresponding weeks of the preceding month; demand continued good and the supply remained fair to good. October selling rates ranged from $5\frac{3}{4}$ and 6 per cent for low to $6\frac{1}{2}$ per cent for high, with the customary charge 6 to $6\frac{1}{4}$ per cent. Quotations opened on November 15 at $5\frac{1}{2}$ and $5\frac{3}{4}$ per cent for low and 6 per cent for high, the average rate being $5\frac{1}{2}$ to 6 per cent. Outstandings of five dealers in the Middle West increased 9.8 per cent on October 31 over a month previous and decreased 9.3 per cent from a year ago; those of twenty-three dealers in the United States amounted to \$286,000,000, as compared with \$264,753,153 on September 30.

Weekly purchases of five dealers in the Chicago open bill market averaged 2.5 per cent smaller from October 17 to November 13 than in the preceding period but were 125.0 per cent heavier than a year ago; sales increased 77.2 and 163.5 per cent in the respective comparisons. Receipts from other offices gained 288.9 per cent over those of September 12 to October 16 and were 261.3 per cent in excess of last year; shipments to other offices decreased 22.7 per cent from the preceding period, though totaling 375.3 per cent greater than a year ago. A limited to good supply of bills and a substantial demand were reported. Inquiry centered principally on 60- and 90-day maturities, although there was a fair movement of shorter term bills. Acceptances were drawn for grain, cotton, sugar, eggs, rags, timber, silk, packing-house products, casings, cellulose, and fabric. Rates declined and were quoted on November 16 as $4\frac{1}{8}$ per cent for 30-day offerings to $4\frac{3}{8}$ and $4\frac{1}{2}$ per cent for those of 180 days. November 13 holdings aggregated 21.6 per cent less than on October 16 and were 15.8 per cent under a year ago.

The total value of bills accepted at fourteen reporting banks in the Seventh district was 9.0 per cent smaller in October than in the preceding month, though 76.2 per cent in excess of the corresponding period of 1928. Purchases and sales showed marked gains in the comparison with September and a year ago. Acceptances of three Chicago banks totaled greater for the first half of November than for the corresponding weeks of October; transactions represented grain, sugar, tobacco, iron, coal, coffee, machinery, hides, cotton, cocoa, merchandise, lumber, silk, packing-house products, cellulose, rice, tea, and miscellaneous commodities. October 31 portfolios were considerably heavier than those of September 30 or last year, although more than half the individual returns showed a recession from the preceding month; holdings contained more of the originating banks' own bills than a month previous. The liability for outstanding acceptances rose 12.3 per cent over the close of September and exceeded that of October 31 last year by 154.3 per cent. Purchases by the Federal Reserve Bank of Chicago aggregated \$34,663,142 during the period, and its portfolio of bankers' acceptances increased from \$30,931,285 on September 30 to \$46,420,865 on October 31.

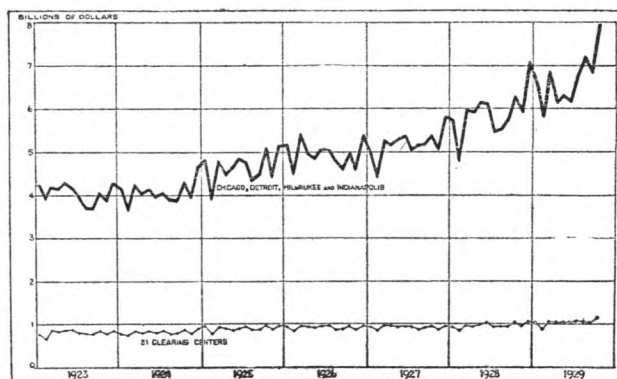
Savings Deposits—A compilation for 196 reporting banks in the Seventh district shows a drop of 1.0 per cent in the volume of regular savings deposits on November 1 as compared with October 1, while average accounts decreased 0.9 per cent and the number of depositors showed little change. Declines of 2.5 per cent in regular savings, 3.9 per cent in average account, and a gain of 1.5 per cent in number of accounts were recorded from last year. Iowa was the only state to show an increase in total deposits and average account over a month ago. As compared with the corre-

sponding period of 1928, Illinois alone registered a decrease in the number of accounts, Michigan showed a very slight increase in the volume of regular deposits, while in average accounts all states followed the trend of the district. Individually, 55 per cent of the reporting banks had less deposits than a month previous; about the same percentage indicated a drop in the comparison with 1928.

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 October 1929, September 1929, and October 1928, with percentage changes between the current and the preceding month:

	(000 omitted from dollar amounts)			OCT. 1928
	OCT. 1929	SEPT. 1929	PER CENT CHANGE	
Chicago	\$6,009,535	\$4,962,697	+21.1	\$4,494,035
Detroit, Milwaukee, and Indianapolis	1,910,831	1,901,917	+ 0.5	1,770,065
Total four larger cities.....	\$7,920,366	\$6,864,614	+15.4	\$6,264,100
34 smaller centers.....	1,179,266	1,076,040	+ 9.6	1,096,407
Total 38 centers.....	\$9,099,632	\$7,940,654	+14.6	\$7,360,507

VOLUME OF PAYMENT BY CHECK Checks Drawn on Clearing House Banks, 7th District



Figures used are estimates for calendar months based on weekly reports to this bank. Latest figures, October, 1929, in thousands of dollars: Chicago, Detroit, Milwaukee, and Indianapolis, 7,920,366; 31 Other Clearing House Centers, 1,122,052.

Bonds—During the first three weeks of October, bond prices displayed a rising trend, reflecting the easing of money rates in both the time and call markets. The improved tone was accompanied by an increase in trading volume which carried prices further upward. Practically no new offerings were made during the period, the volume being lower than in the preceding month or for the past year. Rail, municipal, and government issues were in demand at increased prices and readily absorbed. Buyers were of several classes, but chiefly of the institutional type. The trend of bond prices reversed in the last few days of the month and during the first part of November, the break in the stock market causing distress selling and forced liquidation, which effected a drop of more than half the rise of the previous few weeks.

Banking Resources of the Seventh Federal Reserve District All Member and Non-Member Banks (In thousands of dollars)

	JUNE 29, 1929	JUNE 30, 1928
Number of banks.....	4,987	5,100
Total Resources.....	10,085,232	9,919,233
Capital	626,259	569,087
Surplus	423,359	393,673
Undivided Profits including Reserves.....	235,402	221,796
Loans and Discounts.....	6,091,404	5,859,515
U. S. Government Deposits.....	38,764	18,855
Demand Deposits	3,679,266	3,656,909
Time Deposits	3,789,063	3,797,399
Due to Banks, Cashiers' Checks, Certified Checks, Letters of Credit.....	674,712	651,899
Total Deposits, including Interbank Deposits.....	8,181,805	8,125,062

AGRICULTURAL PRODUCTION AND FOODSTUFFS

November 1 preliminary estimates show the 1929 production of corn, potatoes, tobacco, and a number of other autumn crops of the Seventh district as slightly larger than

the forecasts of October 1. Corn husking and other farm work made satisfactory progress during the first half of November; winter wheat was reported in good condition.

CROP PRODUCTION

Estimated by the U. S. Bureau of Agricultural Economics as of November 1

(In thousands of bushels unless otherwise specified)

	SEVENTH DISTRICT		UNITED STATES		5-Yr. Av. 1923-27
	PRELIMINARY 1929	FINAL 1928	PRELIMINARY 1929	FINAL 1928	
Corn	888,229	1,017,822	2,621,451	2,835,678	2,746,470
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	1,286(a)	1,514(a)	11,896	13,148	13,949
Flaxseed	220(c)	320(c)	16,060	18,690	23,243
Potatoes (white)	46,746	76,982	353,977	464,483	382,756
Potatoes (sweet)	1,567(b)	1,581(b)	82,917	77,661	78,045
Apples (total crop)	16,784(a)	19,970(a)	140,099	185,743	183,452
Peaches	4,951(d)	3,449(d)	44,837	68,374	52,224
Pears	1,440(d)	1,694(d)	20,812	24,012	20,211
Grapes*	86(a)	91(a)	2,045	2,671	2,250
Sugar beets*	424(c)	526(c)	8,468	7,101	7,462
Dry Beans	5,753(c)	5,972(c)	18,638	16,621	17,058
Celery***	1,145(f)	1,237(f)	7,914	7,512	.....
Tobacco**	45,464	49,005	1,480,965	1,378,139	1,330,576
Soy beans (picked or threshed)	5,362(a)	4,502(a)	9,450	8,546	5,996
Cow peas (picked or threshed)	320(g)	292(g)	4,781	3,729	4,522
Canning Crops	.....	.....	.....	.....	.....
Sweet corn*	302(a)	312(a)	632	584	.....
Tomatoes*	269(d)	193(d)	1,378	973	.....
All tame hay*	23,163	16,781	100,582	92,983	92,810

*In thousands of tons. **In thousands of pounds. *** In thousands of crates. (a) Five states including Seventh district. (b) Indiana, Illinois, Iowa. (c) Michigan, Wisconsin. (d) Indiana, Illinois, Michigan, Iowa. (e) Wisconsin, Iowa. (f) Michigan. (g) Indiana, Illinois.

Grain Marketing—October receipts and shipments of grain at interior primary markets in the United States aggregated less than in September and were below the 1924-28 average for the month, with centers handling smaller quantities of wheat and larger tonnages of corn and oats than a year ago. Receipts of oats, however, gained over the preceding period and reshipments of corn showed an expansion as compared with the five-year average. Visible supplies of oats, rye, and barley in the United States increased and those of wheat and corn decreased on November 9 from the corresponding Saturday in October. Stocks of wheat, oats, and rye remained considerably above last year; holdings of corn and barley declined. The volume of trading in grain futures on the Chicago Board of Trade exceeded that of September by 16.9 per cent and was 47.4 per cent heavier than last October. Prices declined from September.

FLOUR PRODUCTION IN THE SEVENTH DISTRICT

Changes in October, 1929, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED
	SEPTEMBER 1929	OCTOBER 1928	
Production (bbls.)	+15.5	- 3.8	32
Stocks of flour at end of month (bbls.)	+12.5	+ 0.5	27
Stocks of wheat at end of month (bu.)	- 1.7	+10.3	27
Sales (volume)	+44.3	+85.8	12
Sales (value)	+33.2	+78.8	12

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

Meat Packing—The production of packing-house products in the United States expanded in October over the preceding month and last year. Payrolls at the close of the period recorded a gain of 1.8 per cent in number of workers, 2.4 per cent in hours, and 1.7 per cent in total earnings in the comparison with September. Domestic demand averaged good for pork products, smoked meat, and sausage, was fair for beef, lamb, boiled ham, and dry salt pork, and rather slow for veal. A compilation for fifty-nine meat packing companies in the United States shows October sales billed to domestic and foreign customers as 1.5 per cent greater in value than a month previous and as 3.4 per cent above a year ago. Trade during early November in domestic markets was slightly better than at the beginning of October, ranging between fair and very good. Chicago quotations for pork, lamb, and most beef declined in October from the preceding month; prices of mutton and top grade beef firmed slightly. November 1 inventories at slaughtering establishments and cold-storage warehouses in the United States aggregated less than on October 1, but remained above last year and the 1924-28

average for the period. Stocks of beef and lamb, however, increased over a month previous. A majority of concerns reported heavier shipments for export than in September; some firms experienced a decrease. Foreign buying of lard, fats, and meats (from stocks already landed in Europe) increased during the month and at times was very good; some purchases for future shipment also were reported. Demand for oleo oil decreased. Prices averaged fairly well in line with those of the United States; lard quotations in the United Kingdom, however, remained a little below Chicago parity.

Movement of Live Stock—Marketings of live stock at public stock yards in the United States were seasonally greater during October than in the preceding month. Hog, lamb, and sheep receipts increased and those of cattle and calves decreased in the comparisons with last October and the 1924-28 average for the month.

LIVE STOCK SLAUGHTER

	CATTLE	HOGS	LAMBS AND SHEEP	CALVES
Yards in Seventh District, October, 1929	240,495	817,463	352,182	103,956
Federally Inspected Slaughter, U. S.	.....	.....	.....	.....
October, 1929	838,939	3,857,147	1,365,325	398,354
September, 1929	752,815	3,103,758	1,316,926	365,084
October, 1928	801,248	3,712,984	1,408,753	404,945

A much larger movement to feed lots was recorded than in September. Reshipments of cattle and calves continued under a year ago, while those of lambs and sheep gained in the comparison.

AVERAGE PRICES OF LIVE STOCK

(Per hundred pounds at Chicago)

	WEEK ENDED		MONTHS OF	
	NOV. 16, 1929	OCTOBER 1929	SEPTEMBER 1929	OCTOBER 1928
Native Beef Steers (average)	\$12.60	\$13.40	\$13.60	\$14.55
Fat Cows and Heifers	8.50	9.00	9.30	9.40
Calves	13.85	13.90	17.00	15.25
Hogs (bulk of sales)	9.15	9.50	9.95	9.80
Yearling Sheep	9.50	9.25	9.00	9.55
Lambs	12.20	12.60	12.90	13.00

Dairy Products—October marked a further seasonal recession of 9.4 per cent from the preceding month in Seventh Federal Reserve district butter production, although manufacturing operations were 4.6 per cent heavier than a year ago, according to a compilation for sixty-seven reporting creameries. Statistics of the American Association of Creamery Butter Manufacturers reflect similar trends for the United States. Sales of creamery butter billed to customers by sixty-nine companies in the Seventh district declined 5.9 per cent in volume from September and 0.6 per cent from last October. Wisconsin factories supplied the primary markets of that state with a 19.7 per cent smaller quantity of American cheese during the four weeks ended November 2 than in the preceding period, the tonnage being 18.3 per cent less than a year ago; redistribution from those centers declined 9.3 and 4.9 per cent in the respective comparisons. Cold-storage warehouses and packing plants in the United States reported a reduction in dairy product inventories on November 1 from a month previous. Stocks of butter were larger than in 1928 and those of cheese were smaller; each showed an expansion over the 1924-28 November 1 average, while holdings of eggs declined in both comparisons. October receipts of dairy products at Chicago were below September; the quantity of butter increased and that of cheese and eggs decreased in the comparison with a year ago. Chicago quotations for eggs advanced during October; the average price of butter was slightly lower and that of cheese a little higher than in September.

Farm Mortgage Indebtedness and Annual Cash Income From Farm Production

Estimated by the United States Department of Agriculture (In thousands of dollars)

	FARM MORTGAGE INDEBTEDNESS		ANNUAL CASH INCOME FROM CROPS AND LIVE STOCK	
	JANUARY 1, 1928	JANUARY 1, 1929	5-Yr. AVER. 1924-28	1929
Iowa	1,401,846	1,424,002	639,828	639,828
Illinois	678,037	642,966	525,492	525,492
Wisconsin	539,194	513,827	351,937	351,937
Indiana	276,414	263,621	283,880	283,880
Michigan	234,834	227,520	247,766	247,766
United States	9,468,526	9,360,620	9,923,296	9,923,296

FUEL AND POWER PRODUCTION

An active demand for domestic sizes of coal through the first half of October was followed by a slowing-down which continued through the middle of November. The

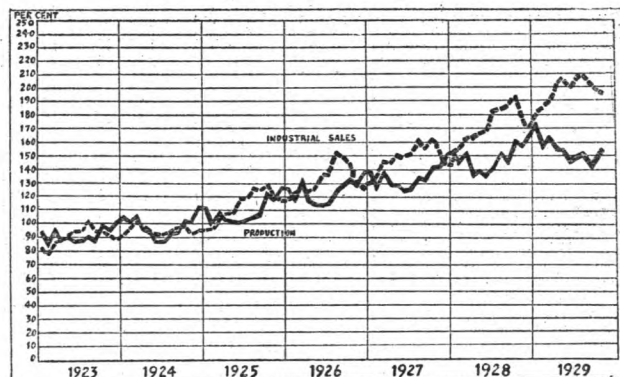
fine coal market showed no appreciable betterment, but curtailed production early in November effected a strengthening in prices. October output of bituminous coal from

Illinois mines totaled 5,723,402 tons, a gain of almost 1,000,000 tons over the September volume but slightly under the 5,890,144 tons produced in October last year. The 175 mines operated during the month represented an increase of five over September; there were 51,037 men employed compared with 45,792 a month previous, working for an average of 17.9 days against 14.9; a year ago 181 mines were in operation, employing 55,437 men for an average of 18.9 days.

United States production of bituminous coal in October totaled 51,235,000 tons, or 6,720,000 tons over September, very slightly larger than the 51,176,000 tons mined in the same month last year, and 7,408,000 tons larger than the October 1927 figure. Anthracite output for the month aggregated 8,332,000 tons, which is greater than a month previous but slightly less than the volume produced last October; it was about a million tons larger than for the corresponding month of 1927. Although estimated stocks of bituminous coal with commercial consumers on October 1 totaled 4,400,000 tons more than the previous estimate on July 1, the 37,500,000 tons held are 3,600,000 tons below the figure on the same date of 1928 and less than on any October 1 since 1922. October loadings of bituminous coal at Lake Erie ports continued heavier than in 1928 or 1927, and for the season to the end of October, loadings have

totaled 15.1 and 12.7 per cent larger, respectively, than for the same periods of 1928 and 1927.

PRODUCTION AND SALES OF ELECTRIC ENERGY Seventh Federal Reserve District



Index numbers of production and sales by eight central station companies (monthly average 1923-24-25 = 100). Latest figures, October, 1929: Production, 154.3; Industrial Sales, 196.6.

INDUSTRIAL EMPLOYMENT CONDITIONS

Manufacturing industries of the district report an aggregate loss of 1.1 per cent in the volume of employment for the period September 15 to October 15. This represents practically the first decline in industrial employment of the district since January when a drop of 0.7 per cent was reported. June and July also were quiet months industrially but the recessions were slight, 0.1 and 0.2 per cent, respectively. With these exceptions, the trend in employment has been uniformly upward during the past year, and on October 15 the volume was about 5 per cent higher than on the corresponding date in 1928. Five of the ten reporting industrial groups shared in this advance—metals, leather, foods, chemicals, and paper and printing. Metals and metal products led in the gain, with employment 10 per cent above a year ago and about the same increase in payrolls. The leather products group also showed as large a gain, both employment and earnings advancing 10 per cent. The food products group, which fluctuates widely owing to its highly seasonal character, registered an increase of almost 7 per cent in number of workers and their payrolls. The other two groups, chemicals and paper and printing, though adding 6 and 4 per cent, respectively, to their working forces, showed somewhat lower payroll amounts than a year ago.

Of the industries in which employment registered a decline for the year, the stone, clay, and glass products group was the most outstanding, the loss amounting to 10 per cent in men and 6 per cent in payrolls. Vehicles and the textile and clothing group, though showing a slight loss in employment, registered gains of 3 and 4 per cent, respectively, in payroll amounts. Lumber products declined only slightly, about 1 per cent in men and payrolls, while rubber showed a somewhat heavier reduction.

All the groups except textiles and lumber products shared in the decline from the preceding month—in these two the usual activity prevailed preceding the holiday season. The gains in payroll amounts recorded by a majority of the groups, were rather a reaction from the decline in September which included a holiday, than an indication of either increased operations or a rise in wage schedules.

Building and construction work was maintained at about the level of a month previous, while the distributive industries made some additions to their forces. At the free employment offices, there was an increase in the ratio of applicants to available positions for the states of Illinois and Iowa. The ratio for Illinois increased from 136 per cent to 147, and that for Iowa rose from 209 to 216. In Indiana, the ratio remained at 107 per cent, or the same as for the preceding month.

EMPLOYMENT AND EARNINGS—SEVENTH FEDERAL RESERVE DISTRICT

INDUSTRIAL GROUPS	NUMBER OF WAGE EARNERS			TOTAL EARNINGS		
	WEEK ENDED		PER CENT CHANGE	WEEK ENDED		PER CENT CHANGE
	OCTOBER 15 1929	SEPTEMBER 15 1929		OCTOBER 15 1929	SEPTEMBER 15 1929	
All groups (10).....	453,526	458,780	- 1.1	\$12,177,718	\$11,865,796	+ 2.6
Metals and metal products (other than vehicles).....	211,516	212,609	- 0.5	5,614,637	5,482,083	+ 2.4
Vehicles.....	43,527	43,728	- 0.5	1,342,601	1,195,837	+12.3
Textiles and textile products.....	32,488	32,282	+ 0.6	721,263	756,957	- 4.7
Food and related products.....	49,471	52,951	- 6.6	1,330,949	1,372,144	- 3.0
Stone, clay, and glass products.....	13,794	14,030	- 1.7	412,530	393,940	+ 4.7
Lumber and its products.....	31,315	30,517	+ 2.6	758,342	701,585	+ 8.1
Chemical products.....	15,081	15,415	- 2.2	418,911	406,647	+ 3.0
Leather products.....	18,882	19,161	- 1.5	430,253	430,512	- 0.1
Rubber products.....	4,321	4,468	- 3.3	98,828	96,043	+ 2.9
Paper and printing.....	33,131	33,619	- 1.5	1,049,404	1,030,048	+ 1.9

MANUFACTURING ACTIVITIES AND OUTPUT

Automobile Production and Distribution—Further curtailment in automobile production took place during October; output of passenger automobiles by United States manufacturers totaled 320,327, or 12.2 per cent less than a month previous and comparing with 339,487 in the same period a year ago. Truck production increased in October, output of 58,747 representing a gain of 17.4 per cent over September and of 2.8 per cent over last October.

The total number and value of cars sold at wholesale during October continued to decline in the month-to-month comparison, and distribution remained considerably smaller than a year ago. Sales by retail dealers declined further in October, and for the second successive month fell below the level of the same period in 1928. The number of used cars sold gained in both the monthly and year-to-year comparison. Following a decline in September, stocks of cars again were larger in

October and continued to be heavier than a year ago. Reports from thirty-four dealers show that 50.3 per cent of total retail sales in October were made on the deferred payment plan; this compares with 48.0 per cent for September and with 43.8 per cent for twenty-seven dealers in October 1928.

MIDWEST DISTRIBUTION OF AUTOMOBILES

Changes in October, 1929, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	SEPTEMBER 1929	OCTOBER 1928	SEPTEMBER 1929	OCTOBER 1928
New cars				
Wholesale—				
Number sold	- 9.1	-23.1	36	30
Value	- 6.2	-21.1	36	30
Retail—				
Number sold	- 9.4	- 9.0	65	53
Value	-12.2	-16.6	65	53
On hand October 31—				
Number	+ 9.0	+29.1	65	53
Value	+11.3	+22.0	65	53
Used cars				
Number sold	+ 3.5	+ 9.8	65	53
Salable on hand—				
Number	+ 5.9	+35.4	65	53
Value	+ 6.0	+ 5.8	65	53

Agricultural Machinery and Equipment—The sales of agricultural machinery and equipment billed to domestic and foreign customers showed the usual seasonal recession in October from September and continued below last year. Light machinery sales remained nearly on a level with the preceding month, while those of heavy machinery decreased 29.9 per cent; an increase of 10.7 per cent was reported in barn equipment. Business in the tractor, thresher, combination harvester-thresher line declined 20.9 per cent from a year ago, while gains of 15.7 and 14.1 per cent, respectively, were recorded in barn equipment and light machinery.

PRODUCTION AND SALES OF FARM EQUIPMENT IN THE UNITED STATES

Changes in October, 1929, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED
	SEPTEMBER 1929	OCTOBER 1928	
Domestic sales billed.....	-17.1	- 1.0	73
Sales billed for export.....	-11.0	-11.8	37
Total sales billed.....	-15.5	- 4.2	73
Production	- 0.6	+ 4.2	72

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

Iron and Steel Products—Shipments by Chicago district steel mills increased slightly in October over September and were about equal in volume to those of last October. Orders received during the month were chiefly for railroad requirements. Operations averaged about 80 per cent of capacity through October and the early part of November, and then were reduced to 75 per cent. Pig iron output in the Illinois and Indiana district declined further, a daily average of 22,790 tons comparing with 23,441 in September, but the volume produced was larger than for October of previous years; production for the United States showed a similar trend. For the first time this year average daily steel ingot production for the country fell below the corresponding period of 1928, 167,098 tons this October comparing with 172,221 a year ago;

BUILDING MATERIAL AND CONSTRUCTION ACTIVITIES

Demand for lumber in the Seventh Federal Reserve district was slightly more active in October than September, dollar sales of nineteen wholesale and manufacturing concerns showing an increase of 6.1 per cent and those at 143 retail yards a gain of 0.1 per cent. Sales at retail continued in excess of the corresponding month last year, registering an increase of 0.9 per cent. Reporting wholesalers and manufacturers show a decline of 9.5 per cent from a year ago. Sales in board foot units reported by these firms decreased in both the monthly and yearly comparison—3.9 per cent in the former and 18.1 per cent in the latter. Outstanding accounts of wholesalers and manufacturers trended downward, totaling 137 per cent of sales at the close of October, as compared with 154 per cent for September and 139 per cent a year ago. The corresponding ratios at retail yards were 261, 273, and 252 per cent, respectively. Stocks at yards were somewhat lower than a month previous. For the city of Chicago, receipts and shipments of lumber totaled larger than in September but considerably less than a year ago. Net receipts for the city increased 6.6 per cent over the preceding month, and recorded a decrease of 22.6 per cent from October 1928.

the daily rate in September was 180,435 tons. Another gain in unfilled orders of the United States Steel Corporation was recorded on October 31, the 4,086,562 tons on that date representing an increase of 183,981 tons over a month previous and aggregating 335,532 tons greater than on the same date a year ago.

Prices of finished steel tend to weaken; bars, plates, and shapes at Chicago are slightly lower, as are sheet prices. Scrap iron and steel prices have continued to decline steadily.

Orders booked by steel casting foundries of the district were considerably larger in October than either a month previous or a year ago, and shipments and production gained in both comparisons. Malleable foundries also booked a greater volume of orders than in September or the same month last year, but shipments were less, while production increased slightly over the preceding month and declined from a year ago. Shipments of stoves and furnaces by manufacturers in the district gained considerably in October over a month and a year previous, while new orders increased over September but declined from a year ago; production was less in both comparisons.

Shoe Manufacturing, Tanning, and Hides—Shoe manufacturing in the Seventh Federal Reserve district increased 12.0 per cent in October as compared with the preceding month, according to preliminary statistics of the United States Department of Commerce. Reports from representative tanners show district production and sales of leather as totaling heavier than in September or last year. Individually, however, a majority of the companies experienced a recession in sales from a month previous. Prices trended slightly downward.

A somewhat smaller number of packer green hides and a larger quantity of calf and kip skins were sold at Chicago during October than in September; shipments from the city increased. Quotations eased in comparison with the preceding period.

Furniture—For the seventh consecutive month, furniture manufacturers in the Seventh Federal Reserve district report an increase in shipments over a year ago; total shipments during October for twenty-seven firms showed a gain of 6.7 per cent, while in the comparison with September an increase of 12.6 per cent was recorded. Individually, only twelve of the firms reported a gain in this item over last year but twenty indicated shipments heavier than last month. Orders booked during October declined 3.3 per cent from September, although an increase of 0.9 per cent was shown over the corresponding period of last year. The total volume of shipments was again larger than orders booked, which together with cancellations resulted in a drop of 34.6 per cent in unfilled orders on hand October 31 from those held a month previous. In the comparison with October 1928, a decline of 5.4 per cent was shown. The rate of operations averaged slightly higher than in September and also above a year ago.

Raw Wool and Finished Woolens—Prices in the raw wool market during October again showed a downward tendency. Trading continued spotty, with a fair movement of good staple wools. Stocks of raw wool in dealers' hands on September 30 (Bureau of the Census report) were heavier than on June 30 but slightly below the corresponding date a year ago; manufacturers' stocks were higher in each comparison.

At cement plants of the district, the volume of business fell off considerably, although reports indicate that road building is still active and consuming a large portion of the product. Shipments were smaller than in either September or October a year ago, and production has been further curtailed. Stocks show a decrease but remain greatly in excess of last year's volume. Receipts of cement within the five states comprising the Seventh district totaled 5,960,748 barrels during September, the latest month for which figures are available; this was 13.8 per cent below August and 10.0 per cent less than for the corresponding month last year. Brick yards report a slowing down in the movement of brick during October, although the volume of production has been maintained at a high level.

Building Construction—Contracts awarded in the district have continued to follow the downward trend in progress since last May, the gain reported for September furnishing the only interruption. Total valuation in October of \$83,609,363 was 18.6 per cent below the September figure and 24.5 per cent less than in October 1928. It also represented

the lowest October total recorded since 1924, which month it exceeded by 33.8 per cent. Residential contracts showed heavy reductions from both a month and a year ago, and were only 4.1 per cent ahead of the October 1924 volume. Permit figures, though likewise considerably lower than last October, registered an increase over September, the esti-

mated cost for 105 cities totaling 20.3 per cent more than a month previous and 21.6 per cent less than a year ago. Chicago permits were large, the increase more than offsetting the heavy loss reported for September and accounting for the gain shown by the district total in the monthly comparison.

MERCHANDISING CONDITIONS

Wholesale Trade—October sales of all reporting lines of wholesale trade totaled less than a year ago, although the decline in groceries was very slight and almost two-thirds of the firms showed a gain in the comparison. The decline from last October recorded in the electrical supply trade was the first this year, and more than half the firms had larger sales. For the ten months of 1929 compared with the same period of 1928, sales totaled heavier in the wholesale grocery, hard-

ware, drug, dry goods, and electrical supply trades by 1.6, 5.5, 2.0, 3.2, and 11.8 per cent, respectively, while sales of shoes at wholesale were 1.9 per cent less. Prices in most lines were steady during October, with several reports of a downward trend in dry goods, hardware, and electrical supplies. Collections for the most part are fair to slow, though good in the hardware trade.

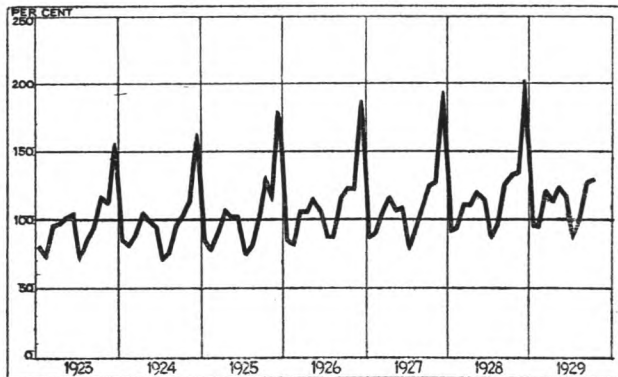
WHOLESALE TRADE DURING THE MONTH OF OCTOBER, 1929

	Net Sales During Month		Stocks at End of Month		Accounts Outstanding End of Month			Collections During Month	
	PER CENT CHANGE FROM PRECEDING MONTH	CHANGE FROM SAME MONTH LAST YEAR	PER CENT CHANGE FROM PRECEDING MONTH	CHANGE FROM SAME MONTH LAST YEAR	PER CENT CHANGE FROM PRECEDING MONTH	CHANGE FROM SAME MONTH LAST YEAR	RATIO TO NET SALES DURING MONTH	PER CENT CHANGE FROM PRECEDING MONTH	CHANGE FROM SAME MONTH LAST YEAR
Groceries	(28)+ 3.7	(28)- 0.0	(20)+ 9.6	(19)- 6.4	(25)+ 0.9	(25)- 9.3	(25) 89.4	(22)+ 7.0	(20)+ 1.5
Hardware	(13)+ 5.8	(13)- 3.6	(9)- 1.9	(9)+ 6.3	(13)+ 0.6	(13)+ 2.2	(13) 195.9	(10)+21.2	(10)+ 1.0
Dry Goods	(9)-13.8	(9)-10.4	(7)- 3.0	(7)+ 5.1	(9)+ 1.5	(9)- 2.8	(9) 310.2	(8)+14.2	(8)- 5.4
Drugs	(13)+ 3.1	(13)- 3.0	(12)+ 2.3	(12)+ 9.0	(12)+ 0.6	(13)+ 2.4	(13) 147.8	(8)+ 2.0	(8)- 0.2
Shoes	(8)-13.0	(8)-14.9	(6)+ 3.2	(6)+ 1.1	(7)- 0.5	(7)+ 9.0	(7) 324.6	(6)+ 4.3	(6)-16.4
Electrical Supplies	(34)+17.7	(34)- 3.4	(27)- 1.2	(25)+ 9.1	(33)+ 9.5	(33)+ 6.6	(33) 127.9	(21)+ 8.9	(20)+14.3

Figures in parentheses indicate number of firms included.

Department Store Trade—A gain over September was recorded in the volume of October sales by Seventh district department stores, the aggregate for 117 stores increasing 3.0 per cent. Trade in Chicago, Milwaukee, and smaller centers showed improvement in the comparison, while totals for Indianapolis and Detroit were smaller; in both these latter cities, however, the majority of firms had larger sales. The first decline this year from 1928 took place in October sales, the total for the district being 2.4 per cent less than for October last year. Chicago, Detroit, Indianapolis, and the smaller cities shared in this decline; sales by Milwaukee stores totaled larger. For the year through October, sales have aggregated 2.8 per cent more than in the same period of 1928, with sales heavier in Chicago, Detroit, Indianapolis, and Milwaukee, and less for sixty-six stores in smaller centers.

DEPARTMENT STORE SALES,
7TH FEDERAL RESERVE DISTRICT



Index numbers of sales by 101 department stores in the Seventh district (monthly average 1923-24-25 = 100). Latest figure, October, 1929: 129.3.

Stocks on hand October 31 had expanded 8.3 per cent over the end of September and were 2.8 per cent heavier than a year ago on the same date. Stock turnover for the month of .33 times compared with .35 for last October, and that for the ten months this year of 3.11 with 3.16 times for the same period of 1928. October collections aggregated 27.5 per cent heavier than a month previous and 7.2 per cent above a year ago, while accounts receivable the end of

October were 3.5 per cent larger than on September 30 and 7.9 per cent more than at the end of last October. A ratio of 40.7 per cent of October collections to accounts outstanding September 30, compared with 42.0 per cent for the corresponding month of 1928.

Chain Store Trade—The number of stores operated during October by twenty-one chains increased 2.0 per cent over September, and aggregate sales gained 12.6 per cent, so that average sales per store were 10.3 per cent heavier. Although 16.3 per cent more units were in operation in October than during the same period a year ago, total sales gained only 13.0 per cent; average sales per store, therefore, were 2.8 per cent smaller in the comparison. With the exception of musical instruments, where declines were reported from both a month and a year previous, all reporting groups had larger aggregate sales in both comparisons—these included groceries, drugs, five-and-ten-cent stores, shoes, cigars, furniture, and men's and women's clothing.

Other Retail Trade—October sales of shoes by twenty-six retail dealers and twenty-six department stores in the district aggregated 16.4 per cent less than in September but were 3.3 per cent larger than for the corresponding month a year ago. Despite the decline in the month-to-month comparison, more than half the dealers and department stores recorded gains. In the ten months of 1929, sales totaled 4.6 per cent above the same period of 1928. October 31 stocks of dealers and department stores averaged 4.0 per cent heavier than a month previous and were 0.6 per cent larger than on the corresponding date last year. Collections by dealers during October showed a gain of 37.9 per cent over September and of 5.6 per cent over a year ago, while accounts receivable the end of the month were 5.1 per cent greater and 6.1 per cent less in the respective monthly and yearly comparisons. October 31 accounts receivable averaged 67.9 per cent of sales during the month, as compared with 67.2 per cent a month previous and 66.4 per cent a year ago.

The volume of furniture and furnishings sold during October by twenty-five dealers and twenty-seven department stores declined 21.2 per cent from the September figure, and was only 0.9 per cent above the amount sold in October last year. Installment sales by dealers were less by 23.0 and heavier by 2.6 per cent, respectively, in these comparisons. Stocks of dealers and department stores increased 4.8 per cent on October 31 over September 30, and showed practically no change from a year ago. Accounts receivable on dealers' books the end of the month were about the same as a month previous or on the corresponding date of 1928, while total collections during the

month increased 8.0 per cent over September and declined 3.9 per cent from a year ago; installment collections gained 10.0 and decreased 11.4 per cent in the respective comparisons.

An increase of 11.0 per cent over the preceding month was shown in the October sales of 211 retail hardware dealers in the five states including the Seventh district; all of the states and 156 of the individual firms shared in the gain.

Sales of ninety-six firms for which the comparison with a year ago is available, showed practically no change over last October, increasing only 0.03 per cent; sales in Iowa and Wisconsin were larger and those in Illinois, Indiana, and Michigan smaller, with fifty-six firms reporting increases. For the ten months of 1929, sales have aggregated 6.1 per cent more than for the same period of 1928, with Indiana alone recording a decline (1.4 per cent).

MONTHLY BUSINESS INDICES COMPUTED BY FEDERAL RESERVE BANK OF CHICAGO

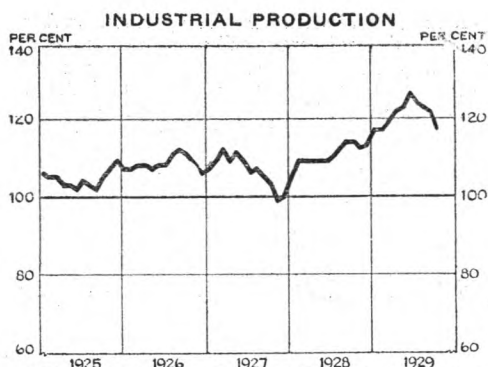
(Index numbers express a comparison of unit or dollar volume for the month indicated, using the monthly average for 1923-1924-1925 as a base, unless otherwise indicated. Where figures for latest month shown are partly estimated on basis of returns received to date, revisions will be given the following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

	No. of Firms	Oct. 1929	Sept. 1929	Oct. 1928	Sept. 1928		No. of Firms	Oct. 1929	Sept. 1929	Oct. 1928	Sept. 1928
Meat Packing—(U. S.)—						Wholesale Trade—					
Sales (in dollars).....	59	127.4	125.6	123.1	128.4	Net sales (in dollars):					
Casting Foundries—						Groceries	37	105.7	101.7	105.9	103.5
Shipments:						Hardware	15	113.3	107.0	116.4	100.5
Steel—In dollars	15	87.2	84.5	71.6	63.9	Dry Goods	10	101.1	118.0	111.8	113.5
In tons	15	92.4	88.4	71.1	61.7	Drugs	12	112.5	104.9	114.6	104.4
Malleable—In dollars	23	72.9	78.3	83.2	75.8	Shoes	8	97.6	112.2	114.7	110.5
In tons	23	99.7	105.4	118.8	109.9	Retail Trade (Dept. Stores)—					
Stoves and Furnaces—						Net Sales (in dollars):					
Shipments (in dollars).....	11	231.5	191.0	224.5	174.6	Chicago ..	34	127.0	110.5	127.6	110.4
Agricultural Machinery & Equipment—(U. S.)—						Detroit ..	4	163.4	211.0	172.2	205.9
Domestic Sales (in dollars).....	83	127.2	152.8	129.0	145.7	Indianapolis ..	5	112.6	131.3	122.9	98.7
Exports (in dollars).....	56	246.3	275.9	280.0	353.7	Milwaukee ..	5	130.0	119.4	121.7	115.2
Total Sales (in dollars).....	83	146.5	172.8	153.3	179.1	Outside ..	53	108.9	97.8	113.1	103.4
Production	82	154.4	155.1	148.4	145.5	Seventh District ..	101	129.3	127.8	131.7	125.2
Furniture—						Retail Trade—(U. S.)—					
Orders (in dollars).....	27	113.3	118.7	112.7	126.4	Department Stores ..	523	128	109	123	106
Shipments (in dollars).....	27	149.8	133.8	141.1	132.4	Chain Stores:					
Electric Energy—						Grocery	34	257	216	228	202
Output of Plants (KWH).....	8	154.3	143.7	162.0	145.6	Drug	13	209	200	169	164
Industrial Sales (KWH).....	8	196.6	201.6	193.1	186.4	Five and Ten Cent	14	176	147	163	144
Flour—						Freight Carloadings—(U. S.)—					
Production (in bbls.).....	32	117.6	101.8	122.3	112.8	Grain and Grain Products	98.5	113.3	118.8	135.4	
Output of Butter by Creameries—						Live Stock	111.4	98.1	114.9	108.4	
Production	74	96.0	105.6	92.0	109.2	Coal	119.0	115.7	118.9	110.0	
Sales	74	91.8	95.7	94.1	97.6	Coke	100.6	103.0	90.0	88.9	
Iron and Steel—						Forest Products	88.3	91.6	92.6	92.8	
Pig Iron Production:¹						Ore	149.1	184.4	150.9	168.7	
Illinois and Indiana.....		131.5	135.2	121.9	117.3	Merchandise and Miscellaneous	125.6	128.3	125.1	126.8	
United States		117.9	118.7	110.8	103.9	Total	120.5	123.5	121.5	121.8	
Steel Ingot Production—(U. S.) ¹		125.4	135.4	129.2	124.5	Building Construction—					
Unfilled orders U. S. Steel Corp.....		85.6	81.7	78.6	77.5	Contracts awarded (in dollars):					
Automobile Production (U. S.):						Residential	88.6	103.5	190.9	133.0	
Passenger cars		108.7	123.8	115.2	121.7	Total	122.1	149.7	161.8	144.8	
Trucks		166.2	141.6	161.7	159.7	Permits:					
Stamp Tax Collections—²						Chicago	Number	37.8	37.7	60.7	43.5
Sales or Transfers of Capital Stock.....	827.1	775.4	284.6	271.6	Cost.....	83.2	41.3	101.5	71.7		
Sales of Produce on Exchange—Futures.....	95.7	165.8	93.2	80.9	Indianapolis	Number	53.8	57.4	72.4	68.5	
U. S. Primary Markets—³						Cost.....	58.9	72.1	108.0	92.5	
Grain Receipts:					Des Moines	Number	67.5	75.3	79.9	78.4	
Oats		73.4	68.1	67.1	70.3	Cost.....	31.2	81.6	44.2	44.5	
Corn		80.4	87.2	70.6	91.2	Detroit	Number	74.4	81.8	88.6	84.4
Wheat		105.8	136.8	243.4	214.8	Cost.....	51.8	76.1	95.9	81.0	
Grain Shipments:						Milwaukee	Number	104.8	100.9	112.6	82.0
Oats		54.0	57.3	49.4	47.3	Cost.....	91.0	102.8	128.4	116.1	
Corn		50.9	51.1	44.1	54.9	Others (45)	Number	97.1	102.3	115.5	106.8
Wheat		77.0	91.4	140.3	118.3	Cost.....	105.6	93.5	103.7	100.4	
						Fifty Cities	Number	83.6	86.8	99.2	86.6
						Cost.....	80.6	65.8	102.0	83.3	

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

NATIONAL SUMMARY OF BUSINESS CONDITIONS

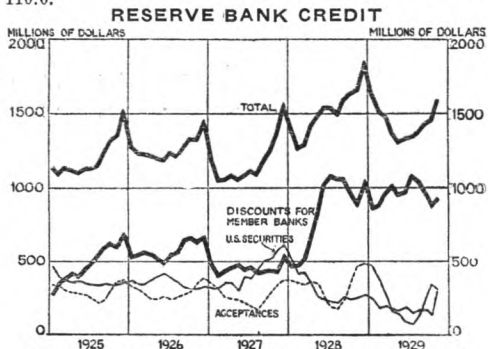
(By the Federal Reserve Board)



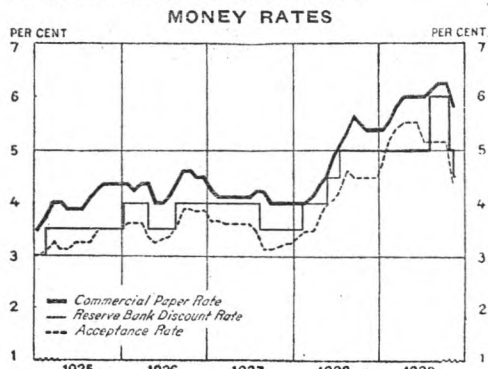
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average = 100). Latest figure, October, 1929: 117.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-25 average = 100). Latest figures, October, 1929: Employment, 102.1; Payrolls, 110.0.



Monthly averages of daily figures for twelve Federal Reserve banks. Latest figures, averages of first 21 days in November, 1929: Total Reserve Bank Credit, 1,584 million; Discounts for Member Banks, 921 million; Acceptances, 302 million; U. S. Securities, 295 million.



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 20 days in November, 1929: Commercial Paper, 5.79 per cent; Acceptances, 4.39 per cent; N. Y. Reserve Bank Discount Rate, 4½ per cent.

INDUSTRIAL production declined further in October, and there was also a decrease in factory employment. As compared with a year ago, industrial activity continued to be at a higher level, and distribution of commodities to the consumer was sustained. Bank credit outstanding increased rapidly in the latter part of October, when security prices declined abruptly and there was a large liquidation of brokers' loans by non-banking lenders. In the first three weeks of November further liquidation of brokers' loans was reflected in a reduction of security loans of member banks. Money rates declined throughout the period.

PRODUCTION

Production in basic industries, which had declined for several months from the high level reached in midsummer, showed a further reduction in October. The Board's index of industrial production decreased from 121 in September to 117 in October, a level to be compared with 114 in October of last year. The decline in production reflected chiefly further decreases in output of steel and automobiles. Daily average output of shoes, leather, and flour also declined, while production of cotton and wool textiles increased. Preliminary reports for the first half of November indicate further reduction in output of steel and automobiles and a decrease in cotton textiles.

Total output of minerals showed little change. Production of coal increased and copper output was somewhat larger, while daily output of crude petroleum declined slightly for the month of October and was further curtailed in November.

Volume of construction, as measured by building contracts awarded, changed little between September and October and declined in the early part of November.

DISTRIBUTION

Shipments of freight by rail decreased slightly in October and the first two weeks in November, on an average daily basis. Department store sales continued as in other recent months to be approximately 3 per cent larger than a year ago.

WHOLESALE PRICES

The general level of wholesale prices showed little change during the first three weeks of October, but in the last week of the month declined considerably. The decline reflected chiefly price reductions of commodities with organized exchanges, which were influenced by the course of security prices. During the first three weeks of November prices for most of these commodities recovered from their lowest levels. Certain prices, particularly those of petroleum, iron and steel, and coal, showed little change during the period.

BANK CREDIT

Following the growth of \$1,200,000,000 in security loans by New York City banks during the week ending October 30, when loans to brokers by out-of-town banks and non-banking lenders were withdrawn in even larger volume, there was a liquidation of these loans, accompanying the decline in brokers' loans during the first three weeks of November. All other loans increased and there was also a growth in the banks' investments.

Reserve bank credit, after increasing by \$310,000,000 in the last week of October, declined by about \$120,000,000 in the following three weeks. On November 20, discounts for member banks were about \$100,000,000 larger than four weeks earlier, and holdings of United States securities were \$190,000,000 larger, while the banks' portfolio of acceptances declined by \$100,000,000.

Money rates in New York declined rapidly during October and the first three weeks in November. Open-market rates on prime commercial paper declined from 6¼ per cent on October 22 to 5½-5¾ per cent on November 20; during the same period rates on 90-day bankers' acceptances declined from 5½ per cent to 3¾ per cent; rates on call loans were 6 per cent during most of this period, but declined to 5 per cent in the third week of November. Rates on time loans also declined.

The discount rate of the Federal Reserve Bank of New York was lowered from 6 to 5 per cent, effective November 1, and to 4½ per cent, effective November 15, and the discount rates of the Federal Reserve Banks of Boston and Chicago were lowered from 5 to 4½ per cent, effective November 21 and November 23.