

FEDERAL RESERVE BOARD

STATEMENT FOR THE PRESS.

For immediate release.

Governor Harding of the Federal Reserve Board made the following statement on returning from a fortnight's trip through agricultural and industrial sections of the middle West and South -

"I traveled through Illinois, Missouri, Kansas, Oklahoma, Arkansas, Tennessee and Alabama, stopping at one or more cities in each state. Everywhere I saw and heard of great activity on the farms and abundance of farm labor. Apparently every acre of land cultivated heretofore is being utilized this year with better crop diversification than usual.

"The more optimistic sentiment which prevailed everywhere was most gratifying. The bankers and business men of these sections are looking for a trade revival in the Autumn and seemed to have no doubt that there would be ample credit for both agricultural and trade requirements. The only exceptions were the livestock men I met in Topeka who seemed anxious to obtain two or three year loans either through private agencies or through the War Finance Corporation or the Federal Farm Loan Banks.

"The trip confirmed my conviction that we in this country have now passed the most trying period of the world wide readjustment of trade and prices, and are on the road to recovery. We are approaching the new crop season with underlying conditions far sounder and more favorable than they were a year ago, and in spite of the unprecedented carry over of cotton and grain, largely financed on bank credit, the reserves of the Federal Reserve System are nearly 40 per cent higher than they were a year ago, which leaves no room for apprehension regarding the financing of either agriculture or industry. Indeed, with the recent easing of credit and with the Federal Reserve Banks ready, as usual, to extend liberal credits to member banks for the legitimate requirements of their customers, bankers everywhere seemed disposed to dismiss credit as a factor of uncertainty or concern in the making of the new crops."

June 1, 1921.