

FEDERAL RESERVE BOARD

STATEMENT FOR THE PRESS

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The following is a summary of general business and financial conditions throughout the several Federal Reserve Districts during the month of October, as contained in the forthcoming issue of the Federal Reserve Bulletin.

Difficulties in handling the increased freight traffic due to car shortage have become an important factor in the current industrial situation. The total number of cars loaded increased during September chiefly because of heavy loadings of coal and live stock, and during the last week of the month the car loadings were greater than for any week since October, 1920. The production of bituminous and anthracite coal was checked in the latter part of September by the general shortage of coal cars, a shortage of over 40,000 coal cars developing in less than a month after the settlement of the strike. A shortage of box cars appeared in the first week in August, and by October 7 amounted to 71,063 cars. The difficulty in securing cars for shipment has led to some curtailment of production in lumber and finished steel products. The output of pig iron and steel ingots, however, has expanded steadily since August. Cotton and woolen mills continue to operate at close to capacity and shoe factories have a large volume of business. Agricultural receipts, particularly those of live stock, continue to be heavy.

The chief reporting lines of wholesale trade showed improvement during September. Increases in sales of hardware and furniture as compared with August/¹⁹²²and September, 1921, reflect the large volume of residential building during recent months. Seasonal declines occurred in sales of farm implements and automobile supplies, but sales were much larger than a year ago. Retail trade continued to improve during September and department store sales were larger in all Districts than in September, 1921.

The wholesale price index of the Bureau of Labor Statistics declined from 155 in August to 153 in September. This drop was chiefly due to the decline in coal prices after the opening of the mines. Prices of building materials and metals continued to rise as a result of the prolonged building activity and the scarcity caused by traffic embargoes and the car shortage.

Bank debits to individual accounts in 140 cities excluding New York, were 4 per cent larger in September than in August, 1922, and 9 per cent larger than in September, 1921. In New York City debits in September were 5 per cent larger than a month earlier and 19 per cent larger than in 1921.

Loans of reporting banks in leading cities show an increase of \$366,000,000 for the four weeks ended October 13, and their demand deposits show an advance of \$245,000,000. Investments of these banks, in United States securities, which showed some decline during the early part of the period, increased by \$144,000,000 during the last week when the Government floated its first post-war long-term bond issue. Federal

Reserve Bank discounts for the four weeks ended October 25 show an increase of \$49,000,000, their holdings of acceptances increased by \$20,000,000, while Government securities held by these banks declined by \$43,000,000. Federal reserve note circulation expanded by \$55,000,000 during the period. The reserve ratio shows a decrease from 78.4 to 77.6 per cent. This change in the ratio resulted from the increase in note liabilities, only partially offset by an increase of \$9,000,000 in cash reserves.