

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 November, as contained in the forthcoming issue of the Federal Reserve Bulletin.

Substantial increases of productive activity were reported by basic industries during October. Due principally to increased activity at anthracite coal mines, mineral output was 19 per cent larger than in September. There was also a larger production of all other important minerals. Production of pig iron was greater than in any month since October 1920, and the blowing in of additional blast furnaces during November indicates a further increase of activity. Mill consumption of cotton has continued to increase and the October total is the largest in over two years, while operations of woolen and silk mills are approaching capacity. The total number of railroad cars loaded was nearly at a maximum, yet the car shortage on November 1 was the largest ever recorded. The large movement of manufactured goods is indicated by the fact that loadings of miscellaneous freight by railroads were larger in October than in any month since 1920. Live-stock receipts

continue to be exceptionally large, as drought conditions on the ranges during October necessitated unusually heavy marketing. During the first two weeks of November there was a decline in car loadings and some reduction in the estimated car shortage.

Increased production in October has been accompanied by a continued increase in the volume of employment at industrial establishments. The average pay per worker was larger in many industries, due in most cases to increases in hours of work, rather than to increases in rates of pay. Railroad repair shops and equipment factories made the largest additions to their forces. Steel mills, metal mines, and building contractors still report shortages of skilled labor. Anthracite coal mines, on the other hand, report a small surplus.

Wholesale trade showed comparatively little change during October. Sales of furniture, hardware, groceries, and drugs showed a general upward tendency. Seasonal declines occurred in sales of dry goods, shoes, and automobile supplies. Retail trade continued to be greater than a year ago and throughout the country was larger than last month. The volume of payments by checks also increased in every Federal Reserve District compared to last month. The total for 140 cities, not including New York, was 11 per cent larger in October than in September and 13 per cent larger than in October, 1921. The increase over last October is partly due to the increase in wholesale prices

during the current year.

The wholesale price index of the Bureau of Labor Statistics was 154 in October, as compared with 153 in September and 142 in October, 1921. Prices of farm products and clothing showed particularly large increases during October and reached the highest level for the year. Fuel prices continued to decline sharply and were about 17 per cent lower than in August.

The increased business activity has not been reflected in the movement of total loans of member banks in leading cities. In fact, during the period between October 18 and November 15 the loans and discounts of member banks in leading cities showed a decline of over \$70,000,000, of which about \$32,000,000 represented a contraction occurring in the last week. The contraction for the four weeks' period, however, has been much less than the expansion of \$366,000,000 occurring in the four weeks' period ending October 18. Slight loan increases were registered in the southern and western districts and also in New England, but these increases were more than offset by reductions in other districts, especially in New York and Chicago. Rates on various classes of loans have remained firm or have shown a slight upward tendency. Demand and time deposits both increased during the four weeks, though again western and southern districts recorded slight increases.

Little change occurred in the position of the Federal Reserve Banks during the period from October 25 to November 22.

Earning assets and note circulation remained at substantially the same point as a month ago. There has been, however, a change in the character of these assets, as investments fell off and bills increased by \$144,000,000.