

FEDERAL RESERVE BOARD

STATEMENT FOR THE PRESS

1-4196

For Release in Morning Papers,  
Friday, November 28, 1924.

The following is a summary of general business and financial conditions throughout the several Federal Reserve Districts, based upon statistics for the months of October and November, as contained in the forthcoming issue of the Federal Reserve Bulletin.

Production of basic commodities and factory employment showed further increases in October, and distribution of merchandise was in large volume. The general level of wholesale prices advanced, reflecting largely a rise in the prices of agricultural products.

PRODUCTION:

The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, increased 6 per cent in October, and was 16 per cent above the low point of midsummer, though still considerably below the level of the early months of this year. Output of iron and steel, cotton and woolen textiles, lumber, and bituminous coal was substantially larger than the month before. Factory employment increased 2 per cent in October, reflecting larger working forces in most of the manufacturing industries. Building contract awards increased and were 14 per cent above a year ago.

Crop estimates by the Department of Agriculture in November showed increases in the expected yields of corn, cotton, tobacco, and potatoes. The movement of crops to market in October reached the largest volume in five years and exports of grain and cotton were in greater volume than in the corresponding month of any recent year.

TRADE:

Railroad freight shipments were larger in October than in any previous month, owing to exceptionally heavy loadings of miscellaneous merchandise and grain. Wholesale trade increased slightly, but was 3 per cent less than in October, 1923. Sales of dry goods, shoes and hardware were considerably smaller than a year ago, while sales of groceries and drugs were larger. Department store sales showed a seasonal increase but were 4 per cent less than last year, and sales of mail order houses and chain stores also increased and were in greater volume than in 1923. In preparation for Christmas trade merchandise stocks at department stores increased substantially and were 2 per cent larger than a year ago.

PRICES:

The wholesale price index of the Bureau of Labor Statistics rose 2 per cent in October as a result of considerable advances in the prices of farm products and foods, and slight increases in the prices of clothing and chemicals. Fuel and metal prices declined and prices of building materials and house furnishings were practically unchanged. During the first half of November quotations on all grains, cotton, silk, copper, and rubber advanced, while prices of raw sugar and bituminous coal declined.

BANK CREDIT:

Loans for commercial purposes at member banks in leading cities, which had increased rapidly from the beginning of September to the middle of October, advanced only slightly in the following four weeks. The growth of loans secured by stocks and bonds was also relatively small, notwithstanding great activity in the securities market. Holdings of investments

by these banks continued the increase which began in the early months of the year. A large part of the increase in demand deposits during the four weeks ending November 12, when they were higher than at any previous time, was in bankers' balances indicating a continued movement of funds to the large centers.

At the reserve banks an increase in earning assets was the result of larger offerings of acceptances, reflecting firmer money conditions. While discounts and holdings of United States securities remained practically unchanged during the four weeks ending November 19, the increase in acceptances carried total earning assets to the highest point since the early part of the year. Money in circulation increased in October for the third successive month and the total on November 1 was \$215,000,000 larger than in August.

Money rates continued to show a firmer tendency and by November 23 were generally from 1/4 to 1/2 of one per cent higher than in October.