

# MONTHLY REVIEW

## OF AGRICULTURAL AND BUSINESS CONDITIONS IN THE NINTH FEDERAL RESERVE DISTRICT

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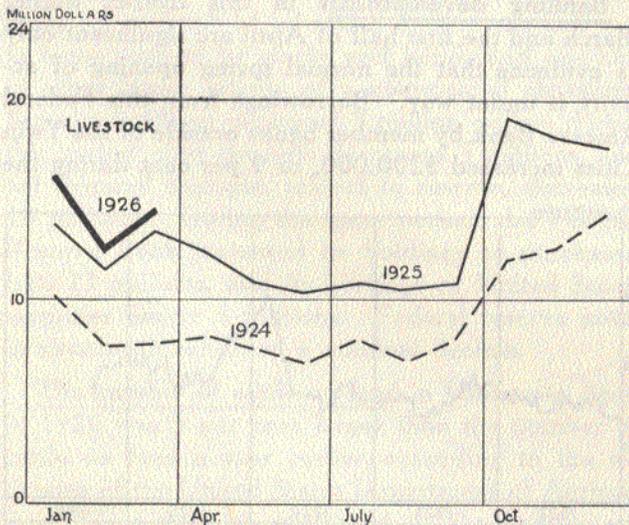
Minneapolis, Minnesota

April 28, 1926

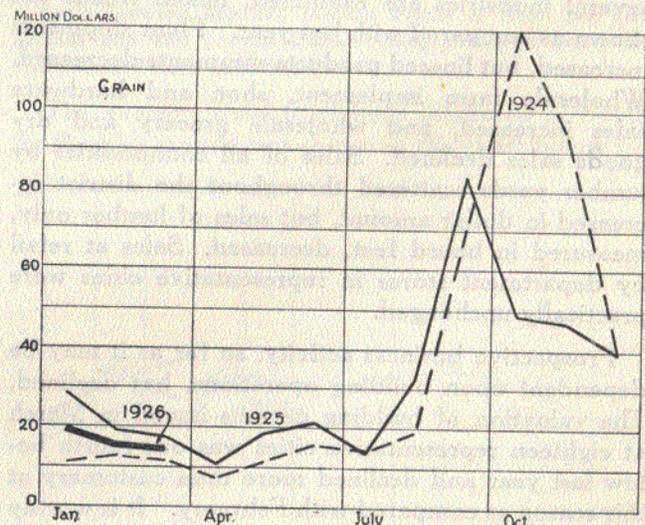
### DISTRICT SUMMARY FOR THE MONTH

The money value of business in this district in March was smaller than a year ago, as shown by check payments through banks in seventeen representative cities, which declined 6 per cent during the month. Although the district totals indicate a smaller volume of business than last year, it is important to note that this is due entirely to declines in the three largest cities. When the figures for these cities are subtracted from our district totals, the remaining cities show a gain of 12 per cent in check payments through banks. Further analysis shows that these gains were greatest in the wheat belt cities and cities having livestock receiving terminals, and that the gains of these cities over last year have been continuing for several months. The physical volume of business within the district, however, increased slightly, as evidenced by total carloadings even after a deduction is made for the increase in less-than-carload lots.

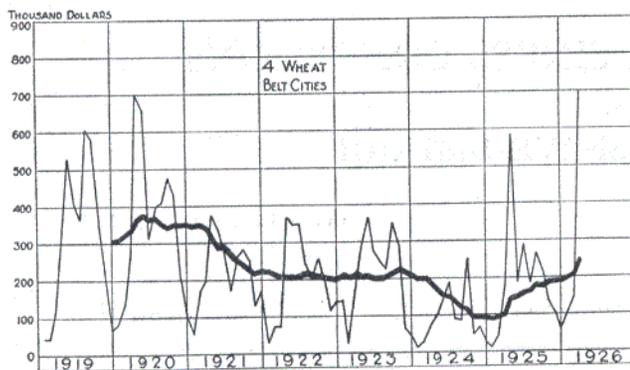
The potential purchasing power created during March by the marketings of grains and livestock combined, was 8 per cent less than for the same month last year. Livestock has helped greatly to sustain agricultural income and business activity, but has not attained an importance equal to wheat and the other cash grains. Grain receipts were lower, declines being shown for all grains except rye. All grain prices were lower, while livestock prices exhibited mixed tendencies. Livestock receipts were greater, all kinds showing increases except hogs. The smaller decline this month than last in hog receipts is to be explained by the holding back in February of marketable animals for longer feeding, as the average weight of the hogs marketed has increased. Current opinion as to the favorable livestock outlook is indicated by a very heavy movement of all kinds of feeders to the farms.



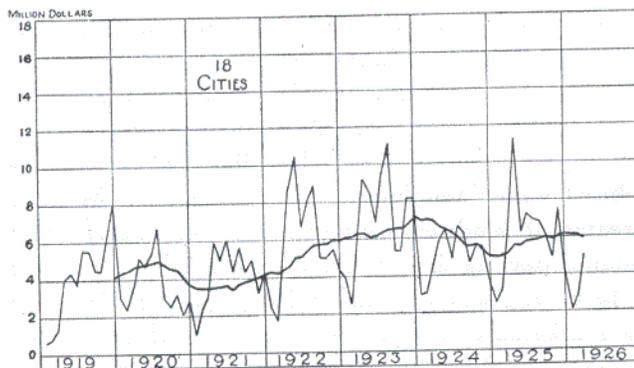
Estimated Value of Livestock Receipts at South St. Paul at median terminal market prices. The livestock classes included are cattle, calves, hogs and sheep.



Estimated Value of Cash Grain Receipts at Minneapolis and Duluth-Superior at median terminal market prices. The grains included are bread wheat, durum wheat, rye and flax.



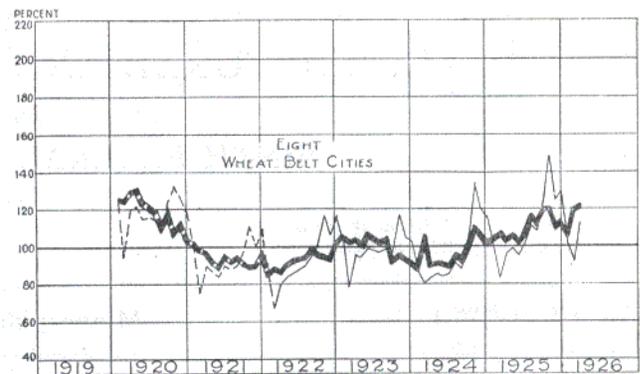
Valuation of Building Permits issued at 4 Wheat Belt Cities. (Fargo, N. D.; Great Falls and Helena, Mont.; Aberdeen, S. D.) Light curve, actual figures; heavy curve, 12 months moving average.



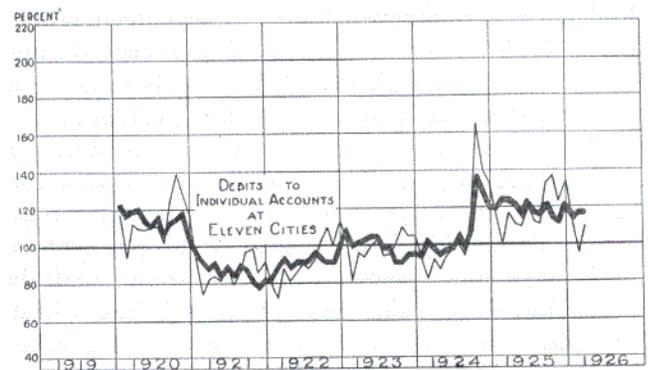
Valuation of Building Permits issued at 18 Cities in the Ninth Federal Reserve District. Light curve, actual figures; heavy curve, 12 months moving average.

When the figures for sales and shipments in the several industries are examined, mixed trends are shown as compared with last year. Flour shipments increased, but linseed products shipments decreased. Wholesale farm implement, shoe and hardware sales increased, and wholesale grocery and dry goods sales declined. Sales of all commodities by lumber yards scattered throughout the district increased in dollar amount, but sales of lumber only, measured in board feet, decreased. Sales at retail by department stores in representative cities were practically unchanged.

Prospective business activity, so far as it may be dependent upon building operations, has declined. The valuation of building permits issued in March at eighteen representative cities was one-fourth below last year and declined more than customary at this season as compared with February. It is worthy of note that outside of the three largest cities, the increase in valuation of building permits was three-fourths greater than a year ago.



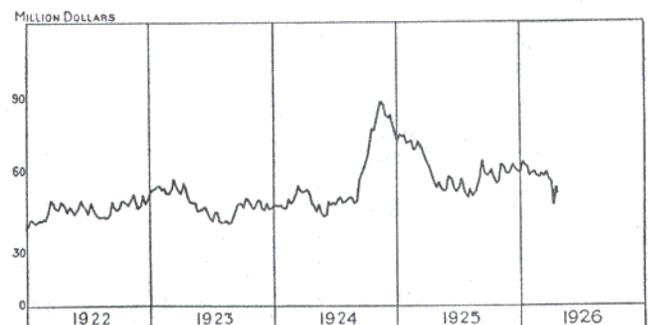
Debits to Individual Accounts at Banks in Eight Wheat Belt Cities in the Ninth Federal Reserve District. Heavy curve represents figures adjusted to eliminate seasonal changes; light curve represents actual figures. The cities included are Aberdeen, Billings, Dickinson, Fargo, Grand Forks, Helena, Jamestown and Minot.



Debits to Individual Accounts at Banks in Cities of the Ninth Federal Reserve District. Heavy curve represents figures adjusted to eliminate seasonal changes; light curve represents actual figures. The "Eleven Cities" include Minneapolis, St. Paul, Duluth and eight others.

## TOPICAL REVIEWS

**Banking developments** in this district during March and the first half of April are significant only as evidence that the normal spring opening of activity is under way. Borrowings from this Federal Reserve Bank by member banks outside of the Twin Cities increased \$200,000, or 9 per cent during the



Balances Due to Banks at Five Reserve City Banks in the Ninth Federal Reserve District. Latest Figure, April 21, \$47,667,000.

first two weeks of April. Banks withdrew 12 per cent of their balances with local correspondent banks during the four weeks ending April 14. This latter development is so perfectly in accord with the seasonal expectancy at this time of the year as to be worthy of further comment.

During each of the five years, 1921 to 1925 inclusive, Minneapolis member banks have reported to this office reductions in balances "due to banks," usually beginning in the first week in March and ending in the third week in May. During this eleven week period, there has been on the average a 25 per cent reduction in such balances. In 1926 this withdrawal of funds to the country commenced after March 17, or about a week and a half later than usual, but the withdrawal has been quite rapid as a result and has already amounted to about one-half of the average withdrawal during the whole spring period. These facts are shown in more detail in the accompanying chart and in the table below, which shows the balances "due to banks" at the approximate beginning and end of the spring movement.

**Balances "Due to Banks" on selected dates 1921-1926, from weekly reports by Minneapolis member banks**

1921	March 4	\$41,688,000	May 25	\$28,783,000
1922	March 8	44,804,000	May 17	38,873,000
1923	March 7	53,927,000	May 16	40,004,000
1924	March 5	50,889,000	May 21	38,010,000
1925	March 4	69,267,000	May 20	48,856,000
1926	March 17	56,977,000	April 14	50,176,000

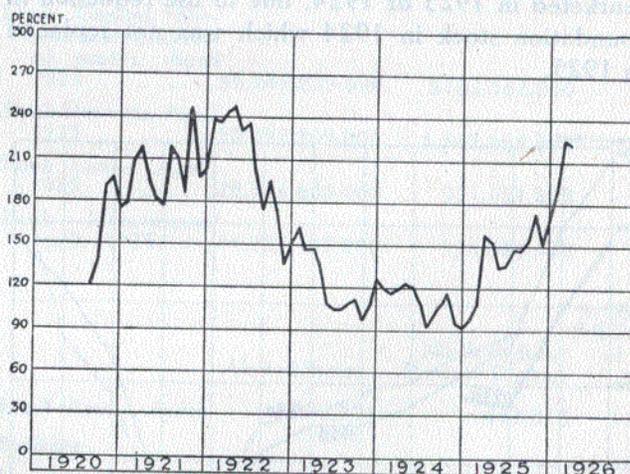
Other changes in the balance sheets of selected reporting member banks were a decline of 14 million dollars in loans during the period from February 24 to April 14, of which decline one-half was in loans secured by stocks and bonds and one-half in other loans, largely of a commercial character. Security holdings increased 2 million dollars during this period, time deposits decreased 3 millions, and net demand deposits, subject to reserve, decreased 10 millions. During the same period, this Federal Reserve Bank increased its holdings of purchased bills 13 millions, and its holdings of United States securities nearly 3 millions. Federal reserve notes in circulation exhibited a nominal decline.

**The number of cattle on feed** in Minnesota April 1, 1926 was 5 per cent larger than the number of cattle on feed a year earlier, according to the estimates of the United States Department of Agriculture. This may be attributed to the satisfactory prices for fed cattle and the cheaper and more abundant feed supply this year than a year ago. For the same reasons, feeders have reported inten-

tions to feed during a longer period and to market a larger percentage of their feeder cattle in April and May than a year ago. In South Dakota the number of cattle on feed is 20 per cent smaller than a year ago, owing to the small corn crop harvested in that state in 1925.

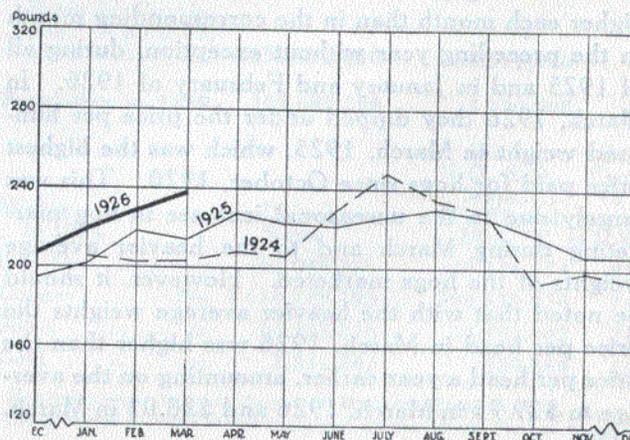
**THE HOG MARKETING SITUATION**

Hogs have been marketed this spring at heavier average weights than a year ago. With a 4 per cent larger corn crop in this district and an 8 per cent smaller number of hogs, there has been an abundant supply of corn at moderate prices and much of this corn is being marketed in the form of hogs. The ratio between the price of corn and the price of hogs per hundred weight, as shown in the chart below, is at the highest level since 1922. It has been much more profitable to feed corn to hogs this year than last.



Ratio between Monthly Median Prices of Hogs per 100 pounds and 450 pounds Corn. (Hog Prices at South St. Paul; Corn Prices at Minneapolis.)

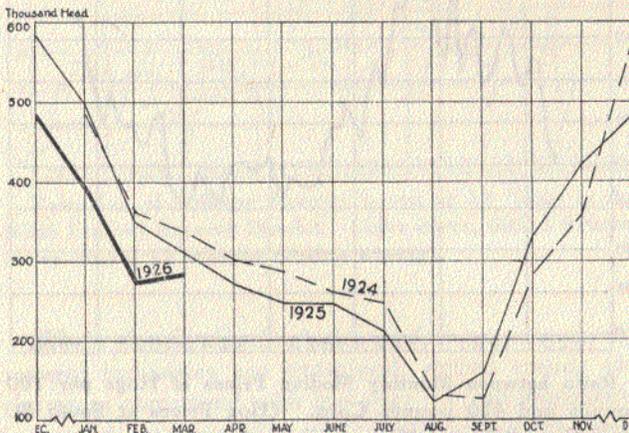
The average weights of hogs marketed at South St. Paul by months are shown in the chart below for



Monthly Average Weights of Hogs at South St. Paul.

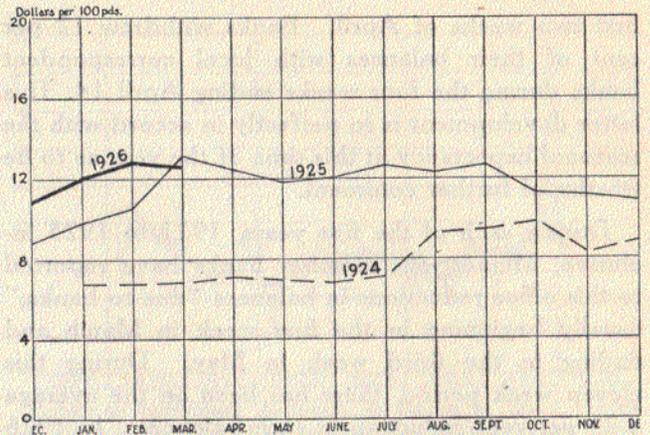
the years 1924, 1925 and 1926, to date. The average weights of hogs marketed during March, 1926 was greater than in any other month shown on the chart with the exception of July, 1924, when farmers, discouraged by the low price of hogs and the prospect of a poor corn crop, marketed a large number of sows. It is also apparent from the chart that during the heavy marketing period in the winter of 1924-1925, the hogs were marketed at exceptionally light weights, which was due to the shortage of corn.

Hog receipts at South St. Paul turned upward in March as compared with February, contrary to the seasonal movement, as shown by the chart below. This is undoubtedly due to the fact that hogs have been fed for thirty days longer to take advantage of this method of marketing corn. The number of hogs marketed this spring is smaller than the number marketed in 1925 or 1924, due to the reduction in foundation stock in 1924 which was not replaced in 1925.



Monthly Receipts of Hogs at South St. Paul.

Median hog prices at South St. Paul have been higher each month than in the corresponding month in the preceding year without exception, during all of 1925 and in January and February of 1926. In March, 1926 they dipped under the price per hundred weight in March, 1925, which was the highest price paid for hogs since October, 1920. This was largely due to the unseasonal increase in hog marketing during March and to the heavier average weights of the hogs marketed. However, it should be noted that with the heavier average weights the price per head in March, 1926 was higher than the price per head a year earlier, amounting on the average to \$29.75 in March, 1926 and \$28.03 in March, 1925.



Monthly Median Prices of Hogs at South St. Paul.

### IMPORTANCE OF THE NINTH FEDERAL RESERVE DISTRICT IN UNITED STATES PRODUCTION

Many requests have been received by this office for information that would be useful in characterizing the nature of the economic activity of this district and which would also indicate its relative importance as compared with national totals. Data has been accumulated this month so far as available for the more important products of this district and for other indexes of business activity. This data will be found useful for an infinite number of comparisons.

No attempt will be made to exhaust the possibilities of their use at this time, but it is interesting to know that the Ninth Federal Reserve District, which consists of the States of Minnesota, North Dakota, South Dakota and Montana, the northwestern portion of Wisconsin and the northern peninsula of Michigan, has an area equal to 14 per cent of the United States, but only 5 per cent of the population.

This district produces 22 per cent of the creamery butter and 12 per cent of the wool in the United States; realized 10 per cent of the value of all crops produced in 1925; and had on farms on January 1, 1926, 12 per cent of all livestock.

The manufacturing and financial showing is not as good. Although this district does have about one-fourth of the flour mill production and linseed oil production of the United States, the total value of all manufactured products in 1923 was but 2 per cent of the national total. Partly as a result of this lack of manufacturing volume, our banking strength constitutes 3 per cent of that of the whole United States.

IMPORTANCE OF THE NINTH FEDERAL RESERVE DISTRICT IN UNITED STATES PRODUCTION

(Latest available figures)

	United States	Minn., N. D., S. D. & Mont.	Per Cent 4 States of U. S.		United States	Minn., N. D., S. D. & Mont.	Per Cent 4 States of U. S.
Number of Farms, 1925	6,372,263	390,621	6	<b>Motor Vehicles</b>			
<b>Crops in 1925</b>				Registrations in 1925	19,954,347	977,350	5
Value of All Crops	\$9,615,488,000	\$970,796,000	10	<b>Life Insurance</b>			
Durum Wheat	66,593,000 bu.	66,593,000	100	Sales in 1925	\$8,067,434,000	\$293,645,000	4
Flax	22,007,000 bu.	21,389,000	97	Income in 1919*	66,195,700,000	2,503,605,000	4
Total Spring Wheat other than Durum	204,286,000 bu.	134,888,000	66	Income in 1920*	72,380,365,000	3,052,251,000	4
Rye	48,696,000 bu.	26,270,000	54	Income in 1921*	84,426,667,000	2,393,210,000	3
Wild Hay	13,049,000 tons	6,502,000	50	<b>Banking</b>			
Barley	218,002,000 bu.	103,444,000	47	Bank Capital, Surplus and Undivided profits, April 1925	\$6,987,839,000	\$182,582,000	3
All Wheat	669,365,000 bu.	208,467,000	31	Bank Deposits, April 1925	50,497,309,000	1,543,664,000	3
Oats	1,501,909,000 bu.	381,946,000	25	Bank Loans, April 1925	28,316,608,000	971,051,000	3
Potatoes	323,243,000 bu.	40,677,000	13	Bank Investments, April, 1925	14,225,407,000	396,661,000	3
Corn	2,900,581,000 bu.	271,657,000	9				
Winter Wheat	398,486,000 bu.	6,986,000	2				
<b>Livestock on Farms, January 1, 1926</b>							
Value of Livestock on Farms	\$5,001,000,000	\$595,000,000	12				
Horses	15,778,000 head	2,763,000	18				
Swine	51,223,000 head	6,868,000	13				
All Cattle	59,829,000 head	7,298,000	12				
Milk Cows and Heifers	26,151,000 head	2,845,000	11				
Sheep	40,748,000 head	4,396,000	11				
<b>Dairy Products in 1924:</b>							
Creamery Butter	1,356,080,000 lbs.	296,512,000	22				
Cheese	413,940,000 lbs.	11,005,000	3				
Ice Cream	181,564,000 gal.	5,819,000	3				
<b>Poultry on Farms in 1920</b>	372,825,264 head	27,367,834	7				
<b>Wool Production in 1925</b>	254,260,000 lbs.	30,763,000	12				
<b>Manufacturing</b>							
Flour Mill Capacity per 24 hour day in 1923	1,098,700 bbl.	220,650	20				
Flour mill products in 1921	\$1,179,740,131	\$285,239,114	24				
Linseed Oil in 1921	71,032,261	16,514,414	23				
Smelting & refining of copper in 1921	234,895,245	15,277,323	7				
Fur goods in 1921	139,365,929	8,211,271	6				
Slaughtering & meat packing in 1921	2,200,942,072	99,755,121	5				
Lumber & timber products in 1921	1,365,150,180	48,564,216	4				
Knit goods in 1921	634,073,895	10,177,517	2				
Paper & wood pulp in 1921	667,435,847	13,697,207	2				
Furniture in 1921	539,687,194	5,712,197	1				
Total value of all manufactured products in 1923	\$60,555,998,200	\$1,227,114,945	2				
				<b>Land Area</b>	2,973,774 sq. mi.	412,838	14
				<b>Banking</b>			
				Number of Banks, February 28, 1926	27,917	3,034	11
				Federal Reserve Bank Capital, April 7, 1926	120,455,000	3,141,450	3
				Federal Reserve Notes in Circulation, April 7, 1926	1,652,878,000	64,379,090	4
				Population in 1920	105,683,108	5,183,000	5
				<b>Mining in 1924</b>	United States	Minn., N. D., S. D., Mont., Wis.** and Mich.**	Per Cent 6 States of U. S.
				Iron Ore	52,083,375 long tons	43,114,674	83
				Copper	1,634,249,192 lbs.	394,659,820	24
				Silver	64,792,216 oz.	13,398,947	21
				Gold	2,511,243 oz.	389,869	16

\*From "Income in the Various States, Its Sources and Distribution," by Maurice Leven, National Bureau of Economic Research, Inc.  
 \*\*The production of these ores in Wisconsin and Michigan is largely in the portions of these states contained in the Ninth Federal Reserve District.

## COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

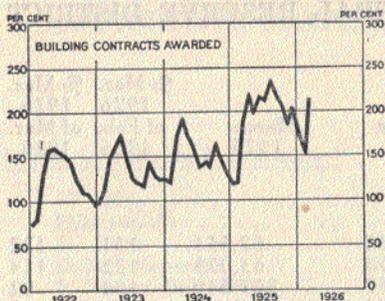
Debits to Individual Accounts—	Unit	March 1926	February 1926	March 1925	% Mar.	% Mar.
					of Feb. 1926	of Mar. 1925
17 cities .....		\$780,883,000	\$674,617,000	\$827,542,000	116	94
Minneapolis .....		388,853,000	336,747,000	433,895,000	115	90
St. Paul .....		177,050,000	157,614,000	179,403,000	112	99
Duluth-Superior .....		80,087,000	65,756,000	93,704,000	122	85
8 Wheat Belt Cities.....		58,504,000	47,476,000	50,082,000	123	117
3 Mississippi Valley Cities.....		19,087,000	16,491,000	17,894,000	116	107
South St. Paul.....		38,292,000	34,513,000	36,761,000	111	104
Sioux Falls .....		19,010,000	16,020,000	15,803,000	119	120
<b>Carloadings—Northwestern District—</b>						
Total .....	Cars	522,604	457,958	500,565	114	104
Grains and Grain Products.....	Cars	42,669	41,780	40,384	102	106
Livestock .....	Cars	39,265	36,152	34,803	109	113
Coal .....	Cars	28,231	29,569	25,484	95	111
Coke .....	Cars	7,506	6,006	7,490	125	100
Forest Products .....	Cars	102,217	93,871	104,300	109	98
Ore .....	Cars	2,853	2,022	3,908	141	73
Merchandise—L. C. L .....	Cars	147,429	120,199	133,449	123	110
Miscellaneous .....	Cars	152,434	128,359	150,747	119	101
<b>Building Permits—</b>						
Number—18 Cities .....		1,564	791	1,914	198	82
Value—18 Cities .....		4,932,700	2,912,000	6,369,500	169	77
Minneapolis .....		1,928,400	1,218,900	2,311,000	158	83
St. Paul .....		1,161,800	1,114,400	1,876,100	104	62
Duluth-Superior .....		506,800	244,700	1,408,300	207	36
4 Wheat Belt Cities.....		695,600	141,500	170,500	492	408
6 Mixed Farming Cities.....		580,900	99,000	547,600	587	106
4 Mining Cities.....		59,200	93,500	56,000	63	106
<b>Building Contracts Awarded—</b>						
Total .....		12,084,100	5,289,900	7,235,300	228	167
Residential .....		4,673,000	2,582,700	3,515,800	181	133
Commercial, Industrial & Utility.....		5,273,600	812,700	2,525,000	649	201
<b>Grain Receipts at Minneapolis and Duluth-Superior—</b>						
Wheat .....	Bu.	7,745,813	8,048,815	8,077,043	96	96
Corn .....	Bu.	890,880	1,393,556	2,131,987	64	42
Oats .....	Bu.	2,210,203	1,878,548	2,588,800	118	85
Barley .....	Bu.	1,300,557	1,193,338	1,636,317	109	80
Rye .....	Bu.	816,467	710,054	568,530	115	144
Flax .....	Bu.	513,572	379,800	767,092	135	67
<b>Grain Stocks at End of Month at Minneapolis and Duluth-Superior—</b>						
Wheat .....	Bu.	16,184,010	17,705,837	26,294,959	91	62
Corn .....	Bu.	614,528	522,763	1,440,350	118	43
Oats .....	Bu.	30,857,639	31,158,103	33,815,486	99	91
Barley .....	Bu.	4,151,438	4,973,583	2,523,658	83	165
Rye .....	Bu.	9,068,647	8,874,103	6,572,536	102	138
Flax .....	Bu.	1,353,620	1,678,740	765,729	81	177
<b>Median Cash Grain Prices—</b>						
Wheat—No. 1 Dark Northern.....	Bu.	\$1.64½	\$1.72½	\$1.78¾	95	92
Durum—No. 2 Amber.....	Bu.	1.42½	1.52	1.90¾	94	75
Corn—No. 3 Yellow.....	Bu.	.70½	.70¾	1.03¾	100	68
Oats—No. 3 White.....	Bu.	.36¾	.37	.42¾	98	85
Barley—No. 3 .....	Bu.	.60½	.60½	.85	100	71
Rye—No. 2 .....	Bu.	.81½	.92¼	1.25	88	65
Flax—No. 1 .....	Bu.	2.31½	2.42	3.04	96	76

# NINTH FEDERAL RESERVE DISTRICT

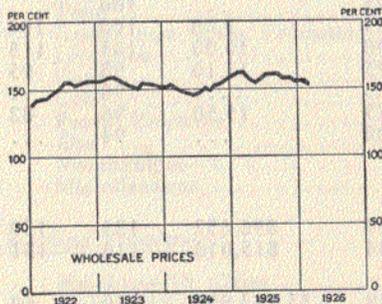
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## COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT (Continued)

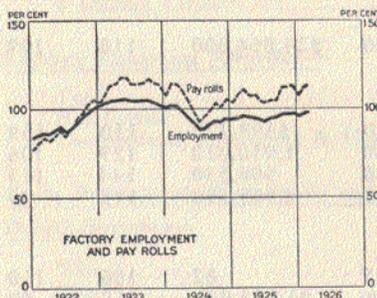
Unit	March 1926	February 1926	March 1925	% Mar. 1926 of Feb. 1926	% Mar. 1926 of Mar. 1925
<b><u>Livestock Receipts at South St. Paul—</u></b>					
Cattle .....	76,097	58,082	62,551	131	122
Calves .....	71,763	58,998	63,073	122	114
Hogs .....	281,763	270,497	307,849	104	92
Sheep .....	22,159	23,765	15,005	93	148
<b><u>Median Livestock Prices at South St. Paul—</u></b>					
Butcher Cows .....	\$ 6.25	\$ 5.75	\$ 5.50	109	114
Butcher Steers .....	8.35	8.00	8.50	104	98
Prime Butcher Steers .....	9.25	9.25	...	100	...
Stocker & Feeder Steers .....	7.25	7.25	7.00	100	104
Veal Calves .....	11.50	11.00	10.00	105	115
Hogs .....	12.50	12.75	13.10	98	95
Heavy Hogs .....	10.00	10.25	...	98	...
Lambs .....	12.75	13.25	15.50	96	82
Ewes .....	7.50	8.00	...	94	...
<b><u>Flour—</u></b>					
Production—Twin Cities & Duluth-Superior Bbbs.	1,167,580	962,069	896,652	121	130
Shipments from Minneapolis .....	1,065,018	902,584	815,018	118	131
<b><u>Linseed Products Shipments from Minneapolis. Lbs.</u></b>	21,605,652	30,875,739	35,742,997	70	60
<b><u>Retail Sales—</u></b>					
22 Department Stores .....	\$ 2,402,460	\$ 1,945,080	\$ 2,406,380	124	100
540 Lumber Yards .....	10,716,000	7,524,000	11,314,000	142	95
<b><u>Life Insurance Sales (4 States) .....</u></b>	\$27,150,000	\$22,967,000	\$24,864,000	118	109
<b><u>Wholesale Trade—</u></b>					
Farm Implements—6 firms .....	\$553,930	\$369,910	\$398,270	150	139
Hardware—13 firms .....	2,067,790	1,597,680	1,950,010	129	106
Shoes—5 firms .....	676,970	470,580	596,530	144	113
Groceries—47 firms .....	4,603,920	4,012,610	4,965,330	115	93
<b><u>Business Failures—</u></b>					
Number .....	90	85	82	106	110
Liabilities .....	\$926,970	\$843,138	\$1,924,921	110	48
<b><u>Securities Sold—</u></b>					
To Banks .....	\$3,585,100	\$4,292,800	\$3,717,600	84	96
To General Public .....	6,627,000	6,951,400	6,528,600	95	102
<b><u>Ninth Federal Reserve District Member Banks—</u></b>					
Demand Deposits .....	\$452,286,000	\$457,021,000	\$475,267,000	99	95
Time Deposits .....	439,126,000	440,772,000	441,252,000	100	100
<b><u>24 City Member Banks—</u></b>					
	Apr. 14 1926	Mar. 17 1926	Apr. 15 1925	% Apr. of Mar.	% 1926 of 1925
Loans .....	\$237,966,000	\$248,614,000	\$245,515,000	96	97
Securities .....	115,109,000	115,319,000	108,135,000	100	106
Demand Deposits .....	220,918,000	225,183,000	228,311,000	98	97
Time Deposits .....	109,717,000	111,737,000	106,158,000	98	103
Borrowings at Federal Reserve Bank .....	2,283,000	4,360,000	2,301,000	52	99
<b><u>Minneapolis Federal Reserve Bank—</u></b>					
Loans to Member Banks .....	\$4,839,854	\$6,733,540	\$6,428,641	72	75
Federal Reserve Notes in Circulation .....	63,642,825	64,109,115	64,891,645	99	98



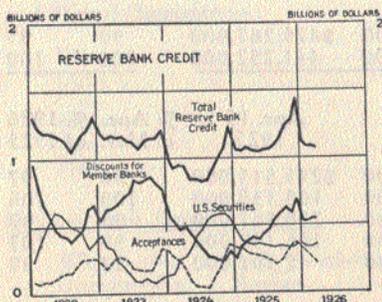
Index of Value of Building Contracts awarded as reported by the F. W. Dodge Corporation, (1919=100). Latest figure, March, 281.



Index of United States Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure, March, 152.



Federal Reserve Board's indexes of factory employment and payrolls, (1919=100). Latest figure, March, Employment 97.2, Payrolls, 113.0.



Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 22 days in April.

## Summary of National Business Conditions (Compiled April 24 by Federal Reserve Board)

Industrial output increased in March and the distribution of commodities continued in large volume owing to seasonal influences. The level of wholesale prices declined for the fourth consecutive month.

**PRODUCTION:** The Federal Reserve Board's index of production in basic industries increased in March to the highest level for more than a year. Larger output was shown for steel ingots, pig iron, anthracite, copper, lumber and newsprint, and there was also an increase in the activity of textile mills. The output of automobiles increased further and was larger than in any previous month, with the exception of last October. Building contracts awarded increased in March, as is usual at this season, and the total was near the high figure of last summer. Particularly large increases in building activity as compared with a year ago occurred in the New York, Atlanta and Dallas Federal Reserve Districts. Contracts awarded continued larger during the first half of April than in the same period of last year.

Condition of the winter wheat crop has improved since the turn of the year and on April 1 was estimated by the Department of Agriculture to be 84 per cent of normal, compared with 68.7 per cent last year and an average of 79.2 per cent for the same date in the past ten years.

**TRADE:** Wholesale trade showed a seasonal increase in March, and the volume of sales was larger than a year ago in all leading lines except dry goods and hardware. Sales by department stores and mail order houses increased less than is usual in March. Compared with March a year ago, sales by department stores were 7 per cent and sales by mail order houses 9 per cent larger. Stocks of principal lines of merchandise carried by wholesale dealers, except groceries and shoes, were larger at the end of March than a month earlier, but for most lines they were smaller than a year ago. Department store stocks showed slightly more than the usual increase in March and were about 3 per cent larger than last year. Freight carloadings during March continued at higher levels than in the corresponding period of previous years. Shipments of miscellaneous commodities and merchandise in less-than-carload lots were especially large. Loadings of coal, owing to the large production of anthracite, were also large, while shipments of coke decreased considerably from the high levels of preceding months.

**PRICES:** Wholesale prices, according to the Bureau of Labor Statistics index, declined by more than 2 per cent in March to the lowest level since September, 1924. The decline was general for nearly all groups of commodities, and the largest decreases were noted in grains, cotton, wool, silk, coke and rubber. In the first two weeks of April, prices of basic commodities were steadier than in March. Prices of grains, flour and potatoes increased, while prices of cotton goods, wool, silk, bituminous coal, pig iron and rubber declined.

**BANK CREDIT:** Commercial loans of member banks in leading cities were relatively constant between the middle of March and the middle of April, at a level about \$200,000,000 higher than at the end of January and approximately equal to the high point reached last autumn. Continued liquidation of loans to brokers and dealers was reflected in a further decline in the total of loans on securities, which on April 14 were more than \$500,000,000 below the high point reached at the end of last year.

At the Reserve banks an increase of the volume of member bank borrowings during the last two weeks of March was followed by a marked decline in the first three weeks of April, which brought the total near the lowest levels of the year. Holdings of United States securities increased continuously during the month, while acceptances declined seasonally. Total bills and securities were in smaller volume at the end of the period than at any other time during the year and only slightly larger than a year ago. Open market rates on commercial paper declined in April from  $4\frac{1}{4}$ - $4\frac{1}{2}$  per cent to  $4\frac{1}{4}$  per cent and rates on acceptances and on security loans were also lower in April than in March. On April 23 the discount rate at the Federal Reserve Bank of New York was reduced from 4 to  $3\frac{1}{2}$  per cent.