

MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

JOHN R. MITCHELL, Chairman of the Board
and Federal Reserve Agent

CURTIS L. MOSHER F. M. BAILEY
Assistant Federal Reserve Agents

OLIVER S. POWELL
Statistician

Vol. IV (Serial
No. 159)

Minneapolis, Minnesota

April 28, 1928

DISTRICT SUMMARY OF BUSINESS

The March volume of business in the district was larger than the volume in March last year, chiefly owing to a larger volume of grain marketing. Debits to individual accounts were 13 per cent larger than in March, 1927, and 6 per cent larger than the usual March volume based on the experience of the last four years. Carloadings of freight were 3 per cent larger than in March, 1927. Increases were reported for department store sales, shipments of flour and linseed products, postal receipts and sales of securities to the public, excluding sales to banks. Decreases were reported for March, as compared with March last year, in the dollar value of checks collected by this Federal Reserve Bank from country banks in the district, in wholesale trade and in sales of lumber at country yards and sales of securities to banks. The fact that Easter was nine days earlier this year than a year ago was undoubtedly a factor in the March increase in department store sales.

The currency operations of this bank showed a net movement into circulation during March, which is unusual, since it has occurred only twice during March in the last eight years. During the first nine days of April, the net outflow of currency from this bank to meet Easter and other trade requirements was \$1,200,000 more than in the first nine days of April, 1927.

Building permits and building contracts during March were much below the totals for March a year ago, and the number of warranty deeds recorded in Hennepin and Ramsey counties also showed a marked decline.

Farm income from important products was estimated to be 27 per cent larger in March, 1928, than in March, 1927. Again the increase was occasioned by great increases in the marketings of small grains. The income from hogs was smaller than in the corresponding month last year. Dairy income in February, which is the latest month for which complete records are available, was 7 per cent smaller than in February last year, when wholesale butter prices were 4 cents per pound higher.

Farm income from wool in this district amounts to approximately 12 million dollars a year, according to estimates based on data published by the United States Department of Agriculture. The estimated wool clip in Minnesota, North Dakota, South Da-

kota and Montana has increased from 26,454,000 pounds in 1920 to 36,787,000 pounds in 1927. Montana produces two-thirds of the wool sheared in the district. The farm price of wool has not been below thirty cents a pound since June, 1922. Multiplying the estimated wool clip by the farm price during the shearing and marketing season, we find that the value of the wool clip has been approximately 12 million dollars for the last three years.

All signs point to a larger income from wool in 1928 than in 1927. The number of sheep on farms has increased from 4,855,000 on January 1, 1927, to 5,162,000 on January 1, 1928. The farm price of wool in Montana and South Dakota was five cents per pound higher in January and February, 1928, than in the corresponding months of 1927. Furthermore, there has been a gradual growth in the weight of the individual fleece. Montana fleeces averaged 8.6 pounds in 1927, as compared with 8.0 pounds in 1920. South Dakota fleeces averaged 8.0 pounds in 1927, as compared with 7.0 pounds in 1920. There were similar increases in the weight per fleece in Minnesota and North Dakota.

Wool Production, Price and Farm Value, 1920-1927

Year	Production (Lbs.)	Farm Price (Cents)	Farm Value
1920....	26,454,000	43.9	\$11,613,000
1921....	26,320,000	16.3	4,290,000
1922....	27,706,000	26.8	7,425,000
1923....	27,302,000	40.1	10,948,000
1924....	28,573,000	37.0	10,572,000
1925....	30,500,000	37.7	11,499,000
1926....	34,440,000	33.3	11,469,000
1927....	36,787,000	31.8	11,698,000

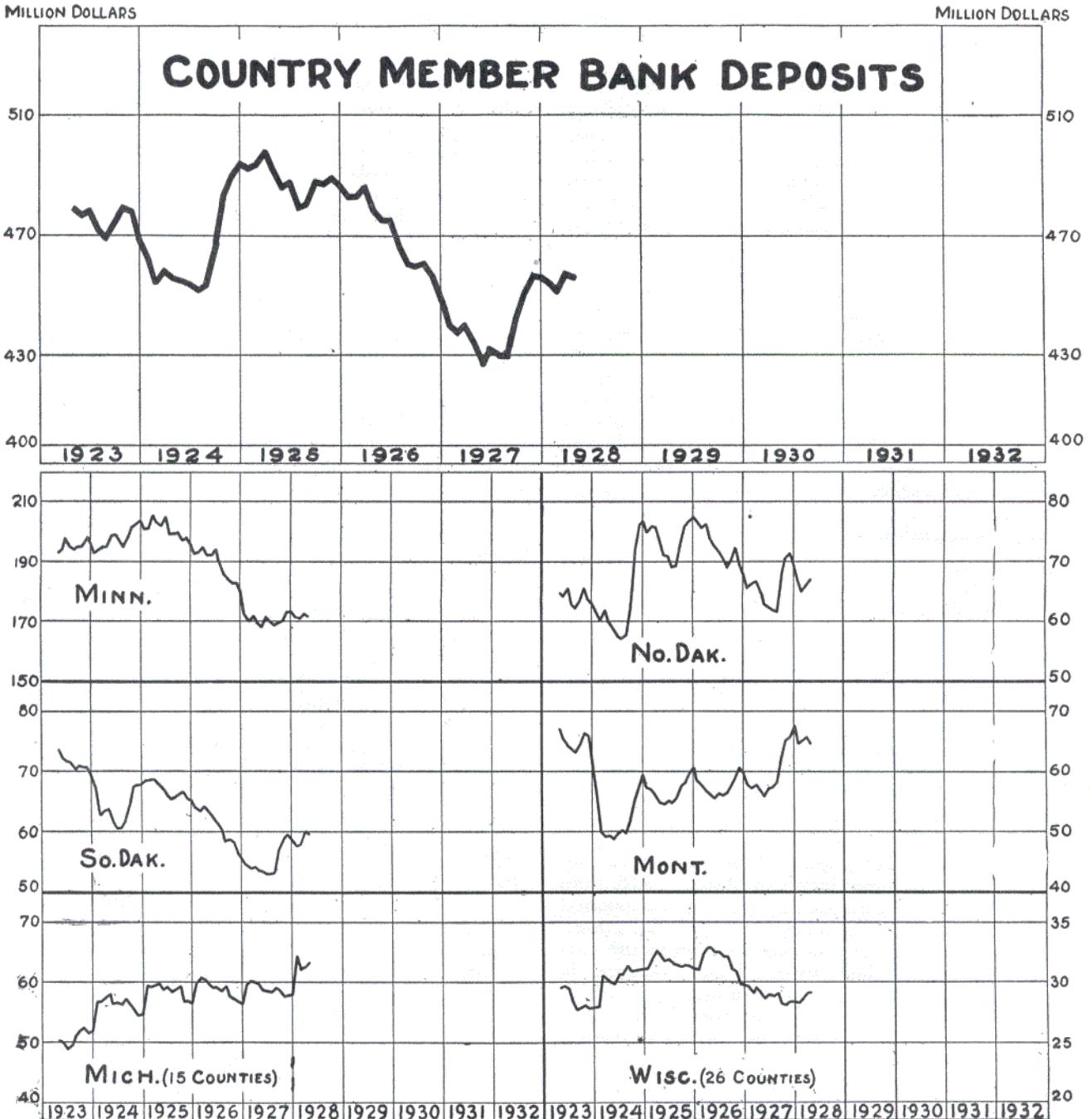
DISTRICT SUMMARY OF BANKING

The opening of spring activities has again commenced to affect banking conditions in this district. Country banks are drawing down their balances with city correspondent banks and increasing their borrowings from this Federal Reserve Bank, giving unmistakable evidence of the growth of loans in the agricultural regions and withdrawal of deposits, which always occur with the beginning of mild weather. The low point in country bank borrowings from this Federal Reserve Bank occurred on March 28, when these banks were borrowing only \$1,488,000. Since that time there has been an in-

crease of over \$600,000 in their borrowings, although the total borrowed on April 18 was considerably less than on the same date in other recent years. City member banks reported a decrease, during the last six weeks, of 16 million dollars in deposits held for country banks. Nearly one-half of this decrease occurred in the week ending April 18.

City banks have experienced very minor changes other than the withdrawal of country bank balances

noted above. Other deposits have remained fairly stationary. Commercial loans have risen gradually to a spring peak and have begun to decline. Investment holdings have not changed materially for many weeks. Loans secured by stocks and bonds have slowly declined and borrowings from the Federal Reserve Bank have shown a sharp increase in the last three weeks, both of which events were undoubtedly accompaniments of the withdrawal of country bank deposits.



Country Member Bank Deposits in the Ninth Federal Reserve District. These country member banks are all member banks in cities with less than fifteen thousand population. The scales have been exaggerated to make the changes in deposits more apparent.

Bankruptcies among farmers in this district during the year ending June 30, 1927, made a notable decline from the large numbers reported during the preceding four years. The most recent figures are still far above the level of pre-war and war years, but the declining tendency is a cheerful omen. It must also be recalled that since these records are for fiscal years ending June 30, the beneficial effects of the large 1927 crop in the western part of the district were not an influence in causing this decline.

Bankruptcy Among Farmers

(Cases concluded in fiscal years ending June 30)

	Minne- sota	North Dakota	South Dakota	Mon- tana	Four States
1910.....	60	67	30	9	166
1911.....	28	41	11	9	89
1912.....	29	54	19	20	122
1913.....	32	92	25	38	187
1914.....	29	105	42	55	231
1915.....	16	111	33	71	231
1916.....	19	90	16	81	206
1917.....	59	60	50	90	259
1918.....	49	61	17	38	165
1919.....	16	37	6	52	111
1920.....	42	50	18	63	173
1921.....	57	93	24	82	256
1922.....	189	237	38	215	679
1923.....	291	615	148	366	1,420
1924.....	430	782	236	551	1,999
1925.....	369	629	352	460	1,810
1926.....	419	536	368	624	1,947
1927.....	294	376	352	245	1,267

SEASONAL CHANGES IN COUNTRY BANK DEMAND FOR FEDERAL RESERVE CREDIT

Every bank experiences seasons during the year when strains are placed upon its resources. In other words, its deposits temporarily do not keep pace with the demand for loans. When this situation occurs, it is necessary for the bank to draw on its balances with other banks or to sell commercial paper or bonds or to borrow from some other bank until the strain is relieved. Country banks in the agricultural regions experience a greater seasonal strain than city banks because they are financing only one major industry in place of many and the season of the year affects the affairs of all of their clients simultaneously.

In a district as largely agricultural as the Ninth Federal Reserve District, the seasonal strain on country banks becomes a matter of great importance to all. It primarily concerns the country banks which must meet the demand for loans and withdrawals of deposits by their customers. It also affects the city banks which hold large correspondent bank balances for country banks and which make loans to country banks upon occasion. It

affects the business of commercial paper houses and bond selling organizations. More indirectly, it typifies the general problem of seasonal changes in collections and outstanding receivables of wholesalers and retailers throughout the district. It is well, therefore, to recognize the exact time and nature of the seasonal strain.

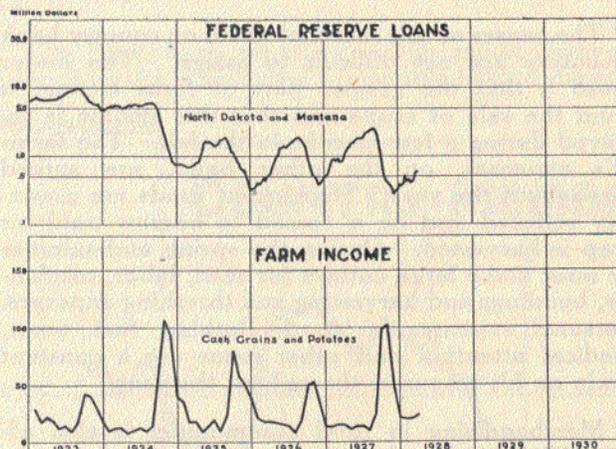
The causes of this seasonal strain on country bank resources are not difficult to assign. The major cause is that the greater part of farm income is from the sale of crops and that this income is received during a few months in the fall. The farmer's expenses, on the other hand, are spread throughout the year. His current funds are gradually reduced and he is forced to borrow until his crop is harvested. During the spring and summer he must make large outlays for seed, labor, machinery, buildings and harvesting and threshing expenses. Personal expenses for food, clothing, fuel, taxes, medical attention and other items are a constant drain on his resources throughout the year.

Merchandising in rural communities is also affected by this fact that the largest part of the farmer's income is received in the fall of the year. Merchants are forced to extend credit to some of their farmer customers until the crops are sold and the merchants, in turn, must secure the funds for carrying on their business by borrowing from wholesalers or from their local bank. This adds to the seasonal strain on the country bank during the summer.

The best measure of the fluctuations in the seasonal strain on country banks is the changes in borrowings by country member banks from this Federal Reserve Bank. This presents a fair illustration of seasonal changes at the 2,600 country banks in the district. The charts presented below are compiled from weekly reports over the five year period from 1923 to the present time. The earlier years are excluded because the general abnormality of the times obscured the purely seasonal changes in borrowing. The seasonal changes have not been very clearly defined until the last three years. To emphasize the seasonal fluctuations in the use of reserve bank credit in these latter years, the curves are plotted on a semi-logarithmic scale.

Banks in the cash crop belt provide the simplest illustration of this seasonal change in the need for Federal Reserve Bank credit. Since production in this belt consists largely of grain to be sold for cash, it may be said that the farmer in this territory has only one pay day during the year. On the accompanying chart, showing the borrowings by North Dakota and Montana banks from this Federal Reserve Bank, the growth of the seasonal strain each year and the effect of the farmer's pay day in relaxing the seasonal strain, are clearly shown. Banks in these states gradually increase their borrowings from mid-winter until the peak is reached at approximately the thirty-second week of the year. As soon as grain harvesting commences and farm in-

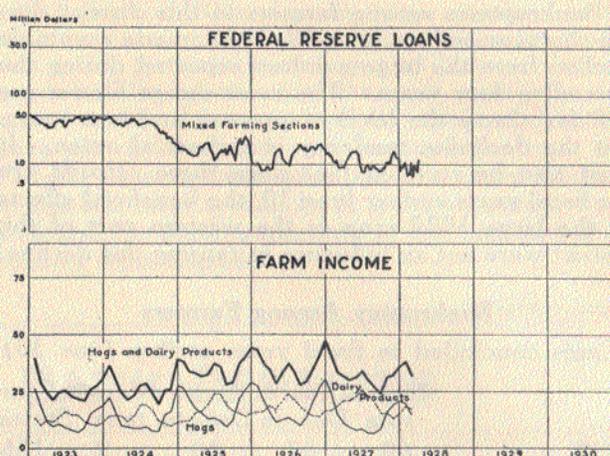
come increases, there is a very sharp reduction in borrowings. To show the importance of the cash crop farmer's pay day in the fall, the curve of farm income from small grains and potatoes is shown in the lower half of the chart.



Federal Reserve Loans to Banks in North Dakota and Montana which typify the cash crop belt, and Farm Income from Cash Crops in the Ninth Federal Reserve District.

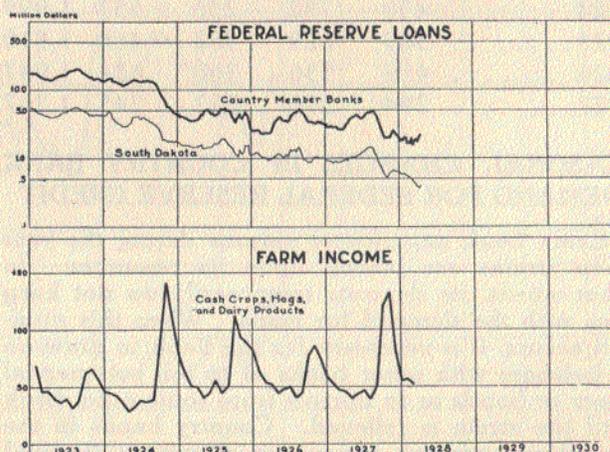
In the mixed farming region, there is a variety of farm income occurring at different times of the year. The peak of income from dairy products is in the spring; the peak of income from hogs is in the winter and the income from fattening cattle is spread throughout the winter and spring. There is also a considerable income from the sale of crops in the fall. Borrowings by banks in the mixed farming territory have a less regular seasonal movement than borrowings by banks in the cash crop belt. The demands for credit are more varied and there is more choice in the timing of farm operations, such as the buying of feeder cattle and feed and the sale of livestock. Borrowings by country banks in Minnesota and in the portions of Wisconsin and Michigan which are included in this district, have been chosen to illustrate the seasonal changes in borrowings by banks in the mixed farming region. It is apparent that there are two peaks by borrowing; the first in the twenty-second week and the second in the forty-eighth week of the year. These peaks occur at times when farm income is small. Borrowings are rapidly reduced as farm income increases. Curves, showing the income from dairy products and hogs in this district, are shown in the lower half of the chart. It is apparent that farmers in the mixed farming territory have two major pay days and that their income is better distributed throughout the year than farm income in the cash crop territory.

South Dakota borrowings exhibit a composite condition, for in South Dakota part of the state can properly be classed as mixed farming territory, another part is properly in the cash crop area and another part is devoted to grazing. Consequently,



Federal Reserve Loans to Country Banks in Minnesota and the Parts of Wisconsin and Michigan which are in the Ninth Federal Reserve District, typifying the mixed farming region, and Farm Income from Hogs and Dairy Products in this District.

seasonal changes in borrowings by South Dakota banks are closely parallel with the seasonal changes in borrowings by all country banks in this district. This fact is brought out in the chart below where the two curves are charted together on a semi-logarithmic scale, which makes direct comparison of percentage of increases and decreases possible.

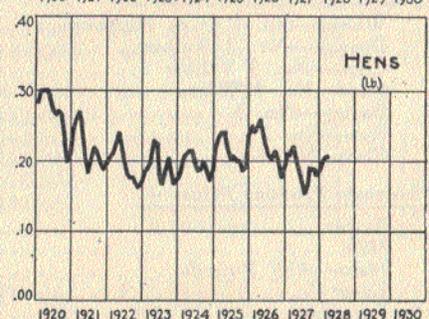
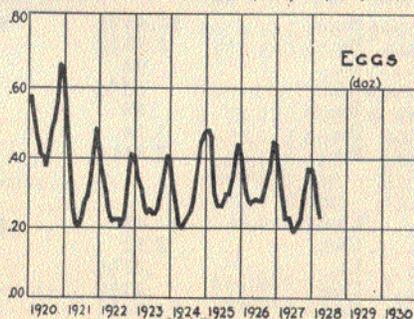
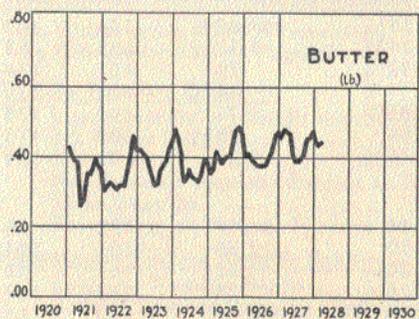
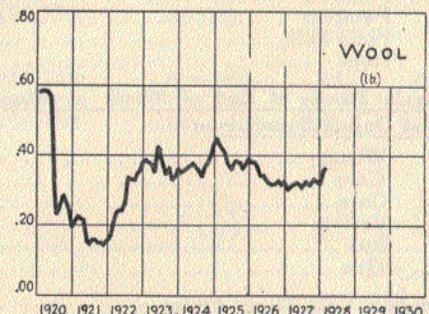
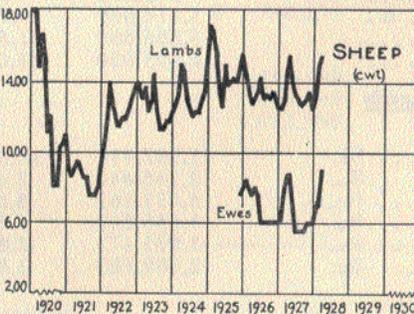
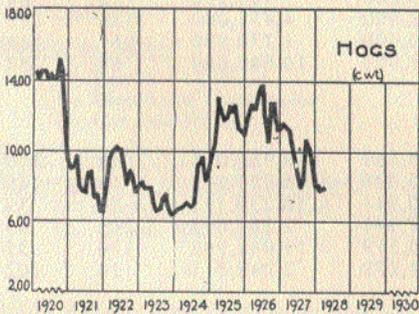
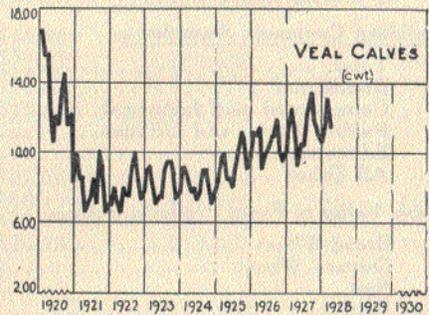
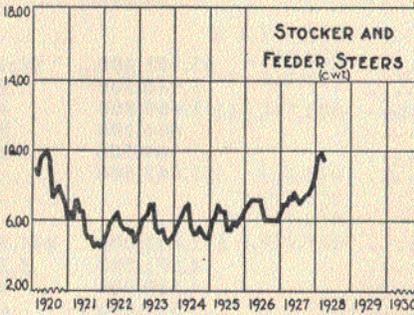
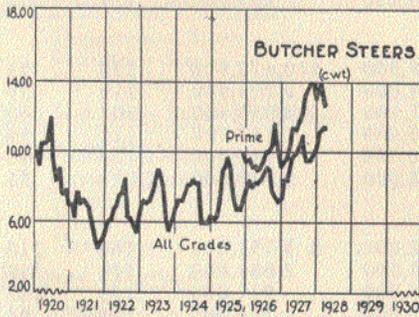
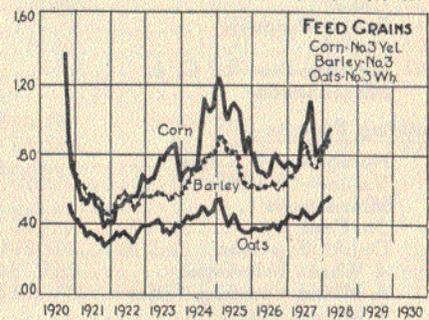
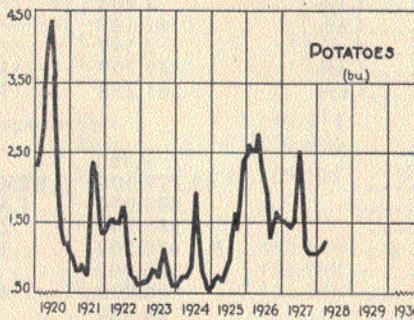
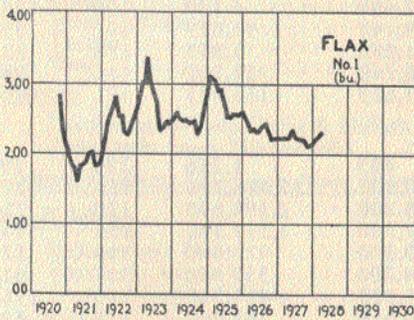
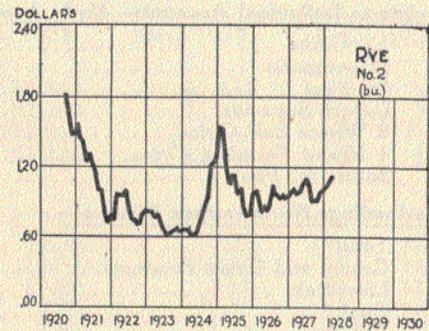
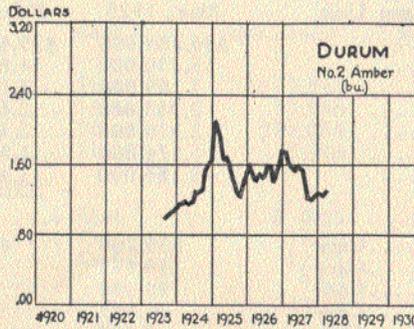
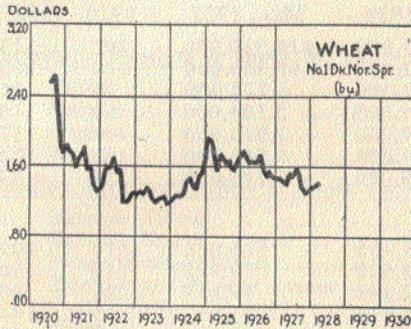


Federal Reserve Loans to Country Banks in the Ninth Federal Reserve District and in South Dakota, and Farm Income from Cash Crops, Hogs and Dairy Products.

The seasonal changes in borrowings by all country banks are difficult to identify and explain without the foregoing analysis for the cash crop belt and the mixed farming area separately. In 1925, there were three peaks of country bank borrowings in this district. In 1926 and 1927, there were two peaks. In all of the years, the highest level of country bank borrowings occurs just before the small grain crops start to market.

NORTHWESTERN FARM PRODUCT PRICES

(Price per bushel, hundredweight, pound or dozen)

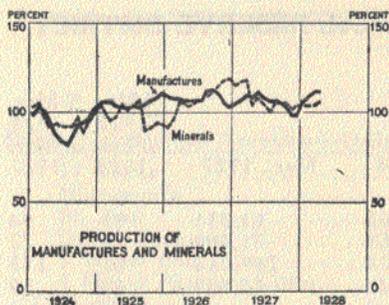


COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

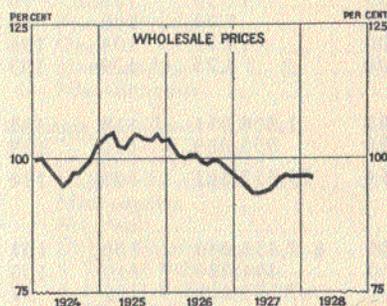
Debits to Individual Accounts—Daily Averages Unit	Mar., 1928	Feb., 1928	Mar., 1927	% Mar.	% Mar.
				1928	1928
				of Feb.	of Mar.
				1928	1927
17 Cities	\$30,384,000	\$29,685,000	\$26,920,000	102	113
Minneapolis	15,250,000	14,653,000	12,950,000	104	118
St. Paul	7,109,000	7,162,000	6,728,000	99	106
Duluth-Superior	2,953,000	2,693,000	2,504,000	110	118
8 Wheat Belt Cities	2,310,000	2,159,000	1,973,000	107	117
4 Mixed Farming Cities	1,574,000	1,549,000	1,545,000	102	102
South St. Paul	1,188,000	1,469,000	1,220,000	81	97
Carloadings—Northwestern District—					
Total	539,209	489,115	525,002	110	103
Grains and Grain Products	59,883	54,528	39,923	110	150
Livestock	40,180	42,142	37,817	95	106
Coal	26,853	31,570	25,852	85	104
Coke	7,483	7,499	6,100	100	123
Forest Products	91,160	89,141	95,629	102	95
Ore	2,597	1,880	3,553	138	53
Merchandise—L. C. L.	149,755	128,742	152,707	116	98
Miscellaneous	161,298	133,613	163,421	121	99
Building Permits—					
Number—18 Cities	1,380	603	1,756	229	79
Value—18 Cities	\$3,779,500	\$2,459,800	\$5,616,700	154	67
Minneapolis	1,800,000	1,498,200	2,398,600	120	75
St. Paul	585,700	231,500	1,339,500	253	44
Duluth-Superior	478,500	159,300	927,600	300	52
4 Wheat Belt Cities	326,400	84,700	357,600	385	91
6 Mixed Farming Cities	508,900	441,300	439,500	115	116
4 Mining Cities	80,000	44,800	153,900	179	52
Building Contracts Awarded—					
Total	\$5,505,400	\$2,199,300	\$10,472,900	250	53
Residential	1,948,500	929,600	3,299,900	210	59
Commercial and Industrial	1,460,800	481,100	3,053,400	304	48
Public Works and Utilities	664,100	540,600	1,132,200	123	59
Educational	369,500	200,000	916,800	185	40
All Other	1,062,500	48,000	2,070,600	2,214	51
Cash Value of Farm Products Sold—					
Bread Wheat	\$12,062,000	\$11,332,000	\$ 5,751,000	106	210
Durum Wheat	4,571,000	3,233,000	2,887,000	141	158
Rye	1,520,000	931,000	911,000	163	167
Flax	322,000	616,000	384,000	52	84
Potatoes	5,114,000	3,722,000	4,437,000	137	115
Fluid Milk	1,806,000	1,630,000	1,730,000	111	104
Hogs	8,903,000	14,601,000	10,845,000	61	82
Grain Stocks at End of Month at Minneapolis and Duluth-Superior—					
Wheat	Bu. 41,967,419	38,658,369	19,985,098	109	210
Corn	Bu. 2,140,440	2,425,009	1,293,607	88	165
Oats	Bu. 6,432,367	8,020,911	18,235,137	80	35
Barley	Bu. 1,655,847	801,941	2,383,653	206	69
Rye	Bu. 3,885,473	2,898,519	11,042,987	134	35
Flax	Bu. 2,089,105	2,821,270	2,048,811	74	102
Median Cash Grain Prices—					
Wheat—No. 1 Dark Northern	Bu. \$1.43 ³ / ₈	\$1.38 ¹ / ₄	\$1.42 ³ / ₄	104	100
Durum—No. 2 Amber	Bu. 1.30 ³ / ₄	1.24 ⁵ / ₈	1.57 ¹ / ₄	105	83
Corn—No. 3 Yellow	Bu. .94	.92 ¹ / ₈	.70	102	134
Oats—No. 3 White	Bu. .55 ⁵ / ₈	.53 ³ / ₂	.44 ⁵ / ₈	104	125
Barley—No. 3	Bu. .89	.85	.71	105	125
Rye—No. 2	Bu. 1.14	1.06	.98 ³ / ₄	108	115
Flax—No. 1	Bu. 2.31 ¹ / ₂	2.25 ³ / ₄	2.22	103	104
Wholesale Produce Prices—					
Butter	Lb. \$.45	\$.44	\$.47	102	96
Milk	Cwt. 2.52	2.50	2.50	101	101
Hens—4¹/₂ Pounds	Lb. .21 ¹ / ₂	.20 ¹ / ₂	.22	105	98
Eggs	Doz. .23 ¹ / ₂	.28 ¹ / ₂	.23	82	102
Potatoes	Bu. 1.24 ¹ / ₂	1.14	1.44	109	86

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

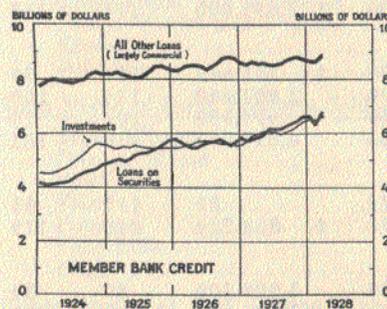
	Unit	Mar., 1928	Feb., 1928	Mar., 1927	% Mar. 1928 of Feb. 1928	% Mar. 1928 of Mar. 1927
Livestock Receipts at South St. Paul—						
Cattle	Head	57,350	61,363	61,331	93	94
Calves	Head	51,398	52,364	71,280	98	72
Hogs	Head	280,884	337,919	249,046	83	113
Sheep	Head	13,886	35,124	23,688	40	59
Median Livestock Prices at South St. Paul—						
Butcher Cows	Cwt.	\$ 8.25	\$ 8.25	\$ 6.50	100	127
Butcher Steers	Cwt.	11.50	11.50	9.25	100	124
Prime Butcher Steers	Cwt.	12.75	13.35	10.50	96	121
Stocker and Feeder Steers	Cwt.	9.50	10.00	7.50	95	127
Veal Calves	Cwt.	11.50	13.25	11.50	87	100
Hogs	Cwt.	7.90	7.85	11.25	101	70
Heavy Hogs	Cwt.	6.75	6.75	9.75	100	69
Lambs	Cwt.	15.60	15.00	14.75	104	106
Ewes	Cwt.	9.00	7.00	8.75	129	103
Flour—						
Production—Twin Cities & Duluth-Superior	Bbls.	1,343,519	1,200,183	1,008,091	112	133
Shipments from Minneapolis	Bbls.	1,235,496	1,123,586	955,089	110	129
Linseed Products Shipments from Minneapolis. Lbs.						
		45,269,389	41,456,754	23,357,883	109	194
Retail Sales—						
Department Stores		\$ 2,485,320	\$ 1,948,100	\$ 2,456,040	128	101
Furniture Stores		450,990	385,260	451,080	117	100
Country Lumber Yards	Bd. Ft.	7,106,000	4,535,000	7,347,000	157	97
Retail Merchandise Stocks—						
Department Stores		\$ 6,717,310	\$ 6,448,490	\$ 7,008,510	104	96
Furniture Stores		2,780,730	2,654,390	2,717,590	105	102
Country Lumber Yards	Bd. Ft.	91,428,000	94,155,000	90,846,000	97	101
Life Insurance Sales (4 States)						
		\$25,717,000	\$23,257,000	\$22,695,000	111	113
Wholesale Trade—						
Farm Implements		\$ 366,080	\$ 227,590	\$ 381,640	161	96
Hardware		1,998,850	1,468,190	2,007,660	136	100
Shoes		451,750	435,840	571,990	104	79
Groceries		4,935,980	4,370,180	4,819,670	113	102
Business Failures—						
Number		83	72	89	115	93
Liabilities		\$ 996,828	\$ 383,730	\$ 868,720	260	115
Securities Sold—						
To Banks		3,490,700	3,915,700	3,906,200	89	89
To Insurance Companies		1,345,000	1,201,500	2,084,200	112	65
To General Public		8,037,900	7,524,100	6,846,600	107	117
Real Estate Activity in						
Hennepin and Ramsey Counties—						
Warranty Deeds Recorded		1,050	837	1,342	125	78
Mortgages Recorded		1,625	1,321	1,653	123	98
Ninth Federal Reserve District Member Banks—						
		Apr. 11, 1928	Mar. 7, 1928	Apr. 27, 1927	% Apr. '28 of Mar. '27	% Apr. '28 of Apr. '27
In Cities under 15,000 Population		\$456,134,000	\$457,305,000	\$433,876,000	100	105
In Cities over 15,000 Population		458,867,000	462,708,000	403,129,000	99	114
24 City Member Banks—						
		Apr. 18, 1928	Mar. 14, 1928	Apr. 20, 1927		
Loans Secured by Stocks and Bonds		\$ 74,475,000	\$ 78,532,000	\$ 77,972,000	95	96
All Other Loans		176,942,000	174,562,000	155,806,000	101	114
Securities		133,161,000	132,688,000	120,940,000	100	110
Net Demand Deposits Subject to Reserve		222,217,000	235,073,000	206,795,000	95	107
Time Deposits		134,470,000	133,433,000	126,430,000	101	106
Borrowings at Federal Reserve Bank		11,978,000	3,704,000	...	323
Minneapolis Federal Reserve Bank—						
Loans to Member Banks		\$14,089,968	\$ 1,868,521	\$ 6,805,252	754	207
Federal Reserve Notes in Circulation		56,343,755	56,011,505	64,206,700	101	88



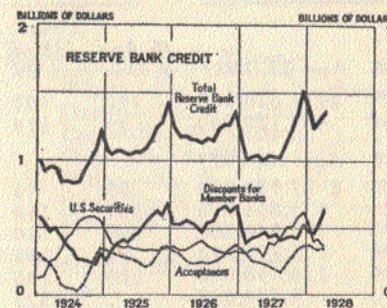
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-25 average=100). Latest figures, March, manufactures 111, minerals 104.



Index of United States Bureau of Labor Statistics (1926=100, base adopted by bureau). Latest figure, March, 96.0.



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first three weekly report dates in April.



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 23 days in April.

Summary of National Business Conditions (Compiled April 26 by Federal Reserve Board)

Industrial production during March was in about the same volume as in February, and there was a seasonal increase in the distribution of commodities. Wholesale prices remained practically unchanged. During the past month there have been increases in bank credit in use and in member bank borrowing at the Reserve banks, and open market money rates have shown further advances.

PRODUCTION: Production of manufacturers was maintained during March at the high level reached in February, and the output of minerals showed little change. Production of passenger automobiles and trucks during March totaled 413,000, the largest output recorded for any month since August, 1926. Production schedules in automobile plants continued large during April. Activity in the iron and steel industry was maintained at a high level during March and April, and lumber production was in larger volume than a year ago. Cotton and wool consumption declined in March but silk deliveries were the largest on record. There were declines in meat packing and production of sole leather, and the output of boots and shoes in March showed less than the usual seasonal increase. Mining of bituminous coal decreased during March by less than the usual seasonal amount, but, as the result of a strike in certain Middle Western mines, production in the early weeks of April was considerably curtailed. Building contracts awarded were smaller in March than a year ago, while those for the first three weeks in April were in about the same volume as in the corresponding period of last year. As a result of large contracts during the first two months of this year, total awards for the year to April 20 exceeded those for the same period of 1927. Contracts for residential buildings and for public works have been especially large.

TRADE: Sales of wholesale firms increased less than usual in March and were somewhat smaller than in the same month of last year. Sales of department stores, on the other hand, after allowance is made for customary seasonal changes and the early date of Easter, were about the same in March as in the preceding month and in March, 1927. Stocks of merchandise carried in March by wholesale firms were larger, while those of department stores were smaller than at this time last year.

The volume of freight carloadings showed more than the usual seasonal increase in March, but declined in the first two weeks of April. Loadings continued smaller than a year ago for all classes of commodities, except grains and livestock.

PRICES: The general level of wholesale commodity prices showed little change in March, the index of the Bureau of Labor Statistics declining slightly from 96.4 to 96 per cent of the 1926 average. There were decreases in the prices of livestock, dairy products, meats, coal and rubber. On the other hand, prices of grains, cattle feed, cotton and steel advanced. During the first three weeks in April there were further substantial increases in the prices of grains and more moderate advances in flour, hogs, cotton and lumber, while prices of cattle and rubber declined.

BANK CREDIT: Between March 21 and April 18, total loans and investments of member banks in leading cities increased by about \$410,000,000, reaching the highest level on record. The advance was largely in loans on securities which showed an increase of nearly \$380,000,000, and in April were close to the high point of the first of the year. Loans for commercial purposes continued the increase which began in February and, notwithstanding a small decline during the last week of the period, were nearly \$350,000,000 larger on April 18 than at the end of January.

The volume of Reserve bank credit in use increased by \$180,000,000 during the five weeks ending April 25, reflecting increased reserve requirements of member banks and a further net outflow of gold amounting to more than \$50,000,000. Reserve bank holdings of securities were reduced by about \$80,000,000 during the period, while discounts for member banks increased by \$230,000,000. Acceptance holdings also showed a small increase.

A firmer tendency in the money market was evidenced at the end of March and during April by further increases in rates on call and time loans on securities, and by increases of from 4-4 $\frac{1}{4}$ per cent to 4 $\frac{1}{2}$ per cent in the rates on commercial paper and from 3 $\frac{1}{2}$ per cent to 3 $\frac{7}{8}$ per cent in the rate on 90-day bankers' acceptances. Between April 20 and April 25, discount rates were raised from 4 to 4 $\frac{1}{2}$ per cent at the Boston, Chicago, St. Louis, Richmond and Minneapolis Federal Reserve Banks.