

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. V (Serial
No. 214)

Minneapolis, Minnesota

October 29, 1932

DISTRICT SUMMARY OF BUSINESS

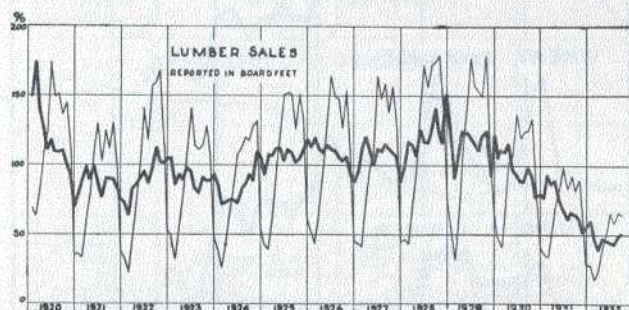
Business in the district improved during September but did not reach the levels of 1931 on account of low prices and the general depression. The September improvement was not large in percentage, but was impressive in the breadth of the movement, which included the greater part of the business records of the month. Apparently what happened was that business began to react in a more normal manner to seasonal influences arising from the movement of the crops, whereas a year ago, the district was entering a year of rapidly declining business as a result of the crop failure. The recent stability and moderate improvement in northwestern business is especially significant in view of the fact that the movement of grain from the farms has not been as rapid as usual.

The most noticeable improvement during September occurred in city department store sales, which continued the better trend which began to show in August. September department store sales were only 11 per cent smaller than sales in September last year, whereas the decrease from last year's records reported for August was 24 per cent and for July 28 per cent. The fact that September department store sales were only 11 per cent smaller than the totals for September last year, whereas retail prices, according to the Fairchild's index, were down 16 per cent, indicates that actually more goods were sold by city department stores in September this year than in the corresponding month last year. Of equal significance is the fact that the seasonal increase in department store sales during September

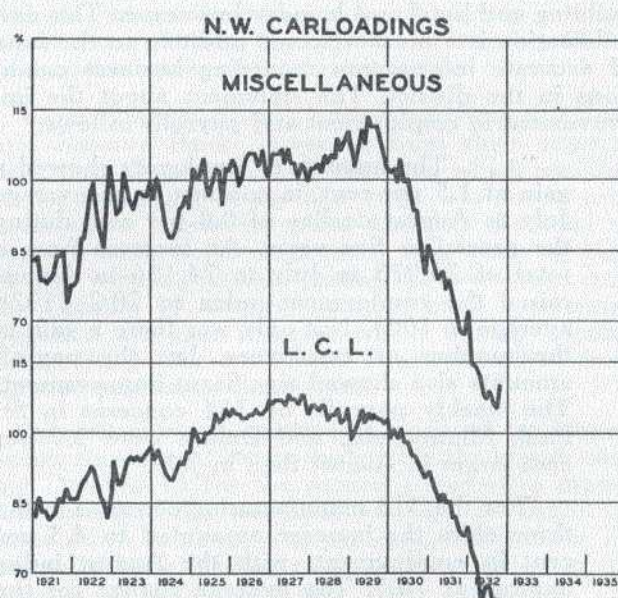
over the August volume was 37 per cent, whereas the usual seasonal increase is only 19 per cent.

Most other trade records gave evidence of a similar improvement. Country lumber sales in board feet, which constitute the most direct index of rural buying in this district, were 22 per cent smaller in September than in the same month last year, whereas the August decline from last year was 29 per cent. The seasonally adjusted index of country lumber sales advanced from 43 in July to 48 in August and 51 in September, using the average monthly sales during the years 1923 to 1927 as a base.

The September indexes of freight carloadings of miscellaneous freight and l. c. l. commodities had smaller declines from last year's figures than were found in August. Part of this improvement was due to the decreasing volume of business in the autumn of 1931 and the stability of business this year. However, the seasonally adjusted index of miscellaneous carloadings rose from 51 in August to 56 in September.



Country Lumber Sales in board feet. The heavy curve is seasonally adjusted and the light curve shows the lumber data without seasonal correction.



Carloadings of Miscellaneous Commodities and Less-than-Carlot Freight in the Northwestern District, adjusted to remove seasonal variations.

Wholesale trade in hardware and shoes made a better showing compared to last year in September than in August. In fact, wholesale sales of shoes were slightly larger in September than in the corresponding month last year. Sales of securities to insurance companies (largely mortgages) during September were larger than in September last year, and sales of securities to banks also improved in September, although the volume did not reach that of September a year ago. Life insurance sales made a relative improvement. The only sales reports making a less favorable showing in September than in August were furniture sales, securities sales to the general public and wholesale grocery sales.

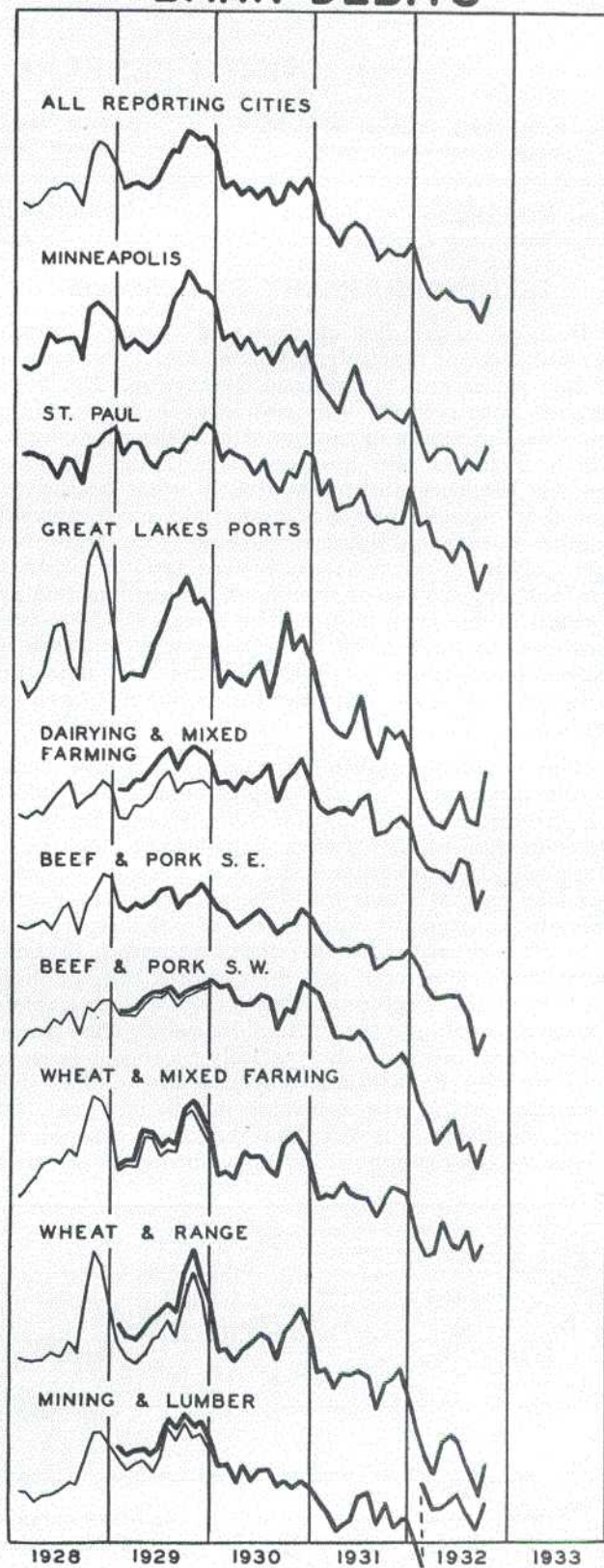
Other business indicators also reflected improvement in September over August in the comparison with last year's records. This improvement occurred in bank debits, country check clearings, electric power consumption, freight carloadings of grains, grain products, livestock, coal, coke, forest products and ore, building permits, real estate activity in the larger cities and flour production and shipments. Less favorable comparisons occurred in building contracts, linseed products shipments and copper output, and business failures.

Employment conditions in the three largest cities of Minnesota improved during August. This fact was reported in the third monthly issue of the "Minnesota Employment Review," which is a new service published by the Employment Stabilization Research Institute of the University of Minnesota and the Tricity Employment Stabilization Committee. Their employment survey covers 529 establishments, of which 313 are manufacturing plants, 64 are wholesale firms, 72 are retailers, 36 are transportation and utility enterprises and the remainder are engaged in banking and finance, construction and building and hotel and laundry businesses. This new publication is a most welcome addition to the fund of accurate information regarding business conditions in the district. The statement about the improvement in employment and payrolls follows:

" . . . The number of employees showed a gain of 1.5 per cent, in contrast to an average July to August decline of 0.8 per cent during the preceding five years. An increase from a total of 73,073 in July to 74,156 in August raised the employment index to 70.2 (1928 average = 100). Not only was there a gain in the number of employees, but the payroll amounts also showed significant improvement. The weekly payrolls of 364 concerns in St. Paul, Minneapolis, and Duluth were 3.0 per cent larger in August than in July.

"For the 313 manufacturing concerns in the three cities the increase amounted to 4.3 per cent in employment, with the August index number at 70.5. The average change for the five-year period was a decline of 0.9 per cent. The weekly payrolls of 213 companies that reported amounts for both months made a gain

NINTH FED. RES. DISTRICT BANK DEBITS



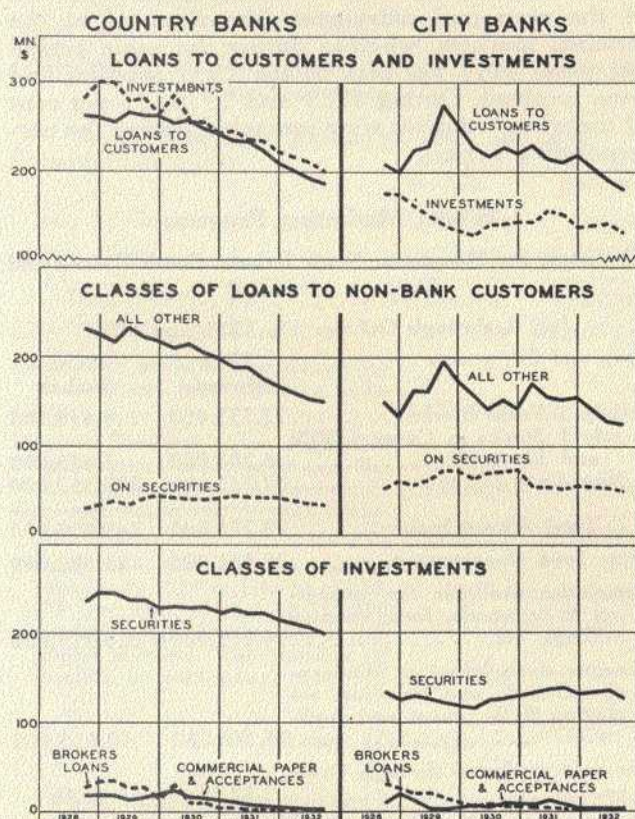
of 11.3 per cent, reflecting longer working schedules as well as more workers.

"The largest increase was registered by the clothing and textile group, with an advance of 37.6 per cent in employment and 25.8 per cent in amount of pay. Other groups showing gains in August are flour and grain, metal products, paper and printing, wholesale, department stores and mail order establishments, water transportation, and hotels and laundries.

"August employment in the three cities combined was 11.3 per cent below the corresponding month last year, as compared with 1931-1932 drops exceeding 14 per cent in June and July and an average decline of 11.9 for the first seven months of the year. It appears likely that September and October will show further improvement."

DISTRICT SUMMARY OF BANKING

The condition reports of member banks on September 30 revealed a further decrease in the loans and investments of the member banks of the district. During the quarter (July-September), there was a decrease of 17 million dollars in loans to customers and a decrease of about the same amount in investments. These decreases were about evenly divided between country banks and city banks.



Loans and Investments of City and Country Member Banks in the Ninth Federal Reserve District on call dates, 1928-1932.

The decrease in loans to customers was subdivided as follows: In loans to banks, 3 million dollars; in loans on securities, 4½ million dollars; in other commercial loans, 8 million dollars; and small declines in loans on farm land and city real estate. The decrease in investment holdings was almost entirely in bonds, since the total holdings of acceptances, commercial paper and brokers' loans were already at small figures.

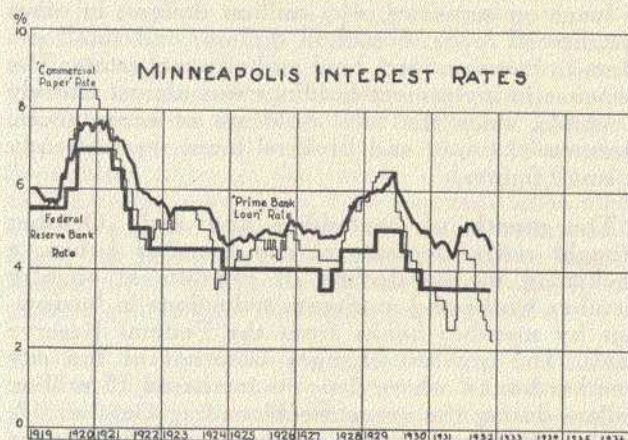
The month of September and early October brought rising deposits at city member banks, a slackening in the decline of deposits at country member banks and moderate reductions in borrowings by member banks from the Federal Reserve Bank. The greatest changes occurred at the city member banks, where deposits increased 15 million dollars during the seven weeks ending October 12, partly offset by a decline of 6 million dollars in the next week. The net increase was a seasonal matter and served to cancel part of the summer decrease in deposits at these banks, although it did not bring their deposits back to the level of 1931. The increase in deposits consisted of increases in time deposits, commercial and individual demand deposits and balances due to banks, partly offset by a decrease in municipal demand deposits. The loans and investments of the city banks declined during the five weeks ending October 19, and the increase in deposits was accompanied by an increase of 17 million dollars in cash and balances due from correspondent banks. These latter items, thus, recovered all of their shrinkage from the autumn of 1931.

At the country member banks, the month of September, with its increase in farm income, usually causes the beginning of an autumn rise in deposits. However, deposits in September this year were not quite as large as in August. In fact, aside from North Dakota, where deposits increased slightly in September over August, the deposits of member banks in the other states continued to decline.

Country member bank borrowings from this Federal Reserve Bank decreased from their summer peak until October 5. This decrease, which was due to the harvesting of the new crop, was not as pronounced as in normal years, and left the total of country bank borrowings more than twice as high as they were a year ago. During the two weeks ending October 19, country member bank borrowings began a seasonal increase which usually accompanies the purchase of feeder livestock in the mixed farming portion of the district.

Interest rates on prime loans quoted by Minneapolis commercial banks declined in the month ending October 15 for the second consecutive month and brought the weighted average of important rates down to about 4½ per cent. Most of the increase in bank lending rates which occurred in the autumn of 1931 has now been cancelled. The brokers' commercial paper rate to prime borrowers decreased one-fourth of 1 per cent on October 16, to 2¼ per cent, which was the lowest quotation dur-

ing the post-war years. The discount rate of this Federal Reserve Bank remained unchanged.

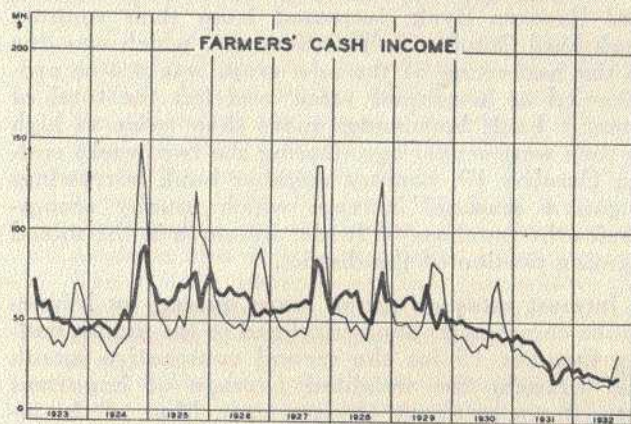


Interest Rates at Minneapolis on Prime Bank Loans and Commercial Paper and the Discount Rate at the Federal Reserve Bank, 1919-1932.

DISTRICT SUMMARY OF AGRICULTURE

Farm Income

The estimated cash income of northwestern farmers from marketings during September was only 7 per cent smaller than the income in September last year. The income from wheat, in spite of delayed marketings, was twice as large as last year's September income from this source. The increase in income from wheat almost entirely offset the decreases in income from dairy products and hogs. Prices of all major farm products of the Northwest were lower in September than in the corresponding month last year, with the exception of eggs. There was a strong seasonal increase in the price of eggs during September, and the average price was 10 per cent higher than in September last year.



Farmers' Cash Income in the Ninth Federal Reserve District from Cash Crops, Hogs and Dairy Products. The heavy curve is seasonally adjusted, and the light curve shows changes in farm income without seasonal adjustment.

Crops

Threshing returns and other additional crop data received during September were responsible for a substantial increase in the October 1 United States Department of Agriculture estimate of barley produced in the four complete states in the Ninth Federal Reserve District. A smaller increase occurred in oats, and the corn estimate was unchanged, with the result that the estimated supply of feed grains is more than sufficient for one year's feeding operations and is only 7 per cent below the high July 1 estimates, despite the numerous unfavorable factors which developed during the summer.

Cash crops, however, have not fared as well. Production estimates of cash crops, of course, are considerably higher than the scanty supplies harvested a year ago, but the decrease from the high July 1 estimates is almost twice as great as that of the feed grains.

Crop Marketing

More than twice as much northwestern wheat was received at terminals from July 1 to October 15 this year as in the corresponding period last year, but even this increase did not bring as much wheat to market as usually arrives following the harvesting of a crop of the 1932 size. During the period mentioned, only 22 per cent of the marketable portion of the crop and carry-over was received at the terminal markets, whereas during the same period last year, 32½ per cent of the 1931 supplies had been received. During 1929 and 1930, 37 per cent of the wheat supplies were marketed during the corresponding period.

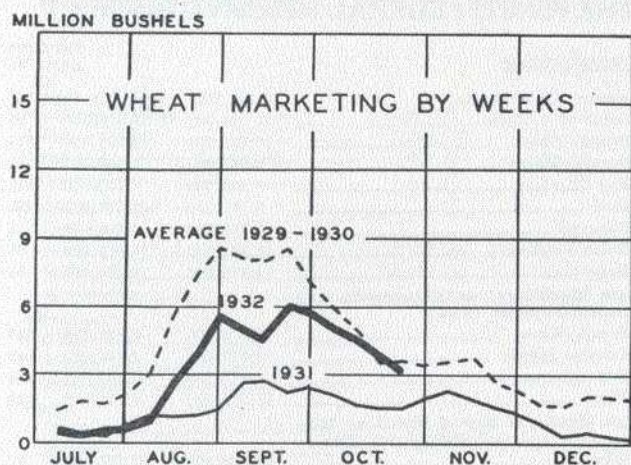
Wheat Marketing Progress

(Estimates for Minnesota, North Dakota, South Dakota and Montana combined)

July 1 through October 15, 1931 and 1932

Crop and Carry-over	1931 Bushels	1932 Bushels
July 1 Farm Stocks.....	12,333,000	4,478,000
July 1 Stocks in Country Mills and Elevators	6,200,000	5,473,000
New Crop	81,243,000	239,357,000
Total Wheat Supply.....	99,776,000	249,308,000
Less: Seed Requirements.....	25,561,000	23,000,000
Remainder available for market- ing at terminals, feed, country millings, etc.	74,215,000	226,308,000
Receipts since July 1 at Minneap- olis, Duluth, and Superior, ex- cluding S. W. wheat and dupli- cations	24,146,000	50,656,000
Per cent marketed through Octo- ber 15	32.54	22.38

During the twelve-month period
July 1, 1931 to June 30, 1932,
68 per cent of the 74,215,000
bushels available was marketed
at terminals, amounting to....50,217,000



Wheat Marketings from the Northwest by weeks July-December, 1929-1930 Average, 1931 and 1932. (Week ending October 15, 3,585,000 bushels.)

The flax marketing progress has been very similar to that of wheat. More flax has come to market in 1932 than in 1931, but the percentage of available supplies which has been marketed is lower in 1932 than in 1931. However, for flax there is not as large a difference in the rate of marketing as in wheat.

Flax Marketing Progress

(Estimates for Minnesota, North Dakota, South Dakota and Montana combined)

August 1 through October 15, 1931 and 1932		
Crop and Carry-over	1931 Bushels	1932 Bushels
July 31 Carry-over.....	1,088,000	574,000
New Crop	10,426,000	12,510,000
Total Flax Supply.....	11,514,000	13,084,000
Less: Seed Requirements.....	1,281,000	1,000,000
Remainder available for marketing at terminals, local crushing mills, etc.	10,233,000	12,084,000
Primary Receipts since August 1 at Principal markets in this dis- trict, excluding duplications....	5,922,000	6,249,000
Per cent marketed through Octo- ber 15	57.87	51.71
During the twelve-month period August 1, 1931 to July 31, 1932, 94 per cent of the 10,233,000 bushels available was sold at pri- mary markets. The number of bushels so sold was.....	9,659,000	

Cold Storage Holdings

United States cold storage holdings of meats and dairy and poultry products on October 1 continued to be smaller than the five-year average. The reduction as compared with the average for the date was most marked in beef, lard, butter, poultry and eggs.

As compared with supplies last year, the current reports indicate increases in pork, lard, lamb and mutton and butter, and decreases in beef, poultry and eggs.

United States Cold Storage Holdings

(In thousands of pounds)

	October 1, 5-year Average	October 1, 1931	October 1, 1932
Beef	44,945	35,171	26,013
Pork	529,334	474,887	497,359
Lard	105,556	69,296	70,582
Lamb and Mutton...	2,889	1,908	1,982
Butter	129,130	80,152	89,459
Poultry	50,382	56,215	36,661
Eggs*	10,708	10,911	7,299

*Thousand cases.

Feeder Cattle

Stocker and feeder steer prices at South St. Paul were relatively strong in September. The median price computed in our office from representative sales during the month did not show any decline from August, but prices on butcher cows and heifers and butcher steers dropped 25 cents and 35 cents, respectively.

While country orders for feeder cattle were sufficient to result in the strength mentioned above, actual shipments were somewhat smaller than in September last year. Most of the demand was for the plainer grades of cattle, with the result that prices were weaker toward the close of the month on the better grades of feeders than on feeders of ordinary quality. This weakness in better qualified feeder prices developed in spite of the strength shown by prime butcher steers, which scored a gain of 50 cents a hundred pounds, while ordinary butcher cows, heifers and steers were all registering declines.

Additional declines occurred during the first three weeks of October in prices of feeders of both ordinary and better quality, but less interest was shown in the better quality offerings even at the lowered prices. Considering the small differences in cost between "plain" and "choice" feeders, the relatively small supplies of "choice" feeders available, and the wide spread between "plain" and "choice" butcher steers, it would appear that higher returns might be realized by purchasing the "choice" feeders. According to a report issued by the United States Department of Agriculture, statements that difficulties in financing the feeder movement this fall would affect its volume appear to have been unfounded. The size of the feeder movement so far this season, in relation to market receipts during this period, does not indicate that a credit stringency has had any important effect.

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

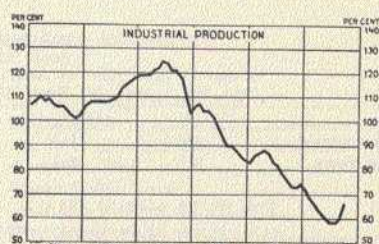
GENERAL BUSINESS				AGRICULTURE			
Debits to Individual Accounts ¹	Sept. '32	Sept. '31	Per Cent Sept. '32 of Sept. '31	Farmers' Cash Income	Sept. '32	Sept. '31	Per Cent Sept. '32 of Sept. '31
All Reporting Cities	\$ 23,154,400	\$ 29,273,100	79	Total of 6 Items	\$ 32,244,000	\$ 34,570,000	93
Minneapolis	10,391,000	12,207,000	85	Bread Wheat	12,218,000	5,794,000	211
St. Paul	4,106,000	5,149,000	80	Durum Wheat	2,368,000	2,337,000	101
South St. Paul	516,000	856,000	60	Rye	285,000	196,000	145
Great Lakes Ports	2,115,000	2,627,800	80	Flax	3,391,000	3,754,000	90
Beef and Pork, S. E.	712,700	1,048,200	68	Potatoes	1,515,000	2,107,000	72
Beef and Pork, S. W.	820,300	1,220,900	67	Dairy Products	7,865,000	11,913,000	66
Dairy and Mixed Farming	1,046,600	1,402,500	75	Hogs	4,602,000	8,469,000	54
Wheat and Mixed Farming	1,448,000	1,805,800	80	Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Wheat and Range	634,900	941,300	67	Bread Wheat	18,616,000	7,263,000	256
Mining and Lumber	1,363,900	2,014,600	68	Durum Wheat	4,519,000	3,180,000	142
				Rye	844,000	502,000	168
				Flax	2,988,000	2,725,000	110
Electric Power Consumption (K.W.H.) ^{1,2}				Grain Stocks at End of Month at Min- neapolis and Duluth-Superior (Bus.)			
Minn., No. Dak. and So. Dak.	4,358,000	4,861,000	90	Wheat	44,598,326	57,796,302	77
Montana	1,451,000	2,550,000	57	Corn	651,417	37,776	1,724
				Oats	10,474,729	4,809,695	218
Country Check Clearings ¹				Barley	4,565,647	2,687,645	170
Total	\$ 2,531,300	\$ 2,646,900	96	Rye	5,565,448	5,255,874	106
Minnesota	1,017,900	954,900	107	Flax	2,610,925	1,349,535	193
Montana	345,200	466,200	74	Livestock Receipts at So. St. Paul (Head)			
North and South Dakota	694,000	616,300	113	Cattle	95,369	89,801	106
Michigan and Wisconsin	474,200	609,500	78	Calves	41,917	40,128	104
				Hogs	132,119	263,839	50
Freight Carloadings—N. W. District				Sheep	234,616	297,461	79
Total—Excluding L.C.L.	230,382	335,696	69	Median Cash Grain Prices (Bus.)			
Grains and Grain Products	48,932	40,650	120	Wheat—No. 1 Dark Northern	\$.58%	\$.69%	84
Livestock	23,825	33,288	72	Durum—No. 2 Amber	.53	.74½	71
Coal	20,281	24,845	82	Corn—No. 3 Yellow	.29%	.42½	71
Coke	2,544	3,262	78	Oats—No. 3 White	.16%	.23	73
Forest Products	16,341	23,432	70	Barley—No. 3	.28	.48	58
Ore	13,172	81,124	16	Rye—No. 2	.33%	.39	87
Miscellaneous	105,287	129,095	82	Flax—No. 1	1.13½	1.37½	82
Merchandise—L.C.L.	87,494	111,163	79	Median Livestock Prices (Cwt.)			
				Butcher Cows	\$ 3.25	\$ 4.00	81
Building Permits				Butcher Steers	6.25	7.25	86
Number—18 Cities	1,134	1,490	76	Prime Butcher Steers	9.25	9.50	97
Value—18 Cities	\$ 1,807,600	\$ 2,723,000	66	Feeder Steers	4.00	4.25	94
Minneapolis	575,500	952,100	60	Veal Calves	6.00	7.00	86
St. Paul	312,300	1,070,400	29	Hogs	3.90	4.50	87
Duluth-Superior	692,400	132,200	524	Heavy Hogs	3.35	4.00	84
4 Wheat Belt Cities	45,500	108,100	42	Lambs	5.25	6.00	88
6 Mixed Farming Cities	138,300	438,200	32	Ewes	.75	1.50	50
4 Mining Cities	43,600	22,000	198	Wholesale Produce Prices			
				Butter (Lb.)	\$.18	\$.29½	61
Building Contracts (F. W. Dodge Corp.)				Milk (Cwt.)	1.24	1.70	73
Total	\$ 5,781,300	\$ 8,032,700	72	Hens (Lb.)	.11	.15½	71
Commercial	162,200	269,800	60	Eggs (Doz.)	.17	.15½	110
Factories	52,500	368,500	14	Potatoes (Bu.)	.45	.67½	67
Educational	198,600	1,522,300	13	TRADE			
Hospitals, etc.	300,000	608,800	49	Department Stores			
Public	5,000	552,000	1	Sales	\$ 2,632,440	\$ 2,962,880	89
Religious and Memorial	10,000	123,500	8	Merchandise Stocks	5,189,180	6,678,680	78
Social and Recreational	52,000	324,600	16	Receivables	2,811,860	3,166,840	89
Residential	650,500	1,037,200	63	Instalment Receivables	608,850	674,970	90
Public Works and Utilities	4,350,500	3,226,000	135	Furniture Stores			
				Total Sales	\$ 88,640	\$ 135,570	65
Real Estate Activity in Hennepin and Ramsey Counties				Instalment Sales	71,000	115,300	62
Warranty Deeds Recorded	849	1,066	80	Merchandise Stocks	526,420	527,790	100
Mortgages Recorded	1,024	1,234	83	Instalment Receivables	731,220	763,000	96
				Country Lumber Yards			
Manufacturing and Mining				Sales (Bd. Ft.)	6,484,000	8,314,000	78
Flour Production at Mpls., St. Paul, and Duluth-Superior (Bbls.)	700,283	932,366	75	Lumber Stocks (Bd. Ft.)	60,992,000	73,002,000	84
Flour Shipments at Mpls. (Bbls.)	684,277	853,631	80	Total Sales	\$ 880,900	\$ 1,228,700	72
Linseed Product Shipments (Lbs.)	21,595,344	24,190,276	89	Receivables	2,544,600	3,606,800	71
Copper Output (5 Firms) (Lbs.)	12,073,000	23,460,600	51	Life Insurance Sales			
Iron Ore Shipments (Tons)	641,228	4,178,761	15	Four States	\$ 12,831,000	\$ 16,320,000	79
				Minnesota	9,755,000	12,046,000	81
Business Failures				Montana	1,348,000	1,786,000	75
Number	84	53	158	North Dakota	849,000	1,005,000	84
Liabilities	\$ 1,052,247	\$ 1,857,512	57	South Dakota	879,000	1,483,000	59

(Continued)

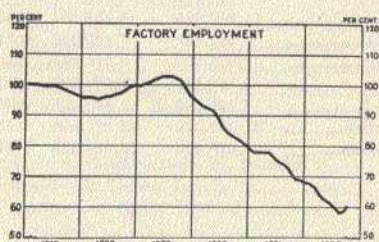
¹Daily Averages.
²Latest Reported Data.

BANK DEBITS

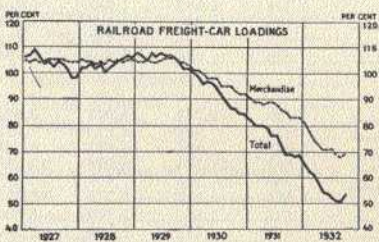
Total for All Cities Reporting Both Years	\$582,066	\$546,780	\$738,179	\$729,289
--	-----------	-----------	-----------	-----------



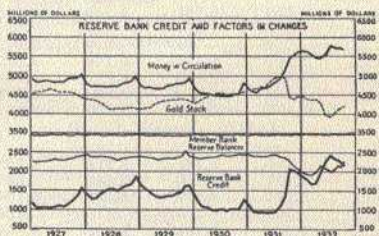
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)



Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average = 100.)



Indexes of daily average number of cars loaded; adjusted for seasonal variation. (1923-1925 average = 100.)



Monthly averages of daily figures. Latest figures are averages of first 22 days of October.

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

Industrial activity and shipments of commodities by rail increased from August to September by considerably more than the usual seasonal amount. There was also a more than seasonal increase in the volume of factory employment and payrolls. The general level of prices, after advancing for three months, showed a decline beginning in the early part of September.

PRODUCTION AND EMPLOYMENT: The volume of industrial production, as measured by the Board's seasonally adjusted index, based on the 1923-1925 average, increased from a low point of 58 in July to 60 in August and 66 in September. The advance in September reflected chiefly large increases in activity at textile mills, shoe factories, meat packing establishments, and coal mines. In the steel industry, where activity had shown none of the usual seasonal increase in August, operations expanded considerably during September and the first three weeks of October to about 20 per cent of capacity. Daily average output of automobiles and lumber in September showed little change from recent low levels.

Factory employment increased from 58.8 per cent of the 1923-1925 average in August to 60.3 per cent in September, according to the Board's seasonally adjusted index. Considerable increases were reported in the cotton, woolen, silk, hosiery, and clothing industries, and smaller increases at car building shops, foundries, cement mills, and furniture factories. In the automobile, tire and electrical machinery industries, employment declined.

During the three months ending with September, the value of building contracts awarded, as reported by the F. W. Dodge Corporation, was about the same as in the preceding three months, although awards are usually smaller in the third quarter. In the first half of October, the daily average of contracts declined somewhat.

DISTRIBUTION: The volume of freight carloadings increased by considerably more than the usual seasonal amount in September, reflecting chiefly larger shipments of coal and miscellaneous freight. Department store sales increased from the low level of August by somewhat more than the usual seasonal percentages.

WHOLESALE PRICES: Wholesale commodity prices, as measured by the monthly index of the Bureau of Labor Statistics, showed little change from August to September. During August and early September, there was a general advance in prices, followed by a decline which continued through the first half of October, when the average was 2 per cent below the high point in early September and 1 per cent above the low point of early summer. Substantial decreases occurred after the beginning of September in the prices of many domestic agricultural commodities, including cotton, grains, and livestock, and also in prices of gasoline, non-ferrous metals, and imported raw materials; while prices of wool, worsted yarns, coal, and lumber increased somewhat during this period.

BANK CREDIT: During September and the first three weeks of October, there were further additions to the reserve funds of member banks, arising from increases in the country's stock of monetary gold, from an unseasonal return flow of currency, and from issues of additional national bank notes. Member bank indebtedness to the Reserve banks declined by more than \$100,000,000 from September 7 to October 19, and their reserve balances increased by \$180,000,000 during September and the first two weeks of October. Reporting member banks in leading cities showed a further growth in investment holdings, largely of United States Government securities, but to some extent of other investments. Loans of reporting banks declined further in September. In the early part of October, loans at banks in New York City showed an increase. There was considerable growth in government deposits and in bankers' balances during the period; time deposits also increased.

Money rates in the open market declined to lower levels during the first half of October, the rate on prime commercial paper being reduced from a range of 2-2¼ to a range of 1¾-2 per cent, and the rate on 90-day bankers' acceptances from ¾ of one per cent to ½ of one per cent. Rates for call loans on stock exchange collateral declined from 2 per cent to 1 per cent.