

MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

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DISTRICT SUMMARY OF BUSINESS

The volume of business in the district was smaller in September than in the corresponding month a year ago, continuing the trend which has been in evidence for several months. The daily average of bank debits was 23 per cent below the figure for September last year, with all parts of the district experiencing decreases. Only twelve of the ninety-three reporting cities experienced a larger volume of bank debits in September, than a year ago. These cities were Albert Lea, Crookston, Ely, Glenwood, Moorhead, St. Cloud, Wabasha, and Willmar in Minnesota; Fargo in North Dakota, and Madison, Milbank and Yankton in South Dakota.

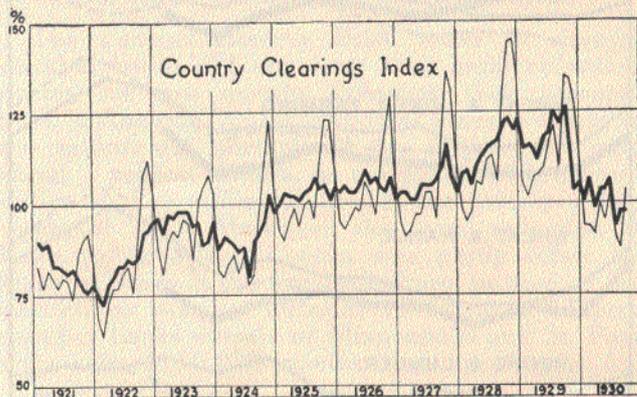
The country check clearings index was also 23 per cent below the figure for September last year. Freight carloadings in September were 17 per cent smaller than in the corresponding month last year, with all commodity groups decreasing, except grains and grain products. Increases over the corresponding month last year were reported for electric power consumption in the eastern part of the district, building contracts, and flour production and shipments. Decreases were reported for building permits, linseed product shipments, copper and iron ore output, city department store and furniture sales, country lumber sales, life insurance sales, securities sales and wholesale trade. Employment indexes for Minneapolis declined further in September. Business

failures were more numerous in September than in the same month last year.

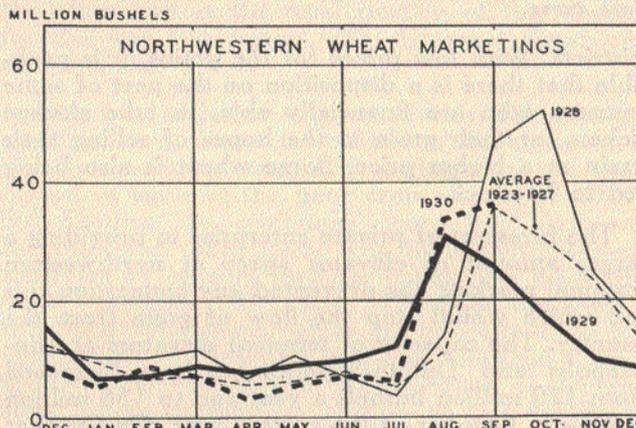
Bank debits and country check clearings in the first half of October were smaller than in the first half of October a year ago, but the decreases were not as large as the decreases in the September comparisons with a year ago. The daily average of construction contracts awarded in the central Northwest during the first nine business days of October was \$143,900, as compared with the daily average for the month of October, 1929 of \$179,700, according to the report of the F. W. Dodge Corporation.

DISTRICT SUMMARY OF AGRICULTURE

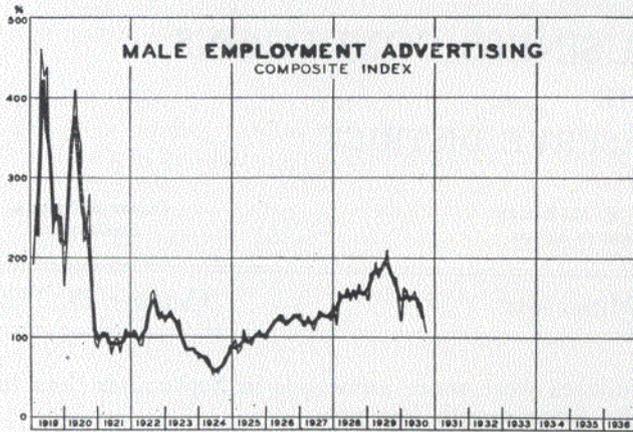
Grain marketing has been exceptionally rapid this fall, especially in the last half of August and the first half of September. The result has been that 42 per cent of the marketable portion of the wheat crop and carry-over reached the terminal markets at Minneapolis and the Head-of-the-Lakes by October 18, as compared with 39 per cent marketed in the corresponding portion of the 1929 crop year. It will be recalled that 1929 set a new record for the early marketing of wheat. Although the physical movement of the wheat crop and other small grains has been rapid, it is not certain that this indicates that an equally large portion of the income to be expected from the crop has flowed to the country



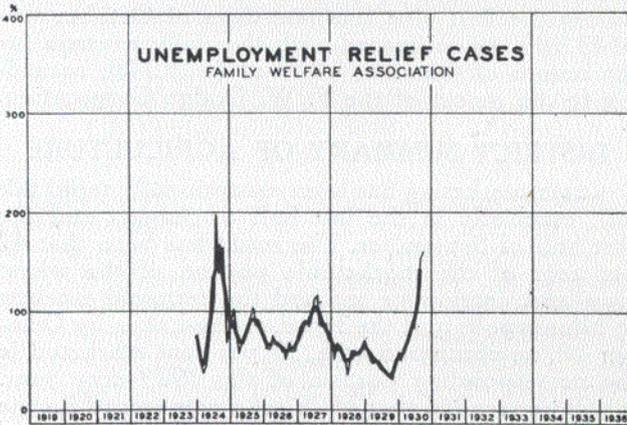
Country Check Clearings Index for the Ninth Federal Reserve District. The light curve represents figures without seasonal adjustments. The heavy curve represents figures with seasonal adjustments.



Marketings of Northwestern Wheat at Minneapolis and Duluth-Superior, excluding southwestern wheat and duplications in the record of receipts.



Male Employment Advertising Index for Minneapolis. This index is computed by dividing the seasonally adjusted index numbers of "Situations Wanted" into the similar index numbers for "Help Wanted." The heavy curve is a 3-month moving average of the light curve.



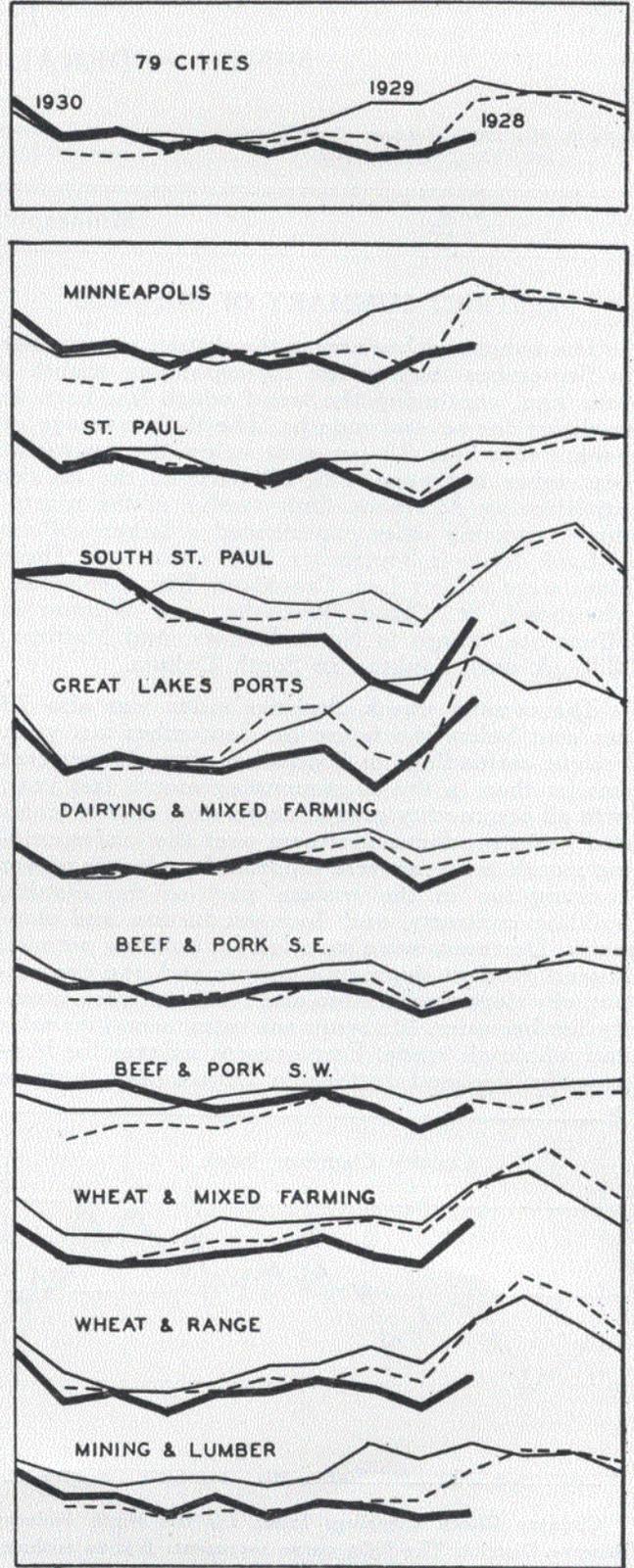
Families Given Assistance, on Account of Unemployment, by the Family Welfare Association of Minneapolis. The curves are index numbers with seasonal variations eliminated. The heavy curve is a 3-month moving average of the light curve.

districts. With low prices for the grains, it is probable that there is a disposition on the part of some farmers, who are financially able, to take storage tickets for their grain in the hopes of selling their grain at a higher price. Some wheat is also being fed to livestock.

The foresight of private enterprise in providing a larger amount of elevator space at northwestern terminal markets has prevented any congestion this fall which would stop the flow of grain from the country. The capacity of terminal elevators at Minneapolis and Duluth-Superior has been increased from 120 million bushels a year ago to 136 million bushels in October of the current year. On October 11, Minneapolis elevators were filled to 82 per cent of capacity, and elevators at Duluth were filled to 79 per cent of capacity.

Although the production of butter has passed its

NINTH FED. RES. DISTRICT INDIVIDUAL DEBITS



DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

seasonal peak and is declining to its winter low level, it is important to note the progress in the statistical position of the butter industry. United States cold storage holdings of butter on October 1 were 131 million pounds, which was 4 million pounds less than the five-year average. Bearing in mind the constant increase in the population of the United States, the butter industry is in a favorable position as far as supplies are concerned. Furthermore, the output of butter in the United States during August, which is the latest available report, was 12 per cent smaller than in August last year. In the Ninth Federal Reserve District, the August output of butter was only 8 per cent smaller than the output in the same month last year. In spite of the reduced output and stocks of butter, the price of butter declined from 38 cents per pound in August to 36½ cents per pound in September, which is contrary to the usual seasonal movement. The September butter price was 7½ cents below the price a year ago, and the same amount below the five-year average for the month.

The hog situation, as stated last month, is favorable to the producer, especially for those who have hogs to market after the first of the year. The spring pig crop was the smallest in a number of years, and the quantity of pork and lard in cold storage is considerably below average. For pork, the October 1 storage holdings were 448 million pounds, as compared with the five-year average for that date of 541 million pounds. For lard, the October 1 holdings were 60 million pounds, as compared with the five-year average of 115 million pounds. In spite of the lower storage holdings of pork and the smaller crop of hogs to be marketed during the coming months, the median price of hogs at South St. Paul in September was \$9.25 per hundred-weight, as compared with \$10.00 per hundred-weight a year ago. However, the September hog price represented a small increase over the price in August, whereas a year ago the price remained unchanged between August and September.

DISTRICT SUMMARY OF BANKING

The Federal Reserve Bank loans to country member banks did not show their usual reduction during the two months following their seasonal peak in August. The liquidation of loans to banks in the agricultural portions of the district was only about 1 million dollars, as compared with a liquidation of 2½ million dollars in the corresponding weeks of 1929. Moreover, this small reduction in loans to agricultural banks was partly offset by loans to banks in the non-agricultural portion of the district, so that on October 15 loans to country member banks outside of Minneapolis and St. Paul were only \$150,000 smaller than on August 13.

The reduced income from the 1930 crops is also reflected in the disappointingly small seasonal increase in member bank deposits in cities with less than 15,000 population. Between the average for August and the average for September, these de-

posits increased less than 4 million dollars, or 1 per cent, and the September total was 7 per cent smaller than the total a year ago.

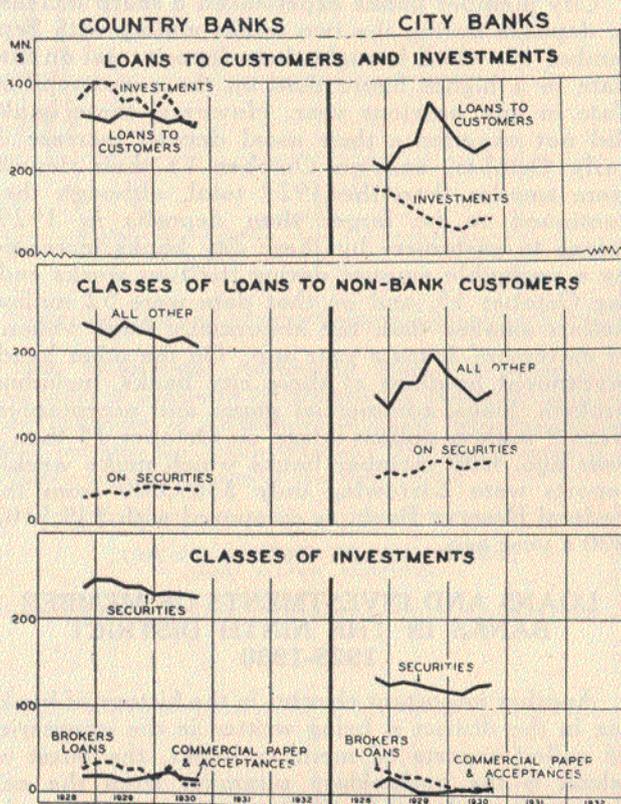
City member banks experienced a sharp increase in deposits during the two weeks ending with September 10, which brought their deposit total on that date to a higher figure than on the corresponding date in any previous year. However, these banks did not experience their usual deposit increase in early October, and on October 15 their deposits were smaller than the 1927 total, although they continued to be larger than deposits in 1929. Loans to customers by these city banks increased by a negligible amount during the four weeks ending October 15, and on that date were 52 million dollars smaller than the abnormally large volume of customers' loans a year ago. On the other hand, investment holdings of these city banks, including brokers' loans, commercial paper and acceptances, were 9 million dollars larger on October 15 than a year ago. City member banks which make weekly reports were borrowing only \$389,000 from the Federal Reserve Bank, as compared with \$39,510,000 a year ago.

LOANS AND INVESTMENTS OF MEMBER BANKS IN THE NINTH DISTRICT 1928-1930

Another important chapter in the history of banking in the district is being written in the summaries of called reports of member banks, the latest of which is the preliminary summary from the call dated September 24, 1930. A new schedule subdividing the loans, which was first inserted in the call of October 3, 1928, makes it possible to determine separately the amount of loans to customers on securities and all other customers' loans without the obscuring factors of brokers' loans, commercial paper and acceptance holdings which, up to this time, have hindered the accurate historical study of bank loans. The accompanying chart shows the course of member bank loans and investments in the cities and in the rural portion of this district for the last two years, with the most significant sub-divisions.

This new series of records reveals that country member bank loans to customers have shown a slightly declining tendency during the two-year period in spite of the poor crop returns of 1929. Sub-dividing the customers' loans into loans on securities and other kinds, it is found that loans on securities by country member banks rose gradually until December 1929, and have since declined a trifle. All other loans, which are typically loans for agricultural and business purposes, declined during the two-year period, with the exception of the seasonal peaks in June. A portion of this decline is undoubtedly due to the failure of banks whose loans are not included in abstracts of called reports subsequent to the date of failure. The amount of such loans by closed banks cannot be accurately determined, but the deposits in member banks in

this district which failed during 1929 and the first nine months of 1930 amounted to 4 million dollars, not a large enough total to account for the entire decline in loans.



Loans and Investments of City and Country Member Banks in the Ninth Federal Reserve District on call dates, 1928-30.

Between October 3, 1928 and September 24, 1930, loans to customers by country member banks decreased 14 million dollars, or 5 per cent. Figures are not yet available to determine exactly what decrease in deposits was experienced by the same group of country member banks during this two-year period. However, the monthly record of deposits of member banks in the district located in cities with less than 15,000 population shows that this group of country member banks in the smaller towns lost 17 million dollars of deposits during the two years, and it is probable that if other country member banks were included the loss would be somewhat greater. To meet this loss of deposits which exceeded the reduction in loans to customers, the country member banks have reduced their investments by 30 million dollars. Of the reduction in investment holdings during the last two years, 10 million dollars was in security holdings, 17 million dollars was in brokers' loans, 2 million dollars was in commercial paper and more than 1 million dollars was in acceptances.

City member banks experienced a sharp increase in loans to customers during the first three quarters of 1929, which was followed by an almost equally

great reduction during the last quarter of 1929 and the first half of 1930. On September 24, 1930, the loans to customers by city member banks were 18 million dollars larger than two years ago. Of these customers' loans, the loans on securities have followed an irregularly rising trend throughout the two-year period, whereas the other loans to customers were responsible for most of the rise to the 1929 peak and subsequent fall in the loan total. Loans to customers on securities increased 19 million dollars over the two-year period, whereas all other loans to customers were practically the same in September 1930 as they were two years ago. The investments of city member banks declined steadily from October 1928 to March 1930, but increased moderately during the succeeding six months. On September 24, 1930, investments of city member banks were 35 million dollars smaller than two years ago, the decreases being accounted for as follows: brokers' loans 26 million dollars, securities 8 million dollars and commercial paper 1 million dollars.

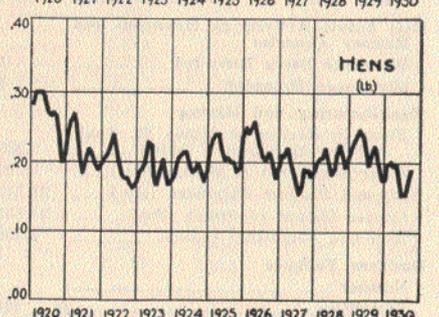
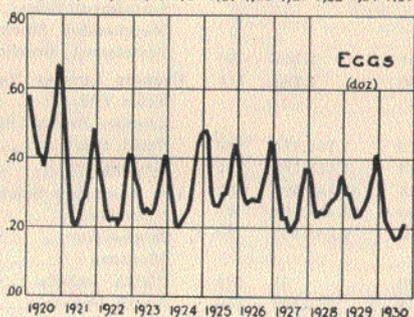
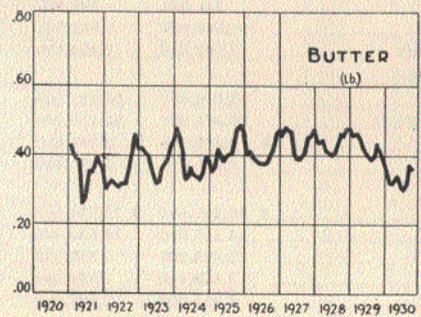
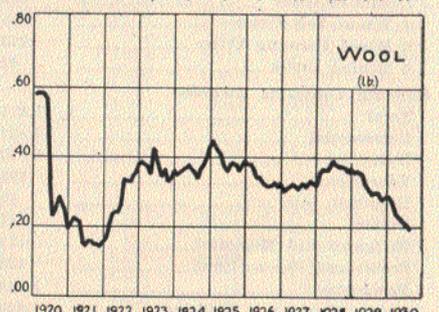
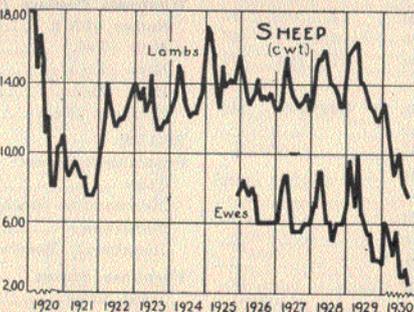
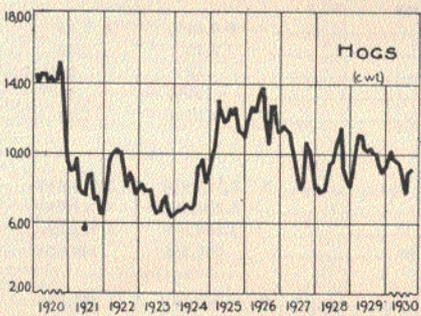
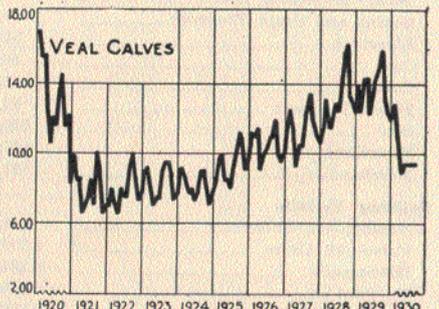
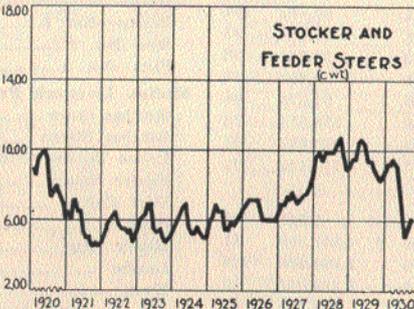
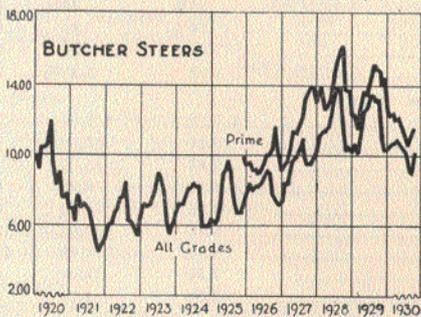
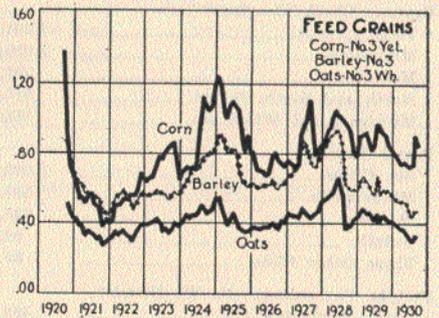
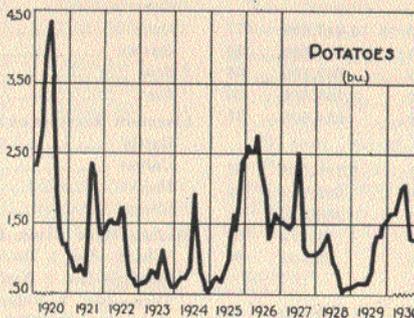
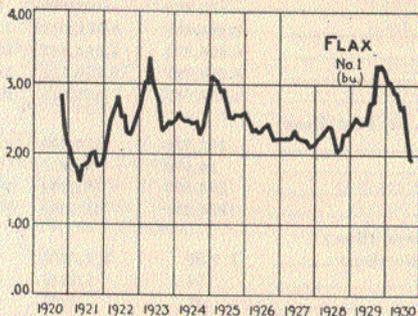
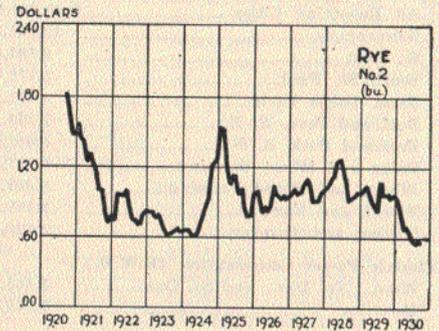
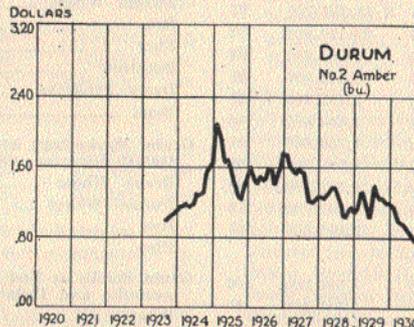
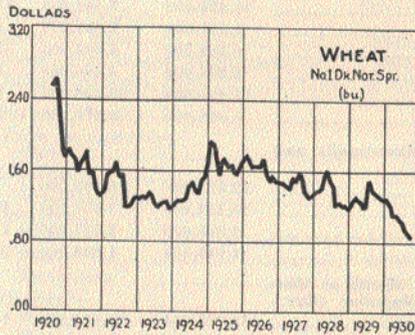
From these new and most useful records, certain general observations may be made. In the first place, it is possible to confirm the truth of the general belief that bankers in the district make free use of the open market types of loans (commercial paper and brokers' loans) for investment purposes to utilize seasonal surpluses of funds. From these records and other information, it becomes apparent that these seasonal surpluses flow first into balances with correspondent banks and are later transferred into open market loans. The more permanent portion of the surpluses then flows into bonds. Obviously, this statement does not apply to all individual banks, but should be construed as the policy of member banks of the district taken collectively. As a result of this investment policy, it can be seen that seasonal fluctuations are largely absent from the curves of securities held, but are present in the curves of commercial paper and brokers' loans.

Another very interesting observation is that city member banks loan more largely on securities than do the country member banks. On September 24, 1930, 32 per cent of the loans to customers by city member banks were loans on securities, whereas on the same date only 17 per cent of the loans to customers by country member banks were loans on securities. In dollar amount, the city member banks were loaning 71 million dollars on securities to non-bank customers and the country member banks were loaning 41 million dollars on securities to such customers.

A third observation from the new records is that loans to customers by city member banks have exceeded investment holdings by a wide margin, whereas in the country member banks investments have exceeded customers' loans by a small amount on all but one of the call dates during the last two years.

NORTHWESTERN FARM PRODUCT PRICES

(Price per bushel, hundredweight, pound or dozen)



COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

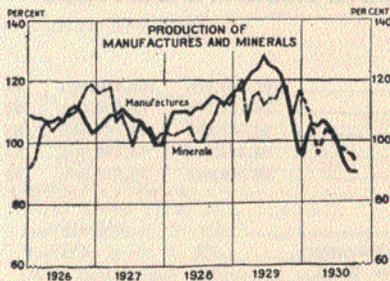
GENERAL BUSINESS		Per cent Sept., '30 of Sept., '29		AGRICULTURE	
		Sept., '30	Sept., '29	Farmers' Cash Income	
Debits to Individual Accounts¹				Total of 7 Items.....	
All Reporting Cities.....	\$ 40,234,600	\$ 52,254,700	77	Bread Wheat	\$ 73,726,000 \$ 79,619,000 93
Minneapolis	17,961,000	25,110,000	72	Durum Wheat	23,167,000 28,950,000 80
St. Paul	6,583,000	7,843,000	84	Rye	10,499,000 8,848,000 119
South St. Paul.....	1,172,000	1,442,000	81	Flax	2,157,000 2,441,000 88
Great Lakes Ports.....	4,771,300	5,763,700	83	Potatoes	9,502,000 6,042,000 157
Beef and Pork, S. E.....	1,233,400	1,452,900	85	Dairy Products	3,865,000 4,440,000 87
Beef and Pork, S. W.....	1,601,700	1,759,600	91	Hogs	17,450,000 20,228,000 86
Dairy and Mixed Farming.....	1,577,800	1,799,300	88	Grain Marketings at Minneapolis and Duluth-Superior (Bus.)	
Wheat and Mixed Farming.....	2,087,500	2,513,900	83	Bread Wheat	12,677,000 18,585,000 68
Wheat and Range.....	1,126,500	1,491,000	76	Durum Wheat	13,815,000 7,071,000 195
Mining and Lumber.....	2,120,400	3,079,300	69	Rye	3,835,000 2,517,000 152
Electric Power Consumption (K.W.H.)^{1,2}				Flax	4,949,000 1,828,000 271
Minn., No. Dak., and So. Dak.....	4,865,000	4,596,000	106	Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)	
Montana	3,610,000	4,531,000	80	Wheat	62,390,844 62,634,968 100
Country Check Clearings¹				Corn	75,353 140,988 53
Total	\$ 3,592,100	\$ 4,647,000	77	Oats	8,464,699 6,302,513 134
Minnesota	1,231,300	1,640,900	75	Barley	6,606,872 5,003,842 132
Montana	599,100	882,500	68	Rye	8,474,798 5,276,110 161
North and South Dakota.....	987,800	1,189,600	83	Flax	1,896,987 929,915 204
Michigan and Wisconsin.....	773,900	934,000	83	Livestock Receipts at So. St. Paul (Head)	
Postal Receipts				Cattle	101,826 110,450 93
Six Cities	1,023,701	1,107,538	92	Calves	36,084 40,071 90
Minneapolis	537,419	566,712	95	Hogs	193,395 182,034 106
St. Paul	335,259	369,615	91	Sheep	229,233 227,650 101
Duluth	63,757	74,670	85	Median Cash Grain Prices (Bus.)	
Three Other Cities.....	87,266	96,541	90	Wheat—No. 1 Dark Northern.....	\$ 0.88 \$ 1.36 $\frac{7}{8}$ 64
Freight Carloadings—N. W. District				Durum—No. 2 Amber.....	.76 1.25 $\frac{1}{2}$ 61
Total—Excluding L.C.L.	489,893	589,509	83	Corn—No. 3 Yellow.....	.87 .92 $\frac{1}{2}$ 94
Grains and Grain Products.....	69,535	66,712	104	Oats—No. 3 White.....	.35 $\frac{7}{8}$.46 $\frac{1}{4}$ 78
Livestock	34,466	35,285	98	Barley—No. 3.....	.50 $\frac{1}{2}$.60 84
Coal	30,563	32,830	93	Rye—No. 2.....	.56 $\frac{1}{4}$.97 58
Coke	5,014	6,897	73	Flax—No. 1.....	1.92 3.30 $\frac{1}{2}$ 58
Forest Products	41,460	62,572	66	Median Livestock Prices (Cwt.)	
Ore	130,878	181,515	72	Butcher Cows	\$ 5.75 \$ 8.00 72
Miscellaneous	177,975	203,698	87	Butcher Steers	10.25 13.50 76
Merchandise—L.C.L.	181,457	138,528	95	Prime Butcher Steers.....	11.65 15.00 78
Building Permits				Feeder Steers	6.25 9.00 69
Number—18 Cities	1,592	1,811	88	Veal Calves	9.50 16.00 59
Value—18 Cities	\$ 3,299,200	\$ 4,051,500	81	Hogs	9.25 10.00 93
Minneapolis	1,285,600	1,076,600	119	Heavy Hogs	8.75 8.50 103
St. Paul	855,400	1,529,000	56	Lambs	7.50 12.50 60
Duluth-Superior	592,400	638,500	93	Ewes	2.50 4.00 63
4 Wheat Belt Cities.....	301,600	372,500	81	Wholesale Produce Prices	
6 Mixed Farming Cities.....	223,500	334,100	67	Butter (Lb.)	\$ 0.36 $\frac{1}{2}$ \$ 0.44 83
4 Mining Cities.....	40,700	100,800	40	Milk (Cwt.)	2.13 2.60 82
Building Contracts Awarded				Hens (Lb.) .....	.19 .22 $\frac{1}{2}$ 84
Total	\$ 11,871,700	\$ 8,469,500	140	Eggs (Doz.) .....	.21 $\frac{1}{2}$.33 65
Commercial	1,034,700	.....	.....	Potatoes (Bu.)	1.27 $\frac{1}{2}$ 1.35 94
Industrial	3,763,100	.....	.....	TRADE	
Educational	739,000	.....	.....	Department Stores	
Hospitals, etc.....	72,400	.....	.....	Sales	\$ 3,725,910 \$ 3,920,490 95
Public	95,300	.....	.....	Merchandise Stocks	7,208,890 8,011,390 90
Religious and Memorial.....	115,000	.....	.....	Receivables	3,586,900 3,523,290 102
Social and Recreational.....	155,000	.....	.....	Instalment Receivables	797,390 749,150 106
Residential	1,246,700	.....	.....	Furniture Stores	
Public Works and Utilities.....	4,650,000	.....	.....	Total Sales	\$ 343,780 \$ 451,780 76
Real Estate Activity in Hennepin and Ramsey Counties				Instalment Sales	201,560 309,230 65
Warranty Deeds Recorded.....	1,201	1,345	89	Merchandise Stocks	1,546,690 1,762,750 88
Mortgages Recorded	1,430	1,392	103	Instalment Receivables	2,082,320 2,154,120 97
Manufacturing and Mining				Country Lumber Yards	
Flour Production at Mpls., St. Paul, and Duluth-Superior (bbls.).....	1,322,975	1,106,784	120	Sales (Bd. Ft.).....	12,516,000 15,213,000 82
Flour Shipments at Mpls. (bbls.).....	1,189,964	1,015,793	117	Lumber Stocks (Bd. Ft.).....	79,471,000 84,115,000 94
Linseed Product Shipment (lbs.).....	38,713,414	42,203,605	92	Total Sales	\$ 1,885,500 \$ 2,346,600 80
Copper Output (5 firms) (lbs.).....	29,973,200	37,447,100	80	Receivables	4,677,700 5,275,400 89
Iron Ore Shipments (tons).....	6,488,088	9,547,040	68	Life Insurance Sales	
Business Failures				Four States	\$ 19,687,000 \$ 23,234,000 85
Number	59	41	144	Minnesota	14,105,000 16,630,000 85
Liabilities	\$ 920,718	\$ 271,148	340	Montana	2,003,000 2,346,000 85
				North Dakota	1,628,000 1,866,000 87
				South Dakota	1,951,000 2,392,000 82

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

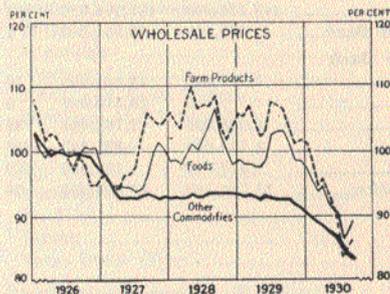
	Sept., '30	Sept., '29	Per cent Sept., '30 of Sept., '29				
Investment Dealers				Minnesota	161,684,000	169,469,000	95
Sales to Banks.....	3,410,100	5,050,500	68	Montana	56,121,000	63,790,000	88
Sales to Insurance Companies.....	893,300	1,103,600	81	North Dakota	56,738,000	64,064,000	89
Sales to General Public.....	3,659,300	11,960,100	31	South Dakota	58,382,000	63,646,000	92
				Wisconsin—26 Cos.....	28,740,000	30,513,000	94
Wholesale Trade				Interest Rates²			
Farm Implements—				Minneapolis Banks	5	6¼-6½	
Sales	\$ 234,640	\$ 459,670	51	Commercial Paper (net to borrower)	3½	6½	
Stocks	635,530	620,570	102	Minneapolis Federal Reserve Bank...	3½	5	
Receivables	305,850	303,530	101	Selected City Member Banks			
Groceries—				Loans to Customers.....	\$223,301,000	\$275,162,000	81
Sales	\$ 4,669,690	\$ 4,891,640	95	Other Invested Funds.....	148,865,000	140,011,000	106
Stocks	6,438,790	6,584,600	98	Deposits Due to Banks.....	86,481,000	78,956,000	110
Receivables	5,679,400	6,139,320	93	Public Demand Deposits.....	29,520,000	22,480,000	131
Hardware—				Other Demand Deposits.....	191,186,000	198,234,000	96
Sales	\$ 2,225,050	\$ 2,909,800	76	Time Deposits	140,518,000	131,252,000	107
Stocks	2,731,820	3,017,400	91	Total Deposits	448,192,000	431,906,000	104
Receivables	3,062,360	3,441,380	89	Borrowings at Fed. Reserve Bank.....	389,000	39,950,000	1
Shoes—				Minneapolis Federal Reserve Bank			
Sales	\$ 478,100	\$ 646,850	74	Loans to Member Banks.....	4,299,000	43,030,000	10
Stocks	1,080,870	1,363,230	79	Twin Cities	0	39,510,000	0
Receivables	1,348,310	1,610,160	84	Minn., Wis. and Mich.....	1,566,000	1,768,000	89
				N. Dak. and Mont.....	1,723,000	829,000	208
BANKING				South Dakota	1,010,000	552,000	183
Member Bank Deposits				Fed. Res. Notes in Circulation.....	51,104,450	67,529,390	76
In Cities Over 15,000 pop.....	\$448,916,000	\$466,430,000	96	¹ Daily Averages.			
In Cities Under 15,000 pop.....	422,397,000	453,467,000	93	² Latest Reported Data.			
Michigan—15 Cos.....	60,732,000	61,985,000	98				

BANK DEBITS

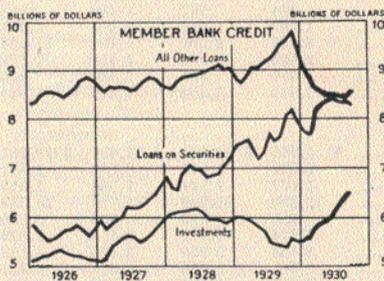
	September 1930	August 1930	September 1929	August 1929					
Number of Business Days:	25	26	25	26	Montana				
All States in District.....					Anaconda	\$ 1,742	\$ 1,762	\$ 2,074	\$ 2,261
(000's omitted)					Billings	8,351	7,152	11,156	10,103
Michigan					Bozeman	2,369	2,039	2,917	2,794
Escanaba (1 Bank).....	\$ 872	\$ 764	\$ 1,196	\$ 971	Butte (2 Banks).....	11,470	12,404	15,617	17,314
Hancock	1,527	1,713	1,998	2,127	Deer Lodge	1,010	1,067	1,228	1,202
Houghton (1 Bank).....	585	546	796	790	Glendive	1,426	1,356	1,464	1,307
Iron Mountain	3,763	3,493	4,700	4,916	Great Falls	15,498	16,136	25,488	24,255
Iron River, Caspian, Stambaugh	1,607	1,524	2,048	1,764	Harlowton	414	367	480	588
Manistique (1 Bank).....	602	556	613	518	Hayve	1,769	1,653	2,675	2,491
Marquette	4,794	4,410	5,472	5,695	Helena	8,421	8,206	10,702	11,407
Menominee	2,760	2,602	3,727	3,429	Lewistown	2,502	2,096	3,315	2,979
Sault Ste. Marie.....	3,559	3,302	3,663	3,628	Malta	597	520	1,080	966
					Miles City (1 Bank).....	1,910	1,494	2,816	1,940
Minnesota					North Dakota				
Albert Lea	\$ 2,793	\$ 2,810	\$ 2,535	\$ 3,475	Bismarck	\$ 9,366	\$ 10,101	\$ 11,620	\$ 10,692
Austin (2 Banks).....	3,180	3,666	3,722	3,876	Devils Lake	2,221	1,552	2,592	1,912
Bemidji (2 Banks).....	1,151	1,303	1,399	1,657	Dickinson	1,627	1,544	1,780	1,910
Chaska	511	684	623	757	Fargo	19,883	15,948	19,788	20,599
Chisholm	798	1,120	850	1,123	Grafton	626	502	828	556
Cloquet	1,898	1,928	2,440	2,052	Grand Forks	7,624	7,015	9,618	7,936
Crookston	1,566	1,413	1,317	1,125	Jamestown	3,038	2,430	3,373	3,199
Detroit Lakes	1,049	1,180	1,054	1,084	Mandan	1,631	1,596	1,834	1,622
Duluth	99,621	78,807	115,320	119,041	Minot	8,201	6,968	10,883	8,621
Ely	727	987	714	479	Valley City	1,763	1,308	1,780	1,666
Faribault (1 Bank).....	1,130	989	1,843	1,274	Wahpeton	1,075	912	1,248	1,171
Farmington	254	226	263	274	Williston	1,916	1,423	3,218	2,021
Fergus Falls	2,749	2,576	3,420	3,110	South Dakota				
Glenwood	484	435	474	509	Aberdeen	\$ 6,639	\$ 6,123	\$ 8,240	\$ 8,295
Hutchinson	1,083	1,002	1,241	1,243	Brookings (1 Bank).....	1,288	1,040	1,355	1,124
Lanesboro	310	257	352	309	Deadwood	882	906	993	931
Little Falls	998	962	1,260	1,257	Huron	5,630	4,973	5,671	5,797
Luverne	900	939	1,041	1,028	Lead	1,091	1,053	1,417	1,460
Mankato	6,723	6,749	7,408	7,584	Madison (1 Bank).....	967	929	932	966
Minneapolis	450,219	448,396	602,647	608,220	Milbank	577	542	570	679
Moorhead	2,118	1,396	1,886	1,365	Mitchell (2 Banks).....	4,094	3,913	4,680	4,838
Morris	623	502	714	650	Mobridge	692	605	946	757
Owatonna	2,868	2,285	3,041	2,965	Pierre	1,163	1,185	1,443	1,375
Park Rapids	433	536	483	541	Rapid City	4,263	4,064	4,615	5,061
Red Wing	2,101	2,255	2,610	2,872	Sioux Falls	20,669	20,245	21,459	24,120
Rochester	5,883	5,460	6,935	6,757	Watertown	3,967	3,300	4,923	4,565
St. Cloud (1 Bank).....	493	431	427	474	Yankton	2,427	2,331	2,028	2,299
St. Paul	164,572	152,256	188,224	194,734	Wisconsin				
South St. Paul.....	29,306	20,659	34,601	31,364	Ashland	\$ 1,900	\$ 1,920	\$	\$ 2,702
Stillwater	2,875	2,629	3,198	3,462	Chippewa Falls.....	2,370	2,187	2,630	2,829
Thief River Falls.....	961	905	1,156	1,034	Eau Claire	7,524	6,939	8,290	9,068
Two Harbors	489	494	565	618	Hudson	574	567	686	600
Virginia	2,259	2,616	2,792	3,078	La Crosse	11,195	11,617	12,897	14,300
Wabasha	848	843	814	861	Merrill (1 Bank).....	1,229	1,318	1,537	2,055
Wadena	1,084	1,035	1,222	1,180	Superior	8,528	7,217	10,189	9,981
Wheaton	646	506	652	578					
Willmar	1,484	1,359	951	2,235	Total for All Cities Reporting				
Winona	7,633	6,547	7,884	7,814	Both Years	\$1,027,900	\$969,270	\$1,278,251	\$1,292,013
Worthington (1 Bank).....	792	692	885	802					



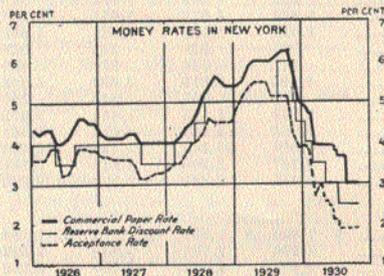
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-1925 average=100). Latest figures, September, manufactures 90, minerals 94.



Indexes of the United States Bureau of Labor Statistics (1926=100, base adopted by the Bureau). Latest figures, September, farm products 85.3, foods 89.2, other commodities 82.8.



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first 3 weeks in October.



Monthly rates in the open market in New York: commercial paper rate on 4 to 6 month paper. Acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 21 days in October.

Summary of National Business Conditions (Compiled October 22 by Federal Reserve Board)

The volume of factory production increased by about the usual seasonal amount in September, while factory employment increased somewhat less than in other recent years. The general level of prices, which had advanced during August, declined during September and the first half of October. At member banks in leading cities, there was a liquidation of security loans, and a considerable growth in commercial loans and in investments.

INDUSTRIAL PRODUCTION AND EMPLOYMENT: The output of factories increased seasonally in September, while that of mines declined. The Board's seasonally adjusted index of production in factories and mines, which had shown a substantial decrease for each of the preceding four months, declined by about one-half per cent in September. Production of iron and steel, lumber and cement decreased and the output of automobiles continued to be in small volume. Activity in the textile industries, including cotton, wool and silk, increased substantially, and stocks of cotton cloth were further reduced. At bituminous coal mines, there was an increase in output of more than seasonal amount. The output of copper was larger than in August, and there was a further increase in stocks of copper, anthracite coal and petroleum. Production and shipments of iron ore declined.

Employment in manufacturing establishments increased less than is usual at this season, the increase being chiefly in fruit and vegetable canning and in clothing industries, while reductions in number of employees were reported for the iron and steel, automobile and lumber industries. Outside of factories, increased employment was reported in retail establishments and coal mines.

Residential building increased materially in September, contrary to the usual seasonal trend, while the volume of contracts for commercial buildings and public works and utilities decreased. The total value of building contracts awarded, as reported by the F. W. Dodge Corporation, showed little change during the month. In the first ten days of October, there was an increase in the daily average volume of contracts awarded.

AGRICULTURE: Department of Agriculture estimates, based on October 1 conditions, indicate somewhat larger crops than the estimates made a month earlier for cotton, corn, oats, hay, potatoes and tobacco.

DISTRIBUTION: Freight carloadings continued at low levels during September, the increases reported for most classes of freight being less than ordinarily occur in this month. The dollar volume of department store sales increased by nearly 30 per cent, an increase about equal to the estimated seasonal growth.

WHOLESALE PRICES: The index of wholesale prices on the average for the month of September as a whole, according to the Bureau of Labor Statistics, was at about the same level as in July and August. The movement of prices, however, was upward in August, reflecting chiefly advances in the prices of livestock and meats, while in September the movement was downward, reflecting declines in a large number of commodities, including grains, livestock, meats, cotton and copper. In the first half of October, there were wide fluctuations in many agricultural prices, decreases in prices of non-ferrous metals, and considerable increases in the prices of sugar and coffee.

BANK CREDIT: Security loans of reporting member banks in leading cities increased in the latter part of September, but declined rapidly early in October, the decline reflecting a large volume of liquidation in loans to brokers and dealers in securities. Commercial loans, which up to the last week in September had not shown the usual seasonal growth, increased by \$150,000,000 in the following three weeks. The banks' holdings of investments continued to increase.

In response to the seasonal demand for currency, the outstanding volume of Reserve bank credit showed an increase of \$30,000,000 on the average between the weeks ending September 20 and October 18. Money rates in the open market continued at low levels. The yield on high-grade bonds declined further until early in October, when bond prices declined and there was a corresponding rise in yields.