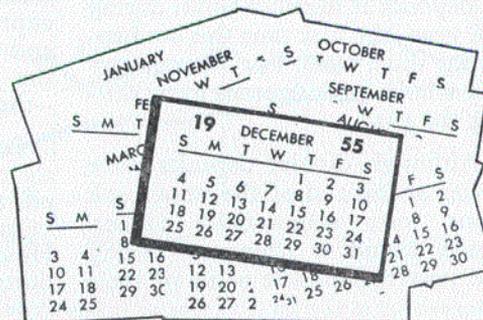


1955 in REVIEW

'Riding the boom' . . . and keeping it within bounds were key problems of the economy



THE RAPIDLY growing, robust economy of the past 15 to 18 months is now showing signs of a more moderate pace. This perhaps is a good thing from an over-all viewpoint since the economy has been straining at or near the limits of industrial capacity to meet demands for many key materials. Industrial price increases—especially for materials—were fairly widespread in the last half of 1955.

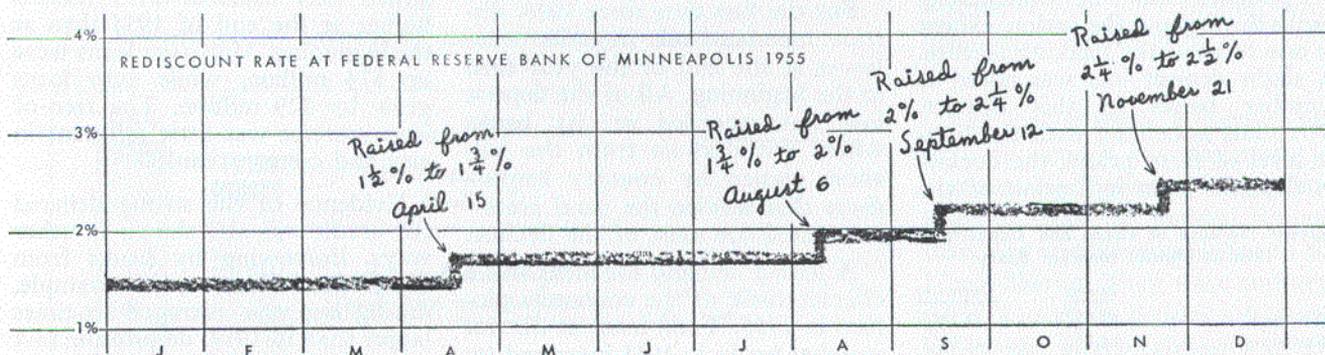
Under these circumstances a more moderate tempo would seem desirable and welcome. The alternative could be severe price inflation if, once the limits of labor and productive capacity had been reached, demand continued at its rampant pace of 1955.

Perhaps the immediate need is to assimilate sharp

gains made during 1955 when gross national product advanced at roughly double the normal rate of growth. It is abundantly clear that in the non-agricultural part of the economy certain stresses have developed as a result of these rapid gains. Some of these stresses include delays in filling new orders and material allotments, as well as grey markets here and there.

One of the methods used by the authorities in recent months to promote a more normal situation has been an attempt to check too-rapid expansion of credit. It was felt that excessive use of credit might be proceeding at the expense of future buying and that it could accentuate a downturn when and if it occurs.

That a more temperate economic pace may now be



THE DISCOUNT RATE's step-like trend in the chart above gives a graphic snapshot of the business year, 1955. Upward changes in the discount rate were administered in response to the nation's sharp resurgence from the recession of 1954. The swell of economic activity

not only drew action by monetary authorities as depicted here, but also brought on some self-generated tightnesses in money and credit conditions. As the year ended, a number of inflationary forces were still active, though hints of moderation began to appear.

occurring on a national scale is suggested by the easing of the rate of automobile production and new housing starts, as well as by continued weakness in the farm part of the economy.

In the Ninth district, dominated as it is by agriculture, the 1955 boom has not been so keenly felt except in the industrial areas. Lower farm income in 1955 probably was chiefly responsible for a shrinking of deposits at member banks during the year—the first time this has happened since 1948. For the country as a whole, bank deposits grew during the year.

Although district deposits were lower at the end of the year, bank loans were substantially higher. Banks found it necessary during the year to liquidate some of their

investments to accommodate this growing loan demand.

Money and credit supplies now are considered relatively tight, which has been the objective of the monetary authorities because of the inflationary threat. It was late in 1954 that the Federal Reserve recognized the dangers of a boom and bust cycle occurring if too rapid growth were allowed to continue unrestrained. All through 1955 credit was gradually tightened by appropriate open market operations and by four separate increases in the Federal Reserve discount rate—the most of any year on record.

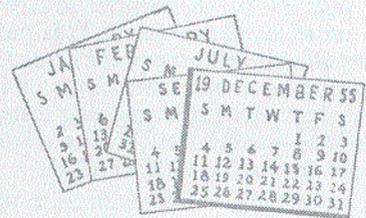
Partly as a result of these actions, the economy may now have leveled off at what it is hoped will be a more sustainable rate of growth. However, relatively tight conditions for money and credit are like-

ly to continue as long as there remains a threat of price inflation.

Bankers must therefore continue to exercise restraint in extending credit as long as sufficient bank reserves are not available to permit loans to all wishing credit accommodation.

Even so, the outlook for the Ninth district economy over the next few months is relatively optimistic. Farmers have a record carry-over of grain and livestock on hand from the good crop year of 1955. This insures a lively rate of marketing during the first half of 1956 and indicates sustained farm incomes and farm spending. The construction outlook continues favorable, as shown by a survey made among builders and suppliers of building material.

BANKING in this district in 1955 followed the national pattern of . . . faster loan growth; reduced time deposit growth . . . investment liquidation; larger borrowings from the Federal Reserve. In contrast lower farm income in the district resulted in the first shrinking of deposits since 1948.



THE EXPERIENCE of Ninth district member banks in 1955 parallels that of commercial banks throughout the nation, except in one facet of the banking picture. A slight deposit loss was noted at member banks in this district. Doubtless associated with the low-level of farm prices, the decline in deposits is an indication of the

Percent Increase of Loans and Deposits in 1955 at District Member Banks

	<u>Loans</u>	<u>Deposits</u>
Michigan	13.5%	3.3%
Minnesota	14.5%	-1.4%
Montana	27.0%	1.7%
North Dakota	16.8%	-1.1%
South Dakota	8.6%	.8%
Wisconsin	7.4%	-.5%
District total	15.0%	-.4%

importance of agriculture to this area.

For the first time since 1948, district member-bank deposits were lower at the end of the year than at the beginning. All of the deposit loss was recorded at city banks where withdrawals from the balances owned by country banks—those that service the rural areas—accounted for most of the decline.

A strong demand for loans was a characteristic of the economic picture in 1955. Total loans at district member banks in 1955 increased by 15 percent—\$226 million.

Looking at some of the kinds of loans that made up this increase, we

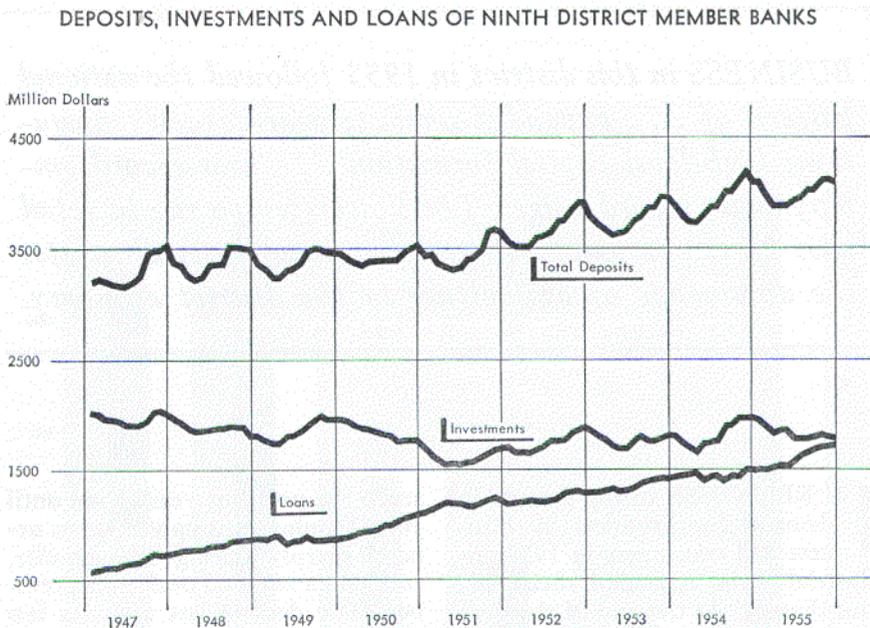
find that business loans accounted for a little more than half of the added loan balances—\$157 million higher at the end of 1955 than at the beginning. Mortgage loans were up \$74 million, while auto loans grew by \$29 million. The rate of loan increase was little different in city and country banks.

Evidence of the strong demand for credit was also shown in other ways. Borrowing by banks from the Federal Reserve, for example, during last year averaged six-times larger than in 1954, despite the fact that the cost of such accommodation was increased from 1½ percent to 2½ percent (in four steps) during the year.

Not only the discount rate but short-term rates in general tended upward in 1955. At the end of the year, these rates were at the highest level in more than 20 years. The same forces that produced costlier short-term money were reflected on the most recently tabulated (first half of '55) profit statements of district member banks.

The interest revenue from loans climbed at a faster rate than did the average amount of loans outstanding, indicating the effect of the higher interest rates charged. Higher interest rates were *paid*, too, by district member banks. This is shown by the fact that interest payments on time deposits grew more rapidly than did time deposits outstanding. Despite more attractive interest yield, time deposits in 1955 (up \$32 million) grew much less rapidly than in 1954 (up \$61 million). Also, profits on the sale of securities were greatly reduced from year-ago levels owing to the depressed condition of the bond market.

The rate of mutual savings bank deposit increase in the district showed a reduction in 1955 (up \$10 million) compared with 1954 (up \$14 million). Insured savings and

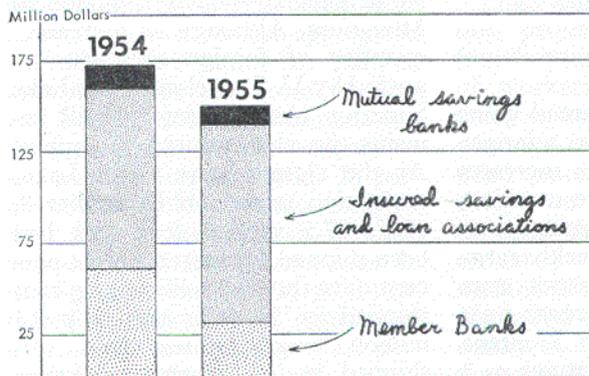


In 1955, district member bank deposits at the end of the year were less than at the beginning, thereby interrupting six consecutive years of annual growth.

loan associations, on the other hand, reported a savings inflow of \$108 million for the first 11 months of 1955 in contrast to a gain of \$99 million in the comparable period of 1954. Scanning the whole savings picture, it is apparent that the total inflow at these selected district reservoirs of savings was substantially less in 1955 than in 1954.

Since total deposits at the 472 Ninth district member banks fell last year, the accelerated rate of loan expansion gave rise to a substantial liquidation of investments, as well as to larger borrowings by banks. Holdings of U. S. government securities dropped \$202 million; other securities were acquired in the amount of \$34 million. By way of contrast, in 1954 total investments rose \$115 million while loans were up \$65 million.

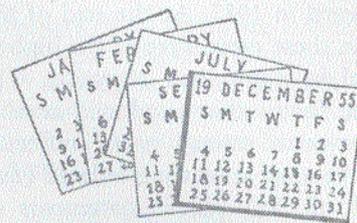
NET INFLOW OF SAVINGS AT SELECTED DISTRICT INSTITUTIONS



The total inflow of savings at selected district institutions was substantially less in 1955 than in 1954.

Fast loan growth, a reduced rate of time deposit accumulation, investment liquidation and larger borrowings from the Federal Reserve were not conditions peculiar to the Ninth district. They were country-wide. The slight deposit loss at our banks, the effect primarily of the sober farm situation, simply underscores one aspect of an active picture in banking enterprise.

BUSINESS in this district in 1955 followed the national pattern of . . . expanded output; near-capacity operation; high-level capital formation . . . near-record employment; record wages. The slower-tempo rise in retail sales here, compared with the national rate, illustrates the dominance of agriculture in the district economy.



IN RESPONSE to the growth in demand for products by business and consumers in 1955, industrial firms expanded their output sharply. At the end of the year most manufacturing and mining operations were at or near capacity. This expansion led to a rise in employment, to an increase in hourly wage rates and, in the latter part of the summer, to overtime pay which hit an all-time dollar high.

The 1955 expansion in manufacturing established new industrial employment records in the two Ninth district states of Montana and North Dakota, where manufacturing firms employed more workers than in 1953, the previous peak in industrial activity. In the other district states the rapid rise in manufacturing employment did not equal the '53 record.

Over three-fourths of the industrial employment is in the eastern half of the district. The expansion in industrial output here did not proceed as rapidly as in more heavily industrialized regions of the United States. For example, the number of manhours worked in Minnesota's industrial plants from the first of the year through July was below the number for the corresponding months of '54. The employment figure in January and February 1955 was down as much as 7 percent from that of '54. Following February, industrial employment rose steadily but did not

reach the previous year's total until July. Employment continued to expand sharply during the summer, reaching a seasonal peak in September. The decline last fall was less than in the preceding year, and December employment was almost 4 percent above the 1954 total for December.

The low level of employment in manufacturing plants in Minnesota in the first half of 1955 was traced largely to a smaller number of workers employed in durable-goods industries. For example, employment in the manufacture of electrical and non-electrical machinery (other than agricultural) and lumber and wood products was down significantly.

In northwestern Wisconsin and Upper Michigan industrial employment followed a similar pattern. It was down during the first half of '55, principally among firms manufacturing machinery and rubber products.

Payrolls hit all-time high

In addition to widespread gains in industrial employment, a longer work week coupled with increases in hourly rates and more overtime pay boosted weekly earnings materially in '55. Average weekly earnings in every Ninth district state rose by more than 5 percent over the '54 averages, and in Montana and South Dakota by as much as 7

and 8 percent respectively. South Dakota average weekly earnings began to rise sharply in the fall of '54. They were only slightly above \$60.00 in the first half of '54, but they had risen to \$77.82 by November '55. In Montana, where weekly earnings are larger because of the higher hourly rates paid in metal mining, average weekly earnings in October '55 were up to \$90.31; they were \$82.25 in October of '54. In Minnesota weekly earnings last November almost touched \$82.00 (\$81.99) as compared with a high of \$76.38 in '54.

Miners were busy

Mining areas, as well as industrial centers, felt the effect of the economic boom. More minerals were consumed in the accelerated pace of industrial production, especially of durable goods.

The principal mineral mined in the Ninth district is iron ore, about 80 percent of which is mined in Minnesota. Although an increasing quantity of foreign ores are imported by U. S. steel mills, the Lake Superior iron-ore region still remains the chief source of supply. At the close of the Great Lakes navigation season on December 8, 1955, 87.5 million long-tons had been shipped, an increase of 44 percent over the 60.7 million long tons shipped in '54. This was only 8.5 million long-tons less than was shipped in '53, when an all-time

record was set. The 1954 imports of iron ore totalled 15.8 million long tons, and in the first 10 months of '55 imports totalled 16.9 million.

An increasing proportion of lower grade ores are mined in the Lake Superior region. These ores are *beneficiated*, that is, washed or sintered to reduce the foreign matter before shipping to blast furnaces. For instance, one-third of the ores shipped were so treated in '50; the percentage had risen to 38 percent in '54.

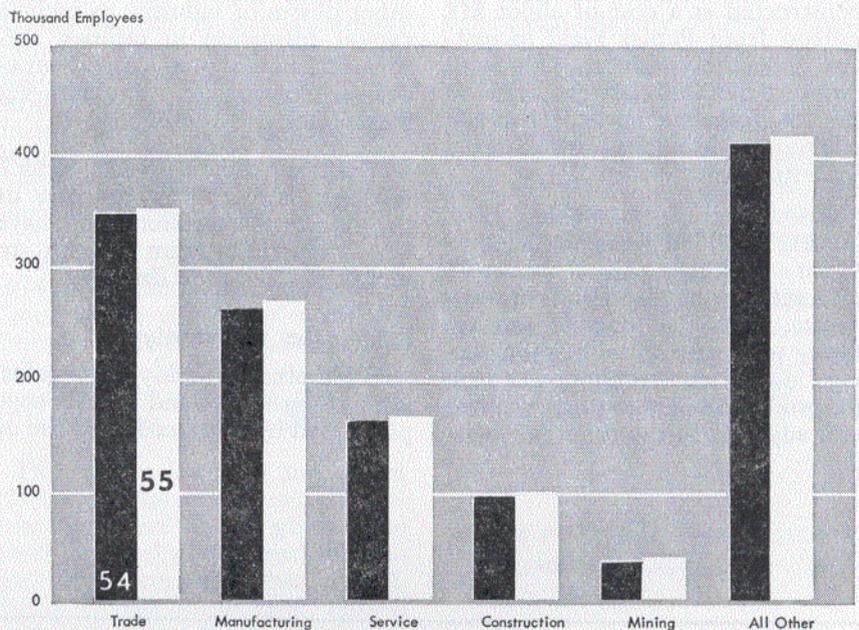
As 1955 drew to a close, a new era began in the iron-ore industry. The Reserve Mining Company, which has a new plant located on the north shore of Lake Superior, at Silver Bay, Minnesota, began to concentrate taconite and pelletize the iron-ore concentrate. This marked the beginning of the manufacture of taconite pellets on a large commercial scale.

Sharp rise in mineral production

Price increases stimulated non-ferrous mineral production. The price of copper rose from 29.7¢ per pound in December '54 to 44.0¢ in September '55. In the remaining months of the year it declined less than 1.5¢. The price rise of other minerals was not as high, but it was enough to encourage producers to expand output.

The output of copper in Montana and Upper Michigan in '55 totalled about 310 million pounds, an increase of 63 percent from the '54 production. Silver recovered from minerals in this district aggregated 4.8 million fine ounces last year, an increase of 9 percent from '54. Zinc and lead produced in Montana is a small proportion of the national total, but the output was up 13 percent. More gold was recovered last year from other minerals, but less was extracted from direct ores. In the first 10 months of '55 gold produced in this district aggregated 459,606 fine ounces, down 2.5 percent from 1954.

AVERAGE EMPLOYMENT DURING THE LAST HALF OF 1954 AND 1955



There was a general expansion of employment in the Ninth district during 1955. All of the broad segments of industry included on this chart shared in the rise.

A boom construction year

A large share of the economic boom in 1955 in the Ninth district was concentrated in the construction industry. Although construction workers have accounted for only about 7 percent of the district's non-farm employment, one-third of the total rise in employment during last year occurred in this industry. At the seasonal peak over 5,500 additional workers were employed.

High employment on construction projects continued into the fourth quarter. In fact, the number of workers employed as of mid-October was even further above the year-ago total than was true in the third quarter. In November the activity on construction projects dropped sharply due to the early arrival of winter, and in the last two months of '55 fewer workers were employed in the construction industry than in the same period of the year 1954.

Home builders had another big year in '55. According to statistics compiled on the number of dwelling units authorized in this district, more units were built in both '54 and '55 than in the boom year of 1950. Approximately 24,300 units were authorized in '55 as compared with 22,000 in '50. Even so, the market for houses apparently has not been exhausted. In a survey made by this bank last December, two-thirds of the builders, suppliers of building materials and real-estate brokers replying to a questionnaire reported a continuing strong housing market. A substantial number of builders stated that they were planning to build about as many houses in 1956 as they had completed in '55.

Along with the high level of home building there was also a large volume of practically all other types of construction in the Ninth district in '55. There were many substantial industrial projects. For

example, in the petroleum industry, a 450-mile crude-oil pipeline was constructed at a cost of about \$18 million from Poplar Field in eastern Montana south, to link with midwest refining centers. This is the first pipeline outlet for crude oil from the Montana portion of the Williston basin.

Another crude-oil pipeline costing \$12.5 million was completed to Great Northern Oil Company's new refinery at Pine Bend, in Minnesota. Both the pipeline and refinery were placed in operation during '55, and construction of a new \$15 million ammonia plant was begun adjacent to the refinery.

The list of major projects undertaken last year extends into many other phases of industry to include capital formation in utilities, ferrous and nonferrous mineral processing, electronics, manufacturing plants, etc.

Many of these projects, which represent a significant portion of the district construction in '55, have been reported from month to month in *Economic Briefs*.

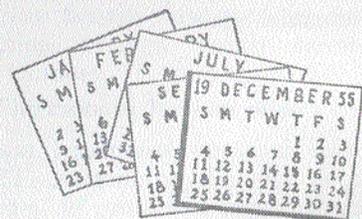
Retail sales rise slowly

Widespread employment gains, with rising wages and salaries supplemented by unprecedented use of

credit, created a strong consumer demand for goods and services. The substantial rise in consumer expenditures in this district, nevertheless, was less than in many other regions of the nation.

The relatively smaller rise in district sales was reflected especially in new automobile sales. New automobile registration here during '55 rose by 16 percent over 1954; nationally by 37 percent. Department store sales were up by 4 percent in this district; 7 percent nationally. Furniture store sales increased by 7 percent, 2 percent less than nationally.

AGRICULTURE in this district in 1955 followed the national pattern of . . . sliding farm prices; a high level of operating costs, leading to a lower income. In much of the district the income drop was tempered by large crops, large livestock marketings.



THE FAVORABLE winds of general business prosperity which blew over the Ninth district during most of 1955 brought little economic relief to farmers, who for the fourth successive year continued to be squeezed between sliding farm prices and a high, largely unyielding level of operating costs.

As a result, cash farm income for the district as a whole again declined in 1955. In this, district agriculture followed national trends. But the district decline in farm cash receipts was slightly more moderate than the 3-percent decline estimated for the nation.

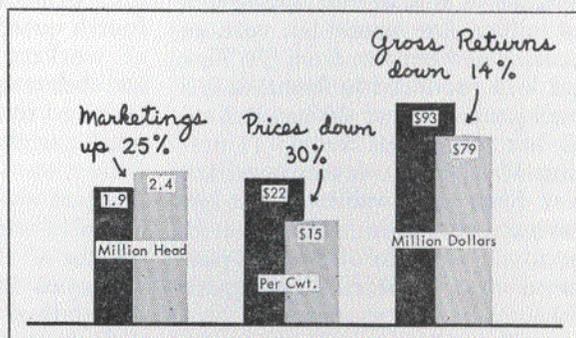
District receipts from marketings of farm products were down rough-

ly 2 percent during the first 10 months of the year compared with

1954. Farm receipts by individual states, however, show wider differ-

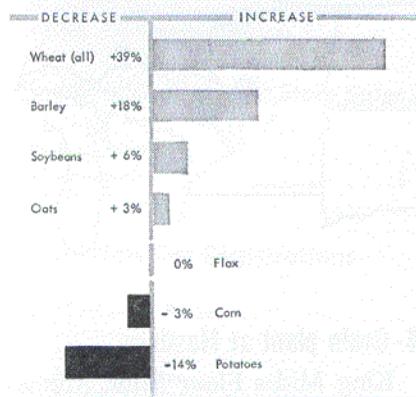
MARKETINGS, PRICES AND GROSS RETURNS
from sale of barrows and gilts So. St. Paul market, 1955 & 1954

Although 1955 marketings of barrows and gilts at South St. Paul were 25 percent larger than in 1954, lower prices more than offset this increased volume—with the result that total returns from marketings were down an estimated 14 percent from the 1954 total.



ences, both above and below a year ago. For the first 11 months of 1955, South Dakota farm income was down an estimated 12 percent; Montana farmers received about 5 percent less during the same 11 months. Minnesota farmers received practically the same income as they had received in 1954. And in North Dakota farmers enjoyed a 9-percent increase in cash receipts compared with 1954.

NINTH DISTRICT CROP PRODUCTION
1955 as a percent of 1954



Most of the increase in 1955 crop production (expressed here as a percentage of 1954) resulted from improved growing conditions—less rust damage to wheat. Acreage change was not as great in 1955 as in 1954 when acreage restrictions initiated major shifts.

District marketings large

Large crop and livestock marketings helped to offset the effect of lower prices and kept district farm income from dropping more than 2 percent below the previous year. Wheat production was up 39 percent from 1954's harvest. Total crop production for the district was second only to the record harvest of 1948. Crop conditions were unusually good in all states except South Dakota, where late summer dryness hurt crop yields.

Responding to relaxed acreage restrictions on production of durum wheat, Montana wheat growers increased their durum output to

roughly 5 million bushels. (How much of this would qualify as milling durum is not accurately known.) Less rust damage, and improved moisture conditions throughout the main durum-producing area of the Dakotas and Minnesota resulted in a three-state output of 14-million bushels compared with only 5.6 million in 1954.

Hog prices were sharply below 1954 levels during the entire year. Cattle prices also experienced significant declines. Big gains in the volume of livestock marketings helped to offset part of the effect of lower prices, but not all of it.

During the last four months of 1955, for instance, monthly receipts of barrows and gilts at the South St. Paul public market averaged 25 percent larger than in 1954. Prices, on the other hand, ranged from 18 percent to 40 percent below 1954 levels for these months. As a result, gross returns to hog producers from the sale of barrows and gilts totaled 14 percent less than during the same 1954 period. For the entire year, marketings of barrows and gilts totaled 25 percent larger than in 1954, prices averaged 30 percent less than 1954 prices, and total returns to producers were 14 percent smaller. (Figures on barrows and gilts do not include all hogs marketed; nor do South St. Paul figures relate exclusively to marketings from the Ninth district. However, the above figures illustrate trends in hog marketings, prices and returns during 1955.) Totals for the eight major midwest markets show a similar picture.

Marketings of both slaughter and replacement cattle were also larger during the fall months of 1955, and prices of both kinds were lower than a year ago.

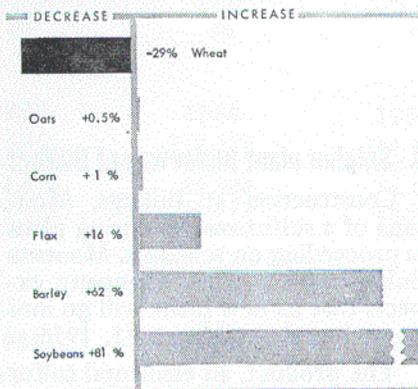
Land prices rose

Despite lower farm prices and the drop in farm income, land values in all four district states rose during the year ending July 1, 1955

—in three of the four states to a record high level. This trend in land values undoubtedly reflects a number of complex factors, among them active bidding for farm land by present farm operators who see an advantage in spreading their machinery and operating overhead over a larger-sized unit. The volume of farm land transfers has been relatively small, however.

In wheat areas particularly, observers report aggressive bidding for available land in order to offset the effect of wheat acreage restrictions. This has also put added economic pressure on small and medium-sized farming operations.

ACRES PLANTED TO MAJOR CROPS
1955 as a percent of 1953



The big adjustment in acreage planted to different crops came in 1954, with some additional adjustments in 1955. This comparison between 1953 and 1955 planted acreages reflects adjustments made in response to acreage control programs.

Mortgage credit has continued to increase as it has been doing for the past several years. Part of this increase reflects the adjustment of mortgage appraisals and loan amounts to the higher land values of recent years. Lenders also report active demand for short-term production credit in most areas. Areas where crops were disappointing in the 1955 season are expecting some further increase in the demand for credit during the late winter and spring.

Costs have not declined

Average prices paid by farmers for goods used in production have maintained a very stable level, even as prices of farm commodities and farm incomes have declined. Prices paid for most manufactured items purchased by farmers have tended to increase in cost to some extent.

But these are about offset by lower prices for feed, livestock and other supplies bought and sold by farmers to and among each other.

High production of both crops and livestock and near-record marketings undoubtedly kept the income of Ninth district farmers from slipping lower than it did in 1955, and was an important fact in

sustaining farm income.

Within the past few weeks net income figures have been estimated by the Department of Agriculture through the year 1955. Full discussion of net income trends for Ninth district farmers will be published in an early issue of the *Monthly Review* when the final figures for 1955 are available. END

ECONOMIC Briefs

SIGNIFICANT HAPPENINGS IN THE NINTH DISTRICT



1 - Sulphur plant under way at Billings

Construction at Billings, Montana of a sulfur-manufacturing plant is proceeding on schedule. Montana Sulphur & Chemical Company expects that its new plant will go into operation about March 15, 1956.

The product, an elemental sulfur of high purity, will be marketed to the west coast pulp-and-paper industry. Hydrogen sulfide gas, the basic raw material in sulfur manufacture, will be bought from local oil refineries.

The expected plant capacity is 42 long tons per day, an output which (typical of chemicals manufacture) can be handled by the relatively small staff of 10 employees.

2 - First power from Garrison dam

Power-generating operations at Garrison dam in North Dakota began January 28, 1956. Present plans call for placing the second generator in service in February and the third in June or July of this year.

The water diversion of the \$279 million dam is expected to supply

one of the country's largest and most far-reaching undertakings for irrigation purposes.

At the end of 1955, work on the dam was 83 percent completed. Construction of the final earthworks and of the last of the power-house installations, to furnish an ultimate total of 400,000 kilowatts, will continue through 1956 and probably into 1957.

3 - Motel in Minneapolis loop

Curtis Hotel Company, which operates the 700-room Curtis Hotel on the edge of the Minneapolis loop, is planning a spring start on the construction of a 55-unit, two-story motel to adjoin the hotel.

Of interest is the fact that the motel will be the first to be constructed in the downtown area of the Twin Cities. Cost is estimated at \$500,000 to \$600,000. The new motel is an initial step in a \$4-million plan of hotel improvement and expansion.

The renovation and new construction are planned to be completed in the next five years.

4 - Grain plant at Hastings

King Midas Flour Mills, Minneapolis, expects to begin construction of a new grain-cleaning plant at Hastings, Minnesota in the spring of 1956.

The new plant, to be built at an estimated cost of \$700,000 to \$900,000, will replace outdated grain-handling facilities at Hastings. The firm, which is part of the F. H. Peavey system, has flour mills at Minneapolis and Superior, Wisconsin.

5 - Northern Minn. power expansion

Minnesota Power & Light Company of Duluth will start construction in the spring of 1956 on the Clay Boswell Steam-Electric Station on the Mississippi river, west of Cohasset and northwest of Grand Rapids, Minnesota. Employing a force of 250 construction workers, the firm expects to complete the new plant in two years, at an estimated cost of \$12 million.

Initial capacity of the new station will be 65,000 kilowatts, an increase of 19 percent over the utility's present capacity of 347,440 kilowatts.

The 1947-49 Average and the Years 1952 to 1955

in the Ninth Federal Reserve District

— BUSINESS —

Ninth District Business Indexes (Monthly Averages—1947-49 = 100)

	1947-49 Av.	1952	1953	1954	1955
Bank Debits—93 Cities.....	100	122	125	130	140
Bank Debits—Farming Centers....	100	120	122	128	138
Ninth Dist. Department Stores Sales	100	104	104	105	108
City Department Store Sales.....	100	107	109	110	114
Country Department Store Sales...	100	99	97	96	99
Ninth Dist. Department Store Stocks	100	107	115	115	121
City Department Store Stocks.....	100	108	117	116	121
Country Department Store Stocks..	100	107	113	113	121
Lumber Sales at Retail Yards (Bd. Ft.)	100	89	83	88	88
Miscellaneous Carloadings.....	100	104	107	99	105
Total Carloadings (Excl. Misc.)...	100	88	93	74	92
Farm Prices—Minnesota.....	100	101	91	84	76

Index of Department Store Sales by Cities (Monthly Averages—1947-49 = 100)

	1947-49 Av.	1952	1953	1954	1955
Duluth-Superior.....	100	107	107	104	106
Minneapolis.....	100	111	112	114	118
St. Paul.....	100	97	98	96	98

Total New Car Registrations

	1947-49 Av.	1952	1953	1954	1955
TOTAL—4 States.....	178,699	183,005	232,851	217,770	234,755
Minnesota.....	102,814	108,002	142,715	133,919	141,112
Montana.....	28,468	27,824	32,870	29,904	36,160
North Dakota.....	24,235	24,016	30,203	26,875	26,964
South Dakota.....	23,182	23,163	27,063	27,072	30,455

Source: Automotive News. Data for 1955 include estimated figures for December.

Retail Sales

	1947-49 Av.	1952	1953	1954	1955
507 Lumber Yards (Board Feet)...	179,679	165,585	154,448	164,856	164,621
507 Lumber Yards (Dollar Vol.)...	\$ 64,757	\$ 62,627	\$ 59,618	\$ 62,482	\$ 65,819
Department Stores*			(T-h-o-u-s-a-n-d-s)		
Ninth District.....	367,697	384,457	382,841	385,046	398,640
Minnesota.....	286,797	304,805	306,479	310,109	320,603
Montana.....	16,756	18,308	17,649	17,558	18,668
North Dakota.....	20,793	20,207	18,920	18,224	18,349
South Dakota.....	23,246	20,315	19,885	20,303	21,100
Wisconsin and Michigan.....	20,105	20,822	19,908	18,852	19,920
(Ninth district portion)					

*1948 figures are from the Census of Business; sales for other years are estimated.

Inventories, December 31

	1947-49 Av.	1952	1953	1954	1955
507 Lumber Yards (Board Feet)...	79,647	87,650	84,326	85,392	94,657
Department Stores*			(T-h-o-u-s-a-n-d-s)		
Ninth District.....	\$ 79,643	\$ 83,115	\$ 85,240	\$ 88,183	\$ 96,819
Minnesota.....	59,004	63,049	65,409	68,292	73,002
Montana.....	4,078	4,399	4,666	4,409	5,718
North Dakota.....	4,773	5,102	4,823	4,691	5,270
South Dakota.....	6,601	5,162	4,923	5,388	6,927
Wisconsin and Michigan.....	5,187	5,403	5,419	5,403	5,902
(Ninth district portion)					

*Department store stock benchmark data are not available from the 1948 Census of Business. Dollar department store stock estimates appearing in this table were prepared by applying the ratio of year-end stocks to annual sales for a sample of reporting Ninth district department stores to estimates of total annual department store sales.

Freight Carloadings—N. W. District

	1947-49 Av.	1952	1953	1954	1955
TOTAL	5,757	5,425	5,675	4,873	5,564
Grain and Grain Products	634	606	566	624	623
Livestock	158	107	96	98	108
Coal	341	239	226	215	248
Coke	92	70	65	65	83
Forest Products	503	495	472	455	511
Ore	1,414	1,390	1,703	1,060	1,512
Miscellaneous	1,986	2,071	2,118	1,949	2,068
Merchandise—LCL	630	447	429	407	411

Source: Association of American Railroads.

Electric Power Prod. by Electric Utilities (KWH)

	1947-49 Av.	1952	1953	1954	1955
TOTAL	7,603,339	10,308,282	10,900,375	12,008,331	13,905,089
Minnesota	3,841,179	5,246,607	5,770,588	5,939,246	6,744,916
Montana	2,850,467	3,780,224	3,718,777	4,272,807	4,695,804
North Dakota	494,913	666,212	760,983	849,737	965,352
South Dakota	416,780	615,239	650,027	946,541	1,499,017

Source: Federal Power commission.

Life Insurance Sales

	1947-49 Av.	1952	1953	1954	1955
TOTAL	\$469,583	\$533,083	\$613,796	\$655,408	\$811,850
Minnesota	295,663	347,980	402,862	432,640	522,215
Montana	58,183	70,702	82,188	85,036	117,878
North Dakota	54,745	55,306	55,221	57,649	85,342
South Dakota	60,991	59,095	73,525	80,083	86,415

Source: Life Insurance Agency Management Association.

Manufacturing and Mining

	1947-49 Av.	1952	1953	1954	1955
Flour Production:					
Minneapolis Mills (cwt.)	15,163	14,387	13,578	11,949	11,639
Other N. W. Mills (cwt.)	41,943	23,078	22,622	23,225	22,252
Flour Shipped from Mpls. (cwt.) ..	13,855	14,440	14,708	13,067	12,773
Linseed Products Shipped (lbs.) ...	951,820	1,008,240	891,240	1,050,000	1,076,640
Iron Ore Shipped (gross tons)	76,797	74,911	95,844	60,794	87,460

Source: Flour data, Northwestern Miller; linseed production data, Minneapolis Grain Exchange; iron ore shipped, Lake Superior Iron Ore Association.

Construction Contracts Awarded in Ninth District

	1947-49 Av.	1952	1953	1954	1955
TOTAL	\$311,137	\$453,108	\$547,419	\$609,888	\$721,158
Public Works	99,748	85,491	89,040	102,879	152,764
Public Utilities	27,219	24,496	24,116	56,671	42,759
Total Building	184,169	343,121	434,263	450,338	525,635
Residential	89,786	169,293	199,516	233,391	270,742
Commercial and Industrial	37,022	67,277	120,718	74,197	90,788
Educational	20,103	52,559	65,725	73,599	85,265
All Other	37,258	53,992	48,304	69,151	78,840

Source: F. W. Dodge Corporation.

Business Failures in Ninth District

	1947-49 Av.	1952	1953	1954	1955
Number	76	106	122	161	197
Liabilities	\$3,895,667	\$3,124,000	\$4,494,000	\$6,041,000	\$8,885,000

Source: Dun and Bradstreet, Inc.

— AGRICULTURE —

Cash Income from Farm Marketings

	1947-49 Av.	1952	1953	1954	1955 ¹	1955 in Per- cent of 1954
Ninth District—TOTAL.....	\$3,221,743	\$3,063,238	\$2,922,758	\$2,939,129	\$2,883,279	98%
(T-h-o-u-s-a-n-d-s)						
Crops	1,305,309	1,086,008	1,107,488	1,142,274	1,227,865	107
Livestock and Livestock Products	1,890,059	1,950,968	1,789,834	1,769,076	1,627,635	92
Government Payments ²	26,375	26,262	25,436	27,779	27,779	100
Michigan (15 counties).....	31,804	29,890	28,127	26,430	25,662	97
Minnesota	1,298,665	1,287,627	1,288,933	1,265,658	1,263,304	100
Montana	388,187	402,848	377,234	396,161	369,868	93
North Dakota	649,095	538,959	478,390	471,233	512,749	109
South Dakota	631,249	564,962	530,008	570,231	509,017	89
Wisconsin (26 counties).....	222,743	238,952	220,066	209,416	202,679	97

SOURCE: USDA—"Farm Income Situation."

¹Ten months actual and two months estimated.

²1955 Government Payments estimated to be the same as 1954.

Farm Real Estate Mortgage Indebtedness, January 1

	1947-49 Av.	1952	1953	1954	1955	1955 in Per- cent of 1954
Michigan (15 Counties).....	\$ 10,382	\$ 12,391	\$ 13,397	\$ 14,094	\$ 15,059	107%
Minnesota	269,521	305,270	316,427	323,869	337,011	104
Montana	49,973	78,552	86,941	96,393	108,104	112
North Dakota	71,448	70,551	74,184	79,014	83,189	105
South Dakota	87,726	100,078	106,122	112,244	117,175	104
Wisconsin (26 Counties).....	74,790	89,856	94,690	98,148	101,043	103
Ninth District	563,841	656,698	691,761	723,762	761,581	105

SOURCE: USDA—"Agricultural Finance Review."

Ninth District Farm Prices (Monthly Av.)

	1947-49 Av.	1952	1953	1954	1955	1955 in Per- cent of 1954
Wheat (Bu.)	\$ 2.18	\$ 2.08	\$ 2.08	\$ 2.13	\$ 2.14	100%
Corn (Bu.)	1.52	1.41	1.29	1.32	1.21	92
Oats (Bu.) .....	.78	.75	.66	.66	.58	88
Barley (Bu.)	1.44	1.20	1.06	1.00	.91	91
Rye (Bu.)	1.86	1.65	1.16	.95	.88	93
Flax (Bu.)	5.52	3.77	3.48	3.33	2.88	86
Potatoes (Bu.)	1.44	2.42	1.25	.84	1.05	125
Hogs (Cwt.)	21.80	17.72	21.05	21.47	14.97	70
Beef Cattle (Cwt.).....	20.14	24.82	15.94	15.19	14.82	98
Veal Calves (Cwt.).....	23.46	28.52	18.76	17.58	17.69	101
Sheep (Cwt.)	8.91	10.50	6.39	5.74	5.37	94
Lambs (Cwt.)	21.18	24.23	18.78	18.53	17.86	96
Chickens (Lb.) .....	.23	.20	.21	.17	.18	106
Butterfat (Lb.) .....	.75	.77	.70	.63	.61	97
Milk (Cwt.)	3.62	4.06	3.61	3.31	3.30	100
Eggs (Doz.) .....	.40	.36	.43	.30	.34	113
Wool (Lb.) .....	.47	.50	.52	.54	.46	85

SOURCE: USDA—"Agricultural Prices."

Index of Land Values, March 1—(1912-1914 = 100)

	1947-49 Av.	1952	1953	1954	1955	1955 in Per- cent of 1954
Michigan	198	244	249	252	263	104%
Minnesota	155	212	207	196	210	107
Montana	125	152	143	135	133	99
North Dakota	107	142	146	144	142	99
South Dakota	89	126	122	117	121	103
Wisconsin	144	172	172	162	159	98

SOURCE: USDA—"Current Developments in Farm Real Estate Market."

Livestock Numbers, 4 Full Ninth District States, January 1

	1947-49 Av.	1952	1953	1954	1955	1955 in Per- cent of 1954
All Cattle and Calves.....	9,318	9,965	10,716	11,289	11,618	103%
Dairy Cows	2,596	2,292	2,336	2,424	2,370	98
Sheep and Lambs.....	3,855	3,738	3,778	3,757	3,906	104
Hogs	5,515	6,399	5,255	4,713	5,718	121
Chickens	44,062	39,439	37,502	38,458	39,536	103
Turkeys	393	380	339	412	402	98

SOURCE: USDA—"Livestock on Farms" for Minnesota, Montana, North Dakota and South Dakota.

Farm Production, 4 Full Ninth District States

	1947-49 Av.	1952	1953	1954	1955	1955 in Per- cent of 1954
			(T-h-o-u-s-a-n-d-s)			
Wheat (Bu.)	271,405	232,751	260,029	189,272	263,179	139%
Corn (Bu.)	366,013	393,010	432,009	422,614	408,608	97
Oats (Bu.)	333,407	348,280	323,634	356,334	367,599	103
Barley (Bu.)	117,210	86,223	96,697	136,370	161,578	118
Rye (Bu.)	11,427	6,563	8,454	8,860	15,356	173
Flaxseed (Bu.)	37,705	26,950	34,700	38,584	38,433	100
Soybeans for Beans (Bu.)	15,289	23,582	29,659	46,168	49,132	106
Potatoes (Bu.)	40,907	30,370	33,953	41,286	31,319	76
Wool (Lbs.)	30,470	31,984	32,683	32,602	34,674	106
Milk (Lbs.)	12,105,000	11,610,000	12,269,000	12,271,000	12,492,000	100
Butter (Lbs.)	326,990	329,634	361,165	385,708	394,930 _p	102
Eggs (Doz.)	479,889	484,666	488,500	511,583	535,250	105

SOURCE: USDA—"Crop Production" for Minnesota, Montana, North Dakota and South Dakota.
p—Preliminary.

Non-Real Estate Loans to Farmers, January 1

	1947-49 Av.	1952	1953	1954	1955	1955 in Per- cent of 1954
			(T-h-o-u-s-a-n-d-s)			
Minnesota	\$ 62,746	\$ 146,229	\$ 146,259	\$ 132,152	\$ 150,322	114%
Montana	20,827	34,910	36,473	35,109	38,573	110
North Dakota	14,228	32,699	36,091	38,365	41,326	108
South Dakota	32,002	69,930	69,434	57,232	64,188	112

SOURCE: USDA—"Agricultural Finance Review." Loans held by Insured Commercial Banks, exclusive of CCC loans.

— BANKING —

All Members Banks Total Deposits

	1947-49 Av.	Dec. 31, 1952	Dec. 31, 1953	Dec. 31, 1954	Dec. 31, 1955
			(T-h-o-u-s-a-n-d-s)		
TOTAL	\$3,518,664	\$3,962,354	\$4,031,047	\$4,196,761	\$4,175,139
Michigan—15 counties	153,071	167,748	178,964	184,818	191,661
Minnesota	2,083,980	2,375,923	2,424,583	2,532,306	2,500,555
Montana	493,507	561,462	569,732	590,224	601,792
North Dakota	266,089	278,999	274,257	281,928	277,974
South Dakota	339,644	375,729	377,545	396,551	394,281
Wisconsin—26 Counties	182,373	202,493	205,965	210,934	208,876

City Member Banks (Weekly Reporting Banks)

	1947-49 Av.	Dec. 31, 1952	Dec. 31, 1953	Dec. 31, 1954	Dec. 31, 1955
			(T-h-o-u-s-a-n-d-s)		
Loans and Discounts, Net	\$ 428,115	\$ 627,698	\$ 672,503	\$ 701,388	\$ 816,678
U. S. Government Securities	671,501	647,963	600,225	643,655	495,983
Other Securities	85,241	156,464	138,717	155,052	155,373
Total Deposits	1,591,526	1,820,218	1,814,761	1,888,415	1,840,564
Dem. Dep. Ind., Pt. and Corp.	838,356	1,007,057	996,024	1,043,394	1,030,054
Time Dep. Ind., Pt. and Corp.	249,059	255,558	264,138	275,221	288,902
Public Deposits	173,887	170,469	178,108	171,635	152,474
Due to Banks and Other Dep.	330,224	387,134	376,491	398,165	369,134

Country Member Banks (Non-Weekly Reporting Banks)

	1947-49 Av.	Dec. 31, 1952	Dec. 31, 1953	Dec. 31, 1954	Dec. 31, 1955
			(T-h-o-u-s-a-n-d-s)		
Loans and Discounts	\$ 414,405	\$ 680,565	\$ 778,917	\$ 815,191	\$ 926,180
U. S. Government Securities	1,052,794	944,509	920,135	975,619	903,461
Other Securities	123,702	161,189	171,645	185,832	215,458
Total Deposits	1,927,138	2,142,136	2,216,286	2,308,346	2,334,575
Dem. Dep. Ind., Pt. and Corp.	1,051,749	1,164,900	1,166,274	1,195,580	1,205,854
Time Dep. Ind., Pt. and Corp.	678,254	727,676	776,498	818,476	837,658
Public Deposits	136,713	182,909	201,786	221,087	224,060
Due to Banks and Other Dep.	60,422	66,651	71,728	73,203	67,003

Minneapolis Federal Reserve Bank

	1947-49 Av.	Dec. 31, 1952	Dec. 31, 1953	Dec. 31, 1954	Dec. 31, 1955
			(T-h-o-u-s-a-n-d-s)		
Loans to Member Banks*	\$ 3,913	\$ 15,785	\$ 27,329	\$ 6,936	\$ 42,456
Industrial Advances*	3	110	114	100	79
Total Earnings Assets	666,173	765,802	626,690	615,062	592,508
Mem. Bank Res. Balances	450,708	437,867	468,968	443,527	405,586
Fed. Res. Notes in Circulation	623,512	650,889	644,292	583,511	531,709
Total Gold Certificate Reserve	464,999	353,155	510,047	445,972	363,008

*Daily average of amounts outstanding during the year.