

# MONTHLY REVIEW

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

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

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

OLIVER S. POWELL  
Statistician

Vol. IV (Serial  
No. 177)

Minneapolis, Minnesota

September 30, 1929

### DISTRICT SUMMARY OF BUSINESS

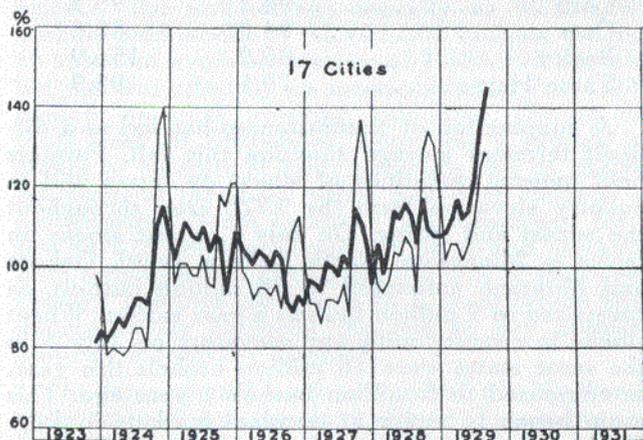
The statistics of northwestern business in August, some of which point to a pronounced increase over August last year, are apt to be misleading without the most careful interpretation. The records are affected by the abnormally early movement of the grain crop. This early movement, coupled with higher prices, increased the estimated cash income from grain marketed during August to more than 60 million dollars, which was nearly three times the amount of income derived from grain marketed in August a year ago. The heavy volume of grain business in August presumably was also largely responsible for the increase in the daily averages of debits to individual accounts at Minneapolis and Duluth-Superior, amounting to 44 per cent and 65 per cent over August, 1928. The heavy grain movement was also partly responsible for the increase of 13 per cent in freight carloadings during August, as compared to the corresponding month last year.

Probably a better indication of the district increase in general business volume in August as compared with August last year is given by the debits to individual accounts at the smaller cities in the district. Sixty-five smaller cities in the district reported an increase in debits of 14 per cent in August, as compared with August last year. It is significant that fewer cities reported decreases than

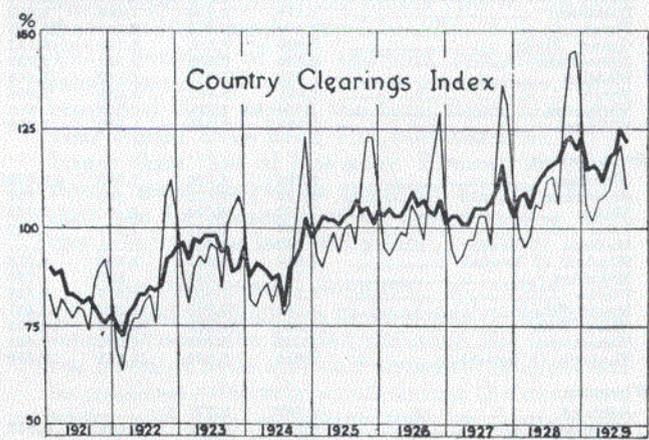
in any preceding month this year. The country check clearings index was 4 per cent larger in August this year than in August a year ago. Freight carloadings of all commodities except coal, building permits, postal receipts, flour production and securities sales were larger in August than in the corresponding month last year. Building contracts, flour and linseed product shipments, department store sales and country lumber sales were smaller than in August last year. Business failures were again fewer than a year ago.

### Daily Averages of Debits to Individual Accounts Shown as Percentages of the Corresponding Periods in 1928

	First Quarter	Second Quarter	July 1929	August 1929
Duluth . . . . .	105	90	152	170
Minneapolis . . . . .	114	100	121	144
St. Paul . . . . .	104	103	106	119
South St. Paul . . . . .	97	110	115	101
Rural Minnesota . . . . .	104	105	109	111
Montana . . . . .	115	116	136	125
No. Michigan . . . . .	115	109	109	105
North Dakota . . . . .	115	111	102	106
South Dakota . . . . .	110	108	110	112
N. W. Wisconsin . . . . .	107	113	110	119
Ninth District . . . . .	110	103	118	132



Debits to Individual Accounts in Seventeen Cities in the Ninth Federal Reserve District. The heavy curve represents figures adjusted to eliminate seasonal changes; the light curve represents unadjusted figures as percentages of the average month.



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.

DEBITS TO INDIVIDUAL ACCOUNTS IN THE  
NINTH FEDERAL RESERVE DISTRICT

(August 1929, with comparisons)

Number of Business Days:	August 1929	July 1929	August 1928	July 1928
All States in District.....	27	26	27	25
	(000's omitted)			
<b>Michigan</b>				
Escanaba (1 bank) .....	\$ 971	\$ 965	\$ 908	\$ 982
Hancock .....	2,127	2,091	2,357	1,737
Houghton (1 bank) .....	790	765	.....	.....
Iron Mountain .....	4,916	5,511	4,121	4,303
Iron River, Caspian, Stambaugh .....	1,764	1,786	1,571	1,586
Manistique (1 bank) .....	518	492	.....	.....
Marquette .....	5,695	5,958	4,900	5,377
Menominee .....	3,429	3,751	4,307	3,530
Sault Ste. Marie .....	3,528	3,516	3,232	3,246
<b>Minnesota</b>				
Albert Lea .....	3,475	3,532	3,120	3,246
Austin (2 banks) .....	3,876	3,910	2,985	3,449
Benson (1 bank) .....	679	811	347	395
Chaska .....	757	584	609	550
Chisholm .....	1,123	799	1,029	786
Cloquet .....	2,052	3,161	2,041	2,659
Crookston (1 bank) .....	1,125	1,119	1,037	1,028
Detroit Lakes .....	1,084	1,375	.....	.....
Duluth .....	119,041	110,437	70,239	69,839
Ely .....	479	658	466	709
Glenwood .....	509	669	475	650
Hutchinson .....	1,243	1,444	1,197	1,228
Little Falls .....	1,257	1,728	1,044	1,216
Mankato .....	7,584	8,306	7,074	7,401
Minneapolis .....	608,220	550,657	423,582	437,913
Morris .....	650	755	542	599
Owatonna .....	2,965	3,355	2,360	2,588
Park Rapids .....	541	639	605	707
Red Wing .....	2,872	2,735	2,498	2,631
Rochester .....	6,757	7,242	6,746	7,066
St. Cloud (1 bank) .....	474	459	390	393
St. Paul .....	194,734	190,364	164,176	172,903
South St. Paul .....	31,364	35,482	31,104	29,695
Stillwater .....	3,462	4,262	.....	.....
Thief River Falls .....	1,034	1,141	796	940
Virginia .....	3,078	2,671	.....	.....
Wabasha .....	861	1,152	906	974
Wadena .....	1,180	1,276	1,085	1,196
Wheaton .....	578	681	.....	.....
Willmar .....	2,235	.....	.....	.....
Winona .....	7,814	8,835	7,084	7,494
Worthington (1 bank) .....	802	876	778	850
<b>Montana</b>				
Billings .....	10,103	9,793	9,181	8,692
Bozeman .....	2,794	2,769	2,501	2,181
Butte (2 banks) .....	17,314	21,510	11,392	10,742
Deer Lodge .....	1,202	1,830	1,070	1,440
Glendive .....	1,307	1,258	1,325	1,323
Great Falls .....	24,255	22,776	17,298	15,993
Helena .....	11,407	11,178	10,822	9,168
Lewistown .....	2,979	2,799	2,873	2,495
Miles City (1 bank) .....	1,940	2,803	2,182	2,401
<b>North Dakota</b>				
Bismarck .....	4,074	4,152	4,458	4,063
Devils Lake .....	1,912	2,076	1,764	1,664
Dickinson .....	1,910	1,723	1,569	1,612
Fargo .....	20,599	19,975	18,597	20,035
Grand Forks .....	7,936	7,818	8,221	8,111
Jamestown .....	3,199	3,558	2,981	2,789
Mandan .....	1,622	1,902	1,722	1,846
Minot .....	8,621	8,905	8,585	7,908
Wahpeton .....	1,171	1,339	775	912
Williston .....	2,021	2,165	1,388	1,528
<b>South Dakota</b>				
Aberdeen .....	8,295	8,086	7,988	7,553
Brookings (1 bank) .....	1,124	1,072	988	997
Huron .....	5,797	6,391	5,424	5,969
Lead .....	1,460	1,335	1,271	1,152
Madison (1 bank) .....	966	1,064	.....	.....
Mitchell (2 banks) .....	4,838	4,811	4,308	4,116
Mobridge .....	757	747	817	791
Pierre .....	1,375	1,558	1,515	1,438
Rapid City .....	5,061	5,515	4,252	4,441
Sioux Falls .....	24,120	24,269	20,175	20,979
Watertown .....	4,565	5,453	4,262	4,401
Yankton (4 banks) .....	2,610	2,968	2,361	2,450
<b>Wisconsin</b>				
Ashland .....	2,702	2,717	.....	.....
Chippewa Falls .....	2,829	2,862	2,639	2,957
Eau Claire .....	9,068	9,903	.....	.....
Hudson .....	600	701	576	545
La Crosse .....	14,300	15,497	12,290	13,109
Merrill (1 bank) .....	2,055	1,567	1,381	1,570
Superior .....	9,981	9,067	8,167	7,794
Total for all Cities Reporting				
Both Years .....	\$1,242,031	\$1,188,144	\$942,729	\$965,104

During the first half of September, available business indicators record a smaller increase over the same period last year than August increases. Debits to individual accounts at seventeen cities during the three weeks ending September 18 were 17 per cent larger than in the corresponding weeks in 1928, and in the smaller cities of this group the increase was only 4 per cent. The country check clearings of this Federal Reserve Bank during the first thirteen business days of September were less than 1 per cent larger than in the same days a year ago. The daily average of building contracts awarded in the Northwest during the first ten business days of September was \$236,000, as compared to the daily average of contracts during the month of September, 1928, of \$284,000, according to the F. W. Dodge Corporation.

## DISTRICT SUMMARY OF AGRICULTURE

The September 1 government estimates and forecasts of crop production in this district were higher than the August 1 figures for wheat and oats, but lower for corn, flax, potatoes and tame hay. The crop situation on September 1 is given in comparative form in the following table. It will be seen that all of the major crops are smaller than a year ago, and all crops are smaller than the ten-year average, except winter wheat and barley.

## Relative Size of 1929 Crops in Minnesota, North Dakota, South Dakota and Montana

	% 1929 of 1928	% 1929 of Ten-year Ave.
<b>CASH CROPS</b>		
Spring Bread Wheat...	64.9	82.7
Durum Wheat .....	57.2	86.5
Winter Wheat .....	75.5	101.3
Rye .....	82.9	60.2
Flax .....	87.3	94.9
Potatoes .....	58.3	66.9
<b>FEED CROPS</b>		
Corn .....	98.2	96.3
Oats .....	84.9	86.6
Barley .....	85.0	156.9
Tame Hay .....	79.1	93.9

A conjunction of circumstances has led to a difficult terminal storage situation this fall. Farmers held unusual quantities of wheat on farms and in country elevators from the 1928 crop throughout the winter and spring. On July 1, wheat stocks on farms in Minnesota, North Dakota, South Dakota and Montana amounted to 18 million bushels, as compared to 9 million bushels a year earlier. Wheat stocks in country mills and elevators on July 1 in the same states were 16 million bushels this year, as compared to 8 million bushels a year ago. This grain began to arrive at terminal markets in July. Furthermore, twice as much grain as a year ago was held by farmers and others in the terminal elevators at Minneapolis and Duluth-Superior on July 1, the figures being 54 million bushels this year, as compared to 26½ million bushels a year ago.

In addition, new grain began to move to market in large volume earlier than usual in August, owing to an early harvesting season and the increased use of combine harvesters. Also, a large amount of southwestern grain was shipped to northwestern terminal elevators in advance of the movement from local territory. The result of all these factors was that grain stocks at Minneapolis and Duluth-Superior increased from 54 million bushels on July 1 to 74 million bushels at the close of August. A year earlier grain stocks were only 21 million bushels on August 31. This quantity of grain very nearly filled the storage space at the terminal markets and the situation became so critical that a temporary embargo was placed on the shipments of barley, oats and rye. This produced some relief, and after six days the embargo was raised to permit normal movement of all grains.

The storage of grain upon the farms was strongly recommended to the producers of the Northwest, and the efforts to increase this type of storage were supplemented by the leasing, by grain and elevator concerns, of a considerable amount of interior elevator and mill storage capacity which has not been in use for a number of years. A large amount of grain was moved from Duluth-Superior into Canadian storage. Storage was found for an additional amount by leasing cargo boats, and further space was obtained by leasing bad-order freight cars from several of the railroads, patching them up, filling them with grain and storing them on local sidetracks.

During the three weeks ending September 21, the situation at both terminal markets remained about the same as at the beginning of the month. Both markets were kept open for the receipt of grain, but were able to receive only an amount equal to the absorption of elevator stocks by the flour mills for current grinding, plus the limited outward movement by rail and the moderate movement from Duluth-Superior down the lakes. On the latter date the two markets with available public, private, and mill storage capacity of 96,156,000 bushels held stocks of 92,401,000 bushels, leaving an apparent available storage of 3,755,000 bushels; but this was offset by an accumulation of 7,801,000 bushels on track awaiting unloading. During the third week of September, there was a sudden increase of receipts at both terminals due to the resumption of threshing which had been delayed in northwestern North Dakota. This threatened for a few days to produce a complete tie-up and blockade both terminals, but during the last half of that week country loadings decreased to a point where they approximately balanced the day to day outward movement from the markets.

On September 23, all sections of the Northwest were warned by the Joint Grain Transportation Committee of the Northwest Shippers' Advisory Board to hold country grain loadings to the lowest practical level. The assistance of railroad commissioners of the various states was requested in securing the co-operation of farmers, country elevator

managers, and others concerned in so controlling the flow of the crop to terminal markets as to maintain the very narrow margin of the storage capacity that still remained.

The wool clip in Minnesota, North Dakota, South Dakota and Montana amounted to 44,054,000 pounds in 1929, as compared with 40,915,000 pounds in 1928, according to government estimates. The price of wool, however, dropped back to the 1927 level, and the value of the 1929 wool clip, according to our estimates, is only \$14,000,000, as compared to the 1928 value of \$15,600,000.

The lamb crop in the above four states amounted to 3,731,000 head in 1929, as compared with 3,349,000 head in 1928. This increase in the lamb crop was not shared by the remainder of the United States, for the national lamb crop was slightly smaller this year than a year ago. The reduction was largely due to unfavorable conditions at lambing time. As a consequence, if consumer demand for lamb does not diminish, the United States Department of Agriculture expects an active demand for feeder lambs this fall, which should be beneficial to those raising lambs in the western part of this district.

	Wool Shorn (Thousand Pounds)		Lamb Crop (Thousand Head)	
	1928	1929	1928	1929
Minnesota . . .	4,661	4,938	492	567
No. Dakota . . .	3,984	4,403	371	454
So. Dakota . . .	5,644	5,636	506	526
Montana . . .	26,626	29,077	1,980	2,184
Four States . . .	40,915	44,054	3,349	3,731

This lamb situation is temporary. About the long-term outlook for sheep and wool in the United States, the United States Department of Agriculture has the following to say:

"The fairly favorable outlook for the sheep industry during the next year is due partly to high prices of competing meats and to the fact that the 1929 lamb crop is smaller than that of 1928 because of the reduced percentage of lambs saved. If an average percentage lamb crop had been saved, the total lamb crop this year would have been 950,000 head, or 3.5% larger than that of last year. Present breeding flocks seem ample to produce all the lambs that can be disposed of at prices in line with the level of the last few years.

"The decreased slaughter of cattle and calves and high prices of beef and veal during recent years have helped maintain the demand for lambs. Cattle and calf slaughter is expected to continue relatively small during the next two years and hog slaughter will be further reduced next year. This reduced competition from other meats will continue to help maintain lamb prices during this period. Within the next three years, however, increased slaughter of cattle and hogs is to be expected, and in

planning the long time future of their business, sheep producers should give recognition to this situation.

"The wool situation in this country is closely tied to the world situation, while lamb prices are largely controlled by domestic conditions. The present wool outlook does not seem to be one to encourage further expansion in wool production in this country at the present time."

Farm income from dairy production in July was 5 per cent smaller than the income in July last year, marking a turning point from the larger income from this source which prevailed in the first half of 1929. Prices of wheat, oats, rye, flax, hens, eggs, potatoes and ewes were higher in August than in August a year ago, while prices of corn, barley, butter, milk, cattle, calves, hogs and lambs were lower than a year ago.

### DISTRICT SUMMARY OF BANKING

At this time of year, the financing of the crop begins to shift from country banks to banks in the larger cities, especially in those cities having terminal grain markets. This year the loans for financing grain in storage are larger at the city banks than usual.

From the facts cited in the agricultural paragraphs above it will be observed that even before the new crop began to move, the amount of grain financing required of city banks was larger than a year ago and that the amount of grain financing required at the present time is very large. In addition to large physical stocks of grain, the prices of grains are higher than a year ago. This condition is reflected in the loans of selected city member banks which make weekly reports to this office. At mid-summer their loans were only slightly larger than a year ago, but they began to increase after June 26, and have increased steadily until the latest reported date, which was September 18. On this latter date, the commercial loans of these banks were 35 million dollars larger than a year ago.

Deposits of these city banks also exceeded the deposits a year ago during the last two months, having failed to experience the customary August shrinkage. However, balances carried with these city banks by country banks and other demand deposits have not shown their usual increase in late August and September, and the margin of increase in total deposits over last year has become narrower in recent weeks. With commercial loans expanding and deposits not showing their usual increase, it has been necessary for these city banks to borrow more heavily from the Federal Reserve Bank. On September 18 their borrowings had increased to 30 million dollars, as compared to 12 million dollars a year ago.

Country banks in the district are past the peak of seasonal strain arising from the financing of the crop. Country bank borrowings from this Federal

Reserve Bank reached their peak for the season at \$6,241,000 on May 29. Since that time there has been a shrinkage of more than 1 million dollars, but Federal reserve loans to country banks on September 18 were \$1,400,000 larger than a year ago and larger than on the same date in any other year since 1924.

The reduction in borrowings by country banks from the Federal Reserve Bank in recent weeks has been chiefly in the western half of the district where the sale of grain and range cattle are important factors. In North Dakota and Montana borrowings from the Federal Reserve Bank reached a peak on July 3 of more than 3 million dollars. This total has been reduced to slightly more than 2 million dollars on September 18. Usually in these states the peak of borrowings is reached in the latter part of August. Probably the earlier beginning of liquidation of debt in 1929 has been due to the sale by farmers of 1928 grain. In South Dakota borrowings from the Federal Reserve Bank have also declined for seven weeks.

In the eastern part of the district, on the other hand, the seasonal movement of country bank borrowings from the Federal Reserve Bank is almost exactly opposite to that in the grain raising states. Borrowings reach a low point during the peak of dairy production in June and July and then increase in the fall until the marketing of hogs begins in the winter. This seasonal movement has occurred in the current year. Combining the borrowings from the Federal Reserve Bank of all country banks in Minnesota and the Michigan and Wisconsin counties which are contained in this district, borrowings reached a low point on July 24. Since that time borrowings by banks in these states have increased moderately but almost continuously to the latest reported date.

Country bank balances with city correspondent banks have increased only 9 million dollars between the low point in August and September 18. This is a smaller increase than occurred in either 1927 or 1928, but a larger increase than occurred in 1926. Deposits held by country member banks during August were about the same as deposits in July. Only minor changes occurred in the several states of the district. Country member bank deposits were 1 per cent smaller during August than in August a year ago.

### BANKING CHANGES IN THE YEAR ENDING JUNE 30, 1929

According to the complete record of all banks in the Ninth Federal Reserve District, deposits in this district decreased 26 million dollars during the year ending June 30, 1929. Loans increased 4 million dollars; investments decreased 8 million dollars; cash, balances due from banks and uncollected checks decreased 19 million dollars and borrowings from other banks increased 4 million

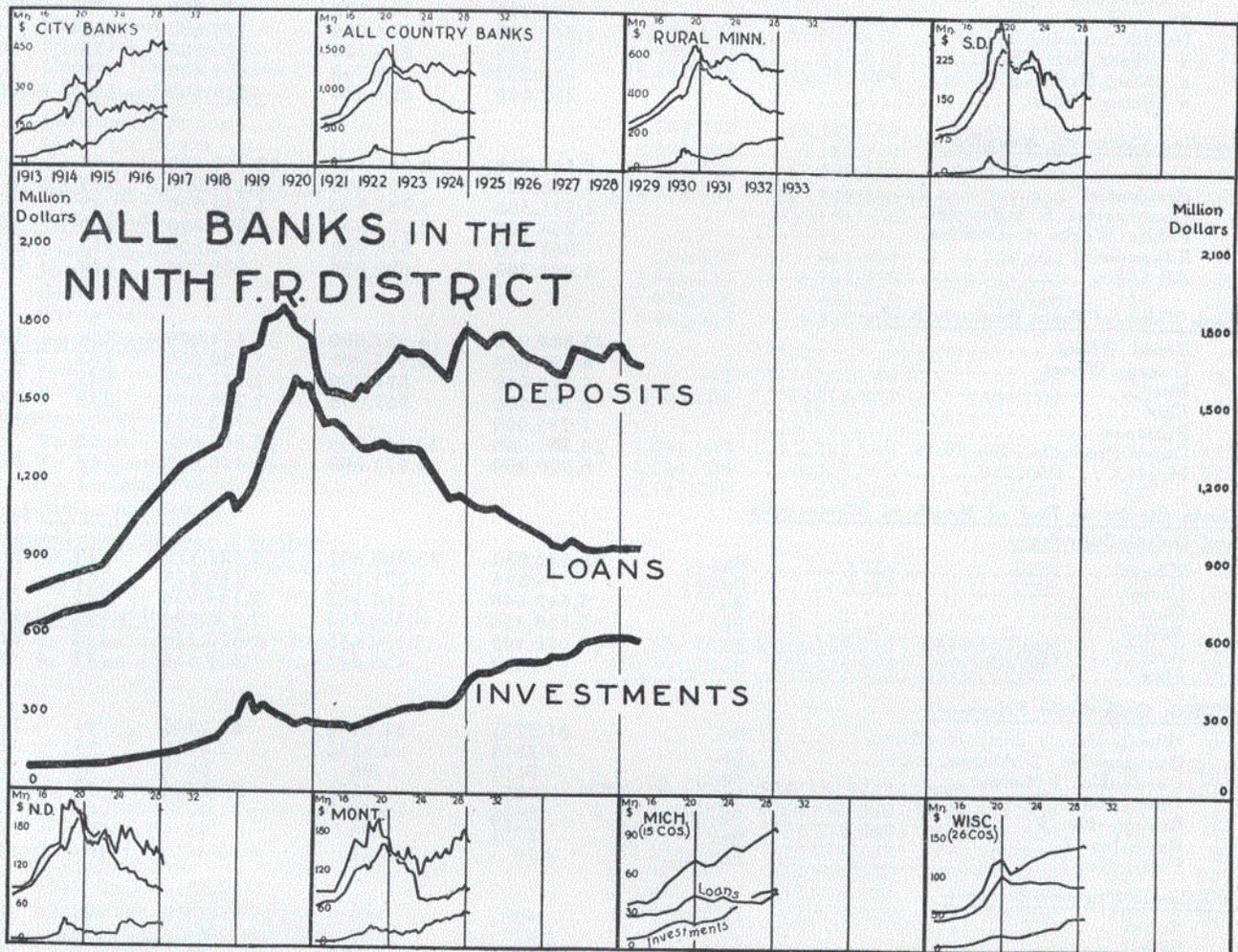
dollars. The amount of "other real estate" held by banks in this district was reduced \$4,600,000 during the year. The number of banks in the district decreased by one hundred and forty-four during the year.

Trends were not uniform in the district. Country banks lost the major portion of the total decrease in deposits, or 16 million dollars. At the same time, country bank loans were reduced 7 million dollars, while their investment holdings increased 13 million dollars. Balances due from city correspondent banks and cash and cash items held by country banks were reduced 14 million dollars during the year, and borrowings from other banks increased 3 million dollars.

City banks lost 10 million dollars of deposits during the year, chiefly due to the withdrawal of country bank balances. At the same time, the loans of city banks increased 11 million dollars. These trends were accompanied by a decrease in investment

holdings of city banks, amounting to 21 million dollars, a small decrease in balances carried with other banks, cash and cash items and a slight increase in borrowings from other banks.

The accompanying chart shows graphically the changes in deposits, loans and investments of banks in various parts of the district. The chart has been revised this year to show city banks and country banks separately, as well as the several states. City banks are all national banks in Minneapolis and St. Paul and all savings banks and trust companies in Minnesota. This is not a perfect tabulation of city banks in the district, but it is the best statement which it is possible to compile based on available published records. The chart has also been improved by including changes occurring at every call for condition reports from June, 1918 to the present time. A further improvement is that beginning with 1929, changes in Michigan and Wisconsin counties are recorded for every call date instead of once a year as in previous years.



Loans, Deposits and Investments of All Banks in the Ninth Federal Reserve District.

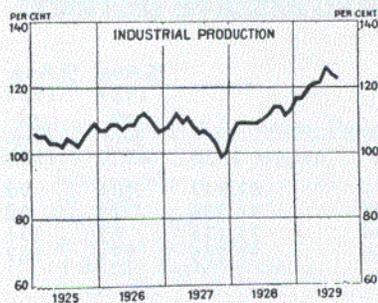
## COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

Unit	August, 1929	July, 1929	August, 1928	%Aug. 1929 of July 1929	%Aug. 1929 of Aug. 1928
<b>Debits to Individual Accounts, Daily Averages—</b>					
17 Cities .....	\$40,167,000	\$39,055,000	\$29,897,000	103	134
Minneapolis .....	22,527,000	21,066,000	15,688,000	107	144
St. Paul .....	7,212,000	7,322,000	6,081,000	98	119
Duluth-Superior .....	4,779,000	4,596,000	2,904,000	104	165
8 Wheat Belt Cities .....	2,669,000	2,732,000	2,515,000	98	106
4 Mixed Farming Cities .....	1,818,000	1,974,000	1,557,000	92	117
South St. Paul .....	1,162,000	1,365,000	1,152,000	85	101
<b>Carloadings-Northwestern District—</b>					
Total—Excluding L. C. L. .... Cars	664,989	598,420	588,949	111	113
Grains and Grain Products .....	90,933	49,751	71,086	183	128
Livestock .....	28,491	29,859	27,507	95	104
Coal .....	23,294	18,245	24,106	129	97
Coke .....	8,338	8,016	5,411	104	154
Forest Products .....	74,895	64,774	68,165	116	110
Ore .....	219,339	218,609	187,689	100	117
Miscellaneous .....	219,699	209,166	204,985	105	107
Merchandise—L. C. L. .... Cars	150,812	144,974	151,766	104	99
<b>Building Permits—</b>					
Number—18 Cities .....	1803	1813	1718	99	105
Value—18 Cities .....	\$4,878,000	\$3,904,200	\$4,480,100	125	109
Minneapolis .....	1,264,100	1,516,700	2,128,300	83	59
St. Paul .....	692,400	715,300	673,800	97	103
Duluth-Superior .....	1,549,400	214,600	215,600	723	719
4 Wheat Belt Cities .....	512,300	658,100	620,500	78	83
6 Mixed Farming Cities .....	654,200	595,700	692,400	110	94
4 Mining Cities .....	205,600	203,800	149,500	101	138
<b>Building Contracts Awarded—</b>					
Total .....	8,303,100	8,855,100	10,448,500	94	79
Residential .....	1,468,400	1,304,800	2,295,000	113	64
Commercial & Industrial .....	1,571,300	3,487,900	1,724,500	45	91
Public Works & Utilities .....	3,254,500	2,504,600	5,045,600	130	64
Educational .....	967,700	858,000	396,500	113	244
All Other .....	1,041,200	699,800	986,900	149	106
<b>Cash Value of Farm Products Sold—</b>					
Bread Wheat .....	45,864,000	14,592,000	15,111,000	314	304
Durum Wheat .....	8,620,000	5,143,000	3,488,000	168	247
Rye .....	3,572,000	634,000	1,377,000	563	259
Flax .....	2,500,000	967,000	1,206,000	259	207
Potatoes .....	1,295,000	.....	735,000	.....	176
Dairy Products—See Note .....	24,374,000	27,217,000	25,562,000	90	95
Hogs .....	6,300,000	9,874,000	5,478,000	64	115
<b>Grain Stocks at End of Month at Minneapolis and Duluth-Superior—</b>					
Wheat .....	58,570,088	43,998,402	15,722,878	133	373
Corn .....	126,848	271,147	116,814	47	109
Oats .....	5,542,649	2,261,762	2,139,930	245	259
Barley .....	5,158,456	3,300,837	2,222,196	156	232
Rye .....	4,686,145	3,170,655	570,274	148	822
Flax .....	154,062	465,811	307,858	33	50
<b>Median Cash Grain Prices—</b>					
Wheat—No. 1 Dark Northern .....	\$1.37 <sup>3</sup> / <sub>8</sub>	\$1.51 <sup>5</sup> / <sub>8</sub>	\$1.23 <sup>3</sup> / <sub>4</sub>	91	111
Durum—No. 2 Amber .....	1.28 <sup>1</sup> / <sub>4</sub>	1.37 <sup>7</sup> / <sub>8</sub>	1.04 <sup>1</sup> / <sub>2</sub>	93	123
Corn—No. 3 Yellow .....	.96 <sup>1</sup> / <sub>2</sub>	.98	.98 <sup>1</sup> / <sub>2</sub>	98	98
Oats—No. 3 White .....	.40 <sup>1</sup> / <sub>2</sub>	.45 <sup>7</sup> / <sub>8</sub>	.35 <sup>1</sup> / <sub>4</sub>	88	115
Barley—No. 3 .....	.56 <sup>7</sup> / <sub>8</sub>	.68	.62	84	92
Rye—No. 2 .....	.97 <sup>1</sup> / <sub>4</sub>	1.08	.93	90	105
Flax—No. 1 .....	2.79	2.77	2.04 <sup>1</sup> / <sub>2</sub>	101	136
<b>Wholesale Produce Prices—</b>					
Butter .....	Lb. .40 <sup>1</sup> / <sub>2</sub>	.40	.44	101	92
Milk .....	Cwt. 2.47	2.37	2.56	104	96
Hens—4 <sup>1</sup> / <sub>2</sub> Pounds .....	Lb. .21 <sup>1</sup> / <sub>2</sub>	.19 <sup>1</sup> / <sub>2</sub>	.21	110	102
Eggs .....	Doz. .29 <sup>3</sup> / <sub>4</sub>	.27	.28 <sup>1</sup> / <sub>2</sub>	110	104
Potatoes .....	Bu. 1.35	1.20	.58 <sup>1</sup> / <sub>2</sub>	113	231

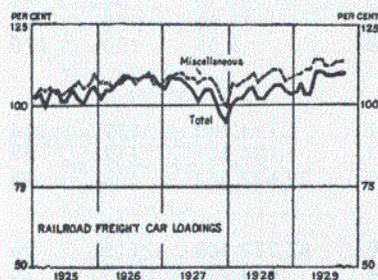
Note: July, 1929, June, 1929, and July, 1928

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

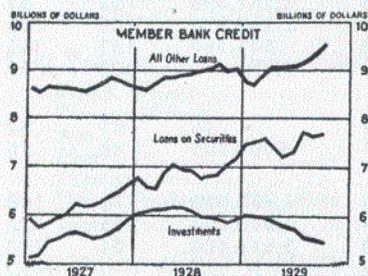
	Unit	August, 1929	July, 1929	August, 1928	%Aug. 1929 of July 1929	%Aug. 1929 of Aug. 1928
<b>Livestock Receipts at South St. Paul—</b>						
Cattle	Head	79,429	76,451	87,947	104	90
Calves	Head	33,387	42,502	36,396	79	92
Hogs	Head	110,795	171,054	73,135	65	151
Sheep	Head	95,668	43,366	57,295	221	167
<b>Median Livestock Prices at South St. Paul—</b>						
Butcher Cows	Cwt.	\$8.25	\$8.75	\$9.00	94	92
Butcher Steers	Cwt.	13.25	13.75	14.00	96	95
Prime Butcher Steers	Cwt.	15.10	15.50	16.15	97	93
Stocker and Feeder Steers	Cwt.	9.50	9.50	10.50	100	90
Veal Calves	Cwt.	15.00	14.50	16.00	103	94
Hogs	Cwt.	10.00	10.35	11.00	97	91
Heavy Hogs	Cwt.	9.25	9.85	10.50	94	88
Lambs	Cwt.	12.75	13.25	13.90	96	92
Ewes	Cwt.	5.50	5.50	5.00	100	110
<b>Flour—</b>						
Production—Twin Cities and Duluth-						
Superior	Bbbs.	1,236,033	915,082	1,193,769	135	104
Shipments from Minneapolis	Bbbs.	1,054,795	902,323	1,108,329	117	95
<b>Linseed Products Shipments from Minneapolis—Lbs.</b>						
		26,469,979	26,595,665	29,622,052	100	89
<b>Retail Sales—</b>						
Department Stores		\$2,188,690	\$1,896,520	\$2,272,460	115	96
Furniture Stores		486,480	431,530	638,380	113	76
Country Lumber Yards	Bd. Ft.	15,440,000	15,964,000	17,611,000	97	88
<b>Retail Merchandise Stocks—</b>						
Department Stores		\$5,744,950	\$5,503,140	\$6,336,950	104	91
Furniture Stores		2,602,380	2,586,910	2,821,430	101	92
Country Lumber Yards	Bd. Ft.	87,533,000	88,839,000	86,807,000	99	101
<b>Life Insurance Sales—(4 States)</b>						
		\$24,778,000	\$25,272,000	\$22,787,000	98	109
<b>Wholesale Trade—</b>						
Farm Implements		854,470	464,990	1,281,690	184	67
Hardware		2,348,230	2,302,310	2,152,990	102	109
Shoes		678,450	443,760	645,580	153	105
Groceries		5,482,060	5,399,910	5,776,410	102	95
<b>Business Failures—</b>						
Number		40	46	46	87	87
Liabilities		\$203,100	\$512,743	\$404,105	40	50
<b>Securities Sold—</b>						
To Banks		1,491,500	2,087,900	1,377,000	71	108
To Insurance Companies		1,266,000	1,209,500	1,040,100	105	122
To General Public		6,167,000	7,645,600	5,614,400	81	110
<b>Real Estate Activity in</b>						
<b>Hennepin and Ramsey Counties—</b>						
Warranty Deeds Recorded		1343	1324	1492	101	90
Mortgages Recorded		1505	1735	1829	87	82
<b>Member Bank Deposits—</b>						
In Cities under 15,000 Population		\$447,857,000	\$448,180,000	\$429,557,000	100	104
In Cities over 15,000 Population		460,361,000	459,106,000	411,099,000	100	112
<b>24 City Member Banks—</b>						
		Sept. 18, 1929	Aug. 14, 1929	Sept. 19, 1928	%Sept. 1929 of Aug. 1929	%Sept. 1929 of Sept. 1928
Loans Secured by Stocks and Bonds		\$ 85,770,000	\$ 86,890,000	\$ 76,644,000	99	112
All Other Loans		204,011,000	182,174,000	168,816,000	112	121
Securities		123,516,000	122,469,000	133,108,000	101	93
Net Demand Deposits Subject to Reserve		236,527,000	230,371,000	220,814,000	103	107
Time Deposits		132,036,000	130,244,000	130,611,000	101	101
Borrowings at Federal Reserve Bank		29,856,000	17,840,000	12,308,000	167	243
<b>Minneapolis Federal Reserve Bank—</b>						
Bills Discounted		34,510,005	23,052,142	17,522,007	150	197
Federal Reserve Notes in Circulation		67,840,640	64,277,960	56,446,475	106	120



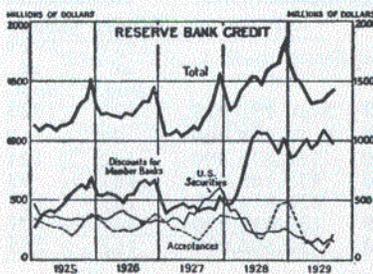
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average=100). Latest figure, August, 123.



Cars of revenue freight loaded, as reported by the American Railway Association. Index numbers adjusted for seasonal variations (1923-25 average=100). Latest figures, August, total 109, miscellaneous 113.



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



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 22 days in September.

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

Production in basic industries increased somewhat in August as compared with July, but the increase was less than is usual at this season, with the consequence that the Board's index of industrial production, which makes allowance for usual seasonal changes, showed a decline. Wholesale prices declined slightly. Credit extended by member banks increased between the middle of August and the middle of September, reflecting chiefly a growth in commercial loans.

**PRODUCTION:** During the month of August, there was a reduction in the output of iron and steel and copper, and a slight decline in the production of automobiles. Meat packing establishments were also somewhat less active during the month, while seasonal increases were reported in the production of textiles and shoes, coal and cement, flour and sugar and petroleum output continued to expand. A slight increase in the number of workers employed in factories was accompanied by a substantial increase in payrolls. This increase was especially notable in industries manufacturing products for the autumn retail trade, such as clothing and furniture. For the first two weeks of September, reports indicate a further decline in steel operations, reduction in lumber output resulting in part from the Labor Day holiday, and a continued seasonal rise in coal production. In the construction industry, contracts awarded in August were 25 per cent less than in July, reflecting a sharp decline in the residential group as well as in contracts for public works and utilities which were unusually large in July. As compared with last year, contracts were 5 per cent lower in August, but in the first two weeks of September they were in approximately the same volume as in 1928.

The September report of the Department of Agriculture indicates a corn crop of 2,456,000,000 bushels, 13 per cent less than in 1928 and 11 per cent under the five-year average. The estimated wheat crop of 786,000,000 bushels is substantially below last year, but only slightly less than the five-year average. Cotton production, estimated on August 1 at 15,543,000 bales, is now expected to total 14,825,000 bales which is slightly above last year.

**DISTRIBUTION:** Freight carloadings increased seasonally in August as a consequence of larger shipments of all classes of freight except grains, which moved in smaller volume than in July when shipments of wheat were unusually large. In comparison with 1928, total carloadings showed an increase of 5 per cent. Sales of department stores in leading cities were larger than in July and about 5 per cent above the total of August, 1928.

**PRICES:** Wholesale prices showed a slight downward movement in August, according to the index of the United States Bureau of Labor Statistics. This reflected chiefly declines in the prices of farm products, especially grain and flour and live stock and meats. Woolens and worsteds also decreased in price, while silk and rayon materials were higher. There was a decline in prices of iron and steel and automobiles, and a further decrease in prices of petroleum and its products, especially gasoline. Coal prices advanced during the month. In the middle of September, the prices of grains, beef, raw sugar, silk and coal were higher than at the end of August, while prices of hogs, pork and cotton were somewhat lower.

**BANK CREDIT:** Between the middle of August and the middle of September, there was a further rapid increase in loans for commercial and agricultural purposes at member banks in leading cities. Security loans also increased, while investments continued to decline. During the first half of September, the volume of Reserve Bank Credit outstanding was about \$120,000,000 larger than in the middle of the year. The increase was for the most part in the Reserve Banks' acceptance holdings and reflected chiefly growth in the demand for currency, partly seasonal in character. Discounts for member banks, following the increase over the holiday period early in September, declined at the time of the Treasury financial operations around the middle of the month, and on September 18 were at a lower level than at any time since last June. Open market rates on prime commercial paper increased from a range of 6-6¼ per cent to a prevailing level of 6¼ per cent during the first week in September, while acceptance rates remained unchanged.