

MONTHLY REVIEW

OF AGRICULTURAL AND BUSINESS CONDITIONS IN THE NINTH FEDERAL RESERVE DISTRICT

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DISTRICT SUMMARY OF BUSINESS

In September it became evident that it was the early grain movement that had caused the abnormal increases in several business records during August. The marketing of grain slackened during September and the first part of October. Whether this decrease in grain receipts at terminal markets in the district was due to the small crop or to the unfavorable storage situation at terminal elevators or to early marketing in August, is not at the present time fully discernible. It is probable that all three causes were responsible, in part, for the development. During September the cash value of grains and potatoes marketed was only 40 per cent as large as the value of marketings in September last year, in spite of the higher prices prevailing. Freight carloadings in the northwestern district have also been adversely affected by the decline in grain carloadings, which were smaller in September than in August and 36 per cent smaller than in September last year. There was also a minor decline in forest product shipments as compared with September a year ago, and total carload freight shipments were 2 per cent smaller in September this year than in September, 1928.

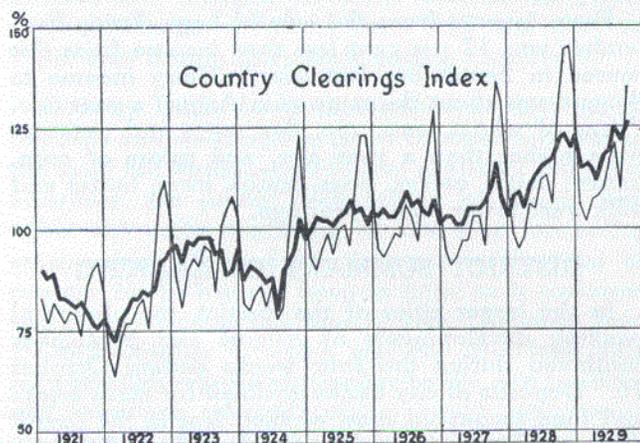
Debits to individual accounts continued to indicate a larger volume of business transactions during September than in the same month last year, although the percentage of increase was smaller than

the increase reported in August. The total debits to individual accounts at sixty-nine cities was 11 per cent larger in September this year than in September a year ago. However, only forty-nine cities reported increases, whereas fifty-eight cities reported increases in August. The country check clearings index for September was 4 per cent larger than the index for September last year. Building contracts, linseed product shipments, postal receipts, department store sales, life insurance sales, security sales and wholesale trade were all larger in September this year than in the corresponding month last year. Building permits, flour shipments and country lumber sales declined. Business failures were only forty-one in number in September this year as compared with sixty-seven in September last year, according to the reports of R. G. Dun and Company.

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

| | First Quarter | Second Quarter | Third Quarter | August 1929 | September 1929 |
|--------------------|------------------|-------------------|------------------|----------------|-------------------|
| Duluth | 105 | 90 | 127 | 170 | 90 |
| Minneapolis | 114 | 100 | 128 | 144 | 122 |
| St. Paul | 104 | 103 | 110 | 119 | 106 |
| South St. Paul... | 97 | 110 | 102 | 101 | 94 |
| Rural Minnesota . | 104 | 105 | 111 | 111 | 114 |
| Montana | 115 | 116 | 124 | 125 | 113 |
| No. Michigan ... | 115 | 109 | 107 | 105 | 106 |
| North Dakota ... | 115 | 111 | 105 | 106 | 106 |
| South Dakota ... | 110 | 108 | 108 | 112 | 101 |
| N. W. Wisconsin.. | 107 | 113 | 109 | 119 | 101 |
| Ninth District ... | 110 | 103 | 120 | 132 | 111 |

During the first part of October, available records indicate that the volume of business in the district was less than in October a year ago. Debits to individual accounts at seventeen cities were 7 per cent smaller in the two weeks ending October 16 than in the corresponding weeks last year. Country check clearings for the first fifteen business days of October were 6 per cent smaller than in the same days last year. The daily average of building contracts in the northwestern district during the first fifteen business days of October was \$148,400, as compared with the daily average for the month of October, 1928, of \$367,500, according to reports of the F. W. Dodge Corporation.



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

| Number of Business Days: All States in District..... | September | August | September | August |
|---|-----------------|-------------|-------------|-----------|
| | 1929 | 1929 | 1928 | 1928 |
| | 24 | 27 | 24 | 27 |
| | (000's omitted) | | | |
| Michigan | | | | |
| Escanaba (1 bank)..... | \$ 1,196 | \$ 971 | \$ 1,036 | \$ 908 |
| Hancock | 1,998 | 2,127 | 2,348 | 2,357 |
| Houghton (1 bank)..... | 796 | 790 | ..... | ..... |
| Iron Mountain | 4,700 | 4,916 | 4,381 | 4,121 |
| Iron River, Caspian, Stambaugh | 2,048 | 1,764 | 1,881 | 1,571 |
| Manistique (1 bank)..... | 613 | 518 | ..... | ..... |
| Marquette | 5,472 | 5,695 | 5,176 | 4,900 |
| Menominee | 3,727 | 3,429 | 3,461 | 4,307 |
| Sault Ste. Marie | 3,663 | 3,628 | 3,144 | 3,232 |
| Minnesota | | | | |
| Albert Lea | 2,535 | 3,475 | 2,158 | 3,120 |
| Austin (2 banks) | 3,722 | 3,876 | 3,236 | 2,985 |
| Benson (1 bank) | 724 | 679 | 361 | 347 |
| Chaska | 623 | 757 | 492 | 609 |
| Chisholm | 850 | 1,123 | 701 | 1,029 |
| Cloquet | 2,440 | 2,052 | 1,753 | 2,041 |
| Crookston (1 bank) | 1,317 | 1,125 | 1,009 | 1,087 |
| Detroit Lakes | 1,054 | 1,084 | ..... | ..... |
| Duluth | 115,320 | 119,041 | 128,135 | 70,289 |
| Ely | 714 | 479 | 626 | 466 |
| Glenwood | 474 | 509 | 505 | 475 |
| Hutchinson | 1,241 | 1,243 | 1,132 | 1,197 |
| Little Falls | 1,260 | 1,257 | 815 | 1,044 |
| Mankato | 7,408 | 7,584 | 6,785 | 7,074 |
| Minneapolis | 602,647 | 608,220 | 494,194 | 423,582 |
| Morris | 714 | 650 | 652 | 542 |
| Owatonna | 3,041 | 2,965 | 2,356 | 2,360 |
| Park Rapids | 483 | 541 | 508 | 605 |
| Red Wing | 2,610 | 2,872 | 2,381 | 2,498 |
| Rochester | 6,935 | 6,757 | 6,527 | 6,746 |
| St. Cloud (1 bank)..... | 427 | 474 | 375 | 390 |
| St. Paul | 188,224 | 194,734 | 178,369 | 164,176 |
| South St. Paul..... | 34,601 | 31,364 | 36,834 | 31,104 |
| Stillwater | 3,198 | 3,462 | ..... | ..... |
| Thief River Falls..... | 1,156 | 1,034 | 814 | 796 |
| Virginia | 2,792 | 3,078 | ..... | ..... |
| Wabasha | 814 | 861 | 811 | 906 |
| Wadena | 1,222 | 1,180 | 1,130 | 1,085 |
| Wheaton | 652 | 578 | ..... | ..... |
| Willmar | 951 | 2,235 | ..... | ..... |
| Winona | 7,884 | 7,814 | 7,407 | 7,084 |
| Worthington (1 bank)..... | 885 | 802 | 915 | 778 |
| Montana | | | | |
| Billings | 11,156 | 10,103 | 10,699 | 9,181 |
| Bozeman | 2,917 | 2,794 | 2,924 | 2,501 |
| Butte (2 banks) | 15,617 | 17,314 | 13,044 | 11,392 |
| Deer Lodge | 1,228 | 1,202 | 977 | 1,070 |
| Glendive | 1,464 | 1,307 | 1,447 | 1,325 |
| Great Falls | 25,488 | 24,255 | 19,914 | 17,298 |
| Helena | 10,702 | 11,407 | 10,170 | 10,822 |
| Lewistown | 3,315 | 2,979 | 3,653 | 2,873 |
| Miles City (1 bank)..... | 2,816 | 1,940 | 3,277 | 2,132 |
| North Dakota | | | | |
| Bismarck | 4,909 | 4,074 | 4,568 | 4,458 |
| Devils Lake | 2,592 | 1,912 | 2,421 | 1,764 |
| Dickinson | 1,780 | 1,910 | 1,640 | 1,569 |
| Fargo | 19,788 | 20,599 | 20,028 | 18,597 |
| Grand Forks | 9,618 | 7,936 | 9,932 | 8,221 |
| Jamestown | 3,373 | 3,199 | 3,560 | 2,931 |
| Mandan | 1,334 | 1,622 | 1,742 | 1,722 |
| Minot | 10,883 | 8,621 | 8,852 | 8,585 |
| Wahpeton | 1,248 | 1,171 | 942 | 775 |
| Williston | 3,218 | 2,021 | 2,064 | 1,388 |
| South Dakota | | | | |
| Aberdeen | 8,240 | 8,295 | 8,711 | 7,988 |
| Brookings (1 bank)..... | 1,355 | 1,124 | 1,316 | 988 |
| Huron | 5,671 | 5,797 | 5,970 | 5,424 |
| Lead | 1,417 | 1,460 | 1,311 | 1,271 |
| Madison (1 bank)..... | 932 | 966 | ..... | ..... |
| Mitchell (2 banks)..... | 4,630 | 4,838 | 4,332 | 4,308 |
| Mobridge | 946 | 757 | 924 | 817 |
| Pierre | 1,443 | 1,375 | 1,460 | 1,515 |
| Rapid City | 4,615 | 5,061 | 5,615 | 4,252 |
| Sioux Falls | 21,459 | 24,120 | 19,892 | 20,175 |
| Watertown | 4,923 | 4,565 | 4,335 | 4,262 |
| Yankton (4 banks)..... | 2,328 | 2,610 | 2,402 | 2,361 |
| Wisconsin | | | | |
| Ashland | 2,500 | 2,702 | ..... | ..... |
| Chippewa Falls | 2,630 | 2,829 | 2,702 | 2,639 |
| Eau Claire | 8,290 | 9,068 | ..... | ..... |
| Hudson | 686 | 600 | 709 | 576 |
| La Crosse | 12,897 | 14,300 | 13,059 | 12,290 |
| Merrill (1 bank)..... | 1,537 | 2,055 | 1,307 | 1,381 |
| Superior | 10,189 | 9,981 | 9,999 | 8,167 |
| Total for all Cities Reporting | | | | |
| Both Years | \$1,232,037 | \$1,242,031 | \$1,108,306 | \$942,729 |

DISTRICT SUMMARY OF AGRICULTURE

Estimates of the size of 1929 crops were increased on October 1 by the United States Department of Agriculture, with the exception of the estimate for durum wheat. Crops have been spotted this year in the Northwest and it has been difficult to make a close estimate as to the probable yield. On October 1 it was estimated that all crops would be smaller than last year's crops, with the exception of corn, and that all crops would be smaller than the ten-year average, with the exception of winter wheat, barley and tame hay. The quality of this year's crops is high.

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

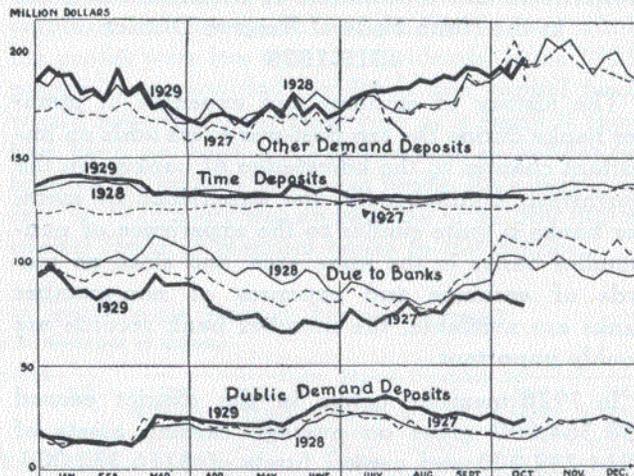
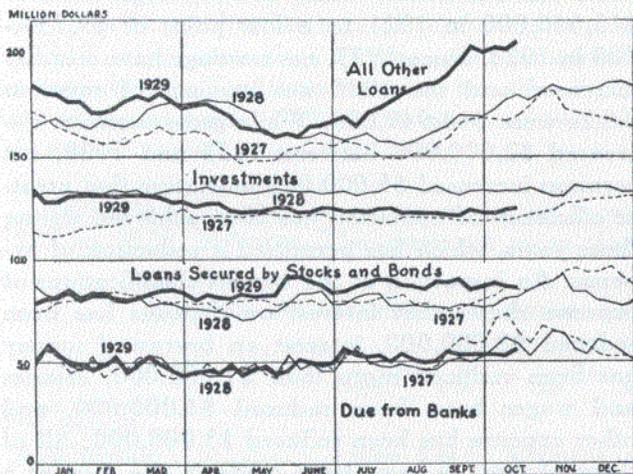
| CASH CROPS— | % 1929 of | |
|-------------------------|-----------|------------------|
| | 1929 | Ten-year Average |
| Spring Bread Wheat..... | 67.1 | 85.6 |
| Durum Wheat | 55.7 | 84.3 |
| Winter Wheat | 75.5 | 101.3 |
| Rye | 82.9 | 60.2 |
| Flax | 88.5 | 96.2 |
| Potatoes | 58.9 | 67.5 |
| FEED CROPS— | | |
| Corn | 101.0 | 99.0 |
| Oats | 87.4 | 89.1 |
| Barley | 88.4 | 163.2 |
| Tame Hay | 87.6 | 104.0 |

The grain storage situation at northwestern terminal markets has shown very little change during the four weeks ending October 12. According to tabulations of the American Railway Association, public and private elevators and mills at Minneapolis and Duluth-Superior added three million bushels to their already burdensome stocks. In both cities temporary storage facilities were also being used and at Duluth 357,000 bushels of grain were reported to be in boats for winter storage.

Farm income from the sale of hogs during September was 12 per cent less than income from this source in September last year. Dairy income in August was about the same as in August a year ago. Prices of wheat, oats, rye, flax, eggs and potatoes were higher than a year ago, and prices of corn, barley, cattle, calves, hogs, lambs, ewes, butter and milk were lower than a year ago.

DISTRICT SUMMARY OF BANKING

In the larger cities of the district, the abnormal banking developments of August and September continued during the four weeks ending October 16. Deposits of city banks declined for three weeks and then recovered most of their loss in the fourth week of this period. Usually there is a sharp increase in city bank deposits at this time of year. The most unusual feature of the sidewise movement of deposits was that deposits due to country corre-



Principal Assets and Liabilities of Selected City Member Banks in the Ninth Federal Reserve District, as Reported Weekly in 1927, 1928 and 1929.

spondent banks have decreased slightly in the four-week period, whereas in all of the previous three years for which we have records, this class of deposits has increased during this four-week interval. On October 16 the total deposits of reporting city banks were sixteen million dollars smaller than on the corresponding date last year.

On the asset side of the combined balance sheet of these city banks there was very little change during the four weeks ending October 16. Loans to customers increased slightly. On October 16 these city banks were borrowing forty million dollars from the Federal Reserve Bank, as compared to sixteen million dollars on the corresponding date last year.

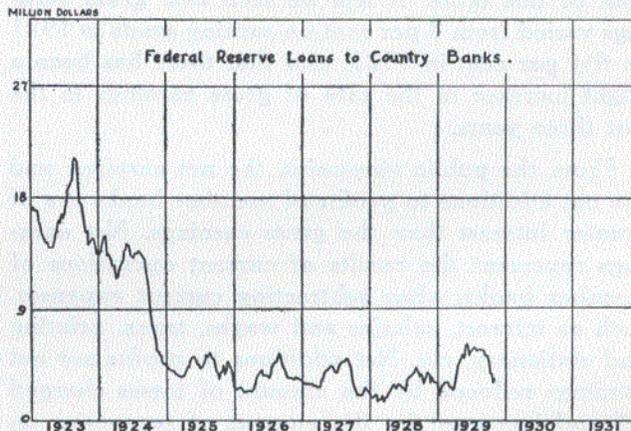
The national banks in Minneapolis increased their interest rate charged on loans secured by prime stock exchange collateral from 6½ per cent to 7 per cent during the month ending October 15.

Country banks have experienced an increase in deposits and shrinkage in loans to customers during the early fall weeks, according to available evidence. However, the partial crop failure has more than offset the early beginning of the crop marketing season this fall, and the increase in deposits of country banks has not been as large as is customarily experienced at this time of year. Between June 29 and October 4, which was the latest call date for condition reports of member banks, one hundred and seventeen selected country banks experienced an increase of 3 per cent in commercial and individual deposits, and a decrease of one-half of 1 per cent in loans to customers. At these banks, however, deposits of government funds decreased

sharply and a further reduction in security holdings occurred.

According to the evidence of these selected bank reports, the seasonal gain in deposits was largely confined to the wheat belt, although a minor increase occurred in the deposits of banks in the cattle and sheep range country. Similarly, the decrease in loans to customers was confined to these two areas.

Borrowings by country member banks from the Federal Reserve Bank decreased sharply during the four weeks ending October 16. All parts of the district contributed to the decrease, although the sharpest reduction in borrowings occurred in Montana and North Dakota, which include the major portion of the spring wheat belt. On October 16, total borrowings of country banks from this Federal Reserve Bank were slightly smaller than a year ago, owing to smaller borrowings by banks in the eastern part of the district.



Federal Reserve Loans to Country Banks in the Ninth Federal Reserve District.

EARNINGS and EXPENSES of MEMBER BANKS in the Ninth Federal Reserve District 1919-1928

The history of earnings and expenses of member banks during the ten post-war years adds an important chapter to the knowledge of banking in the Northwest. Undoubtedly, the experience of member banks is quite similar to the experience of non-member banks in the same area, and since no records of earnings and expenses of non-member banks are available, the member bank records are doubly important.

In 1928 member banks in the district earned \$59,364,000 gross on average earning assets of \$914,232,000 and capital funds of \$116,272,000. These earnings are the amount before deducting expenses or charge-offs and represent the gross earnings on loans and investments, charges for services and profits on assets sold. These gross earnings were the largest since 1923 and the amount of earning assets held by member banks was the largest in the ten-year record. It may seem unusual that, with a larger volume of earning assets to produce earnings than in any other post-war year, the gross earnings were not also at a new high level. The explanation of this anomaly is two-fold. In the first place, interest rates and bond yields were lower in 1928 than in the years of the period before 1923. In the second place, a larger proportion of earning assets consisted of bonds in 1928 than in the early years of the decade and bond yields are consistently lower than interest rates on local loans in the Northwest.

The record of earnings and expenses for the last ten years is shown in the table below. The course of gross earnings per one hundred dollars of earning assets is given in the fourth line from the bottom of this table. It will be seen that gross earnings varied from 8 per cent on earning assets in 1921 to $6\frac{1}{3}$ per cent in 1925, and that there has been a slight increase in the rate of gross earnings in the last three years.

From the public viewpoint, the net earnings and the net additions to profits of member banks are of greater interest than the gross earnings. Net earnings represent the results of current operations of member banks, after subtracting current expenses, such as interest, salaries and wages, taxes, printing and stationery, etc. Net additions to profits are net earnings reduced by the amount of losses charged off and increased by the amount of recoveries on assets previously charged off as losses. The amount of net earnings of member banks during the last ten

years has fluctuated widely from a high level of \$15,648,000 in 1921 to a low point of \$9,735,000 in 1923. Since 1923, net earnings have steadily increased and the 1928 net earnings of member banks were \$14,949,000. While gross earnings decreased \$2,000,000 between 1923 and 1928, net earnings increased \$5,000,000 indicating that greater efficiency of operation has been achieved during these years, which has permitted a reduction of expense. An inspection of the various classifications of expense shows that interest on deposits has been reduced \$2,000,000, interest on borrowed money has been reduced more than \$1,000,000, salaries and wages have been reduced \$1,000,000, and other expense has been reduced \$3,000,000. All of these economies have been made in the face of a small increase in the volume of earning assets.

Net additions to profits have fluctuated still more widely than net earnings. From the high point of \$12,522,000 in 1920, net additions to profits decreased to \$2,550,000 in 1923, and have since increased to \$7,982,000 in 1928. Losses began to be realized and charged-off in large amounts in 1921. Prior to 1923 there is no record of losses and recoveries separately, and the only figures shown in the table for the early years is an item of net losses, which consists of charge-offs minus recoveries. During the last six years, the largest charge-off of undesirable loans occurred in 1923 and the largest charge-off of investments occurred in 1928. Miscellaneous charge-offs in 1928 were more than double the amount in any previous year in the record, chiefly due to an increase in depreciation of banking house, furniture and fixtures. It is probable that bankers have followed the prudent course of making unusually large reductions in book value of their premises during a year of large earnings. One of the most favorable features of the 1928 returns was the large amount of recoveries of assets previously written off. This development bears witness to the strict policy followed by many banks of removing assets as soon as they begin to look doubtful. In spite of the large miscellaneous charge-offs, net additions to profits in 1928 exceeded the total for 1927 by \$921,000.

The net additions to profits represent the true earnings of the banking business, corresponding to the net earnings of industrial and commercial corporations. These net additions to profits are the funds from which stockholders receive dividends and which are used for the increase of capital and surplus for the expansion of the banking business. Measuring the net additions to profits by the amount

of capital funds invested in banking in the Northwest, it is found that the rate of profit was largest in 1919, when more than 10 per cent was earned on capital funds. Profits decreased to less than 2 per cent of capital funds in 1923 and increased to 6.87 per cent of capital invested in 1928.

Dividends were paid in excess of profits from 1922 to 1925, inclusive. This does not mean that

any particular bank paid dividends in excess of its earnings, but merely that for the district as a whole the profits were less than the dividends. Since 1925, profits have exceeded dividends and capital funds would have increased each year as a result if there had been no bank suspensions and consolidations to alter the records of capital funds. As a matter of fact, in 1928 there was an increase of \$2,000,000 in capital funds of member banks in the district.

EARNINGS AND EXPENSES—ALL MEMBER BANKS IN MINNEAPOLIS FEDERAL RESERVE DISTRICT
(All figures except ratios in thousands of dollars)

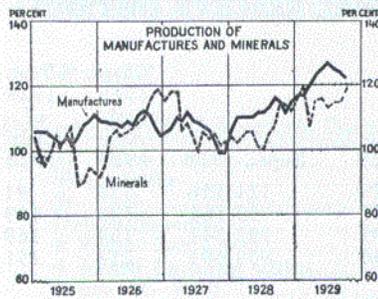
| | Years Ending June 30, 1919-1923 | | | | | Years Ending December 31 | | | | | |
|--|---------------------------------|-----------|-----------|-----------|-----------|--------------------------|-----------|-----------|-----------|-----------|-----------|
| | 1919 | 1920 | 1921 | 1922 | 1923 | 1923 | 1924 | 1925 | 1926 | 1927 | 1928 |
| Interest Earned | | | | | | \$ 56,457 | \$ 51,816 | \$ 51,098 | \$ 50,196 | \$ 48,997 | \$ 52,727 |
| Other Earnings | | | | | | 5,056 | 5,845 | 6,183 | 6,144 | 6,823 | 6,637 |
| Gross Earnings | \$ 55,298 | \$ 66,157 | \$ 74,936 | \$ 66,278 | \$ 61,994 | 61,513 | 57,661 | 57,281 | 56,340 | 55,820 | 59,364 |
| Interest on Deposits | 18,669 | 21,994 | 23,096 | 22,063 | 22,947 | 23,334 | 22,750 | 22,410 | 21,067 | 20,707 | 21,287 |
| Interest on Borrowed Money | 1,835 | 4,015 | 7,748 | 4,754 | 2,288 | 1,980 | 1,030 | 500 | 509 | 282 | 578 |
| Salaries and Wages | 10,083 | 12,282 | 14,310 | 13,956 | 13,789 | 13,761 | 12,923 | 12,631 | 12,390 | 12,305 | 12,590 |
| Taxes | 4,226 | 4,982 | 5,518 | 4,701 | 3,982 | | 3,651 | 3,440 | 2,994 | 2,940 | 2,920 |
| All Other Expenses | 6,203 | 7,718 | 8,616 | 7,991 | 8,992 | 12,703* | 7,173 | 6,827 | 6,772 | 6,807 | 7,040 |
| Total Expenses | 41,016 | 50,991 | 59,288 | 53,465 | 51,998 | 51,778 | 47,527 | 45,808 | 43,732 | 43,041 | 44,415 |
| Net Earnings | 14,282 | 15,166 | 15,648 | 12,813 | 9,996 | 9,735 | 10,134 | 11,473 | 12,608 | 12,779 | 14,949 |
| Losses on Loans | | | | | | 8,068 | 7,893 | 7,158 | 6,233 | 6,075 | 6,171 |
| Losses on Investments | | | | | | 299 | 604 | 648 | 770 | 703 | 791 |
| All other losses | | | | | | 786 | 692 | 948 | 1,280 | 1,164 | 2,438 |
| Total Losses | | | | | | 9,153 | 9,189 | 8,754 | 8,288 | 7,942 | 9,400 |
| Recoveries | | | | | | 1,968 | 1,825 | 2,231 | 2,107 | 2,224 | 2,433 |
| Net Losses | 2,434 | 2,644 | 5,021 | 7,222 | 6,693 | 7,185 | 7,364 | 6,523 | 6,181 | 5,718 | 6,967 |
| Net Addition to Profits | 11,848 | 12,522 | 10,627 | 5,591 | 3,303 | 2,550 | 2,770 | 4,950 | 6,427 | 7,061 | 7,982 |
| Dividends Declared | 8,890 | 8,528 | 7,401 | 6,708 | 8,893 | 6,658 | 5,368 | 5,301 | 5,652 | 5,721 | 5,990 |
| Loans | 568,783 | 690,826 | 704,762 | 681,781 | 690,972 | 684,260 | 633,201 | 604,988 | 570,862 | 545,171 | 550,665 |
| Investments | 178,519 | 182,169 | 159,645 | 160,291 | 193,157 | 202,676 | 230,273 | 293,253 | 310,579 | 325,732 | 363,567 |
| Total Earning Assets | 747,302 | 872,995 | 864,407 | 842,072 | 884,129 | 886,936 | 863,474 | 898,241 | 881,441 | 870,903 | 914,232 |
| Capital Funds (Cap. Sur. & U. P.) | 115,432 | 128,781 | 139,594 | 140,536 | 136,509 | 135,543 | 126,468 | 118,218 | 115,379 | 114,291 | 116,272 |
| Ratios: | | | | | | | | | | | |
| Gross Earnings per \$100 of earning assets | \$7.13 | \$6.94 | \$8.01 | \$7.72 | \$6.95 | \$6.94 | \$6.68 | \$6.38 | \$6.39 | \$6.41 | \$6.49 |
| Net Earnings per \$100 of earning assets | 1.91 | 1.74 | 1.81 | 1.52 | 1.13 | 1.10 | 1.18 | 1.28 | 1.43 | 1.47 | 1.64 |
| Earning Assets per \$1 of cap. funds | 6.47 | 6.78 | 6.19 | 5.99 | 6.48 | 6.54 | 6.83 | 7.60 | 7.64 | 7.62 | 7.86 |
| Net addition to profits per \$100 of capital funds | 10.26 | 9.72 | 7.61 | 3.98 | 2.42 | 1.88 | 2.19 | 4.19 | 5.57 | 6.18 | 6.87 |

*Including taxes.

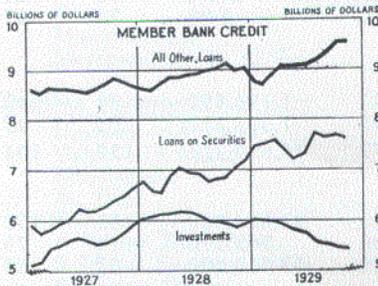
COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

| Debits to Individual Accounts, Daily Averages—Unit | Sept., 1929 | Aug., 1929 | Sept., 1928 | %Sept. | %Sept. |
|---|---|-------------------------------------|-------------------------------------|----------------------------|-----------------------------|
| | | | | 1929 of Aug. 1929 | 1929 of Sept. 1928 |
| 17 Cities | \$44,566,000 | \$40,167,000 | \$40,115,000 | 111 | 111 |
| Minneapolis | 25,035,000 | 22,527,000 | 20,546,000 | 111 | 122 |
| St. Paul | 7,843,000 | 7,212,000 | 7,432,000 | 109 | 106 |
| Duluth-Superior | 5,230,000 | 4,779,000 | 5,756,000 | 109 | 91 |
| 8 Wheat Belt Cities | 3,147,000 | 2,669,000 | 3,066,000 | 118 | 103 |
| 4 Mixed Farming Cities | 1,869,000 | 1,818,000 | 1,781,000 | 103 | 105 |
| South St. Paul | 1,442,000 | 1,162,000 | 1,535,000 | 124 | 94 |
| Carloadings-Northwestern District— | | | | | |
| Total—Excluding L. C. L. Cars | 589,509 | 664,989 | 603,988 | 89 | 98 |
| Grains and Grain Products | 66,712 | 90,933 | 103,288 | 73 | 64 |
| Livestock | 35,285 | 28,491 | 35,125 | 124 | 100 |
| Coal | 32,830 | 23,294 | 30,827 | 141 | 106 |
| Coke | 6,897 | 8,338 | 5,525 | 83 | 125 |
| Forest Products | 62,572 | 74,895 | 63,610 | 84 | 98 |
| Ore | 181,515 | 219,339 | 168,698 | 83 | 108 |
| Miscellaneous | 203,698 | 219,699 | 196,915 | 93 | 103 |
| Merchandise—L. C. L. Cars | 138,528 | 150,812 | 140,398 | 92 | 99 |
| Building Permits— | | | | | |
| Number—18 Cities | 1,811 | 1,803 | 1,738 | 100 | 104 |
| Value—18 Cities | \$4,051,500 | \$4,878,000 | \$4,946,900 | 83 | 82 |
| Minneapolis | 1,076,600 | 1,264,100 | 2,235,000 | 85 | 48 |
| St. Paul | 1,529,000 | 692,400 | 877,600 | 221 | 174 |
| Duluth-Superior | 638,500 | 1,549,400 | 341,500 | 41 | 187 |
| 4 Wheat Belt Cities | 372,500 | 512,300 | 793,200 | 73 | 47 |
| 6 Mixed Farming Cities | 334,100 | 654,200 | 644,900 | 51 | 52 |
| 4 Mining Cities | 100,800 | 205,600 | 54,700 | 49 | 184 |
| Building Contracts Awarded— | | | | | |
| Total | 7,640,600 | 8,303,100 | 6,811,400 | 92 | 112 |
| Residential | 1,246,000 | 1,468,400 | 1,861,500 | 85 | 67 |
| Commercial & Industrial | 2,444,400 | 1,571,300 | 1,588,600 | 156 | 154 |
| Public Works & Utilities | 2,660,500 | 3,254,500 | 2,666,400 | 82 | 100 |
| Educational | 225,000 | 967,700 | 174,700 | 23 | 129 |
| All Other | 1,064,700 | 1,041,200 | 520,200 | 102 | 205 |
| Cash Value of Farm Products Sold— | | | | | |
| Bread Wheat | 21,151,000 | 37,359,000 | 58,092,000 | 57 | 36 |
| Durum Wheat | 8,848,000 | 8,620,000 | 25,056,000 | 103 | 35 |
| Rye | 2,441,000 | 3,572,000 | 8,423,000 | 68 | 29 |
| Flax | 6,042,000 | 2,500,000 | 10,364,000 | 242 | 58 |
| Potatoes | 4,956,000 | 1,295,000 | 5,382,000 | 383 | 92 |
| Dairy Products—See Note | 19,978,000 | 24,374,000 | 20,044,000 | 82 | 100 |
| Hogs | 7,550,000 | 6,300,000 | 8,611,000 | 120 | 88 |
| Grain Stocks at End of Month at Minneapolis and Duluth-Superior— | | | | | |
| Wheat | 62,634,968 Bu. | 58,570,088 | 32,785,075 | 107 | 191 |
| Corn | 140,988 Bu. | 126,848 | 26,392 | 111 | 534 |
| Oats | 6,302,513 Bu. | 5,542,649 | 4,016,407 | 114 | 157 |
| Barley | 5,003,842 Bu. | 5,158,456 | 3,791,487 | 97 | 132 |
| Rye | 5,276,110 Bu. | 4,686,145 | 1,550,080 | 113 | 340 |
| Flax | 929,915 Bu. | 154,062 | 616,711 | 604 | 154 |
| Median Cash Grain Prices— | | | | | |
| Wheat—No. 1 Dark Northern | \$1.367 ³ / ₈ Bu. | \$1.373 ³ / ₈ | \$1.251 ¹ / ₈ | 100 | 109 |
| Durum—No. 2 Amber | 1.251 ¹ / ₈ Bu. | 1.281 ¹ / ₄ | 1.031 ¹ / ₄ | 98 | 121 |
| Corn—No. 3 Yellow | .921 ¹ / ₂ Bu. | .961 ¹ / ₂ | .97 | 96 | 95 |
| Oats—No. 3 White | .461 ¹ / ₄ Bu. | .401 ¹ / ₂ | .371 ¹ / ₄ | 114 | 124 |
| Barley—No. 3 | .60 Bu. | .563 ³ / ₈ | .61 | 105 | 98 |
| Rye—No. 2 | .97 Bu. | .971 ¹ / ₄ | .933 ³ / ₄ | 100 | 103 |
| Flax—No. 1 | 3.301 ¹ / ₂ Bu. | 2.79 | 2.071 ¹ / ₂ | 118 | 159 |
| Wholesale Produce Prices— | | | | | |
| Butter | \$.44 Lb. | \$.401 ¹ / ₂ | \$.461 ¹ / ₂ | 109 | 95 |
| Milk | 2.60 Cwt. | 2.47 | 2.65 | 105 | 98 |
| Hens—4 1/2 Pounds | .221 ¹ / ₂ Lb. | .211 ¹ / ₂ | .221 ¹ / ₂ | 105 | 100 |
| Eggs | .33 Doz. | .293 ³ / ₄ | .291 ¹ / ₂ | 111 | 112 |
| Potatoes | 1.35 Bu. | 1.35 | .521 ¹ / ₂ | 100 | 257 |

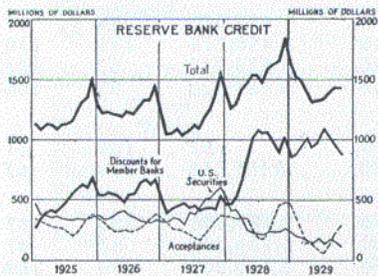
August, 1929; July, 1929, and August, 1928.



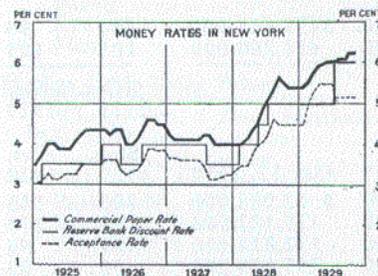
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-25 average=100). Latest figures, September, manufactures, 122, minerals, 119.



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



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 19 days in October.



Monthly rates in the open market in New York: commercial paper rate on 4- to 6-month paper and acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 23 days in October.

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

Industrial activity increased less in September than is usual at this season. Production during the month continued above the level of a year ago, and for the third quarter of the year it was at a rate approximately 10 per cent above 1928. There was a further decline in building contracts awarded. Bank loans increased between the middle of September and the middle of October, reflecting chiefly growth in loans on securities.

PRODUCTION: The output of iron and steel declined further in September contrary to the seasonal tendency. There was a sharp decrease in the output of automobiles and automobile tires, and a smaller than seasonal increase in activity in the textile and shoe industries, which continued to produce at a high rate in comparison with the preceding year. Meat packing plants were more active than in August. Factories increased the number of their employees during September and payrolls were also slightly larger. The output of coal showed a substantial increase from August and the average daily production of copper mines was somewhat larger. Iron ore shipments declined seasonally and petroleum output was reduced for the first time in several months. For the first half of October, reports indicate a further reduction in steel plant operations, a continued increase in production of bituminous coal and some increase in petroleum output, following a moderate decrease during September. Building contracts awarded in September declined seasonally from August and were substantially below the corresponding month in any year since 1924. For the third quarter, the volume of contracts was 6 per cent less than a year ago. During the first three weeks of October, contracts continued substantially below the level of last year.

October estimates by the Department of Agriculture indicate a cotton crop of 14,915,000 bales, 3 per cent larger than last year; a corn crop of 2,528,000,000 bushels, 11 per cent smaller than the crop of a year ago and 8 per cent below the five-year average; and a total wheat crop of 792,000,000 bushels, 12 per cent below last year, but only slightly under the five-year average.

DISTRIBUTION: Freight carloadings increased by slightly less than the usual seasonal amount in September, and continued to be larger than a year ago. In the first two weeks of October, carloadings were smaller than in the corresponding weeks of 1928. Department store sales in leading cities increased seasonably during the month of September and were 2 per cent larger than a year ago. For the third quarter as a whole sales of the reporting stores exceeded those of the third quarter of last year by 3 per cent.

PRICES: Wholesale prices showed little change from August to September, according to the index of the Bureau of Labor Statistics. Prices of meats and live stock declined considerably, while prices of grains advanced. The prices of raw silk, cotton and cotton goods were higher in September and the price of coal increased, while prices of iron and steel products, tin, gasoline, and cement were lower. During the first three weeks of October, prices declined for a considerable number of commodities, including wheat, flour, hides, steel, tin, cotton, silk and wool.

BANK CREDIT: Between the middle of September and the middle of October, there was a slight increase in the volume of loans and investments of member banks in leading cities. The banks' loans on securities increased rapidly, while "all other" loans, including loans for commercial and agricultural purposes, declined somewhat after reaching a seasonal peak on October 2. Security holdings of the reporting banks continued the decline which has been almost uninterrupted for more than a year. At the Reserve banks there was little change in the volume of credit outstanding during the four-week period ending October 19. Further increase in the holdings of acceptances by the Federal reserve banks was accompanied by a decline in discounts for member banks, largely at the Federal Reserve Bank of New York. Open market rates on bankers' acceptances and on prime commercial paper were unchanged during the last half of September and the first three weeks of October. On October 23 rates on bankers' acceptances declined by $\frac{1}{8}$ per cent to a 5 per cent level for the principal maturities. Rates on demand and time loans on securities declined during the first half of October.