

MONTHLY REVIEW

OF AGRICULTURAL AND BUSINESS CONDITIONS IN THE NINTH FEDERAL RESERVE DISTRICT

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DISTRICT SUMMARY OF BUSINESS

Business in the district continued to show no pronounced trend in either direction during February. Unseasonably large wheat marketings in February caused some of the business indexes to advance from the levels of January after seasonal correction. Debits to individual accounts were 2 per cent larger in February than in the corresponding month last year. Increases in debits were general throughout the district, except in the wheat belt and mining and lumber cities. The country check clearings index was 8 per cent smaller in February than a year earlier, all parts of the district showing decreases, except Montana. After seasonal corrections, both the individual debits curves and the country check clearings curves moved upward from the January levels.

Building permits in February were smaller than last year's volume in February, but building contracts awarded were larger. Postal receipts were about as large in February this year as a year ago. Electric power consumption in Minnesota, North Dakota and South Dakota was 6 per cent larger in January than in the corresponding month last year, but in Montana there was a decrease of 4 per cent, probably caused by smaller copper mining activity. Flour production and linseed product shipments were smaller than a year ago, but flour shipments from Minneapolis were slightly larger. Business failures numbered 48 in February, as compared with 47 in February a year ago.

Commodity movements and trade exhibited the same mixed trends which were in evidence in the more general business indexes. Freight carloadings in the northwestern district, excluding less-than-carlot shipments, were 8 per cent smaller in February than in the corresponding month a year ago. The decrease was chiefly due to smaller loadings of coal and coke, which in turn were probably accounted for by the mild winter. Carloadings of merchandise were about as large in February this year as a year ago. Increases occurred in life insurance sales, country lumber sales and wholesale trade in farm implements and groceries. Decreases occurred in department store sales, furniture sales, securities sales and wholesale shoe and hardware sales.

During the first half of March, individual debits and country check clearings were smaller than in the same period last year, and building contracts were larger.

DISTRICT SUMMARY OF AGRICULTURE

The two most significant facts in the latest month's figures are that farmers have smaller stocks of wheat on farms this year than a year ago, and that butter stocks have continued large in spite of low butter prices. Farm wheat stocks on March 1, as reported by the United States Department of Agriculture, amounted to 38 million bushels in Minnesota, North Dakota, South Dakota and Montana. Since seed requirements, if acreage should approximate last year's wheat acreage, will amount to 23 million bushels it can be seen that there is very little of last year's 184 million bushel wheat crop available for marketing from the farm. A year ago on March 1 there were 62 million bushels of wheat on farms, and the five-year average was 39 million bushels.

Stocks of rye and oats on farms on March 1 were smaller than stocks last year, and much smaller than the five-year average. Stocks of corn were larger than stocks a year ago, but smaller than the five-year average. Stocks of barley were smaller than last year, but larger than the five-year average.

Grain Stocks on Farms

March 1—Four States—000's omitted

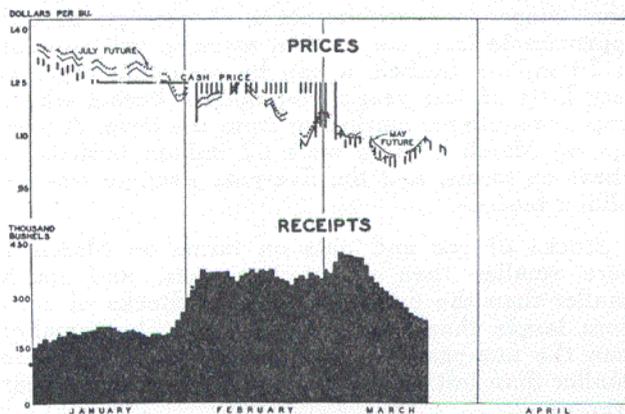
	Five-year Average	1929	1930
Wheat	39,133	62,090	38,103
Rye	3,687	2,933	2,286
Corn	77,863	70,676	74,663
Oats	117,982	113,718	91,566
Barley	24,381	49,568	38,460

The foregoing statements refer only to farm stocks. The figures for grain stocks in country mills and elevators have not been published as yet, but grain stocks at terminal elevators at Minneapolis and Duluth-Superior were more than 10 million bushels larger at the end of February than a year

earlier. The increase in these stocks consisted of 4 million bushels of wheat, 7 million bushels of oats, and smaller increases in stocks of barley, rye and flax, offset by a decrease in stocks of corn.

Wheat marketings at Minneapolis and Duluth-Superior during February and early March increased from the January level and were larger than in three of the last four years, in spite of the small crop harvested and the normal proportion of marketings in earlier months. This increase in receipts of wheat at terminal markets during February and March has been explained to be the result of the unusual position of cash wheat prices above futures prices beginning on January 29, and the later shift of the May future to a position above the July future price.

The accompanying chart shows the daily closing cash prices of Number 1 Northern Wheat at Minneapolis (the contract grade) from January 1 to the latest date before publication of this Review, together with the closing May and July futures for the same periods. From this chart the changes in relationships between cash prices and futures and between the two future prices can readily be seen. A seven-day moving average of wheat receipts at Minneapolis and Duluth-Superior is shown in the lower half of the chart.

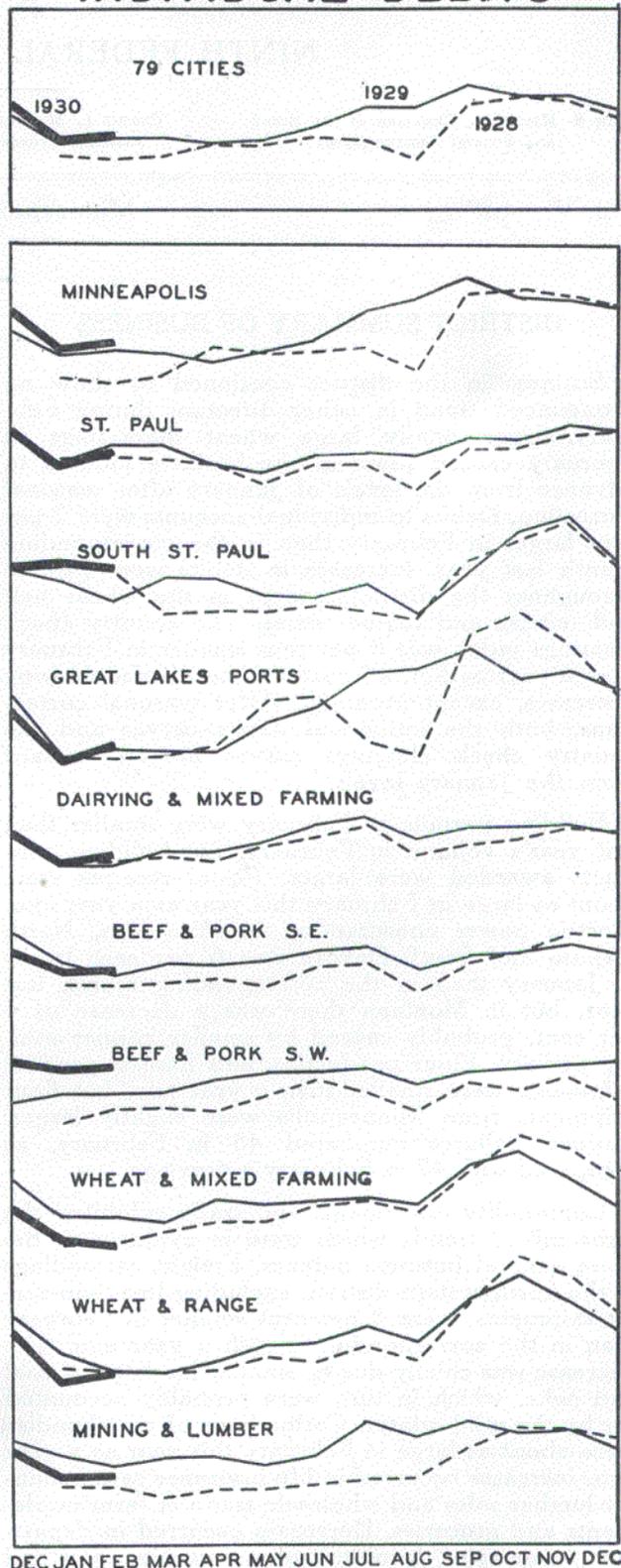


Wheat Prices at Minneapolis and Wheat Receipts at Minneapolis and Duluth-Superior, January-March 1930.

Stocks of butter in the United States on March 1 amounted to 46½ million pounds, as compared with less than 12 million pounds a year earlier and the five-year average of about 18 million pounds. The decrease in cold storage holdings during the month of February was less than 14 million pounds, which is approximately the same disappearance that occurred a year ago and on the five-year average during February. The price of butter remained unchanged during February, and was at a level 14 cents a pound lower than a year ago.

The income from the spring pig crop in the Ninth Federal Reserve District was estimated at 91 mil-

NINTH FED. RES. DISTRICT INDIVIDUAL DEBITS



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

lion dollars, which was a decrease of 6 per cent from the income derived from the spring pig crop of 1928. The income from the sale of hogs was slightly larger during the early months of the selling season for the 1929 crops than a year earlier, but this increase was more than offset by later declines.

The number of cattle on feed in Minnesota on January 1 was estimated by the United States Department of Agriculture to be 15 per cent larger than the number on feed a year earlier. In South Dakota, the number of cattle on feed was estimated to be equal to the number a year ago. Profits from feeding steers purchased in the early fall of 1929 have been more satisfactory than profits from feeding steers purchased a year earlier. The prices at which feeder steers were purchased in September 1929 were lower than prices in September a year ago, and the February 1930 prices of fat steers were higher than prices a year ago.

Farm income from cash crops, hogs and dairy products combined during February was 10 per cent smaller than the income from these sources in February 1929. This is a more favorable showing than was made in January, owing to marketings of bread wheat, which were unusually heavy for this time of year. Price increases, as compared with February last year, occurred in flax, potatoes, butcher steers and hogs. Price decreases occurred in wheat, corn, oats, barley, rye, veal calves, lambs, ewes, butter and milk.

DISTRICT SUMMARY OF BANKING

Country banks experienced a further loss of deposits during February, reflecting the continued effect of the small wheat crop, as well as purely seasonal factors. Deposit losses, as compared with January, occurred chiefly in Montana and North Dakota. All states lost deposits during the year ending with February 1930. The most serious decrease occurred in Montana where deposits in February were 11 per cent smaller than a year ago. The deposit decrease during the year was 7 per cent in North Dakota and 4 per cent, or less, in the other states.

The decrease in country member bank deposits was not accompanied by an increase in borrowings from this Federal Reserve Bank, although such a result has usually occurred following deposit shrinkages during the last ten years. Probably the rising bond market has made it possible for country banks to dispose of securities to secure funds with which to meet deposit withdrawals. In fact, during the last quarter of 1929 the abstracts of called reports indicated that a trend towards smaller bond accounts had begun.

Analyzing the borrowings of country member banks in greater detail, it is found that borrowings by member banks in the eastern half of the district

were reduced during March to near the low level for the post-war period. The seasonal upturn of deposits in February in the eastern portion of the district, the very moderate decrease in deposits during the year, and the improvement in the bond market were probably all factors in this development. In North Dakota and Montana combined borrowings from this bank increased moderately from the beginning of the year until the latest reported date, following the usual seasonal trend, and borrowings by banks in that area were larger on March 19 than on the corresponding date in any year since 1924. Borrowings by South Dakota member banks have followed a slightly declining trend since December, but were higher on March 19 than on the same date in any year since 1927.

City member banks experienced a sharp increase in deposits during the six weeks ending March 12 amounting to 24 million dollars, which was more than the increase experienced in these weeks in the preceding three years. This increase was followed by a seasonal decrease in the succeeding week. The greater part of the increase was in deposits of public funds, which increased 14 million dollars. The remainder of the increase occurred in deposits due to correspondent banks, and this in turn was directly due to the deposits of public funds at country banks, following the collection of personal property taxes at the end of February. Commercial and individual demand deposits and time deposits decreased moderately at the close of February as a result of tax payments.

The net result of these deposit changes was to decrease the deficiency in total deposits of city member banks as compared with last year's figures of corresponding dates to 9 million dollars. All classes of deposits, except deposits of government funds, were smaller on March 19 than a year ago. Deposits due to correspondent banks showed the largest decrease from last year's figures, and have fluctuated around the levels established last fall when the small wheat crop made it necessary for country banks to carry smaller correspondent bank balances. The demand for loans by customers of city member banks did not show as large an increase in February and early March as was evidenced a year ago. The result was that loans to customers reported by city banks were only 8 million dollars larger on March 19 than a year earlier, as compared with the 16 million dollar increase reported a month earlier. The small increase in customers' loans, together with the sharp deposit increase, made it possible for city member banks to increase their invested funds, bonds, brokers' loans, commercial paper and acceptances moderately during the six weeks ending March 19, but these invested funds on that date were 22 million dollars smaller than holdings a year earlier. Borrowings by these banks from the Federal Reserve Bank were negligible in recent weeks. A year ago at this time, these city banks were borrowing 15 million dollars from this bank.

Interest rates at Minneapolis declined further, according to the latest reports. The brokers' commercial paper rate to borrowers during February was reduced one-fourth of 1 per cent to a 5 per cent level. Interest rates on prime loans quoted by Minneapolis commercial banks were reduced during the month ending March 15 to a level of $5\frac{1}{2}$ - $5\frac{3}{4}$ per cent. The discount rate of this Federal Reserve Bank remained unchanged at $4\frac{1}{2}$ per cent.

BANKING DURING 1929

The banks of the district experienced an unfavorable year in 1929. The small wheat crop and the lower price of dairy products, wool and some other commodities caused a decrease in bank deposits. There was not an equivalent reduction in loans, and the banks were compelled to reduce investment holdings and correspondent bank balances and to increase their borrowings from other banks. In the cities, large grain stocks piled up causing an unusual increase in loans. Among the favorable banking developments in the district during the year were a reduction in the number of bank failures, a reduction in holdings of real estate and an increase in the average size of country banks.

Deposits of banks in the district experienced a shrinkage of 89 million dollars, or more than 5 per cent, during the year. City banks lost 39 million dollars of deposits, partly owing to smaller balances carried with them by country correspondent banks. Country banks in the district lost 50 million dollars of deposits mainly in North Dakota and Montana, where the deficiency in the wheat crop was the most important depressing influence. Smaller decreases in deposits occurred in all of the other states of the district.

Loans decreased 15 million dollars during the year. At the city banks there was an increase of 17 million dollars in loans owing, as before stated, to the piling up of abnormally large stocks of grain at terminal elevators. The country banks experienced a decrease in loans of 32 million dollars, which was a smaller decrease than the decline in their deposits. All states shared in the loan decrease, except South Dakota and upper Michigan.

Security holdings of banks in the district decreased 32 million dollars during the year. More than half of the decrease, or 20 million dollars, occurred at city banks and the other 12 million dollars represented the decrease at country banks. Security holdings of country banks in all states of the district decreased, with the exception of South Dakota.

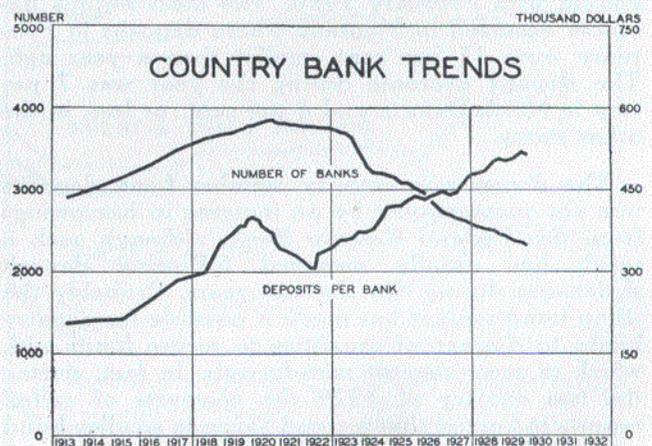
Reserves with the Federal Reserve Bank, balances due from other banks, cash and cash items decreased 26 million dollars during the year. Both city and country banks experienced decreases in these items.

"Other real estate" decreased 6 million dollars at country banks in the district. All states shared in the decrease, except the upper peninsula of Michigan.

Borrowings from other banks increased 8 million dollars. The largest increase in borrowings was reported by city banks. The country banks in all states, except Minnesota, reported larger borrowings from other banks.

The number of banks showed a further reduction of 144 banks during the year. Of this reduction, 84 banks failed and the remaining banks went out of existence through consolidation or voluntary liquidation. There was a shrinkage in the number of banks in all states of the district, except upper Michigan, but the decrease in number of banks was very small in Montana and Wisconsin. The total decrease in number of banks was the largest in any year since 1926. It will be recalled that by June 30, 1926 the number of banks operating in the district had been reduced to the number in existence on the same date in 1913, or 2,928 banks. At the close of 1929 the number of banks in operation had been reduced to 2,353, according to the official abstracts of condition reports.

The banks which have gone out of existence in recent years have been chiefly very small banks and the district total deposits have not shown the same percentage decrease that has occurred in the number of banks. Consequently, the average country bank operating in the district is larger than the average bank operating heretofore. During 1929, the average deposits per country bank increased from \$506,000 to \$515,000 in spite of the important unfavorable economic conditions which developed during the year.



Average Deposits per Country Bank and Number of Country Banks in the Ninth Federal Reserve District, 1913-1929.

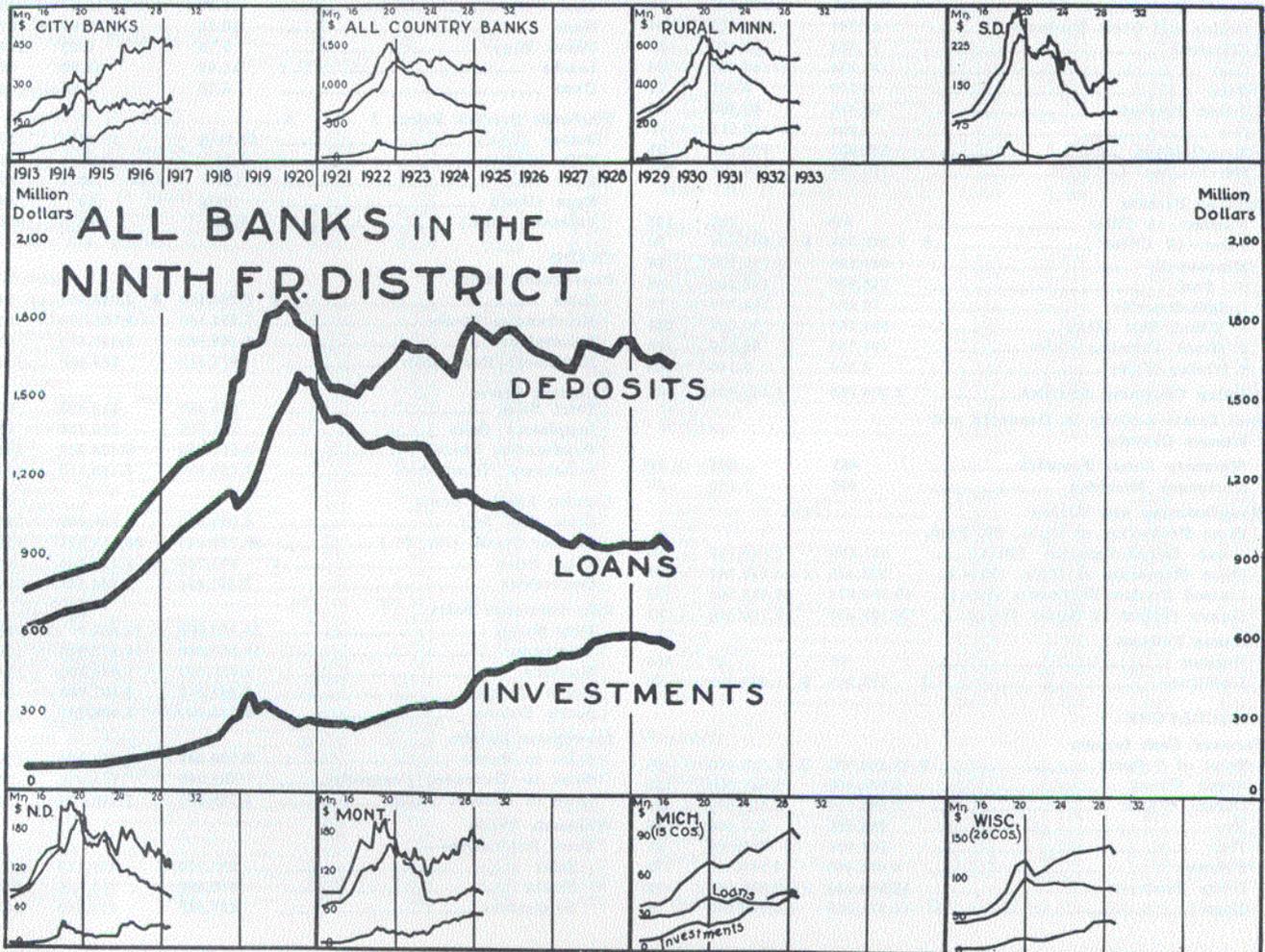
BANK RETURNS IN THE NINTH FEDERAL RESERVE DISTRICT

(000's omitted)

December 31, 1929	Loans	Investments	Cash and Due from Banks	Deposits	Borrowings	No. of Banks
Minnesota						
City Banks**	\$238,981	\$178,096	\$100,585	\$436,615	\$8,056	29
Rural Minnesota	306,255	175,962	86,363	537,203	2,745	1,017
North Dakota	78,994	32,556	23,491	122,386	1,165	412
South Dakota	96,191	41,124	31,523	155,939	1,568	387
Montana	87,555	56,431	37,975	165,336	508	195
Michigan*	43,709	44,542	14,464	88,232	2,070	73
Wisconsin*	83,139	41,258	18,764	128,493	1,598	240
Total	\$934,824	\$569,969	\$313,165	\$1,634,204	\$17,710	2,353
December 31, 1928						
Minnesota						
City Banks**	\$222,349	\$198,017	\$112,723	\$475,400	\$2,064	33
Rural Minnesota	315,531	177,254	86,654	530,876	3,179	1,067
North Dakota	88,482	36,133	30,184	143,659	933	470
South Dakota	95,569	40,877	34,446	159,416	1,174	409
Montana	99,942	58,809	41,694	185,618	245	201
Michigan*	43,214	47,427	14,476	92,647	840	73
Wisconsin*	84,507	43,567	19,161	135,591	1,057	244
Total	\$949,594	\$602,084	\$339,338	\$1,723,207	\$9,492	2,497

*Portion of states in the Ninth Federal Reserve District.

**Twin City national banks and Minnesota savings banks and trust companies.



COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS		Per Cent Feb.'30 of Feb.'29		Grain Marketings at Minneapolis and Duluth-Superior (Bus.)		
	Feb., 1930	Feb., 1929	Feb.'29			
Debits to Individual Accounts¹				Bread Wheat 6,356,000 4,227,000 150		
All Reporting Cities	\$ 40,861,000	\$ 40,100,000	102	Durum Wheat	2,050,000	2,779,000 74
Minneapolis	18,078,000	17,322,000	104	Rye	409,000	630,000 65
St. Paul	7,310,000	7,607,000	96	Flax	84,000	245,000 34
South St. Paul	1,532,000	1,266,000	121	Grain Stocks at End of Month at Min- neapolis and Duluth-Superior (Bus.)		
Great Lakes Ports	3,536,000	3,497,000	101	Wheat	58,126,379	54,498,716 107
Beef and Pork, S. E.	1,348,000	1,352,000	100	Corn	1,828,661	2,536,199 72
Beef and Pork, S. W.	1,869,000	1,626,000	115	Oats	9,817,738	2,792,394 352
Dairy and Mixed Farming ..	1,840,000	1,714,000	107	Barley	5,562,204	5,524,859 101
Wheat and Mixed Farming ..	1,795,000	2,025,000	89	Rye	3,688,576	3,209,936 115
Wheat and Range	1,070,000	1,100,000	97	Flax	745,033	736,886 101
Mining and Lumber	2,483,000	2,591,000	96	Livestock Receipts at So. St. Paul (Head)		
Electric Power Consumption (K.W.H.)^{1, 2}				Cattle 47,432 35,833 132		
Minn., No. Dak., and So. Dak.	5,119,000	4,852,000	106	Calves	51,133	37,825 135
Montana	4,265,000	4,481,000	96	Hogs	266,216	239,247 111
Country Check Clearings¹				Sheep		
Total	\$ 3,253,000	\$ 3,524,000	92	66,417 41,128 161		
Minnesota	1,165,000	1,363,000	85	Median Cash Grain Prices (Bus.)		
Montana	592,000	583,000	102	Wheat—No. 1 Dark Northern	\$1.25	\$1.35 93
North and South Dakota	837,000	879,000	95	Durum—No. 2 Amber	1.12	1.31½ 85
Michigan and Wisconsin	650,000	691,000	94	Corn—No. 3 Yellow .....	.80	.91¼ 88
Postal Receipts				Oats—No. 3 White		
Six Cities	1,034,447	1,034,105	100	Barley—No. 3 .....	.55½	.48¾ 85
Minneapolis	526,091	540,518	97	Rye—No. 2 .....	.79	1.07¼ 74
St. Paul	346,499	334,913	103	Flax—No. 1	3.05½	2.55¼ 120
Duluth	54,079	61,563	88	Median Livestock Prices (Cwt.)		
Three Other Cities	107,778	97,111	111	Butcher Cows	\$7.50	\$8.00 94
Freight Carloadings—N. W. District				Butcher Steers		
Total—Excluding L.C.L.	300,261	327,229	92	Prime Butcher Steers	12.50	11.75 106
Grains and Grain Products	41,781	44,517	94	Feeder Steers	9.50	9.50 100
Livestock	31,656	32,487	97	Veal Calves	11.50	12.50 92
Coal	27,954	43,467	64	Hogs	10.25	10.00 103
Coke	6,196	8,547	72	Heavy Hogs	9.75	9.50 103
Forest Products	63,418	67,675	94	Lambs	11.00	16.00 69
Ore	1,605	2,211	73	Ewes	5.75	8.50 68
Miscellaneous	127,651	123,325	99	Wholesale Produce Prices		
Merchandise—L.C.L.	118,225	116,896	101	Butter (Lbs.)	\$0.32½	\$0.46½ 70
Building Permits				Milk (Cwt.)		
Number—18 Cities	549	328	167	Hens (Lb.) .....	.20	.23 87
Value—18 Cities	\$ 1,247,000	\$ 1,565,900	80	Eggs (Doz.) .....	.25¼	.30 84
Minneapolis	544,100	1,142,500	48	Potatoes (Bus.)	1.65	.66 250
St. Paul	145,900	148,600	98	TRADE		
Duluth-Superior	79,500	104,800	76	Department Stores		
4 Wheat Belt Cities	304,500	80,000	381	Sales	\$ 2,793,620	\$ 2,958,530 94
6 Mixed Farming Cities	164,700	86,900	190	Merchandise Stocks	7,393,130	8,733,800 85
4 Mining Cities	8,300	3,100	268	Receivables	3,458,950	3,539,690 98
Building Contracts Awarded 4,304,300 4,181,000 103				Instalment Receivables		
Real Estate Activity in Hennepin and Ramsey Counties				974,410 803,860 121		
Warranty Deeds Recorded	461	624	74	Furniture Stores		
Mortgages Recorded	907	1,160	78	Total Sales	324,480	418,480 78
Manufacturing and Mining				Instalment Sales		
Flour Production at Mpls., St. Paul, and Duluth-Superior (Bbls.)	941,590	1,048,132	90	Merchandise Stocks	2,516,950	2,423,330 104
Flour Shipments at Mpls. (Bbls.) ..	922,480	912,306	101	Instalment Receivables	3,230,900	3,160,710 102
Linseed Product Shipments (Lbs.) ..	19,092,273	36,693,262	52	Country Lumber Yards		
Copper Output (4 firms) (Lbs.)	28,492,600	39,703,000	72	Sales (Bd. Ft.)	4,000,000	3,285,000 122
Business Failures				Lumber Stocks (Bd. Ft.)		
Number	48	47	102	Total Sales	\$ 957,700	\$ 1,149,100 83
Liabilities	\$ 522,300	\$ 1,362,209	38	Receivables	3,387,600	3,244,100 104
AGRICULTURE				Life Insurance Sales		
Farmers' Cash Income				Four States		
Total of 7 items	\$ 43,894,000	\$ 48,592,000	90	Minnesota	24,969,000	21,601,000 116
Bread Wheat	8,996,000	6,653,000	135	Montana	18,357,000	15,592,000 118
Durum Wheat	2,296,000	3,658,000	63	North Dakota	2,321,000	1,974,000 118
Rye	323,000	676,000	48	South Dakota	1,847,000	2,007,000 92
Flax	257,000	625,000	41	2,444,000 2,028,000 121		
Potatoes	3,663,000	2,165,000	169	Investment Dealers		
Dairy Products	13,988,000	19,815,000	71	Sales to Banks	3,100,000	1,729,100 179
Hogs	14,371,000	15,000,000	96	Sales to Insurance Companies	569,200	764,000 75
				Sales to General Public		
				5,739,900 7,240,700 79		
				Wholesale Trade		
				Farm Implements—		
				Sales		
				295,150 232,150 127		
				Stocks		
				570,000 512,320 111		
				Receivables		
				487,960 475,820 103		

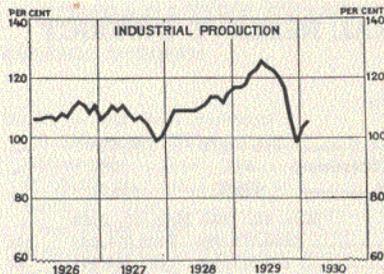
COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT
(Continued)

			Per Cent	Interest Rates ²	
	Feb., 1930	Feb., 1929	Feb. '30 of Feb. '29	Minneapolis Banks	Commercial Paper (net to borrower)
Groceries—				5½-5¾%	5¼-6%
Sales	3,677,640	3,594,810	102	5%	6%
Stocks	7,009,870	7,042,070	100	Minneapolis Fed. Res. Bank	4½%
Receivables	5,570,320	5,588,780	100		
Hardware—				Selected City Member Banks	Mar. 19, 1930
Sales	1,563,370	1,569,530	100	Loans to Customers	\$230,772,000
Stocks	2,849,110	3,087,030	92	Other Invested Funds	\$222,371,000
Receivables	2,682,720	2,584,700	104	Deposits Due to Banks	144,819,000
Shoes—				Public Demand Deposits	80,387,000
Sales	290,540	353,550	82	Other Demand Deposits	32,713,000
Stocks	1,457,580	1,771,580	82	Time Deposits	162,858,000
Receivables	1,143,270	1,109,550	103	U. S. Deposits	132,023,000
				Total Deposits	1,205,000
				Borrowings at Fed. Res. Bank	409,186,000
					14,835,000
BANKING				Minneapolis Federal Reserve Bank	
Member Bank Deposits				Total Loans to Member Banks	2,252,000
In Cities over 15,000 pop.	\$431,332,000	\$457,314,000	94	Twin Cities	44,000
In Cities under 15,000 pop.	438,044,000	460,531,000	95	Minn., Wis. and Mich.	621,000
Michigan—15 Cos.	62,393,000	65,296,000	96	No. Dak. and Montana	1,066,000
Minnesota	165,438,000	170,314,000	97	South Dakota	521,000
Montana	60,951,000	68,384,000	89	Fed. Res. Notes in Circulation	59,663,300
North Dakota	58,865,000	63,246,000	93		
South Dakota	60,997,000	62,290,000	98		
Wisconsin—26 Cos.	29,400,000	30,501,000	96		

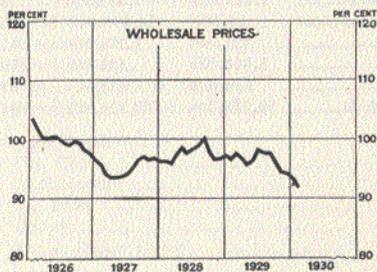
¹ Daily Averages.
² Latest Reported Data.

DEBITS TO INDIVIDUAL ACCOUNTS

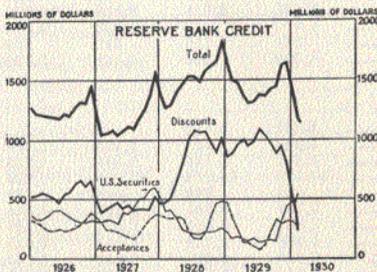
	February 1930	January 1930	February 1929	January 1929	
Number of Business Days:					
Wisconsin	23	26	23	26	
All Other States in District	22	26	22	26	
	(000's omitted)				
Michigan					
Escanaba (1 bank)	\$ 879	\$ 946	\$ 835	\$ 992	
Hancock	1,250	1,878	1,797	1,831	
Houghton (1 bank)	530	795	728	-----	
Iron Mountain	3,972	6,181	4,363	6,027	
Iron River, Caspian, Stambaugh	1,491	1,785	1,320	1,484	
Manistique (1 bank)	377	732	389	557	
Marquette	5,459	5,345	4,317	6,018	
Menominee	2,853	4,098	3,014	4,246	
Sault Ste. Marie	2,262	3,232	2,313	3,183	
Minnesota					
Albert Lea	2,501	2,594	2,729	2,906	
Austin (2 banks)	3,826	4,690	3,624	4,438	
Bemidji	1,318	1,487	1,425	1,491	
Chaska	503	671	380	572	
Chisholm	748	892	629	718	
Cloquet	3,075	2,334	2,266	2,033	
Crookston (1 bank)	1,336	1,270	984	1,021	
Detroit Lakes	677	790	653	839	
Duluth	60,049	64,266	60,143	66,721	
Ely	560	514	469	555	
Faribault	2,408	2,755	1,717	2,261	
Farmington	216	232	211	205	
Fergus Falls	2,148	3,113	2,500	3,384	
Glenwood	379	409	386	406	
Hutchinson	1,237	1,255	1,160	1,462	
Lanesboro	253	380	290	340	
Little Falls	838	984	901	902	
Luverne	927	986	809	963	
Mankato	5,367	6,608	5,261	6,603	
Minneapolis	397,704	455,073	381,074	435,800	
Moorhead	1,700	1,453	687	625	
Morris	469	611	463	659	
Owatonna	2,635	2,754	2,553	2,576	
Park Rapids	373	431	360	446	
Red Wing	2,049	2,603	2,176	2,543	
Rochester	5,426	6,215	5,466	7,033	
St. Cloud (1 bank)	309	360	334	334	
St. Paul	160,807	179,602	167,364	183,444	
South St. Paul	33,698	40,326	27,843	35,325	
Stillwater	2,321	2,660	2,196	2,362	
Thief River Falls	704	794	571	646	
Two Harbors	461	535	494	-----	
Virginia	1,969	2,265	-----	2,531	
Wabasha	830	925	733	750	
Wadena	808	915	753	358	
Wheaton	456	571	-----	-----	
Willmar	1,400	1,604	1,266	1,609	
Winona	6,298	7,635	6,431	7,752	
Worthington (1 bank)	818	883	571	750	
Montana					
Anaconda	1,745	2,395	1,864	2,212	
Billings	6,752	8,221	6,780	9,480	
Bozeman	1,945	1,910	2,395	2,686	
Butte (2 banks)	11,700	12,970	13,157	-----	
Deer Lodge	1,444	1,287	1,284	1,383	
Glendive	899	989	1,006	1,191	
Great Falls	13,599	14,909	13,420	17,909	
Hayes (1 bank)	454	687	505	844	
Helena	7,630	8,628	8,128	10,332	
Lewistown	1,920	-----	1,933	2,690	
Malta	587	750	545	823	
Miles City (1 bank)	1,359	1,499	1,443	1,796	
North Dakota					
Bismarck	8,811	9,677	-----	-----	
Devils Lake	1,240	1,614	1,433	1,793	
Dickinson	1,137	1,140	1,336	1,709	
Fargo	14,175	16,278	17,908	19,416	
Grafton	600	533	448	487	
Grand Forks	5,761	6,531	6,433	7,844	
Jamestown	1,974	2,620	2,056	2,567	
Mandan	1,223	1,538	1,251	1,637	
Minot	5,352	6,697	5,640	6,965	
Valley City	1,145	1,365	1,064	1,318	
Wahpeton	991	1,061	899	1,023	
Williston	1,291	1,294	1,375	1,409	
South Dakota					
Aberdeen	5,265	6,398	4,995	6,681	
Brookings (1 bank)	1,114	1,142	860	1,072	
Deadwood	662	928	669	877	
Huron	5,375	6,648	4,363	6,350	
Lead	1,143	1,204	1,093	1,275	
Madison (1 bank)	880	965	625	798	
Milbank	502	517	504	-----	
Mitchell (2 banks)	4,063	4,796	3,634	2,163	
Mobridge	1,499	691	531	806	
Pierre	1,169	1,445	1,071	1,362	
Rapid City	3,353	4,341	3,264	4,019	
Sioux Falls	21,978	24,779	18,307	22,349	
Watertown	3,626	5,497	4,399	5,839	
Yankton	2,414	2,458	2,949	3,191	
Wisconsin					
Ashland	2,364	2,322	2,011	2,357	
Chippewa Falls	1,964	2,259	2,291	2,462	
Eau Claire	6,453	8,385	6,598	8,069	
Hudson	522	514	479	562	
LaCrosse	10,971	12,840	11,419	13,194	
Merrill (1 bank)	1,773	1,375	1,186	1,210	
Superior	7,313	8,069	7,223	7,964	
Total for all Cities Reporting					
Both Years	\$879,472	\$1,004,273	\$861,011	\$993,159	



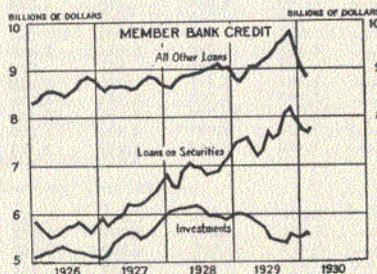
Index number of production of manufactures and minerals combined adjusted for seasonal variations (1923-1925 average=100). Latest figure, February, 105.



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, February, 92.1.



Monthly averages of daily figures for 12 Federal Reserve banks. Latest figures are averages of first 18 days of March.



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first 2 weeks in March.

Summary of National Business Conditions (Compiled March 21 by Federal Reserve Board)

Industrial production increased in February, while the number of workers employed in factories was about the same as in January. Wholesale commodity prices continued to decline. Credit extended by member banks was further reduced in February but increased in the first two weeks of March. Money rates continued to decline.

PRODUCTION: In February industrial production increased about 2 per cent, according to the Board's index, which is adjusted to allow for seasonal variations. This increase reflected chiefly a substantial gain in the output of iron and steel. Automobile production was in larger volume than during January, but was 30 per cent smaller than the large output of a year ago. Cotton and wool consumption by mills was substantially lower in February, and production of bituminous coal and copper also decreased. In the first two weeks of March, the output of steel mills declined in comparison with February, contrary to the usual seasonal movement. Bituminous coal output also was smaller. The volume of building contracts awarded in February was about the same as in the preceding month. Residential building continued at an exceptionally low level while contracts for public works and utilities were large in comparison with the corresponding month in other recent years. Awards in the first two weeks of March were larger than in the first half of February.

EMPLOYMENT: The volume of factory employment, which had reached a low point in January showed little change in February, when an increase usually occurs. Factory payrolls increased during the month, but by a smaller amount than is usual at this season. In the steel, automobile, agricultural implement and tobacco industries, employment increased during the four-week period, while further decreases occurred in the cotton and wool textile, lumber, automobile tire, electrical machinery and machine tool industries.

DISTRIBUTION: Freight carloadings on an average daily basis were slightly larger than in January but smaller than in the corresponding month of any other recent year. A slight seasonal increase was reported during early March. Department store sales in February continued to be below the level of a year ago.

PRICES: Wholesale prices of commodities declined further during February, and the Bureau of Labor Statistics index at 92.1 per cent of the 1926 average was at the lowest point since January, 1922. Marked declines occurred during the month in the prices of many agricultural products, including grains, hides, raw wool and cotton; in certain imported raw materials, notably sugar and silk; and also in textiles, petroleum and pig iron. During the first part of March, a number of these commodities declined still further in price. Wheat and cotton prices were considerably lower, and silver reached the lowest point on record. By the middle of the month, however, prices of cotton, hides, and silver had recovered somewhat.

BANK CREDIT: Liquidation of credit at member banks continued throughout February, and on February 26 total loans and investments of member banks in leading cities were in about the same volume as in the early summer of last year. During the following two weeks, however, there was an increase of \$230,000,000 in loans and investments, chiefly in loans on securities. All other loans, largely for commercial purposes, increased slightly. From the middle of February to the middle of March the volume of Reserve bank credit outstanding decreased further by \$90,000,000. This decline reflected chiefly an increase in gold stock of \$75,000,000, and a further decline of money in circulation, offset in part by some increase in member bank reserve balances. Member bank indebtedness at the Reserve banks declined to \$267,000,000, the lowest level since early in 1925. Reserve bank holdings of bills declined, while those of United States securities increased. Money rates in the open market eased further and bond yields declined rapidly to the lowest level since 1928. At the middle of March, the discount rate at the Federal Reserve Bank of New York was reduced from 4 to 3½ per cent, and the rate at the Cleveland, Philadelphia and San Francisco banks was reduced from 4½ to 4 per cent.