

# 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. 169)

Minneapolis, Minnesota

January 29, 1929

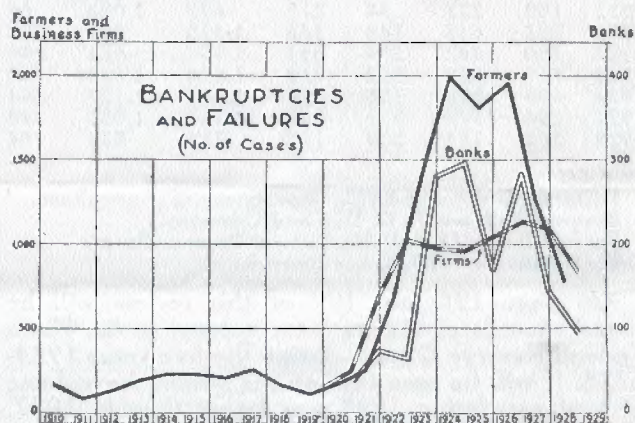
#### DISTRICT SUMMARY OF BUSINESS

The year 1929 began with the volume of business in this district larger than a year ago. During the first two weeks of January, debits to individual accounts at seventeen cities were 11 per cent larger than in the corresponding weeks of 1928. In the first thirteen business days of January, country check clearings were 9 per cent larger than in the corresponding days a year ago. From the first report in a new series issued by the F. W. Dodge Corporation, it is learned that the daily average of building contracts awarded in the first eighteen days of January 1929 in the northwestern district was \$333,900, as compared with a daily average of building contracts in this district during the whole month of January 1928 of only \$119,300.

During December 1928, business in this district was more active than in December 1927. Debits to individual accounts at seventeen cities were 12 per cent larger in December than in the same month last year. Country check clearings were 19 per cent larger in December than in December last year. The largest increases occurred in debits to individual accounts at mixed farming cities and country check clearings in rural Minnesota, both showing increases of 30 per cent over December 1927. Part of the increase over December a year ago was doubtless due to more favorable weather conditions prevailing in December 1928. Carloadings of grains and grain products, livestock, forest products and miscellaneous freight, building permits and contracts, country lumber sales, furniture sales, life insurance sales and postal receipts were larger in December than in the same month last year, while carloadings of coal, coke and ore, flour shipments, department store sales, security sales and wholesale trade were smaller. There were only fifty-six business failures in December 1928, as compared with one hundred and eighteen failures in December 1927.

Farm income from cash crops and hogs was 2 per cent smaller in December than in December last year. The income from dairy products during November was 8 per cent larger than the income from this source in November a year ago. December prices of flax, hens and all meat animals, except butcher steers, were higher than a year ago. Prices of wheat, corn, oats, barley, rye, butter, milk, eggs, potatoes and prime butcher steers were lower than a year ago.

The most convincing evidence that readjustment from post-war conditions is progressing is furnished by the records of decreasing bankruptcies and failures. Failures have decreased for two years. The number of farmers, business firms and banks that failed in 1928 was smaller than in any other year since 1922. The greatest improvement occurred among banks and farmers, and a somewhat smaller reduction in failures occurred among business firms. The accompanying chart shows the history of failures during the whole period for which records are available. It should be noted that some further improvement must occur before the number of failures returns to the level existing in 1920 and preceding years.



Business Failures and Bank Failures in the Ninth Federal Reserve District During Recent Calendar Years. Farmer Bankruptcies in Minnesota, North Dakota, South Dakota and Montana in the Years Ending June 30, 1910-1928.

The chart furnishes an interesting study of the incidence of failures in this agricultural district. Business firms were the first to feel the effects of the depression. These firms are mostly mercantile establishments. Farmer bankruptcies lagged behind failures of business firms by somewhat less than a year in the early years of the readjustment period and reached their first peak about a year and a half later than the first peak of business failures. Bank failures lagged far behind business and farmer failures of the early years and did not reach large proportions until the year after business failures reached their first peak.

The high level of farmer bankruptcies lasted a shorter time than either of the other classes of



failures. The high level of business failures lasted the longest. Farmer bankruptcies and bank failures have both declined sharply for two years, while the decrease in failures of business firms has been less pronounced during these two years. In the farmer bankruptcy situation the greatest decreases in the last year, as compared with the preceding year, occurred in North Dakota and Montana, and the smallest decrease occurred in Minnesota.

### BANKRUPTCIES AND FAILURES IN THE NINTH FEDERAL RESERVE DISTRICT

(Farmer bankruptcies are fiscal year totals ending June 30; business failures and bank failures are calendar year totals ending December 31)

|      | Bankruptcy Among Farmers |      |      |       |          | Business Failures | Bank Failures |
|------|--------------------------|------|------|-------|----------|-------------------|---------------|
|      | Minn.                    | N.D. | S.D. | Mont. | 4 States |                   |               |
| 1910 | 60                       | 67   | 30   | 9     | 166      | ....              | ...           |
| 1911 | 28                       | 41   | 11   | 9     | 89       | ....              | ...           |
| 1912 | 29                       | 54   | 19   | 20    | 122      | ....              | ...           |
| 1913 | 32                       | 92   | 25   | 38    | 187      | ....              | ...           |
| 1914 | 29                       | 105  | 42   | 55    | 231      | ....              | ...           |
| 1915 | 16                       | 111  | 33   | 71    | 231      | ....              | ...           |
| 1916 | 19                       | 90   | 16   | 81    | 206      | ....              | ...           |
| 1917 | 59                       | 60   | 50   | 90    | 259      | ....              | ...           |
| 1918 | 49                       | 61   | 17   | 38    | 165      | ....              | ...           |
| 1919 | 16                       | 37   | 6    | 52    | 111      | 149               | ...           |
| 1920 | 42                       | 50   | 18   | 63    | 173      | 248               | 35            |
| 1921 | 57                       | 93   | 24   | 82    | 256      | 703               | 73            |
| 1922 | 189                      | 237  | 38   | 215   | 679      | 1,024             | 64            |
| 1923 | 291                      | 615  | 148  | 366   | 1,420    | 975               | 279           |
| 1924 | 430                      | 782  | 236  | 551   | 1,999    | 961               | 295           |
| 1925 | 369                      | 629  | 352  | 460   | 1,810    | 1,038             | 168           |
| 1926 | 419                      | 536  | 368  | 624   | 1,947    | 1,127             | 283           |
| 1927 | 294                      | 376  | 352  | 245   | 1,267    | 1,081             | 142           |
| 1928 | 266                      | 153  | 239  | 126   | 784      | 834               | 94            |

#### Sources:

Farm Bankruptcies; U. S. Department of Agriculture.  
Business Failures; R. G. Dun and Company.  
Bank Failures 1921-1928; Federal Reserve Board.  
Bank Failures 1920; Office Records.

On page 196 and 197 of this review will be found records of the business volume in the Ninth Federal Reserve District during the five years 1924-1928. It will be seen that on the whole the volume of business during 1928 was larger than in 1927. The cash value at terminal market prices of farm products sold, was smaller in 1928 than in 1927, and larger than in 1926.

### DISTRICT SUMMARY OF BANKING

As the year-end statistics of banking gradually become available it appears that country banks in the district experienced a small increase in deposits during 1928. The deposits of member banks in cities of less than fifteen thousand population increased 14 million dollars, or 3 per cent, during the year. The deposits of member banks in the smaller cities and towns increased in every state, except North Dakota.

Further evidence of the increase in deposits was found in the tabulation of December called reports from one hundred and seventeen selected country member banks. At these banks there were only minor changes in deposits between October 3 and

December 31, but over the past year these banks experienced an increase of 6 per cent in total deposits. The most important contribution made by the tabulation of reports from these selected banks is that it is possible to determine banking trends in the various economic regions of the district. Deposit increases, according to the evidence furnished by these banks, were largest in the livestock range banks, where a 12 per cent increase in deposits over last year was reported. In the lumber and mining regions, deposits increased 7 per cent. In the spring wheat belt deposits increased 6 per cent, and in the mixed farming region, which constitutes most of the southern and eastern part of the district, deposits increased 4 per cent. These increases are probably larger than will be shown for all banks in the district when the records become available in the next sixty days.

On the asset side of the reports from these one hundred and seventeen banks, security holdings increased 10 per cent, as compared with the same date last year, and loans increased 7 per cent. In view of the practice of including certain short-term investments, such as acceptances, commercial paper and loans to brokers, with the loans to customers under the general heading of "Loans and Discounts," it is impossible to say what proportion of the increase in loans was used to accommodate the needs of customers. Hence, the significant change in assets at the present time appears to be the increase in security holdings. Livestock range banks increased their holdings of securities 24 per cent. Banks in the lumber and mining regions increased their security holdings 14 per cent; wheat belt banks increased their security holdings 11 per cent and banks in the mixed farming territory increased their security holdings 5 per cent.

Country bank borrowings from this Federal Reserve Bank on January 16 were slightly larger than on the corresponding date a year ago. The seasonal reduction in borrowings by country banks since the summer peak has been smaller this year than last year.

The twenty-four city member banks from which weekly reports are received held about the same volume of deposits on January 16, 1929 as a year earlier. During the year, there was a decrease of 14 million dollars in deposits "due to banks," which was nearly offset by an increase of 10 million dollars in other demand deposits and an increase of 3 million dollars in time deposits. During the same yearly period, the loans of these banks secured by stocks and bonds decreased 5 million dollars; other loans increased 16 million dollars and investment holdings decreased 2 million dollars. Borrowings at this Federal Reserve Bank increased 8 million dollars.

A slight revision has been made in the figures for reporting city member banks, beginning with the report for January 9, 1929. The revision principally concerns loans, which in future will exclude acceptances, bills of exchange or drafts of other banks, sold with the endorsement of the reporting banks,

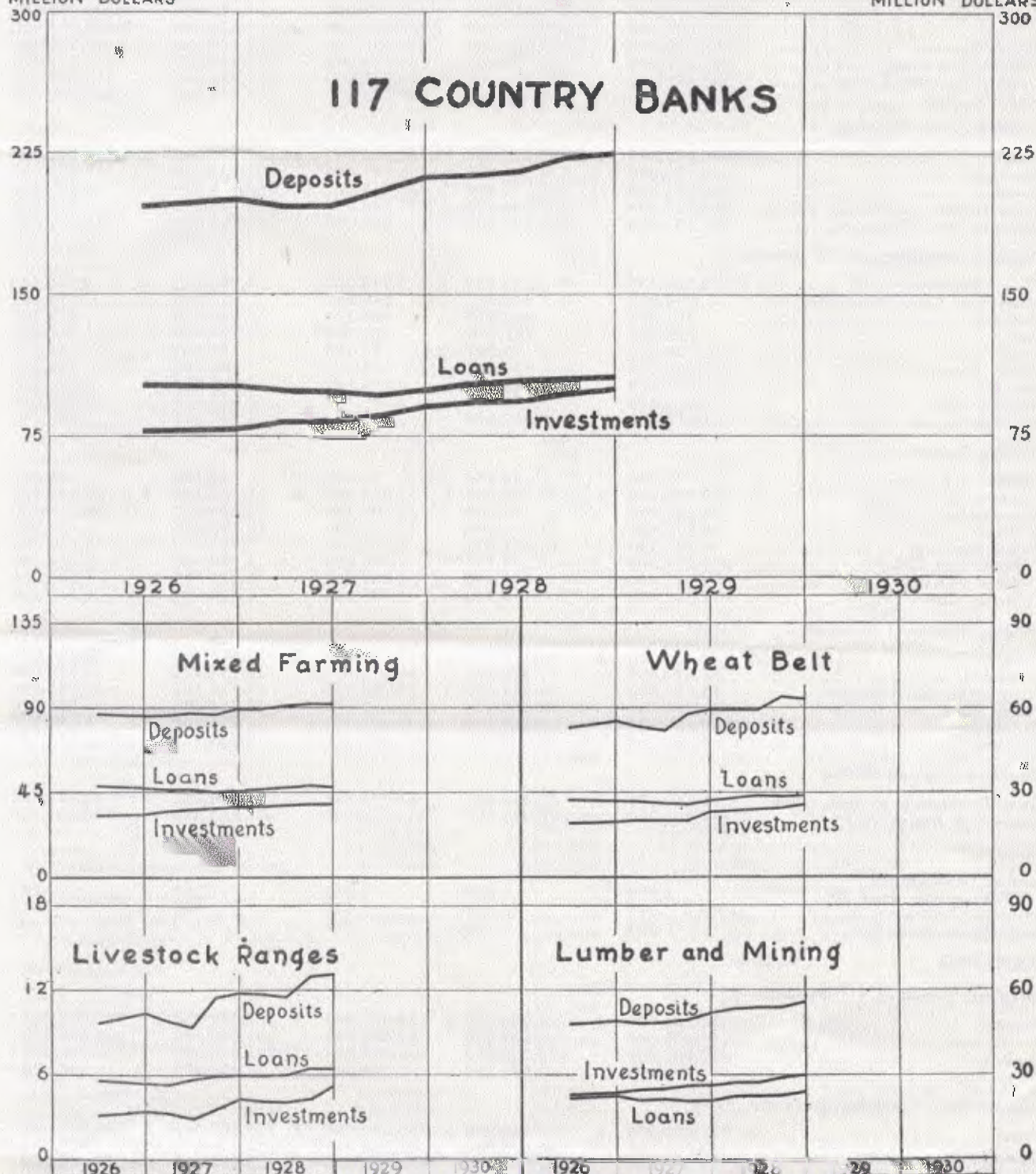


and will include all real estate mortgages and mortgage loans held by reporting banks. Mortgages have been classified as loans by most banks and the revision, consequently, does not greatly impair the

comparability of the new figures with those of previous years. A full description of the revision in this report will be found in the Federal Reserve Bulletin for January 1929.

MILLION DOLLARS

MILLION DOLLARS



Country Banking Trends in the Ninth Federal Reserve District, as indicated by reports of 117 selected country member banks on call dates, June 30, 1926 to December 31, 1928. The small charts show the country banking trends of these selected banks grouped according to economic regions in the district.



## THE YEARS 1924 TO 1928 IN THE NINTH FEDERAL RESERVE DISTRICT

## GENERAL BUSINESS

## Debits to Individual Accounts

|                              | 1924            | 1925             | 1926            | 1927            | 1928             |
|------------------------------|-----------------|------------------|-----------------|-----------------|------------------|
| 17 Cities .....              | \$9,031,060,000 | \$10,022,148,000 | \$9,381,035,000 | \$9,721,164,000 | \$10,382,961,000 |
| Minneapolis .....            | 4,408,011,000   | 5,069,367,000    | 4,683,975,000   | 4,837,607,000   | 5,295,476,000    |
| St. Paul .....               | 1,973,891,000   | 2,037,327,000    | 1,986,866,000   | 2,073,638,000   | 2,148,393,000    |
| Duluth-Superior .....        | 1,362,656,000   | 1,369,841,000    | 1,051,855,000   | 1,211,119,000   | 1,197,348,000    |
| 8 Wheat Belt Cities .....    | 599,351,000     | 685,198,000      | 704,834,000     | 709,028,000     | 810,335,000      |
| 4 Mixed Farming Cities ..... | 365,081,000     | 420,972,000      | 464,848,000     | 475,947,000     | 512,129,000      |
| South St. Paul .....         | 322,070,000     | 439,443,000      | 488,657,000     | 413,825,000     | 419,280,000      |

## Country Check Clearings

|                                     |                 |                  |                 |                 |                  |
|-------------------------------------|-----------------|------------------|-----------------|-----------------|------------------|
| Total .....                         | \$1,089,041,000 | \$ 1,160,778,000 | \$1,132,806,000 | \$1,112,008,000 | \$ 1,201,920,000 |
| Minnesota .....                     | 359,936,000     | 370,317,000      | 408,943,000     | 404,184,000     | 426,482,000      |
| Montana .....                       | 148,011,000     | 173,777,000      | 186,614,000     | 202,527,000     | 219,279,000      |
| North Dakota and South Dakota ..... | 304,943,000     | 338,380,000      | 297,260,000     | 282,746,000     | 322,752,000      |
| Michigan and Wisconsin .....        | 276,151,000     | 278,304,000      | 239,989,000     | 222,551,000     | 233,407,000      |

## Freight Carloadings—N. W. District

|                                |           |           |           |           |           |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Total—Excluding L. C. L. ....  | 5,366,157 | 5,633,450 | 5,717,822 | 5,500,811 | 5,578,688 |
| Grain and Grain Products ..... | 730,007   | 646,001   | 549,952   | 651,099   | 722,393   |
| Livestock .....                | 505,231   | 462,710   | 480,120   | 428,070   | 425,203   |
| Coal .....                     | 375,933   | 381,616   | 386,508   | 378,129   | 337,581   |
| Coke .....                     | 58,030    | 73,897    | 84,104    | 72,565    | 72,891    |
| Forest Products .....          | 958,487   | 979,333   | 954,515   | 886,289   | 870,724   |
| Ore .....                      | 913,429   | 1,126,485 | 1,239,446 | 1,056,233 | 1,091,878 |
| Miscellaneous .....            | 1,825,040 | 1,963,408 | 2,023,177 | 2,028,426 | 2,058,018 |
| Merchandise—L. C. L. ....      | 1,512,425 | 1,637,649 | 1,692,270 | 1,728,613 | 1,689,247 |

## Building Permits

|                              |               |               |               |               |               |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Number (18 cities) .....     | 22,006        | 23,492        | 20,044        | 18,166        | 18,077        |
| Valuation (18 cities) .....  | \$ 59,939,900 | \$ 73,250,800 | \$ 57,859,800 | \$ 49,722,200 | \$ 49,479,300 |
| Minneapolis .....            | 23,240,900    | 29,446,300    | 20,609,300    | 22,421,700    | 23,257,800    |
| St. Paul .....               | 20,895,600    | 24,045,800    | 15,710,400    | 10,128,800    | 8,729,900     |
| Duluth-Superior .....        | 8,703,300     | 10,372,900    | 8,234,100     | 5,806,400     | 5,154,100     |
| 4 Wheat Belt Cities .....    | 1,059,800     | 2,254,300     | 4,152,600     | 4,359,500     | 5,024,400     |
| 6 Mixed Farming Cities ..... | 4,967,400     | 5,860,600     | 8,067,900     | 5,976,300     | 6,202,300     |
| 4 Mining Cities .....        | 1,072,900     | 1,270,900     | 1,085,500     | 1,029,500     | 1,110,800     |

## Building Contracts Awarded

|                                  |               |               |                |               |               |
|----------------------------------|---------------|---------------|----------------|---------------|---------------|
| Total .....                      | \$ 88,263,700 | \$ 95,228,800 | \$ 102,118,000 | \$ 83,816,700 | \$ 80,190,700 |
| Residential .....                | 33,697,800    | 40,285,700    | 38,076,100     | 30,115,100    | 24,942,500    |
| Commercial and Industrial .....  | 13,626,800    | 16,864,600    | 22,160,500     | 18,822,300    | 16,337,600    |
| Public Works and Utilities ..... | 21,310,200    | 14,873,300    | 21,191,400     | 17,861,200    | 23,805,600    |
| Educational .....                | 10,459,600    | 8,118,200     | 9,106,700      | 7,274,600     | 6,159,500     |
| All Other .....                  | 9,169,300     | 15,087,000    | 11,583,300     | 9,743,500     | 8,945,500     |

## Manufacturing and Mining

|  |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|
| Flour Production at Mpls. (bbl.) ..... | 11,679,130  | 12,059,557  | 11,793,258  | 11,540,051  | 12,241,452  |
| Copper (5 firms) (lbs.) .....          | 374,291,900 | 420,435,500 | 432,726,500 | 416,602,300 | 446,494,500 |

## Failures

|  |       |       |       |       |     |
|--|-------|-------|-------|-------|-----|
| Farmer Bankruptcies<br>(Year ending June 30) ..... | 1,999 | 1,810 | 1,947 | 1,267 | 784 |
| Business Failures .....                            | 961   | 1,038 | 1,127 | 1,081 | 834 |
| Bank Suspensions .....                             | 295   | 168   | 283   | 142   | 94  |

## BANKING

City Bank Condition <sup>(1)</sup> December 31

|                   |                |                |                |                |                             |
|-------------------|----------------|----------------|----------------|----------------|-----------------------------|
| Loans .....       | \$ 246,000,000 | \$ 224,000,000 | \$ 226,000,000 | \$ 227,000,000 | \$ 222,000,000 <sup>2</sup> |
| Investments ..... | 154,000,000    | 165,000,000    | 167,000,000    | 201,000,000    | 206,000,000 <sup>2</sup>    |
| Deposits .....    | 450,000,000    | 438,000,000    | 436,000,000    | 473,000,000    | 466,000,000 <sup>2</sup>    |
| Borrowings .....  | 900,000        | 1,500,000      | 1,700,000      | 100,000        | 10,200,000 <sup>2</sup>     |

## Country Bank Condition, December 31

|                   |                |                |                |                |                             |
|-------------------|----------------|----------------|----------------|----------------|-----------------------------|
| Loans .....       | \$ 881,000,000 | \$ 842,000,000 | \$ 760,000,000 | \$ 720,000,000 | \$ 728,000,000 <sup>2</sup> |
| Investments ..... | 274,000,000    | 326,000,000    | 337,000,000    | 380,000,000    | 396,000,000 <sup>2</sup>    |
| Deposits .....    | 1,331,000,000  | 1,322,000,000  | 1,216,000,000  | 1,228,000,000  | 1,256,000,000 <sup>2</sup>  |
| Borrowings .....  | 22,600,000     | 14,200,000     | 13,200,000     | 7,800,000      | 9,500,000 <sup>2</sup>      |

(1) National Banks in Minneapolis and St. Paul and Savings Banks and Trust Companies in Minnesota

(2) October 3, 1928 for National Banks; Autumn call dates for State Banks



**THE YEARS 1924 TO 1928 IN THE NINTH FEDERAL RESERVE DISTRICT**  
(CONTINUED)

**FARMING****Farmers' Cash Income**

|                           | 1924           | 1925           | 1926           | 1927           | 1928           |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| Total of Items Below..... | \$ 750,498,000 | \$ 819,720,000 | \$ 726,980,000 | \$ 794,729,000 | \$ 772,172,000 |
| Bread Wheat .....         | 215,911,000    | 214,557,000    | 145,594,000    | 218,554,000    | 201,362,000    |
| Durum Wheat .....         | 71,037,000     | 69,685,000     | 53,713,000     | 77,886,000     | 91,518,000     |
| Rye .....                 | 41,955,000     | 18,063,000     | 12,003,000     | 25,762,000     | 18,870,000     |
| Flax .....                | 60,886,000     | 52,847,000     | 30,808,000     | 40,667,000     | 35,785,000     |
| Potatoes .....            | 26,166,000     | 36,052,000     | 48,276,000     | 39,175,000     | 29,342,000     |
| Dairy Products .....      | 167,316,000    | 201,286,000    | 210,495,000    | 227,642,000    | 243,631,000    |
| Hogs .....                | 156,655,000    | 215,731,000    | 214,622,000    | 153,345,000    | 136,739,000    |
| Wool .....                | 10,572,000     | 11,499,000     | 11,469,000     | 11,698,000     | 14,925,000     |

**Prices**

| Median Cash Grain Prices at Mpls. | Dec. 1924 | Dec. 1925 | Dec. 1926 | Dec. 1927 | Dec. 1928 |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Wheat—No. 1 D. N. S. (bu.).....   | \$1.69    | \$1.74½   | \$1.48½   | \$1.34½   | \$1.21¾   |
| Durum—No. 2 Amber (Duluth) (bu.)  | 1.66½     | 1.53      | 1.78      | 1.27      | 1.06½     |
| Corn—No. 3 Yellow (bu.).....      | 1.20      | .80       | .76       | .83¾      | .78       |
| Oats—No. 3 White (bu.).....       | .54¾      | .38½      | .45½      | .52       | .43¼      |
| Barley—No. 3 (bu.).....           | .85½      | .63½      | .66       | .82½      | .58       |
| Rye—No. 2 (bu.).....              | 1.30      | .98       | .94¼      | 1.02      | .99       |
| Flax—No. 1 (bu.).....             | 2.84      | 2.60      | 2.23      | 2.14¾     | 2.38½     |

**Median Livestock Prices at So. St. Paul**

|                                      |       |       |       |       |       |
|--------------------------------------|-------|-------|-------|-------|-------|
| Butcher Cows (Cwt.) .....            | 4.50  | 5.75  | 6.00  | 8.00  | 8.25  |
| Butcher Steers (Cwt.) .....          | 6.50  | 8.00  | 7.50  | 10.50 | 10.50 |
| Prime Butcher Steers (Cwt.).....     | ..... | 9.50  | 9.10  | 13.00 | 12.50 |
| Stocker and Feeder Steers (Cwt.).... | 5.00  | 6.75  | 6.25  | 8.50  | 9.00  |
| Veal Calves (Cwt.) .....             | 7.75  | 9.75  | 10.00 | 10.50 | 12.50 |
| Hogs (Cwt.) .....                    | 8.85  | 10.85 | 11.35 | 8.00  | 8.25  |
| Heavy Hogs (Cwt.) .....              | ..... | 9.00  | 10.50 | 7.50  | 7.85  |
| Lambs (Cwt.) .....                   | 15.00 | 15.50 | 12.50 | 12.50 | 13.50 |
| Ewes (Cwt.) .....                    | ..... | 8.00  | 6.00  | 6.00  | 7.00  |
| Wool (lb.) (farm price).....         | .43   | .39½  | .33   | .32½  | .36   |

**Wholesale Produce Prices at Mpls.**

|                             |      |      |      |      |      |
|-----------------------------|------|------|------|------|------|
| Butter (lb.) .....          | .39  | .46½ | .48  | .48  | .47  |
| Milk (cwt.) .....           | 2.22 | 2.65 | 2.52 | 2.63 | 2.61 |
| Hens (4½ pounds) (lb.)..... | .18½ | .23½ | .19  | .18½ | .20½ |
| Eggs (doz.) .....           | .48  | .41½ | .44  | .37½ | .33½ |
| Potatoes (bu.) .....        | .60  | 2.48 | 1.53 | 1.05 | .60  |

**TRADE****Retail Sales**

|                                  |               |               |               |               |               |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Lumber (498 yards) (bd. ft.)...  | 106,568,000   | 134,633,000   | 134,951,000   | 135,723,000   | 147,483,000   |
| Dept. Store Sales (20 stores)... | \$ 29,967,560 | \$ 31,069,040 | \$ 29,758,950 | \$ 27,802,940 | \$ 26,319,230 |
| Securities Sold (13 firms).....  | 234,066,900   | 211,686,100   | 200,758,500   | 227,669,200   | 219,186,400   |
| Life Insurance Sales .....       | 240,313,000   | 293,645,000   | 291,915,000   | 268,741,000   | 285,514,000   |

**Wholesale Sales**

|                                   |            |            |            |            |            |
|-----------------------------------|------------|------------|------------|------------|------------|
| Shoes (5 firms) .....             | 6,694,930  | 8,079,510  | 6,720,980  | 5,694,160  | 6,119,160  |
| Hardware (12 firms) .....         | 23,218,040 | 24,720,930 | 23,480,470 | 23,393,160 | 24,441,180 |
| Groceries (43 firms) .....        | 58,322,690 | 62,011,090 | 57,802,910 | 61,102,070 | 60,439,980 |
| Agricultural Implements (4 firms) | 2,032,380  | 3,059,260  | 2,944,750  | 3,002,720  | 2,991,010  |

**Retail Stocks**

|                                 |              |              |              |              |              |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| Lumber (483 yds.) (bd. ft.).... | 69,266,000   | 73,437,000   | 76,242,000   | 76,410,000   | 72,771,000   |
| Department Stores (16 firms)... | \$ 6,538,900 | \$ 6,438,950 | \$ 5,676,080 | \$ 5,467,430 | \$ 5,085,400 |

**Wholesale Stocks**

|                                   |           |           |           |           |
|-----------------------------------|-----------|-----------|-----------|-----------|
| Shoes (5 firms) .....             | 1,847,490 | 1,160,140 | 1,435,600 | 1,618,800 |
| Hardware (9 firms) .....          | 2,592,240 | 2,663,000 | 2,350,650 | 2,446,900 |
| Groceries (38 firms) .....        | 8,339,720 | 8,529,290 | 7,674,850 | 8,040,790 |
| Agricultural Implements (2 firms) | 250,390   | 331,740   | 277,250   | 327,460   |

**Retail Accounts and Notes Receivable—Dec. 31**

|                                 |              |              |              |              |              |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| Lumber (508 yds.) .....         | \$ 3,308,600 | \$ 3,132,600 | \$ 3,452,200 | \$ 3,362,900 | \$ 3,681,700 |
| Department Stores (15 firms)... | 2,385,900    | 2,580,640    | 2,485,300    | 2,377,500    | 2,226,860    |

**Wholesale Accounts and Notes Receivable—Dec. 31**

|                                   |              |              |              |              |              |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Shoes (5 firms) .....             | \$ 2,297,840 | \$ 2,723,800 | \$ 1,900,700 | \$ 1,823,880 | \$ 1,216,280 |
| Hardware (11 firms) .....         | 2,177,710    | 2,060,840    | 2,061,700    | 2,171,750    | 2,231,240    |
| Groceries (43 firms) .....        | 5,265,190    | 5,966,630    | 5,637,250    | 5,925,150    | 6,109,040    |
| Agricultural Implements (2 firms) | 336,200      | 305,200      | 403,800      | 521,510      | 438,500      |

(\*) November 30, 1928



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

|   |                          |                      |                      | %Dec.<br>1928<br>of<br>Nov.<br>1928 | %Dec.<br>1928<br>of<br>Dec.<br>1927 |
|---|--------------------------|----------------------|----------------------|-------------------------------------|-------------------------------------|
| <b>Debits to Individual Accounts, Daily Averages—Unit</b>               |                          |                      |                      |                                     |                                     |
| 17 Cities .....   | Dec., 1928               | Nov., 1928           | Dec., 1927           |                                     |                                     |
| Minneapolis .....   | \$37,606,000             | \$40,935,000         | \$33,477,000         | 92                                  | 112                                 |
| St. Paul .....  | 19,019,000               | 20,314,000           | 16,470,000           | 94                                  | 115                                 |
| Duluth-Superior .....   | 8,137,000                | 7,995,000            | 7,732,000            | 102                                 | 105                                 |
| 8 Wheat Belt Cities .....   | 4,025,000                | 5,479,000            | 3,670,000            | 73                                  | 110                                 |
| 4 Mixed Farming Cities .....  | 2,977,000                | 3,447,000            | 2,507,000            | 86                                  | 119                                 |
| South St. Paul .....  | 1,964,000                | 1,851,000            | 1,507,000            | 106                                 | 130                                 |
|   | 1,484,000                | 1,849,000            | 1,602,000            | 80                                  | 93                                  |
| <b>Carloadings—Northwestern District—</b>                               |                          |                      |                      |                                     |                                     |
| Total—Excluding L. C. L. .... Cars                                      | 317,276                  | 439,970              | 320,995              | 72                                  | 99                                  |
| Grains and Grain Products .....   | 54,849                   | 65,795               | 52,596               | 83                                  | 104                                 |
| Livestock .....   | 38,888                   | 37,432               | 38,517               | 104                                 | 101                                 |
| Coal .....  | 36,847                   | 38,275               | 49,667               | 96                                  | 74                                  |
| Coke .....  | 5,926                    | 5,474                | 6,909                | 108                                 | 86                                  |
| Forest Products .....   | 55,831                   | 67,662               | 55,690               | 83                                  | 100                                 |
| Ore .....   | 2,125                    | 60,871               | 2,297                | 3                                   | 93                                  |
| Miscellaneous .....   | 122,810                  | 164,461              | 115,319              | 75                                  | 106                                 |
| Merchandise—L. C. L. .... Cars  | 125,746                  | 137,463              | 130,196              | 91                                  | 97                                  |
| <b>Building Permits—</b>  |                          |                      |                      |                                     |                                     |
| Number—18 Cities .....  | 813                      | 1,233                | 435                  | 66                                  | 187                                 |
| Value—18 Cities .....   | \$ 2,440,200             | \$ 4,006,200         | \$ 2,251,400         | 61                                  | 108                                 |
| Minneapolis .....   | 905,500                  | 1,715,200            | 625,600              | 53                                  | 145                                 |
| St. Paul .....  | 705,600                  | 995,000              | 204,100              | 71                                  | 346                                 |
| Duluth-Superior .....   | 169,400                  | 340,000              | 1,030,000            | 50                                  | 16                                  |
| 4 Wheat Belt Cities .....   | 115,500                  | 255,700              | 49,100               | 45                                  | 235                                 |
| 6 Mixed Farming Cities .....  | 449,100                  | 683,800              | 317,100              | 66                                  | 142                                 |
| 4 Mining Cities .....   | 95,100                   | 16,500               | 25,500               | 576                                 | 373                                 |
| <b>Building Contracts Awarded—</b>                                      |                          |                      |                      |                                     |                                     |
| Total .....   | 3,828,000                | 5,764,000            | 3,032,600            | 66                                  | 126                                 |
| Residential .....   | 1,170,800                | 2,119,300            | 1,131,000            | 55                                  | 104                                 |
| Commercial and Industrial .....   | 801,400                  | 2,173,500            | 424,900              | 37                                  | 189                                 |
| Public Works and Utilities .....  | 856,500                  | 743,900              | 1,412,700            | 115                                 | 61                                  |
| Educational .....   | 881,300                  | 275,300              | 40,000               | 320                                 | 2203                                |
| All Other .....   | 118,000                  | 452,000              | 24,000               | 26                                  | 492                                 |
| <b>Cash Value of Farm Products Sold—</b>                                |                          |                      |                      |                                     |                                     |
| Bread Wheat .....   | 12,947,000               | 23,240,000           | 12,397,000           | 56                                  | 104                                 |
| Durum Wheat .....   | 6,648,000                | 8,916,000            | 4,581,000            | 75                                  | 145                                 |
| Rye .....   | 1,026,000                | 1,555,000            | 1,495,000            | 66                                  | 69                                  |
| Flax .....  | 1,345,000                | 5,828,000            | 1,046,000            | 23                                  | 129                                 |
| Potatoes .....  | 1,009,000                | 2,076,000            | 1,119,000            | 49                                  | 90                                  |
| Dairy Products—See Note .....   | 16,405,000               | 17,305,000           | 15,229,000           | 95                                  | 108                                 |
| Hogs .....  | 17,266,000               | 16,513,000           | 20,616,000           | 105                                 | 84                                  |
| <b>Grain Stocks at End of Month at Minneapolis and Duluth-Superior—</b> |                          |                      |                      |                                     |                                     |
| Wheat .....   | Bu. 54,664,633           | 50,776,608           | 32,857,771           | 108                                 | 166                                 |
| Corn .....  | Bu. 1,109,408            | 115,690              | 1,646,411            | 959                                 | 67                                  |
| Oats .....  | Bu. 2,557,896            | 2,517,615            | 7,842,195            | 102                                 | 33                                  |
| Barley .....  | Bu. 3,709,960            | 3,034,047            | 653,019              | 122                                 | 568                                 |
| Rye .....   | Bu. 2,569,989            | 2,187,534            | 1,423,581            | 117                                 | 181                                 |
| Flax .....  | Bu. 1,313,818            | 1,632,946            | 4,014,559            | 80                                  | 33                                  |
| <b>Median Cash Grain Prices—</b>  |                          |                      |                      |                                     |                                     |
| Wheat—No. 1 Dark Northern .....   | Bu. \$1.21 $\frac{3}{4}$ | \$1.23 $\frac{5}{8}$ | \$1.34 $\frac{1}{2}$ | 98                                  | 91                                  |
| Durum—No. 2 Amber .....   | Bu. 1.06 $\frac{1}{2}$   | 1.12                 | 1.27                 | 95                                  | 84                                  |
| Corn—No. 3 Yellow .....   | Bu. .78                  | .82                  | .83 $\frac{3}{8}$    | 95                                  | 93                                  |
| Oats—No. 3 White .....  | Bu. .43 $\frac{1}{4}$    | .41 $\frac{1}{2}$    | .52                  | 104                                 | 83                                  |
| Barley—No. 3 .....  | Bu. .58                  | .59                  | .82 $\frac{1}{2}$    | 98                                  | 70                                  |
| Rye—No. 2 .....   | Bu. .99                  | .99                  | 1.02                 | 100                                 | 97                                  |
| Flax—No. 1 .....  | Bu. 2.38 $\frac{1}{2}$   | 2.32 $\frac{3}{4}$   | 2.14 $\frac{3}{8}$   | 102                                 | 111                                 |
| <b>Wholesale Produce Prices—</b>  |                          |                      |                      |                                     |                                     |
| Butter .....  | Lb. .47                  | .48                  | .48                  | 98                                  | 98                                  |
| Milk .....  | Cwt. 2.61                | 2.60                 | 2.63                 | 100                                 | 99                                  |
| Hens—4 $\frac{1}{2}$ Pounds .....                                       | Lb. .20 $\frac{1}{2}$    | .19 $\frac{1}{2}$    | .18 $\frac{1}{2}$    | 105                                 | 111                                 |
| Eggs .....  | Doz. .33 $\frac{1}{2}$   | .35                  | .37 $\frac{1}{2}$    | 96                                  | 89                                  |
| Potatoes .....  | Bu. .60                  | .60                  | 1.05                 | 100                                 | 57                                  |

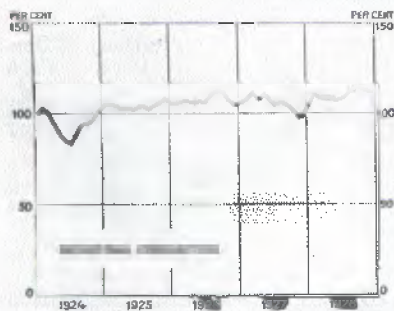
Note: Nov., 1928, Oct., 1928 and Nov., 1927.



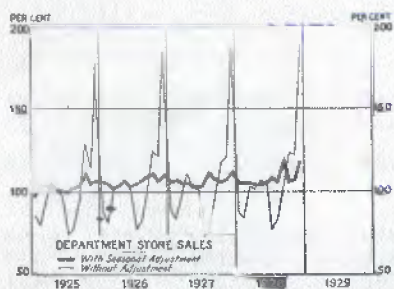
# COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT (Continued)

|   |         |              |               |               | %Dec.<br>1928<br>of<br>Nov.<br>1928 | %Dec.<br>1928<br>of<br>Dec.<br>1927 |
|---|---------|--------------|---------------|---------------|-------------------------------------|-------------------------------------|
| <b>Livestock Receipts at South St. Paul—</b>        |         | Unit         | Dec., 1928    | Nov., 1928    | Dec., 1927                          |                                     |
| Cattle .....  | Head    | 56,795       | 90,060        | 65,960        | 63                                  | 86                                  |
| Calves .....  | Head    | 41,802       | 47,346        | 41,680        | 88                                  | 100                                 |
| Hogs .....  | Head    | 345,550      | 305,248       | 468,393       | 113                                 | 74                                  |
| Sheep .....   | Head    | 70,064       | 158,842       | 54,605        | 44                                  | 128                                 |
| <b>Median Livestock Prices at South St. Paul—</b>   |         |              |               |               |                                     |                                     |
| Butcher Cows .....                                  | Cwt.    | \$8.25       | \$8.25        | \$8.00        | 100                                 | 103                                 |
| Butcher Steers .....                                | Cwt.    | 10.50        | 10.75         | 10.50         | 98                                  | 100                                 |
| Prime Butcher Steers .....                          | Cwt.    | 12.50        | 14.00         | 13.00         | 89                                  | 96                                  |
| Stocker and Feeder Steers .....                     | Cwt.    | 9.00         | 9.00          | 8.50          | 100                                 | 106                                 |
| Veal Calves .....                                   | Cwt.    | 12.50        | 13.00         | 10.50         | 96                                  | 119                                 |
| Hogs .....  | Cwt.    | 8.25         | 8.65          | 8.00          | 95                                  | 103                                 |
| Heavy Hogs .....                                    | Cwt.    | 7.85         | 8.25          | 7.50          | 95                                  | 105                                 |
| Lambs .....   | Cwt.    | 13.50        | 12.75         | 12.50         | 106                                 | 108                                 |
| Ewes .....  | Cwt.    | 7.00         | 6.00          | 6.00          | 117                                 | 117                                 |
| <b>Flour—</b>                                       |         |              |               |               |                                     |                                     |
| Production—Twin Cities and Duluth—                  |         |              |               |               |                                     |                                     |
| Superior .....                                      | Bbls.   | 1,110,611    | 1,083,767     | 1,284,708     | 102                                 | 86                                  |
| Shipments from Minneapolis .....                    | Bbls.   | 890,558      | 900,374       | 1,120,844     | 99                                  | 79                                  |
| <b>Linseed Products Shipments from Minneapolis—</b> |         | Lbs.         | 34,516,591    | 45,090,101    | 34,618,534                          | 77                                  |
| <b>Retail Sales—</b>                                |         |              |               |               |                                     |                                     |
| Department Stores .....                             |         | \$3,450,030  | \$2,220,420   | \$3,656,150   | 155                                 | 94                                  |
| Furniture Stores .....                              |         | 603,690      | 517,820       | 586,700       | 117                                 | 103                                 |
| Country Lumber Yards .....                          | Bd. Ft. | 7,001,000    | 13,302,000    | 4,624,000     | 53                                  | 151                                 |
| <b>Retail Merchandise Stocks—</b>                   |         |              |               |               |                                     |                                     |
| Department Stores .....                             |         | \$5,085,400  | \$6,116,180   | \$5,467,430   | 83                                  | 93                                  |
| Furniture Stores .....                              |         | 2,655,000    | 2,845,230     | 2,748,500     | 93                                  | 97                                  |
| Country Lumber Yards .....                          | Bd. Ft. | 72,771,000   | 75,810,000    | 76,410,000    | 96                                  | 95                                  |
| <b>Life Insurance Sales—(4 States) .....</b>        |         |              | \$29,614,000  | \$22,924,000  | \$26,461,000                        | 129                                 |
| <b>Wholesale Trade—</b>                             |         |              |               |               |                                     |                                     |
| Farm Implements .....                               |         | 68,810       | 107,340       | 90,080        | 64                                  | 70                                  |
| Hardware .....                                      |         | 1,960,450    | 2,160,360     | 1,792,440     | 91                                  | 109                                 |
| Shoes .....   |         | 334,320      | 528,100       | 353,120       | 63                                  | 95                                  |
| Groceries .....                                     |         | 4,239,630    | 5,177,740     | 4,558,380     | 82                                  | 93                                  |
| <b>Business Failures—</b>                           |         |              |               |               |                                     |                                     |
| Number .....  |         | 56           | 55            | 118           | 102                                 | 47                                  |
| Liabilities .....                                   |         | \$447,700    | \$710,546     | \$1,125,953   | 63                                  | 40                                  |
| <b>Securities Sold—</b>                             |         |              |               |               |                                     |                                     |
| To Banks .....                                      |         | 1,344,400    | 1,702,700     | 5,865,700     | 79                                  | 23                                  |
| To Insurance Companies .....                        |         | 810,000      | 1,101,100     | 1,179,500     | 74                                  | 69                                  |
| To General Public .....                             |         | 6,567,000    | 7,669,300     | 10,273,900    | 86                                  | 64                                  |
| <b>Real Estate Activity in</b>                      |         |              |               |               |                                     |                                     |
| <b>Hennepin and Ramsey Counties—</b>                |         |              |               |               |                                     |                                     |
| Warranty Deeds Recorded .....                       |         | 3,215        | 2,005         | 3,669         | 160                                 | 88                                  |
| Mortgages Recorded .....                            |         | 1,572        | 1,552         | 1,563         | 101                                 | 101                                 |
| <b>24 City Member Banks—</b>                        |         |              | Jan. 16, 1929 | Dec. 19, 1928 | Jan. 18, 1928                       | %Jan.<br>1929<br>of<br>Dec.<br>1928 |
| Loans Secured by Stocks and Bonds .....             |         | \$79,127,000 | \$77,764,000  | \$83,801,000  | 102                                 | 94                                  |
| All Other Loans .....                               |         | 181,749,000  | 186,092,000   | 165,833,000   | 98                                  | 110                                 |
| Securities .....                                    |         | 130,906,000  | 133,210,000   | 133,385,000   | 98                                  | 98                                  |
| Net Demand Deposits Subject to Reserve .....        |         | 221,347,000  | 229,947,000   | 223,320,000   | 96                                  | 99                                  |
| Time Deposits .....                                 |         | 141,348,000  | 137,398,000   | 138,295,000   | 103                                 | 102                                 |
| Borrowings at Federal Reserve Bank .....            |         | 10,409,000   | 2,809,000     | 2,250,000     | 371                                 | 463                                 |
| <b>Minneapolis Federal Reserve Bank—</b>            |         |              |               |               |                                     | %Jan.<br>1929<br>of<br>Jan.<br>1928 |
| Bills Discounted .....                              |         | 13,341,558   | 7,348,151     | 4,153,987     | 182                                 | 321                                 |
| Federal Reserve Notes in Circulation .....          |         | 61,978,890   | 65,093,830    | 58,224,875    | 95                                  | 106                                 |

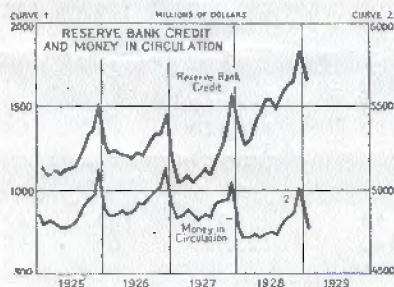




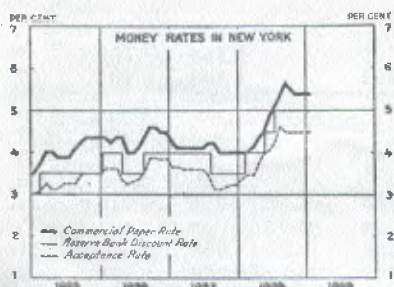
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average=100). Latest figure, December, 111.



Federal Reserve Board's index of department store sales (1923-25 average=100). Latest figures, December, adjusted index, 117, unadjusted index, 188.



Monthly averages of daily figures. Latest figures are averages of first 23 days in January.



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 24 days in January.

## Summary of National Business Conditions (Compiled January 26 by Federal Reserve Board)

Industry and trade continued active in December, and the general level of prices remained unchanged. Banking and credit conditions at the turn of the year were influenced chiefly by seasonal changes in the demand for currency and by requirements for end-of-year financial settlements.

**PRODUCTION:** The output of manufactures decreased in December, but the decline was less than is usual during the month, and the Board's index was slightly higher than in November and above the level of a year ago. Smaller than usual seasonal reductions were reported in the daily average output of steel, pig iron, automobiles, copper, cement, silk and flour, while cotton and wool textiles declined considerably. Meat packing increased in December, reflecting a larger output of pork products, though beef and mutton production was smaller. The volume of factory employment and payrolls was larger than at this season of last year. Production of minerals was in somewhat smaller volume in December than in November, reflecting chiefly a larger reduction in the output of bituminous and anthracite coal. Production of copper and zinc ore on a daily average basis was slightly smaller, while petroleum output increased. Preliminary reports for the first half of January indicate a steady increase in the output of petroleum and greater activity in the steel, automobile, coal and lumber industries, following the temporary lull during the inventory period at the end of the year.

Building contracts awarded in some eastern states declined sharply during December, as in the preceding month, and were smaller than in any December since 1924. The decline from November was attributable largely to decreases in awards for residential building and public works and utilities. By districts, the largest declines over the preceding month were in the Cleveland, Chicago, Boston and Richmond Federal Reserve Districts, while increases were reported in the New York, Philadelphia and Atlanta districts.

**TRADE:** Department store trade showed greater activity in December than in the preceding month, after allowance is made for the customary holiday increase. Total sales for the month were the largest on record, exceeding December, 1927 by 1 per cent, although there was one less trading day this year. Increases over a year ago were reported for the New York and Philadelphia districts, while substantial decreases occurred in Atlanta and Minneapolis. Distribution at wholesale declined seasonally and was smaller than a year ago. Freight carloadings in December and the first half of January showed a slightly larger than usual seasonal reduction but, as in earlier months, were above a year ago.

**PRICES:** The general level of wholesale prices, as measured by the index of the United States Bureau of Labor Statistics, remained approximately the same during December as in the preceding month. Average prices of iron and steel, automobiles, copper and building materials continued to advance slowly, and prices of farm products, after declining during October and November, also rose in December, reflecting higher average prices for raw cotton, oats, rye and some grades of wheat, offset in part by lower prices for corn and cattle. In the first three weeks of January, the prices of rubber advanced sharply and wheat, corn, potatoes and flour also increased, while silk and sugar decreased somewhat, and hides reached the lowest level in more than a year.

**BANK CREDIT:** Banking and credit conditions in January were influenced chiefly by the seasonal decline in the volume of money in circulation. At the Reserve banks, the return flow of currency from circulation resulted in a liquidation of member bank borrowing and small declines in Reserve bank holdings of acceptances and of United States securities. Total bills and securities showed a decline of about \$450,000,000 for the period from December 26 to January 23, and were in about the same volume as in midsummer of last year. At member banks there was an increase in the total volume of loans at the turn of the year, due chiefly to year-end financial settlements, and the temporary withdrawal of funds loaned by corporations in the New York market. In January deposits and loans of member banks declined to approximately the level of the early part of December. In the money market rates on call loans declined sharply in January, while rates on time loans on securities remained firm and rates on acceptances advanced.