

MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

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DISTRICT SUMMARY FOR THE MONTH

More definite evidence comes to hand each day showing the exact amount of improvement that has been taking place in business in the agricultural sections of this district. The purchasing power created by the last crop is beginning to have noteworthy effects on business conditions. Sales of farm implements have doubled, and there have been substantial increases in wholesale sales of hardware and dry goods. Carloadings of implements and vehicles are treble a year ago. Retail lumber yards scattered throughout this district report sales in board feet more than one-half larger than a year ago and somewhat larger in February than in January, although February was a much shorter month. And figures recently made available indicate that there was an increase during the year 1924 in the deposits of individuals and corporations, other than bankers' deposits, in this district, amounting to about 56 million dollars, of which approximately 7 millions were public deposits of various governmental units, leaving a net gain of 49 millions in private deposits which was distributed roughly as follows: 32 millions in Twin City national banks and 17 millions in other banks.

All of the foregoing gains must be credited to the heavy rush of grain to market in the fall months of last year at good prices, followed by a substantial movement of livestock. There has been a considerable decline in the marketing of grain and hogs during February. The prices of grain have declined and the prices of livestock have advanced.

There is reason for believing that a considerable quantity of latent purchasing power exists at this time in this district. Despite the heavy movement of wheat during this crop year, farm stocks of spring wheat in this district are now greater than a year ago. Also, the holdings of oats are considerably larger. This surplus of oats offsets to some extent the decreases in the stocks of corn and hay. Data recently made available indicates that there was a considerable increase in last year's wool production and an increase in the number of dairy cows and sheep.

Urban centers apparently have not yet realized heavily upon this improved purchasing power of agriculture. Sales at retail of city department stores

were only slightly better in February than a year ago. Building prospects, shown by permits, also were only slightly better in the aggregate and, in one-third of the cities reporting to us, were below a year ago. Minneapolis flour mills continue to lose in volume of production what the country mills gain. Shipments of automobiles, trucks, tires and building materials from the larger cities appear to have declined. However, wholesale trade, with the exception of shoes and groceries, did register some advance.

There was a substantial improvement in the money value of business transacted in this district during February, as shown by the individual debits at banks in seventeen selected cities, but this gain was due to higher prices and greater speculative activity rather than to a general increase in the physical volume of business. Carloadings, which are a good test of physical volume, were 2 per cent below a year ago, owing to decreases in the movement of grain, hogs, coal and forest products. A more general improvement in business in the smaller cities is indicated by an increase in less than carload shipments and in carloadings of merchandise, which presumably cover articles of general consumption. The linseed industry exhibited marked gains as compared with a year ago.

TOPICAL REVIEWS

Debits to individual accounts of banks in seventeen important cities in this district amounted to 703 million dollars in February. This is the first year that the February total has exceeded 700 million dollars since our record began seven years ago. Debits were 21 per cent larger than in February 1924. The increases were largest at Minneapolis, Duluth and South St. Paul owing to higher prices for both grains and livestock and a marked increase in speculative activity in the grain futures market. The futures market was $3\frac{1}{2}$ times as active in Minneapolis during February, 1925, as a year earlier, according to figures recently published by the United States Department of Agriculture Grain Futures Administration. At Duluth the number of bushels sold in the futures market increased one-half. At Minneapolis 117 million bushels of grain were sold as futures in February as compared with 32 million bushels last year in February; and at Duluth 15 mil-

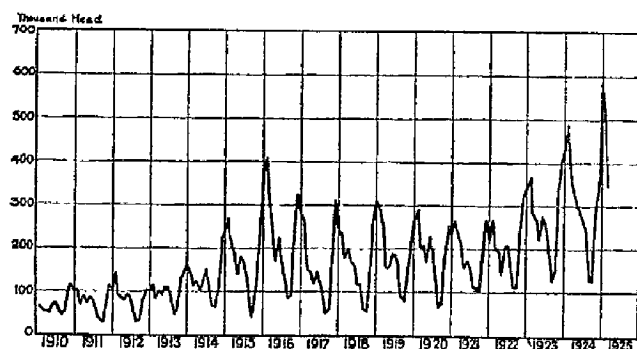
lion bushels were sold as against 9 million last year. The February debits, as compared with one year ago, showed increases of 35 per cent for Minneapolis, 26 per cent for South St. Paul, 25 per cent for Duluth-Superior and 19 per cent for Sioux Falls. The other cities showed smaller increases, with the exception of Superior, Billings, Helena and La Crosse, where there were declines.

Debits declined seasonally by the amount of 14 per cent in February from the January volume. February, it must be remembered, is a shorter month and, moreover, a mid-winter month with smaller grain and livestock receipts and a slack building program.

Carloadings in the Northwestern district were 2 per cent smaller in February than a year ago, although there were increases in shipments of merchandise and coke. Grain and its products, livestock, coal and forest products were loaded in smaller volume than a year ago. Loadings of ore were equal to the volume in February last year.

Livestock receipts at South St. Paul were about as large in February as in the same month last year and one-fourth lower than in January, which is a seasonal occurrence. Receipts of hogs were 3 per cent smaller than a year ago. Receipts of cattle and calves were 15 per cent larger and sheep receipts were 29 per cent larger than a year ago.

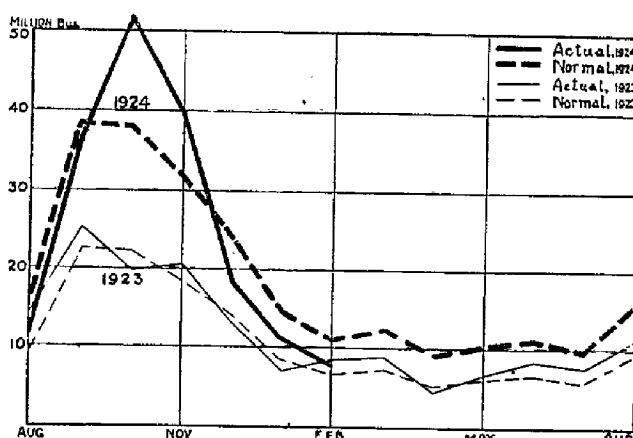
The movement of feeder stock to the country during February continued to disclose the increased preference of farmers for sheep, calves and cattle in the order named and a decline in purchases of hogs.



Hog Receipts at South St. Paul, Monthly, 1910-1925.

Grain marketing: Twelve per cent less grain was received at Minneapolis and Duluth-Superior during February than a year ago, and there was a marked seasonal reduction from January receipts amounting to 35 per cent. The reduction in receipts from a year ago was experienced by every grain, except barley and flax, in spite of the larger crops of small grains harvested in 1924. This was to be expected after the notably heavy grain receipts in October and November.

Stocks of grain at Minneapolis and Duluth-Superior were 47 per cent larger at the end of February



Wheat Receipts at Minneapolis and Duluth-Superior from Crops of 1923 and 1924; Actual Monthly Figures Compared with Estimated Normal.

than a year ago and 4 per cent larger than at the end of January. The picture is not complete, however, if only the aggregates are discussed. There was five times as large a volume of oats, three times as much barley, and twice as much flax on hand this year as a year ago. On the other hand, stocks of rye and corn were less than one-half and one-third, respectively, as large as last year. And stocks of wheat were only 18 per cent greater than a year ago, in spite of the heavy early marketing and the large crop because of the heavy export movement eastward. Some of these disparities are being lessened as the season progresses. Stocks of corn increased from less than 100,000 bushels at the end of January to over 1,000,000 bushels at the close of February. There were small increases in the stocks of wheat, rye and barley in February. However, terminal stocks of oats were reduced slightly during the month and flax stocks diminished 22 per cent.

Prices of livestock increased and cash grain prices declined in February as compared with January, and livestock prices continued to advance in the first part of March. The rise in hog prices from a median of \$9.75 in January to a median of \$10.50 in February and the further rise to an average of over \$13.00 at the time of writing, is undoubtedly the most important development of the month to the farmers and to the general consumer. The price of veal calves increased from \$8.50 per hundredweight to \$9.75, which was within 25 cents of the highest median price reached since 1920. Butcher steers and feeder steers increased 25 cents each in median price in February over the January median, but butcher cows and lambs showed losses of 50 cents per hundredweight each.

Among the cash grain prices, barley experienced the only increase in median in February over January, amounting to 1½ cents per bushel. For the other grains, the declines were as follows: Rye, 3 cents; wheat 3¼ cents; flax, 5 cents; oats, 5⅞ cents; and corn, 7 cents.

Wholesale trade in this territory during February exhibited mixed trends with more increases over a year ago than decreases. Farm implement sales were double the January volume and double the volume in February last year; hardware sales were 16 per cent greater than in January and 24 per cent greater than in February last year; and dry goods sales were equal to the January volume and 16 per cent greater than a year ago. On the other hand, sales of groceries and shoes were slightly smaller than the January volume and smaller than the volume in February last year. Cars of agricultural implements and vehicles forwarded from Minneapolis during February were more than three times as numerous as in the same month last year, numbering 277, as compared with 90 a year ago. Automobiles, trucks and tires, and building materials were not shipped from Minneapolis in as large volume as a year ago.

Retail trade, according to reports from 27 city stores, was 5 per cent larger in February than a year ago, but 13 per cent smaller than in January. Merchandise stocks at the end of February were equal to stocks a year ago, and 7 per cent larger than at the close of January. Since sales were larger than last year and stocks were only equal to last year's volume, it is evident that the turnover of merchandise at these stores has been slightly better this year than last. Outstanding orders to replace merchandise stocks reported by fifteen of these stores were $7\frac{1}{2}$ per cent as great as the total purchases for the year 1924. At the close of January, outstanding orders were only 7 per cent as great as total purchases in 1924.

Purchases from retail lumber yards in this district, measured in dollars, were 16 per cent greater than a year ago and 24 per cent smaller than in January. Sales in dollars by these lumber retailers do not give an exact picture, however, of the changes in the volume of building going on in the rural portions of this district since they include sales of coal and other commodities. For this reason, we also secure figures from these firms covering their sales of lumber in board feet. In these figures, the developments have been startling. February sales were 54 per cent greater than a year ago and $11\frac{1}{2}$ per cent larger than in January, although February is a shorter month. Lumber retailers carried stocks of lumber at the end of February 7 per cent greater than a month ago and 1 per cent greater than a year ago.

Prospective building activity in eighteen cities of this district was 7 per cent greater in February than a year ago and 30 per cent larger than in January, according to the valuation of permits granted at these cities. Twelve cities reported increases over a year ago and six cities reported a smaller volume of permits.

Manufacturing reports covering the month of February indicate that activity was less in February than in January. Shipments of flour from Minneapolis

decreased only 5 per cent in February from the January total, although usually there is a decline of 11 per cent. As compared with a year ago, the flour movement was 14 per cent smaller in February, following the tendencies of recent months. Flour output at Minneapolis mills was 5 per cent smaller than in January and $2\frac{1}{2}$ per cent smaller than a year ago, and country flour output was 15 per cent smaller than in January and $2\frac{1}{2}$ per cent larger than a year ago, according to the records of the Northwestern Miller. Shipments of linseed products were 4 per cent smaller in February than in January, which is less than the usual seasonal decline, particularly in the case of oil cake. The movement of linseed products was 64 per cent larger than a year ago, with oil cake showing an increase of 89 per cent and linseed oil an increase of 29 per cent. Carloadings of forest products in the northwestern district averaged 137 per cent above normal in February, as compared with an average of about 140 in January and an average during February a year ago of 139.

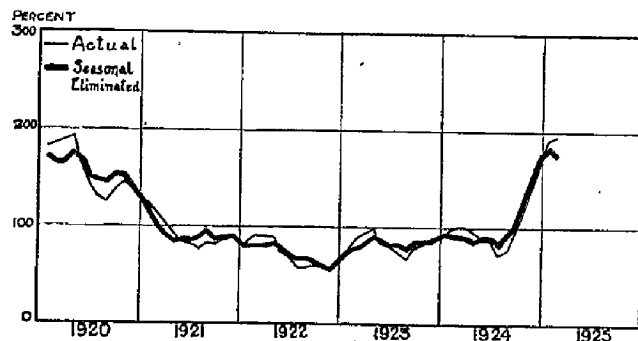
Banking developments in the Northwest during February were of minor significance. There was an apparent check to the growth of investment holdings and an upward trend of borrowings by city banks, but both of these lasted for only a few days. Country banks were able to make minor reductions in their borrowings at this Federal Reserve Bank.

The twenty-five city banks reporting weekly to this office reported an increase of three-fourths of a million dollars in borrowings from the Federal Reserve Bank between January 28 and February 25. Demand deposits were reduced $1\frac{1}{3}$ millions, loans were paid off to the extent of 1 million dollars and security holdings declined one-third of a million. On the other hand, time deposits were increased $1\frac{2}{3}$ millions and these banks increased their reserve balances and their vault cash by nearly 1 million dollars in the aggregate.

Savings deposits at fourteen savings banks and trust companies in Minneapolis, St. Paul and Duluth showed a small increase of about one-half of 1 per cent during February, which is more than the usual increase; and the average savings deposit reached a new high level of \$382 as compared with \$381 a month ago and \$369 a year ago.

This Federal Reserve Bank experienced a very small increase, of about \$67,000, in loans to member banks during the period from January 28 to February 25. The increase in borrowings by our member banks occurred in the Twin Cities and in Montana, with all other sections of the district showing declines. Our Federal reserve notes in circulation increased about one-fourth of a million dollars during the month, member bank reserve deposits were enlarged two-thirds of a million, there was a transfer of $2\frac{2}{3}$ millions of our investment funds from United States securities to purchased acceptances and our cash reserves increased more than 3 million dollars.

Commercial paper outstanding in this district was only 1 per cent greater on February 28 than on January 31, although the normal increase for this time of year would be 6 per cent. The fact that there was such a small increase in commercial paper was to be expected after the tremendously heavy investment in this class of paper which took place in the Northwest during the period since July 31. At the close of February, the volume of commercial paper outstanding was 95 per cent greater than a year ago at the same time.



Commercial Paper Outstanding in the Northwest. Average for 1920-1923 = 100 per cent. Changes in actual volume shown by light line. Changes other than seasonal shown by heavy line.

No important change took place in banking in the Northwest during the first half of March. A small increase of less than 4 million dollars occurred in the demand deposits of our selected group of banks, and an increase of more than 2 millions in time deposits. This latter increase was largely explained by the absorption of the business of a trust company by one of this group of banks. With these increased deposits the banks enlarged their security holdings and reserves and paid off most of their borrowings, and their loans were increased two-thirds of a million dollars.

In the three weeks ending March 18, this Federal Reserve Bank experienced a decrease of one-third of a million dollars in loans to member banks and an increase of $2\frac{1}{2}$ millions in member bank reserve deposits. Federal reserve notes in circulation declined less than one-fourth of a million dollars. Cash reserves were reduced 4 millions, United States Government security holdings were reduced $1\frac{1}{2}$ millions and purchased bill holdings were expanded more than 6 million dollars.

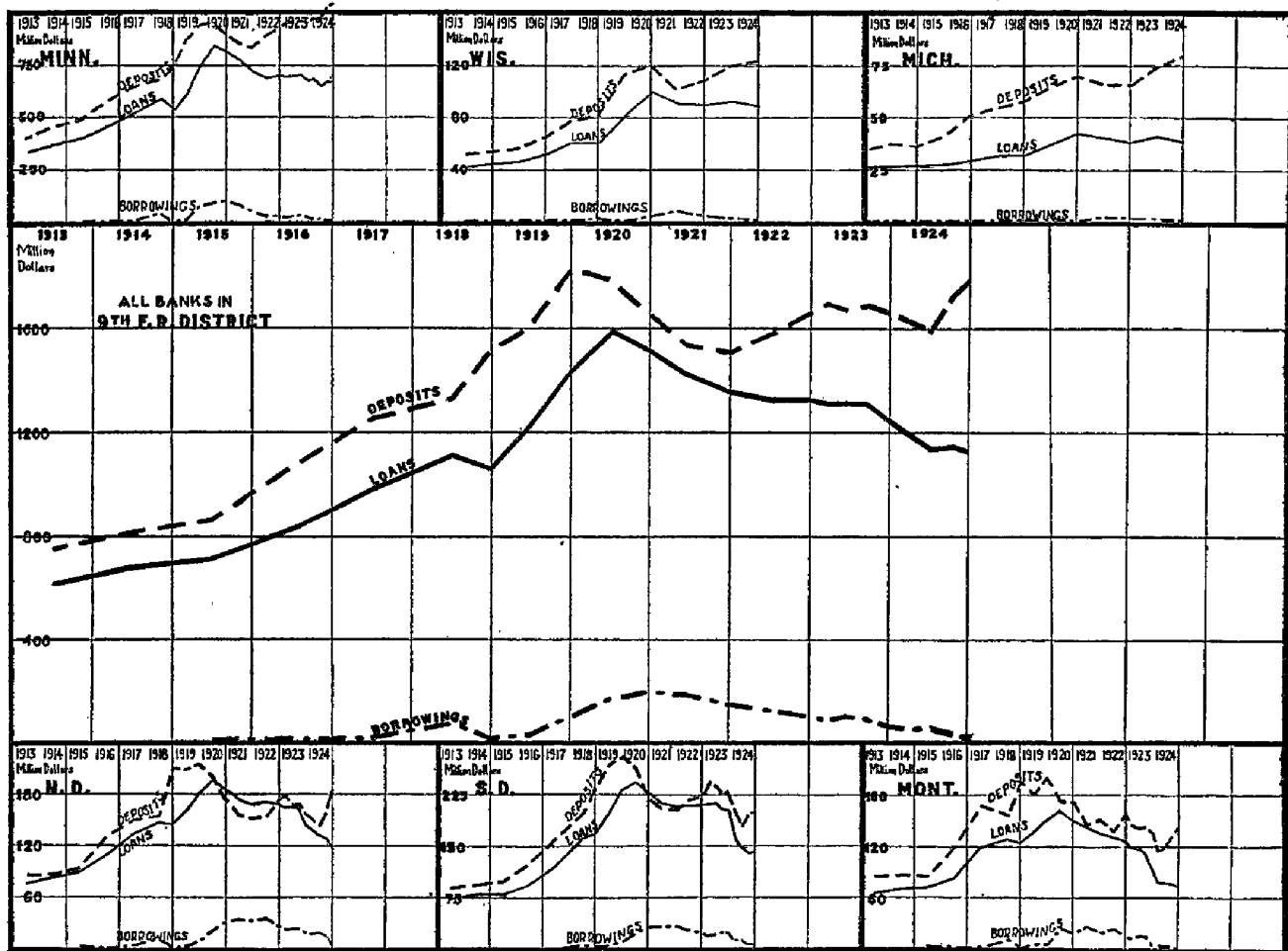
Interest rates remained firm, at about $4\frac{3}{4}$ per cent., at commercial banks in Minneapolis during the month ending March 15. There was an insignificant decline in the rate on time loans secured by stock exchange collateral and very minor increases in the other rates.

Banking in 1924: Figures have become available recently showing that deposits at all banks in this district reporting to state or national authorities increased 114 million dollars during the

year between December 31, 1923 and December 31, 1924. Customers' loans of all banks in this district were reduced 127 millions, while rediscounts and borrowings were paid off to the amount of nearly 52 millions. These banks were borrowing only \$23,617,000 at the close of the year. This is the smallest volume of bank borrowings shown in our records since December, 1918. With the increase in deposits and with funds obtained through the reduction in loans, the investments of these banks and their cash and deposits in other banks were increased. In the four complete states of this district, investments were enlarged nearly 75 millions and cash and due from banks increased more than 90 millions. Figures with regard to these last two items are not available for the group of banks located in the parts of Wisconsin and Michigan which are contained in this district. These changes are shown in the chart and table presented in this issue.

The reduction in bank loans to customers has been somewhat more than the figures quoted above would indicate. Commercial paper purchased by northwestern banks is included with other loans, although it is in reality considered a very liquid investment rather than a form of accommodation. The amount of commercial paper outstanding in this district, according to our records, was nearly twice as great at the close of 1924 as the amount a year earlier. If the increase in commercial paper holdings of northwestern banks could be eliminated from the total change in loans, it would probably be found that the apparent reduction in customers' loans held by banks has been approximately 150 million dollars during the year, from which must be deducted the loans frozen in banks that closed during the year. It is altogether probable that the borrowers did not pay as much as shown by the foregoing, because we know that considerable refunding has taken place through Federal Land Banks, Intermediate Credit Banks, the Agricultural Credit Corporation and through private sources of funds.

The growth in deposits during 1924 should be analyzed, as far as possible, to determine the exact meaning of the increase. The question naturally arises as to how much of the increase was in deposits controlled directly by individuals and corporations in this territory and how much was merely a re-depositing of idle or reserve funds by country banks. There is the further question as to what proportion of the increase in deposits was due to an increase in the deposits with banks by the United States Government and by state and municipal government bodies in our states. In the four complete states of this district, deposits increased 103 million dollars during 1924. Of this increase, 59 millions represented an increase in amounts due to national and state banks located within and outside this district. Of the increase in deposits due to other banks, 43 million dollars occurred in Twin City national banks. The increase in public deposits is not exactly determinable because the state banking departments do not report public deposits separate from



Loans, Deposits and Borrowings of All Operating Banks in the Ninth Federal Reserve District, from 1913 to 1924.

commercial and other private deposits in the institutions under their control. For the national banks in these four states, however, such a segregation is made, and in these banks the amount of public deposits increased nearly 6 million dollars during 1924. Deducting the 59 million dollar increase in amounts due to national and state banks and the 6 million dollar increase in public deposits in national banks from the total increase in deposits, amounting to 103 million dollars, there is left an increase of but 38 million dollars as the real increase in individual and corporation deposits during 1924. This increase would probably be reduced slightly if it were possible to eliminate the increase in public deposits in state banks, which undoubtedly have shown an increase similar to the increase reported for national banks in these states. On the other hand there was a gain of about 11 million dollars in the deposits in banks located in those portions of Wisconsin and Michigan in the Ninth Federal Reserve District.

Changes during 1924 in the accounts of Minneapolis and St. Paul national banks have been somewhat different from changes in the rest of the district. There was an increase of nearly 80 million dollars in deposits at these banks, of which, as be-

fore stated, 43 million dollars was in the item of deposits due to other banks. Loans of the Minneapolis and St. Paul national banks showed an increase of 39 million dollars. This suggests the probability that a large part of the commercial paper investments made in the Northwest during 1924 was made by these Twin City banks which had the responsibility of securing very liquid investments for the funds temporarily deposited with them by other banks. Investments of the Twin City banks were increased 18 millions and their cash and due from banks were enlarged 14 millions. Their borrowings were not large at the beginning of 1924 and were reduced more than 5 million dollars during the year, to a total of only \$168,000 on December 31, 1924.

Banks of this district, with the Twin City national banks excluded, showed an increase in deposits of 34½ million dollars, of which about 16 millions was in the item "due to banks", and a decrease in loans of 166 millions. Their borrowings were reduced more than 46 million dollars. The investments of banks in the four states, excluding Twin City national banks, increased 56 million dollars and the volume of cash and deposits due from banks increased 76 millions. Every state in the district showed simi-

lar tendencies of rising deposits and declining loans and reduced borrowings, except that South Dakota banks reported a reduction of 27 million dollars in deposits. This does not indicate a contrary trend, however, for South Dakota banks, since their loans were reduced 59 millions and borrowings were reduced 16 millions, while investment holdings increased nearly 7 million dollars and cash and due from banks were enlarged more than 10 millions. The change in North Dakota has been the most marked. Deposits increased 28 millions, loans were reduced nearly 28 millions, borrowings were paid off by the amount of 13 millions, investments were increased 11½ millions and the volume of cash and due from banks increased nearly 29 millions. In Montana banks, at the close of 1924, deposits were almost double the amount of loans. Investments, and cash and due from banks combined were larger than total loans.

March 1 Stocks of Grain and Hay on Farms:

Stocks of wheat on farms March 1 as given by the United States Department of Agriculture, were estimated at 24,000,000 bushels less than on the same date last year, despite an increased production of 75,000,000 bushels. The decrease in the farm reserves amounted to 4.2 per cent when compared with the previous year's crop.

It is possible to estimate from figures given the approximate reserves of spring and winter wheat. Our four states, Minnesota, Montana, North Dakota and South Dakota, last year produced all but 44 million bushels of the national spring wheat crop, or 85 per cent. of the total. These four states combined produced less than 3 per cent. of the national winter wheat crop, or 15,000,000 bushels. The amount of winter wheat held on farms in this district on March 1 would, therefore, be more than offset by holdings of spring wheat on farms outside of this district. On this assumption, farm reserves of winter wheat (all wheat in states outside this district) are 33,500,000 bushels less than a year ago, and represent only 11.6 per cent of last year's crop. The farm reserves of winter wheat on March 1 a year ago represented 16.8 per cent of the previous year's crop. This indicates a decrease of 5.2 per cent.

The total of spring wheat reserves (all wheat in our four states) is nearly 10,000,000 bushels greater than a year ago, and represents 16.5 per cent of the 1924 crop. The March 1, 1924 reserves for our states were 19.2 per cent of the 1923 crop. This indicates a decrease of but 2.7 per cent, or about two-thirds of the decrease for the United States as a whole. This condition of greater reserves may explain in part the lower price of contract grades of wheat at Minneapolis when compared with contract grade prices at Chicago.

Feed grains and hay all showed national reserves nearly as high or higher than a year ago, except corn. Oats showed an increase of over 100,000,000 bushels, or 23 per cent, when compared with last year, largely on account of the unusually heavy

yields obtained in 1924. The percentage that the reserves were of the total crop was also somewhat larger, indicating that the rate of marketing has been slower than last year in spite of the increased demand for oats owing to the short corn crop. The reserves of oats on farms in our four states exhibited the same tendencies as in the whole United States, but to a much greater degree. Oats reserves in these states were 58,000,000 bushels, or 48 per cent, greater than reserves a year ago. The 1925 reserves are 44.1 per cent of the 1924 crop, whereas the 1924 reserves were only 38.8 per cent of the previous crop. It is noteworthy that considerably more than half of the increase in national oats reserves is on farms in our four states.

National corn reserves were only 70 per cent of those a year ago, but owing to the greatly decreased production, March 1, 1925 reserves were 33 per cent of the crop, compared with 38 per cent a year ago. Corn reserves in our four states showed a greater decrease than the national figures, both in physical volume and in percentage of the previous year's crop. This was to be expected as most of the corn produced in this district was of such poor quality that it could not be kept satisfactorily during warm weather. In our four states, the highest figure for the per cent of the crop that was of merchantable quality was that for South Dakota, 50 per cent, compared with 91 per cent a year ago. The lowest figure was for North Dakota, 26 per cent, compared with 74 per cent last year.

National farm reserves of barley expressed in bushels were slightly less than a year ago, but expressed in per cent of the previous year's crop, were slightly higher. Barley reserves in our four states were more than 120 per cent of last year's reserves, but were a slightly smaller per cent of last year's crop than were those of a year ago.

National farm reserves of all hay were more than 10 per cent greater than those of a year ago, and also represented a larger per cent of the crop. Hay reserves in our four states were somewhat smaller than last year, and represented a slightly smaller per cent of the crop.

The farmers intentions to plant report issued by the United States Department of Agriculture as of March 1, 1925, indicates intended percentage increases in acreage of spring wheat, corn, oats, and barley, and decreases in flax and white potatoes. The figures are given for the entire United States in the table below. The percentages given in the report have been applied to the latest figure for acreage in 1924. The three per cent intended reduction in flax still leaves flax acreage large when compared with other recent years. With the exception of 1924, the flax acreage for 1925, if farmers intentions are realized, will be the largest since 1904.

While the proportion of the national oats acreage that is located in the Ninth Federal Reserve District is, of course, less than that of flax, nevertheless, the intended oats acreage is sufficiently important to

be worthy of comment. If the 1925 oats acreage is as large as the expressed intention indicates, it will be only about 1.5 per cent less than the greatest oats acreage in the history of the country, in 1921.

ACREAGE AND FARMERS' INTENTIONS TO PLANT 1923-1925

(For entire United States)
(In thousands of acres)

| | 1923 | Mar. 1, '24 Intention to Plant | 1924 | Mar. 1, '25 Intention to Plant |
|----------------|---------|--------------------------------------|---------|--------------------------------------|
| Spring Wheat | 20,141 | 17,321 | 17,771 | 20,259 |
| Corn | 104,324 | 107,454 | 105,012 | 107,112 |
| Oats | 40,981 | 43,850 | 42,452 | 44,999 |
| Barley | 7,835 | 8,540 | 7,086 | 8,716 |
| Flax | 2,014 | 3,102 | 3,289 | 3,190 |
| Tame Hay | 59,868 | 62,263 | 61,454 | 61,454 |
| White Potatoes | 3,816 | 3,740 | 3,662 | 3,516 |

Wool production in the Northwest during 1924 was 9 per cent larger than in 1923, according to figures recently published by the United States Department of Agriculture. In the four states wholly within this district, production amounted to 27,966,000 pounds in 1924, as compared with 25,699,000 pounds in 1923, and 28,369,000 pounds in 1919, which was the last year in which wool production in the Northwest exceeded production in the past year. Since the number of sheep in these four states increased 6 per cent between January 1, 1924 and January 1, 1925, it is reasonable to expect an increase in production in 1925 over the 1924 volume, which with satisfactory prices will mean added income for northwestern farmers. Wool production for each of the last six years in each of the four states wholly contained within this district, and for the United States as a whole, is given in the table below:

WOOL PRODUCTION (In thousand pounds)

| Year | U. S. | 4 States | Minn. | N. D. | S. D. | Mont. |
|------|---------|----------|-------|-------|-------|--------|
| 1919 | 249,958 | 28,369 | 3,054 | 1,826 | 5,222 | 18,267 |
| 1920 | 235,005 | 25,363 | 2,660 | 1,899 | 4,804 | 16,000 |
| 1921 | 223,062 | 24,697 | 2,340 | 1,633 | 4,324 | 16,400 |
| 1922 | 222,560 | 24,963 | 2,457 | 1,715 | 4,021 | 16,770 |
| 1923 | 224,330 | 25,699 | 2,225 | 1,648 | 4,021 | 17,775 |
| 1924 | 238,530 | 27,966 | 2,599 | 1,778 | 4,275 | 19,314 |

LIVESTOCK HOLDINGS

January 1, 1921 to January 1, 1925

(No. of Head, 000's omitted)

Figures Reported by United States Department of Agriculture.

Milk Cows

| Jan. 1 | U. S. | 4 States | Minn. | N. D. | S. D. | Mont. |
|--------|--------|----------|-------|-------|-------|-------|
| 1921.. | 23,594 | 2,539 | 1,532 | 461 | 390 | 156 |
| 1922.. | 24,083 | 2,639 | 1,578 | 484 | 417 | 160 |
| 1923.. | 24,437 | 2,767 | 1,641 | 503 | 450 | 173 |
| 1924.. | 24,786 | 2,899 | 1,707 | 533 | 455 | 204 |
| 1925.. | 25,319 | 3,063 | 1,775 | 581 | 487 | 220 |

Other Cattle

| | 1921 | 1922 | 1923 | 1924 | 1925 |
|----------|--------|--------|--------|--------|--------|
| U. S. | 41,993 | 41,550 | 42,803 | 41,720 | 39,609 |
| 4 States | 5,105 | 5,052 | 4,897 | 4,830 | 4,671 |
| Minn. | 1,429 | 1,343 | 1,289 | 1,225 | 1,200 |
| N. D. | 848 | 848 | 814 | 806 | 790 |
| S. D. | 1,748 | 1,601 | 1,521 | 1,551 | 1,396 |
| Mont. | 1,080 | 1,260 | 1,273 | 1,248 | 1,285 |

Sheep

| | 1921 | 1922 | 1923 | 1924 | 1925 |
|----------|--------|--------|--------|--------|--------|
| U. S. | 37,452 | 36,327 | 37,223 | 38,300 | 39,134 |
| 4 States | 3,388 | 3,654 | 3,599 | 3,758 | 3,977 |
| Minn. | 468 | 445 | 400 | 428 | 462 |
| N. D. | 272 | 250 | 240 | 254 | 297 |
| S. D. | 675 | 689 | 689 | 696 | 682 |
| Mont. | 1,973 | 2,270 | 2,270 | 2,370 | 2,536 |

Swine

| | 1921 | 1922 | 1923 | 1924 | 1925 |
|----------|--------|--------|--------|--------|--------|
| U. S. | 56,097 | 57,834 | 68,427 | 66,130 | 54,234 |
| 4 States | 5,587 | 6,148 | 7,561 | 7,951 | 6,721 |
| Minn. | 3,237* | 3,333 | 3,800 | 3,800 | 3,116 |
| N. D. | 431 | 435 | 566 | 651 | 586 |
| S. D. | 1,759 | 2,200 | 2,970 | 3,208 | 2,727 |
| Mont. | 160 | 180 | 225 | 292 | 292 |

Horses

| | 1921 | 1922 | 1923 | 1924 | 1925 |
|----------|--------|--------|--------|--------|--------|
| U. S. | 19,208 | 19,056 | 18,627 | 18,059 | 17,589 |
| 4 States | 3,197 | 3,172 | 3,087 | 2,989 | 2,946 |
| Minn. | 914 | 905 | 887 | 852 | 843 |
| N. D. | 830 | 813 | 797 | 781 | 765 |
| S. D. | 784 | 784 | 760 | 745 | 745 |
| Mont. | 669 | 670 | 643 | 611 | 593 |

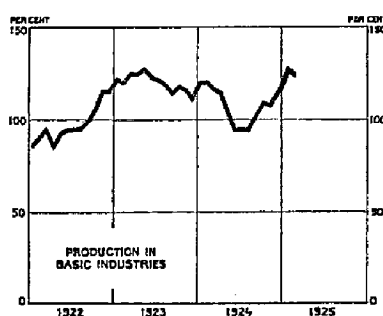
*Estimated in this office.

BANK RETURNS IN THE NINTH FEDERAL RESERVE DISTRICT (000's omitted)

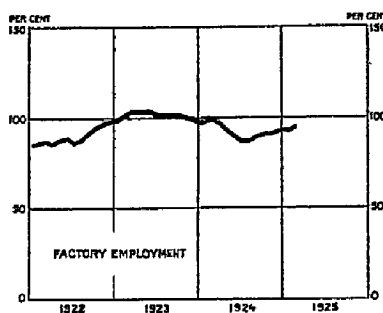
| December 31, 1924 | Loans | Investments | Cash and Due from Banks | Deposits | Borrowings | No. of Banks |
|-------------------|-------------|-------------|----------------------------|-------------|------------|-----------------|
| Minnesota | \$664,964 | \$276,408 | \$220,688 | \$1,051,168 | \$7,419 | 1,409 |
| North Dakota | 117,152 | 30,596 | 54,008 | 184,145 | 5,342 | 678 |
| South Dakota | 142,487 | 21,513 | 51,511 | 199,116 | 7,121 | 552 |
| Montana | 75,186 | 37,808 | 44,718 | 142,581 | 1,484 | 245 |
| Michigan* | 39,345 | | | 80,299 | 709 | 76 |
| Wisconsin* | 88,922 | | | 123,759 | 1,542 | 263 |
| Total | \$1,128,056 | \$366,325** | \$370,925** | \$1,781,068 | \$23,617 | 3,223 |
| December 31, 1923 | Loans | Investments | Cash and Due from Banks | Deposits | Borrowings | No. of Banks |
| Minnesota | \$678,490 | \$230,007 | \$178,635 | \$955,365 | \$24,442 | 1,467 |
| North Dakota | 144,826 | 19,146 | 25,523 | 155,748 | 18,416 | 743 |
| South Dakota | 201,698 | 14,947 | 41,091 | 226,414 | 23,024 | 662 |
| Montana | 95,737 | 27,541 | 35,444 | 136,460 | 6,163 | 289 |
| Michigan* | 42,391 | | | 73,725 | 848 | 76 |
| Wisconsin* | 92,129 | | | 119,223 | 2,552 | 270 |
| Total | \$1,255,271 | \$291,641** | \$280,693** | \$1,666,935 | \$75,445 | 3,507 |

* Portion of States in the Ninth Federal Reserve District.

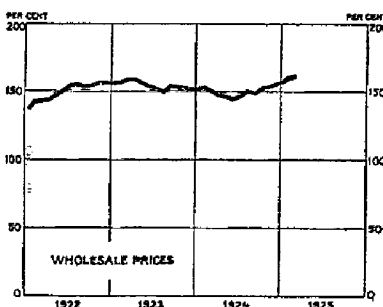
** Four States only.



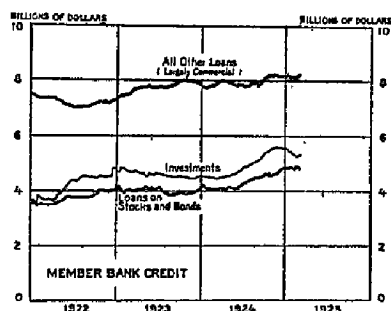
Index of 22 basic commodities. Corrected for seasonal variations (1919 = 100). Latest figure, February, 123.5.



Index for 22 Manufacturing Industries (1919 = 100). Latest figure, February, 95.



Index of United States Bureau of Labor Statistics (1913 = 100, base adopted by Bureau). Latest figure, February, 161.



Weekly figures for member banks in 101 leading cities. Latest figures in millions, March 11: All other loans, 8,265; investments, 5,874; loans on stocks and bonds, 4,980.

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

Production in basic industries declined in February from the high rate of output in January but continued above the level of a year ago. Notwithstanding a decline in prices of agricultural commodities, the average of wholesale prices rose slightly owing to a further advance in prices of certain other commodities.

PRODUCTION: The Federal Reserve Board's index of production in 22 basic industries, which is adjusted to allow for differences in the number of working days and for seasonal variations, declined 3 per cent in February but continued to be higher than at any time since the peak reached in May, 1923. Average daily output of iron and steel was exceptionally heavy, and copper production per day was the largest since 1918. There was a slight decline in activity in the woolen industry, and more considerable reductions in the output of lumber, cement, bituminous coal and crude petroleum. Production of automobiles increased 19 per cent in February, the largest monthly increase in nearly two years, but the output was still over 25 per cent smaller than a year ago. Factory employment increased by about 2 per cent in February, considerable increases being reported for the automobile, iron and steel and clothing industries, while the number of workers in the packing and cement industries declined. Earnings of industrial workers in February were larger than in January, reflecting in part the resumption of full time work after the inventory period. Reports to the Department of Agriculture of intentions to plant in 1925 indicate that the acreage of practically all grains and of tobacco will be larger and that of white potatoes smaller than in 1924.

TRADE: Total railroad freight movement continued at approximately the same daily rate in February as in January, and shipments of merchandise increased in recent weeks and were much larger than a year ago. Wholesale and retail sales were smaller during February than a year ago, owing partly to the fact that this year February had one less business day. Department stores sales were 1 per cent smaller in February than in the corresponding month of 1924. Wholesale trade in all lines, except meats and hardware, was less than a year ago, and showed in February about the usual seasonal changes. (Sales of groceries, meats and drugs decreased while sales of dry goods and shoes increased.)

PRICES: The slight rise in the wholesale price index of the Bureau of Labor Statistics was due to advances in the fuel and lighting group, largely in petroleum and in building materials, while prices of all the other commodity groups declined. In the first three weeks of March prices of hogs, cotton goods and rubber increased, while prices of many other commodities decreased, the largest decreases being those for wheat and other grains.

BANK CREDIT: Loans of member banks in principal cities continued to increase between the middle of February and the middle of March; and on March 11 were larger than at any time in the past four years. The volume of loans for commercial purposes has been at a high and almost constant level since last autumn, and loans on stocks and bonds which have increased continuously since the summer of 1924, reached in March the largest amount on record. Increases in loans were accompanied by further reduction in the holdings of securities, particularly at banks in the financial centers. At the reserve banks the demand for credit increased between the end of January and the middle of March, chiefly as the result of the export demand for gold and the growth in domestic currency requirements, with the consequence that earning assets increased. After March 15, however, temporary abundance of funds arising out of treasury operations resulted in a sharp reduction in member bank borrowings.

Somewhat firmer conditions in the money market in the latter part of February and the early weeks of March were indicated by a rise of the rate on 4-6 months prime commercial paper from $3\frac{3}{4}$ to 4 per cent.