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MONTHLY REPORT
CROP AND BUSINESS CONDITIONS IN THE NINTH
FEDERAL RESERVE DISTRICT.

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As good a grain crop as the northwestern states have ever produced has been safely harvested, and the way is now clear for the gathering of a record corn crop. Throughout the eastern half of the district, the corn harvest promises to be very large. The quality is high and August weather, although it brought a great deal of rain, was, as a whole, favorable to the prompt maturity of this important cereal.

Some reports have already been received from seed samples of Argentine, Northwestern dent and Miner varieties of corn distributed for test purposes by the Federal Reserve Bank in the spring. Preliminary reports give reason to believe that the Argentine variety may have a permanent usefulness in these states. One test plot showed corn that was fully matured and harvested on August 12th, or fully 30 days ahead of the earliest killing frost on record in the eastern half of the district. Other samples are reported as fully matured and ready to cut during the latter half of the month.

The most satisfactory feature of the corn situation is that the crop is probably safely out of danger from frost. In the eastern half of the district, Government records show general killing frosts as follows for the last ten years:

1907	May 20 and September 30
1908	May 3 " September 29
1909	May 3 " October 12
1910	May 3 " October 28
1911	May 3 " October 22
1912	April 27" September 27
1913	April 27" September 22
1914	May 12 " October 27
1915	May 18 " October 9
1916	May 2 " October 10
1917	May 22 " October 6

The earliest killing frost since 1898 occurred on September 13, 1902. In the fall of 1883 there were killing frosts at St. Vincent and Moorhead on September 8, with a light frost the same date in St. Paul and Minneapolis.

The satisfactory progress of the corn crop is more than usually important. It has removed any danger of a further seed shortage next spring. Farmers are already taking steps to select matured ears and put them in safe storage. The substantial supply of good seed which is

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now available will probably result in a large acreage in corn next year. The current crop is unusual, not only for its uniformly good quality, but for the satisfactory acreage that will be harvested in the face of the utmost difficulty last spring in obtaining seed, and the very poor germinating quality of most of the seed that was then available.

Threshing of small grains is in progress throughout the eastern half of the district and the yields are uniformly good. In this general area the returns from wheat, both because of price and the yield, will be better than the farmers have ever enjoyed before. Threshing returns from other grains are very satisfactory.

In the western half of the district, and particularly in western North Dakota, the yield is proving to be somewhat better than promised 30 days ago, and the Government price for wheat will give the farmers a money return that will compare favorably with what they formerly received in an average year.

The substantial rain fall during the last half of August damaged the small grain in the shock, but was of considerable advantage to flax and pasturage.

More or less of the new wheat arriving at terminal markets shows smut.

Business conditions throughout the district remain about the same, excepting as war influences are making themselves felt in a gradually increasing shortage of experienced help, accompanying which there is a steady growth in the number of women engaged in clerical and office work and in industry. Banks, in particular, have suffered severely through loss of experienced men, and are being compelled more and more to rely upon women. At the present time approximately half of the force of the Federal Reserve Bank consists of women, and much the same condition prevails in all the larger institutions. Under these conditions banks continue to cheerfully and patriotically render extremely valuable public service, in the placing of successive issues of Treasury Certificates, and in other work for the War Savings and Liberty Loan campaigns.

During August the plans for the next big War Loan were practically completed. The amount of the allotment for the Ninth District has not yet been set, but will not be less than the amount allotted in the Third Loan, and it is probably a safe assumption that that figure will be considerably increased.

The Ninth District is ready for the word from Washington to open the drive, and its organization is complete and thoroughly efficient.

The movement toward further restriction of non-essential credit gained headway during the month, and is meeting with a satisfactory response. A large amount of public and private financing is being

brought before the District Committee on Capital Issues, and issues of securities and obligations of more than one year's maturity that have been approved and recommended to the Capital Issues Committee in Washington have been running a little less than half of the total amount for which approval has been requested. Obligations that have been disapproved afford a fair measure of the non-essential financing that up to this time has been in progress. The co-operation of those interested in matters involving security issues is very good evidence of the rapid progress that is being made in bringing new financing under the control contemplated by the War Finance Corporation Act.

Banks that up to this time have been heavy borrowers may reasonably expect that the seasonable period of liquidation will shortly begin. The handling of a large crop at unusual prices has put a heavy strain upon all financial institutions, and the unusual demand, occurring as it did during a period when banks generally have been responding to the Treasury Department calls for subscriptions to certificate issues, has necessitated a larger volume of borrowing than in any previous year. The period of liquidation has therefore been looked for with more than usual interest. The turn will probably come suddenly. Bank deposits are likely to show very rapid increases as soon as a sufficient volume of grain has moved to create a flow of money into the country.

The general outlook is good. There is no reason to believe that fall and winter trade will not be entirely satisfactory. The business of the northwest will be transacted until the close of war under different conditions than have prevailed before. The course of trade will be hampered by transportation difficulties, by problems of financing due to the high cost of all goods, and by problems resulting from the Government's call for men. There is no reason to doubt that the states of this district will not be able to handle these problems as they arise, or that the necessary lines of trade will not continue to enjoy prosperity. The guarantees that are represented by large crop returns are the most substantial kind of trade insurance and may be taken as evidence that the situation at home will continue satisfactory in spite of the larger and larger demands upon the country in backing up the fighting forces on the other side.

Upon the Federal Reserve Bank, during the month, fell the sorrowful duty of placing the first gold star on its honor roll, commemorating the death in the service of Garrett T. Mandeville, one of its promising young men, who early responded to the call. His death takes from the force of this bank one for whom an excellent future might have been expected, and a splendid representative of the type of young Americans who have not faltered or turned back from the path of duty, even in the face of the supreme sacrifice.