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CROP AND BUSINESS CONDITIONS IN
THE NINTH FEDERAL RESERVE DISTRICT. exchange of information, localities needing seed have been promptly advised of sources from which it could be obtained. John H. Rich, organized effort to expedite car lot shipments of Federal Reserve Agent. complaints have met a fine response from the railroads, which have cooperated heartily in promptly moving loaded cars.

"Business as usual" should not only be the slogan, but the policy of every business man, banker and individual in this district. The spring outlook is as favorable as it has ever been at this date. The volume of business in manufacturing lines, in the wholesale trade, in the lumber trade, and in retail merchandising is good. Banks are meeting the spring demands without evidences of strain, and over the entire district, a condition of unusual activity prevails. The country as a whole will enjoy good business during 1917, and while conservatism will prevail, the underlying factors that guarantee prosperity are plainly in evidence. In the Northwest, especially, upon which there will be heavy demands for food stuffs, not alone for domestic consumption but for foreign export, there is every reason to look forward to a period during which the prime necessities, which embrace the principal products of this district, will be in very active demand at good prices. Business activity is, therefore, thoroughly guaranteed by the domestic and international situation, and the outlook is favorable.

At this date, a critical condition exists as to the Northwestern wheat crop. Some delay in seeding has already occurred on account of snow and wet weather, and it is possible that the acreage hoped for may not be secured. Upon the other hand, the Northwest has never seen a condition of such vigorous activity on the part of farmers, bankers and merchants, and all others interested in a successful year from an agricultural standpoint, and every force in the Northwest has solidly united behind the farmers to provide money, seed and help, and to secure record breaking crops. The results of this effort are illustrated by the condition in a single North Dakota county, where since April 16th, organized work of the bankers and business men has resulted in pledges from farmers to plant 10,600 additional acres of wheat that would not otherwise have been put into the ground.

The natural apprehension that always exists at this period, should not be allowed to create the impression that the Northwest faces short crops. In the face of drouth, rust and hail last year, reports received by this bank indicate that the North Dakota wheat acreage will not be much less than normal. Some increase will be shown in Minnesota. South Dakota will plant a good wheat crop. The acreage of wheat in Montana will be increased. The district, as a whole, with at least a week more before seeding is completed, promises to show a better wheat acreage than a year ago, put in upon carefully prepared ground, and under the most favorable moisture conditions that the district has seen in many years. As to other grain crops, there will be a large increase in the barley acreage as well as oats and rye. In North Dakota and Montana, there will be a substantial increase in the flax acreage. Very large increases in corn planting are already assured, and should weather conditions during the period in which it will still be practicable to seed wheat, prove at all unfavorable, a sudden and very considerable increase in the

corn acreage now in prospect, may be expected.

The apprehension as to a shortage of good seed wheat was not well founded. Where intensive crop production work has been in progress, those engaged have been surprised to find a much larger amount of prime seed than was believed to have been in the hands of the farmers, and through a system for the quick exchange of information, localities needing seed have been promptly advised of sources from which it could be obtained. Organized effort to expedite car lot shipments of seed and agricultural implements have met a fine response from the railroads, which have cooperated heartily in promptly moving loaded cars.

Owing to the partial failure of the crop last year, some difficulty has been experienced in financing farmers at this time. The call issued to the bankers of the district to meet this situation resulted in an immediate and hearty response. In some localities, where smaller banks were having difficulty in taking care of the farmers, the larger banks at other points have come to their assistance and are taking the farmers paper and supplying funds. In other instances, the banks of a locality have entered into cooperative agreements, and have practically pooled their resources in meeting the demands from adjacent farming districts. Banks are showing great liberality in their terms to farmers, and in numerous localities have made public announcements through the press that they will fully meet every legitimate agricultural demand. Close investigation by this bank has so far failed to disclose any cases where worthy and reputable farmers are not being fully accommodated, as to their requirements for seed, labor, feed and funds otherwise required as an incident to spring planting. Close cooperation exists between the larger banks at urban centers, the Federal Reserve Bank, and all of the banks at outlying points in the grain raising territory, and the financing of immediate agricultural demands has not only received proper attention, but steps have been taken to care for the farmers throughout the remainder of the year.

There is apprehension among farmers that it will be difficult to obtain farm labor, and there has been some disposition to hold back on spring planting because of this factor. The labor situation has not been serious so far as spring operations are concerned, and over at least 90 percent of the agricultural portion of the district, there has been sufficient labor for seeding and other spring work. There is a probability that from the beginning of haying on through the harvest, the labor demand will become more pronounced, and in anticipation of such a condition, plans are now being thoroughly organized to mobilize and provide farm labor wherever it is required. These plans have reached a point justifying the Federal Reserve Bank in stating to its member bankers that labor will be provided, and that the farmers need not be apprehensive on this score.

In this important matter, close cooperation has been secured between agricultural associations, bankers and the state and Federal Governments. A method will undoubtedly be provided of mobilizing and bringing into the Northwest, if necessary, available labor from outside sections in the United States.

With this outlook, and the conditions that exist at this time, a careful distinction should be made between thrift and a too radical economy. Some disposition to hoard food has been noticed in

the district, which is, in the opinion of this bank, unjustifiable, since it is very probable that before the fall months, the prices of staple commodities will be lower than at the present time. Under war conditions, it is desirable that all citizens exercise conservatism and thoughtful care. Sudden and violent economy can produce no result except to diminish the volume of business and cause suffering by throwing out of employment those who at this time more than at any other period, need steady work. Great good might be accomplished if the tendency toward economy could be made to manifest itself in a much more rigid and careful study of waste, both from the individual standpoint and from the family and community standpoints. The conservation of food supplies, which is of importance to the Nation, can be vastly aided, if every individual will make war upon the drains and losses that occur through carelessness and indifference as to what goes into the garbage can.

Banking conditions are very sound. A healthy tendency toward a hardening of rates was noticeable during the month, and the present rate basis at the larger centers is slightly higher than a month ago. The demand is active, but is confined to loans prompted by sound business necessity, and very little money is going into new enterprises. Savings deposits show healthy gains. Some pressure has been put upon the larger city institutions by the demands of their country correspondents, but not more than is ordinarily noticeable at this season of the year.

Over the district as a whole the crop acreage has been considerably increased. In Montana, where there was considerable winter killed wheat, the damage has been repaired by spring planting, and in the Yellowstone Valley and generally through the eastern portion, a very large crop has gone into the ground. North Dakota's acreage is the largest in the history of the state, due to the successful campaign for a record breaking acreage which was conducted by banks and bankers. The wheat acreage is from 5 to 7 percent greater than a year ago. There are good increases in barley and oats, and a substantial increase in the amount of flax planted. Crop production work undertaken by the North Dakota banks has involved several million dollars of loans, and credit has been freely extended to all reputable farmers.

In the western and northwestern portions of Minnesota, an increased amount of wheat has been sown, and acreages of other crops are larger than a year ago. South Dakota reports good increases in small grains and a large increase in the corn acreage, which is true as well of southern Minnesota and Wisconsin. In all parts of the district, growing crops present a fine appearance. The continued cool weather has caused the plants to root deeply, and the small grains show promise of a good stand and a heavy yield. During May the nights were uniformly cool, and from some localities, heavy frosts were reported, but no appreciable damage resulted.

Should North Dakota receive the early June rains that are now needed, the outlook for the district as a whole will be as good as the Northwest has ever had at this season of the year. Canadian reports are not encouraging. The wheat acreage is considerably less than normal, and planting was generally late in the Northwest provinces. The yield that may be expected from the wheat territory in the Canadian Northwest will be reduced to such an extent as to put a considerable burden upon the grain raising sections of this district. This is a factor of importance in connection with the prospective wheat supply of the United States and its allies, and is considered as further evidence that farmers will receive very favorable prices for wheat this fall, as well as good returns upon other small grains and corn. Under these conditions, the crop in this district, if it