

# CROP and BUSINESS CONDITIONS

IN THE  
NINTH  
FEDERAL RESERVE  
DISTRICT



AS REPORTED BY THE  
FEDERAL RESERVE AGENT  
TO THE  
FEDERAL RESERVE BOARD

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79th Report

MINNEAPOLIS, MINN.

August 26, 1921

**EDITORIAL NOTICE:**—This report is prepared monthly in the office of the Federal Reserve Agent for the purpose of providing the public with accurate and impartial information concerning current business conditions in the Northwest. Under present conditions it is absolutely essential that correct information be available for those who must make business decisions. This report will be mailed free of charge to any responsible person who makes request for it.

## SUMMARY FOR THE MONTH

The Department of Agriculture estimates on August 1st indicated a total crop for the Ninth District of 792,000,000 bushels for wheat, corn, oats, barley, rye, flax, and potatoes. This should be used by the producers, to a reasonable extent, in decreasing current indebtedness and the present rediscount burden carried by country banks. Owing to the spotted crop conditions and the large volume of rediscount indebtedness, liquidation will be only partial and localized this year.

The volume of business in July was below that in June, which is a normal occurrence at this season because a similar slump was evident last July. The depression in business in the Northwest is similar to that throughout the United States.

There was no improvement in the credit situation in this district during July. Indeed, the trend was not as favorable as in July a year ago. Member banks in the larger cities paid 5 million dollars to the Federal Reserve Bank and also loaned 5 millions to their customers. The demand deposits of these selected member banks rose during July and the first two weeks of August a total of nearly 3 millions while their time deposits declined nearly 4 millions.

Market interest rates in this district for short time funds declined slightly during the month ending August 15. The rates at this bank remained unchanged at 6 per cent on notes secured by Liberty Bonds, Victory Notes, and Certificates of Indebtedness of the United States Government;

and at 6½ per cent on 90-day commercial paper and 6 months agricultural and live stock paper when endorsed by member banks.

Prices at wholesale of important commodities produced by this district exhibited mixed tendencies in July. A majority of the grains declined, while a majority of live stock quotations increased slightly. Increases and decreases were equal in number for wholesale produce. Flour declined \$1.00 the last two weeks of July and rose 15 cents in the first two weeks of August, closing at \$8.50.

Great irregularity prevails in the pricing of different commodities and also in the pricing of the same commodities. This irregularity is one of the fundamental causes of the depression in current business and indicates that buyers will often better themselves by making inquiries in many directions.

Live stock receipts in July were about 25 per cent less than in June and about 27 per cent less than in July a year ago. Similar declines were shown in shipments, and in the movement of feeders. Grain receipts at Minneapolis and Duluth in July were 13 per cent less than in June but 14 per cent greater than in July a year ago. Terminal elevator stocks of all grains declined slightly in July but were about 4 times as large as a year ago, due chiefly to a 15 million bushel increase in oats.

Other indices as to volume of business indicated declines in July as compared with June as follows: Individual debits 8%, Federal Reserve

notes 4%, number of building projects 4%, value of building projects 28%, coal receipts 14%, lumber sales by retailers 24% in board feet and 19% in dollar values, copper production 13%, and sales of securities and investments 13%.

Increases were shown in the number of men employed by lumber concerns and in the laborers applied for and placed in positions by employment offices. There were increases of 12% in iron ore shipped from upper lake ports, 20% in flour shipped from Minneapolis and Duluth, 15% in shipments of linseed products, 13% in flour production and 6% in orders placed with manufacturers of lumber.

All of the foregoing indices of business volume, as well as the sales of store retailers were lower this year than last except in the case of coal receipts, grain receipts, building projects, flour and linseed production. As most of these indices are based on physical volume rather than dollar values, it is apparent that a much lower level has been reached in business activity this year. Business failures, both in number and liabilities, were double a year ago and foreclosures of mortgages in Minneapolis 50% greater than a year ago. However, the failures were not quite so great in July as in June and the foreclosures had been reduced one-half.

#### Volume of Business

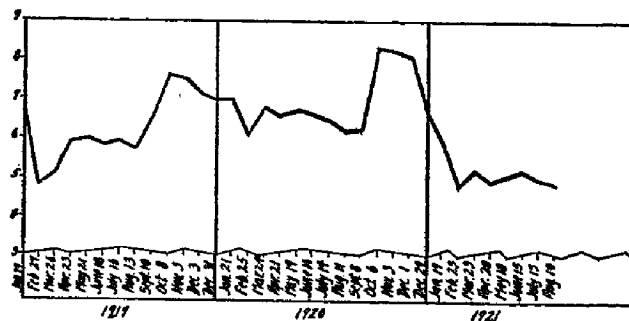
Payments through banks in twelve clearing house cities of the Ninth District (Table No. 1) decreased 8 per cent between June and July, although there were increases in the cities of Fargo, Grand Forks, Superior and Winona. Decreases of more than 10 per cent between the two months occurred at Duluth, Great Falls, and Minneapolis. Between June and July in 1920 there was a decrease of only 1.5 per cent in payments through banks in the twelve cities.

Between July of this year and July a year ago, the volume of bank payments showed a decline of 24 per cent which affected all the cities.

Table No. 1

| Payments Through Banks (000's omitted) | 4 Weeks Ending July 27, 1921 | 4 Weeks Ending June 29, 1921 | % July 27 of June 29 | 4 Weeks ending July 28, 1920 | Per cent July 27, 1921, of July 28, 1920 | 4 Weeks ending June 30, 1920 | Per cent July 28, 1920, of June 30, 1920 |
|--|------------------------------|------------------------------|----------------------|------------------------------|--|------------------------------|--|
| Aberdeen                               | \$5,124                      | \$5,445                      | 94.2                 | \$5,987                      | 85.4                                     | \$7,106                      | 84.2                                     |
| Billings                               | 6,668                        | 6,674                        | 99.8                 | 7,943                        | 83.9                                     | 8,330                        | 95.4                                     |
| Duluth                                 | 62,218                       | 69,541                       | 89.4                 | 84,472                       | 73.7                                     | 84,960                       | 99.4                                     |
| Fargo                                  | 10,548                       | 9,972                        | 105.9                | 14,557                       | 72.5                                     | 18,976                       | 104.2                                    |
| Grand Forks                            | 4,615                        | 4,372                        | 105.2                | 6,986                        | 66.0                                     | 7,027                        | 99.5                                     |
| Great Falls                            | 6,082                        | 7,501                        | 81.1                 | 7,735                        | 78.7                                     | 8,330                        | 92.8                                     |
| Helena                                 | 9,270                        | 9,755                        | 95.2                 | 9,339                        | 99.4                                     | 9,760                        | 95.6                                     |
| Minneapolis                            | 249,367                      | 283,459                      | 88.1                 | 334,002                      | 74.5                                     | 341,501                      | 97.9                                     |
| St. Paul                               | 112,511                      | 113,094                      | 99.7                 | 146,171                      | 77.0                                     | 143,006                      | 102.7                                    |
| Sioux Falls                            | 16,436                       | 17,121                       | 96.1                 | 23,624                       | 69.5                                     | 27,231                       | 86.8                                     |
| Superior                               | 7,663                        | 7,554                        | 101.2                | 8,199                        | 93.6                                     | 8,368                        | 98.0                                     |
| Winona                                 | 4,597                        | 4,022                        | 114.4                | 5,580                        | 82.3                                     | 4,763                        | 117.2                                    |
| <b>Total</b>                           | <b>\$495,099</b>             | <b>\$538,510</b>             | <b>92.1</b>          | <b>\$654,595</b>             | <b>75.7</b>                              | <b>\$664,448</b>             | <b>98.5</b>                              |

HUNDRED THOUSAND DOLLARS



Payments Through Banks in Twelve Cities of the Ninth Federal Reserve District

#### Credit Conditions in the Northwest

The total accommodation extended to Ninth District member banks by this Federal Reserve Bank remained unchanged on July 27 as compared with June 29, although during a similar period last year there had been a reduction of about 1½ million dollars. Our rediscounts with other Federal Reserve Banks were reduced but three-quarters of a million this year whereas a year ago in the same period they were reduced 3¼ millions. Continued dullness in business, and possibly some price declines, are reflected in the Federal reserve note circulation which declined nearly 2½ millions. This amount is much more than normal at this time of the year as the reduction in the same period of last year was only 1½ millions.

In the two weeks between July 27 and August 10 the total accommodation extended by this Federal Reserve Bank decreased more than 5 million dollars and the Federal reserve notes outstanding decreased nearly one million dollars. In the week ending August 17, both of these items increased slightly.

Thirty-five member banks in the larger cities in this district during the 28-day period ending July 27 collected 4½ million dollars of loans from their

customers and enjoyed an increase in net demand deposits of one million dollars. However, time deposits decreased 2 millions, and government deposits decreased 5 millions. Rediscounts and borrowings of the Federal Reserve Bank were reduced one million and reserves increased one million. As the city banks paid the Federal Reserve Bank one million dollars and the Federal Reserve Bank's total accommodation remained unchanged, it follows that the agricultural districts received additional credit accommodation to the extent of this sum.

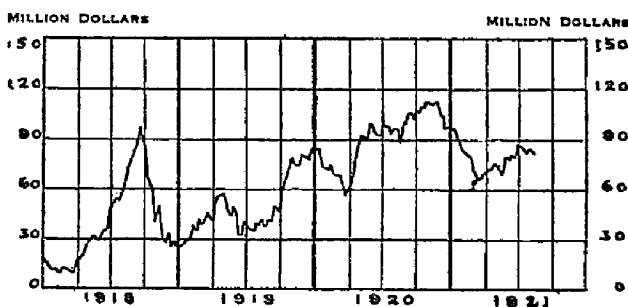
These 35 selected member banks exhibited a different tendency in the two weeks ending August 10, during which period their total accommodation to customers increased more than 5 million dollars. Meanwhile, their demand deposits continued to increase to the extent of nearly  $1\frac{3}{4}$  millions, and the time deposits continued to decrease to the extent of nearly  $1\frac{3}{4}$  millions and their time deposits continued to decrease to the extent of more than  $1\frac{3}{4}$  millions.

Market rates for credit softened slightly in the month ending August 15. Commercial paper sold on August 15 at  $\frac{1}{2}$  per cent less than on July 15; the shorter maturities going at  $6\frac{1}{2}$  per cent, the longer at 7 per cent. Meanwhile loans to customers by banks remained unchanged at 7 per cent on shorter maturities, but rose  $\frac{1}{2}$  per cent to  $7\frac{1}{2}$  on the longer terms. All cattle loans negotiated during this period were made at  $7\frac{1}{2}$  per cent whereas they had ranged from 8 to 7 in the preceding 30 days. Minor readjustments took place downward in the higher and lower rates charged on other forms of notes secured by collateral and warehouse receipts. Our Helena Branch reports a reduction of  $\frac{1}{2}$  per cent to  $7\frac{1}{2}$  per cent in the customary rate charged on cattle loans and on three months loans secured by prime collateral.

Credit conditions in the Ninth District did not improve materially in the four weeks ending July 27 and is in contrast with the general tendency prevailing in the whole Federal Reserve System. Between June 29 and July 27 the twelve Federal Reserve Banks experienced a reduction in total accommodation of 133 millions. The prevailing industrial and trade depression resulted in a further offering of Federal Reserve notes for retirement, totaling 97 millions during this period. Owing to large imports of gold, the total gold reserves increased 69 millions. It is interesting to note that 52 per cent of the reduction in total accommodation shown for the whole United States during this period was brought about by these gold imports deposited with the Federal Reserve System. And for the four months of April, May, June, and July inclusive, the gain in gold reserves amounted to nearly 43 per cent of the total reduction which took place in the accommodation to member banks. In quoting figures regarding commercial liquidation in the United

States, it is well to discount the totals by this percentage of gold imported before drawing conclusions.

Treasury Certificates of Indebtedness were allotted to and purchased by this district to the extent of \$13,171,500 on August 1. There were no offerings of these certificates in July. Within the 45 days ending August 15 this Federal Reserve Bank acted as intermediary for resales to parties outside of this district of Treasury notes and certificates of indebtedness totalling more than 7 million dollars. Investors within this district were provided for by such resales to the extent of nearly one-half million dollars.



Accommodation to Member Banks in the Ninth Federal Reserve District by the Federal Reserve System

### General Price Situation

Prices in the Ninth District showed mixed tendencies during July. A majority of grain prices were down owing to prospects of a normal crop while a majority of live stock prices increased. Wholesale products prices showed about as many increases as decreases due to seasonal influences.

Grain prices (Table No. 2) showed 2 increases and 4 decreases between June and July. The median price of wheat rose  $7\frac{3}{4}$  cents and the median price of flax was up 5 cents; while the median price of corn declined  $3\frac{1}{2}$  cents, oats one cent, barley one-half cent and rye  $8\frac{1}{2}$  cents.

| Table No. 2              |      | Month   |         |        |     |
|--------------------------|------|---------|---------|--------|-----|
| Grain Prices.            |      | 1921    | High    | Median | Low |
| Wheat—                   |      |         |         |        |     |
| No. 1 Dark Northern..... | July | \$2.15½ | \$1.81¼ | \$1.85 |     |
|                          | June | 2.04¼   | 1.73½   | 1.88½  |     |
| Corn—No. 3 Yellow.....   |      |         |         |        |     |
|                          | July | .51     | .50     | .47    |     |
|                          | June | .57½    | .53½    | .49    |     |
| Oats—No. 3 White.....    |      |         |         |        |     |
|                          | July | .37½    | .33½    | .31    |     |
|                          | June | .36¼    | .34¼    | .31¼   |     |
| Barley—No. 3 .....       |      |         |         |        |     |
|                          | July | .68     | .55½    | .50    |     |
|                          | June | .82     | .56     | .52    |     |
| Rye—No. 2 .....          |      |         |         |        |     |
|                          | July | 1.29    | 1.12½   | 1.05   |     |
|                          | June | 1.48    | 1.21    | 1.06   |     |
| Flax—No. 1 .....         |      |         |         |        |     |
|                          | July | 2.10    | 1.90    | 1.81   |     |
|                          | June | 1.97    | 1.85    | 1.71   |     |

Prices of live stock marketed at the South St. Paul Stock Yards during July (Table No. 3) showed an upward trend from June prices with

three increases, two decreases, and one price unchanged. Moreover, the increases in individual prices during July were more pronounced than the decreases. The median price of hogs was up \$1.15 owing to a small supply and a good quality of stock received. The median price of veal calves rose a dollar and the median price of butcher cows was up 25 cents. The small demand for stockers and feeders forced the median price of this class of steers down 25 cents and the price of butcher steers declined 25 cents. A feature of the market this month was an absence of dry fed cattle. The price of lambs remained unchanged between June and July.

Table No. 3

| Live Stock Prices             | Month |        |        |        |
|-------------------------------|-------|--------|--------|--------|
|                               | 1921  | High   | Median | Low    |
| Butcher Cows and Heifers..... | July  | \$9.00 | \$5.00 | \$2.50 |
|                               | June  | 8.75   | 4.75   | 2.75   |
| Butcher Steers .....          | July  | 9.50   | 6.75   | 3.00   |
|                               | June  | 8.75   | 7.00   | 3.50   |
| Stock and Feeder Steers.....  | July  | 7.00   | 5.00   | 2.25   |
|                               | June  | 7.50   | 5.25   | 2.00   |
| Veal Calves .....             | July  | 9.00   | 8.50   | 2.00   |
|                               | June  | 8.50   | 7.50   | 2.00   |
| Hogs .....                    | July  | 11.00  | 8.75   | 7.50   |
|                               | June  | 8.50   | 7.60   | 6.50   |
| Lambs .....                   | July  | 9.00   | 8.50   | 3.00   |
|                               | June  | 12.25  | 8.50   | 2.00   |

The median price is that price at which the number of items sold at a higher price is exactly equal to the number of items sold at a lower price. These median prices furnish an index of conditions prevailing throughout the month and are a means of simplifying the variations due to changes in daily quotations.

The price of Washburn-Crosby's best grade of flour (Table No. 4) on August 15th was \$8.50 per barrel, which is the same price as the quotation on June 30th, but 85 cents lower than the quotation on July 15th, and 15 cents higher than the quotation on August 1st.

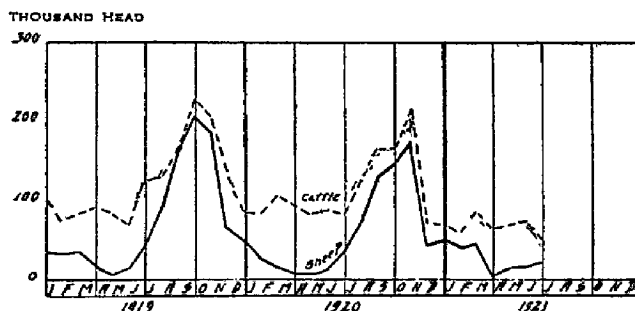
Table No. 4

|                            | July 15,<br>1921 | Aug. 1,<br>1921 | Aug. 15,<br>1921 |
|----------------------------|------------------|-----------------|------------------|
| Washburn-Crosby Gold Metal |                  |                 |                  |
| Flour, two 98 lbs. cotton  |                  |                 |                  |
| sacks .....                | \$9.35           | \$8.35          | \$8.50           |

Prices of produce at the Minneapolis wholesale market were affected by seasonal influences during July. Among the vegetables, cabbage, lettuce, celery, beets and tomatoes showed decreases while the price of green beans rose. In the dairy group the prices of creamery and dairy butter, eggs, and American cheese rose and in the meat group there was an increase in the price of veal.

### Live Stock Marketing

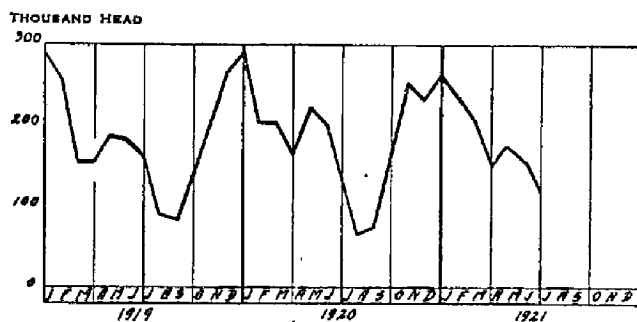
From the receipts and shipments of live stock at the South St. Paul market (Table No. 5), it appears that the number of head of all classes of live stock moved in July was down about one-fourth from the June figures. Receipts of all classes except sheep in July were down from 15 to 40 per cent from the June receipts. Receipts of sheep increased 29 per cent between June and July, indicating that the fall movement from the west has begun, although the movement was not as strong as would appear to be normal from an inspection of the figures for 1919 and 1920. Shipments of all classes of live stock other than calves, from South St. Paul declined between June and July but the shipment of calves increased 42 per cent. As compared with a year ago receipts of all live stock combined declined 27 per cent and there was a pronounced decline in each class. Combined shipments of all live stock were 45 per cent less in July of this year than a year ago, although the shipment of hogs was 133 per cent larger. Receipts and shipments of horses at South St. Paul were only 12 per cent last month of a year ago.



Receipts of Cattle and Sheep at South St. Paul

The movement of feeders to the country was 32 per cent less in July than in June and 53 per cent less than in July a year ago. The shipment of sheep for feeding purposes, while 25 per cent less than last year, was 190 per cent larger than in June, which is the usual fall movement.

Receipts of live stock for the calendar year to date were 11 per cent less than during the same period in 1920. All classes of live stock experienced this decline except sheep, in which class the receipts increased 21 per cent. The total shipments of live stock in the first seven months of 1921, on the other hand, showed the slight increase of one per cent over shipments in the same period of 1920, although the shipment of cattle and horses was down 35 per cent. Cumulative shipments of feeders for the first seven months of the year were 40 per cent less than shipments of feeders in the first seven months of 1920. The shipment of calves has been especially weak with a movement 78 per cent less than in 1920.



Receipts of Hogs at South St. Paul

Table No. 5

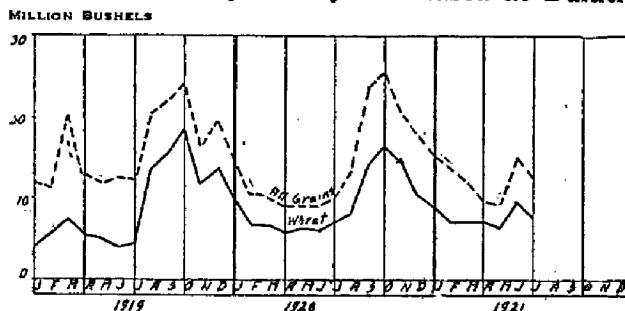
## Livestock Movement

| Receipts                    | July, 1921     | June, 1921     | July, 1920     |
|-----------------------------|----------------|----------------|----------------|
| Cattle .....                | 27,185         | 31,865         | 53,167         |
| Calves .....                | 24,385         | 38,617         | 29,970         |
| Hogs .....                  | 113,145        | 158,507        | 131,468        |
| Sheep .....                 | 19,470         | 15,138         | 36,952         |
| Horses .....                | 234            | 386            | 1,936          |
| <b>Total Head .....</b>     | <b>184,419</b> | <b>244,513</b> | <b>253,493</b> |
| <b>Shipments</b>            |                |                |                |
| Cattle .....                | 13,961         | 16,965         | 35,585         |
| Calves .....                | 2,226          | 1,565          | 2,296          |
| Hogs .....                  | 18,111         | 29,432         | 7,777          |
| Sheep .....                 | 5,531          | 5,822          | 25,268         |
| Horses .....                | 235            | 378            | 1,905          |
| <b>Total Head .....</b>     | <b>40,064</b>  | <b>54,162</b>  | <b>72,831</b>  |
| <b>Shipments of Feeders</b> |                |                |                |
| Cattle .....                | 8,411          | 11,413         | 20,984         |
| Calves .....                | 108            | 214            | 840            |
| Hogs .....                  | 2,192          | 5,378          | 2,386          |
| Sheep .....                 | 1,520          | 526            | 2,030          |
| <b>Total Head .....</b>     | <b>12,231</b>  | <b>18,031</b>  | <b>26,240</b>  |

## Grain Movement and Stocks

Grain receipts at Minneapolis and Duluth (Table No. 6) receded 13 per cent from the unusual volume of receipts during June with a 10 per cent decrease in wheat receipts, a 52 per cent decrease in barley and a 6 per cent decrease in rye. Receipts of oats and flax increased slightly between June and July. Shipments of all grains from Minneapolis and Duluth, other than oats and flax, declined and the combined shipment of all grains was down 6 per cent in July from June. Shipments of oats increased 34 per cent and flax 131 per cent between June and July. In more detail, Duluth received 15 per cent more wheat in July than in June, while Minneapolis receipts were down 19 per cent. On the other hand, Minneapolis received 23 per cent more oats in July than in June while Duluth receipts were down 67 per cent. Minneapolis receipts of rye increased between the two months while barley and flax receipts declined. At Duluth the reverse was true, with increases in barley and flax and a decrease in receipts of rye. Corn receipts declined in both cities. Shipments of all grains other than rye

and flax from Minneapolis declined during July from the June figure while shipments of all grains other than barley and rye increased at Duluth.



Receipts of All Grains and of Wheat at Minneapolis

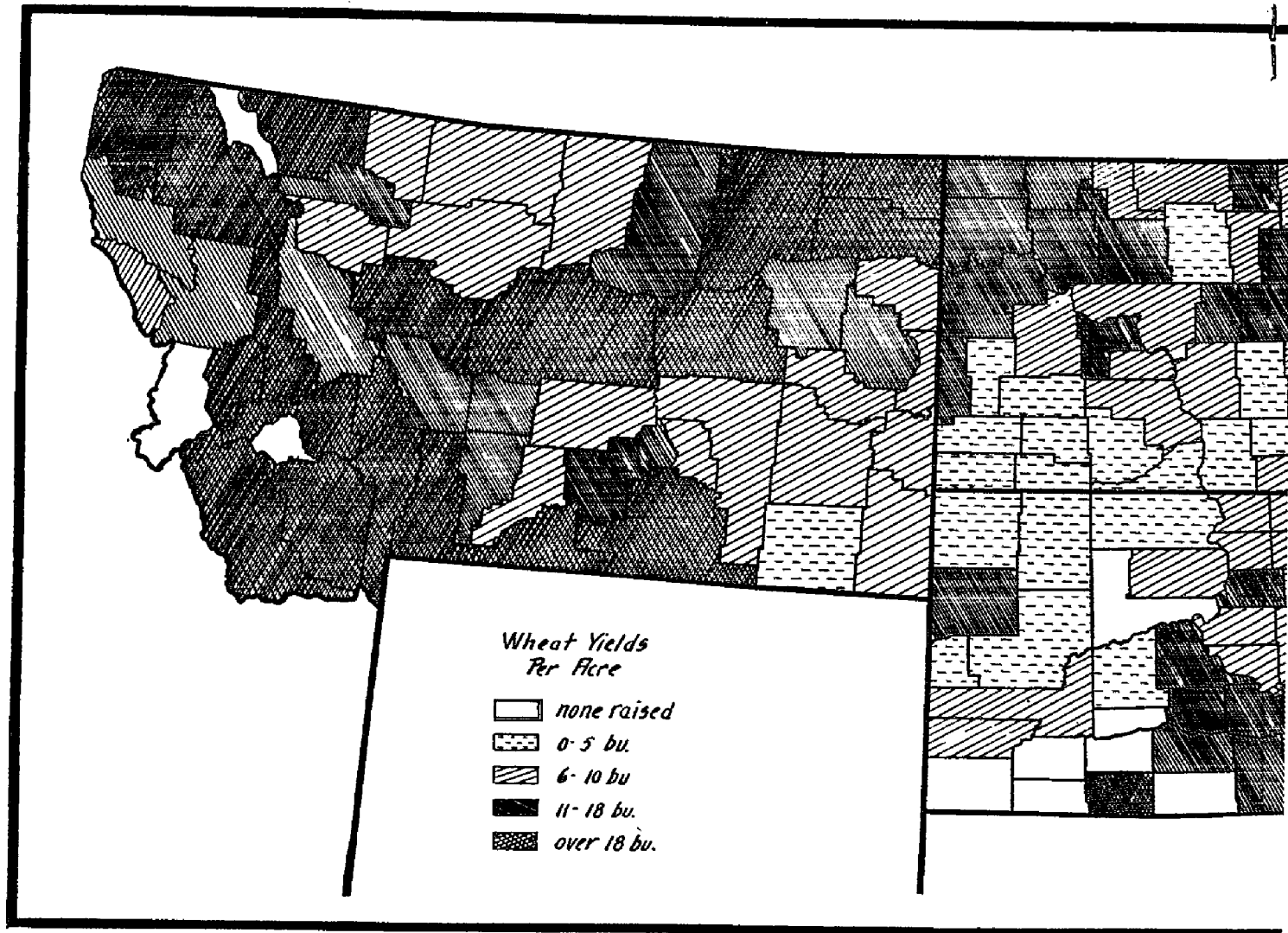
As compared with a year ago, receipts of all grains combined at Minneapolis and Duluth were up 14 per cent although there were decreases in the receipts of rye and flax. Shipments of all grains were 12 per cent less in July this year than a year ago due to a decrease in shipments of rye of 3 million bushels or 83 per cent and a decrease in the shipment of oats of six hundred thousand bushels or 35 per cent. Shipments of all other grains were larger in July this year than in July a year ago.

Table No. 6

Grain Movement  
Minneapolis-Duluth

| Receipts                  | July, 1921        | June, 1921        | July, 1920        |
|---------------------------|-------------------|-------------------|-------------------|
| Wheat, Bushels.....       | 11,261,947        | 12,599,842        | 9,817,057         |
| Corn, Bushels .....       | 819,759           | 1,723,370         | 461,360           |
| Oats, Bushels .....       | 2,621,169         | 2,554,931         | 1,225,393         |
| Barley, Bushels .....     | 1,453,724         | 1,935,362         | 845,993           |
| Rye, Bushels .....        | 935,223           | 997,675           | 2,235,009         |
| Flax, Bushels .....       | 1,000,611         | 997,242           | 1,277,537         |
| <b>Total Bushels.....</b> | <b>18,092,433</b> | <b>20,808,422</b> | <b>15,862,399</b> |
| <b>Shipments</b>          |                   |                   |                   |
| Wheat, Bushels.....       | 7,021,307         | 8,062,861         | 6,576,362         |
| Corn, Bushels .....       | 1,068,121         | 1,266,694         | 517,880           |
| Oats, Bushels .....       | 1,074,708         | 804,800           | 1,646,672         |
| Barley, Bushels .....     | 1,582,081         | 1,945,159         | 1,266,002         |
| Rye, Bushels .....        | 614,037           | 633,802           | 3,594,368         |
| Flax, Bushels .....       | 1,046,145         | 453,610           | 566,951           |
| <b>Total Bushels.....</b> | <b>12,406,399</b> | <b>13,166,926</b> | <b>14,168,235</b> |

Stocks in elevators at Minneapolis and Duluth, of 21,098,000 bushels, were 4 per cent less in July than in June although there was a 6 per cent increase in stocks of oats and an increase of 139 per cent in stocks of rye. The stocks of corn on hand at terminal elevators on July 31 were less than 10 per cent of stocks on hand June 30. Comparing the stocks at the end of July this year with stocks on hand a year ago, it appears that stocks of all grains combined were 366 per cent larger this year than last due to a phenomenal increase of more than 15 million bushels of oats and smaller increases of barley and flax. Stocks of wheat, corn, and rye at the two cities combined were smaller this year than last although rye stocks at Duluth were 5 per cent larger.



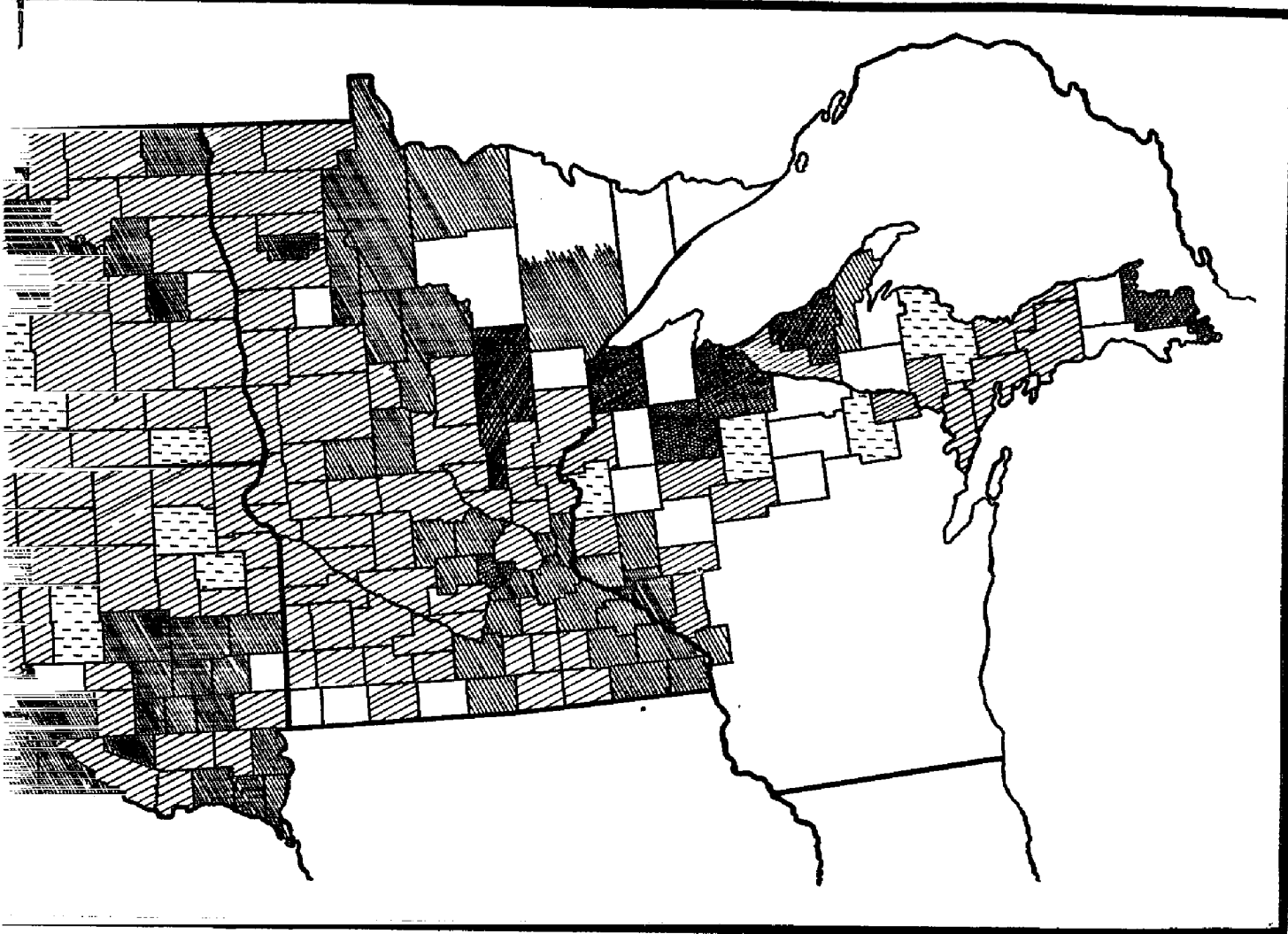
Average Wheat Yield Per Acre By Counties in the Ninth Federal Reserve District. (Based on re

#### The 1921 Crop

To illustrate graphically the opinions of bankers as to the yield per acre in the various sections of the district, we have prepared a map showing the yield per acre of wheat by counties in the several states of the district. An inspection of this map, which is printed above, shows that the crop in the Ninth District is spotted with the

poorest yields occurring in the central portion of the district. It is gratifying to note that in those northern counties, where crops have been poor for several years, heavy yields are expected.

The reader should be warned emphatically not to interpret this map as portraying the total amount of wheat raised in any county. A county shaded to represent a yield of over 18 bushels



reports dated August 1 from about 1,000 bankers representing every producing county in the district.)

per acre might have a small total production, owing to a large portion of its territory being mountainous or wooded, and in southeastern South Dakota and southern Minnesota, wheat might not be the principal crop, and for that reason the total production would be small. The reader should also be cautioned not to assume that crops are uniformly good in a county which is heavily shaded. Local conditions in one township may not

be important enough in the total estimate for the county to be noted on this map. To give an example, in Williams County, North Dakota, there is a strip thirty miles long from McGregor to Glenora which was hailed out completely and where the crops will not be cut. In spite of this misfortune, the estimate given by bankers for the average yield per acre for Williams County ranges from 11 to 18 bushels.



The probable production has been estimated by the Department of Agriculture for the whole Ninth District, which includes in addition to the states of Minnesota, North Dakota, South Dakota, and Montana, the upper peninsula of Michigan, and the northern and northwestern counties of Wisconsin. This estimate represents a forecast as of August 1, and for comparative purposes the production of 1920 is also shown in the following table:

| Ninth District<br>(ooo's omitted) | August 1<br>Forecast for 1921 | Estimate<br>for 1920 |
|-----------------------------------|-------------------------------|----------------------|
| Spring Wheat .....                | 140,696 bushels               | 138,862 bushels      |
| Winter Wheat .....                | 5,803 bushels                 | 6,859 bushels        |
| Total Wheat .....                 | 146,499 bushels               | 145,521 bushels      |
| Corn .....                        | 271,350 bushels               | 259,126 bushels      |
| Oats .....                        | 231,425 bushels               | 306,867 bushels      |
| Hay .....                         | 16,094 tons                   | 17,896 tons          |

### Beginning of New Crop Year for Wheat

August 5th marked the beginning of heavy receipts of 1921 spring wheat at Minneapolis. This date is 16 days ahead of the beginning of the new crop year in 1920, which verifies the prediction that the wheat crop is approximately two weeks earlier this year than last. The movement of new wheat, however, for the first 14 days of the crop year from August 5th to August 19th has not been as heavy as the movement during the first 14 days of the crop year in 1920. Minneapolis receipts of wheat during this period in 1921 were 5,785 cars as compared with 6,803 cars in a similar period in 1920.

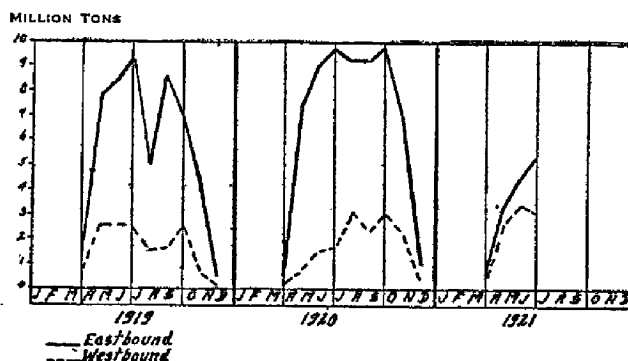
A notable feature of the wheat received so far from the 1921 crop is the high protein content. The average protein content of wheat is about 12 per cent, but this year wheat has been received at Minneapolis terminals with a protein content as high as 20 per cent, which is the highest figure on record for this district.

### Upper Lake Traffic

Traffic through the Soo canals (Table No. 7) was very slightly larger in July than in June but 30 per cent less than in July, 1920. Traffic westbound, consisting principally of coal, was 10 per cent less than in June but 71 per cent greater than a year ago. Eastbound traffic was 8 per cent larger in July than June but 49 per cent less than in July a year ago. Traffic eastbound consists principally of iron ore in which the movement improved 12 per cent in July over June, although it was 53 per cent less than in July, 1920.

Table No. 7

| Soo Canal Traffic   | July, 1921 | June, 1921 | July, 1920 |
|---------------------|------------|------------|------------|
| East Bound (Sh. T.) | 5,011,900  | 4,628,067  | 9,749,701  |
| West Bound (Sh. T.) | 3,126,683  | 3,451,409  | 1,827,978  |
| Total (Sh. T.)....  | 8,138,583  | 8,079,476  | 11,577,679 |



Traffic Through the Soo Canals

Receipts of coal at the Duluth-Superior harbor (Table No. 8) promise an ample supply of hard coal to meet the needs of householders during the coming winter and of soft coal for the industries. Hard coal receipts in July were 76 per cent larger than in June and 42 per cent larger than in July, 1920. Soft coal receipts, while 23 per cent lower in July than in June were 130 per cent larger than in July a year ago. A better indication of the prospective supply for the coming winter is furnished by the cumulative receipts of coal from the opening of navigation to the end of July. The amount of hard coal received during this period in 1921 was 19 per cent larger than during the same period in 1920 and the amount of soft coal received shows an increase of 224 per cent. This favorable showing with half of the shipping season passed makes it probable that with the lakes open for navigation for a normal length of time this fall and barring congestion at the ports, there will be no coal shortage this winter.

Table No. 8

### Duluth-Superior Coal Receipts

|                       | July, 1921 | June, 1921 | July, 1920 |
|-----------------------|------------|------------|------------|
| Soft Coal (tons)..... | 1,650,629  | 2,125,453  | 718,181    |
| Hard Coal (tons)..... | 339,383    | 192,830    | 239,380    |
| Total (tons).....     | 1,990,012  | 2,318,283  | 957,563    |

### Cumulative Receipts From the Opening of Navigation to July 31

|                       | 1921      | 1920      | % 1921<br>of 1920 |
|-----------------------|-----------|-----------|-------------------|
| Soft Coal (tons)..... | 5,445,174 | 1,682,918 | 323.8             |
| Hard Coal (tons)..... | 788,461   | 662,662   | 119.0             |
| Total (tons).....     | 6,233,635 | 2,345,580 | 266.0             |

Iron ore shipped from upper lake ports during July as reported by M. A. Hanna & Company (Table No. 9) was 12 per cent greater in volume than during June but 58 per cent less than in July a year ago. The total amount of iron ore shipped from the opening of navigation to July



31, 1921, was 60 per cent below the figure for the same period in 1920.

Table No. 9

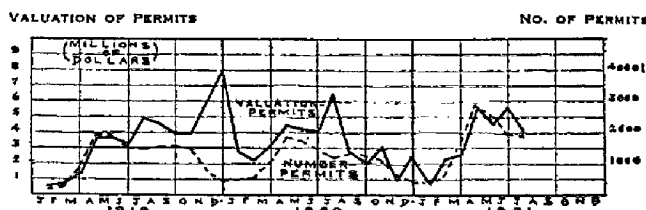
|                        |            |            |            |
|------------------------|------------|------------|------------|
| Iron Ore Shipments     | July, 1921 | June, 1921 | July, 1920 |
| Short Tons Shipped.... | 4,047,687  | 3,600,989  | 9,638,606  |

### Building Activity

The number of building permits granted in nine cities of the Ninth Federal Reserve District (Table No. 10) declined 4 per cent between June and July although there were increases in the number of permits granted at Sioux Falls, Missoula, and Helena. In the valuation of permits granted the nine cities combined showed a decrease of 28 per cent with increases in the two cities of Duluth and Superior. From an inspection of the figures, it appears that building permits granted during July were for smaller types of construction than those granted during June. Cases where this is noticeable are the cities of Minneapolis, Sioux Falls, Missoula, Great Falls, and Helena. Moreover, an analysis of the figures for the nine cities shows that whereas the average permit for new construction during the year from June, 1920, to May, 1921, was \$3,244, the average permit for July, 1920, was only \$2,713; and that the average permit for repairs during July was only \$932, while the average permit for repairs during the twelve months from June, 1920, to May, 1921, inclusive, was \$1,179. The analysis shows further that a somewhat larger proportion of the building during July was for new construction than during the year ending May, 1921.

Building activity in the nine cities as compared with a year ago shows an increase of 57 per cent

in the number of permits, but a decrease of 39 per cent in the valuation of permits issued. In the number of permits issued only Sioux Falls and Great Falls show declines, while in valuation of permits issued there were declines in St. Paul, Duluth, Fargo, Sioux Falls, and Great Falls. This contrast between the decline in valuation of permits issued and the increase in the number of permits is probably due to the two factors of declining prices and increased construction of small buildings, principally residences.



Permits Granted for Building in Nine Cities of the Ninth Federal Reserve District

### Flour Production and Movement

Flour production in the Ninth District (Table No. 11) increased 13 per cent in July over June according to the figures of mills producing about 75 per cent of the flour milled in this district. Production at Minneapolis increased 21 per cent, at St. Paul 43 per cent, at Duluth and Superior 16 per cent, and at outside points one per cent. The mills in the district during July operated at 47 per cent of capacity as compared with 39 per cent in June, with all points showing increases. A year ago mills in the Ninth District were operating at 39 per cent of their capacity during July or 8 per cent below the percentage in July this year although at Minneapolis and Duluth-Superior

| Table No. 10         | No. of Permits                 | No. of Permits                 | % July of      | No. of Permits                 | % July '21 of            | No. for new construction       | No. for repairs & alterations         |
|----------------------|--------------------------------|--------------------------------|----------------|--------------------------------|--------------------------|--------------------------------|---------------------------------------|
| Prospective Building | July, '21                      | June, '21                      | June           | July, '20                      | July, '20                |                                |                                       |
| Minneapolis .....    | 923                            | 946                            | 97.5           | 593                            | 155.8                    | 597                            | 326                                   |
| St. Paul .....       | 512                            | 532                            | 96.2           | 243                            | 211.1                    | 418                            | 94                                    |
| Duluth .....         | 247                            | 272                            | 90.9           | 201                            | 122.9                    | 135                            | 112                                   |
| Fargo .....          | 35                             | 49                             | 71.5           | 27                             | 129.5                    | 26                             | 9                                     |
| Sioux Falls .....    | 36                             | 35                             | 102.9          | 38                             | 94.8                     | 35                             | 1                                     |
| Superior .....       | 84                             | 93                             | 90.4           | 68                             | 123.8                    | 43                             | 41                                    |
| Missoula .....       | 18                             | 15                             | 120.1          | 7                              | 257.1                    | 11                             | 7                                     |
| Great Falls .....    | 20                             | 24                             | 83.4           | 21                             | 95.3                     | 14                             | 6                                     |
| Helena .....         | 8                              | 5                              | 160.0          | 5                              | 159.9                    | 7                              | 1                                     |
| Total.....           | 1,883                          | 1,971                          | 95.6           | 1,203                          | 156.5                    | 1,286                          | 597                                   |
|                      | Valuation of permits July, '21 | Valuation of permits June, '21 | % July of June | Valuation of permits July, '20 | % July, '21 of July, '20 | Valuation for new construction | Valuation for repairs and alterations |
| Minneapolis .....    | \$1,788,565                    | \$3,120,205                    | 57.3           | \$ 980,975                     | 182.1                    | \$1,495,490                    | \$293,075                             |
| St. Paul .....       | 1,540,536                      | 1,555,004                      | 99.2           | 2,238,130                      | 65.2                     | 1,411,837                      | 128,699                               |
| Duluth .....         | 404,845                        | 357,810                        | 113.1          | 2,677,650                      | 15.1                     | 837,585                        | 67,260                                |
| Fargo .....          | 104,535                        | 141,170                        | 74.0           | 835,500                        | 31.2                     | 85,275                         | 19,260                                |
| Sioux Falls .....    | 67,900                         | 93,750                         | 72.4           | 76,435                         | 88.8                     | 65,500                         | 2,400                                 |
| Superior .....       | 93,641                         | 63,900                         | 146.4          | 67,650                         | 138.5                    | 54,962                         | 88,679                                |
| Missoula .....       | 21,700                         | 204,500                        | 10.6           | 10,250                         | 211.8                    | 17,300                         | 4,400                                 |
| Great Falls .....    | 6,285                          | 40,000                         | 15.7           | 29,340                         | 21.4                     | 4,725                          | 1,560                                 |
| Helena .....         | 25,400                         | 35,825                         | 70.9           | 2,150                          | 1181.4                   | 24,400                         | 1,000                                 |
| Total.....           | \$4,053,407                    | \$5,612,164                    | 72.3           | \$6,508,080                    | 61.4                     | \$3,497,074                    | \$556,333                             |

the mills were more active a year ago than now. Flour production in July this year was 3 per cent greater than in July last year owing to an increase of 143 per cent in production of flour at St. Paul and a 30 per cent increase in production at outside points. Production in July this year at Minneapolis was 11 per cent below production last year and there was a 4 per cent decline at Duluth-Superior.

| Table No. 11          | Bbls. in<br>4 weeks<br>ending<br>July 30,<br>1921 | Bbls. in<br>4 weeks<br>ending<br>July 2,<br>1921 | Bbls. in<br>4 weeks<br>ending<br>Aug. 1,<br>1920 |
|-----------------------|---|--|--|
| Flour Production      |   |  |  |
| Minneapolis .....     | 1,049,090   | 859,885  | 1,179,960  |
| St. Paul .....        | 45,450  | 31,895   | 18,715   |
| Duluth-Superior ..... | 67,975  | 58,430   | 70,905   |
| Outside .....         | 708,750   | 700,965  | 546,455  |
| All Mills .....       | 1,871,265   | 1,651,175  | 1,816,035  |

Movement of flour at Minneapolis and Duluth in July showed an improvement over the movement in June. (Table No. 12) Shipments increased 20 per cent and receipts 25 per cent. This improvement was due largely to increased flour movement at Duluth. Shipments at Duluth increased 39 per cent while Minneapolis shipments increased only 8 per cent. Receipts of flour at Duluth in July increased 30 per cent over June while Minneapolis flour receipts declined 10 per cent. As compared with a year ago flour shipments from the two cities declined 16 per cent with decreases at both Minneapolis and Duluth while receipts increased 9 per cent owing to an 11 per cent increase at Duluth offset by a decline of 4 per cent in Minneapolis receipts.

Table No. 12

## Flour Movement

|                         | Minneapolis & Duluth July, 1921 | June, 1921 | July, 1920 |
|-------------------------|---------------------------------|------------|------------|
| Receipts, Barrels ..... | 915,720                         | 732,259    | 837,045    |
| Shipments, Barrels....  | 2,030,296                       | 1,695,914  | 2,395,948  |

Flour exports by Minneapolis mills were 28 per cent less in July than in June, but 11 per cent larger than in July, 1920. The total exports from Minneapolis during the eleven months ending July 31, 1921, were 31 per cent larger than exports during the same period in 1920.

## Lumber

Lumber cut during July (Table No. 13) was down 2 per cent from the June figure and 44 per cent from the figure for July a year ago. Shipments were off less than 1 per cent in July from June and 22 per cent from the figure for the preceding July. Manufacturers' stocks, on the other hand, were slightly larger at the end of July than at the end of June and 24 per cent larger than in July a year ago. Retail lumber sales were down 24 per cent in July from June and 22 per

cent below sales in July, 1920. At the same time, retail stocks declined 2 per cent between June 30th and July 31st, and 24 per cent from stocks at the end of July a year ago. The credit position of both manufacturers and retailers of lumber improved during July, but was less favorable than in July a year ago. Between June and July the percentage of collections by manufacturers to the amount of accounts outstanding rose from 41.6 to 47.6, although in July, 1920, the percentage was 51.3. A similar comparison of collections and outstanding accounts of lumber retailers shows a percentage of 16.4 in July this year, 15.5 in June, and 23.8 in July of last year.

Table No. 13

## Lumber

## Manufacturers

|                          | July, 1921  | June, 1921  | July, 1920  |
|--------------------------|-------------|-------------|-------------|
| Lumber Cut (bd. ft.).... | 15,319,816  | 15,657,269  | 27,488,107  |
| Stock on hand (bd. ft.)  | 182,646,425 | 181,796,306 | 147,147,412 |
| Shipments (bd. ft.)..... | 13,290,540  | 13,350,142  | 17,083,346  |

% July

## Retailers

|                      | July, 1921  | June, 1921  | July, 1920  |
|----------------------|-------------|-------------|-------------|
| Sales (bd. ft.)..... | 12,866,596  | 16,838,357  | 16,476,280  |
| Stocks " " .....     | 116,259,920 | 119,421,896 | 153,967,453 |

## Per Cent Cash Collections during month

|                         | July | June | July |
|-------------------------|------|------|------|
| to accounts outstanding | 1921 | 1921 | 1920 |
| at end of month         |      |      |      |
| Manufacturers .....     | 47.6 | 41.6 | 51.3 |
| Retailers .....         | 16.4 | 15.5 | 23.8 |

## Copper

Reports from 4 copper companies in the Ninth Federal Reserve District (Table No. 14) show a decline of 13 per cent in copper mined during July from the June figure, and a decline of 87 per cent from the figure for July last year.

|                            | July      | June      | July       |
|----------------------------|-----------|-----------|------------|
| Table No. 14               | 1921      | 1921      | 1920       |
| Lbs. of refined copper.... | 2,805,909 | 3,209,513 | 21,410,101 |

## Shipments of Linseed Products

Linseed products manufacturers in Minneapolis shipped 15 per cent more of their output in July than in June and 4 per cent more than in July a year ago (Table No. 15). Between June and July of this year there was an increase of 39 per cent in oil cake shipments but a decrease of 10 per cent in shipments of oil. As compared with July of last year, oil shipments were up 13 per cent while the shipments of oil cake were practically unchanged.

Table No. 15

| Shipments of            |            |            |            |
|-------------------------|------------|------------|------------|
| Linseed Products        | July, 1921 | June, 1921 | July, 1920 |
| Linseed Oil (lbs.)..... | 9,219,963  | 10,260,028 | 8,166,401  |
| Oil Cake (lbs.).....    | 15,541,311 | 11,189,870 | 15,607,665 |
| Total shipments .....   | 24,761,274 | 21,449,898 | 23,774,066 |

### Retail Trade

July sales this year of 16 stores were 22 per cent less in dollar value than sales during July last year, owing, undoubtedly to price declines. Apparently the same cause is responsible for the decline of 22 per cent in the dollar value of stocks on hand at the end of July this year from last year's figure. There has been a decline of less than 1 per cent in stocks between the end of June and the end of July this year.

### Employment

There has been a seasonal improvement in the employment conditions in the Ninth Federal Reserve District owing to harvesting and extensive improvement of highways. Employment in the factories of the Twin Cities improved noticeably only in one group; namely, the railroad repair shops. This improvement may perhaps be traced directly to preparations which railroads are making to market the 1921 crop. There were slight employment increases in the Twin Cities in the group of factories manufacturing leather, paper, and printed merchandise, and vehicles for land transportation. On the other hand, employment was reduced between June and July in the groups manufacturing food, textiles, iron and steel products, and miscellaneous products. These facts are taken from the Federal Department of Labor's survey of firms who normally employ more than 500 men. Figures furnished by the U. S. Department of Labor employment offices in Minneapolis, St. Paul, and Duluth, show increased activity. There was an increase of 35 per cent in the number of persons placed in positions in July over June, and an increase of 65 per cent in the number of applications for services, although both indices were less than one-half of last year's figures.

In the lumber industry there were 21 per cent more men employed in July than in June, but 34 per cent less than a year ago.

### Investments and Savings

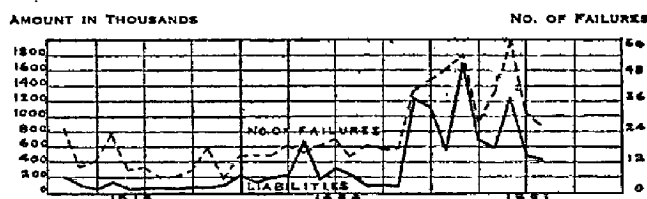
Reports from 14 investment houses in Minneapolis and St. Paul indicate that 13 per cent less securities were sold in July than in June and 6 per cent less than in July last year. Municipal bonds and corporation bonds were the only classes of securities showing increases in sales between June and July. As compared with a

year ago, there have been increases in sales of farm mortgages, corporation bonds, and stocks. Firms selling securities in the Twin Cities expect a smaller volume of sales this fall, as evidenced by the fact that the majority of firms reporting have on hand at the present time smaller stocks of securities than a month ago, although their stocks are about the same as last year in July. Bankers bought a smaller percentage of securities purchased in July than in June, although a larger percentage than a year ago.

Savings deposits in 8 savings banks of Minneapolis and St. Paul remained stationary at 57 million dollars between July 1st and August 1st; although time deposits in 14 Minneapolis and St. Paul commercial banks declined 4 per cent to 41 million dollars. Between August 1, 1920, and August 1, 1921, there has been an increase in savings bank deposits of 8 per cent and between July 30, 1920, and July 27, 1921, there has been an increase of 24 per cent in time deposits of Twin City commercial banks.

### Business Mortality

The number of business failures in the Ninth District reported by Dun's Review (Table No. 16) fell from 31 in June to 27 in July, or a decline of 13 per cent, and the amount of liabilities involved declined 6 per cent as compared with last year. However, the number of business failures in July was up 93 per cent and liabilities 78 per cent from the figures for July, 1920.



Business Failures in the Ninth Federal Reserve District  
(Figures of R. G. Dun & Company)

Table No. 16

| Ninth District    | July      | June      | July      |
|-------------------|-----------|-----------|-----------|
| Business Failures | 1921      | 1921      | 1920      |
| Number .....      | 27        | 31        | 14        |
| Liabilities ..... | \$425,042 | \$454,555 | \$238,471 |

Foreclosure sales by the sheriff at Minneapolis numbered 13 in July as compared with 26 in June and 9 in July a year ago. The amounts involved in these sales showed the same tendency as was disclosed by the number of sales. The July figure for dollar amounts of foreclosure sales was 56 per cent below the figure for June, but 49 per cent larger than the figure for July, 1920.

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OF THE FEDERAL RESERVE BANK OF MINNEAPOLIS**

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|--|---|--|
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| Theo. Wold (1922)<br>Minneapolis, Minnesota    | F. R. Bigelow (1922)<br>St. Paul, Minnesota | C. H. Benedict (1922)<br>Lake Linden, Michigan |
| J. C. Bassett (1923)<br>Aberdeen, South Dakota | N. B. Holter (1923)<br>Helena, Montana      | John H. Rich (1923)<br>Minneapolis, Minnesota  |

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| Curtis L. Mosher, Secretary and Assistant Federal Reserve Agent | S. S. Cook, Deputy Governor     |
| J. F. Ebersole, Assistant Federal Reserve Agent                 | F. C. Dunlop, Controller        |
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| Fred M. Bailey, Manager Bank Examination Department.            | Gray Warren, Assistant Cashier  |
| Andreas Ueland, Legal Counsel                                   | F. G. Norton, Assistant Cashier |
|   | H. C. Core, Assistant Cashier   |
|   | H. F. Brown, Assistant Cashier  |

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C. T. Jaffray, President, First National Bank, Minneapolis, Minnesota

**HELENA BRANCH (HELENA, MONTANA)**

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