

Covers conditions in June 1919

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

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MONTHLY REPORT OF  
CROP AND BUSINESS CONDITIONS

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DEC 5 - 1921

No. 53

June 1919

Minneapolis, Minn., July 7.—The rains early in June that appeared to have relieved the danger to the crops in Montana and western North Dakota were followed during the last half of the month by continued dry, hot weather, which caused steady deterioration, not only to winter wheat but to spring grain as well. The Montana crop has been seriously damaged, and the live stock situation has become serious on account of shortage of feed. Some relief is promised by good rains that have just been received, but which are too late to be of much value to wheat. Flax will benefit however, and they will help the range.

West of the Missouri river in North Dakota, the situation is spotted, and while there are some localities that seem to have escaped serious damage, the crops as a whole have been badly injured by hot winds and lack of rain.

In central Montana, the dry weather has hurt all the crops except those on irrigated land, and some of the irrigated crops are beginning to show injury through deficiency of water in the streams and irrigation ditches. In the Gallatin Valley, the crops still present a good appearance, but there is a serious shortage of water. In the region adjacent to Helena and Butte there has been severe hot weather, and western Montana has had about the same conditions, with the exception that the reports from the Bitter Root Valley and the Flathead reservation indicate that the crops have so far held up fairly well.

Northern Montana reports extensive damage to the crops, but with somewhat better conditions in the strip paralleling the international boundary. East of the Missouri river the situation is exactly reversed. If anything, there has been too much water, and there will be some loss in both South Dakota and Minnesota from overflowed fields and on land which lacks drainage or has not been sufficiently tilled. These losses will, however, be more than offset by the generally excellent condition of the crop, which promises in the eastern half of North Dakota, South Dakota, Minnesota and Wisconsin, large yields of small grains with ample hay and forage. During the past week there has been considerable discussion relative to the movement of stock from districts in Montana that are very short of feed, into South Dakota and Minnesota.

The warm weather which has been so injurious to small grains in the western part of the district has been of great benefit to corn in the territory east of the Missouri river, and the corn crop has made very substantial progress during the past 10 days. The present outlook is very good, and with a large acreage planted, the prospects are for substantial yields.

Farmers are busy with the first cutting of clover, and the hay crop in the eastern half of the district will be excellent.

There has been some improvement in the construction situation during the month, especially in the rural districts, where the demand for lumber and building material is active. There has been no tendency toward lower prices, and lumber, together with some other items on the building material list, has shown advances during the last month.

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The banking situation is quiet, although the demand throughout the district is fairly active for this season of the year. Rates are at about the same level as a month ago.

There is a noticeable renewal of the activities of promoters and stock salesmen, who are out after the Liberty Bonds held by individuals, and who are even offering to take War Savings and Thrift Stamps. The public cannot be too emphatically warned against the operations of swindlers and fakers who are trying to trade securities for the war investments of the public. Obviously, the faker is trying to get rid of something he does not want in return for something which the individual has bought at some sacrifice to himself, and which he ought to keep. If Liberty Bonds, War Savings and Thrift Stamps were not much more valuable than anything the faker has to sell, he would not be making such a determined effort to trade the holders out of them.

War obligations that were bought by the people should remain in the hands of individuals as a permanent investment. They were bought to support the United States Government in war and to back up the boys who were at the front. One of the young men from this bank, who has just returned from nine months' service on the firing line, remarked:

"There is not a village in the battle area in northern France, no matter how small, that does not have its little cemetery plot set aside, and there you will see orderly rows of graves, each marked with the emblem of one of the Allies. Many, many times I saw the colors of the United States on the little white wooden crosses that marked these graves. Many of our men are dead over there, and I think if they could speak, they would say that they want to stay forever in the little graves where they fought. Those graves are America's memorial monument to the sacrifices that the boys have made."

Liberty Bonds, War Savings Stamps and Thrift Stamps, are also memorial obligations. They were bought for a purpose, and should be held, as a permanent investment until their maturity.

While the former Capital Issues Committee is inactive, there has been serious discussion during the month of reviving it for the purpose of checking these raids upon the holdings of those who are poorly informed about investment matters or thoughtless about their bond holdings. In practically every case where bonds have been traded, that has come to the attention of this bank, the buyer parted with a gilt-edged investment for either doubtful or absolutely worthless stocks or securities.

The certificate issue coming at the end of the month was well received, and subscriptions were large. While the Victory Loan was the last big drive, Government financing is not yet completed, and there will be further issues of certificates from time to time, which should be promptly and whole-heartedly taken up. The banks of the district have shown a lively appreciation of the usefulness of this form of investment, and further issues will undoubtedly be put out from time to time until the Government has paid the last of the expenses arising out of the war.