

MONTHLY REVIEW

OF AGRICULTURAL AND BUSINESS CONDITIONS

IN THE NINTH FEDERAL RESERVE DISTRICT

JOHN R. MITCHELL, Chairman of the Board
and Federal Reserve Agent

CURTIS L. MOSHER F. M. BAILEY
Assistant Federal Reserve Agents

OLIVER S. POWELL
Statistician

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DISTRICT SUMMARY OF BUSINESS

The volume of business in the district in August continued to be smaller than the volume last year. Delayed marketing of cash crops had an important effect on farm income and on the general volume of business. It is estimated that the volume of wheat so far received at terminals from the new crop is 30 million bushels less than is usually received in the same period from a crop of the 1932 size. Several business indexes showed smaller than seasonal increases between July and August.

Bank debits were 28 per cent smaller in August than in the same month last year and increased during August by less than the seasonal amount. The country check clearing index was 13 per cent smaller in August than in the same month a year ago. Other decreases as compared with last year occurred in electric power consumption, freight carloadings, building permits, flour production, linseed products shipments, copper and iron ore output, livestock receipts, department store sales, furniture sales, country lumber sales, life insurance sales, securities sales to banks and insurance companies and wholesale trade. Increases in August as compared with August last year occurred in building contracts for commercial buildings and public works and utilities, grain marketings and securities sales to the general public. The demand for labor in Minneapolis was slightly better in August than in July, according to

the records of the Public Employment Office and newspaper classified ads.

The decrease from last year's figures in two indices available for the first half of September was somewhat less than the decrease in August. Bank debits for the first two weeks of September were 23 per cent smaller than in the first two weeks of September last year. Country check clearings for the first fourteen business days of September were only 3 per cent smaller than in the corresponding period last year.

DISTRICT SUMMARY OF AGRICULTURE

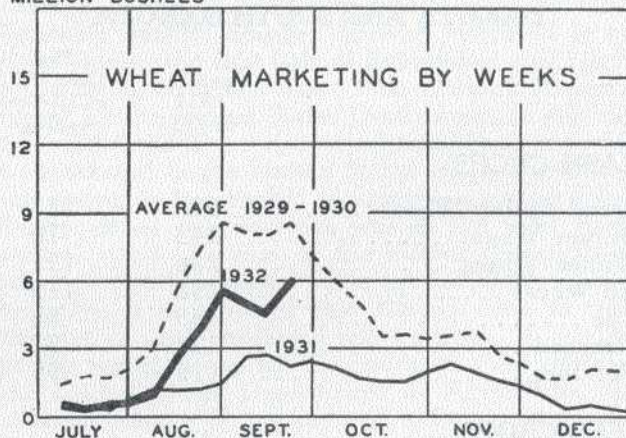
Grain Marketing

Grain farmers of our four states continued to hold an unusually large portion of their cash crops in the stack or in farm storage bins during August and early September. Net terminal receipts of wheat and flax from the beginning of the marketing season through September 17 were a smaller percentage of the total available for marketing than customary. Because of the large increase in production, the number of bushels of wheat marketed was larger than last year, but the percentage marketed was much smaller than in any of the three preceding years for which we have computed weekly marketing figures.

MILLION BUSHEL



Bank Debits Index for Reporting Cities in the Ninth Federal Reserve District, adjusted for seasonal variations.



Wheat Marketings from the Northwest by weeks July-December, 1929-1930 Average, 1931 and 1932. (Week ending September 17, 6,129,000 bushels.)

Wheat Marketing Progress

(Estimates for Minnesota, North Dakota, South Dakota and Montana combined)

July 1 through September 17, 1931 and 1932

	1931	1932
	Bushels	Bushels
Crop and Carry-over		
July 1 Farm Stocks.....	12,333,000	4,478,000
July 1 Stocks in Country Mills and Elevators	6,200,000	5,473,000
New Crop	81,243,000	242,476,000
Total Wheat Supply....	99,776,000	252,427,000
Less: Seed Requirements.....	25,561,000	23,000,000
Remainder available for marketing at terminals, feed, country millings, etc.	74,215,000	229,427,000
Receipts since July 1 at Minneapolis, Duluth, and Superior, excluding Southwestern wheat and duplications	15,725,000	31,673,000
Per cent marketed through September 17	21.19	13.81
During the twelve-month period July 1, 1931 to June 30, 1932, 68 per cent of the 74,215,000 bushels available was marketed at terminals, amounting to 50,217,000		

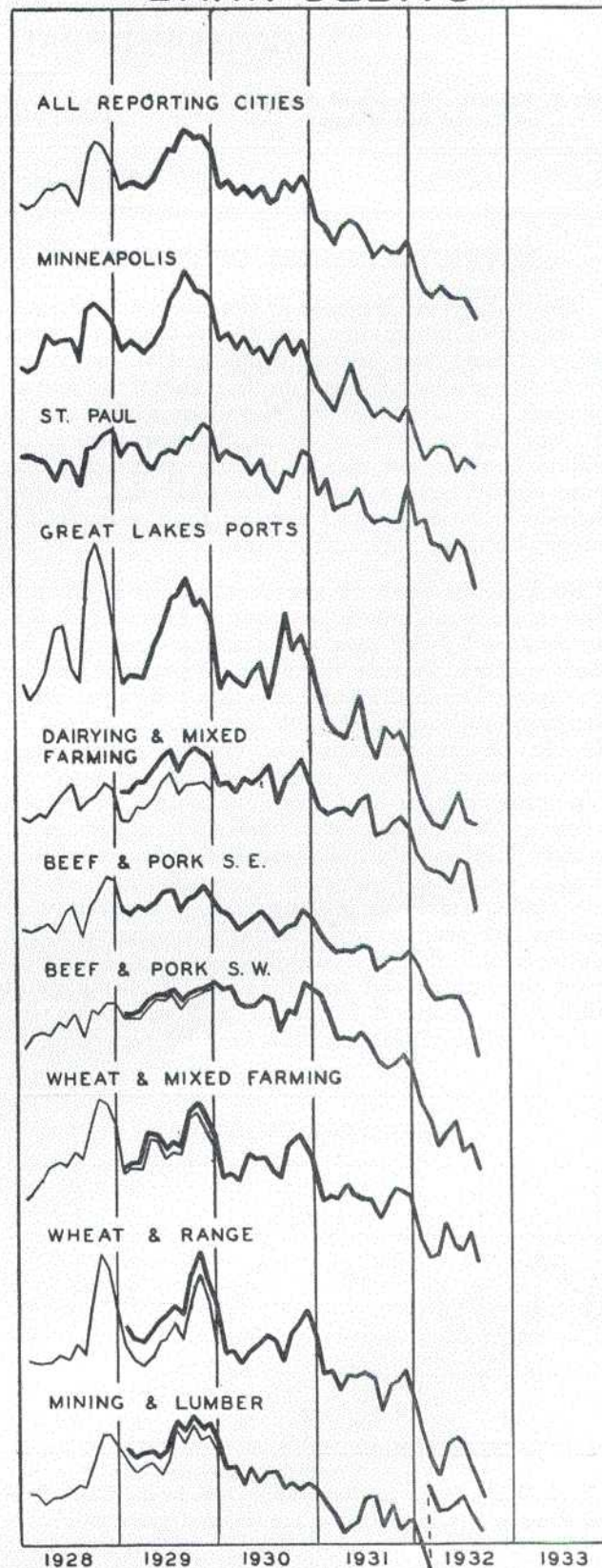
In the case of flax, for which only 1931 and 1932 figures are available, the number of bushels marketed as well as the percentage, is smaller this year than last, despite an "available for marketing figure" this year which is nearly 20 per cent larger than in 1931.

As a result of the decreased marketings of the cash grains, aided somewhat by August deterioration in the crops, cash grain prices all improved somewhat during August, but were still below August 1931 levels.

RELATIVE SIZE OF 1932 CROP PRODUCTION IN MINNESOTA, MONTANA, NORTH DAKOTA AND SOUTH DAKOTA

	Per Cent 1932 of 1931	Per Cent 1932 of 10-Year Average
CASH CROPS		
Bread Spring Wheat.....	327	127
Durum Wheat	243	76
Winter Wheat	236	151
All Wheat	298	115
Rye	189	86
Flaxseed	121	72
Potatoes	115	95
FEED CROPS		
Corn	173	108
Oats	181	107
Barley	183	138
Hay	151	107

NINTH FED. RES. DISTRICT BANK DEBITS



Crop Conditions

Growing weather was favorable for corn and favorable for harvesting and threshing of oats and barley. Estimates of production of the feed grains were all considerably in excess of the ten year average production. These factors reacted unfavorably on the feed grain prices, with the result that the medians computed in this office were all lower than in July, as well as lower than in August last year.

Late August and early September rains which were fairly well distributed throughout the whole Ninth Federal Reserve District greatly improved pastures, corn and late hay crops, and put the soil in good condition for fall plowing. In our last month's review, attention was called to the fact that numerous reports indicated that farmers had noticed that early sown fields were producing more satisfactory crops than late sown fields and that they were planning to plow as much land as possible this fall in order to increase their prospects for early planting next year. Recent reports and observations on field trips indicate that the intentions to plow are being carried out, and that if favorable weather continues, a larger percentage of crop acreage than usual will be plowed this fall. Moderate increases in winter wheat acreages in Minnesota and Montana, and a ten per cent decrease in South Dakota were indicated by the United States Department of Agriculture report on "intentions to sow winter wheat and rye." The same report indicates large decreases in rye acreage in two of the important rye producing states, North and South Dakota, and a small increase for Montana, with no change reported for Minnesota.

Livestock

A seasonal increase in the number of cattle received at South St. Paul occurred during August, consisting chiefly of range cattle receipts. The excellent condition of the ranges this season was reflected in the quality of the livestock raised there. During the last half of August and also during the first half of September, a large proportion of the range cattle received were classified as "slaughter cattle." During the second week of September, more than half of the receipts were fat enough for slaughtering.

During the six weeks' period under review, prices of slaughter cattle have developed a marked two-way seasonal trend. Because of increased supplies of cattle of ordinary quality, the median price during August for "butcher steers" from representative sales at South St. Paul declined considerably. On the other hand, the median price for "prime butcher steers" registered a small advance. New 1932 highs were successively recorded during the six weeks' period, \$9.60 being reached in the first week of September.

Some increased consumer demand for dressed

beef made its appearance with the arrival of cooler weather, but as yet, no improvement is noted in the demand for by-products. This lack of demand for by-products directly affects prices paid for cattle because under existing conditions, the beef produced from each animal must pay for the animal and also the cost of processing. In previous years, receipts from the sale of the by-products of slaughtering were sufficient to pay the entire cost of processing, and at times were large enough to permit packers to pay more for an animal than they received from the sale of the beef obtained from that animal. Improvement in beef cattle prices, therefore, is not wholly dependent upon consumer demand for beef, but would also follow an improvement in the demand for the by-products, such as glandular extracts, hides, hair, glue, fertilizers and poultry feeds.

Country demand for stockers and feeders—steers, cows and heifers—continued strong. During August, the weekly average prices for these classes rose from \$3.73 to \$4.65 in the case of steers and from \$2.50 to \$3.18 for heifers. Prices for heifers were higher at the middle of September than at the end of August, but feeder steer prices were slightly lower, on account of somewhat lower quality of the greatly increased supply. During the second week of September, the total number of stocker and feeder cattle shipped from South St. Paul was very nearly as large as in the corresponding week last year, whereas the number shipped in each of the preceding five weeks was much smaller than the number shipped in the corresponding week last year.

August hog marketings at South St. Paul were smaller than in July and much less than in August last year. During the first half of the month, prices recovered somewhat from the end of July slump, reaching a high of \$4.75 on the 18th, but lost the increase during the second half of the month.

Early September marketings included a large percentage of spring crop pigs which were of fairly desirable quality. Shipper demand increased in activity during the first half of September and resulted in stronger prices. The "Hog Outlook Report," issued by the United States Department of Agriculture, indicated that a decreased number of hogs will be marketed in the United States this fall and winter, owing to the smaller pig crop last spring. Practically all of the decrease was in the west north central states. Because of the increased weights at which hogs are expected to be marketed this season, however, it is expected that the decrease in total tonnage of pork produced will be small. According to the report issued by the South St. Paul office of the United States Department of Agriculture, the average weight of packer and shipper droves for August was 267 pounds, compared with 260 pounds in August last year. That was the first time in more than a year that the average weight exceeded that of the corresponding month a year earlier.

Lamb and Wool Crops

The 1932 lamb crop in Minnesota, North Dakota and South Dakota was again a little larger than that of the preceding year. However, a large reduction in Montana more than offset the small increases in the three other complete states in the Ninth Federal Reserve District, resulting in a net 7 per cent decrease for the four states.

The wool production in Minnesota, Montana, North Dakota and South Dakota was 9 per cent smaller than in 1931, owing to a lighter weight per fleece in each of the four states, as well as a smaller number of fleeces, especially in Montana. Our composite farm price for wool for the spring of 1932 was 8.5 cents per pound, which was the lowest price since our records began in 1920. According to the "Sheep and Wool Outlook," report issued by the United States Department of Agriculture, farm wool prices last summer were lower than in any year since 1897. Because of the extremely low farm price per pound and the decreased production, the farm value of the clip in the four states was only \$4,499,000, compared with \$7,801,000 in 1931, and \$11,018,000 in 1930.

Northwestern Lamb and Wool Production

	Lamb Crop		Wool Clip	
	Head; 000's omitted		Lbs.; 000's omitted	
	1931	1932	1931	1932
Minnesota	718	733	6,435	6,315
Montana	2,722	2,356	35,948	30,728
North Dakota...	687	698	7,012	6,972
South Dakota...	765	769	8,820	8,920
Four States.....	4,892	4,556	58,215	52,935

Cold Storage Holdings

Cold storage holdings of farm products in the United States continued to be below the five year average during the month of August. On September 1, the stocks of meats, butter, poultry and eggs were greatly below the average for that date, but stocks of lard and butter were slightly larger than on September 1 last year. During the month of August, stocks of all of the above commodities decreased with the exception of lamb and mutton. In the case of beef and eggs, the decline was seasonal; in butter, the decline was also seasonal but came a month earlier than usual; in pork and lard, the decrease was smaller than the usual seasonal reduction; and in poultry, the decrease was contrary to the seasonal trend.

United States Cold Storage Holdings

	(In thousands of pounds)		
	Sept. 1 5-year Average	Sept. 1 1931	Sept. 1 1932
Beef	42,266	39,050	24,570
Pork	662,772	595,063	582,483
Lard	141,881	96,047	103,169
Lamb and Mutton..	2,421	1,975	1,068
Butter	143,319	104,678	107,431
Poultry	43,023	43,056	30,236
Eggs*	12,231	12,167	8,609

*Thousand cases.

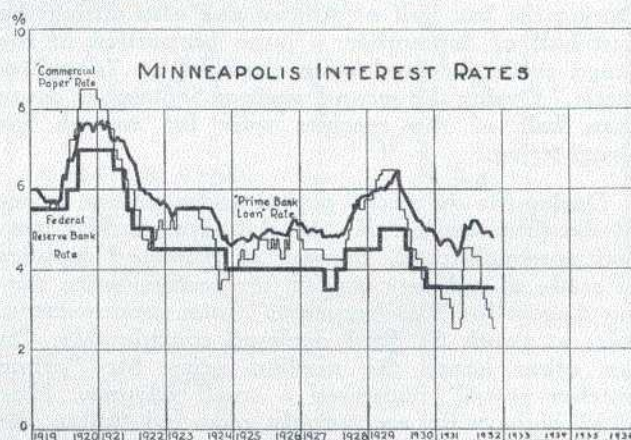
Farm Income

Farmers' cash income in the district during August was 7 per cent smaller than in August last year. This decrease was the smallest shown in the yearly comparison for thirty-six months. In spite of delayed marketings of cash crops, the farmers' income from wheat and rye during August was twice as large as in August last year, but this increase was more than offset by reductions in income from dairy products, hogs, flax and potatoes. All farm products prices which are important in the Northwest were lower in August than a year ago. The decreases were the least pronounced in prime butcher steers and eggs.

DISTRICT SUMMARY OF BANKING

The complete totals of the June 30 condition reports of all banks in the district show that there was the largest drop in deposits during the year that has ever been experienced in an equal length of time by the banks of the district. The decrease amounted to 329 million dollars and affected all sections of the district. This represented a shrinkage of 22 per cent in the deposits of the district from June 30, 1931, which was a somewhat larger percentage decrease than had been indicated by the monthly figures of the member banks, and shows that the deposit decrease among non-member banks was greater than that experienced by the member banks.

The strength of the banking system of the district was evidenced by the fact that on June 30 all banks in the district were borrowing less than 27 million dollars from all sources. This was an increase of 16 million dollars over borrowings a year earlier, but the total borrowings were remarkably small in view of the unprecedented deposit decline. During the last preceding major depression, borrowings of banks in the district reached a total of nearly 200 million dollars and for a five year period from 1919 to 1924, were continuously larger than borrowings at the present time.



Interest Rates at Minneapolis on Prime Bank Loans and Commercial Paper and the Discount Rate at the Federal Reserve Bank, 1919-1932.

The decrease in deposits during the year ending June 30 was chiefly met by reductions in assets. Loans were reduced 171 million dollars and were practically down to the 1913 level. Cash and balances due from banks declined 99 million dollars. Investment holdings declined 55 million dollars. The number of banks in the district was reduced by 265 during the year, leaving 1,756 banks in operation on June 30. All of these decreases were shared by all states and parts of states in the district.

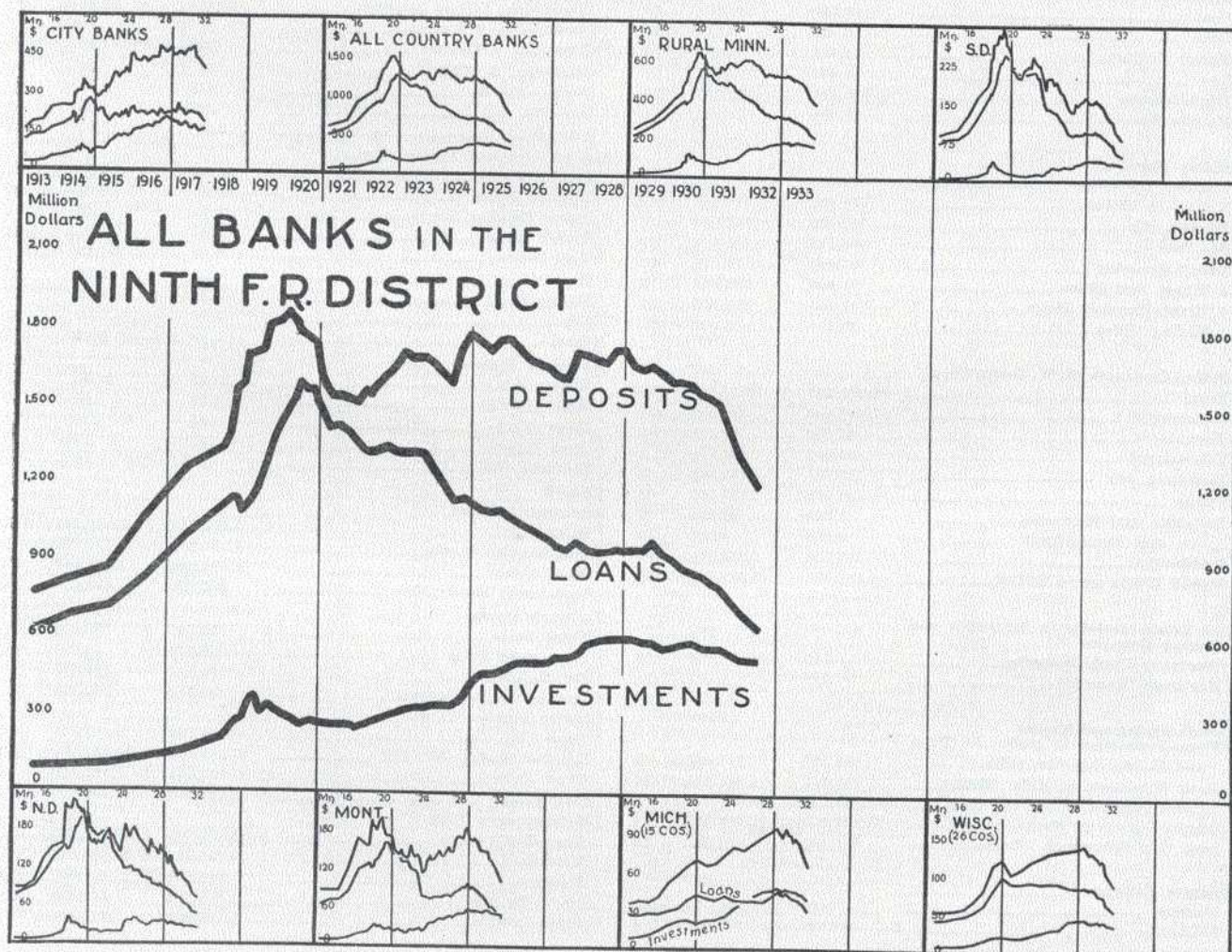
The fragmentary banking reports which are available between call dates show that the decline in deposits at country banks in the district continued through the month of August. Deposits at city member banks increased seasonally during the last week in August and the first half of September. The daily average of country member bank deposits during August was 20 per cent below the daily average for August last year. City member bank deposits on September 14 were 19 per cent smaller than on the corresponding date last year.

Country member bank borrowings from this Federal Reserve Bank decreased moderately during the first half of September from the August peak, indicating that the new money derived from the crop was beginning to have an effect. The decrease in

borrowings from this Federal Reserve Bank was shared by banks in all parts of the district. However, total borrowings from this bank on September 14 were three times as large as on the corresponding date last year.

The seasonal increase in deposits at the city member banks was due to gains in all classes of deposits, except deposits of municipal funds, which continued to show a seasonal decline. The largest increase in deposits at the city banks was in commercial and individual demand deposits and small increases were shown in time deposits and in deposits due to banks. Almost the entire amount of the deposit increase was used by the city banks to increase their balances due from correspondent banks. Loans to customers and other invested funds of the city banks in the district showed little change during recent weeks.

Lending rates at Minneapolis decreased moderately at city banks during the month ending September 15. The brokers' rate on prime commercial paper decreased one-half of 1 per cent during August, and at the end of the month, the rate equaled the lowest quotation of the post-war years. The discount rate of this Federal Reserve Bank remained unchanged.



COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS				AGRICULTURE			
Debits to Individual Accounts ¹	Aug. '32	Aug. '31	Aug. '31	Farmers' Cash Income	Aug. '32	Aug. '31	Aug. '31
All Reporting Cities.....	\$ 20,187,000	\$ 27,939,600	72	Total of 6 Items.....	\$ 25,953,000	\$ 27,908,000	93
Minneapolis.....	9,216,000	11,954,000	77	Bread Wheat.....	9,285,000	4,102,000	226
St. Paul.....	3,614,000	4,988,000	72	Durum Wheat.....	1,465,000	775,000	189
South St. Paul.....	375,000	731,000	51	Rye.....	430,000	279,000	154
Great Lakes Ports.....	1,616,000	2,282,000	71	Flax.....	2,643,000	3,476,000	76
Beef and Pork, S. E.....	646,200	1,015,000	64	Potatoes.....	481,000	860,000	56
Beef and Pork, S. W.....	733,000	1,242,800	59	Dairy Products.....	7,799,000	12,706,000	61
Dairy and Mixed Farming.....	946,300	1,387,600	63	Hogs.....	3,850,000	5,710,000	67
Wheat and Mixed Farming.....	1,326,500	1,697,800	78	Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Wheat and Range.....	534,200	835,400	64	Bread Wheat.....	14,015,000	5,510,000	254
Mining and Lumber.....	1,179,800	1,806,500	65	Durum Wheat.....	2,548,000	1,071,000	238
				Rye.....	1,279,000	735,000	174
				Flax.....	2,617,000	2,474,000	106
Electric Power Consumption (K.W.H.) ^{1,2}				Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)			
Minn., No. Dak. and So. Dak.....	4,015,000	4,876,000	82	Wheat.....	36,808,680	56,888,958	65
Montana.....	1,436,000	2,584,000	56	Corn.....	120,902	139,208	87
				Oats.....	7,253,931	3,906,770	186
Country Check Clearings ¹				Barley.....	3,277,024	2,367,306	138
Total.....	\$ 2,123,200	\$ 2,444,400	87	Rye.....	5,423,700	5,222,311	104
Minnesota.....	856,700	902,900	95	Flax.....	1,518,304	720,248	211
Montana.....	563,800	541,500	104	Livestock Receipts at So. St. Paul (Head)			
North and South Dakota.....	408,500	564,200	72	Cattle.....	66,912	77,335	87
Michigan and Wisconsin.....	294,200	435,800	68	Calves.....	37,634	35,680	105
				Hogs.....	99,527	167,950	59
Freight Carloadings—N. W. District				Sheep.....	169,585	171,953	99
Total—Excluding L.C.L.	212,645	352,678	60	Median Cash Grain Prices (Bus.)			
Grains and Grain Products.....	49,632	42,816	116	Wheat—No. 1 Dark Northern.....	\$0.59½	\$0.66½	89
Livestock.....	18,379	28,731	64	Durum—No. 2 Amber.....	.57½	.74½	77
Coal.....	13,260	19,364	68	Corn—No. 3 Yellow.....	.34½	.45½	76
Coke.....	2,067	3,364	61	Oats—No. 3 White.....	.17½	.22½	78
Forest Products.....	13,965	26,009	54	Barley—No. 3.....	.28	.43½	65
Ore.....	14,681	96,367	15	Rye—No. 2.....	.33½	.38	88
Miscellaneous.....	100,661	136,027	74	Flax—No. 1.....	1.01	1.40½	72
Merchandise—L.C.L.	93,028	114,880	81	Median Livestock Prices (Cwt.)			
				Butcher Cows.....	\$3.50	\$4.50	78
Building Permits				Butcher Steers.....	6.60	8.25	80
Number—18 Cities.....	1,120	1,477	76	Prime Butcher Steers.....	8.75	9.35	94
Value—18 Cities.....	\$ 958,800	\$ 2,131,000	45	Feeder Steers.....	4.00	4.75	84
Minneapolis.....	367,900	857,000	43	Veal Calves.....	5.50	7.50	73
St. Paul.....	294,100	430,600	68	Hogs.....	4.10	5.00	82
Duluth-Superior.....	65,800	97,800	67	Heavy Hogs.....	3.50	4.75	74
4 Wheat Belt Cities.....	71,600	516,800	14	Lambs.....	5.75	7.00	82
6 Mixed Farming Cities.....	137,100	214,900	64	Ewes.....	1.75	2.25	78
4 Mining Cities.....	22,300	13,900	160	Wholesale Produce Prices			
				Butter (Lb.).....	\$0.18	\$0.25	72
Building Contracts (F. W. Dodge Corp.)				Milk (Cwt.).....	1.22	1.62	75
Total.....	\$ 7,931,100	\$ 7,522,200	105	Hens (Lb.).....	.11	.16	69
Commercial.....	1,021,800	459,900	222	Eggs (Dox.).....	.12½	.13½	91
Factories.....	85,000	99,800	85	Potatoes (Bu.).....	.52½	1.12½	47
Educational.....	82,400	894,500	9	TRADE			
Hospitals, etc.....	226,000	655,000	35	Department Stores			
Public.....	530,900	337,500	64	Sales.....	\$ 1,917,970	\$ 2,518,240	76
Religious and Memorial.....	9,800	87,000	11	Merchandise Stocks.....	4,962,920	6,128,700	81
Social and Recreational.....	5,800	63,600	9	Receivables.....	2,431,260	2,921,630	83
Residential.....	608,100	1,553,200	39	Instalment Receivables.....	583,690	694,240	84
Public Works and Utilities.....	5,361,300	3,871,700	159	Furniture Stores			
				Total Sales.....	\$ 72,590	\$ 88,220	82
Real Estate Activity in Hennepin and Ramsey Counties				Instalment Sales.....	55,920	66,790	84
Warranty Deeds Recorded.....	743	1,054	70	Merchandise Stocks.....	530,830	525,230	101
Mortgages Recorded.....	940	1,271	74	Instalment Receivables.....	729,140	730,070	100
				Country Lumber Yards			
Manufacturing and Mining				Sales (Bd. Ft.).....	6,703,000	9,457,000	71
Flour Production at Mpls., St. Paul, and Duluth-Superior (Bbls.).....	591,462	871,693	68	Lumber Stocks (Bd. Ft.).....	63,216,000	76,554,000	83
Flour Shipments at Mpls. (Bbls.).....	635,243	853,631	74	Total Sales.....	\$ 759,000	\$ 1,127,400	67
Linseed Product Shipments (Lbs.).....	17,712,237	19,647,075	90	Receivables.....	2,537,600	3,604,500	70
Copper Output (5 Firms) (Lbs.).....	12,134,000	22,312,500	54	Life Insurance Sales			
Iron Ore Shipments (Tons).....	721,587	5,064,687	14	Four States.....	\$ 13,556,000	\$ 17,863,000	76
				Minnesota.....	10,214,000	13,093,000	78
Business Failures				Montana.....	1,242,000	1,571,000	79
Number.....	69	57	121	North Dakota.....	908,000	1,220,000	74
Liabilities.....	\$ 983,384	\$ 564,200	174	South Dakota.....	1,192,000	1,979,000	60

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT (Continued)

	Aug. '32	Aug. '31	Per Cent Aug. '32 of Aug. '31		Aug. '32	Aug. '31	Per Cent Aug. '32 of Aug. '31
Investment Dealers				Interest Rates¹			
Sales to Banks.....	1,263,700	6,077,000	21	Minneapolis Banks	4¾	4¼-4½	
Sales to Insurance Companies.....	195,200	473,500	41	Commercial Paper (net to borrower)...	2½	2½	
Sales to General Public.....	3,490,300	3,294,100	106	Minneapolis Federal Reserve Bank.....	3½	3½	
Wholesale Trade				Selected City Member Banks	Sept. 14, '32	Sept. 16, '31	
Groceries—				Loans to Customers.....	\$181,787,000	\$214,212,000	85
Sales	\$ 3,080,760	\$ 3,759,470	82	Other Invested Funds.....	131,809,000	157,325,000	84
Stocks	4,886,160	5,442,810	90	Cash and Due from Banks.....	80,263,000	106,221,000	76
Receivables	4,091,410	4,473,870	91	Deposits Due to Banks.....	50,298,000	84,512,000	60
Hardware—				Public Demand Deposits.....	21,654,000	31,721,000	68
Sales	\$ 877,440	\$ 1,092,680	80	Other Demand Deposits.....	134,572,000	163,706,000	82
Stocks	2,100,800	2,372,720	89	Time Deposits	140,386,000	145,280,000	97
Receivables	1,420,540	1,566,640	91	Total Deposits	347,854,000	428,115,000	81
Shoes—				Borrowings at Fed. Res. Bank.....	592,000	0	---
Sales	\$ 257,510	\$ 300,460	86				
Stocks	602,940	711,930	85	Minneapolis Federal Reserve Bank			
Receivables	574,240	722,680	79	Loans	12,234,000	3,989,000	307

BANKING**Member Bank Deposits**

In Cities Over 15,000 pop.....	\$381,913,000	\$456,462,000	84
In Cities Under 15,000 pop.....	294,298,000	367,571,000	80
Michigan—15 Cos.	52,678,000	64,198,000	82
Minnesota ²	119,864,000	141,584,000	85
Montana	38,756,000	51,299,000	76
North Dakota	28,655,000	36,851,000	78
South Dakota	33,497,000	46,819,000	72
Wisconsin—26 Cos.	20,848,000	26,820,000	78

Minneapolis Federal Reserve Bank

Loans	12,234,000	3,989,000	307
Twin Cities	0	0	---
Minn., Wis. and Mich.....	4,263,000	1,215,000	351
N. Dak. and Mont.....	3,995,000	1,402,000	285
South Dakota	3,976,000	1,372,000	290
Fed. Res. Notes in Circulation.....	80,895,000	54,914,000	147
Member Bank Reserve Deposits.....	38,071,000	46,840,000	81

¹Daily Averages.²Latest Reported Data.**BANK DEBITS**

Number of Business Days:	Aug. 1932	July 1932	Aug. 1931	July 1931
All States in District.....	27	25	26	26

(000's omitted)

Michigan

Escanaba (1 Bank)	\$ 444	\$ 424	\$ 708	\$ 701
Hancock	1,035	1,246	1,470	1,392
Houghton	1,254	1,140
Iron Mountain	1,519	1,560	2,854	3,305
Iron River, Caspian.....	395	322	1,029	1,122
Marquette	2,615	2,754	3,679	4,417
Menominee	1,582	1,909	2,229	2,938
Sault Ste. Marie.....	2,044	1,896	2,940	2,587

Minnesota

Albert Lea	1,633	2,146	2,337	2,869
Austin (1 Bank)	2,060	2,086	3,444	3,237
Bemidji (2 Banks).....	786	842	1,099	1,141
Chaska	445	406	513	623
Chisholm	949	734	974	1,155
Cloquet	865	951	1,383	1,415
Crookston	913	812	1,171	1,103
Detroit Lakes	835	1,002	987	1,264
Duluth	33,151	30,594	43,873	47,651
Ely	423	356	585	758
Fairbault (1 Bank).....	707	841	1,005	1,586
Farmington	161	166	194	219
Fergus Falls	1,595	2,328	2,084	2,297
Glenwood	265	375	399	480
Hutchinson	565	701	993	1,228
Lakefield (2 Banks).....	162	197	182	218
Lanesboro	201	300	256	253
Little Falls (3 Banks).....	612	749	862	935
Luverne	382	497	590	691
Mankato	3,732	4,425	4,834	6,117
Minneapolis	248,838	242,027	310,797	331,857
Moorhead	973	1,051	1,231	1,288
Morris	383	346	411	439
Owatonna	1,630	1,924	2,250	2,557
Park Rapids	258	294	344	420
Red Wing	1,254	1,391	2,035	2,117
Rochester	3,293	3,836	4,962	5,457
St. Cloud	2,456	2,766	3,469	3,789
St. Paul	97,590	109,118	129,682	136,835
South St. Paul	10,119	10,893	19,015	20,664
Stillwater	1,795	2,565	2,278	3,493
Thief River Falls.....	639	675	738	796
Two Harbors	283	388	446	593
Virginia	1,755	1,335	1,975	2,044
Wabasha	543	780	863	1,130
Wadena (1 Bank)	291	261	300	335
Wheaton	282	274	505	486
Willmar (1 Bank)	685	830	1,133	1,471
Winona	4,197	4,666	5,940	6,648
Worthington (1 Bank).....	390	394	585	646

Montana

Anaconda	838	973	1,512	1,864
Billings	4,442	4,529	6,393	7,082
Bozeman	1,311	1,596	1,959	2,403
Butte (2 Banks).....	6,517	6,256	10,862	13,086
Deer Lodge	567	863	899	1,286
Glendive	494	495	713	826
Great Falls	7,257	6,604	10,284	12,257
Harlowton	190	175	284	324
Havre	890	927	1,139	1,293
Helena	4,794	5,797	8,052	10,169
Kalispell	1,593	1,154	1,700	1,421
Lewistown	1,025	955	1,362	1,503
Malta	344	391	401	644
Miles City (1 Bank).....	687	807	1,160	1,641

North Dakota

Bismarck	9,731	9,803	9,661	10,677
Devils Lake	836	997	1,128	1,243
Dickinson	827	904	1,088	1,288
Fargo	11,374	12,641	13,788	14,873
Grafton	310	275	319	365
Grand Forks	4,103	4,734	6,283	6,410
Jamestown	1,312	1,528	1,965	2,232
Mandan	721	765	1,214	1,272
Minot	3,747	3,711	4,871	5,293
Valley City	847	823	1,144	1,201
Wahpeton	668	735	837	768
Williston	720	697	904	1,204

South Dakota

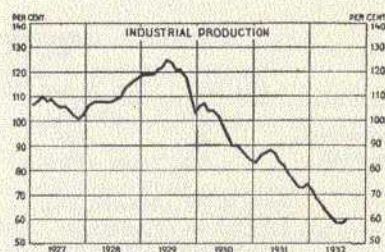
Aberdeen	3,178	3,686	4,528	5,266
Brookings (1 Bank).....	521	499	840	733
Deadwood	691	646	751	751
Huron	2,685	2,706	4,573	5,032
Lead	1,195	1,231	1,090	1,329
Madison	597	618	898	1,032
Millbank	331	335	441	501
Mitchell (2 Banks).....	1,761	1,808	3,304	3,366
Mobridge	372	359	439	359
Pierre	769	810	1,081	1,140
Rapid City	1,437	1,463	3,125	3,544
Sioux Falls	10,095	10,687	16,258	18,864
Watertown	1,770	2,058	2,858	3,361
Yankton	1,100	1,176	1,983	1,885

Wisconsin

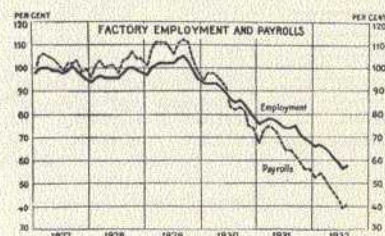
Ashland	1,280	1,263	1,798	1,933
Chippewa Falls	1,125	1,268	1,667	1,968
Eau Claire	4,039	4,317	6,708	7,897
Hudson (2 Banks).....	352	441	484	888
La Crosse	5,903	7,299	8,889	10,212
Merrill (1 Bank).....	739	841	1,142	1,351
Superior	3,814	3,912	5,886	6,492

Total for All Cities Reporting

Both Years	\$547,629	\$562,991	\$780,263	\$795,296
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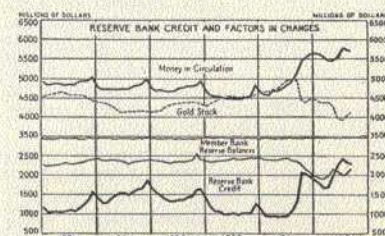
Index number of industrial production, adjusted for seasonal variation, (1923-1925 average=100.)



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100.)



Indexes based on three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. (1923-1925 average=100.)



Monthly averages of daily figures. Latest figures are averages of first 21 days in September.

Summary of National Business Conditions (Compiled September 22 by Federal Reserve Board)

Volume of industrial production increased from July to August by considerably more than the usual seasonal amount, reflecting chiefly expansion in activity at textile mills. Wholesale prices advanced during August and the general level prevailing in the first three weeks of September was somewhat higher than in other recent months. There was a further growth in the country's stock of monetary gold and a non-seasonal return flow of currency to the Reserve banks.

PRODUCTION AND EMPLOYMENT: Industrial output increased substantially in August and the Board's seasonally adjusted index showed an advance from 58 to 60 per cent of the 1923-25 average. Activity at cotton, woolen, silk and rayon mills increased from the low level of other recent months by considerably more than the usual seasonal amount, and there was also a substantial increase in activity at shoe factories. Output of automobiles, however, declined further and production in the steel and lumber industries showed none of the usual seasonal increase in August. During the first three weeks of September, there was a light advance in steel output.

Employment at factories increased slightly more than is usual at this season. There were large additions to working forces in the textile, clothing and leather industries, while in the automobile, tire and machinery industries and at car building shops, the number employed decreased further. Aggregate wage payments increased less than seasonally.

Building contracts awarded up to September 15, as reported by the F. W. Dodge Corporation, indicate that for the third quarter the total value of contracts will be about the same as for the second quarter, whereas usually awards for the third quarter are smaller. Currently, contracts for public works are a considerably larger part of the total than they were at the beginning of the year and residential contracts are a smaller part.

Department of Agriculture crop estimates based on September 1 conditions, indicate little change in prospects during August. Indicated crops of wheat and tobacco are considerably smaller than in other recent years, while the corn crop is the largest since 1925. The cotton crop is estimated at 11,300,000 bales, a decrease of about 6,000,000 bales from the large crop of a year ago.

DISTRIBUTION: Volume of merchandise and other freight handled by the railroads increased seasonally during August, while during the corresponding period a year ago, no increase was reported. Department store sales of merchandise increased from July to August by somewhat less than the usual seasonal amount.

WHOLESALE PRICES: Wholesale commodity prices advanced from 64.5 per cent of the 1926 average in July to 65.2 per cent in August, according to the monthly index of the Bureau of Labor Statistics. During August, prices of many leading commodities, including textile raw materials and finished products, wheat, hides, nonferrous metals, sugar, rubber and coffee, increased substantially. In the first half of September, there were declines in the prices of many of these commodities, while prices of wool and woolen goods, cattle and hides advanced.

BANK CREDIT: During recent weeks, further growth in monetary gold stock, a return flow of currency from hoards, and new issues of national bank notes have resulted in additions to the reserve funds of member banks. These banks have employed a part of the funds in further reducing their borrowings at the Reserve banks and have accumulated a part as reserve balances, which at the present time are more than \$300,000,000 in excess of required reserves. Reserve bank holdings of United States Government securities and of acceptances remained practically unchanged during the four weeks ending September 14, while the total of Reserve bank credit declined by \$43,000,000 through the reduction of discounts for member banks.

Loans and investments of reporting member banks in leading cities showed little change between the middle of August and the middle of September. A further decline of more than \$150,000,000 in loans by banks outside New York City during the past four weeks was offset in large part by continued increase in investment holdings, chiefly at member banks in New York City. There was a considerable growth in deposits of reporting member banks, reflecting in part larger balances held by city banks for the account of other banks.

Money rates in the open market remained unchanged at low levels during August and the first half of September.