

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

Despite increased grain marketings, the volume of business in the Ninth Federal Reserve District during October was smaller than in October last year. The bank debits index declined during the month and was much lower than for the same month last year. The country check clearings index also declined during October. Total freight carloadings was 24 per cent smaller in October 1932 than in October 1931, although the decreases were negligible in coal, coke and grain and grain products. Total marketings of grain were much greater than a year ago, when extremely small crops were harvested in our district, but shipments of flour and other manufactured grain products showed a decrease which offset the increase in grain marketings. Carloadings of livestock were much smaller than in October of last year, when hogs, sheep and calves were received at South St. Paul in record-breaking or record-equaling quantities. Electric power consumption was smaller in the latest month's reports than in the same month a year ago. Other decreases in October as compared with October last year occurred in building permits and contracts, copper and iron ore output, department store sales, country lumber sales, life insurance sales, securities sales and wholesale trade. The spurt in department store sales in September proved to be shortlived, for October sales did not show the customary increase over September sales. Business failures were not as numerous in October as in the same month last year.

Employment increased more than seasonally during the month of September in the cities of Minnesota. The most important employment increases occurred in clothing and textile manufacturing and in department stores and mail order houses. These conclusions are given in the November issue of the Minnesota Employment Review, which is the joint product of the Employment Stabilization Research Institute of the University of Minnesota and the Tri-City Employment Stabilization Committee. Two significant paragraphs from this report are quoted below:

"Improvement in the employment situation in the three large cities of Minnesota, starting in August, continued at an encouraging rate in September. This is revealed in reports received from 529 concerns in St. Paul, Minneapolis and Duluth by the Institute in its current employ-

ment survey. These reporting companies increased the number of employees from 74,156 in August to 75,007 in September, a gain of 1.1 per cent. The advance in the manufacturing groups, comprising 313 firms, was even more marked, being 3.7 per cent. The payroll amount for all manufacturing groups combined registered an increase of 4.5 per cent. The average percentage change of employment from August to September for the five-year period preceding 1932 was a decline of 0.2 per cent for all industries combined and an increase of 0.4 per cent for manufacturing. It is thus seen that the improvement this year is significantly above the usual seasonal change.

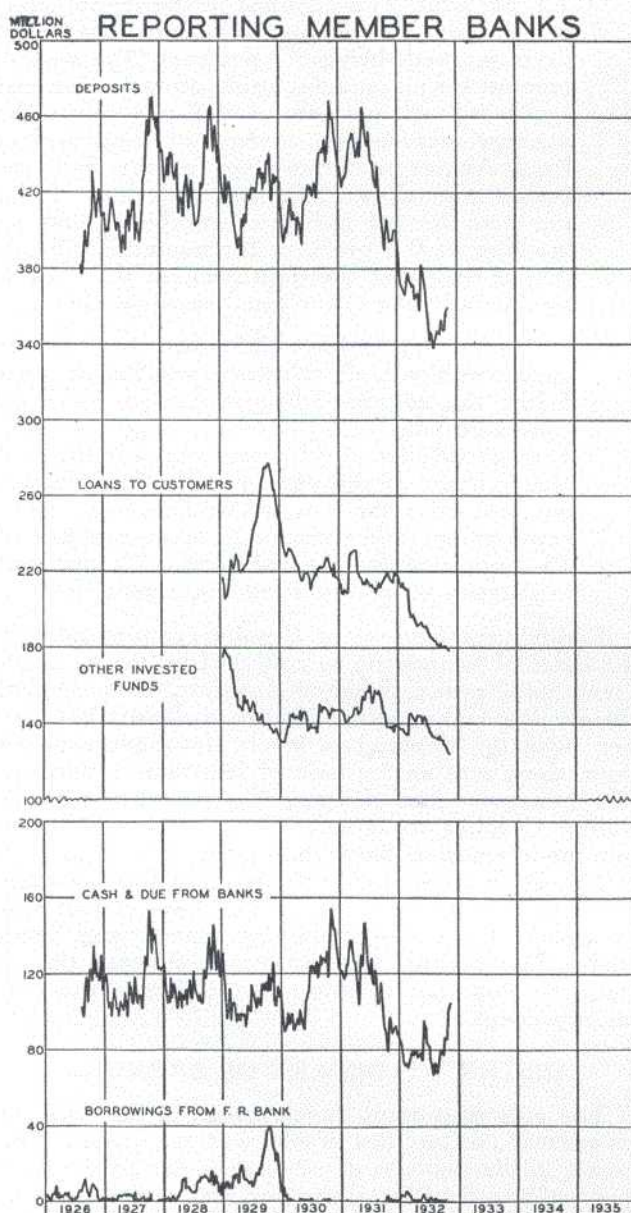
" . . . September employment in the three cities combined, all industries, was 9.9 per cent below the corresponding month of 1931, as compared with 11.3 per cent in August and an average decline of 11.6 per cent for the first nine months of the year. For the manufacturing industries the rate of decline from 1931 employment was reduced from an average of 13.2 per cent for the year and 13.7 per cent in August, to 10.1 per cent in September."

Preliminary figures for October employment in the cities of Minnesota, as collected by the Employment Stabilization Research Institute, indicate that the employment situation improved slightly in October over the September levels. In manufacturing lines, there was an increase of less than 1 per cent in employment and of nearly 3 per cent in payrolls during October as compared with September. In non-manufacturing lines, the employment and payroll situation showed changes too small to measure. The greatest strength in October employment was in metals, textiles and clothing, candy and retail trade. The records of past years indicate that a static employment situation in October is the customary event.

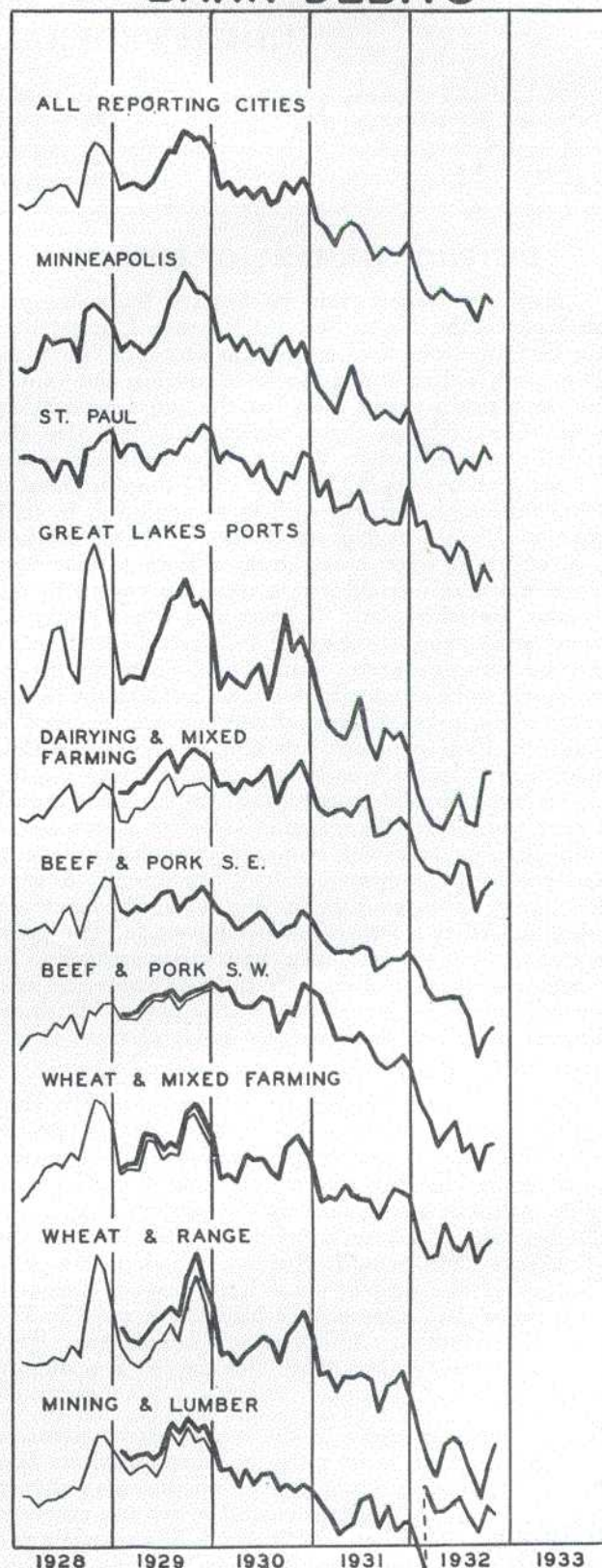
DISTRICT SUMMARY OF BANKING

The only important development in the banking records of the last few weeks was the seasonal increase in the deposits of city banks due to the payment of the final instalment of real estate taxes at the end of October. During the three weeks ending November 16, there was an increase of 5 million dollars in municipal demand deposits at reporting

city member banks. This was a larger increase in this class of deposits than occurred a year ago, but notwithstanding, the total of public demand deposits on November 16 was 7 million dollars less than on the corresponding date last year. Deposits due to banks at reporting city member banks increased 7 million dollars during the three weeks ending November 16. This increase was also a seasonal occurrence occasioned by the deposit of tax funds in country banks, which, in turn, increased their balances with their city correspondents. The increase in these two classes of deposits accounted for almost the total increase of 13 million dollars in the deposits of city member banks in the district in recent weeks. On November 16, the deposits of these banks were 10 per cent smaller than a year ago.

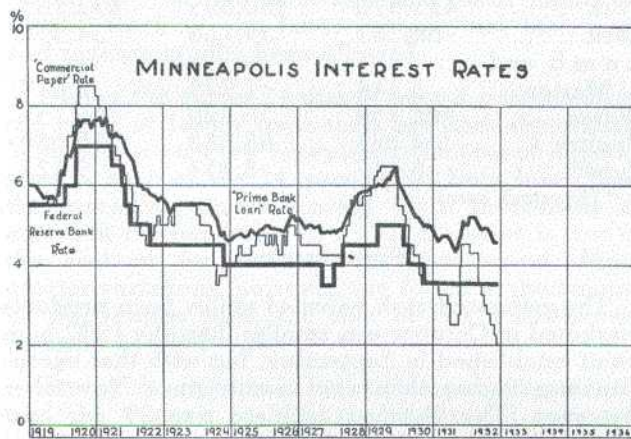


NINTH FED. RES. DISTRICT BANK DEBITS



Loans to customers of city member banks decreased 2 million dollars in the four weeks ending November 16, and other invested funds decreased 5 million dollars. These decreases in earning assets and the increase in deposits enabled city member banks to increase their balances due from banks by 20 million dollars, and on November 16 their cash and balances with other banks were 13 per cent larger than a year ago. The city banks were almost entirely out of debt at the Federal Reserve Bank on November 16.

Interest rates on prime bank loans at Minneapolis showed no change during the month ending November 15. However, the broker's rate on commercial paper in the Minneapolis market was reduced one-fourth of 1 per cent during the month of October, to the lowest figure in the post-war years.



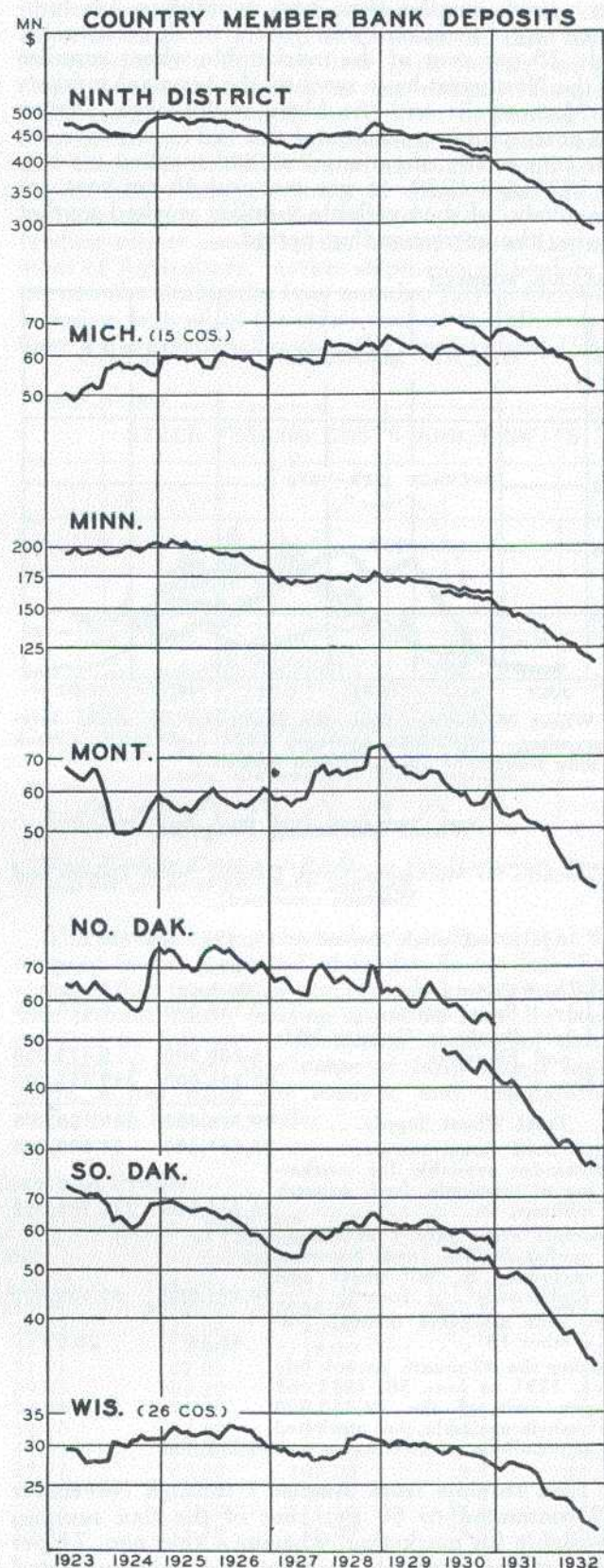
Interest Rates at Minneapolis on Prime Bank Loans and Commercial Paper and the Discount Rate at the Federal Reserve Bank, 1919-1932.

Country bank conditions showed almost no change during the four weeks ending November 16, other than the increase in their balances due from city correspondent banks, as reflected in the reporting city member bank figures quoted above. Borrowings from the Federal Reserve Bank by country member banks remained at the same level during the four-week period, this level being twice as high as that of last year. Country member bank deposits declined slightly in October from the level of September and were 19 per cent below the level of October last year. All states in the district shared in these declines.

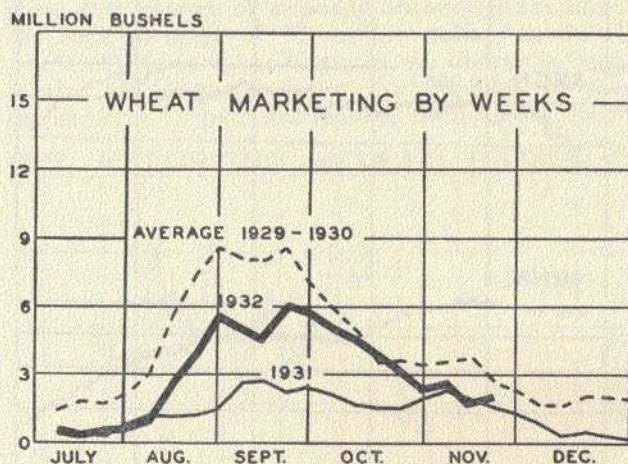
DISTRICT SUMMARY OF AGRICULTURE

Crop Marketings

Marketings of both wheat and flax from the northwestern states declined during October, whereas there is usually a rising trend of marketing during the last half of that month. Marketings of these grains were further reduced during the week of national elections and remained at a low level in the succeeding week. Heavy snowfall and cold weather were partly responsible for the recent decreases in marketing.



The wheat marketing movement this fall has been very much smaller than past experience has indicated to be normal. From July 1 to November 19, only 28 per cent of the marketable wheat supplies of the Northwest have reached the terminal markets at Minneapolis and the Head-of-the-lakes. During the corresponding portion of the 1931 crop year, 46 per cent of the wheat supplies had reached market. In 1930 and 1929, 45 per cent and 46 per cent, respectively, of the available supplies reached market during the corresponding period.



Wheat Marketing Progress

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

July 1 through November 19, 1931 and 1932

	1931 Bushels	1932 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	239,357,000
Total Wheat Supply.....	99,776,000	249,308,000
Less: Seed Requirements.....	25,561,000	23,000,000
Remainder available for market- ing at terminals, feed, country millings, etc.	74,215,000	226,308,000
Receipts since July 1 at Minne- apolis, Duluth, and Superior, excluding S. W. wheat and duplications	34,391,000	63,560,000
Per cent marketed through No- vember 19	46.34	28.09
During the 12-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	

Flax receipts from August 1 through November 19 amounted to 60 per cent of the flax supplies available for marketing, whereas a year ago, 71 per cent of the available supplies had been marketed during the corresponding period.

Cold Storage Holdings

Cold storage holdings of meats in the United States were larger on November 1 than a year ago, and storage holdings of pork were larger than the five-year average. Holdings of lard, poultry and eggs were smaller than a year ago and smaller than the five-year average. Stocks of butter were $9\frac{1}{2}$ million pounds larger on November 1 than on the same date last year, but were still about one-third below the five-year average for that date.

United States Cold Storage Holdings

(In thousands of pounds)

	November 1 5-year Average	November 1, 1931	November 1, 1932
Beef	54,456	34,407	35,478
Pork	425,876	380,895	432,163
Lard	66,283	39,766	34,358
Lamb and Mutton..	3,714	1,975	2,874
Butter	105,754	56,229	66,755
Poultry ...	64,443	65,668	55,082
Eggs*	8,117	8,454	5,322

*Thousand cases.

Farm Income

The estimated cash value of major farm products marketed in October was smaller than the 1932 high point established in September, but with that exception was higher than any month since November last year. The October estimate was 29 per cent smaller than the estimate for October last year, more than half the decrease being on account of the large reduction in the value of hogs marketed. Prices of hogs and sheep declined heavily during October, responded temporarily to the decreased receipts of election week, but declined to October levels when receipts again increased during the second and third weeks of November. All grain prices and all important livestock prices, as well as prices of butter, milk, eggs, poultry and potatoes, were lower than in October 1931.

Crop Reports

The United States Department of Agriculture November 1 preliminary estimate of corn production in the four complete states in this district was slightly higher than the October 1 forecast, a 10 million bushel increase for Minnesota more than offsetting decreases in the other three states. The preliminary estimate of potato production in each of the four states was reduced, with the exception of North Dakota, which was unchanged. The four state preliminary estimate of flaxseed production was reduced 4 per cent from the October 1 forecast as a result of acreage abandonment in North Dakota and South Dakota. The 1932 preliminary estimates, however, are larger than the final 1931 estimates for each of the three crops, corn, potatoes and flaxseed.

Cattle Feeding Profits

Profits from feeding beef cattle have been much larger and more regular during the year ending with October 1932 than during the preceding twelve-month period, according to our computations of steer feeding costs and profits. In the table below are given the figures for the last two twelve-month periods. For the purpose of this study, cost of both steer and feedstuffs are charged at prices prevailing at the beginning of a five-month feeding period. Consequently, market declines or advances in the prices of the feedstuffs utilized during the feeding period do not affect the gross profit (or loss) resulting from the transaction.

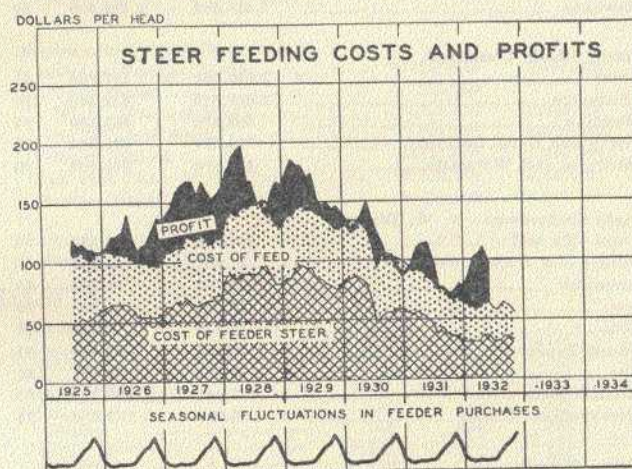
Feed prices in all instances are prices at Minneapolis and feeder and butcher steer prices are at South St. Paul. No allowance has been made for freight, trucking, nor labor expense, nor have pork and manure credits been allowed.

During the entire 24-month period under review, the trend of feeder steer costs has been downward. With only a very few exceptions, the cost of a feeder steer in each of the 24 months has been lower than the preceding month. Except for a short-lived increase at the beginning of 1932, the same is true of the cost of feedstuffs during the period. Much greater variations, however, are found in the amount of the returns from the sale of the 1,200-pound finished butcher steer.

During the important fat cattle marketing months of 1931, January to May, the returns did not equal the feeding costs in three of the five feeding operations, resulting in a loss for the five feeding projects of \$10.29. During the same five important fat cattle marketing months of 1932, the returns were sufficient to completely cover the costs each month, and the gross profit from five projects was \$31.38.

Early in November, owing to sharply curtailed receipts, both feeder and butcher cattle prices increased. Receipts increased rapidly, however, during the second and third weeks of the month, which, together with a decreasing demand for dressed beef

because of the usual Thanksgiving preference for poultry, resulted in prices returning to about the same levels as at the end of October. Butcher steers have retained a little of their gain, largely on account of scanty supplies in the country. Farmers purchasing feeder cattle have been neglecting the heavier steers for several months, with the result that there will probably be an unusually small number of heavy steers coming to market this winter and next spring. According to the November 1 cattle feeding report issued by the United States Department of Agriculture, market shipments of feeders to the country during the four months, July to October, inclusive, into all of the states west of the Mississippi were 8 per cent smaller than the low levels of 1931.



Steer Feeding Costs and Profits in the Northwest, based on market prices of live stock and feed.

The accompanying chart clearly indicates that the costs of feeder steer and of feedstuffs are less than at any other time since our records began in 1925. The current cattle feeding situation may be summarized as follows: a decreased number of cattle on feed, a record low value of farm raised feedstuffs, a low price for feeders, and comparative strength in butcher cattle.

Cattle Feeding Costs and Profits

	Cost of 900 Lb. Feeder Steer*		Cost of Feedstuffs*		Sale Price of 1200 Lb. Fat Steer		Profit†	
	1930-31	1931-32	1930-31	1931-32	1930-31	1931-32	1930-31	1931-32
November	\$67.50	\$47.25	\$46.80	\$35.29	\$132.00	\$100.20	\$17.70	\$17.66
December	47.25	38.25	46.53	36.23	123.00	78.00	29.22	3.52
January	54.00	42.75	52.26	33.17	114.00	78.00	7.74	2.08
February	56.25	38.25	49.98	31.91	102.00	72.00	4.23	1.84
March	56.25	36.00	46.80	29.95	106.20	72.00	3.15	6.05
April	58.50	36.00	43.33	34.39	96.00	81.00	5.83	10.61
May	58.50	31.50	41.42	32.20	88.80	75.00	11.12	11.30
June	56.25	31.50	39.36	31.61	91.80	87.00	3.81	23.89
July	54.00	31.50	36.68	29.97	99.00	102.00	8.32	40.53
August	56.25	31.50	36.74	29.50	112.20	105.00	19.21	44.00
September	54.00	36.00	36.95	29.63	114.00	111.00	23.05	45.37
October	49.50	36.00	35.71	28.81	115.20	96.00	29.99	31.19

*5 months prior to sale of butcher steer.

†Loss indicated by (—).

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS				AGRICULTURE			
		Per Cent Oct. '32 of Oct. '31				Per Cent Oct. '32 of Oct. '31	
Debits to Individual Accounts ¹				Farmers' Cash Income			
All Reporting Cities.....	\$ 22,142,300	\$ 28,943,200	77	Total of 7 Items.....	\$ 26,455,000	\$ 37,133,000	71
Minneapolis	9,602,000	11,926,000	81	Bread Wheat	7,587,000	5,630,000	135
St. Paul	3,740,000	5,018,000	75	Durum Wheat.....	1,436,000	1,410,000	102
South St. Paul.....	538,000	1,018,000	53	Rye	157,000	153,000	103
Great Lakes Ports.....	2,111,300	2,504,400	84	Flax	1,801,000	1,983,000	91
Beef and Pork, S.E.....	745,400	1,055,100	71	Potatoes	3,102,000	4,206,000	74
Beef and Pork, S.W.....	825,000	1,240,700	66	Dairy Products	7,092,000	11,220,000	63
Dairy and Mixed Farming.....	1,085,400	1,474,900	74	Hogs	5,280,000	12,531,000	42
Wheat and Mixed Farming.....	1,470,000	1,949,900	75	Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Wheat and Range.....	715,100	969,200	74	Bread Wheat	12,372,000	6,968,000	178
Mining and Lumber.....	1,309,200	1,787,000	73	Durum Wheat	2,809,000	1,813,000	155
Electric Power Consumption (K.W.H.) ^{1,2}				Rye	492,000	378,000	130
Minn., No. Dak. and So. Dak.....	4,567,000	4,979,000	92	Flax	1,597,000	1,502,000	106
Montana	1,488,000	2,492,000	60	Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)			
Country Check Clearings ¹				Wheat	47,617,611	56,983,484	84
Total	\$ 2,605,900	\$ 2,587,200	101	Corn	1,184,179	88,761	1334
Minnesota	1,041,500	949,100	110	Oats	11,646,774	5,671,016	205
Montana	366,600	482,100	76	Barley	5,131,399	2,945,098	174
North and South Dakota.....	743,500	606,400	123	Rye	5,536,376	5,252,936	105
Michigan and Wisconsin.....	454,300	549,600	83	Flax	2,024,037	1,922,098	105
Freight Carloadings—N. W. District				Livestock Receipts at South St. Paul (Head)			
Total—Excluding L.C.L.	249,858	327,450	76	Cattle	105,222	131,058	80
Grains and Grain Products.....	37,931	39,402	96	Calves	51,520	60,092	86
Livestock	28,711	40,897	70	Hogs	220,838	401,291	55
Coal	30,281	30,593	99	Sheep	329,941	366,228	90
Coke	2,819	2,984	94	Median Cash Grain Prices (Bus.)			
Forest Products	19,954	24,126	83	Wheat—No. 1 Dark Northern.....	\$.54½	\$.71½	76
Ore	13,121	49,277	27	Durum—No. 2 Amber.....	.51½	.80	64
Miscellaneous	117,041	140,171	83	Corn—No. 3 Yellow.....	.23½	.37½	62
Merchandise—L.C.L.	88,928	116,346	76	Oats—No. 3 White.....	.14½	.22½	65
Building Permits				Barley—No. 3 .....	.26½	.48	55
Number—18 Cities	921	1,324	70	Rye—No. 2 .....	.31½	.40½	79
Value—18 Cities	\$ 832,100	\$ 1,462,000	57	Flax No. 1	1.12½	1.32	85
Minneapolis	313,100	635,200	49	Median Livestock Prices (Cwt.)			
St. Paul	150,000	327,000	46	Butcher Cows	\$ 3.00	\$ 3.50	86
Duluth-Superior	58,200	106,400	55	Butcher Steers	5.00	6.50	77
4 Wheat Belt Cities.....	203,100	105,900	192	Prime Butcher Steers.....	8.00	9.60	83
6 Mixed Farming Cities.....	89,000	276,800	32	Feeder Steers	3.50	4.00	88
4 Mining Cities	18,700	10,700	175	Veal Calves	4.50	5.50	82
Building Contracts Awarded				Hogs	3.20	4.75	67
Total	\$ 3,418,700	\$ 5,217,800	66	Heavy Hogs	2.60	4.25	61
Commercial	508,000	331,600	153	Lambs	4.75	5.00	95
Factories	66,500	142,000	47	Ewes	1.50	1.00	150
Educational	6,500	197,900	3	Wholesale Produce Prices			
Hospitals, etc.	45,000	24,600	183	Butter (Lb.)	\$.18	\$.29½	61
Public	89,100	65,100	137	Milk (Cwt.)	1.18	1.65	72
Religious and Memorial.....	189,000	139,300	136	Hens (Lb.) .....	.10	.15½	65
Social and Recreational.....	45,500	48,000	95	Eggs (Doz.) .....	.20½	.20¾	99
Residential	569,500	1,498,300	38	Potatoes (Bu.) .....	.45	.67½	67
Public Works and Utilities.....	1,899,600	2,771,000	69	TRADE			
Real Estate Activity in Hennepin and Ramsey Counties				Department Stores			
Warranty Deeds Recorded.....	1,206	1,659	73	Sales	\$ 2,644,370	\$ 3,211,110	82
Mortgages Recorded	1,086	1,557	70	Merchandise Stocks	5,383,870	6,709,860	80
Manufacturing and Mining				Receivables	2,943,990	3,333,550	88
Flour Production at Mpls., St. Paul, and Duluth-Superior (Bbls.).....	778,543	1,025,400	76	Instalment Receivables	612,350	685,280	89
Flour Shipments at Mpls. (Bbls.).....	733,870	891,443	82	Furniture Stores			
Linseed Product Shipments (Lbs.).....	16,216,015	18,763,749	86	Total Sales	\$ 79,450	\$ 149,100	53
Copper Output (5 Firms) (Lbs.).....	11,634,000	22,059,400	53	Instalment Sales	62,290	124,400	50
Business Failures				Merchandise Stocks	521,490	519,010	100
Number	93	108	86	Instalment Receivables	733,010	796,940	92
Liabilities	\$ 1,396,840	\$ 1,492,546	94	Country Lumber Yards			
				Sales (Bd. Ft.).....	6,730,000	9,255,000	73
				Lumber Stocks (Bd. Ft.).....	58,329,000	68,318,000	85
				Total Sales	\$ 945,600	\$ 1,293,700	73
				Receivables	2,528,400	3,551,900	71
				Life Insurance Sales			
				Four States	\$ 14,072,000	\$ 18,223,000	77
				Minnesota	10,581,000	13,260,000	80
				Montana	1,478,000	1,505,000	98
				North Dakota	814,000	1,767,000	46
				South Dakota	1,199,000	1,691,000	71

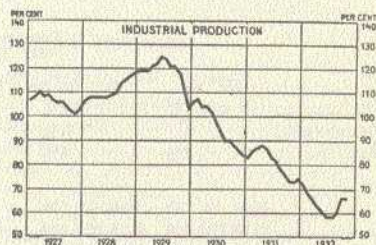
COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT (Continued)

	Oct. '32	Oct. '31	Per Cent		Oct. '32	Oct. '31	Per Cent
			of				of
Investment Dealers				Interest Rates²			
Sales to Banks.....	1,091,400	1,700,500	64	Minneapolis Banks.....	4½-4¾	5-5¼	
Sales to Insurance Companies.....	169,400	564,000	30	Commercial Paper (net to borrower)...	2	4½	
Sales to General Public.....	2,091,000	3,348,200	62	Minneapolis Fed. Res. Bank.....	3½	3½	
Wholesale Trade				Selected City Member Banks	Nov. 16, '32	Nov. 18, '31	
Groceries—				Loans to Customers.....	\$178,706,000	\$216,987,000	82
Sales.....	\$ 2,674,140	\$ 3,549,420	75	Other Invested Funds.....	123,920,000	138,027,000	90
Stocks.....	5,200,960	5,765,590	90	Cash and Due from Banks.....	104,910,000	92,827,000	113
Receivables.....	4,053,850	4,377,100	93	Deposits Due to Banks.....	58,426,000	71,851,000	81
Hardware—				Public Demand Deposits.....	21,518,000	28,777,000	75
Sales.....	\$ 1,035,800	\$ 1,173,930	88	Other Demand Deposits.....	135,658,000	154,979,000	88
Stocks.....	2,022,590	2,258,210	90	Time Deposits.....	141,933,000	142,510,000	100
Receivables.....	1,389,310	1,550,980	90	Total Deposits.....	359,725,000	398,814,000	90
Shoes—				Borrowings at Fed. Res. Bank.....	362,000	308,000	118
Sales.....	\$ 302,620	\$ 257,210	118				
Stocks.....	576,460	642,080	90				
Receivables.....	710,750	744,820	95				
BANKING				Minneapolis Federal Reserve Bank			
Member Bank Deposits				Loans to Member Banks.....	11,947,000	5,574,000	214
In Cities Over 15,000 pop.....	\$377,391,000	\$442,190,000	85	Twin Cities.....	125,000	0	---
In Cities Under 15,000 pop.....	288,126,000	355,555,000	81	Minn., Wis. and Mich.....	4,710,000	2,165,000	218
Michigan—15 Cos.....	51,526,000	63,175,000	82	N. Dak. and Mont.....	3,395,000	1,509,000	225
Minnesota.....	117,524,000	138,857,000	85	South Dakota.....	3,717,000	1,900,000	196
Montana.....	38,009,000	50,371,000	75	Fed. Res. Notes in Circulation.....	78,728,000	64,452,000	122
North Dakota.....	28,620,000	35,791,000	80	Member Bank Reserve Deposits.....	39,113,000	45,947,000	85
South Dakota.....	32,112,000	42,773,000	75				
Wisconsin—26 Cos.....	20,335,000	24,588,000	83				

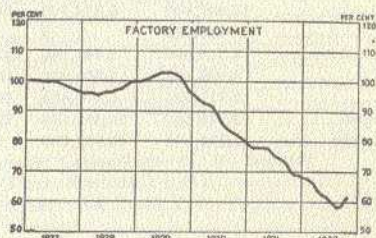
¹Daily Averages.²Latest Reported Data.

BANK DEBITS

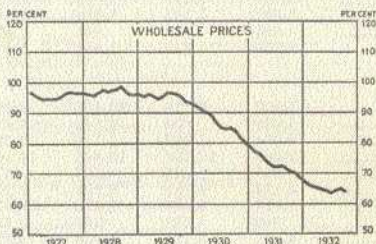
	Oct. 1932	Sept. 1932	Oct. 1931	Sept. 1931					
Number of Business Days:					Montana				
Montana and North Dakota.....	25	25	26	25	Anaconda.....	\$ 915	\$ 848	\$ 1,701	\$ 1,756
All Other States in District.....	26	25	27	25	Billings.....	5,370	4,767	6,948	6,847
					Bozeman.....	2,035	1,467	2,829	2,172
					Butte (2 Banks).....	5,767	7,176	9,834	12,005
Michigan					Deer Lodge.....	431	587	961	993
Escanaba (1 Bank).....	\$ 447	\$ 631	\$ 604	\$ 693	Glendive.....	644	558	830	782
Hancock.....	916	1,254	1,289	1,449	Great Falls.....	8,577	9,002	11,506	11,905
Houghton.....	1,303	1,574			Harlowton.....	225	238	384	311
Iron Mountain.....	1,613	1,558	2,900	3,080	Havre.....	911	973	1,250	1,126
Iron River, Caspian.....	488	521	1,108	1,220	Helena.....	5,668	5,070	7,971	8,300
Manistique (1 Bank).....	66				Kalispell.....	1,844	1,246	1,689	1,763
Marquette.....	2,822	2,722	4,490	4,160	Lewistown.....	1,097	1,193	1,659	1,561
Menominee.....	1,928	1,735	2,393	2,485	Malta.....	391	323	551	421
Sault Ste. Marie.....	2,169	1,909	2,590	2,853	Miles City (1 Bank).....	1,200	835	1,662	1,643
					North Dakota				
Minnesota					Bismarck.....	7,927	7,721	10,165	8,917
Albert Lea.....	1,978	1,568	2,837	2,405	Devils Lake.....	1,030	954	1,546	1,414
Austin (1 Bank).....	2,497	2,146	3,400	2,800	Dickinson.....	1,004	967	1,918	1,392
Bemidji (2 Banks).....	778	847	992	1,074	Fargo.....	12,852	12,559	16,668	14,986
Chaska.....	444	423	632	548	Grafton.....	525	385	708	470
Chisholm.....	547	513	623	683	Grank Forks.....	4,126	4,288	6,982	5,719
Cloquet.....	849	834	1,208	1,217	Jamestown.....	1,612	1,515	2,576	2,071
Crookston.....	929	924	1,325	1,246	Mandan.....	868	769	984	1,223
Detroit Lakes.....	903	937	952	1,010	Minot.....	4,413	4,121	5,364	4,973
Duluth.....	43,793	41,600	51,694	49,576	Valley City.....	975	886	1,625	1,389
Ely.....	290	299	594	482	Wahpeton.....	812	684	1,183	934
Faribault (1 Bank).....	1,089	737	1,337	962	Williston.....	952	871	1,117	925
Farmington.....	194	143	259	202	South Dakota				
Fergus Falls.....	1,862	1,824	3,273	2,347	Aberdeen.....	3,160	3,389	4,773	4,785
Glenwood.....	288	273	485	374	Brookings (1 Bank).....	644	650	1,028	825
Hutchinson.....	661	578	1,142	876	Deadwood.....	675	615	782	699
Lakefield (2 Banks).....	211	177	217	221	Huron.....	2,862	2,925	4,560	4,303
Lanesboro.....	277	179	375	245	Lead.....	1,377	1,267	1,401	1,844
Little Falls (3 Banks).....	707	620	957	914	Madison.....	549	521	856	825
Luverne.....	481	404	658	564	Milbank.....	348	365	500	468
Mankato.....	4,114	4,122	5,361	4,930	Mitchell (2 Banks).....	1,946	1,852	3,374	3,140
Minneapolis.....	249,638	259,767	321,993	305,167	Mobridge.....	389	383	484	421
Moorhead.....	1,193	1,080	1,833	1,590	Pierre.....	934	776	1,123	996
Morris.....	369	337	509	459	Rapid City.....	1,751	1,551	3,328	3,146
Owatonna.....	1,921	1,621	2,738	2,212	Sioux Falls.....	10,734	10,188	16,511	14,857
Park Rapids.....	299	314	406	330	Watertown.....	2,061	1,864	3,351	2,930
Red Wing.....	1,608	1,293	2,317	2,020	Yankton.....	1,213	1,180	2,005	1,988
Rochester.....	3,587	3,863	5,266	4,821	Wisconsin				
St. Cloud.....	2,597	2,481	3,927	2,329	Ashland.....	1,218	1,177	1,743	1,874
St. Paul.....	97,252	102,638	135,499	128,731	Chippewa Falls.....	1,178	1,120	1,710	1,965
South St. Paul.....	13,994	12,894	27,499	21,405	Eau Claire.....	4,002	3,921	4,965	6,762
Stillwater.....	1,649	1,437	2,490	2,017	Hudson (2 Banks).....	361	367	515	481
Thief River Falls.....	774	666	883	966	La Crosse.....	6,298	5,936	10,287	9,621
Two Harbors.....	305	358	436	405	Merrill (1 Bank).....	827	785	1,154	1,131
Virginia.....	1,444	1,240	1,920	1,773	Superior.....	4,144	4,490	6,064	6,134
Wabasha.....	573	633	806	687					
Wadena (1 Bank).....	304	342	326	369					
Wheaton.....	345	334	609	570					
Willmar (1 Bank).....	763	753	1,151	1,119					
Winona.....	4,541	4,271	6,306	6,013					
Worthington (1 Bank).....	400	380	654	622					
					Total for All Cities Reporting				
					Both Years.....	\$575,073	\$582,613	\$780,595	\$735,089



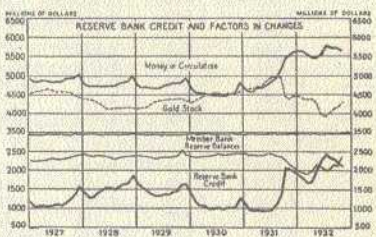
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)



Federal Reserve Board's index of factory employment, with adjustment for seasonal variation. (1923-1925 average = 100.)



Index of United States Bureau of Labor Statistics (1926 = 100).



Monthly averages of daily figures. Latest figures are averages of first 20 days in November.

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

The volume of industrial output, after increasing considerably during August and September, remained unchanged in October. Factory employment and payrolls reported for the middle of the month, showed a further increase. During October, as in the last three weeks of September, wholesale commodity prices declined, and in the first three weeks of November, the general average was at the level of early summer.

PRODUCTION AND EMPLOYMENT: Industrial production, as measured by the Board's seasonally adjusted index, continued in October at 66 per cent of the 1923-25 average, as compared with a low level of 58 per cent in July. In the textile industries, which had shown a rapid expansion in August and September, there was a slight decrease in consumption of raw materials, while output of finished products increased somewhat.

Shoe production, which also had increased substantially in recent months, showed a seasonal decline. Operations at steel mills expanded from an average of 17 per cent of capacity in September to 19 per cent in October, contrary to seasonal tendency, and, according to trade reports, continued at about this rate through the first three weeks of November. Production of automobiles in October declined further to a new low level. At coal mines, activity continued to increase rapidly until the middle of October, but since that time, a reduction, largely seasonal in character, has been reported.

Employment in most manufacturing industries increased between the middle of September and the middle of October, and the Board's seasonally adjusted index of factory employment showed an advance from 60 per cent of the 1923-1925 average to 61 per cent. At textile mills, working forces increased by considerably more than the usual seasonal amount, and substantial increases were also reported at steel mills, lumber mills and car building shops. In the canning and automobile industries, there were decreases in employment.

The value of construction contracts awarded, as reported by the F. W. Dodge Corporation, continued at low levels during October and the first half of November. The Department of Agriculture estimate of the cotton crop, based on November 1 conditions, was 11,950,000 bales, about 525,000 bales larger than the estimate a month earlier.

DISTRIBUTION: From September to October, the volume of freight traffic increased by more than the usual seasonal amount; after the middle of October, carloadings declined, reflecting chiefly seasonal developments. The dollar value of department store sales increased by the usual amount in October.

WHOLESALE PRICES: Wholesale commodity prices, as measured by the monthly index of the Bureau of Labor Statistics, declined from 65 per cent of the 1926 average in September to 64 per cent in October. Weekly figures show declines in the general average from early September through the first week in November, reflecting reductions in the prices of many domestic agricultural products and their manufactures, as well as the prices of steel rails, copper, coffee, rubber and silk. In the second week of November, prices of many leading commodities including grains, hogs, cotton, silk, zinc, lead, and tin advanced considerably, but later the prices of these commodities declined.

BANK CREDIT: The volume of Reserve bank credit showed little change for the four week period ending November 16. Member bank balances at the Reserve banks increased further by \$75,000,000, and in the middle of November were about \$475,000,000 in excess of legal reserve requirements. This growth in reserve balances reflected an increase of \$60,000,000 in the stock of gold and the issue of additional national bank notes. Demand for currency showed little change during the four week period.

Loans and investments of reporting member banks in leading cities, outside New York City and Chicago, declined further between the middle of October and the middle of November, reflecting a further reduction of loans at these banks. In New York City, the investments of member banks increased by an amount larger than the decrease in loans so that total loans and investments of these banks showed a further increase.

Money rates in the open market continued at low levels during October and the first half of November. Rates on 90 day bankers' acceptances were unchanged at one-half of 1 per cent, and rates on prime commercial paper declined from a range of 1 3/4-2 to a range of 1 1/2-1 3/4 per cent.