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# CROP and BUSINESS CONDITIONS

IN THE  
NINTH  
FEDERAL RESERVE  
DISTRICT



MINNEAPOLIS  
APRIL 28  
1921

75th Report of the Federal Reserve Agent at Minneapolis to the Federal Reserve Board

## SUMMARY FOR THE MONTH

25 Jan. 30. Fed. Reserve Bank of Minn. 1937  
In previous years there has been an improvement in this district in business activity in the month of March and early part of April when compared with the preceding months. There has been a seasonal increase this year, but the increase has been very nominal and certainly not as large as had been hoped for and actually expected. Indeed, some of the gains in March have not been maintained in April, an example of which is the complete shutdown of the largest copper mining companies in Montana and Michigan on April 1.

The flow of grains and livestock to market has been much stronger than in the preceding month and somewhat stronger than a year ago, particularly in the case of grain other than wheat. Grain stocks at Minneapolis and Duluth are larger in the aggregate, although there has been some decrease in the stocks of wheat both as compared with last month and a year ago. Present moisture and soil conditions as well as acreage planted and to be planted now indicate that the next grain crop should be a good one. The financial position of the farmer has improved owing to the prevailing tendency to change from a cash basis of renting to a crop share basis and to a change from cash labor to schemes for co-operative effort by exchanging their own labor.

Some industries gained in volume. There were increases in copper production, retail lumber sales, and in lumber cut and shipped by manufacturers, but all of these are considerably less than a year ago. Linseed oil and oil cake production and postal receipts show increases, both over last month and a year ago.

1921-22 Federal Reserve Bank of Minn.  
It is too early to form a conclusion concerning the size of our building activity this spring. Building permits in March contained more than the usual proportion of repairs, while the average size, particularly for new construction, was much smaller than normal. A larger number of projects have been undertaken both as compared with last month and a year ago, but the volume as measured by value is only 22 per cent greater than in February, which was

a shorter month, and is more than 15 per cent less than in March, a year ago, due partly to some recessions in prices of building materials and labor.

Price trends were mixed, but the declines appear to predominate. Wholesale produce prices declined in March and a majority of livestock prices increased. Average retail prices for food declined during the month 2.3 per cent, while increases in rents are estimated at 2.6 per cent for the same period.

The March increase in the volume of general business was certainly not over 10 per cent, and more probably about 5 per cent, inasmuch as individual debits exhibited an increase of little more than 2 per cent in the face of some decline in prices. The decrease in individual debits of more than 25 per cent as compared with a year ago is probably to be explained largely by the decline in prices, although there has been a considerable recession in business volume.

Credit conditions did not improve during the month. Member banks experienced withdrawals of deposits while the Federal Reserve Bank lost in reserves and deposits. The recession in general business and reduced employment with smaller payrolls is reflected in the volume of Federal Reserve notes returned for retirement, amounting to three million dollars in March and a proportional sum for the first two weeks in April. Interest rates for customers at banks and on commercial paper, as well as at this bank, remained unchanged. There were small declines in the rate on bankers' acceptances and on collateral-secured notes and cattle loans. The turn in the demand at this Federal Reserve Bank for accommodation occasioned by spring planting needs took place one week earlier than last year, and began on a level higher by more than six millions, while our reserves and member bank deposits with us exhibited much larger declines as compared with a year ago.

Unemployment has increased and wages are falling. Employment agencies in the largest cities received 27 per cent fewer applications for men and placed 17 per cent fewer than in February. The

help wanted and placed is about one-fifth of that in March a year ago. A special study of typical firms on April 1 indicated that the number of persons employed had declined 23 per cent compared with a year ago and that the payrolls of such firms had declined 24 per cent in the same period.

Business failures were about one-half in number and in total liabilities of those reported the preceding month, but were more than three times as large in total liabilities as a year ago.

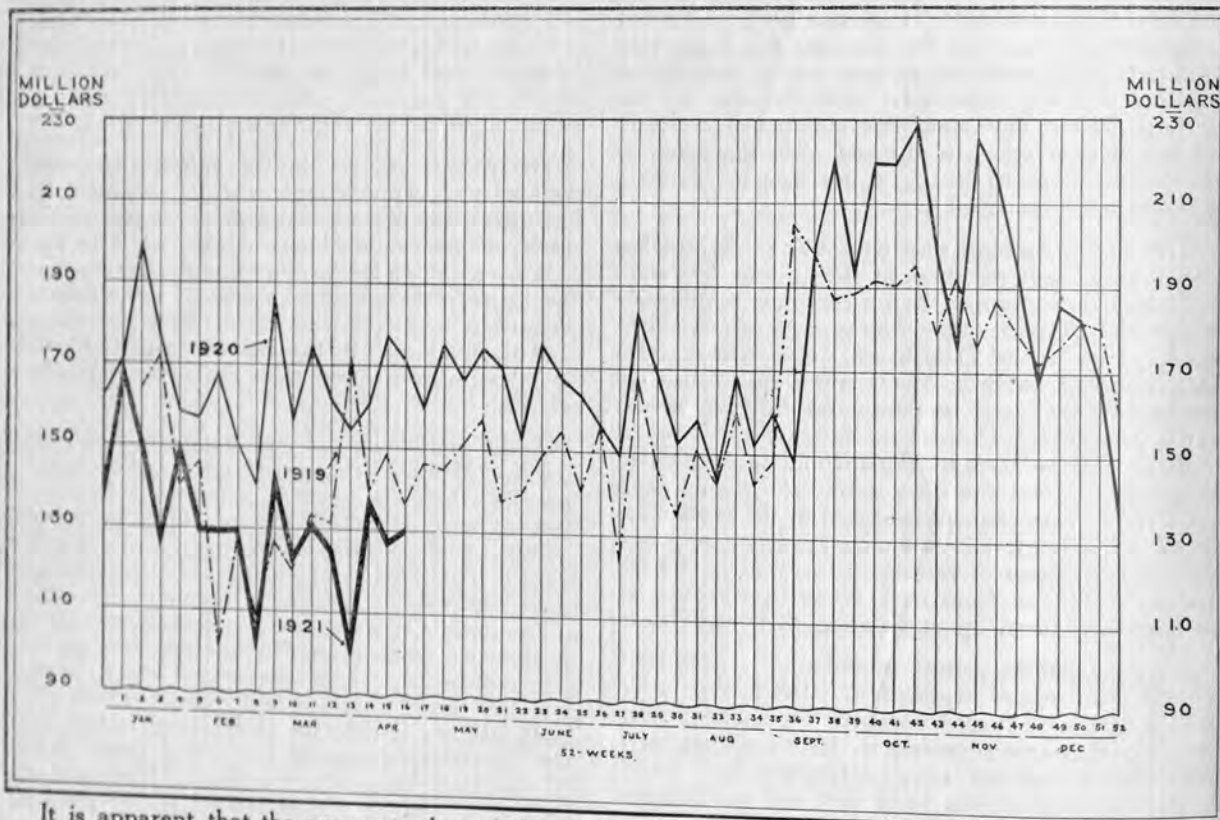
### The Trend of Business in the Ninth District

The one subject of most absorbing interest among business executives today is the trend in the volume of business and in the price level, owing to the fact that business activity and prosperity depend upon a

satisfactory volume of business coupled with sufficient margins between cost and selling prices. A fairly satisfactory index, which will indicate changes in these two elements of business prosperity, is to be found in individual debits or payments made through banks by the use of checks. Since these figures for individual debits combine volume and price they indicate changes in volume only when prices are stable.

In order to show at a glance the trend of these payments through banks in the Northwest, Chart No. 1 has been prepared, showing weekly totals for all banks in clearing-house cities in the Ninth Federal Reserve District. It should be borne in mind that the trend shown in this district may or may not be the same as in the whole United States.

Chart I. Payments Through Banks in Clearing House Cities of the Ninth Federal Reserve District



It is apparent that the payments through banks in the first part of 1921 were fully 25 per cent below the amounts in 1920; and that the figures for 1921, which are the total for 12 cities, are appreciably less than the totals for 1919, based on reports from only 11 cities. The trend in the early part of 1921 was opposite from that in the early part of 1919.

The totals for the five weeks ending March 30, 1921, as compared with the preceding five weeks

ending February 23, increased 2 per cent, all cities showing increases except Duluth and Superior. However, the increase in March, a year ago, over February, a year ago, was about 6 per cent, indicating that the tendency this year, relatively considered, is downward. All cities experienced declines in March, 1921, as compared with March, 1920. The declines were least in the cities of Duluth, Helena, and Superior. The figures, omitting thousands, follow:

Total Payments Through Banks	5 weeks ending Mar. 30, 1921	5 weeks ending Feb. 23, 1921	Per Cent Mar. 30, 1921, of Feb. 23, 1921	5 weeks ending Mar. 31, 1920	Per Cent March 30, 1921, of Mar. 31, 1920	5 weeks ending Feb. 25, 1920
Aberdeen .....	\$ 7,290	\$ 6,086	119.9	\$ 9,048	80.7	\$ 9,972
Billings .....	7,987	7,703	103.9	12,216	65.4	11,124
Duluth .....	68,605	72,295	95.0	82,720	82.9	81,284
Fargo .....	12,589	10,488	120.0	15,461	81.4	13,388
Grand Forks .....	5,762	5,205	110.9	9,236	62.4	7,274
Great Falls .....	8,559	7,844	109.0	10,951	78.3	12,728
Helena .....	10,846	10,066	107.9	12,952	83.9	11,455
Minneapolis .....	325,643	325,346	100.1	412,304	78.9	396,167
St. Paul .....	136,917	128,865	106.2	209,272	65.4	181,886
Sioux Falls .....	23,019	20,400	112.6	44,771	51.4	30,343
Superior .....	9,431	10,101	93.4	10,269	92.0	8,884
Winona .....	5,051	4,560	110.8	6,450	78.3	6,434
Total .....	\$621,699	\$608,959	102.3	\$835,650	74.4	\$770,939

### Crops and Farm Situation

The acreage seeded and to be seeded to corn and oats in this district this year is substantially larger than that seeded in 1920. However, both the spring and winter wheat acreage will be slightly smaller, while the acreage seeded to flax is materially reduced. Barley and rye will represent a normal proportion of the total acreage.

Owing to the exceptionally mild spring, seeding is well advanced. Wheat seeding has been completed in South Dakota and southern Minnesota, while the seeding of coarse grain is well advanced. In Montana and North Dakota seeding has started under very favorable conditions. Winter wheat and rye prospects are good, according to the April 15 reports of the county agents.

Throughout the Ninth District, the lack of snow during the winter has been offset by heavy spring rains. Montana had twelve inches of snowfall in March. Although the weather has been cold and the rainfall heavy, the effect has been beneficial rather than harmful to the prospective crop.

Farm labor is much easier to obtain this year than last. The supply is much more plentiful. Workmen who were attracted to the cities by war-time wages in the industries have been returning to the country districts. While the supply is greater, demand for farm labor this spring is less than a year ago. Farmers are short of ready funds and are clubbing together for mutual assistance to avoid paying cash wages to hired help. The prospect at present is that the supply of farm labor will be in excess of demand. The effect of this situation on the price of farm labor is shown by the fact that the monthly wage of a farm laborer with board is about 55 per cent this spring of the figure for last year. Farm laborers are now receiving from \$35 to \$45 per month with board. A year ago the monthly wage with board was from \$70 to \$80.

The farmer's condition is improving. Besides

the decrease in the cost of farm labor, cash rents are declining. In South Dakota, rents are half-way back to the 1914 figure. A decline is also evidenced in Minnesota. While many farmers have been obliged to mortgage their farms owing to the fact that returns for the 1920 crop did not suffice to meet their obligations, the outlook is comparatively promising. In North Dakota, 70 per cent of the farms bear mortgages, according to an expression of opinion recently given us by representative bankers. In Minnesota and South Dakota approximately two-thirds, and in Montana one-half, of the farms are mortgaged. The same group of bankers, however, report that a very small percentage of the farmers are giving up their farms. In order to avoid losses because of the possibility of smaller cash returns, farms are being rented more largely now than before on a grain share basis. This year, in Montana, South Dakota, and North Dakota, practically all of the farms are rented in this way. In Minnesota, four-fifths of the farms are rented under this agreement, whereby the renter gives a certain proportion of his product to the landlord, and only one-fifth are rented on a cash basis.

### Wheat Held on Farms

It is estimated by our office that the farmers in Minnesota, North Dakota, South Dakota and Montana had marketed by April 1st 87.8 per cent of the last wheat crop. According to this estimate, the remainder of the last crop on the farms totalled 17,473,777 bushels. This estimate is arrived at by combining the receipts at Minneapolis and Duluth, and adding thereto 75 per cent of the wheat consumed by mills in other cities and by deducting the exact amount of Canadian wheat imported into this district. It is assumed that the duplication involved in the addition of the Minneapolis and Duluth receipts is offset by the omission of 25 per cent of the wheat used by outside mills. No estimate has been made of the carry-over from previous crop years.



## Grain Movement

The total of all grains received at Minneapolis and Duluth during March was nearly 15 million bushels, which is 5 per cent larger than the February receipts and about 25 per cent larger than the receipts for March a year ago. Wheat receipts in

March totaled about 8,300,000 bushels which is 6 per cent less than in February and about 18 per cent larger than a year ago. March shipments were about 12 per cent larger than in February and more than 27 per cent larger than in March a year ago. The combined Duluth and Minneapolis receipts and shipments follow:

Receipts	March, 1921	February, 1921	% March of February	March, 1920	% March, 1921 of March, 1920
Wheat (Bushels) .....	8,295,991	8,777,936	94.4	7,052,355	117.6
Corn " .....	1,840,601	1,367,241	134.9	575,950	320.0
Oats " .....	2,323,074	2,228,017	104.2	1,135,682	204.8
Barley " .....	1,163,822	741,356	157.1	878,977	132.9
Rye " .....	731,508	663,512	110.1	1,744,224	41.9
Flax " .....	467,877	369,301	126.7	521,085	89.8
Total " .....	14,822,873	14,147,363	104.9	11,908,273	124.8
Shipments					
Wheat (Bushels) .....	4,987,839	4,485,868	111.1	2,911,996	171.1
Corn " .....	1,154,163	961,952	120.1	546,930	211.8
Oats " .....	1,105,485	1,115,007	99.2	1,533,549	72.1
Barley " .....	877,884	825,343	106.1	818,297	107.2
Rye " .....	624,208	490,877	127.2	1,055,140	59.2
Flax " .....	112,154	60,005	187.1	100,193	112.0
Total " .....	8,861,733	7,939,052	111.9	6,966,105	127.2

Minneapolis receipts of grain for the month of March totaled 12,089,950 bushels or 9 per cent more than in February and about 19 per cent more than a year ago. The total shipments of all grains were fully one-fourth larger in March than in February of this year, and also as compared with March of a year ago.

Duluth receipts and shipments of grain were not as large as in February but about 50 per cent larger than in March a year ago.

Total stocks of all grain in Minneapolis terminals on April 2 and in Duluth terminals on March 31

combined, amounted to 26,572,248 bushels, which is 2 per cent more than a month ago and 9 per cent more than a year ago. As compared with a month ago, there was a substantial increase in the stocks of corn and a substantial decrease in stocks of wheat. As compared with a year ago, there were extraordinary increases in flax, corn, and oats; and a radical decline in stocks of rye and barley. Wheat stocks totaling 6,630,650 bushels were 17 per cent less than a month ago and about 24 per cent less than a year ago. The combined stocks in bushels, with our percentage computations of change, follow:

Minneapolis and Duluth Stocks	March, 1921	February, 1921	% March of February	March, 1920	% March, 1921 of March, 1920
Wheat (Bushels) .....	6,630,650	8,021,441	82.6	8,577,313	76.4
Corn " .....	1,366,712	931,659	146.6	38,993	3,505.0
Oats " .....	14,277,089	12,755,744	111.9	2,709,402	526.9
Barley " .....	1,177,953	1,218,484	96.6	8,393,649	14.0
Rye " .....	369,869	322,977	114.8	4,623,693	8.0
Flax " .....	2,749,975	2,824,491	97.4	55,330	4,970.1
Total " .....	26,572,248	26,074,796	102.0	24,398,380	108.9

## Live Stock

March is the month of the greatest spring movement of stockers and feeders toward the country districts. Shipments of feeders from South St. Paul in March were 56 per cent above the shipments in February but the movement was 19 per cent below that of March a year ago. The increase was particularly marked in the case of calves, the shipments of which in March were 248 per cent larger than in

February and 208 per cent larger than in March, 1920.

Cattle are in excellent condition throughout the district. There is an abundance of fodder. Receipts of cattle were 73 per cent and of calves 31 per cent above receipts for February, but 23 per cent and 11 per cent respectively below receipts in March a year ago. Shipments of cattle and calves exhibited substantial increases of 123 per cent and 212

per cent as compared with February. Compared with March a year ago, the shipment of cattle was 3 per cent lower and of calves 194 per cent higher. The movement of sheep during March was slightly greater than that of February, while compared with March a year ago, receipts were 234 per cent more and shipments 323 per cent more. The hog market, which is especially sensitive, reflected the recent labor trouble in the packing industry. Receipts of

hogs at South St. Paul for March were 12 per cent below the February figure. Total receipts of all live stock at South St. Paul, measured by head of stock, were 2 per cent greater in March than in February and 5 per cent greater than in March a year ago. Shipments were 25 per cent greater in March than in February and more than 50 per cent greater than the shipments a year ago. The detailed figures follow:

(A) Total Receipts	March, 1921	February, 1921	% March of February	March, 1920	% March, 1921, of March, 1920
Cattle .....	49,165	28,325	173.5	63,926	76.9
Calves .....	40,325	30,692	131.5	45,347	89.0
Hogs .....	208,393	236,457	88.3	204,954	101.8
Sheep .....	44,228	41,620	106.1	13,200	334.2
Horses .....	1,313	864	152.0	1,204	109.3
Total Head .....	343,424	337,958	101.9	328,631	104.5
Total Cars .....	5,127	4,509	113.8	5,601	91.5
(B) Total Shipments					
Cattle .....	27,322	12,231	223.0	28,166	97.1
Calves .....	5,159	1,656	311.8	1,743	293.8
Hogs .....	47,812	44,355	107.9	35,674	134.5
Sheep .....	30,018	30,005	100.1	7,107	423.0
Horses .....	1,218	767	158.8	1,142	106.6
Total Head .....	111,529	89,014	125.1	73,832	151.0
Total Cars .....	1,471	937	157.1	1,412	104.2
(C) Shipments of Feeders					
Cattle .....	17,829	8,100	220.0	22,403	79.6
Calves .....	487	140	348.0	1,581	307.9
Hogs .....	15,361	13,021	118.1	17,995	85.4
Sheep .....	1,957	1,553	125.9	1,846	106.0
Total Head .....	35,634	22,814	156.1	43,825	81.3

Cumulative receipts for the first three months of 1921 were approximately the same as for the same three months in 1920, but shipments increased 22 per cent.

### General Price Situation

Prices during the month of March exhibited more decreases than advances and the declines were larger than the increases. Grain and wholesale produce were down while livestock advanced.

The median prices for cash sales of flax, wheat, rye, and oats, decreased in Minneapolis in March as compared with February while the median prices

of barley and corn advanced. The decreases in median prices were as follows: flax, 6 cents per bushel; wheat, 4; rye, 2; and oats one-half cent per bushel. The increases in median prices were: barley, 1 cent and corn one-half cent. These median prices furnish an index of conditions prevailing throughout the month and are a means for simplifying the variations due to changes in daily quotations. The median is that price at which the number of bushels sold at a higher price is exactly equal to the number of bushels sold at a lower price.

The March and February price quotations on grains taken from the daily record of cash sales in Minneapolis follow:

Grain	Prices for March, 1921			Prices for February, 1921		
	High	Median	Low	High	Median	Low
Cash Wheat—No. 1 Dark Northern.....	\$1.84	\$1.72	\$1.56	\$1.87½	\$1.75¾	\$1.56
Cash Corn—No. 3 Yellow.....	.60	.55	.50	.58	.54½	.50
Cash Oats—No. 3 White.....	.42	.38½	.34	.42	.39	.35
Cash Barley—No. 3 Choice to Fancy.....	.70	.63	.56	.73	.62	.55
Cash Rye—No. 2.....	1.48½	1.42	1.34	1.51	1.44	1.34½
Cash Flax—No. 1.....	1.86	1.77	1.71	1.90	1.83	1.71

Flour declined 60 cents a barrel at Minneapolis between the last of February and the last of March,

and 60 cents additional by April 22nd, although this low level was not maintained.

Wholesale produce prices for 24 important articles in the Minneapolis market indicated six declines, one increase, and the remainder unchanged in March as compared with February. There were decreases in butter, eggs, oranges, new beets, green beans, and veal. The only increase was in potatoes which advanced from \$1.25 to \$1.50 per hundredweight.

The median quotations for cash sales of livestock at the South St. Paul Stock Yards during March as compared with February increased with the exception of veal calves which remained unchanged. The increases in median prices were as follows: butcher steers, \$1.50; stock and feeder steers, \$1.25; butcher cows and heifers, 75 cents; lamb, 50 cents; hogs, 46 cents. The quotations follow:

Livestock	Prices for March, 1921			Prices for February, 1921		
	High	Median	Low	High	Median	Low
Butcher Cows and Heifers.....	\$8.50	\$5.75	\$4.00	\$8.50	\$5.00	\$4.00
Butcher Steers .....	9.50	7.75	4.50	9.00	6.25	4.00
Stock and Feeder Steers.....	9.25	7.25	2.00	8.00	6.00	3.00
Veal Calves .....	10.25	8.50	3.00	10.00	8.50	2.50
Hogs .....	10.50	9.59	8.25	9.75	9.13	8.00
Lambs .....	10.00	9.00	4.00	10.25	8.50	3.00

### Cost of Living

Between March 1 and April 1 the cost of food in the Ninth Federal Reserve District, as evidenced by the change in prices of 20 staple articles in six cities, exhibited a 2.3 per cent decline. This decline was due to decreases in the cost of food in St. Paul, Duluth, Miles City and Grand Forks. Minneapolis exhibited a slight increase in food prices, principally in meat products. Helena, Montana, also exhibited a slight increase. The cost of food on April 1 as compared with January 1 evidences a decline of less than 8 per cent.

Rents increased 2.6 per cent between March 1 and April 1, due to a rise in rentals in Minneapolis, Helena and Grand Forks. Rents were stationary in St. Paul, Duluth and Miles City. The increase in rentals in Minneapolis and Helena also caused a rise in our rent index for the Ninth District of 2.4 per cent as compared with January 1 of this year. Rents

at Grand Forks declined in February but returned to the January figure by April 1.

Our index number covering all articles entering into the cost of living has been omitted this month, owing to the fact that April marks the transition from winter to summer and it would be inaccurate to compare prices of many winter and summer articles such as clothing.

### Milling and Flour Movement

The production of flour mills in this district for the four weeks ending March 26 declined about 3 per cent as compared with the four weeks ending February 26, but the total production was about 20 per cent larger than a year ago. The milling output as reported to the Northwestern Miller by mills representing about 75 per cent of the total production in this district, with our percentage computations of change, follows:

Location of Flour Mills	Bbls. in 4 weeks ending March 26, 1921	Bbls. in 4 weeks ending Feb. 26, 1921	% March 1921 Feb., 1921	Bbls. in 4 weeks ending Mch. 27, 1920	Per cent Mch., 1921, of Mch., 1920
Minneapolis .....	1,005,685	1,075,559	93.5	864,995	116.5
Duluth-Superior .....	51,010	46,115	110.9	69,015	73.9
St. Paul .....	35,460	25,590	139.0	24,565	144.8
Outside .....	701,350	706,945	99.4	538,485	130.1
All Mills .....	1,793,505	1,854,209	96.9	1,497,060	119.9

Flour shipments in March from Minneapolis and Duluth combined were 8 per cent larger than in February and 15 per cent larger than in March a year ago. Minneapolis shipments alone increased 9 per cent in March as compared with February. The total flour output in the United States for the past

seven years averaged one-tenth of one per cent larger in March than in February. The total flour movement at Minneapolis and Duluth combined, without any deduction for possible duplication, follows:

Flour Movement	March, 1921	February, 1921	% March of February	March, 1920	% Mch., 1921, of Mch., 1920
Receipts (Barrels).....	88,035	94,679	93.1	49,624	177.5
Shipments (Barrels).....	1,374,279	1,279,193	107.8	1,200,525	114.6



**Lumber Industry**

Reports received direct by this office from a selected list of manufacturers and retailers indicate some improvement in March over February. There were increases in the lumber cut, stocks on hand, and shipments of manufacturers and a very substantial increase in the sales of retailers. However, these increases have not brought the totals up to the volume enjoyed a year ago. As compared with a year ago the following decreases are evident: 66 per cent in shipments of manufacturers, 42 per cent in sales of retailers, and 26 per cent in lumber cut by manufacturers.

Manufacturers' stocks are more than 50 per cent larger than a year ago, while retailers' stocks have declined about 25 per cent.

About one-half of the manufacturers reported wage reductions and price reductions. More than one-half of the retailers reported price reductions. All except one manufacturing company reported reductions in advance orders ranging from 15 to 85 per cent as compared with a year ago. One company reported an increase of 2½ per cent. Collections have not been entirely satisfactory. Manufacturers report that they have outstanding 3.8 per cent of their total 1920 sales, of which the larger part is in the form of notes; while the retailers report that they have outstanding 8.4 per cent of their 1920 sales, of which the larger part is on open account. A summary of the reports covering lumber cut, sold, and on hand, follows:

Lumber	March, 1921	February, 1921	% March of February	March, 1920	% Mch., 1921, of Mch., 1920
<b>Manufacturers</b>					
Lumber cut (bd. ft.)	13,707,536	12,851,151	106.9	18,617,703	73.6
Stock on hand (bd. ft.)	151,082,864	143,655,088	105.1	100,248,876	150.8
Shipments (bd. ft.)	7,492,570	6,233,089	120.1	21,788,343	34.4
<b>Retailers</b>					
Sales (bd. ft.)	6,056,141	3,801,902	159.0	10,448,752	57.9
Stock on hand (bd. ft.)	97,053,917	103,678,109	93.7	126,475,272	76.8

**Mining Industry**

Copper production in March was about 20 per cent greater than in February, owing to arrangements made for shutting down of the Anaconda and Calumet and Hecla mines, among others, on the first

of April. The increased production in March, however, was about 25 per cent less than a year ago. The figures reported by companies producing about 75 per cent of the refined copper in the Ninth District follow:

Copper	March, 1921	February, 1921	% March of February	March, 1920	% Mch., 1921, of Mch., 1920
Michigan (Lbs.)	9,703,619	8,063,226	120.2	10,830,773	89.6
Montana (Lbs.)	12,894,165	10,804,830	119.3	18,864,130	68.4
Total	22,597,784	18,868,056	119.6	29,694,903	75.9
					Per Cent

**Building Operations**

Contemplated projects in the nine largest cities of this district, when measured by the number of permits and their valuations, increased in March as compared with February. The increase in the number of permits was 136 per cent and in the valuation 22 per cent. All cities experienced increases both in the number of permits and in the total valuations except Fargo. When comparisons are made with a year ago, however, it appears that the increase in the number of permits was but 38 per cent, and that there was a decrease in the total valuation of more than 15 per cent.

Upon closer analysis of the reports, it appears that the increase in March as compared with February was due to a relative increase in the valuation of per-

mits for repairs and alterations. Repairs constitute over 27 per cent of the total valuation in March as compared with the normal percentage of 21 per cent which prevailed during the ten months from June 1920, to March, 1921, inclusive. The gains shown during the month are to be accounted for almost entirely by a substantial increase in the number of small projects, for the average permit for repairs was less than \$1,000 as compared with the norm of about \$1,500; while the average permit for new construction in March was less than \$1,500 as compared with the norm of more than \$3,500 for the ten months ending with March.

A summary of reports received by us from building departments in the several cities, with our computation of percentages of change, follows:

	Number of of Permits Mch., 1921	Number of Permits Feb., 1921	Per Cent March of Feb.	Number of Permits Mch., 1920	Mch., 1921, of Mch., 1920
Minneapolis .....	935	351	266.0	500	187.0
St. Paul .....	373	147	253.8	219	170.2
Duluth .....	345	158	218.2	438	78.6
Fargo .....	24	25	96.0	9	266.6
Sioux Falls .....	53	12	442.0	39	136.0
Superior .....	46	29	158.9	49	93.9
Missoula .....	17	8	212.5	9	189.0
Great Falls .....	54	52	103.9	76	71.0
Grand Forks .....	....	1	....	....	....
Total .....	1,847	783	235.9	1,339	138.1

	Valuation of Permits Mch., 1921	Valuation of Permits Feb., 1921	Per Cent March of Feb.	Valuation of Permits Mch., 1920	Per Cent Mch., 1921, of Mch., 1920
Minneapolis .....	1,362,540	1,354,855	100.8	1,504,090	91.6
St. Paul .....	783,384	535,938	146.1	651,505	120.1
Duluth .....	173,486	86,206	201.5	561,835	31.4
Fargo .....	131,230	147,180	89.2	149,200	88.1
Sioux Falls .....	89,425	24,625	363.0	162,000	55.2
Superior .....	52,195	10,601	491.0	34,120	152.8
Missoula .....	41,900	10,275	407.7	6,950	602.9
Great Falls .....	13,506	9,854	136.9	64,935	20.8
Grand Forks .....	....	250	....	....	....
Total .....	2,647,666	2,179,784	121.8	3,134,635	84.5

### Linseed Oil and Oil Cake

As Minneapolis is the largest manufacturing center for linseed oil and oil cake in the United States, figures have been secured from the Minneapolis Chamber of Commerce showing an increase in shipments of 6 per cent over February, and of 46 per cent over March a year ago.

### Retail Trade

The volume of retail trade in March, 1921, when measured in dollars and cents, declined 11.2 per cent from the March, 1920, figure. Cumulative sales for the year 1921 through March 31 declined nearly 12 per cent as compared with the sales of last year for the same period. Stocks at the end of March of this year declined about 15 per cent when compared with stocks on hand on March 31, 1920, but exhibited a 6 per cent increase over the stocks of February, 1921. The operations of the stores during March, 1921, retarded the average rate of turnover for the year 1921.

### Employment Conditions

A special survey made by us on April 1 of a selected list of typical firms in this district demonstrated that the weekly payroll and the number of persons employed is nearly 23 per cent less than a year ago. The greatest decreases were in shipbuilding, building construction, and the manufacture

of machinery; in all of which the decline was more than 60 per cent in the number of persons employed. Only one industry of the fifteen different ones which were investigated reported an increase in the number of employees. This case was an increase of 21 per cent for linseed oil establishments. The number of men employed on April 1 was 35,384 as compared with 45,767 a year ago. Weekly payrolls on April 1 totaled \$1,091,051 as compared with \$1,432,837 a year ago. Half of the reporting firms indicated that no reduction had taken place in wages as compared with a year ago. And with the exception of the public utilities, which reported increases, all others reported reductions in wages. The greatest reductions were 20 to 30 per cent in construction companies. The other important reductions, ranging from 15 to 20 per cent, were indicated in lumber manufacturing, linseed oil, machinery, ship building, mill work, and in copper mining.

Unemployment increased in March as compared with February. Reports received from the Federal employment agencies in the cities of Minneapolis, St. Paul, and Duluth indicate that requests for help wanted in March were about 73 per cent of February and 18 per cent of March a year ago, for men, and 108 per cent and 43 per cent, respectively, for women. The number of persons whom these same agencies succeeded in placing exhibits similar percentages. The totals with our computation of percentages of change follow:



# NINTH FEDERAL RESERVE DISTRICT

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Help Wanted	March, 1921	February, 1921	% March of February	March, 1920	% Mch., 1921, of Mch., 1920
Men Wanted .....	1,016	1,389	73.4	5,655	18.0
Women Wanted .....	1,609	1,486	108.4	3,685	43.6
Men Placed .....	775	929	83.5	3,490	22.2
Women Placed .....	1,250	1,188	105.2	2,925	42.7

Reports of copper mining companies made to this office indicate no substantial change in March but a reduction of one-third as compared with a year ago in the number of men employed. As the largest Montana and Michigan mines were closed on April 1, the figures for March are not representative of April conditions. Employment conditions reported

to us by lumber companies indicate a decrease in the number of employees in March of 17 per cent compared with February, and of 31 per cent as compared with March of a year ago. The totals for the mining and lumber companies, with our percentage computation of change, follow:

Mining and Lumber Employment	March, 1921	February, 1921	% March of February	March, 1920	% Mch., 1921, of Mch., 1920
Mining (Largely Copper Mining)					
Number of men employed.....	11,914	12,017	99.4	19,040	62.8
Lumber					
Number of Men Employed.....	1,762	2,129	82.9	2,559	69.0

According to the records of aid extended by the Associated Charities in Minneapolis, unemployment was greater in March than in February. This is the first time, according to their records which began in 1914, that unemployment has not decreased in March. There were 185 applications for aid from families in which the bread-winner was unemployed

during the month of March, as compared with 175 in February, and but 11 in March a year ago. According to their records, unemployment is greater now than in any month since February, 1915. The detailed report from their office, with our percentage computation of change, follows:

Activities of Associated Charities	March, 1921	February, 1921	% March of February	March, 1920	% Mch., 1921, of Mch., 1920
Unemployment in resident families applying for help .....	185	175	105.9	11	1,681.8
Unemployment among homeless men applying for help.....	101	69	146.9	3	3,366.6
Total applicants for aid due to unemployment .....	286	244	117.1	14	2,042.8
Total applicants for aid.....	1,002	947	105.9	838	119.6
Total funds spent for relief of unemployment distress .....	\$2,866.72	\$2,855.62	100.5	\$5.45	57,320.0
Total funds spent for charity.....	9,307.65	8,529.79	109.0	\$5,048.32	184.5

It is possible that some of the unemployed did not ask for aid as soon as they were unemployed.

## Business Failures

Business failures which are a better index to past than to present business conditions, exhibited decreases both in number and amount of liabilities during March as compared with February. How-

ever, the number and liabilities are much greater than in March a year ago, the liabilities being more than three times as large. The tentative figures as furnished by R. G. Dun's Review with our computations of change are as follows:

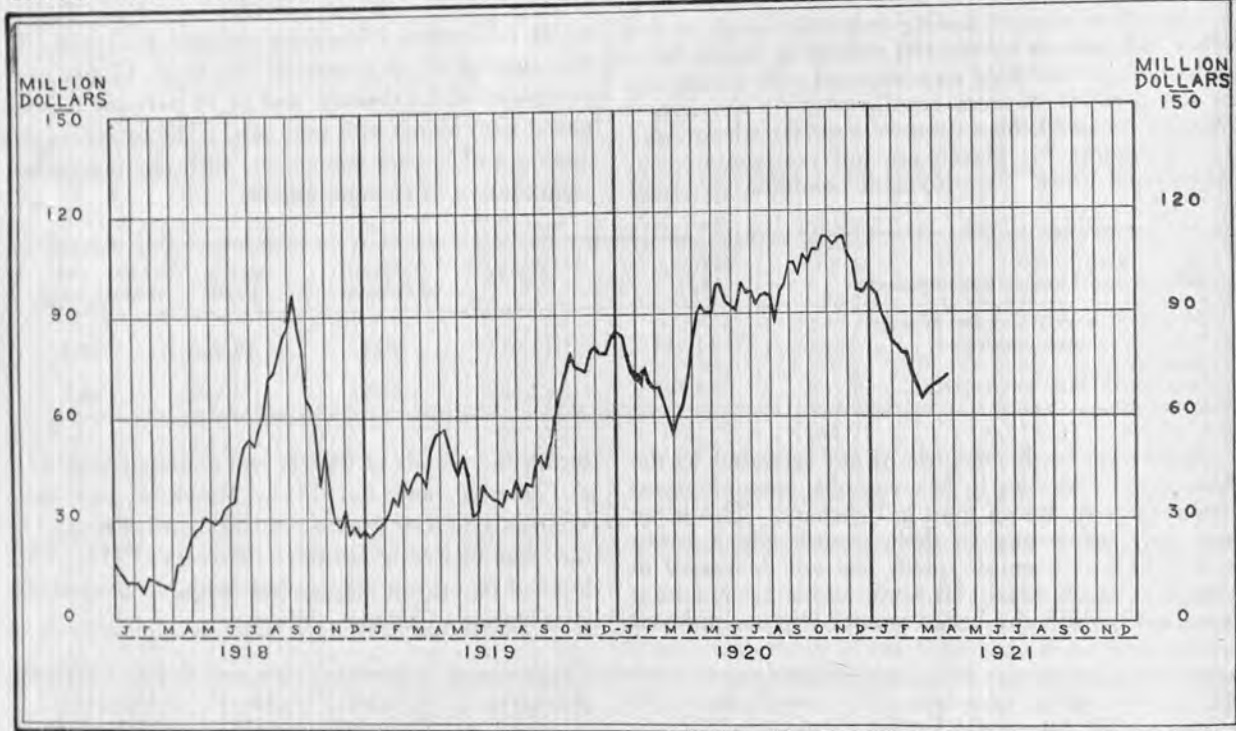
Business Failures	March, 1921	February, 1921	% March of February	March, 1920	% Mch., 1921, of Mch., 1920
Number .....	27	53	50.9	18	150.0
Liabilities .....	\$703,571	\$1,690,771	41.6	\$209,558	335.7

### Credit Conditions

Credit conditions have not improved during the month of March and the early part of April when compared with February this year or when compared with March of a year ago.

This is apparent when a careful study is made of the curve shown in Chart No. II which represents the total accommodation extended by the Ninth District Federal Reserve Bank to its member banks.

Chart II. Total Accommodation to Member Banks in the Ninth Federal Reserve District by the Federal Reserve System



The seasonal liquidation of agricultural loans which took place in 1918 according to the experience of preceding years, was not duplicated with the crop of 1919, owing to transportation difficulties, nor in 1920 owing to the tendency to withhold grain from market in spite of declining prices. Certainly the present volume of our rediscount accommodation cannot be viewed as normal nor does the general trend appear to be reaching normalcy. The peaks in September, 1918, and April, 1919, were influenced respectively by the financing of the Fourth Liberty Loan Bonds and Fifth Victory Notes.

This chart covers only conditions in the Ninth Federal Reserve District.

The Ninth District Federal Reserve Bank was extending substantially the same amount of accommodation on April 1 as on March 4 but fully 6½ millions more than a year ago. There were declines during the month in our reserves of nearly 4 millions, in Federal Reserve notes outstanding of 3 millions, and member bank deposits of about 1½ millions. The cash reserves as compared with a year ago have

decreased nearly 9 millions and member bank deposits have decreased 14 millions. The reduced volume of current business in the district is reflected in the redemption and retirement of 13 million dollars in Federal Reserve notes as compared with a year ago.

Credit conditions, as shown by the balance sheet of the Ninth District Federal Reserve Bank, did not improve during the first two weeks in April. The cash reserves declined more than 5 millions and the total accommodation to the district advanced nearly 2 millions. There were decreases in member bank deposits and in government deposits. Continued trade recession brought about retirement of 1½ millions of Federal Reserve notes during the two-week period.

Thirty-five selected member banks in the larger cities experienced a decline in demand deposits of more than 8 million dollars between March 4 and April 1. This decline of demand deposits in March was counterbalanced by a slight increase in time deposits of nearly one million, by borrowings from

the Federal Reserve Bank of more than 2 millions and by collections of loans from customers of about  $1\frac{1}{2}$  millions, and by increased government deposits and reductions in vault cash. As compared with a year ago, their demand deposits declined 31 per cent. This was offset by borrowings at the Federal Reserve Bank of  $12\frac{1}{2}$  million dollars, and collections from customers of 48 millions.

Interest rates in the Minneapolis money market on April 15 as compared with March 15 were

unchanged at 7 per cent for customers' loans at banks and 8 per cent for commercial paper. There were recessions, however, of  $\frac{5}{8}$  to  $\frac{3}{4}$  per cent in bankers' acceptances, and over  $\frac{1}{2}$  per cent on collateral secured loans and cattle paper. The prevailing rate on April 15 was  $5\frac{3}{4}$  per cent on bankers' acceptances and 8 per cent on collateral notes and cattle loans. Discount rates of the Federal Reserve Bank remain unchanged.