

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 J. F. EBERSOLE
Assistant Federal Reserve Agents

Vol. III (Serial
No. 125)

Minneapolis, Minnesota

June 29, 1925

DISTRICT SUMMARY FOR THE MONTH

As compared with a year ago, the money value of business transacted in this district during May was 17 percent greater and during the first three weeks of June, 24 percent greater. The physical volume as reflected by carloadings in May was 5 percent greater. This improvement was due to the higher prices prevailing for grains, livestock, butter, eggs, and potatoes; to a larger volume of building contracted for; to heavier shipments of ore, linseed products, grain, building materials, agricultural implements and vehicles, and less-than-carload lot and miscellaneous merchandise; to a greater volume of futures trading in grains; and to gains shown by wholesale trade, retail lumber sales, and copper output. All of these gains were sufficient to offset smaller declines shown in other directions such as livestock marketing, flour produced and shipped, retail sales by department stores, and shipments of automobiles, trucks, and tires moved from terminal markets.

As compared with a month ago, however, there was a small unseasonal decline in the money value of business transacted in May, but a seasonal increase in carloadings. The unseasonal decline in money value was partly due to the high levels reached in April. Recessions were shown in the shipments of forest products, building materials, linseed products, agricultural implements and vehicles, automobiles, trucks, and tires, flour and livestock, in sales by wholesale firms and department stores, and in declining prices for a majority of the quoted kinds of livestock. These recessions more than counterbalanced in money value the gains in grain receipts and prices, flour production, sales by retail lumber yards, and a quadrupling of iron ore shipments.

Nine cities out of the eighteen that report building permits to this office exhibited gains in the valuation of permits granted in May as compared with last year, but the total valuation for the eighteen cities was 5 percent below last year. The extraordinary gains shown last month as compared with a year earlier could hardly be expected to continue in May. The large April value of permits is evidently reflected in the May value of contracts awarded, which were 8 percent larger than in May last year.

There was a decline in both the number and total valuation of permits for these eighteen cities in May as compared with April, but a 39 percent increase in building contracts. Housing facilities available in both Minneapolis and St. Paul are shown by current indexes to be much more plentiful relative to demand than was true a year ago.

There was little change in banking conditions during the month of May. Demand deposits increased and loans declined in small amounts at the banks located in important cities in this district. Their borrowings from this Federal Reserve Bank were reduced and their holdings of reserves and securities increased. During the first two weeks of June, however, there were very substantial gains in demand deposits and equivalent increases in loans. During the month of May, there was a substantial increase in the quantity of securities purchased by banks as compared with April purchases and some decline in the amount of commercial paper outstanding in this district.

TOPICAL REVIEWS

Check payments made through banks in important cities in this district continued in record volume during May, but were apparently receding from the levels of earlier months. These debits to individual accounts at banks in seventeen cities of this district were 17 percent greater in May than in the same month a year ago. In April there had been a 27 percent increase over the same month a year ago. Debits at these seventeen cities in May, 1925, amounted to \$771,140,000, as compared with \$657,979,000 in May, 1924. In all cities of the district, except one, increases were registered in May over last year. At Duluth-Superior the increase was 49 percent and in other parts of the district increases were as follows: Sioux Falls 33 percent, South St. Paul 28 percent, Minneapolis 22 percent, eight wheat belt cities 14 percent, and 3 Mississippi Valley cities 5 percent.

Debits were 1 percent smaller in May than in April, which is apparently an unseasonal occurrence because in four of the preceding six years increases were registered between April and May. Although there was a decline this year in the total, there were increases at eight cities, including Duluth where check transactions increased from 86 million dollars

in April to 101 million dollars in May. The increase at Duluth is a seasonal occurrence, but more pronounced this year than in other years.

Debits to individual accounts at our seventeen reporting cities during the three weeks ending June 17 were 24 percent larger than in the corresponding three weeks of 1924. Debits at Duluth were 66 percent larger.

The physical volume of business as indicated by freight carloadings of commodities in the Northwest was 5 percent larger in May this year than in May a year ago, and nearly 18 percent larger than in April of this year. Carloadings in May reached a total of 651,833 cars, which was the second largest total in any May since our record began in 1919. The May, 1923 carloadings were larger and totaled 666,377 cars. The increase in carloadings as compared with May last year was due to larger loadings of ore, merchandise in less-than-carload lots, miscellaneous commodities, and coke. Ore shipments and merchandise in less-than-carload lots were in larger volume during May than any other May on record. The increase in May over April was a seasonal matter due to iron ore shipments two and one-half times as large as in April and small increases in carloadings of coal, grains and grain products.

Shipment records of individual commodities illustrate more particularly the conditions in important industries of this district. Shipments of forest products were only 1 percent smaller than in May last year, but were 11 percent smaller in May than in April. Shipments of linseed products were nearly double the shipments in May a year ago, but were 14 percent smaller in May than in April, which is a larger decline than is customary. Flour shipments from Minneapolis were 27 percent smaller than in May last year, and decreased 2 percent between April and May, which is precisely the usual seasonal reduction. The May volume of flour shipments this year was smaller than in May of any other year in our records, which begin in 1910, and the smallest volume of any month since July, 1917. Iron ore shipments in May from Upper Lake ports were 26 percent larger than in May a year ago and almost four times as large as in April of this year.

Although May carloadings of coal in the Northwest territory as reported by the American Railway Association were 15 percent smaller than in May last year, receipts by lake at Duluth-Superior were 85 percent larger. The greatest percentage increase occurred in hard coal. From the opening of navigation to May 31, 90 percent more soft coal and 134 percent more hard coal has been received at the Head of the Lakes this year than a year ago.

Shipments of important commodities into the Northwest trade territory as reported by the Minneapolis Traffic Association showed more than seasonal reductions in May from the April volume, but shipments of building materials and agricultural implements and vehicles other than automobiles and trucks were shipped in much larger volume than in

May last year. Agricultural implement and vehicle shipments amounted to 198 cars in May as compared with 264 cars in April and 104 cars in May last year. Shipments of representative building materials totaled 804 cars in May as compared with 820 cars in April and 300 cars in May last year. Automobile, truck and tire shipments, totaling 1,348 cars in April, were the second largest monthly total of shipments from Minneapolis in the history of the industry, but in May the shipments amounted to only 639 cars, which was less than half of the April volume and smaller than the volume in May last year which was 785 cars. Furniture shipments in May were 26 cars as compared with 50 cars in April and 35 cars in May last year.

Flour production in the Northwest during May was 5 per cent larger than the April volume, but 16 per cent smaller than the volume in May a year ago. Mills in all portions of the territory increased their output in May as compared with April, the greatest percentage increases occurring at St. Paul and Duluth-Superior. As compared with May last year, there were important reductions at Minneapolis, St. Paul, and country mills and an increase at Duluth-Superior.

Wholesale trade in the Northwest was considerably larger in volume in May than in the same month last year, but showed a reduction from the April volume. Sales of farm implements and shoes were a third larger in May than in May last year, dry goods sales were 10 per cent larger, and hardware sales were 5 per cent larger. Sales of wholesale groceries were practically the same in May for both years. As compared with sales in April this year, groceries showed the only increase, amounting to 5 per cent. The other lines showed declines ranging from 3 per cent in dry goods to 14 per cent in farm implements.

Department store sales in the larger cities of this district were 3 per cent smaller in May than in May last year on account of a smaller volume of sales at St. Paul and other cities, except those at Minneapolis and Duluth-Superior. At the two latter centers, sales were only slightly larger than last year. As compared with April of this year, the May volume of sales at all stores combined was 9 per cent smaller, with declines shown at all cities. Stocks of merchandise in the hands of these retailers were about the same at the end of May as a year ago, but 3 per cent smaller than at the end of April.

Sales by retail lumber yards in this district, measured in dollars, were 36 per cent larger in May than in the same month last year. Lumber sales, measured in board feet, were 63 per cent larger than a year ago. The companies reporting to this office carried stocks of lumber 3 per cent smaller than a year ago at the end of May. As compared with April, the sales by these lumber companies were 16 per cent greater in dollar value and 19 per cent greater in board feet; while stocks of lumber were reduced 2 per cent.

Livestock receipts of all classes were smaller in May than in April and receipts of hogs were 14 per cent smaller than in May a year ago, while receipts of other classes were larger than a year ago.

The movement of feeder stock to the country was smaller than a year ago in the case of cattle and sheep, and larger for hogs and calves.

Demand deposits at our selected group of city banks increased 3 million dollars between April 29 and May 27 and their loans were reduced more than 9 millions. Time deposits decreased slightly. These changes enabled the banks to reduce their borrowings from this Federal Reserve Bank by 1½ millions, to purchase a million dollars of securities, and to increase their reserves with the Federal Reserve Bank and deposits with other banks. Deposits by country banks with six correspondent banks in this district were reduced less than 1 million dollars during this period.

This Federal Reserve Bank experienced a reduction of 1 million dollars in loans to member banks between April 29 and May 27. There were reductions in borrowings by Twin City member banks, while all other sections of the district increased their borrowings slightly. Member bank reserve deposits were increased 1 million dollars and Federal reserve notes in circulation were reduced nearly 2 million dollars. This bank's holdings of purchased bills were reduced more than 6 million dollars and its cash reserves increased 6 millions.

Commercial paper outstanding in the Northwest was reduced 23 per cent between April 30 and May 31, which is much more than the usual seasonal reduction, but the volume outstanding was 39 per cent greater than a year ago.

During the two weeks ending June 10, our selected group of 25 banks experienced an increase of 17 million dollars, or 8 per cent, in demand deposits, partly offset by a very slight decline in time deposits. With these funds the banks increased their loans secured by stocks and bonds nearly 15 million dollars and increased other loans 2 millions. Their borrowings from this bank were reduced two-thirds of a million dollars. Six correspondent banks experienced an increase of 4 million dollars in deposits by country correspondents during this two week period.

The loans of this Federal Reserve Bank to member banks were reduced three-fourths of a million dollars during the two weeks ending June 10. All parts of the district participated in the reduction except South Dakota. Member bank reserve deposits increased 1 million dollars and Federal Reserve Notes in circulation were expanded less than 1 million dollars. This bank increased its holdings of purchased bills by nine and one-half million dollars during these two weeks.

Interest rates quoted by Minneapolis commercial banks were practically the same on June 15 as on May 15. Our weighted average of interest rates on important classes of loans was 4.70 per cent on

June 15 as compared with 4.75 per cent on May 15 and 5.43 per cent on June 15 last year.

Sales of securities by representative firms in Minneapolis and St. Paul were 27 per cent larger in May than in April, but 22 per cent smaller than in May last year, when the volume of United States Government bond sales by these firms was exceptionally large. The general investing public other than banks bought a slightly smaller amount of securities in May than in April and 32 per cent less than in May last year. Banks bought 18 per cent more securities in May than in April, but 28 per cent less than in May last year. Sales to other dealers were 44 per cent larger in May than in April, but 24 per cent smaller than in May a year ago.

Striking changes occurred in sales of various classes of securities. Twice as large a volume of foreign securities and city mortgages was sold in May as in April. There were smaller percentage increases in sales of municipal bonds and notes, industrial and railroad bonds, and farm mortgages; while sales of public utility bonds, United States Government bonds, and stocks declined. As compared with May sales last year, sales of stocks were 81 per cent larger, foreign securities sales were 58 per cent larger, sales of industrial bonds and city mortgages were more than 40 per cent greater, and there were smaller increases in sales of farm mortgages, railroad bonds, and public utility bonds. On the other hand sales of United States Government bonds were 84 per cent smaller than a year ago, and there was a reduction of 12 per cent in sales of municipal bonds and notes.

Business failures in this district during May were 99 in number, with liabilities of \$1,371,418, according to the report of R. G. Dun and Company. This is a reduction of 5 per cent in number and 39 per cent in valuation from the figures for May a year ago, but a noteworthy increase both in number and valuation as compared with April, 1925.

Movement of agricultural products and value at the farm: To assist in the study of the problems of marketing farm products, we present in the following two pages tables illustrating the movement to Northwest markets of the important grains from the crops of 1920 to 1924 inclusive. There is, of course, some duplication of amounts owing to shipments from Minneapolis to Duluth-Superior, and vice versa. It is also probable that the value at the farm which we have computed by using the United States Department of Agriculture farm price quoted once a month, is not exact because it is improbable that all of the grain reaching terminal markets in any one month was sold at the price prevailing on the 15th of that month, and it is certain that some grain is shipped to market by the farmer and stored temporarily instead of being sold to the country elevator as we assumed in this study. We have assumed also that all the grain of each kind was sold at the farm price prevailing in the state which has the largest average production of that grain in this district.

MOVEMENT OF AGRICULTURAL PRODUCTS and VALUE AT THE FARM—1920-1924

(Actual Marketing at Minneapolis and Duluth-Superior)
(000's omitted)

TOTAL—SIX CROPS

Wheat, Corn, Oats, Barley, Rye, Flax

	—1920 Crop—		—1921 Crop—		—1922 Crop—		—1923 Crop—		—1924 Crop—	
	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm
August	16,114	\$28,711	38,618	\$32,423	33,941	\$22,935	25,244	\$18,489	24,836	\$22,011
Sept.	37,338	63,184	47,534	40,919	56,322	40,200	42,982	35,944	85,752	72,732
Oct.	39,926	66,562	41,153	32,644	41,487	32,454	34,796	31,650	98,881	113,348
Nov.	32,228	43,513	20,623	15,556	33,109	26,971	33,679	28,978	65,468	82,892
Dec.	24,079	27,037	19,996	13,218	36,959	30,705	27,597	21,139	33,823	38,736
Jan.	18,378	19,248	17,058	11,264	29,847	24,006	14,399	11,003	26,222	31,544
Feb.	14,147	14,813	15,705	11,467	16,567	12,831	19,561	14,992	17,146	21,660
March	14,823	14,668	20,127	17,089	20,346	16,368	18,267	14,829	15,767	18,538
April	13,762	14,609	10,621	10,345	16,389	14,469	9,386	7,460	9,306	9,908
May	12,571	12,521	17,331	15,753	12,421	11,617	12,153	10,407	14,498	*17,272
June	20,808	20,013	18,578	15,556	16,368	14,443	16,886	13,542	.....	.....
July	18,092	17,559	15,014	12,133	12,204	9,479	13,397	13,000	.....	.....
12 months.	262,268	\$342,438	282,357	\$228,367	325,959	\$256,478	268,346	\$221,433	.....	.....

WHEAT (North Dakota Farm Price)

	—1920 Crop—		—1921 Crop—		—1922 Crop—		—1923 Crop—		—1924 Crop—	
	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm
August	9,298	\$20,734	21,911	\$24,541	14,450	\$13,439	14,342	\$12,190	11,387	\$13,892
Sept.	22,695	48,341	32,108	32,751	35,524	29,130	25,172	22,403	36,460	40,106
Oct.	26,062	51,082	27,745	25,803	26,241	22,305	19,805	18,023	51,518	65,229
Nov.	22,027	34,141	13,970	12,014	21,724	19,117	20,686	18,204	39,622	51,113
Dec.	14,809	19,844	11,258	9,569	24,573	22,361	12,939	11,775	18,385	25,188
Jan.	11,153	15,056	8,607	7,918	19,013	17,302	7,085	6,731	11,189	17,680
Feb.	8,778	11,762	7,684	7,914	9,863	8,877	8,497	8,497	7,695	12,466
March	8,296	11,034	9,595	11,322	12,945	11,910	8,880	9,235	8,077	12,035
April	10,098	12,017	6,368	7,857	10,332	10,126	4,773	4,725	5,181	6,476
May	8,010	9,291	8,284	10,272	8,282	8,117	6,671	6,604	8,306	*11,795
June	12,600	15,246	8,904	10,329	10,679	9,611	8,477	8,477	.....	.....
July	11,262	13,402	8,314	8,813	8,069	6,778	7,635	8,780	.....	.....
12 months.	165,087	\$261,950	164,768	\$169,103	201,695	\$179,073	144,962	\$135,644	.....	.....

CORN (Minnesota Farm Price)

	—1920 Crop—		—1921 Crop—		—1922 Crop—		—1923 Crop—		—1924 Crop—	
	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm
August	313	\$404	726	\$327	941	\$470	471	\$330	1,289	\$1,264
Sept.	475	537	1,980	752	1,415	693	297	205	884	902
Oct.	455	373	2,301	713	839	420	491	339	556	557
Nov.	961	577	1,245	361	528	285	2,823	1,835	389	350
Dec.	1,957	998	3,410	1,091	1,050	588	4,953	2,972	1,434	1,305
Jan.	1,957	939	4,135	1,406	1,225	686	2,202	1,299	4,151	3,903
Feb.	1,367	629	4,138	1,655	875	500	5,525	3,426	3,326	3,060
March	1,841	828	4,129	1,817	886	523	4,750	2,945	2,131	1,663
April	655	275	1,100	517	512	323	1,087	685	410	328
May	738	317	2,257	1,083	376	256	932	569	491	*437
June	1,723	776	3,771	1,810	751	511	1,634	1,078	.....	.....
July	820	385	2,496	1,223	585	409	1,184	1,018	.....	.....
12 months.	13,261	\$7,038	31,687	\$12,755	9,983	\$5,664	26,349	\$16,701	.....	.....

NINTH FEDERAL RESERVE DISTRICT

145

MOVEMENT OF AGRICULTURAL PRODUCTS and VALUE AT THE FARM—1920-1924 (Continued)

OATS (Minnesota Farm Price)										
	—1920 Crop—		—1921 Crop—		—1922 Crop—		—1923 Crop—		—1924 Crop—	
	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm
August	2,692	\$1,750	8,088	\$2,022	4,350	\$1,044	3,913	\$1,174	6,996	\$3,008
Sept.	5,920	3,137	5,082	1,169	4,254	1,064	5,117	1,586	22,201	8,881
Oct.	4,565	2,100	5,089	1,120	3,544	1,028	4,775	1,576	14,434	6,207
Nov.	2,246	876	2,154	452	2,388	764	3,140	1,068	5,902	2,361
Dec.	2,135	769	2,720	653	2,676	883	4,257	1,490	7,039	3,238
Jan.	2,672	909	2,416	604	2,414	821	2,345	844	5,731	2,694
Feb.	2,228	735	2,278	638	1,574	535	2,823	1,101	2,591	1,166
March	2,323	743	2,311	670	1,926	655	2,104	799	2,588	1,010
April	765	222	1,193	358	1,221	439	1,457	568	1,523	533
May	995	278	2,833	878	758	273	1,123	438	1,842	*718
June	2,555	741	2,552	766	998	339	2,101	841	.....	.....
July	2,621	760	1,993	538	935	299	1,187	534	.....	.....
12 months.	31,716	\$13,020	38,709	\$9,868	27,039	\$8,144	34,341	\$12,019	.....	.....
RYE (North Dakota Farm Price)										
	—1920 Crop—		—1921 Crop—		—1922 Crop—		—1923 Crop—		—1924 Crop—	
	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm
August	1,568	\$2,493	3,722	\$3,238	11,973	\$6,585	2,901	\$1,305	2,783	\$2,032
Sept.	3,698	5,880	4,457	3,610	10,969	5,594	4,490	2,110	12,805	9,092
Oct.	3,067	4,386	2,283	1,575	6,369	3,376	2,690	1,318	14,794	15,535
Nov.	2,612	3,239	1,104	651	5,121	2,919	2,206	1,081	5,819	6,169
Dec.	1,792	2,150	1,169	678	5,564	3,450	2,100	1,029	2,484	2,758
Jan.	892	1,088	806	475	5,030	3,119	1,320	660	1,355	1,735
Feb.	664	803	746	522	2,966	1,839	1,201	637	935	1,254
March	732	856	2,475	1,980	2,791	1,675	1,024	522	568	608
April	967	1,025	860	705	2,761	1,657	801	393	781	711
May	834	859	2,229	1,895	1,601	929	1,968	945	1,799	*1,817
June	998	1,038	1,427	1,127	1,761	969	3,537	1,946	.....	.....
July	935	888	1,060	699	1,215	547	2,422	1,502	.....	.....
12 months.	18,759	\$24,705	22,337	\$17,155	58,121	\$32,659	26,660	\$13,448	.....	.....
BARLEY (North Dakota Farm Price)										
	—1920 Crop—		—1921 Crop—		—1922 Crop—		—1923 Crop—		—1924 Crop—	
	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm
August	1,581	\$1,344	3,573	\$1,286	1,856	\$650	2,373	\$902	2,086	\$1,201
Sept.	3,644	2,733	2,951	1,033	2,703	892	3,981	1,513	9,410	5,646
Oct.	3,303	2,213	1,977	672	2,260	791	2,629	1,052	7,927	5,549
Nov.	2,985	1,761	900	279	1,837	698	1,997	799	4,693	3,004
Dec.	2,061	1,051	735	199	1,899	778	1,916	766	2,446	1,566
Jan.	1,256	553	689	200	1,547	634	966	406	2,396	1,749
Feb.	741	319	585	199	983	393	1,153	519	1,741	1,306
March	1,164	524	1,236	482	1,402	575	1,175	576	1,636	1,113
April	701	280	829	356	1,029	443	994	487	866	554
May	996	369	1,267	545	764	336	804	410	1,409	*930
June	1,935	716	1,542	632	1,156	486	746	380	.....	.....
July	1,454	523	916	348	929	372	587	323	.....	.....
12 months.	21,822	\$12,386	17,202	\$6,231	18,367	\$7,048	19,321	\$8,133	.....	.....
FLAX (North Dakota Farm Price)										
	—1920 Crop—		—1921 Crop—		—1922 Crop—		—1923 Crop—		—1924 Crop—	
	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm	Bushels	Value at Farm
August	662	\$1,986	597	\$1,009	372	\$747	1,244	\$2,588	295	\$614
Sept.	906	2,556	955	1,604	1,457	2,827	3,926	8,127	3,992	8,105
Oct.	2,474	6,408	1,758	2,761	2,234	4,534	4,407	9,342	9,652	20,271
Nov.	1,397	2,919	1,249	1,799	1,511	3,188	2,826	5,991	9,043	19,895
Dec.	1,324	2,225	704	1,028	1,197	2,645	1,432	3,107	2,035	4,681
Jan.	448	703	405	661	617	1,444	481	1,063	1,400	3,783
Feb.	369	565	273	539	305	687	361	812	859	2,408
March	468	683	381	818	395	1,030	334	752	767	2,109
April	577	790	251	552	533	1,481	274	602	544	1,306
May	998	1,407	462	1,080	639	1,706	655	1,441	651	*1,575
June	997	1,496	383	892	1,023	2,527	390	820	.....	.....
July	1,001	1,601	235	512	471	1,074	383	843	.....	.....
12 months.	11,622	\$23,339	7,653	\$13,255	10,753	\$23,890	16,713	\$35,488	.....	.....

*Farm price per bushel estimated.

The valuation of building permits granted in eighteen cities of this district during May was 45 per cent smaller than the valuation of April permits and 5 per cent smaller than the valuation of May permits last year. The number of permits was 18 per cent smaller than in April and 3 per cent smaller than in May last year. Although the total valuation of permits granted decreased as compared with a year ago, nine of the eighteen cities reported increases.

Building contracts awarded in this district were 8 per cent larger in May than in May a year ago, according to the figures compiled by the F. W. Dodge Corporation. The increase was almost entirely due to social and recreational building contracts more than 8 times as large as in May last year, although there were also increases in contracts for industrial and public buildings. Residential building, which is the largest single class of building in this territory, was 12 per cent smaller in May this year than a year ago in May. Of the other important classes, contracts for public works and public utilities were 15 per cent smaller, educational building contracts were 48 per cent smaller, and commercial building contracts were 3 per cent smaller. The total of May contracts was 39 per cent larger than the April total. There were large increases in contracts for social and recreational buildings, and public works and public utilities, and smaller increases in contracts for educational and public buildings. Residential contracts were 6 per cent smaller in May than in April, commercial building contracts were 47 per cent smaller, and industrial building contracts were 23 per cent smaller.

Building contracts in the first five months of 1925 were 3/10 of 1 per cent smaller than in the corresponding period of 1924. There has been a marked decrease in the construction of public works and public utilities, and a smaller decrease in educational building. These declines were nearly offset by a large increase in social and recreational building and smaller increases in residential, commercial, industrial, religious, and public building.

Housing facilities in Minneapolis and St. Paul are evidently more adequate this year than a year ago. Advertisements in important newspapers by persons seeking dwellings for rent were 30 per cent fewer in number in Minneapolis during May than a year ago and 19 per cent fewer in St. Paul. Also, advertisements of dwellings for rent in St. Paul were 24 per cent more numerous in May this year than in the same month a year ago. In Minneapolis, the number of dwellings for rent was 1 per cent smaller in May than in the same month last year. Outstanding differences appear in the types of dwellings offered for rent in Minneapolis and St. Paul. In Minneapolis during May almost 80 per cent of the advertisements were offerings of apartments for rent. In St. Paul almost 50 per cent of the advertisements offered furnished or unfurnished houses. In St. Paul advertisements of unfurnished houses for rent showed a great advance

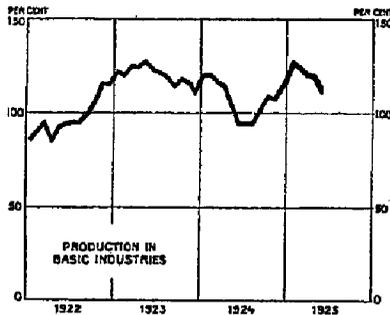
over a year ago, while at Minneapolis both houses and apartments were advertised in about the same number as last year.

Cash grain prices at Minneapolis made important advances in May in response to disquieting news with regard to the domestic winter wheat crop and the other small grains. The median price of No. 1 dark northern wheat increased 17½ cents over the April median price, rye advanced 10¼ cents, corn 9 cents, oats 3¾ cents, barley 2 cents and flax 2½ cents.

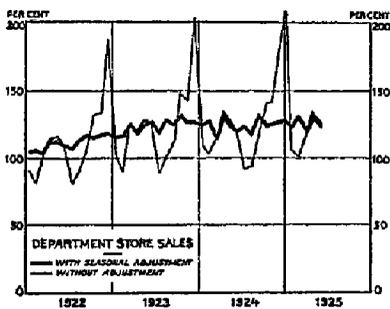
Stocks of grain at terminal elevators in Minneapolis and Duluth-Superior were reduced ⅓ between the end of April and the end of May, but on the latter date were more than ¼ larger than a year ago. More than ½ of the grain stocks consisted of oats, although there was an important reduction in stocks of oats of nearly 7 million bushels, or 25 per cent during the month of May. Stocks of wheat amounted to 14 million bushels, a reduction of one-third from the stocks at the end of April, but a 4 per cent larger volume than at the end of May last year. Stocks of the other grains all decreased during May. At the close of the month, stocks of corn and rye were very much smaller than a year ago, but stocks of oats, barley and flax were much larger.

Grain receipts at Minneapolis and Duluth-Superior were 56 per cent greater in May than in April, which is more than the usual increase at this time of year, and receipts were 19 per cent greater than in May a year ago. The above statement is made without regard to the duplication of receipts on account of grain shipped from Minneapolis to Duluth or vice versa. The extent of this movement is impossible to determine, but is probably greater this year than a year ago on account of the larger volume of grain exported, and the smaller volume of wheat milled at Minneapolis. Possibly evidence of an increased movement of grain from Minneapolis to Duluth is given in the figures of shipments of grain from Minneapolis, which amounted to 12½ million bushels in May this year, as compared with 9½ million bushels in May a year ago, an increase of one-third. As compared with last year, receipts at Minneapolis and Duluth-Superior were larger for wheat, oats and barley and smaller for corn, rye and flax.

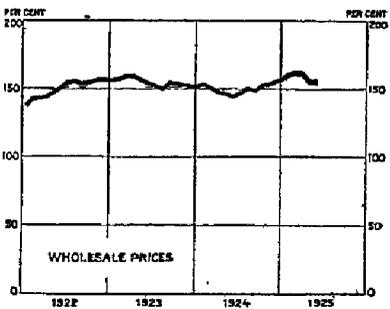
Livestock prices at South St. Paul showed more declines than advances in May as compared with April. The median price of lambs was \$1.00 lower and the median price of hogs was 65 cents lower. However, the median price of hogs was \$11.75 in May, 1925, as compared with \$6.90 in May a year ago. The median price of butcher cows was reduced 25 cents between April and May on account of the larger proportion of grass fed cattle in the receipts. Butcher steers showed the only advance among the important classes of livestock, the increase amounting to 35 cents over the April median price. Butcher steers during May were selling at the highest level since July, 1920.



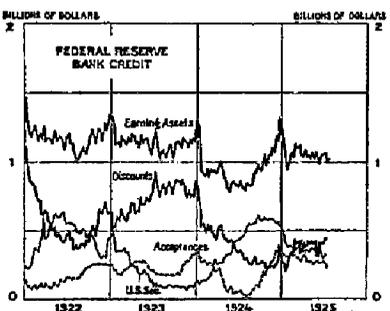
Index of 22 Basic Commodities, Corrected for Seasonal Variations. (1919 = 100). Latest Figure, May, 112.



Index of Sales of 333 Stores in 117 Cities. (1919 = 100). Latest Figures, May, Sales with Seasonal Correction, 124; Sales without Correction, 128.



Index of United States Bureau of Labor Statistics. (1918 = 100, base adopted by Bureau). Latest Figure, May, 155.



Weekly Figures for 12 Federal Reserve Banks. Latest Figures in Millions, June, 24: Total Earning Assets, 1,034; Discounts, 465; Acceptances, 242; United States Securities, 325.

Summary of National Business Conditions (Compiled June 25 by Federal Reserve Board)

Production in basic industries and factory employment continued to decline in May and there was a further recession in wholesale prices. Distribution of commodities was in greater volume than at this time last year, but slightly less than in April.

PRODUCTION: The Federal Reserve Board's index of production in basic industries declined 6 per cent in May to a level 12 per cent below the high point in January. There were further considerable decreases in the output of the iron and steel and woolen industries, and declines also occurred in the mill consumption of cotton and in copper, sole leather, and newsprint production. The number of automobiles manufactured during May fell slightly below the record figure of April. Employment at industrial establishments was slightly less in May than in the month before, with decreases, partly seasonal, in the clothing, boot and shoe, and iron and steel industries, and increases in the industries producing automobiles, tobacco products, and certain building materials. Building contracts awarded during May were smaller in value and in square feet than those for April, but were larger than for any other month on record.

TRADE: Department store sales in May were smaller than in April but somewhat larger than a year ago, and mail order sales were 5 per cent larger than in May 1924. Department store stocks declined in May and were at the same level as a year ago. Wholesale trade was in about the same volume as the month before and about 3 per cent larger than a year ago, increases over last year in sales of meats and dry goods offsetting decreases in sales of groceries, shoes, hardware, and drugs. Wholesale stocks of groceries in dollar values were larger than a year ago, while stocks of dry goods and shoes were substantially smaller. Carloadings of miscellaneous products and merchandise decreased slightly during May, but were greater than a year ago.

PRICES: Wholesale prices continued to decline in May, but the decrease was considerably smaller than for the preceding month. All groups of prices represented in the Bureau of Labor Statistics index declined except the house-furnishings and miscellaneous groups. In the first three weeks of June prices of wheat, corn, flour, cotton goods, and pig iron declined, while quotations on sheep, hogs, gasoline, hides, and rubber advanced.

BANK CREDIT: Borrowing for commercial purposes at member banks in leading cities declined further between the middle of May and the middle of June to a level lower than at any time this year, while loans on securities increased and reached a new high level in June. Investment holdings of these banks also increased, and total loans and investments at the middle of June were near the high point for the year. At the Reserve banks there was an increase in member bank borrowing between May 20 and June 24, and on the latter date discounts for member banks were in larger volume than at any time since the opening of the year. Further decreases in the holdings of acceptances and of United States securities brought the volume of open market holdings in June to the lowest level since last summer.

Conditions in the money market remained relatively steady during the latter part of May and the first three weeks of June, notwithstanding the heavy treasury operations in the middle of June.