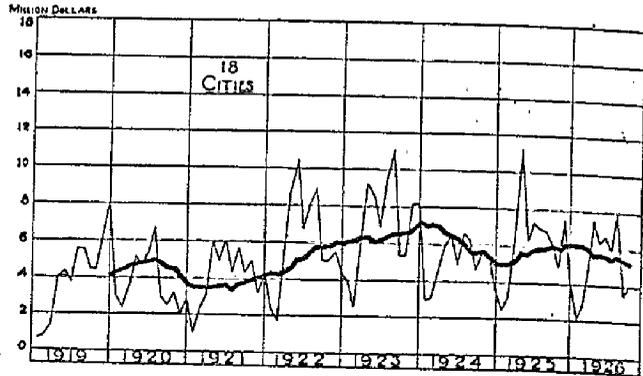


Debits to Individual Accounts at Banks in Cities of the Ninth Federal Reserve District. Heavy curve represents figures adjusted to eliminate seasonal changes; light curve represents actual, or unadjusted, figures.

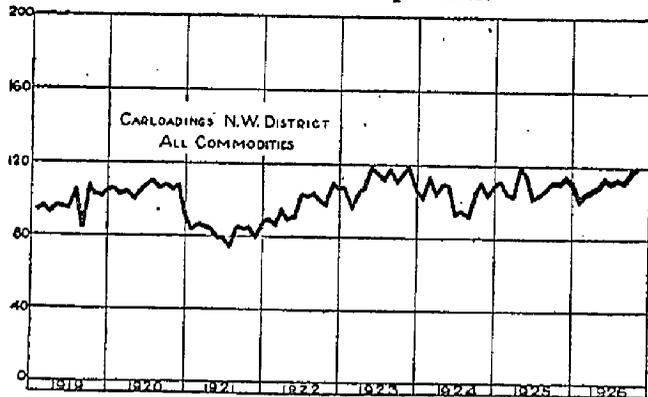


Valuation of Building Permits Issued at 18 Cities in the Ninth Federal Reserve District. Light curve, actual figures; heavy curve, 12 months moving average.

nearly three times as large as a year ago. The feeder demand relieved the market from some of the pressure of supplies, and cattle and hog prices continued higher than last year, while the price of lambs was moderately lower. In the first half of November cattle prices did not advance as they did a year ago and all grades but prime butcher steers were lower than last year. However, the price spread between feeder steers and prime fed steers was greater than a year ago.

Smaller grain crops this year in the Northwest were reflected in reduced receipts of grain at Minneapolis and Duluth-Superior, and in a reduction from last year in check payments through banks in the wheat belt cities, although Billings and Grand Forks reported increases. The wheat movement to market in the Northwest was one-fourth smaller in August, September and October than a year ago and has been later than usual. The prices of durum wheat, oats, barley and rye were higher than last year, and the price of bread wheat was only slightly lower than last year.

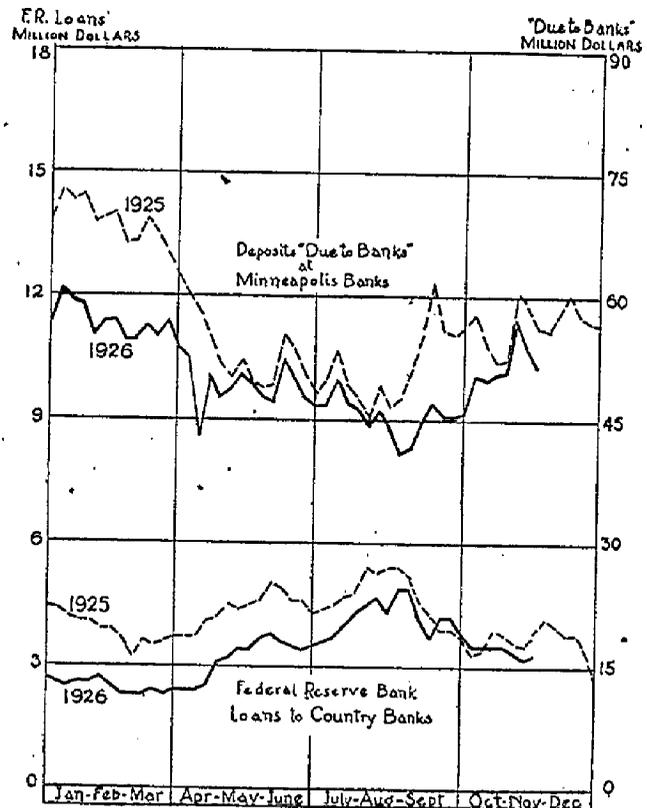
Prospective business activity based upon building operations, as reflected in the total valuation of building permits granted at eighteen cities in this district, was 19 per cent smaller in October than a year ago. In the smaller cities and towns of the wheat belt, mixed farming regions and mining sections some gain was shown in permits.



Freight Carloadings in the Northwestern District by Months 1919-1926. Curve adjusted to eliminate seasonal changes.

TOPICAL REVIEWS

In the banking reports for October and the first part of November, two important influences have shown their effects—the late movement of the crop and the payment of October 31 instalments of taxes. The tax payments have had the effect of increasing state, county and municipal deposits in our selected group of city member banks 7 million dollars. Also, deposits "due to banks" held by this same group of city banks increased 13 million dollars in the three weeks ending November 3. Since November 3 country correspondent banks have drawn down their deposits with this group of city member banks



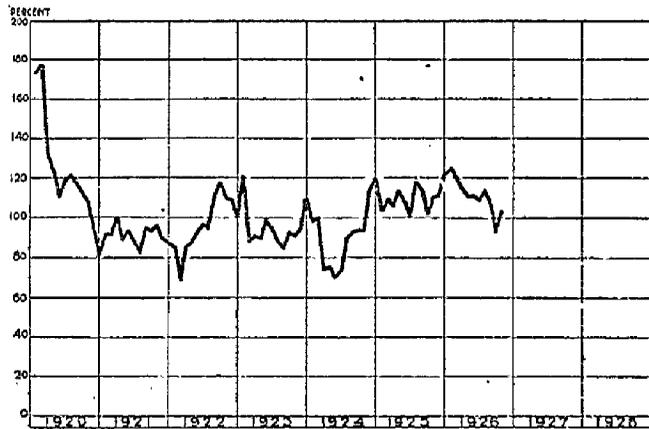
Country Bank Conditions in the Northwest, as Indicated by Federal Reserve Bank Loans and by Deposits with City Correspondent Banks.

nearly the level prevailing before tax payments became heavy.

The late marketing of crops has apparently delayed fall activity in the cities. The loans of our selected group of city member banks, exclusive of loans secured by stocks and bonds, did not show a rapid rise in September which occurred a year ago, but increased very moderately during September and more rapidly in October, reaching last year's level on November 3. A similar divergence in seasonal trend occurred in net demand deposits.

The banking situation in the middle of November was not greatly different from the situation at the same time last year. This fact is readily seen from the charts appearing elsewhere in this review, which show the weekly course of important items in the balance sheets of city and country banks during 1925 and 1926. However, interest rates charged by Minneapolis commercial banks were slightly higher than a year ago, and commercial paper outstanding in this district showed a smaller dollar amount than at any time since the end of the preceding 1920-22 decline.

Buying in this district is smaller in volume this year than a year ago. In the cities, October sales of representative stores were 17 per cent smaller than in the same month last year. In the rural portions of the district, retail lumber sales in October



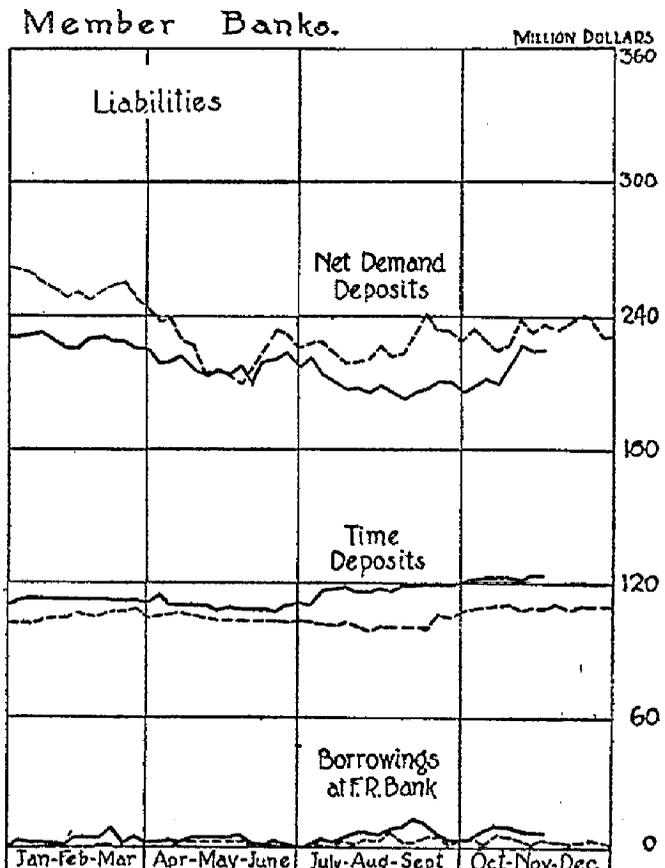
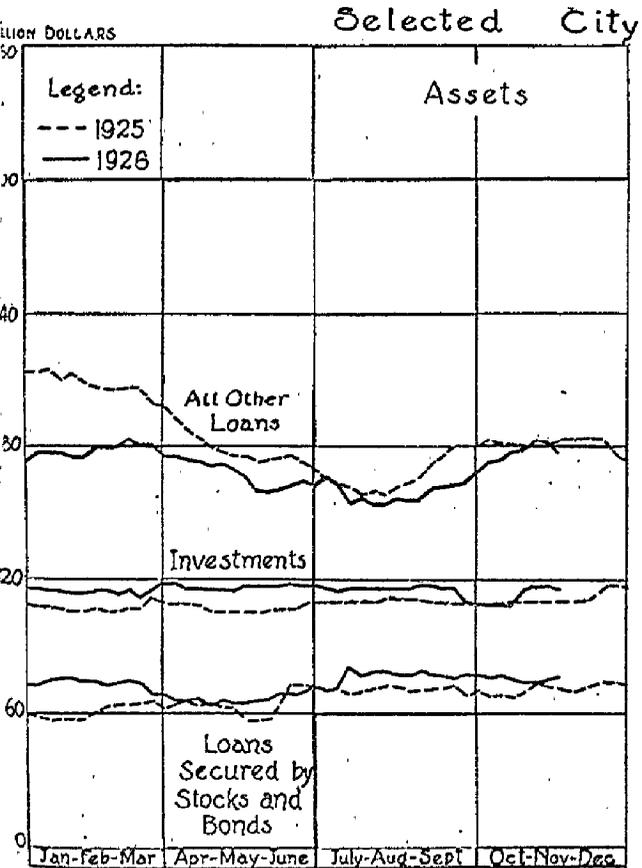
Lumber Sales by Retail Yards in the Ninth Federal Reserve District, with Seasonal Changes Eliminated. (Original data was in board feet.)

ber were 5 per cent smaller than last year. Wholesale firms located in this district reported smaller October sales than a year ago in every line of trade for which this office collects records.

An important series of figures with which to check these trade reports is the record of freight carloads of merchandise forwarded from the Twin Cities into this trade territory. Shipments of representative commodities, selected to reflect country buying activity, have been smaller in 1926 than in 1925 since the first quarter of the year, although October shows

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Banking Conditions in the Larger Cities of the District, as Indicated by Reports from Selected City Member Banks.

some reversals of trend. The commodities are agricultural implements and vehicles, autos, trucks, parts and tires and representative building materials. These records are collected by the Minneapolis Traffic Association and the St. Paul Association of Public and Business Affairs. Charts showing the monthly fluctuations in cars forwarded for these selected series appear elsewhere in the Review, together with curves showing the changes in the volume of these commodities forwarded, with seasonal changes eliminated. The table below compares shipments of the selected commodities by quarters during 1925 and 1926.

CARS FORWARDED FROM TWIN CITIES

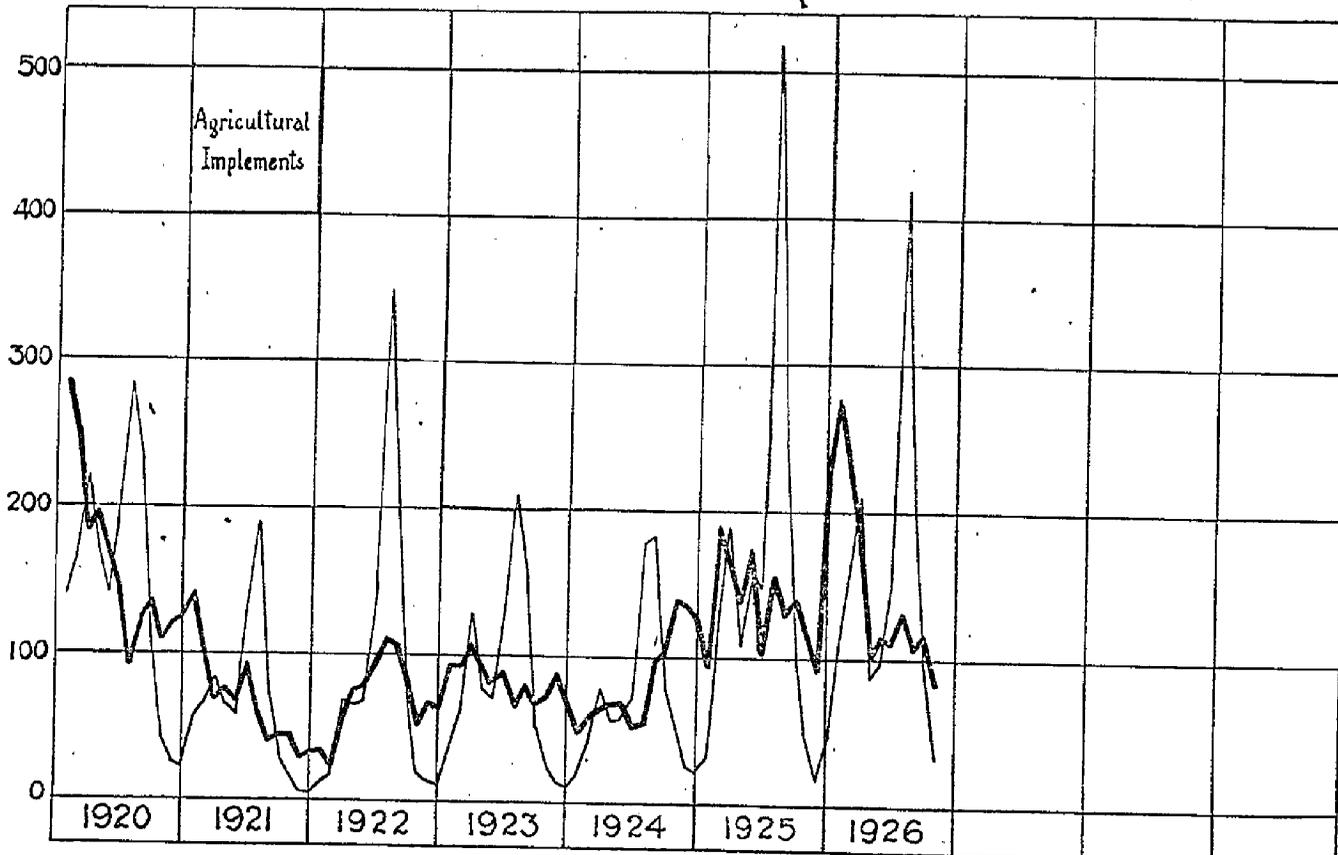
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
Agricultural Implements and Vehicles					
1926	1,679	1,213	2,481		
1925	1,253	1,477	2,959	364	6,053
Binding Twine					
1926	5	168	532		
1925	29	370	874	6	1,279
Autos, Trucks, Parts, Tires					
1926	2,770	2,529	1,596		
1925	2,462	3,800	1,839	1,244	9,345
Representative Building Materials					
1926	3,788	5,395	5,054		
1925	3,357	5,870	5,079	3,579	17,885

From a banker's view, two favorable points stand out in the trade returns for October. Stocks of merchandise in the hands of retailers and wholesalers have been reduced as the volume of trade has receded, and the collection situation, as evidenced by accounts and notes receivable on the books of merchants, shows a smaller total of uncollected amounts than a year ago in spite of the late marketing of grains this fall. The table below gives percentage comparisons between sales in important lines for the first ten months of 1925 and 1926 and percentage comparisons of stocks of merchandise and accounts and notes receivable on October 31 of the two years.

1926 TRADE STATISTICS AS PERCENTAGES OF 1925 TRADE

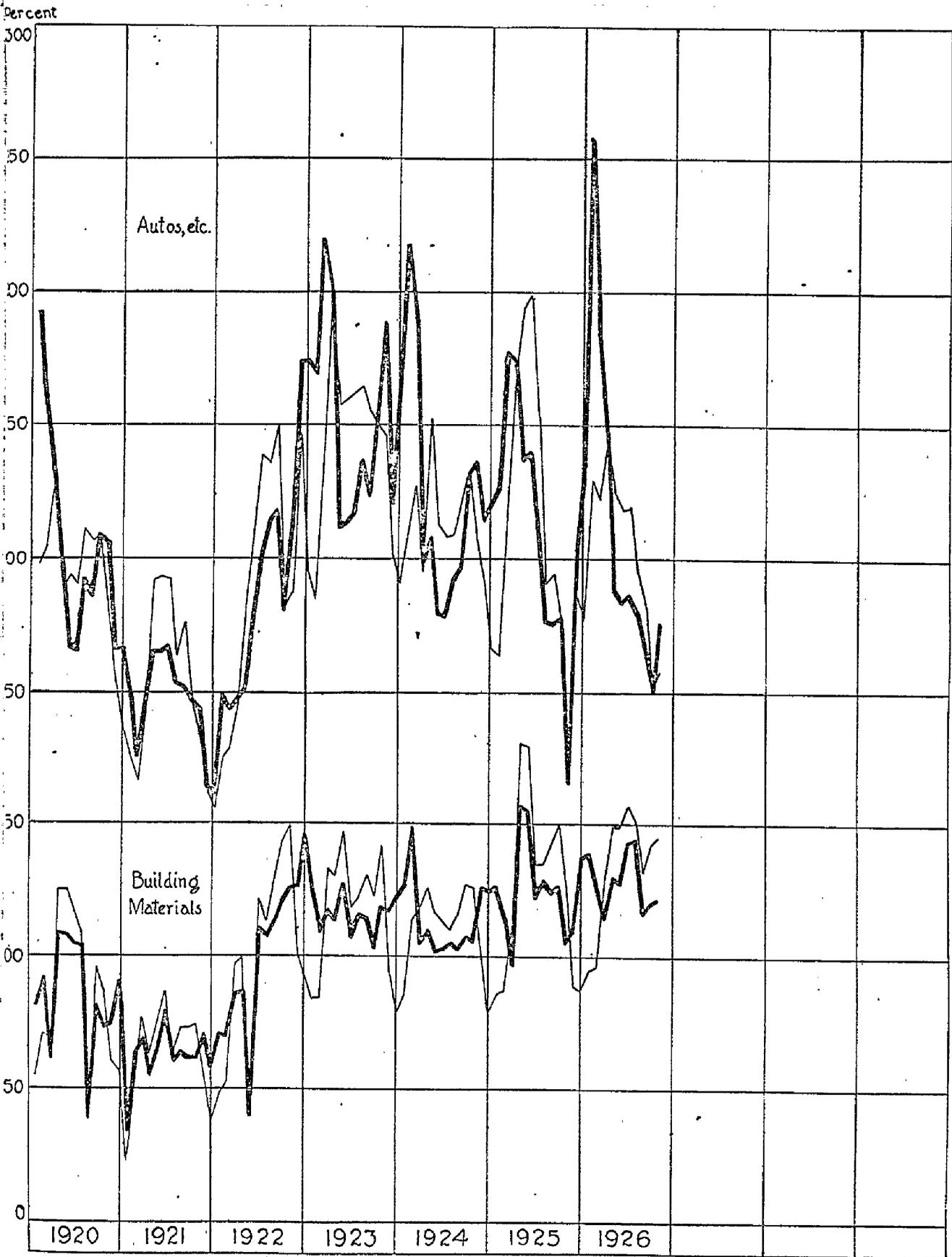
	Cumulative Sales Jan.-Oct.	Stocks of Mdse. Oct. 31	Accounts & Notes Receivable Oct. 31
Retail Trade			
Department Stores	96	90	99
Lumber Yards	95	90	96
Wholesale Trade			
Hardware	96	97	96
Dry Goods	85	97	82
Shoes	86	59	87
Groceries	94	105	91

Percent



Agricultural Implements and Vehicles Forwarded from Minneapolis and St. Paul, Monthly, 1920-1926. The original carloading figures have been converted into percentages of the six year average month, 1920-1925. The heavy curve shows changes in shipments after eliminating seasonal changes.

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Automobiles, Trucks, Parts and Tires and Building Materials Forwarded from Minneapolis and St. Paul, Monthly, 1920-1926. The original carloading figures have been converted into percentages of the six year average month, 1920-1925. The heavy curve shows changes in shipments after eliminating seasonal changes.

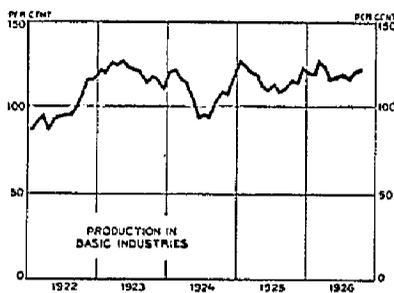
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COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

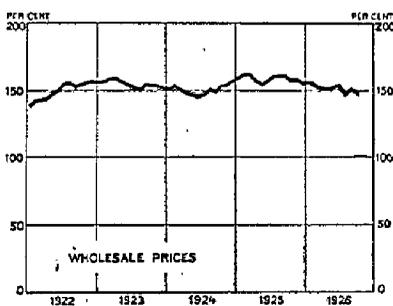
Debits to Individual Accounts—		October 1926	September 1926	October 1925	% Oct. 1926 of Sept. 1926	% Oct. 1926 of Oct. 1925
17 cities	Unit	\$888,988,000	\$816,717,000	\$978,196,000	109	91
Minneapolis		428,157,000	420,792,000	487,463,000	102	88
St. Paul		172,237,000	152,327,000	181,876,000	113	95
Duluth-Superior		121,610,000	106,141,000	145,237,000	115	84
8 Wheat Belt Cities.....		74,599,000	61,367,000	76,978,000	122	97
3 Mississippi Valley Cities.....		21,856,000	20,703,000	19,410,000	106	113
South St. Paul.....		50,673,000	37,321,000	47,846,000	136	106
Sioux Falls		19,856,000	18,066,000	19,386,000	110	102
Carloadings—Northwestern District—						
Total	Cars	798,913	770,529	744,651	104	107
Grains and Grain Products.....	Cars	65,873	60,483	64,259	109	103
Livestock	Cars	50,963	45,948	54,239	111	94
Coal	Cars	45,989	37,291	47,406	123	97
Coke	Cars	8,071	7,114	6,131	113	132
Forest Products	Cars	78,160	72,851	82,697	107	95
Ore	Cars	181,280	209,671	132,115	86	137
Merchandise—L. C. L	Cars	148,736	145,204	152,470	102	98
Miscellaneous	Cars	219,841	191,967	205,334	115	107
Building Permits—						
Number—18 Cities		1,857	1,829	2,140	102	87
Value—18 Cities		\$3,943,100	\$3,460,200	\$4,864,200	114	81
Minneapolis		1,564,600	1,579,100	2,074,200	99	75
St. Paul		1,083,400	960,100	1,694,100	113	64
Duluth-Superior		447,100	186,300	468,300	240	95
4 Wheat Belt Cities.....		182,600	242,800	136,200	75	134
6 Mixed Farming Cities.....		466,900	425,800	363,900	110	128
4 Mining Cities.....		198,500	66,100	127,500	300	156
Building Contracts Awarded—						
Total		\$9,776,300	\$9,119,300	\$6,932,900	107	141
Residential		3,409,000	2,661,200	3,988,100	128	85
Commercial, Industrial & Utility.....		5,568,100	3,996,200	1,934,800	139	288
Educational		395,500	414,000	113,500	96	348
All other		403,700	2,047,900	896,500	20	45
Grain Receipts at Minneapolis and Duluth-Superior—						
Wheat	Bu.	19,695,840	27,267,454	22,354,794	72	88
Corn	Bu.	697,034	1,273,529	387,845	55	180
Oats	Bu.	2,837,048	3,664,194	5,861,046	77	48
Barley	Bu.	2,343,965	4,769,246	3,868,000	49	61
Rye	Bu.	1,878,986	3,183,368	2,415,663	59	78
Flax	Bu.	6,201,422	2,148,117	5,457,793	289	114
Grain Stocks at End of Month at Minneapolis and Duluth-Superior—						
Wheat	Bu.	18,040,685	17,949,456	18,558,460	101	97
Corn	Bu.	1,128,850	1,040,934	36,165	108	312
Oats	Bu.	27,292,682	27,841,627	30,448,526	98	90
Barley	Bu.	3,613,069	3,193,860	3,452,581	113	105
Rye	Bu.	8,511,013	7,338,818	5,990,747	116	142
Flax	Bu.	3,103,030	787,605	3,301,704	394	94
Median Cash Grain Prices—						
Wheat—No. 1 Dark Northern.....	Bu.	\$1.527 $\frac{7}{8}$	\$1.481 $\frac{1}{2}$	\$1.565 $\frac{3}{8}$	103	98
Durum—No. 2 Amber.....	Bu.	1.52	1.401 $\frac{1}{2}$	1.231 $\frac{1}{2}$	108	123
Corn—No. 3 Yellow.....	Bu.	.741 $\frac{1}{4}$	.765 $\frac{3}{8}$	.81	97	92
Oats—No. 3 White.....	Bu.	.42	.367 $\frac{3}{8}$	.351 $\frac{1}{4}$	114	119
Barley—No. 3	Bu.	.631 $\frac{1}{2}$	.60	.621 $\frac{1}{2}$	106	102
Rye—No. 2	Bu.	.943 $\frac{1}{4}$	.931 $\frac{1}{2}$	.78	101	121
Flax—No. 1	Bu.	2.201 $\frac{1}{4}$	2.34	2.581 $\frac{1}{4}$	94	85

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

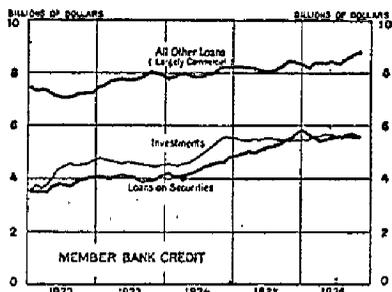
Unit	October 1926	September 1926	October 1925	% Oct. 1926 of Sept. 1926	% Oct. 1926 of Oct. 1925
Livestock Receipts at South St. Paul—					
Cattle	183,606	143,807	178,972	128	103
Calves	66,395	50,478	57,300	132	106
Hogs	326,922	188,515	332,513	173	98
Sheep	237,795	112,867	140,688	211	169
Median Livestock Prices at South St. Paul—					
Butcher Cows	\$5.25	\$5.75	\$4.50	91	117
Butcher Steers	7.50	7.75	6.75	97	111
Prime Butcher Steers	11.75	10.50	.....	112	.....
Stocker & Feeder Steers	6.00	6.00	6.00	100	100
Veal Calves	10.00	12.00	10.75	83	93
Hogs	12.75	12.75	11.25	100	113
Heavy Hogs	10.75	11.25	.....	96	.....
Lambs	13.50	13.00	14.00	104	96
Ewes	6.00	6.00	.....	100	.....
Flour—					
Production—Twin Cities & Duluth-Superior	1,431,020	1,363,392	1,718,030	105	83
Shipments from Minneapolis	1,338,857	1,372,885	1,574,802	98	85
Linseed Products Shipments from Minneapolis. Lbs.					
	42,105,432	35,951,826	51,726,587	117	81
Retail Sales—					
22 Department Stores	\$2,772,610	\$2,623,050	\$3,342,280	106	83
516 Lumber Yards	20,664,000	16,483,000	21,859,000	125	95
Retail Merchandise Stocks—					
19 Department Stores	\$7,235,710	\$7,104,020	\$8,010,830	102	90
479 Lumber Yards	94,830,000	102,183,000	104,849,000	93	90
Life Insurance Sales (4 States)					
	\$22,091,000	\$21,774,000	\$26,424,000	101	84
Wholesale Trade—					
Farm Implements—5 firms	163,850	246,020	179,670	67	91
Hardware—13 firms	2,133,670	2,225,020	2,291,210	96	93
Shoes—5 firms	746,670	805,050	927,830	93	80
Groceries—46 firms	5,162,970	5,512,700	6,010,380	94	86
Business Failures—					
Number	118	95	87	125	136
Liabilities	\$949,673	\$1,106,200	\$1,267,785	86	75
Securities Sold—					
To Banks	2,263,700	1,727,500	3,453,900	131	66
To General Public	4,670,200	4,789,800	6,502,400	98	72
Ninth Federal Reserve District Member Banks—					
Net Demand Deposits	432,988,000	420,655,000	455,964,000	103	95
Time Deposits	435,105,000	436,744,000	435,496,000	100	100
24 City Member Banks—					
	Nov. 17 1926	Oct. 20 1926	Nov. 18 1925	% Nov. of Oct.	% '26 of '25
Loans	\$250,488,000	\$249,519,000	\$251,381,000	100	100
Securities	115,070,000	106,941,000	109,122,000	108	105
Net Demand Deposits Subject to Reserve ..	224,029,000	209,354,000	235,606,000	107	95
Time Deposits	123,038,000	122,264,000	107,941,000	101	114
Borrowings at Federal Reserve Bank	5,950,000	9,226,000	2,900,000	64	205
Minneapolis Federal Reserve Bank—					
Loans to Member Banks	9,251,729	12,662,197	6,828,608	73	135
Federal Reserve Notes in Circulation	66,921,105	65,531,545	67,989,590	102	98



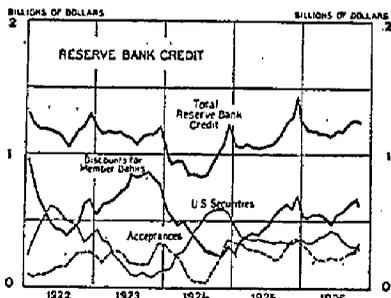
Index of 22 basic commodities adjusted for seasonal variations (1910 = 100). Latest figure, October, 122.



Index of United States Bureau of Labor Statistics (1913 = 100, base adopted by Bureau). Latest figure, October, 149.7.



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first weekly report dates in November.



Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 22 days in November.

Summary of National Business Conditions (Compiled November 24 by Federal Reserve Board)

Industrial activity continued in large volume in October, while the general level of prices declined slightly. Notwithstanding the seasonal increase in borrowing for commercial purposes, the volume of bank credit outstanding declined in recent weeks, reflecting the continued liquidation of loans on securities.

PRODUCTION: Production in basic industries, as measured by the Federal Reserve Board's index, which makes allowance for the usual seasonal variations, showed little change in October as compared with September. Textile mill activity and the daily average output of iron and steel was maintained during October, but in November there was a decrease in steel production. The output of bituminous coal was stimulated by export and bunker demand and attained new high records in October and November; and petroleum production was also large. There was a sharp decline in automobile production and the output of cars was smaller in October than in any month since January. The volume of building activity, as indicated by the value of contracts awarded, has declined for the past three months, as is usual at this season of the year, and has been throughout the period at a slightly lower level than during the exceptionally active autumn season of 1925. Residential contracts during the same period have been smaller than a year ago, while those for engineering projects and public works have been larger.

TRADE: Distribution of commodities at wholesale declined in October, contrary to the usual trend for that month, and was in smaller volume than in October of any year since 1922. Sales of department stores showed the usual seasonal growth in October, but owing partly to less favorable weather conditions and to a smaller number of trading days, were at a somewhat lower level than in the same month of last year. Sales of mail order houses were also smaller than a year ago. Stocks of merchandise carried by wholesale firms were slightly smaller than a year ago, while department store stocks increased more than is usual in September and October, and at the end of October were larger than in 1925. Freight carloadings were in record volume in October and November, because of unusually large shipments of coal and ore and a continued heavy movement of other commodities.

PRICES: Wholesale prices of nearly all groups of commodities declined in October and November. Prices of bituminous coal, however, advanced sharply as the result of foreign demand caused by the British coal strike, but recently there has been some decline in coal prices. The price of raw cotton, after falling rapidly in September and early October, has been steady in recent weeks. Prices of non-agricultural commodities, as classified in the Bureau of Labor Statistics price indexes declined slightly between September and October, while those of agricultural products declined about 2 per cent to the lowest level since the summer of 1924.

BANK CREDIT: Seasonal growth in loans for commercial and agricultural purposes at member banks in leading cities has been accompanied by continued liquidation of loans on securities, with the consequence that the total volume of loans and investments of these banks in the middle of November was considerably smaller than a month earlier.

At the Reserve banks the decline in the volume of member bank credit has been reflected in a reduction of the total bills and securities to a level \$37,000,000 below the corresponding date in 1925. Discounts for member banks were in about the same volume as a year ago, while holdings of acceptances and of United States securities, were smaller. Easier conditions prevailed in the money market in November. Rates on prime commercial paper declined from $4\frac{1}{2}$ - $4\frac{3}{4}$ per cent in October to $4\frac{1}{2}$ per cent in November, and there was also a reduction of $\frac{1}{8}$ per cent in the rates on bankers' acceptances.