

MONTHLY REVIEW

OF
AGRICULTURAL AND BUSINESS CONDITIONS
 IN THE
NINTH FEDERAL RESERVE DISTRICT

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DISTRICT SUMMARY OF BUSINESS

Business in the district during February exceeded the volume in February a year ago by a small margin. February, 1928 had one more business day than February, 1927. Using daily averages to avoid this difficulty in making comparisons, debits to individual accounts at seventeen cities were 3 per cent larger than in February last year and checks drawn on country banks in this district which were collected by this Federal Reserve Bank increased 5 per cent. Other evidences of improved business conditions were increases over a year ago in building permits, wholesale trade, postal receipts, shipments of flour and linseed products, carloadings of freight, country lumber sales and sales of securities. Decreases were reported in building contracts and in sales by representative city department stores. February business failures were smaller in number and liabilities than February failures last year.

Farm income from important products was estimated to be 18 per cent larger in February, 1928 than in February, 1927 on account of increases in the income from wheat and flax. The income from rye and potatoes was smaller in February this year than a year ago. Farmers who had delayed marketing hogs earlier in the season shipped large quantities in February. These hogs were heavier than those marketed in February a year ago. The in-

crease in numbers and weight offset the decrease in price and the income from hogs during February was about the same as in February last year. The price of feeder steers increased to ten dollars per hundredweight, which has not been equaled since May, 1920, and has only been exceeded in post-war years during the spring of 1919. The profit to farmers who have fed steers this winter has been large. Future profits will depend on an increase in the price of fat steers, corresponding to this recent increase in the cost of feeders. Dairy income in January, which is the latest month for which complete records are available, was 9 per cent larger than in January last year.

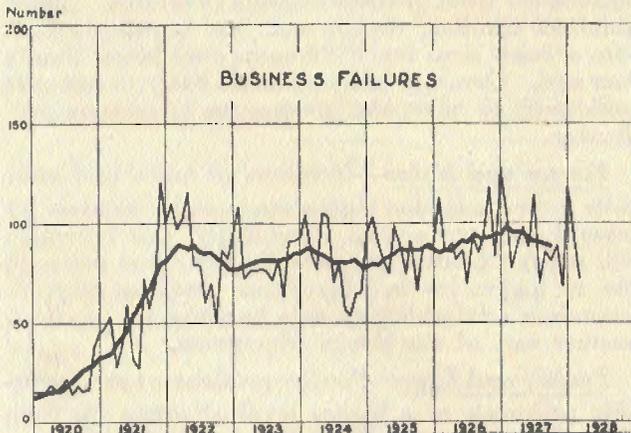
The prospects are for a continuation of the increase in income from grains over a year ago, for the March 1 stocks of wheat and rye on farms were 61 per cent and 122 per cent larger, respectively, than stocks on the same date last year. These are the estimates for Minnesota, North Dakota, South Dakota and Montana prepared by the United States Department of Agriculture. Taking these four states as a whole, there is also an abundance of feed, according to the same estimates. Increases in supplies as compared with last year were as follows: barley 132 per cent, oats 49 per cent and corn 32 per cent. The increases were almost entirely in the western part of the district, for stocks of corn and oats in Minnesota were smaller than a year ago. The corn remaining on farms was reported to be low-grade and a very small percentage of it is merchantable. The comparative figures for the four states combined follow:

GRAIN STOCKS ON FARMS—MARCH 1

Minnesota, North Dakota, South Dakota and Montana. Source: United States Department of Agriculture

	1927	1928	% 1928
	Bushels	Bushels	of 1927
Wheat	33,024,000	53,119,000	161
Rye	2,010,000	4,466,000	222
Corn	60,170,000	79,623,000	132
Oats	64,581,000	96,395,000	149
Barley	15,399,000	35,693,000	232

The center of agricultural interest shifts at this time of year to the prospects for the coming season. The first official information which becomes avail-



Business Failures in the Ninth Federal Reserve District, as reported by R. G. Dun and Company. The heavy curve is a twelve month moving average of the monthly data.

able is the Agricultural Outlook for the coming year, published by the United States Department of Agriculture. This review of prospects is prepared by specialists who have at their command a wealth of information regarding both domestic and foreign conditions. Farmers who are planning their operations for the coming season and country bankers and business men who are called upon for advice should read the Department's comments with the utmost care. The most favorable outlook for products produced in this district was reported for flax, beef cattle, dairy products, wool, poultry and eggs, alfalfa and red clover seed. The comments regarding products of importance in the Northwest are as follows:

Wheat—The world wheat crop will probably again be large if average or better than average yields are secured. Unless there is heavy winter killing in hard winter wheat areas, any material increase in the acreage of hard red spring wheat in the United States will further tend to increase the world supply for market next fall and winter, and probably reduce returns to growers as compared to 1926 or 1927. The outlook for durum wheat is quite uncertain, but increased competition is in prospect.

Rye—Although the present prospects are for some increase in the world's rye acreage next year, as all countries reporting to date show some increase in acreage seeded for harvest in 1928, the present situation is not likely to be materially changed in 1928 unless high yields are realized in Europe.

Flax—Flax acreage can be expanded profitably to replace other spring grains grown in the same area.

Potatoes—Potato growers in all the Northeastern and North Central States appear to be planning substantial increases in their acreages. If these intentions are carried out and western growers do not decrease their acreages more than they now plan, there is little probability of returns from potatoes equal to those secured during the last three years.

Oats—Oats are likely to meet a less favorable market in the next crop year since present prices are largely due to below-average yields for two years.

Barley—Barley is unlikely to bring as high prices in 1928 as in 1927 when there was a shortage of feed grains in Europe.

Corn—Corn acreage for the entire country in 1928 will probably show little change from last year if normal weather prevails at planting time. With average yields, a 1928 crop about equal to 1927 may be expected and with a more normal geographic distribution of the crop prices are more likely to approach the average for the 1926 crop than those which have prevailed to date for the 1927 crop.

Hay and Pasture—The continued decrease in the number of hay-consuming animals, coupled with

the unusually large carry-over in sight from the large 1927 crop, indicates that, even should the 1928 crop be below average, supplies of hay in 1928-29 will probably exceed normal live-stock requirements.

Clover and Alfalfa Seed—The outlook for profitable marketing of alfalfa seed from the Northern and Northwestern states and of red clover seed should continue relatively favorable. For alfalfa seed from the Southwestern states and for sweet clover seed the outlook is not promising for growers.

Beef cattle—Beef cattle for slaughter and as stockers and feeders seem reasonably certain to meet a market in 1928 that will average higher than in 1927, although the peak prices of that year may not be equaled. Market supplies of cattle in 1928 will probably be 6 per cent to 10 per cent smaller than in 1927.

Hogs—Hog prices seem likely to show some strengthening, but no very material change beyond the usual seasonal fluctuations until next fall and winter, when market supplies will probably be affected by the curtailed production resulting from the present unsatisfactory price situation. Some improvement in domestic demand for pork is anticipated, but export demand during the greater part of 1928 promises to be even lower than in 1927.

Dairy Products—The dairy industry appears to be in fully as strong a position as a year ago, with indications of only moderate expansion in production. Domestic demand is likely to be maintained during the coming year, and consumption is likely to continue to increase faster than production, so that the increasing foreign supplies will be further drawn upon to supplement domestic production. This seems a very desirable time for saving the better dairy calves so as to permit culling the herds closely before a material decline from the present high slaughter value of the old cows occurs.

Sheep and Wool—With wool stocks in this country light, and with a strong foreign market, the outlook for wool growers appears favorable. Sheep numbers continue to increase, and prospects indicate a lamb crop for 1928 somewhat larger than a year ago. Demand for lamb is not likely to improve sufficiently to offset the prospective increase in production.

Horses and Mules—Numbers of horse and mule colts indicate further decreases in work animals for several years to come. Eventually, this reduction will reach a point where scarcity will cause prices to rise to higher levels. Increased breeding of work animals is advisable as a side line in areas of cheap pasture east of the Rocky Mountains.

Poultry and Eggs—Poultry producers have favorable prospects of a higher level of prices for both dressed and live poultry, at least during the first half of the year, because of lighter supplies in storage and prospective favorable demand. The low storage holdings of eggs and the favorable outcome

of the 1927 storage season with the number of layers practically unchanged should result in higher egg prices during the coming year.

A second piece of information now available which throws light on the prospects for the new season is the United States Department of Agriculture's "Intentions to Plant" report. This survey indicates that farmers in Minnesota, Montana, North Dakota and South Dakota plan to increase their total crop acreage in 1928 about 3½ per cent over 1927, and 12 per cent over the ten year average. The increases in acreage range from 2 per cent in Minnesota and North Dakota to 12 per cent in Montana, when compared with last year, and from 8 per cent in Minnesota to 28 per cent in Montana, when compared with the ten year average.

The intended acreages of individual crops in these four states all show increases, except spring wheat and oats. Oats show a decline of 4.3 per cent from the 9,697,000 acres harvested last year, and spring

wheat shows a decrease of about 1 per cent. Barley shows the largest increase of any of the crops, the total of 5,824,000 acres being more than 30 per cent greater than the 1927 harvested acreage. Potatoes and flax show large increases of 16.4 per cent and 14.7 per cent, respectively. Tame hay shows an increase of 1.7 per cent and corn an increase of less than 1 per cent.

DISTRICT SUMMARY OF BANKING

Mid-winter lethargy prevailed in the first part of the period covered by this report. Deposit changes at country banks were small and country bank loans and investments increased slightly, while borrowings by country member banks from this Federal Reserve Bank reached a new low level on March 7. In the last two weeks there has been an increase in city banks' deposits "due to banks," probably related to the late marketing of hogs, which has released funds at country banks, and to deposits of

PLANTING INTENTIONS ON MARCH 1, 1928, WITH COMPARISONS

United States Department of Agriculture

(000's omitted)

March 1, 1928—Intentions to Plant:

	Minnesota	Montana	North Dakota	South Dakota	Four States	United States
Corn	4,214	336	1,064	4,562	10,176	101,660
Oats	4,271	644	2,082	2,282	9,279	41,640
All Wheat*	1,719	4,207	9,644	3,191	18,761	68,291
Rye*	409	161	1,450	169	2,189	3,802
Barley	2,029	218	2,129	1,448	5,824	11,757
Flax	742	430	1,304	772	3,248	3,323
Potatoes	384	46	131	76	637	3,923
Tame Hay	2,404	1,338	998	1,160	5,900	60,359
Total	16,172	7,380	18,802	13,660	56,014	294,755

December 1, 1927—Acres Harvested:

Corn	4,172	305	959	4,655	10,091	98,914
Oats	4,496	596	2,125	2,480	9,697	42,227
All Wheat	1,808	3,827	9,846	3,092	18,573	58,583
Rye	409	134	1,381	154	2,078	3,670
Barley	1,503	195	1,663	1,089	4,450	9,492
Flax	757	239	1,242	594	2,832	2,907
Potatoes	328	40	113	66	547	3,505
Tame Hay	2,380	1,274	1,040	1,105	5,799	61,196
Total	15,853	6,610	18,369	13,235	54,067	280,494

1918-1927—Average Acres Harvested:

Corn	3,841	268	807	4,061	8,977	101,509
Oats	4,126	613	2,394	2,372	9,505	42,776
All Wheat	2,421	3,221	9,152	2,893	17,687	60,141
Rye	618	107	1,482	280	2,487	4,885
Barley	1,074	110	1,359	966	3,509	7,910
Flax	508	252	1,025	336	2,121	2,177
Potatoes	352	40	118	79	589	3,660
Tame Hay	2,079	1,164	962	1,034	5,239	58,990
Total	15,019	5,775	17,299	12,021	50,114	282,048

*"Fall Sown Area" for winter wheat and rye.

tax collections. The real beginning of spring activity, according to past experience, will not occur until about April 1. At that time, borrowings from the Federal Reserve Bank will probably increase moderately and correspondent bank balances will be reduced.

The Comptroller's call for condition reports as of February 28 affords an opportunity to inspect the course of country bank conditions during the two months since the preceding call. Our index of country bank conditions, based on reports from one hundred and seventeen selected banks, shows that deposits remained practically stationary during the two-month period, while loans and investments increased and cash and balances "due from banks" decreased. The increase in investments and the decrease in cash and balances "due from banks" are seasonal occurrences, carrying forward the investment program of banks which starts when the crops begin to move. It is somewhat difficult, however, to explain the increase in loans which was reported from all parts of the district, except by the banks in the grazing areas. Probably, a considerable part of the increase in loans may be attributed to the purchase of commercial paper or the placing of call loans. Unfortunately, available statistics do not sub-divide loans into amounts loaned to customers and amounts of purchased paper and call loans held as short-time investments.

City member banks experienced a sharp increase in net demand deposits during the past four weeks, which was largely accounted for by the increase in country bank balances carried with them. Time deposits at these city banks were slightly reduced, but both demand and time deposits remained considerably above the level of a year ago. The commercial loans of these banks expanded seasonally during the three weeks ending March 14, while their investment holdings remained stationary and their loans secured by stocks and bonds decreased slightly. Commercial loans and investments were on a higher level than a year ago, but loans secured by stocks and bonds were slightly smaller than last year's volume.

BANKING DURING 1927

Banking conditions improved materially in this district during 1927. The complete record for all banks in the Ninth Federal Reserve District shows an increase of 46 million dollars in total deposits, an increase of 77 million dollars in investment holdings, a decrease of 40 million dollars in loans, a decrease of 7 million dollars in borrowings from other banks, and a decrease of 4 million dollars in holdings of "other real estate," as compared with the amounts reported a year earlier. Investment holdings reached a new high record of \$581,000,000. Borrowings from other banks were smaller at the close of 1927 than on any other report date in our record, which extends back to 1915. A large part of the increase in deposits and investment holdings was at banks in the larger cities, but country banks also shared in the favorable showing. The number

of banks operating in the district was reduced by 143 during the year.

Country bank conditions may be determined with a fair degree of accuracy by deducting the figures of the Twin City national banks and the Minnesota savings banks and trust companies from the records of all banks in the district. After making these deductions, the resulting country bank records show an increase of 9 million dollars, or nearly 1 per cent, in deposits; an increase of 43 million dollars, or 13 per cent, in investments; a decrease of 40 million dollars, or 5 per cent in loans; a decrease of 5 million dollars, or 40 per cent in borrowings, and a decrease of 4 million dollars, or 12 per cent in holdings of "other real estate."

The number of country banks which suspended operation during 1927 on account of financial difficulties was 142. The deposits of the banks which closed during this year amounted to 33 million dollars, according to figures published monthly in the Federal Reserve Bulletin. This is the smallest number and deposit total of failed banks in any year since 1922. The increase in country bank deposits during 1927, in spite of the subtraction of these deposits in failed banks which were included in the figures for December 31, 1926, and in spite of the depressing effects of the 1926 crop failure, was a note-worthy event.

Two other developments in banking stand out in the year-end records. In the first place, the decrease in the number of banks and the increase in deposits has increased the average deposits per bank from \$448,000 to \$476,000. In the second place, the reduction in loans has reduced the ratio of loans to deposits from 62.3 per cent to 58.6 per cent. The significance of this change is that as customers reduce their borrowings from banks without reducing their deposits a like amount, the banks are provided with funds which can be invested in bonds or held in balances with other banks. The improvement which has taken place in this respect during the last few years becomes very evident when it is recalled that bank loans represented over 90 per cent of deposits in the first part of 1921.

Changes in the individual states were not uniform during 1927. Deposits of country banks in North Dakota and Minnesota decreased, and loans in Montana increased. Deposits in Montana reached the highest level since June 1920, and deposits in the counties of Michigan and Wisconsin which are contained in this district made new high records for all time.

Changes in city bank conditions during 1927, as evidenced by changes at Twin City national banks and Minnesota savings banks and trust companies, included an increase of 37 million dollars in deposits, of which 7 million dollars was in balances due to correspondent banks, an increase of 35 million dollars in investments and an increase of 8 million dollars in cash and balances "due from banks." Loans remained unchanged.

BANK RETURNS IN THE NINTH FEDERAL RESERVE DISTRICT

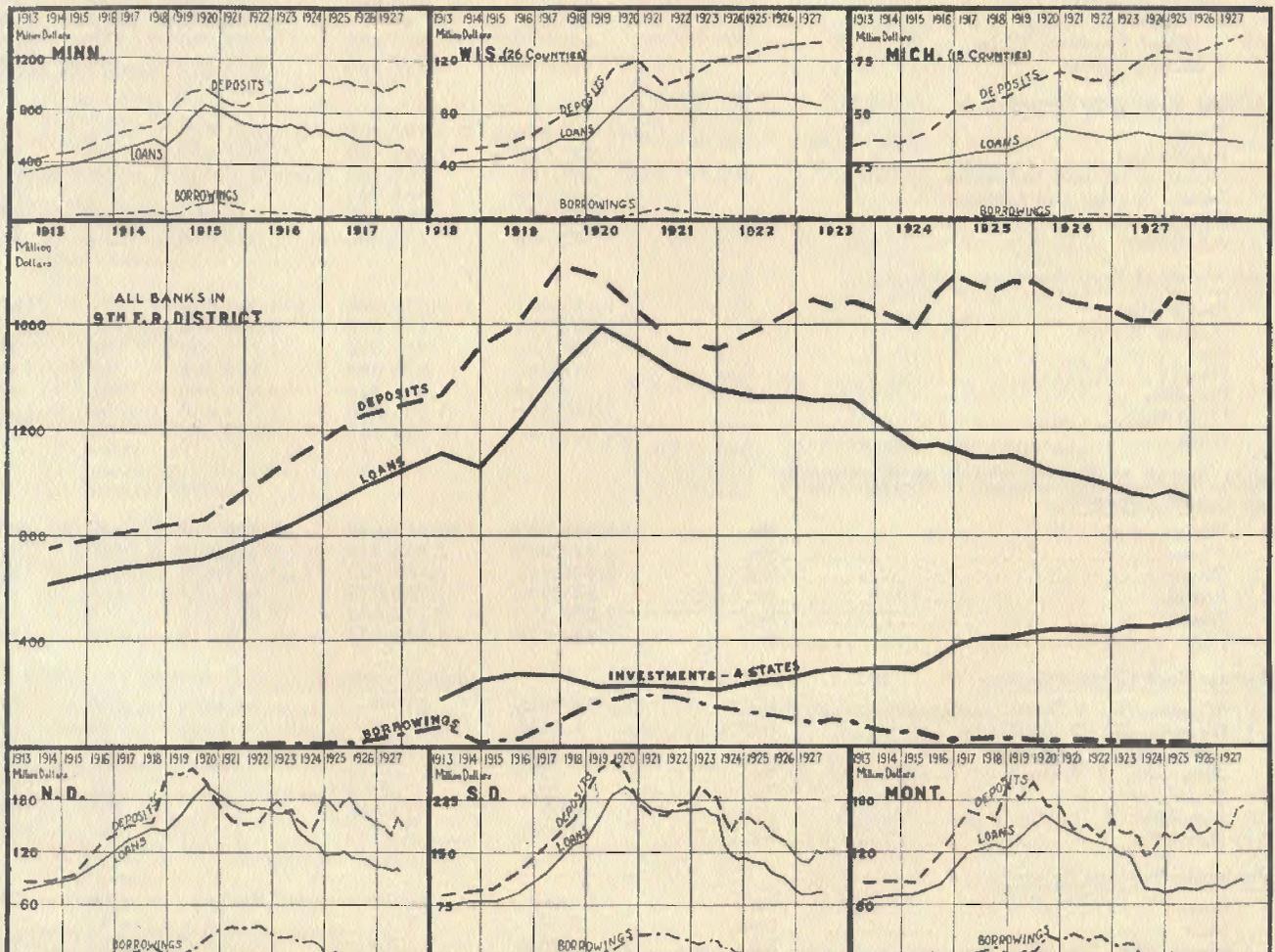
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December 31, 1927	Loans	Investments	Cash and Due from Banks	Deposits	Borrowings	No. of Banks
Minnesota	\$549,533	\$370,700	\$196,311	\$1,008,634	\$ 3,869	1,163
North Dakota	93,108	34,689	32,240	149,307	991	512
South Dakota	93,072	33,470	33,497	149,076	1,621	415
Montana	87,880	52,785	44,368	171,571	145	205
Michigan*	36,811	45,745		87,715	684	74
Wisconsin*	85,838	43,415		134,319	699	244
Total	\$946,242	\$580,804	\$306,416**	\$1,700,622	\$8,009	2,613

December 31, 1926	Loans	Investments	Cash and Due from Banks	Deposits	Borrowings	No. of Banks
Minnesota	\$579,791	\$320,423	\$190,961	\$ 987,866	\$ 7,225	1,238
North Dakota	102,857	32,049	30,141	153,466	2,102	555
South Dakota	94,013	28,680	32,275	143,188	3,184	422
Montana	81,083	48,005	38,957	155,175	494	214
Michigan*	38,341	42,329		83,214	772	76
Wisconsin*	89,865	32,413		131,703	1,003	251
Total	\$985,950	\$503,899	\$292,334**	\$1,654,612	\$14,780	2,756

*Portion of states in the Ninth Federal Reserve District.

**Four states only.



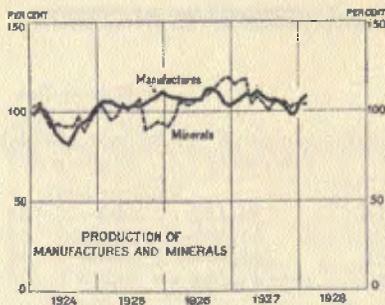
Loans, Deposits, Investments and Borrowings of All Banks in the Ninth Federal Reserve District.

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

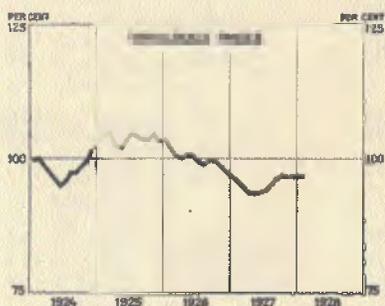
Debits to Individual Accounts—Daily Averages	Unit	Feb., 1928	Jan., 1928	Feb., 1927	% Feb.	% Feb.
					of Jan.	of Feb.
					1928	1927
17 Cities		\$29,685,000	\$30,209,000	\$28,689,000	99	103
Minneapolis		14,653,000	14,999,000	14,134,000	98	104
St. Paul		7,162,000	7,091,000	6,870,000	101	104
Duluth-Superior		2,693,000	2,867,000	2,725,000	94	99
8 Wheat Belt Cities		2,159,000	2,131,000	1,937,000	101	111
4 Mixed Farming Cities		1,549,000	1,576,000	1,614,000	98	96
South St. Paul		1,469,000	1,546,000	1,409,000	95	104
Carloadings—Northwestern District—						
Total	Cars	489,115	469,917	456,320	104	107
Grains and Grain Products	Cars	54,528	56,015	40,866	97	133
Livestock	Cars	42,142	43,020	33,652	98	125
Coal	Cars	31,570	38,978	33,781	81	93
Coke	Cars	7,499	7,038	5,398	107	139
Forest Products	Cars	89,141	73,763	83,737	121	106
Ore	Cars	1,880	2,070	2,720	91	69
Merchandise—L. C. L.	Cars	128,742	126,750	125,071	102	103
Miscellaneous	Cars	133,613	122,283	131,095	109	102
Building Permits—						
Number—18 Cities		603	529	655	114	92
Value—18 Cities		\$2,459,800	\$ 2,294,900	\$ 1,548,900	107	159
Minneapolis		1,498,200	825,900	819,200	181	183
St. Paul		231,500	326,900	396,700	71	58
Duluth-Superior		159,300	834,800	196,000	19	81
4 Wheat Belt Cities		84,700	41,900	42,500	202	199
6 Mixed Farming Cities		441,300	123,100	95,900	358	460
4 Mining Cities		44,800	142,300	1,400	31	3200
Building Contracts Awarded—						
Total		\$2,199,300	\$ 3,102,000	\$ 2,871,400	71	77
Residential		929,600	1,160,200	1,648,600	80	56
Commercial and Industrial		481,100	865,700	473,000	56	102
Public Works and Utilities		540,600	561,900	71,000	96	761
Educational		200,000	357,700	349,000	56	57
All Other		48,000	156,500	329,800	31	15
Cash Value of Farm Products Sold—						
Bread Wheat		\$11,332,000	\$ 9,227,000	\$ 6,063,000	123	187
Durum Wheat		3,233,000	5,452,000	2,808,000	59	115
Rye		931,000	951,000	1,185,000	98	79
Flax		616,000	879,000	456,000	70	135
Potatoes		3,722,000	2,689,000	3,818,000	138	97
Fluid Milk		1,630,000	1,673,000	1,533,000	97	106
Hogs		14,601,000	19,624,000	14,809,000	74	99
Grain Stocks at End of Month at Minneapolis and Duluth-Superior—						
Wheat	Bu.	38,658,369	35,215,612	18,785,377	110	206
Corn	Bu.	2,425,009	1,863,813	1,768,423	130	137
Oats	Bu.	8,020,911	7,380,723	21,323,454	109	38
Barley	Bu.	801,941	778,073	2,958,106	103	27
Rye	Bu.	2,898,519	2,212,841	10,292,022	131	28
Flax	Bu.	2,821,270	3,329,471	2,119,259	118	133
Median Cash Grain Prices—						
Wheat—No. 1 Dark Northern	Bu.	\$1.38 $\frac{1}{4}$	\$1.38	\$1.46 $\frac{5}{8}$	100	94
Durum—No. 2 Amber	Bu.	1.24 $\frac{5}{8}$	1.26	1.61 $\frac{3}{4}$	99	77
Corn—No. 3 Yellow	Bu.	.92 $\frac{1}{8}$	.85 $\frac{1}{4}$	.74	108	124
Oats—No. 3 White	Bu.	.53 $\frac{1}{2}$	.52 $\frac{1}{4}$	.44 $\frac{1}{8}$	102	121
Barley—No. 3	Bu.	.85	.83	.69	102	123
Rye—No. 2	Bu.	1.06	1.02 $\frac{3}{4}$	1.02	103	104
Flax—No. 1	Bu.	2.25 $\frac{3}{4}$	2.23 $\frac{3}{4}$	2.24 $\frac{1}{2}$	101	101
Wholesale Produce Prices—						
Butter	Lb.	\$.44	\$.45	\$.48	98	92
Milk	Cwt.	2.50	2.57	2.50	97	100
Hens—4 $\frac{1}{2}$ Pounds	Lb.	.20 $\frac{1}{2}$	.20	.21	102	98
Eggs	Doz.	.28 $\frac{1}{2}$	.35	.29	81	98
Potatoes	Bu.	1.14	1.09 $\frac{1}{2}$	1.47	104	78

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

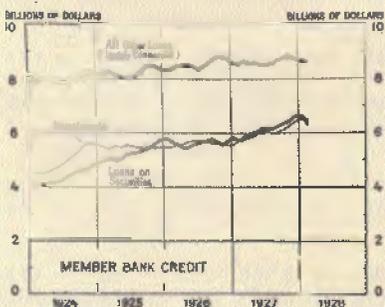
	Unit	Feb., 1928	Jan., 1928	Feb., 1927	% Feb. 1928 of Jan. 1928	% Feb. 1928 of Feb. 1927
Livestock Receipts at South St. Paul—						
Cattle	Head	61,363	61,616	56,458	100	109
Calves	Head	52,364	50,051	61,575	105	85
Hogs	Head	337,919	442,225	241,974	76	140
Sheep	Head	35,124	56,337	45,202	62	78
Median Livestock Prices at South St. Paul—						
Butcher Cows	Cwt.	\$ 8.25	\$ 8.00	\$ 6.25	103	132
Butcher Steers	Cwt.	11.50	11.35	8.50	101	135
Prime Butcher Steers	Cwt.	13.35	14.00	9.75	95	137
Stocker and Feeder Steers	Cwt.	10.00	9.75	7.00	103	143
Veal Calves	Cwt.	13.25	11.50	12.50	115	106
Hogs	Cwt.	7.85	8.00	11.40	98	69
Heavy Hogs	Cwt.	6.75	7.00	10.50	96	64
Lambs	Cwt.	15.00	13.25	13.00	113	115
Ewes	Cwt.	7.00	7.00	8.00	100	88
Flour—						
Production—Twin Cities & Duluth-Superior	Bbls.	1,200,183	1,222,617	881,906	98	136
Shipments from Minneapolis	Bbls.	1,123,586	1,143,156	815,341	98	138
Linseed Products Shipments from Minneapolis..	Lbs.	41,456,754	40,079,531	26,789,303	103	155
Retail Sales—						
Department Stores		\$ 1,877,770	\$ 1,977,720	\$ 1,967,780	95	95
Furniture Stores		377,600	388,170	330,860	97	114
Country Lumber Yards	Bd. Ft.	4,535,000	5,042,000	4,380,000	90	104
Retail Merchandise Stocks—						
Department Stores		\$ 6,283,920	\$ 5,768,160	\$ 6,264,090	109	100
Furniture Stores		2,600,920	2,668,440	2,631,970	97	99
Country Lumber Yards	Bd. Ft.	94,155,000	88,976,000	94,357,000	106	100
Life Insurance Sales (4 States)		\$23,257,000	\$17,953,000	\$18,829,000	130	124
Wholesale Trade—						
Farm Implements		\$ 227,590	\$ 103,810	\$ 199,530	219	114
Hardware		1,468,190	1,432,940	1,418,370	102	104
Shoes		435,840	284,600	335,850	153	130
Groceries		4,377,710	4,445,470	4,108,650	98	107
Business Failures—						
Number		72	94	77	82	94
Liabilities		\$ 383,730	\$ 552,950	\$ 1,114,000	69	34
Securities Sold—						
To Banks		\$ 3,915,700	\$ 4,069,000	\$ 2,986,900	96	131
To Insurance Companies		1,201,500	1,157,100	1,175,300	104	102
To General Public		7,524,100	10,647,900	4,822,700	71	156
Real Estate Activity in						
Hennepin and Ramsey Counties—						
Warranty Deeds Recorded		837	622	943	135	89
Mortgages Recorded		1,321	1,398	1,245	94	106
Ninth Federal Reserve District Member Banks—						
		Mar. 7, 1928	Feb. 8, 1928	Mar. 23, 1927	% Mar. '28 of Feb. '27	% Mar. '28 of Mar. '27
In Cities under 15,000 Population		\$457,305,000	\$450,875,000	\$440,396,000	101	104
In Cities over 15,000 Population		462,708,000	454,923,000	414,740,000	102	112
24 City Member Banks—						
		Mar. 14, 1928	Feb. 15, 1928	Mar. 16, 1927		
Loans Secured by Stocks and Bonds		\$78,532,000	\$82,375,000	\$79,855,000	95	98
All Other Loans		174,562,000	165,859,000	164,489,000	105	106
Securities		132,688,000	133,562,000	120,212,000	99	110
Net Demand Deposits Subject to Reserve..		235,073,000	226,881,000	219,292,000	104	107
Time Deposits		133,433,000	137,575,000	125,263,000	97	107
Borrowings at Federal Reserve Bank		0	1,500,000	900,000	0	0
Minneapolis Federal Reserve Bank—						
Loans to Member Banks		\$ 1,868,521	\$ 1,591,175	\$ 3,512,323	117	53
Federal Reserve Notes in Circulation		56,011,505	56,949,590	64,414,660	98	87



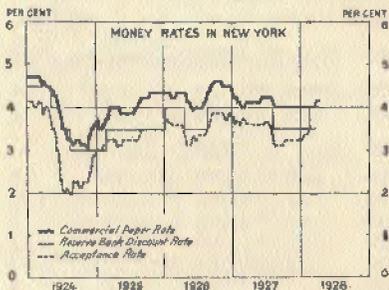
Index numbers of production of manufactures and minerals adjusted for seasonal variations (1923-25 average=100). Latest figures, February, manufactures 109, minerals 103.



Index of United States Bureau of Labor Statistics (1926=100, base adopted by bureau). Latest figure, February, 96.4.



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



Weekly rates in New York money market; commercial paper rate on 4-to-6 months paper and acceptance rate on 90-day paper.

Summary of National Business Conditions (Compiled March 26 by Federal Reserve Board)

Production and distribution of commodities increased further in February, while wholesale commodity prices remained practically unchanged. Commercial loans of member banks showed a larger increase in February and the first half of March than at the same season in other recent years.

PRODUCTION: Production of manufactures in February, as indicated by the Federal Reserve Board's index, increased 3 per cent over January and was 2 per cent larger than a year ago, while production of minerals declined slightly and continued to be substantially smaller than last year. Factory employment and payrolls showed a seasonal increase in February, but continued at a lower level than a year ago. Output of iron and steel, automobiles and agricultural machinery has increased considerably since the first of the year. Daily average production of steel ingots in February was larger than in any other month since last March, and current reports indicate that the output was sustained during the first three weeks in March. Production of non-ferrous metals also increased in February. Activity in the textile industries has shown little change since the first of the year. Production of bituminous coal and crude petroleum, which decreased in February, increased slightly in the first half of March.

Building contracts awarded were larger in February than in the corresponding month of any previous year, reflecting chiefly a large volume of awards for residential construction in the New York and Chicago districts. Contracts let in the first two weeks of March were in approximately the same volume as in the corresponding period of last year.

TRADE: Sales of wholesale firms in leading lines increased in February and were slightly larger than a year ago. Sales of department stores, after allowance for the customary seasonal changes, were in about the same volume as in January and somewhat smaller than a year ago. Stocks of merchandise carried both by wholesale firms and by department stores showed a seasonal increase in February.

Freight carloadings have shown somewhat more than the usual seasonal increase since the beginning of the year, but have continued to be in smaller volume than in the corresponding period last year, owing chiefly to much smaller shipments of coal. Loadings of merchandise in less-than-carload lots and of miscellaneous commodities have been less than in the corresponding period of the last two years, while loadings of livestock and grain products have been larger.

PRICES: The general level of wholesale commodity prices, as indicated by the Bureau of Labor Statistics' index, remained practically unchanged in February at approximately 96 per cent of the 1926 average. There were decreases in the prices of cotton, sugar, non-ferrous metals, chemicals and rubber, as well as a seasonal decline in dairy product prices. Increases occurred in prices of grains, metals, hides and leather products and steel. In the first two weeks in March, prices of grains, hogs and cotton advanced, while those of cattle and rubber showed further declines.

BANK CREDIT: From the middle of February to the middle of March the loans and investments of member banks in leading cities increased by \$200,000,000, reflecting a growth in the banks' commercial loans. The banks' loans on securities and investments showed little change for the period. The volume of Reserve bank credit outstanding increased somewhat from February to March, chiefly in consequence of increased borrowings by member banks, which, in part, reflected further withdrawals of gold for export. During the four weeks ending March 21, conditions in the money market were firmer. The rate on prime commercial paper increased from 4 to 4¼ per cent and there were advances in time rates on security loans.