

# MONTHLY REVIEW

OF  
AGRICULTURAL AND BUSINESS CONDITIONS  
IN THE  
NINTH FEDERAL RESERVE DISTRICT

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## DISTRICT SUMMARY OF BUSINESS

Debits to individual accounts in January increased 1 per cent over January 1929. In the various subdivisions of the district, increases were shown at Minneapolis, South St. Paul and in the dairying and southwestern mixed farming area. Decreases occurred at St. Paul, the Great Lakes ports, the south-eastern beef and pork area, the lumbering and mining regions and the wheat and range territories.

Business trends in the district were mixed during January. Country check clearings decreased in all parts of the district as compared with January last year, the largest decrease occurring in the Dakotas. Freight carloadings of all commodity groups, except coal, decreased. Declines also occurred in flour shipments, linseed product shipments, building permits and contracts, department store sales, country lumber sales and wholesale hardware and shoe sales. Increases occurred in postal receipts, life insurance sales, securities sales and wholesale grocery and farm implement sales. Business failures were slightly more numerous in January than during the corresponding month last year.

During the first half of February, individual debits, country check clearings and building contracts were all smaller than in the corresponding period last year.

## DISTRICT SUMMARY OF BANKING

Loans to customers by selected city member banks in this district decreased seasonally during the first seven weeks of the year, but on February 19 they were 16 million dollars (8 per cent) higher than a year ago on the corresponding date. Other invested funds of these city banks, including security holdings and loans in the nature of short-time investments, decreased very slightly during the first five weeks of the new year and increased in the succeeding two weeks. On February 19 these other invested funds were 40 million dollars less than a year ago.

Deposits of these city banks decreased sharply from the beginning of the year to January 29, and then increased moderately during the succeeding three weeks. Both of these deposit changes were seasonal in character. On February 19, the total de-

posits of these banks were smaller than a year ago, with decreases appearing in all classes of deposits, except deposits of public funds. Borrowings by city member banks from the Federal Reserve Bank were reduced to a negligible amount on February 11.

Interest rates on prime loans charged to customers by the larger commercial banks of Minneapolis decreased further during the month ending February 15 to an average of  $5\frac{3}{4}$  per cent. The commercial paper rate to borrowers in the open market was reduced during the month of January to  $5\frac{1}{4}$  per cent. The discount rate of this Federal Reserve Bank was reduced from 5 per cent to  $4\frac{1}{2}$  per cent on February 8.

Country member bank deposits decreased seasonally in January from the December level and were 5 per cent smaller than in January last year. Deposit decreases between December and January occurred in all states of the district, except the upper peninsula of Michigan where the tax collections at the beginning of January always cause a sharp increase in deposits. Country member banks in all states held smaller deposit totals in January than a year ago. Borrowings from this Federal Reserve Bank by country member banks were smaller at the middle of February than a year ago.

## DISTRICT SUMMARY OF AGRICULTURE

January farm income from cash crops, dairy products and hogs was 15 per cent smaller than in January 1929. The income from each commodity was less than a year ago with the exception of potatoes. The income from all cash grains combined was 27 per cent less than in January 1929. Price increases as compared with January last year, occurred in wheat, flax, hogs, eggs and potatoes. Price decreases occurred in corn, oats, barley, rye, cattle, lambs, hens, butter and milk.

The estimated receipts of northwestern wheat at Minneapolis and Duluth-Superior amounted to 4,955,000 bushels in January, as compared with 6,827,000 bushels received in January 1929. The small volume of receipts this year is the consequence of the small wheat crop harvested last fall. Stocks of wheat at terminal elevators in this district have shown no change during December or January, but

stocks of feed grains have risen, especially in the case of oats. Stocks of oats at the close of January were seven times as large as the quantity held in terminal elevators a year ago.

The dairying situation improved slightly in January in regard to storage stocks of butter but deteriorated from the standpoint of butter prices. Stocks of butter in storage throughout the United States were reduced 22 million pounds during January as compared with an average seasonal reduction of 17 million pounds. However, stocks of butter on February 1 were 60 million pounds, which represents an increase of 29 million pounds over average holdings on that date. The price of butter was five cents lower in January than in December, as compared with an average seasonal decrease of  $3\frac{1}{2}$  cents. This reduction brought the price of butter down to a level thirteen cents lower than in January last year and ten cents lower than the five-year average for the month.

Stocks of pork, lard and turkeys in cold storage throughout the United States were smaller on February 1 than a year ago, while stocks of beef, lamb and mutton and poultry, other than turkeys, were larger. Total stocks of meat and lard decreased 12 per cent during the year.

On January 1, 1930, the number of dairy cows and heifers in Minnesota, North Dakota, South Dakota and Montana was larger than a year earlier. The number of swine on farms on January 1, 1930, was the smallest since January 1, 1926, partly because of early marketings. The number of beef cattle on farms in the district on January 1, 1930, was larger than on any comparative date since January 1, 1926. The number of sheep on farms also showed a further increase during 1929.

### AGRICULTURAL OUTLOOK FOR 1930

The outlook for farming in the northwest during 1930 is somewhat unfavorable, according to the outlook report recently issued by the United States Department of Agriculture. Summarizing the comments in this bulletin regarding the various important agricultural products in the district, the products for which conditions are most favorable are flax and legume hays. Conditions are favorable, with qualifications, for barley and hogs, but unfavorable for hard spring wheat, oats, corn, beef cattle, dairy products, sheep and wool, poultry and eggs and potatoes. The outlook is uncertain for durum wheat.

An increase in flax acreage of not more than one-third is suggested in the outlook bulletin. Flax is produced on a relatively small acreage in the northwest and an increase of 33 per cent in flax acreage would require a decrease of less than two per cent in the acreage of other important crops.

The agricultural outlook bulletin issued by the United States Department of Agriculture should be studied in minute detail. In the paragraphs below are given some of the more important conclusions in this bulletin regarding the prospects for northwestern farm products.

**Hard Spring Wheat:** With another large crop of hard red winter wheat in prospect, hard spring wheat growers are likely to find that an expansion in the present acreage of this class of wheat is undesirable. Any expansion would probably result in lower prices, if average or better than average yields are obtained, unless the protein content of hard winter wheat is lower than in 1929. In fact, growers may find it profitable to reduce their present acreage somewhat and turn to flax, particularly if the growing conditions of the hard winter wheat crop continue favorable.

**Durum Wheat:** Foreign competition of durum in the coming year is not likely to be greater, if as great, as during 1929-30. In 1929 the acreage of durum harvested was reduced about 22 per cent from the previous year's level. A further reduction of 19 per cent for 1930, if accompanied with average yields, would result in a crop as large as 1929. Whether such a reduction will be advisable will depend largely upon the outturn of the 1930 durum production of foreign countries.

**Flax:** Present prospects indicate that higher returns are to be expected from flax in 1930 than from wheat and other small grains grown in the same area under the same conditions. Some further expansion in flax acreage is therefore warranted on land that is free from weeds or otherwise suitable for flax or on which yields greater than the average of the area may be expected. An increase in acreage of one-third could be made without fear of reducing domestic prices to the world level. Such an increase in acreage with average yields would produce a flax crop of approximately 32,000,000 bushels, or about 11,500,000 bushels below domestic consumption of the last two years.

The relatively high prices prevailing for flax seed in the United States is likely to encourage some further expansion in flax acreage. If farmers respond to these relative prices in 1930 as they have in the past they will increase their flax acreage between 40 and 50 per cent over the acreage in 1929. Farmers should hesitate to make such a marked increase as this, for it unquestionably would result in prices much lower than those received for the 1929 crop. If acreage is not increased more than one-third, flax promises to be a more profitable crop than wheat and other small grains grown in competition with it. At average yields, the net returns per acre from flax selling at \$2 per bushel would be equivalent to those from wheat selling at \$1.40 per bushel. With the same average yields, flax at \$1.90 per bushel would be as profitable as wheat at \$1.30, and at \$1.60 per bushel as profitable as wheat at \$1.10. On the other hand, if flax sold at \$2.20 per bushel, wheat would have to sell for slightly over \$1.50 to be as profitable. The relation between acre returns from flax, oats, and barley is even more favorable to flax. In the four spring-wheat States flax has averaged 7.9 bushels and wheat 12.2 bushels per acre during the last ten years.

**Barley:** No material improvement in demand for United States barley is in prospect for the crop year beginning August 1, 1930. Prospective numbers of livestock indicate no expansion in domestic requirements and European prospects suggest only a slight increase in foreign demand. While an increase in European demand for feed grains may be reflected in greater takings of United States barley, increased competition may be expected from Canada and Argentina where acreage is expanding. Barley is being substituted in increasing quantities for oats and corn in hog and cattle rations and giving larger per-acre returns than oats. In many districts barley produces more pounds of feed per acre than oats; in such districts barley will probably continue to be worth more per acre than oats in years of average yields even should barley production continue to increase.

**Corn:** With normal planting conditions, an increase in corn acreage in 1930 of nearly 2 per cent might be expected. Should an average yield per acre be obtained corn production would be about 5 per cent larger than in 1929. With the possibility of lower feeding requirements and no material improvement in commercial or European demand for American corn, prices for the 1930 corn crop are likely to be lower than for either the 1928 or 1929 crops.

**Beef Cattle:** The outlook for beef cattle in 1930 is for conditions less favorable than those which characterized the industry in 1929. Slaughter probably will be about the same as in 1929 but demand is expected to be slightly less. The high phase of the beef-cattle price cycle, which has prevailed since the latter part of 1927, is expected to continue during 1930. However, average prices for all grades for the entire year may be somewhat lower than those of 1929. Beef-cattle raisers who contemplate expanding production are faced with a general tendency to increase cattle numbers and with a downward trend in prices over the next decade. Cattle feeders, also, will need to exercise great caution during the period of a declining price level.

**Hogs:** Hog prices in 1930 are expected to average at least as high as in 1929, and possibly higher. A reduction in slaughter supplies is indicated, but this probably will be partially offset by a decrease in foreign and domestic demand for hog products.

**Dairy Products:** Dairymen face a period of readjustment. An annual increase of about one per cent in milk-cow numbers is necessary to increase production sufficiently to balance increasing demand, but the number was increased 3 per cent in 1929. The number of heifers, 6 per cent greater than a year ago, is sufficient to cause still further increases in cow numbers in 1930. Although the underlying situation is not so bad as would appear from current butter prices, the duration of the period of readjustment will depend partly on the promptness with which producers adjust their methods to meet the situation, by close culling out of their old or low-producing cows, and by either marketing a larger quantity of milk in the form of veal or, in the beef sections, allowing more calves to run with the cows. With present lower butter prices, dairy cows will be fed less purchased grain this winter. Unless dairy herds are closely culled and more of the less desirable heifers sent to slaughter, there will be a further increase in the number of milk cows during 1930 and 1931.

Over a longer period the general dairy outlook is unfavorable because of the large number of heifers now on hand and being raised, and because of the probability of a marked upward trend in beef production during the next five years or more. There is an increasing number of dual-purpose cows which will be milked whenever the price of butter is sufficiently high and the price of meat animals is sufficiently low. On the whole, a conservative policy in regard to raising dairy calves is called for. Probably more calves were raised in 1928 and 1929 than can be raised to advantage hereafter. Dairymen who have to buy dairy cows will probably be able to buy replacements at less cost in two or three years than they can now.

**Sheep and Wool:** It appears that the high point in the expansion of sheep numbers in the United States has about been reached. A new annual record slaughter of sheep and lambs is expected within the next two years and it seems improbable that prices for these increased supplies can be maintained at the high levels of the last three or four years.

The increase in world wool production which has occurred in recent years, will probably not continue much further and some reduction is expected by 1931. Production in 1930, however, will probably not be greatly different from the high production of the last two years. It is likely that demand conditions, which are unfavorable at present, will begin to improve in the last half of 1930, and will more favorably affect the marketing of the domestic clip of 1931 than that of 1930.

The outlook for the sheep industry suggests that the readjustments which will take place as a result of reduced price levels should be effected gradually in order that the market may not be unduly depressed by temporary seasonal gluts. In the past, periods of low prices, such as those now prevailing for wool and as seem probable for lambs, have been followed by higher prices a few years later.

**Poultry and Eggs:** Any increase in production of chickens in 1930 for the country as a whole over the production of 1929, either for eggs or meat, will tend to reduce prices of poultry and eggs below the levels of recent years.

The volume of egg production during the year 1930

promises to exceed that of last year by an amount corresponding somewhat to the increase of about 5 per cent in the number of chickens. Larger prospective egg production indicates that prices lower than last year are probable, although the demand for storage should be good and the volume of spring consumption should be fully as large as last year.

With an increase of 10 per cent in numbers of chickens raised in 1929, with marketings correspondingly heavier, and with greatly increased cold-storage holdings, poultry prices during the first half of 1930 will probably remain below levels prevailing during the corresponding period of 1929.

**Potatoes:** Preliminary reports on acreage which growers intend to plant in 1930 indicate a total potato area of 3,570,000 acres. This is nearly 6 per cent larger than the area harvested in 1929. If the intended acreage for 1930 is planted and a yield in line with the trend in recent years is secured, the total production in the United States will be around 421,000,000 bushels, which is about the quantity produced in 1924 when the December 1 farm price was unprofitably low at 62.5 cents per bushel, compared with 131.4 cents per bushel on December 1, 1929.

**Hay:** The outlook for both farm and market hay suggests the advisability of a further increase in the acreage of legume hays and decrease in the acreage of timothy, prairie and other grass hays. In recent years, the trend of hay prices has been in favor of legume hays as compared with timothy, prairie and other grass hays. A continuation of this trend may be expected this year because the decreasing numbers of horses and mules will further restrict the demand for timothy, whereas the increasing numbers of cattle and sheep will probably increase the demand for legume hays.

### INDIVIDUAL DEBITS AT SEVENTY-NINE CITIES

During 1929, the number of cities in the district reporting debits to individual accounts was increased from seventeen to seventy-nine. A limited number of further additions continue to be made. Looking back over the year's experience with this more comprehensive group of reports, the greatest value has been found to lie in the more detailed information regarding business in various parts of the district. Very little is added to the knowledge of the fluctuations in the total volume of transactions in the district. The increase in debits to individual accounts in the original group of seventeen reporting cities was 8.8 per cent in 1929 as compared with 1928. The increase in individual debits for the complete group of seventy-nine cities was 8.6 per cent. The sixty-two additional cities added \$1,830,624,000 of transactions to the yearly total of \$11,294,622,000 of transactions reported by the original group of seventeen cities during 1929.

Information regarding business conditions in the Ninth Federal Reserve District, especially outside of the larger cities, has always been fragmentary and frequently totally lacking. Consequently, any record which can be developed which throws light on business conditions in the various parts of the district is most welcome. The record of individual debits at this larger group of reporting cities is favorably considered from this viewpoint. The individual debits represent the aggregate of financial and business transactions made through bank accounts in each reporting city. Some of these transactions are not business transactions as business is customarily defined, but it is generally agreed that in-

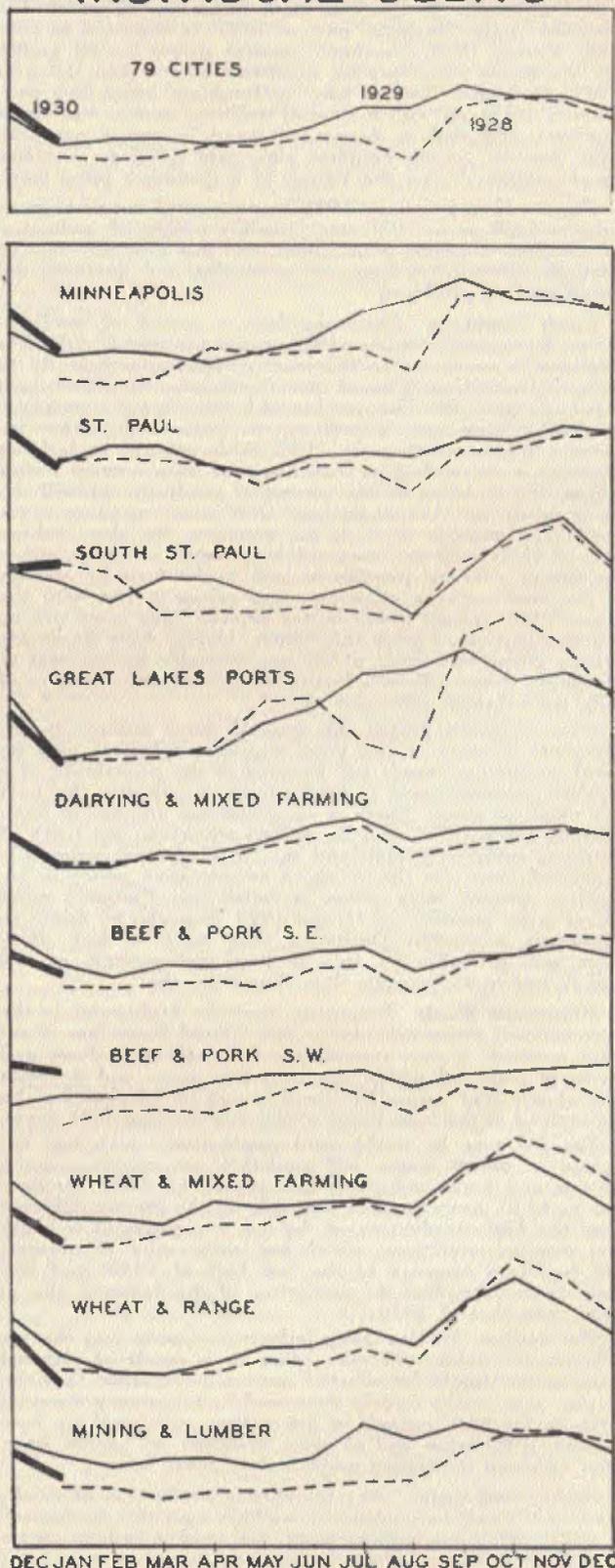
dividual debits outside of the larger cities are a good index of the trend of business volume. This is especially true where groups of cities are combined to minimize the fluctuations in the figures caused by non-business transactions at any certain city.

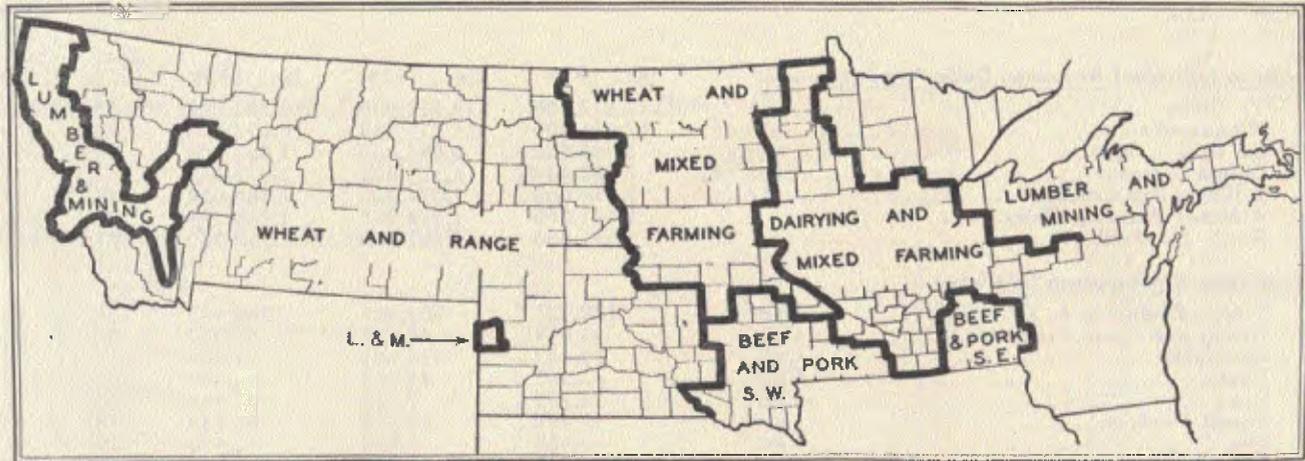
The Ninth District is one of the larger financial subdivisions of the United States in point of area. Naturally there is a wide range of basic industries owing to differences in natural resources, topography, soil and climatic conditions, distance from market, and other factors. The principal economic subdivisions of the district are as follows:

1. The larger cities and Great Lakes ports.
2. The dairying and mixed farming region. This region is constantly expanding to the north and west.
3. The beef and pork raising area in southeastern Minnesota and the adjoining counties of Wisconsin. Topography and other conditions have made the development of dairying less pronounced in this area than in the central portion of Minnesota, and business trends are somewhat different from those in the dairying portion of the district.
4. The beef and pork area in southern South Dakota and the adjoining counties in Minnesota. This area, with Sioux Falls as the central city, has a highly developed industry of hog raising and beef cattle feeding which dominates the farming activities of the region.
5. The wheat and mixed farming region. This area was formerly the eastern half of the spring wheat belt, but the development of dairying and other branches of mixed farming in this area has been so rapid that the wheat crop is no longer as much of a controlling factor in business as it was at the close of the war.
6. The wheat and range territory, which comprises the agricultural portions of the western Dakotas and Montana.
7. The mining and lumber areas where extractive industries are responsible for the major portion of the business volume and where agriculture is of minor importance. These areas are found in northern Minnesota and Wisconsin, in the northern peninsula of Michigan, in western Montana and in western South Dakota.

The general areas included in the above subdivisions are shown in the accompanying map. Business conditions, as indicated by individual debits, have experienced the greatest increase in the mining and lumber cities during 1929 as compared with 1928. Minneapolis and the southwestern beef and pork area also experienced large increases. Smaller increases occurred in all of the other areas, except the wheat and range territory. The trend in January, 1930, is discussed on the first page of this Review. The accompanying chart shows the record of individual debits in the Ninth District and in the various subdivisions of the district during the past two years. The chart is drawn on a ratio scale vertically.

## NINTH FED. RES. DISTRICT INDIVIDUAL DEBITS





Economic Subdivisions of the Ninth Federal Reserve District

DEBITS TO INDIVIDUAL ACCOUNTS IN THE NINTH FEDERAL RESERVE DISTRICT  
(January 1930, with comparisons)

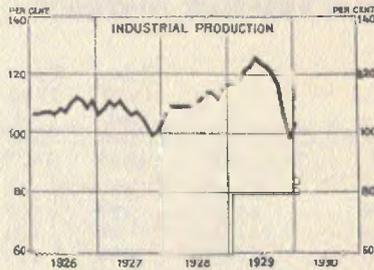
	January 1930	December 1929	January 1929	December 1928				
Number of Business Days:	1930	1929	1929	1928	Montana			
All States in District.....	26	26	26	25	Annaconda .....	2,204		
	(000's omitted)				Billings .....	8,221	2,980	10,234
<b>Michigan</b>					Bozeman .....	1,910	2,686	2,809
Escanaba (1 Bank).....	\$ 946	\$ 983	\$ 992	\$ 1,149	Butte (2 Banks).....	12,970	14,719	16,686
Hancock .....	1,878	1,855	1,831	1,808	Deer Lodge .....	1,287	1,551	1,197
Houghton (1 Bank).....	795	724	730		Glendive .....	989	1,514	1,191
Iron Mountain .....	6,181	4,107	6,027	4,896	Great Falls .....	14,909	18,792	17,909
Iron River, Caspian and Stam- baugh .....	1,785	1,641	1,494	1,544	Havre (1 Bank).....	687	950	844
Manistique (1 Bank).....	732	504	657		Helena .....	8,828	10,531	10,882
Marquette .....	3,625	5,624	6,018	5,859	Lewistown .....	2,400	2,728	2,690
Menominee .....	4,098	3,433	4,246	3,322	Malta .....	750	953	823
Sault Ste. Marie.....	3,282	3,203	3,188	2,989	Miles City (1 Bank).....	1,499	2,202	1,796
<b>Minnesota</b>					<b>North Dakota</b>			
Albert Lea .....	2,594	2,529	2,906	3,179	Bismarck (2 Banks).....	3,562	3,957	3,888
Austin (2 Banks).....	4,690	4,767	4,438	4,869	Devils Lake .....	1,614	1,840	1,793
Bemidji .....	1,487		1,491		Dickinson .....	1,140	1,280	1,709
Chaska .....	671	798	572	721	Fargo .....	16,273	13,298	19,418
Chisholm .....	892	1,622	718	1,141	Grafton .....	533	714	487
Cloquet .....	2,384	3,429	2,083	2,815	Grand Forks .....	6,591	7,472	7,844
Crookston (1 Bank).....	1,270	1,159	1,021	1,158	Jamestown .....	2,629	2,331	2,567
Detroit Lakes .....	790	1,050	899		Mandan .....	1,538	1,888	1,637
Duluth .....	64,266	95,128	66,721	91,061	Minot .....	6,697	8,193	6,965
Ely .....	514	978	655	889	Valley City .....	1,865	1,482	1,818
Farmington .....	232	277	205		Wahpeton .....	1,061	1,073	1,023
Fergus Falls .....	3,113		3,384		Williston .....	1,294	1,763	1,409
Glenwood .....	409	712	406	684	<b>South Dakota</b>			
Hutchinson .....	1,255	1,347	1,462	1,271	Aberdeen .....	6,898	7,061	6,681
Lanesboro .....	380		340		Brookings (1 Bank).....	1,142	1,096	1,072
Little Falls .....	984	1,800	902	1,326	Deadwood .....	928		877
Luverne .....	986		968		Huron .....	6,648	6,934	6,350
Mankato .....	6,608	6,974	6,603	6,846	Lead .....	1,204	1,153	1,275
Minneapolis .....	456,073	532,687	435,800	476,669	Madison (1 Bank).....	965	1,062	798
Moorhead .....	1,453	1,669	825		Milbank .....	517	683	
Morris .....	611	515	659	405	Mitchell (2 Banks).....	4,796	4,926	4,596
Owatonna .....	2,754	3,215	2,576	3,017	Mobridge .....	691	739	806
Park Rapids .....	491	540	446	691	Pierre .....	1,445	1,449	1,362
Red Wing .....	2,608	2,954	2,543	2,566	Rapid City .....	4,341	4,498	4,019
Rochester .....	6,215	6,475	7,038	7,483	Sioux Falls .....	24,779	23,880	22,349
St. Cloud (1 Bank).....	360	479	334	483	Watertown .....	5,497	4,888	5,339
St. Paul .....	179,802	202,075	183,444	203,418	Yankton .....	2,458	2,690	3,191
South St. Paul.....	40,326	37,676	35,325	37,110	<b>Wisconsin</b>			
Stillwater .....	2,650	3,354	2,862		Ashland .....	2,322	2,365	2,357
Thief River Falls.....	794	1,827	646	1,159	Chippewa Falls .....	2,259	2,592	2,462
Two Harbors .....	535				Eau Claire .....	8,385	8,556	8,089
Virginia .....	2,265	2,789	2,531		Hudson .....	514	687	582
Wabasha .....	955	1,102	760	952	LaCrosse .....	12,840	12,903	13,194
Wadena .....	915	1,327		1,338	Merrill (1 Bank).....	1,375	1,507	1,210
Wheaton .....	571	675	700		Superior .....	3,069	3,098	2,864
Willmar .....	1,694	1,996	1,609		<b>Total for all Cities Reporting</b>			
Winona .....	7,635	8,117	7,732	8,121	Both Years .....	\$1,020,501	\$1,139,384	\$1,014,675
Worthington (1 Bank).....	883	976	760	983				\$1,094,089

## COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

Debits to Individual Accounts, Daily Averages—Unit	Jan., 1930	Dec., 1929	Jan., 1929	% Jan.	% Jan.
				1930 of Dec. 1929	1930 of Jan. 1929
17 Cities .....	\$32,672,000	\$39,512,000	\$32,222,000	83	101
Minneapolis .....	17,416,000	21,255,000	16,672,000	82	104
St. Paul .....	6,908,000	8,083,000	7,056,000	85	98
Duluth-Superior .....	2,782,000	4,129,000	2,872,000	67	97
8 Wheat Belt Cities .....	2,174,000	2,624,000	2,500,000	83	87
4 Mixed Farming Cities .....	1,841,000	1,914,000	1,763,000	96	104
South St. Paul .....	1,551,000	1,507,000	1,359,000	103	114
<b>Carloadings—Northwestern District—</b>					
Total—Excluding L. C. L. .... Cars	322,426	302,421	340,423	107	95
Grains and Grain Products .....	43,011	49,217	50,057	87	86
Livestock .....	39,747	35,666	41,209	111	96
Coal .....	47,262	44,165	46,423	107	102
Coke .....	6,759	7,169	7,548	94	90
Forest Products .....	57,490	50,338	61,849	114	93
Ore .....	1,468	1,854	2,398	79	61
Miscellaneous .....	126,689	114,012	130,939	111	97
Merchandise—L. C. L. .... Cars	123,859	123,684	123,023	100	101
<b>Building Permits—</b>					
Number—18 Cities .....	484	410	371	118	130
Value—18 Cities .....	\$933,700	\$1,533,800	\$1,397,800	61	67
Minneapolis .....	562,800	349,600	734,700	161	77
St. Paul .....	152,000	377,600	234,200	40	65
Duluth-Superior .....	43,000	73,200	152,600	59	28
4 Wheat Belt Cities .....	46,700	175,700	33,900	27	138
6 Mixed Farming Cities .....	123,800	536,300	203,100	23	61
4 Mining Cities .....	5,400	21,400	30,300	25	18
<b>Building Contracts Awarded—</b>					
Total .....	\$2,497,000	\$6,866,900	\$6,220,900	36	40
Residential .....	513,700	653,100	483,400	79	106
Commercial & Industrial .....	534,900	1,675,100	4,602,800	32	12
Public Works & Utilities .....	998,100	4,429,900	794,700	23	126
Educational .....	2,300	41,000	77,800	6	3
All Other .....	448,000	67,800	262,200	661	171
<b>Cash Value of Farm Products Sold—</b>					
Bread Wheat .....	5,004,000	9,051,000	6,751,000	55	74
Durum Wheat .....	1,935,000	2,906,000	2,640,000	67	73
Rye .....	471,000	750,000	589,000	63	80
Flax .....	357,000	1,897,000	622,000	19	57
Potatoes .....	2,861,000	1,161,000	1,515,000	246	189
Dairy Products .....	13,985,000	13,286,000	18,269,000	105	77
Hogs .....	16,925,000	17,019,000	18,566,000	99	91
<b>Grain Stocks at End of Month at Minneapolis and Duluth-Superior—</b>					
Wheat .....	Bu. 56,684,976	57,240,492	53,521,331	99	106
Corn .....	Bu. 1,801,495	1,003,762	2,257,115	179	80
Oats .....	Bu. 9,916,881	9,411,631	1,386,740	105	715
Barley .....	Bu. 5,846,686	6,109,365	3,981,135	96	147
Rye .....	Bu. 3,618,103	3,342,451	2,876,754	108	126
Flax .....	Bu. 875,815	906,005	1,063,498	97	82
<b>Median Cash Grain Prices—</b>					
Wheat—No. 1 Dark Northern .....	Bu. \$1.31 <sup>1</sup> / <sub>8</sub>	\$1.30 <sup>3</sup> / <sub>4</sub>	\$1.28 <sup>1</sup> / <sub>2</sub>	100	102
Durum—No. 2 Amber .....	Bu. 1.18 <sup>3</sup> / <sub>8</sub>	1.21	1.17	98	101
Corn—No. 3 Yellow .....	Bu. .82 <sup>1</sup> / <sub>2</sub>	.83 <sup>1</sup> / <sub>4</sub>	.90	99	92
Oats—No. 3 White .....	Bu. .42 <sup>3</sup> / <sub>8</sub>	.42 <sup>3</sup> / <sub>4</sub>	.46	100	93
Barley—No. 3 .....	Bu. .57	.58	.65 <sup>1</sup> / <sub>2</sub>	98	87
Rye—No. 2 .....	Bu. .91 <sup>7</sup> / <sub>8</sub>	.97 <sup>1</sup> / <sub>2</sub>	1.03	94	89
Flax—No. 1 .....	Bu. 3.07 <sup>1</sup> / <sub>2</sub>	3.20 <sup>1</sup> / <sub>2</sub>	2.45	96	126
<b>Wholesale Produce Prices—</b>					
Butter .....	Lb. .32 <sup>1</sup> / <sub>2</sub>	.37 <sup>1</sup> / <sub>2</sub>	.45 <sup>1</sup> / <sub>2</sub>	87	71
Milk .....	Cwt. 2.13	2.30	2.50	93	85
Hens—4 <sup>1</sup> / <sub>2</sub> Pounds .....	Lb. .19 <sup>1</sup> / <sub>2</sub>	.17 <sup>1</sup> / <sub>2</sub>	.22 <sup>1</sup> / <sub>2</sub>	111	87
Eggs .....	Doz. .32 <sup>3</sup> / <sub>4</sub>	.39 <sup>1</sup> / <sub>2</sub>	.30	83	109
Potatoes .....	Bu. 1.65	1.57 <sup>1</sup> / <sub>2</sub>	.63	105	262

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

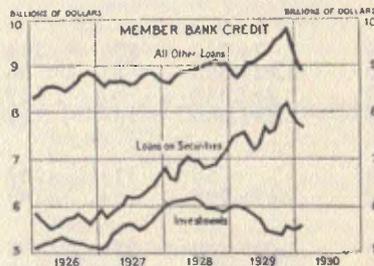
	Unit	Jan., 1930	Dec., 1929	Jan., 1929	%Jan. 1930 of Dec. 1929	%Jan. 1930 of Jan. 1929
<b>Livestock Receipts at South St. Paul—</b>						
Cattle .....	Head	59,426	58,664	51,708	101	115
Calves .....	Head	56,088	43,359	43,863	129	128
Hogs .....	Head	351,683	365,500	341,946	96	103
Sheep .....	Head	87,525	103,858	67,833	84	129
<b>Median Livestock Prices at South St. Paul—</b>						
Butcher Cows .....	Cwt.	\$7.75	\$7.50	\$8.50	103	91
Butcher Steers .....	Cwt.	10.75	10.50	11.00	102	98
Prime Butcher Steers .....	Cwt.	12.25	12.85	12.50	95	98
Stocker and Feeder Steers .....	Cwt.	9.50	9.00	9.50	106	100
Veal Calves .....	Cwt.	13.00	12.00	14.00	108	93
Hogs .....	Cwt.	9.60	9.15	8.70	105	110
Heavy Hogs .....	Cwt.	9.00	8.25	8.65	109	104
Lambs .....	Cwt.	13.00	12.50	15.75	104	83
Ewes .....	Cwt.	6.25	3.75	9.75	167	64
<b>Flour—</b>						
Production—Twin Cities and Duluth—						
Superior .....	Bbls.	977,008	840,081	1,056,741	116	92
Shipments from Minneapolis .....	Bbls.	960,548	844,018	973,412	114	99
<b>Linseed Products Shipments from Minneapolis—Lbs.</b>						
		26,056,822	24,020,445	37,192,802	108	70
<b>Retail Sales—</b>						
Department Stores .....		\$2,845,250	\$5,297,810	\$3,231,730	54	88
Furniture Stores .....		432,990	638,500	503,460	68	86
Country Lumber Yards .....	Bd. Ft.	4,862,000	6,293,000	5,489,000	77	89
<b>Retail Merchandise Stocks—</b>						
Department Stores .....		\$6,565,740	\$6,687,010	\$7,945,840	98	83
Furniture Stores .....		2,454,870	2,542,850	2,454,530	97	100
Country Lumber Yards .....	Bd. Ft.	85,785,000	73,891,000	79,400,000	116	108
<b>Life Insurance Sales—(4 States)</b>						
		\$24,140,000	\$30,556,000	\$20,685,000	79	117
<b>Wholesale Trade—</b>						
Farm Implements .....		186,340	67,650	74,840	275	249
Hardware .....		1,663,000	1,921,060	1,927,590	87	86
Shoes .....		238,340	274,910	267,420	87	89
Groceries .....		3,930,060	3,880,580	3,801,060	101	103
<b>Business Failures—</b>						
Number .....		60	53	56	113	107
Liabilities .....		\$999,362	\$743,042	\$696,709	134	143
<b>Securities Sold—</b>						
To Banks .....		4,163,800	2,393,600	1,049,800	174	397
To Insurance Companies .....		536,600	1,030,600	1,034,000	52	52
To General Public .....		6,542,500	4,275,700	8,278,400	153	79
<b>Real Estate Activity in</b>						
<b>Hennepin and Ramsey Counties—</b>						
Warranty Deeds Recorded .....		1,123	3,081	1,206	36	93
Mortgages Recorded .....		1,167	1,459	1,358	80	86
<b>Member Bank Deposits—</b>						
In Cities under 15,000 Population .....		\$439,700,000	\$445,482,000	\$462,195,000	99	95
In Cities over 15,000 Population .....		428,477,000	450,082,000	461,188,000	95	93
					%Feb. 1930 of Jan. 1930	%Feb. 1930 of Feb. 1929
<b>City Member Banks—</b>						
Loans Secured by Stocks and Bonds .....		\$85,438,000	\$85,104,000	\$79,759,000	100	107
All Other Loans .....		162,563,000	170,320,000	176,903,000	95	92
Securities .....		115,733,000	115,802,000	130,375,000	100	89
Net Demand Deposits Subject to Reserve .....		211,450,000	220,502,000	215,892,000	96	98
Time Deposits .....		133,693,000	132,161,000	138,771,000	101	96
Borrowings at Federal Reserve Bank .....		870,000	2,200,000	6,692,000	40	13
<b>Minneapolis Federal Reserve Bank—</b>						
Bills Discounted .....		2,997,424	4,237,717	9,464,568	71	32
Federal Reserve Notes in Circulation .....		60,874,955	64,884,600	61,420,925	94	99



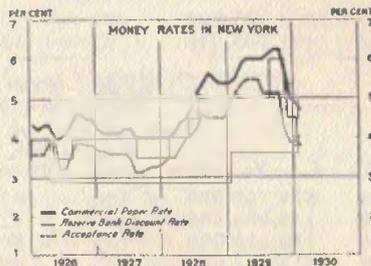
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average=100). Latest figure, January, 103.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1928-1925 average=100). Latest figures, January, employment 98.1, payrolls 94.2.



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first two weeks in February.



Monthly rates in the open market in New York: commercial paper rate on 4-to 6-month paper. Acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first twenty days in February.

## Summary of National Business Conditions (Compiled February 21 by Federal Reserve Board)

Industrial production increased in January from the extreme low level of December. Factory employment, which was in relatively small volume in the middle of December, was further reduced by the middle of January, but preliminary reports indicate a slight increase in the three weeks following. There was a further liquidation of bank credit and a decline in money rates. Commodity prices continued to move downward.

**PRODUCTION:** Industrial production showed an increase of about 4 per cent in January, according to the Board's index, which makes allowance for the usual seasonal variations. This increase reflected principally a larger output of automobiles, steel, cotton textiles and shoes. The output of copper, cement, lumber, anthracite coal and flour declined and the increase in bituminous coal output was smaller than is usual for the season. In the first two weeks of February, steel plants increased their rate of operation further but continued to be less active than in the corresponding period of last year. Building contracts awarded showed little change in January, a substantial increase in public works and utilities being in large part offset by a decrease in residential construction. In the first half of February, the daily average of contracts was lower than in January.

**EMPLOYMENT AND PAYROLLS:** The number of wage earners employed at factories declined further between the middle of December and the middle of January, and wage payments showed a larger reduction. In automobile and steel plants, there was an increase in employment in the month ending January 15 and in recent weeks further increases have been reported for these industries. There were decreases in January in the number of wage earners employed in the machinery, car-building and repairing, lumber and cement industries. During the three-week period ending February 3, the Bureau of Labor Statistics, on the basis of preliminary returns, reported a slight increase in factory employment.

**DISTRIBUTION:** Shipments of freight were in about the same volume in January as in December. Average daily loadings of miscellaneous freight and merchandise in less-than-carload lots decreased slightly during the month, but by a smaller amount than is usual at this season. During the first two weeks in February, there was some increase in shipments, largely seasonal in nature. Department store sales in January, according to preliminary figures, received by the Federal Reserve System, were about 2 per cent lower than in the corresponding month of last year, this difference being about the same as was shown the month before.

**WHOLESALE PRICES:** Wholesale prices of commodities in January continued to move downward. In general, fluctuations were small until the latter part of the month when decreases occurred in the prices of grains, cotton, wool, iron and steel and petroleum. The prices of meats and live-stock fluctuated over a wide range and averaged higher in January than in December. In the first half of February, the prices of hogs, pork and cattle increased, while the prices of wheat, cotton, pig iron, petroleum and textiles continued to decline.

**BANK CREDIT:** Liquidation of member bank credit in January and the early part of February was in substantially larger volume than in the corresponding period of 1929. Declines were reported in loans on securities and in all other loans, which continued to decrease in February contrary to the usual seasonal trend. There was little change in the bank's holdings of investments. The volume of Reserve bank credit outstanding declined by about \$140,000,000 between the middle of January and the middle of February. This decline was due in part to the reduction in member bank reserve balances which accompanied the decline in the banks' loans and investments, in part to the continued return flow of currency from circulation, and in part to gold imports, largely from Brazil and Japan.

Money rates in the open market eased further. Rates on commercial paper declined to a range of  $4\frac{1}{2}$ - $4\frac{3}{4}$  per cent, and rates on 60-90 day bankers' acceptances declined from 4 to  $3\frac{3}{8}$  per cent and later to  $3\frac{3}{4}$  per cent. Discount rates at the Federal Reserve Banks of New York, Chicago, Boston and Kansas City were reduced from  $4\frac{1}{2}$  to 4 per cent, and rates at Philadelphia, Cleveland, Richmond, St. Louis, Minneapolis and Dallas were reduced from 5 to  $4\frac{1}{2}$  per cent.