MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

JOHN R. MITCHELL, Chairman of the Board and Federal Reserve Agent

CURTIS L. MOSHER F. M. BAILEY Assistant Federal Reserve Agents

OLIVER S. POWELL Statistician

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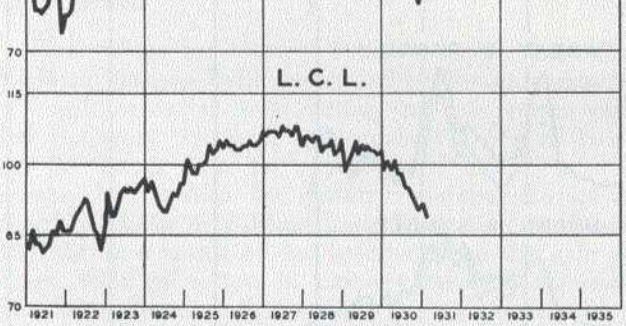
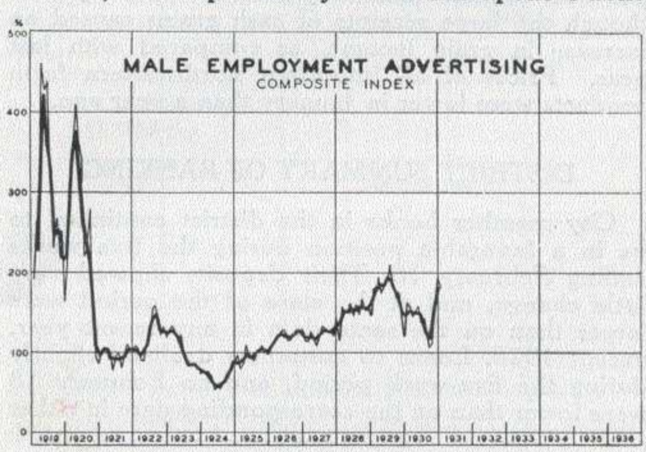
DISTRICT SUMMARY OF BUSINESS

Warm weather and an almost total absence of snow have been important factors in the changes in business volume which have occurred during the past two months. The temperature in Minneapolis during January was the highest ever recorded since the records began forty years ago. The total precipitation of .13 of an inch during January was the smallest amount of moisture received during that month at Minneapolis since 1898. These weather conditions have continued through February up to the time of writing, and have prevailed throughout most of the district. As a result, roads have been open and certain lines of activity have been stimulated. Marketings of bread wheat were twice as large in January as in the same month last year. Durum wheat marketings were two and one-half times as large, and flax marketings were three times as large. Egg production and dairy output have been unusually large during recent weeks. Livestock growers on the ranges have been able to conserve their feed supplies, and winter losses of livestock have been small. Building permits in January were one-half larger than in the corresponding month last year. Carloadings of miscellaneous freight increased somewhat in December and January over the extremely low level of November, after eliminating purely seasonal changes. On the other hand, certain activities were diminished by the mild weather as, for instance, sales and deliveries of coal and the use of common labor for snow removal.

The mild weather was probably responsible, in part, for an improvement in the employment indexes of Minneapolis during the last three months. Employment advertising in Minneapolis newspapers has shown an improvement in the relationship between "Help Wanted" and "Situations Wanted" since September, and most notably so in December and January. "Help Wanted" advertising, after seasonal corrections, has increased and "Situations Wanted" advertising has decreased. The decrease in the number of "Situations Wanted" ads in November was undoubtedly partly due to the registration of the unemployed which occurred in that month, and which was probably used by some persons as a substitute for advertising at the time. However, the number of "Situations Wanted" ads has remained at the low level of November for the succeeding two months, and "Help Wanted" advertising has continued to increase. Skilled "Help Wanted," as reported by the Minneapolis Public



Carloadings of Miscellaneous Commodities and Less-than-Carlot Freight in the Northwestern District, adjusted to remove seasonal variations.



Male Employment Advertising Index for Minneapolis. This index is computed by dividing the seasonally adjusted index numbers of "Situations Wanted" into the similar index numbers for "Help Wanted." The heavy curve is a 3-month moving average of the light curve.

Employment Office, has shown no significant decline since last September, but has remained at a low level. As was to be expected, the number of Minneapolis families requiring financial relief has increased sharply during the winter months. In January, the Family Welfare Association assisted 738 families on account of unemployment, as compared with 52 such cases in January 1930. This was the largest number of unemployment cases handled by the Family Welfare Association since comparable records began in 1922.

The district volume of business during January continued at the low level of the preceding three months, in spite of the increased activity in certain lines noted above. Bank debits were 16 per cent smaller in January than during the same month last year. The smallest declines occurred at the Great Lakes ports and in the mixed farming areas centering around Sioux Falls, South Dakota. The country check clearings index for January was 17 per cent lower than the index for January 1930. Decreases, as compared with January last year, also occurred in postal receipts, freight carloadings, flour and linseed product shipments, copper output, receipts of cattle and hogs, department store sales, furniture sales, country lumber sales, securities sales and wholesale trade. Increases over January 1930 occurred in electric power consumption in the eastern part of the district, in building permits, grain marketings and receipts of calves and sheep.

The reduced volume of business continued during the first half of February. Country check clearings during the first fourteen business days in February were 20 per cent smaller than in the corresponding days last year. Bank debits for seventeen cities were 23 per cent smaller in the first three weeks of February than in the corresponding weeks of 1930.

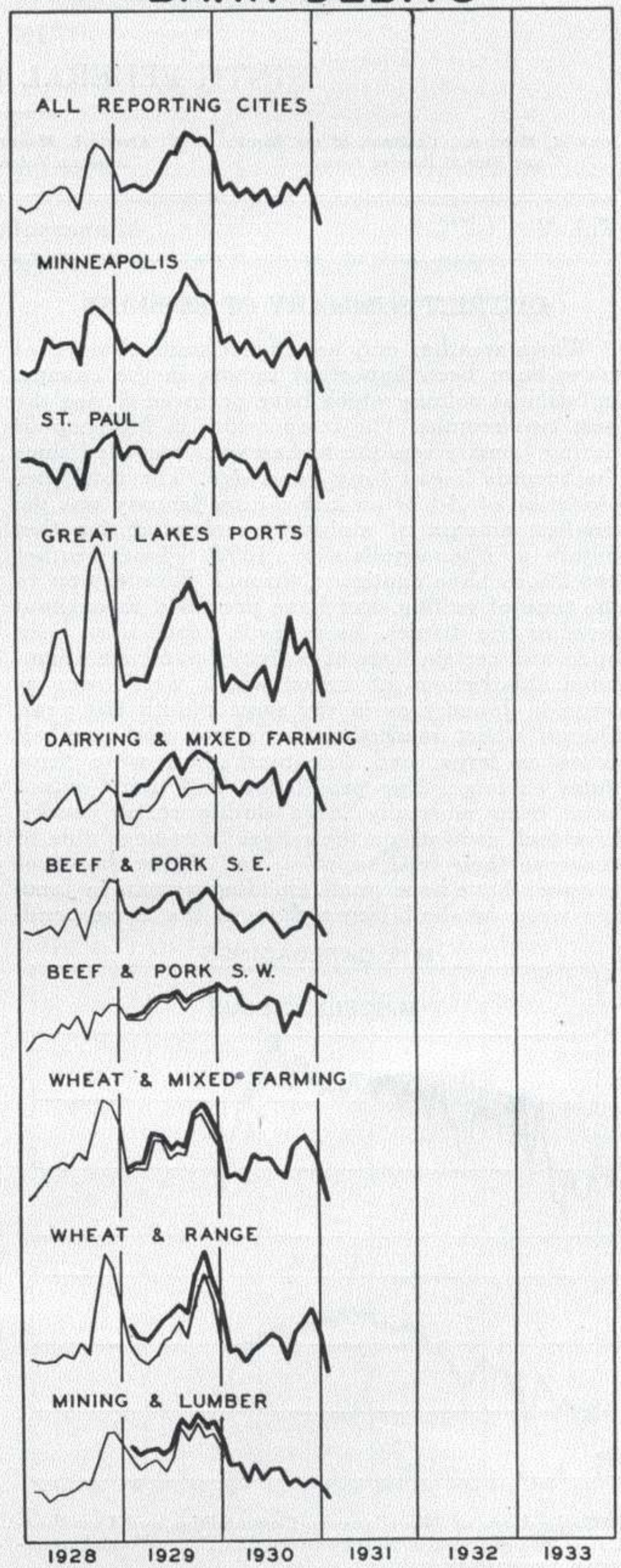
The estimated farm income from marketings of seven important products during January was 11 per cent smaller than in January a year ago, although the large receipts of cash grains caused an increase in grain income, as compared with last year. Prices of all important northwestern farm products were lower in January than a year ago.

DISTRICT SUMMARY OF BANKING

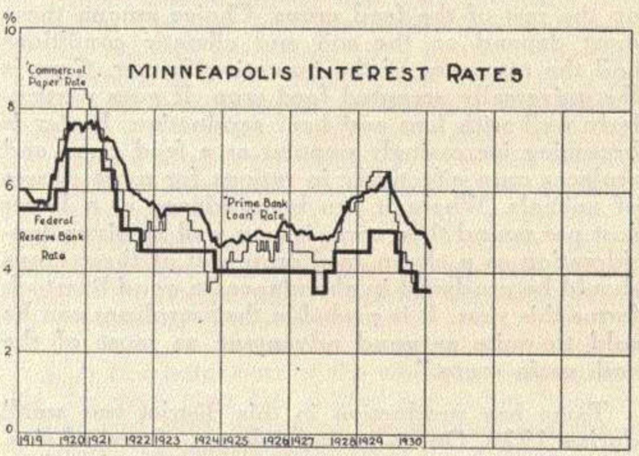
City member banks in the district continued to be in a favorable position during the five weeks ending February 18. Their deposits showed very little change, and at the close of the period were larger than on the same date in any recent year, except 1928. Loans to customers declined slightly during the five-week period, and on February 18 were lower than on the corresponding date in either

NOTE RE BANK DEBITS CHART: The number of reporting cities was larger in 1929 and 1930 than in 1928. The light curves show the fluctuations in bank debits for the cities reporting in 1928. The heavy curves are for the larger number of cities reporting at the present time.

NINTH FED. RES. DISTRICT BANK DEBITS



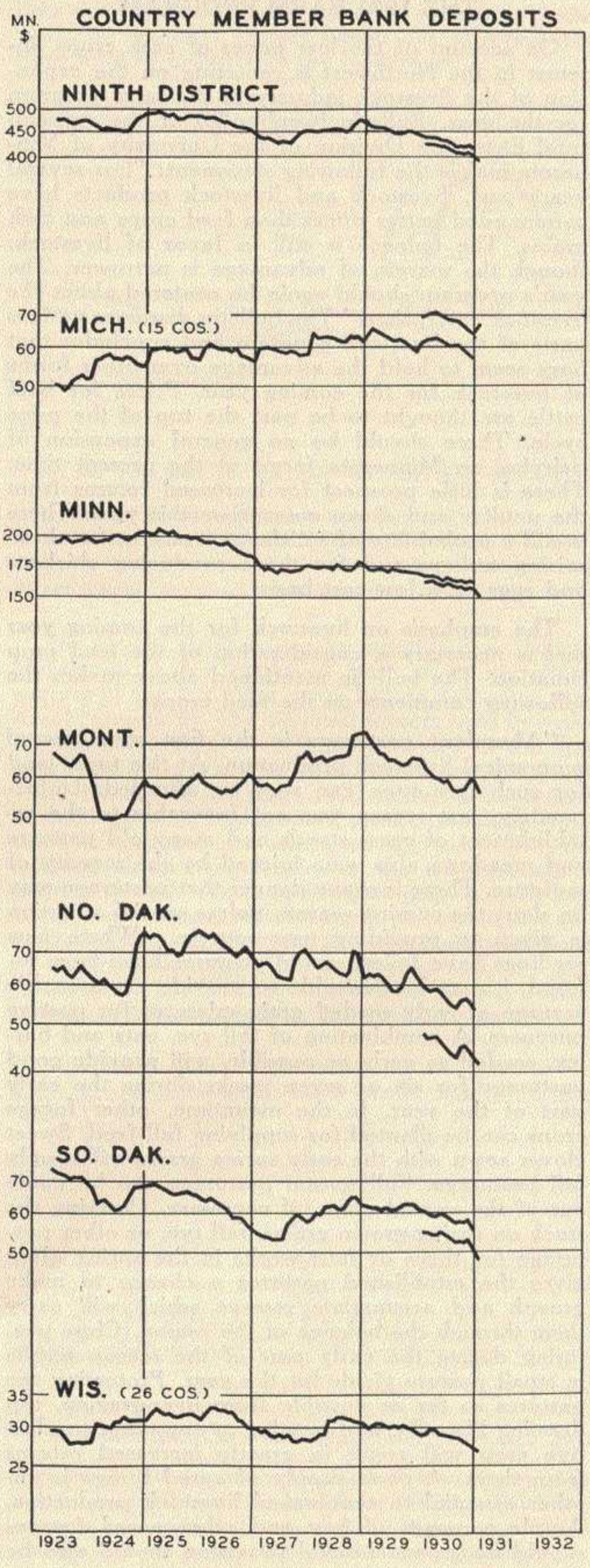
1930 or 1929. Investment holdings of city member banks were reduced during recent weeks, but continued to be larger than in the same weeks of 1930. These banks were not borrowing from the Federal Reserve Bank on February 18. During the past two months, interest rates charged by Minneapolis banks on prime loans were reduced nearly one-half of 1 per cent from 5 per cent to 4½-4¾ per cent. This was the lowest rate quoted since the war, with the exception of December 1924.



Interest Rates at Minneapolis on Prime Bank Loans and Commercial Paper and the Discount Rate at the Federal Reserve Bank, 1919-1931.

Country member banks experienced a sharp reduction in deposits during January, and their average deposit totals during that month were 8 per cent smaller than a year ago. The reduction in deposits was especially important in Montana, North Dakota and South Dakota. The statistics of country member bank deposits were revised in January to include only banks in cities whose populations were under 15,000, according to the 1930 census. This necessitated the omission of Rochester, Minnesota, Grand Forks and Minot, North Dakota, and Aberdeen, South Dakota, and the inclusion of Calumet and Ironwood, Michigan. The January 1930 records for comparable cities are included on Page 111 of the Review.

Borrowings by country member banks from this Federal Reserve Bank continued to fluctuate around a 4 million dollar level during the five weeks ending February 18, and were almost twice as large on the latter date as a year ago. During recent weeks, borrowings by country member banks in South Dakota and Minnesota have been reduced slightly as a result of the income from the sale of hogs. This reduction in country bank borrowings has been almost entirely offset by increases in borrowings by member banks in North Dakota and Montana, where the usual seasonal upturn in borrowings, which lasts until August, has begun.



THE 1931 FARM PROGRAM

On account of the low prices of cash crops, interest in the Northwest is centering on the expansion of the livestock industry in the farm program for the year. Bulletin Number 98 of the Agricultural Extension Division of the University of Minnesota makes the following statement: "For several years past, livestock and livestock products have commanded better prices than feed crops and cash grains. The balance is still in favor of livestock, though the margin of advantage is narrower. The year's program should again be centered about the livestock enterprises." The bulletin discusses various parts of the livestock program and concludes that hogs seem to hold the advantage over other forms of livestock for the coming year. Prices for beef cattle are thought to be past the top of the price cycle. There should be no general expansion of dairying on Minnesota farms at the present time. There is little prospect for increased returns from the poultry and sheep enterprises this year. There is still a probability of satisfactory returns for those raising turkeys and for those producing chickens and eggs on a low-cost basis.

The emphasis on livestock for the coming year makes necessary a consideration of the feed crop situation. The bulletin mentioned above makes the following comments on the feed crops:

"Abundant pasturage is the first step toward economical livestock production. At this time, land for such pasturage can well be afforded. Unfortunately, last season was not favorable to the establishment of grass stands and many old pastures and meadows also were injured by the scarcity of moisture. There is grave danger that pasturage may be short the coming season, unless special attention is given to providing new sources. Where new seedings have failed or old pastures have been injured, it may be desirable to provide a reasonable acreage of early seeded grain mixtures for pasture purposes. A combination of fall rye, oats and barley, seeded as early as possible, will provide good pasturage for six or seven weeks during the early part of the year. In the meantime, other forage crops can be planted for supplying fall feed. Sweet clover sown with the early spring grains will supply fall pasturage. Full season pasturage can be made out of the annual crops, if necessary. Carrying the stock on spring-grown grains, fall rye, or other pasturage for three or four weeks in the spring often gives the established pastures a chance to make growth and accumulate reserve which will carry them through the balance of the season. Close pasturing during the early part of the season results in small pasture yields for the year. Protecting the pastures so far as possible from over-grazing, top dressing liberally, and treating as any other productive crop will result in greatly increased returns from them. A good supply of cured forage is another essential to economical livestock production. Ample acreages of hay and other cured forages should be grown. Liberal provision should also be made for the silage crop. Since cattle in Minnesota must be stable fed for about half of the year, this is quite as important as the pasture problem. An abundant supply of alfalfa hay and a silo full of good corn silage provides the basis for economical rations for either dairy or beef cattle. Land used for the production of these crops is taken out of competition for the production of surplus cash crops. The chances are that it will give much greater returns.

"Corn, barley and oats, with the root crops, make up the rest of the feed crops. Choice among these must depend on the soil and climatic conditions and the resources of the operating farmer. Corn is the universally accepted feed crop. It goes particularly well with hog and beef production. Barley is becoming increasingly popular as a feed crop, and replaces corn effectively in rations for most classes of animals. Where it can be produced at a lower cost per pound than corn, it may well be given consideration as a cheap feed crop. All of these crops should be produced in abundance on good livestock farms this year. It is probable that surpluses can be sold to quite as good advantage as most of the cash grain crops."

Tame hay production in this district was small during 1930. On an acreage almost of record size, only 8,700,000 tons of tame hay were produced, as compared with 9,800,000 tons in 1929 and 10,500,000 tons in 1928. Of special importance was the short crop of alfalfa, clover and other leguminous crops. According to the August estimates of the United States Department of Agriculture, the condition of leguminous crops was as follows: Minnesota 61 per cent, Wisconsin 58 per cent, North Dakota 43 per cent, South Dakota 40 per cent, and Montana 53 per cent. As a result of short crops, the prices of grass and clover seed were high in 1930.

CHANGES IN THE SEASONAL FLOW OF FARM INCOME IN THE NORTHWEST

For some time, and particularly in the last two years, statistical evidence has been accumulating that the seasonal corrections being made in various series of northwestern business records are becoming inaccurate. The adjusted curves of such series as bank debits, country check clearings and farm income have developed regularly recurring peaks and troughs indicating that certain new and permanent business factors were developing which the seasonal corrections did not eliminate. These new factors appear most noticeably in farm income, and especially in the income from wheat and dairy products. The following three changes are especially noteworthy:

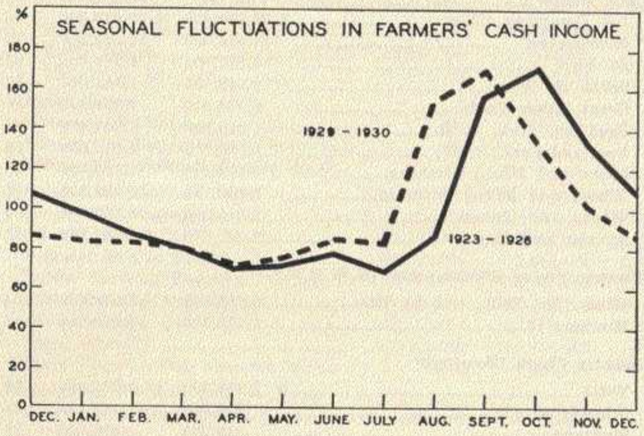
(1) An earlier peak in the marketing of the spring wheat crop. During the last few years, the development of good roads, the increased farm ownership of trucks, and the increasing use of trac-

tors and combine harvesters have made it possible for farmers to shorten the harvesting period and to eliminate delays in hauling wheat to country elevators. There is always a large group of farmers who market their wheat at the earliest possible time. This group of farmers has apparently taken full advantage of the above mentioned means of accelerating the wheat movement. Although the proportion of the wheat crop and carry-over marketed by the end of November has shown very little change during the past eight years, the proportion marketed in August has increased, and the proportion marketed in October and November has decreased. During the four years from 1923 to 1926, inclusive, an average of 8 per cent of the wheat crop and carry-over was received at terminal elevators in August. In 1929 and 1930, an average of 20 per cent of the wheat crop and carry-over was received in August. September marketings have averaged about 16 per cent of the marketable supply during the whole eight-year period. The October marketings have been reduced from 12 per cent of supplies to 8 per cent, and November marketings from 11 per cent to 5 per cent.

(2) The latter part of the wheat movement during the crop year has shifted somewhat from the winter and early spring to the summer months. It is difficult to determine whether this reflects a permanent change in the seasonal flow of wheat marketings, owing to a less urgent need to liquidate debts on the part of some farmers and other causes, or whether it is a temporary factor due to such causes as dissatisfaction at the low levels of wheat prices. This factor is not as important as the first factor mentioned.

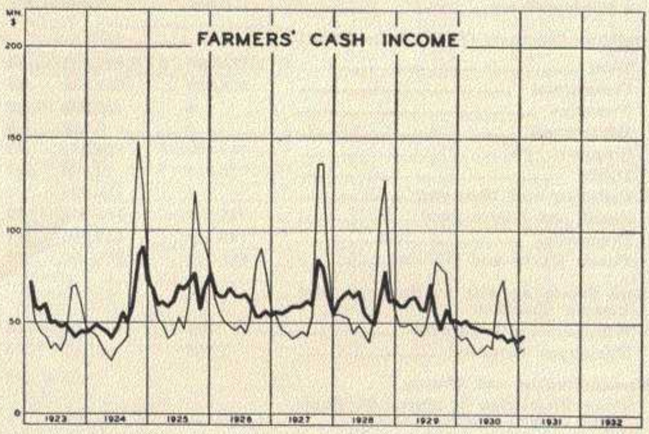
(3) Dairy income has been increasing at a rapid rate. Since the peak of dairy income occurs in June, July and August, the increase in this factor has the effect of raising the level of farm income during the summer months. Creamery butter production in the Ninth Federal Reserve District during May, June and July (for which the farmer is paid in June, July and August) has increased from 113,608,000 pounds in 1923 to 176,437,000 pounds in 1930.

A first attempt to measure the effects of these changes in seasonal factors in farm income is shown in the accompanying chart, which compares the flow of farmers' cash income from seven important items during the period 1923-1926, and the period 1929-1930. Changes in the flow of income are indicated in every month except March. The largest changes have occurred in August, October and November. Not all of the changes in the seasonal flow of farm income during 1929-1930 have been incorporated in the new seasonal indexes, since some of the changes were obviously abnormal. The new seasonal corrections must be considered tentative and subject to some alteration, based on the evidence of subsequent years, but it is probable that they draw attention, with sufficient accuracy, to the changing seasonal factors which are affecting various lines of industry in the Northwest.



Indexes of Seasonal Fluctuation in Farmers' Cash Income in the Ninth Federal Reserve District. The two curves illustrate the changes which have developed gradually during recent years.

The second chart shows the monthly cash income of farmers in the Northwest from seven important sources in the last eight years before and after seasonal corrections. The seasonal factors used in making the corrections were those indicated in the first chart for the years 1923-1926, and for the years 1929-1930. For the years 1927 and 1928, seasonal corrections were made, based on the transition from the old seasonal movement to the new. The remaining sharp irregularities in the adjusted curve are due to such causes as exceptionally early or late harvesting seasons, car shortages, price changes, abnormal grain carry-overs, and weather conditions affecting marketings. The small upturn in the adjusted curve for January was due to the large marketings of grain caused by the clement weather.



Farmers' Cash Income in the Ninth Federal Reserve District from Cash Crops, Hogs and Dairy Products. The heavy curve is seasonally adjusted, and the light curve shows changes in farm income without seasonal adjustment.

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS	Jan. '31	Jan. '30	Per cent Jan. '31 of Jan. '30
Bank Debits [1]			
All Reporting Cities	$ 33,250,400	$ 39,819,500	84
Minneapolis	13,631,000	17,503,000	78
St. Paul	5,859,000	6,908,000	85
South St. Paul	1,168,000	1,551,000	75
Great Lakes Ports	3,134,800	3,258,200	96
Beef and Pork, S. E.	1,208,200	1,357,600	89
Beef and Pork, S. W.	1,769,700	1,842,600	96
Dairy and Mixed Farming	1,573,200	1,785,700	88
Wheat and Mixed Farming	1,836,700	2,035,800	90
Wheat and Range	1,002,300	1,115,800	90
Mining and Lumber	2,067,500	2,461,800	84
Electric Power Consumption (K.W.H.) [1,2]			
Minn., No. Dak., and So. Dak.	5,297,000	5,073,000	104
Montana	2,906,000	4,248,000	68
Country Check Clearings [1]			
Total	$ 2,683,200	$ 3,235,000	83
Minnesota	936,000	1,159,400	81
Montana	445,600	566,700	79
North and South Dakota	716,600	817,700	88
Michigan and Wisconsin	585,000	691,200	85
Postal Receipts			
Six Cities	974,622	1,106,394	88
Minneapolis	477,280	588,969	81
St. Paul	345,850	363,108	95
Duluth	57,666	63,058	91
Three Other Cities	93,826	91,259	103
Freight Carloadings—N. W. District			
Total—Excluding L.C.L.	265,850	322,426	82
Grains and Grain Products	43,150	43,011	100
Livestock	37,753	39,747	95
Coal	36,093	47,262	76
Coke	5,086	6,759	75
Forest Products	39,985	57,490	70
Ore	930	1,468	63
Miscellaneous	102,853	126,689	81
Merchandise—L.C.L.	110,814	123,859	89
Building Permits			
Number—18 Cities	506	484	105
Value—18 Cities	$ 1,396,200	$ 933,700	150
Minneapolis	407,300	562,800	72
St. Paul	626,100	152,000	412
Duluth-Superior	69,300	43,000	161
4 Wheat Belt Cities	80,200	46,700	172
6 Mixed Farming Cities	207,700	123,800	168
4 Mining Cities	5,600	5,400	104
Building Contracts (F. W. Dodge Corp.)			
Total	$ 2,155,300	$ 2,497,000	86
Commercial	333,000	516,100	65
Factories	0	18,800	0
Educational	0	2,300	0
Hospitals, etc.	154,600	250,000	62
Public	53,500	16,000	334
Religious and Memorial	0	125,000	0
Social and Recreational	721,900	985,200	73
Residential	738,700	513,700	144
Public Works and Utilities	694,700	998,100	70
Real Estate Activity in Hennepin and Ramsey Counties			
Warranty Deeds Recorded	877	1,123	78
Mortgages Recorded	1,203	1,167	103
Manufacturing and Mining			
Flour Production at Mpls., St. Paul, and Duluth-Superior (bbls.)	960,799	977,008	98
Flour Shipments at Mpls. (bbls.)	884,335	960,548	92
Linseed Product Shipments (lbs.)	25,780,069	26,056,822	99
Copper Output (5 firms) (lbs.)	24,897,400	33,586,000	74
Business Failures			
Number	92	63	146
Liabilities	$ 775,939	$ 1,072,565	72

AGRICULTURE	Jan. '31	Jan. '30	Per cent Jan. '31 of Jan. '30
Farmers' Cash Income			
Total of 7 Items	$ 36,520,000	$ 41,240,000	89
Bread Wheat	5,949,000	5,004,000	119
Durum Wheat	3,029,000	1,935,000	157
Rye	69,000	471,000	15
Flax	552,000	357,000	155
Potatoes	1,793,000	2,861,000	63
Dairy Products	11,075,000	13,985,000	79
Hogs	14,053,000	16,627,000	85
Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Bread Wheat	6,677,000	3,320,000	201
Durum Wheat	4,192,000	1,635,000	256
Rye	180,000	513,000	35
Flax	349,000	116,000	301
Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)			
Wheat	60,663,960	56,684,976	107
Corn	2,841,094	1,801,495	158
Oats	7,956,622	9,916,881	80
Barley	5,673,524	5,846,686	97
Rye	8,598,464	3,618,103	238
Flax	1,372,504	875,815	157
Livestock Receipts at So. St. Paul (Head)			
Cattle	46,858	59,426	79
Calves	58,703	56,088	105
Hogs	307,162	351,683	87
Sheep	141,405	87,525	162
Median Cash Grain Prices (Bus.)			
Wheat—No. 1 Dark Northern	$ .76⅝	$ 1.31⅛	58
Durum—No. 2 Amber	.72¼	1,18⅜	61
Corn—No. 3 Yellow	.60⅜	.82½	73
Oats—No. 3 White	.29¼	.42⅝	69
Barley—No. 3	.42	.57	74
Rye—No. 2	.38⅛	.91⅞	42
Flax—No. 1	1,58¼	3.07½	51
Median Livestock Prices (Cwt.)			
Butcher Cows	$ 5.25	$ 7.75	68
Butcher Steers	7.75	10.75	72
Prime Butcher Steers	9.50	12.25	78
Feeder Steers	6.25	9.50	66
Veal Calves	9.00	13.00	69
Hogs	7.35	9.60	77
Heavy Hogs	6.90	9.00	77
Lambs	8.25	13.00	63
Ewes	3.50	6.25	56
Wholesale Produce Prices			
Butter (Lb.)	$ .24½	$ .32½	75
Milk (Cwt.)	1.58	2.13	74
Hens (Lb.)	.16½	.19½	85
Eggs (Doz.)	.18	.32¾	55
Potatoes (Bu.)	1.20	1.65	73
TRADE			
Department Stores			
Sales	$ 2,875,140	$ 3,035,440	95
Merchandise Stocks	6,118,680	7,052,290	87
Receivables	3,677,170	3,770,690	98
Instalment Receivables	761,230	682,630	112
Furniture Stores			
Total Sales	$ 211,370	$ 251,900	84
Instalment Sales	134,820	153,320	88
Merchandise Stocks	1,383,580	1,519,870	91
Instalment Receivables	2,012,680	2,296,470	88
Country Lumber Yards			
Sales (Bd. Ft.)	3,558,000	4,862,000	73
Lumber Stocks (Bd. Ft.)	76,552,000	85,785,000	89
Total Sales	$ 1,056,300	$ 1,527,600	69
Receivables	3,284,400	3,550,300	93
Life Insurance Sales			
Four States	$ 18,139,000	$ 24,140,000	75
Minnesota	13,616,000	17,598,000	77
Montana	1,673,000	2,425,000	69
North Dakota	1,227,000	1,859,000	66
South Dakota	1,623,000	2,258,000	72

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

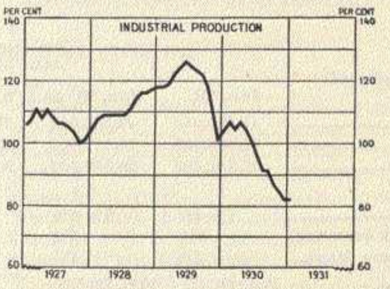
	Jan. '31	Jan. '30	Per cent Jan. '31 of Jan. '30
Investment Dealers			
Sales to Banks	4,714,700	4,144,800	114
Sales to Insurance Companies	1,014,400	317,100	320
Sales to General Public	4,877,000	6,542,500	75
Wholesale Trade			
Farm Implements—			
Sales	$ 60,420	$ 176,210	34
Stocks	627,500	636,060	99
Receivables	181,500	145,490	125
Groceries—			
Sales	$ 3,408,730	$ 3,917,690	87
Stocks	6,386,320	6,965,280	92
Receivables	4,414,860	4,914,460	90
Hardware—			
Sales	$ 1,123,400	$ 1,546,440	73
Stocks	2,752,430	3,087,620	89
Receivables	1,752,040	2,156,730	81
Shoes—			
Sales	$ 152,320	$ 229,650	66
Stocks	848,430	1,473,930	58
Receivables	744,920	1,124,840	66
BANKING			
Member Bank Deposits			
In Cities Over 15,000 pop.	$456,981,000	$453,127,000	101
In Cities Under 15,000 pop.	392,290,000	425,735,000	92
Michigan—15 Cos.	67,262,000	69,865,000	96
Minnesota	151,613,000	160,467,000	94
Montana	55,393,000	62,422,000	89

	Jan. '31	Jan. '30	Per cent Jan. '31 of Jan. '30
Member Bank Deposits (continued)			
North Dakota	41,860,000	48,388,000	87
South Dakota	48,900,000	55,547,000	88
Wisconsin—26 Cos.	27,262,000	29,046,000	94
Interest Rates[2]			
Minneapolis Banks	4½-4¾	5½-5¾	
Commercial Paper (net to borrower)	3½	5¼	
Minneapolis Federal Reserve Bank	3½	4½	
Selected City Member Banks	Feb. 18, '31	Feb. 19, '30	
Loans to Customers	$209,823,000	$228,007,000	92
Other Invested Funds	140,462,000	135,727,000	103
Deposits Due to Banks	83,385,000	73,385,000	114
Public Demand Deposits	23,071,000	18,937,000	122
Other Demand Deposits	171,353,000	172,400,000	99
Time Deposits	149,539,000	133,693,000	112
Total Deposits	427,693,000	398,415,000	107
Borrowings at Fed. Reserve Bank	0	870,000	0
Minneapolis Federal Reserve Bank			
Loans to Member Banks	3,954,000	2,677,000	148
Twin Cities	0	560,000	0
Minn., Wis. and Mich.	1,007,000	705,000	143
N. Dak. and Mont.	1,430,000	926,000	154
South Dakota	1,517,000	486,000	312
Fed. Res. Notes in Circulation	48,319,080	60,874,955	79
Member Bank Reserve Deposits	46,203,000	49,996,000	92

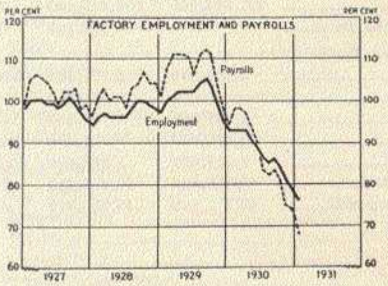
[1]Daily Averages.
[2]Latest Reported Data.

BANK DEBITS

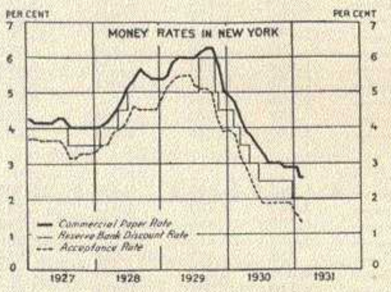
Number of Business Days:	January 1931	December 1930	January 1930	December 1929
All States in District	26	26	26	25
(000's omitted)				
Michigan				
Escanaba (1 Bank)	$ 946	$ 906	$ 946	$ 983
Hancock	1,724	1,758	1,878	1,855
Houghton (1 Bank)	649	498	795	724
Iron Mountain	4,212	3,426	6,181	4,107
Iron River, Caspian, Stambaugh	2,012	1,349	1,785	1,641
Manistique (1 Bank)	870	487	732	504
Marquette	4,587	4,735	5,345	5,624
Menominee	3,315	2,668	4,098	3,433
Sault Ste. Marie	3,073	2,950	3,232	3,203
Minnesota				
Albert Lea	$ 2,762	$ 3,431	$ 2,594	$ 2,529
Austin (2 Banks)	3,719	4,796	4,690	4,767
Bemidji (2 Banks)	974	1,336	1,207	1,550
Chaska	695	717	671	798
Chisholm	1,121	1,268	892	1,622
Cloquet	1,961	2,083	2,334	3,429
Crookston	1,173	1,465	1,270	1,159
Detroit Lakes	762	1,109	790	1,050
Duluth	63,621	79,019	64,266	95,128
Ely	604	928	514	978
Faribault (1 Bank)	1,443	1,320	1,306	1,379
Farmington	211	244	232	277
Fergus Falls	2,676	....	3,113	....
Glenwood	393	620	409	712
Hutchinson	1,221	1,075	1,255	1,347
Lakefield (2 banks)	325	324	349	440
Lanesboro	366	385	380	442
Little Falls	1,199	1,094	984	1,300
Luverne	726	949	986	1,176
Mankato	6,340	6,232	6,608	6,974
Minneapolis	354,416	411,256	455,073	532,687
Moorhead	1,100	1,550	1,453	1,550
Morris	525	590	611	515
Owatonna	2,718	3,052	2,754	3,215
Park Rapids	$ 406	$ 503	$ 431	$ 540
Red Wing	2,096	2,259	2,603	2,854
Rochester	5,929	6,215	6,215	6,475
St. Cloud (1 Bank)	330	434	360	479
St. Paul	152,338	186,714	179,602	202,075
South St. Paul	30,359	29,673	40,326	37,676
Stillwater	1,992	2,346	2,660	3,354
Thief River Falls	776	1,388	794	1,327
Two Harbors	426	660	535	571
Virginia	2,031	2,425	2,265	2,789
Wabasha	789	1,150	925	1,102
Wadena	926	1,179	915	1,327
Wheaton	456	681	571	675
Willmar	1,070	1,681	1,604	1,996
Winona	7,171	8,054	7,635	8,117
Worthington (1 Bank)	773	912	883	976
Montana				
Anaconda	$ 1,875	$ 2,150	$ 2,895	$ 2,204
Billings	7,549	9,180	8,221	9,930
Bozeman	2,335	2,344	1,910	2,940
Butte (2 Banks)	10,569	11,922	12,970	14,716
Deer Lodge	1,160	1,252	1,287	1,351
Glendive	900	1,517	989	1,514
Great Falls	12,285	13,813	14,909	18,792
Harlowton	285	406	436	418
Havre	1,524	1,812	1,757	2,465
Helena	7,127	9,116	8,628	10,531
Lewistown	1,766	2,544	....	2,728
Malta	553	832	750	623
Miles City (1 Bank)	1,389	1,986	1,499	2,202
North Dakota				
Bismarck	$ 8,925	$ 11,895	$ 9,677	$ 13,303
Devils Lake	1,485	1,749	1,614	1,840
Dickinson	1,291	1,885	1,140	1,280
Fargo	15,081	17,473	16,278	18,298
Grafton	528	628	533	869
Grand Forks	6,370	6,673	6,531	7,472
Jamestown	2,146	2,597	2,620	2,831
Mandan	1,527	1,787	1,538	1,888
Minot	5,453	6,480	6,697	8,193
Valley City	1,212	1,491	1,365	1,524
Wahpeton	934	923	1,061	1,073
Williston	1,142	1,391	1,294	1,753
South Dakota				
Aberdeen	$ 6,174	$ 6,668	$ 6,398	$ 7,061
Brookings (1 Bank)	963	1,106	1,142	1,096
Deadwood	991	846	928	944
Huron	7,413	7,544	6,648	6,934
Lead	1,436	1,354	1,204	1,153
Madison	213	....	....	....
Milbank	547	623	517	717
Mitchell (2 Banks)	4,072	4,269	4,796	4,926
Mobridge	383	490	691	739
Pierre	1,128	1,296	1,445	1,449
Rapid City	3,513	4,146	4,341	4,498
Sioux Falls	24,180	23,835	24,779	23,880
Watertown	4,705	4,662	5,497	4,888
Yankton	2,424	2,912	2,221	2,415
Wisconsin				
Ashland	$ 2,081	$	$ 2,322	$ 2,365
Chippewa Falls	1,913	2,013	2,259	2,592
Eau Claire	7,125	7,066	8,385	8,556
Hudson	499	525	514	637
La Crosse	11,347	11,390	12,840	12,993
Merrill (1 Bank)	1,267	1,335	1,375	1,507
Superior	6,771	6,785	8,069	8,098
Total for All Cities Reporting Both Years	$862,884	$992,592	$1,030,527	$1,185,252



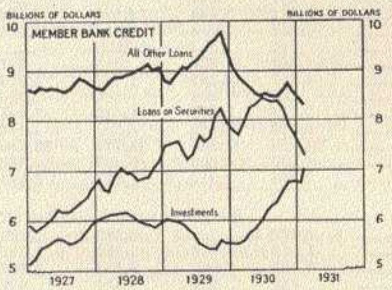
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100)



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average = 100)



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 19 days in February.



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first 2 weeks in February.

Summary of National Business Conditions

(Compiled February 24 by Federal Reserve Board)

Industrial activity increased in January by slightly less than the usual seasonal amount, and factory employment and payrolls declined. Money rates in the open market declined further from the middle of January to the middle of February.

PRODUCTION AND EMPLOYMENT: The Board's index of industrial production, which is adjusted for seasonal variation, showed a decrease of less than 1 per cent in January, compared with declines of 3 per cent in November and in December. Activity in the steel industry, which was at a low level in December, increased during the following month by considerably more than the usual seasonal amount. The output of automobiles, which had shown an unusual increase in December, increased less in January than in the corresponding month of other recent years. The cotton and wool textile industries were more active in January, while the output of copper, petroleum and coal declined.

The number of wage earners employed at factories was smaller in the payroll period ending nearest the 15th of January than in the preceding month, reflecting, in part, extended year-end shutdowns. There were large declines in employment at foundries and at establishments producing hosiery, women's clothing, lumber, brick, cement and tobacco products. Employment in the men's clothing, leather and agricultural implement industries increased somewhat more than usual for the season. Factory payrolls were considerably reduced in January.

The value of contracts awarded for residential building continued to decline in January, according to the F. W. Dodge Corporation, while contracts for public works and utilities increased. In the first half of February, the daily average of contracts awarded for residential building increased.

DISTRIBUTION: The volume of freight carloadings was reduced further in January contrary to the usual seasonal tendency, reflecting decreases in shipments of coal, merchandise and miscellaneous freight. Department store sales which always show a sharp reduction from December to January, declined by less than the estimated seasonal amount.

WHOLESALE PRICES: The general level of wholesale commodity prices declined further by 2 per cent in January, according to the Bureau of Labor Statistics. Prices of many leading agricultural products and of copper and silver decreased substantially, while prices of cotton and silk advanced. In the first half of February, the price of cotton continued to rise, and in the middle of the month copper also advanced, while the price of silver declined to new low levels, and prices of livestock continued to decrease.

BANK CREDIT: The volume of credit at member banks in leading cities showed little change from January 14 to February 11, further declines of \$200,000,000 in loans on securities and of \$115,000,000 in all other loans being largely offset by an increase of \$310,000,000 in the banks' holdings of investments.

In the first three weeks of February, bank suspensions declined sharply and a number of banks, previously suspended, resumed operations.

The volume of Reserve bank credit outstanding decreased by \$175,000,000 between the weeks ending January 17 and February 14, reflecting a reduction of \$70,000,000 in member bank balances and \$80,000,000 in money in circulation, together with an increase of \$25,000,000 in the stock of monetary gold. The principal reduction has been in acceptance holdings of the Reserve banks.

Money rates in the open market continued to decline after the middle of January, and by the middle of February were at new low levels. The prevailing rate on prime commercial paper declined to a range of 2½-2¾ per cent; and the rate on bankers' acceptances were reduced to 1¼ per cent, but subsequently advanced to 1½ per cent.