

MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

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

CURTIS L. MOSHER J. F. EBERSOLE
Assistant Federal Reserve Agents

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DISTRICT SUMMARY FOR THE MONTH

The outstanding event of a favorable character during April was the heavy movement of grains to terminal markets at rising prices. The terminal receipts of all grains were slightly larger than in March and much greater than in April of last year. Median prices of the grains advanced in April as compared with March, although all grain prices, except wheat and oats, continued considerably lower than in April last year. The total value of the cash grains marketed was 35 percent greater than in the same month of last year. As a result, bankers' balances with their correspondents exhibited a phenomenal rise and reached record-breaking totals for this time of year.

Total livestock receipts at South St. Paul were lower than in the preceding month, or in April of last year. Cattle receipts alone were larger than last year. Median livestock prices exhibited mixed trends when April quotations are compared with those of March and of April last year. The total value of the livestock marketed was 13 per cent less than in the same month last year. It is noteworthy that the movement of cattle from terminals for feeding purposes continued to be larger than last year.

Basic agricultural purchasing power created in April by the total value of all terminal receipts of grains and livestock was 9 per cent greater than last year, but the cumulative total for the first four months of this year was 8 per cent less than for the

same four months of last year. Lumber retailers scattered throughout the district reported cumulative sales for four months past 8 per cent below last year.

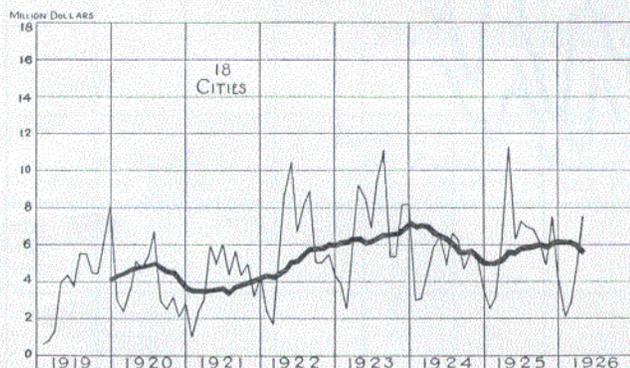
The money value of business transacted in this district, as measured by check payments through banks, exhibited the customary seasonal decline in April as compared with March and was slightly less than in April last year. The physical volume of business, as measured by the total carloadings in April, was 2 per cent less than in March and 8 per cent less than in April last year, the latter figure being due principally to the opening of lake navigation on a later date this year, retarding the movement of iron ore.

As compared with last year, there were gains shown in shipments of flour and lumber and in sales of farm implements and of securities to the public; and losses shown in retail and wholesale trade, in linseed products shipments and in sales by lumber yards. As compared with last month, there were gains shown in sales at retail, both city and country, and in security sales; and losses in lumber cut and shipped by manufacturers and in wholesale trade other than groceries and hardware.

Prospective building operations, as reflected by the valuation of building permits granted during April in representative cities in the district, increased slightly more than the normal expectancy; but the total was one-third less than in April of last year.

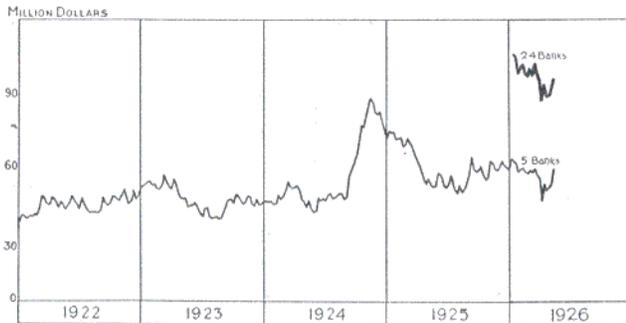
TOPICAL REVIEWS

Among banking developments during the last month, the most important was an abnormal increase in balances carried by country banks with selected city correspondents in this district. Between April 21 and May 12, there was an increase of 9 million dollars, or 19 per cent, in balances with these correspondent banks. This is the first time in the seven years for which this office has records that such an occurrence has happened at this time of year. Usually country bank balances are drawn down, as described last month, until the third or fourth week in May, after which there is an increase for two weeks, culminating in the first week in June. The abnormal increase this year brought country



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

bank balances with Minneapolis correspondents to the highest figure reached on this date in any year on record. The course of country banks deposits with Minneapolis correspondents is shown in the accompanying chart. There has been added to the chart this month a curve showing the balances with member banks in the eight cities from which we receive reports. These figures were first requested by this office from banks outside of Minneapolis on January 13 of this year.

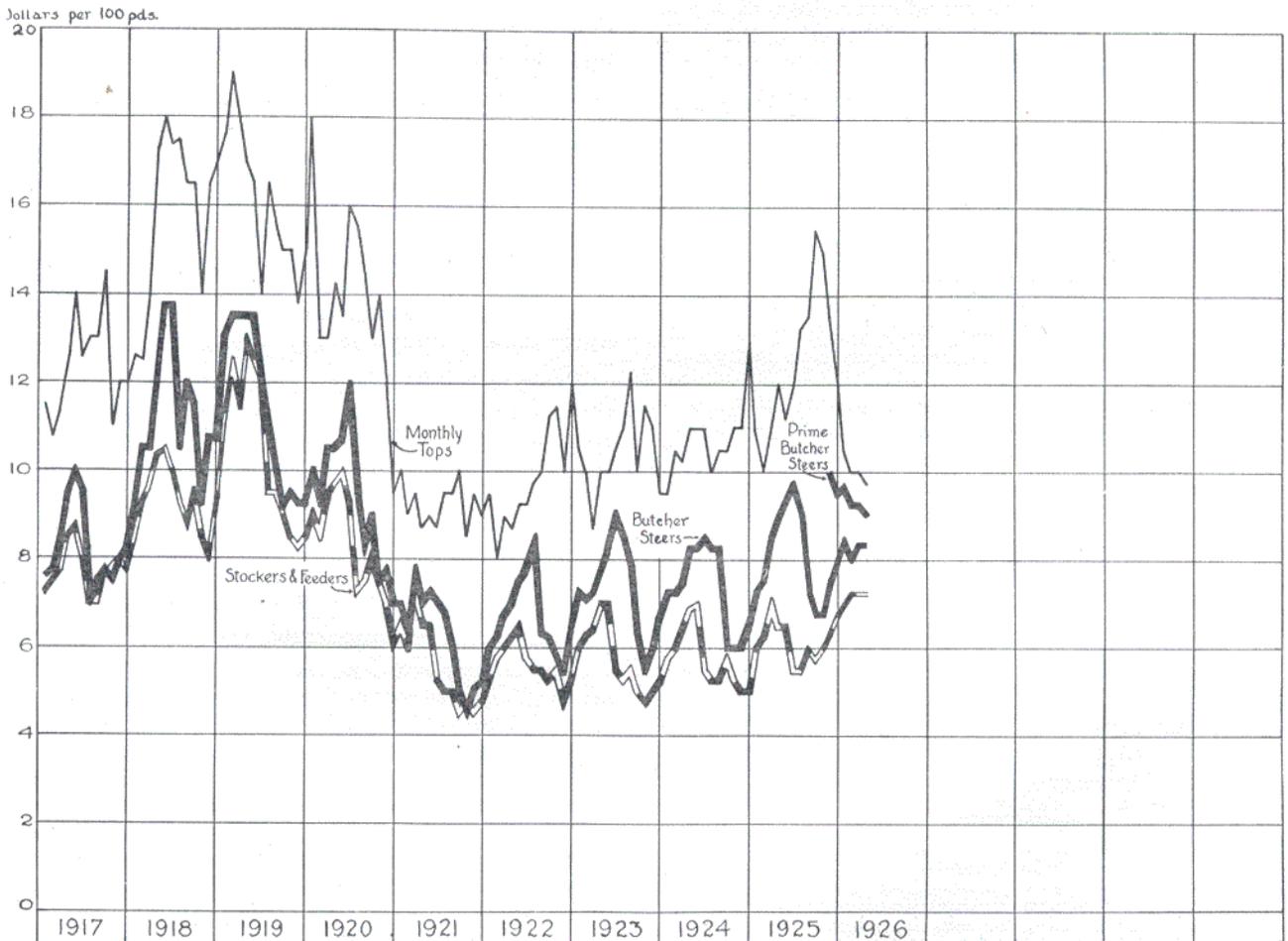


Balances Due to Banks at Reserve City Banks in the Ninth Federal Reserve District.

In the combined balance sheets of twenty-four

selected member banks in the larger cities which make weekly reports to this office, there was a decrease of 3 million dollars in loans during April, and a further decrease of nearly 7 million dollars during the first two weeks in May. Investments of these banks decreased 3 millions in April, but increased 2 millions during the first two weeks in May. Time deposits decreased 5 millions during the six-week period surveyed. Net demand deposits subject to reserve decreased 6 millions in this period.

This Federal Reserve Bank had an increase of 2 million dollars in bills discounted during the six weeks from March 31 to May 12. The increase in loans was made to banks outside of the larger cities, for borrowings by the city member banks reporting weekly to this office remained practically unchanged. During April, this Federal Reserve Bank increased its holdings of purchased bills and United States securities by 14 million dollars, but during the succeeding two weeks, holdings of purchased bills declined 5 millions. Federal reserve notes in circulation decreased 1 1/3 millions in April, and remained unchanged during the first two weeks in May. Member bank reserve accounts were reduced 3 1/2 millions during April, but were increased 2 3/4 millions during the two weeks ending May 12.



Prices of Typical Grades of Steers at South St. Paul, Monthly 1917-1926, inclusive.

CATTLE PRICES AND THE PROFITABLENESS OF FEEDING STEERS

In view of the revival of cattle feeding in this territory during the last winter, when the largest number of feeders was shipped to the country from South St. Paul since 1922-23, there is presented herewith a chart showing prices of various grades of steers at South St. Paul from 1917 to 1926 as follows:

1. The top price paid during each month for butcher steers;
2. The median price of butcher steers;
3. The median price of stocker and feeder steers;
4. The median price of prime butcher steers from November, 1925 to April, 1926, inclusive.

It will be noted that there are pronounced seasonal changes in each of the curves shown. Stocker and feeder steers reach a low price in October, November or December of each year, and then increase rapidly in price to a high point in the spring. Feeder steers in February, March and April of 1926 sold at the highest price since March, 1921. The median price of butcher steers, which includes sales of both grass-fat and feed-lot animals, usually reaches its lowest price in September, October or November, then increases rapidly until May, June or July. These changes in butcher steer median prices are probably caused, to some extent, by the varying proportions of grass-fat and corn-fed steers. The top price recorded for prime butcher steers in each month follows a much more irregular course, but there is apparently a higher price level during the fall and early winter months than during the spring, which can be explained by the fact that there is a seasonal increase in supplies of corn-fed steers during the spring months of each year.

The decline in these top prices from September to April of the current feeding year has been more pronounced than in any other year since 1920. Feeders expect a moderate decline in the price of prime butcher steers between the fall months when

they plan for feeding operations and the spring months when their fat steers are sold. The tremendous decline this year, however, has been discouraging. The relative proportions of the decline are shown in the accompanying table, which gives the average top price during September, October and November and the average top price during February, March and April from 1921 to 1926. The abnormal years from 1917 to 1920 have been excluded from the table. It will be seen that in four of the last five years, there have been declines in the highest price received, and that the decline this year of \$4.75 per hundredweight was by far the most severe of any of the changes during these years.

PRICE CHANGES IN THE TOP PRICE PAID FOR PRIME BUTCHER STEERS AT SO. ST. PAUL

	Average Price Per Cwt. September October & November	Average Price Per Cwt. February, March & April	Change
1921-2	\$ 9.33	\$ 8.58	—\$.75
1922-3	10.92	9.58	— 1.34
1923-4	10.83	10.58	— .25
1924-5	10.83	11.00	+ .17
1925-6	14.67	9.92	— 4.75

The course of the median price of prime butcher steers during the six months for which medians have been computed, has followed the same general trend as the highest price received for butcher steers, although the changes have been more moderate.

The profit from feeding steers has decreased rapidly in the last few months, owing to the rapid decline in prime butcher steer prices. The increase in the cost of feeder steers has been approximately offset by the decline in feed prices. In order to determine accurately the profitableness of feeding during the recent months, a survey has been made of the ratio of returns to costs of feeding a steer for a five month period. The median price of prime butcher steers, computed in our office, was used in determining returns. Our median stocker and feeder steer price, and our median corn price were used

STEER FEEDING: COSTS AND RETURNS

Five Month Feeding Period	Purchase Price 900 Pound Feeder Steer	Cost of Feed (Prices at start of Feeding Period)	Cost of Feeder Steer & Feed	Sale Price of 1200 Pound Prime Butcher Steer at end of Feeding Period	Ratio of Returns to Costs
June, 1925—Nov., 1925	\$49.50	\$57.79	\$107.29	\$120.00	112
July, 1925—Dec., 1925	49.50	56.76	106.25	114.00	107
Aug., 1925—Jan., 1926	54.00	56.49	110.49	115.80	105
Sept., 1925—Feb., 1926	51.75	51.39	103.14	111.00	108
Oct., 1925—Mar., 1926	54.00	48.13	102.13	111.00	109
Nov., 1925—Apr., 1926	57.15	51.51	108.66	108.00	99
Dec., 1925—May, 1926	60.75	47.27	108.02		
Jan., 1926—June, 1926	63.00	46.72	109.72		
Feb., 1926—July, 1926	65.25	43.60	108.85		
Mar., 1926—Aug., 1926	65.25	43.01	108.26		
Apr., 1926—Sept., 1926	65.25	42.70	107.95		

in determining the costs, together with prices from other reliable records for items included in the feeding ration for which this office does not compute median prices. A feeder steer purchased in June and sold in November as a fat animal gave the farmer a much better return on his investment than he received if he began his feeding operations in any month since last June. The table below gives the important details of the computation made. It is assumed that all of the feed required is purchased at the approximate market price in the feeding territory during the month when the feeder steer was purchased. Briefly, the feeding operation taken as typical consists of buying a 900 pound feeder steer at South St. Paul and feeding him for five months on a daily ration consisting of 28 pounds of silage, 3 pounds of clover hay, 13 pounds of corn and 2 pounds of cottonseed meal. In determining the ratio of returns to costs, no allowances have been made for labor, shelter and marketing costs, nor for pork and manure credits, because these costs and credits are about equal over a period of years.

OVERHEAD COSTS IN FARMING

Out of gross farm receipts in the West North Central states, 25.0 per cent in 1923 and 21.2 per cent in 1924 was consumed by the overhead costs of taxes and interest combined. The Department of Agriculture has prepared some vitally important figures on overhead costs of farming, from which we have derived the above conclusion. In the West North Central states, in which the greater part of the Ninth Federal Reserve District is included, taxes during the three years 1922, 1923 and 1924 have ranged from \$.62 to \$.72 per acre, and have been from 8.1 to 9.7 per cent of gross farm receipts. Interest paid by farmers in these states amounted to \$1.14 per acre in 1923 and \$1.09 per acre in 1924, and was 15.3 per cent of gross receipts in 1923 and 13.1 per cent in 1924. Probably on account of the repayments of mortgages and other debts made possible by the profitable farm operations of 1924 and 1925 and by refunding other debts on a lower in-

terest basis, the interest payments are now materially lower than in 1924.

TAXES AND INTEREST PAID BY FARMERS

Per acre	Taxes			Interest Paid	
	1922	1923	1924	1923	1924
North Atlantic	\$.99	\$1.12	\$1.16	\$.63	\$.67
South Atlantic . . . . .	.44	.51	.56	.47	.50
E. Northern Central	1.45	1.45	1.48	1.18	1.19
W. Northern Central . . . . .	.62	.72	.67	1.14	1.09
South Central . . . . .	.52	.38	.40	.46	.52
Western . . . . .	.54	.42	.41	.60	.60
United States . . . . .	.69	.63	.63	.77	.76

As Percentage of Gross Receipts	Taxes			Interest Paid	
	1922	1923	1924	1923	1924
North Atlantic	5.6	5.9	5.8	3.3	3.4
South Atlantic	5.9	6.5	7.2	5.9	6.5
E. Northern Central	10.9	10.0	10.1	8.2	8.1
W. Northern Central	9.4	9.7	8.1	15.3	13.1
South Central	7.4	8.0	7.4	9.7	9.4
Western	11.6	9.4	8.0	13.6	11.7
United States	8.8	8.5	7.9	10.3	9.4

GENERAL PROPERTY TAXES IN THE NINTH FEDERAL RESERVE DISTRICT

Taxes on general property in the Ninth Federal Reserve District have more than doubled during the period from 1916 to 1924. Substantial percentage increases were shown by all the classifications such as for state, county, city and school purposes.

The growth of taxation has not been uniform in the several states. In Minnesota, taxes increased to 226 per cent of the 1916 total in 1923, and have since slightly declined. In South Dakota, the high point was reached in 1920 at 247 per cent of the 1916 total. In North Dakota and Montana, the highest points were reached in 1921 at 198 and 222 per cent, respectively, of the 1916 level. In the tables below, these taxes are detailed for the four states of Minnesota, North and South Dakota and Montana combined, from 1916 to 1924, and for each of these four states separately from 1913 to 1925 inclusive, or for such portion of this period as figures are available.

COMBINED FIGURES FOR

MINNESOTA, NORTH AND SOUTH DAKOTA, AND MONTANA

Year	State	Relative to 1916		Relative to City, Village and Township		Relative to School		Relative to Total		
		1916	County	1916	and Township	1916	School	1916	Total	
1916	\$10,013,943	100	\$26,859,315	100	\$31,301,953	100	\$30,792,228	100	\$ 98,967,439	100
1917	13,938,373	139	32,348,241	120	36,164,230	116	36,379,260	118	118,830,104	120
1918	12,944,701	129	36,469,244	136	40,247,055	129	45,839,607	149	135,500,607	137
1919	23,545,097	235	46,802,544	174	48,864,981	156	56,307,594	183	175,520,216	177
1920	19,712,426	197	55,470,277	207	58,467,375	187	73,926,881	240	207,576,959	210
1921	18,777,060	187	52,283,333	195	57,879,275	185	78,452,258	255	207,391,926	210
1922	18,861,893	188	49,398,822	184	56,790,971	181	79,424,818	258	204,476,504	207
1923	25,621,104	256	51,074,669	190	59,669,452	191	80,762,175	262	217,127,400	219
1924	22,361,776	223	50,031,771	186	59,005,109	189	79,257,551	257	210,656,207	213

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GENERAL PROPERTY TAXES IN THE NINTH FEDERAL RESERVE DISTRICT (Continued)

MINNESOTA

Year	State	Relative to 1916	County	Relative to 1916	City, Village and Township	Relative to 1916	School	Relative to 1916	Total	Relative to 1916
1913	\$6,896,554	118	\$7,724,614	71	\$17,800,959	76	\$11,991,133	76	\$44,413,260	79
1914	7,016,894	120	8,089,464	74	19,276,766	82	12,157,181	77	46,540,305	83
1915	6,178,301	106	10,011,753	92	21,347,342	91	14,517,782	92	52,055,178	93
1916	5,831,968	100	10,872,840	100	23,415,130	100	15,849,585	100	55,969,523	100
1917	8,287,016	142	13,078,847	120	26,694,393	114	18,412,301	116	66,472,557	119
1918	6,107,008	105	14,909,432	137	28,957,552	124	22,233,686	140	72,207,678	129
1919	14,400,743	247	20,456,171	188	35,707,982	152	26,373,509	166	96,938,405	173
1920	11,339,353	194	24,694,075	227	42,666,079	182	36,691,578	231	115,391,085	206
1921	8,616,646	148	24,467,487	225	42,400,237	181	39,057,251	246	114,541,621	205
1922	8,211,985	141	22,979,953	211	42,483,584	181	40,357,119	255	114,032,641	204
1923	15,872,730	272	24,701,165	227	44,966,605	192	40,977,493	259	126,517,993	226
1924	11,328,852	194	24,433,435	224	44,828,715	191	40,545,990	256	121,136,992	216
1925	15,116,128	259	25,235,288	232	45,761,454	195	39,838,618	251	125,951,488	225

NORTH DAKOTA

Year	State	Relative to 1916	County	Relative to 1916	City, Village and Township	Relative to 1916	School	Relative to 1916	Total	Relative to 1916
1913	\$1,361,875	97	\$3,245,956	65	\$2,137,492	61	\$5,111,350	86	\$11,856,673	75
1914	1,323,294	94	4,023,312	81	2,945,890	85	5,127,750	86	13,420,246	85
1915	1,633,683	116	4,661,744	93	3,293,904	95	5,763,254	97	15,352,285	97
1916	1,403,180	100	4,989,280	100	3,480,546	100	5,972,172	100	15,845,178	100
1917	1,673,594	119	5,719,732	115	3,951,218	114	6,668,697	112	18,013,241	114
1918	1,766,046	126	6,356,353	127	4,307,986	124	7,884,058	132	20,314,443	128
1919	3,742,616	267	8,054,806	161	5,309,967	152	11,215,219	188	28,322,608	179
1920	2,857,911	204	8,347,419	167	5,698,365	164	12,995,444	218	29,899,139	189
1921	4,660,886	332	7,488,974	150	5,277,382	152	13,994,812	234	31,422,054	198
1922	4,765,284	340	6,970,784	140	4,819,607	138	13,855,754	232	30,411,429	192
1923	4,013,359	286	6,659,363	133	5,006,890	144	14,369,123	241	30,048,735	190
1924	4,588,825	327	6,482,045	130	4,604,913	132	13,763,906	230	29,439,689	186
1925	4,219,342	301	6,695,358	134	4,771,404	137	13,479,206	226	29,165,310	184

SOUTH DAKOTA

Year	State	Relative to 1916	County	Relative to 1916	City, Village and Township	Relative to 1916	School	Relative to 1916	Total	Relative to 1916
1915	\$1,268,269	97	\$4,025,572	90	\$3,042,207	88	\$4,651,258	91	\$12,987,306	91
1916	1,303,815	100	4,496,760	100	3,448,307	100	5,098,287	100	14,347,169	100
1917	2,163,573	166	5,640,997	125	4,139,319	120	5,837,547	115	17,781,436	124
1918	3,036,722	233	7,100,254	158	4,507,282	131	6,826,341	114	21,470,599	150
1919	3,755,203	288	9,326,666	207	5,567,894	161	8,900,548	175	27,550,311	192
1920	3,911,622	300	11,370,956	253	6,981,310	202	13,136,886	258	35,400,774	247
1921	3,243,641	249	8,805,522	196	7,035,967	204	13,920,888	273	33,006,018	230
1922	3,683,021	282	8,462,339	188	6,177,285	179	14,402,156	282	32,724,801	228
1923	3,608,319	277	8,724,148	194	5,983,801	174	14,252,655	280	32,568,923	227
1924	4,438,300	340	8,576,955	191	5,888,440	171	14,192,945	278	33,096,640	231

MONTANA

Year	State	Relative to 1916	County	Relative to 1916	City, and Town	Relative to 1916	School	Relative to 1916	Total	Relative to 1916
1916*	\$1,474,980	100	\$6,500,435	100	\$957,970	100	\$3,872,184	100	\$12,805,569	100
1917*	1,814,190	123	7,908,665	122	1,379,300	144	5,460,715	141	16,562,870	130
1918**	2,034,925	138	8,103,205	125	2,474,235	258	8,895,522	230	21,507,887	168
1919**	1,646,535	112	8,964,901	138	2,279,138	238	9,818,318	253	22,708,892	177
1920	1,603,540	109	11,057,827	170	3,121,621	326	11,102,973	287	26,885,961	210
1921	2,255,887	153	11,521,350	177	3,165,689	330	11,479,307	296	28,422,233	222
1922	2,201,603	149	10,985,746	169	3,310,495	346	10,809,789	279	27,307,633	213
1923	2,126,696	144	10,989,993	169	3,712,156	388	11,162,904	288	27,991,749	219
1924	2,005,799	136	10,539,336	162	3,683,041	384	10,754,710	278	26,982,886	211
1925	1,919,501	130	10,359,510	159	3,697,404	386	10,299,681	266	26,276,096	205

*Compiled by John Edgerton, Asst. to Board of Equalization.

**State Board of Equalization Report of 1919 and 3 year Report Dec. 31, 1922.

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

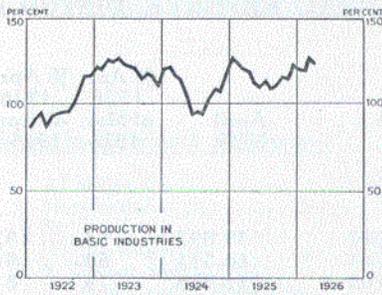
Debits to Individual Accounts—	Unit	April 1926	March 1926	April 1925	% Apr.	% Apr.
					1926	1926
17 cities		\$748,901,000	\$780,883,000	\$773,842,000	96	97
Minneapolis		375,179,000	388,853,000	397,452,000	96	94
St. Paul		171,161,000	177,050,000	165,653,000	97	103
Duluth-Superior		74,151,000	80,087,000	92,695,000	93	80
8 Wheat Belt Cities.....		58,508,000	58,504,000	50,794,000	100	115
3 Mississippi Valley Cities.....		18,330,000	19,087,000	17,682,000	96	104
South St. Paul.....		32,767,000	38,292,000	33,758,000	86	97
Sioux Falls		18,805,000	19,010,000	15,808,000	99	119
Carloadings—Northwestern District—						
Total	Cars	509,968	522,604	554,860	98	92
Grains and Grain Products.....	Cars	38,176	42,669	34,406	89	111
Livestock	Cars	32,569	39,265	31,379	83	104
Coal	Cars	19,278	28,231	17,030	68	113
Coke	Cars	7,153	7,506	6,160	95	116
Forest Products	Cars	94,459	102,217	93,090	92	101
Ore	Cars	14,559	2,853	68,154	510	21
Merchandise—L. C. L	Cars	144,344	147,429	138,520	98	104
Miscellaneous	Cars	159,430	152,434	166,121	105	96
Building Permits—						
Number—18 Cities		2,884	1,564	3,357	184	86
Value—18 Cities		\$7,567,100	\$4,932,700	\$11,309,900	153	67
Minneapolis		2,767,700	1,928,400	3,435,400	144	81
St. Paul		2,301,200	1,161,800	4,360,100	198	53
Duluth-Superior		852,200	506,800	1,780,200	168	48
4 Wheat Belt Cities.....		450,000	695,600	588,300	65	76
6 Mixed Farming Cities.....		1,078,900	580,900	880,100	186	123
4 Mining Cities.....		117,100	59,200	265,800	198	44
Building Contracts Awarded—						
Total		11,385,700	12,084,100	9,083,100	94	125
Residential		4,663,600	4,673,000	4,789,200	100	97
Commercial, Industrial & Utility.....		4,484,700	5,273,600	2,818,400	85	159
Grain Receipts at Minneapolis and Duluth-Superior—						
Wheat	Bu.	7,612,603	7,745,813	5,180,861	98	147
Corn	Bu.	320,850	890,880	410,125	36	78
Oats	Bu.	3,142,456	2,210,203	1,523,489	142	206
Barley	Bu.	1,308,345	1,300,557	866,129	101	151
Rye	Bu.	842,289	816,467	781,415	103	108
Flax	Bu.	493,600	513,572	544,062	96	91
Grain Stocks at End of Month at Minneapolis and Duluth-Superior—						
Wheat	Bu.	16,283,166	16,184,010	22,798,524	101	71
Corn	Bu.	439,239	614,528	696,876	71	63
Oats	Bu.	31,065,316	30,857,639	27,211,528	101	114
Barley	Bu.	3,802,440	4,151,438	1,679,466	92	227
Rye	Bu.	9,665,026	9,068,647	5,796,442	107	167
Flax	Bu.	1,172,666	1,353,620	653,822	87	179
Median Cash Grain Prices—						
Wheat—No. 1 Dark Northern.....	Bu.	\$1.66	\$1.64½	\$1.55	101	107
Durum—No. 2 Amber.....	Bu.	1.48¼	1.42½	1.65¼	104	90
Corn—No. 3 Yellow.....	Bu.	.70	.70½	1.00½	99	70
Oats—No. 3 White.....	Bu.	.38½	.36¾	.38¾	106	99
Barley—No. 3	Bu.	.62	.60½	.80	102	78
Rye—No. 2	Bu.	.85½	.81½	1.05½	104	81
Flax—No. 1	Bu.	2.34	2.31½	2.78	101	84

NINTH FEDERAL RESERVE DISTRICT

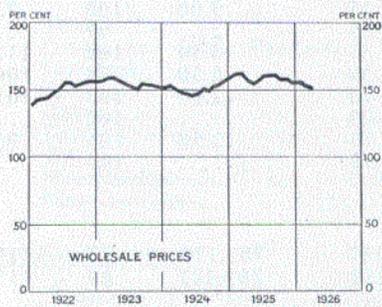
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COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT (Continued)

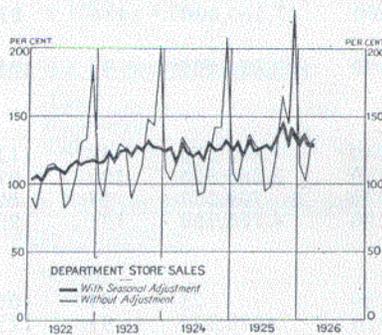
	Unit	April 1926	March 1926	April 1925	% Apr. 1926 of Mar. 1926	% Apr. 1926 of Apr. 1925
<u>Livestock Receipts at South St. Paul—</u>						
Cattle	Head	64,047	76,097	59,897	84	107
Calves	Head	63,540	71,763	66,545	89	95
Hogs	Head	222,539	281,763	268,868	79	83
Sheep	Head	7,547	22,159	9,501	34	79
<u>Median Livestock Prices at South St. Paul—</u>						
Butcher Cows	Cwt.	\$6.25	\$6.25	\$6.75	100	93
Butcher Steers	Cwt.	8.35	8.35	9.00	100	93
Prime Butcher Steers	Cwt.	9.00	9.25	....	97	..
Stocker & Feeder Steers	Cwt.	7.25	7.25	6.50	100	112
Veal Calves	Cwt.	9.00	11.50	8.50	78	106
Hogs	Cwt.	12.50	12.50	12.40	100	101
Heavy Hogs	Cwt.	10.00	10.00	....	100	..
Lambs	Cwt.	12.90	12.75	13.50	101	96
Ewes	Cwt.	8.00	7.50	....	107	..
<u>Flour—</u>						
Production—Twin Cities & Duluth-Superior	Bbbs.	902,961	1,167,580	783,130	77	115
Shipments from Minneapolis	Bbbs.	891,008	1,065,018	789,423	84	113
<u>Linseed Products Shipments from Minneapolis. Lbs.</u>						
		19,962,991	21,605,652	29,722,856	92	67
<u>Retail Sales—</u>						
22 Department Stores		\$ 2,744,720	\$ 2,402,470	\$ 2,869,660	114	96
541 Lumber Yards	Bd. Ft.	14,530,000	10,716,000	17,560,000	136	83
<u>Life Insurance Sales (4 States)</u>						
		\$25,583,000	\$27,150,000	\$23,615,000	94	108
<u>Wholesale Trade—</u>						
Farm Implements—6 firms		493,940	554,240	442,270	89	112
Hardware—13 firms		2,060,940	2,068,790	2,260,970	100	91
Shoes—5 firms		569,970	676,970	709,230	84	80
Groceries—47 firms		4,651,740	4,604,190	4,708,980	101	99
<u>Business Failures—</u>						
Number		82	90	75	91	109
Liabilities		\$846,601	\$926,970	\$678,977	91	125
<u>Securities Sold—</u>						
To Banks		3,891,600	3,585,100	2,483,400	109	157
To General Public		8,506,200	6,627,000	5,721,500	128	149
<u>Ninth Federal Reserve District Member Banks—</u>						
Demand Deposits		430,343,000	452,286,000	451,891,000	95	95
Time Deposits		436,566,000	439,126,000	439,950,000	99	99
<u>24 City Member Banks—</u>						
		May 12 1926	April 14 1926	May 13 1925	% May of Apr.	% 1926 of 1925
Loans		\$228,991,000	\$237,966,000	\$231,799,000	96	99
Securities		116,038,000	115,109,000	105,317,000	101	110
Net Demand Deposits Subject to Reserve ..		213,170,000	220,918,000	213,034,000	96	100
Time Deposits		108,576,000	109,717,000	103,293,000	99	105
Borrowings at Federal Reserve Bank		3,680,000	2,283,000	1,735,000	161	212
<u>Minneapolis Federal Reserve Bank—</u>						
Loans to Member Banks		7,120,044	4,839,854	6,245,478	147	114
Federal Reserve Notes in Circulation		62,665,240	63,642,825	62,298,660	98	101



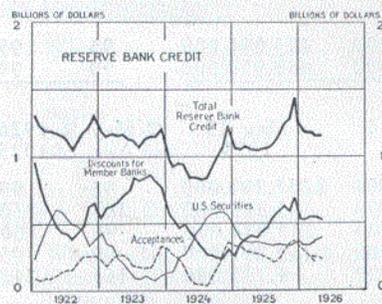
Index of 22 Basic Commodities adjusted for seasonal variations, (1919=100). Latest figure, April, 122.



Index of United States Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure, April, 151.



Index of Sales of 359 Stores, (1919=100). Latest figures, April, adjusted index 129, unadjusted index, 133.



Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 21 days in May.

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

There was a slight decline in the activity of industry and trade in April, and a further reduction in the general price level. Commercial demand for bank credit continued large and the volume of security loans after a rapid decline since the turn of the year, remained at a constant level.

PRODUCTION: Production in basic industries, according to the Federal Reserve Board's index, decreased 1 per cent in April, slight increases in production of lumber and pig iron being more than offset by declines in output in other industries. Particularly large recessions were shown in the production of steel ingots and in textile mill activity. Automobile production, not included in the index, continued in large volume. Factory employment and payrolls declined slightly in April, particularly in the food, tobacco, textile and boot and shoe industries.

The value of building contracts awarded during April was smaller than in March and practically the same as in April of last year. Awards for the first two weeks in May, however, showed increases as compared with the same weeks in 1925.

Reports by the Department of Agriculture indicate that up to the first of May 68 per cent of spring plowing and 56 per cent of sowing and planting was completed, compared with about 83 per cent and 66 per cent last year. On the basis of the condition of winter wheat on May 1, a yield of 549,000,000 bushels is forecast compared with a final yield of 398,000,000 bushels in 1925.

TRADE: The volume of wholesale trade in April was seasonally smaller than in March for all lines, except meats. Compared with a year ago, sales of groceries, meats and drugs were larger in April, while sales of dry goods, shoes and hardware were smaller. Department store sales increased less than usual and were somewhat smaller than a year ago. Sales of mail order houses were slightly smaller than in March, but continued to be larger than in the corresponding months of 1925. There was some decrease in the stocks of merchandise held by wholesale firms during the month, and inventories of department stores showed less than the usual seasonal increase, though they were larger than a year ago. Weekly freight carloadings decreased in the early part of April but later increased, and the volume of shipments for the month of April as a whole and for the first two weeks in May was larger than in the corresponding periods of any previous year.

PRICES: Wholesale commodity prices, according to the Bureau of Labor Statistics index, declined slightly from March to April. Increases in the farm products and foods groups, which had been declining for several months, were more than offset by decreases in other groups. The greatest declines were in the prices of clothing materials. In the first three weeks of May, prices of wheat, cattle, sheep, cotton goods, pig iron, bricks and rubber declined, while those of hogs, raw silk and crude petroleum increased.

BANK CREDIT: Commercial demand for bank credit at member banks in leading cities continued in large volume between the middle of April and the middle of May. Liquidation of security loans, which had been rapid since the beginning of the year, did not continue after the middle of April and the volume of these loans remained fairly constant at a level about \$450,000,000 below the peak at the end of 1925. There was some addition to the banks' investments and the total of their loans and investments was about \$1,000,000,000 larger than at the same period of last year.

Withdrawals of funds from New York were reflected in an increase between the middle of April and the middle of May in borrowings by member banks from the Federal Reserve Bank of New York, while borrowings at most of the other Reserve banks declined. Open market holdings of the Reserve banks remained fairly constant during the period and there was little change in the total volume of Reserve bank credit outstanding.

Money rates late in April reached the lowest level for a year, but in May conditions in the money market became somewhat firmer.