

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

The volume of business in May in this district exceeded the volume in the corresponding month of 1927. This is the ninth consecutive month for which this trend has existed. Only a small part of the increase was due to the extra business day in May 1928. Debits to individual accounts (daily averages) were 12 per cent larger in May 1928 than in May 1927. The value of checks collected by this Federal Reserve Bank from country banks in the district, freight carloadings, shipments of flour and linseed products, wholesale trade, city department store sales, country lumber sales, life insurance and security sales and postal receipts were all larger than in May last year. Cars of farm implements shipped from Minneapolis and St. Paul during the first five months of 1928 exceeded shipments in the same portion of 1927 by 52 per cent. Business failures were fewer in May than in May last year.

Building statistics were mixed, with building permits and warranty deeds recorded in May smaller than a year ago and building contracts larger than a year ago on account of an increase in highway and bridge construction.

The explanation of a large part of the sustained increase in business over last year lies in the increase in farm income. New purchasing power flowing to the farms in this district has exceeded the amount a year earlier in nine of the last ten months. Farm income during May from important products other than dairy and poultry products and beef was 35 per cent larger than the May income last year. Prices of all important farm products were higher than a year ago, with the exception of durum wheat, potatoes and hogs.

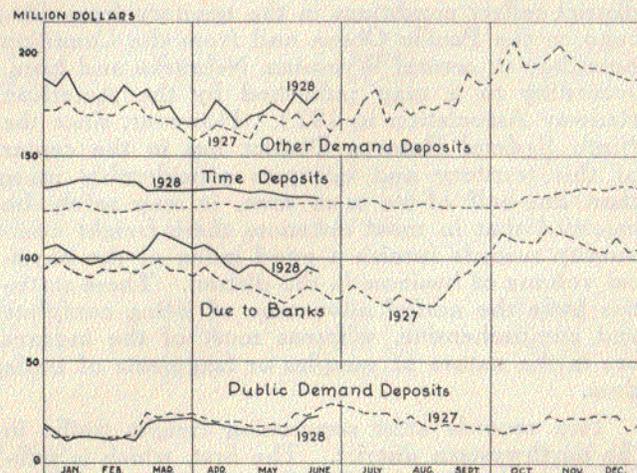
Northwestern dairy income has been reduced this spring by the late pasture season. April dairy income was 12 per cent smaller than the April income last year. Although complete statistics regarding May dairy income are not available, preliminary records indicate a pronounced change for the better. Fluid milk receipts by the Twin City Milk Producers Association during May were the largest in any month since our records began in 1923 and the price paid for fluid milk during May was the highest price paid during this month in our

six-year record. Butter prices during May decreased only 1 cent per pound from the April price, as compared with a six-cent decrease last year and, consequently, May butter prices were higher than prices in May last year. Cold storage holdings of creamery butter in the United States on June 1 were only 16 million pounds as compared with 25 million pounds a year ago, and 20 million pounds as the five year average for June 1.

DISTRICT SUMMARY OF BANKING

Real estate tax payments were the principal cause of changes in bank balance sheets during the four weeks ending June 13. Country banks were enabled to increase their balances with city correspondents in this district by 7 million dollars during the two weeks ending June 6. During the succeeding week these balances were reduced 3 million dollars, which is probably the beginning of the seasonal decline which has lasted in past years until the latter part of August. Country bank borrowings from the Federal Reserve Bank reached the highest point of the spring on May 23, and have since declined. Country bank borrowings on June 13 were only three-fifths as great as borrowings a year ago.

City banks were also affected by tax payments. During the four weeks ending June 13, public



Deposits by Classes Reported by Selected City Member Banks in the Ninth Federal Reserve District.

funds in the form of demand deposits with representative city banks increased 8 million dollars and, as before said, deposits due to country banks increased until June 6 as a result of tax payments in country districts. There was a small increase in commercial and individual demand deposits at these banks and their time deposits and borrowings from the Federal Reserve Bank declined. The net result of all of these changes was an increase of 12 million dollars in the important liability items in their combined balance sheet. On the asset side these city banks reported an increase of 9 million dollars in loans secured by stocks and bonds, a decrease of 2 million dollars in other loans and an increase of 3 million dollars in reserve balances with the Federal Reserve Bank. Investment holdings remained unchanged. Loans secured by stocks and bonds exceeded the figures reported a year earlier in the first two weeks of June, after being continuously under last year's figures since January. All of the other reported items in the balance sheet were above a year ago on June 13, except public deposits.

Interest rates charged by representative Minneapolis banks on prime customers' loans increased for the second month. On June 15 our weighted average of the rates charged by four banks was $5\frac{1}{4}$ percent, as compared with 5 percent a year ago. The borrower's rate on commercial paper loans rose to 5 percent on May 31, which was the highest quotation since October, 1926.

FREIGHT COMMODITY STATISTICS OF THE NORTHWESTERN REGION

One of the few indexes of the physical volume of business in this district is the record of freight commodities loaded and carried by the railroads operating in the Northwest. Territorially, these statistics apply to a larger area than the Ninth Federal Reserve District since they include the freight traffic on all of the principal railroads whose operations are chiefly in the northwestern states. These freight commodity statistics for the northwestern district reflect conditions in the territory from Chicago to the Pacific Ocean and from the Canadian boundary to central Wyoming, Nebraska and Iowa, according to a map published by the American Railway Association in 1923. However, since the Ninth Federal Reserve District lies in the center of this territory and occupies considerably more than one-half of its total area, it may safely be assumed that in most instances these freight commodity records furnish a good index of the physical volume of business in the district. These statistics have the added advantage of being complete and comprehensive, whereas most of the indexes are in the nature of samples or fragments of trade data.

Two records exist concerning freight traffic in the northwestern district. The first, which is published weekly by the Car Service Division of the American Railway Association, has the advantage of being timely. The records for each week are

available within 15 days after the close of the week. The figures are published for groups of commodities rather than for individual commodities, and the largest single group is one labeled "Miscellaneous," which groups in one total many of the most important commodities whose movements would throw light on the business situation if they were listed separately. This drawback is unavoidable and the American Railway Association is performing a great public service by its prompt publication of car loading records in the present form. These figures are available since the beginning of 1919, although some of the subdivisions only extend back through 1921 as at present constituted.

The second record of freight traffic is the annual statement of freight commodity statistics for Class 1 Steam Railways in the United States, published by the Interstate Commerce Commission. This record extends back through 1924 and gives freight commodity statistics in great detail by regions and by railroads. In addition to cars originated on the reporting railroads for each commodity, the record also gives the tonnage of each commodity originated and the total number of cars and tons of each important commodity carried, including the quantity originally loaded and the quantity received from connecting lines. The statement for 1927 has just been issued. From the standpoint of the business analyst these statistics published by the Interstate Commerce Commission have a great significance because they make possible a detailed analysis of the weekly commodity group records published by the American Railway Association.

A slight lack of comparability exists between the two records on account of the fact that some of the smaller railroads do not appear in both series. The railroads whose freight commodity statistics are included in both records are the following:

Chicago & Northwestern Railway,
Chicago Great Western Railway,
Chicago, Milwaukee, St. Paul & Pacific Railway,
Chicago, St. Paul, Minneapolis & Omaha Railway,
Duluth & Iron Range Railway,
Duluth, Missabe and Northern Railway,
Duluth, South Shore & Atlantic Railway,
Great Northern Railway,
Green Bay & Western Railway,
Minneapolis & St. Louis Railway,
Minneapolis, St. Paul & Sault Ste. Marie Railway,
Northern Pacific Railway,
Spokane, Portland & Seattle Railway.

In addition, the following railways are included in the American Railway Association weekly record:

Belt Railway of Chicago,
Elgin, Joliet & Eastern Railway,
Fort Dodge, Des Moines & Southern Railway.

The following railways are included in the Interstate Commerce Commission record but not in the American Railway Association record:

Duluth, Winnipeg & Pacific Railway,
Spokane International Railway,
Lake Superior & Ishpeming Railway,
Oregon, Washington Railway & Navigation Company.

The carloading records compiled by the two agencies are very similar in the quantity of commodities included in the various commodity groups and in the trends displayed from year to year in these groups. The largest variance occurs in the class of "Miscellaneous" commodities where the American Railway Association record is about 400,000 cars larger than the Interstate Commerce Commission record in annual totals. The follow-

ing table shows the cars of freight loaded or originated for each of the commodity groups in the last four years according to the American Railway Association and Interstate Commerce Commission records, and also the tons of freight originated, the tons per car and the total freight carried, in cars and in tons, taken from the Interstate Commerce Commission records:

FREIGHT COMMODITY STATISTICS—NORTHWESTERN REGION

Grains and Grain Products	AMERICAN RAILWAY ASSOCIATION		INTERSTATE COMMERCE COMMISSION			
	Cars Originated	Cars Originated	Tons Originated	Tons per Car	Cars Freight Carried	Tons
1924	730,007	703,919	25,139,258	35.71	919,721	32,410,009
1925	646,001	621,188	21,891,505	35.24	788,942	27,382,121
1926	549,952	540,450	18,797,245	34.78	722,448	24,829,101
1927	651,099	618,864	22,105,808	35.72	812,702	28,482,126
Livestock						
1924	505,231	508,936	5,217,054	10.25	590,904	6,087,715
1925	462,710	467,353	4,828,203	10.33	539,978	5,611,449
1926	480,120	482,664	5,036,439	10.43	568,628	5,980,014
1927	428,070	435,209	4,492,827	10.32	517,338	5,397,933
Coal						
1924	375,933	370,098	15,216,298	41.11	703,298	29,757,284
1925	381,616	318,211	13,292,919	41.77	715,763	30,389,285
1926	386,508	314,448	13,043,185	41.48	722,668	30,883,926
1927	378,129	303,028	12,322,655	40.67	725,405	31,076,034
Coke						
1924	58,030	24,312	720,003	29.62	35,948	1,077,276
1925	73,897	33,864	1,020,486	30.13	47,321	1,434,597
1926	84,104	36,691	1,098,754	29.95	56,622	1,726,523
1927	72,565	34,662	1,017,773	29.36	53,046	1,597,942
Forest Products						
1924	958,487	1,072,001	34,934,907	32.59	1,447,829	45,303,901
1925	979,333	1,056,684	34,315,173	32.47	1,471,678	45,865,055
1926	954,515	1,029,277	33,382,936	32.43	1,445,368	44,906,951
1927	886,289	963,660	31,272,362	32.45	1,375,897	42,911,958
Ore						
1924	913,429	950,040	50,420,053	53.07	974,952	51,671,278
1925	1,126,485	1,180,053	63,301,389	53.64	1,205,954	64,630,813
1926	1,239,446	1,291,153	70,031,277	54.24	1,331,701	72,199,574
1927	1,056,233	1,112,823	60,708,089	54.55	1,143,067	62,292,716
Miscellaneous						
1924	1,825,040	1,424,177	38,447,927	27.00	2,451,715	63,711,716
1925	1,963,408	1,528,381	41,938,466	27.44	2,673,920	69,764,482
1926	2,023,177	1,589,210	43,979,622	27.67	2,832,047	73,858,853
1927	2,028,426	1,596,921	45,770,000	28.66	2,878,724	76,915,943
Total in Carloads						
1924	5,366,157	5,053,483	170,095,500	33.66	7,124,367	230,019,179
1925	5,633,450	5,205,734	180,588,141	34.69	7,443,556	245,077,802
1926	5,717,822	5,283,893	185,369,458	35.08	7,679,482	254,384,942
1927	5,500,811	5,065,167	177,689,514	35.08	7,506,179	248,674,652
Less than Carlot Freight						
1924	1,512,425		4,972,599			6,943,751
1925	1,637,649		4,834,234			6,896,416
1926	1,692,270		4,728,191			6,760,690
1927	1,728,613		4,624,209			6,606,704

From this table it is possible to describe many of the major business movements of the last four years. Carloadings of grain and grain products reflect the large crops of 1924 and 1927 and the smaller crops of 1925 and 1926. The railroads handle each year about six million tons of grain and grain products originating in other regions. Live stock movements were large in 1924 and 1926 and smaller in 1925 and 1927.

Coal loaded in the northwestern region at the Lake Superior docks and at interior points has diminished each year in the last four years, but the total coal carried, largely for consumption in this region, has increased each year.

Forest products originating in the northwestern region have been declining in volume during the last four years and the total number of tons of forest products carried by these railroads has been declining since 1925. In 1927 these railroads carried eleven million tons of forest products originating outside of the region. The tonnage of ore increased from 1924 to 1926 but decreased in 1927.

Carloadings and tons originated of miscellaneous commodities have increased steadily through the last four years. The same trend has existed for miscellaneous freight carried, originating outside of the region. The tonnage of freight originating outside of the region increased from twenty-five million tons in 1924 to thirty-one million tons in 1927.

Less-than-carlot freight statistics are given in cars by the American Railway Association and in tons only by the Interstate Commerce Commission. It is therefore impossible to compare the two records very exactly. It is interesting to note, however, that carloadings of less-than-carlot freight have increased each year in the last four years, according to the American Railway Association record, whereas tons of less-than-carlot freight originated have decreased each year, as compared with the year preceding. It is very evident that tonnage per car must have decreased during this period; also, if the records from the two associations are as closely comparable for less-than-carlot freight as for other groups of commodities, the load per car is less than three tons. This is an important sidelight on the American Railway Association record of total cars of revenue freight loaded, which includes less-than-carlot freight. Since the freight in full carloads averages thirty-five tons per car and the less-than-carlot freight probably averages less than three tons per car, it is evident that less-than-carlot merchandise has an excessive weight in the total carloadings published weekly. As a northwestern business index it is undoubtedly better to publish the revenue freight carloadings in two totals, one for full carloads and one for shipments of less-than-carlot size.

It is interesting to analyze the commodities mak-

ing up the miscellaneous carloading group in the weekly record of the American Railway Association. Although the annual total of this commodity group exceeds the miscellaneous commodity carloading total of the Interstate Commerce Commission report by 400,000 cars, it is probable that the various commodities have approximately the same weights in the two series. The commodities having the greatest bulk in the miscellaneous total are the building and roadmaking materials. The following table gives the relative importance of various items of miscellaneous freight carloadings:

Percentage of Miscellaneous Carloadings of 1927
(I. C. C. Record)

Building and road making materials, consisting of clay, gravel, sand, stone, asphalt, cement, brick, lime and plaster, sewer pipe and drainage tile.	31%
Products of northwestern agriculture, including fresh meats and other packing house products, butter and cheese, eggs and poultry, hay, straw and alfalfa, potatoes, other fresh vegetables and fruits, and all other agricultural products except live animals and grains, and grain products.	26%
Remainder, consisting of a great variety of commodities manufactured in or imported into the northwestern region and redistributed for local consumption	43%

The more important of these are as follows:

Autos, trucks, tires, parts, refined petroleum and its products.	8.8%
Non-agricultural machinery, metal products.	4.8%
Agricultural implements and vehicles.	2.5%
Canned food	2.2%
Paper, printed matter and books.	1.3%
Ice	1.1%
Furniture	1.1%
Sugar, molasses, etc. . . . .	.7%
Beverages . . . . .	.7%

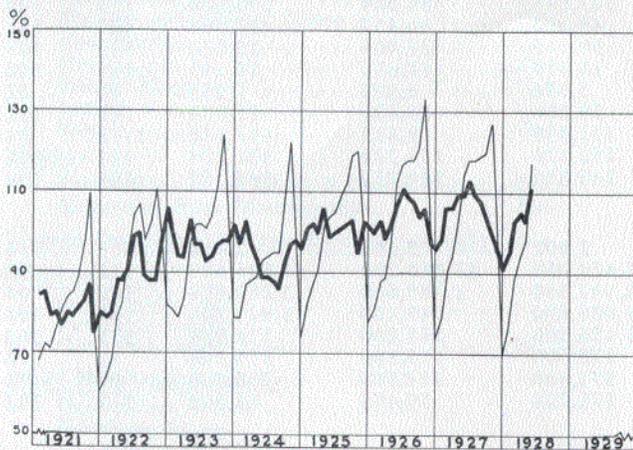
Miscellaneous carloadings increased 173,000 cars between 1924 and 1927, according to the Interstate Commerce Commission records. Of this increase 93,000 cars, or more than one-half, were in carloadings of clay, gravel, sand and stone and 14,000 cars were in cement, brick and artificial stone. The other principal increases during the four years were as follows:

Agricultural implements	16,000 cars
Autos, parts, tires, refined petroleum and its products	8,000 cars
Fresh meats, butter and cheese and eggs.	13,000 cars
Non-agricultural implements, metal and metal products	8,000 cars
Canned food	4,000 cars
Paper, printed matter and books.	4,000 cars

Significant decreases were reported for carloadings of crude petroleum, salt, hay, straw and alfalfa, fresh fruits and ice.

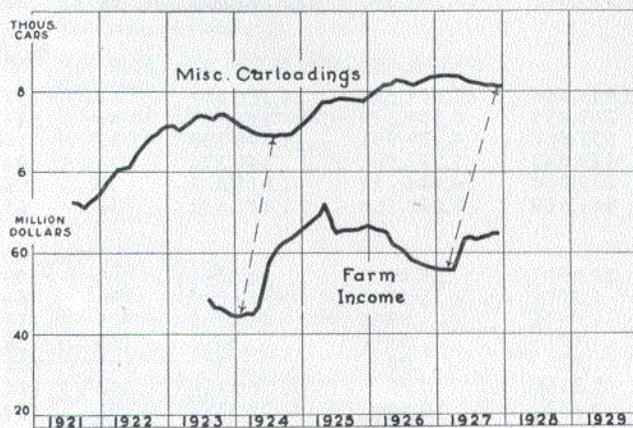
The following chart shows the cars of miscellaneous commodities loaded from 1921 to 1928 inclusive. The chart was made from the weekly records of the American Railway Association, which were combined into monthly totals in our office, and later converted into daily averages. Miscellaneous carloadings have followed the trend of business in the Ninth Federal Reserve District as indicated by other business indexes. There was the

same low level of activity in 1921 followed by recovery in 1922 and 1923. A slump occurred in the summer of 1924. Carloadings since 1924 have been sustained at a fairly high level, and in May, 1928, miscellaneous car loadings were larger than in any other May on record. The tremendous increase in carloadings of building and road making materials in the last four years has caused abnormal summer peaks in the latter years of the curve after adjustment to eliminate seasonal changes. If road building on the present scale is to be continued indefinitely, a new seasonal correction will need to be made for these latter years.



Miscellaneous Freight Carloadings in the Northwestern Region, Monthly, 1921-1928. The heavy curve is adjusted to eliminate seasonal variations.

A considerable similarity is apparent between the curve of miscellaneous carloadings in the northwestern region and the curve of farm income in the Ninth Federal Reserve District. The similarity becomes most apparent when the series are reduced to twelve-month moving averages to eliminate seasonal variations and to reduce small abnor-



Miscellaneous Freight Carloadings in the Northwestern Region compared with Farm Income in the Ninth Federal Reserve District. Both curves are twelve-month moving averages. The low points in the curves are indicated by broken lines.

malities in the two curves. This similarity is quite logical since the farmers' buying power vitally affects the volume of trade in many lines. There is apparently a lag of six to nine months between the extreme low points in the farm income curve and the low points in the miscellaneous carloadings curve. The amount of lag between the high points in the two curves is quite uncertain, based on the evidence of the four years for which farm income figures are available.

While the curves described above are a very valuable index of business changes, they have the weakness that insufficient weight is given to commodities imported into the district. For these commodities the total quantity carried rather than the quantity loaded within the district is the significant figure in a business index. On an annual basis, the Interstate Commerce Commission's record provides the necessary information concerning changes in consumption of these miscellaneous commodities imported into the district. The following table shows the increases in tonnage carried for the more important commodities between 1924 and 1927:

Increases in Tons of Important Miscellaneous Commodities Carried, 1924-1927.

Clay, gravel, sand and stone.....	5,971,000 tons
Refined petroleum and its products....	1,990,000 tons
Cement	625,000 tons
Agricultural implements	473,000 tons
Metals, pig, bar and sheet, other than iron	433,000 tons
Bar and sheet iron, structural iron and iron pipe	405,000 tons
Autos, trucks, parts and tires.....	314,000 tons
Brick and artificial stone.....	283,000 tons
Chemicals and explosives.....	196,000 tons

Finally one very interesting line of analysis which is made possible by these carloading records concerns the extent to which the northwestern region is self-supporting and the relative tonnage of different commodities consumed in the region. This analysis is not possible from the freight records in the case of all commodities, especially those which are exported from the district. The analysis, however, becomes very interesting in such commodities as agricultural implements and automobiles. The northwestern region absorbed 990,000 tons of agricultural implements in 1927 of which only 40,000 tons were loaded in the region and absorbed 1,229,000 tons of automobiles, trucks, parts and tires in 1927 of which only 58,000 tons were loaded in the region. A small part of this tonnage may have passed through the region enroute to other parts of the United States, to Canada and for export through the Pacific ports, but it is reasonably certain that the greater part entered the district or was loaded in the district for local consumption. Refined petroleum and its products, which consist principally of gasoline and other fuel oils, represented nearly nine million tons of freight carried during 1927 by the railroads of the district.

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

Debits to Individual Accounts, Daily Averages—Unit	May 1928	April 1928	May 1927	% May	% May
				1928	1928
				of	of
				April	May
				1928	1927
17 Cities	\$32,409,000	\$32,677,000	\$29,034,000	98	112
Minneapolis	17,047,000	17,470,000	14,852,000	98	115
St. Paul	6,253,000	6,904,000	6,128,000	91	102
Duluth-Superior	4,031,000	3,142,000	3,516,000	128	115
8 Wheat Belt Cities	2,327,000	2,384,000	1,966,000	98	118
4 Mixed Farming Cities	1,562,000	1,570,000	1,548,000	99	101
South St. Paul	1,189,000	1,197,000	1,024,000	99	116
Carloadings-Northwestern District—					
Total—Excluding L. C. L.	Cars 507,645	336,804	508,610	151	100
Grains and Grain Products	Cars 49,112	46,457	37,104	106	132
Livestock	Cars 30,745	27,803	29,870	111	103
Coal	Cars 18,111	17,636	18,115	103	100
Coke	Cars 5,976	6,097	7,255	98	82
Forest Products	Cars 79,286	73,471	77,874	108	102
Ore	Cars 131,839	9,612	157,118	1372	84
Miscellaneous	Cars 192,576	155,728	181,274	124	106
Merchandise—L. C. L.	Cars 149,855	140,937	144,577	106	104
Building Permits—					
Number—18 Cities	2,502	2,096	2,166	119	116
Value—18 Cities	\$5,470,000	\$3,888,200	\$5,894,600	141	93
Minneapolis	2,117,300	1,489,800	3,287,800	142	64
St. Paul	1,080,600	743,400	1,021,200	145	106
Duluth-Superior	1,156,500	345,200	318,000	335	364
4 Wheat Belt Cities	370,500	515,500	475,700	72	78
6 Mixed Farming Cities	571,400	714,900	730,400	80	78
4 Mining Cities	173,700	79,400	61,500	219	282
Building Contracts Awarded—					
Total	9,483,700	7,138,200	8,647,300	133	110
Residential	2,672,600	2,705,300	3,964,200	99	67
Commercial and Industrial	1,152,400	2,014,200	876,600	57	131
Public Works and Utilities	3,114,800	882,000	1,866,000	353	167
Educational	872,000	930,700	577,700	94	99
All Other	1,671,900	606,000	1,362,800	276	123
Cash Value of Farm Products Sold—					
Bread Wheat	12,037,000	6,822,000	6,506,000	176	185
Durum Wheat	5,158,000	3,771,000	2,992,000	137	172
Rye	1,316,000	984,000	1,844,000	134	71
Flax	1,265,000	361,000	315,000	378	402
Potatoes	995,000	3,715,000	1,681,000	27	59
Hogs	8,340,000	8,776,000	8,181,000	95	102
Dairy Products: See Note	18,270,000	19,340,000	20,782,000	94	88
Grain Stocks at End of Month at Minneapolis and Duluth-Superior—					
Wheat	Bu. 29,043,564	42,011,630	11,286,551	69	257
Corn	Bu. 769,435	1,539,579	142,193	50	541
Oats	Bu. 957,087	4,279,993	9,578,738	22	10
Barley	Bu. 329,842	1,377,966	349,516	24	94
Rye	Bu. 837,060	4,141,751	1,015,811	20	93
Flax	Bu. 941,569	1,628,164	1,441,492	58	65
Median Cash Grain Prices—					
Wheat—No. 1 Dark Northern	Bu. \$1.65 $\frac{1}{2}$	\$1.60	\$1.52 $\frac{1}{4}$	103	109
Durum—No. 2 Amber	Bu. 1.37 $\frac{1}{2}$	1.39	1.60 $\frac{1}{2}$	99	86
Corn—No. 3 Yellow	Bu. 1.04 $\frac{3}{8}$	.99 $\frac{3}{4}$	.92 $\frac{1}{8}$	105	113
Oats—No. 3 White	Bu. .62 $\frac{1}{2}$	.57 $\frac{5}{8}$	.49	108	128
Barley—No. 3	Bu. .92	.90	.88	102	105
Rye—No. 2	Bu. 1.28 $\frac{7}{8}$	1.26	1.07 $\frac{5}{8}$	102	120
Flax—No. 1	Bu. 2.43 $\frac{3}{4}$	2.33	2.33 $\frac{1}{2}$	105	104
Wholesale Produce Prices—					
Butter	Lb. .41 $\frac{1}{2}$	.42 $\frac{1}{2}$	.40 $\frac{1}{2}$	98	102
Milk	Cwt. 2.42	2.48	2.35	98	103
Hens—4 $\frac{1}{2}$ Pounds	Lb. .20 $\frac{1}{2}$	.22 $\frac{1}{2}$	.18 $\frac{1}{2}$	91	111
Eggs	Doz. .25	.26	.20 $\frac{1}{2}$	96	122
Potatoes	Bu. 1.12 $\frac{1}{2}$	1.35	2.02 $\frac{1}{2}$	83	56

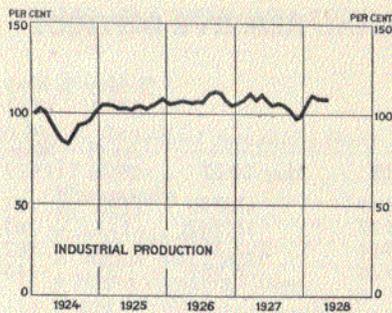
Note: Dairy products figures for April, 1928; March, 1928, and April, 1927.

NINTH FEDERAL RESERVE DISTRICT

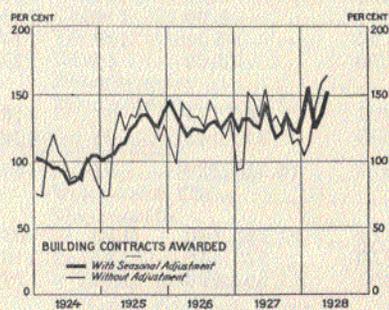
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COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT (Continued)

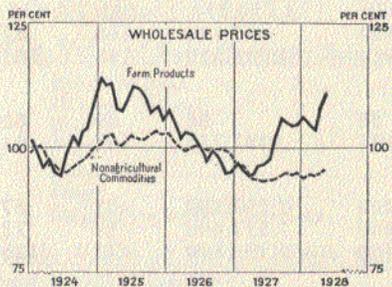
	Unit	May 1928	April 1928	May 1927	% May 1928 of April 1928	% May 1928 of May 1927
Livestock Receipts at South St. Paul—						
Cattle	Head	58,978	56,304	48,839	105	121
Calves	Head	63,186	55,317	58,942	114	107
Hogs	Head	208,552	213,844	205,291	98	102
Sheep	Head	7,668	8,978	6,987	85	110
Median Livestock Prices at South St. Paul—						
Butcher Cows	Cwt.	\$ 8.75	\$ 8.50	\$ 7.25	103	121
Butcher Steers	Cwt.	12.25	11.75	10.00	104	123
Prime Butcher Steers	Cwt.	13.50	13.00	11.35	104	119
Stocker and Feeder Steers	Cwt.	10.00	10.00	7.75	100	129
Veal Calves	Cwt.	13.00	11.50	10.50	113	124
Hogs	Cwt.	9.35	8.75	9.35	107	100
Heavy Hogs	Cwt.	8.25	7.50	8.00	110	103
Lambs	Cwt.	16.00	15.50	14.00	103	114
Ewes	Cwt.	7.50	9.00	7.00	83	107
Flour—						
Production—Twin Cities & Duluth-Superior	Bbbs.	1,071,712	1,233,803	906,323	87	118
Shipments from Minneapolis	Bbbs.	1,022,365	1,041,645	855,347	98	120
Linseed Products Shipments from Minneapolis.	Lbs.	33,866,072	36,686,679	18,751,729	92	181
Retail Sales—						
Department Stores		\$2,320,730	\$2,111,120	\$2,260,140	110	103
Furniture Stores		574,360	472,720	522,330	122	110
Country Lumber Yards	Bd. Ft.	14,364,000	9,485,000	11,351,000	151	127
Retail Merchandise Stocks—						
Department Stores		\$6,032,980	\$6,408,550	\$6,424,530	94	94
Furniture Stores		2,801,890	2,801,870	2,774,100	100	101
Country Lumber Yards	Bd. Ft.	92,064,000	93,983,000	92,186,000	98	100
Life Insurance Sales (4 States)		\$25,069,000	\$24,257,000	\$22,465,000	103	112
Wholesale Trade—						
Farm Implements		246,420	314,900	207,010	78	119
Hardware		2,064,090	1,851,520	1,750,810	111	118
Shoes		379,400	349,500	436,140	108	87
Groceries		5,063,410	4,683,080	4,928,870	108	103
Business Failures—						
Number		70	88	88	80	80
Liabilities		\$912,178	\$853,191	\$997,778	107	91
Securities Sold—						
To Banks		2,405,100	4,386,200	2,757,300	55	87
To Insurance Companies		1,134,300	1,276,400	1,577,400	89	72
To General Public		8,014,900	10,907,400	6,379,400	73	126
Real Estate Activity in Hennepin and Ramsey Counties—						
Warranty Deeds Recorded		1,552	1,207	1,805	129	86
Mortgages Recorded		1,944	1,687	1,934	115	101
% June 1928						
% June of June						
% of May 1927						
Member Bank Deposits—						
In Cities under 15,000 Population		June 13, 1928	May 9, 1928	June 22, 1927		
		\$460,385,000	\$456,871,000	\$432,153,000	101	107
In Cities over 15,000 Population		458,829,000	446,696,000	410,767,000	103	112
24 City Member Banks—						
Loans Secured by Stocks and Bonds		June 13, 1928	May 16, 1928	June 15, 1927		
		\$83,878,000	\$75,231,000	\$79,511,000	111	105
All Other Loans		159,265,000	161,179,000	156,540,000	99	102
Securities		133,259,000	133,022,000	121,562,000	100	110
Net Demand Deposits Subject to Reserve		228,299,000	215,725,000	210,748,000	106	108
Time Deposits		129,937,000	132,099,000	127,337,000	98	102
Borrowings at Federal Reserve Bank		5,925,000	6,756,000	2,286,000	88	259
Minneapolis Federal Reserve Bank—						
Loans to Member Banks		8,390,375	9,001,445	6,152,175	93	136
Federal Reserve Notes in Circulation		55,081,325	56,807,530	59,756,260	97	92



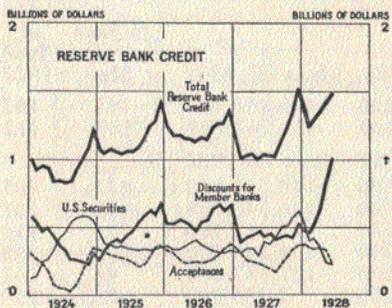
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average=100). Latest figure, May, 109.



Federal Reserve Board's indexes of value of building contracts awarded, as reported by the F. W. Dodge Corporation, (1923-25 average=100). Latest figures, May, adjusted index, 152, unadjusted index, 163.



Index of United States Bureau of Labor Statistics (1926=100, base adopted by bureau). Latest figures, May, farm products, 109.8, non-agricultural, 95.6.



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 22 days in June.

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

Industrial production continued during May in about the same volume as in the three preceding months. Wholesale and retail trade increased in May and the general level of commodity prices showed a further advance. Security loans of member banks, which were in record volume in May, declined considerably during the first three weeks in June. Conditions in the money market remained firm.

PRODUCTION: Production of manufactures was slightly smaller in May than in April, when allowance is made for usual seasonal variations, while the output of minerals increased somewhat. Production of steel declined in May from the high level attained in April, but was in about the same volume as a year ago. Since the first of June, buying of steel products has been light and there have been further decreases in production. Daily average production of automobiles was in about the same volume in May as in April and preliminary reports for the first three weeks in June indicate that factory operations were maintained at practically the same level. Activity of textile mills was somewhat larger in May and there were also increases in the slaughter of livestock and in the production of building materials, non-ferrous metals and coal, while the production of petroleum declined. The value of building contracts awarded during May, as reported by the F. W. Dodge Corporation for thirty-seven states east of the Rocky Mountains, was larger than in any previous month, and awards during the first half of June exceeded those for the corresponding period of last year. Indicated production of winter wheat, as reported by the Department of Agriculture on the basis of June 1 condition, amounted to 512,000,000 bushels, 40,000,000 bushels less than the harvested production of 1927.

TRADE: Distribution of merchandise, both at wholesale and at retail, was in larger volume in May than in April. Making allowances for customary seasonal influences, sales in all lines of wholesale trade showed increases, although in most lines they continued in smaller volume than a year ago. Department store sales were larger than in April, and at about the same level as a year ago, while sales of chain stores and mail order houses showed increases, both over last month and over last year. The volume of freight carloadings increased further during May, but continued smaller than during the corresponding month of either of the two previous years. Loadings of miscellaneous commodities, however, which represent largely manufactured products, were larger in May of this year than in that month of any previous year.

PRICES: The general level of wholesale commodity prices, as indicated by the Bureau of Labor Statistics' index, increased in May by over 1 per cent to 98.6 per cent of the 1926 average, the highest figure recorded for any month since October, 1926. There were increases in most of the principal groups of commodities, but the largest advances in May as in April occurred in farm products and foods. Contrary to the general trend, prices of pig iron, hides, raw silk, fertilizer materials and rubber showed declines during the month. Since the middle of May, there have been decreases in prices of grains, hogs, sheep, pig iron and hides, while prices of raw wool, non-ferrous metals, lumber and rubber have advanced.

BANK CREDIT: Loans and investments of member banks in leading cities on June 20 showed a decline from the high point which was reached on May 16. Loans on securities, which had increased by more than \$1,200,000,000 since May, 1927, declined \$200,000,000, while all other loans, including loans for commercial and agricultural purposes, increased somewhat. There was a small increase in total investments. During the four weeks ending June 20, there were withdrawals of nearly \$75,000,000 from the country's stock of gold, and the volume of Reserve bank credit outstanding increased somewhat, notwithstanding a decline in member bank reserve requirements. Member bank borrowing at the Reserve banks continued to increase and early in June exceeded \$1,000,000,000 for the first time in more than six years. Acceptance holdings of the Reserve banks declined considerably, while there was little change in their holdings of United States securities. After the middle of May, firmer conditions in the money market were reflected in advances in open market rates to the highest levels since the early part of 1924.