MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

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DISTRICT SUMMARY FOR THE MONTH

During January the total value at terminal prices of the cash grains, wheat, rye and flax, marketed in this district was 33 per cent below January of last year. All the cash grains showed declines, the greatest occurring in flax. If, however, the total value at terminals of the principal varieties of livestock marketed during January this year be added, there was a total decline of only 17 per cent below January a year ago. This decline in agricultural purchasing power is reflected in a decrease of 5 per cent in check payments through banks and a decrease of 9 per cent in total carloadings as compared with January of last year. The decline in carloadings was even greater if the less-than-carload lot shipments, which have a variable tonnage, be excluded from the figures. Check payments through banks during the first three weeks in February were 5 per cent below the same weeks of last year.

As to prospective business activity dependent on building operations, shown by the value of building permits granted during January, there was a considerable decrease as compared with last year, and the value of contracts awarded also declined.

The wheat belt cities have been having an expansion quite in contrast with the total figures for the whole district. There were increases shown in the valuation of building permits granted during January and an increase in the check payments through banks during January and the first three weeks of February, both as compared with last year. Also it is noteworthy that the sales of lumber by retail yards scattered throughout this district were greater than in January a year ago. While these wheat belt cities constitute but a small portion of the total reporting areas in the district, nevertheless, they are representative of a large section of territory presumably enjoying a similar expansion.

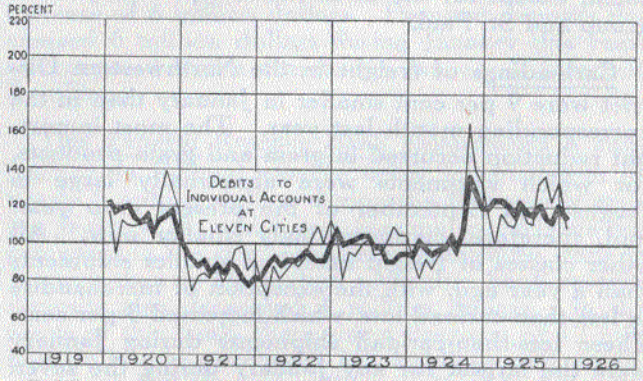
The cities containing livestock terminals continue to show gains in business volume. There were increases in the check payments through banks in these cities in January and the first three weeks of February as compared with last year, due to increases in livestock prices, in terminal receipts of livestock, other than hogs, and a doubling in the movement of cattle for feeding purposes.

The price situation in January exhibited mixed trends. As compared with a year ago, all livestock median prices advanced, except for lambs, and all median grain prices declined. At the same time, butter and potato prices advanced, and the price of eggs declined. The present high prices for hogs and low prices for corn are reflected in a noteworthy increase in the weight of the hogs marketed in January.

As compared with last year, there were declines in sales at retail of department stores, in terminal receipts of all grains and in shipments of linseed products. As compared with December there was a greater decline than normal in January of the check payments through banks, a decline in terminal receipts of all kinds of livestock, in all grains, except corn, and in shipments of flour and of linseed products.

Reports received from banks in the larger cities of this district indicate that loans expanded during January and the first half of February. Demand deposits declined and time deposits increased during January.

In this district, the total value at terminal markets of the cash grains received during this crop year from August 1 to January 31, was 27 per cent less than the total value of the marketings during



Debits to Individual Accounts at Banks in Cities of the Ninth Federal Reserve District. Heavy curve represents figures adjusted to eliminate seasonal changes; light curve represents actual, or unadjusted, figures. The "Eleven Cities" include Minneapolis, St. Paul, Duluth and eight others.

the same period in the preceding crop year. If the value at terminals of the livestock marketed during the same period be added, however, the decrease in farm income as compared with last year is 17 per cent. This decline in purchasing power is reflected in a decrease exceeding 4 per cent for individual debits at banks in this district during the crop year from September 1 to January 31 as compared with the same months in the preceding crop year. The fact that debits do not show as large a decline as that shown in the values of cash grains and livestock marketed may be accounted for in part by the holdover of some purchasing power from the preceding crop, and by a moderate increase which has taken place in inventories and in the extension of trade credit in the form of open accounts and otherwise. Estimates recently made regarding grain car requirements as compared with a year ago, indicate that the marketings will continue to be less than those of last year during the remainder of this crop year.

TOPICAL REVIEWS

Check payments through, or debits to individual accounts at, banks in our seventeen reporting cities in January were 5 per cent smaller than in the corresponding month last year and 18 per cent smaller than in December. The important decreases from last year's volume were in the larger cities. In the smaller centers more directly connected with farming operations, there were no important declines, as compared with last year, and in most cases there were increases. Sioux Falls and South St. Paul reported increases over last year of 17 and 15 per cent, respectively, and there was an increase of 1 per cent for the group containing eight wheat belt cities, while the group containing three Mississippi Valley Cities experienced a decline of but 1 per cent. As compared with December, the January volume of debits to individual accounts was smaller at every city except Winona and La Crosse. The decreases shown were more than seasonal, except for the three Mississippi Valley cities group and St. Paul.

Carloadings of freight in the Northwestern District were 9 per cent smaller in January than in the corresponding month last year. The most important reduction occurred in grain and grain products, for which shipments were abnormally large in August and September of the present crop year, and, therefore, compensatingly smaller now. All other classes of freight exhibited smaller shipments than a year ago, with the exception of merchandise in less-than-carload lots, which increased 3 per cent. These less-than-carload shipments during January were the largest for any January during the seven years for which there are records, and if seasonal changes be eliminated, the January less-than-carload lot loadings this year were greater than in any preceding month. In contrast with this increase in less-than-carload lot shipments was the decline in miscellaneous commodity shipments amounting to 5 per cent. These shipments were the smallest reported for any January since 1922.

January carloadings were 1 per cent smaller than in December, although there is customarily an increase of 8 per cent between these two months. Declines were shown in all classes of freight except forest products, which increased 16 per cent, and miscellaneous commodities which were unchanged. For all commodities combined, the index number, based on the average for seventy-two months, 1919-1924 inclusive, of January carloadings, with seasonal changes eliminated, was 102, which was the smallest figure for the month of January since 1922. The December index number was 111.

Freight car requirements to handle the remainder of the 1925 grain crop left on the farms and in country elevators within the four states of Minnesota, Montana and the Dakotas on December 31, 1925, were estimated to be 27,000 cars less than the cars required to handle the portion of the 1924 crop left on farms and in country elevators on December 31, 1924. According to this estimate of the grain committee of the Northwest Regional Advisory Board of the American Railway Association, there were 45,660 carloads of grain in country elevators and 95,675 cars of grain left on the farms in these states on December 31, 1925. A year earlier there were 53,498 cars of grain in country elevators and 114,899 cars of grain on the farms. The accuracy of this estimate has been attested by January carloadings of grain and grain products in the Northwestern District, which were nearly 12,000 cars smaller than shipments in January last year. Since the Northwestern District for which these carloading reports are compiled includes some territory other than the four states mentioned above and the carloadings include grain products as well as grains, it is apparent, from the grain committee's estimates, that carloadings of grain during the remainder of the present crop year will be at least 15,000 cars smaller than such carloadings a year ago.

Shipments of feeder cattle, calves and hogs were nearly twice as large in December as in the corresponding month a year ago, evidencing a continuation of the large scale of feeding operations this year which have followed a large corn crop and the increase in the price of fat animals. Feeder cattle shipments were larger than in any other January since 1919; and feeder hog shipments were larger than for any January in our eight-year record. The only decrease, as compared with last year, occurred in shipments of feeder sheep, which are not important at this time of year. All classes of feeder shipments were very much smaller in January than in December, which is the usual occurrence as the season for buying feeders draws to a close.

Retail lumber sales in this district were 8 per cent larger in January than in the corresponding month last year, giving continued evidence of the larger building program under way in the rural com-

munities of this district. Lumber sales were 7 per cent smaller in January than in December, which is a smaller reduction than occurred in 1925 or 1924 between the same two months.

Of particular importance, on account of its probable effect on the trend of business volume and demand for bank accommodation, were the increases in stocks of lumber and in uncollected accounts and notes held by lumber retailers in this district. Stocks of lumber measured in board feet were 5 per cent larger at the end of January than a year ago, and showed the usual 10 per cent increase over stocks of lumber at the end of December. Accounts and notes receivable were 2 per cent larger at the end of January than a year ago, and exhibited a seasonal reduction of 13 per cent from the amount uncollected at the end of December.

Building permits granted in 18 cities of this district during January had a valuation 14 per cent smaller than in January a year ago. This decrease in the total occurred in spite of increases in the wheat belt cities, at Duluth-Superior and in the mixed farming centers. Although the valuation in January was 46 per cent below that of December, the customary seasonal decline is about 60 per cent, and there was an increase over December in the wheat belt group.

Building contracts awarded in January, as reported by the F. W. Dodge Corporation, were 20 per cent smaller than in January last year and 23 per cent smaller than in December. However, residential building contracts increased 4 per cent, and commercial building contracts more than doubled. As compared with December contracts, there were decreases in all of the important classes of building, with the exception of commercial and industrial building. Residential building, which is the largest class, showed a reduction between December and January of 44 per cent.

Department stores in cities of this district require a moderately larger amount of working capital this year than last on account of larger inventories and a larger volume of accounts and notes receivable. Twenty typical stores reported inventories 1 per cent larger at the end of January than a year ago and fifteen of these stores reported accounts and notes receivable 4 per cent larger on January 31 than last year. Moreover, an increasing proportion of these receivables are instalment payment accounts, according to reports from seven of the above stores, which reported a 10 per cent increase over last year in the amount of their instalment accounts receivable while the total for accounts receivable of all kinds increased but 2 per cent for the same stores. The table below shows the changes in receivables for the last three months and comparisons for the last two months were corresponding dates last year. It should be noted that the increase reported on January 31 over a year ago was not as great as the increase reported on December 31.

ACCOUNTS AND NOTES RECEIVABLE—15 STORES
(Including Instalment Accounts)

	1925-26	1924-25	Ratio
November 30	$2,550,850	.....	...
December 31	2,942,660	$2,759,560	107
January 31	2,446,300	2,354,880	104

INSTALMENT ACCOUNTS—7 STORES

	1925-26	1924-25	Ratio
November 30	$ 347,710	.....	...
December 31	354,300	$ 315,620	112
January 31	338,320	308,710	110

Banking developments: Expansion of loans and time deposits and a decline in demand deposits were the most important changes during the month of January in the condition of the twenty-four city member banks reporting weekly to this office. Loans increased 5 million dollars during the four weeks ending January 27. Of this expansion, 3 millions were commercial loans and 2 millions were loans secured by stocks and bonds. There was also a reduction of 2 million dollars in security holdings, an increase of 4½ millions in time deposits and an increase of one-half million dollars in borrowings from this Federal Reserve Bank. Net demand deposits decreased.

During the two weeks ending February 10, there was a further expansion of 2½ million dollars in the loans of these banks. Commercial loans expanded nearly 4 millions and loans secured by stocks and bonds were reduced more than 1 million dollars. Other changes were an increase in security holdings of one-half million dollars and an increase in borrowings of nearly 3 millions.

The deposits of member banks in the smaller cities and towns of this district decreased during the month ending January 27 by a larger amount than the decrease in the corresponding period last year, and the deposit totals were two per cent smaller than last year's amount. There were slight decreases in both time and demand deposits during the year. During January this year, time deposits increased 1½ million dollars, whereas a year ago there was an increase of 6 million dollars. Demand deposits decreased 6 million dollars during January this year, as compared with a decrease in January last year of 7 millions.

This Federal Reserve Bank experienced a contraction in Federal reserve notes in circulation of nearly 5 million dollars during the four weeks ending January 27, which is a seasonal occurrence accompanying the smaller volume of business done in January than in December. Member bank reserve deposits also decreased 1 million dollars. In the assets of this bank, there was a decrease of 12 million dollars in purchased bill holdings and an increase of less than ½ million dollars in bills discounted, the increase occurring chiefly in loans to Twin City banks. Cash reserves of this bank increased 7½ millions. During the three weeks ending February 17, there was a further decrease of less than 1 million dollars in Federal reserve notes in

circulation, but reserve deposits of member banks increased 1½ million. Bills discounted for member banks increased 3 million dollars, the increase again occurring largely in loans to Twin City member banks. Purchased bill holdings increased slightly and United States security holdings and cash reserves declined.

The prevalence of smut in wheat in the Northwest has reached alarming proportions. A campaign is under way under the direction of the Northwest Grain Smut Prevention Committee to eradicate or at least control this disease. According to a letter from this committee dated February 15, 1926, more than 15 million bushels of smutty spring and durum wheat have been received at terminal elevators in Minneapolis, Duluth, Superior, and St. Paul since September 1, 1925. It is estimated that smut cost the farmers and local elevators in the last year 8 million dollars in discounts and low yields. Discounts on hard red spring wheat averaged about 7 cents a bushel and on durum wheat about 15 cents a bushel. The smut situation has become so serious that unless immediate steps are taken to prevent it, a smut epidemic is predicted for 1926.

The 1925 situation is illustrated by the accompanying map prepared from grain investigation reports of the United States Bureau of Agricultural Economics. Over 5 per cent of the wheat of the 1925 crop in the important spring wheat counties was infected; and in a large part of the heaviest producing regions, over 25 per cent of the wheat was infected.

To check this infection, the United States Department of Agriculture recommends chemical seed treatment. Since smut spores are carried from one community to another in grain sacks and threshing machines and adhere to elevator machinery, it is possible for clean seed wheat to become infected from outside sources. In view of this chance of infection, every farmer should treat his seed wheat as a means of self protection. Local county agents have been instructed how to treat seed grain.

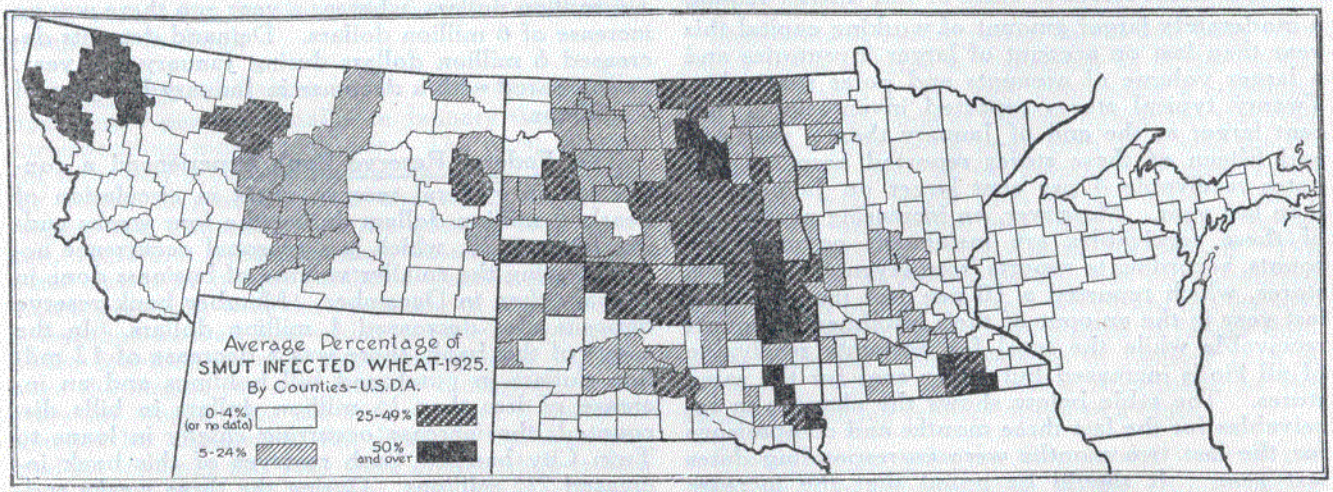
FARMING READJUSTMENTS IN THE NORTHWEST, 1920-1925

The number of farms increased six-tenths of one per cent between 1920 and 1925 in the four states of Minnesota, North Dakota, South Dakota and Montana, according to the preliminary results of the 1925 Census of Agriculture. The trend in these states has been contrary to the trend for the United States as a whole, which was a decrease of 1 per cent in the five year interval. Analyzing the figures by states, Minnesota and South Dakota showed increases in the number of farms, and North Dakota and Montana showed declines. The increases occurred largely in the northern counties of Minnesota, where much new land is being put under the plow, and in southern Minnesota and eastern South Dakota, where the farms are being broken up into smaller units. Decreases in the number of farms occurred very generally throughout Montana, in western North Dakota and in northwestern South Dakota.

Number of Farms

	1925	1920	% 1925 of 1920
Minnesota	188,215	178,478	105.5
North Dakota	75,969	77,690	97.8
South Dakota	79,536	74,637	106.6
Montana	46,901	57,677	81.3
Four States	390,621	388,482	100.6
United States	6,372,263	6,448,343	98.8

There has evidently been a more careful selection of farm land. The acreage of all land in farms in 1925 in these four states was 5 per cent smaller than in 1920. In spite of an increase in the number of farms, the reduction in acreage was most pronounced in South Dakota, but was very nearly as great in Montana and North Dakota. The reduction of land in farms in Minnesota, however, was



Smut Infection in Spring Wheat (including Durum) in 1925. Figures are county averages, based on a survey of more than 1,100 country elevators.

very slight, showing that the addition of new farm land in the northern part of the state very nearly offset abandonment of land in other parts of the state.

Acreage of All Land in Farms

	1925	1920	% 1925 of 1920
Minnesota	30,040,933	30,221.758	99.4
North Dakota	34,326,905	36,214,751	94.8
South Dakota	32,006,898	34,636,491	92.4
Montana	32,740,442	35,070,656	93.4
Four States	129,115,178	136,143,656	94.8

The size of the average farm was reduced very greatly in South Dakota between 1920 and 1925, and smaller reductions occurred in North Dakota and Minnesota, but the average farm in Montana was much larger in 1925 than in 1920.

Average Acreage Per Farm

	1925	1920	% 1925 of 1920
Minnesota	159.6	169.3	94.3
North Dakota	451.9	466.1	97.0
South Dakota	402.4	464.1	86.7
Montana	698.1	608.1	114.8

The number of farms in these four states operated by tenants increased 25 per cent during the five year period. In Montana, there was an increase of more than half in the number of tenant farmers, and in North Dakota and South Dakota, the number of tenant farmers increased more than one-fourth. In Minnesota, the number of tenants increased only one-sixth.

Number of Farms Operated by Tenants

	1925	1920	% 1925 of 1920
Minnesota	51,081	44,138	115.7
North Dakota	26,096	19,918	131.0
South Dakota	33,046	26,041	126.9
Montana	10,027	6,507	154.1
Four States	120,250	96,604	124.5

The percentage of farms in Montana operated by tenants increased from 11 per cent in 1920 to 21 per cent in 1925. Increases in percentage of tenant farmers for the other states were as follows: South Dakota, from 35 to 42 per cent; North Dakota, from 26 to 34 per cent; Minnesota, from 25 to 27 per cent.

The average value of land and buildings per acre in Minnesota declined from $109 in 1920 to $80 in 1925; in North Dakota from $41 to $30; in South Dakota from $71 to $45; and in Montana from $22 to $14. This decline in farm values was almost entirely in the value of land, for the value of farm buildings increased during the five year interval in Minnesota and declined very slightly in North Dakota and South Dakota, although more seriously in Montana. The value of farm land, exclusive of buildings, on the other hand, declined more than one-third in the four states.

Value of Farm Land (Excluding Buildings)

	1925	1920	% 1925 of 1920
Minnesota	$1,798,470,419	$2,750,328,432	65.4
North Dakota	812,160,391	1,279,313,627	63.5
South Dakota	1,200,741,574	2,231,431,723	53.8
Montana	387,089,818	691,912,265	55.9
Four States	4,198,462,202	6,952,986,047	60.4

Value of Farm Buildings

	1925	1920	% 1925 of 1920
Minnesota	$ 597,534,909	$ 550,839,893	108.5
North Dakota	206,383,281	209,207,868	98.7
South Dakota	236,176,643	241,461,958	97.8
Montana	66,255,825	84,855,264	78.1
Four States	1,106,350,658	1,086,364,983	101.8

This great reduction in the value of farm land has been accompanied by financial distress among those farmers of this district whose land was most heavily mortgaged. A rough index of this is to be found in the figures for bankruptcies among farmers. The following table of bankruptcies among farmers has been compiled by the United States Department of Agriculture from annual reports of the Attorney General of the United States. It will be seen that the number of farmer bankruptcies was very small in each of the four states until 1920, and that from 1920 to 1924 the number of such bankruptcies increased rapidly to very large proportions. However, the large crops of 1924 and the high prices received for these crops caused a notable reduction in the number of farmer bankruptcies in every state, except South Dakota. For the six year period from June 30, 1919, to June 30, 1925, the percentage of bankruptcies to the total number of farms in these states in 1920 was 3 per cent for Montana and North Dakota, and 1 per cent for Minnesota and South Dakota. It should be noted that the number of bankruptcies by no means measures the extent of the financial distress, for many farmers abandoned their land without bankruptcy proceedings, and many others were allowed to effect a composition with their creditors without bankruptcy proceedings being instituted.

Bankruptcy Among Farmers

(Cases concluded in fiscal years ending June 30)

	Minnesota	North Dakota	South Dakota	Montana	Four States
1910	60	67	30	9	166
1911	28	41	11	9	89
1912	29	54	19	20	122
1913	32	92	25	38	187
1914	29	105	42	55	231
1915	16	111	33	71	231
1916	19	90	16	81	206
1917	59	60	50	90	259
1918	49	61	17	38	165
1919	16	37	6	52	111
1920	42	50	18	63	173
1921	57	93	24	82	256
1922	189	237	38	215	679
1923	291	615	148	366	1,420
1924	430	782	236	551	1,999
1925	369	629	352	460	1,810
Bankruptcies 1920-25	1,378	2,406	816	1,737	6,337
Per cent which bankruptcies in the six years 1920-25 are of number of farms in 1920	.8	3.1	1.1	3.0	1.6

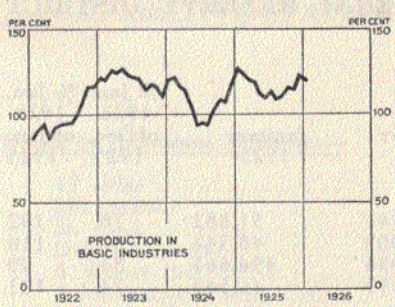
COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

	Unit	January 1926	December 1925	January 1925	% Jan. 1926 of Dec. 1925	% Jan. 1926 of Jan. 1925
Debits to Individual Accounts—						
17 cities		$778,726,000	$948,144,000	$815,955,000	82	95
Minneapolis		390,915,000	482,306,000	424,513,000	81	92
St. Paul		171,496,000	191,299,000	175,724,000	90	98
Duluth-Superior		79,142,000	121,434,000	87,317,000	65	91
8 Wheat Belt Cities		53,449,000	66,916,000	52,968,000	80	101
3 Mississippi Valley Cities		19,434,000	19,238,000	19,583,000	101	99
South St. Paul		46,716,000	47,993,000	40,773,000	97	115
Sioux Falls		17,574,000	18,958,000	15,077,000	93	117
Carloadings—Northwestern District—						
Grains and Grain Products	Cars	46,829	54,742	58,499	86	80
Livestock	Cars	47,028	48,159	49,981	98	94
Coal	Cars	38,592	39,827	46,778	97	83
Coke	Cars	6,710	7,716	7,960	87	84
Forest Products	Cars	79,598	68,609	95,932	116	83
Ore	Cars	2,256	2,856	3,197	79	71
Merchandise—L. C. L	Cars	123,660	130,174	119,717	95	103
Miscellaneous	Cars	128,490	128,122	135,740	100	95
Total	Cars	473,163	480,205	517,804	99	91
Building Permits—						
Number	18 cities	616	840	744	73	83
Value	18 cities	$2,183,400	$4,039,000	$2,533,600	54	86
Minneapolis		812,900	1,253,000	1,095,400	65	74
St. Paul		548,000	1,086,300	840,400	50	65
Duluth-Superior		572,300	1,398,300	453,600	41	126
4 Wheat Belt Cities		103,400	59,200	12,300	175	841
6 Mixed Farming Cities		127,300	199,100	105,400	64	121
4 Mining Cities		19,500	43,600	26,500	45	74
Building Contracts Awarded—						
Total		4,012,400	5,206,300	5,024,700	77	80
Residential		1,565,000	2,784,600	1,500,600	56	104
Commercial, Industrial & Utility		1,530,000	1,093,200	2,055,100	140	74
Grain Receipts at Minneapolis and Duluth-Superior—						
Wheat	Bu.	9,802,882	19,845,734	11,189,569	49	88
Corn	Bu.	1,243,840	876,847	4,151,722	142	30
Oats	Bu.	4,186,423	5,786,087	5,731,623	72	73
Barley	Bu.	1,468,786	2,658,851	2,396,550	55	61
Rye	Bu.	1,035,535	1,749,078	1,355,742	59	76
Flax	Bu.	473,989	1,426,224	1,400,930	33	34
Grain Stocks at End of Month at Minneapolis and Duluth-Superior—						
Wheat	Bu.	17,681,072	16,691,733	23,581,111	106	75
Corn	Bu.	347,140	114,381	88,813	304	391
Oats	Bu.	31,197,086	29,094,892	34,709,750	107	90
Barley	Bu.	5,094,259	4,845,212	2,388,794	105	213
Rye	Bu.	8,519,200	7,770,582	5,822,363	110	146
Flax	Bu.	2,027,270	2,390,659	1,321,290	85	153
Median Cash Grain Prices—						
Wheat—No. 1 Dark Northern	Bu.	$1.77½	$1.74⅝	$1.94⅞	102	91
Durum—No. 2 Amber	Bu.	1.61¼	1.53	2.09	105	77
Corn—No. 3 Yellow	Bu.	.79	.80	1.25	99	63
Oats—No. 3 White	Bu.	.39	.38½	.55	101	71
Barley—No. 3	Bu.	.63	.63½	.90½	99	70
Rye—No. 2	Bu.	.99¾	.98	1.55	102	64
Flax—No. 1	Bu.	2.51	2.60	3.14	97	80

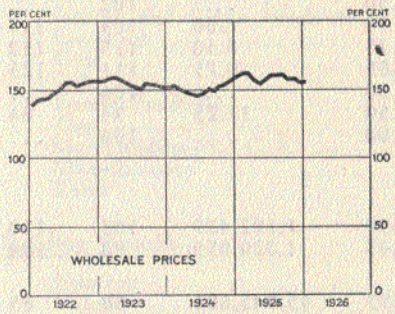
COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT
(Continued)

	Unit	January 1926	December 1925	January 1925	% Jan. 1926 of Dec. 1925	% Jan. 1926 of Jan. 1925
Livestock Receipts at South St. Paul—						
Cattle	Head	68,590	88,341	51,882	78	132
Calves	Head	53,291	60,309	48,541	88	110
Hogs	Head	389,126	482,034	494,661	81	79
Sheep	Head	46,820	62,917	46,543	74	101
Median Livestock Prices at South St. Paul—						
Butcher Cows	Cwt.	$6.25	$5.75	$5.00	109	125
Butcher Steers	Cwt.	8.50	8.00	7.25	106	117
Prime Butcher Steers	Cwt.	9.65	9.50	....	102	...
Stocker & Feeder Steers	Cwt.	7.00	6.75	6.00	104	117
Veal Calves	Cwt.	11.25	9.75	8.50	115	132
Hogs	Cwt.	12.00	10.85	9.75	111	123
Heavy Hogs	Cwt.	9.50	9.00	....	106	...
Lambs	Cwt.	14.50	15.50	17.25	94	84
Ewes	Cwt.	8.50	8.00	....	106	...
Flour—						
Production—Twin Cities & Duluth-Superior	Bbls.	1,209,857	1,170,630	1,102,429	103	110
Shipments from Minneapolis	Bbls.	1,058,655	1,174,643	1,020,055	90	104
Linseed Products Shipments from Minneapolis	Lbs.	38,982,381	44,410,895	45,945,601	88	85
Retail Sales—						
23 Department Stores		$2,207,010	$4,199,990	$2,297,460	53	96
543 Lumber Yards	Bd. Ft.	8,597,000	9,261,000	7,933,000	93	108
Life Insurance Sales (4 States)		$21,380,000	$28,768,000	$17,774,000	74	120
Wholesale Trade—						
Farm Implements	6 firms	$180,780	$217,720	$153,170	83	118
Hardware	13 firms	1,609,030	1,937,070	1,549,130	83	104
Shoes	4 firms	279,090	447,290	405,400	62	69
Groceries	49 firms	4,155,210	4,517,250	4,587,690	92	91
Business Failures—						
Number		113	89	103	127	110
Liabilities		$1,298,783	$1,414,078	$1,095,724	92	119
Securities Sold—						
To Banks		$3,034,600	$3,455,000	$4,708,600	88	64
To General Public		7,163,500	5,403,600	9,112,100	133	79
Ninth Federal Reserve District Member Banks—						
Demand Deposits		$452,173,000	$466,046,000	$481,231,000	97	94
Time Deposits		441,449,000	434,857,000	434,954,000	102	101

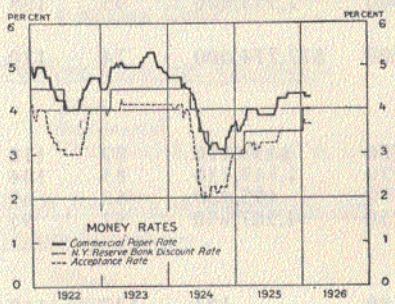
24 City Member Banks—	Feb. 17 1926	Jan. 13 1926	Feb. 18 1925	% Feb. of Jan.	% 1926 of 1925
Loans	$250,573,000	$249,591,000	$267,124,000	100	94
Securities	113,652,000	114,041,000	104,571,000	100	109
Demand Deposits	228,848,000	230,779,000	247,246,000	99	93
Time Deposits	113,134,000	112,776,000	105,080,000	100	108
Borrowings at Federal Reserve Bank	4,450,000	1,550,000	237,000	287	1,878
Minneapolis Federal Reserve Bank—					
Loans to Member Banks	6,788,031	4,081,474	3,891,810	166	174
Federal Reserve Notes in Circulation	64,629,345	67,556,185	67,920,880	96	95



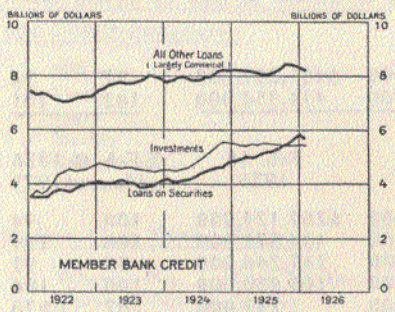
Index of 22 Basic Commodities Adjusted for Seasonal Variations (1919 = 100). Latest figure—January, 120.



Index of United States Bureau of Labor Statistics (1913 = 100, base adopted by Bureau). Latest figure—January, 156.



Weekly Rates in New York Money Market: Commercial Paper Rate on 4 to 6 months paper and Acceptance Rate on 90-day paper.



Monthly Averages of Weekly Figures for Banks in 101 Leading Cities. Latest figures are averages for first weekly report date in January.

Summary of National Business Conditions

(Compiled February 25 by Federal Reserve Board)

Industrial activity in January was in slightly smaller volume than in December, and the distribution of commodities showed a seasonal decline. The level of prices remained practically unchanged.

PRODUCTION: The Federal Reserve Board's index of production in selected basic industries was about 1 per cent lower in January than in December. The output of iron and steel, copper and zinc increased, while activity in the woolen and petroleum industries declined, and mill consumption of cotton, the cut of lumber and bituminous coal production increased less than is usual at this season of the year. Automobile production, not included in the index, was slightly smaller than in December, but considerably larger than in January, 1925. Factory employment changed but little in January, but the earnings of workers decreased considerably owing to the closing of plants in most industries at the opening of the year for inventory taking and repairs. The volume of building contracts awarded in January, although seasonally less than in December, exceeded that of any previous January on record. Contracts awarded were particularly large in the New York and Atlanta districts.

TRADE: Sales of department stores and mail order houses showed more than the usual seasonal decline in January, but were larger than in January of last year. Wholesale trade declined considerably and was in smaller volume than a year ago. Stocks at department stores showed more than the usual increase in January and were about 11 per cent larger than at the end of January, 1925. Freight carloadings declined in January, and the daily average for the month was approximately the same as a year earlier.

PRICES: Wholesale prices, as measured by the index number of the Bureau of Labor Statistics, remained practically unchanged from December to January. By groups of commodities, prices of grains, coke and paper and pulp increased, while dairy products, cotton goods, bituminous coal and rubber declined. In the first three weeks of February, there was a decline in the prices of grains, and following the settlement of the strike in the anthracite region, a drop in the prices of bituminous coal and coke. Price advances were shown for refined sugar, copper and petroleum.

BANK CREDIT: At member banks in leading cities, the seasonal decline in the demand for credit, which began at the turn of the year, came to an end toward the close of January, and in the early part of February, the volume of loans and investments at these banks increased considerably. The increase was largely in loans for commercial purposes, which, after declining almost continuously from their seasonal peak early in October, advanced by more than $50,000,000 in February.

The growth in the commercial demand for credit throughout the country, together with some increase in currency requirements, was reflected in a withdrawal of funds from the New York money market and was a factor in the increase in the demand for Reserve bank credit after the end of January. Reserve bank holdings of bills and securities increased by about $66,000,000, between January 27 and February 17.

As the result of the withdrawal of funds from New York, the rates on call loans became somewhat firmer in February, but commercial paper rates were slightly lower.