IMPROVEMENT IN N. W. FINANCES IS REPORTED

Federal Reserve Report is Issued; Shows Decline In Shipments.

Increase in Number of Building Permits is Promising.

Minneapolis, Minn., Feb. 1.—The monthly report of the Federal Reserve agent in the ninth district contains the following information:

Financial conditions in the northwest improved considerably in December and the early part of January. Interest rates at the Federal Reserve bank and other central banks declined because many loans were paid off in the larger cities.

The December movement of grain and live stock to market was reduced to totals below normal for the month, although receipts of corn, coats and calves increased. Greater stability was shown in the prices of grain and live stock at wholesale.

Buying in the agricultural sections was at a low ebb although city sales appear to have improved noticeably. Wholesale sales of agricultural implements in 1921 were but one-third of the 1920 totals. December sales at the retail stores in the larger cities exhibited a greater increase over November than between these months last year.

The volume of business and manufacturing registered a substantial decline, as indicated by flour production, shipments of lumber manufacturers, sales of lumber retailers and increased unemployment of labor. Copper and linseed production rose slightly. Individual debits which reflect general conditions fell two per cent. Business failures continued at the former levels.

Promise for the future is indicated in the estimate that a larger acreage was sown to winter wheat in the northwest than last year, whereas for the whole United States there has been a decline. Also building operations projected as shown in permits granted in nine important cities were half again as large as a year ago in the same month, and stocks of retailers and wholesalers of lumber were much lower than a year ago.

General Survey.

The financial situation in the northwest during December was characterized by substantial reductions in loans at the larger city banks. The customers of thirty-five of the larger member banks reduced their borrowings $14 millions and enabled these banks to pay $10 1-2 millions of resdiscounts at the Minneapolis Federal Reserve bank. While demand deposits in these banks dropped $4 1-4 millions, there was a rise in time deposits of $5 1-2 millions and in government deposits of $3 1-2 millions, making a net rise in deposits of all classes of $4 3-4 millions. At the same time savings deposits in the nine savings banks at Minneapolis and St. Paul rose nearly 2 per cent.

The Ninth Federal Reserve bank experienced a seasonal decline in its total loans to member banks of $13 1-2 millions in the five weeks ending January fourth and $5 millions in the succeeding two weeks. Of this total decrease of over $18 millions, the Twin City banks were responsible for $14 millions. Reduction of borrowings by country banks continued at a very moderate rate.

Federal Reserve notes of the Minneapolis Federal Reserve bank outstanding reflected the customary Christmas increase in buying with the consequently larger demand for pocket money. The amount of notes outstanding was $1 1-4 millions more on January 4th than on November 30th, but owing to the elastic nature of this currency, by January 18th the amount outstanding had declined $2 1-2 millions from the figure of January 4th.

Interest and Discount Rates.

Interest and discount rates declined during the month ending January 15th. The discount rate for the Minneapolis Federal Reserve bank was reduced on January 11th from 5 1-2 to 5 per cent on all classes of paper. Commercial bank rates also weakened somewhat during the month. Declines occurred in the customary rate on prime 30-60-90 day commercial paper discounted for customers from 6 1-2 to 6 per cent, and on prime commercial paper purchased in the open market from 5 3-4 to 5 1-2 per cent. The customary rate on bankers' acceptances with endorsement increased from 4 5-8 to 5 per cent and rates on commodity paper secured by warehouse receipts increased from 6 1-2 to 7 per cent.

Retail Trade.

Retail trade, as reported by selected retail stores, exhibited a 39 per cent increase in sales during December over the November figure owing to the Christmas rush of purchases. For the same reason the rate of turnover during December improved materially while stocks at the end of December were down 13 per cent from the figure for a month ago. The dollar amount of sales during 1921 was 16 per cent below the total for the year 1920.

Wholesale Trade.

Wholesale trade continued to decline in the case of hardware and agricultural implement firms, but there was a 7 per cent increase in wholesale dry goods sales between November and December. While the volume of sales during 1921 was only one-third of the 1920 volume in the case of agricultural implement dealers and two-thirds of 1920 for hardware and dry goods, the outstanding notes and accounts receivable of these firms at the end of 1921 were only 18, 17, and 3 per cent below a year ago for the agricultural implement, hardware, and dry goods groups respectively.

Prices.

Prices for the chief agricultural products of this district moved up during December. Median live stock prices at South St. Paul increased in four instances, and there were no declines. The price per cwt. for lambs was up $1.50 over November, veal calves increased 50 cents, and butcher steers and stockers and feeders were up 25 cents each. Median grain prices at Minneapolis showed four increases and two declines. Flax was up 8 1-2 cents, rye 7 cents, wheat 3 1-2 cents, and oats 1 1-4 cents; while corn declined 1 1-2 cents and barley 1 cent. The best grade of flour sold at $7.25 per barrel on January 15th, showing an increase of 25 cents over the middle of November. Wholesale produce prices at Minneapolis is strengthened during the month of December. The whole vegetable group, with the exception of potatoes and dried peas and beans, moved up, and there were increases in the price of hens and veal. In contrast with this general rise was the decline of the best creamery butter from 42 cents to 37 cents and of No. 1 eggs from 52 cents to 38 cents.

Cost of Living.

The cost of living in the Ninth Federal Reserve district declined 1 per cent between December 1 and January 1, and the January 1 figure was 12 per cent below the figure for a year ago when the compilation of figures was begun. Minneapolis and St. Paul showed declines of less than 1 per cent in the cost of living during December but were down 15 and 9 per cent respectively from a year ago.

Building Permits.

Building permits granted in nine important cities of the Ninth Federal Reserve district showed a 40 per cent rise in valuation, but a 37 per cent decline in number between November and December. All cities showed declines in the number of permits issued, but in valuation, Minneapolis reported an increase in December over November of 96 per cent; Sioux Falls, an increase of 30 per cent; and St. Paul, an increase of 18 per cent. Building continues to be on a larger scale than a year ago. The number of permits granted in December this year was nearly 48 per cent more than a year ago, and the valuation showed a rise of 64 per cent. Of the total building in December, 1921, 92 per cent was for new construction and only 8 per cent for repairs.

Stock Movement.

The movement of live stock at South St. Paul exhibited its customary decline in December from the November volume. Receipts of all classes of live stock were lower in December than in November. While there was an increase in the number of hogs shipped from South St. Paul, all other shipments declined. December receipts of calves and shipments of hogs and calves were at a higher level this year than last, while other receipts and shipments showed declines. Shipments of feeders showed pronounced declines in the case of cattle and sheep, and moderate declines for calves and hogs between November and December. As compared with a year ago, December shipments of feeder cattle and calves showed increases of 14 and 31 per cent respectively, although shipments of hogs and sheep for feeding purposes were down.

Grain Receipts.

Grain receipts at Minneapolis and Duluth declined only 3 per cent between November and December, owing to the abnormally severe slump in receipts during November.

The movement of corn normally reaches a peak in December, and 1921 December receipts reached a total of 3,400,000 bushels, representing an increase of 173 per cent over the receipts for November. Corn receipts in December were 74 per cent larger than during December a year ago, and the receipts of oats were also larger this year than last; but receipts of other grains declined, causing the total grain receipts at Minneapolis and Duluth to show a 17 per cent decline this year from a year ago.

Grain receipts at Minneapolis were 11 per cent larger in December than in November and shipments showed an increase of 13 per cent. Corn receipts at Minneapolis doubled and shipments trebled between the two months. Duluth grain receipts and shipments showed pronounced declines, owing to the closing of navigation at the head of the lakes. In spite of this adverse factor, corn receipts at Duluth in December were four times as large as in November and receipts of oats increased more than one-half.

Winter Wheat.

The acreage sown to winter wheat in the Ninth Federal Reserve district during the fall of 1921 totaled 494,000 acres. This is a somewhat larger figure than the 1920 fall sowing, the increases occurring in South Dakota and Minnesota. The number of acres sown to rye in the fall of 1921 also showed an increase for this district over the 1920 figure with pronounced increases in North Dakota (90%) and in South Dakota (40%). These increases are due in part to the favorable conditions this fall for planting, and also in the case of rye to the more favorable price conditions for this grain as compared with oats, barley, and corn in 1921, and to a desire on the part of farmers to clear their land of weeds with a rye crop.

Wages Paid.

The wages paid for farm help in 1921 for the three states of Minnesota, North and South Dakota showed a 46.5 per cent decline from the average paid in 1920. The average for 1921 was $38 with room and board and in 1920 $71. The greatest decline took place in South Dakota.

IS KILLED BY HORSE.

New Salem, N. D., Feb. 1.—Henry, age 14, son of Charles Schieck, a farmer living 15 miles south of this place, died Monday evening from a fracture of the skull sustained by a kick from a horse. The boy was found lying in a doubl stall occupied by two horses on Friday night. He never regained consciousness.

TOURS AMERICA TO HELP FRENCH

Miss Anne Morgan.

Miss Anne Morgan, daughter of the late J. Pierpont Morgan Sr., is now touring the United States lecturing in behalf of the American committee for devastated France. She founded the organization and has won the gratitude of the French republic.

BONUS BILL IS UP AGAIN

"Five Way" Adjustment Plan is Rejected by Senate 43 to 31.

Washington, Feb. 1.—Discussion of the long pending soldier bonus bill was renewed yesterday at both ends of the capitol. Before the house ways and means committee, which by agreement of Republican leaders in congress re-opened hearings on the measure, officers of organizations of former service men urged immediate action on the bill, and, in reply to questions, said the problem of raising the necessary funds was one for congress to solve.

In the senate, Republican leaders frustrated attempts by the Democrats to add the bonus bill to the Allied debt refunding measure. After a brief heated debate, the senate adopted, 42 to 28, a motion by Senator Watson, Republican, Indiana, to lay on the table an amendment offered by Senator Simmons, Democrat, North Carolina, incorporating the "five way" adjustment compensation plan.

Another Plan Rejected.

The amendment would provide that the bonus be paid out of the interest on the foreign debt and that if this should prove insufficient, the secretary of the treasury should issue certificates of indebtedness to be redeemed out of future interest payments, or with the approval of the president, to sell so much of the foreign bonds as might be necessary.

Later the senate rejected, 43 to 21, an amendment by Senator Jones, Democrat, New Mexico, which carried the "five way" plan, but had no provision for raising funds.

In offering his amendment, Senator Simmons declared that when he had proposed the bonus bill as an amendment to the tax revision measure, he had been told that it was the desire of the majority to act on the bonus in connection with the debt refunding bill, but now that the Republicans had decided in party conference that the bonus measure should be acted upon separately.

He added the administration now had decided it would not be feasible to use the interest on the foreign debt for this purpose and it was the plan instead to levy new and special taxes.

Asserting that Chairman Fordney, of the ways and means committee, had proposed a tax on gasoline, Senator Simmons said this would place the whole burden of the bonus on the users of that commodity and would be class legislation in its worst form.

Opposing the amendment, Chairman McCumber of the finance committee, declared it had been decided to have the bonus bill originate in the house, because it would be a revenue-raising measure and that every one know that adjusted compensation legislation soon would be enacted. He deprecated what he called the injection of party politics into the question and said he objected to adding the bonus to the debt bill because the president had declared his opposition to any bonus measure that did not provide funds for immediate payment to the former service men.

Watson Ends Discussion.

Senator Watson of Indiana, cut the discussion short with a motion to lay on the table, stating that every one knew a bonus bill soon would be passed. The motion brought protests from the Democratic side, Senators Ashurst of Arizona, Pittman of Nevada, and others declaring that it violated the spirit of the unanimous consent agreement, which was designed, they said, to limit debate and not prohibit it.

Republicans contested this view and after considerable wrangling the point of order against the motion was overruled by Vice President Coolidge.

The senate then adopted the Watson motion, with three Republicans—Johnson, LaFollette and Norris—voting against it and two Democrats—King and Myers—supporting it.

In his statement before the ways and means committee, Hanford MacNider, national commander of the American Legion, attacked Secretary Mellon for opposing the bonus legislation at this time.

LEITH PLANT IS SOLD.

Leith, N. D., Feb. 1.—The Leith electric light and power plant has been sold by stockholders to E. W. Richards of Raleigh for $4,000. The village granted the purchaser a 20 year franchise upon condition of 24 hour service and not to exceed 28 cents a kilowatt.

OIL LEASES SECURED.

Carson, N. D., Feb. 1.—The Grant County Oil company, formed here recently by local men, has secured leases on upwards of 6,000 acres of land. Farmers are being urged to come in as stockholders, taking stock in the company in payment for mineral rights to test out their lands, in addition to a one-eighth royalty. A test well in one of the supposed oil structures near here is contemplated this spring.