

# MONTHLY REVIEW

OF

## AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

### NINTH FEDERAL RESERVE DISTRICT

J. N. PEYTON, Chairman of the Board  
and Federal Reserve Agent

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

OLIVER S. POWELL, Statistician  
H. C. TIMBERLAKE, Asst. Statistician

Vol. VI (Serial  
No. 223)

Minneapolis, Minnesota

July 29, 1933

#### DISTRICT SUMMARY OF BUSINESS

The increase in business volume in the Ninth Federal Reserve District continued during the month of June, and in that month the gain, as compared with the corresponding month last year, broadened. The adjusted index of bank debits rose from 58 in May to 61 in June and in the latter month, the total was 13 per cent larger than in June last year. Furthermore, 33 cities reported increases in bank debits in June over June last year, whereas only 13 cities reported increases in the annual comparison for May. The adjusted country check clearings index increased from 79 in May to 88 in June, and country check clearings in the latter month were considerably larger than a year ago. The index of country lumber sales rose from 49 in May to 50 in June and increased its margin over last year's level.

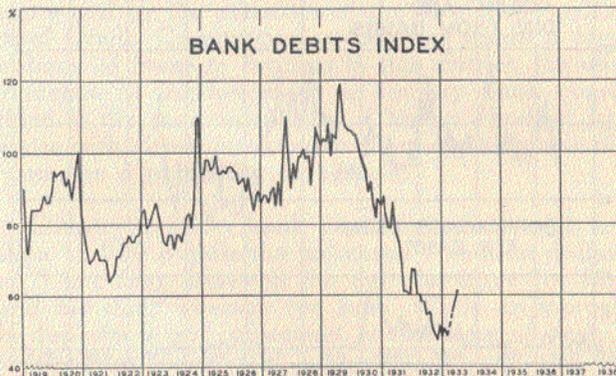
Increases over last year's figures for June were also reported for freight carloadings, residential building contracts, flour shipments, linseed products shipments, iron ore movement, copper output, grain marketings, receipts of cattle and hogs and wholesale trade. Decreases occurred in building permits, department store sales, furniture sales, and receipts of calves and sheep. The great majority of these business indicators for the district made a better showing in June than in May when compared with last year's records.

Bank debits and country check clearings continued to increase during the first part of July. Bank debits at seventeen cities for the three weeks end-

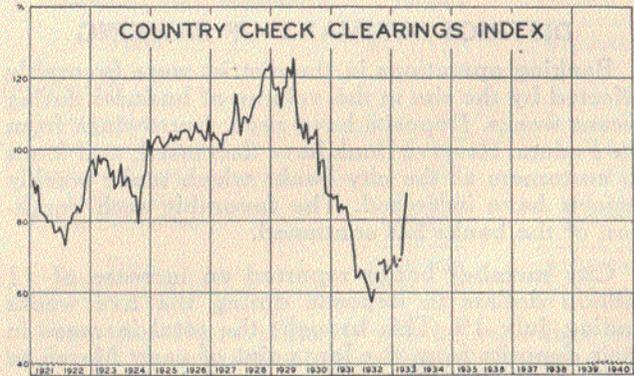
ing July 19 were 29 per cent larger than in the corresponding weeks last year and were at about the level of the fall of 1931. Country check clearings in the first fifteen business days of July were 36 per cent larger than in the corresponding days last year. If this volume continues for the remainder of the month, the country check clearings index for July will be higher than any other since the fall of 1930.

Employment in the three largest cities of Minnesota increased by more than the seasonal amount during May, according to the latest Minnesota Employment Review. Increases in number of employees in May over the same month last year were reported in flour and grain, other food products, clothing and textiles, department stores and mail order houses and water transportation. Increases in payrolls during May over the same month last year were reported for flour and grain, paper and printing, and water transportation. Significant paragraphs from the Review are quoted below:

"Employment in the Twin Cities and Duluth increased 2.9 per cent and payrolls gained 4.8 per cent in May, according to a comparison of figures from 525 industrial and commercial concerns reporting monthly to the Institute. This employment increase compared with an average advance of only 1.0 per cent for the corresponding month during the preceding four years. Of the 525 establishments, employing 70,884 persons in May, a total of 185 firms had added



Bank Debits Index for Reporting Cities in the Ninth Federal Reserve District, adjusted for seasonal variations.



Country Check Clearings Index, adjusted to remove seasonal variations.

nearly 2,500 manual, clerical, and sales employees. The 118 manufacturing firms that increased their numbers, did so to the extent of nearly 10.0 per cent of their previous totals.

"The improvement was general in nearly all lines of industry in each of the three cities, making the May report the most encouraging since the beginning of this publication a year ago. It is noteworthy that a considerable proportion of the small concerns added to their staffs for the first time in many months. The May increases followed general advances in April over March.

"April to May increases in manufacturing employment amounted to 3.4 per cent, which compares with an average decline of 0.6 per cent during the years 1929 to 1932. Payrolls of this group were up 6.5 per cent. Especially marked improvement was indicated by producers in the metals, woodworking and furniture, and stone, clay, and glass groups. Lake shipping and construction activities showed extensive seasonal advances.

"The employment total for all of the industries in this survey in May, 1933, was 7.6 per cent below the figures for the same month in 1932. For April, the total was 9.2 per cent under last year's corresponding month. In manufacturing the rate of decline from last year had fallen off to only 3.4 per cent in May, as compared with 7.4 per cent in April and 11.4 per cent in March. The total for manufacturing groups in St. Paul was back to its 1932 level."

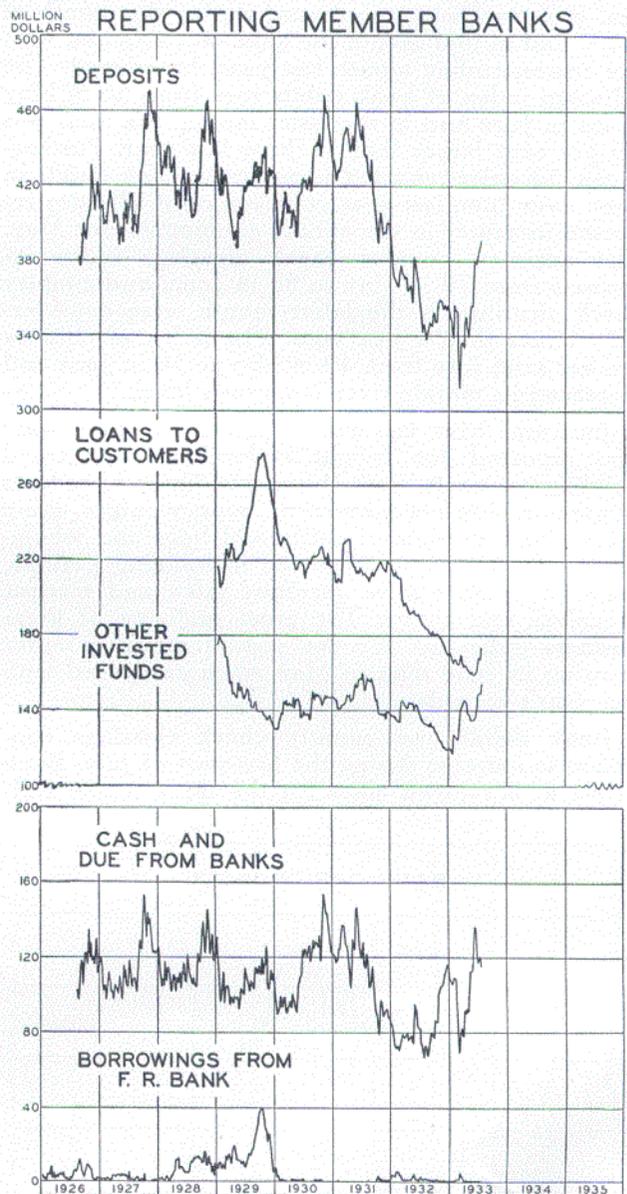
Preliminary employment data for June compiled by the agencies which publish the Minnesota Employment Review, indicate that there was a gain in employment of 3.1 per cent over May and an increase in payrolls of 1.5 per cent over May. The increase from May to June was most pronounced in manufacturing, in which employment increased 4.0 per cent and payrolls 6.8 per cent. The four year average change in employment from May to June was an increase of .3 per cent for all industries and a decrease of .7 per cent for manufacturing. A few increases in wage rates were reported during June, and cuts in pay practically ceased.

#### DISTRICT SUMMARY OF BANKING

Banking operations in the district were favorably affected by the rise in the volume of business during recent weeks. Deposits have risen, borrowings from the Federal Reserve Bank have decreased, and loans to customers at the city banks which make weekly reports have increased. The favorable cash condition of the banks has continued.

City member banks reported an increase of 11 million dollars in deposits during the five weeks ending July 19. This brought the total increase in their deposits from the low point of early March to a figure of 79 million dollars. On July 19 their deposits were 43 million dollars larger than a year ago and were at the highest level since the first week in

January 1932. The increase in deposits was largely in commercial and individual demand deposits, where the rise was associated with the need for larger balances to care for the increase in business activity. The increase in this class of deposits during the five weeks ending July 19 was 15 million dollars, and brought the total of these deposits to the highest level since December 1931. There were minor increases during the five week period in public deposits, both by municipalities and by the United States Government. Time deposits decreased 5 million dollars during the period and on July 19 were lower than at any previous time since the fall of 1930. Balances due to banks decreased 3 million dollars during the five weeks, but nevertheless on July 19, they were 26 million dollars larger than a year ago.



Principal Assets and Liabilities of City Member Banks in the Ninth Federal Reserve District which make Weekly Reports to the Federal Reserve Bank.

Loans to customers by city member banks increased 14 million dollars during the five weeks ending July 19. This was the first substantial increase in about a year and a half, and the total of these loans was 14 million dollars smaller on July 19 than a year ago.

There was a noticeable shift in the uses to which other funds of reporting city member banks were put during the five weeks ending July 19. Balances carried with correspondent banks decreased 34 million dollars. Most of this decrease occurred in the week of June 21 and was undoubtedly induced by the ending of the payment of interest on demand deposits (including correspondent bank balances), as ordered by the Banking Act of 1933 approved on June 16. The funds drawn from correspondent balances were used as follows: To increase brokers' loans and other short-term investments, 7 million dollars; to increase Government securities holdings, 10 million dollars; to increase balances with the Federal Reserve Bank, 8 million dollars. There were minor changes in holdings of other kinds of securities and in vault cash and items in process of collection.

In spite of the reduction during recent weeks, balances carried by these banks with correspondents were 27 million dollars larger on July 19 than a year ago. Investment holdings were 19 million dollars larger than last year. These banks were completely out of debt to the Federal Reserve Bank on July 19.

Country bank data, although not as complete as those for city banks, nevertheless reflect an improvement in country bank conditions during recent weeks. Member bank borrowings from the Federal Reserve Bank continued the decrease which has been in progress since March 15, and on July 19 their borrowings from this bank were only \$4,400,000, as compared with \$12,500,000 a year ago. The recent decrease is notable since it has been appearing at a time of year when usually country member banks increase their borrowings to care for seasonal demands incident to the production of crops. The unseasonal decrease in their borrowings can be explained both by the increase in farm income and by the activities of the Regional Agricultural Credit Corporation, which has made a large volume of loans to farmers in this district. Another evidence of improvement in country bank conditions is the maintenance of a higher level of balances with city correspondent banks, which was discussed in a preceding paragraph.

Country member bank deposits in cities with less than 15,000 population increased 7 million dollars, or 3 per cent, between the daily average for May and the daily average for June. While an increase in deposits is not infrequent at this time of year, it is significant that the increase this year was the largest in our ten year record. However, these country member bank deposits were still 22 per cent smaller than a year ago, partly on account of the

elimination from the 1933 figures of banks which did not reopen after the banking holiday.

The June 30 call for condition reports of member banks affords an opportunity to determine the changes in the member bank assets of the district during the first half of 1933, which was an unusually important period on account of the bank holiday and other developments. The 20 city member banks which are included in our weekly reporting group, experienced an increase in loans and investments of 23 million dollars. Their loans to customers decreased 7 million dollars and their investments increased 30 million dollars. The decrease in loans to customers was entirely in loans to banks and in loans on securities. Other customers' loans increased. The increase in investment holdings was almost wholly in United States Government securities.

Country member banks held total loans and investments of 305 million dollars on June 30, whereas the country member banks in operation on December 31, 1932, had loans and investments of 367 million dollars. This would apparently indicate a decrease of 62 millions dollars in the earning assets of country member banks during the half year, but that inference is incorrect since a large part of the decrease was due to the exclusion from the June 30 figures of banks which are in the hands of conservators or have closed during the half year period. A better comparison is between the December and June reports of identical banks which were in operation on both dates. A table showing the loans and investments by classes made up from the reports of identical banks for the two dates is given below:

#### Loans and Investments of Identical Country Member Banks in the Ninth Federal Reserve District

(000's omitted)

	December 31, 1932	June 30, 1933
<b>Loans to Customers</b>		
To banks .....	\$ 2,737	\$ 2,276
To other customers		
On securities .....	28,453	23,837
On farm land.....	16,035	14,440
On other real estate.....	13,708	13,163
All other (inc. overdrafts) ..	90,746	76,879
Total .....	\$151,679	\$130,595
<b>Investments</b>		
Acceptances .....	\$ 50	\$ 51
Commercial Paper .....	1,442	1,259
Brokers' loans .....	111	563
U. S. Securities.....	51,086	61,764
Other Securities .....	118,297	109,772
Total .....	\$170,986	\$173,409
Total Loans and Investments....	\$322,665	\$304,004

From the above table, it will be seen that the loans and investments of these banks decreased 18 million dollars. This decrease was entirely in loans to customers, chiefly of the commercial type (all other loans) which decreased 14 million dollars.

Security loans other than those to brokers, decreased 5 million dollars and loans on farm lands decreased nearly 2 million dollars. Investments increased more than 2 million dollars and there was a noticeable shift from other securities to United States securities.

## DISTRICT SUMMARY OF AGRICULTURE

### Farm Income

The cash income of farmers in the Ninth Federal Reserve District increased again very sharply during June and exceeded last year's level by a greater margin than in any other month this year. The increase over the corresponding month last year was 80 per cent, as compared with a 54 per cent increase in May, and an 8 per cent increase in April. During the first three months of the year, farm income from important items was smaller than in the corresponding months a year ago.

Dairy products were added during June to the list of sources of farm income which exceeded the volume in the preceding year. The income from all of the other items which are estimated in this office was larger in June than a year ago, the greatest increase occurring in wheat, owing to higher prices and a heavy volume of marketing.

### Farmers Cash Income in the Ninth Federal Reserve District Per Cent of Same Month a Year Ago

	March	April	May	June
Bread wheat .....	324	518	473	783
Durum .....	115	338	296	313
Rye .....	72	271	126	1276
Flax .....	61	106	139	270
Potatoes .....	41	63	184	126
Dairy Products .....	76	78	100	112
Hogs .....	71	79	119	127
Seven items .....	81	108	154	180

A number of important farm products increased in price during June over the level of May, including bread wheat, rye, flax, potatoes, oats, butcher steers and butter. Further advances occurred during the first part of July, followed by sharp declines in the latter part of the month. The median prices were higher during June than in the same month last year for all farm products except butcher steers, feeder steers, veal calves and hens. The increases over last year's prices were particularly large in rye, flax, hogs, butter and potatoes.

### Wheat on Farms

Wheat stocks on farms in the four states lying wholly within this Federal Reserve District were nearly four times as large on July 1 as a year ago and more than twice as large as two years ago. The Government estimates indicate that wheat stocks on farms in those states were 31,920,000 bushels on July 1. This large increase in farm stocks of wheat

arose from the fact that last year's crop was marketed very slowly last fall. The rapid rate of marketing during the past three months did not offset the deficiency in the marketing movement in the autumn of 1932.

### Wheat Stocks on Farms on July 1

(Bushels; 000's omitted)

	1931	1932	1933
Minnesota .....	2,378	2,341	3,121
North Dakota .....	4,339	3,619	11,787
South Dakota .....	3,622	1,337	8,114
Montana .....	3,178	1,013	8,898
Four States .....	13,517	8,310	31,920

### 1933 Spring Pig Crop

The 1933 spring pig crop in the four complete states in the Ninth Federal Reserve District was more than 6 per cent larger than that of 1932, according to the June 1 Pig Survey conducted by the United States Department of Agriculture with the cooperation of the Post Office Department. The increase was chiefly due to saving a larger number of pigs per litter. The litter average was larger in each of our four states with the exception of Montana, where there was a slight decline. In the four states combined, there was an increase of less than 2 per cent in the number of sows farrowed, when compared with the spring of 1932. In North Dakota, there was a decrease of more than 10 per cent in the number of sows farrowed, which resulted in a 10 per cent decrease in the crop when compared with last year, despite a slight increase in the number of pigs saved per litter.

In the United States as a whole, the 1933 spring pig crop was only 3 per cent larger than last year. This increase was partly due to a 1.4 per cent increase in sows farrowed and partly to a small increase in the number of pigs saved per litter. The largest increase in the number of pigs saved per litter in the entire United States was in South Dakota, where the average was 6.0 pigs in 1933, compared with 5.5 in the spring of 1932.

A table showing the total number of pigs saved in our four states, together with the number of sows farrowed is given below:

	Number of Pigs Saved (000's omitted)			Sows Farrowed (000's omitted)		
	Spring Crop	Spring Crop	Spring Crop	1933	1932	1931
	1933	1932	1931			
Minnesota .....	4,300	4,245	5,253	785	750	874
Montana .....	207	190	284	34	30	45
North Dakota .....	780	866	1,176	132	150	200
South Dakota .....	2,587	2,112	3,534	434	384	620
Four States .....	7,874	7,413	10,247	1,335	1,314	1,739
United States .....	51,030	49,597	53,380	8,702	8,582	8,867

ACREAGE ESTIMATES AND JULY 1, 1933, PRODUCTION FORECASTS, BY STATES, WITH COMPARISONS,  
UNITED STATES DEPARTMENT OF AGRICULTURE

(000's omitted)

SPRING BREAD WHEAT

	Acreage		Forecast	Production	
	1933	1932	7-1-33	1932	10-Yr. Av.
	Minn. ....	1,132	1,078	10,188	14,445
Mont. ....	3,071	3,412	27,639	42,650	39,133
No. Dak....	6,320	7,557	37,920	80,860	65,072
So. Dak....	986	2,803	3,944	37,840	20,323
4 States...	11,509	14,850	79,691	175,795	142,663
U. S. ....	15,577	17,654	142,338	224,736	192,958

DURUM WHEAT

	Acreage		Forecast	Production	
	1933	1932	7-1-33	1932	10-Yr. Av.
	Minn. ....	121	126	1,210	1,638
Mont. ....	44	40	396	600	544
No. Dak....	2,185	2,768	15,295	26,296	38,673
So. Dak....	150	929	675	11,334	12,571
4 States...	2,500	3,863	17,576	39,868	54,573

ALL SPRING WHEAT

	Acreage		Forecast	Production	
	1933	1932	7-1-33	1932	10-Yr. Av.
	Minn. ....	1,253	1,204	11,398	16,083
Mont. ....	3,115	3,452	28,035	43,250	39,677
No. Dak....	8,505	10,325	53,215	107,156	103,745
So. Dak....	1,136	3,732	4,619	49,174	32,894
4 States...	14,009	18,713	97,267	215,663	197,236
U. S. ....	18,077	21,517	159,914	264,604	247,531

ALL WHEAT

	Acreage		Forecast	Production	
	1933	1932	7-1-33	1932	10-Yr. Av.
	Minn. ....	1,411	1,367	13,610	19,506
Mont. ....	3,702	4,070	35,373	55,610	48,685
No. Dak....	8,505	10,325	53,215	107,156	103,745
So. Dak....	1,316	3,991	5,879	54,095	34,590
4 States...	14,934	19,753	108,077	236,367	210,920
U. S. ....	44,879	55,152	495,681	726,283	819,994

WINTER WHEAT

	Acreage		Forecast	Production	
	1933	1932	7-1-33	1932	10-Yr. Av.
	Minn. ....	158	163	2,212	3,423
Mont. ....	587	618	7,338	12,360	9,008
No. Dak....	.....	.....	.....	.....	.....
So. Dak....	180	259	1,260	4,921	1,696
4 States...	925	1,040	10,810	20,704	13,684
U. S. ....	26,802	33,635	335,767	461,679	572,463

RYE

	Acreage		Forecast	Production	
	1933	1932	7-1-33	1932	10-Yr. Av.
	Minn. ....	270	310	3,510	4,960
Mont. ....	36	40	360	520	676
No. Dak....	934	1,099	7,472	12,089	13,175
So. Dak....	220	475	990	7,125	3,253
4 States...	1,460	1,924	12,332	24,694	24,257
U. S. ....	2,716	3,326	25,336	40,409	42,659

CORN

	Acreage		Forecast	Production	
	1933	1932	7-1-33	1932	10-Yr. Av.
	Minn. ....	4,750	4,847	161,500	176,916
Mont. ....	226	215	2,938	2,580	3,015
No. Dak....	1,432	1,404	34,368	26,676	22,303
So. Dak....	4,450	4,982	80,100	73,235	96,669
4 States...	10,858	11,448	278,906	279,407	263,830
U. S. ....	103,022	107,776	2,384,032	2,875,570	2,605,613

FLAX

	Acreage		Forecast	Production	
	1933	1932	7-1-33	1932	10-Yr. Av.
	Minn. ....	682	620	5,115	5,704
Mont. ....	171	285	513	998	1,178
No. Dak....	744	930	2,976	3,720	8,154
So. Dak....	97	165	194	776	2,921
4 States...	1,694	2,000	8,798	11,198	18,761
U. S. ....	1,755	2,081	9,185	11,787	19,383

OATS

	Acreage		Forecast	Production	
	1933	1932	7-1-33	1932	10-Yr. Av.
	Minn. ....	4,484	4,575	89,680	164,700
Mont. ....	403	403	7,254	10,075	11,198
No. Dak....	1,794	2,112	21,528	44,352	46,118
So. Dak....	782	2,321	5,474	75,432	67,143
4 States...	7,463	9,411	123,936	294,559	276,398
U. S. ....	37,023	41,193	698,941	1,238,231	1,236,763

POTATOES

	Acreage		Forecast	Production	
	1933	1932	7-1-33	1932	10-Yr. Av.
	Minn. ....	327	372	27,141	29,016
Mont. ....	23	22	2,070	2,244	2,173
No. Dak....	156	161	11,856	9,338	8,618
So. Dak....	74	73	2,960	5,110	4,496
4 States...	580	628	44,027	45,708	46,768
U. S. ....	3,223	3,371	306,423	357,679	356,808

BARLEY

	Acreage		Forecast	Production	
	1933	1932	7-1-33	1932	10-Yr. Av.
	Minn. ....	1,988	1,968	32,802	47,232
Mont. ....	214	195	3,638	3,900	3,762
No. Dak....	2,120	2,265	21,200	39,638	34,908
So. Dak....	600	2,053	3,000	47,630	27,418
4 States...	4,922	6,481	60,640	138,400	106,555
U. S. ....	10,540	13,212	169,951	299,950	233,564

TAME HAY

	Acreage		Forecast	Production	
	1933	1932	7-1-33	1932	10-Yr. Av.
	Minn. ....	2,623	2,580	3,148	3,699
Mont. ....	1,672	1,654	2,257	2,418	1,942
No. Dak....	1,598	1,366	1,278	1,615	1,305
So. Dak....	1,468	1,015	734	1,045	1,210
4 States...	7,361	6,615	7,417	8,777	7,765
U. S. ....	54,806	52,974	66,047	69,794	71,728

## COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS			AGRICULTURE				
	June '33	June '32	Per Cent June '33 of June '32		June '33	June '32	Per Cent June '33 of June '32
<b>Bank Debits<sup>1</sup></b>				<b>Farmers' Cash Income</b>			
All Reporting Cities.....	\$ 25,443,900	\$ 22,418,800	113	Total of 7 Items.....	\$ 29,163,000	\$ 16,243,000	180
Minneapolis.....	12,173,000	9,090,000	134	Bread Wheat.....	9,056,000	1,156,000	783
St. Paul.....	4,328,000	4,552,000	95	Durum Wheat.....	1,367,000	437,000	313
South St. Paul.....	385,000	421,000	91	Rye.....	1,238,000	97,000	1276
Great Lakes Ports.....	2,483,200	1,903,100	130	Flax.....	1,127,000	418,000	270
Beef and Pork, S. E.....	844,500	874,200	97	Potatoes.....	182,000	145,000	126
Beef and Pork, S. W.....	900,700	811,600	111	Dairy Products.....	11,760,000	10,490,000	112
Dairy and Mixed Farming.....	1,011,100	1,217,900	83	Hogs.....	4,433,000	3,500,000	127
Wheat and Mixed Farming.....	1,317,800	1,432,100	92	<b>Grain Marketings at Minneapolis and Duluth-Superior (Bus.)</b>			
Wheat and Range.....	660,500	702,000	94	Bread Wheat.....	10,276,000	1,590,000	646
Mining and Lumber.....	1,340,100	1,414,900	95	Durum Wheat.....	1,967,000	788,000	250
				Rye.....	2,116,000	301,000	703
<b>Electric Power Consumption (K.W.H.)<sup>1,2</sup></b>				Flax.....	666,000	400,000	167
Minn., No. Dak. and So. Dak.....	3,659,000	4,377,000	84	<b>Grain Stocks at End of Month at Min- neapolis and Duluth-Superior (Bus.)</b>			
Montana.....	1,980,000	1,510,000	131	Wheat.....	42,270,237	37,011,166	114
				Corn.....	4,687,454	47,240	9923
<b>Country Check Clearings<sup>1</sup></b>				Oats.....	15,605,348	3,121,149	500
Total.....	\$ 2,947,300	\$ 2,099,600	140	Barley.....	8,628,014	1,395,914	618
Minnesota.....	1,207,500	831,200	145	Rye.....	5,488,424	5,587,896	98
Montana.....	408,500	353,200	116	Flax.....	958,139	897,620	107
North and South Dakota.....	873,500	483,600	181	<b>Livestock Receipts at So. St. Paul (Head)</b>			
Michigan and Wisconsin.....	457,800	431,600	106	Cattle.....	61,737	45,346	136
				Calves.....	43,661	46,344	94
<b>Freight Carloadings—N. W. District</b>				Hogs.....	149,281	142,437	105
Total—Excluding L.C.L.....	236,143	174,267	136	Sheep.....	17,151	20,972	82
Grains and Grain Products.....	46,912	21,093	222	<b>Median Cash Grain Prices (Bus.)</b>			
Livestock.....	17,212	15,340	112	Wheat—No. 1 Dark Northern.....	\$ .78¾	\$ .63¼	125
Coal.....	11,833	10,228	116	Durum—No. 2 Amber.....	.70¾	.55½	127
Coke.....	3,883	2,627	148	Corn—No. 3 Yellow.....	.34	.31	110
Forest Products.....	30,005	17,941	167	Oats—No. 3 White.....	.26¼	.21	125
Ore.....	29,424	6,101	482	Barley—No. 3.....	.35½	.34½	103
Miscellaneous.....	96,874	100,937	96	Rye—No. 2.....	.58½	.32½	182
Merchandise—L.C.L.....	86,713	93,661	93	Flax—No. 1.....	1.69½	1.04½	163
				<b>Median Livestock Prices (Cwt.)</b>			
<b>Building Permits</b>				Butcher Cows.....	\$ 4.00	\$ 3.50	114
Number—18 Cities.....	1,168	993	118	Butcher Steers.....	5.25	6.25	84
Value—18 Cities.....	\$ 936,700	\$ 1,005,800	93	Prime Butcher Steers.....	6.00	7.25	83
Minneapolis.....	359,700	215,700	167	Feeder Steers.....	3.50	3.50	100
St. Paul.....	309,100	254,100	122	Veal Calves.....	4.50	5.50	82
Duluth-Superior.....	107,200	140,200	76	Hogs.....	4.25	3.10	137
4 Wheat Belt Cities.....	72,600	73,700	99	Heavy Hogs.....	4.10	2.75	149
6 Mixed Farming Cities.....	66,400	282,300	24	Lambs.....	6.00	5.25	114
4 Mining Cities.....	21,700	39,800	55	Ewes.....	2.00	1.50	133
				<b>Wholesale Produce Prices</b>			
<b>Building Contracts Awarded</b>				Butter (Lb.).....	\$ .19½	\$ .13¾	142
Total.....	\$ 2,316,500	\$ 6,112,900	38	Milk (Cwt.).....	1.05	.97	108
Commercial.....		179,400		Hens (Lb.).....	.08½	.10	85
Industrial.....		47,500		Eggs (Doz.).....	.09¾	.09¼	107
Educational.....		229,000		Potatoes (Bu.).....	.77	.40	193
Hospitals, etc.....		13,500		<b>TRADE</b>			
Public.....		62,800		<b>Department Stores</b>			
Religious and Memorial.....		23,000		Sales.....	\$ 2,210,600	\$ 2,284,070	97
Social and Recreational.....		113,400		Merchandise Stocks.....	4,482,190	5,393,740	83
Residential.....	917,600	746,400	123	Receivables.....	2,669,270	2,840,210	94
Public Works and Utilities.....	312,400	4,697,900	7	Instalment Receivables.....	596,220	589,700	101
				<b>Furniture Stores</b>			
<b>Real Estate Activity in Hennepin and Ramsey Counties</b>				Total Sales.....	\$ 70,550	\$ 73,640	96
Warranty Deeds Recorded.....	535	806	66	Instalment Sales.....	55,210	53,250	104
Mortgages Recorded.....	729	1,003	73	Merchandise Stocks.....	442,410	498,710	89
				Instalment Receivables.....	677,500	749,020	90
<b>Manufacturing and Mining</b>				<b>Country Lumber Yards</b>			
Flour Production at Mpls., St. Paul, and Duluth-Superior (Bbls.).....	719,756	618,523	117	Sales (Bd. Ft.).....	7,515,000	6,609,000	114
Flour Shipments at Mpls. (Bbls.).....	683,540	584,653	117	Lumber Stocks (Bd. Ft.).....	60,199,000	66,826,000	90
Linseed Products Shipments (Lbs.).....	15,646,985	8,331,038	188	Total Sales.....	\$ 832,200	\$ 763,700	109
Copper Output (3 Firms) (Lbs.).....	12,284,500	11,843,400	104	Receivables.....	2,018,500	2,615,700	77
Iron Ore Shipments (Tons).....	1,280,669	233,557	548	<b>Life Insurance Sales</b>			
				Four States.....	\$ 12,286,000	\$ 14,471,000	85
<b>Business Failures</b>				Minnesota.....	9,048,000	10,581,000	86
Number.....	63	87	72	Montana.....	1,185,000	1,766,000	67
Liabilities.....	\$ 1,224,310	\$ 738,166	166	North Dakota.....	937,000	1,036,000	90
				South Dakota.....	1,116,000	1,088,000	103

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

(Continued)

	June '33	June '32	Per Cent June '33 of June '32		June '33	June '32	Per Cent June '33 of June '32
<b>Investment Dealers</b>				<b>Interest Rates<sup>2</sup></b>			
Sales to Banks.....	1,149,700	1,530,200	75	Minneapolis Banks.....	4¼-4½	4¾-5	
Sales to Insurance Companies.....	224,200	182,500	123	Commercial Paper (net to borrower).....	2	3	
Sales to General Public.....	2,507,600	3,682,000	68	Minneapolis Fed. Res. Bank.....	3½	3½	
<b>Wholesale Trade</b>				<b>Selected City Member Banks</b>			
<b>Groceries—</b>					July 19, '33	July 20, '32	
Sales.....	\$ 3,377,110	\$ 3,332,060	101	Loans to Customers.....	\$172,996,000	\$187,108,000	92
Stocks.....	5,016,570	4,921,060	102	Other Invested Funds.....	154,262,000	135,438,000	114
Receivables.....	4,113,710	4,206,030	98	Cash and Due from Banks.....	115,922,000	72,127,000	161
<b>Hardware—</b>				Deposits Due to Banks.....	74,747,000	48,917,000	153
Sales.....	\$ 1,330,830	\$ 1,197,460	111	Public Demand Deposits.....	29,130,000	36,681,000	79
Stocks.....	2,211,540	2,484,300	89	Other Demand Deposits.....	152,635,000	122,625,000	124
Receivables.....	1,341,900	1,515,370	89	Time Deposits.....	130,717,000	139,788,000	94
<b>Shoes—</b>				Total Deposits.....	391,316,000	348,639,000	112
Sales.....	\$ 257,550	\$ 146,690	176	Borrowings at Fed. Res. Bank.....	.....	794,000	.....
Stocks.....	591,040	595,300	99	<b>Minneapolis Federal Reserve Bank</b>			
Receivables.....	554,110	485,870	114	Loans to Member Banks.....	4,451,000	12,606,000	35
<b>BANKING</b>				Twin Cities.....	41,000	125,000	33
<b>Member Bank Deposits</b>				Minn., Wis. and Mich.....	2,000,000	4,888,000	41
In Cities Over 15,000 pop.....	\$371,309,000	\$404,314,000	92	N. Dak and Mont.....	802,000	3,843,000	21
In Cities Under 15,000 pop.....	242,247,000	312,251,000	78	South Dakota.....	1,608,000	3,750,000	43
Michigan—15 Cos.....	37,380,000	55,111,000	68	Fed. Res. Notes in Circulation.....	90,204,000	79,653,000	113
Minnesota.....	101,287,000	126,447,000	80	Member Bank Reserve Deposits.....	51,435,000	40,350,000	127
Montana.....	35,705,000	41,819,000	85	<sup>1</sup> Daily Averages			
North Dakota.....	24,702,000	30,425,000	81	<sup>2</sup> Latest Reported Data.			
South Dakota.....	30,927,000	36,468,000	85	<b>BANK DEBITS</b>			
Wisconsin—26 Cos.....	12,246,000	21,981,000	56	<b>Montana</b>			

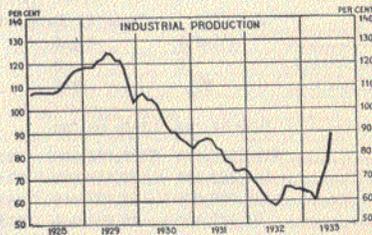
	June 1933	May 1933	June 1932	May 1932
<b>Number of Business Days:</b>				
South Dakota.....	26	25	26	24
All Other States in District.....	26	26	26	25
(000's omitted)				
<b>Michigan</b>				
Escanaba (1 Bank).....	\$ 346	\$ 393	\$ 472	\$ 504
Hancock.....	956	662	1,236	720
Houghton.....	1,401	1,203	1,498	.....
Iron Mountain.....	1,169	1,155	2,667	2,231
Iron River, Caspian, Stam- baugh.....	421	412	351	784
Manistique (1 Bank).....	116	117	.....	.....
Marquette.....	2,368	2,191	3,132	2,841
Menominee.....	1,969	2,116	1,958	2,076
Sault Ste. Marie.....	1,541	1,508	2,046	1,887
<b>Minnesota</b>				
Albert Lea.....	2,092	1,969	2,429	2,227
Austin (1 Bank).....	2,852	2,659	2,776	2,808
Bemidji.....	707*	839*	831	936
Chaska.....	447	399	612	447
Chisholm.....	971	485	1,154	618
Cloquet.....	1,276	1,017	1,572	896
Crookston.....	761*	826*	1,030	1,042
Detroit Lakes.....	1,107	817	906	787
Duluth.....	56,816	30,712	37,757	32,416
Ely.....	372	288	556	440
Faribault (1 Bank).....	1,131	976	1,173	878
Farmington.....	162	151	199	179
Fergus Falls.....	.....	1,600	2,141	1,948
Glenwood.....	275	218	307	353
Hutchinson (1 Bank).....	498	480	674	696
Lakefield.....	311	228	226	179
Lanesboro.....	254	249	268	263
Little Falls.....	935	719	871	728
Luverne.....	628	492	541	470
Mankato.....	4,146	3,914	4,964	4,168
Minneapolis.....	316,510*	295,291*	236,346	248,102
Moorhead.....	1,185	1,055	1,134	1,177
Morris.....	319*	289*	354	369
Owatonna.....	1,713	1,936	1,888	2,075
Park Rapids.....	380	108*	312	270
Red Wing.....	1,577	1,400	1,562	1,656
Rochester.....	3,592	3,154	4,647	3,975
St. Cloud.....	.....	.....	3,170	3,091
St. Paul.....	112,529*	101,594*	118,353	103,501
South St. Paul.....	10,999	11,398	10,957	10,795
Stillwater.....	1,603	1,324	1,708	1,471
Thief River Falls.....	616*	597*	690	647
Two Harbors.....	310	262	334	324
Virginia.....	1,668	1,116	1,791	1,356
Wabasha.....	827	604	767	602
Wheaton.....	323	252	344	297
Winona.....	6,376	4,604	5,195	5,241
Willmar (1 Bank).....	413	.....	1,226	880
Worthington (1 Bank).....	514	460	481	488

	June 1933	May 1933	June 1932	May 1932
<b>South Dakota</b>				
Aberdeen.....	3,464	2,958	3,852	3,439
Brookings (1 Bank).....	688	642	631	642
Deadwood.....	745	646	671	797
Huron.....	3,013	2,692	2,991	3,234
Lead.....	1,585	1,818	1,149	1,371
Madison.....	650	591	674	652
Milbank.....	406	391	862	394
Mitchell (2 Banks).....	2,160	1,667	2,025	2,048
Mobridge.....	414	467	450	414
Pierre.....	981	971	1,026	1,053
Rapid City.....	1,753	1,517	2,450	2,560
Sioux Falls.....	11,702	11,098	9,888	10,965
Watertown.....	2,133	1,734	2,019	2,205
Yankton.....	1,231	1,196	1,263	1,421
<b>Wisconsin</b>				
Chippewa Falls.....	1,365	1,247	1,486	1,399
Eau Claire.....	4,404	4,009	4,641	4,789
Hudson.....	215*	190*	530	393
LaCrosse.....	6,477	5,456	7,513	7,318
Merrill (1 Bank).....	334	295	700	772
Superior.....	3,219	2,639	4,295	3,984

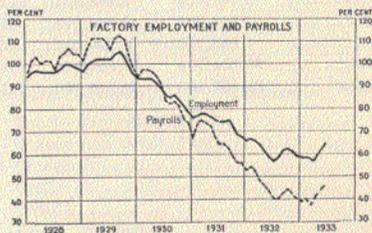
\*Figures for a smaller number of banks.  
\*\*Including one bank operated by a conservator.

## Summary of National Business Conditions

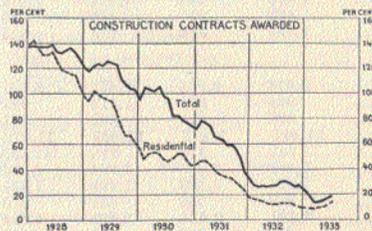
(Compiled July 24 by Federal Reserve Board)



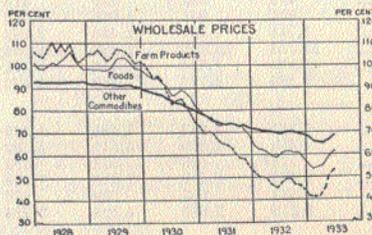
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.)



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



Indexes based on three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. (1923-1925 average=100.)



Indexes of the United States Bureau of Labor Statistics (1926=100.)

In June, as in the two preceding months, industrial activity increased rapidly and in the first half of July, there was some further advance. Factory employment and payrolls showed a considerable increase. Wholesale commodity prices rose rapidly until the third week of July, when prices of leading raw materials showed a sharp decline.

**PRODUCTION AND EMPLOYMENT:** The volume of industrial production, as measured by the Board's seasonally adjusted index, advanced from 77 per cent of the 1923-1925 average in May to 89 per cent in June, as compared with 60 per cent in March. Activity in the steel industry continued to increase during June and, according to trade reports, during the first two weeks of July; in the third week of the month, it showed little change. Demand for steel from the railroads and the construction industry continued at a low level. The output of automobiles, which usually declines at this season, increased in June and showed little change in July. Consumption of cotton by domestic mills was larger in June than in any previous month, and continued at a high rate during the first half of July. At woolen mills and shoe factories activity increased further in June to unusually high levels.

Working forces at factories increased substantially between May and June, and the Board's seasonally adjusted index of factory employment advanced from 61 per cent of the 1923-1925 average to 65 per cent. Factory payrolls also increased by a reasonable amount to 46 per cent of the 1923-1925 average.

The value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed an increase in May and June, contrary to the usual seasonal movement.

Department of Agriculture estimates as of July 1 indicated a wheat crop of about 500,000,000 bushels, 350,000,000 bushels below the average of 1926-1930, reflecting chiefly adverse weather conditions. Feed crops have also been seriously damaged. Cotton acreage on July 1 was estimated at about 41,000,000 acres, an increase of 4,000,000 acres over last year, but it is proposed as a part of the program of the agricultural adjustment administration to reduce the area by about 10,000,000 acres.

**DISTRIBUTION:** Freight traffic continued to increase during June, reflecting in large part heavier shipments of coal, miscellaneous freight, and lumber products. Distribution of commodities through department stores showed about the usual seasonal decline in June.

**WHOLESALE PRICES:** Wholesale prices of commodities advanced from 64 per cent of the 1926 average in the first week of June to 69 per cent in the middle of July, according to the index of the Bureau of Labor Statistics. This marked upward movement reflected large increases in the prices of most basic raw materials, including grains, cotton, hides, nonferrous metals, steel scrap, petroleum, and rubber; most of these commodities are traded in on organized exchanges and enter into world trade. The prices of many manufactured products, particularly textiles, leather, and gasoline, also advanced substantially. On July 19, 20 and 21, following rapid advances in the preceding period, prices of leading raw materials declined sharply.

**FOREIGN EXCHANGE:** In the exchange market, the value of the dollar in terms of the French franc declined to 69 per cent of its gold parity on July 18 and then advanced to 72 per cent on July 21.

**BANK CREDIT:** During the four weeks following the enactment on June 16 of the Banking Act of 1933, which prohibits the payment of interest on demand deposits, net demand deposits of weekly reporting member banks in 90 cities declined by \$500,000,000, reflecting the withdrawal of \$300,000,000 in bankers' balances from banks in New York City and elsewhere, and the transfer of funds from demand to time accounts. Time deposits increased by \$260,000,000. The banks' holdings of United States Government securities increased during the four weeks ending July 12, and there was a further rapid growth in open market brokers' loans, while loans to customers declined. The return flow of currency amounted to \$90,000,000 during the five weeks ending July 19. During the same period, the Federal reserve banks purchased \$85,000,000 of United States Government obligations and member banks reduced their indebtedness to the Reserve banks by \$90,000,000. The withdrawal of bankers' balances from New York City reduced excess reserves of member banks in that city, while surplus reserves of member banks outside New York increased substantially.

Money rates in the open market generally continued at low levels, although recently slight increases have occurred in acceptance rates, time money against stock exchange collateral, and yields on short-term United States Government securities.