

MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

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

F. M. BAILEY
Assistant Federal Reserve Agent

E. W. SWANSON
Assistant Federal Reserve Agent

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

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DISTRICT SUMMARY OF BUSINESS

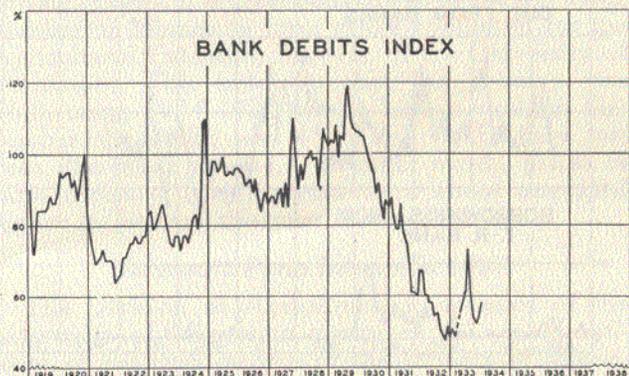
Business in the Ninth Federal Reserve District during January and early February continued to be better than a year ago, and the level of business increased from December to January and February after allowance for seasonal changes. The improvement was greater in the rural areas than in the large cities.

The bank debits index rose from 54 in December to 58 in January. In the first two weeks of February, the volume of debits at seventeen cities indicates a further rise in this index in February. The country check clearings index rose from 83 in December to 88 in January. Country check clearings data for the first fourteen business days of February indicate that this index for the month of February will exceed the high point of last summer and will approach the level of the spring of 1930. The index of less-than-carlot freight movement increased from 63 in December to 64 in January. A reverse trend occurred in miscellaneous freight carloadings, for which the adjusted index declined from 75 in December to 71 in January, but it will be recalled that the December index had shown a remarkable rise over the level of preceding months.

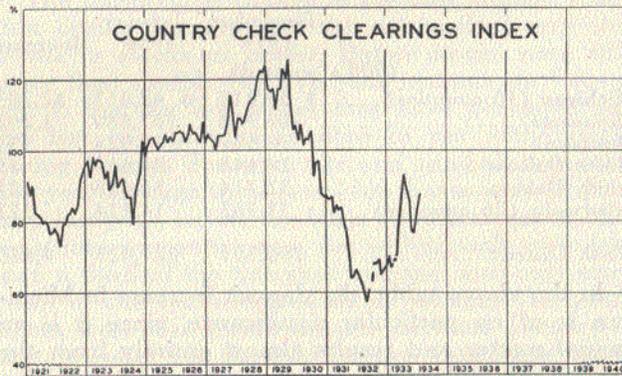
The trade of the district continued to be stimulated by the spending of Federal funds, especially in the rural areas. Throughout the district CWA expenditures continued to be made, and in the rural portions of the district, the funds received from the

Federal corn loans, Federal land bank loans and other disbursements by United States Government agencies, together with higher prices for farm products, had a beneficial effect. Rural lumber sales at representative lumber yards were 90 per cent larger in January than in January last year. This office is undertaking to secure monthly reports from leading stores in the agricultural communities of the district. The first fourteen of these rural stores (located in southern Minnesota and South Dakota), to report for the month of January had a sales volume 41 per cent larger than their sales in January last year. Seven rural furniture stores reported sales 24 per cent above sales in January last year. City department store sales were 14 per cent larger in January than in the same month last year. This compared with an increase of 10 per cent in December and a decrease of 3 per cent in November as compared with the volume in the corresponding months of the previous year.

The majority of the other records of northwestern business also showed increases in January over January last year. Bank debits increased 15 per cent, country check clearings 25 per cent, freight carloadings, excluding l.c.l., 29 per cent, building permits 195 per cent and building contracts 162 per cent, as compared with January, 1933. Increases also occurred in electric power consumption, flour production and shipments, linseed products shipments, copper output, the movement of cattle and calves to market, securities sales and wholesale



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.

trade. Decreases occurred in grain marketings, butter output and market receipts of hogs and sheep.

Because the trend of business was downward a year ago and is upward at the present time, the records for the first half of February show a greater increase over the records for the corresponding period last year than the increase revealed in the January comparison. Bank debits at seventeen cities were 25 per cent larger in the first two weeks of February than in the same two weeks last year. Country check clearings in the first fourteen business days of February were 47 per cent higher than in the same period a year ago. The January increases for these indexes, as cited in a preceding paragraph, were not so large.

DISTRICT SUMMARY OF BANKING

Recent banking reports for this district reveal a continuance of the increase in bank deposits and an increase in balances carried with other banks. Country banks and city banks both showed these trends. City banks also experienced a decline in loans and an increase in investments.

The daily average of deposits of country member banks in the district increased 7 million dollars from December to January. This increase is particularly noteworthy, inasmuch as this is the first time that an increase in country bank deposits has occurred at this time of year, with the exception of the customary increase in Michigan due to tax deposits. A portion of the increase in deposits from December to January was due to the inclusion in January of figures for several banks which recently joined the Federal Reserve System, but excluding those banks, there was an increase of \$4,669,000. The distribution of country member bank deposits in the district during December and January and the increase by states is shown in the following table. For this purpose, country member banks are all member banks in cities with less than 15,000 population.

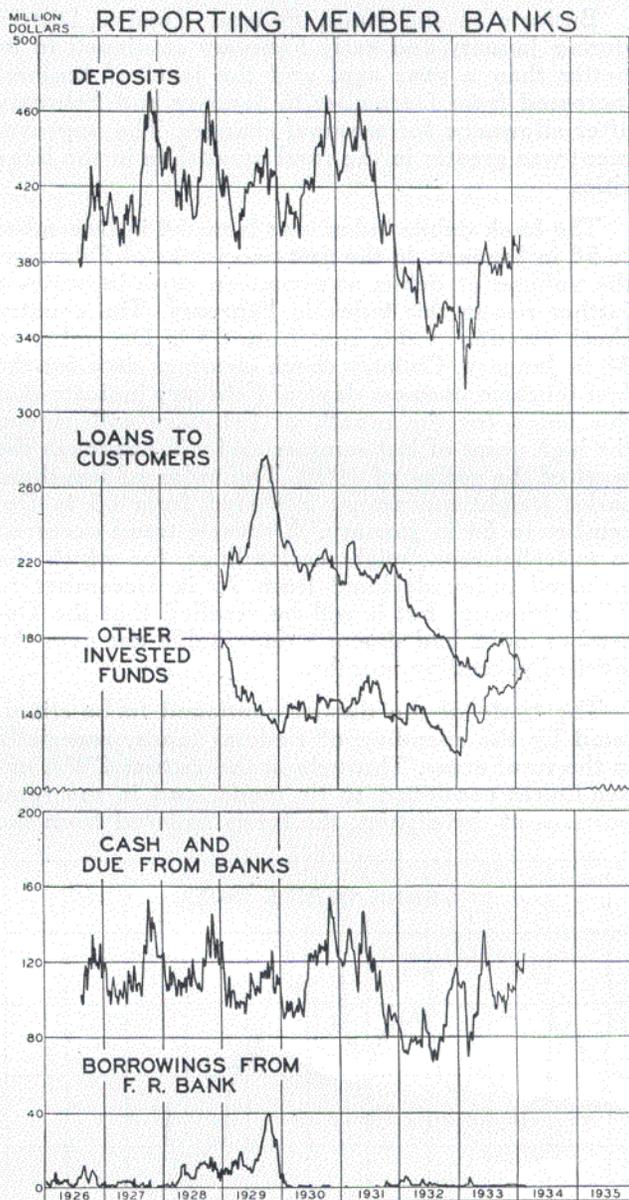
Daily Average Deposits of Identical Country Member Banks

	December 1933	January 1934	Increase
(000's omitted)			
Michigan (15 counties)	\$ 39,812	\$ 42,015	\$2,203
Minnesota	106,328	107,620	1,292
Montana	39,591	39,924	333
North Dakota	24,644	24,689	45
South Dakota	32,214	32,638	424
Wisconsin (26 counties)	13,762	14,134	372
Ninth District	256,351	261,020	4,669

In the above table, the deposit increase in Michigan is of no particular significance, since it is an annual matter and results almost entirely from the deposit of real estate tax moneys which are due January 1. There are many reasons for the increase in deposits in the other states of the district. Among

these reasons are the beginning of the Federal insurance of bank deposits, the deposit of funds released to private investors through the re-financing by the Federal land banks of privately owned farm mortgages and the larger balances carried by business men and farmers as a result of the increase in the volume of rural business.

It is not possible to trace completely the use to which these larger deposits are being put by country member banks. However, the weekly reports of correspondent banks in the cities of this district show that country banks are carrying larger balances with these city correspondent banks than they have been able to carry for two and one-half years. These



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

balances increased 2 million dollars between the average for December and the average for January, and increased an additional 5 million dollars during the first two weeks of February. On February 14, balances due to country banks amounted to 85 million dollars, which was the highest figure since the summer of 1931, and only 4 million dollars below the average level of the relatively good years preceding the depression.

Largely as a result of these higher balances carried by country banks, the city member banks of the district experienced an increase of more than 6 million dollars in deposits during the four weeks ending February 14. At the same time their loans to customers decreased 7 million dollars and their investments increased 4 million dollars. On February 14, for the first time in our records, the investments of the city member banks of the district were larger than their loans to customers. Balances which these city banks were carrying with correspondent banks, including the Federal Reserve Bank, rose sharply, by 10 million dollars, during the four-week period, and on the latest reported date were higher than at any time since last June.

DISTRICT SUMMARY OF AGRICULTURE

Farm Income

Farm income from seven important items was 18 per cent smaller in January than in the same month last year. Our farm income estimates for these months did not include payments from the Federal Agricultural Adjustment program. The decreases were due to smaller marketings of grain, smaller butter production and a reduced market movement of hogs. The majority of prices of northwestern farm products strengthened in January. Durum wheat rose 12 cents, to the highest level since January, 1930. The price of butter halted the decline of the preceding two months. The prices of all the grains and of most classes of livestock were higher in January than a year ago. The prices of butter and eggs were equal to last year's prices, and the price of hens was below last year's price. To summarize the changes in farm product prices, it is most convenient to use the index number of Minnesota farm prices computed for the Agricultural Extension Division of the University of Minnesota. This index number for January was 46.0, using 1924-1926 as the base period. In December the index was 41.9, and in January last year, the index was 34.6. In other words, prices of farm products in Minnesota were about one-third higher in January this year than a year ago.

Minnesota Farm Income in 1933

The Division of Agricultural Economics of the University of Minnesota computes an annual estimate of net cash income of the farmers of Minnesota. In 1933, it is estimated that Minnesota farmers had a net cash income of 43 million dollars, as compared with only 16 million dollars in 1932.

While this increase is most welcome, Minnesota farm income is still far below the level of other recent years. The peak was reached in 1918, when farmers of the state had a net income of 285 million dollars, according to the University estimates. The improvement in 1933 over 1932 was caused by an increase of 20 million dollars in gross cash sales of farm products and a decrease of 7 million dollars in cash expenses, including taxes and interest paid. The following table gives the income and expense statistics as estimated by the University of Minnesota for the years 1924 to 1933, inclusive.

Gross Cash Income, Cash Operating Expenses and Net Cash Income for Agriculture in Minnesota, 1924-1933

(Million dollars)

Year	Gross Cash Sales	Cash Expenses	Net Cash Income
1924	\$342	\$188	\$154
1925	395	195	200
1926	398	189	209
1927	366	193	173
1928	367	192	175
1929	384	199	185
1930	332	171	161
1931	233	159	74
1932	165*	149*	16*
1933	185*	142*	43*

*Preliminary

Cold Storage Holdings

On February 1 stocks of all commodities continued larger than the five year average, excepting eggs and miscellaneous meats. Changes during the month of January for all commodities were in the direction of the seasonal trends for the month, with the single exception of lamb and mutton, which showed a 25 per cent increase, compared with a usual decrease of about that amount. As a result of this change, on February 1 cold storage holdings of lamb and mutton were larger than the five year average for the first time since July, 1931.

The outstanding change in the cold storage situation during January was the extremely heavy decrease in stocks of butter. Butter stocks were still more than double the five year average on February 1, but the low prices that have prevailed for the last two months resulted in net withdrawals during January that were two and one-half times the five year average withdrawal for that month. In January last year, before the huge 1933 increase in butter stocks was under way, net withdrawals were less than a third of the five year average, and only one-ninth of the net withdrawals in January this year. There were also improvements between January 1 and February 1 in the cold storage situation of other dairy products. Cans of cream in cold storage declined and stocks of cheese decreased by considerably more than the customary amount.

Despite the large increase in January hog receipts in the United States as compared with last year (So. St. Paul being an exception), cold storage holdings of pork increased less than the five year average during January. As a result of this smaller than usual increase, February 1 stocks of pork were only a little larger than the five year average. Stocks of lard, however, increased more than the five year average during the month and on February 1 were nearly double the average for the last five years. Seasonal decreases occurred in poultry and beef, and a seasonal increase in miscellaneous meats.

United States Cold Storage Holdings

(In thousands of pounds)

	Feb. 1, 1934	Feb. 1, 1933	Feb. 1, 5-year Av.
Beef	73,671	39,550	71,248
Pork	728,403	575,084	700,177
Lamb and Mutton..	4,177	2,029	3,347
Miscellaneous Meats	71,463	47,313	77,626
Total Meats	877,714	663,976	852,398
Lard	169,098	52,841	85,318
Cream**	139	123	...
Butter	76,051	17,833	34,422
Cheese	78,830	63,321	71,807
Poultry	120,157	104,833	112,325
Eggs*	1,477	1,402	2,010

*Thousand Cases

**Thousand Cans

Livestock Marketings

The outstanding development at the South St. Paul livestock market in January and early February was the continued rise in prices paid for fat lambs and ewes. The top price for lambs in January (\$8.85), established late in the month, was higher than the top in any other month for nearly three years. Prices increased still further in each of the first two weeks of February, establishing a new 1934 top on February 14 of \$9.50, the highest price paid for fat lambs at South St. Paul since August 22, 1930. On the same day, a top price of \$5.00 was established for choice, fed Montana ewes. One important reason for the higher lamb and ewe prices is the continued strength shown by wool prices. According to a report issued by the United States Department of Agriculture representative at South St. Paul, in-the-grease wool prices at Boston early in February ranged from 20 to 42 cents, according to quality and fineness. The average price received by farmers in the Ninth Federal Reserve District on February 15 a year ago was slightly less than 9 cents per pound. The higher prices demanded by sellers of lambs and ewes in recent weeks

have necessarily increased wholesale prices of dressed lamb and mutton and have affected the cold storage stocks of mutton and lamb on February 1, which are discussed in another paragraph.

Sheep and lamb receipts at South St. Paul in January were 10 per cent larger than the small receipts of December, but were 30 per cent smaller than receipts in January, 1933.

Hog prices rose gradually throughout January, except for one temporary setback early in the month. Owing to an unusually large proportion of light and unfinished hogs, however, a definite two-way price trend developed. Good and choice medium-weight butcher hog prices registered gains each week, but prices for under-weights and pigs showed little gain for the entire month. Consequently, at the end of January an unusually wide spread existed. Since the first of February, prices for all weights have advanced further. The greatest rise has been in the lightweight hogs and pigs, reducing the spread that existed at the end of January between prices for these classes and the more desirable middle-weights. The principal reason for the sharp price advances in early February was a sharp decrease in receipts, although purchases for Government account late in January had some effect.

While hog receipts at South St. Paul during January were somewhat smaller than in January last year, they were surprisingly large, considering the reduced supplies available for marketing this season. Receipts in January were 16 per cent larger than in December. January receipts in the ten preceding years have been smaller than December receipts, except for a small increase in 1931. Inasmuch as the number of hogs available for normal marketing this winter in the Ninth Federal Reserve District was 20 per cent smaller than the number available last year, owing to a slightly smaller pig crop last spring and the abnormal marketing of more than a million head last fall by sales to the Agricultural Adjustment Administration, hog receipts at South St. Paul during the balance of this marketing season will probably be somewhat smaller than the unusually low receipts of about one million head for the February-August period last year.

Cattle marketings at South St. Paul were larger in January than in December, and were larger than in the corresponding month last year. Supplies were smaller than the demand, however, with the result that median prices for all classes of cattle were higher than in December, with one exception. Low quality lightweight stocker and feeder steers were in little demand, except at a discount, and the January median price was 25 cents below that of December.

Since February 1, prices have advanced a little further because of continued small receipts. As an indication of the shortage of supplies, early in February better grade yearling heifers sold at al-

most the same level as steers of comparable quality. Lightweight steers and heifers were in greatest demand throughout the month and during early February, owing to consumers' preference for beef cuts without excess fat.

Owing to the low level of prices paid for finished cattle so far this year, country buyers of feeder cattle have not only been very selective in their purchases, but have also been purchasing in much smaller quantities than a year ago. Shipments of feeder cattle from South St. Paul have been less each week in 1934 than in the corresponding week a year earlier, with only two exceptions. The total number of feeders shipped during the first seven weekly periods this year was only 5,537, compared with 6,899 in the same periods last year.

While the feeder and stocker cattle trade was slow throughout January, about the middle of the month country buyers at South St. Paul began to show some interest in lightweight beef-type animals, and since that time have rather carefully selected such steers, heifers, cows and calves out of the daily offerings. Fortunately, the heavyweight animals and those with less quality than the feeder buyers demanded have been readily taken by packers for use in producing processed meats. As a result of the two-way demand, no surplus supplies have accumulated and prices have improved somewhat.

Moisture Conditions

During the three months of November, December and January, precipitation in the four complete states in the Ninth Federal Reserve District has averaged about normal, as is shown in the table below. There were deficiencies in Minnesota and South Dakota and amounts in excess of normal in Montana and North Dakota. The figures quoted are averages of precipitation at all reporting stations within each state. It should be remembered that deficiencies at some stations are far greater than the state figure in Minnesota and South Dakota, and that some stations in Montana and North Dakota also have accumulated deficiencies.

Precipitation

	(Inches)		Departure from Normal
	Nov.-Jan. 1933-34	Normal	
Minnesota	2.48	2.67	— .19
Montana	3.48	2.77	+ .71
North Dakota	1.73	1.61	+ .12
South Dakota	1.05	1.82	— .77

Grain on Farms January 1, 1934

The total supply of wheat held on farms in the four complete states of the Ninth Federal Reserve District on January 1, 1934, was estimated to be less than 65,000,000 bushels by the United States

Department of Agriculture. This amount was 57 per cent of the 1933 production in the same four states. On January 1 last year, farm stocks were 49 per cent of the preceding year's production. The farm stocks estimates include all wheat on farms as of the date of the report, both stocks to be sold and stocks for food, seed and feeding. In the entire United States, January 1, 1934 farm stocks were smaller than any January 1 stocks since these estimates were first made (1927), but in our four states they were more than 50 per cent larger than the low point reached on January 1, 1932, following the exceedingly low production of the drouth year, 1931.

Stocks of corn and oats on farms in the four complete states of the District, on January 1, 1934, were each smaller than on the same date last year but larger than on January 1, 1932. Corn stocks were about 25 per cent smaller than the stocks on January 1, 1933, and about 60 per cent larger than stocks on the same date in 1932. January 1, 1934 oats stocks were only about half as large as on January 1 last year, and only slightly larger than the low stocks figures established on January 1, 1932.

The figures by states and for the United States for the three grains on January 1 of each of the last four years are given in the tables below:

Wheat Stocks on Farms, January 1

	1934	1933	1932	1931
Minnesota	10,499	11,461	9,186	12,839
Montana	11,150	27,249	5,791	12,360
North Dakota	36,616	52,990	18,097	35,795
South Dakota	6,656	25,665	8,693	20,376
Four States	64,921	117,365	41,767	81,370
United States	194,136	272,622	322,517	258,949

Corn Stocks on Farms, January 1

	1934	1933	1932	1931
Minnesota	59,625	77,859	38,140	54,829
Montana	167	406	149	109
North Dakota	787	1,070	1,252	970
South Dakota	22,680	33,472	11,456	36,740
Four States	83,259	112,807	50,997	92,648
United States	1,422,556	1,807,338	1,556,349	1,118,424

Oats Stocks on Farms, January 1

	1934	1933	1932	1931
Minnesota	66,520	107,055	69,174	101,611
Montana	4,362	7,758	2,113	4,270
North Dakota	15,276	26,513	11,514	26,528
South Dakota	11,484	52,048	14,048	45,029
Four States	97,642	193,374	96,849	177,438
United States	450,448	763,263	655,804	746,977

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS				AGRICULTURE			
	Jan., '34	Jan., '33	Per Cent Jan., '34 of Jan., '33		Jan., '34	Jan., '33	Per Cent Jan., '34 of Jan., '33
Debits to Individual Accounts¹				Farmers' Cash Income			
All Reporting Cities.....	\$ 21,894,900	\$ 19,010,200	115	Total of 7 Items.....	\$ 16,642,000	\$ 20,307,000	82
Minneapolis	10,029,000	8,300,000	121	Bread Wheat	2,123,000	2,364,000	90
St. Paul	4,169,000	3,684,000	113	Durum Wheat	380,000	431,000	88
South St. Paul.....	413,000	387,000	107	Rye	140,000	143,000	98
Great Lakes Ports.....	1,441,600	1,353,100	107	Flax	332,000	485,000	68
Beef and Pork, S.E.....	826,300	694,300	119	Potatoes	1,016,000	377,000	269
Beef and Pork, S.W.....	767,800	777,400	99	Dairy Products	7,230,000	9,655,000	75
Dairy and Mixed Farming.....	997,900	945,000	106	Hogs	5,421,000	6,852,000	79
Wheat and Mixed Farming.....	1,289,700	1,085,600	119	Butter Production (Lbs.).....	32,852,000	38,143,000	86
Wheat and Range.....	602,200	563,700	107	Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Mining and Lumber.....	1,358,400	1,220,100	111	Bread Wheat	2,102,000	4,202,000	50
Electric Power Consumption (K.W.H.)^{2,3}				Durum Wheat	338,000	829,000	41
Minn., No. Dak and So. Dak.....	4,626,100	4,547,400	102	Rye	222,000	444,000	50
Montana	2,859,200	1,658,800	172	Flax	120,000	418,000	29
Country Check Clearings¹				Grain Stocks at END of Month at Minneapolis and Duluth-Superior (Bus.)			
Total	\$ 2,725,000	\$ 2,180,800	125	Wheat	34,935,491	39,537,518	88
Minnesota	1,024,500	830,000	123	Corn	9,495,586	1,087,398	873
Montana	387,600	311,600	124	Oats	28,005,214	12,877,932	217
North and South Dakota.....	802,600	637,200	126	Barley	10,284,416	6,194,175	166
Michigan and Wisconsin.....	510,300	402,000	127	Rye	5,813,360	5,188,479	112
Freight Carloadings—N. W. District				Flax	959,062	1,217,679	79
Total—Excluding L. C. L.....	205,185	158,487	129	Livestock Receipts at So. St. Paul (Head)			
Grains and Grain Products.....	33,441	25,145	133	Cattle	56,365	46,165	122
Livestock	20,857	21,939	95	Calves	55,166	38,730	142
Coal	34,845	27,066	129	Hogs	255,382	277,993	92
Coke	3,842	2,699	142	Sheep	103,914	144,802	72
Forest Products	24,412	15,536	157	Median Cash Grain Prices (Bus.)			
Ore	354	176	201	Wheat—No. 1 Dark Northern.....	\$.90½	\$.50½	180
Miscellaneous	87,434	65,926	133	Durum—No. 2 Amber	1.12½	.52	216
Merchandise—L.C.L.	79,429	75,692	105	Corn—No. 3 Yellow.....	.455%	.205%	221
Building Permits				Oats—No. 3 White .....	.34%	.14½	239
Number—18 Cities	249	234	106	Barley—No. 3 .....	.65	.24	271
Value—18 Cities	\$ 571,800	\$ 193,800	295	Rye—No. 2 .....	.63	.32½	196
Minneapolis	361,700	60,500	598	Flax—No. 1	1.91	1.16	165
St. Paul	161,100	58,000	278	Median Livestock Prices (Cwt.)			
Duluth-Superior	29,700	20,500	145	Butcher Cows and Heifers.....	\$ 3.00	\$ 3.00	100
4 Wheat Belt Cities	5,300	7,100	75	Heavy Butcher Steers.....	4.75	3.90	122
6 Mixed Farming Cities	12,700	18,300	69	Light Butcher Steers.....	4.50	4.00	113
4 Mining Cities	1,300	29,400	4	Prime Heavy Butcher Steers.....	6.00	5.25	114
Building Contracts Awarded				Prime Light Butcher Steers.....	5.85	5.90	99
Total	\$ 3,821,900	\$ 1,456,800	262	Heavy Stocker & Feeder Steers.....	3.25	3.00	108
Commercial	176,200	68,000	259	Light Stocker & Feeder Steers.....	3.00	3.50	86
Factories	102,000	23,000	443	Veal Calves	4.50	4.00	113
Educational	465,800	0	.....	Hogs	3.20	2.80	114
Hospitals, etc.	12,000	0	.....	Heavy Hogs	2.95	2.50	118
Public	243,900	0	.....	Lambs	7.50	5.00	150
Religious and Memorial.....	22,000	20,000	110	Ewes	3.65	2.00	183
Social and Recreational	270,600	0	.....	Wholesale Produce Prices			
Residential	73,700	150,200	49	Butter (Lb.)	\$.17	\$.17	100
Public Works	1,704,600	1,165,600	146	Milk (Cwt.)	12.50	9.40	133
Public Utilities	751,100	30,000	2,504	Hens (Lb.) .....	.08	.11	73
Real Estate Activity in Hennepin and Ramsey Counties				Eggs (Doz.) .....	.15½	.15½	100
Warranty Deeds Recorded.....	285	221	129	Potatoes (Bu.) .....	.77	.28	275
Mortgages Recorded	914	715	128	TRADE			
Manufacturing and Mining				Department Stores³			
Flour Production at Mpls., St. Paul and Duluth-Superior (Bbls.).....	803,781	632,357	127	Sales	\$ 3,734,720	\$ 3,288,510	114
Flour Shipments at Mpls. (Bbls.).....	767,841	605,975	127	Merchandise Stocks	7,974,830	7,664,710	104
Linseed Product Shipments (Lbs.).....	12,438,590	12,405,076	100	Receivables	5,509,070	5,245,840	105
Copper Output (3 Firms) (Lbs.).....	11,255,600	10,967,300	103	Instalment Receivables	1,177,390	1,091,440	108
Business Failures				Furniture Stores³			
Number	30	100	30	Total Sales	\$ 44,530	\$ 37,500	119
Liabilities	\$ 414,803	\$ 1,207,057	34	Instalment Sales	36,740	27,650	133
				Merchandise Stocks	454,080	404,690	112
				Instalment Receivables	720,560	660,850	109
				Country Lumber Yards³			
				Sales (Bd. Ft.)	3,147,000	1,652,000	190
				Lumber Stocks (Bd. Ft.).....	58,837,000	51,153,000	115
				Total Sales	\$ 707,600	\$ 476,800	148
				Receivables	1,485,400	1,551,200	96
				Life Insurance Sales			
				Four States	\$ 11,926,000	\$ 12,991,000	92
				Minnesota	9,124,000	10,215,000	89
				Montana	1,116,000	1,031,000	108
				North Dakota	771,000	662,000	116
				South Dakota	915,000	1,083,000	84

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

	Per Cent of Jan., '34			Per Cent of Jan., '34		
	Jan., '34	Jan., '33	Jan., '33	Jan., '34	Jan., '33	Jan., '33
Investment Dealers						
Sales to Banks.....	\$ 1,715,100	\$ 1,056,300	162	Minneapolis Banks	4¼-4½	4¼-4½
Sales to Insurance Companies.....	557,500	586,500	95	Commercial Paper (net to borrower).....	1¾	1¾
Sales to General Public.....	5,347,000	2,768,200	193	Minneapolis Fed. Res. Bank.....	3½	3½
Wholesale Trade				Selected City Member Banks	Feb. 14, '34	Feb. 15, '33
Groceries*				Loans to Customers.....	\$161,797,000	\$165,229,000
Sales	\$ 2,979,610	\$ 2,180,650	137	Other Invested Funds.....	162,707,000	125,042,000
Stocks	5,306,930	4,586,910	116	Cash and Due from Banks.....	124,985,000	108,693,000
Receivables	3,727,750	3,485,260	107	Deposits Due to Banks.....	84,987,000	56,037,000
Hardware*				Public Demand Deposits.....	22,471,000	14,043,000
Sales	\$ 989,550	\$ 547,770	181	Other Demand Deposits.....	157,402,000	135,782,000
Stocks	2,411,980	2,170,280	111	Time Deposits	127,927,000	146,489,000
Receivables	1,220,800	1,117,350	109	Total Deposits	395,243,000	352,548,000
Shoes				Borrowings at Fed. Res. Bank.....	0	449,000
Sales	\$ 150,720	\$ 91,770	164	Minneapolis Federal Reserve Bank		
Stocks	651,760	546,980	119	Loans to Member Banks.....	\$ 1,231,000	\$ 10,069,000
Receivables	458,750	391,690	117	Twin Cities	0	35,000
BANKING				Minn., Wis. and Mich.....	409,000	3,983,000
Member Bank Deposits				N. Dak. and Mont.....	241,000	2,585,000
In Cities Over 15,000 pop.....	\$391,088,000	\$364,335,000	107	South Dakota	581,000	3,501,000
In Cities Under 15,000 pop.....	263,550,000	274,118,000	96	Fed. Res. Notes in Circulation.....	94,825,000	86,176,000
Michigan—15 Cos.....	42,559,000	51,791,000	82	Fed. Res. Bank Notes in Circulation	7,310,000	0
Minnesota	108,998,000	109,358,000	100	Member Bank Reserve Deposits.....	61,442,000	39,072,000
Montana	39,924,000	37,533,000	106			
North Dakota	24,844,000	27,011,000	92			
South Dakota	32,707,000	30,936,000	106			
Wisconsin—26 Cos.....	14,518,000	17,489,000	83			

*Daily Averages.
*Latest Reported Data.
*Figures for the various items in this section not always from identical firms.

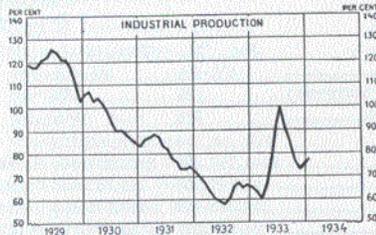
BANK DEBITS

Number of Business Days:	January		December		January	December
	1934	1933	1933	1932		
All States in District.....	26	25	25	26		
	(000's omitted)					
Michigan						
Escanaba (1 Bank).....	\$ 493	\$ 432	\$ 418	\$ 411		
Hancock	1,335	1,314	1,585	1,176		
Houghton	1,283	1,336	1,444	1,305		
Iron Mountain	1,475	1,213	1,659	1,155		
Iron River, Caspian, Stambaugh	888	680	967	383		
Manistique (1 Bank).....	124	116	65	64		
Marquette	2,767	2,601	2,708	2,482		
Menominee	2,426	2,474	2,388	2,091		
Sault Ste. Marie.....	2,041	1,933	2,125	1,818		
Minnesota						
Albert Lea	1,656	2,196	1,505	2,148		
Austin	2,982	3,173	2,146	2,626		
Bemidji	534*	689*	541	763		
Chaska	514	592	575	567		
Chisholm	756	741	648	927		
Cloquet	1,288	1,560	768	1,049		
Crookston	871	946	763	874		
Detroit Lakes	720	934	683	909		
Duluth	28,243	38,209	24,246	31,399		
Ely	268	361	266	296		
Faribault (1 Bank)	933	1,085	786	1,088		
Farmington	136	162	117	175		
Fergus Falls	1,529	1,716	1,391	1,842		
Glenwood	219	261	218	341		
Hutchinson (1 Bank).....	452	452	423	446		
Lakefield	225	227	174	190		
Lanesboro	248	253	158	217		
Little Falls	605	733	567	773		
Luverne	453	549	324	433		
Mankato	4,432	4,170	3,722	3,827		
Minneapolis	260,750*	274,084*	207,503	237,624		
Moorhead	1,147	1,158	736	976		
Morris	301*	297*	286	354		
Owatonna	1,765	1,846	1,806	1,863		
Park Rapids	169	175	210	231		
Red Wing	1,494	1,397	1,102	1,362		
Rochester	3,524	3,576	3,216	3,474		
St. Cloud	2,194	2,427	2,089	2,473		
St. Paul	108,392*	114,261*	92,090	108,605		
South St. Paul.....	10,736	9,912	9,677	11,850		
Stillwater	1,300	1,682	1,560	1,655		
Thief River Falls.....	653*	1,052*	525	1,098		
Two Harbors	295	411	263	366		
Virginia	1,204	1,606	1,215	1,431		
Wabasha	718	691	549	577		
Wheaton	231	287	214	312		
Willmar (1 Bank).....	456	486	643	713		
Winona	6,008	5,339	4,562	6,271		
Worthington (1 Bank).....	386	419	194	390		
Montana						
Anaconda	\$ 1,060	\$ 1,101	\$ 754	\$ 980		
Billings	4,916	5,796	4,324	5,405		
Bozeman	1,208	1,511	1,202	1,612		
Butte (2 Banks).....	8,037	7,155	5,072	6,364		
Deer Lodge	861	459	745	633		
Glendive	544	700	494	771		
Great Falls	6,599	7,531	6,047	7,437		
Harlowton	212	211	178	245		
Havre	925	1,053	703	1,096		
Helena	5,816	7,367	5,118	7,473		
Kalispell	1,143	1,378	1,008	1,628		
Lewistown	998	1,318	876	1,363		
Malta	384	496	340	502		
Miles City (1 Bank).....	831	1,023	700	1,048		
North Dakota						
Bismarck	11,666	8,788	6,412	8,396		
Devils Lake	898	906	841	851		
Dickinson	717	977	795	816		
Fargo	10,301	11,819	9,246	11,450		
Grafton	400	476	229	359		
Grand Forks	2,981	3,359	3,013	3,598		
Jamestown	954	1,422	1,197	1,243		
Mandan	539	604	668	749		
Minot	2,699	3,259	2,487	3,517		
Valley City	662	722	620	799		
Wahpeton	640	649	651	584		
Williston	529	634	667	685		
South Dakota						
Aberdeen	2,569	3,026	2,732	3,442		
Brookings (1 Bank).....	576	494	522	525		
Deadwood	677	676	667	668		
Huron	2,171	2,199	2,627	3,006		
Lead	1,552	1,581	1,289	1,422		
Madison	525	635	533	595		
Milbank	270	294	286	312		
Mitchell	1,652	1,779	1,643	2,057		
Mobridge	401	461	362	443		
Pierre	1,212	1,540	990	1,141		
Rapid City	1,519	1,707	1,410	1,877		
Sioux Falls	11,069	11,062	10,101	11,319		
Watertown	1,511	1,649	1,786	.....	
Yankton	1,125	1,188	1,246	1,087		
Wisconsin						
Ashland	783	.....	.....	.....
Chippewa Falls	1,313	1,561	1,245	1,462		
Eau Claire	4,360	4,361	3,754	3,694		
Hudson	400*	312*	375	381		
La Crosse	6,510	6,704	5,975	6,302		
Merrill	1,020	.....	.....	.....
Superior	2,861	3,265	3,655	3,735		

*Figures for a smaller number of banks.

Summary of National Business Conditions (Compiled February 24 by Federal Reserve Board)

The volume of industrial production increased by more than the usual seasonal amount in January and the early part of February. The general level of wholesale commodity prices, after showing relatively little change during the last five months of 1933, advanced considerably after the turn of the year.



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

PRODUCTION AND EMPLOYMENT: The output of factories and mines, as measured by the Federal Reserve Board's seasonally adjusted index of industrial production, advanced from 75 per cent of the 1923-1925 average in December to 78 per cent in January. This compares with a recent low level of 72 per cent in November and a level of 65 per cent in January, 1933. The January advance reflected chiefly increases of more than the usual seasonal amount in the textile, meat packing, automobile and anthracite coal industries. Activity at cotton mills, which had reached an unusually high level in the summer of 1933 and had declined sharply in the latter part of the year, showed a substantial increase in January. The output of automobiles also increased by more than the usual seasonal amount, while activity in the steel industry showed little change, following a non-seasonal increase in December. In the first half of February, there was a further growth in output at automobile factories, and activity at steel mills showed a substantial increase.

Factory payrolls, which usually decline considerably at this season, showed little change between the middle of December and the middle of January, while factory employment declined by about the usual seasonal amount. There were substantial increases in employment and payrolls in the automobile, hardware, shoe and women's clothing industries. While decreases, partly of a seasonal character, were reported for the hosiery, tobacco, furniture and lumber industries.

The value of construction contracts, as reported by the F. W. Dodge Corporation, showed a decline in January and the first part of February, following a substantial increase in the latter part of 1933. As in other recent months, public works made up a large part of the total.

DISTRIBUTION: Freight traffic increased in January by more than the usual seasonal amount, reflecting larger shipments of coal and merchandise. Sales by department stores showed the usual seasonal decline after the holiday trade.

DOLLAR EXCHANGE: The foreign exchange value of the dollar in relation to gold currencies, which in January had fluctuated around 63 per cent of par, declined after January 31 to slightly above its new parity of 59.06 per cent.

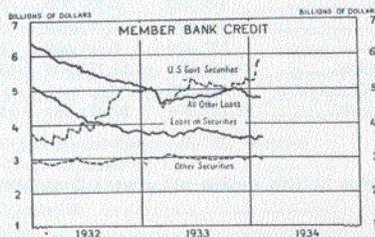
PRICES: Wholesale commodity prices showed a general increase between the third week of December and the third week of February and the weekly index of the Bureau of Labor Statistics advanced from 70.4 per cent of the 1926 average to 73.7 per cent. There were substantial increases in livestock prices; wool continued to advance and cotton reached a level higher than at any other time since 1930. Scrap steel advanced to about the level prevailing in the summer of 1933.

BANK CREDIT: As a consequence of the reduction on January 31 of the weight of the gold dollar, together with subsequent imports of gold from abroad, the dollar amount of the country's stock of monetary gold increased from \$4,035,000,000 on January 17 to \$7,089,000,000 on February 16. About \$3,000,000,000 of this increase was reflected in a growth of the cash held by the Treasury, which includes gold bullion.

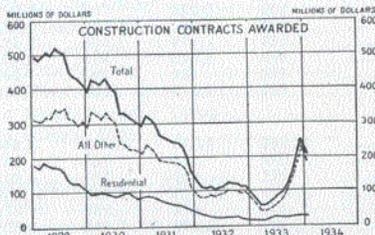
Notwithstanding a further reduction in discounts for member banks and in acceptance holdings of the Reserve banks, member banks' reserve balances increased moderately during this period, reflecting gold imports, a return of currency from circulation and a reduction in United States Government deposits with the Reserve banks. In the middle of February, these balances were more than \$900,000,000 above legal reserve requirements.

At reporting member banks, there was a growth between January 17 and February 14 of more than \$600,000,000 in holdings of United States Government securities and of more than \$500,000,000 in United States Government deposits, reflecting Treasury financing. Loans on securities and all other loans increased slightly and bankers' balances showed a substantial growth.

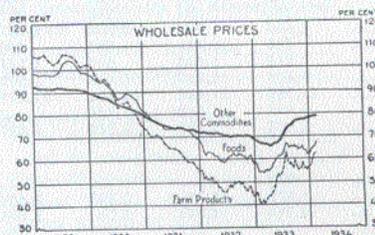
Short-term money rates in the open market remained at low levels. On February 2, the Federal Reserve Bank of New York reduced its discount rate from 2 per cent to 1½ per cent, and during the succeeding two weeks reductions of one-half per cent were made at the Federal Reserve Banks of Cleveland, Boston, St. Louis, Dallas, Richmond, Kansas City, Atlanta and San Francisco.



Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for February 14.



Three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. Latest figure based on data for December and January and estimate for February.



Indexes of the United States Bureau of Labor Statistics. By months 1929 to 1931; by weeks 1932 to date. (1926=100.)