

MONTHLY REVIEW

OF AGRICULTURAL AND BUSINESS CONDITIONS IN THE NINTH FEDERAL RESERVE DISTRICT

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DISTRICT SUMMARY OF BUSINESS

In December some of the important Ninth District records showed improvement over November, undoubtedly due in part to unusually mild and open weather. The bank debits index, adjusted for seasonal variations, increased from 60 to 67. The adjusted country check clearings index increased from 63 to 65. Freight statistics revealed the same improvement, for the adjusted index of miscellaneous carloadings increased from 67 in November to 72 in December, and the adjusted index of l. c. l. carloadings increased from 78 to 80.

In spite of these more favorable indications, the general volume of business in December was smaller than in December last year. The reduction as compared with December 1930 in bank debits was 21 per cent, in country check clearings 25 per cent and in freight carloadings, excluding l. c. l. freight, 24 per cent. Other declines occurred in electric power consumption, postal receipts, building permits and contracts, flour and linseed products shipments, copper output, grain marketings, receipts of cattle, calves and sheep, department store sales, country lumber sales, life insurance sales, securities sales to banks and wholesale trade. Increases occurred in receipts of hogs, furniture sales, securities sales to the general public and in warranty deeds recorded in Hennepin and Ramsey Counties of Minnesota. Employment indexes remained at the higher levels established in November, but were less favorable than a year ago. Business failures were more numerous in December than in December last year.

In the first half of January, available records indicate a continuation of the reduction from last year's volume. Bank debits at seventeen cities during the two weeks ending January 13, were 19 per cent smaller than in the corresponding weeks last year. Country check clearings for the first fifteen days of January were 27 per cent smaller than in the same days a year ago. Heavy snows throughout the district in the early part of January probably had some adverse effect on the general volume of business during the month.

DISTRICT SUMMARY OF AGRICULTURE

Farm Income

The estimated December cash income of farmers from seven important items was 36 per cent smaller than in December last year. The shrinkage

in farm income was largely caused by lower prices for hogs and greatly reduced marketings of cash grains. Prices of durum wheat, barley and rye were higher in December than a year ago, and the price of butter in December was equal to last year's December price. Prices of all other important northwestern farm products were lower than a year ago.

Butter

The price paid to farmers in January for butter-fat delivered in December was exactly the same as the price paid in January last year, in spite of indications that butter production in the United States was larger in December than a year ago. Furthermore, the price of butter did not decline from the price paid for November production. Heavy butter production was due to a variety of factors, including favorable weather conditions, low feed costs, an increasing number of milk cows, an increasing percentage of fall-fresh cows and the tendency of farmers to rely on their sales of milk and cream for ready cash. Cold storage holdings of butter were less than half as large on January 1 as a year earlier, and also less than half as large as butter stocks on the five year average at the date. Imports of butter into the United States declined from 587,000 pounds in October to 134,000 pounds in November.

Cold Storage Holdings

On January 1, United States stocks of beef, pork, lard, lamb and mutton, butter and poultry were smaller than the five year average for the date. Cold storage holdings of eggs were larger than the five year average. As compared with January 1 last year, declines were reported in stocks of beef, lard, lamb and mutton, butter and eggs, and increases were reported in pork and poultry.

United States Cold Storage Holdings

(In thousands of pounds)

| | January 1 5-year Average | January 1 1931 | January 1 1932 |
|-------------------|-----------------------------|-------------------|-------------------|
| Beef | 91,180 | 75,285 | 53,262 |
| Pork | 561,681 | 521,192 | 559,402 |
| Lard | 64,719 | 51,434 | 50,818 |
| Lamb and Mutton.. | 4,916 | 4,677 | 2,260 |
| Butter | 53,951 | 63,401 | 26,550 |
| Poultry | 123,462 | 104,913 | 116,759 |
| Eggs* | 2,762 | 4,271 | 3,736 |

*Thousand cases.

Cattle and Sheep on Feed—January 1, 1932

The United States Department of Agriculture estimate of the total number of cattle on feed on January 1 was about 5 per cent smaller than the estimate for the same date last year. The decrease for the country as a whole was largely due to curtailed shipments of feeders to the country during December, on account of the sharp declines in fat cattle prices which occurred early in that month. The two states in the Ninth Federal Reserve District where cattle feeding is important both showed declines when compared with January 1, 1931. Minnesota showed a decline of 10 per cent and South Dakota a decline of 50 per cent, the latter partly due to feed conditions.

The number of lambs and sheep on feed in the United States on January 1 was 14 per cent larger than a year earlier, as reported by the United States Department of Agriculture.

DISTRICT SUMMARY OF BANKING

Customers of country member banks repaid loans to these banks at an unusually rapid rate during the fourth quarter of 1931. This conclusion is based on a preliminary tabulation of the loans and investments of member banks in the district as of December 31. In the fourth quarter of 1931, the reduction in loans to customers by country member banks was \$12,700,000; in the fourth quarter of 1930, the reduction in customers loans was \$6,100,000; in the fourth quarter of 1929, the reduction was only \$500,000; and in the fourth quarter of 1928, the reduction was \$1,600,000. Of the loan reduction by customers of country banks during the last three months of 1931, a small part, about 2 million dollars, was due to the elimination from the year end figures of member banks which closed during the quarter. Another small part of the reduction was undoubtedly due to the writing off of certain losses, but even after allowance for these two factors, the fact remains that the loan repayment by borrowers from country banks was greater in the latter part of 1931 than in the same portion of any of the preceding three years.

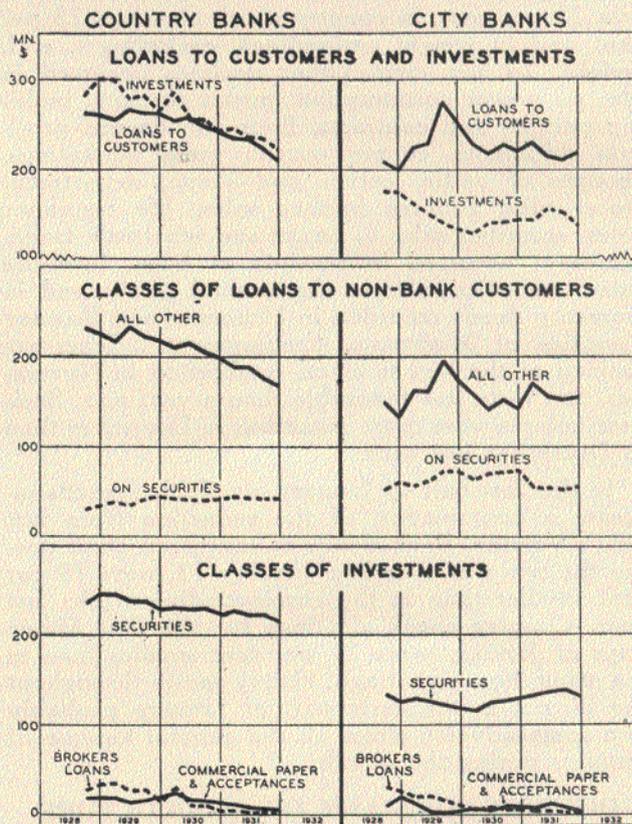
Available evidence shows that the decrease in deposits of country banks during the quarter was more rapid than the decrease in loans. This was evidenced by reductions in their security holdings and in balances due from correspondent banks, and by increases in their borrowings from other banks. Country member banks decreased their investment holdings (including acceptances, commercial paper, broker's loans and securities) by 11 million dollars during the last quarter of 1931. During approximately the same period, the weekly reports of this bank show that country member banks increased their borrowings from the Federal Reserve Bank nearly 2 million dollars. Records of the group of city banks which report weekly to this office show that correspondent balances for country banks, including both member and non-member

banks, decreased 9 million dollars during the last quarter of 1931. The called reports of these same city banks reveal the fact that their loans to country banks, including both member and non-member banks, increased 1 million dollars during the quarter.

During the year 1931, loans and investments of country member banks were reduced 56 million dollars, or 11 per cent. Loans to customers were reduced 34 million dollars and investments were reduced 22 million dollars. Throughout the year, country member banks maintained their investments at higher totals than their loans to customers.

The called reports of city member banks in the district do not reveal clearly the city banking trends of the last quarter of 1931, because the deposits of a non-member trust company and a savings bank were absorbed by one of these city banks during the quarter, which enlarged the figures of the group. The figures, as reported, show an increase of 6 million dollars in loans to customers, and a decrease of 14 million dollars in investment holdings.

During the first two weeks of January, country member banks increased their borrowings from this Federal Reserve Bank by a small amount, which was, nevertheless, sufficient to raise their total borrowings to the highest figure for any January since



Loans and Investments of City and Country Member Banks in the Ninth Federal Reserve District on call dates, 1928-1931.

1924. Borrowings by banks in the eastern half of the district showed little change, while borrowings in the western states of the district increased during the two week period.

During the two weeks ending January 13, city member banks experienced a decrease in deposits of 14 million dollars. This decrease was accompanied by a shrinkage of 3 million dollars in loans to customers. Other changes during the two week period were a decrease in security holdings of 2 million dollars, a decrease in cash and due from banks of 7 million dollars and an increase in borrowings from the Federal Reserve Bank of \$3,600,000.

The balance sheets of these city member banks

showed smaller totals on January 13 than a year earlier, in spite of the absorption during December of the deposits of a non-member trust company and a savings bank. Total deposits showed a reduction of 48 million dollars. All classes of deposits shared in the decrease, except time deposits, which were enlarged by the inclusion of the figures of the two non-member banks mentioned above. At the present time, these city banks hold a larger amount of time and savings deposits than of commercial and individual demand deposits. Loans to customers by these city banks were 2 million dollars larger on January 13, 1932 than a year earlier. Investments were 10 million dollars smaller, cash and due from banks were 39 million dollars smaller, and borrowings \$3,700,000 larger than a year ago.

THE YEARS 1927 TO 1931 IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS

| Bank Debits | 1927 | 1928 | 1929 | 1930 | 1931 |
|--|-------------------|-------------------|------------------|------------------|------------------|
| 94 Cities | \$11,822,882,000* | \$12,636,506,000* | \$13,697,233,000 | \$11,799,197,000 | \$ 9,299,931,000 |
| Minneapolis | | 5,313,805,000 | 6,032,376,000 | 5,100,905,000 | 3,894,430,000 |
| St. Paul | | 2,148,393,000 | 2,260,995,000 | 2,037,641,000 | 1,668,625,000 |
| South St. Paul | | 419,280,000 | 433,386,000 | 366,829,000 | 275,676,000 |
| Great Lakes Ports | | | 1,345,757,000 | 1,111,825,000 | 799,534,000 |
| Beef and Pork, S. E. | | | 436,359,000 | 391,162,000 | 333,911,000 |
| Beef and Pork, S. W. | | | 547,541,000 | 526,826,000 | 424,017,000 |
| Dairy and Mixed Farming .. | | | 586,582,000 | 542,665,000 | 461,538,000 |
| Wheat and Mixed Farming .. | | | 757,781,000 | 660,678,000 | 565,133,000 |
| Wheat and Range | | | 428,380,000 | 357,887,000 | 292,672,000 |
| Mining and Lumber | | | 868,076,000 | 702,779,000 | 584,395,000 |
| Electric Power Consumption (K. W. H.) | | | | | |
| Minn., No. Dak. and So. Dak. | 1,562,636,000 | 1,680,873,000 | 1,733,357,000 | 1,811,807,000 | 1,782,776,000 |
| Montana | 1,394,655,000 | 1,619,351,000 | 1,613,592,000 | 1,317,792,000 | 964,062,000 |
| Country Check Clearings | | | | | |
| Total | \$ 1,112,008,000 | \$ 1,201,920,000 | \$ 1,212,684,000 | \$ 1,015,198,000 | \$ 799,150,000 |
| Minnesota | 404,184,000 | 426,482,000 | 445,392,000 | 363,917,000 | 292,122,000 |
| Montana | 202,527,000 | 219,279,000 | 225,631,000 | 173,437,000 | 137,454,000 |
| North and South Dakota.... | 282,746,000 | 322,752,000 | 302,932,000 | 266,234,000 | 194,329,000 |
| Michigan and Wisconsin.... | 222,551,000 | 233,407,000 | 238,729,000 | 211,604,000 | 175,245,000 |
| Postal Receipts | | | | | |
| Six Cities | \$ 12,810,630 | \$ 13,192,350 | \$ 13,660,070 | \$ 13,167,350 | \$ 11,680,470 |
| Minneapolis | 6,213,650 | 6,751,760 | 7,297,960 | 7,024,190 | 6,111,270 |
| St. Paul | 4,618,670 | 4,420,310 | 4,385,480 | 4,195,400 | 3,779,560 |
| Duluth | 833,480 | 843,890 | 812,270 | 774,730 | 704,330 |
| Three Other Cities..... | 1,144,830 | 1,176,390 | 1,164,360 | 1,173,030 | 1,085,310 |
| Freight Carloadings—N. W. Dist. | | | | | |
| Total—Excluding L.C.L. ... | 5,500,811 | 5,578,688 | 5,764,501 | 4,790,793 | 3,427,832 |
| Grain and Grain Products... | 651,099 | 722,393 | 621,375 | 578,506 | 444,812 |
| Livestock | 428,070 | 425,203 | 403,566 | 373,782 | 363,812 |
| Coal | 378,129 | 337,581 | 367,546 | 350,499 | 290,222 |
| Coke | 72,565 | 72,891 | 91,458 | 69,990 | 45,605 |
| Forest Products | 886,289 | 870,724 | 840,929 | 604,625 | 363,525 |
| Ore | 1,056,233 | 1,091,878 | 1,311,442 | 941,936 | 466,028 |
| Miscellaneous | 2,028,426 | 2,058,018 | 2,128,185 | 1,871,449 | 1,453,828 |
| Merchandise—L.C.L. | 1,728,613 | 1,689,247 | 1,655,813 | 1,556,659 | 1,343,827 |
| Building Permits | | | | | |
| Number (18 Cities)..... | 18,166 | 18,077 | 16,941 | 15,125 | 15,188 |
| Valuation (18 Cities)..... | \$ 49,722,200 | \$ 49,479,300 | \$ 47,741,900 | \$ 38,098,500 | \$ 34,512,600 |
| Minneapolis | 22,421,700 | 23,257,800 | 20,960,000 | 13,449,300 | 12,371,900 |
| St. Paul | 10,128,800 | 8,729,900 | 9,255,200 | 11,055,400 | 13,994,700 |
| Duluth-Superior | 5,806,400 | 5,154,100 | 4,911,000 | 3,233,700 | 1,275,900 |
| 4 Wheat Belt Cities..... | 4,359,500 | 5,024,400 | 5,964,900 | 3,561,800 | 2,210,700 |
| 6 Mixed Farming Cities.... | 5,976,300 | 6,202,300 | 5,346,800 | 5,656,700 | 4,219,700 |
| 4 Mining Cities..... | 1,029,500 | 1,110,800 | 1,304,000 | 1,064,900 | 439,700 |

*Estimated

THE YEARS 1927 TO 1931 IN THE NINTH FEDERAL RESERVE DISTRICT

(CONTINUED)

| | 1927 | 1928 | 1929 | 1930 | 1931 |
|---|-------------|---------------|----------------|---------------|---------------|
| Building Contracts Awarded | | | | | |
| Total (New District Lines) | | | \$ 104,120,000 | \$ 98,711,600 | \$ 93,815,300 |
| Total (Old District Lines) .. \$ | 83,816,700 | \$ 80,190,700 | 94,504,500 | 15,659,200 | 15,934,500 |
| Residential | | | | 24,147,600 | 8,796,100 |
| Commercial and Industrial .. | | | | 41,754,800 | 49,162,500 |
| Public Works and Utilities .. | | | | 8,935,200 | 7,114,300 |
| Educational | | | | 8,214,800 | 12,807,900 |
| All Other | | | | | |
| Real Estate Activity in Hennepin and Ramsey Counties | | | | | |
| Warranty Deeds Recorded .. | 21,385 | 18,577 | 17,379 | 15,169 | 14,179 |
| Mortgages Recorded | 20,703 | 20,473 | 18,252 | 16,028 | 15,490 |
| Manufacturing and Mining | | | | | |
| Flour Prod. at Mpls. (bbls.) | 11,540,051 | 12,241,452 | 10,429,146 | 10,876,778 | 9,123,970 |
| Flour Ship. at Mpls. (bbl.) .. | 12,195,685 | 12,596,495 | 11,421,249 | 11,407,056 | 9,701,671 |
| Linseed Prod. Ship. (lbs.) .. | 333,823,961 | 445,697,595 | 381,341,683 | 274,075,113 | 255,642,803 |
| Cop. Out'p't (5 firms) (lbs.) | 416,602,300 | 446,494,500 | 483,289,300 | 361,698,900 | 283,020,900 |
| Failures | | | | | |
| Business Failures | 1,081 | 834 | 621 | 705 | 867 |
| Bank Suspensions | 142 | 94 | 84 | 156 | 271 |

AGRICULTURE

| | | | | | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Farmer's Cash Income | | | | | |
| Total of Items Below | \$ 795,956,000 | \$ 773,361,000 | \$ 693,674,000 | \$ 547,137,000 | \$ 346,653,000 |
| Bread Wheat | 218,554,000 | 201,362,000 | 158,231,000 | 106,868,000 | 55,812,000 |
| Durum Wheat | 77,886,000 | 91,518,000 | 61,095,000 | 42,153,000 | 21,723,000 |
| Rye | 25,762,000 | 18,870,000 | 12,783,000 | 7,589,000 | 1,553,000 |
| Flax | 40,667,000 | 35,785,000 | 29,167,000 | 29,778,000 | 16,127,000 |
| Potatoes | 39,175,000 | 28,461,000 | 28,286,000 | 27,286,000 | 14,558,000 |
| Dairy Products | 228,869,000 | 240,751,000 | 244,823,000 | 190,275,000 | 142,829,000 |
| Hogs | 153,345,000 | 140,886,000 | 145,018,000 | 132,080,000 | 86,550,000 |
| Wool | 11,698,000 | 15,728,000 | 14,271,000 | 11,108,000 | 7,501,000 |
| Grain Marketings at Minneapolis and Duluth-Superior (Bus.) | | | | | |
| Bread Wheat | 138,279,000 | 132,457,000 | 102,317,000 | 97,130,000 | 65,704,000 |
| Durum Wheat | 59,501,000 | 80,826,000 | 50,547,000 | 50,974,000 | 29,738,000 |
| Rye | 29,189,000 | 18,600,000 | 13,146,000 | 12,981,000 | 3,862,000 |
| Flax | 18,872,000 | 15,900,000 | 9,453,000 | 15,413,000 | 11,231,000 |
| Livestock Receipts at South St. Paul (Head) | | | | | |
| Cattle | 955,358 | 917,362 | 878,509 | 779,143 | 811,361 |
| Calves | 627,110 | 572,553 | 546,459 | 559,423 | 603,231 |
| Hogs | 3,104,933 | 2,902,448 | 2,868,883 | 2,759,166 | 3,251,214 |
| Sheep | 704,830 | 890,762 | 1,139,073 | 1,353,995 | 1,690,080 |
| Prices in December | | | | | |
| Median Cash Grain Prices at Mpls. | | | | | |
| Wheat—No. 1 D. N. S. (bus.) | \$1.34 ¹ / ₂ | \$1.21 ³ / ₄ | \$1.30 ³ / ₄ | \$0.76 ³ / ₄ | \$0.73 ³ / ₈ |
| Durum—No. 2 Amber (Duluth) (Bu.) | 1.27 | 1.06 ¹ / ₂ | 1.21 | .72 | .79 |
| Corn—No. 3 Yellow (bu.) .. | .83 ⁷ / ₈ | .78 | .83 ¹ / ₄ | .65 ¹ / ₂ | .43 ³ / ₄ |
| Oats—No. 3 White (bu.) .. | .52 | .43 ¹ / ₄ | .42 ³ / ₄ | .29 ¹ / ₂ | .26 ³ / ₄ |
| Barley—No. 3 (bu.) | .82 ¹ / ₂ | .58 | .58 | .42 | .50 ³ / ₈ |
| Rye—No. 2 (bu.) | 1.02 | .99 | .97 ¹ / ₂ | .43 ¹ / ₄ | .45 |
| Flax—No. 1 (bu.) | 2.14 ³ / ₈ | 2.38 ¹ / ₂ | 3.20 ¹ / ₂ | 1.61 | 1.43 |
| Median Livestock Prices at South St. Paul | | | | | |
| Butcher Cows (Cwt.) | \$8.00 | \$8.25 | \$7.50 | \$5.50 | \$3.50 |
| Butcher Steers (Cwt.) | 10.50 | 10.50 | 10.50 | 8.35 | 4.75 |
| Prime Butcher Steers (Cwt.) | 13.00 | 12.50 | 12.85 | 10.25 | 6.50 |
| Stocker and Feeder Steers (Cwt.) | 8.50 | 9.00 | 9.00 | 6.50 | 3.50 |
| Veal Calves (Cwt.) | 10.50 | 12.50 | 12.00 | 8.00 | 4.00 |
| Hogs (Cwt.) | 8.00 | 8.25 | 9.15 | 7.75 | 3.90 |
| Heavy Hogs (Cwt.) | 7.50 | 7.85 | 8.25 | 7.00 | 3.35 |
| Lambs (Cwt.) | 12.50 | 13.50 | 12.50 | 7.75 | 4.75 |
| Ewes (Cwt.) | 6.00 | 7.00 | 3.75 | 3.00 | 2.00 |
| Wool (lb.) (farm price) .. | .32 ¹ / ₂ | .37 ¹ / ₂ | .29 | .18 ¹ / ₂ | .13* |
| Wholesale Produce Prices at Minneapolis | | | | | |
| Butter (lb.) | \$0.48 | \$0.47 | \$0.37 ¹ / ₂ | \$0.27 | \$0.27 |
| Milk (Cwt.) | 2.63 | 2.61 | 2.30 | 1.75 | 1.46 |
| Hens (lb.) | .18 ¹ / ₂ | .20 ¹ / ₂ | .17 ¹ / ₂ | .16 ¹ / ₂ | .14 ¹ / ₂ |
| Eggs (doz.) | .37 ¹ / ₂ | .33 ¹ / ₂ | .39 ¹ / ₂ | .26 ¹ / ₂ | .22 ³ / ₄ |
| Potatoes (bu.) | 1.05 | .60 | 1.57 ¹ / ₂ | 1.27 ¹ / ₂ | .75 |

*November 15, 1931

THE YEARS 1927 TO 1931 IN THE NINTH FEDERAL RESERVE DISTRICT

(CONTINUED)

TRADE

| | 1927 | 1928 | 1929 | 1930 | 1931 |
|--|-------------|-------------|-------------|-------------|-------------|
| Retail Sales | | | | | |
| Lumber (530 yds.) (bd. ft.) | 135,723,000 | 147,483,000 | 141,225,000 | 114,682,000 | 83,445,000 |
| Dept. Store Sales (18 firms) \$ | 26,128,990 | 24,736,060 | 25,486,010 | 24,504,020 | 21,747,340 |
| Furniture Store Sales (4 firms) | 1,976,290 | 2,414,430 | 2,223,370 | 1,678,840 | 1,389,220 |
| Securities Sold (12 firms) .. | 222,021,900 | 214,716,600 | 202,792,500 | 166,990,800 | 147,853,900 |
| Life Insurance Sales | 268,741,000 | 285,514,000 | 305,407,000 | 296,664,000 | 237,236,000 |
| Wholesale Sales | | | | | |
| Shoes (5 firms) | 5,694,160 | 6,119,160 | 5,732,490 | 4,108,940 | 2,817,870 |
| Hardware (12 firms) | 23,393,160 | 24,441,180 | 25,552,670 | 21,324,000 | 15,795,130 |
| Groceries (37 firms) | 52,828,980 | 51,236,590 | 49,914,090 | 48,099,290 | 42,258,050 |
| Retail Stocks—Dec. 31 | | | | | |
| Lumber (501 yards.) (bd. ft.) | 76,410,000 | 72,771,000 | 73,891,000 | 70,531,000 | 63,374,000 |
| Department Stores (16 firms) \$ | 5,467,430 | 5,085,400 | 4,618,600 | 4,262,700 | 3,767,330 |
| Furniture Stores (4 firms) .. | 934,570 | 857,510 | 830,100 | 718,840 | 759,040 |
| Wholesale Stocks—Dec. 31 | | | | | |
| Shoes (5 firms) | 1,435,600 | 1,618,800 | 1,379,390 | 802,080 | 585,360 |
| Hardware (9 firms) | 2,350,650 | 2,446,900 | 2,249,170 | 2,037,610 | 1,896,210 |
| Groceries (33 firms) | 6,657,490 | 6,984,510 | 6,955,290 | 6,190,260 | 5,403,200 |
| Retail Accounts and Notes Receivable—Dec. 31 | | | | | |
| Lumber (530 yards) | 3,362,900 | 3,681,700 | 4,346,800 | 3,526,100 | 2,867,200 |
| Department Stores (15 firms) \$ | 2,377,500 | 2,226,860 | 2,361,870 | 2,365,900 | 2,108,470 |
| Furniture Stores (4 firms) .. | 968,560 | 912,380 | 1,029,390 | 782,600 | 823,620 |
| Wholesale Accounts and Notes Receivable—Dec. 31 | | | | | |
| Shoes (5 firms) | 1,823,880 | 1,216,280 | 1,217,250 | 896,220 | 522,920 |
| Hardware (11 firms) | 2,171,750 | 2,231,240 | 2,163,360 | 1,845,140 | 1,683,260 |
| Groceries (37 firms) | 5,263,340 | 5,094,140 | 4,611,000 | 4,275,260 | 3,916,540 |

BANKING

| | | | | | |
|---|---------------|---------------|---------------|---------------|-------------|
| City Bank Condition (1) Dec. 31 | | | | | |
| Loans | 227,000,000 | 222,000,000 | 239,000,000 | 226,000,000 | 222,000,000 |
| Investments | 201,000,000 | 198,000,000 | 178,000,000 | 166,000,000 | 171,000,000 |
| Deposits | 473,000,000 | 475,000,000 | 454,000,000 | 466,000,000 | 442,000,000 |
| Borrowings | 100,000 | 2,100,000 | 8,100,000 | 83,000 | 42,000 |
| Country Bank Conditions, Dec. 31 | | | | | |
| Loans | 720,000,000 | 727,000,000 | 696,000,000 | 611,000,000 | 525,000,000 |
| Investments | 380,000,000 | 404,000,000 | 392,000,000 | 391,000,000 | 383,000,000 |
| Deposits | 1,228,000,000 | 1,248,000,000 | 1,180,000,000 | 1,082,000,000 | 955,000,000 |
| Borrowings | 7,800,000 | 7,400,000 | 9,700,000 | 10,600,000 | 10,400,000 |

(1) National Banks in Minneapolis and St. Paul and Savings Banks and Trust Companies in Minnesota.

(2) September 29, 1931 for National Banks; Autumn call dates for State Banks.

| | | | | | |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Member Bank Deposits | | | | | |
| In Cities Over 15,000 pop... \$ | 483,272,000 | 478,948,000 | 461,412,000 | 477,458,000 | 432,983,000 |
| In Cities Under 15,000 pop... \$ | 456,005,000 | 470,301,000 | 445,482,000 | 400,630,000 | 343,663,000 |
| Michigan—15 Cos. | 57,994,000 | 61,562,000 | 58,802,000 | 64,368,000 | 60,198,000 |
| Minnesota | 173,671,000 | 174,165,000 | 168,251,000 | 155,390,000 | 134,763,000 |
| Montana | 67,758,000 | 73,890,000 | 65,536,000 | 59,168,000 | 50,158,000 |
| North Dakota | 69,217,000 | 67,432,000 | 61,566,000 | 43,113,000 | 33,626,000 |
| South Dakota | 58,937,000 | 62,508,000 | 61,909,000 | 51,062,000 | 41,075,000 |
| Wisconsin—26 Cos. | 28,428,000 | 30,744,000 | 29,418,000 | 27,529,000 | 23,843,000 |

| | | | | | |
|------------------------------------|----------|----------|----------|----------|----------|
| Interest Rates | Jan. '28 | Jan. '29 | Jan. '30 | Jan. '31 | Jan. '32 |
| Minneapolis Banks | 4¾-5 | 5¾-6 | 5¾-6 | 4¾-5 | 4¾-5 |
| Commercial Paper (net to borrower) | 4¼ | 5¾ | 5½ | 3½ | 4½ |
| Minneapolis Fed. Res. Bank .. | 3½ | 4½ | 5 | 3½ | 3½ |

| | | | | | |
|-----------------------------------|-----------------|-----------------|------------------|------------------|------------------|
| Selected City Member Banks | Jan. 18 1928 | Jan. 16 1929 | Jan. 15, 1930 | Jan. 14, 1931 | Jan. 13, 1932 |
| Loans to customers | \$ 216,684,000 | \$ 240,653,000 | \$ 213,324,000 | \$ 215,321,000 | \$ 137,504,000 |
| Other Invested Funds | 175,098,000 | 130,573,000 | 147,465,000 | 83,237,000 | 62,210,000 |
| Deposits due to Banks | 99,654,000 | 85,528,000 | 76,774,000 | 83,237,000 | 20,784,000 |
| Public Demand Deposits | 12,646,000 | 13,253,000 | 18,900,000 | 23,039,000 | 145,362,000 |
| Other Demand Deposits | 180,614,000 | 189,046,000 | 179,904,000 | 178,561,000 | 156,042,000 |
| Time Deposits | 138,295,000 | 141,348,000 | 132,161,000 | 147,837,000 | 385,350,000 |
| Total Deposits | 431,209,000 | 429,175,000 | 407,739,000 | 433,175,000 | 3,741,000 |
| Borrowings at Fed. Res. Bank | 2,250,000 | 10,409,000 | 2,200,000 | 0 | |

| | | | | | |
|---|--------------|---------------|--------------|--------------|--------------|
| Minneapolis Federal Reserve Bank | | | | | |
| Loans to Member Banks | \$ 4,154,000 | \$ 13,342,000 | \$ 4,238,000 | \$ 4,188,000 | \$ 9,952,000 |
| Twin Cities | 2,284,000 | 10,531,000 | 2,230,000 | 0 | 3,666,000 |
| Minn., Wis., and Mich. | 897,000 | 1,656,000 | 805,000 | 1,287,000 | 2,692,000 |
| N. Dak., and Mont. | 376,000 | 701,000 | 684,000 | 1,206,000 | 1,678,000 |
| South Dakota | 597,000 | 454,000 | 519,000 | 1,695,000 | 1,916,000 |
| Fed. Res. Notes in Circulation | 58,225,000 | 61,979,000 | 64,885,000 | 50,844,000 | 68,018,000 |

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

| GENERAL BUSINESS | | | Per cent Dec. '31 of Dec. '30 | AGRICULTURE | | | Per cent Dec. '31 of Dec. '30 |
|--|---------------|---------------|--|---|---------------|---------------|--|
| Bank Debits ¹ | Dec. '31 | Dec. '30 | Dec. '30 | Farmers' Cash Income | Dec. '31 | Dec. '30 | Dec. '30 |
| All Reporting Cities..... | \$ 30,215,600 | \$ 38,446,600 | 79 | Total of 7 Items..... | \$ 20,158,000 | \$ 31,614,000 | 64 |
| Minneapolis | 12,452,000 | 15,818,000 | 79 | Bread Wheat | 1,700,000 | 5,075,000 | 33 |
| St. Paul | 6,219,000 | 7,181,000 | 87 | Durum Wheat | 317,000 | 1,761,000 | 18 |
| South St. Paul | 823,000 | 1,141,000 | 72 | Rye | 117,000 | 272,000 | 43 |
| Great Lakes Ports..... | 2,313,700 | 3,731,800 | 62 | Flax | 469,000 | 1,127,000 | 42 |
| Beef and Pork, S. E. | 1,093,500 | 1,317,300 | 83 | Potatoes | 431,000 | 606,000 | 71 |
| Beef and Pork, S. W. | 1,217,200 | 1,818,500 | 67 | Dairy Products | 9,999,000 | 10,582,000 | 94 |
| Dairy and Mixed Farming..... | 1,435,000 | 1,791,100 | 80 | Hogs | 7,125,000 | 12,191,000 | 58 |
| Wheat and Mixed Farming..... | 1,855,600 | 2,183,100 | 85 | Grain Marketings at Minneapolis and Duluth-Superior (Bus.) | | | |
| Wheat and Range | 914,100 | 1,245,600 | 73 | Bread Wheat | 2,072,000 | 5,789,000 | 36 |
| Mining and Lumber..... | 1,892,500 | 2,219,200 | 85 | Durum Wheat | 376,000 | 2,446,000 | 15 |
| Electric Power Consumption (K.W.H.) ² | | | | Rye | 259,000 | 629,000 | 41 |
| Minn., No. Dak., and So. Dak..... | 4,961,000 | 5,022,000 | 99 | Flax | 328,000 | 700,000 | 47 |
| Montana | 2,584,000 | 3,207,000 | 81 | Grain Stocks at End of Month at Min- neapolis and Duluth-Superior (Bus.) | | | |
| Country Check Clearings ³ | | | | Wheat | 50,127,967 | 55,634,267 | 90 |
| Total | \$ 2,440,800 | \$ 3,238,900 | 75 | Corn | 156,279 | 2,677,220 | 6 |
| Minnesota | 939,600 | 1,161,400 | 81 | Oats | 5,706,776 | 8,328,863 | 69 |
| Montana | 440,900 | 532,100 | 83 | Barley | 2,626,204 | 5,739,422 | 46 |
| North and South Dakota..... | 547,100 | 872,000 | 63 | Rye | 5,395,517 | 8,829,739 | 61 |
| Michigan and Wisconsin..... | 513,200 | 673,400 | 76 | Flax | 872,675 | 1,377,147 | 63 |
| Postal Receipts | | | | Livestock Receipts at So. St. Paul (Head) | | | |
| Six Cities | 1,304,340 | 1,553,700 | 84 | Cattle | 47,841 | 58,235 | 82 |
| Minneapolis | 692,100 | 859,540 | 81 | Calves | 54,801 | 57,909 | 95 |
| St. Paul | 414,360 | 475,130 | 87 | Hogs | 419,782 | 294,921 | 142 |
| Duluth | 84,760 | 95,570 | 89 | Sheep | 152,307 | 161,217 | 94 |
| Three Other Cities..... | 113,120 | 123,460 | 92 | Median Cash Grain Prices (Bus.) | | | |
| Freight Carloadings—N. W. District | | | | Wheat—No. 1 Dark Northern..... | \$.73% | \$.76% | 96 |
| Total—Excluding L.C.L. | 195,193 | 257,786 | 76 | Durum—No. 2 Amber..... | .84% | .74 | 114 |
| Grains and Grain Products..... | 25,893 | 42,391 | 61 | Corn—No. 3 Yellow..... | .43% | .65½ | 67 |
| Livestock | 32,817 | 33,267 | 99 | Oats—No. 3 White..... | .26% | .29½ | 91 |
| Coal | 33,186 | 41,955 | 79 | Barley—No. 3 | .50% | .42½ | 119 |
| Coke | 3,377 | 5,583 | 60 | Rye—No. 2 | .45 | .43½ | 104 |
| Forest Products | 16,965 | 34,310 | 49 | Flax—No. 1 | 1.43 | 1.61 | 89 |
| Ore | 251 | 835 | 30 | Median Livestock Prices (Cwt.) | | | |
| Miscellaneous | 82,704 | 99,445 | 83 | Butcher Cows | \$ 3.50 | \$ 5.50 | 64 |
| Merchandise—L.C.L. | 100,106 | 115,283 | 87 | Butcher Steers | 4.75 | 8.35 | 57 |
| Building Permits | | | | Prime Butcher Steers..... | 6.50 | 10.25 | 63 |
| Number—18 Cities | 606 | 544 | 111 | Feeder Steers | 3.50 | 6.50 | 54 |
| Value—18 Cities | \$ 3,478,900 | \$ 3,579,200 | 97 | Veal Calves | 4.00 | 8.00 | 50 |
| Minneapolis | 1,247,600 | 1,973,800 | 63 | Hogs | 3.90 | 7.75 | 50 |
| St. Paul | 1,748,600 | 281,600 | 621 | Heavy Hogs | 3.35 | 7.00 | 48 |
| Duluth-Superior | 68,100 | 56,200 | 121 | Lambs | 4.75 | 7.75 | 61 |
| 4 Wheat Belt Cities..... | 49,700 | 410,300 | 12 | Ewes | 2.00 | 3.00 | 67 |
| 6 Mixed Farming Cities..... | 355,800 | 834,900 | 43 | Wholesale Produce Prices | | | |
| 4 Mining Cities | 9,100 | 22,400 | 41 | Butter (Lb.) | \$.27 | \$.27 | 100 |
| Building Contracts (F. W. Dodge Corp.) | | | | Milk (Cwt.) | 1.46 | 1.75 | 83 |
| Total | \$ 4,784,800 | \$ 5,538,500 | 85 | Hens (Lb.) | .14½ | .16½ | 88 |
| Commercial | 279,500 | 263,600 | 106 | Eggs (Doz.) | .22¾ | .26½ | 86 |
| Factories | 90,000 | 1,076,000 | 8 | Potatoes (Bu.) | .75 | 1.27½ | 59 |
| Educational | 2,600 | 290,300 | 1 | TRADE | | | |
| Hospitals, etc. | 33,500 | 16,000 | 209 | Department Stores | | | |
| Public | 254,800 | 7,900 | 3225 | Sales | \$ 4,324,990 | \$ 5,013,230 | 86 |
| Religious and Memorial..... | | 110,000 | | Merchandise Stocks | 5,868,940 | 6,567,730 | 89 |
| Social and Recreational | 10,000 | 89,000 | 11 | Receivables | 3,328,720 | 4,296,260 | 89 |
| Residential | 1,097,000 | 669,000 | 164 | Instalment Receivables | 668,850 | 779,670 | 86 |
| Public Works and Utilities..... | 2,967,400 | 3,016,700 | 98 | Furniture Stores | | | |
| Real Estate Activity in Hennepin and Ramsey Counties | | | | Total Sales | \$ 155,780 | \$ 133,520 | 117 |
| Warranty Deeds Recorded..... | 3,022 | 3,004 | 101 | Instalment Sales | 103,420 | 86,870 | 119 |
| Mortgages Recorded | 1,351 | 1,424 | 95 | Merchandise Stocks | 759,040 | 718,840 | 106 |
| Manufacturing and Mining | | | | Instalment Receivables | 823,620 | 782,600 | 105 |
| Flour Production at Mpls., St. Paul, and Duluth-Superior (bbls.)..... | 615,957 | 906,401 | 68 | Country Lumber Yards | | | |
| Flour Shipments at Mpls. (bbls.)..... | 611,510 | 823,439 | 74 | Sales (Bd. Ft.) | 2,932,000 | 4,145,000 | 71 |
| Linseed Product Shipments (lbs.)..... | 17,669,894 | 24,209,541 | 73 | Lumber Stocks (Bd. Ft.)..... | 63,374,000 | 70,531,000 | 90 |
| Copper Output (5 firms) (lbs.)..... | 23,792,900 | 25,141,700 | 95 | Total Sales | \$ 569,200 | \$ 730,800 | 78 |
| Business Failures | | | | Receivables | 2,867,200 | 3,526,100 | 81 |
| Number | 81 | 63 | 129 | Life Insurance Sales | | | |
| Liabilities | \$ 2,914,920 | \$ 549,010 | 531 | Four States | \$ 23,576,000 | \$ 24,630,000 | 96 |
| | | | | Minnesota | 18,063,000 | 17,554,000 | 103 |
| | | | | Montana | 1,963,000 | 2,193,000 | 90 |
| | | | | North Dakota | 1,717,000 | 1,940,000 | 89 |
| | | | | South Dakota | 1,833,000 | 2,943,000 | 62 |

NINTH FEDERAL RESERVE DISTRICT

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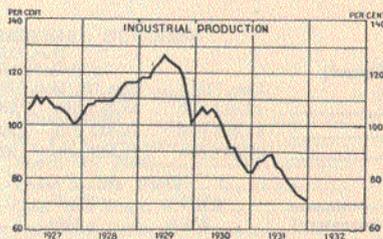
COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT (Continued)

| Investment Dealers | Per Cent Dec. '31 of Dec. '30 | | | Member Bank Deposits (continued) | Per Cent Dec. '31 of Dec. '30 | | |
|---|--|---------------|----------|---|--|---------------|----------|
| | Dec. '31 | Dec. '30 | Dec. '30 | | Dec. '31 | Dec. '30 | Dec. '30 |
| Sales to Banks | \$ 1,970,400 | \$ 4,279,000 | 46 | North Dakota | 33,626,000 | 43,113,000 | 78 |
| Sales to Insurance Companies | 240,800 | 219,800 | 110 | South Dakota | 41,075,000 | 51,062,000 | 80 |
| Sales to General Public | 4,984,000 | 3,856,600 | 129 | Wisconsin—26 Cos. | 23,843,000 | 27,529,000 | 87 |
| Wholesale Trade | | | | Interest Rates* | | | |
| Groceries— | | | | Minneapolis Banks | 4¾-5 | 4¾-5 | --- |
| Sales | \$ 2,954,840 | \$ 3,376,480 | 88 | Commercial Paper (net to borrower) | 4½ | 3½ | --- |
| Stocks | 5,403,200 | 6,162,190 | 88 | Minneapolis Federal Reserve Bank | 3½ | 3½ | --- |
| Receivables | 3,916,540 | 4,267,930 | 92 | Selected City Member Banks | | | |
| Hardware— | | | | Loans to Customers | Jan. 13, '32 | Jan. 14, '31 | 101 |
| Sales | \$ 967,490 | \$ 1,352,870 | 72 | Other Invested Funds | \$215,321,000 | \$213,324,000 | 93 |
| Stocks | 2,322,010 | 2,480,580 | 94 | Deposits Due to Banks | 62,210,000 | 83,237,000 | 75 |
| Receivables | 1,683,260 | 1,838,320 | 92 | Public Demand Deposits | 20,784,000 | 23,039,000 | 90 |
| Shoes— | | | | Other Demand Deposits | 145,862,000 | 178,561,000 | 81 |
| Sales | \$ 151,790 | \$ 161,570 | 94 | Time Deposits | 156,042,000 | 147,837,000 | 106 |
| Stocks | 585,360 | 802,080 | 73 | Total Deposits | 385,350,000 | 433,997,000 | 89 |
| Receivables | 522,920 | 896,220 | 58 | Borrowings at Fed. Reserve Bank | 3,741,000 | ----- | --- |
| BANKING | | | | Minneapolis Federal Reserve Bank | | | |
| Member Bank Deposits¹ | | | | Loans to Member Banks | 9,952,000 | 4,188,000 | 238 |
| In Cities Over 15,000 pop. | \$432,983,000 | \$477,458,000 | 91 | Twin Cities | 3,666,000 | ----- | --- |
| In Cities Under 15,000 pop. | 343,663,000 | 400,630,000 | 86 | Minn., Wis. and Mich. | 2,692,000 | 1,287,000 | 209 |
| Michigan—15 Cos. | 60,198,000 | 64,368,000 | 94 | N. Dak. and Mont. | 1,673,000 | 1,206,000 | 139 |
| Minnesota | 134,763,000 | 155,390,000 | 87 | South Dakota | 1,916,000 | 1,695,000 | 113 |
| Montana | 50,158,000 | 59,168,000 | 85 | Fed. Res. Notes in Circulation | 68,018,380 | 50,844,400 | 134 |
| | | | | Member Bank Reserve Deposits | 42,167,700 | 48,541,840 | 87 |

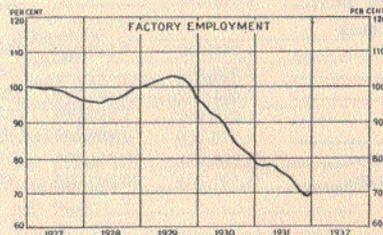
¹Daily Averages.
²Latest Reported Data.

BANK DEBITS

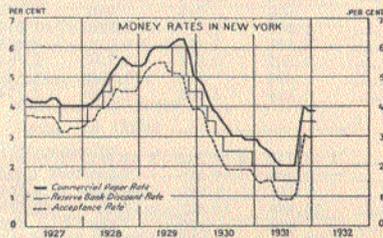
| Number of Business Days: | Dec. | Nov. | Dec. | Nov. | Montana |
|------------------------------|------|------|------|------|--------------------------------|
| | 1931 | 1931 | 1930 | 1930 | |
| Michigan and Wisconsin | 26 | 24 | 26 | 23 | Anaconda |
| All Other States in District | 26 | 23 | 26 | 22 | Billings |
| | | | | | Bozeman |
| | | | | | Butte (2 Banks) |
| | | | | | Deer Lodge |
| | | | | | Glendive |
| | | | | | Great Falls |
| | | | | | Harlowtown |
| | | | | | Havre |
| | | | | | Helena |
| | | | | | Lewistown |
| | | | | | Malta |
| | | | | | Miles City (1 Bank) |
| | | | | | |
| | | | | | North Dakota |
| | | | | | Bismarck |
| | | | | | Devils Lake |
| | | | | | Dickinson |
| | | | | | Fargo |
| | | | | | Grafton |
| | | | | | Grand Forks |
| | | | | | Jamestown |
| | | | | | Mandan |
| | | | | | Minot |
| | | | | | Valley City |
| | | | | | Wahpeton |
| | | | | | Williston |
| | | | | | |
| | | | | | South Dakota |
| | | | | | Aberdeen |
| | | | | | Brookings (1 Bank) |
| | | | | | Deadwood |
| | | | | | Huron |
| | | | | | Lead |
| | | | | | Madison |
| | | | | | Milbank |
| | | | | | Mitchell (2 Banks) |
| | | | | | Mobridge |
| | | | | | Pierre |
| | | | | | Rapid City |
| | | | | | Sioux Falls |
| | | | | | Watertown |
| | | | | | Yankton |
| | | | | | |
| | | | | | Wisconsin |
| | | | | | Ashland |
| | | | | | Chippewa Falls |
| | | | | | Eau Claire |
| | | | | | Hudson |
| | | | | | La Crosse |
| | | | | | Merrill (1 Bank) |
| | | | | | Superior |
| | | | | | Total for All Cities Reporting |
| | | | | | Both Years |



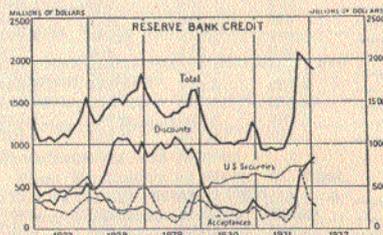
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)



Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average = 100.)



Monthly rates in the open market in New York: commercial paper rate on 4 to 6 month paper. Acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 20 days in January.



Monthly averages of daily figures for 13 Federal reserve banks. Latest figures are averages of first 20 days in January.

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

Industrial activity declined from November to December by slightly more than the usual seasonal amount, while the volume of factory employment showed about the usual decrease. Wholesale prices declined further.

PRODUCTION AND EMPLOYMENT: The volume of industrial output decreased somewhat more than is usual in December, and the Board's seasonally adjusted index declined from 72 per cent of the 1923-1925 average in November to 71 per cent in December. Activity in the steel industry decreased from 30 to 24 per cent of capacity for the month, partly as a result of seasonal influences; in the first three weeks of January, it showed a seasonal increase. Automobile output increased considerably in December from the extreme low level of the preceding month, and daily average output at shoe factories, which ordinarily declines at this season, showed little change. At textile mills, production was curtailed by more than the usual seasonal amount. The number employed at factories decreased seasonally from the middle of November to the middle of December. In the automobile and shoe industries, there were large increases in employment, while in the clothing industries employment declined. In most lines, however, changes were of a seasonal character.

For the year 1931 as a whole, the average volume of industrial production was about 16 per cent smaller than in 1930, reflecting large decreases in output of steel, automobiles, and building materials, offset in part by slight increases in production of textiles and shoes.

The value of building contracts awarded, as reported by the F. W. Dodge Corporation, declined considerably more than is usual from the third to the fourth quarter, and for the year as a whole was 32 per cent smaller than in 1930, reflecting reduced physical volume of construction, as well as lower building costs.

DISTRIBUTION: Distribution of commodities by rail declined by the usual seasonal amount in December, and department store sales increased by approximately the usual amount.

FOREIGN TRADE: The value of foreign trade continued at a low level in December and for the year as a whole. Exports showed a decline of 37 per cent from 1930 and imports a decline of 32 per cent, reflecting in part the reduction in prices.

WHOLESALE PRICES: Wholesale prices of commodities declined from 68 per cent of the 1926 average in November to 66 per cent in December, according to the Bureau of Labor Statistics, reflecting decreases in the prices of many domestic agricultural products, sugar, silk, iron and steel and petroleum products. During the first half of January, prices of hogs, lard, and butter declined further, while prices of cotton, silk, coffee and copper increased.

BANK CREDIT: Reserve bank credit, which had declined from the middle of October to the middle of December and had increased in the latter part of the month, declined again in the first three weeks in January.

The growth in the latter part of December reflected a somewhat more than seasonal increase in the demand for currency, partly offset by reductions in member bank reserve balances and in deposits of foreign central banks. In January the return flow of currency was considerably smaller than in other recent years, while member bank reserve balances continued to decline. Acceptance holdings of the Reserve banks, which had reached a total of \$780,000,000 in October, have declined through maturing of bills held almost uninterruptedly since that time, and on January 20 totaled \$190,000,000. The banks' portfolio of United States Government securities showed some increase over the level of the early part of December, and discounts for member banks increased substantially.

Loans and investments of member banks in leading cities declined further during December and the first two weeks of January, reflecting reductions in loans on securities, as well as in other loans, and in investments.

In the middle of January, buying rates for bankers' acceptances at the Federal reserve banks were reduced, and open market rates on 90-day bills declined first from 3 to $2\frac{7}{8}$ per cent and later to $2\frac{3}{4}$ per cent. Yields of high grade bonds, after advancing for a period of about four months, declined after the turn of the year, reflecting a rise in bond prices.