

MONTHLY REVIEW

OF
AGRICULTURAL AND BUSINESS CONDITIONS
 IN THE
NINTH FEDERAL RESERVE DISTRICT

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DISTRICT SUMMARY OF BUSINESS

The volume of business in the district declined during August from the level of July, but continued to be in excess of the volume last year. The reduction from the July volume was not uniform throughout the district, for iron ore receipts increased sharply as a result of eastern demand, hog receipts were greatly stimulated by the Federal buying of pigs and sows, and there were smaller upturns in copper mining and electric power consumption. Department store sales increased 40 per cent in August from the low level reached in July, whereas usually there is an increase of only 8 per cent. On the other hand, grain marketings did not show as large a seasonal increase as usual, owing to the small crop and a decline in grain prices from July to August. Flour production decreased between July and August.

Most of the indexes computed in this office declined in August from the July level. The bank debits index fell from 73 to 62. The country check clearings index decreased from 94 to 89, and the index of miscellaneous freight carloadings decreased from 59 to 53. The index of l.c.l. freight carloadings remained unchanged at 61.

As compared with August last year, increases were reported in bank debits, electric power consumption, country check clearings, freight carloadings, building permits, iron ore shipments, copper output, livestock receipts, department store sales, furniture sales, country lumber sales and wholesale trade. Decreases occurred in building contracts, flour and linseed products shipments, and grain marketings. Increases in bank debits over last year continued to be reported by a majority of the reporting cities. Fifty cities reported such increases in August over the volume in August last year, as compared with 52 cities reporting increases in July.

During the first two weeks of September bank debits at seventeen reporting cities were only 8 per cent larger than in the corresponding weeks last year. Country check clearings in the first sixteen business days of September were 22 per cent larger than in the same period a year ago. If activity in these two lines continues during the remainder of September at the same level as in the first half of the month, the adjusted indexes for September will be considerably lower than those for August.

Country Lumber Trade

The monthly reports from a large number of country lumber yards which are received in this office, furnish a good indication of the changes which have occurred in retail trade in the rural portion of the district during the past few months. The retail lumber business is subject to pronounced seasonal fluctuations, which must be eliminated from the original reports in order to determine the underlying trends which have been developing. The resulting adjusted figures since the beginning of the year are shown in the following table in the form of index numbers, using the average month in the years 1923-1927 inclusive as a base period.

Country Lumber Trade Data
Index Numbers Adjusted for Seasonal Fluctuations
 1923-1927=100

	Sales in Board Feet	Sales in Dollars	Stocks in Board Feet	Accounts and Notes Receivable
Jan., 1933...	36	43	67	56
Feb., 1933...	33	56	64	56
Mar., 1933...	32	36	64	54
April, 1933...	42	41	64	51
May, 1933...	48	45	65	49
June, 1933...	50	44	69	47
July, 1933...	48	46	72	44
Aug., 1933...	49	50	75	44

Sales of lumber measured in board feet reached the lowest point in the post-war years in March, 1933, when the adjusted sales index stood at 32, as compared with the 1923-1927 average of 100. From March until June there was a rapid increase in the level of lumber sales, and in the latter month the adjusted index was one-half as high as in the base period. During July and August sales, aside from seasonal fluctuations, have remained at about the same level as in June.

The index of retail lumber sales measured in dollars has shown the effect of rising lumber prices in recent months. The adjusted index increased from 44 in June to 50 in August, whereas the physical volume of lumber sales did not increase during this period. It is possible that a portion of this divergence in trend was caused by the fact that the retail lumber sales reports in dollars include items other than lumber which are sold at country lumber yards.

Retail lumber dealers increased their lumber stocks during May, June, July and August, according to the adjusted index figures for reporting companies. After eliminating seasonal fluctuations, the index of country lumber stocks measured in board feet increased from 64 at the end of April to 75 at the end of August. In the latter month, lumber stocks were larger than on the corresponding date last year. This is the first time since July, 1930, that lumber stocks in this territory have been as large as, or larger than, stocks on the corresponding date of the preceding year.

Although the level of lumber sales has increased this summer, there has not been a corresponding increase in the amount of outstanding accounts and notes receivable on the books of country lumber dealers. After removing seasonal changes, the index of receivables declined steadily from 56 in February to 44 in July, and remained at the lower figure during August. During July and August the volume of outstanding receivables reported by these companies was the lowest that it has been in any of the post-war years.

DISTRICT SUMMARY OF AGRICULTURE

Farm Income

Farm income in the district from seven important items estimated by this office continued to be larger than in the corresponding month last year, although the percentage of increase was not as great as that recorded in July (43 per cent as compared with 72 per cent). Farm income during August was larger than that in August last year from marketings of bread wheat, rye, potatoes, dairy products and hogs. Reductions occurred in income from durum wheat and flax. The increase in income from grains was due to the higher prices prevailing, which more than offset the effect of decreased crops. The same situation existed in the case of potatoes, where the price has advanced sharply during the summer to the highest level since May, 1930. In butter, the price during July, which is used for computing August farm income because the July cream checks are delivered in August, was the highest price in a year and a half. This, together with an increase in butter output, caused an increase in dairy income of 69 per cent during August over the same month last year. The price of butter declined unseasonably during the succeeding month, and this will have an effect on the September dairy income figures. Hog income was considerably augmented by the purchase of light pigs and sows at premium prices under orders from the Agricultural Adjustment Administration, as described in a later paragraph.

Cold Storage Holdings

The cold storage situation in the United States continued unsatisfactory from the producers' standpoint during the month of August, due principally to the behavior of the stocks of pork, lard and butter. Stocks of butter increased 24,000,000 pounds, as compared with a five-year average increase dur-

ing August of only 4,000,000 pounds, and on September 1 were at the highest level in history (175,000,000 pounds). Stocks of pork usually decline sharply during August, but this year the decrease was only 55,000,000 pounds which was about one-half as great as the customary reduction. On September 1 stocks of pork were larger than a year ago and larger than the five-year average for that date. Lard stocks increased 6,000,000 pounds during the month of August, whereas there is usually a sharp decrease. As a result, stocks of lard were more than twice as large on September 1 as a year ago and nearly twice as large as the five-year average for that date.

United States Cold Storage Holdings

(In thousands of pounds)

	Sept. 1, 5-year Ave.	Sept. 1, 1932	Sept. 1, 1933
Beef	40,452	24,376	48,482
Pork	625,263	578,876	753,134
Lamb and Mutton	2,421	1,305	1,490
Miscellaneous Meats	65,901	45,419	73,190
Total Meats	734,037	649,976	876,296
Lard	128,693	100,577	224,207
Butter	132,031	107,259	175,187
Poultry	41,141	30,305	47,753
Eggs*	11,581	8,616	11,869

*Thousand Cases.

Crops

The Government crop estimates and forecasts on September 1 for the major crops of this district were slightly larger than the figures for August 1 in the case of wheat, oats and barley, owing to improvement in North Dakota and Minnesota. The forecasts for corn, flax, potatoes and hay were reduced during August. In spite of the moderate improvement in some of the crop forecasts during August, it appeared from the September 1 figures that all of the crops in this district would be much smaller than last year's crops. In fact, the crops of wheat, rye, oats and barley are less than one-half as large as last year's crops.

Wheat and Flax Marketings

As a result of the small wheat crop in the district, receipts of northwestern wheat at terminal elevators during August and the first three weeks of September have been smaller than a year ago and smaller than the average receipts for that period. During the marketing period from July 1 through September 16, 22 per cent of the marketable wheat supply of the district has been received at terminal markets. A year ago the marketing movement was much slower on account of lower prices, crop liens and other factors, and only 14 per cent of the marketable supply of wheat of that crop year had reached market by September 16.

The flax marketing situation was very similar to that for wheat. On account of the very small flax crop, receipts of flax at terminal elevators during August and the first half of September were much lower than in either of the two preceding years.

Wheat Marketing Progress

(Estimates for Minnesota, North Dakota, South Dakota and Montana combined)

July 1 through September 16, 1932 and 1933

	1932 Bushels	1933 Bushels
Crop and Carry-over		
July 1 Farm Stocks.....	8,310,000	31,920,000
July 1 Stocks in Country Mills and Elevators	4,706,000	15,300,000
New Crop	236,367,000	108,434,000
Total Wheat Supply.....	249,383,000	155,654,000
Less: Seed Requirements.....	18,667,000	20,000,000
Remainder available for market- ing at terminals, feed, country millings, etc.	230,716,000	135,654,000
Receipts since July 1 at Minne- apolis, Duluth and Superior, excluding S. W. wheat and duplications	31,784,000	30,076,000
Per cent marketed through Sep- tember 16	13.78	22.17
During the twelve-month period 7-1-32 to 6-30-33, 55 per cent of the 230,716,000 bushels available was marketed at ter- minals, amounting to.....	126,117,000	

However, this reduction in receipts was not due to any important extent to delay in marketing, for according to our estimates, nearly 28 per cent of the marketable supply had reached terminal elevators by September 16, as compared with 32 per cent of last year's supply received up to September 16 a year ago.

Flax Marketing Progress

(Estimates for Minnesota, North Dakota, South Dakota and Montana combined)

August 1 through September 16, 1932 and 1933

	1932 Bushels	1933 Bushels
Crop and Carry-over		
July 31 Carry-over.....	2,277,000	2,413,000
New Crop	11,198,000	6,614,000
Total Flax Supply.....	13,475,000	9,027,000
Less: Seed Requirements.....	847,000	1,000,000
Remainder available for market- ing at terminals, local crush- ing mills, etc.	12,628,000	8,027,000
Primary Receipts since August 1 at principal markets in this district, excluding duplications	3,994,000	2,218,000
Per cent marketed through Sep- tember 16	31.63	27.63
During the twelve-month period 8-1-32 to 7-31-33, 81 per cent of the 12,628,000 bushels available was sold at primary markets. The number of bushels so sold was.....	10,215,000	

Hog Marketings

Hog marketings at South St. Paul and throughout the Ninth Federal Reserve District were considerably increased during the last week of August by pig and sow purchasing of the Agricultural Adjustment Administration. For the purpose of estimating the amount of farmers' cash income from sales of hogs, figures were obtained for regular trade marketings and for Government purchases separately.

The total number of hogs and pigs marketed during August was estimated to be larger than in any other month during the current marketing season (beginning last April) and much larger than in any other August since our estimates began in 1923, despite the small estimate of hogs which were available for marketing this season. A large part of the marketings, of course, were pig purchases which normally would not have been marketed during the marketing period ending with August, and which will materially reduce marketings during the season beginning with September.

Of the 348,349 hogs, including pigs, received at South St. Paul during August, 200,917 were sold to the Agricultural Adjustment Administration and 20,000 were awaiting sale to that organization at the close of the month, leaving 127,432 head as the commercial supply, or the normal marketings for August. Hog receipts at South St. Paul in August last year were 99,527 head.

A large percentage of the pigs purchased at South St. Paul by the Agricultural Adjustment Administration were "light" pigs, weighing between 25 and 80 pounds per head, with a considerable quantity weighing close to the lower limit. Only a little more than 10 per cent of the pigs purchased were large enough to earn the "heavy" pig classification. The number of "light" pigs was 175,768, and the number of "heavy" pigs was 23,780. In addition to the light and heavy pigs sold to the Agricultural Adjustment Administration, 1,369 piggy sows were sold to it at South St. Paul by farmers during August. The average weight per head of the commercial supply of hogs marketed in the usual manner was 251 pounds compared with 253 pounds in July and 236 pounds in August last year.

The cash value of the commercial hogs marketed from this district at all markets during August was estimated to have been \$3,536,000. The cash value of the pigs and sows sold to the Agricultural Adjustment Administration was estimated to be \$692,000, making a total estimate of farmers' cash income from hogs during August of \$4,228,000.

DISTRICT SUMMARY OF BANKING

The month in banking was uneventful, only seasonal changes being recorded. City member banks experienced no change in their total deposits during the four weeks ending September 13, although in dividing their deposits into various classes, they reported a decrease of \$4,000,000 in time deposits offset by seasonal increases of \$2,000,000 in deposits due to banks and \$2,000,000 in commercial and individual demand deposits. These latter increases represented the beginning of the autumn rise which usually occurs when the crop starts to move. Loans to customers at the city banks remained unchanged during the four-week period, but investment holdings declined \$2,000,000 and balances due from banks increased \$3,000,000.

As compared with last year's figures, city mem-

ber banks were holding \$32,000,000 more of deposits on September 13, whereas their loans to customers were \$6,000,000 smaller. Their investments were \$19,000,000 larger than a year ago and their balances due from banks were \$25,000,000 larger than last year.

Country banks, as stated above, began to increase their balances with city correspondents during the four weeks ending September 13, and on that date carried \$19,000,000 more with their correspondents than a year ago. The daily average of country member bank deposits during August was slightly larger than the daily average for July. Increases occurred in the portions of Michigan and Wisconsin lying within this district and in the State of Montana. The daily average of deposits declined in country member banks in Minnesota, North Dakota and South Dakota. Deposits at these banks were 17 per cent below the total in August last year, partly as a result of the smaller number of banks in operation.

Changes in Federal reserve currency of this bank which is outstanding have continued to reflect the seasonal increase in business volume in the district. This is inferred from the further rise in the outstanding volume of currency in the five, ten and twenty dollar denominations. There was an increase of about \$1,500,000 in these denominations outstanding during August and a further increase of \$2,600,000 during the first fourteen days of September resulting from public currency requirements. Currency of the larger denominations continued to be returned from circulation during the month of August. The decline in the outstanding volume of larger denominations of Federal reserve currency during that month was nearly \$600,000. In the first part of September there was a slight decrease in the amount of Federal reserve currency of the larger denominations in the hands of the public, which probably indicates that hoarded currency continues to be returned.

BANKING CHANGES IN THE NINTH FEDERAL RESERVE DISTRICT FIRST HALF OF 1933

The first six months of 1933 were an unusually eventful period in the banking history of the Ninth Federal Reserve District. Heavy deposit withdrawals occurred in January and February. Then followed the national moratorium in banking. When the moratorium was lifted, many banks were not licensed to resume operations without restriction. The licensed banks, judging from the record of member banks, made steady gains in their deposit totals during the remainder of the six month period. Rising prices for farm products, the marketing of large farm stocks of wheat, the operations of the Regional Agricultural Credit Corporation and the refinancing of loans through the Federal land banks all combined to enable farmers and others to reduce their loans at country banks. As a result, these banks were able to decrease their borrowings from the Federal Reserve Bank, and other correspondent banks, and to add to their balances carried with correspondent banks,

The number of banks operating in the Ninth Federal Reserve District was reduced to 1,467 banks on June 30, according to the combined abstracts of called reports of national banks and state banks in the district. This figure included 34 banks in Minnesota and 25 banks in North Dakota which were in the process of reorganization. The number of banks on June 30 was 191 less than the number operating on December 31, 1932.

Deposits of banks in the district totaled \$1,009,000,000 on June 30. This total included about \$8,000,000 of deposits in banks in Minnesota and North Dakota which were in process of reorganization. The total was \$80,000,000 smaller than deposits in operating banks on December 31, 1932, and was the smallest total since 1915. It is interesting to note that the decrease in deposits was entirely in the rural banks, for city banks in the district experienced an increase of \$3,000,000 during the six month period.

Loans of all banks in the district were \$462,000,000 on June 30. This represented a reduction of \$98,000,000 from the total for banks in operation at the close of 1932 and was the lowest figure in our record, which extends back through 1913. Loans of city banks were reduced \$8,000,000, and loans of rural banks were reduced \$90,000,000 during the six month period.

Investment holdings of the banks of the district were \$430,000,000 on June 30. City banks reported an increase of \$16,000,000 in their investment holdings during the first half of 1933. Country banks reported a decrease of \$39,000,000 during the same period.

Vault cash, balances due from banks and items in process of collection totaled \$256,000,000 on June 30. This was an increase of \$15,000,000 over the total reported by the larger number of operating banks on December 31, 1932. The rise was entirely in the rural banks, a highly significant fact in view of the sharp reduction in the number of reporting banks and the other events of the banking half-year.

Borrowings by banks in operation on June 30 were only \$12,500,000, whereas the banks in operation six months previous had reported borrowings of \$30,500,000 at the close of 1932. This reduction in borrowings was partly due to the elimination from the figures for June 30 of many banks in an overextended condition which were heavy borrowers, and also due to the improved cash position of the country banks of the district.

Holdings of other real estate in banks in operation on June 30 were \$4,500,000 less than holdings of banks in operation at the close of 1932. This reduction was chiefly due to the elimination from the records of the real estate holdings of banks which did not reopen after the moratorium ended.

BANK RETURNS IN THE NINTH FEDERAL RESERVE DISTRICT

(000's omitted, except in number of banks)

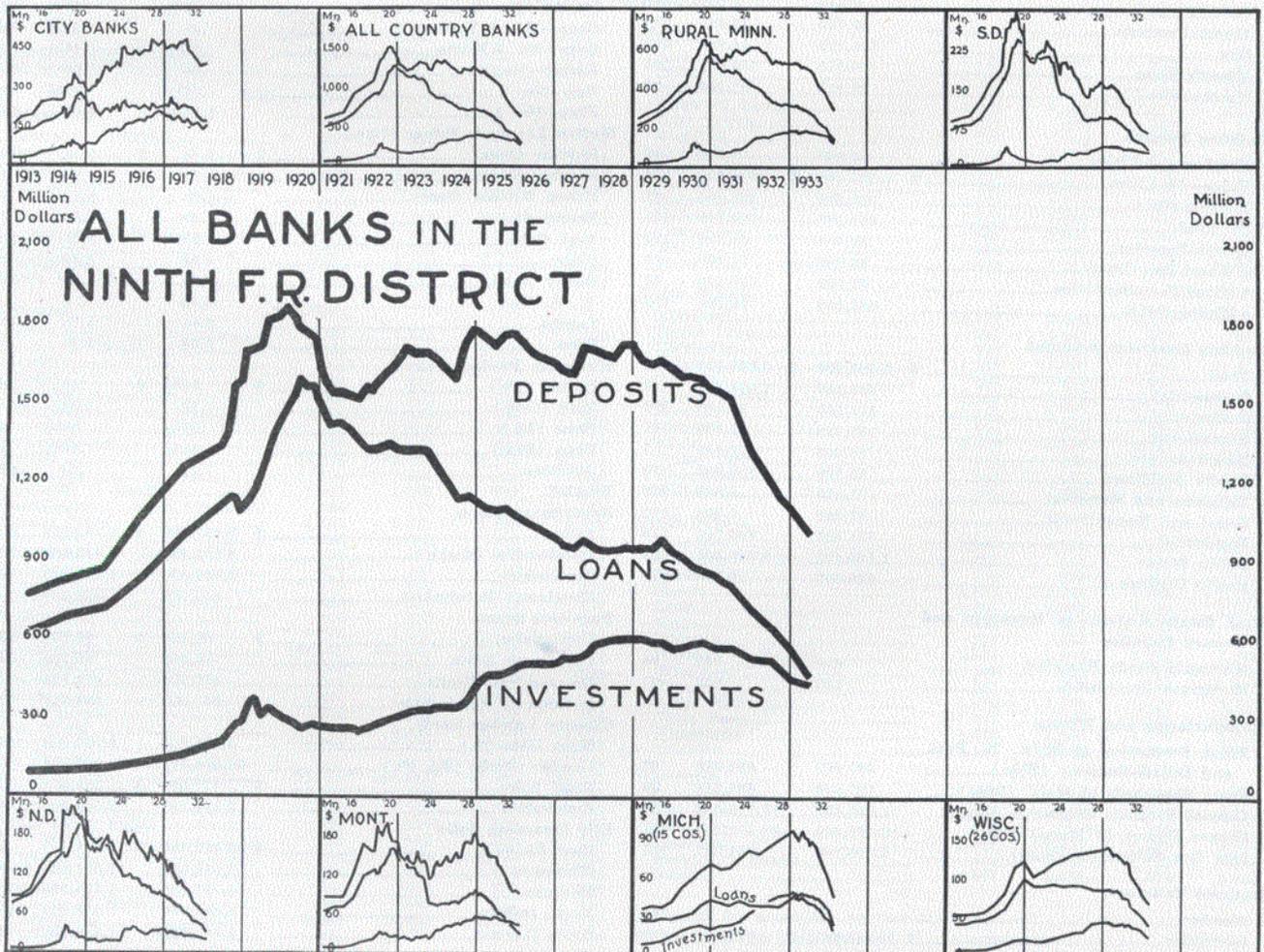
June 30, 1933

	Loans	Investments	Cash and Due from Banks	Deposits	Borrowings	No. of Banks
Minnesota						
City Banks**	\$168,444	\$155,090	\$106,137	\$ 387,274	\$ 688	18
Rural Minnesota	138,250	126,845	69,909	291,858	2,673	684
North Dakota	31,420	21,333	13,782	57,465	1,195	217
South Dakota	32,632	29,340	16,658	66,471	2,708	212
Montana	31,503	46,333	27,589	93,229	976	132
Michigan*	20,073	24,303	8,074	44,999	812	40
Wisconsin*	40,048	26,394	14,279	67,615	3,426	164
Total	\$462,370	\$429,638	\$256,428	\$1,008,911	\$12,478	1,467

	Loans	Investments	Cash and Due from Banks	Deposits	Borrowings	No. of Banks
Minnesota						
City Banks**	\$176,214	\$138,887	\$108,445	\$ 384,695	\$ 15	21
Rural Minnesota	180,676	147,021	62,284	336,743	11,566	773
North Dakota	42,703	23,163	10,489	63,990	3,453	228
South Dakota	42,277	29,733	13,100	68,745	5,759	240
Montana	40,834	47,076	25,413	97,711	2,315	147
Michigan*	28,402	34,976	8,665	60,055	2,445	60
Wisconsin*	49,119	31,116	12,876	76,968	4,926	189
Total	\$560,225	\$451,972	\$241,272	\$1,088,907	\$30,479	1,658

*Portion of states in the Ninth Federal Reserve District.

**Twin City national banks and Minnesota savings banks and trust companies.



COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS			Per Cent Aug. '33 of Aug. '32	AGRICULTURE			Per Cent Aug. '33 of Aug. '32
Bank Debits¹	Aug. '33	Aug. '32	Aug. '32	Farmers' Cash Income	Aug. '33	Aug. '32	Aug. '32
All Reporting Cities.....	\$ 24,843,200	\$ 20,187,000	123	Total of 6 Items.....	\$ 36,458,000	\$ 25,539,000	143
Minneapolis.....	12,946,000	9,216,000	140	Bread Wheat.....	13,960,000	9,413,000	148
St. Paul.....	3,661,000	3,614,000	101	Durum Wheat.....	1,448,000	1,465,000	99
South St. Paul.....	467,000	375,000	125	Rye.....	637,000	449,000	142
Great Lakes Ports.....	2,088,300	1,616,000	129	Flax.....	2,177,000	2,491,000	87
Beef and Pork, S. E.....	694,100	646,200	107	Potatoes.....	419,000	209,000	200
Beef and Pork, S. W.....	798,000	733,000	109	Dairy Products.....	13,589,000	8,056,000	169
Dairy and Mixed Farming.....	926,900	946,300	98	Hogs.....	4,223,000	3,456,000	122
Wheat and Mixed Farming.....	1,340,600	1,326,500	101	Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Wheat and Range.....	564,600	534,200	106	Bread Wheat.....	15,511,000	15,887,000	98
Mining and Lumber.....	1,356,700	1,179,800	115	Durum Wheat.....	1,414,000	2,548,000	55
				Rye.....	870,000	1,335,000	65
				Flax.....	1,155,000	2,466,000	47
Electric Power Consumption (K.W.H.)^{1,2}				Grain Stocks at End of Month at Minne- neapolis and Duluth-Superior (Bus.)			
Minn., No. Dak. and So. Dak.....	4,207,000	4,015,000	105	Wheat.....	48,544,341	36,808,680	132
Montana.....	2,944,000	1,436,000	205	Corn.....	6,221,465	120,902	5146
				Oats.....	26,168,395	7,253,931	361
				Barley.....	10,548,007	3,277,024	322
Country Check Clearings¹				Rye.....	6,068,355	5,423,700	112
Total.....	\$ 2,782,700	\$ 2,123,200	131	Flax.....	1,086,941	1,518,304	72
Minnesota.....	1,100,300	856,700	128	Livestock Receipts at So. St. Paul (Head)			
Montana.....	379,300	294,200	129	Cattle.....	90,047	66,912	135
North and South Dakota.....	802,800	563,800	142	Calves.....	39,814	37,634	106
Michigan and Wisconsin.....	500,300	408,500	122	Hogs.....	348,349	99,527	350
				Sheep.....	160,384	169,585	95
Freight Carloadings—N. W. District				Median Cash Grain Prices (Bus.)			
Total—Excluding L.C.L.....	330,772	212,645	156	Wheat—No. 1 Dark Northern.....	\$.90	\$.59¼	152
Grains and Grain Products.....	45,191	49,632	91	Durum—No. 2 Amber.....	1.02¾	.57½	178
Livestock.....	22,699	18,379	124	Corn—No. 3 Yellow.....	.45	.34½	130
Coal.....	20,316	13,260	153	Oats—No. 3 White.....	.35¼	.17¼	204
Coke.....	5,510	2,067	267	Barley—No. 3.....	.56	.28	200
Forest Products.....	30,750	13,965	220	Rye—No. 2.....	.73¼	.33½	219
Ore.....	101,793	14,681	693	Flax—No. 1.....	1.88½	1.01	187
Miscellaneous.....	104,513	100,661	104	Median Livestock Prices (Cwt.)			
Merchandise—L.C.L.....	89,013	93,028	96	Butcher Cows.....	\$ 3.25	\$ 3.50	93
				Butcher Steers.....	5.25	6.60	80
Building Permits				Prime Butcher Steers.....	6.25	8.75	71
Number—18 Cities.....	1,080	1,120	96	Feeder Steers.....	3.00	4.00	75
Value—18 Cities.....	\$ 1,304,200	\$ 958,800	136	Veal Calves.....	5.50	5.50	100
Minneapolis.....	321,200	367,900	87	Hogs.....	4.00	4.10	98
St. Paul.....	650,200	294,100	221	Heavy Hogs.....	3.65	3.65	100
Duluth-Superior.....	80,900	65,800	123	U. S. Pigs.....	8.10	.....	.....
4 Wheat Belt Cities.....	68,500	71,600	96	Lambs.....	8.00	5.75	139
6 Mixed Farming Cities.....	82,100	137,100	60	Ewes.....	2.00	1.75	114
4 Mining Cities.....	101,300	22,300	454	Wholesale Produce Prices			
				Butter (Lb.).....	\$.18¾	\$.18	104
Building Contracts Awarded				Milk (Cwt.).....	1.23	1.22	101
Total.....	\$ 3,666,000	\$ 7,931,100	46	Hens (Lb.).....	.07½	.11½	65
Commercial.....	490,200	1,021,800	48	Eggs (Doz.).....	.11½	.12½	92
Factories.....	334,200	85,000	393	Potatoes.....	1.27	.26	488
Educational.....	135,800	82,400	165	TRADE			
Hospitals, etc.....	15,000	226,000	7	Department Stores			
Public Buildings.....	55,100	530,900	10	Sales.....	\$ 2,137,920	\$ 1,900,260	113
Religious and Memorial.....	97,800	9,800	998	Merchandise Stocks.....	4,892,480	4,830,000	101
Social and Recreational.....	61,800	5,800	1066	Receivables.....	2,514,840	2,387,550	105
Residential.....	721,400	608,100	119	Instalment Receivables.....	640,280	580,690	110
Public Works.....	1,529,400	5,342,800	29	Furniture Stores			
Public Utilities.....	225,300	18,500	1218	Total Sales.....	\$ 97,170	\$ 70,850	137
				Instalment Sales.....	78,990	55,230	143
Real Estate Activity in Hennepin and Ramsey Counties				Merchandise Stocks.....	475,550	473,820	100
Warranty Deeds Recorded.....	625	743	84	Instalment Receivables.....	671,960	693,510	96
Mortgages Recorded.....	723	940	77	Country Lumber Yards			
				Sales (Bd. Ft.).....	6,904,000	6,703,000	103
Manufacturing and Mining				Lumber Stocks (Bd. Ft.).....	64,344,000	63,216,000	102
Flour Production at Mpls., St. Paul, and Duluth-Superior (Bbls.).....	597,061	682,988	87	Total Sales.....	\$ 867,000	\$ 759,000	114
Flour Shipments at Mpls. (Bbls.).....	537,556	635,243	85	Receivables.....	2,113,700	2,537,600	83
Linseed Products Shipments (Lbs.).....	11,062,429	17,712,237	62	Life Insurance Sales			
Copper Output (3 Firms) (Lbs.).....	12,167,400	11,579,300	105	Four States.....	\$ 13,490,000	\$ 13,978,000	97
Iron Ore Shipments (Tons).....	5,100,702	721,587	707	Minnesota.....	10,004,000	10,504,000	95
				Montana.....	1,371,000	1,320,000	104
Business Failures				North Dakota.....	1,054,000	938,000	112
Number.....	65	69	94	South Dakota.....	1,061,000	1,216,000	87
Liabilities.....	\$ 2,342,931	\$ 983,384	238				

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

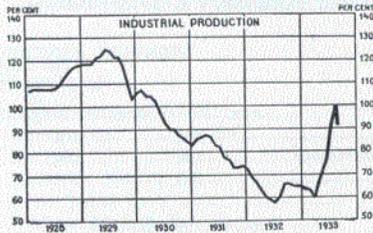
	Aug. '33	Aug. '32	Aug. '32	Per Cent Aug. '33 of Aug. '32		Aug. '33	Aug. '32	Aug. '33	Per Cent Aug. '33 of Aug. '32	
Investment Dealers					Interest Rates*					
Sales to Banks.....	1,334,900	1,263,700	106		Minneapolis Banks.....	4¼-4½	4%			
Sales to Insurance Companies.....	385,400	195,200	194		Commercial Paper (net to borrower).....	1¾	2½			
Sales to General Public.....	2,433,800	3,490,300	70		Minneapolis Fed. Res. Bank.....	3½	3½			
Wholesale Trade					Selected City Member Banks					
Groceries—						Sept. 20, '33	Sept. 21, '32			
Sales.....	\$ 3,430,670	\$ 3,092,890	111		Loans to Customers.....	\$175,867,000	\$180,258,000	98		
Stocks.....	5,461,220	4,886,170	112		Other Invested Funds.....	149,341,000	133,215,000	112		
Receivables.....	4,147,200	4,080,190	102		Cash and Due from Banks.....	102,985,000	78,609,000	131		
Hardware—						70,244,000	51,754,000	136		
Sales.....	\$ 1,213,300	\$ 911,960	133		Public Demand Deposits.....	25,903,000	17,979,000	144		
Stocks.....	2,331,800	2,401,960	97		Other Demand Deposits.....	148,948,000	131,860,000	113		
Receivables.....	1,357,170	1,420,540	96		Time Deposits.....	125,198,000	140,864,000	89		
Shoes—						375,133,000	345,730,000	109		
Sales.....	\$ 416,940	\$ 257,510	162		Borrowings at Fed. Res. Bank.....	51,000	558,000	9		
Stocks.....	740,450	602,940	123		Minneapolis Federal Reserve Bank					
Receivables.....	686,200	574,240	119		Loans to Member Banks.....	3,559,000	12,296,000	29		
BANKING						Twin Cities.....	171,000	.....	.....
Member Bank Deposits						Minn., Wis. and Mich.....	1,451,000	4,273,000	34	
In Cities Over 15,000 pop.....	\$388,310,000	\$381,913,000	102		N. Dak and Mont.....	578,000	3,964,000	15		
In Cities Under 15,000 pop.....	245,299,000	294,298,000	83		South Dakota.....	1,359,000	4,059,000	33		
Michigan—15 Cos.....	37,714,000	52,678,000	72		Fed. Res. Notes in Circulation.....	93,778,000	80,945,000	116		
Minnesota.....	102,468,000	119,864,000	85		Member Bank Reserve Deposits.....	49,876,000	37,198,000	134		
Montana.....	36,352,000	38,756,000	94		Montana					
North Dakota.....	25,212,000	28,655,000	88		Anaconda.....	1,144	1,022	838	973	
South Dakota.....	30,583,000	33,497,000	91		Billings.....	5,043	5,132	4,442	4,529	
Wisconsin—26 Cos.....	12,970,000	20,848,000	62		Bozeman.....	1,388	1,551	1,311	1,596	
						Butte (2 Banks).....	6,722	6,254	6,517	6,256
						Deer Lodge.....	344	685	567	863
						Glendive.....	517	706	494	495
						Great Falls.....	9,466	8,777	7,257	6,604
						Harlowton.....	197	250	190	175
						Havre.....	946	1,083	890	927
						Helena.....	6,033	6,521	4,794	5,797
						Kalispell.....	1,232	1,265	1,593	1,154
						Lewistown.....	996	1,258	1,025	955
						Malta.....	314	401	344	391
						Miles City (1 Bank).....	893	1,014	687	807
						North Dakota				
						Bismarck.....	10,762	9,450	9,731	9,803
						Devils Lake.....	941	1,047	836	997
						Dickinson.....	845	1,084	827	904
						Fargo.....	11,505	11,447	11,374	12,641
						Grafton.....	495	378	310	275
						Grand Forks.....	3,430**	3,178**	4,103	4,784
						Jamestown.....	1,573	1,722	1,812	1,528
						Mandan.....	666	798	721	765
						Minot.....	4,028	3,547	3,747	3,711
						Valley City.....	840	833	847	823
						Wahpeton.....	661	675	668	735
						Williston.....	668	609	720	697
						South Dakota				
						Aberdeen.....	2,660	3,145	3,178	3,686
						Brookings (1 Bank).....	459	517	521	499
						Deadwood.....	770	806	691	646
						Huron.....	2,655	2,961	2,685	2,706
						Lead.....	1,361	1,356	1,195	1,231
						Madison.....	483	512	597	618
						Milbank.....	271	313	331	335
						Mitchell (2 Banks).....	1,824	1,858	1,761	1,808
						Mobridge.....	399	372	372	359
						Pierre.....	882	844	769	810
						Rapid City.....	1,594	1,680	1,437	1,463
						Sioux Falls.....	11,871	11,738	10,095	10,687
						Watertown.....	1,686	1,960	1,770	2,058
						Yankton.....	1,139	1,248	1,100	1,176
						Wisconsin				
						Chippewa Falls.....	1,352	1,656	1,125	1,268
						Eau Claire.....	4,498	5,138	4,039	4,317
						Hudson.....	215*	258*	352	441
						LaCrosse.....	6,750	9,377	5,903	7,299
						Merrill (1 Bank).....	413	421	739	841
						Superior.....	2,991	3,581	3,814	3,912

*Daily Averages
**Latest Reported Data.

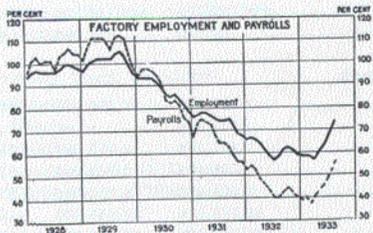
BANK DEBITS

	August	July	August	July		August	July	August	July	
Number of Business Days:					Montana					
All States in District.....	1933	1933	1932	1932	Anaconda.....	1,144	1,022	838	973	
	27	25	27	25	Billings.....	5,043	5,132	4,442	4,529	
(000's omitted)						Bozeman.....	1,388	1,551	1,311	1,596
Michigan						Butte (2 Banks).....	6,722	6,254	6,517	6,256
Escanaba (1 Bank).....	\$ 409	\$ 392	\$ 444	\$ 424	Deer Lodge.....	344	685	567	863	
Hancock.....	766	851	1,035	1,246	Glendive.....	517	706	494	495	
Houghton.....	1,388	1,418	1,254	1,140	Great Falls.....	9,466	8,777	7,257	6,604	
Iron Mountain.....	1,097	1,151	1,519	1,560	Harlowton.....	197	250	190	175	
Iron River, Caspian, Stam- baugh.....	462	429	395	322	Havre.....	946	1,083	890	927	
Manistique (1 Bank).....	162	117	.....	.....	Helena.....	6,033	6,521	4,794	5,797
Marquette.....	2,430	1,951	2,615	2,754	Kalispell.....	1,232	1,265	1,593	1,154	
Menominee.....	1,970	1,865	1,582	1,909	Lewistown.....	996	1,258	1,025	955	
Sault Ste. Marie.....	1,936	1,860	2,044	1,896	Malta.....	314	401	344	391	
Minnesota						Miles City (1 Bank).....	893	1,014	687	807
Albert Lea.....	1,537	1,851	1,633	2,146	North Dakota					
Austin (1 Bank).....	2,288	2,470	2,060	2,086	Bismarck.....	10,762	9,450	9,731	9,803	
Bemidji.....	756*	752*	786	842	Devils Lake.....	941	1,047	836	997	
Chaska.....	431	420	445	406	Dickinson.....	845	1,084	827	904	
Chisholm.....	829	843	949	734	Fargo.....	11,505	11,447	11,374	12,641	
Cloquet.....	1,320	1,292	865	951	Grafton.....	495	378	310	275	
Crookston.....	818*	912*	913	812	Grand Forks.....	3,430**	3,178**	4,103	4,784	
Detroit Lakes.....	837	1,027	835	1,002	Jamestown.....	1,573	1,722	1,812	1,528	
Duluth.....	48,286	46,685	33,151	30,594	Mandan.....	666	798	721	765	
Ely.....	374	293	423	356	Minot.....	4,028	3,547	3,747	3,711	
Faribault (1 Bank).....	1,107	1,156	707	841	Valley City.....	840	833	847	823	
Farmington.....	144	143	161	166	Wahpeton.....	661	675	668	735	
Fergus Falls.....	1,501	1,641	1,595	2,328	Williston.....	668	609	720	697	
Glenwood.....	206	305	265	375	South Dakota					
Hutchinson (1 Bank).....	401	497	485	584	Aberdeen.....	2,660	3,145	3,178	3,686	
Lakefield.....	278	249	162	197	Brookings (1 Bank).....	459	517	521	499	
Lanesboro.....	178	197	201	300	Deadwood.....	770	806	691	646	
Little Falls.....	664	847	612	749	Huron.....	2,655	2,961	2,685	2,706	
Luverne.....	499	643	882	497	Lead.....	1,361	1,356	1,195	1,231	
Mankato.....	4,175	4,505	3,732	4,425	Madison.....	483	512	597	618	
Minneapolis.....	349,543*	409,042*	248,838	242,027	Milbank.....	271	313	331	335	
Moorhead.....	1,295	1,258	973	1,051	Mitchell (2 Banks).....	1,824	1,858	1,761	1,808	
Morris.....	268*	282*	383	346	Mobridge.....	399	372	372	359	
Owatonna.....	1,439	1,834	1,630	1,924	Pierre.....	882	844	769	810	
Park Rapids.....	204	220	258	294	Rapid City.....	1,594	1,680	1,437	1,463	
Red Wing.....	1,440	1,485	1,254	1,391	Sioux Falls.....	11,871	11,738	10,095	10,687	
Rochester.....	2,901	3,438	3,293	3,836	Watertown.....	1,686	1,960	1,770	2,058	
St. Cloud.....	.....	.....	2,456	2,766	Yankton.....	1,139	1,248	1,100	1,176
St. Paul.....	98,852*	106,292*	97,590	109,118	Wisconsin					
South St. Paul.....	12,610	11,876	10,119	10,893	Chippewa Falls.....	1,352	1,656	1,125	1,268	
Stillwater.....	1,644	2,516	1,795	2,565	Eau Claire.....	4,498	5,138	4,039	4,317	
Thief River Falls.....	584*	580*	639	675	Hudson.....	215*	258*	352	441	
Two Harbors.....	331	378	283	388	LaCrosse.....	6,750	9,377	5,903	7,299	
Virginia.....	1,553	1,249	1,755	1,335	Merrill (1 Bank).....	413	421	739	841	
Wabasha.....	568	870	543	780	Superior.....	2,991	3,581	3,814	3,912	
Wheaton.....	260	278	282	274						
Willmar (1 Bank).....	264	355	685	830						
Winona.....	4,620	5,033	4,197	4,666						
Worthington (1 Bank).....	421	459	390	394						

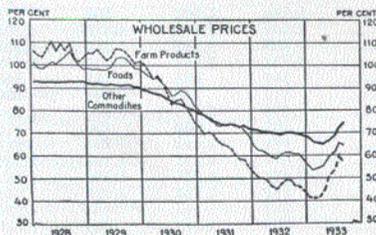
*Figures for a smaller number of banks.
**Including one bank operated by a conservator.



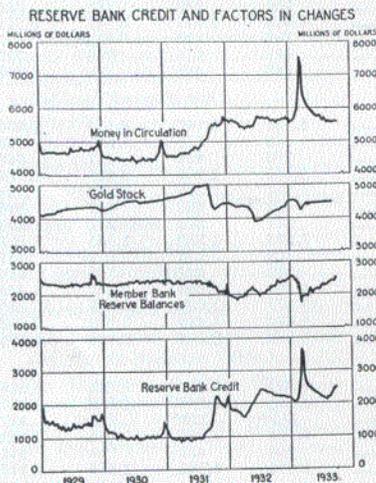
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)



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



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



Wednesday figures. Latest figures are for September 20.

Summary of National Business Conditions

(Compiled September 23 by Federal Reserve Board)

The general level of industrial production declined in August and the early part of September, reflecting reductions in activity of industries in which there had been a rapid rise in previous months. Employment and wage payments were larger in August than in July.

PRODUCTION AND EMPLOYMENT: The Federal Reserve Board's seasonally adjusted index of industrial production which had been rising rapidly for several months, declined from 100 per cent of the 1923-1925 average in July to 92 per cent in August. The principal decreases were in the primary textile industries, in flour milling and in output of steel ingots which declined from 59 per cent of capacity in July to 49 per cent in August. Average daily output of automobiles declined somewhat from the level of July. There were increases during the month in production of petroleum, non-ferrous metals, and cigarettes; and output of lumber and coal increased seasonally.

During September, reports indicate further reduction in output of steel and flour; petroleum production slackened under new restrictions; and output of lumber decreased.

Increases in employment between the middle of July and the middle of August, the latest date for which figures are available, were general in most lines of industry, and there were numerous increases in wage rates and reductions in working hours. Compared with the low point of last spring, there has been an estimated increase of 2,200,000 in number of industrial wage workers.

The value of construction contracts awarded, as reported to the F. W. Dodge Corporation, increased in August owing to awards for public works, particularly highways and bridges; contracts for other types of construction were in smaller volume than in July.

An increase of \$1,000,000,000 in gross income of farmers for the year 1933 is indicated by estimates of the United States Department of Agriculture, primarily as a result of higher prices for certain farm products, notwithstanding small crops of grains, hay and potatoes.

DISTRIBUTION: Sales by department stores increased in August, and the Board's index, which is adjusted for seasonal variations, advanced from 71 to 75 per cent of the 1923-1925 average, the highest level since the spring of 1932. The recent increase in dollar sales reflects to a large extent advancing prices.

The volume of freight shipped by rail declined slightly during August on an average daily basis, although an increase is usual at this time of year.

COMMODITY PRICES: The general average of wholesale commodity prices fluctuated within a narrow range during August and early September at a level about 17 per cent above the low point of last spring. Prices of individual commodities showed divergent movements, decreases being reported for prices of domestic agricultural products, while prices of many manufactured goods, of coal, petroleum, and other industrial raw materials, increased. During the second and third weeks of September, prices of commodities in organized markets advanced considerably. Retail prices of food continued to advance.

FOREIGN EXCHANGE: In the foreign exchange markets, the value of the dollar in terms of the French franc declined from 75 per cent of its gold parity on August 15 to 65 per cent on September 22.

BANK CREDIT: At member banks in 90 leading cities, there was a growth of \$200,000,000 in net demand deposits in the four weeks ending September 13, following a decline of \$800,000,000 between the middle of June and the middle of August. More than half of the recent increase reflected a return of bankers' balances to New York City banks. The banks gradually reduced their holdings of United States Government securities following an increase in the week ending August 16, when a new issue of Treasury bonds was sold, and on September 13 their holdings were in about the same volume as in early August. There was some increase in commercial loans, both at member banks in New York City and in other leading cities.

Member bank balances at the Reserve banks continued to increase during August and the first three weeks of September and excess reserves of member banks reached \$700,000,000. This increase reflected primarily additional purchases of Government securities by the Federal reserve banks, which have averaged \$35,000,000 a week since August 16. Money in circulation which usually increases at this season, has shown little change in the past month, indicating a continued return from hoards.

Money rates in the open market showed a renewed decline during August and the first half of September.