MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

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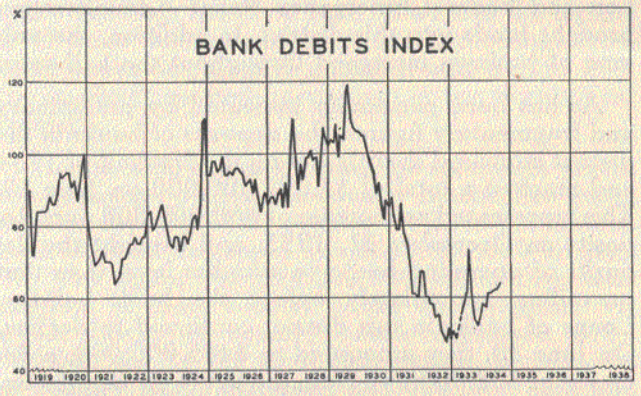
DISTRICT SUMMARY OF BUSINESS

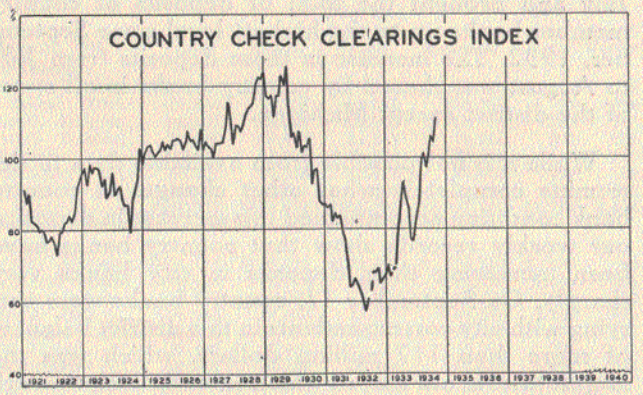
The August volume of business in the Ninth Federal Reserve District showed a definite gain over that of July, despite a continuation of drouth conditions and labor disturbances during the early part of the month. The country check clearings adjusted index rose sharply from 104 in July to 111 in August, a new high since October, 1929. The adjusted department store sales index climbed from the 1934 low point in July, 61, to 73. The adjusted bank debits index increased two points to 64 in August; the adjusted miscellaneous and l.c.l. freight carloadings indexes rose from 61 to 64 and from 60 to 61, respectively. The country lumber sales adjusted index increased from 51 in July to 59 in August.

August business volume was also larger than in the same month last year, even though business volume was at a comparatively high level last August. The adjusted country check clearings index was 22 points higher and the bank debits index 2 points higher, while the miscellaneous carloadings index was up 10 points and l.c.l. index was unchanged. Total freight carloadings (excluding l.c.l.) in the northwestern district were 6 per cent larger than in August last year, largely on account of the sharp increase in livestock shipments, although partly due to substantial increases in grain products and miscellaneous shipments. Coal and coke shipments combined were down about 30 per cent, followed by ore and forest products with declines of 19 and 14 per cent. Electric power consumption in the eastern part of the district showed a gain of 10 per cent, but the total for the Ninth District was a little below that of a year ago, because of the greatly reduced mining activity in Montana. Flour shipments from Minneapolis were larger in August than a year ago, and the number of real estate transactions in Hennepin and Ramsey counties was much larger than in the same month last year. Butter production was about 1 per cent greater than in August last year. Other increases over last year's August volume occurred in country lumber sales, securities sales and wholesale grocery and hardware sales. Linseed products shipments, the valuation of building permits and contracts and wholesale shoe sales, were smaller than in August of last year.

Retail trade during August in the Ninth Federal Reserve District, as a whole, was 9 per cent larger than in August last year, according to the first three hundred and forty-two reports received from cooperating stores. Reports from country stores indicate a gain of about 22 per cent, reflecting increased income from grain marketings in Montana and further drouth relief and benefit payment disbursements. The greatest percentage increase was shown by stores in the plains section of Montana where the marketing of a wheat crop almost as large as a year ago, but at greatly improved prices, resulted in a substantial increase in the cash income of farmers. The resort sections of Wisconsin and Michigan showed a gain of 30 per cent. The total of reported retail sales in each



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.

of the eighteen rural subdivisions of our district was larger in August this year than a year ago. City store sales were slightly below those of August last year, largely on account of the truck drivers' strike in Minneapolis which was not terminated until August 22. The trend of retail sales in the various subdivisions of the district is given in the following table:

Retail Trade

		% Aug. 1934 of Aug. 1933
Mpls., St. Paul, Duluth-Superior	(22 stores)	99
Country Stores	(320 stores)	122
Minnesota—Southwestern	(36 stores)	115
Minnesota—Southeastern	(23 stores)	121
Minnesota—South central	(24 stores)	114
Minnesota—Central	(14 stores)	106
Minnesota—Northeastern	(11 stores)	121
Minn.-No. Dak, Red River Val.	(11 stores)	117
Montana—Mountain	(15 stores)	119
Montana—Plains	(33 stores)	144
North Dakota	(22 stores)	123
South Dakota—Southeastern	(15 stores)	115
South Dakota—Other Eastern	(44 stores)	125
Northern Wisconsin & Mich.	(36 stores)	130
Wisconsin—West Central	(42 stores)	114
Ninth District	(342 stores)	109

In the first half of September bank debits and country check clearings did not quite maintain the level of August, after correction for seasonal influences. However, both series continued to be above last year's volume. Country check clearings in the first sixteen business days of September were 29 per cent larger than in the corresponding period last year. Bank debits at seventeen cities during the first three weeks of September were 11 per cent larger than in the same three weeks a year ago.

DISTRICT SUMMARY OF BANKING

Banking developments in recent weeks were featured by sharp increases in deposits both at city banks and country banks, which were large enough to be reminiscent of the autumn deposit increases before the beginning of the depression. The daily average of country member bank deposits for August was nearly 6 million dollars larger than the daily average for July and brought the total of deposits of country member banks up to the highest level since September, 1932. The increase in these deposits from July to August was shared by country banks in all states of the district except Michigan.

While it is not possible from available data to determine completely what other changes in country bank condition accompanied this increase in deposits, our weekly records show that country banks have been increasing their deposits in city banks very sharply. On September 12, country banks were carrying with city correspondents in this district balances of more than 117 million dollars, which was the largest total in our record which extends back through 1926. There was a minor reduction in these balances during the week ending September 19, but on that date these balances were 3 million dollars larger than five weeks earlier and 45 million dollars larger than a year ago.

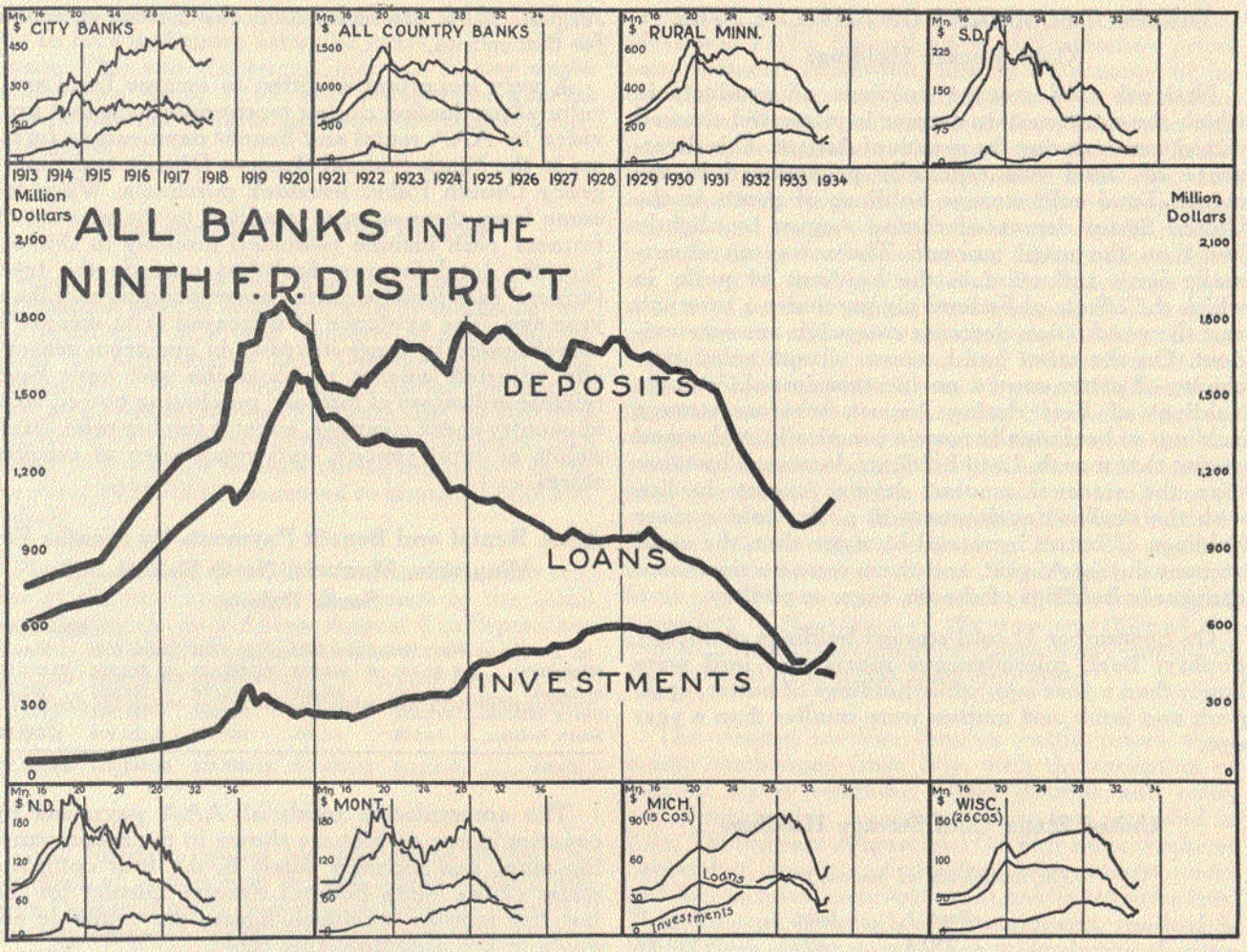
City member banks in this district have experienced this summer and fall one of the most rapid increases in deposits in their history. From May to September, their deposits increased 65 million dollars. The peak for the year to date was reached on September 12, and in the succeeding week a minor decrease of 8 million dollars occurred. On September 19, deposits of city member banks were 82 million dollars larger than a year ago. The increase in deposits in recent weeks was partly due to the growth of country bank balances, which was mentioned in the preceding paragraph, and partly the result of the beginning of the autumn increase in commercial and individual demand deposits which ordinarily reach their peak in November.

On the asset side of the combined city member bank balance sheet, loans to customers have shown little change in recent weeks and have remained at a level about 10 million dollars higher than the all-time low point reached last summer. Investment holdings of city member banks declined slightly in the last week of August, but increased by a larger amount in the week ending September 19. On that date, investment holdings of these banks were at the highest point since our record began in 1929 and were 58 million dollars larger than investment holdings a year ago.

BANKING DURING THE FIRST HALF OF 1934

The first six months of 1934 witnessed financial developments of the greatest significance to the banks of this district. On January 1, the temporary insurance of deposits by the Federal Deposit Insurance Corporation went into effect. During the six-month period, large sums were secured by the banks through the sale of preferred stock and capital notes and capital debentures to the Reconstruction Finance Corporation. Refinancing of debts owed to banks and others by farmers was carried on in large volume through the Government financial agencies. Disbursements by the Agricultural Adjustment Administration and Federal Emergency Relief Administration brought funds into this district. In addition, the volume of business increased throughout the half-year.

As has been previously indicated by preliminary and fragmentary figures, the deposits of banks in the district increased sharply during the first half of 1934 and reached a total of $1,093,000,000 on June 30. This represented an increase of $80,000,000 over deposits on December 31, 1933, and brought the deposits of operating banks to a higher level than that prevailing immediately before the bank holiday. Loans of banks in this district continued to decline. On June 30, they amounted to $405,000,000, a decrease of $32,000,000 from the figure six months before and the lowest total since our record began in 1913.



As a consequence of the increase in deposits and the decrease in loans, together with the receipt of additional funds by the sale of preferred stock and capital obligations to the Reconstruction Finance Corporation, the banks of the district were able to increase their investment holdings $81,000,000 during the six-month period and at the same time to increase their cash and balances due from banks by $38,000,000. Their investments and cash and balances due from banks on June 30 were at the highest level since the summer of 1931. Borrowings from other banks decreased to a total of only $1,266,000, the smallest reported borrowings in our twenty-year record.

The banking changes during the six-month period were most pronounced in country banks. The grand total of deposits of all country banks in the district, both national and state, was $675,000,000 on June 30. This figure was $54,000,000 larger than total deposits of these country banks on December 31, 1933. Loans of country banks decreased $19,000,000 during the six-month period, investments of country banks increased $41,000,000, cash and balances due from banks increased $35,000,000, and borrowings decreased $5,000,000.

At city banks, deposits increased $26,000,000 during the six-month period, loans decreased $13,000,000, investment holdings increased $40,000,000, and cash and balances due from banks increased more than $2,000,000. City banks were almost entirely out of debt throughout the six-month period.

Bank Returns in the Ninth Federal Reserve District

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

June 30, 1934	Loans	Investments	Cash and Due from Banks	Deposits	Borrowings	No. of Banks
Minnesota:						
City Banks†	$151,595	$197,229	$114,265	$ 418,507	$ 70	15
Rural Minn.	120,040	155,835	88,960	320,394	52	676
North Dakota	26,107	28,344	16,782	60,723	327	215
South Dakota	28,943	31,479	21,348	70,298	297	212
Montana	27,605	48,511	34,270	98,028	169	129
Michigan*	20,399	30,616	12,070	55,070	166	55
Wisconsin*	30,623	33,949	17,349	70,191	185	142
Total	$405,312	$525,963	$305,044	$1,093,211	$1,266	1,444
December 30, 1933						
Minnesota:						
City Banks†	$164,668	$157,478	$111,882	$ 392,517	$ 99	18
Rural Minn.	128,125	131,907	74,112	291,239	1,208	673
North Dakota	29,273	23,748	13,880	57,629	387	213
South Dakota	30,757	30,036	13,077	62,593	2,161	210
Montana	30,172	47,957	31,630	97,437	570	133
Michigan*	21,022	26,986	9,141	49,193	564	49
Wisconsin*	33,491	26,986	13,564	62,649	1,612	152
Total	$437,508	$445,098	$267,286	$1,013,257	$6,601	1,448

*Portion of states in the Ninth Federal Reserve District.
†Twin City national banks and Minnesota savings banks and trust companies.

DISTRICT SUMMARY OF AGRICULTURE

Cold Storage Holdings

National cold storage holdings of products in which the northwestern farmer is interested showed mixed trends during the month of August. This divergence of trend was especially pronounced in the meats. Total cold storage holdings of meats in the United States decreased during August by slightly less than the usual amount. There was an abnormally large reduction in the holdings of pork, in which the effects of Federal pig purchases a year ago and the production decrease campaign are now evident. On the other hand, recent drouth relief purchases of cattle caused an increase in cold storage holdings of beef during August, whereas storage holdings of beef usually remain practically unchanged during that month. Lard holdings decreased by more than the seasonal amount during August, in line with the similar development in pork. Cold storage holdings of butter increased by more than the usual amount during August, and there were no significant changes in holdings of cheese, eggs, or poultry.

On September 1, cold storage holdings of cheese, poultry, beef, miscellaneous meats and lard were larger than a year ago, while holdings of butter, eggs, pork and lamb and mutton were smaller than a year ago.

United States Cold Storage Holdings

(In thousands of pounds)

	Sept. 1, 1934	Sept. 1, 1933	Sept. 1, 5-Yr. Av.
Beef	80,237	48,446	43,928
Pork	540,493	756,701	640,200
Lamb and Mutton	1,606	1,487	2,381
Miscellaneous Meats	89,420	72,848	69,093
Total Meats	711,756	879,482	755,602
Lard	168,719	224,476	138,011
Cream*	152	167	.....
Butter	121,423	175,476	139,891
Cheese	122,220	108,035	100,309
Poultry	46,054	47,789	41,616
Eggs‡	11,146	11,871	11,457

*Thousand Cans. ‡Thousand Cases.

Farm Income and Prices

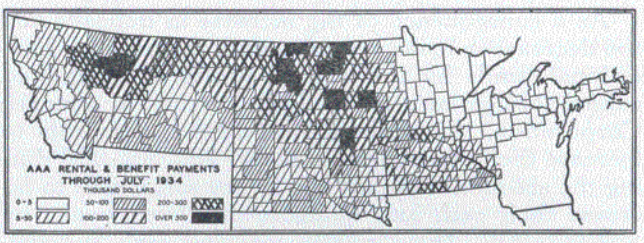
Farmers' cash income from marketings of seven important agricultural products during August was estimated to be 17 per cent smaller than in August last year, because of greatly reduced marketings, as prices for all grains and nearly all classes of livestock were much higher than a year ago. Decreased marketings of potatoes and at a lower price contributed somewhat to the decline in the farmers' cash income estimates. The income estimates exclude benefit payments and loans to farmers by Government intrumentalities, but the AAA sow and pig purchases during August, 1933, are included in the income estimates for that month.

A very important addition to income from agricultural production during recent months is that provided by AAA rental and benefit payments to farmers in the Ninth Federal Reserve District and Emergency Drouth Relief livestock purchases. When income from these sources is added to the amount of farmers' cash income estimated monthly in this office, the total income doubtless exceeds the total farmers' cash income during corresponding months a year ago. The existence of increased farm income is corroborated by large increases in numerous seasonally adjusted indexes which in the past have been reliable indicators of farmers' purchasing power, such as country check clearings, country lumber sales, bank debits at rural centers, and retail sales at country stores.

AAA Rental and Benefit Payments By Months For Minnesota, Montana, North Dakota and South Dakota

	May, 1934	June, 1934	July, 1934	Aug., 1934	Four-month Total
Minnesota	$ 61,942	$ 953,044	$1,427,231	$1,362,966	$3,805,183
Montana	109,516	63,663	81,076	139,378	393,633
North Dakota	197,333	151,309	132,224	197,037	677,903
South Dakota	54,819	94,485	165,277	3,120,970	3,435,551
4 States	$423,610	$1,262,501	$1,805,808	$4,820,351	$8,312,270

The accumulative totals of AAA payments by counties in our district are shown in the accompanying map, and monthly totals in the four complete states of the Ninth Federal Reserve District for the last few months for which figures are available are given in the accompanying table.



Grain prices continued to climb during August, which is contrary to the usual trend in important grain marketing months, and were considerably higher than in July. Hog prices featured the livestock markets late in the month and reached $7.75 to establish a new high price since 1931. Other livestock prices were not as buoyant as hog and grain prices during August, but prices for all classes were unchanged or increased with the exception of lambs, which continued to decline. The price of butter rose 3 cents per pound from July to August. The significance of the upswing in the level of those farm product prices which are important in the Northwest is indicated by the change in the Minnesota composite farm price index computed by the University of Minnesota. This index, which is slightly adjusted to re-

move seasonal fluctuations, increased from 55.7 in July to 72.4 in August, using the years 1924-1926 as a base. This was the largest increase in any single month since April, 1919, and brought the general level of Minnesota farm prices to the highest point since 1930.

Wheat and Flax Marketing Progress

Wheat marketings fell off during September from the seasonal peak in August. Owing to the exceptionally small crop this year, receipts of northwestern wheat at Minneapolis and Duluth-Superior only amounted to 17,782,000 bushels during the period from July 1 to September 15. A year ago, 30,000,000 bushels were received during the corresponding period, and average receipts during this period in the five years 1928-1932 amounted to about 50,000,000 bushels.

Flax marketings were also very small in the early part of the new crop year as a result of the small crop. During the period from August 1 to September 15, only 1,198,000 bushels of flax were received at principal markets in this district. A year ago, 2,218,000 bushels were received during the corresponding period.

Crops

Crop forecasts issued by the United States Department of Agriculture for the Ninth Federal Reserve District showed little change between August 1 and September 1, with the exception of corn and oats. The corn forecast on September 1 was about 15 per cent smaller than that of August 1, and the forecasted production of oats was about 10 per cent larger. As a result of these changes, the corn forecast was less than half as large as the 1924-1933 average, while the oats forecast was but a little more than one-third of the 1924-1933 average production. Most of the decrease in the corn forecast was in Minnesota, but substantial decreases were also reported for North and South Dakota. The forecasted production of oats in South Dakota also declined during August, but was more than offset by increases in Minnesota and Montana. Spring bread wheat, barley and tame hay also showed small increases in forecasted production, but further decreases occurred in durum, flax and potatoes.

Livestock Marketings

The rapid rise in hog prices during August was easily the outstanding feature of the livestock market at South St. Paul. Scoring a 40 cent rise during the week ending August 2, to establish a new "top" for the year, additional gains were registered during each week of August. For the week ending August 31, the "top" price paid was $7.75 and the average price paid for all hogs at South St. Paul (excluding pigs) was $7.20. Since the first of September, prices have softened somewhat, largely on account of increased supplies, but partly because of the failure of eastern dressed pork prices to show corresponding increases, in the face of the expected decrease in demand for pork because of the strike situations. The comparatively large increase in receipts of hogs during the first weeks of September was chiefly caused by shortage in feed supplies and the steadily mounting prices of feed grains which precluded the possibility of profit if grains were purchased. The average weight of all hogs (excluding pigs) sold at South St. Paul during the week ending September 20 was only 216 pounds, which was 27 pounds lighter than the average for the week ending September 6, two weeks previous, and 57 pounds lighter than for the week ending August 23. In addition, a rather large proportion of all weights and classes received during recent weeks was in thin condition. Several loads of stunted pigs, weighing only from 25 to 50 pounds, have been received at South St. Paul, which were difficult to sell even at 25-75 cents per hundredweight, according to the report of the representative of the United States Department of Agriculture, Bureau of Agricultural Economics, stationed there.

The August median butcher cattle prices were mostly unchanged from July, with the exception of butcher steers weighing 1,100 pounds and over, which regained in August the sharp loss recorded in July. Throughout August and the first three weeks of September, receipts of dry-fed, heavyweight steers and heifers have been somewhat below requirements. This shortage, although not pronounced, resulted in gradual price improvement for these classes of cattle to a point where the season's top of $9.50 for grain-fat cattle was again recorded on September 21. Median prices for other classes of butcher cattle showed no change from July, except that prime butcher steers weighing less than 1,100 pounds recorded a small gain as a result of the shortage in prime steers at heavier weights.

Feeder cattle median prices for August were higher than in July and in August last year, reflecting a strong demand that readily absorbed supplies somewhat larger than those of July. Since September 1, weekly average prices have declined a little, but the weekly "tops" have been a little higher than during the month of August. Shipments of feeder cattle during the three-week period ending September 19 have shown a more than seasonal increase over August shipments, and were about 10 per cent larger than in the same three weeks last year. During recent weeks, feeder cattle buyers have shown a strong preference for feeders of high quality, as shown by the "top" prices paid. High-cost feed grains and concentrates make most efficient use of them necessary, and well-bred, well-developed young stock in fair flesh have repeatedly shown larger and quicker gains on smaller feed consumption than cattle of lower quality.

SEPTEMBER 1, 1934, PRODUCTION FORECASTS, BY STATES, WITH COMPARISONS
UNITED STATES DEPARTMENT OF AGRICULTURE

(All figures in thousand bushels, except hay)

SPRING BREAD WHEAT

	Forecasts		Production	
	9-1-34	8-1-34	1933	10-Yr. Av.
Minn.	10,458	10,458	13,415	17,712
Mont.	17,808	15,582	20,776	37,554
No. Dak.	18,650	19,396	50,735	65,693
So. Dak.	2,748	2,512	3,924	19,414
4 States	49,664	47,948	88,850	140,373
U. S.	86,682	83,887	160,261	192,902

DURUM WHEAT

	Forecasts		Production	
	9-1-34	8-1-34	1933	10-Yr. Av.
Minn.	954	913	880	2,566
Mont.	175	175	252	438
No. Dak.	4,604	5,022	14,651	38,049
So. Dak.	348	441	326	11,308
4 States	6,081	6,551	16,109	52,361
U. S.	.....	.....	.....	.....

ALL SPRING WHEAT

	Forecasts		Production	
	9-1-34	8-1-34	1933	10-Yr. Av.
Minn.	11,412	11,371	14,295	20,278
Mont.	17,983	15,757	21,028	37,992
No. Dak.	23,254	24,418	65,386	103,742
So. Dak	3,096	2,953	4,250	30,722
4 States	55,745	54,499	104,959	192,734
U. S.	92,763	90,438	176,370	245,263

ALL WHEAT

	Forecasts		Production	
	9-1-34	8-1-34	1933	10-Yr. Av.
Minn.	12,339	12,298	16,665	23,313
Mont.	26,313	24,087	27,194	46,494
No. Dak.	23,254	24,418	65,386	103,742
So. Dak	3,264	3,121	5,120	32,307
4 States	65,170	63,924	114,365	205,856
U. S.	493,285	490,960	527,978	801,766

WINTER WHEAT

	Preliminary Estimate	Forecast	Production	
	8-1-34	7-1-34	1933	10-Yr. Av.
Minn.	927	1,030	2,370	3,035
Mont.	8,330	7,096	6,166	8,501
No. Dak.	.....	.....	.....	.....
So. Dak.	168	189	870	1,585
3 States	9,425	8,315	9,406	13,121
U. S.	400,522	394,268	351,608	556,504

RYE

	Preliminary Estimate	Forecast	Production	
	8-1-34	7-1-34	1933	10-Yr. Av.
Minn.	3,256	3,256	3,638	6,295
Mont.	182	168	266	636
No. Dak.	1,164	1,164	3,712	12,550
So. Dak.	328	287	760	2,960
3 States	4,930	4,875	8,376	22,441
U. S.	17,261	17,194	21,236	39,500

CORN

	Forecasts		Production	
	9-1-34	8-1-34	1933	10-Yr. Av.
Minn.	94,860	105,400	142,957	141,180
Mont.	1,836	1,836	2,472	2,547
No. Dak.	8,166	13,610	20,010	21,236
So. Dak.	13,209	18,870	40,440	86,464
4 States	118,071	139,716	205,879	251,427
U. S.	1,484,602	1,607,108	2,343,883	2,555,961

FLAXSEED

	Forecasts		Production	
	9-1-34	8-1-34	1933	10-Yr. Av.
Minn.	3,480	3,480	4,365	6,508
Mont.	98	122	162	1,081
No. Dak.	830	830	1,677	7,484
So. Dak.	100	100	115	2,691
4 States	4,508	4,532	6,319	17,764
U. S.	5,253	5,252	6,806	18,391

OATS

	Forecasts		Production	
	9-1-34	8-1-34	1933	10-Yr. Av.
Minn.	75,480	69,360	96,406	146,360
Mont.	5,933	5,235	6,511	9,899
No. Dak.	8,939	8,939	22,139	43,030
So. Dak.	3,674	4,342	5,220	59,800
4 States	94,026	87,876	130,276	259,089
U. S.	545,870	545,345	731,524	1,188,518

POTATOES

	Forecasts		Production	
	9-1-34	8-1-34	1933	10-Yr. Av.
Minn.	23,380	23,380	22,712	29,878
Mont.	2,040	2,040	1,955	2,116
No. Dak.	7,392	7,700	9,300	8,278
So. Dak.	1,960	1,960	2,480	4,057
4 States	34,772	35,080	36,447	44,329
U. S.	337,141	327,251	320,353	352,000

BARLEY

	Forecasts		Production	
	9-1-34	8-1-34	1933	10-Yr. Av.
Minn.	25,808	24,975	28,675	41,121
Mont.	2,760	2,668	2,768	3,823
No. Dak.	9,336	9,336	18,300	34,813
So. Dak.	3,333	3,333	3,451	26,028
4 States	41,237	40,312	53,194	105,785
U. S.	122,963	119,081	156,988	233,590

TAME HAY (Thousand Tons)

	Forecasts		Production	
	9-1-34	8-1-34	1933	10-Yr. Av.
Minn.	1,872	1,747	3,130	3,381
Mont.	1,400	1,400	1,934	1,940
No. Dak.	463	463	919	1,283
So. Dak.	443	492	778	1,146
4 States	4,178	4,102	6,761	7,750
U. S.	50,727	49,018	65,983	70,994

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS			Per Cent Aug., '34 of
Debits to Individual Accounts[1]	Aug., '34	Aug., '33	Aug., '33
All Reporting Cities	$ 25,697,000	$ 24,842,700	103
Minneapolis	12,072,000	12,946,000	93
St. Paul	4,494,000	3,661,000	123
South St. Paul	434,000	467,000	93
Great Lakes Ports	1,846,300	2,088,300	88
Beef and Pork, S.E.	786,300	694,100	113
Beef and Pork, S.W.	822,200	799,500	103
Dairy and Mixed Farming	1,168,900	923,200	127
Wheat and Mixed Farming	1,515,400	1,356,700	112
Wheat and Range	796,600	566,300	141
Mining and Lumber	1,761,300	1,340,600	131
Electric Power Consumption (K.W.H.)[1,2]			
Minn., No. Dak. and So. Dak.	4,627,200	4,206,500	110
Montana	1,404,200	2,944,500	48
Country Check Clearings[1]			
Total	$ 3,471,200	$ 2,782,700	125
Minnesota	1,286,700	1,100,300	117
Montana	565,400	379,300	149
North and South Dakota	1,019,600	802,800	127
Michigan and Wisconsin	599,500	500,300	120
Freight Carloadings—N.W. District			
Total—Excluding L.C.L.	350,903	330,772	106
Grains and Grain Products	55,831	45,191	124
Livestock	43,752	22,699	193
Coal	15,918	20,316	78
Coke	3,015	5,510	55
Forest Products	26,449	30,750	86
Ore	82,369	101,793	81
Miscellaneous	123,569	104,513	118
Merchandise—L.C.L.	88,746	89,013	100
Building Permits			
Number—18 Cities	1,005	1,080	93
Value—18 Cities	$ 1,146,300	$ 1,304,200	88
Minneapolis	235,200	321,200	73
St. Paul	394,000	650,200	61
Duluth-Superior	57,700	80,900	71
4 Wheat Belt Cities	56,400	68,500	82
6 Mixed Farming Cities	118,600	82,100	144
4 Mining Cities	284,400	101,300	281
Building Contracts Awarded			
Total	$ 3,112,900	$ 3,666,000	85
Commercial	431,000	490,200	88
Factories	54,000	334,200	16
Educational	427,000	135,800	314
Hospitals, etc.	15,000	15,000	100
Public Buildings	364,000	55,100	661
Religious and Memorial	13,000	97,800	13
Social and Recreational	51,000	61,800	83
Residential	335,900	721,400	47
Public Works	1,032,000	1,529,400	67
Public Utilities	390,000	225,300	173
Real Estate Activity in Hennepin and Ramsey Counties			
Warranty Deeds Recorded	800	625	128
Mortgages Recorded	1,613	723	223
Manufacturing and Mining			
Flour Production at Minneapolis, St. Paul, and Duluth-Superior (Bbls.)	598,821	597,062	100
Flour Shipments at Mpls. (Bbls.)	607,467	537,556	113
Linseed Product Shipments (Lbs.)	10,401,920	11,062,429	94
Copper Output (3 Firms) (Lbs.)	4,278,000	12,201,700	35
Business Failures			
Number	16	65	25
Liabilities	$ 110,387	$ 2,342,931	5

AGRICULTURE			Per Cent Aug., '34 of
Farmers' Cash Income	Aug., '34	Aug., '33	Aug., '33
Total of 7 Items	$ 32,532,000	$ 39,389,000	83
Bread Wheat	11,604,000	14,629,000	79
Durum Wheat	1,129,000	1,448,000	78
Rye	520,000	637,000	82
Flax	1,423,000	2,177,000	65
Potatoes	187,000	419,000	45
Dairy Products	13,493,000	13,616,000	99
Hogs	4,176,000	6,463,000†	65
Butter Production (Lbs.)	54,143,000	54,647,000	99
Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Bread Wheat	8,685,000	14,648,000	59
Durum Wheat	762,000	1,414,000	54
Rye	579,000	870,000	67
Flax	694,000	1,155,000	60
Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)			
Wheat	27,348,448	48,544,341	56
Corn	10,173,065	6,221,465	164
Oats	15,743,160	26,168,395	60
Barley	6,860,793	10,548,007	65
Rye	3,890,814	6,068,355	64
Flax	621,151	1,086,941	57
Livestock Receipts at South St. Paul (Head)			
Cattle	261,145	90,047	290
Calves	127,091	39,814	319
Hogs	87,773	348,349	25
Sheep	160,273	160,384	100
Median Cash Grain Prices (Bu.)			
Wheat—No. 1 Dark Northern	$ 1.20½	$ .90	134
Durum—No. 2 Amber	1.48⅛	1.02⅜	145
Corn—No. 3 Yellow	.74¾	.45	166
Oats—No. 3 White	.49½	.35¼	140
Barley—No. 3	.95	.....	.....
Malting Barley—No. 3	1.02	.....	.....
Rye—No. 2	.89¾	.73¼	123
Flax—No. 1	2.05	1.88½	109
Median Live Stock Prices (Cwt.)			
Butcher Cows and Heifers	$ 3.50	$ 3.25	108
Heavy Butcher Steers (1,100 lbs. and over)	6.35	5.65	112
Light Butcher Steers (under 1,100 lbs.)	6.00	5.25	114
Prime Heavy Butcher Steers (1,100 lbs. and over)	8.25	6.50	127
Prime Light Butcher Steers (under 1,100 lbs.)	7.50	6.00	125
Heavy Stocker and Feeder Steers (800 lbs. and over)	3.50	3.15	111
Light Stocker and Feeder Steers (under 800 lbs.)	3.50	3.00	117
Veal Calves	5.00	5.50	91
Hogs	6.00	4.00	150
Heavy Hogs	4.75	3.65	130
Lambs	6.50	8.00	81
Ewes	2.50	2.00	125
Wholesale Produce Prices			
Butter (Lb.)	$ .24½	$ .18¾	131
Milk (Cwt.)	1.51	1.23	123
Hens (Lb.)	.09½	.07½	127
Eggs No. 2 (Doz.)	.12¾	.11½*	111
Potatoes (Bu.)	.75	1.27	59
TRADE			
City Department Stores[3]			
Sales	$ 3,909,210	$ 3,958,800	99
Merchandise Stocks	7,900,850	7,890,120	100
Receivables	4,707,010	4,777,920	99
Instalment Receivables	1,312,240	1,255,720	105
Country Department and General Stores[3]			
Sales	$ 3,746,500	$ 3,073,040	122
Stocks	5,769,930	5,354,250	108
Country Lumber Yards[3]			
Sales (Bd. Ft.)	7,869,000	6,498,000	121
Lumber Stocks (Bd. Ft.)	59,343,000	60,344,000	98
Total Sales	$ 989,600	$ 793,200	125
Receivables	1,918,500	1,698,800	113
Life Insurance Sales			
Four States	$ 12,174,000	$ 13,041,000	93
Minnesota	8,964,000	9,759,000	92
Montana	1,296,000	1,226,000	106
North Dakota	813,000	1,002,000	81
South Dakota	1,101,000	1,054,000	104

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

	Aug., '34	Aug., '33	Per Cent Aug., '34 of Aug., '33
Investment Dealers			
Sales to Banks	$ 4,094,700	$ 1,334,900	307
Sales to Insurance Companies	646,200	403,400	160
Sales to General Public	3,103,200	2,433,800	128
Wholesale Trade			
Groceries[3]			
Sales	$ 4,082,380	$ 3,434,400	119
Stocks	5,605,110	5,469,890	102
Receivables	3,906,500	4,149,080	94
Hardware[3]			
Sales	$ 1,263,270	$ 1,212,650	104
Stocks	2,493,350	2,351,560	106
Receivables	1,365,020	1,358,900	100
Shoes			
Sales	$ 398,910	$ 416,940	96
Stocks	705,930	629,630	112
Receivables	771,770	797,020	97
BANKING			
Member Bank Deposits			
In Cities over 15,000 pop.	$435,305,000	$388,310,000	112
In Cities under 15,000 pop.	291,220,000	245,299,000	119
Michigan—15 Cos.	45,009,000	37,714,000	119
Minnesota	120,431,000	102,468,000	118
Montana	44,838,000	36,352,000	123
North Dakota	26,690,000	25,212,000	106
South Dakota	37,103,000	30,583,000	121
Wisconsin—26 Cos.	17,149,000	12,970,000	132

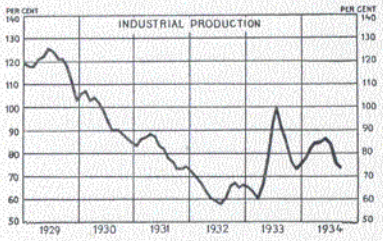
	Aug., '34	Aug., '33	Per Cent Aug., '34 of Aug., '33
Interest Rates[2]			
Minneapolis Banks	3¾-4	4¼-4½	
Commercial Paper (net to borrower)	1¼	1¾	
Minneapolis Fed. Res. Bank	3	3½	
Selected City Member Banks	Sept. 19, '34	Sept. 20, '33	
Loans to Customers	$158,080,000	$175,867,000	90
Other Invested Funds	207,302,000	149,341,000	139
Cash and Due from Banks	152,121,000	102,985,000	148
Deposits Due to Banks	115,491,000	70,244,000	164
Public Demand Deposits	36,348,000	25,903,000	140
Other Demand Deposits	172,645,000	148,948,000	116
Time Deposits	123,078,000	125,198,000	98
Total Deposits	457,175,000	375,133,000	122
Borrowings at Fed. Res. Bank	0	51,000	.....
Minneapolis Federal Reserve Bank			
Loans to Member Banks	$ 287,000	$ 3,559,000	8
Twin Cities	.....	171,000	.....
Minn., Wis. and Mich.	234,000	1,451,000	16
N. Dak. and Mont.	51,000	578,000	9
South Dakota	2,000	1,359,000	.1
Fed. Res. Notes in Circulation	106,164,000	93,778,000	113
Fed. Res. Bank Note Circulation—Net	.....	1,802,000	.....
Member Bank Reserve Deposits	90,816,000	49,876,000	182

[1]Daily Averages. *Unclassified.
[2]Latest Reported Data.
[3]Figures for the various items in this section not always from identical firms.
†Including government sow and pig purchases.

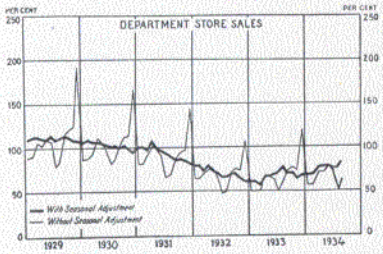
BANK DEBITS

Number of Business Days:	August 1934	July 1934	August 1933	July 1933
All States in District	27	25	27	25
Michigan				
Escanaba (1 Bank)	$ 466	$ 540	$ 409	$ 392
Houghton	1,365	1,321	1,388	1,418
Iron Mountain	1,583	1,508	1,097	1,151
Iron River, Stambaugh	784	900	462	429
Manistique (1 Bank)	142	149	162	117
Marquette	2,557	2,785	2,430	1,951
Menominee	1,898	2,457	1,970	1,865
Sault Ste. Marie	2,076	2,083	1,936	1,860
Minnesota				
Albert Lea	1,956	2,076	1,537	1,851
Austin	3,545	3,252	2,677	2,916
Bemidji (2 banks)	1,091	1,154	756*	752*
Chaska	427	494	431	420
Chisholm	739	639	829	843
Cloquet	1,249	1,428	1,320	1,292
Crookston	1,375	1,030	818*	912*
Detroit Lakes	1,083	1,135	837	1,027
Duluth	39,881	34,407	48,286	46,635
Ely	467	324	374	293
Faribault (1 Bank)	1,088	1,281	1,107	1,156
Farmington	131	145	144	143
Fergus Falls	1,285	1,654	1,501	1,641
Glenwood	244	269	206	305
Hutchinson	473	435	.....	.....
Lakefield	320	282	278	249
Lanesboro	183	192	178	197
Little Falls	656	876	664	847
Luverne	762	677	499	643
Mankato	4,720	4,892	4,175	4,505
Minneapolis	325,939	282,201	349,543	409,042
Moorhead	1,892	1,406	1,295	1,258
Morris	376	377	268	282
Owatonna	2,086	2,026	1,439	1,834
Park Rapids	252	290	204	220
Red Wing	1,658	1,447	1,440	1,485
Rochester	3,508	3,832	2,901	3,438
St. Cloud	2,438	2,781	.....	.....
St. Paul	121,332	116,788	98,852	106,292
Sauk Rapids	306	258	.....	.....
South St. Paul	11,728	9,885	12,610	11,876
Stillwater	1,957	2,171	1,644	2,516
Thief River Falls	959	833	584	580
Two Harbors	401	488	331	378
Virginia	1,915	1,448	1,553	1,249
Wabasha	743	872	568	870
Wells	402	396	.....	.....
Wheaton	247	235	260	278
Willmar	1,038	1,143	.....	.....
Winona	5,223	5,693	4,620	5,033
Worthington (1 bank)	623	557	421	459
Montana				
Anaconda	953	881	1,144	1,022
Billings	6,436	6,193	5,043	5,132
Bozeman	1,801	1,832	1,388	1,551
Butte (2 banks)	8,192	7,495	6,722	6,254
Deer Lodge	465	732	344	685
Glendive	655	665	517	706
Great Falls	15,126	9,564	9,466	8,777
Harlowton	273	276	197	250
Havre	1,280	1,214	946	1,088
Helena	8,823	8,167	6,033	6,521
Kalispell	2,637	1,602	1,232	1,265
Lewistown	1,284	986	996	1,258
Malta	706	733	314	401
Miles City (1 bank)	970	1,067	893	1,014
North Dakota				
Bismarck	12,736	14,391	10,762	9,450
Devils Lake	975	1,063	941	1,047
Dickinson	942	960	845	1,084
Fargo	12,646	11,341	11,505	11,447
Grafton	687	483	495	378
Grand Forks	4,014	3,428	3,430†	3,178†
Jamestown	1,294	1,236	1,573	1,722
Mandan	765	670	666	798
Minot	3,410	3,340	4,028	3,547
Valley City	851	816	840	833
Wahpeton	791	710	661	675
Williston	965	974	668	609
South Dakota				
Aberdeen	3,776	3,511	2,660	3,145
Brookings (1 bank)	549	458	459	517
Deadwood	945	764	770	806
Huron	1,958	2,075	2,655	2,961
Lead	1,536	1,456	1,361	1,356
Madison	731	768	483	512
Milbank	305	295	271	313
Mitchell	2,269	2,039	1,824	1,858
Mobridge	527	517	399	372
Pierre	2,859	2,581	882	844
Rapid City	2,107	2,079	1,594	1,680
Sioux Falls	11,413	11,367	11,871	11,738
Watertown	1,972	1,994	1,686	1,960
Yankton	1,300	1,359	1,139	1,248
Wisconsin				
Ashland	1,208	950	.....	.....
Chippewa Falls	1,566	1,718	1,352	1,656
Eau Claire	5,171	5,177	4,498	5,138
Hudson	348	343	215	258
La Crosse	6,373	6,458	6,750	9,377
Merrill	1,166	1,404	.....	.....
Rhinelander	1,645	1,534	1,292	1,351
Superior	3,258	3,263	2,991	3,531
Total for 87 Cities with Comparable Figures for Both Years	$686,717	$623,462	$666,801	$739,371

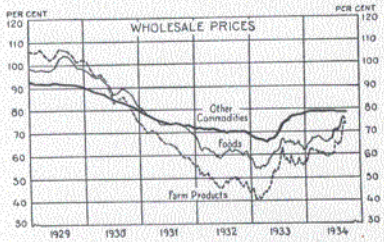
*Figures for a smaller number of banks.
†Including one bank operated by a conservator.



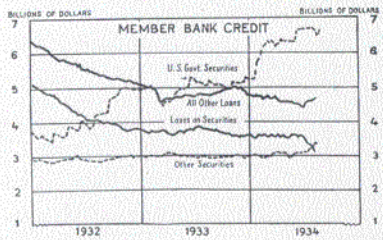
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.)



Indexes of daily average value of sales. (1923-1925=100.)



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



Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for September 19.

Summary of National Business Conditions

(Compiled September 26 by Federal Reserve Board)

The total output of industry, which usually increases at this season, showed little change in August. Factory employment and payrolls increased between the middle of July and the middle of August by about the usual seasonal amount. Distribution of commodities at department stores showed a more than seasonal growth.

PRODUCTION AND EMPLOYMENT: The output of basic industrial products, as measured by the Board's index, which makes allowance for usual seasonal changes, declined from 75 per cent of the 1923-1925 average in July to 73 per cent in August. At steel mills production continued to decline during August and the early part of September, contrary to seasonal tendency; in the middle of September a slight increase in activity was reported. Output of automobiles, which had been maintained at a relatively high rate during the spring and early summer, declined in August. Lumber production showed an increase. In the cotton textile industry, production was in larger volume in August than in July, but was retarded by the strike in the first three weeks of September. At meat packing establishments, output in August was larger than in any other recent months, accompanying heavy marketings of cattle from drouth areas.

Factory employment showed a seasonal increase between the middle of July and the middle of August, reflecting considerable growth in employment in the wearing apparel, canning and meat packing industries, while employment in the iron and steel industries and at railroad repair shops declined.

The value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was about the same in August as in each of the four preceding months.

Department of Agriculture estimates as of September 1 indicate a corn crop 40 per cent smaller than the average for the five years 1927-1931, and other feed crops also are expected to be unusually small. The condition of pastures on September 1 was poorer than in any other recent year, but some improvement has been reported in the early part of September. The spring wheat crop, estimated at 93,000,000 bushels, is about one-third of the five-year average, and the winter wheat crop is also small. The cotton crop is estimated at 9,300,000 bales, a sharp reduction from other recent years.

DISTRIBUTION: The volume of freight carloadings, which usually increases at this season, showed little change in August. Shipments of miscellaneous freight showed no seasonal expansion, while shipments of livestock increased considerably. Department store sales increased by an amount substantially larger than is usual in August and were 2 per cent higher than a year ago.

COMMODITY PRICES: Wholesale prices of commodities increased in August and the first week of September, reflecting sharp advances in the prices of farm products and foods. Hog prices advanced rapidly during the month of August, and in the latter part of the month, cattle prices also showed a marked increase. Since the beginning of September, prices for both hogs and cattle have declined somewhat, and in the middle of the month there have also been decreases in the prices of wheat and cotton. In August, as in other recent months, there was little change in prices of commodities other than farm products and foods.

BANK CREDIT: A seasonal increase in demand for currency by the public and an increase in Government deposits at the Reserve banks were reflected in a decline in member bank reserve balances between the middle of August and the middle of September. On September 19, reserve balances were about $1,700,000,000 in excess of legal requirements. There was little change in the volume of Reserve bank credit during August and September.

Total loans and investments of reporting member banks showed little change between August 15 and September 19; loans, other than security loans, increased by $170,000,000 and holdings of securities by $50,000,000, while security loans declined by $200,000,000. The increase in loans, other than on securities, occurred largely at banks in New York City and in the western districts, and reflected chiefly a growth in direct loans to customers for ordinary commercial purposes and for financing the harvesting of crops. The banks' holdings of acceptances and commercial paper, which also reflect current business financing, increased during the period.

Short-term money rates continued at low levels. Yields on both United States Governments and corporate bonds increased during August and the first half of September.