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of Ninth District Agricultural and Business Conditions
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SPECIAL ARTICLE

Employment Steady, as Labor Force Expands

THE level of employment for many individuals has become the crucial measure of business prosperity or depression. The idleness during the thirties and the anxiety over jobs following the war led to the demand that has been made upon the United States government to provide jobs in periods when private enterprise does not furnish sufficient employment.

Since a relatively small number of individuals have investments which yield income in the form of rent, dividends, interest, or annuity payments, employment for most of them is the sole source of economic welfare. The productivity of our economic machine, of course, determines the level of the economic welfare enjoyed by society, i. e., individuals in the aggregate. The greater the output of our farms, mines, and factories, the greater may be the consumption of commodities and services.

The prerequisite made upon each individual for sharing in the products of industry—above the minimum essentials provided by the government to individuals in need of some form of relief—is obviously employment. So long as there are ample opportunities for employment, the responsibility for securing employment lies solely with the individual job seeker, but when the opportunities for employment are not sufficient to provide jobs for all of the individuals in the labor force then some of the responsibilities for employment fall upon employers, local communities, and government to promote conditions which will increase the opportunities.

Due to the preponderance of agriculture and the many small communities serving agriculture, employment in this district was not affected as much by the production of war materials as in the more industrialized regions of the country. Some significant shifts in employment, nevertheless, occurred in the district during the war years.

As soon as the National Defense Program was initiated, this district became a labor supply area. Workers in large numbers migrated to plants producing war materials in other districts.

From April 1, 1940, to November 1, 1943, an average of 10 percent of the 1940 civilian population migrated out of the states in the Ninth District. Some states lost decidedly more population than others, as may be observed in the accompanying table.

Most of the population migrating out of the states came from the farms and the small communities.

Though a Labor Supply Area During the War, District Had Increase in Labor Force and Now Has in Sight Force Larger Than Retiring Groups

The civilian population in counties with cities of less than 10,000 population decreased 17.1 percent between April 1, 1940, and November 1, 1943; whereas in counties with 10,000 population and over, it decreased only 7.8 percent. Only a small part of the difference in the population decline between rural and urban counties can be attributed to the net result of natural increase, on the one hand, and inductions into the armed forces, on the other. The differential in the decline, therefore, is primarily due to population migration.

In addition to the migration out of the states, there was also a migration within the states to the various industrial centers. On the Upper Peninsula of Michigan, the civilian population in Chippewa County, which includes Sault Ste. Marie, declined only 2.1 percent between the two dates mentioned above, while in the other counties with urban centers of 10,000 and over the civilian population declined from 14.2 to 21.9 percent.

In Minnesota the migration was primarily to the Twin Cities and Duluth and to Superior, Wisconsin. There was also some concentration of workers in other cities with manufacturing establishments.

In Montana the civilian population between April 1, 1940, and November 1, 1943, actually increased by 3.2 percent in Deer Lodge county—due to the mining activity in and around Anaconda—and by

Civilian Migration Out of States in Ninth District April 1, 1940, to November 1, 1943

States	Percent Decrease
Michigan (Upper Peninsula)	14.6 ¹
Minnesota	6.7
Montana	12.1
North Dakota	15.6
South Dakota	13.8
Wisconsin (26 counties)	10.7 ¹
Ninth District	10.0

Source: Bureau of the Census, Population—Special Reports, Series P-44, No. 3, February 15, 1944, and Hope Tisdale Eldridge, "Wartime Migration in United States," Domestic Commerce, Vol. 32, No. 9, September 1944, p. 8.

¹ Estimates for parts of states in the Ninth District were made on a proportional basis from the respective state figures.

one-tenth of 1 percent in Cascade county—due to the industrial plants in Great Falls. In Yellowstone county, which includes Billings, a decline occurred in the civilian population, but it was decidedly less than in the other counties.

In North Dakota there was no noticeable concentration of population in any of the larger cities. In South Dakota three counties, Codington, Minnehaha, and Pennington, population declined less than the other counties. This was attributable to the war activities carried on in Watertown, Sioux Falls, and Rapid City, respectively.

In the 26 northwest counties of Wisconsin, there were three centers of war activity: Eau Claire, La Crosse, and Superior. The civilian population in the respective counties of Eau Claire, La Crosse, and Douglas counties declined, decidedly less than in the other counties.

Some of the migrants to the war production centers have returned to their former communities since VJ-day. It is impossible, however, to estimate this return movement of the population, as figures are not available.

Despite the emigration out of the Ninth District, the non-agricultural labor force expanded rapidly as the economy was converted to a wartime basis. Individuals residing in the district joined the labor force and more than replaced the number in the labor force who moved to other regions.

Non-Agricultural Employment in Minnesota

Date	Total	Mining & Quarrying	Manufacturing	Non-Manufacturing
April 1940	646,003	7,935	115,959	522,109
January 1943	710,250	13,350	192,300	504,600
July 1943	752,100	16,700	222,800	512,600
January 1944	725,000	13,300	213,500	498,200
July 1944	728,700	14,300	212,800	501,600
January 1945	719,800	12,100	214,100	493,600
July 1945	722,100	14,200	210,100	497,800
December 1945	694,000	12,500	172,000	509,500

Source: April, 1940, figures were taken from the U. S. Census. Figures for the other dates were obtained from the State Office of the United States Employment Services.

Total non-agricultural employment in Minnesota rose rapidly during the war, as may be observed from the estimates compiled in the accompanying table. The 646 thousand employees on April 1, 1940, increased to a peak of 755 thousand by the middle of August 1943. By VJ-day the total non-agricultural employment in Minnesota was approximately 35,000 below the peak.

The termination of war contracts following VJ-day caused an abrupt contraction in employment, but the decline was not as great as had been predicted by various organizations for the reconversion period. Non-agricultural employment in December totalled 694,000, a decrease of slightly over 28,000 from July.

During the war, labor was concentrated in mining and quarrying and in manufacturing. Employment

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EMPLOYMENT IN MINING AND QUARRYING AND MANUFACTURING

Estimated Number of Employees
(In Thousands)

MINNESOTA

INDUSTRY	April 1940	July 1943	July 1944	July 1945	November 1945
MINING AND QUARRYING.....	8.0	16.7	14.3	14.2	13.5
MANUFACTURING.....	113.2	222.8	212.2	210.1	171.7
Food and Kindred Products.....	34.5	53.0	48.2	53.5	45.4
Textile—Mill Products and Other Fiber Mfg.....	4.4	5.5	7.1	4.5	5.0
Apparel and Other Finished Textile Products.....	6.6	7.8	7.5	6.7	7.0
Lumber and Timber Basic Products.....	4.1	7.4	5.7	6.4	5.4
Furniture and Finished Lumber Products.....	4.6	7.0	6.4	6.3	6.4
Paper and Allied Products.....	4.5	7.2	7.4	6.7	6.8
Printing, Publishing and Allied Products.....	13.7	11.1	13.3	14.1	13.3
Chemicals and Products of Petroleum and Coal.....	4.0	30.5	14.0	17.4	10.9
Stone, Clay and Glass Products.....	6.4	8.1	8.4	8.2	7.8
Iron, Steel, Non-ferrous Metals and Their Products.....	10.6	25.4	26.1	26.8	21.2
Electrical Machinery.....	1.3	5.9	7.2	9.2	9.2
Machinery (except electrical).....	12.8	28.5	31.2	25.1	21.2
Other Manufacturing.....	5.7	25.4	29.7	25.2	12.1

NORTH DAKOTA

	April 1940	July 1943	July 1944	July 1945	October 1945
MANUFACTURING AND MINING.....	5.8	6.7	6.9	6.4	6.7
Food and Kindred Products.....	2.8	4.3	4.5	3.9	4.3
Other Manufacturing and Mining.....	3.0	2.4	2.4	2.5	2.4

SOUTH DAKOTA

	April 1940	July 1943	July 1944	July 1945	October 1945
MANUFACTURING AND MINING.....	11.8	12.2	11.9	11.2	11.5
Food and Kindred Products.....	5.1	7.5	7.3	6.5	6.3
Other Manufacturing and Mining.....	6.7	4.7	4.6	4.7	5.2

Source: April, 1940, figures were taken from the U. S. Census. The figures for July and November, 1945, in Minnesota were obtained from the Office of the United States Employment Service. Figures for the other dates were taken from reports prepared by The Employment Statistics Division, Chicago Regional Office, Bureau of Labor Statistics, Region IX, U. S. Department of Labor, 226 West Jackson Boulevard, Chicago 6, Illinois, in co-operation with the Division of Employment Security and Department of Social Security of the respective states.

BUSINESS**District Income in 1945 Exceeded 1944**

THE national economy in 1945 was motivated by two objectives: first, to supply the war materials to win the war as quickly as possible and, second, to reconvert the industrial plant to the production of civilian goods.

To what extent the prosecution of the war dominated the economy can be measured by the amount of the total output consumed in this undertaking. Of an estimated 197 billion dollars of goods and services produced by the economy, it is estimated that the Government consumed 70 billion dollars, or 35 percent of the total, in fighting the war. This was a smaller share of the total than in 1944, when 198.7 billion dollars of goods and services were produced and 86.3 billion dollars, or 43 percent of the total, were consumed in war activities.

In spite of a reduction in the total output in 1945 due to the loss in production resulting from reconversion during the latter part of the year, consumer expenditures for goods and services were larger than in the preceding year. It was estimated that 104 billion dollars were spent for goods and services. Of this amount 65 billion were spent for nondurable or soft goods, 7 billion for durable or hard goods, and 32.0 billion for services. These figures compare with 97.6 billion dollars spent for goods and services in 1944—of which 60.0 billion were spent for nondurable goods, 6.7 billion for durable goods, and 30.9 billion for services. Since the measure of goods and services is in terms of current dollars, the rise in consumer expenditures does not represent a corresponding increase in the physical units consumed. Retail prices of all commodities, on an average, rose considerably during the year.

Although the estimated gross product declined 1.7 billion dollars from 1944, the income payments made to individuals increased by 3.7 billion dollars. The contraction in the payrolls of private enterprise during the reconversion period were more than offset by the mustering-out pay given to enlisted men and junior officers, the terminal leave pay given to senior officers, and a larger amount of unemployment compensation benefits paid to unemployed workers.

The economy in the Ninth District is an integral part of the national economy, and the prosperity of the nation is distributed among the districts which make up the whole. Since different commodities,

DEPARTMENT store sales for the district were 13 percent larger than in 1944.

A large share of the excess income was invested in life insurance, in Government bonds, and deposited in banks.

Consumer credit expanded during December.

Industrial activity in the district declined little due to reconversion.

Iron ore shipments declined for the third consecutive year.

however, are produced in the numerous regions over the nation, the production and the income flowing from it fluctuates materially among the districts.

Favorable weather conditions in 1945 produced an exceptionally large grain crop in the northwest. The income derived from the grain together with the income derived from the production and distribution of other commodities boosted the 1945 estimated income in the district above that of the previous year.

The income payments for the past three years in the four states wholly in this district are tabulated in the accompanying table. The 1945 income in each of the four states was estimated from the rise in cash farm income and in bank debits.

In 1944 two of the states, North and South Dakota, suffered a loss in income as compared with the total in the preceding year. This loss was not only regained in 1945 but an additional gain was made which set a new record in the two states.

Only part of the larger income received by individuals in the Ninth District was spent for commodities and services available in the market. A significant share of the income, for example, was invested in U. S. government bonds, in life insurance, and deposited in banks. This represents an accumulation of purchasing power which may be used in large part to purchase houses, cars, and other durable goods as soon as they appear on the market.

Life insurance sales in the district totalled 282 million dollars in 1945. This is an increase of 10.4 percent over those in the former year. North Dakota, with an increase of 21.8 percent, led the rise in sales among the four states wholly within the district. Sales in the other three states increased as follows: 19.2 percent in Montana, 10.4 percent in South Dakota, and 7.2 percent in Minnesota.

Government bonds constitute a large segment of the savings accumulated by individuals. In the two bond drives of 1945, 274 million dollars of E bonds and 64 million dollars of F and G bonds were sold in the Ninth District. The total sales for the year, of course, are much larger, for the sale of bonds made from the regular payroll deductions is not included except during the time when a drive was in progress.

Income Payments in the Ninth District

State	(Millions) 1943 ¹	1944 ¹	1945 ²
Minnesota	\$2,355	\$2,395	\$2,420
Montana	498	514	524
North Dakota	504	501	521
South Dakota	500	475	508

¹ Source: United States Department of Commerce.

² Estimated by Research Department, Federal Reserve Bank of Minneapolis.

In the eight bond drives initiated by the United States Treasury, 952 million dollars of E bonds and 241 million dollars of F and G bonds were purchased by individuals in the Ninth District. A total of 3,783 million dollars of government securities were sold to non-bank investors.

Time deposits continued to expand during the year. At the end of the year, the deposits in 20 city banks in the district were one-fourth larger than the amount on deposit a year earlier.

Bank debits represent the amount of business transacted by check. Debits reported by banks in 93 cities were 5.5 percent larger than in 1944. Banks located in the farming centers reported debits nearly 10 percent larger than in the former year.

The increase in 1945 bank debits over 1944 by states was as follows:

Michigan Upper Peninsula.....	8.1%
Minnesota	7.8%
Montana	7.6%
North Dakota	8.9%
South Dakota	12.9%
Wisconsin (northwest 26 counties).....	14.0%

Consumer credit has again become a more important source of funds for current purchases. The amount of such credit outstanding at the end of December showed the largest increase over the previous month of the entire year. At credit unions and small loan companies there was an increase of 8 percent; at commercial banks, 6 percent; and at industrial loan companies, 4 percent.

Manufacturing in the district as a whole has not suffered a serious setback in total output as a result of reconversion. Electric power production, which is a rough short-run indicator of industrial activity, declined only 0.5 of one percent from the former year. All of the decrease occurred in Montana. The production of electrical power actually increased in the other three states wholly within the district.

Flour production showed a further rise in 1945. The northwest mills produced 22 million barrels, as compared with 19 million barrels in 1944.

Mining activity declined for the third consecutive year. Iron ore shipments totaled 76 million gross tons, as compared with 81 million gross tons in 1944. The peak in shipments was reached in 1942 with 92 million gross tons.

Department Store Trade: In the years 1940-41, as we moved closer to war and this nation was steadily devoting more and more of its productive

Sales at Department Stores

	Number of Stores		% Dec. 1945 of Dec. 1944	% Jan.-Dec. 1945 of Jan.-Dec. 1944
	Increase	Showing Decrease		
Total District	187	60	111	113
Mpls., St. Paul, Dul.-Sup....	18	6	114	115
Country Stores	169	54	106	109
Minnesota	59	14	107	110
Central	6	1	106	118
Northeastern	4	2	105	101
Red River Valley.....	3	1	107	109
South Central	18	1	106	112
Southeastern	9	6	105	107
Southwestern	19	3	110	109
Montana	19	4	110	112
Mountains	8	1	117	116
Plains	11	3	105	109
North Dakota	35	14	104	110
North Central	6	4	90	98
Northwestern	1	4	98	109
Red River Valley.....	15	2	108	114
Southeastern	11	4	107	111
Southwestern	*	*		
Red Riv. Val.-Minn. & N.D.	18	3	108	113
South Dakota	15	9	101	112
Southeastern	2	3	98	113
Other Eastern	7	3	102	112
Western	6	3	103	107
Wisconsin and Michigan.....	41	13	106	105
Northern Wisconsin.....	11	3	107	106
West Central Wisconsin	22	9	103	102
Upper Pen. Michigan.....	8	1	111	115

* Not shown, but included in totals. Insufficient number reporting.

resources to the making of implements of war, it was generally accepted by all that under conditions of war—with so much effort going into the manufacture of ships, tanks, and guns—it would not be possible to produce consumer goods in sufficient volume to hold retail sales at the high levels of those early war years.

To be sure, retail sales of some lines, especially durable goods, including washing machines, stoves, and refrigerators, did fall to practically a zero point, but the surprising outcome was the shift of consumer buying to other lines of available soft goods. Instead of the decline in sales anticipated for 1942 and 1943, sales at department stores each year exceeded the volume of the year preceding.

Higher retail prices helped, of course, to swell the dollar volume of sales, but throughout 1944 a substantial volume of goods continued to move through retail outlets. The year 1945 brought no change in trend, with department store sales climbing still further to reach a new peak.

The military victories in 1945 had their effect on buying psychology, especially following VJ-day, when sales for the months of August and September fell below the 1945 trend. In October, November, and December, consumer buyers again returned to the market, not always to find the selection of goods desired but eager to buy, especially in the higher priced quality lines of merchandise.

Release of men from military service had its effect on retail sales, as is indicated by the indexes in the accompanying table. Depleted inventories of men's items prevented an even greater rise of sales in these departments.

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Northwest Business Indexes

Adjusted for Seasonal Variations—1935-1939 = 100

	Dec. 1945	Nov. 1945	Dec. 1944	Dec. 1943
Bank Debits—93 Cities.....	237	229	208	195
Bank Debits—Farming Centers....	250	248	221	199
City Dept. Store Sales.....	212	247	186	154
City Dept. Store Stocks.....	133	147	135	132
Country Dept. Store Sales.....	172	189	163	138
Country Lumber Sales	141	159	159	179
Misc. Carloadings	114	128	150	136
Total Carloading (excl. Misc.).....	99	110	97	104
Farm Prices—Minn. (unadj.).....	175	172	172	164

BANKING

Country Banks Led Upward Deposit Trend

THE financial pulse-beat of the final war year is clearly recorded in the pattern of banking activity during 1945. The major developments are pronounced but not particularly startling.

Bank deposits continued the marked upward trend of the last few years. City bank deposits pushed on up to \$1,728 million by the year end, an expansion of 14 percent during the year. This was an increase of \$244 million, about the same dollar increase which had occurred in 1944, although the 1944 percentage expansion was slightly more impressive.

Country member banks by all odds captured the record for deposit expansion. During the last two weeks in December they averaged \$1,670 million, almost \$400 million (or 30 percent) above the figure for year-end 1944. Minnesota country banks accounted for the lion's share of the expansion, their deposits climbing \$155 million, or about 30 percent during the year. This was about two-fifths of the total country bank deposit growth for the entire area.

Montana country banks added another \$70 million to their 1944 year-end figure to bring their aggregate deposits by the close of 1945 to \$324 million. This was a rate of increase slightly above that for the nation as a whole.

The country member bank deposit increase for North Dakota and South Dakota was \$40 million and \$50 million respectively, in each case a relative growth of 30 percent, and thus slightly above the Ninth District average.

The causes of this deposit increase are not difficult to find. For the nation as a whole, further credit expansion, largely the result of war financing, continued to expand deposits during 1945 to the tune of 12 to 15 percent. Banks in our district shared inevitably in the increase nationally. As the banks on balance purchased securities, war loan accounts were first expanded. As the Treasury spent these funds they built up the deposits of the banks' regular customers. The accompanying chart indicates very clearly the tendency for deposit balances to shift back and forth, with a pronounced trend over the period in an upward direction.

A substantial part of the deposit increase for city member banks was reflected in a \$41 million expansion of loans during 1945. The largest part of the expansion, \$25 million, occurred in loans for

YEAR'S end finds country member bank deposits \$1,670 million; up almost one-third.

Increase of 14 percent in city member bank deposits put them at \$1,728 million at year's end.

War financing largely responsible for credit expansion.

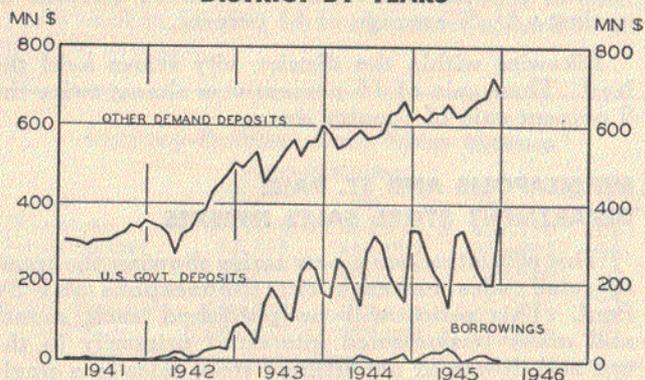
carrying securities, largely a reflection of the extent to which war financing had impinged itself on the pattern of banking activity. A reassuring note is the very modest expansion in real estate loans. Apparently the banks were following very prudent policies with this perplexing problem.

City member bank investments reflect the bulk of the deposit increase. Certain tendencies seem clearly evident. First, the very short-term bills do not form any significant proportion of the investment portfolios of even our city banks. Second, the increase in holdings of certificates of indebtedness of \$19 million is smaller than the \$37 million reduction in holding of U. S. Treasury notes. Third, virtually the entire expansion in holdings of government securities occurred in bond-holdings which expanded during the year by \$187 million or about 40 percent.

Borrowings reappeared with some prominence on the statements of the city banks at some times during the year. They usually reached their peaks just prior to war loans, when reserve-free war-loan balances were low and reserve-requiring deposits had been built up by treasury expenditures. The banks usually chose to meet their temporarily added reserve requirements by borrowing and by selling U. S. Treasury bills to the Reserve bank. The chart indicates the relationship between borrowings, war loan accounts, and other demand deposits during the year.

(Continued Next Page)

DEPOSITS AND BORROWINGS 20 SELECTED CITY MEMBER BANKS — NINTH DISTRICT BY YEARS



Loan Expansion of City Member Banks in 1945

	(In Million Dollars)	
	Year-End 1944	Year-End 1945
Commercial, industrial, and agric.....	\$ 120	\$ 126
Real estate loans.....	23	24
Loans for carrying securities.....	40	65
Others	47	56
Total	\$ 230	\$ 271

To the extent that cash and balances due from banks is an indicator, the reporting city banks were in a much more liquid position by the end of the year than at the beginning—cash assets having expanded \$69 million during the year. About half of this increase was accounted for by added balances with the Federal Reserve Bank and the remainder in other cash asset items.

City Bank Investments in 1945

(In Million Dollars)

	Year-End 1944	Year-End 1945
U. S. Treasury bills	\$ 44	\$ 22
U. S. Treasury cert. of indebt.....	208	227
U. S. Treasury notes	210	173
U. S. Government bonds	456	643
U. S. guaranteed obligations	11	1
Total U. S. securities.....	\$ 929	\$1,066
Other investments	41	57
Total	\$ 970	\$1,123

Growth in Assets and Liabilities of City Member Banks, 1945

Assets	(In Million Dollars)		Change
	Year-End 1944	Year-End 1945	
Loans	\$ 230	\$ 271	+ 41
U. S. Government securities.....	929	1,066	+136
Other investments	41	56	+ 15
Reserves with Federal Reserve Banks	172	205	+ 34
Other cash items.....	186	221	+ 35
Other assets	13	14	+ 1
Total	\$1,571	\$1,833	+262
Liabilities			
U. S. Government deposits.....	\$ 332	\$ 378	+ 46
Other demand deposits.....	986	1,143	+157
Time deposits	167	208	+ 41
Borrowings	0	10	+ 10
Miscellaneous liabilities	7	8	+ 1
Capital funds	79	86	+ 7
Total	\$1,571	\$1,833	+262
Excess reserves	6	14	+ 8

BUSINESS

(From Page 294)

Household appliances in November and December again returned to the salesrooms, and although the quantity sold was not large the percentage increases over a year ago were impressive and added to the already large volume of sales in other departments.

Department Store Sales

	Nov. 1944	Nov. 1945
Men's Clothing	100	204
Men's Furnishings	100	132

Retail sales of northwest city department stores throughout 1945 moved with the leaders in the nation in percentage gains over 1944. In October our city stores led the nation with a 20 percent gain over October 1944. For the year, city stores in the Ninth District had an overall increase of 15 percent as against a U. S. average of 11 percent.

Likewise within the district, city stores held the lead. Their gain of 15 percent was almost twice the 9 percent gain of country stores.

MINNEAPOLIS AND ST. PAUL DEPARTMENT STORE SALES INDEXES

This will introduce a new series showing the trend of retail sales for each city, Minneapolis and St. Paul. This series will be published each month and many businessmen interested primarily in the ups and downs of department store sales in a single

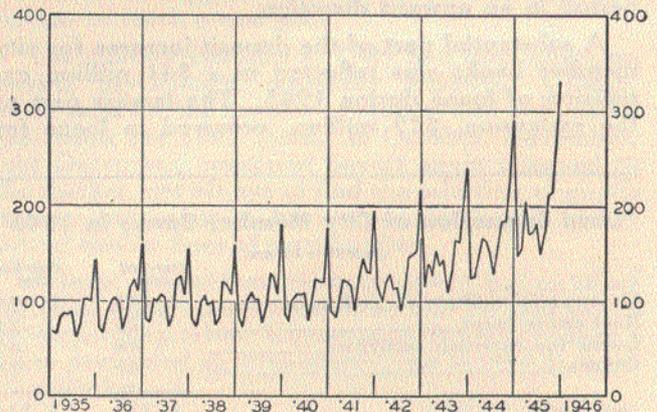
city may find this new series especially helpful. It is an index of sales, using as a base the average monthly sales for the period 1935 thru 1939, which is represented as 100. The monthly indexes for the 11 years 1935-45 appear in the statistical section of this Review.

The December 1945 index of sales for Minneapolis stores at 348 indicates a dollar volume of sales 2½ times greater than the average of 100 for 1935-39. Retail sales always reach a peak in the month of December, but the sales for December 1945 pushed the index 47 points above a year ago. A corresponding trend was registered in St. Paul, where the December index reached 299 against a 1935-39 monthly average of 100.

The accompanying chart shows the trend of sales at city department stores.

CITY DEPARTMENT STORE SALES

(Index Unadjusted 1935-1939 = 100)



AGRICULTURE

Farm Income at Two Billion for Third Year

CASH farm income in the Ninth Federal Reserve District reached a new high in 1945. This was the third consecutive 2-billion dollar year of cash farm income.

It takes record-breaking farm production plus favorable prices to yield a 2 billion dollar income in the Northwest, but that is what has happened during the war years. This tremendous cash farm income may be regarded as a war phenomenon in this district. During the 1935-1939 period, the average farm income was only about 750 million dollars.

There are several factors that contributed to a new record in cash farm income in 1945. First, crop production hit a new peak in spite of the backward spring. Second, livestock numbers on farms at the beginning of the year were at or near record levels and marketings have been large. Third, range and pasture conditions for the most part were excellent throughout the year. And last but not least, prices have been high, nearly double the prewar 1935-1939 average.

The importance of cash farm income in Ninth District economy appears even more significant if the data are put on a net income per farm basis, since net farm income has increased even more rapidly than cash farm income. Production expenses tend to lag farm income on sharp upward swings of the business cycle. In Montana, for example, the average estimated net income per farm in 1945 was approximately \$4,300, which was about five times the net income per farm in 1939. North Dakota also shows a phenomenal increase in net income per farm since 1939. Montana and North Dakota are im-

CROP production set a record in 1945.
Livestock numbers near record high.

Farm mortgage debt down a third from 1935-39 average.

Land values creeping up one point a month.

Farm product prices about double prewar.

portant wheat states, and everybody knows about the big wheat crops here in recent years.

In the dairy and livestock sections the increase in net incomes per farm is approximately three times the 1939 level. Agricultural production in these areas shows less fluctuation compared with the western wheat areas.

The economic importance of agriculture in the Ninth Federal Reserve District is in sharp contrast to that of the United States as a whole. Net farm income in the district is a major part of the total income payments, whereas for the nation as a whole it constitutes only about 8 to 9 percent of the total. Much of the northwest's industrial activity is dependent on agricultural production. People who are engaged in economic activity closely related to agriculture therefore have a vital interest in farm prosperity.

Record crop production in the Ninth District during 1945 may be attributed to several factors. Favorable weather was perhaps most important, but increased farm mechanization, better seeds and techniques, increased use of fertilizer, and some increase in acreage also played a part. Wheat production in the district in 1945 totaled nearly 298 million bushels, which was slightly larger than the previous year's record, but more than double the 1935-1939 average.

The 1945 corn crop was less than it was in 1944 and of poorer quality, but production was 176 percent of the prewar average. Other crops, with the exception of rye, were increased from the previous year. Rye production has declined steadily in recent years until in 1945 it was only about a third of the prewar average.

Average Prices Received by Farmers ¹

Commodity and Unit	Ninth District			Parity Prices ² United States Dec. 15, 1945
	Dec. 15, 1937-1941 Avg.	Dec. 15, 1944	Dec. 15, 1945	
Crops				
Wheat, bushel	\$.75	\$ 1.40	\$ 1.50	\$ 1.56
Corn, bushel .....	.44	.88	.94	1.13
Oats, bushel .....	.28	.59	.65	.702
Potatoes, bushel .....	.48	1.29	1.03	1.28
Livestock and Livestock Products				
Hogs, 100 lbs.....	6.88	13.27	13.96	12.80
Beef Cattle, 100 lbs.....	7.23	11.07	10.62	9.54
Veal Calves, 100 lbs.....	8.61	12.59	12.95	11.90
Lambs, 100 lbs.....	8.04	11.70	12.57	10.30
Wool, lb.....	.27	.43	.44	.322
Milk, wholesale, 100 lbs.	1.75	2.77	2.82	3.09
Butterfat, lb. ....	.34	.52	.53	.507
Chickens, live, lb.....	.118	.215	.213	.201
Eggs, dozen .....	.238	.372	.422	.465

¹ Data compiled from "Agricultural Prices," United States Department of Agriculture.

² The term parity as applied to the price of an agricultural commodity is that price which will give to the commodity a purchasing power equivalent to the average purchasing power of the commodity in the base period, 1910-1914. A parity price is usually estimated by multiplying the average price of a farm commodity in the base period by an index number of prices paid by farmers. Example, \$0.884 (price of wheat in base period) × 176 (December 1945 prices paid index) = \$1.55 (present parity price of wheat).

January-October Cash Farm Income ¹

State	(Thousands of Dollars)			1945 in Per- cent of 1944
	1935-1939 Average	1944	1945	
Minnesota	\$ 281,466	\$ 662,873	\$ 679,130	102
North Dakota	92,795	332,093	351,835	106
South Dakota	89,304	281,259	310,488	110
Montana	73,817	188,399	195,337	104
Ninth District.....	584,578	1,628,200	1,699,633	104
United States.....	6,683,437	16,989,000	17,439,000	103

¹ Data from "The Farm Income Situation," United States Department of Agriculture.

² Includes 15 counties in Michigan and 26 counties in Wisconsin.

Butter production in 1945 continued to decline, but production of fluid milk and other manufactured dairy products was at or near record levels.

Livestock numbers in Ninth District states during 1945 were decreased somewhat from 1944 levels but were near record levels. Cattle numbers on January 1, 1945, were at a new high—about 38 percent above the 1935-1939 average. Hog numbers were decreased sharply in 1944 because of feed shortages and unfavorable feed ratios, but numbers were being built up again in 1945. Hog numbers on January 1, 1945, were 84 percent above the 1935-1939 average. Chickens were up 65 percent, dairy cows 8 percent, and sheep and lambs 24 percent from the prewar average.

Livestock numbers in the Ninth District are closely related to feed production and pasture conditions. Poor feed and pasture conditions are soon reflected in reduced livestock numbers on farms.

Farm real estate mortgage indebtedness in the Ninth District declined steadily during the war years. The debt has been decreased more than a third from the 1935-1939 average and there has been a 62 percent reduction from the World War I postwar peak on January 1, 1923.

Montana has made a particularly amazing reduction in farm real estate debt. On January 1, 1921,

her debt was \$195 million. By 1939 the debt had been reduced by both voluntary and involuntary means to about \$73 million. Today it is less than \$30 million.

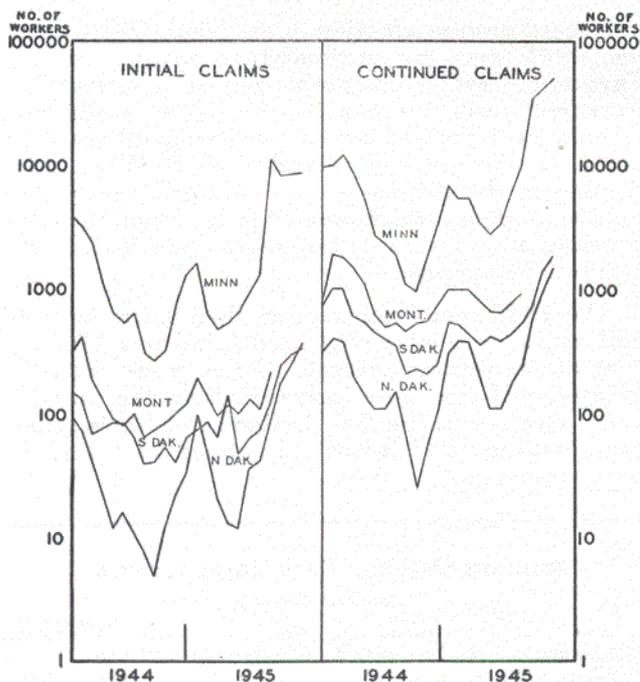
The Dakotas have more than halved their farm debt from the prewar average. The reduction in debt in the eastern part of the district has been comparatively slow, but this reflects the more stable agricultural production from year to year in this area.

Farm real estate values in the Ninth District have continued to advance during 1945. Land values in Montana on November 1, 1945, were up 82 percent from the prewar 1935-1939 average and about 14 percent up from last March. This was the largest gain of any state in the district.

Land values in the Dakotas advanced only moderately—up about 23 percent from the prewar average and 4 points from last March 1. Minnesota land values are up 42 percent from the 1935-1939 average.

Land values in this district during the 1935-1939 period were relatively low, as they reflected the depressed farm conditions of the early and middle thirties. Many authorities believe, however, that land values as a whole today may rapidly be exceeding the long time earning power of the land.

UNEMPLOYMENT COMPENSATION CLAIMS FILED WITH U. S. EMPLOYMENT SERVICE



Since the number of workers ranges from 5 to 50,032, a ratio scale was used on this chart. The lines on the chart show percentage changes instead of absolute changes.

Source: Social Security Bulletin figures for September, October, and November, 1945, were secured from Region VIII Office, U. S. Employment Service.

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in both of these broad categories more than doubled from the prewar figures. With the reconversion to civilian production, labor has again moved back to the distribution field; for example, wholesale and retail trade and the various services.

The distribution of the manufacturing labor force in Minnesota during the war and reconversion period is revealed in the accompanying table on employment in mining and quarrying, and manufacturing industries. Employment in all industries with the exception of printing, publishing, and allied products, expanded during the war and in November 1945 was still above the April 1940 figures.

Since the Twin Cities comprise the largest industrial center in Minnesota and in the district, a separate table is included showing the employment of the non-agricultural labor force by industry. The shift in employment from manufacturing to non-manufacturing since VJ-day is quite marked. Most of the contraction was centered in the metal and chemical industries, and nearly all of the expansion took place in construction, trade and services.

Women have been withdrawing from the labor force. On December 8 there were 148,500 in the force as compared with 159,200 on July 15. The number of men in the civilian labor force, on the other hand, has been increasing due to the discharge of veterans.

In North Dakota the employment in manufacturing and mining expanded from the beginning of the

ESTIMATED TWIN CITY EMPLOYMENT AND LABOR FORCE BY INDUSTRIES AND SEX

April 1, 1940, July 15, 1945, Oct. 8, 1945, Nov. 8, 1945

INDUSTRY	April 1, 1940		July 15, 1945		Oct. 8, 1945		Dec. 8, 1945	
	Total	Women	Total	Women	Total	Women	Total	Women
MANUFACTURING	75,000	16,200	139,700	46,200	110,700	31,320	107,000	28,295
Metals, Chemicals, Rubber	23,400	2,600	65,875	20,990	38,430	10,265	35,900	10,195
Aircraft			7,500	2,800	1,200	340	400	90
Shipbuilding			1,365	85	800	60	50	20
Other Transportation Equipment	200		110	5	110	5	50	5
Automobiles and Equipment	2,100	100	1,500	200	1,330	175	1,200	30
Ordnance			20,500	6,700	8,500	1,800	7,000	1,100
Chemicals	2,800	600	4,000	1,400	2,900	840	2,000	600
Rubber Products			500	300	400	250	600	400
Iron and Steel	6,600	900	10,500	3,800	7,600	2,500	8,700	3,600
Electric Machinery	1,900	300	6,700	2,800	5,350	2,425	5,200	2,200
Machinery, non-electric	8,500	600	11,500	2,600	9,100	1,670	10,300	2,100
Non-ferrous Metals	1,300	100	1,700	300	1,140	200	400	50
Other Manufacturing	51,600	13,600	73,825	25,210	72,270	21,055	71,100	18,100
Food Products	19,500	3,400	22,000	6,000	23,600	6,030	24,700	6,100
Printing and Publishing	9,200	2,300	12,000	4,200	13,100	4,575	13,000	4,500
All Others	22,900	7,900	39,825	15,010	35,570	10,450	33,600	7,500
NON-MANUFACTURING	265,200	93,600	246,000	105,400	247,800	105,600	253,000	107,200
Government	18,300	3,800	19,000	4,500	18,500	4,300	18,500	4,000
Construction	16,900	500	8,000	500	9,000	500	10,000	500
Trade and Services	189,700	83,500	171,000	92,500	172,100	93,000	176,000	95,200
Transportation, Communication and other Public Utilities	35,500	4,100	45,000	6,000	45,000	6,000	45,000	6,000
Other Non-manufacturing	4,800	1,700	3,000	1,900	3,200	1,800	3,500	1,500
TOTAL NON-AGRICULTURAL LABOR FORCE	410,600	126,300	494,700	159,200	485,900	153,400	480,300	148,500
ARMED SERVICES*	3,500		92,000	1,600	85,000	1,400	74,300	1,000
CIVILIAN NON-AGRICULTURAL LABOR FORCE	407,100	126,300	402,700	157,600	400,900	152,000	406,000	147,500
NUMBER EMPLOYED	340,200	109,800	385,700	151,600	358,500	136,920	360,000	135,495
NUMBER UNEMPLOYED	†66,900	†16,500	17,000	6,000	42,400	15,080	46,000	12,005

* Does not include net withdrawals from farm population in this area.
† Includes those on WPA, NYA, etc.

Source: Adapted from a table prepared by United States Employment Service in Minnesota.

war through the summer of 1944. Most of the enlarged labor force was employed in the processing of food and kindred products. Although some contraction occurred because of the cancellation of war contracts following VJ-day, there was no abrupt drop in employment in the important food and kindred products industry and employment in October showed about the usual seasonal increase over July.

In South Dakota, employment in manufacturing and mining followed a trend quite similar to the one described for North Dakota. The expansion in employment continued only through the summer of 1943. All of the added labor force was employed in the processing of food and kindred products. The cancellation of war contracts did not interfere with the usual upward trend in employment during the autumn months.

Similar estimates of employment in manufacturing and mining for Montana are not available, but the fragmentary information on hand indicates that employment was reduced some by the cancellation of war contracts in mining and lumbering.

Non-agricultural employment in the Ninth District has not been seriously curtailed by the reconversion of industry to civilian production. According to the regional office of the United States Employment Service, discharged workers have been unemployed for relatively short periods in the northwest.

The openings for non-agricultural employment have become more limited, which reflects both a decline in labor turnover as well as a contraction in the

opportunities for employment. In the three months following August, the placements made by the United States Employment Service in Minnesota and North Dakota dropped 29 and 31 percent respectively from the same months of 1944. In South Dakota the number of these placements made still has been maintained very well. In the same three months, they were only 3 percent less than in the preceding year.

Unemployment has risen with the discharge of war plant workers, but it is difficult to estimate the number unemployed. The initial claims filed for unemployment compensation rose sharply in the latter half of 1945, as may be observed in the accompanying chart, but many of the applicants secured employment before they had completed their waiting period. Such claims filed in Minnesota rose continuously from 484 in March to 11,401 in August, with most of the increase occurring in the latter month. In September the number of initial claims filed dropped to 8,160. In the succeeding months, a gradual rise again took place, which conforms to the usual seasonal pattern.

The continued claims, including waiting period claims as well as compensable claims, have risen sharply since the cessation of hostilities in the Pacific. In Minnesota 10,090 of such claims were on file in August, whereas in December they rose to 64,351. The number of such claims filed in the other states followed a similar trend.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

COMPILED BY THE BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM, JANUARY 28, 1946

INDUSTRIAL output declined slightly in December and, with new strikes occurring within the past two weeks, a large decrease is indicated in January. The value of retail trade in December and the early part of January was maintained at record levels, after allowing for seasonal changes.

INDUSTRIAL PRODUCTION—The Board's seasonally adjusted index of industrial production decreased from 168 percent of the 1935-39 average in November to 164 in December. The decline was due mainly to the stoppage of work at leading automobile plants and to holiday influences on activity in the steel, textile, paper and mining industries.

Output of most types of producers equipment and of many consumer durable goods showed further gains in December and increases also occurred in output of construction materials. These gains, however, were more than offset by suspension of operations at automobile plants, and total durable goods output declined by three percent, reflecting decreases not only in output of automobiles and parts but also of such other metal products as diesel locomotives and refrigerators. Steel production declined slightly in December owing to most plants being shut down for two days in observance of the Christmas holiday. In the first three weeks of the month, steel production was above the November rate and output was resumed at a high level during the first three weeks of January. In the following week, however, steel output dropped to five percent of capacity as negotiations for a new wage contract collapsed.

Output of non-durable goods in December was maintained at about the level of the preceding month. Meat production continued at a high level in December and the early part of January. Activity at most meat-packing plants was suspended in the latter part of January due to an industrial dispute. Production of cigarettes declined considerably, reflecting an accumulation of stocks resulting from increased output for civilian use since the end of the war. Output of tires for civilians increased substantially in November and December and rationing was eliminated on January 1. Cotton consumption declined in December, reflecting holiday influences.

Coal production in December was about 10 percent below the November level because of reduced operations at mines around the Christmas holiday. A high rate of output was maintained in both bituminous and anthracite coal mines in the early part of January. Output of crude petroleum and of metals was generally maintained in December.

Awards for private construction, especially contracts for manufacturing and commercial buildings and those for residential building for sale or rent, continued to advance sharply in November and the early part of December.

EMPLOYMENT—Employment in most lines of activity continued to rise in December, after allowing for seasonal changes. Gains in employment in trade, transportation, construction, and most durable and non-durable goods industries were offset in part by the loss in employment due to the automobile strike.

DISTRIBUTION—Sales at department stores were about 10 percent larger in December than a year ago, and in the first three weeks of January sales continued to show about the same increase above the relatively high level in the corresponding period of 1945. Most other types of stores in recent months have shown even larger increases in sales than department stores, and the total value of retail trade has been running 12 to 15 percent above year-ago levels.

COMMODITY PRICES—Prices of most farm products and foods were maintained at advanced levels in December and the early part of January. Ceiling prices were re-established for citrus fruits; egg prices also declined, reflecting seasonal increases in supplies.

Price ceilings for furniture, printing machinery, furnaces, and various other manufactured products were advanced and

there were indications that the general level of steel prices would be raised.

SECURITY MARKETS—Prices of Treasury bonds have risen sharply in recent weeks with the result that yields are now at the lowest levels on record. Stock market prices rose sharply in January to the highest levels for a number of stocks since 1930. Effective January 21, the Board of Governors of the Federal Reserve System raised margin requirements for listed stocks to 100 percent.

BANK CREDIT—Return flow of currency of almost 700 million dollars, following the Christmas rise, together with a reduction of Treasury deposits at Federal Reserve banks early in January, provided member banks with substantial amounts of reserve funds. At the same time, bank loans made for purchasing and carrying Government securities during the Victory Loan drive were reduced. Member banks continued to increase their holdings of Government securities, while the Federal Reserve banks reduced their portfolio.

Bank deposits have shown little change since the sharp decline in demand deposits adjusted and the increase in U. S. Government deposits during the Victory Loan drive.

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In the other states of the district, the production of war materials constituted a smaller part of the total economy. The cancellation of war contracts following VJ-day consequently caused less unemployment. In Montana, North and South Dakota fewer initial claims were filed in August than in the preceding January. The usual seasonal swings in the economy are closely related to the agriculture of these states and create more unemployment than did the termination of war contracts.

Most of the unemployed, no doubt, have opportunities for employment. These openings, however, probably constitute a different type of work at greatly reduced pay as compared with the pay they have received during the past few years. For this reason, these individuals are spending some time shopping around for the best job open to them.

The unemployment which may develop in the Ninth District in the present year will depend obviously on the opportunities for employment, on the one hand, and on the size of the labor force, on the other. Opportunities for employment should increase. For example, as soon as more building materials become available the construction industry will be in need of more labor.

The size of the labor force will most likely continue to increase: the return of men and women from the armed services and the return of workers who migrated to other regions will swell the labor force more than the retirement of older men, the return of women to their domestic duties, and the return of young people to school will reduce it. The balance between jobs and workers, however, is difficult to estimate.

—Oscar F. Litterer

The 1935-39 Average and the Years 1942 to 1945 in the Ninth Federal Reserve District

BUSINESS

Bank Debits	1935-1939 Av.	1942	1943 (T-h-o-u-s-a-n-d-s)	1944	1945
TOTAL—108 Cities	\$ 9,988,121	\$14,658,284	\$18,204,908	\$19,672,630	\$21,036,083
Minneapolis	4,076,953	5,712,422	7,473,039	8,023,312	8,626,532
St. Paul	1,929,849	2,793,508	3,550,443	3,813,602	4,010,888
South St. Paul	264,108	633,359	697,304	595,499	539,746
Duluth-Superior	566,771	806,411	980,247	1,123,146	1,161,570
Michigan—14 Cities	251,171	369,281	438,209	464,821	502,549
Minnesota—38 Cities	791,036	1,125,333	1,301,720	1,451,762	1,565,949
Montana—15 Cities	747,514	1,035,282	1,182,220	1,410,675	1,524,498
North Dakota—13 Cities	561,721	878,067	1,033,226	1,173,919	1,278,802
South Dakota—16 Cities	514,531	887,625	1,078,322	1,094,174	1,230,635
Wisconsin—7 Cities	284,467	416,996	470,188	521,720	594,914
Country Check Clearings	1935-1939 Av.	1942	1943	1944	1945
TOTAL	\$ 2,085,295	\$ 3,402,878	\$ 3,894,910	\$ 4,135,602	\$ 4,616,783
Minnesota	1,016,178	1,615,711	1,798,806	1,897,312	2,069,002
Montana	242,415	411,093	473,300	491,402	579,920
North and South Dakota	535,293	944,315	1,157,031	1,220,993	1,353,533
Michigan and Wisconsin	290,712	431,759	465,773	525,895	614,328
Retail Sales	1935-1939 Av.	1942	1943	1944	1945
399 Lumber Yards (bd. ft.)	100,921	132,772	138,513	115,843	121,155
399 Lumber Yards (Dollar volume)	\$ 14,744	\$ 20,246	\$ 24,458	\$ 24,652	\$ 26,908
City Dept. Stores (22 stores)	64,083	84,462	97,068	108,866	125,709
528 Country Dept. Stores	74,940	97,134	105,621	114,964	124,094
Minnesota (189 stores)	24,086	31,063	32,151	35,031	37,589
Montana (85 stores)	16,437	19,871	21,629	23,327	25,411
North Dakota (89 stores)	12,313	16,260	17,997	20,436	21,852
South Dakota (92 stores)	10,671	14,610	16,858	18,301	20,192
Michigan & Wisconsin (73 stores)	11,430	15,328	16,985	17,867	19,048
Inventories, Dec. 31	1935-1939 Av.	1942	1943	1944	1945
379 Lumber Yards (bd. ft.)	56,293	52,988	49,472	59,639	27,223
16 City Dept. Stores	\$ 7,663	\$ 16,023	\$ 16,304	\$ 16,672	\$ 16,645
77 Country Dept. Stores	2,510	2,657	2,492	2,561	2,167
Accts. & Notes Receivable, Dec. 31	1935-1939 Av.	1942	1943	1944	1945
342 Lumber Yards	\$ 2,135	\$ 1,292	\$ 1,755	\$ 1,808	\$ 2,250
17 City Department Stores	7,651	6,472	6,490	7,540	8,204
Life Insurance Sales	1935-1939 Av.	1942	1943	1944	1945
TOTAL	\$ 207,564	\$ 178,576	\$ 216,584	\$ 255,218	\$ 282,006
Minnesota	148,572	121,948	147,297	169,487	181,785
Montana	22,720	19,407	21,042	26,259	31,312
North Dakota	17,781	17,920	23,090	28,245	34,415
South Dakota	18,491	19,301	25,155	31,227	34,494
Electric Power Production (KWH)	1935-1939 Av.	1942	1943	1944	1945
TOTAL	1,986,043	4,998,714	5,632,478	5,612,137	5,583,453
Minnesota	1,509,249	2,290,692	2,539,736	2,622,190	2,695,178
Montana	139,296	2,248,001	2,595,369	2,459,863	2,312,785
North Dakota	198,608	262,814	267,739	289,411	310,195
South Dakota	138,890	197,207	229,634	240,673	265,295
Freight Carloadings — N. W. District	1935-1939 Av.	1942	1943	1944	1945
TOTAL	4,764	6,300	5,938	5,979	5,847
Grain and Grain Products	453	645	802	714	744
Livestock	168	173	197	219	227
Coal	308	385	412	394	397
Coke	68	101	96	100	95
Forest Products	433	652	562	596	483
Ore	790	1,722	1,565	1,479	1,414
Miscellaneous	1,551	2,043	1,843	1,974	1,951
Merchandise—LCL	990	574	459	499	532

Manufacturing and Mining	1935-1939 Av.	1942	1943 (T-h-o-u-s-a-n-d-s)	1944	1945
Flour Production:					
Minneapolis Mills (bbls.).....	6,007	5,965	7,365	7,542	8,196
Other N. W. Mills (bbls.).....	9,031	9,611	9,897	11,078	13,338
Flour Shipped from Mpls. (bbls.).....	6,552	6,072	6,492	6,610	7,249
Linseed Product Shipped (lbs.).....	226,529	782,660	958,200	926,340	630,360
Iron Ore Shipped (gross ton).....	40,030	92,076	84,404	81,170	75,714

Construction Contracts Awarded

	1935-1939 Av.	1942	1943	1944	1945
TOTAL	\$ 87,002	\$ 251,889	\$ 39,695	\$ 40,823	\$ 72,553
Public Works	32,593	43,409	6,042	11,488	10,075
Public Utilities	8,133	48,918	11,368	5,053	6,872
Total Building	46,276	159,562	22,285	24,282	55,606
Residential	19,640	26,177	4,005	5,979	20,065
Commercial and Industrial.....	8,453	72,996	13,977	15,003	23,679
Educational	8,496	2,552	551	1,307	758
All Other	9,687	57,837	3,752	1,993	11,104

Source: F. W. Dodge Corp.

F. H. A. Mortgages	1935-1939 Av.	1942	1943	1944	1945
Number—4-State TOTAL	3,281	1,249	1,066	958	1,438
Valuation—TOTAL	\$ 1,178,000	\$ 5,164,000	\$ 4,222,000	\$ 3,795,000	\$ 6,260,000
Minnesota	822,000	3,558,000	2,364,000	1,255,000	3,338,000
Montana	1,610,000	931,000	826,000	1,744,000	1,491,000
North Dakota	611,000	30,000	49,000	51,000	297,000
South Dakota	1,071,000	645,000	983,000	745,000	1,134,000

Business Failures	1935-1939 Av.	1942	1943	1944	1945
Number	235	147	28	8	11
Liabilities	\$ 3,549,000	\$ 2,127,000	\$ 182,000	\$ 113,000	\$ 171,000

Non-Farm Real Estate Foreclosures

	1935-1939 Av.	1942	1943	1944	1945
NUMBER—TOTAL	2,760	764	526	292	141
Minnesota	1,838	431	270	124	66
Montana	158	66	46	11	12
North Dakota	267	135	80	98	34
South Dakota	509	132	130	59	29

Minneapolis Department Store Sales Index (1935-39 = 100) (Unadjusted)

	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945
January	71.3	74.1	85.8	87.3	92.6	95.3	97.9	126.6	124.8	131.1	156.1
February	65.7	63.8	78.1	74.8	74.9	77.8	85.6	102.9	150.2	132.0	163.5
March	79.7	85.1	99.4	96.3	102.4	100.1	104.0	121.8	131.0	154.4	210.5
April	85.4	95.2	97.2	102.9	109.7	108.2	121.8	129.3	156.6	172.0	176.4
May	82.7	101.9	102.3	94.0	101.3	107.2	118.0	115.3	139.3	165.9	175.6
June	88.1	95.8	104.6	101.5	104.2	108.6	117.9	119.7	146.0	154.6	190.0
July	58.5	69.7	72.8	77.1	77.1	79.2	90.5	91.1	112.4	132.4	157.3
August	72.9	83.5	85.2	84.0	92.6	104.4	122.9	118.6	139.2	161.0	178.7
September	98.2	111.4	121.3	118.2	126.3	120.3	140.2	150.4	166.8	188.8	222.9
October	103.3	125.6	130.0	123.8	132.3	126.2	136.2	157.3	167.7	192.1	226.9
November	98.0	111.5	109.8	110.2	109.6	123.7	132.2	157.6	203.5	237.7	290.1
December	140.8	159.4	156.0	160.8	180.8	178.7	193.7	221.5	246.2	301.4	348.4
Annual	87.0	98.1	103.5	102.6	108.6	110.8	121.7	134.3	157.0	177.0	208.0

St. Paul Department Store Sales Index (1935-39 = 100) (Unadjusted)

	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945
January	63.8	69.7	78.1	71.4	73.5	76.2	82.6	106.0	105.6	113.4	134.8
February	67.7	72.6	82.2	74.8	73.7	80.3	82.2	101.0	128.2	114.8	142.9
March	87.9	91.4	106.6	96.9	98.6	104.8	112.8	130.6	122.1	142.6	195.7
April	87.7	100.4	103.2	107.1	110.4	109.2	124.5	127.8	148.7	155.7	159.9
May	88.6	107.5	111.3	97.5	103.8	110.5	125.3	112.8	135.1	151.0	165.6
June	90.3	100.5	104.2	96.7	101.7	112.1	116.8	107.1	136.5	142.7	168.1
July	64.3	70.8	73.6	73.9	78.2	78.7	92.6	92.1	106.7	118.7	141.8
August	77.2	88.4	85.9	85.3	94.8	105.8	131.5	109.1	121.0	143.3	159.2
September	110.1	118.8	125.0	123.1	136.0	129.5	146.5	146.7	157.4	171.6	191.9
October	97.5	119.3	117.4	108.6	116.3	114.9	123.4	135.6	149.7	169.2	193.8
November	103.7	112.0	104.6	107.5	109.9	119.4	136.8	152.7	174.4	204.6	237.7
December	143.7	156.9	146.9	153.5	176.9	174.2	189.9	202.9	219.4	263.2	298.8
Annual	90.2	100.7	103.2	99.7	106.2	109.6	122.1	127.0	142.1	157.6	182.5

Northwest Business Indexes (Monthly Averages) 1935-39 = 100)

	1941	1942	1943	1944	1945
Bank Debits—93 Cities.....	129	149	182	200	211
Bank Debits—Farming Centers.....	138	158	185	206	226
City Department Store Sales.....	122	131	153	170	198
City Department Store Stocks.....	116	150	136	149	156
Country Department Store Sales.....	120	135	147	160	173
Country Lumber Sales.....	151	146	159	137	140
Miscellaneous Carloadings.....	131	133	120	130	125
Total Carloadings (excl. Misc.).....	128	131	124	126	119
Farm Prices—Minnesota (Unadj.).....	111	143	171	171	175

AGRICULTURE

Cash Income from Farm Marketings (USDA)¹

	1935-1939 Av.	1941	1942	1943	1944	1945
			(T-h-o-u-s-a-n-d-s)			
NINTH DISTRICT—TOTAL	\$ 744,407	\$ 1,203,368	\$ 1,683,575	\$ 2,094,657	\$ 2,045,250	\$ 2,127,060
Crops	188,621	375,225	510,760	661,134	634,027	659,389
Livestock and Livestock Products...	491,981	756,654	1,083,886	1,351,548	1,329,413	1,382,589
Government Payments	63,805	71,489	88,929	81,975	81,810	85,082
Michigan (15 Counties).....	11,852	16,296	20,798	24,778	26,329	25,539
Minnesota	346,863	524,979	732,828	864,377	822,086	838,528
Montana	92,904	151,272	198,173	252,969	247,316	257,209
North Dakota	113,247	227,182	330,178	434,219	424,802	450,290
South Dakota	110,244	182,134	269,244	357,360	348,593	383,452
Wisconsin (26 Counties).....	69,297	101,505	132,354	160,954	176,124	175,948

¹ 1945 estimated on basis of first 10 months.Farm Production 4 Northwest States¹

	1935-1939 Av.	1941	1942	1943	1944	1945
Wheat (Bu.)	141,102	268,500	292,071	283,363	295,050	297,797
Corn (Bu.)	208,096	271,899	343,204	323,743	433,249	365,546
Oats (Bu.)	220,275	245,139	363,211	302,135	346,148	485,901
Barley (Bu.)	101,791	133,548	189,475	138,813	117,684	120,318
Rye (Bu.)	23,185	24,580	34,019	11,178	8,123	9,003
Potatoes (Bu.)	35,890	34,363	41,876	51,996	41,279	46,731
Wool (Lbs.)	50,260	65,428	67,661	64,122	57,324	49,417
Milk (Lbs.)	11,943,000	13,668,000	14,036,000	13,700,000	13,122,000	.....
Butter (Lbs.)	380,813	451,487	438,832	413,354	356,187	333,237
Eggs (Doz.)	207,833	291,833	372,583	446,500	478,500	478,083

¹ Data from United States Department of Agriculture for Minnesota, Montana, North Dakota and South Dakota.Livestock Numbers, 4 Northwest States, January 1¹

	1935-1939 Av.	1941	1942	1943	1944	1945
All Cattle and Calves.....	7,170	8,074	8,629	9,091	9,825	9,924
Dairy Cows	2,931	2,999	3,114	3,166	3,217	3,152
Sheep and Lambs.....	6,101	7,567	8,170	7,856	8,612	7,584
Hogs	3,464	5,114	6,283	8,343	9,590	6,368
Chickens	29,650	35,381	41,416	50,005	53,518	48,781
Turkeys	942	1,100	1,146	987	854	763

¹ Data from United States Department of Agriculture for Minnesota, Montana, North Dakota and South Dakota.Farm Real Estate Mortgage Indebtedness, January 1¹

	1935-1939 Av.	1941	1942	1943	1944	1945
Michigan (15 Counties).....	\$ 25,342	\$ 24,331	\$ 24,003	\$ 22,572	\$ 21,064	\$ 20,626
Minnesota	387,703	384,419	395,901	385,623	364,768	355,221
Montana	87,154	63,536	57,535	48,143	39,876	32,971
North Dakota	181,156	132,717	128,255	122,631	105,047	83,150
South Dakota	180,998	119,122	118,474	114,740	105,042	98,755
Wisconsin (26 Counties).....	134,208	117,883	113,315	106,737	97,754	91,805
Ninth District	996,561	842,008	837,483	800,446	733,551	682,528

¹ Data from United States Department of Agriculture.Land Values¹ (1912-1914 = 100)

	1935-1939 Av.	1941	1942	1943	1944	1945
Michigan	88	93	105	115	134	145
Minnesota	86	86	90	100	110	115
Montana	53	57	62	69	80	89
North Dakota	65	52	55	58	70	76
South Dakota	52	40	42	47	57	62
Wisconsin	86	82	88	92	102	110

¹ Data from United States Department of Agriculture.

Ninth District Farm Prices¹ (Monthly Av.)

	1935-1939 Av.	1941	1942	1943	1944	1945
Wheat	\$.87	\$.78	\$.96	\$1.21	\$1.39	\$1.46
Corn .....	.58	.53	.67	.88	.99	.93
Oats .....	.26	.30	.39	.58	.64	.60
Barley .....	.46	.42	.56	.82	1.03	1.00
Rye .....	.47	.40	.49	.75	.98	1.24
Flax	1.66	1.64	2.23	2.79	2.84	2.87
Potatoes .....	.63	.49	.90	1.25	1.16	1.44
Hogs	8.37	8.98	13.01	13.55	13.05	13.91
Beef Cattle	6.95	8.62	10.76	12.13	11.54	11.71
Veal Calves	7.81	10.18	12.34	13.32	12.92	13.23
Sheep	4.03	5.01	6.22	6.38	6.21	6.32
Lambs	7.88	9.25	11.24	12.78	12.20	12.77
Chickens .....	.13	.13	.16	.21	.21	.22
Butterfat .....	.29	.36	.42	.52	.52	.52
Milk	1.59	1.83	2.12	2.61	2.70	2.69
Eggs .....	.20	.22	.29	.35	.31	.35
Wool .....	.23	.34	.39	.42	.43	.42

¹ Data from United States Department of Agriculture.

BANKING

City Member Banks	1935-39 Av.	Dec. 31, 1942	Dec. 31, 1943	Dec. 31, 1944	Dec. 31, 1945
Loans and Discounts.....	\$ 175,656	\$ 207,806	\$ 195,465	\$ 233,331	\$ 267,658
U. S. Gov't. Securities.....	174,924	514,193	732,169	929,523	1,069,420
Other Securities	43,434	39,149	39,674	41,449	55,223
Total Deposits	560,186	1,050,477	1,224,953	1,497,485	1,733,227
Dem. Dep. Ind., Pt. & Corp.....	244,867	494,398	605,731	616,746	674,201
Time Dep. Ind., Pt. & Corp.....	120,455	111,109	129,665	165,963	207,210
Public Deposits	57,994	178,111	219,091	413,981	466,244
Due to Banks & Other Dep.....	136,869	266,859	270,466	300,795	385,572
Estimated Excess Reserves.....	19,799	21,555	5,853	10,017	11,216

Country Member Banks	1935-39 Av.	Dec. 31, 1942	Dec. 31, 1943	Dec. 31, 1944	Dec. 31, 1945
Loans and Discounts.....	\$ 136,792	\$ 199,088	\$ 165,165	\$ 174,240	\$ 183,532
U. S. Gov't. Securities.....	128,818	330,590	562,696	794,601	1,087,234
Other Securities	102,534	69,422	64,467	63,177	69,747
Total Deposits	476,159	822,773	1,023,837	1,301,971	1,691,709
Dem. Dep. Ind., Pt. & Corp.....	171,966	403,211	531,546	635,295	822,697
Time Dep. Ind., Pt. & Corp.....	229,188	265,654	318,887	420,032	552,938
Public Deposits	52,767	103,793	120,348	190,323	247,270
Due to Banks & Other Dep.....	22,238	50,115	53,056	56,321	68,804
Estimated Excess Reserves.....	19,367	33,048	31,844	37,754	48,485

All Member Bank Total Deposits

	1935-39 Av.	Dec. 31, 1942	Dec. 31, 1943	Dec. 31, 1944	Dec. 31, 1945
TOTAL	\$ 1,036,345	\$ 1,873,250	\$ 2,248,790	\$ 2,800,157	\$ 3,424,936
Michigan—15 Counties	58,413	76,715	93,772	118,475	149,376
Minnesota	695,966	1,263,201	1,496,148	1,833,276	2,178,417
Montana	119,182	217,293	263,052	337,974	425,198
North Dakota	49,717	99,310	129,907	170,729	223,152
South Dakota	65,413	138,050	167,796	199,944	270,327
Wisconsin—26 Counties	47,652	78,680	98,115	139,759	178,466

Interest Rates (Percent)

Minneapolis Commercial Banks.....	2½-3	2½-3	2½-3	2½-3
Commercial Paper (Net Rate).....	7/8	1	1	1
Minneapolis Federal Reserve Bank.....	1	1	1	1

Minneapolis Federal Reserve Bank

	1935-39 Av.	Dec. 31, 1942	Dec. 31, 1943	Dec. 31, 1944	Dec. 31, 1945
Loans to Member Banks.....	\$ 99	\$ 0	\$ 0	\$ 0	\$ 0
Twin Cities	0	0	0	0	0
Minnesota, Wisconsin & Michigan	56	0	0	0	0
North Dakota & Montana.....	12	0	0	0	0
South Dakota	30	0	0	0	0
Industrial Advances	999	366	178	0	0
Total Earning Assets.....	75,868	154,600	358,374	465,835	630,640
Mem. Bank Res. Balances.....	122,225	276,826	295,470	317,789	385,403
Fed. Res. Notes in Circ.....	132,502	302,727	385,761	475,794	551,859
Total Reserves	208,697	485,606	383,515	366,305	359,767