MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

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DISTRICT SUMMARY OF BUSINESS

The volume of business in the district during February declined from the January level after allowance for seasonal factors. The bank debits index declined two points from January to February, the country check clearings index declined three points and the indexes of miscellaneous and l.c.l. freight carloadings declined even more.

Business in general throughout the district was in smaller volume during February than a year ago. Declines occurred in all important statistical records except wheat marketings, cattle marketings and sales of securities to banks. Business failures were more numerous in February than in the same month last year.

Employment records of the Twin Cities and Duluth, which are published in the Minnesota Employment Review, indicate that there was a decline in employment from December to January of 6.1 per cent at representative establishments. This was slightly more than the usual decrease. Significant paragraphs from the latest issue of the Review are quoted below:

> "Employment in 529 representative industrial and commercial establishments in the Twin Cities and Duluth declined 6.1 per cent from December to January, according to reports received by the Institute in its monthly survey. This compared with an average decrease of 5.0 per cent shown between these two months in the three preceding years. It represented a drop in the index number (1928 average = 100) from 69.5 in December to 65.2 in January, the latter being 5.8 per cent under the previous low point in July of last year. The 1933 total is 10.4 per cent below the corresponding month in 1932. During 1932, losses from the previous year ranged from 9.0 per cent in October to 14.5 per cent in July, with an average of 11.0 per cent for the year.
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> "Payrolls were contracted slightly more than employment, amounting to 6.4 per cent for all industries. In view of the large number of general reductions in wage and salary rates the first of the year, it is apparent that there had been an increase in the working time in a number of establishments. A large proportion of reporting firms, however, are operating on short hours in an effort to spread the available work among a larger number of employees."

Preliminary employment figures for February have been tabulated by the Employment Stabilization Institute of the University of Minnesota. According to these incomplete figures, employment in the Twin Cities and Duluth combined decreased 1.4 per cent in February from the January total, as compared with an average decrease of 1.0 per cent. Payrolls decreased 3.8 per cent from January to February. Sixty firms out of the 330 reporting increased their number of employees in February. With regard to manufacturing employment, the incomplete figures show that there was an increase in February over January at Duluth, a decrease at St. Paul and an unchanged total at Minneapolis. The decrease at St. Paul was chiefly due to a reduction in the activity of the meat packing plants.

DISTRICT SUMMARY OF AGRICULTURE

Farm Income

The estimated cash income to northwestern farmers from marketings during February was 17 per cent smaller than income in February last year. Heavy marketings of bread wheat created a larger income from that source in February than a year ago, but all other important items for which estimates are made declined. Prices of all important northwestern farm products, with the exception of feeder steers, were lower in February than in the same month last year.

Cold Storage Holdings

Cold storage holdings of meats and dairy and poultry products throughout the United States were unusually favorable to the farmer, according to March 1 reports. All of the various products were held in smaller quantities than holdings a year ago and also smaller than the five year average for March 1. Decreases as compared with the five year average amounted to approximately one-half in beef, lard, lamb and mutton and butter.

United States Cold Storage Holdings

(In thousands of pounds)

	March 1 5-year Average	March 1, 1932	March 1, 1933
Beef	73,370	51,107	36,032
Pork	856,406	812,399	610,186
Lard	114,940	92,861	59,034
Lamb and Mutton	3,607	1,784	1,694
Butter	23,752	15,243	11,581
Poultry	103,474	96,422	88,661
Eggs*	1,575	2,202	1,315

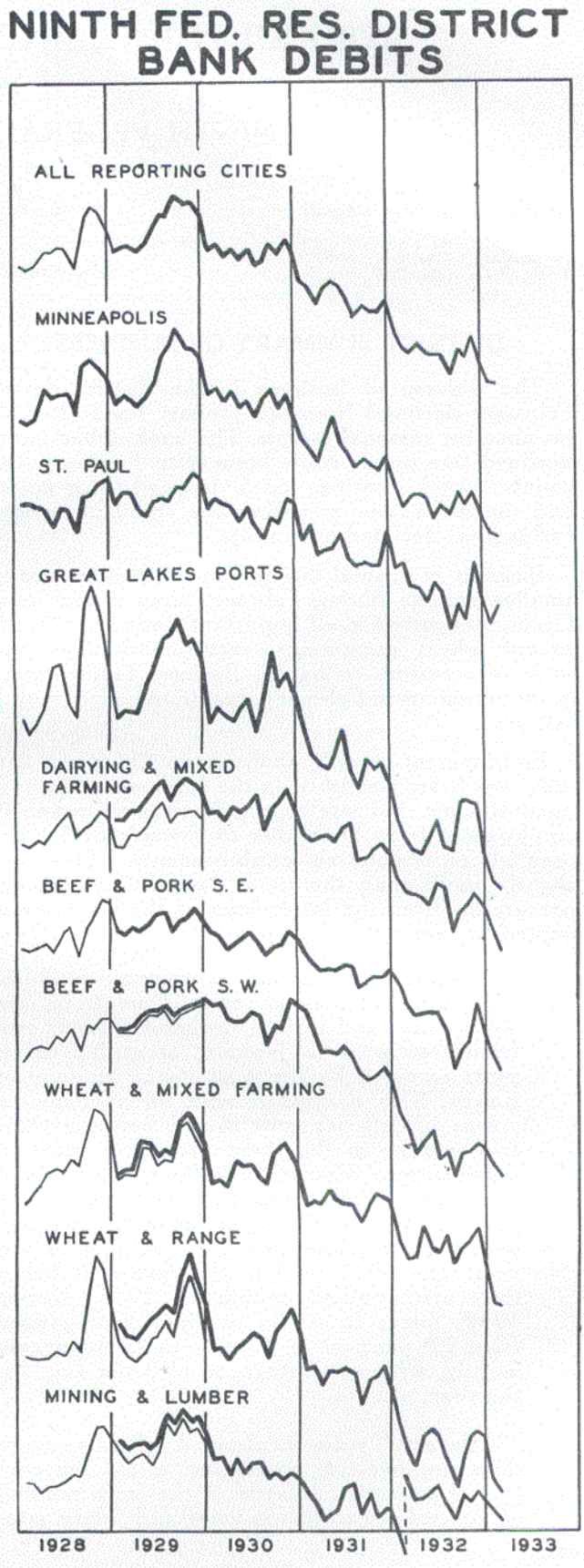
*Thousand cases.

Intentions to Plant

Farmers in the four complete states in the Ninth Federal Reserve District, Minnesota, Montana, North Dakota and South Dakota, intend to reduce the acreage devoted to the eight principal field crops in 1933 about 2 per cent below the acreage harvested in 1932, according to the March 1 "Intentions to Plant" report issued by the United States Department of Agriculture. The eight principal field crops include four cash crops, wheat, rye, flax and potatoes, and four feed and forage crops, corn, oats, barley and tame hay. Potatoes show the greatest intended decrease, a reduction of 9 per cent. Increases were shown for rye and barley. There was a larger area seeded to winter wheat in our four states last fall than was harvested last summer, but this was more than offset by the larger decreases in acreage intended for spring wheat. Although the "all spring wheat" figure showed a decrease of only 7 per cent, the intended durum acreage was reduced 23 per cent. The acreages intended for corn, oats and tame hay were little changed from the acreages harvested last fall. The total intended acreage for all eight crops in Minnesota was slightly higher than the 1932 harvested acreage, but the eight-crop total was smaller in each of the other three states.

The most unusual feature of the report insofar as our four states were concerned was that the acreage intended for flax in Minnesota was larger than the North Dakota intended acreage. This is the first time that flax acreage, intended or actually planted, in Minnesota, has exceeded that of North Dakota in more than thirty-five years. Our annual acreage estimates begin with 1897, and in no year since that time has the Minnesota acreage been as large as the North Dakota acreage.

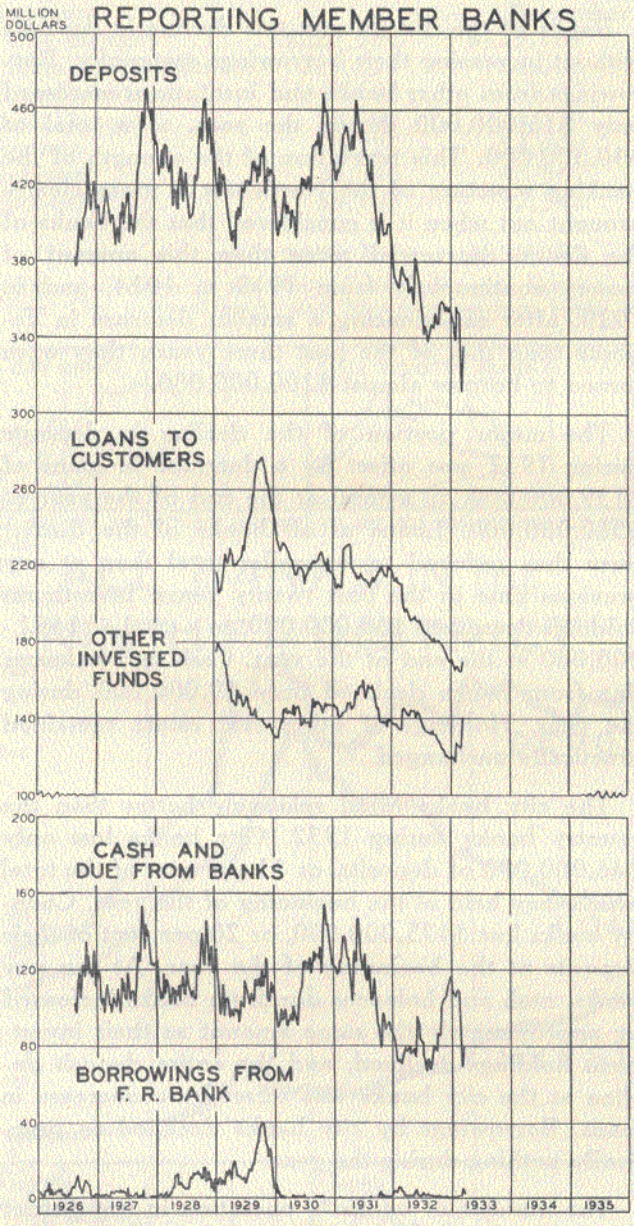
In the entire United States, the acreage sown to winter wheat last fall was considerably larger than the 1932 harvested acreage. During the winter, many reports of damage have been received from the more important winter wheat sections of the Southwest. It is probable that acreage abandonment estimates will be somewhat higher than usual this spring, and that farmers when making their "intentions to plant" reports to the United States Department of Agriculture, included some of the winter wheat acreage that would be abandoned in their



spring planting plans. The United States total for the eight crops was a little larger than the 1932 eight-crop harvested acreage, but as explained above, this may include some duplication.

DISTRICT SUMMARY OF BANKING

Banking events of the past month center around the developments preceding and following the United States bank holiday. This Federal Reserve Bank experienced pronounced changes as a result of these occurrences. Shortly after the banking holiday was declared in Michigan and the holiday movement spread into other states, a number of the member banks of the district began to withdraw their balances with correspondent banks in other districts and to increase their reserve balances with this Federal Reserve Bank. The total of balances in member bank reserve accounts increased from 34½ million dollars on February 14 to 50¾ million dollars on February 25. Thereafter, the currency requirements of the member banks caused a shrinkage in these balances to less than 38 million dollars on March 4, when this district joined in the holiday movement. In succeeding days, the withdrawals of cash which were allowed for the purchase of food and other necessary expenditures created further reductions in the reserve balances of member banks in the district to 35¼ million dollars on March 9. As soon as the member banks of the district began to reopen, the reserve balances again increased and on March 18 they reached 48¾ million dollars. In addition to this, certain member banks were carrying special deposits with the Federal Reserve Bank amounting to $650,000 on March 18, which had been created out of special deposits of cash which had been made with the member banks during the holiday period.



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

Large changes in currency demand were met by the Federal Reserve Bank during recent weeks. Most of this demand was for Federal reserve notes, although there was a moderate demand for gold and gold certificates. None of the new Federal reserve bank notes were issued. Between February 10 and March 4, the amount of Federal reserve notes of this bank in actual circulation increased 29 million dollars, to a new high record of $113,144,000. From February 1 to March 4, inclusive, withdrawals of gold and gold certificates from this bank amounted to $3,965,000. During the succeeding ten days, Federal reserve notes in circulation increased further, partly on account of currency withdrawals by member banks to meet the demands for cash which were authorized for payment by public proclamation and Treasury Regulations and partly to provide banks with such supplies of cash as they deemed necessary when licenses were received to reopen on an unrestricted basis. The peak of Federal reserve note circulation in this district was reached on March 13, when a high record of $119,587,000 was established. In the succeeding days, the return of Federal reserve notes from circulation was rapid, amounting to 10 million dollars during the five days from March 14 to March 18, inclusive. Gold and gold certificates also returned from circulation during the period from March 6 to March 18, inclusive, in the amount of $8,024,000.

Changes in the earning assets of this Federal Reserve Bank during the past four weeks consisted chiefly of an increase of 4 million dollars in bills discounted and an increase of 14 million dollars in holdings of purchased bills. Holdings of Government securities increased by slightly more than 1 million dollars. The large increase in bill holdings was the result of accepting an allotment of bills pur-

chased by the New York Federal Reserve Bank in the New York market.

City member banks experienced a sharp decrease of 40 million dollars in deposits during the three weeks from February 15 to March 8, and recovered more than one-half of those deposits ($23,000,000) during the succeeding week ending March 15. The decrease in deposits was composed of 9 million dollars in time deposits, 21 million dollars in commercial and individual demand deposits and 13 million dollars in deposits due to banks, partly offset by an increase in municipal deposits. The increase in deposits in the week ending March 15 was almost entirely in commercial and individual demand deposits and in United States Government deposits. The shrinkage in deposits at city member banks during the three week period from February 15 to March 8 was almost entirely met by drawing on balances with the Federal Reserve Bank and correspondent banks. These combined balances decreased 40 million dollars during the three week period. Borrowings from the Federal Reserve Bank by city member banks increased only 4 million dollars during this time. Only 10 million dollars of the funds derived from the increase in deposits of the city member banks during the week ending March 15 were used to increase balances due from banks. Borrowings from the Federal Reserve Bank during that week were reduced 2 million dollars, loans to customers increased 4 million dollars and investments of reporting member banks increased 9 million dollars.

Interest rates on prime loans made by Minneapolis member banks increased sharply during the month ending March 18, to an average rate of 5¼-5½ per cent.

Country member banks apparently did not experience as great a demand for currency or reduction in deposits as the city banks experienced, because country bank balances with city correspondent banks in this district were reduced only 13 million dollars between February 15 and March 8, and their borrowings from the Federal Reserve Bank increased only $700,000. Country member bank borrowings from this Federal Reserve Bank continued to increase moderately during the week ending March 15 and on that date amounted to $12,377,000. This increase in borrowings was not confined to any one part of the district.

After the banking holiday, 458 member banks in the district have resumed unrestricted operations under license, out of 538 member banks existing on March 3. In addition, 4 member banks have reopened as non-member banks. The figures quoted above include only those banks whose licenses were issued up to and including March 22. The deposits of the member banks which have resumed unrestricted business amounted to $686,000,000, according to latest reports. Total deposits of all member banks on December 31, 1932, were $733,000,000.

BANKING IN 1932

Complete reports from all banks in the Ninth Federal Reserve District indicate that the total deposits of the district on December 31, 1932, were $1,089,000,000. This was the smallest total since 1916 and represented a decline of $221,000,000 during the year 1932. The continuation of the downward trend revealed in these figures shows the combined effects of the decline in commodity prices, the shrinkage in business volume and the 1931 crop failure, whose effects were felt in the first part of 1932.

Banks of the district met this decline in deposits without increasing their borrowings materially. Borrowings from other banks and institutions increased only $16,000,000 during the year, to a total of $30,500,000. This revelation of the strength of the banking structure of the Northwest is more clearly brought out when it is considered that the banks of the district borrowed more than this amount of money continuously from 1919 to 1924, and in 1920, after experiencing a smaller decrease in deposits than that of the past three years, they were forced to borrow almost $200,000,000.

The major portion of the decline in deposits during 1932 was offset by a decrease in loans of $139,000,000, to a total at the end of the year of $560,000,000. Loans of all banks of the district were thus reduced to a smaller total than at any previous time in the past twenty years. Investment holdings decreased $68,000,000, to a total of $452,000,000 at the end of the year. Cash and balances due from banks declined only $9,000,000 during the year. Holdings of other real estate remained practically unchanged.

The city banks fared relatively better than the country banks during 1932. City banks lost only $46,000,000 of deposits, or 11 per cent of the total which they held at the beginning of the year. Country banks lost $175,000,000, or 20 per cent of their deposits at the beginning of the year. At the city banks, cash and balances due from banks increased by approximately the same amount as their investment holdings declined, and the entire deposit decline at the city banks was offset by a decrease in loans. Borrowings by city banks declined to practically nothing during the year.

The number of banks in operation in the district decreased by 158 during the year, leaving 1,658 banks on December 31, according to the abstracts of called reports.

BANK RETURNS IN THE NINTH FEDERAL RESERVE DISTRICT

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

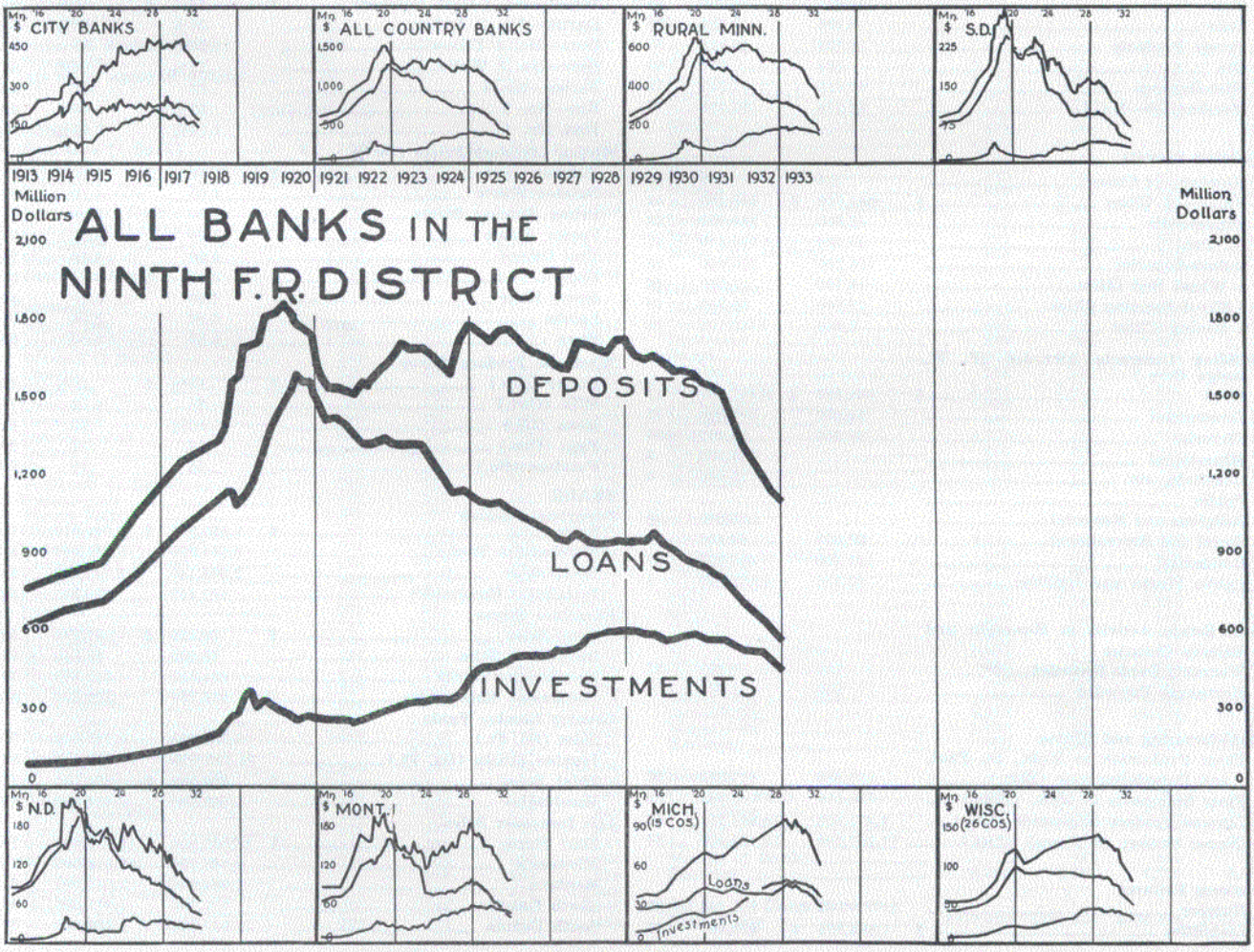
December 31, 1932

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

December 31, 1931

Minnesota						
City Banks**	$221,550	$155,189	$ 93,337	$ 431,019	$ 164	23
Rural Minnesota	225,851	168,665	70,500	415,074	4,071	845
North Dakota	48,144	26,007	14,521	77,918	1,053	246
South Dakota	53,794	34,950	18,886	92,347	2,499	264
Montana	55,225	54,090	27,402	121,496	1,270	156
Michigan*	35,546	43,841	10,726	75,524	2,402	71
Wisconsin*	59,597	37,342	14,463	96,291	2,803	211
Total	$699,707	$520,084	$249,835	$1,309,669	$14,262	1,816

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



COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS	Feb. '33	Feb. '32	Per Cent Feb. '33 of Feb. '32
Debits to Individual Accounts[1]			
All Reporting Cities	$ 18,871,400	$ 23,477,600	80
Minneapolis	8,163,000	9,439,000	86
St. Paul	4,062,000	5,114,000	79
South St. Paul	403,000	682,000	59
Great Lakes Ports	1,299,800	1,691,700	77
Beef and Pork, S.E.	635,100	925,000	69
Beef and Pork, S.W.	718,400	937,500	77
Dairy and Mixed Farming	856,200	1,174,500	73
Wheat and Mixed Farming	1,052,200	1,357,900	77
Wheat and Range	526,900	660,600	80
Mining and Lumber	1,154,800	1,495,400	77
Electric Power Consumption (K.W.H.)[1,2]			
Minn., No. Dak. and So. Dak.	4,338,000	4,664,000	93
Montana	1,747,000	2,347,000	74
Country Check Clearings[1]			
Total	$ 2,010,600	$ 1,865,900	108
Minnesota	797,700	734,100	109
Montana	281,300	282,600	100
North and South Dakota	594,300	408,900	145
Michigan and Wisconsin	337,300	440,300	77
Freight Carloadings—N. W. District			
Total—Excluding L.C.L.	148,874	181,934	82
Grains and Grain Products	21,920	25,128	87
Livestock	16,452	23,881	69
Coal	31,071	33,069	94
Coke	3,498	3,394	103
Forest Products	15,134	18,918	80
Ore	184	297	62
Miscellaneous	60,615	77,247	78
Merchandise—L.C.L.	67,279	87,793	77
Building Permits			
Number—18 Cities	199	369	54
Value—18 Cities	$ 283,500	$ 645,000	44
Minneapolis	42,600	210,900	20
St. Paul	47,300	100,400	47
Duluth-Superior	158,200	225,000	70
4 Wheat Belt Cities	16,700	11,300	148
6 Mixed Farming Cities	15,800	85,300	19
4 Mining Cities	2,900	12,100	24
Building Contracts Awarded (F. W. Dodge Corp.)			
Total	$ 361,500	$ 3,161,300	11
Commercial	90,500	200,500	45
Factories	25,000	25,000	100
Educational	.....	75,900	0
Hospitals, etc.	.....	125,000	0
Public	.....	.....	..
Religious and Memorial	.....	15,000	0
Social and Recreational	32,000	44,100	73
Residential	121,700	406,900	30
Public Works and Utilities	92,300	2,268,900	4
Real Estate Activity in Hennepin and Ramsey Counties			
Warranty Deeds Recorded	291	351	83
Mortgages Recorded	602	853	71
Manufacturing and Mining			
Flour Production at Mpls., St. Paul, and Duluth-Superior (Bbls.)	577,883	627,539	92
Flour Shipments at Mpls. (Bbls.)	530,166	643,938	82
Linseed Product Shipments (Lbs.)	9,871,602	10,967,310	90
Copper Output (3 Firms) (Lbs.)	11,267,900	13,430,000	84
Business Failures			
Number	83	66	126
Liabilities	$ 1,094,353	$ 870,467	126

AGRICULTURE	Feb. '33	Feb. '32	Per Cent Feb. '33 of Feb. '32
Farmers' Cash Income			
Total of 7 Items	$ 17,166,000	$ 20,800,000	83
Bread Wheat	1,530,000	1,159,000	132
Durum Wheat	250,000	425,000	59
Rye	57,000	109,000	52
Flax	113,000	171,000	66
Potatoes	661,000	1,261,000	52
Dairy Products	8,437,000	9,895,000	85
Hogs	6,118,000	7,780,000	79
Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Bread Wheat	2,765,000	1,330,000	208
Durum Wheat	491,000	493,000	100
Rye	176,000	236,000	75
Flax	102,000	120,000	85
Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)			
Wheat	39,881,621	47,093,443	85
Corn	1,280,389	148,210	864
Oats	13,012,338	5,746,496	226
Barley	6,147,140	2,236,412	275
Rye	5,154,043	5,438,711	95
Flax	1,026,962	509,496	202
Livestock Receipts at South St. Paul (Head)			
Cattle	43,149	42,856	101
Calves	35,128	49,844	70
Hogs	180,489	311,852	58
Sheep	105,911	106,283	100
Median Cash Grain Prices (Bus.)			
Wheat—No. 1 Dark Northern	$ .49½	$ .76⅝	65
Durum—No. 2 Amber	.50⅞	.86¼	59
Corn—No. 3 Yellow	.20⅛	.39	52
Oats—No. 3 White	.14⅛	.26½	53
Barley—No. 3	.23	.52	44
Rye—No. 2	.32¼	.46¼	69
Flax No. 1	1.10½	1.40¼	79
Median Livestock Prices (Cwt.)			
Butcher Cows	$ 2.75	$ 3.25	85
Butcher Steers	4.00	4.50	89
Prime Butcher Steers	5.00	6.00	83
Feeder Steers	3.50	3.50	100
Veal Calves	4.50	6.00	75
Hogs	3.05	3.60	85
Heavy Hogs	2.80	3.35	84
Lambs	5.00	5.50	91
Ewes	1.50	3.00	50
Wholesale Produce Prices			
Butter (Lb.)	$ .15½	$ .18¾	83
Milk (Cwt.)	.85	1.12	76
Hens (Lb.)	.10½	.13	81
Eggs (Doz.)	.10	.12	83
Potatoes (Bu.)	.28	.50	56
TRADE			
Department Stores			
Sales	$ 1,555,960	$ 2,004,810	78
Merchandise Stocks	4,534,870	5,531,560	82
Receivables	2,305,140	2,746,640	84
Instalment Receivables	549,440	616,330	89
Furniture Stores			
Total Sales	$ 39,420	$ 67,890	58
Instalment Sales	29,000	55,540	52
Merchandise Stocks	404,310	540,580	75
Instalment Receivables	636,760	778,260	82
Country Lumber Yards			
Sales (Bd. Ft.)	1,237,000	1,723,000	72
Lumber Stocks (Bd. Ft.)	54,949,000	66,638,000	82
Total Sales	$ 480,200	$ 626,700	77
Receivables	1,702,300	2,484,600	69
Life Insurance Sales			
Four States	$ 12,533,000	$ 16,718,000	75
Minnesota	9,768,000	12,911,000	73
Montana	1,054,000	1,616,000	61
North Dakota	651,000	1,011,000	58
South Dakota	1,060,000	1,180,000	87

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

Investment Dealers	Feb. '33	Feb. '32	Per Cent Feb. '33 of Feb. '32
Sales to Banks	2,102,800	1,344,500	156
Sales to Insurance Companies	155,800	334,700	47
Sales to General Public	3,172,500	3,582,600	89
Wholesale Trade			
Groceries—			
Sales	$ 2,115,380	$ 2,600,130	81
Stocks	4,558,040	5,155,280	88
Receivables	3,464,210	3,829,920	90
Hardware—			
Sales	$ 501,070	$ 771,430	65
Stocks	2,146,010	2,548,390	84
Receivables	1,117,770	1,322,700	85
Shoes—			
Sales	$ 148,580	$ 159,450	93
Stocks	546,140	617,790	88
Receivables	431,050	490,340	88
BANKING			
Member Bank Deposits			
In Cities Over 15,000 pop	$ 363,146,000	$413,536,000	88
In Cities Under 15,000 pop	266,842,000	327,602,000	81
Michigan—15 Cos.	50,956,000	59,578,000	86
Minnesota	106,942,000	129,802,000	82
Montana	36,648,000	44,624,000	82
North Dakota	26,040,000	31,608,000	82
South Dakota	30,411,000	38,506,000	79
Wisconsin—26 Cos.	15,845,000	23,484,000	67

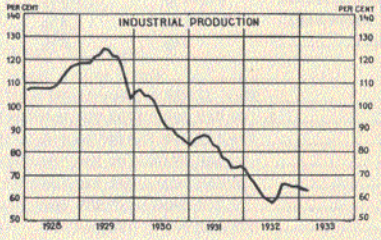
Interest Rates[2]	Feb. '33	Feb. '32	Per Cent Feb. '33 of Feb. '32
Minneapolis Banks	5¼-5½	5-5¼	
Commercial Paper (net to borrower)	1¾	4¼	
Minneapolis Fed. Res. Bank	3½	3½	

Selected City Member Banks	Mar. 15 '33	Mar. 16 '32	
Loans to Customers	$ 169,349,000	$199,787,000	85
Other Invested Funds	140,146,000	144,714,000	97
Cash and Due from Banks	79,288,000	79,552,000	100
Deposits Due to Banks	46,080,000	61,640,000	75
Public Demand Deposits	17,750,000	27,479,000	65
Other Demand Deposits	125,592,000	133,866,000	94
Time Deposits	136,848,000	149,386,000	92
Total Deposits	335,465,000	377,834,000	89
Borrowings at Fed. Res. Bank	2,359,000	963,000	245
Minneapolis Federal Reserve Bank			
Loans to Member Banks	14,095,000	8,770,000	161
Twin Cities	1,718,000	35,000	4909
Minn., Wis. and Mich.	5,841,000	3,164,000	185
N. Dak. and Mont.	3,074,000	2,640,000	116
South Dakota	3,462,000	2,931,000	118
Fed. Res. Notes in Circulation	116,555,000	69,625,000	167
Member Bank Reserve Deposits	39,870,000	42,926,000	93

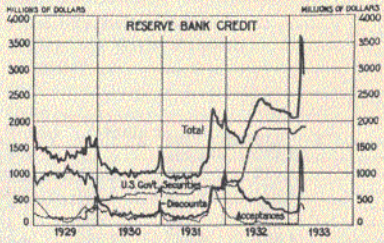
[1]Daily Averages.
[2]Latest Reported Data.

BANK DEBITS

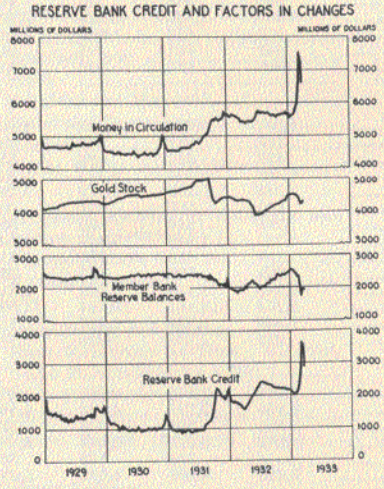
Number of Business Days:	Feb. 1933	Jan. 1933	Feb. 1932	Jan. 1932
Wisconsin	23	25	24	25
All other states in district	22	25	23	25
	(000's omitted)			
Michigan				
Escanaba (1 Bank)	$ 334	$ 418	$ 459	$ 596
Hancock	1,088	1,585	903	1,214
Houghton	1,201	1,444	....	....
Iron Mountain	1,301	1,659	2,249	3,346
Iron River, Caspian	493	967	804	1,604
Manistique (1 Bank)	51	65	....	....
Marquette	2,091	2,708	2,967	4,108
Menominee	1,482	2,388	2,540	2,562
Sault Ste. Marie	877	2,125	1,784	2,646
Minnesota				
Albert Lea	1,261	1,505	1,868	2,016
Austin (1 Bank)	1,766	1,795	2,673	2,675
Bemidji (2 Banks)	531	541	767	789
Chaska	310	575	340	486
Chisholm	440	648	625	727
Cloquet	766	768	1,175	1,044
Crookston	699	763	987	1,072
Detroit Lakes	519	683	572	700
Duluth	22,148	24,246	27,571	32,642
Ely	225	265	442	425
Faribault (1 Bank)	607	786	717	875
Farmington	110	117	151	193
Fergus Falls	1,061	1,391	1,744	2,249
Glenwood	193	218	286	299
Hutchinson (1 Bank)	266	423	643	693
Lakefield (2 Banks)	164	174	197	221
Lanesboro	129	158	220	247
Little Falls	467	567	574	685
Luverne	281	324	457	566
Mankato	2,741	3,722	4,694	6,049
Minneapolis	179,575	207,503	217,101	264,345
Moorhead	738	736	1,054	1,119
Morris	273	286	328	375
Owatonna	1,357	1,806	1,981	2,041
Park Rapids	231	210	248	274
Red Wing	891	1,102	1,460	1,723
Rochester	2,578	3,216	3,701	4,446
St. Cloud	....	2,089	2,628	2,822
St. Paul	89,365	92,090	117,633	123,595
South St. Paul	8,866	9,677	15,685	19,495
Stillwater	1,151	1,560	1,440	1,482
Thief River Falls	445	525	558	651
Two Harbors	245	263	340	373
Virginia	1,025	1,215	1,565	1,543
Wabasha	366	549	598	684
Wheaton	....	214	290	314
Willmar (1 Bank)	478	643	971	1,002
Winona	3,390	4,562	4,866	5,848
Worthington (1 Bank)	322	194	415	490
Montana				
Anaconda	$ 613	$ 754	$ 1,047	$ 1,344
Billings	3,577	4,324	4,318	5,344
Bozeman	1,172	1,202	1,345	1,832
Butte (2 Banks)	5,071	5,072	7,522	7,981
Deer Lodge	358	745	575	1,064
Glendive	394	494	575	624
Great Falls	4,819	6,047	7,257	8,625
Harlowton	144	178	188	192
Havre	540	703	736	993
Helena	4,639	5,118	5,139	6,556
Kalispell	785	1,008	1,138	1,278
Lewistown	773	876	958	1,150
Malta	299	340	261	359
Miles City (1 Bank)	555	700	628	739
North Dakota				
Bismarck	4,728	6,412	6,822	8,122
Devils Lake	589	841	826	1,209
Dickinson	608	795	1,083	1,186
Fargo	8,472	9,246	10,692	12,574
Grafton	253	229	554	370
Grand Forks	2,481	3,013	3,823	4,653
Jamestown	1,093	1,197	1,347	1,682
Mandan	540	668	785	960
Minot	2,370	2,487	3,023	3,930
Valley City	575	620	782	1,165
Wahpeton	542	651	748	924
Williston	607	667	895	913
South Dakota				
Aberdeen	2,254	2,732	3,068	3,659
Brookings (1 Bank)	405	522	646	626
Deadwood	522	667	593	859
Huron	2,107	2,627	3,071	3,807
Lead	1,140	1,289	1,220	1,297
Madison	366	533	573	653
Milbank	234	286	335	358
Mitchell (2 Banks)	1,381	1,643	1,876	2,145
Mobridge	333	362	293	337
Pierre	830	990	835	901
Rapid City	1,202	1,410	2,012	2,419
Sioux Falls	8,254	10,101	10,754	13,655
Watertown	1,336	1,786	1,917	2,302
Yankton	955	1,246	1,320	1,362
Wisconsin				
Chippewa Falls	1,076	1,245	1,261	1,476
Eau Claire	3,235	3,754	4,102	4,665
Hudson (2 Banks)	334	375	408	522
La Crosse	5,072	5,975	8,092	9,665
Merrill (1 Bank)	.....	723	765	867
Superior	3,033	3,655	4,679	5,033
Total for All Cities Reporting Both Years	$413,699	$471,455	$538,475	$629,323



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



Wednesday figures for 12 Federal reserve banks. Latest figures are for March 22.



Wednesday figures. Latest figures are for March 22.

Summary of National Business Conditions

(Compiled March 25 by Federal Reserve Board)

The course of business in the latter part of February and the first half of March was largely influenced by the development of a crisis in banking, culminating in the proclamation on March 6 of a national banking holiday by the President of the United States. Production and distribution of commodities declined by a substantial amount during this period, but showed some increase after banking operations were resumed in the middle of March.

PRODUCTION AND EMPLOYMENT: The volume of output at factories and mines, which usually increases at this season, showed little change from January to February, and declined considerably in the first half of March. In the steel and automobile industries, output decreased between the middle of February and the middle of March; subsequently some of the automobile plants which had been closed resumed operations, while activity at steel mills showed little change. In February, output at cotton and woolen mills continued at the level prevailing in January, while at silk mills activity declined. Shoe production increased by more than the usual seasonal amount.

Reports from important industrial states indicate that factory employment increased between the middle of January and the middle of February, as is usual at this season.

Construction contracts awarded up to March 15, as reported by the F. W. Dodge Corporation, indicate that for the first quarter of the year the total value of contracts will show a considerable decline from the fourth quarter of 1932.

DISTRIBUTION: Freight traffic, which usually increases at this season, showed little change from January to February, on a daily average basis, and declined considerably in the first two weeks of March. Department store sales in the country as a whole were at about the same rate in February as in January, but were substantially smaller in areas affected by suspension of banking operations; early in March, sales were sharply reduced, but with the reopening of banks showed some increase.

WHOLESALE PRICES: Wholesale commodity prices declined somewhat further in February. In the early part of March, the commodity exchanges were closed; when they reopened on March 15 and 16, prices of grains, cotton, silk, nonferrous metals, hides and sugar were substantially above those prevailing at the beginning of the month; subsequently prices of many of these commodities declined somewhat.

BANK CREDIT: During February, member banks in leading cities were subjected to withdrawals of deposits on a large scale, reflecting in part withdrawals of balances by interior banks from their city correspondents and in part withdrawals of currency by the public. As a consequence, net demand deposits of these banks declined by $1,306,000,000 during the month, and their time deposits by $360,000,000. In order to meet these withdrawals, the banks reduced their loans by $539,000,000, partly through the sale of acceptances to the Federal reserve banks, and their investments by $363,000,000. They also increased considerably their borrowings at the Reserve banks. March figures for member banks are incomplete.

At the Federal reserve banks, the banking crisis manifested itself between February 1 and March 4 in a domestic demand for $1,833,000,000 of currency, including about $300,000,000 of gold and gold certificates and in a foreign demand for about $300,000,000 of gold. As a consequence, the reserve ratio of the Federal reserve banks declined from 65.6 per cent to 45.0 per cent. This reflected a loss of $655,000,000 in reserves and an increase of $1,436,000,000 in Federal reserve note circulation, offset in part by a decrease of $486,000,000 in deposit liabilities.

Between March 4 and March 22, there was a return flow to the Reserve banks of $558,000,000 of gold coin and gold certificates and of $319,000,000 of other currency, and the reserve ratio advanced to 55.5 per cent. Discounts for member banks, which had increased to $1,432,000,000 by March 4, declined to $671,000,000 on March 22.

Money rates in the open market advanced during the banking crisis, and on the resumption of business after the banking holiday, rates were at considerably higher levels than those prevailing on March 3. Subsequently rates declined as more funds became available to the market. On March 3, the discount rate of the Federal Reserve Bank of New York was raised from 2½ to 3½ per cent, and on March 4 there was a similar increase at the Federal Reserve Bank of Chicago. The New York Reserve Bank's buying rate on bills was raised by successive steps from one-half of 1 per cent on February 26, for bills of the shorter maturities, to 3¼ per cent on March 3. On March 13 the rate for these maturities was raised to 3½ per cent; subsequently the rate was reduced and on March 22 was 2 per cent.