

# 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 April barely held at the level of March, according to early reports. The index of bank debits, adjusted for seasonal variations, remained at 61 in April, which was the same figure as that for March. The country check clearings index declined from 101 in March to 97 in April. The index of l.c.l. freight carloadings increased from 60 in March to 61 in April, but the index of miscellaneous freight carloadings declined from 70 to 69. The index of country lumber sales rose from 49 to 50.

Agricultural marketings were smaller in April than in the same month last year. Decreases occurred in market receipts of grains, butter, hogs and lambs, and increases occurred in receipts of cattle and calves. The majority of other indexes of business continued to show increases over last year's figures. Such increases occurred in bank debits, country check clearings, electric power consumption, freight carloadings of coal, coke, forest products, ore, miscellaneous and l.c.l. merchandise, building contracts, real estate activity in Minneapolis and St. Paul, rural lumber sales, life insurance sales, securities sales, and wholesale trade. Decreases as compared with April last year occurred in building permits, flour shipments, linseed products shipments, and copper output. Business failures were fewer in number in April this year than in the same month last year.

Retail trade in the district did not make as favorable a comparison with last year's figures in April

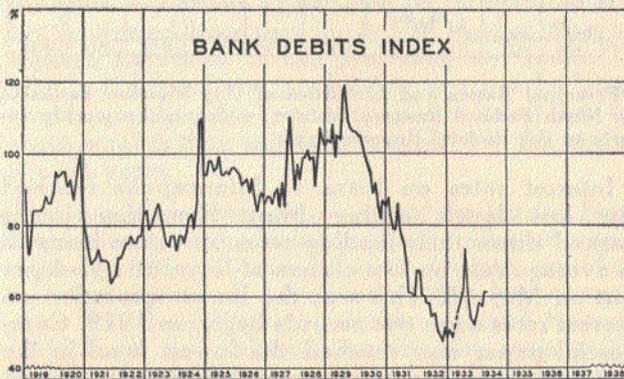
as in March. Part of the less favorable comparison was due to the fact that pre-Easter buying was in March this year and in April a year ago. Drouth conditions this spring and dust storms have also retarded retail trade in recent weeks, whereas last year trade was expanding rapidly. Twenty city department stores reported sales in April to be 3 per cent less than sales in April last year, whereas the increase over last year's figures in March was 29 per cent. One hundred and seventy-nine country general stores reported an increase of 8 per cent in April over sales in April last year, whereas in March country stores reported a 54 per cent increase over March last year.

The campaign conducted by this office to secure monthly reports from rural department stores and general stores in the district has been successful enough so that we can now report trade trends in certain subdivisions of the district. Out of the one hundred and seventy-nine rural stores mentioned in the preceding paragraph, one hundred and forty-one are located in the southern and eastern part of the district. The records indicate that the greatest improvement in sales over April last year occurred in south central Minnesota and no increase occurred in eastern South Dakota. The four areas, with the number of reporting stores and their April sales comparisons with last year are given in the following table:

#### Rural Retail Trade

	% April 1934 of April 1933
Southwestern Minnesota (38 stores).....	110
South central Minnesota (22 stores).....	114
Southeastern Minnesota (21 stores).....	107
Eastern South Dakota (60 stores).....	100

Reports of bank debits and country check clearings for the first half of May indicate that the May index numbers for these two series will be higher than the indexes for April. The two series were higher in the first half of May than a year ago. For the two weeks ending May 16, bank debits at seventeen reporting cities were 16 per cent higher than in the corresponding weeks last year. For the first fifteen business days of May, country check clearings were 28 per cent larger than in the same period last year.



Bank Debits Index for Reporting Cities in the Ninth Federal Reserve District, Adjusted for Seasonal Variations.

### DISTRICT SUMMARY OF BANKING

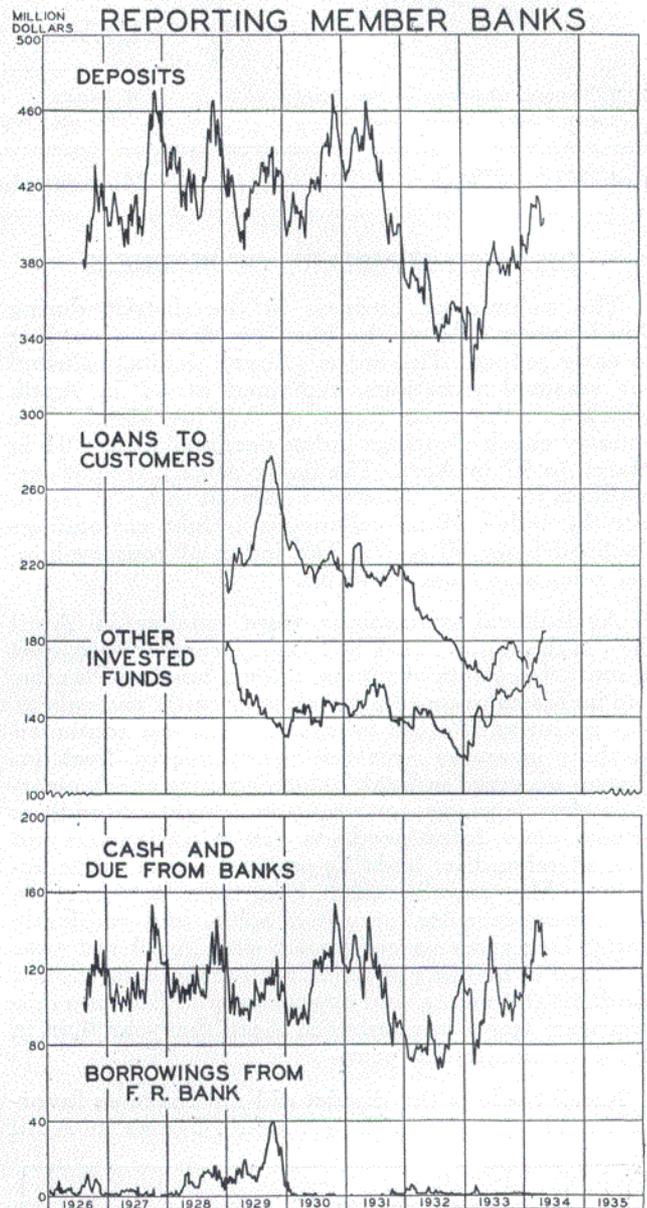
The expansion of bank deposits in the district ceased in April and early May, according to latest available reports. Country banks in the district which were members of the Federal Reserve System during March experienced a decrease of about one-half million dollars between the daily average of their deposits for March and the daily average for April. This was the first decrease in country member bank deposits since the reopening of the banks after the bank moratorium in 1933. The decline in deposits during April would have been greater except for a temporary deposit of governmental funds in North Dakota, which increased the deposits of country banks in that state for about three weeks. From the standpoint of the growth of the Federal Reserve System, it is interesting to note that enough new member banks entered the System in the latter part of March and in April to raise the daily average of bank deposits at all country member banks in this district by 2 million dollars between March and April.

Country bank balances carried with city correspondent banks in this district decreased 7 million dollars during the four weeks ending May 16. These balances, in spite of the reduction, were at a level higher than at any time during 1932 or 1933. The recent decrease in these balances is probably associated with the decrease in country bank deposits which has come at a time when customarily the credit requirements of the rural portion of the district are increasing seasonally. Further evidence of the shrinkage of idle funds in country member banks is found in the fact that excess reserves carried with this Federal Reserve Bank by banks outside of the larger cities, decreased by a small amount. Nevertheless, these excess reserves of country banks amounted to 21½ million dollars during April, which was close to the highest level that they have ever reached.

City member banks reported a decrease of 11 million dollars in total deposits during the four weeks ending May 16. The major part of this decrease was due to the decline in balances held for country correspondent banks, as stated above. Commercial and individual demand deposits reported by these city banks decreased 13 million dollars during the two weeks ending May 2 and then increased 10 million dollars in the succeeding two weeks, showing a net decrease for the four-week period of 3 million dollars.

On the asset side of the combined balance sheet of city member banks, balances due from banks decreased sharply, by 17 million dollars, during the four weeks ending May 16, but these balances continue to be larger than a year ago. Loans to customers decreased 7 million dollars during the four-week period, and other invested funds increased 6 million dollars. On the latest report date, loans to customers had reached a level lower than at any time since the years preceding the World

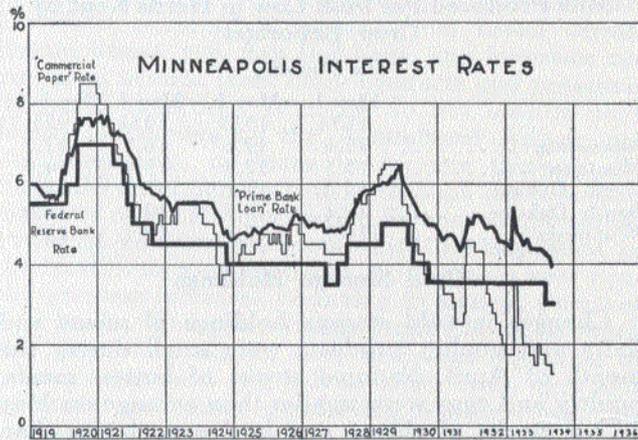
War. Investment holdings of these city banks were at the highest level since our weekly record began in 1929, partly as a result of the absorption of non-member banks in the last two years.



Principal Assets and Liabilities of City Member Banks in the Ninth Federal Reserve District, which make weekly reports to the Federal Reserve Bank.

Interest rates on loans at Minneapolis reached new low levels during May. Reporting banks marked down their lending rates on prime loans to an average rate on five classes of loans of 3¾-4 per cent on May 15. This was the lowest quotation on interest rates since our records began in 1919. Commercial paper also reached the lowest level in the post-war years during May, according to the report of a leading commercial paper dealer. Prime commercial paper of all maturities is now quoted at

1¼ per cent net to borrower, which is a reduction of one-fourth of 1 per cent from the rate quoted a month earlier. The discount rate of this Federal Reserve Bank remained unchanged at 3 per cent.



Interest Rates at Minneapolis on Prime Bank Loans and Commercial Paper and the Discount Rate at the Federal Reserve Bank, 1919-1934.

## DISTRICT SUMMARY OF AGRICULTURE

### Crops

The United States Department of Agriculture May 1 report on winter wheat estimated an abandonment of 42 per cent, 16 per cent and 60 per cent of the fall-sown acreage in Minnesota, Montana and South Dakota respectively. These abandonment percentages were much larger than the ten year average for Minnesota and South Dakota, but somewhat less than the ten year average for Montana, which is the most important winter wheat raising state in the Ninth Federal Reserve District. The May 1 condition of winter wheat in Montana was good (83 per cent), but was poor in Minnesota and South Dakota (55 per cent and 50 per cent). The May 1 indicated production for the three states combined was only a little more than half as large as in 1932.

The May 1 report on rye was a little more favorable than for winter wheat. The May 1 estimate of rye acreage in our four complete states which was left for grain was about 33 per cent larger than the acreage harvested last year, but it was smaller than any acreage harvested in the preceding ten years. The May 1 indicated rye production was nearly 30 per cent larger than the crop harvested last fall, but was much smaller than any crop harvested in the preceding ten years.

It should be borne in mind that the United States Department of Agriculture report reflected conditions as of May 1, and did not take into consideration the continued deterioration that has occurred since that time. Reports recently received from the grain trade and railroads serving the grain raising areas, indicate poor condition of both winter wheat and winter rye. These reports also indicate an appreciable decrease in total acreage planted, owing

to the lack of moisture, an almost universal deficiency of moisture in the subsoil, top soil dried by persistent winds, much seed blown out of the ground and increasing damage to growing grain. Weather conditions in a large part of our district to date have been more than usually favorable for the hatching of grasshopper eggs and tend to increase the seriousness of this menace.

### Hay and Pasture

The United States Department of Agriculture reported that stocks of hay on farms in the entire states of Minnesota, North Dakota and South Dakota were but a small fraction of stocks on the same date last year. State figures on hay stocks on farms, however, do not indicate the true condition within a state, since the bulk of the supplies are apt to be concentrated in areas that did not suffer from the drouth the previous summer, while remaining hay supplies in the drouth area are almost non-existent. Such is the case in Minnesota. The drouth-stricken west central section of the state had practically no hay or fodder on May 1 and very scanty supplies of straw, and the 218,000 tons reported in Minnesota on May 1 were located in far distant sections of the state, so far away that baling and transportation costs made its price prohibitively high, except for a few head of milk cows and well-bred breeding stock. Since May 1, scattered showers have occurred which have helped pastures to start, but lack of snow cover and continual close pasturing since last summer have lowered the condition of pastures in Minnesota, North Dakota and South Dakota to a very great extent.

### Livestock Marketing

April cattle receipts at South St. Paul were somewhat larger than in March and were much larger than in April last year. Throughout the month the quality of the receipts was low and most of the cattle received were lightweights. As a result, toward the end of April and continuing the first half of May, long-fed heavyweight butcher stock was in strong demand, and an unusually wide spread developed between prices paid for heavy and lightweight butcher steers. During the first three and a half months of this year, lightweight, well-finished butcher steers have consistently brought higher prices than heavy steers of equal finish, but this relationship was reversed during the three-week period April 26-May 17, and a new top since July 1932 for butcher steers was established at \$8.25 by a small lot of heavyweights.

The failure of pastures on account of the acute drouth conditions in many large areas, and the scarcity of any kind of roughage, were responsible for extremely heavy receipts of low grade cows during the third week in May.

Shipments of feeder cattle from South St. Paul were larger in April than in the same month a year ago. During the first half of May, feeder shipments

increased heavily and were far in excess of shipments in the first half of May last year. The recent interest in feeder purchases was probably aroused by the slow but steady improvement in heavy butcher steer prices, which has occurred each month since last November. While the large bulk of the feeder steers shipped were under 800 pounds in weight, nevertheless, a much larger number of steers over 800 pounds were shipped in the first half of May than in any similar period in the last six months.

Supplies of feeder and stocker cattle during the first weeks of May have been large and of extremely varying quality. Farmers in drouth-stricken areas have been compelled to market their cattle regardless of condition. Consequently, low quality cows and heifers and thin yearlings and calves predominate, but some cattle that were only half fat because of the unexpected termination of their feeding period or because of limited rations, have also been received. The latter have sold readily and at fairly strong prices, but the over-abundance of the common kinds has resulted in price declines and almost daily hold-overs.

Hog receipts at South St. Paul continued to decline during April and were smaller than in any month since August 1932. During the first three weeks of May, receipts have been slightly larger than in the first three weeks of April, but somewhat smaller than in the same three weeks last year. The quality of the receipts in the first half of April was low, but gradually improved as a result of a 10 cent premium paid by some packers for highly finished, smooth butcher hogs weighing from 200 to 240 pounds.

The decline in hog prices that started about March 1 continued throughout the month of April and the first two weeks of May. The principal reason for the continued weakness in hog prices was the lack of shipping demand and slowness in the wholesale dressed pork trade. During the third week of May, a slight increase occurred, the only increase in the last eleven weeks. This small rise in hog prices was occasioned by the announcement of a limited government hog purchasing program and the purchase of 19 million pounds of pork products and lard for government relief distribution.

### Butter Production

There was a 10 per cent decrease in butter production in this district between March 1933 and March 1934. Apparently this decrease in production continued through April, for the government report of milk production on May 1, 1934, shows that output in northwestern states was running at a lower level than last year and also below the five-year average in all states except Montana. Reasons given in the government report for the decrease were a shortage of feed supplies, prices for feed which were high in comparison with prices of dairy products, poor pasture conditions and an unusually small proportion of cows being milked. The output per milk

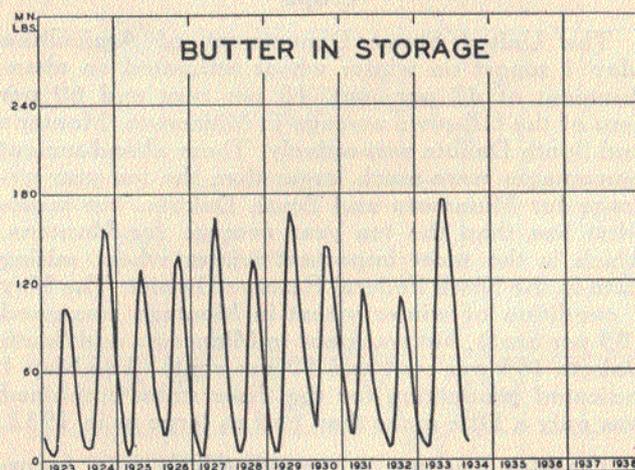
cow on May 1 of each of the last three years and the five year average for the northwestern states is given in the table below:

### Milk Produced Per Milk Cow in Herds Kept by Crop Reporters

	(In Pounds)			
	May 1 1934	May 1 1933	May 1 1932	May 1 Av. 1925-31
Minnesota .....	15.6	17.6	16.9	17.7
Montana .....	15.3	12.9	13.4	14.0
North Dakota .....	10.8	12.1	12.9	14.1
South Dakota .....	10.1	13.7	12.2	13.9
Wisconsin .....	16.1	17.8	18.1	19.1

### Cold Storage Holdings

Changes in cold storage holdings of meats and dairy and poultry products were small during the month of April. National stocks of butter, meats, poultry and eggs were smaller than average on May 1, but stocks of cheese and lard were larger than the average. Stocks of pork remained relatively stable during April in comparison with the sharp decreases in cold storage holdings in preceding months. Stocks of butter amounted to only 11,840,000 pounds on May 1, as compared with average stocks for that date of 13,000,000 pounds.



Butter in Cold Storage in the United States on the First Day of Each Month, as reported by the United States Department of Agriculture.

### United States Cold Storage Holdings

	(In thousands of pounds)		
	May 1, 1934	May 1, 1933	May 1, 5-Yr. Av.
Beef .....	47,324	30,658	55,274
Pork .....	655,324	630,360	786,441
Lamb and Mutton...	1,282	1,773	2,617
Miscellaneous Meats .	51,675	44,903	71,645
Total Meats .....	755,605	707,694	915,977
Lard .....	179,441	71,895	113,650
Cream** .....	102	53	.....
Butter .....	11,840	9,398	13,165
Cheese .....	65,147	43,626	53,264
Poultry .....	49,193	45,824	55,582
Eggs* .....	6,408	6,655	6,629

\*Thousand Cases

\*\*Thousand Cans

**Farm Income**

The estimated income of northwestern farmers from seven important products was 10 per cent less in April than in the corresponding month last year. Decreases occurred in income from bread wheat, durum wheat, rye, flax and hogs, and increases occurred in income from dairy products and potatoes. These farm income estimates do not include payments to farmers by the Agricultural Adjustment Administration, or loans to farmers through the Federal Farm Loan System, or through the corn loan activities of the Reconstruction Finance Corporation. Prices of all farm products which are important in the Northwest were higher in April than a year ago, the greatest increases occurring in barley, potatoes and lambs. The price trends from March to April this year were mixed, with decreases occurring in wheat, corn, oats, rye, calves, hogs, ewes, eggs and potatoes, and increases occurring in barley, flax, cattle, lambs and hens.

**POULTRY AND EGG INDUSTRY**

The United States Department of Agriculture recently released a very interesting report on the national poultry production industry. The report gave state estimates for January 1 farm inventories of chickens since 1930, together with the number raised each year, and the number and value of chickens sold and consumed on farms. It also gave the number and value of all eggs produced on farms, and the number and value of eggs sold and consumed on farms. Estimates for Minnesota, Montana, North Dakota and South Dakota, four-state totals and the United States estimates appear in this issue.

The January 1 inventory figures indicate a small decrease each year in the number of chickens on farms in the four complete states of the Ninth Federal Reserve District, with the exception of a small increase during 1932. The number of chickens raised declined slightly in the years 1931 and 1932, but showed a large increase in 1933. Estimates were not given for the cash income from chickens sold from farms in 1930, but the four-state total for 1931 was nearly \$17,000,000. Largely on account of the decreased value per head and to a considerably lesser extent to a small decrease in number sold, the four-state total income declined to less than \$11,000,000 in 1932 and to a little more than \$9,000,000 in 1933.

The number of eggs produced in our four states has not shown any regular trend. In 1931, there was a slight increase over 1930, in 1932 a large decrease from the 1931 level, and in 1933 a small increase over 1932. 1933 egg production, however, was still somewhat smaller than the 1930-1931 levels. Throughout the entire period for which estimates have been prepared, the farm prices of eggs have been low, although further decreases have been registered each year, the largest decline being in 1932. Consequently, the large decrease in the total value of eggs sold from farms during 1932 was

partly due to price declines, the balance of the decrease being accounted for by smaller marketings. The total four-state value of eggs sold from farms was a little larger in 1933 than in 1932, despite a further small decline in the price per dozen. The cash income in the four states from eggs sold from farms was 21 million dollars in 1931, nearly 14 million dollars in 1932 and 14 million dollars in 1933.

**CHICKENS**

(In thousands)

**No. on Farms Jan. 1**

	1934	1933	1932	1931	1930
Minn. ....	18,727	19,160	19,170	19,040	19,100
Mont. ....	2,266	2,260	2,190	2,400	2,490
N. Dak. ....	4,844	5,005	4,830	5,250	5,669
S. Dak. ....	8,707	9,490	9,125	10,060	10,180
4-State Total	34,544	35,915	35,315	36,750	37,439
U. S. Total	454,629	461,646	451,219	460,489	469,955

**No. Raised**

Minn. ....	28,324	27,235	27,790	27,790
Mont. ....	3,496	3,680	3,610	3,610
N. Dak. ....	7,335	6,920	6,990	7,359
S. Dak. ....	13,870	13,085	13,085	13,190
4-State Total	53,025	50,920	51,475	51,949
U. S. Total	662,550	655,417	629,275	653,101

**Value Sold from Farms**

Minn. ....	\$5,080	\$6,109	\$9,558	.....
Mont. ....	467	634	806	.....
N. Dak. ....	948	992	1,798	.....
S. Dak. ....	2,670	2,939	4,826	.....
4-State Total	9,165	10,674	16,988	.....
U. S. Total	135,705	157,727	217,132	.....

**Value Consumed on Farms**

Minn. ....	\$2,328	\$2,622	\$3,640	.....
Mont. ....	563	704	890	.....
N. Dak. ....	845	981	1,253	.....
S. Dak. ....	1,114	1,246	1,836	.....
4-State Total	4,850	5,553	7,619	.....
U. S. Total	71,313	83,051	108,662	.....

**EGGS**

(No. in Millions; Value in Thousands)

**Production**

	1933	1932	1931	1930
Minnesota ....	1,332	1,316	1,452	1,400
Montana ....	155	150	176	175
No. Dakota ....	284	275	330	345
So. Dakota ....	582	556	706	702
4-State Total ...	2,353	2,297	2,664	2,622
U. S. Total.....	31,813	32,308	34,442	33,529

**Value Sold from Farms**

Minnesota ....	\$9,286	\$9,202	\$13,091	.....
Montana ....	623	561	1,061	.....
No. Dakota ....	923	832	1,638	.....
So. Dakota ....	3,317	3,186	5,443	.....
4-State Total ...	14,149	13,781	21,233	.....
U. S. Total.....	253,373	265,198	357,872	.....

**Value Consumed on Farms**

Minnesota ....	\$2,942	\$3,165	\$3,941	.....
Montana ....	1,054	1,183	1,153	.....
No. Dakota ....	1,274	1,361	1,680	.....
So. Dakota ....	1,300	1,540	1,901	.....
4-State Total ...	6,570	7,249	8,675	.....
U. S. Total.....	91,430	93,787	120,509	.....

## COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS				AGRICULTURE			
	Apr. '34	Apr. '33	Per Cent Apr. '34 of Apr. '33		Apr. '34	Apr. '33	Per Cent Apr. '34 of Apr. '33
<b>Debits to Individual Accounts<sup>1</sup></b>				<b>Farmers' Cash Income</b>			
All Reporting Cities.....	\$ 24,433,000	\$ 21,575,700	113	Total of 7 Items.....	\$ 15,702,000	\$ 17,495,000	90
Minneapolis .....	11,297,000	10,629,000	106	Bread Wheat .....	2,465,000	4,586,000	54
St. Paul .....	4,593,000	3,951,000	116	Durum Wheat .....	478,000	959,000	50
South St. Paul.....	405,000	375,000	108	Rye .....	112,000	328,000	34
Great Lakes Ports .....	1,478,000	1,427,600	103	Flax .....	176,000	238,000	74
Beef and Pork, S.E.....	860,200	682,500	126	Potatoes .....	1,408,000	779,000	181
Beef and Pork, S.W.....	833,900	768,700	112	Dairy Products .....	8,085,000	7,612,000	106
Dairy and Mixed Farming.....	1,154,000	923,900	125	Hogs .....	2,978,000	2,993,000	99
Wheat and Mixed Farming.....	1,719,400	1,205,500	143	Butter Production <sup>2</sup> (Lbs.).....	42,291,000	47,121,000	90
Wheat and Range .....	694,800	531,400	131	<b>Grain Marketings at Minneapolis and Duluth-Superior (Bus.)</b>			
Mining and Lumber.....	1,397,700	1,081,100	129	Bread Wheat .....	2,564,000	6,212,000	41
<b>Electric Power Consumption (K.W.H.)<sup>1,2</sup></b>				Durum Wheat .....	495,000	1,421,000	35
Minn., No. Dak and So. Dak.....	4,289,500	3,739,700	115	Rye .....	198,000	770,000	26
Montana .....	2,734,100	2,048,100	133	Flax .....	96,000	185,000	52
<b>Country Check Clearings<sup>1</sup></b>				<b>Grain Stocks at END of Month at Minneapolis and Duluth-Superior (Bus.)</b>			
Total .....	\$ 3,182,700	\$ 2,343,900	136	Wheat .....	32,056,534	41,019,885	78
Minnesota .....	1,150,700	947,300	121	Corn .....	10,738,700	1,881,186	571
Montana .....	458,900	321,000	143	Oats .....	24,620,452	13,266,932	186
North and South Dakota.....	1,000,800	710,200	141	Barley .....	8,638,955	6,777,935	127
Michigan and Wisconsin .....	572,300	365,400	157	Rye .....	5,506,459	5,651,565	97
<b>Freight Carloadings—N. W. District</b>				Flax .....	792,966	1,037,176	76
Total—Excluding L. C. L.....	204,058	173,808	117	<b>Livestock Receipts at So. St. Paul (Head)</b>			
Grains and Grain Products.....	26,651	39,746	67	Cattle .....	63,285	49,495	128
Livestock .....	13,610	15,207	89	Calves .....	54,264	40,808	133
Coal .....	18,230	13,746	133	Hogs .....	127,731	142,429	90
Coke .....	4,335	2,149	202	Sheep .....	25,359	42,265	60
Forest Products .....	28,105	19,594	143	<b>Median Cash Grain Prices (Bus.)</b>			
Ore .....	7,777	5,368	145	Wheat—No. 1 Dark Northern.....	\$0.85 <sup>7</sup> / <sub>8</sub>	\$0.65 <sup>3</sup> / <sub>4</sub>	131
Miscellaneous .....	105,350	77,998	135	Durum—No. 2 Amber .....	.96 <sup>1</sup> / <sub>2</sub>	.67 <sup>1</sup> / <sub>2</sub>	143
Merchandise—L.C.L. ....	81,154	76,780	106	Corn—No. 3 Yellow .....	.42 <sup>1</sup> / <sub>2</sub>	.30 <sup>3</sup> / <sub>8</sub>	139
<b>Building Permits</b>				Oats—No. 3 White .....	.28	.18 <sup>3</sup> / <sub>8</sub>	150
Number—18 Cities .....	1,245	1,222	102	Barley—No. 3 .....	.70	.35	200
Value—18 Cities .....	\$ 752,600	\$ 3,064,600	25	Rye—No. 2 .....	.56 <sup>5</sup> / <sub>8</sub>	.42 <sup>5</sup> / <sub>8</sub>	133
Minneapolis .....	234,700	202,200	116	Flax—No. 1 .....	1.83	1.28 <sup>1</sup> / <sub>2</sub>	142
St. Paul .....	176,900	2,674,400	7	<b>Median Livestock Prices (Cwt.)</b>			
Duluth-Superior .....	183,300	47,800	383	Butcher Cows and Heifers.....	\$3.75	\$3.00	125
4 Wheat Belt Cities .....	25,100	53,900	47	Heavy Butcher Steers.....	5.90	4.50	131
6 Mixed Farming Cities .....	106,700	72,900	146	Light Butcher Steers.....	5.50	4.25	129
4 Mining Cities .....	25,900	13,400	193	Prime Heavy Butcher Steers.....	7.25	5.35	136
<b>Building Contracts Awarded</b>				Prime Light Butcher Steers.....	6.35	5.25	121
Total .....	\$ 9,942,200	\$ 3,466,900	287	Heavy Stocker & Feeder Steers.....	4.00	3.75	107
Commercial .....	344,700	207,100	166	Light Stocker & Feeder Steers.....	3.75	3.75	100
Factories .....	412,100	148,000	278	Veal Calves .....	5.00	4.00	125
Educational .....	44,000	60,600	73	Hogs .....	3.55	3.50	101
Hospitals, etc. ....	4,000	205,000	2	Heavy Hogs .....	3.30	3.30	100
Public .....	372,300	1,845,500	20	Lambs .....	9.25	4.75	195
Religious and Memorial.....	104,100	45,000	231	Ewes .....	4.00	2.50	160
Social and Recreational .....	98,500	42,000	235	<b>Wholesale Produce Prices</b>			
Residential .....	423,400	518,400	82	Butter (Lb.) .....	\$0.21 <sup>3</sup> / <sub>8</sub>	\$0.17	126
Public Works .....	7,897,400	295,600	2,672	Milk (Cwt.) .....	1.30	.83	157
Public Utilities .....	241,700	99,700	242	Hens (Lb.) .....	.11 <sup>3</sup> / <sub>2</sub>	.10 <sup>1</sup> / <sub>2</sub>	110
<b>Real Estate Activity in Hennepin and Ramsey Counties</b>				Eggs No. 2 (Doz.).....	.12	.11 <sup>1</sup> / <sub>4</sub>	107
Warranty Deeds Recorded.....	647	510	127	Potatoes (Bu.) .....	.64	.30	213
Mortgages Recorded .....	1,247	687	182	<b>TRADE</b>			
<b>Manufacturing and Mining</b>				<b>City Department Stores<sup>3</sup></b>			
Flour Production at Mpls., St. Paul and Duluth-Superior (Bbls.).....	674,963	840,486	80	Sales .....	\$ 4,534,750	\$ 4,632,440	98
Flour Shipments at Mpls. (Bbls.).....	600,627	776,248	77	Merchandise Stocks .....	9,610,200	8,380,480	115
Linseed Product Shipments (Lbs.).....	9,157,277	17,715,507	52	Receivables .....	5,620,000	5,384,880	104
Copper Output (3 Firms) (Lbs.).....	10,941,500	11,287,100	97	Instalment Receivables .....	1,310,450	1,152,800	114
<b>Business Failures</b>				<b>Country Department and Gen'l Stores<sup>3</sup></b>			
Number .....	36	64	56	Sales .....	1,171,350	1,087,940	108
Liabilities .....	\$ 403,582	\$ 578,051	70	Merchandise Stocks .....	3,317,600	2,809,970	118
				<b>City Furniture Stores<sup>3</sup></b>			
				Total Sales .....	\$ 77,950	\$ 72,200	108
				Instalment Sales .....	68,930	62,480	110
				Merchandise Stocks .....	308,870	261,510	118
				Instalment Receivables .....	675,310	609,460	111
				<b>Country Furniture Stores<sup>3</sup></b>			
				Sales .....	73,350	59,870	123
				Merchandise Stocks .....	314,660	276,900	114
				<b>Country Lumber Yards<sup>3</sup></b>			
				Sales (Bd. Ft.) .....	4,440,000	3,521,000	126
				Lumber Stocks (Bd. Ft.).....	62,857,000	54,246,000	116
				Total Sales .....	\$ 673,200	\$ 509,500	132
				Receivables .....	1,556,100	1,571,400	99
				<b>Life Insurance Sales</b>			
				Four States .....	\$ 15,479,000	\$ 11,600,000	133
				Minnesota .....	12,023,000	8,754,000	137
				Montana .....	1,277,000	1,066,000	120
				North Dakota .....	952,000	755,000	126
				South Dakota .....	1,227,000	1,025,000	120

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

	Apr. '34	Apr. '33	Per Cent Apr. '34 of Apr. '33		Apr. '34	Apr. '33	Per Cent Apr. '34 of Apr. '33
<b>Investment Dealers</b>				<b>Interest Rates<sup>a</sup></b>			
Sales to Banks.....	\$ 5,403,100	\$ 696,100	776	Minneapolis Banks .....	3¾-4	4¾-5	
Sales to Insurance Companies.....	5,424,840	161,700	336	Commercial Paper (net to borrower)	1¼	2½	
Sales to General Public.....	4,665,000	3,043,000	153	Minneapolis Fed. Res. Bank.....	3	3½	
<b>Wholesale Trade</b>				<b>Selected City Member Banks</b>	May 16, '34	May 17, '33	
<b>Groceries<sup>b</sup></b>				Loans to Customers.....	\$148,325,000	\$159,596,000	93
Sales .....	\$ 2,895,290	\$ 2,634,890	110	Other Invested Funds.....	184,673,000	134,337,000	137
Stocks .....	5,424,840	4,365,880	124	Cash and Due from Banks.....	127,571,000	112,988,000	113
Receivables .....	3,546,160	3,849,050	92	Deposits Due to Banks.....	93,279,000	63,297,000	147
<b>Hardware<sup>c</sup></b>				Public Demand Deposits.....	27,905,000	20,566,000	136
Sales .....	\$ 1,299,920	\$ 890,840	146	Other Demand Deposits.....	152,819,000	130,768,000	117
Stocks .....	2,544,340	2,148,110	118	Time Deposits .....	123,291,000	141,056,000	87
Receivables .....	1,393,560	1,311,810	106	Total Deposits .....	402,903,000	356,066,000	113
<b>Shoes</b>				Borrowings at Fed. Res. Bank.....	0	389,000	0
Sales .....	\$ 304,760	\$ 209,570	145	<b>Minneapolis Federal Reserve Bank</b>			
Stocks .....	665,900	534,760	125	Loans to Member Banks.....	\$ 486,000	\$ 7,637,000	6
Receivables .....	644,360	527,070	122	Twin Cities .....	0	97,000	0
<b>BANKING</b>				Minn., Wis. and Mich.....	219,000	3,354,000	7
<b>Member Bank Deposits</b>				N. Dak. and Mont.....	124,000	1,650,000	8
In Cities Over 15,000 pop.....	\$397,678,000	\$342,515,000	116	South Dakota.....	143,000	2,633,000	5
In Cities Under 15,000 pop.....	280,731,000	231,927,000	121	Fed. Res. Notes in Circulation.....	95,740,000	93,253,000	103
Michigan—15 Cos.....	44,936,000	36,997,000	121	Fed. Res. Bank Note Circulation—			
Minnesota .....	115,473,000	96,345,000	120	Net .....	0	496,500	0
Montana .....	40,933,000	33,643,000	122	Member Bank Reserve Deposits.....	65,939,800	40,220,300	164
North Dakota .....	27,610,000	24,428,000	113				
South Dakota .....	35,564,000	28,844,000	123				
Wisconsin—26 Cos.....	16,215,000	11,670,000	139				

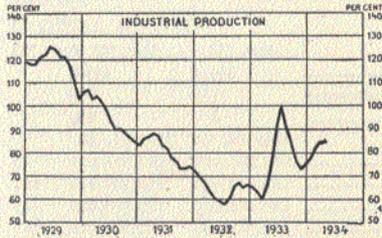
<sup>a</sup>Daily Averages. <sup>b</sup>Latest Reported Data. <sup>c</sup>Figures for the various items in this section not always from identical firms. \*Unclassified.

BANK DEBITS

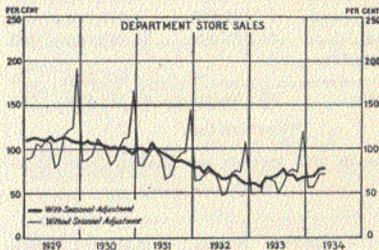
	April 1934	March 1934	April 1933	March 1933		April 1934	March 1934	April 1933	March 1933
<b>Number of Business Days:</b>					<b>Montana</b>				
Minnesota.....	25	26	24	---	Anaconda .....	1,034	1,112	673	688
All Other States in District.....	25	27	25	---	Billings .....	5,360	5,313	4,026	3,702
(000's omitted)					Bozeman .....	1,218	1,356	1,410	1,063
<b>Michigan</b>					Butte (2 Banks).....	7,168	6,741	5,407	5,675
Escanaba (1 Bank).....	\$ 442	\$ 484	\$ 309	\$ 309	Deer Lodge .....	417	380	577	523
Hancock .....	1,035	1,202	669	480	Glendive .....	607	598	495	638
Houghton .....	1,165	1,086	877	784	Great Falls .....	7,183	7,057	5,559	4,637
Iron Mountain .....	1,663	1,869	1,054	1,043	Harlowton .....	169	195	157	146
Iron River, Caspian, Stambaugh	889	706	379	286	Have .....	1,006	1,048	733	619
Manistique (1 Bank).....	131	132	84	61	Helena .....	5,859	6,441	5,349	4,861
Marquette .....	2,433	2,303	1,988	1,965	Kalispell .....	1,130	1,130	933	863
Menominee .....	2,134	2,472	1,648	1,381	Lewistown .....	988	1,021	853	917
Sault Ste. Marie.....	1,819	1,874	1,337	1,165	Malta .....	453	390	339	331
<b>Minnesota</b>					Miles City (1 Bank).....	938	749	790	766
Albert Lea .....	1,863	2,040	1,692	1,613	<b>North Dakota</b>				
Austin .....	3,205	3,296	2,738	2,220	Bismarck .....	17,075	9,953	9,329	8,689
Bemidji .....	782	746	*541	*341	Devils Lake .....	1,133	1,125	760	619
Chaska .....	371	468	377	343	Dickinson .....	838	890	746	552
Chisholm .....	576	566	266	255	Fargo .....	11,916	12,438	9,354	9,340
Cloquet .....	1,375	1,517	1,053	1,092	Grafton .....	655	687	802	316
Crookston .....	898	884	*761	*536	Grand Forks .....	3,297	3,419	†2,360	†1,286
Detroit Lakes .....	796	764	679	604	Jamestown .....	1,154	1,325	1,265	1,237
Duluth .....	28,268	27,004	28,313	26,224	Mandan .....	688	696	605	645
Ely .....	323	280	226	205	Minot .....	3,664	3,557	3,085	2,731
Faribault (1 Bank).....	1,018	1,132	1,107	707	Valley City .....	763	832	651	604
Farmington .....	155	140	134	126	Wahpeton .....	748	780	620	580
Fergus Falls .....	1,645	1,748	1,572	1,104	Williston .....	740	754	463	44
Glenwood .....	260	219	108	76	<b>South Dakota</b>				
Hutchinson (1 Bank).....	479	529	405	366	Aberdeen .....	2,801	3,028	2,672	2,395
Lakefield .....	263	292	214	162	Brookings (1 Bank).....	564	558	438	372
Lanesboro .....	190	227	218	161	Deadwood .....	740	770	607	593
Little Falls .....	612	623	624	506	Huron .....	1,993	2,021	2,497	2,425
Luverne .....	558	572	414	331	Lead .....	1,473	1,429	1,262	1,095
Mankato .....	4,031	4,029	3,343	3,075	Madison .....	644	667	499	416
Minneapolis .....	282,425	261,547	255,099	209,553	Milbank .....	255	311	288	275
Moorhead .....	1,510	1,908	1,001	1,017	Mitchell .....	1,912	1,819	1,643	1,322
Morris .....	319	365	251	151	Mobridge .....	528	428	362	310
Owatonna .....	1,988	2,029	1,769	1,443	Pierre .....	2,300	1,620	758	771
Park Rapids .....	231	182	156	63	Rapid City .....	1,651	1,687	1,324	1,037
Red Wing .....	1,384	1,587	1,257	963	Sioux Falls .....	10,678	11,987	10,014	9,121
Rochester .....	3,359	3,184	2,889	2,709	Watertown .....	1,804	1,876	1,543	1,354
St. Cloud .....	2,362	2,176	---	---	Yankton .....	1,587	1,412	1,202	925
St. Paul .....	114,813	123,560	94,814	81,130	<b>Wisconsin</b>				
Sauk Rapids .....	237	253	---	---	Ashland .....	881	933	---	---
South St. Paul .....	10,131	10,876	8,994	9,661	Chippewa Falls .....	1,555	1,426	1,223	1,025
Stillwater .....	1,381	1,261	1,316	1,120	Eau Claire .....	5,303	4,811	3,882	3,062
Thief River Falls.....	717	647	447	344	Hudson .....	337	322	177	197
Two Harbors .....	297	314	242	242	La Crosse .....	6,965	7,209	5,191	5,478
Virginia .....	1,413	1,249	1,419	1,007	Merrill .....	1,356	1,491	---	---
Wabasha .....	794	676	532	417	Superior .....	2,761	3,607	2,297	2,171
Wells .....	356	429	---	---	<b>Total for 88 Cities with Com-</b>				
Wheaton .....	260	283	225	199	<b>parable Figures for Both Years</b>	\$603,717	\$586,951	\$519,210	\$445,767
Wilmar (1 Bank).....	867	952	---	---	<sup>a</sup> Figures for a smaller number of banks				
Wiltona .....	5,605	6,059	4,182	3,679	†Including one bank operated by conservator				
Worthington (1 Bank).....	586	544	379	295					

## Summary of National Business Conditions

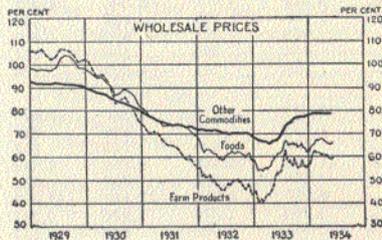
(Compiled May 22 by Federal Reserve Board)



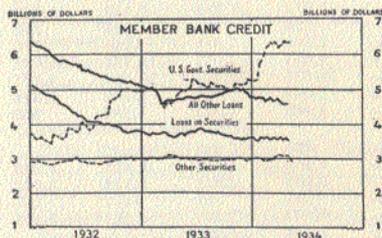
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.)



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



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



Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for May 16.

The volume of manufacturing production increased during April, while the output of mines declined. Employment and payrolls continued to increase. The general level of commodity prices remained substantially unchanged during April and the first three weeks in May, although prices of individual commodities showed considerable changes.

**PRODUCTION AND EMPLOYMENT:** Production of manufactures, which has increased continuously since last November, showed a further advance in April, according to the Board's seasonally adjusted index, while output of mines was smaller in April than in March. The Board's combined index of industrial production remained practically unchanged at 85 per cent of the 1923-1925 average. The growth in manufacturing reflected increases in iron and steel, automobiles, and meat packing. Lumber production declined in April, and activity at wool and silk mills was considerably reduced, while cotton consumption by mills showed little change. Crude petroleum output continued to increase, but there was a more than seasonal decline at the beginning of April in the mining of both anthracite and bituminous coal. During the first two weeks of May, steel operations increased further, but declined in the third week. The output of automobiles increased considerably in May.

The volume of employment and wage payments continued to increase in April, and employment in factories, according to the new index of the Bureau of Labor Statistics, was larger than at any time since the end of 1930. There was a substantial seasonal increase in the number of workers employed in private construction as well as in those engaged in projects financed by the Public Works Administration. Employment on railroads, in metal mining and quarrying, and in various service activities also increased further, while in coal mining there was a considerable decrease.

Construction contracts awarded during April, as reported by the F. W. Dodge Corporation, were smaller in value than during March. There was a substantial decline in Public Works contracts, while contracts for privately financed projects showed a slight increase in April.

Following extended drought in important grain areas, the Department of Agriculture forecast of the winter wheat crop was reduced from 492,000,000 bushels on April 1 to 461,000,000 bushels on May 1. This compares with a five-year average for 1927-1931 of 632,000,000 bushels. The condition of rye, hay, and pastures has also been adversely affected by the drought.

**DISTRIBUTION:** Railroad freight car loadings declined in April as compared with March, and in the first half of May there was a smaller than seasonal increase in total loadings. The April decline was largely the result of a substantial decrease in coal shipments from the relatively large volume of March. Department store sales showed little change from March to April, after allowance is made for difference in the number of business days, for usual seasonal changes, and for changes in the date of Easter. Sales continued larger than a year ago.

**COMMODITY PRICES:** The general level of wholesale commodity prices, as measured by the Bureau of Labor Statistics' index, has shown little change during the past three months. Prices of grain, cotton, silk, and silver, which declined sharply in April, rose during the first three weeks of May. Rubber prices advanced sharply until early in May but subsequently declined somewhat, and prices of textile products declined during recent weeks. Steel scrap has declined since March, while finished steel products, automobiles, non-ferrous metals, and building materials advanced. Cattle and beef prices rose during April and the early part of May, while prices of hogs declined.

**BANK CREDIT:** Excess reserves of member banks remained at a level of about \$1,600,000,000 between the middle of April and the middle of May. There were no considerable changes in monetary gold stock or in money in circulation. The total volume of reserve bank credit also showed little change.

At reporting member banks in leading cities in the five weeks ending May 16, there were decreases of about \$240,000,000 in loans and of \$80,000,000 in investments, the latter reflecting a decrease in holdings of securities other than those of the United States Government. Net demand and time deposits increased by nearly \$200,000,000, while United States Government deposits were reduced by about \$300,000,000. Short term money rates in the open market continued at low levels during May, and yields on United States Treasury bonds declined further to the lowest levels of the post-war period.