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 Ninth Federal Reserve District declined in July from the level of June. The sharpest decrease occurred in the seasonally adjusted index of sales at city department stores. Doubtless the truck drivers' strike in Minneapolis was a factor in this decrease. The index of city department store sales decreased from 71 in June to 61 in July. The adjusted index of miscellaneous freight carloadings declined from 66 in June to 61 in July. The country check clearings index and the index of l.c.l. freight carloadings showed minor decreases. The index of bank debits was the same in July as in June and the index of country lumber sales rose from 47 to 51.

Business records for July did not make as favorable a comparison with the figures for the corresponding month last year as had been made by the records of earlier months. However, it must be recalled that July last year was the peak of the sharp business recovery of that summer. The daily average of bank debits was 15 per cent lower in July than in the same month last year. Country check clearings were 12 per cent higher in July than a year ago, and freight carloadings, excluding l.c.l. freight, were 9 per cent larger than a year ago. The increase in freight carloadings was principally due to a continued larger volume of iron ore movement and to a heavy movement of livestock as a result of the Government cattle buying activities. Miscellaneous freight carloadings were slightly larger than in July last year and all other classes of freight were moved in smaller volume than a year ago. Other increases over last year's figures occurred in electric power consumption in the eastern part of the district, in building contracts, real estate activity in Hennepin and Ramsey counties, country lumber sales, securities sales and wholesale hardware sales. Declines from last year's volume occurred in electric power consumption in Montana and in building permits, flour shipments, linseed products shipments, copper output, butter production, grain marketings, hog marketings and wholesale shoe sales.

Retail trade was somewhat larger in July than in the same month last year, both in the cities and in the rural sections of the district. City department store sales were less than 1 per cent higher than a year ago. Five hundred and four country stores reported an increase of 8 per cent in their volume of sales over the volume in July last year. The greatest percentage increases over last year occurred in the iron mining and summer resort regions, in southeastern Minnesota, west central Wisconsin and in both eastern and western Montana. The only section to report a decrease was North Dakota, excluding the Red River Valley area. The trend of retail sales in the various subdivisions of the district is given in the following table:

Retail Trade

		Per Cent July 1934, of July 1933
Minneapolis, St. Paul, Duluth-Superior	(22 stores)	101
Country Stores	(504 stores)*	108
Minnesota, Southwestern	(45 stores)	103
Minnesota, Southeastern	(25 stores)	108
Minnesota, South Central	(24 stores)	101
Minnesota, Central	(12 stores)	101
Minnesota, Northeastern	(14 stores)	125
Minnesota-North Dakota, Red River Valley	(11 stores)	104
Montana, Mountain	(16 stores)	113
Montana, Plains	(34 stores)	121
North Dakota	(55 stores)	98
South Dakota, Southeastern	(18 stores)	107
South Dakota, Other Eastern	(46 stores)	103
Northern Wisconsin and Michigan	(40 stores)	119
Wisconsin, West Central	(45 stores)	108
Ninth District	(526 stores)	106

*Reports of some chain store organizations not subdivided by regions.

In the first half of August, both bank debits and country check clearings were above last year's volume. Bank debits in the two weeks ending August 15 were 6 per cent larger than in the same two weeks last year, partly as a result of some transfers of balances without business significance. Country check clearings in the first fifteen business days of August were 16 per cent larger than in the same period last year.

DISTRICT SUMMARY OF BANKING

Deposits at city member banks increased 16 million dollars during the four weeks ending August 15 and reached the highest level since midsummer of 1931. The increase in deposits was principally in deposits due to correspondent banks, which rose 11

million dollars and reached the highest point in our eight-year record, with the exception of one week in November, 1927. Demand deposits due to commercial and individual depositors also increased materially during the four-week period. This increase in deposits was accompanied by a sharp autumn upturn of 7 million dollars in loans to customers. Investments increased 2 million dollars, and balances carried with other banks, including the Federal Reserve Bank, increased 11 million dollars.

Country member bank deposits remained practically unchanged between the daily average for June and the daily average for July. There were minor increases in deposits at country banks in Minnesota, South Dakota and Wisconsin and decreases in banks in the northern peninsula of Michigan and in Montana.

Loan Changes in the First Half of 1934

The Federal Reserve Board has asked all member banks to report for each of the first six months of 1934 the amount of new loans made, the amount of loans repaid (excluding renewals) and the amount of loans written off. Although the reports for this district are not complete, the majority of the figures have been received and it is possible to indicate what has happened to customers' loans in the member banks of this district during the period under survey.

In the 382 country member banks whose figures have been received up to the time of writing, loans decreased from 118 million dollars to 106 million dollars during the first half of 1934. Nearly 5 million dollars of the decrease in loans represented loans written off as worthless. The remainder of the decrease consisted of an excess of repayments over new loans made. During the period, these country member banks made new loans amounting to 38 million dollars and received repayments on loans amounting to 46 million dollars. Repayments of loans exceeded new loans made in every one of the six months.

Changes in Loans to Customers
January-June, 1934
(In Thousands)

	New Loans Made	Loans Repaid	Loans Written Off
382 Country Member Banks			
January	$ 5,277	$ 8,764	$ 475
February	5,459	7,085	213
March	6,717	7,653	605
April	6,718	7,207	2,416
May	7,255	7,596	429
June	6,851	7,685	625
Six Months	38,277	45,990	4,763
7 Reserve City Member Banks			
January	9,372	11,053	54
February	8,934	10,038	261
March	9,931	11,573	268
April	13,240	14,906	320
May	13,790	12,404	25
June	11,355	11,823	163
Six Months	66,622	71,797	1,091

At seven reserve city member banks in Minneapolis, St. Paul and Helena, the trend was the same as at country banks. The total volume of loans to customers decreased from 103 million dollars to 97 million dollars. Loans were written off amounting to 1 million dollars and repayments exceeded new loans by 5 million dollars. New loans were made during the six months amounting to 67 million dollars and repayments were received amounting to 72 million dollars. The turnover of loans was more rapid at city banks than at country banks. At the reserve city member banks, repayments exceeded new loans in every month except May.

Industrial Loans

On June 19, 1934, an Act of Congress was approved by the President, authorizing the Federal reserve banks to make loans to supply working capital to industrial and commercial enterprises. These loans are not to exceed five years in maturity and may be made either direct to business or indirectly by discount or purchase of obligations from financial institutions. The scope of these lending powers is given in the following quotations from the Act:

"(a) In exceptional circumstances, when it appears to the satisfaction of a Federal Reserve bank that an established industrial or commercial business located in its district is unable to obtain requisite financial assistance on a reasonable basis from the usual sources, the Federal Reserve bank, pursuant to authority granted by the Federal Reserve Board, may make loans to, or purchase obligations of, such business, or may make commitments with respect thereto, on a reasonable and sound basis, for the purpose of providing it with working capital, but no obligation shall be acquired or commitment made hereunder with a maturity exceeding five years.

"(b) Each Federal Reserve bank shall also have power to discount for, or purchase from, any bank, trust company, mortgage company, credit corporation for industry, or other financing institution operating in its district, obligations having maturities not exceeding five years, entered into for the purpose of obtaining working capital for any such established industrial or commercial business; to make loans or advances direct to any such financing institution on the security of such obligations; and to make commitments with regard to such discount or purchase of obligations or with respect to such loans or advances on the security thereof, including commitments made in advance of the actual undertaking of such obligations. Each such financing institution shall obligate itself to the satisfaction of the Federal Reserve bank for at least 20 per centum of any loss which may be sustained by such bank upon any of the obligations acquired from such financing institution, the existence and amount of any such loss to be determined in accordance with

regulations of the Federal Reserve Board: Provided, that in lieu of such obligation against loss any such financing institution may advance at least 20 per centum of such working capital for any established industrial or commercial business without obligating itself to the Federal Reserve bank against loss on the amount advanced by the Federal Reserve bank; Provided, however, that such advances by the financing institution and the Federal Reserve bank shall be considered as one advance, and repayment shall be made pro rata under such regulations as the Federal Reserve Board may prescribe."

To aid the Federal Reserve banks in the administration of this law, the Act provides that each Federal Reserve bank shall appoint an Industrial Advisory Committee to be composed of not less than three nor more than five members, who are actively engaged in industrial pursuits within the Federal Reserve district. In the Ninth Federal Reserve District, the following men have been appointed members of the Industrial Advisory Committee:

C. O. Follett, President, Smith, Follett & Crowl, Fargo, North Dakota,
Albert Miller, President, Miller Broom Company, LaCrosse, Wisconsin,
H. C. Jewett, Sr., President, Jewett Brothers, Inc., Aberdeen, South Dakota,
Sheldon V. Wood, President, Minneapolis Electric Steel Castings Company, Minneapolis, Minnesota,
John M. Bush, Cleveland-Cliffs Iron Company, Negaunee, Michigan.

The first industrial loan under this Act was made during the week ending August 8, amounting to $5,000. During the week ending August 15, other loans totaling $7,500 were made by this bank.

DISTRICT SUMMARY OF AGRICULTURE

Farm Income and Prices

Farm income in the district from marketings of six important products during July was 24 per cent smaller than in July last year. A large part of the decrease was due to the lower level of grain marketing, which made an unfavorable comparison with the abnormally large receipts in July last year. The reduced volume of dairy output and the smaller receipts of hogs at markets were also important factors in the shrinkage of farm income. The income estimates exclude benefit payments and loans to farmers by Government instrumentalities.

From June to July there was a sharp rise in grain prices, which brought the price of bread wheat to the highest level since the spring of 1930, and the price of durum wheat to the highest level since 1929. In July the price of lambs dropped sharply, but was higher than in July last year. Prices of all grains, except rye and flax, butcher steers, hogs, lambs, fluid milk and hens were higher than in July last year. Prices of lightweight stocker and feeder steers and calves were unchanged from a year ago. In addition to rye and flax, butter, eggs, butcher cows and heifers, heavy feeder steers and ewes were a little lower than in July a year ago. Because of a lower average quality and finish and a larger proportion of grassy western stock, butcher steer prices dropped sharply during July and were much lower than a year ago. The seasonally corrected index of northwestern farm product prices compiled by the University of Minnesota, declined during July to 55.7 from 56.1 in June, in sharp contrast with the rise from 47.7 in June to 55.8 in July last year. This index is based on the three-year period, 1924-1926.

Cold Storage Holdings

The holdings of important farm products in cold storage throughout the United States increased abnormally during July. As a result, holdings of poultry, beef and miscellaneous meats were larger than the five-year average on August 1, whereas a month earlier holdings of these commodities were below the five-year average for the corresponding date. Cold storage holdings of cheese, pork, lamb, mutton and lard also increased abnormally during July. Butter and eggs were the only commodities whose holdings did not increase by more than the usual amount during July. On August 1 holdings of butter, pork and lamb and mutton were all smaller than the five-year average for that date.

United States Cold Storage Holdings

(In thousands of pounds)

	August 1, 1934	August 1, 1933	August 1 5-Year Average
Beef	61,375	41,823	44,024
Pork	643,614	808,322	725,797
Lamb and Mutton	1,517	1,594	2,323
Miscellaneous Meats	78,628	74,522	73,363
Total Meats	785,134	926,261	845,507
Lard	209,628	219,259	156,833
Cream*	200	175	.....
Butter	109,662	150,934	134,597
Cheese	115,810	94,291	95,177
Poultry	44,824	44,970	39,458
Eggs†	12,421	12,583	12,144

*Thousand Cans. †Thousand Cases.

Butter

Estimated butter production in the United States for the first six months of 1934 was nearly 10 per cent smaller than in the first half of last year. While the heavy production months of May and June this year showed increases over the production of March and April, the increase was much smaller than in the same months last year. Total butter production estimates for July are not yet available, but reports from a group of plants that ordinarily produce 25 to 30 per cent of the national total indicated a decrease of at least 10 per cent for July when compared with July last year. Reports from the same plants for the first three weeks ending in August indicate a decrease of a little more than 10 per cent.

Stocks of butter in cold storage increased between July 1 and August 1 by about the seasonal amount, but on August 1 were only 81 per cent of the five-year average for that date. Butter prices at Chicago have climbed rapidly during the first three weeks of August, rising from 24 cents on July 28 to 26¾ cents on August 16.

Livestock Marketing

Unusually heavy runs of cattle were received at South St. Paul and other mid-western markets during July owing to the large volume of Government purchased cattle and other "distress" marketings on account of the drouth. The total number of cattle slaughtered under Federal inspection during July was 1,191,981 head, which was 58.5 per cent more than in July, 1933. July slaughterings were the largest ever recorded for that month, and the fourth largest for any month. As a result of this abnormally large slaughter, cold storage holdings of beef increased sharply, as mentioned elsewhere in this issue.

Despite the large cattle receipts, butcher cattle prices declined but little during July, although further slight recessions occurred during the first three weeks of August. Stocker and feeder prices, however, declined steadily throughout July and during early August, partly because of excessive offerings at South St. Paul and other mid-western markets and partly because of a decreased demand on account of short feed supplies.

Hog receipts at South St. Paul were much smaller during July than in the same month last year and were smaller than in any month since August, 1932. Decreases in hog receipts also occurred at the six other important mid-western livestock markets. During the first three weeks of August, receipts have continued much smaller than during the same three weeks a year ago at these seven markets. The decreased receipts, in combination with higher wholesale pork prices, resulted in moderate gains in hog prices for July and in large increases during the first three weeks in August. New 1934 "highs" were established in each of the first three weeks in August, with a "top" of $7.35 being recorded August 27, the highest price at South St. Paul since August, 1931.

Sheep and lamb receipts at South St. Paul during July were larger than in any month since last January and more than 40 per cent larger than in July last year. Receipts of sheep and lambs at the seven mid-western markets were a little larger in July than a year ago, but during the first three weeks of August, both at South St. Paul and the other six markets, receipts have been considerably below those of the same three weeks in 1933.

During July lamb prices at South St. Paul continued the gradual decline that started early in May. A small increase was made the first week in August, followed by a larger one the second week, but most of this gain was lost during the third week when liberal supplies of range lambs were received. Slaughter ewe prices were steady to strong during July, an increase of 75 cents per hundredweight being shown in the median price computed in our office from representative sales.

Wool Production

According to the Government's estimate, wool production in Minnesota, Montana and the Dakotas amounted to 58,813,000 pounds in 1934, an increase of 2,500,000 pounds over the production in the preceding year. There was a small increase in the number of sheep shorn, but the average weight per fleece increased four-tenths of a pound in Montana, which accounted for most of the increase. The 1934 clip was the second largest on record for these states, being exceeded only by the clip of 1931. Owing to higher prices this year, the estimated income to farmers from wool was $13,880,000, which was the largest income from this source since 1929.

In the United States as a whole, the 1934 wool production was smaller than that of 1933, owing to a decrease in Texas, but was a little larger than the 1929-1933 average.

Wool Production

(Thousand Pounds)

	1934	1933	1932
Minnesota	7,020	6,814	6,638
Montana	35,966	33,276	32,300
North Dakota	6,731	7,056	7,802
South Dakota	9,096	9,200	8,960
Four States	58,813	56,346	55,700
United States	354,529	364,730	344,354

Lamb Crop

Largely as a result of favorable weather conditions at lambing time and throughout the spring, the lamb crop in the four complete states in the Ninth Federal Reserve District was somewhat larger than in the preceding season. While the number of breeding ewes on farms last January 1 was slightly (less than 1 per cent) larger than the number on January 1, 1933, the 1934 crop was about 6 per cent larger than in 1933. In the entire United States, the 1934 lamb crop was about 1 per cent larger than that of 1933, but about 1 per cent smaller than that of 1932.

Lamb Crop in Minnesota, Montana, North Dakota, South Dakota and United States, 1932-1934

	1934	1933	1932
Minnesota	796	770	774
Montana	2,589	2,263	2,356
North Dakota	631	682	792
South Dakota	767	796	784
Four States	4,783	4,511	4,706
United States	29,339	29,068	29,613

Cattle on Feed

Reflecting the widespread feed shortage, the number of cattle on feed in the Corn Belt on August 1 was the smallest for that date in the last seven years. In Minnesota there were only 75 per cent as many cattle on feed August 1 as on the same date last year, and in South Dakota only 77 per cent. In the eleven states included in the Corn Belt, the number on feed was approximately 79 per cent of the number on feed August 1, 1933.

Crops

The August 1 crop production forecasts issued by the United States Department of Agriculture further emphasized the heavy toll taken by drouth this season, both in the four complete states in the Ninth Federal Reserve District and in the entire United States.

Feed crops suffered more than cash crops during July in our four states, the August 1 forecasts for corn, oats, barley and hay all showing material decreases from the July 1 forecasts. The greatest decrease was shown by the August 1 corn forecast, which was less than 75 per cent of the July 1 forecast.

Two of the four leading cash crops in our district, flax and potatoes, showed decreases during July, but the other two, wheat and rye, showed small increases owing to slightly larger threshing returns than had been anticipated. The 1934 production forecast for both wheat and rye, however, is but little more than half as large as the small crop of 1933 and less than one-third of the 1924-1933 average. With the single exception of potatoes, all of the other important crops in our four states are much smaller than the 1933 estimated production and far below the 1924-1933 average. The 1934 forecasted potato production in our four states is a little smaller than that of 1933, and a little less than 80 per cent of the 1924-1933 average.

When drouth conditions are so widespread and so long continued as they are this year, decreases in total production of an area do not tell the whole story. A great many farmers in our district will have no grain crops to harvest this year at all. Many crop reporters in South Dakota, in their county reports to the State Agricultural Statistician, state definitely that in their counties there will be no fields cut for grain. The average yield per acre, of course, will be very low. The acre yields of many fields are so low that in normal years, they would have been cut earlier for hay instead of being harvested for grain.

In contrast with the severe drouth conditions prevailing throughout most of our more important farming sections, there are three scattered sections where rainfall has occurred regularly throughout the growing season, even though somewhat below the normal amount, and crops are in excellent condition, acreage has not been abandoned, and ample forage for a normal number of livestock will be available. One such section is in the most southerly tier of counties in Minnesota, a second is the central part of the Red River Valley extending into both Minnesota and North Dakota, and the third, the largest area, is the western part of Montana.

Wheat and Flax Marketings

Marketings of wheat produced this season in Minnesota, Montana, North Dakota and South Dakota were somewhat smaller than last year during the period July 1 to August 18 because of the greatly reduced crop. Favorable prices, however, have been responsible for prompt marketing of much of the wheat threshed, apparently, as 9.69 per cent of the estimated total available for marketing had been received at terminals by August 18, compared with 8.88 per cent during the same period last year. Marketings during July last year were much larger than in July this year and considerably larger than the average for July in the preceding four years.

Wheat Marketing Progress

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

July 1 Through August 18, 1933 and 1934

Crop and Carry-over	1934 Bushels	1933 Bushels
July 1 Farm Stocks	17,091,000	32,396,000
July 1 Stocks in Country Mills and Elevators	13,075,000	16,050,000
New Crop	63,924,000	114,365,000
Total Wheat Supply	94,090,000	162,811,000
Less: Estimated Seed Requirements*	20,000,000	17,500,000
Remainder available for marketing at terminals, feed, country millings, etc.	74,090,000	145,311,000
Receipts since July 1 at Minneapolis, Duluth and Superior, excluding S. W. wheat and duplications	7,183,000	12,910,000
Per cent marketed through August 18	9.69	8.88

During the twelve-month period, 7-1-33 to 6-30-34, 55 per cent of the 145,311,000 bushels available was marketed at terminals, amounting to 80,398,000.

*Based on acreage reported July 1 plus an adjustment of approximately 500,000 bushels for replanting of spring wheat and acreage abandoned prior to July 1, 1934.

Flax marketings this season up to August 18 have been very small, less than half as large as flax marketings in the same weeks last year. This is doubtless accounted for by the fact that the small crop of flax that will be harvested in our district was planted late, which will make the harvest later than last year. Much of the early planted flax acreage was a complete failure this year and was abandoned. Only 271,000 bushels (5.82 per cent of estimated amount available for marketing) of flax were marketed between August 1 and August 18, compared with 564,000 bushels (9.22 per cent of estimated amount available for marketing) last year.

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS	July, '34	July, '33	Per Cent July '34 of July, '33
Debits to Individual Accounts[1]			
All Reporting Cities	$ 25,211,500	$ 29,731,200	85
Minneapolis	11,288,000	16,362,000	69
St. Paul	4,672,000	4,252,000	110
South St. Paul	395,000	475,000	83
Great Lakes Ports	1,779,600	2,189,800	81
Beef and Pork, S.E.	869,900	914,800	95
Beef and Pork, S.W.	861,900	898,200	96
Dairy and Mixed Farming	1,281,700	1,150,900	111
Wheat and Mixed Farming	1,604,800	1,404,800	114
Wheat and Range	838,500	683,900	123
Mining and Lumber	1,620,100	1,399,800	116
Electric Power Consumption (K.W.H.)[1,2]			
Minn., No. Dak. and So. Dak.	4,613,400	4,071,100	113
Montana	1,517,800	2,307,300	66
Country Check Clearings[1]			
Total	$ 3,497,500	$ 3,134,500	112
Minnesota	1,324,000	1,243,200	106
Montana	525,200	430,400	122
North and South Dakota	1,020,900	924,800	110
Michigan and Wisconsin	627,200	536,100	117
Freight Carloadings—N.W. District			
Total—Excluding L.C.L.	308,817	282,328	109
Grains and Grain Products	39,108	49,727	79
Livestock	34,441	18,528	186
Coal	12,644	14,381	88
Coke	2,299	4,840	48
Forest Products	22,970	28,760	80
Ore	87,242	60,686	144
Miscellaneous	110,113	105,405	104
Merchandise—L.C.L.	81,277	82,340	99
Building Permits			
Number—18 Cities	902	1,006	90
Value—18 Cities	$ 1,000,200	$ 1,050,900	95
Minneapolis	138,900	286,900	48
St. Paul	220,400	294,900	75
Duluth-Superior	73,800	275,700	27
4 Wheat Belt Cities	373,300	30,100	1,240
6 Mixed Farming Cities	68,300	118,100	58
4 Mining Cities	125,500	45,200	278
Building Contracts Awarded			
Total	$ 4,267,000	$ 3,086,400	138
Commercial	447,000	431,500	104
Factories	28,000	705,500	4
Educational	694,000	336,100	206
Hospitals, etc.	106,000	48,000	221
Public Buildings	187,000	58,000	322
Religious and Memorial	186,000	83,000	224
Social and Recreational	132,000	104,200	127
Residential	503,000	718,800	70
Public Works	1,754,000	519,600	338
Public Utilities	230,000	81,700	282
Real Estate Activity in Hennepin and Ramsey Counties			
Warranty Deeds Recorded	624	598	104
Mortgages Recorded	1,308	720	182
Manufacturing and Mining			
Flour Production at Minneapolis, St. Paul, and Duluth-Superior (Bbls.)	572,976	804,133	71
Flour Shipments at Mpls. (Bbls.)	556,195	766,060	73
Linseed Product Shipments (Lbs.)	9,026,776	14,503,115	62
Copper Output (3 Firms) (Lbs.)	3,901,000	11,605,500	34
Business Failures			
Number	18	62	29
Liabilities	$ 237,926	$ 1,133,996	21

AGRICULTURE	July, '34	July, '33	Per Cent July '34 of July, '33
Farmers' Cash Income			
Total of 6 Items	$ 21,988,000	$ 29,068,000	76
Bread Wheat	3,509,000	6,981,000	50
Durum Wheat	597,000	1,090,000	55
Rye	90,000	880,000	10
Flax	354,000	431,000	82
Dairy Products	13,469,000	14,148,000	95
Hogs	3,969,000	5,538,000	72
Butter Production (Lbs.)	53,876,000	64,259,000	84
Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Bread Wheat	2,770,000	5,936,000	47
Durum Wheat	437,000	1,032,000	42
Rye	122,000	1,087,000	11
Flax	186,000	220,000	85
Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)			
Wheat	24,939,112	41,611,973	60
Corn	7,040,840	7,084,542	99
Oats	14,195,546	20,413,656	70
Barley	5,244,839	8,730,545	60
Rye	3,858,313	5,700,722	68
Flax	630,650	868,731	73
Livestock Receipts at South St. Paul (Head)			
Cattle	217,548	72,745	299
Calves	105,411	39,438	267
Hogs	100,859	139,540	72
Sheep	71,329	50,517	141
Median Cash Grain Prices (Bu.)			
Wheat—No. 1 Dark Northern	$ 1.13½	$ 1.05¼	108
Durum—No. 2 Amber	1.36½	1.05⅝	129
Corn—No. 3 Yellow	.59	.55½	106
Oats—No. 3 White	.45⅞	.44½	103
Barley—No. 3	.80	.....	.....
Malting Barley—No. 3	.91½	.....	.....
Rye—No. 2	.73¾	.81	91
Flax—No. 1	1.90½	1.96	97
Median Live Stock Prices (Cwt.)			
Butcher Cows and Heifers	$ 3.50	$ 4.00	88
Heavy Butcher Steers (1,100 lbs. and over)	4.50	5.75	78
Light Butcher Steers (under 1,100 lbs.)	6.00	5.25	114
Prime Heavy Butcher Steers (1,100 lbs. and over)	8.25	6.50	127
Prime Light Butcher Steers (under 1,100 lbs.)	7.25	6.00	121
Heavy Stocker and Feeder Steers (800 lbs. and over)	3.00	3.25	92
Light Stocker and Feeder Steers (under 800 lbs.)	3.00	3.00	100
Veal Calves	4.50	4.50	100
Hogs	4.40	4.25	104
Heavy Hogs	4.20	4.10	102
Lambs	7.00	6.00	117
Ewes	1.75	2.00	88
Wholesale Produce Prices			
Butter (Lb.)	$ .21½	$ .22	98
Milk (Cwt.)	1.37	1.28	107
Hens (Lb.)	.08½	.07	121
Eggs No. 2 (Doz.)	.10½	.11⅝*	90
TRADE			
City Department Stores[3]			
Sales	$ 3,323,770	$ 3,263,700	102
Merchandise Stocks	9,041,660	8,885,280	102
Receivables	5,225,240	4,437,860	118
Instalment Receivables	1,315,210	1,160,690	113
Country Department and General Stores[3]			
Sales	4,716,450	4,349,440	108
Stocks	6,208,960	5,742,210	108
Country Lumber Yards[3]			
Sales (Bd. Ft.)	6,574,000	6,212,000	106
Lumber Stocks (Bd. Ft.)	60,754,000	59,061,000	103
Total Sales	$ 813,900	$ 712,700	114
Receivables	1,861,400	1,819,900	102
Life Insurance Sales			
Four States	$ 11,723,000	$ 12,795,000	92
Minnesota	8,839,000	9,230,000	96
Montana	1,096,000	1,175,000	93
North Dakota	909,000	1,120,000	81
South Dakota	879,000	1,270,000	69

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

	July, '34	July, '33	Per Cent July '34 of July, '33
Investment Dealers			
Sales to Banks	$ 3,344,700	$ 4,490,200	74
Sales to Insurance Companies	885,500	579,800	153
Sales to General Public	2,915,000	2,867,100	102
Wholesale Trade			
Groceries[3]			
Sales	$ 3,354,560	$ 3,312,560	101
Stocks	5,388,480	5,032,850	107
Receivables	3,689,830	4,152,420	89
Hardware[3]			
Sales	$ 1,242,420	$ 1,215,470	102
Stocks	2,589,640	2,221,130	117
Receivables	1,298,130	1,325,930	98
Shoes			
Sales	$ 231,940	$ 255,830	91
Stocks	747,890	705,150	106
Receivables	593,160	598,440	99
BANKING			
Member Bank Deposits			
In Cities over 15,000 pop.	$422,272,000	$387,093,000	109
In Cities under 15,000 pop.	285,583,000	244,898,000	117
Michigan—15 Cos.	45,225,000	37,625,000	120
Minnesota	118,287,000	102,531,000	115
Montana	43,075,000	35,705,000	121
North Dakota	26,256,000	25,249,000	104
South Dakota	35,850,000	30,837,000	116
Wisconsin—26 Cos.	16,890,000	12,951,000	130

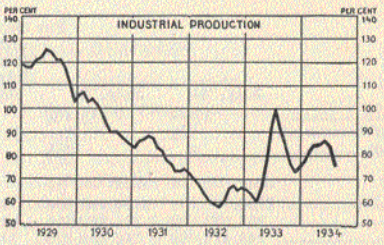
	July, '34	July, '33	Per Cent July '34 of July, '33
Interest Rates[2]			
Minneapolis Banks	3¾-4	4½-4¾	
Commercial Paper (net to borrower)	1¼	2	
Minneapolis Fed. Res. Bank	3	3½	
Selected City Member Banks	Aug. 15, '34	Aug. 16, '33	
Loans to Customers	$158,371,000	$176,552,000	90
Other Invested Funds	203,502,000	154,862,000	131
Cash and Due from Banks	143,428,000	102,260,000	140
Deposits Due to Banks	112,682,000	67,673,000	167
Public Demand Deposits	36,922,000	26,200,000	141
Other Demand Deposits	164,165,000	151,904,000	108
Time Deposits	123,713,000	128,923,000	96
Total Deposits	445,853,000	379,955,000	117
Borrowings at Fed. Res. Bank	0	0	.....
Minneapolis Federal Reserve Bank			
Loans to Member Banks	$ 233,000	$ 3,969,000	6
Twin Cities	0	48,000	.....
Minn., Wis. and Mich.	86,000	1,760,000	5
N. Dak. and Mont.	62,000	663,000	9
South Dakota	85,000	1,546,000	5
Fed. Res. Notes in Circulation	101,171,000	90,732,500	112
Fed. Res. Bank Note Circulation—Net	0	1,431,600	.....
Member Bank Reserve Deposits	84,144,600	50,787,700	166
Industrial Loans	12,500	0	.....

[1]Daily Averages. *Unclassified.
[2]Latest Reported Data.
[3]Figures for the various items in this section not always from identical firms.

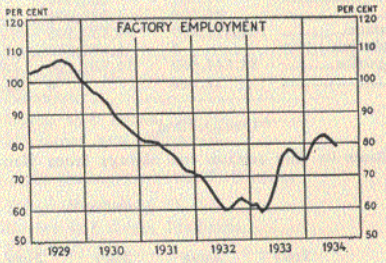
BANK DEBITS

Number of Business Days:	July 1934	June 1934	July 1933	June 1933
North Dakota	25	25	25	26
All Other States in District	25	26	25	26
Michigan	(000's omitted)			
Escanaba (1 Bank)	$ 540	$ 441	$ 392	$ 346
Hancock	844	950	851	956
Houghton	1,321	1,335	1,418	1,401
Iron Mountain	1,508	1,685	1,151	1,169
Iron River, Stambaugh	900	820	429	421
Manistique (1 Bank)	149	155	117	116
Marquette	2,785	2,532	1,951	2,368
Menominee	2,457	2,301	1,865	1,969
Sault Ste. Marie	2,083	2,241	1,860	1,541
Minnesota				
Albert Lea	2,076	2,247	1,851	2,092
Austin	3,252	3,434	2,916	3,282
Bemidji (2 banks)	1,154	1,054	752*	707*
Chaska	494	523	420	447
Chisholm	639	717	843	971
Cloquet	1,428	1,553	1,292	1,276
Crookston	1,030	1,008	912*	761*
Detroit Lakes	1,135	1,185	1,027	1,107
Duluth	34,407	44,636	46,635	56,816
Ely	324	486	293	372
Faribault (1 Bank)	1,281	1,291	1,156	1,131
Farmington	145	130	143	162
Fergus Falls	1,654	1,728	1,641	2,015
Glenwood	269	265	305	275
Hutchinson	435	.....	.....	.....
Lakefield	282	248	249	311
Lanesboro	192	294	197	254
Little Falls	876	759	847	935
Luverne	677	596	643	628
Mankato	4,892	4,195	4,505	4,146
Minneapolis	282,201	294,422	409,042	316,510
Moorhead	1,406	1,428	1,258	1,185
Morris	377	366	282	319
Owatonna	2,026	1,992	1,834	1,713
Park Rapids	290	260	220	380
Red Wing	1,447	1,880	1,485	1,577
Rochester	3,832	3,592	3,438	3,592
St. Cloud	2,781	2,781	.....	.....
St. Paul	116,788	130,425	106,292	112,529
Sauk Rapids	258	242	.....	.....
South St. Paul	9,885	10,481	11,876	10,999
Stillwater	2,171	1,610	2,516	1,603
Thief River Falls	833	812	580	616
Two Harbors	488	307	378	310
Virginia	1,448	1,741	1,249	1,668
Wabasha	872	932	870	827
Wells	396	378	.....	.....
Wheaton	235	283	278	323
Willmar	1,143	978	.....	.....
Winona	5,693	5,885	5,033	6,376
Worthington (1 bank)	557	589	459	514
Montana				
Anaconda	881	1,094	1,022	854
Billings	6,193	6,256	5,132	5,106
Bozeman	1,832	1,512	1,551	1,636
Butte (2 banks)	7,495	7,828	6,254	6,323
Deer Lodge	732	478	685	458
Glendive	665	675	706	694
Great Falls	9,564	8,776	8,777	8,574
Harlowton	276	232	250	365
Havre	1,214	1,327	1,088	1,050
Helena	8,167	8,564	6,521	6,475
Kalispell	1,602	1,539	1,265	1,446
Lewistown	986	1,262	1,258	1,436
Malta	733	712	401	463
Miles City (1 bank)	1,067	1,085	1,014	1,098
North Dakota				
Bismarck	14,391	10,286	9,450	9,013
Devils Lake	1,063	1,116	1,047	934
Dickinson	960	946	1,084	995
Fargo	11,341	11,527	11,447	11,091
Grafton	483	479	378	342
Grand Forks	3,428	3,703	3,178†	3,352†
Jamestown	1,236	1,622	1,722	1,627
Mandan	670	645	798	847
Minot	3,340	3,611	3,547	3,191
Valley City	816	829	833	835
Wahpeton	710	638	675	687
Williston	974	937	609	355
South Dakota				
Aberdeen	3,511	3,399	3,145	3,464
Brookings (1 bank)	458	696	517	688
Deadwood	764	734	806	745
Huron	2,075	2,052	2,961	3,013
Lead	1,456	1,656	1,356	1,585
Madison	768	761	512	650
Milbank	295	317	313	406
Mitchell	2,039	2,158	1,858	2,160
Mobridge	517	537	372	414
Pierre	2,581	2,466	844	981
Rapid City	2,079	1,902	1,680	1,753
Sioux Falls	11,367	11,515	11,738	11,702
Watertown	1,994	1,974	1,960	2,133
Yankton	1,359	1,397	1,248	1,231
Wisconsin				
Ashland	950	1,004	.....	.....
Chippewa Falls	1,718	1,771	1,656	1,365
Eau Claire	5,177	6,084	5,138	4,404
Hudson	343	344	258	215
La Crosse	6,458	6,710	9,377	6,477
Merrill	1,404	1,280	.....	.....
Rhinelander	1,534	1,588	1,351	1,207
Superior	3,263	3,553	3,531	3,219
Total for 89 Cities with Comparable Figures for Both Years	$624,741	$659,342	$740,222	$661,255

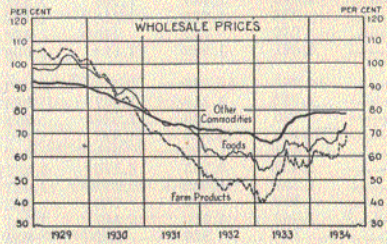
*Figures for a smaller number of banks.
†Including one bank operated by a conservator.



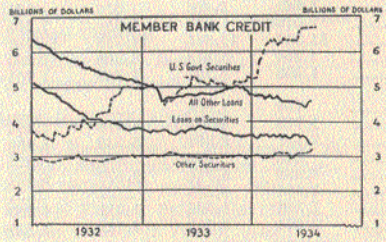
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.)



Federal Reserve Board's index of factory employment adjusted for seasonal variation. (1923-1925 average=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 August 15.

Summary of National Business Conditions

(Compiled August 23 by Federal Reserve Board)

Industrial production declined in July. Factory employment and payrolls also decreased. Diminished output of steel was the chief factor in the decline of industrial activity which was larger than is usual at this season of the year. The general level of wholesale commodity prices showed little net change for July and advanced in the first three weeks of August.

PRODUCTION AND EMPLOYMENT: The volume of industrial output, as measured by the Board's seasonally adjusted index, decreased from 83 per cent of the 1923-1925 average in June to 76 per cent in July. This decline reflected chiefly a sharp reduction in the output of steel, due in part to previous accumulation of stocks by consumers. There was a further decline in steel operations during the first three weeks in August. Activity in the automobile industry decreased in July and there were considerable reductions in the output of pig iron and anthracite. At textile mills, where operations had been at a low level in June, activity showed little change in July. Output of shoes showed a seasonal increase. Accompanying heavy marketings of cattle from drouth areas, there was a considerable increase in activity at meat packing establishments.

Factory employment decreased between the middle of June and the middle of July by 3 per cent, an amount larger than is usual at this season. There were reductions in many industries producing durable manufactures, such as iron and steel products and building materials, and also at establishments producing knit goods and women's clothing. At canning establishments the number of employees increased by less than the usual seasonal amount. Employment on public projects increased further in July.

The value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was about the same in July as in June.

Department of Agriculture estimates, based on August 1 conditions, indicate that yields per acre for principal crops were 22 per cent smaller than the ten-year average, reflecting the effects of the drouth. The wheat crop was estimated at 491,000,000 bushels, 37,000,000 bushels less than last year's small harvest, and the corn crop at 1,607,000,000 bushels, as compared with a five-year average of 2,516,000,000 bushels. The cotton crop estimate was 9,195,000 bales, about 4,000,000 bales less than last season and smaller than in any other year since 1921.

DISTRIBUTION: Total volume of freight carloadings declined in July, reflecting chiefly a reduction in miscellaneous freight, including steel shipments, offset in part by an increase in shipments of livestock. Department store sales showed a decrease of somewhat more than the estimated seasonal amount.

COMMODITY PRICES: Wholesale prices of farm products, after fluctuating widely in July, advanced considerably in the first three weeks of August. Between the beginning of July and the third week of August, cotton, wheat, and hog prices showed substantial increases while cattle prices declined somewhat. During this period prices of commodities, other than farm products and foods, as a group showed little change.

BANK CREDIT: Member bank reserve balances increased further between the middle of July and the middle of August and on August 15 were about $1,900,000,000 in excess of legal requirements. The increase in reserve balances reflected principally a further growth in monetary gold stock, offset in part during the first half of August by a seasonal increase in the total volume of money in circulation. The volume of Reserve bank credit showed little change.

In the four weeks ending August 15, loans and investments of New York City banks decreased by $141,000,000 while those of weekly reporting banks in other leading cities increased by $116,000,000. The decrease at New York banks reflected a reduction of nearly $200,000,000 in loans to brokers and dealers in securities, following a sharp decline in security prices in the latter part of July and a decline of $52,000,000 in holdings of United States Government securities. All other loans and holdings of securities other than United States Government obligations increased substantially at New York banks and at banks outside New York City. At outside banks, holdings of United States Government securities also increased.

Average rates of discount on United States Treasury bills issued rose from .07 per cent in July to .23 per cent on August 22. Other open market money rates remained unchanged at low levels.