

# 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 increased to the highest point in three years during December. All of the seasonally adjusted indexes prepared in this office showed gains over November, with the exception of country check clearings, which declined one point from the five-year "high" registered in November. At 108 for December, the country check clearings index was higher than in any December since 1929. The bank debits index rose from 59 in November to 64 in December, which was higher than any December since 1931. The five point rise in the bank debits index was a larger increase than has occurred in a single month since December 1931, with the exception of July 1933. The city department store sales index increased two points to 79, which was as high as any month since December 1931. The miscellaneous carloadings index rose from 76 to 80, which was the highest level since the spring of 1931; and the l.c.l. index rose from 60 to 62.

The December business volume was much larger than in December 1933. Bank debits were 20 per cent higher and country check clearings 28 per cent higher. The value of building permits issued in December at eighteen cities in the Ninth Federal Reserve District was 73 per cent larger than in December 1933, although the number of permits was 5 per cent smaller and the valuation of building contracts awarded was 9 per cent smaller, chiefly because of a decline in residential contract awards. There was a large increase in real estate mortgage recordings in Hennepin and Ramsey counties. Increases also occurred in electric power consumption, shipments of coal, coke, forest products, and miscellaneous commodities, including linseed product shipments from Minneapolis, copper output, country lumber sales, securities sales, and wholesale trade. Flour shipments from Minneapolis, carloadings of grain and ore in the northwestern district, and butter production were smaller than in December 1933. Receipts of cattle and calves at South St. Paul were larger than a year ago, but this increase was offset by declines in the number of hogs and sheep received.

The year 1935 began with the level of bank debits and country check clearings in this district higher than a year ago, and apparently more than

maintaining the level of December 1934, aside from seasonal variations. During the two weeks ending January 16, bank debits for seventeen cities were 17 per cent higher than in the corresponding two weeks last year. If this volume is maintained for the remainder of the month, the adjusted bank debits index for January will be four points higher than the index for December and ten points higher than the index for January last year. Country check clearings for the first fifteen business days of January were 20 per cent larger than in the corresponding days a year ago. If that level is maintained for the remainder of the month, the adjusted country check clearings index will be approximately the same for January as for December and eighteen points higher than the index for January last year.

#### Retail Trade

Retail trade in the Ninth Federal Reserve District during December continued to be much larger than in the corresponding month of the preceding year. Twenty-two city department stores reported an increase of 15 per cent, most of which was obtained in the first half of the month. The trend of city department store sales was very different in December 1934 from December 1933. It will be recalled that the rapid expansion of CWA and PWA payrolls during December 1933 caused a very rapid increase in city retail sales during the last half of that month, which resulted in a volume nearly 10 per cent larger than in the first half of the month. Sales during the last half of December 1934 were larger than in the same period in 1933, but were a little smaller than in the first half of December

	% Dec. 1934 of Dec. 1933
Mpls., St. Paul, Duluth-Superior . . . ( 22 stores)	115
Country Stores . . . . . (324 stores)	123
Minnesota—Southwestern . . . . . ( 32 stores)	127
Minnesota—Southeastern . . . . . ( 24 stores)	118
Minnesota—South central . . . . . ( 23 stores)	119
Minnesota—Central . . . . . ( 10 stores)	130
Minnesota—Northeastern . . . . . ( 9 stores)	128
Minn.—No. Dak., Red River Val. ( 10 stores)	140
Montana—Mountain . . . . . ( 18 stores)	117
Montana—Plains . . . . . ( 34 stores)	146
No. Dak., excl. Red River Valley ( 16 stores)	148
South Dakota—Southeastern . . . ( 14 stores)	111
South Dakota—Other eastern . . . ( 54 stores)	112
Wisconsin—West Central . . . . . ( 44 stores)	116
Northern Wisconsin & Michigan ( 36 stores)	115
Ninth District . . . . . (346 stores)	118

1934. Three hundred and twenty-four country stores reported an increase of 23 per cent over December last year. All sub-sections of the district showed increases, the greatest being in North Dakota (west of the Red River Valley) and the plains section of Montana, with increases of 48 per cent and 46 per cent, respectively, followed by the Red River Valley, 40 per cent, and central Minnesota, 30 per cent.

### DISTRICT SUMMARY OF BANKING

The December 31 condition reports of member banks in this district revealed a continuation of the same trends that have been operative since the bank holiday. Deposits increased between the October and December call dates by 27 million dollars. Loans to customers decreased 19 million dollars and security holdings increased 21 million dollars. Total loans and investments rose, but not by as large an amount as the increase in deposits, thus indicating that balances with correspondent banks and the Federal Reserve Bank were increased between the call dates. The same trends were evident for both city and country banks.

At the close of 1934, according to our preliminary tabulation, member banks had deposits of \$896,000,000, as compared with deposits of \$631,000,000 a year ago. A portion of this increase was due to the absorption of non-member banks and the admission to membership of a number of other non-member banks. However, the major part of the increase was a genuine result of the improved income of the district from a variety of sources, including government funds. Loans to customers of member banks in the district were reduced from 293 million dollars to 248 million dollars during the year. Of this reduction, 2 million dollars was in loans to banks, 12 million was in loans to other customers on securities, 6 million was in loans on farm real estate, 2 million was in loans on other real estate, and the remainder was in "all other loans" to customers. Investment holdings of member banks increased from 338 million dollars to 450 million dollars during the year. Almost all of this increase was in securities of the United States Government and securities guaranteed by the United States Government.

City bank reports in recent weeks indicated a decrease in deposits during the last two weeks of December and an increase in deposits during the three weeks ending January 16, 1935. However, this latter increase did not carry the deposit total to the high level of December 12, 1934. During the five weeks from December 12 to January 16, loans to customers declined seasonally by 8 million dollars, and other invested funds increased 3 million dollars. Cash and balances due from banks declined 1 million dollars.

The low level of interest rates to prime commercial borrowers was emphasized by a reduction from 3 per cent to 2½ per cent in the discount rate of

this Federal Reserve Bank, which became effective on January 8. Minneapolis commercial banks had been quoting a rate to their prime customers of 3¾ to 4 per cent since last May. Larger firms had been borrowing in the commercial paper market at 1¼ per cent since April 1934. All of these rates were the lowest in the historical records maintained by this bank.

### DISTRICT SUMMARY OF AGRICULTURE

#### Live Stock Marketings

Receipts of all classes of live stock at South St. Paul decreased seasonally during December. The number of head of cattle and calves received was larger than in December last year, but the number of hogs and sheep received was much smaller than a year ago. For the year 1934, new high records were established for the number of cattle and the number of calves received at South St. Paul, largely on account of government purchases of cattle and calves in the drouth-stricken sections of the district. The number of sheep and lambs received at South St. Paul during 1934 was the largest received in any one year with the exception of 1931, when receipts were about 106,000 larger. Hog receipts during 1934 were greatly reduced from the 1933 level, and were smaller than in any year since 1914.

Live stock prices during December showed mixed trends. The monthly top for light butcher steers decreased during December while the December median was higher than November, whereas both the monthly top and December median for heavy butcher steers were higher than in the preceding month. The December top and the December median for butcher cows and heifers were unchanged from those of November. Demand for stocker and feeder cattle practically disappeared with the arrival of the first heavy snows early in December with the result that median prices of both light and heavy feeder steers declined during the month. The greater decrease occurred in the case of heavy feeders (800 lbs. and over) with a drop in the monthly top from \$8.25 to \$4.00, and a decline in the median from \$3.50 to \$2.50. During the first three weeks of January prices of heavy feeders have declined further, but prices of lightweight feeders have increased appreciably. Prices paid for butcher cattle increased rapidly during the first three weeks of January, reaching a top of \$11.25 for choice, long yearling steers, the highest price paid in four years.

Median prices of hogs at South St. Paul during December were a little higher than in November, the gain in the case of heavy hogs being double that of all hogs because of the strength of lard prices. The average price of hogs increased each week in December and during the first two weeks of January when a top of \$8.10, the highest price since December 1930, was established. In the third week of January, prices declined slightly but the average was still well above \$7.00 per hundredweight.

Lamb prices also increased during the month,

the December median price equalling that of last July. Since January 1, further advances have occurred each week, reaching higher levels than at any time since last May when lambs were selling on a "spring-lamb" basis at much lighter weights.

**Live Stock Feeding Situation**

While the January 1 live stock inventory figures are not yet available, further indication of the reduction in the number of live stock on farms, especially in the drouth-stricken middle-west, is contained in the United States Department of Agriculture report of the number of cattle and of sheep and lambs on feed on January 1. The number of cattle on feed for market in the Corn Belt states was estimated to be 46 per cent smaller than on January 1, 1934. The number of cattle on feed in Minnesota on January 1 was estimated 20 per cent smaller, and in South Dakota, 30 per cent smaller than on the same date last year.

The number of sheep and lambs on feed in the Corn Belt states, as a group, on January 1 this year was unchanged from the number of a year ago, but a decrease of about 12 per cent in the western states resulted in a decrease of about 5 per cent for the entire United States. Of the four complete states in the Ninth Federal Reserve District (Minnesota and South Dakota classified as Corn Belt states and Montana and North Dakota as Western states) Minnesota showed a small increase and the other three states showed large decreases. The net change for our four states was a decrease of more than 23 per cent.

**Cold Storage Holdings**

Cold storage holdings of important farm products in the United States were smaller compared to average conditions at the end of December than at the end of November. The improvement was particularly noteworthy in butter where the disappearance from storage during the month of December was 34,000,000 pounds, as compared with an average December disappearance of 22,000,000 pounds. This large reduction in storage stocks, which was due to decreased current production brought the quantity of butter in storage down to only 47,000,000 pounds, which was about three-fourths of the average stocks on January 1. Stocks of lamb and mutton decreased during December, whereas the five year average trend for that month was an increase. On the other hand, stocks of beef increased more than seasonally on account of heavy slaughterings during the first half of December. Other farm products showed seasonal changes in stocks during December.

**Farm Stocks of Grain**

Marketings and farm consumption of wheat, corn and oats were smaller during the last three months of 1934 than in any of the nine years for which

estimates are available, according to the United States Department of Agriculture, January 1, 1935 report of grain stocks on farms. Despite this decreased disappearance of farm stocks, the quantities of wheat, corn and oats remaining on farms on January 1 were smaller than on any January 1 in the last nine years, owing to small crops.

In each of the four states, Minnesota, Montana, North Dakota and South Dakota, stocks of each grain were smaller than on January 1 of the two preceding years, with the exception of Montana farm stocks of wheat and oats, which were a little larger than on January 1, 1934. The total stocks of corn on farms in our four states on January 1 were two-fifths as large as last year, those of wheat were about half as large, and of oats about two-thirds as large.

**Grain on Farms on January 1**  
(Bushels; 000's omitted)

	1935	1934	1933	1932
<b>WHEAT</b>				
Minnesota . . . . .	6,768	10,499	11,461	9,186
Montana . . . . .	11,833	10,857	27,249	5,791
North Dakota . . . . .	11,870	40,384	52,990	18,097
South Dakota . . . . .	1,794	6,656	25,665	8,693
Four States . . . . .	32,265	68,396	117,365	41,767
United States . . . . .	136,044	196,508	273,012	322,517
<b>CORN</b>				
Minnesota . . . . .	28,437	59,625	77,859	38,140
Montana . . . . .	112	167	406	149
North Dakota . . . . .	176	787	1,070	1,252
South Dakota . . . . .	5,033	22,680	33,472	11,456
Four States . . . . .	33,758	83,259	112,807	50,997
United States . . . . .	814,017	1,433,740	1,813,479	1,556,349
<b>OATS</b>				
Minnesota . . . . .	47,984	66,520	107,055	69,174
Montana . . . . .	6,242	4,362	7,758	2,113
North Dakota . . . . .	7,642	15,276	26,513	11,514
South Dakota . . . . .	4,399	11,484	52,048	14,048
Four States . . . . .	66,267	97,642	193,374	96,849
United States . . . . .	346,258	456,283	763,195	655,804

**Farm Income**

The estimated cash income in December to farmers in the Ninth Federal Reserve District from the sale of seven important agricultural products was 11 per cent smaller than in December 1933 because of the greatly reduced wheat marketings. Flax marketings continued to be larger than a year ago. Because of liberal marketings and a 12 per cent increase in price, the estimated income from flax was 67 per cent larger than in December 1933. Higher prices for both butter and milk more than offset the smaller volume and resulted in an estimated 12 per cent larger dairy product income. The estimates of income from hogs, potatoes, and rye were also larger than in the same month in the preceding year. These estimates do not include acreage rental and benefit payments nor drouth relief funds received by northwestern farmers during December of this year.

Prices of all important northwestern farm products were higher in December than a year ago with the exception of light and heavy feeder steers, ewes, and potatoes. Prices of heavy hogs and corn were more than double those of December 1933. According to the seasonally adjusted index of the University of Minnesota, farm product prices in the Northwest on December 15 were 68.9 per cent of the 1924-1926 average. This represents a rise of 1 point from November and an increase of twenty-seven points from December last year.

A recent estimate by the University of Minnesota places the gross cash income of Minnesota farmers for the year 1934 from the sale of sixteen principal agricultural products through normal marketing channels at 184 million dollars. In addition, we estimate that Minnesota farmers received at least 20 million dollars in rental and benefit payments and for purchases by the Agricultural Adjustment Administration, making a total of cash income to farmers of 204 million dollars. The University of Minnesota estimates cash expenses for 1934 at 128 million dollars, which would leave a net cash income of 76 million dollars.

In the Ninth Federal Reserve District, we estimate a gross cash income to farmers from the sale of eight important agricultural commodities of 295 million dollars in 1934. Comparative figures by commodities are shown on page 197 of this issue. In addition, AAA payments amounting to nearly 103 million dollars were received by farmers in the six states lying wholly or in part within the Ninth Federal Reserve District during the ten months of

### Gross Cash Income, Cash Operating Expenses and Net Cash Income for Agriculture,

#### Minnesota 1924-33

Year	Gross Cash Sales (million \$)	Cash Expenses (million \$)	Net Cash Income (million \$)
1924	342	192	150
1925	395	194	201
1926	398	191	207
1927	366	190	176
1928	367	195	172
1929	384	197	187
1930	332	189	143
1931	233	165	68
1932	155	140	15
1933	164	124	40
1934*	204**	128	76

\* Preliminary.

\*\*Including \$20 million AAA payments.

1934 for which specific figures are available (February-November). AAA payments in the two other months, January and December, are estimated to have been more than 7 million dollars, making a combined gross income of 405 million dollars from the normal marketings of eight important commodities in the Ninth Federal Reserve District and AAA disbursements in the states of Michigan, Minnesota, Montana, North Dakota, South Dakota and Wisconsin. In 1933 the gross income from marketings was augmented by about 13 million dollars of AAA payments, making a total of 335 million dollars, whereas the 1932 gross income from sales of eight important commodities amounted to 259 million dollars, and in 1931 to 384 million dollars.

### THE YEARS 1930 TO 1934 IN THE NINTH FEDERAL RESERVE DISTRICT

#### GENERAL BUSINESS

	1930	1931	1932	1933	1934
<b>Bank Debits</b>					
94 Cities .....	\$11,799,197,000	\$ 9,299,931,000	\$ 6,887,474,000	\$ 7,034,848,000	\$ 7,685,285,000
Minneapolis .....	5,100,905,000	3,894,430,000	2,958,446,000	3,423,602,000	3,456,332,000
St. Paul .....	2,037,641,000	1,668,625,000	1,330,056,000	1,203,693,000	1,460,646,000
South St. Paul .....	366,829,000	275,676,000	156,751,000	139,665,000	142,366,000
Great Lakes Ports .....	1,111,825,000	799,534,000	544,094,000	537,429,000	525,449,000
Beef and Pork, S. E. ....	391,162,000	333,911,000	252,987,000	225,006,000	262,007,000
Beef and Pork, S. W. ....	526,826,000	424,017,000	237,576,000	243,440,000	266,969,000
Dairy and Mixed Farming .....	542,665,000	461,538,000	344,741,000	298,499,000	364,626,000
Wheat and Mixed Farming .....	660,678,000	565,133,000	440,926,000	388,724,000	474,533,000
Wheat and Range .....	357,887,000	292,672,000	202,536,000	184,795,000	242,458,000
Mining and Lumber .....	702,779,000	584,395,000	419,361,000	389,995,000	489,899,000
<b>Electric Power Consumption (K. W. H.)</b>					
Minn., No. Dak. and So. Dak. ....	1,811,807,000	1,785,319,000	1,634,261,000	1,523,899,000	1,659,982,000
Montana .....	1,317,792,000	966,097,000	635,093,000	932,952,000	861,728,000
<b>Country Check Clearings</b>					
Total .....	\$ 1,015,198,000	\$ 799,150,000	\$ 665,320,000	\$ 803,242,000	\$ 1,050,582,000
Minnesota .....	363,917,000	292,122,000	263,987,000	317,754,000	392,139,000
Montana .....	173,437,000	137,454,000	98,980,000	112,679,000	160,457,000
North and South Dakota .....	266,234,000	194,329,000	170,050,000	238,880,000	317,520,000
Michigan and Wisconsin .....	211,604,000	175,245,000	132,303,000	133,929,000	180,466,000
<b>Freight Carloadings—N. W. District</b>					
Total—Excluding L. C. L. ....	4,790,793	3,427,832	2,276,749	2,741,143	3,139,725
Grain and Grain Products .....	578,506	444,812	366,208	444,280	413,553
Livestock .....	373,782	363,812	255,730	240,087	300,046
Coal .....	350,499	290,222	264,347	263,000	282,418
Coke .....	69,990	45,605	32,295	43,749	44,802
Forest Products .....	604,625	363,525	204,537	280,631	320,513
Ore .....	941,936	466,028	68,224	384,350	444,403
Miscellaneous .....	1,871,449	1,453,828	1,085,408	1,085,046	1,333,990
Merchandise—L. C. L. ....	1,556,659	1,343,827	1,071,496	964,490	983,022

**THE YEARS 1930 TO 1934 IN THE NINTH FEDERAL RESERVE DISTRICT  
(CONTINUED)**

	1930	1931	1932	1933	1934
<b>Building Permits</b>					
Number (18 Cities).....	15,125	15,188	10,063	9,419	9,976
Valuation (18 Cities).....\$	38,098,500	\$ 34,512,600	\$ 13,885,000	\$ 10,391,600	\$ 9,185,600
Minneapolis .....	13,449,300	12,371,900	6,427,000	2,537,400	3,113,000
St. Paul .....	11,055,400	13,994,700	3,053,800	5,309,200	2,528,400
Duluth-Superior .....	3,233,700	1,275,900	1,616,900	1,111,600	924,100
4 Wheat Belt Cities.....	3,561,800	2,210,700	1,928,400	376,900	816,300
6 Mixed Farming Cities.....	5,656,700	4,219,700	1,720,200	728,100	1,117,600
4 Mining Cities .....	1,064,900	439,700	447,300	328,400	686,200
<b>Building Contracts Awarded</b>					
Total .....	\$ 98,711,600	\$ 93,815,300	\$ 61,516,400	\$ 44,071,400	\$ 58,599,900
Residential .....	15,659,200	15,934,500	7,112,000	5,565,200	4,142,200
Commercial and Industrial.....	24,147,600	8,723,300	4,479,900	6,541,300	5,137,400
Public Works and Utilities.....	41,754,800	49,235,300	39,946,300	25,001,800	39,131,200
Educational .....	8,935,200	7,114,300	2,455,400	1,880,200	4,635,900
All Other .....	8,214,800	12,807,900	7,522,800	5,082,900	5,553,200
<b>Real Estate Activity in Hennepin and Ramsey Counties</b>					
Warranty Deeds Recorded.....	15,169	14,179	11,147	8,110	10,091
Mortgages Recorded .....	16,028	15,490	11,787	8,963	16,938
<b>Manufacturing and Mining</b>					
Flour Prod. at Mpls., St. Paul, Duluth-Superior (bbls.) .....	12,439,391	10,442,395	8,262,834	8,275,884	7,945,169
Flour Ship. at Mpls. (bbls.).....	11,407,056	9,701,671	7,685,170	7,594,616	7,548,919
Linseed Prod. Ship. (lbs.).....	274,075,113	255,642,803	157,000,958	155,635,844	127,773,588
Copper Prod. (3 Firms) (lbs.).....	337,494,000	271,053,500	143,800,700	140,115,000	114,155,900
Business Failures .....	705	867	928	725	309
<b>AGRICULTURE</b>					
<b>Farmers' Cash Income</b>					
Bread Wheat .....	\$ 111,561,000	\$ 56,288,000	\$ 47,445,000	\$ 80,566,000	\$ 52,459,000
Durum Wheat .....	42,153,000	21,723,000	9,086,000	12,579,000	10,693,000
Rye .....	7,868,000	1,645,000	2,056,000	4,969,000	1,989,000
Flax .....	30,038,000	16,802,000	10,651,000	10,073,000	9,049,000
Dairy Products .....	197,259,000	147,551,000	108,016,000	118,693,000	128,148,000
Hogs .....	11,108,000	120,364,000	68,448,000	72,913,000	64,874,000
Wool .....	22,918,000	8,139,000	4,704,000	10,537,000	13,880,000
Potatoes .....	501,392,000	514,120,000	504,641,000	536,311,000	*490,098,000
<b>Grain Marketings at Minneapolis and Duluth-Superior (Bus.)</b>					
Bread Wheat .....	103,147,000	66,082,000	73,075,000	90,484,000	43,879,000
Durum Wheat .....	50,974,000	29,738,000	15,945,000	15,061,000	8,101,000
Rye .....	13,452,000	4,094,000	5,696,000	8,483,000	2,684,000
Flax .....	15,563,000	11,689,000	9,635,000	5,864,000	4,658,000
<b>Livestock Receipts at South St. Paul (Head)</b>					
Cattle .....	779,143	811,361	689,930	835,173	1,475,890
Calves .....	559,423	603,231	544,125	515,370	840,413
Hogs .....	2,759,166	3,251,214	2,599,915	2,742,455	1,885,080
Sheep .....	1,353,995	1,690,080	1,522,383	1,551,906	1,583,674
<b>Prices in December</b>					
<b>Median Cash Grain Prices at Mpls.</b>					
Wheat—No. 1 D. N. S. (bu.).....	\$0.76 <sup>3</sup> / <sub>4</sub>	\$0.73 <sup>3</sup> / <sub>8</sub>	\$0.49	\$0.83 <sup>5</sup> / <sub>8</sub>	\$1.16 <sup>3</sup> / <sub>4</sub>
Durum—No. 2 Amber (bu.).....	.74	.84 <sup>3</sup> / <sub>8</sub>	.50 <sup>1</sup> / <sub>8</sub>	1.00 <sup>5</sup> / <sub>8</sub>	1.43 <sup>1</sup> / <sub>4</sub>
Corn—No. 3 Yellow (bu.).....	.65 <sup>1</sup> / <sub>2</sub>	.43 <sup>3</sup> / <sub>4</sub>	.21 <sup>1</sup> / <sub>2</sub>	.43 <sup>3</sup> / <sub>8</sub>	.90 <sup>5</sup> / <sub>8</sub>
Oats—No. 3 White (bu.).....	.29 <sup>1</sup> / <sub>2</sub>	.26 <sup>3</sup> / <sub>4</sub>	.14 <sup>1</sup> / <sub>2</sub>	.33	.59 <sup>3</sup> / <sub>8</sub>
Barley—No. 3 (bu.).....	.42	.50 <sup>3</sup> / <sub>8</sub>	.27	.66	1.08
Malting Barley—No. 3 (bu.).....	.....	.....	.....	.....	1.18
Rye—No. 2 (bu.).....	.43 <sup>1</sup> / <sub>4</sub>	.45	.30 <sup>1</sup> / <sub>2</sub>	.58 <sup>7</sup> / <sub>8</sub>	.80 <sup>1</sup> / <sub>2</sub>
Flax—No. 1 (bu.).....	1.61	1.43	1.07 <sup>1</sup> / <sub>2</sub>	1.77	1.97 <sup>1</sup> / <sub>2</sub>
<b>Median Live Stock Prices at South St. Paul</b>					
Butcher Cows and Heifers.....	.....	.....	\$2.50	\$2.75	\$3.00
Heavy Butcher Steers (1,100 lbs. and over).....	.....	.....	3.75	4.50	6.50
Light Butcher Steers (under 1,100 lbs.).....	.....	.....	4.00	4.35	5.50
Prime Heavy Butcher Steers (1,100 lbs. and over).....	.....	.....	5.50	5.60	7.50
Prime Light Butcher Steers (under 1,100 lbs.).....	.....	.....	5.50	5.50	8.00

**THE YEARS 1930 TO 1934 IN THE NINTH FEDERAL RESERVE DISTRICT  
(CONTINUED)**

	1930	1931	1932	1933	1934
Heavy Stock and Feeder Steers (800 lbs. and over).....	-----	-----	\$3.00	\$3.00	\$2.50
Light Stock and Feeder Steers (under 800 lbs.).....	-----	-----	3.00	3.25	2.50
Veal Calves .....	\$8.00	\$4.00	3.50	4.00	4.50
Hogs .....	7.75	3.90	2.80	3.00	5.30
Heavy Hogs .....	7.00	3.35	2.50	2.75	5.80
Lambs .....	7.75	4.75	5.75	6.75	7.00
Ewes .....	3.00	2.00	1.50	3.00	2.50
Wool (lb.) (Farm Price).....	.18½	.12½	.09	.25	.16¾*
<b>Wholesale Produce Prices at Mpls.</b>					
Butter (lb.) .....	\$0.27	\$0.27	\$0.21	\$0.17	\$0.17¾
Milk (cwt.) .....	1.75	1.46	1.16	1.24	1.55
Hens (lb.) .....	.16½	.14½	.09½	.07½	.09½
Eggs (doz.) .....	.26½	.22¾	.24	.16¼	.20
Potatoes (bu.) .....	.77	.49	.27	.58	.53
<b>TRADE</b>					
<b>Retail Sales</b>					
Lumber (449 yds.) (bd. ft.)...	107,294,000	78,802,000	52,319,000	53,894,000	68,907,000
City Dept. Store Sales (20 firms) .....	\$ 68,214,500	\$ 63,102,800	\$ 50,213,440	\$ 47,502,990	\$ 52,280,930
Securities Sold (9 firms).....	156,343,000	141,441,900	96,977,800	108,611,700	159,145,600
Life Insurance Sales.....	296,664,000	237,236,000	186,206,000	149,262,000	158,565,000
<b>Wholesale Sales</b>					
Shoes (5 firms) .....	\$ 4,108,940	\$ 2,817,870	\$ 2,288,020	\$ 2,904,100	\$ 3,593,990
Hardware (11 firms) .....	21,008,120	15,566,950	11,132,370	12,373,930	14,952,900
Groceries (34 firms).....	46,918,260	41,222,320	33,584,730	34,396,500	40,702,780
<b>BANKING</b>					
<b>City Bank Condition (1) Dec. 31</b>					
Loans .....	\$ 226,000,000	\$ 222,000,000	\$ 176,000,000	\$ 165,000,000	\$ 154,000,000 <sup>2</sup>
Investments .....	166,000,000	155,000,000	139,000,000	157,000,000	208,000,000 <sup>2</sup>
Deposits .....	466,000,000	431,000,000	384,000,000	393,000,000	451,000,000 <sup>2</sup>
Borrowings .....	83,000	164,000	15,000	99,000	39,000 <sup>2</sup>
<b>Country Bank Condition, Dec. 31</b>					
Loans .....	\$ 611,000,000	\$ 478,000,000	\$ 384,000,000	\$ 273,000,000	\$ 245,000,000 <sup>2</sup>
Investments .....	391,000,000	365,000,000	313,000,000	288,000,000	344,000,000 <sup>2</sup>
Deposits .....	1,082,000,000	879,000,000	704,000,000	621,000,000	710,000,000 <sup>2</sup>
Borrowings .....	10,600,000	14,098,000	30,464,000	6,502,000	586,000 <sup>2</sup>
<b>Member Bank Deposits</b>					
In Cities over 15,000 pop.....	\$ 477,458,000	\$ 432,983,000	\$ 376,751,000	\$ 388,269,000	\$ 468,551,000
In Cities under 15,000 pop.....	400,630,000	343,663,000	280,588,000	256,351,000	307,067,000
Michigan—15 Cos. ....	64,368,000	60,198,000	50,038,000	39,812,000	45,955,000
Minnesota .....	155,390,000	134,763,000	112,270,000	106,328,000	125,902,000
Montana .....	59,168,000	50,158,000	39,239,000	39,591,000	50,040,000
North Dakota .....	43,113,000	33,626,000	27,468,000	24,644,000	28,775,000
South Dakota .....	51,062,000	41,075,000	31,927,000	32,214,000	39,597,000
Wisconsin—26 Cos.....	27,529,000	23,843,000	19,646,000	13,762,000	16,798,000
<b>Interest Rates</b>	Jan. '31	Jan. '32	Jan. '33	Jan. '34	Jan. '35
Minneapolis Banks .....	4¾-5	4¾-5	4½-4¾	4¼-4½	3¾-4
Commercial Paper (Net to Borrower) .....	3½	4½	1¾	1¾	1¼
Minneapolis Fed. Res. Bank.....	3½	3½	3½	3½	2½
<b>Selected City Member Banks</b>	Jan. 14, 1931	Jan. 13, 1932	Jan. 18, 1933	Jan. 17, 1934	Jan. 16, 1935
Loans to Customers.....	\$ 213,324,000	\$ 215,321,000	\$ 166,466,000	\$ 169,041,000	\$ 140,127,000
Other Invested Funds.....	147,465,000	137,504,000	118,637,000	158,373,000	218,887,000
Deposits Due to Banks.....	83,237,000	62,210,000	59,821,000	81,454,000	117,477,000
Public Demand Deposits.....	23,039,000	20,784,000	18,297,000	21,456,000	44,130,000
Other Demand Deposits.....	178,561,000	145,362,000	126,853,000	158,058,000	193,734,000
Time Deposits .....	147,837,000	156,042,000	138,566,000	126,637,000	126,696,000
Total Deposits .....	433,175,000	385,350,000	344,323,000	388,766,000	488,494,000
Borrowings at Fed. Res. Bank	0	3,741,000	130,000	34,000	0
<b>Minneapolis Federal Reserve Bank</b>					
Loans to Member Banks.....	\$ 4,188,000	\$ 9,952,000	\$ 10,266,000	\$ 1,736,000	0
Twin Cities .....	0	3,666,000	0	20,000	0
Minn., Wis. and Mich.....	1,287,000	2,692,000	3,877,000	674,000	0
No. Dak. and Mont.....	1,206,000	1,678,000	2,692,000	301,000	0
So. Dak. ....	1,695,000	1,916,000	3,697,000	741,000	0
Fed. Res. Notes in Circulation	50,844,000	68,018,000	80,982,000	92,794,000	\$ 103,629,000
Fed. Res. Bank Note Circulation—Net	0	0	0	7,945,000	0

\*Estimated for December.

(1) National Banks in Minneapolis and St. Paul and Savings Banks and Trust Companies in Minnesota.

(2) October 17, 1934, for National Banks. Autumn call dates for State Banks.

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

	Per Cent		of	Per Cent	
	Dec. '34	Dec. '33		Dec. '34	Dec. '33
<b>GENERAL BUSINESS</b>					
<b>Bank Debits<sup>1</sup></b>					
All Reporting Cities.....	\$ 28,870,400	\$ 24,137,900	120		
Minneapolis.....	12,674,000	10,963,000	116		
St. Paul.....	5,651,000	4,570,000	124		
South St. Paul.....	488,000	396,000	123		
Great Lakes Ports.....	1,839,700	1,873,600	98		
Beef and Pork, S.E.....	922,500	827,500	111		
Beef and Pork, S.W.....	980,300	820,100	120		
Dairy and Mixed Farming.....	1,314,500	1,097,300	120		
Wheat and Mixed Farming.....	1,949,300	1,869,500	142		
Wheat and Range.....	989,300	721,100	137		
Mining and Lumber.....	2,061,800	1,499,800	137		
<b>Electric Power Consumption (K.W.H.)<sup>1,2</sup></b>					
Minn., No. Dak. and So. Dak.....	4,578,400	4,527,700	101		
Montana.....	3,188,300	2,997,700	106		
<b>Country Check Clearings<sup>1</sup></b>					
Total.....	\$ 3,860,800	\$ 3,021,700	128		
Minnesota.....	1,392,400	1,160,500	120		
Montana.....	667,100	446,400	149		
North and South Dakota.....	1,185,800	899,800	132		
Michigan and Wisconsin.....	615,500	515,000	120		
<b>Freight Carloadings—N.W. District</b>					
Total—Excluding L.C.L.....	195,345	184,929	106		
Grains and Grain Products.....	26,093	28,772	94		
Livestock.....	17,058	17,369	98		
Coal.....	36,396	31,810	114		
Coke.....	3,896	3,601	108		
Forest Products.....	20,011	19,258	104		
Ore.....	427	601	71		
Miscellaneous.....	91,464	83,518	110		
Merchandise—L.C.L.....	75,732	75,921	100		
<b>Building Permits</b>					
Number—18 Cities.....	276	291	95		
Value—18 Cities.....	\$ 476,400	\$ 274,900	173		
Minneapolis.....	78,600	58,200	135		
St. Paul.....	87,500	148,300	59		
Duluth-Superior.....	45,600	19,400	235		
4 Wheat Belt Cities.....	7,600	15,900	48		
6 Mixed Farming Cities.....	236,200	31,100	759		
4 Mining Cities.....	20,900	2,000	1,045		
<b>Building Contracts Awarded</b>					
Total.....	\$ 4,932,700	\$ 5,391,100	91		
Commercial.....	106,500	316,000	34		
Factories.....	142,900	50,000	286		
Educational.....	156,500	852,000	18		
Hospitals, etc.....	0	35,000	0		
Public Buildings.....	5,600	329,000	2		
Religious and Memorial.....	7,000	2,000	350		
Social and Recreational.....	99,600	230,000	43		
Residential.....	128,400	551,300	23		
Public Works.....	4,163,800	2,639,000	158		
Public Utilities.....	122,400	387,000	32		
<b>Real Estate Activity in Hennepin and Ramsey Counties</b>					
Warranty Deeds Recorded.....	2,124	1,954	109		
Mortgages Recorded.....	2,060	993	207		
<b>Manufacturing and Mining</b>					
Flour Production at Minneapolis, St. Paul, and Duluth-Superior (Bbls.).....	504,491	589,230	86		
Flour Shipments at Mpls. (Bbls.).....	493,960	525,399	94		
Linseed Product Shipments (Lbs.).....	10,415,416	9,225,447	113		
Copper Output (3 Firms) (Lbs.).....	16,121,500	11,280,900	143		
<b>Business Failures</b>					
Number.....	23	41	56		
Liabilities.....	\$ 181,038	\$ 686,980	26		
<b>AGRICULTURE</b>					
<b>Farmers' Cash Income</b>					
Total of 7 Items.....	\$ 17,597,000	\$ 19,821,000	89		
Bread Wheat.....	1,677,000	4,877,000	34		
Durum Wheat.....	344,000	718,000	48		
Rye.....	95,000	85,000	112		
Flax.....	462,000	276,000	167		
Potatoes.....	334,000	279,000	120		
Dairy Products.....	8,654,000	7,742,000	112		
Hogs.....	6,081,000	5,844,000	103		
Butter Production (Lbs.).....	27,439,000	31,514,000	87		
<b>Grain Marketings at Minneapolis and Duluth-Superior (Bus.)</b>					
Bread Wheat.....	1,284,000	5,237,000	25		
Durum Wheat.....	240,000	714,000	34		
Rye.....	118,000	144,000	82		
Flax.....	234,000	156,000	150		
<b>Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)</b>					
Wheat.....	17,308,233	37,832,132	46		
Corn.....	7,322,708	9,017,962	81		
Oats.....	9,896,530	27,869,546	36		
Barley.....	9,399,018	10,389,923	90		
Rye.....	3,625,734	5,978,643	61		
Flax.....	1,108,538	1,038,632	107		
<b>Livestock Receipts at South St. Paul (Head)</b>					
Cattle.....	64,920	44,575	146		
Calves.....	45,951	43,115	107		
Hogs.....	170,856	219,557	78		
Sheep.....	67,619	93,787	72		
<b>Median Cash Grain Prices (Bus.)</b>					
Wheat—No. 1 Dark Northern.....	\$ 1.16%	\$ .83%	140		
Durum—No. 2 Amber.....	1.43%	1.00%	142		
Corn—No. 3 Yellow.....	.90%	.43%	209		
Oats—No. 3 White.....	.59%	.33	180		
Barley—No. 3.....	1.08				
Malting Barley—No. 3.....	1.18				
Rye—No. 2.....	.80½	.58½	137		
Flax—No. 1.....	1.97½	1.77	112		
<b>Median Live Stock Prices (Cwt.)</b>					
Butcher Cows and Heifers.....	\$ 3.00	\$ 2.75	109		
Heavy Butcher Steers (1,100 lbs. and over).....	6.50	4.50	144		
Light Butcher Steers (Under 1,100 lbs.).....	5.50	4.35	126		
Prime Heavy Butcher Steers (1,100 lbs. and over).....	7.50	5.60	134		
Prime Light Butcher Steers (Under 1,100 lbs.).....	8.00	5.50	145		
Heavy Stocker and Feeder Steers (800 lbs. and over).....	2.50	3.00	83		
Light Stocker and Feeder Steers (Under 800 lbs.).....	2.50	3.25	77		
Veal Calves.....	4.50	4.00	113		
Hogs.....	5.30	3.00	177		
Heavy Hogs.....	5.80	2.75	211		
Lambs.....	7.00	6.75	104		
Ewes.....	2.50	3.00	83		
<b>Wholesale Produce Prices</b>					
Butter (Lb.).....	\$ .27%	\$ .17	146		
Milk (Cwt.).....	1.55	1.24	125		
Hens (Lb.).....	.09½	.07½	127		
Eggs (Doz.).....	.20*	.16½	123		
Potatoes (Bu.).....	.53	.58	91		
<b>TRADE</b>					
<b>City Department Stores<sup>3</sup></b>					
Sales.....	\$ 7,137,360	\$ 6,215,640	115		
Merchandise Stocks.....	7,982,010	8,147,330	98		
Receivables.....	4,703,180	4,440,730	106		
Instalment Receivables.....	1,486,970	1,294,290	115		
<b>Country Department and General Stores<sup>3</sup></b>					
Total Sales.....	\$ 5,295,420	\$ 4,293,130	123		
Stocks.....	5,189,800	4,970,990	104		
<b>Country Lumber Yards<sup>3</sup></b>					
Sales (Bd. Ft.).....	4,019,000	2,604,000	154		
Lumber Stocks (Bd. Ft.).....	53,948,000	61,820,000	87		
Total Sales.....	\$ 636,200	\$ 469,100	136		
Receivables.....	1,733,700	1,660,300	104		
<b>Life Insurance Sales</b>					
Four States.....	\$ 15,514,000	\$ 14,214,000	109		
Minnesota.....	11,418,000	10,457,000	109		
Montana.....	1,707,000	1,158,000	147		
North Dakota.....	1,163,000	1,287,000	90		
South Dakota.....	1,226,000	1,312,000	93		

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

	Dec. '34	Dec. '33	Per Cent of Dec. '34	Dec. '34	Dec. '33	Per Cent of Dec. '34
<b>Investment Dealers</b>						
Sales to Banks.....	\$ 3,887,100	\$ 1,897,000	278			
Sales to Insurance Companies.....	495,700	1,191,100	42			
Sales to General Public.....	3,601,000	3,844,000	94			
<b>Wholesale Trade</b>						
<b>Groceries*</b>						
Sales .....	\$ 3,203,010	\$ 2,671,470	120			
Stocks .....	6,285,340	5,331,940	118			
Receivables .....	3,417,820	3,344,080	102			
<b>Hardware*</b>						
Sales .....	\$ 1,195,980	\$ 1,198,520	100			
Stocks .....	2,104,520	2,224,690	95			
Receivables .....	1,055,290	1,090,630	97			
<b>Shoes</b>						
Sales .....	\$ 199,750	\$ 114,410	175			
Stocks .....	581,520	589,000	99			
Receivables .....	580,790	571,970	102			
<b>BANKING</b>						
<b>Member Bank Deposits</b>						
In Cities over 15,000 pop.....	\$468,551,000	\$388,269,000	120			
In Cities under 15,000 pop.....	307,067,000	256,351,000	120			
Michigan—15 Cos. ....	45,955,000	39,812,000	115			
Minnesota .....	125,902,000	106,328,000	118			
Montana .....	50,040,000	39,591,000	126			
North Dakota .....	28,775,000	24,644,000	117			
South Dakota .....	39,597,000	32,214,000	123			
Wisconsin—26 Cos. ....	16,798,000	13,762,000	122			
<b>Interest Rates*</b>						
Minneapolis Banks .....	3%—4	4¼—4½				
Commercial Paper (net to borrower)....	1¼	1½				
Minneapolis Fed. Res. Bank.....	2½	3½				
<b>Selected City Member Banks</b>						
Loans to Customers.....	\$140,127,000	\$169,041,000	83			
Other Invested Funds.....	218,887,000	158,373,000	138			
Cash and Due from Banks.....	186,049,000	114,726,000	162			
Deposits Due to Banks.....	117,477,000	81,454,000	144			
Public Demand Deposits.....	44,130,000	21,456,000	206			
Other Demand Deposits.....	193,734,000	158,058,000	123			
Time Deposits .....	126,696,000	126,637,000	100			
Total Deposits .....	488,494,000	388,766,000	126			
Borrowings at Fed. Res. Bank.....	0	34,000	0			
<b>Minneapolis Federal Reserve Bank</b>						
Loans to Member Banks .....	\$ 0	\$ 1,736,000	0			
Twin Cities .....	0	20,000	0			
Minn., Wis. and Mich.....	0	674,000	0			
N. Dak. and Mont.....	0	301,000	0			
South Dakota .....	0	741,000	0			
Fed. Res. Notes in Circulation.....	103,629,000	92,794,000	112			
Fed. Res. Bank Note Circulation—Net	0	7,945,000	0			
Member Bank Reserve Deposits.....	105,535,000	59,396,000	178			

\*Daily Averages.

\*Unclassified.

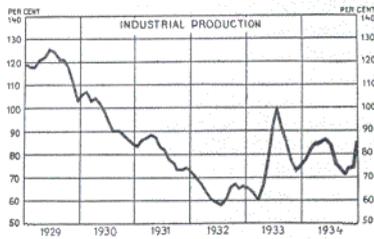
\*Latest Reported Data.

\*Figures for the various items in this section not always from identical firms.

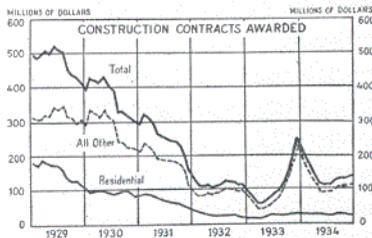
### BANK DEBITS

	Dec., 1934	Nov., 1934	Dec., 1933	Nov., 1933
<b>Number of Business days:</b>				
Michigan and Wisconsin.....	25	24	25	25
All other states.....	25	23	25	25
<b>Michigan (000's omitted)</b>				
Calumet (1 bank).....	\$ 647	\$ 714	\$ .....	\$ .....
Crystal Falls .....	245	329	.....	.....
Escanaba (1 bank).....	471	438	432	385
Hancock .....	1,136	1,018	1,314	1,020
Houghton .....	1,366	1,312	1,336	1,422
Iron Mountain .....	1,903	1,500	1,213	1,163
Iron River, Stambaugh.....	892	808	680	586
Ironwood (1 bank).....	624	582	.....	.....
Laurium (1 bank).....	195	204	.....	.....
Manistique .....	289	238	116*	121*
Marquette .....	2,720	2,590	2,601	2,310
Menominee .....	2,755	2,280	2,474	1,991
Sault Ste. Marie.....	2,047	2,053	1,933	1,791
<b>Minnesota</b>				
Albert Lea .....	2,459	2,036	2,196	1,926
Austin .....	4,114	3,877	3,173	3,038
Bemidji (2 banks).....	1,085	996	689*	707*
Chaska .....	557	708	592	675
Chisholm .....	1,484	586	741	625
Cloquet .....	1,400	1,177	1,560	1,688
Crookston .....	1,283	1,503	946	1,034
Detroit Lakes .....	1,044	966	934	946
Duluth .....	36,195	37,766	38,209	34,862
Ely .....	360	454	361	424
Faribault (1 bank).....	1,178	1,555	1,085	1,474
Farmington .....	187	159	162	151
Fergus Falls .....	1,941	1,580	1,716	1,583
Glenwood .....	353	270	261	236
Hutchinson .....	569	530	452	454
Lakefield .....	303	317	227	344
Lanesboro .....	231	216	253	485
Little Falls .....	707	758	733	1,049
Luverne .....	836	735	549	622
Mankato .....	4,339	4,401	4,170	4,215
Minneapolis .....	316,840	280,620	274,084	290,157
Moorhead .....	1,540	1,637	1,158	1,358
Morris .....	465	406	297	279
Owatonna .....	2,001	1,948	1,846	1,675
Park Rapids .....	263	245	175	191
Red Wing .....	1,574	1,646	1,397	1,500
Rochester .....	3,772	3,700	3,576	3,475
Sauk Rapids .....	260	216	.....	.....
St. Cloud .....	3,099	2,468	2,427	2,374
St. Paul .....	141,281	123,313	114,261	100,533
South St. Paul.....	12,210	14,386	9,912	12,387
Stillwater .....	1,637	1,432	1,632	1,318
Thief River Falls.....	1,327	1,280	1,052	997
Two Harbors .....	425	381	411	295
Virginia .....	1,639	1,701	1,606	1,491
Wabasha .....	768	703	691	712
Wells .....	404	403	.....	.....
Wheaton .....	298	293	287	308
Willmar .....	1,113	974	486*	601*
Winona .....	6,340	6,695	5,339	5,120
Worthington (1 bank).....	829	761	419	481
<b>Montana</b>				
Anaconda .....	1,411	991	1,101	1,038
Billings .....	7,170	7,320	5,796	5,998
Bozeman .....	1,963	2,003	1,511	1,340
Butte (2 banks).....	9,068	8,180	7,155	6,430
Deer Lodge .....	664	525	459*	367*
Glendive .....	779	702	700	588
Great Falls .....	11,424	10,367	7,531	7,239
Harlowton .....	294	316	211	243
Have .....	1,381	1,370	1,053	1,041
Helena .....	12,591	9,403	7,367	5,582
Kalispell .....	1,813	1,584	1,378	1,090
Lewistown .....	1,687	1,354	1,318	1,063
Malta .....	697	653	496	420
Miles City (1 bank).....	1,166	1,228	1,023	1,000
<b>North Dakota</b>				
Bismarck .....	19,103	10,134	8,788	7,457
Devils Lake .....	1,175	1,194	906	954
Dickinson .....	1,016	960	977	900
Fargo .....	13,451	13,467	11,819	11,321
Grafton .....	651	809	476	575
Grand Forks .....	3,622	3,938	3,359	3,761
Jamestown .....	1,816	1,443	1,422	1,516
Mandan .....	688	772	604	725
Minot .....	3,780	3,529	3,259	3,341
Valley City .....	921	868	722	919
Wahpeton .....	756	815	649	781
Williston .....	1,163	1,099	634	694
<b>South Dakota</b>				
Aberdeen .....	3,580	3,509	3,026	2,750
Brookings (1 bank).....	626	671	494	605
Deadwood .....	916	1,109	676	816
Huron .....	2,289	2,265	2,199	2,387
Lead .....	2,078	1,975	1,581	1,533
Madison .....	855	842	635	542
Milbank .....	350	372	294	325
Mitchell .....	2,271	2,436	1,779	1,814
Mobridge .....	638	661	461	463
Pierre .....	3,338	3,785	1,540	978
Rapid City .....	2,727	2,337	1,707	1,884
Sioux Falls .....	12,381	11,947	11,062	10,468
Watertown .....	2,186	2,341	1,649	1,844
Yankton .....	1,584	1,594	1,188	1,142
<b>Wisconsin</b>				
Ashland .....	1,155	986	.....	.....
Chippewa Falls .....	1,524	1,591	1,561	1,350
Eau Claire .....	5,573	5,028	4,861	3,959
Hudson .....	375	356	312	198
La Crosse .....	6,263	5,998	6,704	5,804
Merrill .....	1,149	1,145	999	347*
Rhineland .....	1,259	1,267	1,108	999
Superior .....	3,055	3,169	3,265	2,648
Total for 91 cities with com- parable figures for both years...	\$722,592	\$652,900	\$606,780	\$599,725

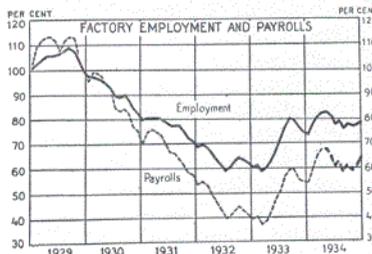
\*Figures for a smaller number of banks.



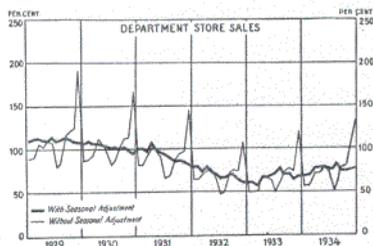
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.)



Three month moving averages of F. W. Dodge data for 37 Eastern states, adjusted for seasonal variation. Latest figure based on data for November and December and estimate for January.



Indexes of United States Bureau of Labor Statistics; without adjustment for seasonal variation. (1923-1925 average=100.)



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

## Summary of National Business Conditions (Compiled January 26 by Federal Reserve Board)

In December the Federal Reserve Board's seasonally adjusted indexes of industrial production and factory employment increased sharply. Wholesale prices of farm products and foods showed a considerable advance in the latter part of the month and in the early part of January, while prices of other commodities as a group showed little change.

**PRODUCTION AND EMPLOYMENT:** Output of basic industrial products increased in December, when it usually declines, and the Federal Reserve Board's index, which makes allowance for the usual seasonal variations, increased from 74 per cent of the 1923-1925 average in November to 85 per cent in December. Activity at steel mills increased, contrary to the usual seasonal tendency, and output at automobile factories rose rapidly. In both of these industries, there were further sharp increases in activity in the first three weeks of January. At woolen mills and silk mills, activity increased in December, contrary to seasonal tendency, and at cotton mills and tobacco factories, it declined by less than the usual seasonal amount. Output of petroleum increased somewhat in December and the first half of January.

Factory employment increased between the middle of November and the middle of December, contrary to seasonal tendency, and there was a considerable growth in factory payrolls. Substantial increases were reported for the automobile, textile, shoe and tire industries, while in the meat packing industry, there was a further decline from recent high levels. Employment in retail trade showed an increase largely of a seasonal character. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a decline in December, partly seasonal in nature, followed by an increase in the first half of January. For the fourth quarter as a whole, the value of contracts for privately financed projects was about the same as in the corresponding period of 1933, while the volume of publicly-financed projects was considerably smaller than last year.

**DISTRIBUTION:** Volume of freight carloadings declined less in December than is usual at that season. Sales of merchandise by department stores showed an increase of more than the estimated seasonal amount and were approximately 11 per cent larger than in the corresponding month a year earlier.

**COMMODITY PRICES:** The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, advanced considerably during the latter part of December and the early part of January, reflecting chiefly marked increases in the prices of farm products and foods. Scrap steel prices also increased. In the third week of January, prices of grains, cotton, hides, and rubber showed a decline from the level of the preceding week. Currently, wholesale prices are 9 per cent higher than a year ago, reflecting an increase of 30 per cent for farm products, an increase of 24 per cent for foods, and little change for other commodities.

Retail prices of foods, as reported by the Bureau of Labor Statistics, increased considerably in the latter part of December, following three months of gradual decline.

**BANK CREDIT:** During the six weeks ending January 23, seasonal return flow of currency from circulation, further imports of gold, and disbursement by the Treasury of funds previously held as cash or on deposit with the Reserve banks, were reflected in a growth of member bank balances with the Reserve banks to \$4,500,000,000, the highest figure on record, and in an increase of their excess reserves to the high level of \$2,160,000,000.

Loans and investments of reporting member banks in leading cities increased by \$350,000,000 in the five weeks ended January 16. Holdings of United States Government obligations rose \$420,000,000 and an increase was shown also in holdings of obligations guaranteed by the Government and in other security holdings, while loans declined by \$130,000,000.

Commercial paper rates, which had been reported at a range of  $\frac{3}{4}$ -1 per cent since June, declined to a general level of  $\frac{3}{4}$  per cent early in January. Other short-term open market money rates showed little change, while yields on long-term United States Treasury bonds declined from 3 to  $2\frac{3}{4}$  per cent.

In December and January, discount rates were lowered from 3 to  $2\frac{1}{2}$  per cent at the Federal Reserve Banks of Richmond, Minneapolis, Kansas City, and Dallas, and from  $2\frac{1}{2}$  to 2 per cent at Philadelphia, Chicago, and St. Louis. At the Federal Reserve Bank of Atlanta, the discount rate was lowered to  $2\frac{1}{2}$  per cent in December and to 2 per cent in January.