

# MONTHLY REVIEW

## OF

### AGRICULTURAL AND BUSINESS CONDITIONS

#### IN THE

#### NINTH FEDERAL RESERVE DISTRICT

J. N. PEXTON, Chairman of the Board  
and Federal Reserve Agent

F. M. BAILEY

Assistant Federal Reserve Agents

E. W. SWANSON

OLIVER S. POWELL, Statistician

H. C. TIMBERLAKE, Asst. Statistician

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Federal Reserve Bank, Minneapolis, Minn.

March 28, 1935

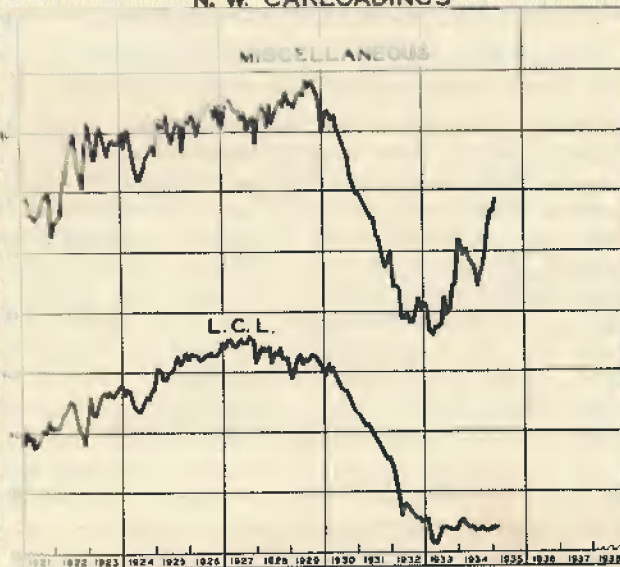
#### DISTRICT SUMMARY OF BUSINESS

The volume of business in the district during February advanced from the level of January after allowance for seasonal factors. The country check clearings index rose from 108 in January to 120 in February, making a new high point since 1929. The department store sales index rose from 69 to 73 but did not regain all of the loss sustained during January. The miscellaneous freight carloadings index rose from 80 to 83. On the other hand, the l.c.l. freight carloadings index remained unchanged, and the bank debits index declined one point.

The volume of business in the district in February was larger than in February last year. Bank debits were 13 per cent larger; country check clearings were 20 per cent larger; and freight carloadings were 3 per cent larger than last year's February totals. Other increases occurred in electric power consumption, building permits and contracts, linseed product shipments, copper output, receipts of cattle at South St. Paul, country lumber sales, and wholesale trade. Decreases from last year's volume were reported in real estate activity in Hennepin and Ramsey counties, flour shipments, butter production, receipts of hogs, calves and sheep, and grain marketings.

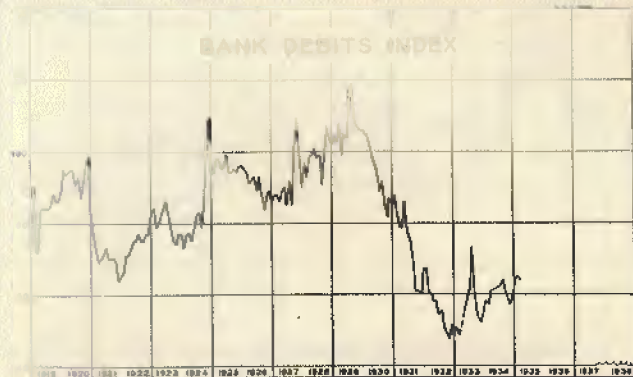
Retail trade in the district was larger during February than in the same month last year. Department store sales in the principal cities were 6 per cent larger than last year's volume. Country general store

#### N. W. CARLOADINGS

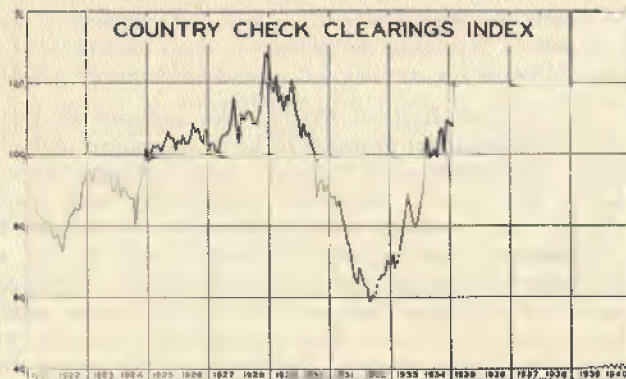


Carloadings of Miscellaneous Commodities and Less-than-Carlot Freight in the Northwestern District, adjusted to remove seasonal variations.

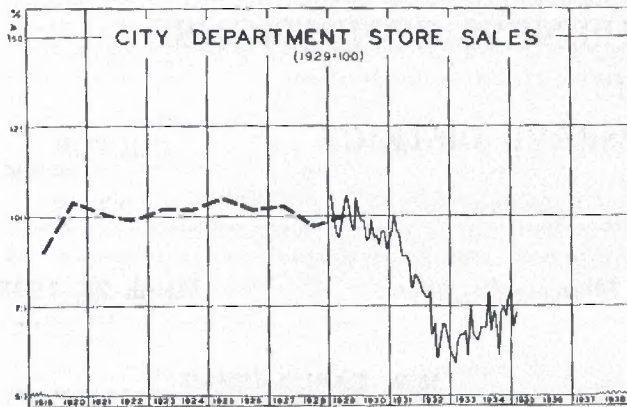
and department store sales reported by three hundred and five stores were 10 per cent larger than a year ago. The largest increase in rural sales occurred in eastern Montana where thirty-two stores reported a combined increase of 23 per cent over sales in February last year. This upswing can be



Bank Debits Index for reporting cities in the Ninth Federal Reserve District, adjusted for seasonal variations.



Country Check Clearings Index, adjusted to remove seasonal variations.



Index of Department Store Sales at Minneapolis, St. Paul and Duluth-Superior, adjusted for seasonal variations.

attributed largely to the business arising from the building of the Fort Peck government dam. Northwestern Minnesota reported an increase of 18 per cent in sales during February over the same month last year. A broad strip of country running from central Wisconsin through southern Minnesota almost to the South Dakota line has been benefited by higher prices for butter fat, hogs, cattle, and hay, and by a satisfactory volume of live stock feed. In this area, sales ranged from 11 to 13 per cent higher than a year ago, with the largest increase reported from southwestern Minnesota.

Retail Trade	% Feb. 1934 of Feb. 1933
Minneapolis, St. Paul, Duluth-Superior ( 22 stores)	106
Country Stores (305 stores)	110
Minnesota—Southwestern ( 34 stores)	113
Minnesota—Southeastern ( 17 stores)	111
Minnesota—South central ( 24 stores)	111
Minnesota—Central ( 11 stores)	107
Minnesota—Northeastern ( 8 stores)	118
Minn.-No. Dak., Red River Valley ( 10 stores)	105
Montana—Mountain ( 18 stores)	103
Montana—Plains ( 32 stores)	123
No. Dak., excl. Red River Valley ( 16 stores)	108
South Dakota—Southeastern ( 13 stores)	100
South Dakota—Other Eastern ( 44 stores)	100
Wisconsin—West Central ( 41 stores)	111
Northern Wisconsin & Michigan ( 37 stores)	111
Ninth District (327 stores)	108

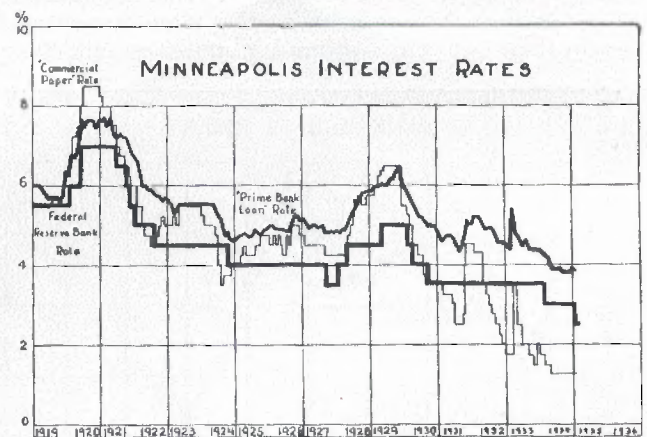
In the first half of March, the volume of business in the district appears to have increased sharply from the level of February after making allowances for purely seasonal variations, and bank debits and country check clearings continued to run ahead of last year's volume. Bank debits at seventeen cities for the first three weeks of March were 14 per cent larger than in the same weeks last year. If this level is maintained for the remainder of the month, the bank debits index for March will be six points higher than the index for February. Country check clearings for the first fifteen business days of March were 18 per cent

larger than in the corresponding days last year. If this level is maintained for the remainder of March, the adjusted index for that month will be three points higher than the index for February and will make a new high since 1928.

Several city department stores have reported their sales for the first half of March, and the consolidated figures for these stores were 4 per cent below the first half of March last year. Since Easter was twenty days earlier a year ago than this year, a certain amount of pre-Easter buying was undoubtedly included in last year's totals for the first half of March, whereas such buying in 1935 would fall in late March and April. If it were possible to eliminate the effects of the varying date of Easter on department store trade, it would doubtless be true that the remainder of the department store business in the first half of March was nearly equal to the volume in the same period a year ago. If city department store trade continues at the same level in the last half of March this year, the adjusted index for that month will be higher than the index for February.

### DISTRICT SUMMARY OF BANKING

Banking developments in the district during recent weeks have not been significant. At city member banks, deposits decreased in the latter part of February and then recovered all of that loss in the first two weeks of March, reaching the highest level on record, with the exception of one week in December 1934. During the four weeks ending March 13, there was a sharp increase of 7 million dollars in balances due to country correspondent banks. This was a seasonal occurrence which always happens during the peak of marketings of hogs and the payment of personal property taxes. Deposits of county treasurers were also increased during this period. These increases were partly offset by a decrease in commercial and individual demand deposits.



Interest Rates at Minneapolis on Prime Bank Loans and Commercial Paper, and the Discount Rate at the Federal Reserve Bank, 1919-1935.

On the asset side of the consolidated balance sheet of city member banks, loans to customers rose slightly during the last four weeks, thus ending the decrease which has been almost continuous since last October. Investment holdings and balances due from banks declined during the four week period.

At country member banks, deposits remained practically unchanged during February, although there would have been an increase in Minnesota except for the withdrawal of several country member banks from the Federal Reserve System. Field trips made by officers of this bank through southern Minnesota revealed the fact that deposits have been

rising sharply in that area since the beginning of the year, as a result of higher farm product prices and a demand for surplus feed and live stock from other sections of the Northwest.

## DISTRICT SUMMARY OF AGRICULTURE

### Live Stock Marketings

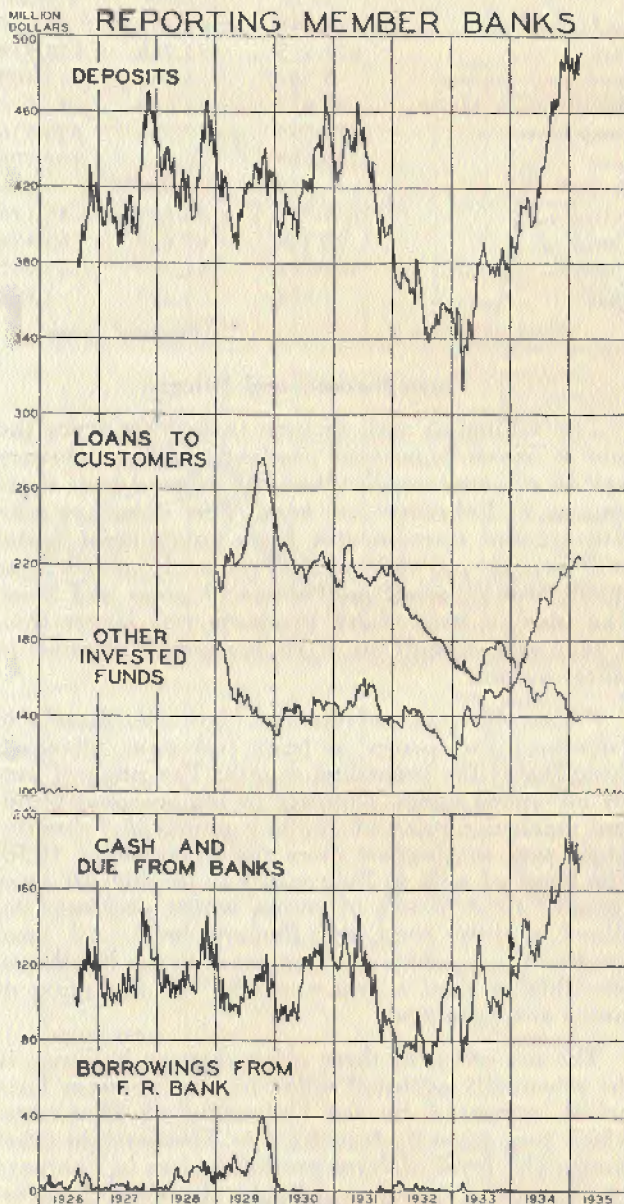
Receipts of cattle at South St. Paul continued larger than a year ago during February, despite the greatly reduced number of beef cattle on farms in our four states shown by the United States Department of Agriculture January 1 estimates. The principal reason for the unusually heavy cattle marketings was the continued advance in prices paid for all kinds and classes of beef animals. The February prices for each of the eight classes of beef cattle (including calves) for which median prices are computed in this office were higher in February than in January. The largest advance was scored by light-weight butcher steers which reached a top of \$12.50 a hundredweight at the end of the month, and a median price gain of \$2.15 over January.

During the first ten days of March, prices continued strong and a new "high" of \$13.00 per hundredweight was established. This was the highest price paid for beef animals at South St. Paul since 1930. Continued high prices resulted in receipts continuing larger than a year ago at South St. Paul. At the other principal midwestern markets, while receipts were smaller than in the same period last year, the total number of head received showed some increase over preceding weeks. This increase, together with an inactive dressed beef market, resulted in some price recessions during the middle of March.

Carloads of Canadian cattle continued to arrive during February and the first half of March and were quickly absorbed. The scarcity of well-finished heavy cattle at South St. Paul resulted in an increase in the spread between prices paid for heavy and lightweight steers.

Feeder cattle prices continued the rise that started last December throughout the month of February and also the first half of March. A price of \$10.25 was paid for steers weighing over one thousand pounds during the second week of March. One factor of strength in the price of the heavier feeder cattle was the support given by packer buyers who appeared anxious to purchase cattle even in only medium flesh in order to fill their daily quotas.

Receipts of hogs at South St. Paul continued to decrease during February and were only half as large as in February last year. Receipts at the other principal midwestern markets during the month were proportionally larger than at South St. Paul, but, nevertheless, were much smaller than in February last year. One result of the shortage of supplies was a steady increase in both average and top



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

prices during February and the first ten days of March. Another result of the greatly reduced receipts was a forced discontinuance of hog killing operations by a number of smaller operators throughout the middle west and a consequent lessening of the competitive demand for hogs for killing purposes.

In mid-March, mounting dressed pork prices resulted in a sharp reduction in consumers' demand which, coupled with the somewhat lessened packer demand, and some increase in receipts at other midwestern markets, caused a slight sag in hog prices.

Sheep and lamb receipts during February at South St. Paul were slightly larger than in January and nearly as large as in February last year. Fat lambs represented a larger percentage of the total than a year ago. The median price of fat lambs declined a little from that of January, while a small increase for slaughter ewes was recorded. Since the first of March, receipts each week have been larger than in the corresponding weeks in February and in March last year. Prices of slaughter ewes as well as feeder lambs have been fairly steady, but fat lamb prices have declined.

### Cold Storage Holdings

Cold storage holdings of important farm products in the United States continued to reflect the reduced production and marketing of live stock, poultry, and dairy products. Stocks of butter were less than 8 million pounds on March 1, which is a level not ordinarily reached until the first of May. Stocks of pork increased only 3 million pounds during February, whereas they usually increase 80 million pounds during that month. As a result, pork stocks on March 1 were 12 per cent below the five-year average for that date. Stocks of beef, lamb and mutton, miscellaneous meats, and poultry decreased

by more than the usual amount during February. Lard stocks increased only 2 million pounds, as compared with an average increase of 12 million pounds. Stocks of eggs decreased in February by more than the usual amount, owing to a very small seasonal increase in egg production and heavy demand for eggs by commercial hatcheries. Consequently, stocks of eggs on March 1 were 31 per cent smaller than the five year average for that date.

### United States Cold Storage Holdings

(In thousands of pounds)

	March 1, 1935	March 1, 1934	March 1 5-yr.av.
Beef .....	111,149	64,745	63,017
Pork .....	671,315	733,956	758,929
Lamb and Mutton....	3,502	3,052	3,100
Miscellaneous Meats...	89,633	65,548	73,510
Total Meats .....	875,599	867,301	898,556
Lard .....	110,508	176,044	102,796
Cream* .....	12	104	—
Butter .....	7,986	36,853	28,176
Cheese .....	70,144	67,819	63,594
Poultry .....	106,242	101,776	103,047
Eggs** .....	1,158	1,209	1,668

\*Thousand cans

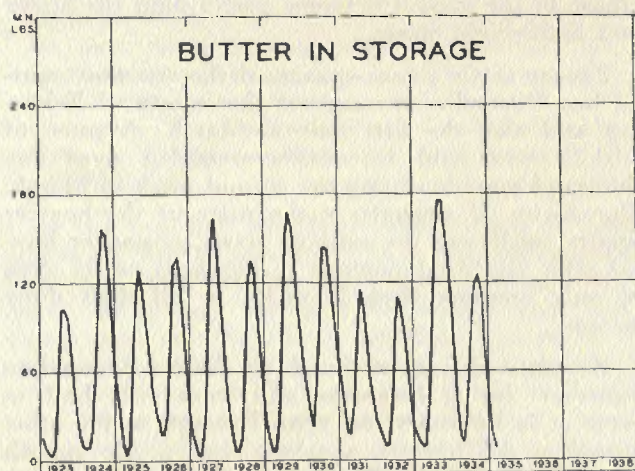
\*\*Thousand cases

### Farm Income and Prices

The estimated cash income to farmers from the sale of seven important products during February was 10 per cent smaller than the income from these sources in February last year. This does not take into account farm income from government rental and benefit payments. The reduced income was chiefly due to small marketings of grain and hogs. The income from dairy products was larger than a year ago in spite of a 20 per cent reduction in butter output.

Prices of steers, calves, and hens rose sharply in February, and prices of hogs and ewes increased the gains of the preceding month. The price of butter advanced again, contrary to the seasonal trend, and reached a price of 32½c a pound in February, which was the highest price since December 1930. The price of milk in February was the highest since January 1931. Prices of grains, lambs, and eggs declined slightly from the January level. All farm product prices which are important in the Northwest were higher than a year ago with the exception of lambs and potatoes.

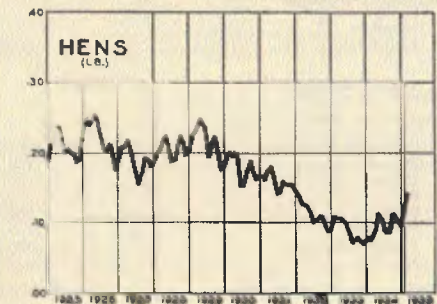
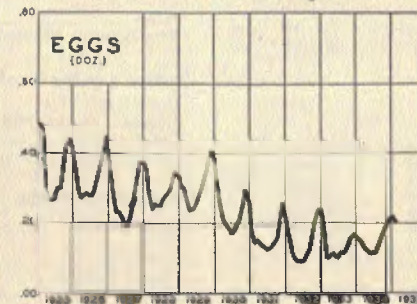
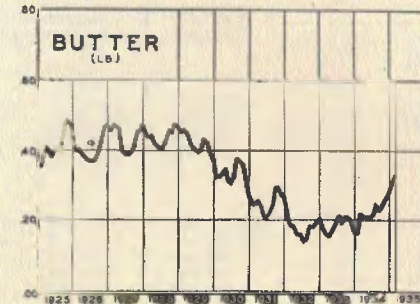
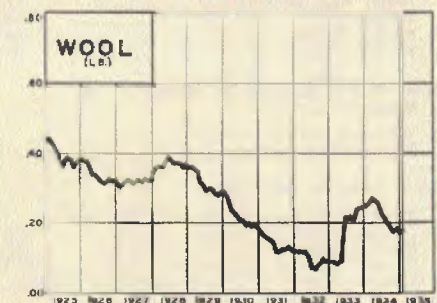
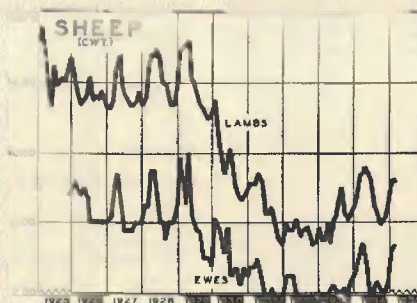
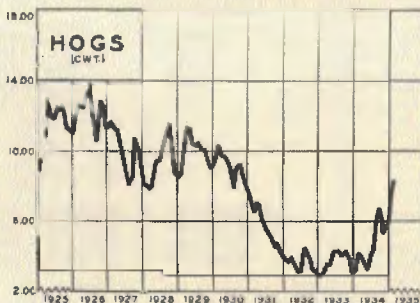
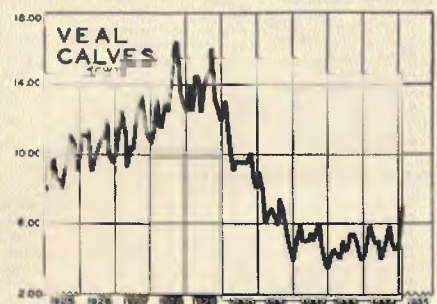
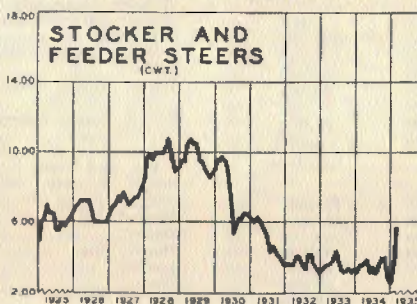
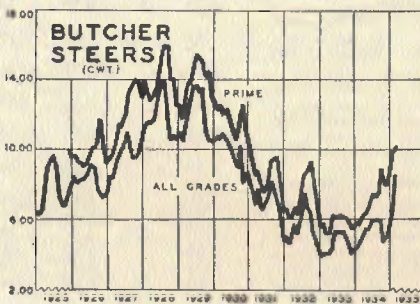
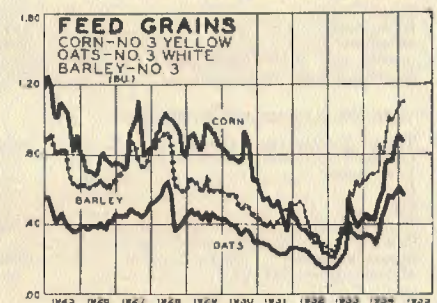
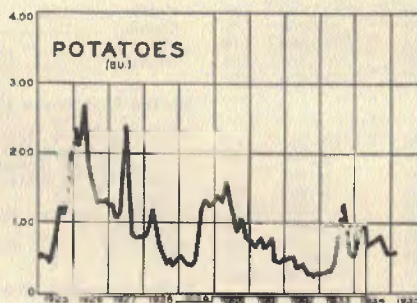
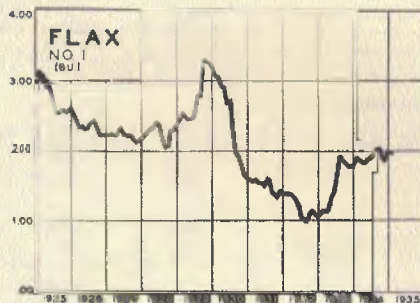
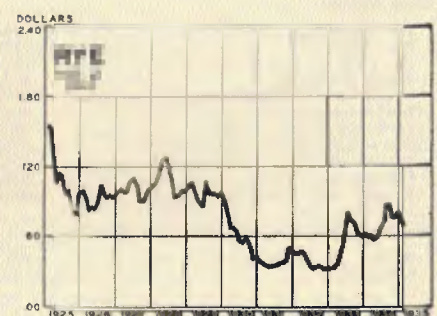
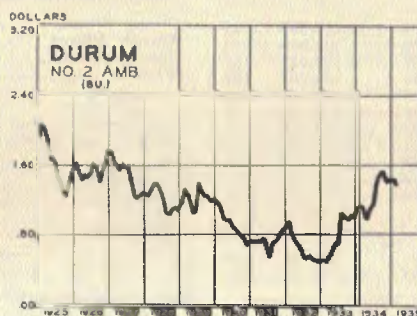
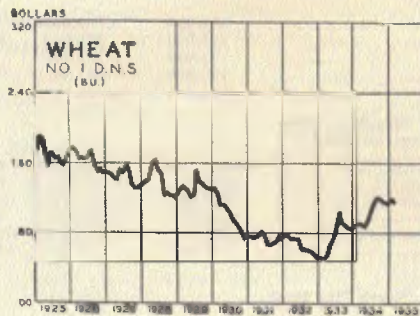
The net effect of these price changes is shown in the seasonally adjusted index of northwestern farm prices, prepared by the University of Minnesota, which rose from 82.8 to 87.4 in February. In other words, the level of farm product prices in February was less than 13 per cent below the 1924-26 average and was at the highest level since June 1930. A year ago this price index stood at 54.3, and in February 1933 it stood at 34.8. Farm product prices have more than doubled in the two-year period.



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

## NORTHWESTERN FARM PRODUCT PRICES

(Price per bushel, hundredweight, pound or dozen)



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

		Per Cent Feb., '35, of Feb., '34				Per Cent Feb., '35, of Feb., '34	
		Feb., '35	Feb., '34	Feb., '35	Feb., '34	Feb., '35	Feb., '34
GENERAL BUSINESS							
Bank Debits <sup>1</sup>							
All Reporting Cities	\$ 25,095,500	\$ 22,218,900	113	Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Minneapolis	10,789,000	9,821,000	110	Bread Wheat	876,000	3,753,000	23
St. Paul	5,232,000	4,495,000	116	Durum Wheat	136,000	838,000	16
South St. Paul	602,000	458,000	133	Rye	12,000	177,000	7
Great Lakes Ports	1,401,500	1,357,500	103	Flax	122,000	144,000	85
Beef and Pork, S. E.	882,800	809,400	109	Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)			
Beef and Pork, S. W.	925,900	815,100	114	Wheat	14,005,763	34,068,645	41
Dairy and Mixed Farming	1,231,800	1,043,200	118	Corn	6,333,148	10,547,317	60
Wheat and Mixed Farming	1,424,300	1,329,200	107	Oats	8,457,762	27,812,427	30
Wheat and Range	816,300	652,900	125	Barley	7,295,657	9,956,036	73
Mining and Lumber	1,252,500	1,442,600	87	Rye	3,528,673	5,705,999	62
				Flax	977,365	981,747	100
Electric Power Consumption (K.W.H.) <sup>1,2</sup>							
Minn., No. Dak. and So. Dak.	4,902,100	4,535,100	108	Live Stock Receipts at South St. Paul (Head)			
Montana	3,147,300	2,758,300	114	Cattle	60,600	51,875	117
Country Check Clearings <sup>1</sup>							
Total	\$ 3,543,000	\$ 2,957,500	120	Calves	39,586	53,740	74
Minnesota	1,314,900	1,107,900	119	Hogs	75,174	150,215	50
Montana	528,700	414,500	128	Sheep	60,387	63,341	95
North and South Dakota	1,081,800	906,600	119	Median Cash Grain Prices (Bus.)			
Michigan and Wisconsin	617,600	528,500	117	Wheat—No. 1 Dark Northern	\$ 1.15½	\$ .90%	127
Freight Carloadings—N.W. District							
Total—Excluding L.C.L.	196,288	190,425	103	Durum—No. 2 Hard Amber	1.37½	1.13½	122
Grains and Grain Products	22,064	30,506	74	Corn—No. 3 Yellow	.87½	.43	204
Live Stock	10,707	14,891	72	Oats—No. 3 White	.56½	.33½	167
Coal	26,932	28,697	94	Barley—No. 3	1.10		
Coke	4,686	4,391	107	Maltng Barley—No. 3	1.14		
Forest Products	30,787	27,814	111	Rye No. 2	.68%	.60%	118
Ore	435	422	103	Flax—No. 1	1.95	1.88	104
Miscellaneous	100,677	83,704	120	Median Livestock Prices (Cwt.)			
Merchandise—L.C.L.	71,419	72,284	99	Butcher Cows and Heifers	\$ 5.25	\$ 3.50	150
Building Permits							
Number—18 Cities	359	376	95	Heavy Butcher Steers (1,100 lbs. and over)	9.35	4.75	197
Value—18 Cities	\$ 477,000	\$ 360,900	132	Light Butcher Steers (Under 1,100 lbs.)	8.50	4.75	179
Minneapolis	151,800	136,700	111	Prime Heavy Butcher Steers (1,100 lbs. and over)	11.00	6.25	176
St. Paul	97,700	72,500	135	Prime Light Butcher Steers (Under 1,100 lbs.)	10.25	5.75	178
Duluth-Superior	142,500	86,100	166	Heavy Stocker and Feeder Steers (800 lbs. and over)	6.50	3.67½	177
4 Wheat Belt Cities	17,400	17,100	102	Light Stocker and Feeder Steers (Under 800 lbs.)	5.75	3.50	164
6 Mixed Farming Cities	59,600	38,600	154	Veal Calves	7.00	6.00	117
4 Mining Cities	8,000	9,900	81	Hogs	7.75	4.20	185
Building Contracts Awarded							
Total	\$ 2,502,000	\$ 1,344,500	186	Heavy Hogs	8.35	4.00	209
Commercial	163,000	192,300	85	Lambs	8.40	8.75	96
Factories	70,000	124,000	56	Ewes	4.75	4.50	106
Educational	91,000	86,500	105	Wholesale Produce Prices			
Hospitals, etc.	65,000	40,000	163	Butter (Lb.)	\$ .32½	\$ .22¾	143
Public Buildings	217,000	63,800	340	Milk (Cwt.)	1.74	1.35	129
Religious and Memorial	5,000	18,800	27	Hens (Lb.)	.14½	.07½	193
Social and Recreational	31,000	8,500	365	Eggs—No. 2 (Doz.)	.19¾	.14¾*	136
Residential	185,000	121,000	153	Potatoes (Bu.)	.55½	.95	58
Public Works	1,586,000	423,600	374	TRADE			
Public Utilities	89,000	266,000	33	City Department Stores <sup>3</sup>			
Real Estate Activity in Hennepin and Ramsey Counties							
Warranty Deeds Recorded	253	277	91	Sales	\$ 3,328,930	\$ 3,147,870	106
Mortgages Recorded	666	829	80	Merchandise Stocks	8,267,660	8,092,580	102
Manufacturing and Mining							
Flour Production at Minneapolis and Duluth-Superior (Bbls.)	551,787	733,794	75	Receivables	5,142,200	4,833,150	106
Flour Shipments at Mpls. (Bbls.)	540,009	684,224	79	Instalment Receivables	1,466,150	1,254,550	117
Linseed Product Shipments (Lbs.)	13,862,310	12,361,909	112	Country General and Department Stores <sup>3</sup>			
Copper Output (3 Firms) (Lbs.)	18,351,600	11,302,500	162	Sales	\$ 2,647,080	\$ 2,410,860	110
Business Failures							
Number	18	29	62	Merchandise Stocks	5,581,050	5,445,840	102
Liabilities	\$ 232,604	\$ 336,686	69	Country Lumber Yards <sup>3</sup>			
AGRICULTURE							
Farmers' Cash Income							
Total of 7 Items	\$ 19,207,000	\$ 21,258,000	90	Sales (Bd. Ft.)	2,738,000	2,691,000	102
Bread Wheat	1,125,000	3,822,000	29	Lumber Stocks (Bd. Ft.)	63,831,000	65,640,000	97
Durum Wheat	187,000	948,000	20	Total Sales	\$ 597,800	\$ 593,100	101
Rye	8,000	108,000	7	Receivables	1,419,400	1,525,600	93
Flax	238,000	271,000	88	Life Insurance Sales			
Potatoes	1,166,000	2,402,000	46	Four States	\$ 13,756,000	\$ 11,301,000	122
Dairy Products	11,267,000	8,205,000	137	Minnesota	10,384,000	8,657,000	120
Hogs	5,216,000	5,502,000	95	Montana	1,521,000	959,000	159
Butter Production (Lbs.)	29,950,000	37,345,000	80	North Dakota	882,000	816,000	108
				South Dakota	969,000	869,000	112

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

				Per Cent Feb., '35, of Feb., '34					Per Cent Feb., '35, of Feb., '34
Feb., '35				Feb., '34	Feb., '35				Feb., '34
Wholesale Trade					Interest Rates <sup>a</sup>				
Groceries <sup>a</sup>					Minneapolis Banks ..... 3½-4 4-4½				
Sales .....					Commercial Paper (net to borrower) .. 1½ 1½				
Stocks .....					Minneapolis Fed. Res. Bank..... 2½ 3				
Receivables .....					Selected City Member Banks Mar. 13, '35 Mar. 14, '34				
					Loans to Customers.....\$138,566,000 \$159,900,000 87				
					Other Invested Funds.....222,737,000 167,335,000 133				
					Cash and Due from Banks ..178,683,000 145,847,000 123				
					Deposits Due to Banks ..126,924,000 95,680,000 133				
					Public Demand Deposits ..43,972,000 27,792,000 158				
					Other Demand Deposits ..188,919,000 154,279,000 122				
					Time Deposits ..127,083,000 125,551,000 101				
					Total Deposits ..491,749,000 410,268,000 120				
					Borrowings at Fed. Res. Bank..... 0 0 0				
					Minneapolis Federal Reserve Bank				
					Loans to Member Banks \$ 15,000 \$ 944,000				
Hardware <sup>a</sup>									
Sales .....									
Stocks .....									
Receivables .....									
Shoes									
Sales .....									
Stocks .....									
Receivables .....									

<b>BANKING</b>							
<b>Member Bank Deposits</b>							
In Cities over 15,000 pop. ....	\$464,834,000	\$388,302,000	120	<b>Minneapolis Federal Reserve Bank</b>			
In Cities under 15,000 pop. ....	306,941,000	272,813,000	113	Loans to Member Banks .....	\$ 15,000	\$ 944,000	2
Michigan—15 Cos. ....	47,623,000	44,660,000	107	Twin Cities .....	0	0	0
Minnesota .....	125,702,000	113,076,000	111	Minn., Wis. and Mich. ....	15,000	325,000	5
Montana .....	48,076,000	40,222,000	120	No. Dak. and Mont. ....	0	196,000	0
North Dakota .....	28,856,000	25,670,000	112	South Dakota .....	0	423,000	0
South Dakota .....	39,511,000	34,170,000	116	Industrial Advances .....	1,853,000	0	0
Wisconsin—26 Cos. ....	17,173,000	15,015,000	114	Fed. Res. Notes in Circulation .....	103,895,000	96,702,000	107
				Member Bank Reserve Deposits .....	102,747,000	72,444,000	142

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

## BANK DEBITS

	February 1935	January 1935	February 1934	January 1934		February 1935	January 1935	February 1934	January 1934
Number of Business Days:									
Wisconsin .....	23	26	23	26	Montana				
All Other States in District.....	22	26	22	26	Anaconda .....	932	1,061	926	1,060
		(000's omitted)			Billings .....	5,819	6,713	4,640	4,916
<b>Michigan</b>					Bozeman .....	1,516	2,128	1,192	1,208
Calumet (1 bank) .....	\$ 480	\$ 794	\$ .....	\$ .....	Butte (2 banks).....	7,492	7,521	6,651	8,037
Crystal Falls .....	178	235	.....	493	Deer Lodge .....	386*	510*	450	861
Escanaba (1 bank) .....	620	482	384	.....	Glendive .....	583	587	620	544
Hancock .....	794	947	1,053	1,335	Great Falls .....	7,503	9,690	5,999	6,599
Houghton .....	1,440	1,452	1,180	1,283	Harlowton .....	222	190	180	212
Iron Mountain .....	1,904	2,011	1,327	1,475	Havre .....	959	1,199	778	925
Iron River, Stambaugh.....	864	1,046	551	888	Helena .....	9,135	9,581	5,868	5,816
Ironwood (1 bank) .....	566	1,067	.....	.....	Kalispell .....	1,181	1,412	943	1,143
Laurium (1 bank).....	126	128	.....	.....	Lewistown .....	947	1,430	912	998
Manistique .....	330	310	105*	124*	Malta .....	477	522	297	384
Marquette .....	2,269	2,850	1,837	2,767	Miles City (1 bank).....	755	500	700	831
Menominee .....	2,254	2,257	2,106	2,426					
Sault Ste. Marie.....	1,709	2,169	1,551	2,041	<b>North Dakota</b>				
<b>Minnesota</b>					Bismarck .....	8,397	13,420	9,119	11,666
Albert Lea .....	1,933	1,910	1,631	1,656	Devils Lake .....	860	939	700	898
Austin .....	4,116	4,216	3,256	2,982	Dickinson .....	798	829	663	717
Bemidji (2 banks).....	807	895	781	534*	Fargo .....	10,674	11,655	9,329	10,801
Chaska .....	310	488	279	614	Grafton .....	468	436	496	400
Chisholm .....	587	777	585	756	Grand Forks .....	2,748	3,013	2,824	2,981
Cloquet .....	1,420	1,272	1,332	1,288	Jamestown .....	1,250	1,233	1,004	954
Coonston .....	1,016	1,118	791	871	Mandan .....	638	705	576	539
Detroit Lakes .....	718	826	642	720	Minot .....	2,803	2,757	2,415	2,699
Duluth .....	21,878	26,244	22,865	28,243	Valley City .....	722	753	640	662
Ely .....	274	302	276	268	Wahpeton .....	638	667	654	640
Faribault (1 bank).....	1,117	1,213	816	933	Williston .....	817	884	566	529
Farmington .....	150	176	108	136	<b>South Dakota</b>				
Fergus Falls .....	1,364	1,644	1,332	1,529	Aberdeen .....	2,941	3,080	2,346	2,569
Glenwood .....	232	230	182	219	Brookings (1 bank).....	626	618	554	576
Hutchinson .....	638	565	463	452	Deadwood .....	834	994	574	677
Lakefield .....	303	283	228	225	Huron .....	1,655	2,226	1,712	2,171
Lanesboro .....	163	187	160	248	Lead .....	1,660	2,020	1,291	1,552
Little Falls .....	635	769	525	605	Madison .....	688	886	491	525
Luverne .....	741	930	454	463	Milbank .....	305	307	220	270
Mankato .....	3,754	4,003	3,345	4,432	Mitchell .....	1,863	2,293	1,668	1,652
Minneapolis .....	237,368	285,184	216,051	260,750	Mobridge .....	470	559	373	401
Moorhead .....	1,364	1,187	1,588	1,147	Pierre .....	2,521	3,017	1,548	1,212
Morris .....	358	416	294	301	Rapid City .....	1,522	1,801	1,340	1,519
Owatonna .....	2,029	1,825	1,587	1,765	Sioux Falls .....	10,050	11,565	9,667	11,069
Park Rapids .....	206	209	141	169	Watertown .....	1,874	2,083	1,350	1,511
Red Wing .....	1,395	1,589	1,292	1,494	Yankton .....	1,513	1,572	1,194	1,125
Rochester .....	3,140	3,772	2,958	3,524	<b>Wisconsin</b>				
St. Cloud .....	2,090	2,314	2,060	2,194	Ashland .....	1,031	1,115	618	783
St. Paul .....	115,095	127,228	98,890	108,392	Chippewa Falls .....	1,458	1,331	1,190	1,313
Sauk Rapids .....	206	224	210	232	Eau Claire .....	4,578	5,297	3,954	4,360
South St. Paul .....	13,239	11,544	9,959	10,736	Hudson .....	295	327	292	400
Stillwater .....	1,482	1,446	1,090	1,300	La Crosse .....	5,722	6,378	5,489	6,510
Thief River Falls .....	777	828	643	663	Merrill .....	1,178	1,264	992	1,020
Two Harbors .....	303	341	270	295	Rhineland .....	1,233	1,268	1,075	1,098
Virginia .....	1,147	1,401	1,135	1,204	Superior .....	3,207	3,197	2,476	2,861
Wabasha .....	551	708	568	718					
Wells .....	307	384	327	.....					
Wheaton .....	233	260	200	231					
Willmar .....	774	985	384*	456*					
Winona .....	4,584	5,356	4,770	6,008					
Worthington (1 bank).....	747	685	394	386					
					Total for 94 cities with com- parable figures for both years.....	\$555,075	\$640,276	\$492,360	\$571,570
					*Figures for a smaller number of banks.				

Total for 94 cities with com-

parable figures for both years. \$555,075

\*Figures for a smaller number of banks.

## Summary of National Business Conditions (Compiled March 25 by Federal Reserve Board)

In February industrial production increased by less than the usual seasonal amount, following sharp advances in December and January. Wholesale prices of many leading commodities showed little change in February and declined in the early part of March; prices of live stock and meats, however, advanced further in February and continued at relatively high levels during the first three weeks of March.

**PRODUCTION AND EMPLOYMENT:** The daily average output of basic industrial commodities increased in February by an amount smaller than is usual at this season and the Federal Reserve Board's index, which makes allowance for seasonal variations, declined from 91 per cent of the 1923-25 average in January to 89 per cent in February. At steel mills activity increased further during the early part of February; later in the month and in the first three weeks of March, however, activity declined, contrary to seasonal tendency. In the automobile industry, production continued to increase, and the output indicated for the first quarter is larger than in the corresponding period of any other year since 1929. Lumber production remained at a low level. At textile mills activity in February declined somewhat from the relatively high rate of the preceding month. In the meat packing industry, output continued to decline.

Factory employment increased between the middle of January and the middle of February by more than the usual seasonal amount, reflecting substantial increases in working forces in the automobile, machinery, iron and steel, and wearing apparel industries and smaller increases in many other lines. At meat packing establishments, employment continued to decline and at tobacco factories, it showed less than the usual seasonal growth. Payrolls at manufacturing establishments also increased considerably in February. In non-manufacturing industries employment and payrolls showed little change.

The total value of construction contracts awarded in the period from January 1 to March 15, as reported by the F. W. Dodge Corporation, was smaller than in the corresponding period last year, reflecting a reduction in the volume of public projects. The value of contracts awarded for residential building during this period showed a slight increase over the low level of a year ago.

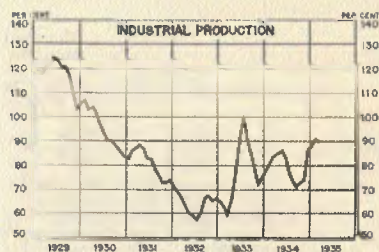
**DISTRIBUTION:** The daily average volume of revenue freight carloadings showed a seasonal increase in February and little change in the first half of March. Department store sales increased in February, a month when there is usually little change, and the combined total for the first two months of the year was larger than a year ago by 5 per cent.

**WHOLESALE COMMODITY PRICES:** During the period from the beginning of February to the middle of March, there were wide movements in prices of many individual commodities, while the general level of wholesale prices, as measured by the Bureau of Labor Statistics index, showed little change. In the third week of March, prices of cotton and other textiles, grains other than wheat, coffee, rubber and tires, scrap steel, and tin were considerably lower than at the beginning of February, while prices of live stock, meats, and sugar were higher.

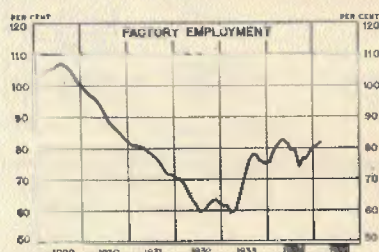
**BANK CREDIT:** During the four weeks ended March 20, member bank reserve balances declined by \$280,000,000, principally in consequence of an increase in Treasury deposits with Federal Reserve banks, built up in connection with March 15 fiscal operations. Excess reserves of member banks declined to about \$1,950,000,000.

Demand deposits (net) of weekly reporting member banks in leading cities increased further by \$380,000,000, during the four weeks ended March 13. The balances of other banks with reporting banks increased by \$100,000,000 while government deposits declined, reflecting the withdrawal of funds from depository banks. Loans and investments of reporting banks increased by \$275,000,000. There was a further growth of \$85,000,000 in holdings of direct obligations of the United States Government and a smaller increase in obligations guaranteed by the government. Loans to brokers and dealers in securities increased by \$130,000,000, while other loans showed little change.

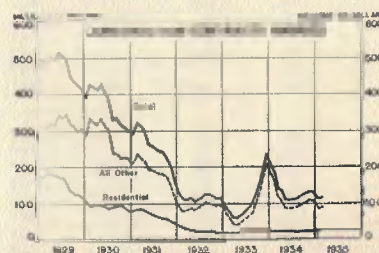
Yields on United States Government obligations declined slightly further, and open market money rates continued at a low level.



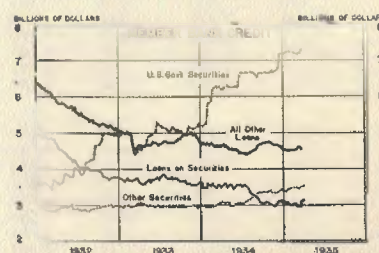
Index number of industrial production, adjusted for seasonal variation, (1923-1925 average=100.)



Index of factory employment, 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 January and February and estimate for March.



Wednesday figures for reporting member banks in 91 leading cities. Latest figures are for March 13.