

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 during October was below that of September, according to the evidence of a majority of seasonally adjusted indexes prepared in this office. The index of miscellaneous carloadings and the country lumber sales index increased, but the l. c. l. carloadings index was unchanged, and the indexes of bank debits, country check clearings, and sales at city department stores all showed declines from the preceding month.

Seasonally Adjusted Indexes of Business in the Ninth Federal Reserve District

(Varying base periods)

	October 1934	September 1934	October 1933
Bank Debits	57	61	54
Country Check Clearings (revised) 100	107	107	80
L. c. l. Carloadings	59	59	59
Miscellaneous Carloadings	70	65	61
City Department Store Sales	72	75	66
Country Lumber Sales	70	68	55

When compared with October last year, bank debits were 7 per cent larger, and country check clearings were 26 per cent larger. Increases were also recorded in both number and valuation of building permits, in electric power consumption (excluding Montana), and grain, live stock, forest products, miscellaneous and l. c. l. shipments, in real estate activity in Hennepin and Ramsey counties, flour production and shipments from Minneapolis, country lumber sales, life insurance sales, securities sales, and wholesale trade. Decreases occurred in electric power consumption in Montana, total building contracts awarded, linseed product shipments from Minneapolis, carloadings of ore, coal, and coke, and copper output.

In the first half of November, it appears that the dollar level of business was above the level of a year ago, for country check clearings were 33 per cent larger and bank debits were 10 per cent larger than in the corresponding period last year. If these series continue through the remainder of November at the level of the first half of the month, the country check clearings index for November will be slightly higher than that for October and the bank debits index will be the same as the index for October.

Retail Trade

Retail trade in the Ninth Federal Reserve District during October was again much larger than in the same month last year, although the percentage of increase reported by four hundred and ninety-nine country stores and by twenty-two city department stores was a little less than that reported in September. Country stores reported an increase of 21 per cent over October sales last year. As was the case last month, every sub-section of the district reported an increase. The greatest increases, ranging from 26 to 48 per cent, were reported by stores in the two sub-sections in Montana, in eastern South Dakota, and the northern Wisconsin and Michigan sub-section. City department stores located in Minneapolis, St. Paul, and Duluth-Superior reported a gain of 8 per cent, compared with an increase of 12 per cent in September.

	% Oct., 1934, of Oct., 1933
Mpls., St. Paul, Duluth-Superior.. (22 stores)	108
Country Stores	121
Minnesota—Southwestern (36 stores)	117
Minnesota—Southeastern (25 stores)	122
Minnesota—South Central.... (26 stores)	118
Minnesota—Central	116
Minnesota—Northeastern (10 stores)	113
Minn.-No. Dak., Red River Val. (11 stores)	123
Montana—Mountain	134
Montana—Plains	148
North Dakota	110
South Dakota—Southeastern... (15 stores)	117
South Dakota—Other Eastern.. (51 stores)	127
Northern Wisconsin and Mich.. (39 stores)	126
Wisconsin—West Central..... (49 stores)	120
Ninth District	115

DISTRICT SUMMARY OF BANKING

On October 17 member banks submitted reports of condition, thus affording an opportunity to inspect in some detail the changes in northwestern banking conditions which have occurred since June. Deposits of member banks in the district increased 57 million dollars between June 30 and October 17. Of this amount, 2 million dollars was caused by the addition of six new member banks. The increase in deposits was not accompanied by an equivalent increase in loans and investments. These latter items were expanded by only 14 million dollars, and since the member banks in the district are almost completely out of debt to other banks, it is evident that

they increased their correspondent balances materially during the interval between the June and October calls. This development has been mentioned in previous reviews as a leading factor in the changes in the weekly balance sheets of city banks in this district.

Loans to customers decreased 4 million dollars between the June and October calls. The decrease was divided about evenly among loans on securities, loans on farm land, and loans on other real estate, with minor reductions in loans to banks and "all other" loans. Investments in securities and open market paper increased 18 million dollars between the two call dates. The greater part of the increase was in securities, other than United States Government securities, and in commercial paper.

Country member banks in the district experienced an increase of 19 million dollars in deposits between the June and October call dates. Their loans and investments increased only 3 million dollars, with investment holdings rising 11 million dollars and loans to customers declining 8 million dollars.

City banks reported an increase of 38 million dollars in deposits between the two call dates. Their loans and investments increased 11 million dollars, of which 4 millions were in loans to customers and 7 millions in investment holdings.

From the weekly reports of city member banks, it is possible to bring the developments in city banking in the Northwest down to November 14. During the period from the October call to November 14, there was a very sharp increase in deposits of city banks, amounting to 20 million dollars and bringing deposits of these banks up to the highest level on record. During the past twelve months, deposits of these banks have increased practically 100 million dollars, or 25 per cent. About 20 million dollars of the increase was due to the absorption of a non-member bank by one of the reporting city banks. The remainder of the increase occurred chiefly in deposits by country correspondent banks, reflecting the great improvement in the quick asset position of the rural banks in the Northwest. Second in importance of the factors in the growth of city bank deposits during the past year was the pronounced seasonal increase during the fall months in demand deposits of firms and individuals. These latter balances have shown a seasonal increase of a magnitude equal to the seasonal movements in the years 1927 to 1929. Deposits of public funds and time deposits also contributed to the increase in total deposits of these city banks.

On the asset side of the balance sheets of city member banks in the Northwest, the changes between the October call date and November 14 included a decrease of 2 million dollars in loans to customers, an increase of 8 million dollars in investments, and an increase of 15 million dollars in cash and balances due from banks. Investment holdings and balances due from banks were the largest reported totals on record for these banks.

DISTRICT SUMMARY OF AGRICULTURE

Farm Income and Prices

The October estimate of farm income in this district from seven important items was 7 per cent smaller than the October, 1933, estimate, chiefly on account of smaller bread wheat marketings resulting from decreased production in 1934, when compared with the preceding year. Despite the extremely small crops of durum wheat and flax, the 1934 estimates of income from marketings of those two crops are larger than those of 1933. Slightly larger butter production and a 5 per cent increase in fluid milk marketings, coupled with higher prices for both butter and milk, resulted in a 10 per cent increase over October last year in the dairy products income estimate. This increase, however, is much smaller than that shown in September (34%) which was the second largest increase over the preceding year in the last fifteen months. These income estimates exclude benefit payments and loans to farmers by Government instrumentalities.

Prices of all important northwestern farm products were higher in October than in the same month last year with three exceptions. Light butcher steer, lamb, and potato prices were slightly below those prevailing in October last year. Northwestern farm product prices in October this year, however, were all below those of September, with the exception of lambs and milk which were unchanged, and eggs which increased to 18c per dozen. The extent of the decline in farm product prices from September to October is well reflected in the composite index of northwestern farm product prices computed by the University of Minnesota. This index, which is slightly adjusted for seasonal factors, declined from 81.5 in September to 71.2 in October. A year ago the October figure was 56.3.

Livestock Marketings

Cattle receipts at South St. Paul, including those received on Government account, during October were considerably in excess of receipts in October last year, but were a little more than half as large as receipts in the preceding month, chiefly on account of the rapid tapering off of Government purchases early in October. During the month, the quality of butcher cattle receipts was low. Very few dry fed steers and heifers were marketed, the bulk of the receipts consisting of cattle showing plainly the effects of the drouth. In the first half of November, receipts continued in about the same volume as last month and in the same period last year, with practically no receipts on Government account. The quality of butcher cattle received during the first half of November was about the same as in October, with the exception of marketings of entries in the Junior Live Stock Show. A somewhat larger than usual number of entries resulted in a very plentiful supply of well-finished animals that temporarily more than satisfied local buying demand. Median prices in October for most classes of cattle were un-

changed or higher than in the same month last year, but were all lower than in September. Burdensome supplies of dressed beef in cold storage were held responsible for the weakness in cattle prices. During the first half of November, all classes of cattle, except calves, have shown further recessions.

A report issued by the United States Department of Agriculture on "The Beef Cattle Outlook" states that most of the increase of more than 10 million head of cattle that occurred between January, 1928, and January, 1934, will have been eliminated by January, 1935, and that this will result in a greatly reduced slaughter of beef animals in 1935 and should cause a material price improvement. The greatest decrease in slaughter, according to the report, will probably be in cows and heifers, which will be retained on farms and on the ranges for the purpose of rebuilding herds to "pre-drouth" size.

Hog receipts at South St. Paul increased each week during October and in the last week of the month were larger than in any week since last January. The most surprising feature of the heavy hog marketings in October was that despite a much smaller hog crop in our district this year than last, and a resulting smaller supply available for marketing, hog marketings in October this year were larger than in October a year ago.

Hog prices continued the decline of the latter half of September during the first three weeks of October, but held fairly steady for the balance of the month and for the first half of November.

The United States Department of Agriculture, in its report on "The Hog Outlook," anticipates the smallest commercial hog slaughter in 20 years for the 1934-1935 season as a result of decreases in both numbers and average weights. As a result, hog prices in 1934-1935 are expected to average materially higher than in the last three marketing years. According to the report, no material increase in hog slaughter appears probable before the 1936-1937 marketing year.

Receipts of sheep and lambs at South St. Paul during October were much larger than in the preceding month or in the same month a year ago. While the increase over September was seasonal, the increase over October last year was largely the result of government drouth relief purchases. Government purchases of sheep in other drouth stricken areas were gradually curtailed in October, but were continued in the drouth sections of this district throughout the month and also in the first two weeks of November.

The October median price for slaughter ewes was a little lower than that of September, but higher than in October last year. Fat lamb median prices were the same in September and October, and slightly lower than last year's levels. Both ewe and lamb prices have been unusually stable for the last two months.

The sheep and wool outlook report of the United States Department of Agriculture states that a sharp curtailment in the number of sheep appears certain, as a result of the severe drouth, which will result in a considerable reduction in the 1935 lamb crop, and a smaller wool clip than for several years. According to the report, the reductions in the lamb crop, along with decreased market supplies of other meat animals, probably will result in substantially higher lamb prices in 1935, but the decrease in wool manufacturing activity and the present large stocks of wool make United States 1935 wool prices dependent on world wool production and consumers' demand for wool textiles.

Cold Storage Holdings

Physical quantities of most food products held in cold storage showed seasonal changes during October, but butter, pork, and lard declined by less than the usual amounts. As a result of the smaller than usual decline in butter, cold storage stocks were larger on November 1 than the five-year average for that date. This was the first time since April 1 that butter stocks were reported larger than the previous five-year average. Holdings of pork and lard decreased by only 24 million and 21 million pounds, whereas the five-year average decrease is 99 million and 40 million pounds, respectively. Stocks of cheese, which have been larger than the five-year average continuously since August, 1933, decreased by more than the usual amount during October. Net withdrawals of cold storage eggs during October reduced stocks by a little more than the five-year average decrease. The number of cases of eggs in storage has decreased each month since last July, and has been below the five-year average since August. Stocks of poultry and beef increased more than seasonally during October. The increase in stocks of both poultry and beef was approximately twice as large as the increase in October last year.

United States Cold Storage Holdings

(In thousands of pounds)

	November 1, 1934	November 1, 1933	November 1 5-year Average
Beef	108,070	59,233	53,120
Pork	499,838	493,308	431,191
Lamb and Mutton	3,076	2,511	3,356
Miscellaneous Meats	105,885	50,315	54,492
Total Meats	716,869	605,367	542,159
Lard	107,453	133,693	68,785
Cream*	135	218	.....
Butter	112,095	160,463	106,314
Cheese	118,043	109,655	95,404
Poultry	73,507	59,528	64,296
Eggs†	7,071	7,527	7,573

*Thousand Cans †Thousand Cases

November 1 Crop Estimates

While the acute shortage of feed and forage crops was somewhat alleviated in our district and throughout the United States by the mild weather during October and the first three weeks of November, sup-

plies of feed grains are still far below normal and are smaller than in any year since 1881. In addition, the 1934 hay crop was smaller than in any of the last 16 years, which is the entire period for which comparable figures are available. The November 1 preliminary estimate of the United States Department of Agriculture for corn produced in the four complete states of the Ninth Federal Reserve District was 4 per cent larger than that of October 1, as a result of an increase in the Minnesota estimate, which more than offset a decrease in Montana. There was no change in the estimates for North Dakota and South Dakota. The November 1 estimate for the entire United States, however, was about 3 per cent smaller than on the first of the preceding month.

Potatoes showed the only other important change in crop prospects for our district during October. In this case, however, the November 1 estimate for our four states was smaller than that of October, and the estimate for the entire United States was larger. The decrease in our four states was caused by further reductions of estimates for Montana and South Dakota. All of the improvement in the United States estimates during October occurred in the "late potato states." The larger estimates were made necessary by an increase in the size of potatoes, resulting from the favorable weather throughout October, which permitted the vines to make full use of the plentiful September moisture.

United States Department of Agriculture, November 1 Preliminary Estimates of Crop Production in Minnesota, Montana, North Dakota, South Dakota, and the United States, with Comparisons

(Production figures in thousands of bushels)

CORN			
	November 1, 1934	October 1, 1934	10-year Average
Minnesota	84,320	80,104	141,180
Montana	1,632	1,836	2,547
North Dakota	5,444	5,444	21,236
South Dakota	13,209	13,209	86,464
4 States	104,605	100,593	251,427
United States	1,371,527	1,416,772	2,555,961

POTATOES			
	November 1, 1934	October 1, 1934	10-year Average
Minnesota	23,380	23,380	29,878
Montana	1,680	1,920	2,116
North Dakota	6,930	6,930	8,278
South Dakota	1,232	1,400	4,057
4 States	33,222	33,630	44,329
United States	383,105	362,391	352,000

FLAX SEED			
	November 1, 1934	October 1, 1934	10-year Average
Minnesota	3,480	3,480	6,508
Montana	98	98	1,081
North Dakota	830	830	7,484
South Dakota	40	60	2,691
4 States	4,448	4,468	17,764
United States	5,198	5,228	18,391

As a result of the October changes in potato estimates, a very peculiar potato situation exists. Ordinarily, potato production in our territory and in the entire United States show the same trends, but 1934 production in our four states apparently will be nearly 10 per cent smaller than the small production of 1933, and smaller than in any year since 1916. On the other hand, production in the entire United States will probably be nearly 20 per cent larger than in 1933, and larger than in any year since 1924. As a result, potato production in the four complete states in the Ninth Federal Reserve District will be less than 10 per cent of the national production for the first time since 1910.

Potato prices in our district thus far this season have been affected more by the size of the national crop than by the local situation. During each of the first three months of this season, prices have been below those of a year ago, and during the first weeks of November this year, have showed a greater decline than during November a year ago.

Farmers' Cash Income from Agricultural Production and Benefit Payments, 1931-1933

The cash income of farmers in the four complete states in the Ninth Federal Reserve District amounted to 395 million dollars in 1933. This was an increase of 12 per cent over the income in 1932 but a decrease of more than 16 per cent from 1931. The increase over 1932 was partly due to an increase in the income from live stock and live stock products and partly due to the beginning of crop benefit payments by the United States Government. These benefit payments in the Northwest amounted to more than 27 million dollars in 1933 and were almost entirely disbursed to wheat farmers in return for acreage reduction. These conclusions are drawn from a report recently released by the United States Department of Agriculture.

**Farmers' Cash Income, 1931-1933
In Minnesota, North and South Dakota, & Montana**
(In thousands of dollars)

	1933	1932	1931
Crops	\$107,924	\$119,245	\$ 76,292
Live stock and live stock products	259,335	232,208	397,001
U. S. Govt. Crop benefit payments	27,391	0	0
Total Cash Income	\$394,650	\$351,453	\$473,293

In our four states, farmers' cash income from the sale of live stock and live stock products represented about 66 per cent of the total income in the years 1932 and 1933 and about 84 per cent in 1931. The 1933 income from live stock and live stock products in our four states was about 12 per cent larger than in 1932, chiefly on account of large increases in South Dakota, where the Government purchased a large number of pigs, but was about one-third smaller than in 1931.

The accompanying table shows the income from all of the various sources for each of our four states in each of the last three years.

U. S. D. A. CASH INCOME ESTIMATES FROM CROP PRODUCTION IN MINNESOTA, MONTANA, NORTH DAKOTA AND SOUTH DAKOTA FOR 1931-32-33

(In thousands of dollars)

Crops:	1933				1932				1931			
	Minn.	No. Dak.	So. Dak.	4 States	Minn.	No. Dak.	So. Dak.	4 States	Minn.	No. Dak.	So. Dak.	4 States
Corn	4,308	22	15	5,463	5,791	34	33	7,950	2,961	21	31	781
Wheat*	7,649	10,581	31,804	50,350	5,630	14,831	31,385	65,171	5,494	3,175	10,080	20,807
Oats	3,904	242	531	4,705	3,854	332	387	5,705	3,755	96	219	241
Barley	2,466	154	1,510	4,192	2,598	132	1,074	5,709	2,440	92	808	405
Rye	1,077	4	677	1,792	738	28	1,180	2,690	664	2	326	177
Buckwheat	2	..	..	2	9	..	2	5	33	..	11	3
Flaxseed	6,429	162	2,036	8,736	5,367	552	2,515	9,012	6,793	364	3,760	11,527
Emmer and Spelt	19	..	21	45	12	..	16	37	22	..	24	88
Popcorn	4	..	..	16	5	..	..	16	7	..	..	31
Tobacco	9**	..	..	9	20	..	..	20	..	..	..	120
Hay	2,090	1,228	331	3,845	1,510	1,586	256	3,648	2,331	2,180	522	678
Cloverseed (R & A)	874	..	6	880	631	..	6	637	342	..	8	350
Sweet cloverseed	367	51	96	606	267	..	84	73	352	18	351	303
Alfalfa seed	326	317	77	1,006	366	181	90	817	437	354	110	396
Timothy seed	66	..	3	69	98	..	2	103	213	..	8	12
Dry Edible Beans	80	625	..	705	50	..	..	404	75	..	..	633
Potatoes	7,178	641	3,048	11,185	2,826	340	761	4,377	5,089	294	1,554	7,023
Truck crops	2,843	507	57	3,579	2,401	466	48	3,060	2,810	917	56	3,962
Apples	187	324	..	533	96	289	..	61	154	333	..	487
Sugar beets, for sugar	4,400	..	..	4,400	..	3,983	..	3,983	..	3,706	..	3,706
Plums and Apricots	9	6	..	22	5	6	..	23	8	7	..	15
Grapes	1	..	..	1	2	..	..	2	1	..	..	1
Strawberries	182	64	5	260	275	73	7	369	306	53	8	382
Small fruits	309	21	4	338	468	24	5	503	520	17	6	550
Cherries	..	36	..	36	35	..	..	35	..	64	..	64
Forest products	2,194	173	187	2,751	1,880	173	156	2,364	2,507	216	104	2,941
Nursery products	995	11	70	1,126	518	36	36	590	820	12	57	930
Greenhouse products	995	96	47	1,272	840	89	39	1,081	984	174	46	1,344
Total Crops	44,563	19,665	40,525	107,924	36,257	23,538	38,082	119,245	39,238	12,653	18,089	6,312
												76,292

U. S. D. A. CASH INCOME ESTIMATES FROM LIVESTOCK AND LIVESTOCK PRODUCTS IN MINNESOTA, MONTANA, NORTH DAKOTA AND SOUTH DAKOTA FOR 1931-32-33

(In thousands of dollars)

Livestock and Livestock Products	1933				1932				1931			
	Minn.	No. Dak.	So. Dak.	4 States	Minn.	No. Dak.	So. Dak.	4 States	Minn.	No. Dak.	So. Dak.	4 States
Cattle and calves	24,762	7,140	9,987	59,718	24,174	7,879	8,352	10,653	32,109	12,996	8,644	81,133
Hogs	35,132	1,381	5,049	59,450	32,841	1,474	4,577	13,007	62,861	3,797	10,317	132,786
Sheep and lambs	2,650	5,469	2,080	12,510	2,509	4,137	1,910	1,587	2,914	8,256	1,671	14,924
Horses	..	788	228	1,518	..	627	486	1,144	..	1,166	816	2,743
Mules	..	28	213	241	..	18	27	167	..	51	24	171
Chickens	5,080	467	948	9,165	6,109	634	992	10,674	9,558	806	1,798	16,988
Eggs (chicken)	9,286	623	923	14,149	9,202	561	832	13,781	13,091	1,061	1,638	21,233
Milk	58,996	5,771	12,282	89,703	57,948	6,014	11,780	11,265	76,704	8,013	16,444	118,733
Wool	1,363	7,321	1,341	11,865	544	3,004	557	701	725	5,364	771	7,918
Honey	..	..	..	..	181	99	86	50	102	123	79	372
Total livestock	137,269	28,960	32,866	259,335	133,508	24,447	29,599	44,654	198,070	41,633	42,202	397,001

*In addition the following wheat benefit payments were received in 1933: Minnesota \$1,536,000; Montana \$6,224,000; North Dakota \$14,485,000; South Dakota \$5,117,000; 4 States total \$27,362,000.

**In addition tobacco benefit payments amounting to \$29,000 were received.

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

	Oct., '34	Oct., '33	Per Cent Oct., '34 of Oct., '33		Oct., '34	Oct., '33	Per Cent Oct., '34 of Oct., '33				
GENERAL BUSINESS											
Debits to Individual Accounts ¹											
All Reporting Cities.....	\$ 27,178,900	\$ 25,511,500	107	Grain Marketings at Minneapolis and Duluth-Superior (Bus.)							
Minneapolis.....	11,948,000	12,366,000	97	Bread Wheat	3,183,000	8,057,000	40				
St. Paul.....	5,278,000	4,052,000	130	Durum Wheat	1,201,000	1,284,000	94				
South St. Paul.....	634,000	612,000	104	Rye	170,000	246,000	69				
Great Lakes Ports.....	1,764,800	2,041,600	86	Flax	892,000	543,000	164				
Beef and Pork, S.E.....	871,500	784,600	111	Grain Stocks at End of Month at Minne- apolis and Duluth-Superior (Bus.)							
Beef and Pork, S.W.....	934,400	824,400	113	Wheat	24,414,623	48,121,334	51				
Dairy and Mixed Farming.....	1,310,800	1,108,600	118	Corn	10,534,760	7,352,583	143				
Wheat and Mixed Farming.....	1,786,000	1,598,400	112	Oats	11,544,095	28,859,766	40				
Wheat and Range.....	934,600	734,700	127	Barley	10,196,999	11,644,318	88				
Mining and Lumber.....	1,716,800	1,889,200	124	Rye	3,919,684	6,341,631	62				
				Flax	1,256,836	1,461,842	86				
Electric Power Consumption (K.W.H.) ^{1,2}											
Minn., No. Dak. and So. Dak.....	4,639,700	4,468,800	104	Livestock Receipts at South St. Paul (Head)							
Montana.....	1,582,500	3,225,100	49	Cattle	152,109	134,339	113				
Country Check Clearings ¹								Calves	68,120	54,174	126
Total	\$ 3,941,800	\$ 3,133,700	126	Hogs	212,884	208,527	102				
Minnesota	1,472,600	1,205,000	122	Sheep	511,892	427,759	120				
Montana	649,500	462,100	139	Median Cash Grain Prices (Bus.)							
North and South Dakota.....	1,196,300	940,700	127	Wheat—No. 1 Dark Northern.....	\$ 1.15½	\$.85¾	134				
Michigan and Wisconsin.....	623,400	525,900	119	Durum—No. 2 Amber.....	1.45½	.99¼	147				
Freight Carloadings—N.W. District								Corn—No. 3 Yellow.....	.76	.37½	203
Total—Excluding L.C.L.....	321,041	310,716	103	Oats—No. 3 White.....	.54¼	.33	164				
Grains and Grain Products.....	36,373	33,846	107	Barley—No. 3.....	.99	.....	.....		
Livestock	34,081	29,280	116	Malt Barley—No. 3.....	1.06	.....	.....		
Coal.....	27,712	30,123	92	Rye—No. 2.....	.75½	.62½	121				
Coke.....	2,847	4,026	71	Flax—No. 1.....	1.89	1.80	105				
Forest Products.....	28,121	25,509	110	Median Live Stock Prices (Cwt.)							
Ore.....	44,349	63,179	70	Butcher Cows and Heifers.....	\$ 3.00	\$ 2.75	109				
Miscellaneous.....	147,558	124,753	118	Heavy Butcher Steers (1,100 lbs. and over).....	4.00	3.75	107				
Merchandise—L.C.L.....	87,599	84,616	104	Light Butcher Steers (Under 1,100 lbs.).....	4.75	5.00	95				
Building Permits								Prime Heavy Butcher Steers (1,100 lbs. and over).....	8.50	5.50	155
Number—18 Cities	1,145	905	127	Prime Light Butcher Steers (Under 1,100 lbs.).....	8.00	6.00	133				
Value—18 Cities	\$ 763,600	\$ 644,300	119	Heavy Stocker and Feeder Steers (800 lbs. and over).....	3.00	3.00	100				
Minneapolis	203,000	332,900	61	Light Stocker and Feeder Steers (Under 800 lbs.).....	3.50	3.50	100				
St. Paul.....	253,900	158,000	161	Veal Calves	5.00	5.00	100				
Duluth-Superior.....	87,800	64,800	135	Hogs	5.25	4.20	125				
4 Wheat Belt Cities.....	102,300	22,300	459	Heavy Hogs.....	5.40	4.00	135				
6 Mixed Farming Cities.....	102,300	52,000	197	Lambs	6.00	6.25	96				
4 Mining Cities.....	14,300	14,300	100	Ewes	2.00	1.50	133				
Building Contracts Awarded								Wholesale Produce Prices			
Total	\$ 6,468,100	\$ 11,159,400	58	Butter (Lb.)	\$.23½	\$.21¼	111				
Commercial.....	329,000	343,300	96	Milk (Cwt.).....	1.57	1.30	121				
Factories	151,000	515,500	29	Hens (Lb.).....	.11	.07½	147				
Educational.....	287,000	76,500	375	Eggs (Doz.).....	.18	.15½*	116				
Hospitals, etc.....	349,000	10,500	3,324	Potatoes (Bu.).....	.62	.63	98				
Public Buildings.....	288,000	750,200	38	TRADE							
Religious and Memorial.....	33,000	32,000	103	City Department Stores ³							
Social and Recreational.....	233,000	1,776,500	13	Sales.....	\$ 5,197,750	\$ 4,823,680	108				
Residential.....	439,100	392,200	112	Merchandise Stocks	9,191,040	9,714,340	95				
Public Works.....	3,632,000	8,629,600	42	Receivables.....	3,978,440	3,934,380	101				
Public Utilities.....	727,000	361,100	201	Instalment Receivables	1,478,940	1,368,030	108				
Real Estate Activity in Hennepin and Ramsey Counties								Country Department and General Stores ³			
Warranty Deeds Recorded.....	1,388	892	156	Total Sales	\$ 6,870,130	\$ 5,691,020	121				
Mortgages Recorded.....	2,138	871	245	Stocks.....	6,372,930	6,180,730	103				
Manufacturing and Mining								Country Lumber Yards ³			
Flour Production at Minneapolis, St. Paul, and Duluth-Superior (Bbls.)...	744,876	664,051	112	Sales (Bd. Ft.).....	10,285,000	8,474,000	121				
Flour Shipments at Mpls. (Bbls.).....	704,689	588,880	120	Lumber Stocks (Bd. Ft.).....	57,654,000	61,667,000	93				
Linseed Product Shipments (Lbs.).....	10,627,875	11,374,453	93	Total Sales	\$ 1,371,300	\$ 1,200,250	114				
Copper Output (3 Firms) (Lbs.).....	8,454,200	11,624,000	73	Receivables	2,329,300	2,209,100	105				
Business Failures								Life Insurance Sales			
Number.....	22	43	51	Four States	\$ 13,290,000	\$ 12,108,000	110				
Liabilities	\$ 458,767	\$ 383,515	120	Minnesota.....	10,316,000	9,062,000	114				
AGRICULTURE								Montana.....	798,000	939,000	85
Farmers' Cash Income								North Dakota.....	806,000	1,009,000	80
Total of 7 Items.....	\$ 28,536,000	\$ 30,538,000	93	South Dakota.....	1,370,000	1,098,000	125				
Bread Wheat	4,169,000	7,710,000	54								
Durum Wheat	1,731,000	1,274,000	136								
Rye	122,000	154,000	79								
Flax	1,686,000	977,000	173								
Potatoes.....	2,790,000	3,229,000	86								
Dairy Products	10,242,000	9,311,000	110								
Hogs.....	7,796,000	7,883,000	99								
Butter Production (Lbs.).....	37,963,000	37,813,000	100								

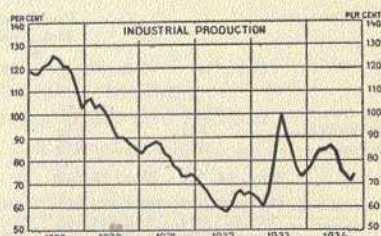
COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT
(Continued)

	Oct., '34	Oct., '33	Per Cent Oct., '34 of Oct., '33		Oct., '34	Oct., '33	Per Cent Oct., '34 of Oct., '33
Investment Dealers				Interest Rates²			
Sales to Banks.....	\$ 3,950,100	\$ 5,783,100	68	Minneapolis Banks	3½-4	4½-4½	
Sales to Insurance Companies.....	688,100	344,400	200	Commercial Paper (net to borrower)....	1½	1½	
Sales to General Public.....	3,866,600	2,441,300	158	Minneapolis Fed. Res. Bank.....	3	3½	
Wholesale Trade				Selected City Member Banks			
Groceries³				Loans to Customers.....	\$151,717,000	\$177,148,000	86
Sales	\$ 3,769,650	\$ 2,930,550	129	Other Invested Funds.....	217,675,000	155,454,000	140
Stocks	6,660,950	5,858,560	114	Cash and Due from Banks.....	174,717,000	108,983,000	160
Receivables	3,830,410	3,977,060	96	Deposits Due to Banks.....	121,963,000	78,186,000	156
Hardware³				Public Demand Deposits.....	44,572,000	28,360,000	157
Sales	\$ 1,491,400	\$ 1,305,220	114	Other Demand Deposits.....	188,256,000	160,085,000	118
Stocks	2,259,560	2,239,410	101	Time Deposits	125,452,000	118,561,000	106
Receivables	1,261,590	1,277,980	99	Total Deposits	487,666,000	389,336,000	125
Shoes				Borrowings at Fed. Res. Bank.....	0	76,000	0
Sales	\$ 417,190	\$ 319,190	131	Minneapolis Federal Reserve Bank			
Stocks	615,520	578,960	106	Loans to Member Banks.....	\$ 45,000	\$ 3,067,000	1
Receivables	901,910	869,590	104	Twin Cities	0	78,000	0
BANKING				Minn., Wis. and Mich.....	0	1,245,000	0
Member Bank Deposits				N. Dak. and Mont.....	45,000	472,000	10
In Cities over 15,000 pop.....	\$451,860,000	\$388,980,000	116	South Dakota	0	1,272,000	0
In Cities under 15,000 pop.....	302,128,000	251,164,000	120	Fed. Res. Notes in Circulation.....	106,267,000	89,847,000	118
Michigan—15 Cos.	45,659,000	39,766,000	115	Fed. Res. Bank Note Circulation—Net	0	4,164,000	0
Minnesota	124,415,000	104,252,000	119	Member Bank Reserve Deposits.....	98,491,000	54,416,000	181
Montana	47,851,000	36,981,000	129				
North Dakota	28,450,000	25,620,000	111				
South Dakota	38,846,000	31,464,000	123				
Wisconsin—26 Cos.	16,907,000	13,081,000	129				

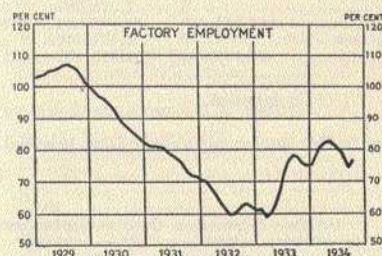
¹Daily Averages.²Unclassified.³Latest Reported Data.⁴Figures for the various items in this section not always from identical firms.

BANK DEBITS

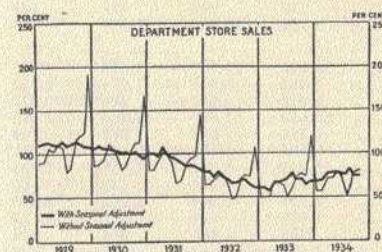
	October 1934	September 1934	October 1933	September 1933		October 1934	September 1934	October 1933	September 1933
Number of Business days:									
Montana and North Dakota.....	26	24	25	25	Montana				
All Other States.....	27	24	26	25	Anaconda	1,037	943	1,087	1,048
(000's omitted)					Billings	7,512	6,407	6,647	5,174
Michigan					Bozeman	2,331	2,523	1,515	1,322
Calumet (1 bank).....	\$ 562	\$ 636	\$.....	\$.....	Butte (2 banks).....	8,073	7,112	6,472	6,053
Escanaba (1 bank).....	502	574	439	473	Deer Lodge	480*	460*	402	312
Hancock	900	770	1,185	1,376	Glendive	713	784	659	603
Houghton	1,342	1,426	1,455	1,476	Great Falls	11,381	13,226	8,358	9,294
Iron Mountain	1,492	1,600	1,274	1,785	Harlowton	246	255	200	207
Iron River, Stambaugh.....	728	835	463	519	Havre	1,388	1,304	964	965
Ironwood (1 bank).....	601	649	.....	.....	Helena	9,735	9,158	5,556	5,387
Laurium (1 bank).....	260	317	.....	.....	Kalispell	1,630	1,630	1,361	1,316
Manistique (1 bank).....	160	206	149	143	Lewistown	1,596	1,453	1,160	1,112
Marquette	2,961	2,534	2,690	2,700	Malta	703	706	387	332
Menominee	2,260	2,004	2,170	2,195	Miles City (1 bank).....	1,250	1,076	1,200	835
Sault Ste. Marie.....	2,060	2,198	1,897	1,903	North Dakota				
Minnesota					Bismarck	13,992	10,681	9,474	6,977
Albert Lea	2,384	1,994	2,286	1,944	Devils Lake	1,241	1,172	1,074	1,132
Austin	4,083	3,440	3,664	2,838	Dickinson	1,073	997	997	932
Bemidji (2 banks).....	1,083	1,136	844*	801*	Fargo	15,155	13,677	13,008	13,161
Chaska	438	489	424	387	Grafton	1,152	958	905	706
Chisholm	719	628	826	624	Grand Forks	4,513	4,181	5,284	3,861†
Cloquet	1,189	1,217	1,454	1,470	Jamestown	1,617	1,305	1,599	1,669
Crookston	1,785	1,733	1,172	921*	Mandan	810	670	732	660
Detroit Lakes	1,035	1,020	876	898	Minot	3,696	3,294	4,361	3,939
Duluth	37,173	40,883	44,547	44,673	Valley City	1,099	921	.....	1,015
Ely	339	335	279	272	Wahpeton	855	685	844	729
Faribault (1 bank).....	1,395	1,214	1,122	976	Williston	1,073	988	832	923
Farmington	176	140	205	142	South Dakota				
Fergus Falls	1,706	1,392	1,774	1,632	Aberdeen	3,564	3,722	2,922	2,869
Glenwood	271	222	232	214	Brookings (1 bank).....	812	911	570	524
Hutchinson	636	499	499	393	Deadwood	1,096	946	816	828
Lakefield	327	308	251	197	Huron	2,371	2,033	2,523	2,502
Lanesboro	254	208	253	192	Lead	2,127	1,542	1,584	1,796
Little Falls	915	680	789	652	Madison	856	765	636	505
Luverne	824	749	495	466	Milbank	395	323	340	307
Mankato	4,839	4,550	4,283	4,873	Mitchell	2,629	2,256	2,374	2,322
Minneapolis	322,601	324,440	321,513	315,732	Mobridge	557	500	408	384
Moorhead	2,270	1,901	1,985	1,839	Pierre	3,368	2,767	998	772
Morris	406	392	313	293	Rapid City	1,996	1,950	1,777	1,713
Owatonna	2,164	1,907	1,728	2,107	Sioux Falls	12,300	11,299	10,794	10,611
Park Rapids	288	287	254	189	Watertown	2,323	2,065	1,830	1,771
Red Wing	1,790	1,689	1,521	1,540	Yankton	1,594	1,533	1,242	1,140
Rochester	3,939	3,482	3,397	3,073	Wisconsin				
St. Cloud	2,947	2,357	2,398	.....	Ashland	1,181	992	.....	.....
St. Paul	142,513	126,508	105,352	106,881	Chippewa Falls	1,760	1,377	1,354	1,410
Sauk Rapids	258	241	.....	.....	Eau Claire	5,607	4,958	4,406	4,294
South St. Paul	17,125	14,384	15,917	17,368	Hudson	390	314	263	179
Stillwater	1,843	1,815	1,736	1,586	La Crosse	6,445	5,913	6,515	6,363
Thief River Falls.....	1,485	1,192	916	892	Merrill	1,218	1,137	379*	361*
Two Harbors	335	428	329	279	Rhineland	1,431	1,402	1,100	1,140
Virginia	1,450	1,284	1,287	1,221	Superior	3,437	3,219	3,179	3,038
Wabasha	850	727	710	633					
Wells	406	345	.....	.....			
Wheaton	266	287	292	285					
Willmar	1,025	900	528*	378*					
Winona	6,169	5,984	4,875	4,938					
Worthington (1 bank).....	799	654	469	411					



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



Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for November 14.

Summary of National Business Conditions (Compiled November 24 by Federal Reserve Board)

The volume of industrial production and factory employment, which usually shows little change at this season, increased in October, reflecting chiefly the resumption of activity at textile mills. Wholesale commodity prices, after declining in September and October, advanced in the first half of November.

INDUSTRIAL PRODUCTION AND EMPLOYMENT: Activity at industrial establishments, as measured by the Board's seasonally adjusted index, showed an increase from 71 per cent of the 1923-1925 average in September to 73 per cent in October. Among the industries producing durable manufactures, output at steel mills increased from 23 per cent of capacity for the month of September to 25 per cent for October, while output of automobiles and lumber declined. In November, activity at steel mills continued to increase, and in the week ending November 24 was at about 28 per cent of capacity. Automobile production has declined further in connection with the preparation of new models. The production of non-durable manufactures in the aggregate showed a considerable growth in October, reflecting sharp increases at cotton, woolen, and silk mills, offset in part by a decline in activity at meat packing establishments. The increase in output at textile mills after the strike in September brought output to a higher level than in August. Among the minerals, daily output of crude petroleum declined in October and that of anthracite increased by an amount smaller than is usual at this season.

Factory employment and payrolls in the country as a whole increased considerably between the middle of September and the middle of October. Sharp increases were reported at mills producing textile fabrics, while in the automobile, shoe, and canning industries there were declines of a seasonal nature.

The value of construction contracts awarded was somewhat larger in October than in any other recent month. There was an increase in residential work as well as in publicly-financed projects.

AGRICULTURE: Department of Agriculture estimates, based on November 1 conditions, indicate a cotton crop of 9,634,000 bales, 26 per cent smaller than the 1933 crop, and a corn crop of 1,372,000,000 bushels, 41 per cent smaller than last season and 45 per cent smaller than the 1927-1931 average. The tobacco crop is also considerably smaller than usual, while the white potato crop is slightly above the five-year average.

DISTRIBUTION: The number of freight cars loaded per working day decreased from September to October. Department store sales showed a seasonal increase and were at about the same level, on a seasonally adjusted basis, as in most other months since March. Rural sales of general merchandise, as reported by the Department of Commerce, increased by less than the usual seasonal amount following an unusually large increase in September.

COMMODITY PRICES: Wholesale commodity prices, as measured by the Bureau of Labor Statistics weekly index, declined from 77.8 per cent of the 1926 average in the week ending September 8 to 76.0 per cent in the week ending November 3 and then rose in the following two weeks to 76.7 per cent. The decline was largely in prices of farm products and foods but there were also some decreases in the prices of textiles and building materials. Increases in the first half of November were largely in the prices of farm products. The price of scrap steel also advanced, while lead and zinc declined.

BANK CREDIT: Excess reserves of member banks were about \$1,910,000,000 on November 21, showing an increase of \$150,000,000 in the preceding five weeks. The increase in reserves held was \$200,000,000 of which \$50,000,000 covered a growth in required reserves. Additions to reserves resulted mainly from gold imports and further issues of silver certificates.

Loans and investments of reporting member banks in leading cities declined somewhat in the four weeks ending November 14, following an increase in the previous month. Substantial declines were shown in loans on securities and in holdings of securities other than those of the United States Government. Other loans, which had increased considerably in previous months, also showed some decline, while holdings of direct obligations of the United States Government and of securities fully guaranteed by the Government increased considerably. Customers' deposits continued to increase, while government deposits declined.

There was a further decline in open market rates on bankers' acceptances at the end of October to an offering rate of 1/8 per cent. Yields on short-term government securities and other short-term open-market money rates showed little change.