

# MONTHLY REVIEW

OF

## AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

### NINTH FEDERAL RESERVE DISTRICT

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#### DISTRICT SUMMARY OF BUSINESS

October business reports for the Ninth Federal Reserve District presented a mixture of trends, indicating that on the whole October business was maintained at the September level. The bank debits index remained at the September figure of 54. The country check clearings index was reduced from 85 in September to 78 in October. On the other hand, the index of miscellaneous freight carloadings rose from 57 in September to 62 in October, which was the highest figure since December, 1931.

Fifty-two cities reported bank debits in October larger than the totals for October a year ago, and only 37 cities reported decreases. The grand total of bank debits for all reporting cities on a daily average basis was 15 per cent larger in October than in the same month last year, with all sections of the district reporting increases except the Great Lakes Ports and the southwestern part of the mixed farm-

ing territory. Country check clearings were 20 per cent larger in October than a year ago, with all portions of the district sharing in the increase. Freight carloadings, excluding l.c.l., were 24 per cent larger in October than in the same month last year.

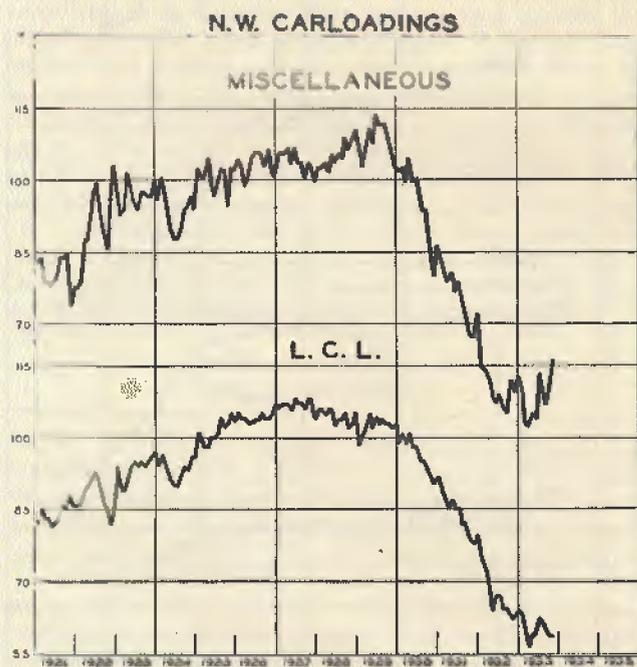
Other increases over last year's figures occurred in building contracts, livestock receipts, copper output, furniture sales, country lumber sales, wholesale trade and securities sales. Decreases occurred in electric power consumption in the eastern states of the district, in building permits, flour shipments, linseed products shipments, grain marketings, department store sales and life insurance sales.

In the first two weeks of November, bank debits at seventeen reporting cities were 19 per cent larger than in the corresponding weeks last year. Country check clearings in the first sixteen business days of November were 17 per cent larger than in the corresponding period a year ago. If the volume of the first part of November continues throughout the month, the bank debits index for November will be higher than that for October, although not as high as the level reached during the summer months. Making the same assumption about the remainder of the month, the country check clearings index for November will be approximately the same as the index for October.

#### DISTRICT SUMMARY OF BANKING

The call for condition reports from member banks on October 25 affords an opportunity to make a preliminary survey of changes in the loans and investments of the member banks of the district during the third quarter of 1933. During this period the grand total of loans and investments of member banks increased 22 million dollars, of which 7 million dollars was due to the addition of new member banks. It is more significant to analyze the increase of 15 million dollars in the earning assets of banks which were members of the Federal Reserve System on June 30.

For these banks it is found that the entire increase in these earning assets was in the city banks. The city banks used for this classification are the twenty member banks which make weekly reports to this office. These city banks experienced an increase of 12 million dollars in loans to customers and a 3 million dollar increase in investments. Subdividing the



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

loans of city member banks to their customers into various classifications, it is found that loans to banks decreased 1 million dollars during the quarter, loans to other customers on securities increased 3 million dollars, loans on farm land and other real estate remained practically unchanged and all other loans to customers increased 10 million dollars. Among the various groups of investments of city member banks, securities increased 3 million dollars, commercial paper increased 1 million dollars and acceptances of other banks decreased 1 million dollars.

Country member banks which were members of the Federal Reserve System on June 30 reported no change in total loans and investments during the three months ending October 25. However, there was a shift of 5 million dollars from loans to investments. Of the 5 million dollars added to their investment accounts, 4 million dollars were securities and 1 million dollars was commercial paper.

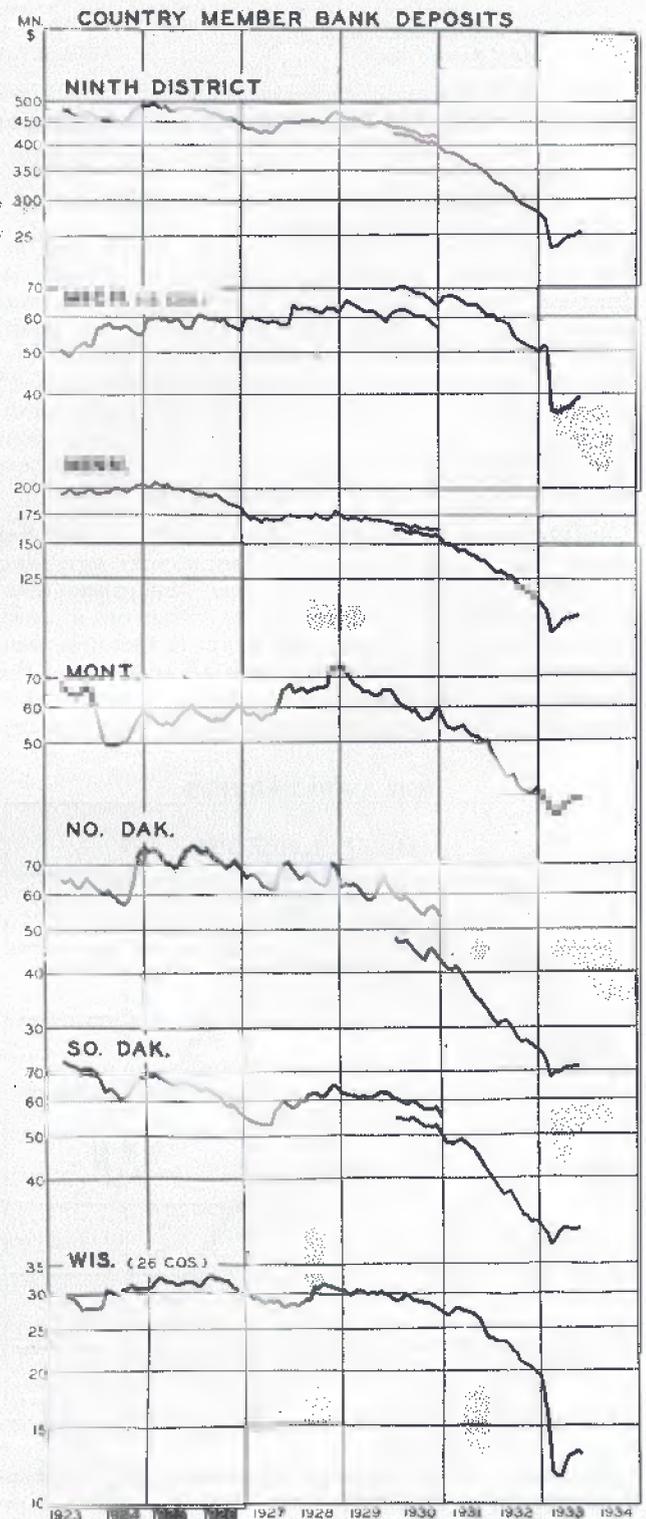
Turning to the banking developments of the last few weeks, as shown by figures customarily available every month, the principal changes reflected the payment of real estate taxes at the end of October. Deposits of reporting city member banks increased 10 million dollars during the four weeks ending November 15. Of this increase, 6 million dollars was in municipal deposits, which always rise at this time of year as the tax payments are collected. Deposits due to country correspondent banks also increased 5 million dollars during the four week period, reflecting the deposit of municipal tax funds in country banks. Other deposits in the reporting city banks declined slightly.

The funds arising from the increase in deposits of city member banks during the four week period were placed principally in correspondent bank balances, including reserve accounts with the Federal Reserve Bank. Seven million dollars were added to these accounts during the period, whereas only 4 million dollars were added to the investments of these banks, and loans to customers decreased 1 million dollars.

Country member banks experienced a further small increase in deposits in October as compared with the daily average for September. This increase amounted to about 2 million dollars, and brought the total increase in country member bank deposits from the time of the March bank holiday up to 20 million dollars. About one-third of this increase was due to the inclusion of new member banks in the later figures. Country member bank deposits in October were only 13 per cent smaller than in the same month last year, whereas the decrease reported for September was 15 per cent. It should be recognized that most of the decrease was due to the exclusion from the 1933 figures of banks which did not reopen after the bank holiday.

The increase in country member bank deposits at a time when loans and investments of these banks were remaining stationary, as described in preceding paragraphs, has made it possible for country banks

to increase their correspondent bank balances. This fact was brought out in a paragraph above dealing with the changes in deposits of city member banks in the district, but it is also worthy of emphasis in connection with country bank conditions. The recent increase in balances due to banks brought the total



up to 78 million dollars, which was a higher figure than at any preceding time since the fall of 1931, and only 11 million dollars below the average of the pre-depression years of 1926 to 1929. This is a very creditable record in view of the smaller number of country banks in existence at the present time.

Borrowings by country member banks from this Federal Reserve Bank showed little change during the four weeks ending November 15. Borrowings by banks in the western half of the district declined slightly, as is customary at this time of year. Borrowings by banks in the mixed farming country began their seasonal increase which usually accompanies the period of cattle-feeding operations and of reduced farm income which precedes the hog-marketing months.

**DISTRICT SUMMARY OF AGRICULTURE**

**Farm Income**

Cash income to farmers from the marketings of seven important products was 9 per cent greater in October than in the corresponding month last year. This is approximately the same percentage increase as was shown in September. Farm income was chiefly sustained by dairy products, hogs and potatoes, since the income from marketings of grains was smaller than a year ago on account of the sharp reduction in receipts at terminals. All farm product prices which are important in the Northwest declined between September and October, with the exception of hogs and eggs. However, all farm product prices were higher in October than a year ago, except the prices of cattle, ewes, hens and eggs. Prices of corn, barley and potatoes were more than twice as high as prices a year ago, and prices of durum wheat and rye were almost twice as high as last year's October prices. The composite index of Minnesota farm prices computed by the Agricultural Extension Division of the University of Minnesota, declined from 60.5 in September to 56.3 in October, using the years 1924-1926 as a base period. However, the October price index was considerably higher than the index for October, 1932, which was 36.5.

**Wheat Marketings**

The volume of wheat marketings during the seven-week period, October 1 through November 18, continued to be smaller than during the corresponding period of the previous year, chiefly on account of the smaller crop, but partly on account of the embargo in North Dakota against wheat shipments out of that state. On the other hand, the percentage of marketable supply that reached the terminals during the period continued to be larger than the percentage marketed in 1932. Weekly primary receipts during November have decreased considerably more than during the first three weeks of November last year, despite the higher prices.

**Wheat Marketing Progress**

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

**July 1 through November 18, 1932 and 1933**

|   | 1932<br>Bushels    | 1933<br>Bushels    |
|---|--------------------|--------------------|
| Crop and Carry-over   |                    |                    |
| July 1 Farm Stocks  | 8,310,000          | 31,920,000         |
| July 1 Stocks in Country Mills and Elevators  | 4,706,000          | 15,300,000         |
| New Crop  | 236,367,000        | 110,683,000        |
| <b>Total Wheat Supply</b>   | <b>249,383,000</b> | <b>157,903,000</b> |
| Less: Seed Requirements   | 18,667,000         | 20,000,000         |
| Remainder available for marketing at terminals, feed, country millings, etc.  | 230,716,000        | 137,903,000        |
| Receipts since July 1 at Minneapolis, Duluth and Superior, excluding S. W. wheat and duplications   | 63,046,000         | 46,680,000         |
| Per cent received at terminal markets through Nov. 18   | 27.33              | 33.85              |
| During the twelve-month period, 7-1-32 to 6-30-33, 55 per cent of the 230,716,000 bushels available was received at terminals, amounting to | 126,117,000        |                    |

**Flax Marketing**

Flax marketings at terminals during the seven-week period, October 1-November 18, continued to be much smaller than usual in actual quantities received and also when expressed as a percentage of the total quantity available for marketing. During the seven-week period, there were approximately one-half million bushels of primary flax receipts at principal markets in this district, as compared with one and one-half million bushels during the same seven-week period last year.

**Livestock**

Increased cattle receipts at South St. Paul during October resulted in price declines for all classes except feeder steers when compared with September this year, and for all classes except veal calves, when compared with October last year. During the first half of November, the lower prices paid for cattle greatly reduced receipts as compared with October, but receipts were still much higher than in the first half of November last year. The number of long-fed heavy steers received was small, but was larger than the market would absorb without further price reductions. Top prices were paid for 800-1000 pound yearlings.

Early in October a strong demand for the better grades of stock and feeder cattle absorbed all offerings, prices remaining steady, but the plainer grades were moved out only on price declines. In the last half of the month, the better grades suffered a setback, the plainer grades continuing to move on a steady basis. Receipts increased during the last half of October and average weights decreased, making a small increase in the poundage of beef processed. During the first half of November, supplies were only moderately large, but buyers were scarce, with

the result that prices again were weak and lower. Throughout the period under review, supplies of replacement heifers and stock cows were small but demand was fairly strong, further indications of a desire to increase breeding herds.

Hog prices during October declined steadily from the top price of \$5.00 per hundredweight reached during the first week of the month. The decline continued during the first week of November, was temporarily checked during the second week of this month, but continued during the third week, lowering the daily "top" to less than \$4.00. Hogs and pigs were marketed at weights considerably below those of a year ago, with a resultant lack of finish in many instances. The average weights of feeders shipped from South St. Paul were 15-20 pounds less than during the same weeks last year.

Sheep and lamb receipts at South St. Paul during October were considerably larger than in October last year. On Monday, October 2, 45,140 head were received, which was the largest single day's receipts since October, 1931. This record was eclipsed two weeks later, however, when on October 16, 51,200 head were received, the largest receipts in any one day since October, 1930. During the first half of November, these unusually large receipts did not continue, receipts being about the same as during the first two weeks of November, 1932.

Lamb prices, especially slaughter lamb prices, continued strong throughout most of October and the first half of November. Feeder lamb prices did not decline appreciably despite the unusually large receipts, showing the presence of a broad demand for this class of stock.

Early in November a "Summary Live Stock Outlook, 1933-34" report, issued by the United States Department of Agriculture at Washington, called attention to the 1933 upswing in cattle and calf slaughter, which was expected to continue through 1934; to the estimated 12 per cent reduction in hog slaughter, a result of the Federal Emergency Hog Production Control operations, which were expected to cause a rather substantial advance in wholesale and retail hog and hog-product prices; and to the downward trend in sheep production, especially in the range flock states, and the resulting material advances in wool prices. The report also included an interesting statement regarding work animals, which is quoted below:

"Developments during the last two years indicate the beginning of a shortage in the supply of work stock which may eventually reach serious proportions. The time when this shortage will be greatest must necessarily depend somewhat upon programs of acreage reduction but present indications are that with the proposed programs in effect, the probability of over-breeding will be remote. Even should any material increase in the purchasing power of farmers result in an increase in the use of mechanical power, the future need for work stock to replace an increasing proportion of old animals probably will be reflected in

a growing demand for good animals for several years."

### Cold Storage Holdings

Quantities of important farm products in cold storage improved statistically during October. Total meats and lard, stocks of which have been in excess of the five-year average for some time, both showed a much larger than usual decrease during the month. The decrease in the total meats figure was chiefly due to a huge decrease in pork, amounting to nearly 136 million pounds, compared with a five-year average decrease of 88 million pounds.

Cold storage stocks of poultry and eggs also improved their statistical position during October. Poultry stocks increased by only a little over half the amount of the usual seasonal increase, and total stocks of eggs decreased by slightly more than the usual seasonal decrease.

Stocks of butter which have been considerably in excess of the five-year average, were 14 million pounds smaller on November 1 than a month earlier, a smaller October decrease than the five-year average decrease of 22 million pounds. As a result of this small decrease, butter stocks on November 1 were 170 per cent of the five-year average for that date, compared with 150 per cent on October 1.

November 1 stocks of poultry and eggs, as well as lamb and mutton and miscellaneous meats, were smaller than the five-year average for the same date, while stocks of butter, cheese, beef, pork and lard were all larger.

### United States Cold Storage Holdings

|                      | (In thousands of pounds)      |                     |                     |
|----------------------|-------------------------------|---------------------|---------------------|
|                      | November 1,<br>5-year Average | November<br>1, 1932 | November<br>1, 1933 |
| Beef .....           | 52,880                        | 36,036              | 59,067              |
| Pork .....           | 419,162                       | 433,548             | 493,094             |
| Lamb and Mutton..    | 3,718                         | 2,974               | 2,512               |
| Miscellaneous Meats. | 54,869                        | 37,041              | 50,213              |
| Total Meats .....    | 530,629                       | 509,599             | 604,886             |
| Lard .....           | 58,741                        | 34,410              | 133,850             |
| Butter .....         | 95,384                        | 66,828              | 160,390             |
| Cheese .....         | 93,519                        | 78,274              | 109,605             |
| Poultry .....        | 64,979                        | 54,989              | 59,631              |
| Eggs* .....          | 7,735                         | 5,348               | 7,528               |

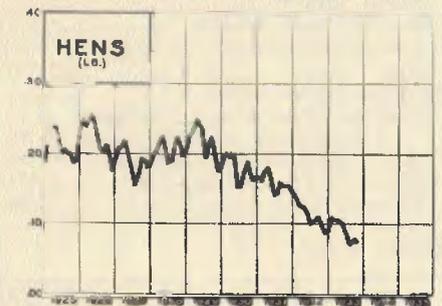
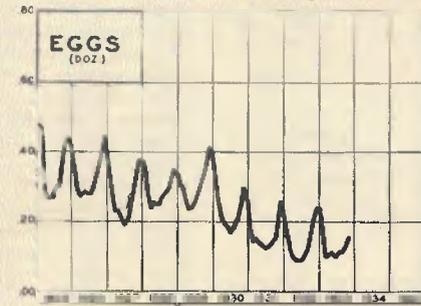
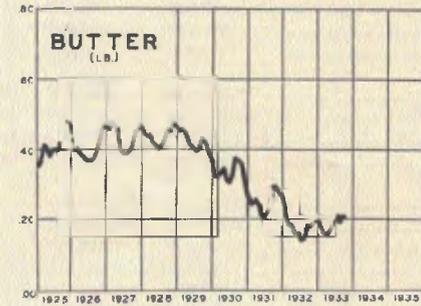
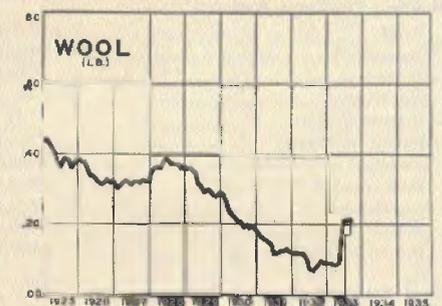
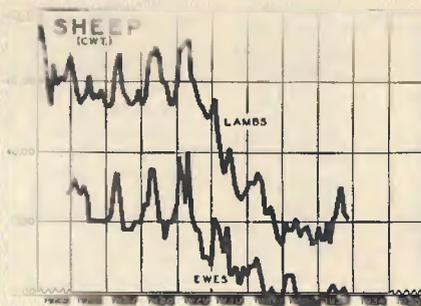
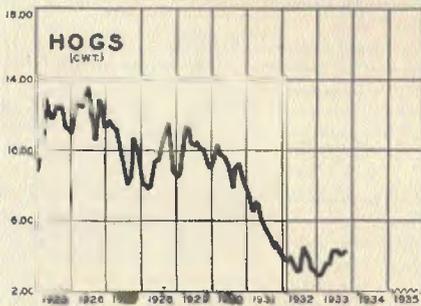
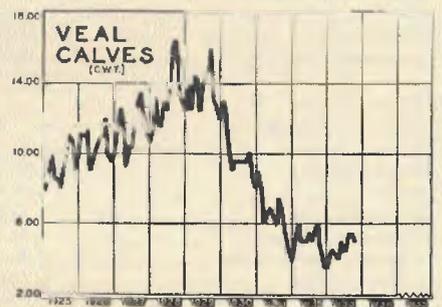
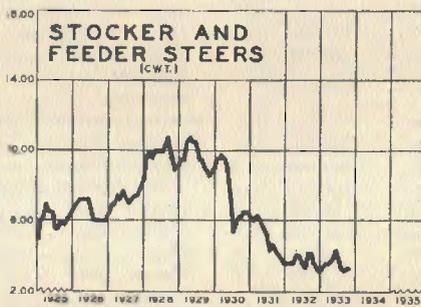
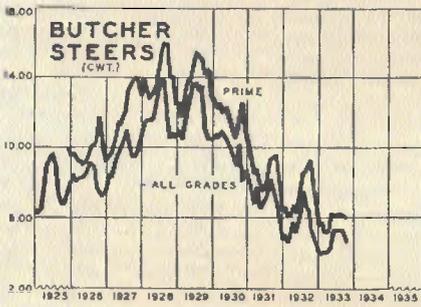
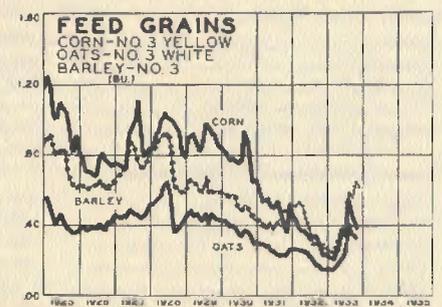
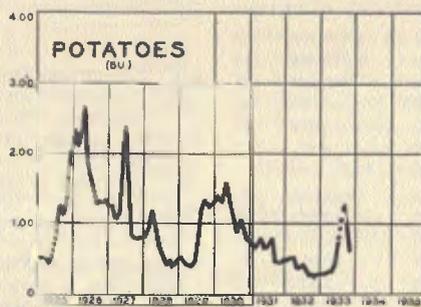
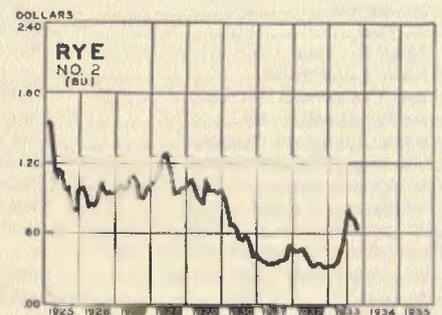
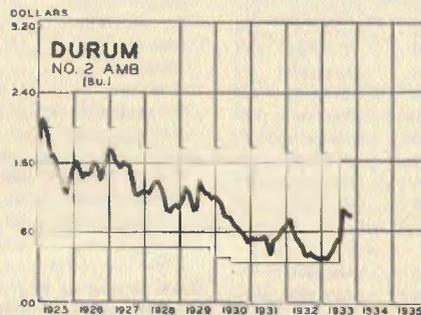
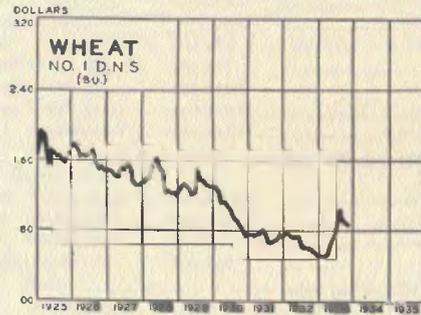
\*Thousand cases.

### Crops

Favorable weather conditions during October resulted in small increases in the November 1 preliminary government production estimates for flax in Montana and for potatoes in the other three complete states in the Ninth Federal Reserve District. The potato increase was largest in Minnesota, amounting to nearly a million bushels. In North Dakota, the increase was about a half million, and in South Dakota, about a quarter million bushels. The preliminary estimate for corn production in the Ninth Federal Reserve District was unchanged from the forecast of October 1, with the exception of Montana, which showed a decrease of about a half million bushels.

NORTHWESTERN FARM PRODUCT PRICES

(Price per bushel, hundredweight, pound or dozen)



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

| GENERAL BUSINESS  |               | Per cent<br>Oct., '33<br>of<br>Oct., '32 |           | AGRICULTURE   |               | Per cent<br>Oct., '33<br>of<br>Oct., '32 |           |
|---|---------------|--|-----------|---|---------------|--|-----------|
| Bank Debits <sup>1</sup>  | Oct., '33     | Oct., '32                                | Oct., '32 | Farmers' Cash Income  | Oct., '33     | Oct., '32                                | Oct., '32 |
| All Reporting Cities  | \$ 25,511,500 | \$ 22,142,300                            | 115       | Total of 7 Items  | \$ 27,124,000 | \$ 24,823,000                            | 109       |
| Minneapolis   | 12,368,000    | 9,602,000                                | 129       | Bread Wheat   | 7,215,000     | 7,310,000                                | 99        |
| St. Paul  | 4,052,000     | 3,740,000                                | 108       | Durum Wheat   | 1,274,000     | 1,436,000                                | 89        |
| South St. Paul  | 612,000       | 588,000                                  | 114       | Rye   | 154,000       | 172,000                                  | 90        |
| Great Lakes Ports   | 2,041,000     | 2,111,300                                | 97        | Flax  | 977,000       | 1,801,000                                | 54        |
| Beef and Pork, S. E.  | 784,600       | 745,400                                  | 105       | Potatoes  | 1,210,000     | 761,000                                  | 159       |
| Beef and Pork, S. W.  | 824,400       | 825,000                                  | 100       | Dairy Products  | 9,255,000     | 7,178,000                                | 129       |
| Dairy and Mixed Farming   | 1,108,600     | 1,085,400                                | 102       | Hogs  | 7,032,000     | 6,170,000                                | 114       |
| Wheat and Mixed Farming   | 1,598,400     | 1,470,900                                | 109       | Grain Marketings at Minneapolis and<br>Duluth-Superior (Bus.)               |               |  |           |
| Wheat and Range   | 784,700       | 715,100                                  | 103       | Bread Wheat   | 8,414,000     | 13,883,000                               | 63        |
| Mining and Lumber   | 1,389,200     | 1,309,200                                | 106       | Durum Wheat   | 1,284,000     | 2,809,000                                | 46        |
| Electric Power Consumption (K.W.H.) <sup>2</sup>                    |               |  |           | Rye   | 246,000       | 520,000                                  | 46        |
| Minn., No. Dak. and So. Dak.  | 4,322,300     | 4,567,200                                | 95        | Flax  | 543,000       | 1,597,000                                | 34        |
| Montana   | 3,121,100     | 1,487,900                                | 210       | Grain Stocks at End of Month at Min-<br>neapolis and Duluth-Superior (Bus.) |               |  |           |
| Country Check Clearings <sup>3</sup>                                |               |  |           | Wheat   | 48,121,334    | 47,617,611                               | 101       |
| Total   | \$ 3,133,700  | \$ 2,605,900                             | 120       | Corn  | 7,352,532     | 1,184,179                                | 621       |
| Minnesota   | 1,205,000     | 1,041,500                                | 116       | Oats  | 28,859,766    | 11,646,774                               | 248       |
| Montana   | 462,100       | 366,600                                  | 126       | Barley  | 11,644,318    | 5,131,399                                | 227       |
| North and South Dakota  | 940,700       | 743,500                                  | 127       | Rye   | 6,241,631     | 5,536,376                                | 115       |
| Michigan and Wisconsin  | 525,900       | 454,300                                  | 116       | Flax  | 1,461,842     | 2,024,037                                | 72        |
| Freight Carloadings—N. W. District                                  |               |  |           | Livestock Receipts at So. St. Paul<br>(Head)                                |               |  |           |
| Total—Excluding L.C.L.  | 310,716       | 249,858                                  | 124       | Cattle  | 134,339       | 105,222                                  | 128       |
| Grains and Grain Products   | 38,846        | 37,981                                   | 89        | Calves  | 54,174        | 51,520                                   | 105       |
| Livestock   | 29,280        | 28,711                                   | 102       | Hogs  | 208,527       | 220,338                                  | 94        |
| Coal  | 30,123        | 30,281                                   | 99        | Sheep   | 427,753       | 329,941                                  | 130       |
| Coke  | 4,026         | 2,819                                    | 143       | Median Cash Grain Prices (Bus.)   |               |  |           |
| Forest Products   | 25,509        | 19,954                                   | 128       | Wheat—No. 1 Dark Northern   | \$ 0.85½      | \$ 0.54½                                 | 157       |
| Ore   | 69,179        | 18,121                                   | 482       | Durum—No. 2 Amber   | .99½          | .51½                                     | 194       |
| Miscellaneous   | 124,753       | 117,041                                  | 107       | Corn—No. 3 Yellow   | .37½          | .23¼                                     | 161       |
| Merchandise—L.C.L.  | 84,616        | 88,928                                   | 95        | Oats—No. 3 White  | .33           | .14½                                     | 226       |
| Building Permits  |               |  |           | Barley—No. 3  | .63           | .26½                                     | 238       |
| Number—18 Cities  | 905           | 921                                      | 98        | Rye—No. 2   | .62½          | .81½                                     | 197       |
| Value—18 Cities   | \$ 644,300    | \$ 832,100                               | 77        | Flax—No. 1  | 1.80          | 1.12½                                    | 160       |
| Minneapolis   | 332,900       | 313,100                                  | 106       | Median Livestock Prices (Cwt.)  |               |  |           |
| St. Paul  | 158,000       | 150,000                                  | 105       | Butcher Cows  | \$ 2.75       | \$ 3.00                                  | 92        |
| Duluth-Superior   | 64,800        | 58,200                                   | 111       | Butcher Steers  | 4.50          | 5.00                                     | 90        |
| 4 Wheat Belt Cities   | 22,300        | 203,100                                  | 11        | Prime Butcher Steers  | 6.00          | 8.00                                     | 75        |
| 6 Mixed Farming Cities  | 52,000        | 89,000                                   | 58        | Feeder Steers   | 3.25          | 3.50                                     | 93        |
| 4 Mining Cities   | 14,300        | 18,700                                   | 76        | Veal Calves   | 5.00          | 4.50                                     | 111       |
| Building Contracts Awarded  |               |  |           | Hogs  | 4.20          | 3.20                                     | 131       |
| Total   | \$ 11,159,400 | \$ 3,418,700                             | 226       | Heavy Hogs  | 4.00          | 2.90                                     | 138       |
| Commercial  | 343,300       | 508,000                                  | 68        | Lambs   | 6.25          | 4.75                                     | 132       |
| Factories   | 515,500       | 66,500                                   | 775       | Ewes  | 1.50          | 1.50                                     | 100       |
| Educational   | 76,500        | 6,500                                    | 1,177     | Wholesale Produce Prices  |               |  |           |
| Hospitals, etc.   | 10,500        | 45,000                                   | 23        | Butter (Lb.)  | \$ 0.21½      | \$ 0.18                                  | 118       |
| Public Buildings  | 759,200       | 89,100                                   | 842       | Milk (Cwt.)   | 1.30          | 1.18                                     | 110       |
| Religious and Memorial  | 32,000        | 189,000                                  | 17        | Hens (Lb.)  | .07½          | .10                                      | 75        |
| Social and Recreational   | 1,776,500     | 949,600                                  | 187       | Eggs (Doz.)   | .15½          | .20½                                     | 76        |
| Residential   | 392,200       | 569,500                                  | 69        | Potatoes (Bu.)  | .55 63        | .25                                      | 220       |
| Public Works  | 8,629,600     | 1,867,400                                | 462       | TRADE   |               |  |           |
| Public Utilities  | 861,100       | 32,200                                   | 1,121     | Department Stores   |               |  |           |
| Real Estate Activity in Hennepin and<br>Ramsey Counties             |               |  |           | Sales   | \$ 2,016,800  | \$ 2,220,830                             | 91        |
| Warranty Deeds Recorded   | 892           | 1,206                                    | 74        | Merchandise Stocks  | 4,764,430     | 4,562,710                                | 104       |
| Mortgages Recorded  | 871           | 1,086                                    | 80        | Receivables   | 2,279,640     | 2,238,560                                | 102       |
| Manufacturing and Mining  |               |  |           | Instalment Receivables  | 373,330       | 355,820                                  | 111       |
| Flour Production at Mpls., St. Paul,<br>and Duluth-Superior (Bbls.) | 758,315       | 792,844                                  | 96        | Furniture Stores  |               |  |           |
| Flour Shipments at Mpls. (Bbls.)                                    | 583,880       | 733,870                                  | 80        | Total Sales   | \$ 85,580     | \$ 77,180                                | 111       |
| Linseed Products Shipments (Lbs.)                                   | 11,874,453    | 16,216,015                               | 70        | Instalment Sales  | 69,800        | 60,730                                   | 115       |
| Copper Output (3 Firms) (Lbs.)                                      | 11,766,000    | 11,643,200                               | 101       | Merchandise Stocks  | 531,110       | 465,660                                  | 114       |
| Business Failures   |               |  |           | Instalment Receivables  | 717,610       | 702,100                                  | 102       |
| Number  | 43            | 93                                       | 46        | Country Lumber Yards  |               |  |           |
| Liabilities   | \$ 383,515    | \$ 1,396,840                             | 27        | Sales (Bd. Ft.)   | 7,555,000     | 6,322,000                                | 120       |
|   |               |  |           | Lumber Stocks (Bd. Ft.)   | 56,902,000    | 54,704,000                               | 104       |
|   |               |  |           | Total Sales   | \$ 1,087,100  | \$ 892,800                               | 122       |
|   |               |  |           | Receivables   | 2,033,200     | 2,237,300                                | 91        |
|   |               |  |           | Life Insurance Sales  |               |  |           |
|   |               |  |           | Four States   | \$ 12,512,000 | \$ 14,438,000                            | 87        |
|   |               |  |           | Minnesota   | 3,259,000     | 10,839,000                               | 85        |
|   |               |  |           | Montana   | 1,259,000     | 1,511,000                                | 83        |
|   |               |  |           | North Dakota  | 982,000       | 855,900                                  | 115       |
|   |               |  |           | South Dakota  | 1,012,000     | 1,238,000                                | 82        |

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

(Continued)

|                                   | Oct., '33     | Oct., '32     | Per cent of Oct., '33 |   | Oct., '33     | Oct., '32     | Per cent of Oct., '33 |
|-----------------------------------|---------------|---------------|-----------------------|---|---------------|---------------|-----------------------|
| <b>Investment Dealers</b>         |               |               |                       | <b>Interest Rates<sup>1</sup></b>       |               |               |                       |
| Sales to Banks.....               | 5,783,100     | 1,091,400     | 530                   | Minneapolis Banks.....                  | 4 1/4-4 1/2   | 4 1/2-4%      |                       |
| Sales to Insurance Companies..... | 844,400       | 169,400       | 203                   | Commercial Paper (net to borrower)..... | 1 1/2         | 2             |                       |
| Sales to General Public.....      | 2,441,300     | 2,091,000     | 117                   | Minneapolis Fed. Res. Bank.....         | 3 1/2         | 3 1/2         |                       |
| <b>Wholesale Trade</b>            |               |               |                       | <b>Selected City Member Banks</b>       |               |               |                       |
| <b>Groceries—</b>                 |               |               |                       | Loans to Customers.....                 | \$177,140,000 | \$178,706,000 | 99                    |
| Sales.....                        | \$ 2,962,840  | \$ 2,671,720  | 111                   | Other Invested Funds.....               | 155,448,000   | 123,920,000   | 125                   |
| Stocks.....                       | 5,876,180     | 5,211,510     | 113                   | Cash and Due from Banks.....            | 109,640,000   | 104,910,000   | 105                   |
| Receivables.....                  | 4,014,250     | 4,047,930     | 99                    | Deposits Due to Banks.....              | 78,182,000    | 58,426,000    | 184                   |
| <b>Hardware—</b>                  |               |               |                       | Public Demand Deposits.....             | 23,343,000    | 21,518,000    | 132                   |
| Sales.....                        | \$ 1,327,530  | \$ 1,083,120  | 123                   | Other Demand Deposits.....              | 160,104,000   | 135,658,000   | 118                   |
| Stocks.....                       | 2,330,480     | 2,327,640     | 100                   | Time Deposits.....                      | 118,561,000   | 141,933,000   | 84                    |
| Receivables.....                  | 1,393,030     | 1,339,310     | 100                   | Total Deposits.....                     | 389,334,000   | 359,725,000   | 108                   |
| <b>Shoes—</b>                     |               |               |                       | Borrowings at Fed. Res. Bank.....       | 76,000        | 362,000       | 21                    |
| Sales.....                        | \$ 319,190    | \$ 302,620    | 105                   | <b>Minneapolis Federal Reserve Bank</b> |               |               |                       |
| Stocks.....                       | 578,960       | 576,460       | 100                   | Loans to Member Banks.....              | 3,067,000     | 11,947,000    | 26                    |
| Receivables.....                  | 869,590       | 710,750       | 122                   | Twin Cities.....                        | 78,000        | 125,000       | 62                    |
| <b>BANKING</b>                    |               |               |                       | Minn., Wis. and Mich.....               | 1,245,000     | 4,710,000     | 26                    |
| <b>Member Bank Deposits</b>       |               |               |                       | N. Dak and Mont.....                    | 472,000       | 3,396,000     | 14                    |
| In Cities Over 15,000 pop.....    | \$388,980,000 | \$377,391,000 | 103                   | South Dakota.....                       | 1,272,000     | 3,717,000     | 34                    |
| In Cities Under 15,000 pop.....   | 251,164,000   | 288,126,000   | 87                    | Fed. Res. Notes in Circulation.....     | 89,847,000    | 78,728,000    | 114                   |
| Michigan—15 Cos.....              | 39,766,000    | 51,526,000    | 77                    | Member Bank Reserve Deposits.....       | 54,416,000    | 39,113,000    | 139                   |
| Minnesota.....                    | 104,252,000   | 117,524,000   | 89                    | <b>Daily Averages</b>                   |               |               |                       |
| Montana.....                      | 36,981,000    | 38,009,000    | 97                    | <b>Latest Reported Data.</b>            |               |               |                       |
| North Dakota.....                 | 25,620,000    | 28,620,000    | 90                    |   |               |               |                       |
| South Dakota.....                 | 31,464,000    | 32,112,000    | 98                    |   |               |               |                       |
| Wisconsin—26 Cos.....             | 13,081,000    | 20,335,000    | 64                    |   |               |               |                       |

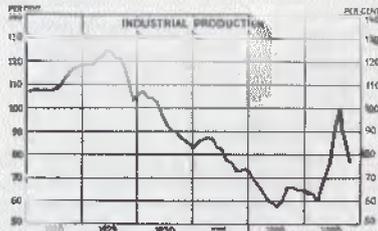
BANK DEBITS

| Number of Business Days:            | October  |          | September |         | October | September | Montana                 |                          |         |        |        |       |
|-------------------------------------|----------|----------|-----------|---------|---------|-----------|-------------------------|--------------------------|---------|--------|--------|-------|
|                                     | 1933     | 1933     | 1932      | 1932    |         |           |                         |                          |         |        |        |       |
| Montana and North Dakota.....       | 25       | 25       | 25        | 25      |         |           | Anaconda.....           | 1,087                    | 1,048   | 915    | 848    |       |
| All States in District.....         | 26       | 25       | 26        | 25      |         |           | Billings.....           | 6,647                    | 5,174   | 5,370  | 4,767  |       |
| (000's omitted)                     |          |          |           |         |         |           |                         | Bozeman.....             | 1,515   | 1,822  | 2,035  | 1,467 |
| <b>Michigan</b>                     |          |          |           |         |         |           |                         | Butte (2 Banks).....     | 6,472   | 6,053  | 5,767  | 7,176 |
| Escanaba (1 Bank).....              | \$ 420   | \$ 473   | \$ 447    | \$ 631  |         |           | Deer Lodge.....         | 402                      | 312     | 431    | 587    |       |
| Hancock.....                        | 1,185    | 1,376    | 916       | 1,254   |         |           | Glendive.....           | 659                      | 603     | 644    | 558    |       |
| Houghton.....                       | 1,455    | 1,476    | 1,303     | 1,574   |         |           | Great Falls.....        | 8,358                    | 9,294   | 8,577  | 9,002  |       |
| Iron Mountain.....                  | 1,274    | 1,785    | 1,613     | 1,558   |         |           | Harlowton.....          | 200                      | 207     | 225    | 238    |       |
| Iron River, Caspian, Stambaugh..... | 463      | 519      | 488       | 521     |         |           | Hayve.....              | 964                      | 965     | 911    | 973    |       |
| Manistique (1 Bank).....            | 149      | 143      | 66        | .....   |         |           | Helena.....             | 5,556                    | 5,387   | 5,668  | 5,070  |       |
| Marquette.....                      | 2,690    | 2,700    | 2,822     | 2,722   |         |           | Kalispell.....          | 1,361                    | 1,316   | 1,344  | 1,246  |       |
| Menominee.....                      | 2,170    | 2,195    | 1,928     | 1,735   |         |           | Lewistown.....          | 1,160                    | 1,112   | 1,097  | 1,193  |       |
| Sault Ste. Marie.....               | 1,897    | 1,903    | 2,169     | 1,909   |         |           | Malta.....              | 387                      | 332     | 391    | 323    |       |
| <b>Minnesota</b>                    |          |          |           |         |         |           |                         | Miles City (1 Bank)..... | 1,200   | 835    | 1,200  | 835   |
| Albert Lea.....                     | 2,286    | 1,944    | 1,978     | 1,568   |         |           | <b>North Dakota</b>     |                          |         |        |        |       |
| Austin.....                         | 3,664    | .....    | .....     | .....   |         |           | Bismarck.....           | 9,474                    | 6,977   | 7,927  | 7,721  |       |
| Bemidji.....                        | 844*     | 801*     | 778       | 847     |         |           | Devils Lake.....        | 1,074                    | 1,132   | 1,030  | 954    |       |
| Chaska.....                         | 424      | 387      | 444       | 423     |         |           | Dickinson.....          | 997                      | 932     | 1,004  | 967    |       |
| Chisholm.....                       | 826      | 624      | 547       | 513     |         |           | Fargo.....              | 13,008                   | 12,161  | 12,352 | 12,559 |       |
| Cloquet.....                        | 1,454    | 1,470    | 849       | 834     |         |           | Granton.....            | 905                      | 706     | 525    | 385    |       |
| Crookston.....                      | 1,172    | 921*     | 929       | 924     |         |           | Grand Forks.....        | 5,284                    | 3,861** | 4,126  | 4,288  |       |
| Detroit Lakes.....                  | 876      | 898      | 903       | 937     |         |           | Jamestown.....          | 1,599                    | 1,669   | 1,512  | 1,515  |       |
| Duluth.....                         | 44,547   | 44,673   | 43,793    | 41,600  |         |           | Mandan.....             | 722                      | 660     | 868    | 769    |       |
| Ely.....                            | 279      | 272      | 290       | 299     |         |           | Minot.....              | 4,361                    | 3,939   | 4,413  | 4,121  |       |
| Faribault (1 Bank).....             | 1,122    | 976      | 1,089     | 737     |         |           | Valley City.....        | 1,000                    | 1,015   | 975    | 886    |       |
| Farmington.....                     | 205      | 142      | 194       | 143     |         |           | Wahpeton.....           | 844                      | 729     | 812    | 684    |       |
| Fergus Falls.....                   | 1,774    | 1,632    | 1,862     | 1,824   |         |           | Williston.....          | 832                      | 923     | 952    | 871    |       |
| Glenwood.....                       | 232      | 214      | 288       | 273     |         |           | <b>South Dakota</b>     |                          |         |        |        |       |
| Hutchinson (1 Bank).....            | 499      | 393      | 554       | 468     |         |           | Aberdeen.....           | 2,922                    | 2,869   | 3,160  | 3,389  |       |
| Lakefield.....                      | 251      | 197      | 211       | 177     |         |           | Brookings (1 Bank)..... | 570                      | 524     | 644    | 650    |       |
| Lanesboro.....                      | 253      | 192      | 277       | 179     |         |           | Deadwood.....           | 816                      | 828     | 675    | 615    |       |
| Little Falls.....                   | 789      | 652      | 707       | 620     |         |           | Huron.....              | 2,523                    | 2,502   | 2,362  | 2,925  |       |
| Luverne.....                        | 495      | 466      | 481       | 404     |         |           | Lead.....               | 1,584                    | 1,796   | 1,377  | 1,267  |       |
| Mankato.....                        | 4,283    | 4,873    | 4,114     | 4,122   |         |           | Madison.....            | 636                      | 505     | 549    | 521    |       |
| Minneapolis.....                    | 221,513* | 315,732* | 249,638   | 259,767 |         |           | Millbank.....           | 340                      | 307     | 348    | 365    |       |
| Moorhead.....                       | 1,985    | 1,839    | 1,193     | 1,080   |         |           | Mitchell.....           | 2,374                    | 2,322   | 1,946  | 1,852  |       |
| Morris.....                         | 313*     | 293*     | 369       | 337     |         |           | Mobridge.....           | 408                      | 384     | 389    | 383    |       |
| Owatonna.....                       | 1,728    | 2,107    | 1,921     | 1,621   |         |           | Pierre.....             | 998                      | 772     | 934    | 776    |       |
| Park Rapids.....                    | 254      | 189      | 299       | 314     |         |           | Rapid City.....         | 1,777                    | 1,711   | 1,751  | 1,551  |       |
| Red Wing.....                       | 1,521    | 1,540    | 1,608     | 1,293   |         |           | Sioux Falls.....        | 10,794                   | 10,611  | 10,734 | 10,188 |       |
| Rochester.....                      | 3,397    | 3,073    | 3,587     | 3,363   |         |           | Watertown.....          | 1,830                    | 1,771   | 2,061  | 1,864  |       |
| St. Cloud.....                      | 2,398    | .....    | 2,597     | 2,481   |         |           | Yankton.....            | 1,242                    | 1,140   | 1,213  | 1,180  |       |
| St. Paul.....                       | 105,352* | 106,881* | 97,252    | 102,638 |         |           | <b>Wisconsin</b>        |                          |         |        |        |       |
| Stillwater.....                     | 15,917   | 17,363   | 13,994    | 12,894  |         |           | Chippewa Falls.....     | 1,354                    | 1,410   | 1,178  | 1,120  |       |
| Thief River Falls.....              | 1,766    | 1,586    | 1,649     | 1,437   |         |           | Eau Claire.....         | 4,406                    | 4,294   | 4,002  | 3,921  |       |
| Two Harbors.....                    | 916*     | 892*     | 774       | 666     |         |           | Hudson.....             | 263*                     | 179*    | 361    | 367    |       |
| Virginia.....                       | 329      | 279      | 305       | 358     |         |           | LaCrosse.....           | 6,515                    | 6,368   | 6,298  | 5,936  |       |
| Wabasha.....                        | 1,287    | 1,221    | 1,444     | 1,240   |         |           | Merrill (1 Bank).....   | 379                      | 361     | 827    | 785    |       |
| Wheaton.....                        | 710      | 633      | 573       | 633     |         |           | Superior.....           | 3,179                    | 3,038   | 4,144  | 4,490  |       |
| Willmar (1 Bank).....               | 528      | 285      | 345       | 334     |         |           |                         |                          |         |        |        |       |
| Winona.....                         | 4,875    | 4,938    | 4,541     | 4,271   |         |           |                         |                          |         |        |        |       |
| Worthington (1 Bank).....           | 469      | 411      | 400       | 380     |         |           |                         |                          |         |        |        |       |

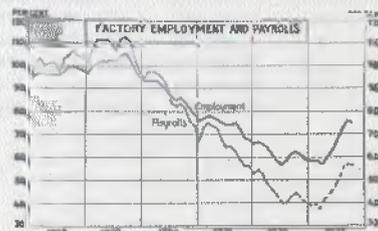
\*Figures for a smaller number of banks.  
\*\*Including one bank operated by a conservator.

## Summary of National Business Conditions

(Compiled November 23 by Federal Reserve Board)



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



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100.)



Indexes based on three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. (1923-1925 average=100.)



Wednesday figures for 12 Federal reserve banks. Latest figures are for November 15.

The volume of industrial output continued to decline in October. Factory employment and payrolls, after increasing continuously for six months up to the middle of September, showed little change from then to the middle of October. There was an increase in the volume of construction undertaken, reflecting the expansion of public works.

**PRODUCTION AND EMPLOYMENT:** The volume of output in basic industries decreased in October as compared with September, contrary to seasonal tendency, and the Board's seasonally adjusted index declined from 84 per cent of the 1923-1925 average to 77 per cent. This compared with an index of 67 in October of last year and of 60 at the low point in March of this year. At steel mills, activity declined sharply between the middle of October and the first week in November, but in the following weeks showed little change. In the automobile industry, output has been curtailed in recent weeks in preparation for new models. For the first ten months of the year, the number of cars produced was 50 per cent larger than in the corresponding months of 1932. Output at shoe factories showed a seasonal decline in October as compared with September, and there was some decrease in activity at cotton and wool textile mills, contrary to seasonal tendency.

At meat packing establishments, activity declined sharply from the unusually high rate prevailing in September which was due to the fact that in that month a large number of pigs purchased by the Federal Government were handled.

The total number of employees at factories, excluding canning establishments, showed little change from the middle of September to the middle of October. At canning establishments, there was a decline of a seasonal character and the Board's index, which includes this industry, showed a slight decrease.

The value of construction contracts awarded during October and the first half of November, as reported by the F. W. Dodge Corporation, showed a considerable advance over the preceding six-week period, reflecting a growing volume of public works.

**DISTRIBUTION:** Shipments of commodities by rail showed a somewhat larger decline between the middle of October and the middle of November than is usual at this season. Department store sales increased in October as compared with September by slightly less than the usual seasonal amount.

**PRICES:** Wholesale prices, as measured by the weekly index of the Bureau of Labor Statistics, declined from 71.3 per cent of the 1926 average in the first week of October to 70.4 per cent in the third week, and then advanced to 71.7 per cent in the third week of November, a level 20 per cent above the low point of last March. Following declines early in October, prices of cotton, grains, lard, rubber, tin and silver increased considerably, while cattle prices continued to decline and prices of hogs showed little change.

**FOREIGN EXCHANGE:** The value of the dollar in the foreign exchange market fluctuated around 67 per cent of its gold parity during the latter part of October, declined during the first part of November to 59 per cent on November 16, and on November 22 was 61 per cent.

**BANK CREDIT:** Between October 18 and November 15, there was little change in the reserves of member banks, which continued to be more than \$800,000,000 in excess of legal requirements. Purchases of United States Government securities by the Reserve banks declined gradually from \$25,000,000 during the week ending October 25 to \$2,000,000 during the week ending November 15. For the four-week period as a whole the banks' holdings of United States Government securities showed an increase of \$57,000,000, while holdings of acceptances and discounts for member banks showed little change.

Total loans and investments of member banks increased by \$90,000,000 during the period, reflecting a growth of \$150,000,000 in holdings of United States Government securities, of \$25,000,000 in holdings of other securities, and of \$30,000,000 in all other loans, while loans on securities declined. Net demand deposits declined by \$70,000,000 during the period, while government deposits increased by \$180,000,000.

Rates on acceptances and yields on short-term United States Treasury bills and certificates rose slightly from mid-October to November 20, and yields on government and high-grade corporate bonds advanced somewhat. Discount rates of the Federal Reserve Banks of Boston, San Francisco and Philadelphia were reduced from 3 per cent to 2½ per cent on November 2, 3 and 16, respectively.