

# MONTHLY REVIEW

## OF

### AGRICULTURAL AND BUSINESS CONDITIONS

#### IN THE

#### NINTH FEDERAL RESERVE DISTRICT

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Vol. VI (Serial  
No. 234)

Minneapolis, Minnesota

June 28, 1934

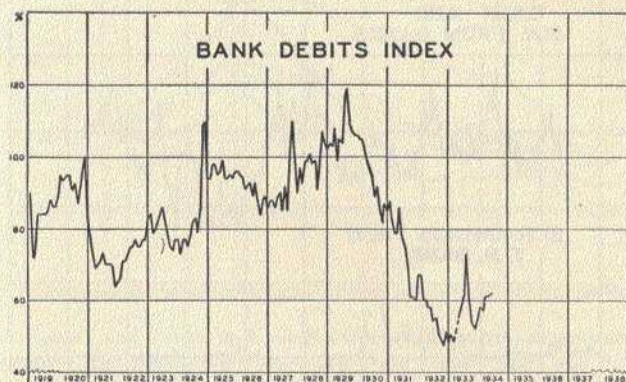
#### DISTRICT SUMMARY OF BUSINESS

Business during May in the Ninth Federal Reserve District showed a slight improvement over April, in spite of intensified drouth conditions and labor disturbances. The index of bank debits increased from 61 in April to 62 in May and the country check clearings index rose from 97 in April to 101 in May. The l.c.l. freight carloadings index remained unchanged at 61, and the miscellaneous freight carloadings index declined from 68 in April to 67 in May. The country lumber sales index rose from 50 in April to 57 in May. All of these indexes were adjusted to remove seasonal influences.

The volume of business in the district continued to be larger, both in physical volume and in dollar amount, than a year ago, in spite of the fact that last year the level of business was rising sharply during the summer. Bank debits in May were 6 per cent larger than in May last year, country check clearings were 28 per cent larger, and freight carloadings, excluding l.c.l. freight, were 30 per cent larger. The increase in freight carloadings was chiefly due to a much heavier movement of iron ore, but smaller increases also occurred in carloadings of livestock, coal, coke, forest products and miscellaneous commodities. The movement of grains in May was smaller than the abnormally large movement in May last year. Other increases over last year's volume occurred in electric power consump-

tion, building contracts, real estate activity in Hennepin and Ramsey Counties, livestock receipts at South St. Paul, country lumber sales, life insurance sales, securities sales and wholesale trade. Decreases were reported for building permits, flour production and shipments, linseed products shipments, butter production and copper output. Business failures reported by Dun & Bradstreet were 24 in number during May, as compared with 54 in May last year.

Retail trade in the district made a better showing in May than in April, when comparisons are made with last year's figures. Twenty-one city department stores experienced an increase of 11 per cent in sales during May over the volume in May last year, whereas the same stores reported a decrease of 3 per cent in April as compared with April a year ago. Two hundred and twenty-five country stores showed an increase of 22 per cent in sales over May last year, whereas the three hundred and seventy-seven country stores whose figures are available for April, reported an increase of only 5 per cent over April last year. All of the rural subdivisions of the district experienced greater increases in sales over May last year than the average increase for country stores, with the exception of southwestern Minnesota and the stores in South Dakota. In these areas, the drouth was most serious. The percentage comparisons of rural sales during May as compared with May last year are given on the following page for the various sections of this district.



Bank Debits Index for Reporting Cities in the Ninth Federal Reserve District, Adjusted for Seasonal Variations.



Country Check Clearings Index, adjusted to remove seasonal variations.



Rural Retail Trade		% May, 1934, of May, 1933
Southwestern Minnesota	(41 stores)	118
Southeastern Minnesota	(21 stores)	128
South Central Minnesota	(23 stores)	128
Southeastern South Dakota	(17 stores)	118
Other East River South Dakota	(50 stores)	106
North Dakota	(13 stores)	124
Montana	( 8 stores)	131
Wisconsin and Michigan	(27 stores)	126

During the first half of June, country check clearings and bank debits were both larger than in the corresponding period last year. If the volume of these two series continues through the remainder of June at the level of the first half of the month, the adjusted indexes for June will both be higher than the indexes for May.

### DISTRICT SUMMARY OF BANKING

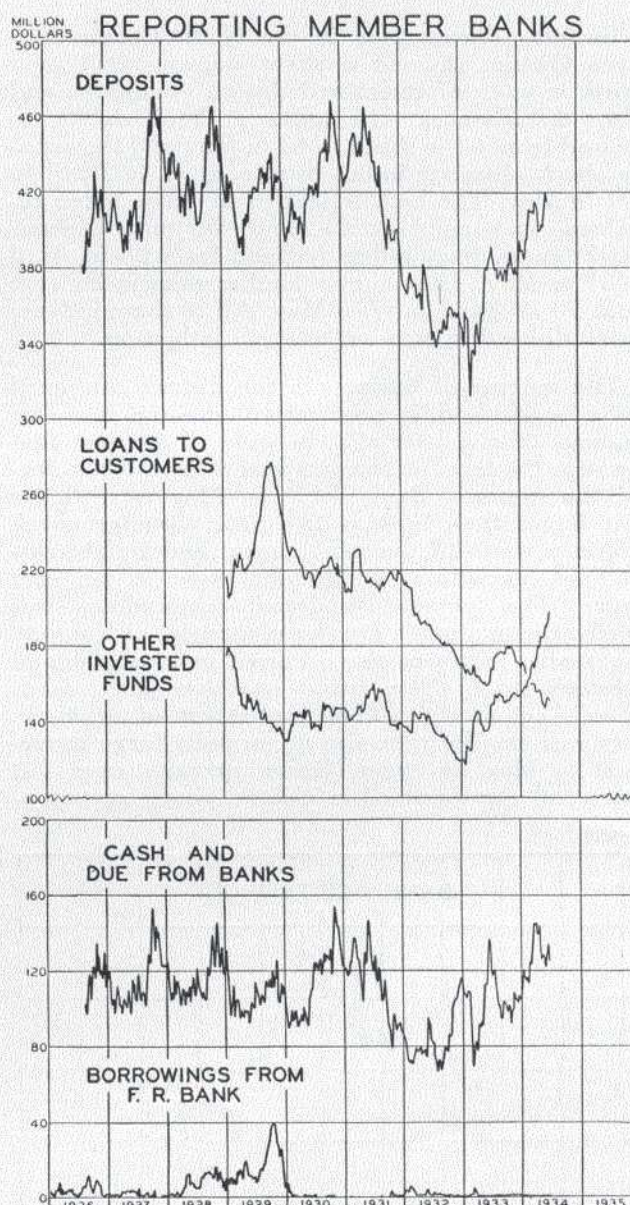
Member bank deposits in the district increased during the most recent report periods. Country member bank deposits increased by more than 1 million dollars during May, as compared with the daily average for April. Apparently this increase in country deposits was accompanied by an increase in loans and investments of those banks, for excess reserves and balances carried with city correspondent banks in this district declined during May.

At city member banks in the district, for which our weekly reports provide more current information, deposits increased seasonally during the latter part of May and the first two weeks of June. The increase in deposits during the latest four-week period amounted to nearly 18 million dollars and carried the deposits of these banks to the highest level since the fall of 1931. A portion of this increase in deposits was traceable to the payment of real estate taxes at the end of May. State and municipal demand deposits at these banks increased 8 million dollars. Deposits due to country banks increased 4 million dollars during the four-week period. This is also a seasonal occurrence generally attributed to the payment of real estate taxes in the rural portion of the district. The tax money so collected is usually deposited at country banks and the country banks frequently place the funds on deposit with their city correspondent banks as a temporary matter.

Aside from the deposit increases at city banks resulting from tax payments, a sharp seasonal increase in commercial and individual demand deposits occurred during the six weeks ending June 13. The total increase during this period in that class of deposit was 18 million dollars, of which 8 million dollars occurred during the latest four weeks. This upturn was the sharpest increase at this time of year which has occurred at any time since our records began, with the exception of last spring when banking was recovering from the effects of the bank holiday. Time deposits at city member banks decreased 2 million dollars during recent weeks.

On the asset side of the combined balance sheet

of city member banks there was a moderate increase in loans during the four weeks ending June 13. This increase, amounting to 5 million dollars, appears to have been a seasonal occurrence, for even during years of declining business volume a small increase in loans to customers occurs at this time of year. Investment holdings of city banks continued to increase during the past four weeks and reached a level considerably higher than at any previous time since our records for this item began in 1929. Vault cash and balances due from banks reported by these city member banks increased moderately during the latest four-week period, in spite of the increase in loans and investments. These banks were not borrowing at the time of their latest reports.



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



## DISTRICT SUMMARY OF AGRICULTURE

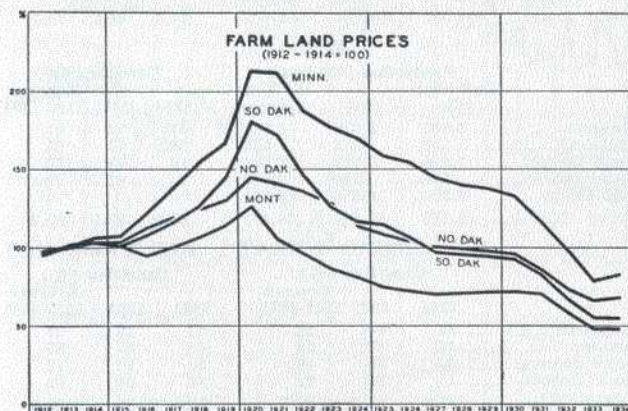
## Farm Income

The estimated income of northwestern farmers from seven important commodities was 17 per cent smaller in May than in the same month last year, chiefly because of continued smaller grain marketings. The income from dairy products and potatoes was larger during May than in the corresponding month a year ago. The income from hogs was less than a year ago. These farm income estimates do not include payments to farmers by the Agricultural Adjustment Administration, or loans to farmers through the Federal Farm Loan System, or through the corn loan activities of the Reconstruction Finance Corporation.

Prices of a number of the leading northwestern farm products increased during May over the levels of April. The majority of farm product prices were higher during May than in May last year. The only decreases as compared with last year were in the prices of feeder steers and hogs. The composite picture of the relation between farm product prices in May and those in earlier months is best given by the University of Minnesota farm price index. This index, which contains a seasonal correction, was 53.1 in May, 1934, 52.5 in April, 1934, and 48.6 in May, 1933, using 1924-1926 as the base period.

## Farm Land Prices

The price of farm lands increased slightly in parts of this district during the year ending March 1, 1934, according to recent estimates by the United States Department of Agriculture. Using the average value in 1912-1914 as 100 per cent, the price of farm land in Minnesota rose from 79 in 1933 to 83 in 1934. In North Dakota there was also an increase from 66 to 68. The price of farm land in South Dakota remained unchanged at 55, and the price in Montana remained unchanged at 48. The increases in Minnesota and North Dakota were the first since farm land prices began to decline in 1921.



Farm Land Prices in Four Northwestern States, as percent-ages of the pre-war average prices in 1912-1914.

## Livestock Markets

Cattle receipts at South St. Paul during May were much larger than in the same month a year ago,

largely on account of forced shipments from drouth-stricken areas. Because of the large number of cattle that were "distress" shipments, a smaller than usual percentage were well-finished animals. Owing to the excessive heat, scanty growth of pastures and ranges, serious shortages of grain and concentrates and failing water supplies, many of the cattle were in poor flesh. Highly finished and well-fed animals were scarce. As a result, the median price for heavy butcher steers registered a gain of 35 cents a hundredweight in May over the preceding month, whereas light butcher steers were unchanged. The fancy grades showed a similar relationship. The May median for prime heavy butcher steers was 75 cents a hundredweight over April, but prime light butcher steers showed a gain of only half that amount. Butcher cows and heifers, a majority of which indicated low dressing percentages, declined during May to a level lower than that prevailing in the same month of the preceding year for the first time since last October. Both light and heavy stocker and feeder steers declined during May and were lower than in the same month last year.

Since June 1, cattle receipts at South St. Paul and at six other principal mid-western markets as well, have continued larger than in the same weeks last year. Reports indicate, however, that the increase would have been still greater if the Federal Cattle Emergency purchases had not been inaugurated early in the month. Prices on all cattle of low quality reflected the heavy receipts early in June, but all prices improved gradually when further increases in receipts failed to materialize. Consequently, prime heavy butcher steer "tops" at the end of the third week were nearly as high as at the middle of May, when a new high since July, 1932, was established.

Shipments of feeder cattle from South St. Paul during May were more than twice as large as in May, 1933, and in the first two weeks of June were nearly three times as large as in the same two weeks last year. Large numbers of animals from drouth areas arrived almost daily after the first week of May and found farmers reluctant purchasers because of the failure of their own pastures. Consequently, prices softened steadily throughout the month. Rains, although insufficient, improved pastures materially during the first half of June with the result that receipts declined and demand increased, effecting a slight improvement in prices.

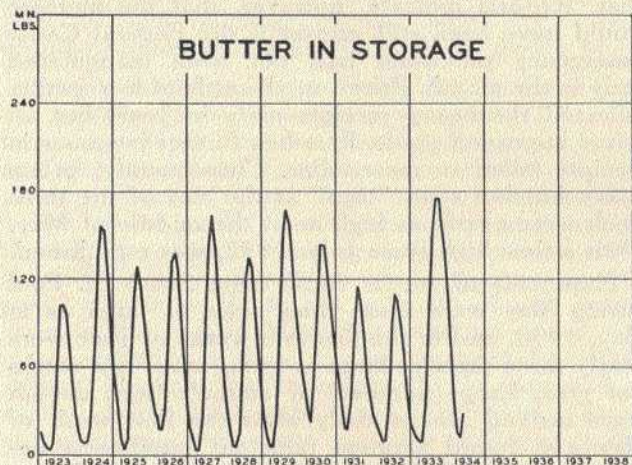
Despite a slightly smaller estimate of hogs available for marketing this season compared with a year ago, the number of hogs marketed at South St. Paul during May this year was a little larger than in May last year. Median hog prices for May, as computed in this office, were lower than a year ago, lower than in April, and practically as low as the record "low" of 1934, established in January. Since June 1, however, hog receipts at South St. Paul and at the six other principal mid-western markets have decreased materially when compared with a year ago, and prices have shown a very great improvement. On June 21, a new 1934 "high" of \$4.80 was established.



Sheep receipts at South St. Paul were smaller in May than in the same month last year and smaller than in April of this year. Ewe prices declined materially during May, partially accounted for by the fact that quotations were changed to a "shorn" basis. Lamb prices also declined during May, but not nearly as sharply as ewe prices. Top prices for ewes dropped rapidly during the first half of June, and lesser declines occurred in lamb prices.

### Cold Storage Holdings

The national cold storage situation on June 1 was again favorable to the producer in most lines. Butter in cold storage increased during May by only 15 million pounds, whereas the five-year average increase during May is 23 million pounds. Cold storage holdings of lard also increased during May by less than the average amount. Holdings of eggs increased during May by about the seasonal amount. Pork, beef and poultry in storage decreased by nearly the average seasonal quantity. On June 1, cold storage holdings of butter, poultry, beef, pork, lamb and mutton and miscellaneous meats were all below the five-year average for that date, while holdings of cheese, eggs and lard were above the average.



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

### United States Cold Storage Holdings (In thousands of pounds)

	June 1, 1934	June 1, 1933	5-Year Average
Beef .....	42,219	30,538	48,903
Pork .....	642,055	670,553	768,025
Lamb and Mutton..	1,249	1,843	2,466
Misc. Meats .....	52,912	51,179	71,152
Total Meats .....	738,435	754,113	890,546
Lard .....	182,576	110,889	128,224
Cream† .....	124	111	.....
Butter .....	27,110	35,159	35,644
Cheese .....	71,193	48,481	59,475
Poultry .....	39,620	38,131	44,024
Eggs* .....	10,495	10,500	10,101

†Thousand Cans

\*Thousand Cases

### Crops

Highly unsatisfactory agricultural prospects for this district and the entire United States were indicated by the June 1 report issued by the United States Department of Agriculture, a portion of which is quoted below:

"A sharp decline in crop prospects, heavy losses of early crops and, for this time of the year, a record low condition of pastures and low levels of milk production per cow and egg production per hen, are shown by the June estimates of the Crop Reporting Board of the United States Department of Agriculture.

"The winter wheat crop is forecast at 400,357,000 bushels, a reduction in prospects of 61,000,000 bushels or 13 per cent during the month of May. The prospective crop is, however, well above last year's short crop of 351,030,000 bushels but is 37 per cent below average production during the 5-year period 1927-1931.

"Spring wheat production is still very uncertain because of the heavy loss of acreage in the Dakotas and Minnesota but it seems likely to be about 100,000,000 bushels so the total wheat crop may not exceed 500,000,000 bushels. This would be the smallest total wheat crop since 1893.

"Oats, barley and rye will all be short crops, for all show a heavy loss of acreage and exceptionally low condition figures for this season of the year."

### UNITED STATES DEPARTMENT OF AGRICULTURE CROP REPORT AS OF JUNE 1, 1934

#### WINTER WHEAT

	Production (000 bus.)			Condition (%)		
	Indicated 1934	1933	10-Year Average	1934	1933	Average 1922-1931
Minnesota .....	1,030	2,370	3,035	31	67	78
Montana .....	7,205	6,166	8,501	50	68	75
South Dakota.....	170	870	1,585	16	63	72
Three States .....	8,405	9,406	13,121			
United States.....	400,357	351,030	556,446	55.3	64.0	75.7

#### RYE

	Production (000 bus.)			Condition (%)		
	Indicated 1934	1933	10-Year Average	1934	1933	Average 1922-1931
Minnesota .....	3,632	3,638	6,295	34	76	81
Montana .....	192	266	636	36	80	81
North Dakota.....	1,236	3,712	12,550	19	70	76
South Dakota.....	330	760	2,960	15	67	77
Four States .....	5,390	8,376	22,441			
United States.....	18,756	21,184	39,495	43.5	73.7	80.8

#### ALL SPRING WHEAT

	Condition (%)			Condition (%)		
	1934	1933	Average 1922-1931	1934	1933	Average 1922-1931
Minnesota .....	46	86	85	30	79	79
Montana .....	46	87	83	56	86	85
North Dakota.....	27	86	83	20	74	77
South Dakota.....	18	82	82	17	80	80
United States.....	41.3	84.9	83.3	53.9	80	82.0

#### OATS

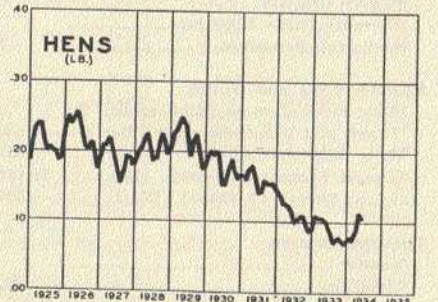
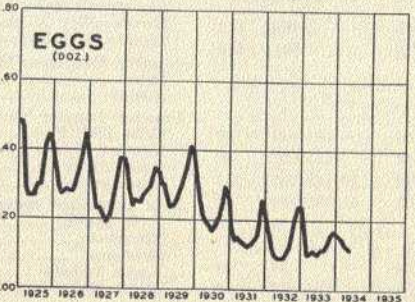
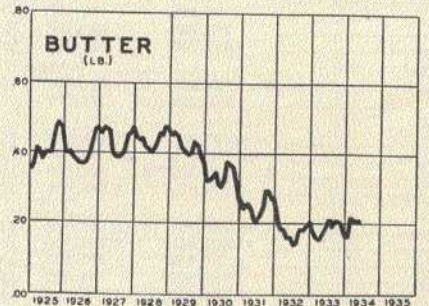
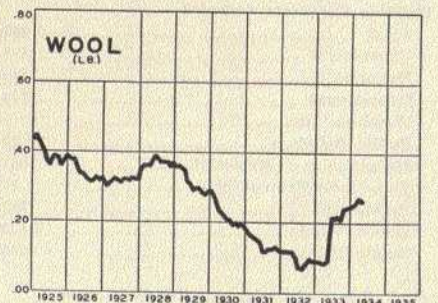
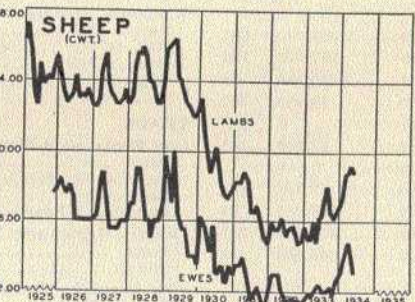
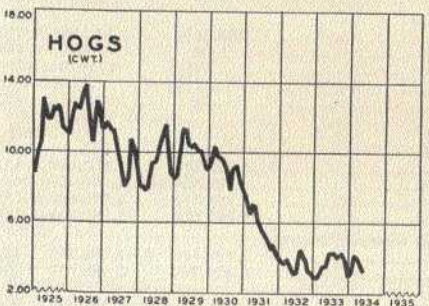
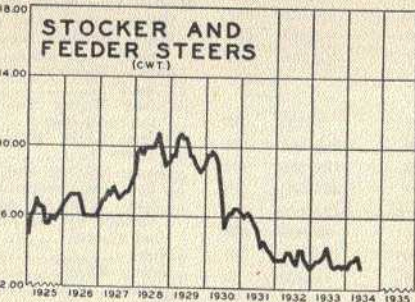
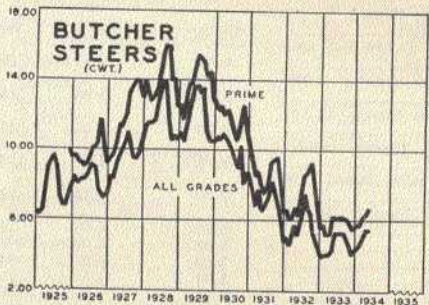
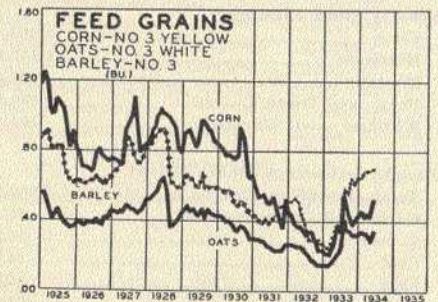
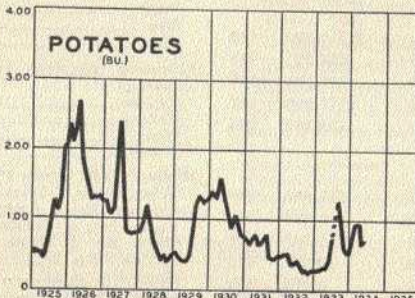
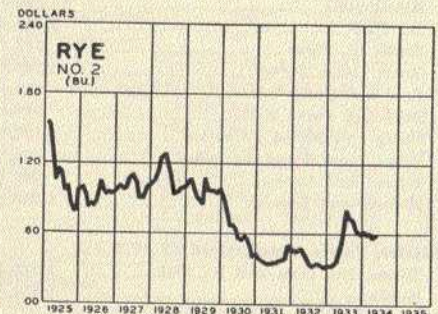
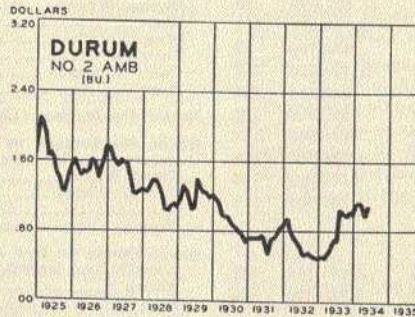
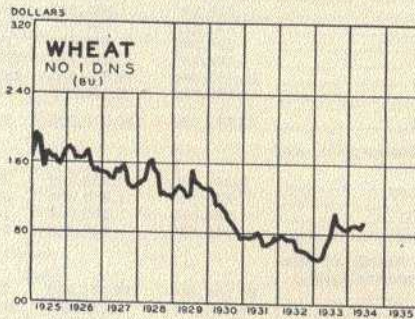
	Condition (%)			Condition (%)		
	1934	1933	Average 1922-1931	1934	1933	Average 1922-1931
Minnesota .....	44	87	87	44	86	86
Montana .....	49	89	82	49	87	84
North Dakota.....	25	84	82	25	83	82
South Dakota.....	20	83	82	21	83	83
United States.....	47.2	78.7	82.1	44.7	80.4	83.4

#### BARLEY



## 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 May '34 of May '33
Debits to Individual Accounts <sup>1</sup>	May '34	May '33	May '33
All Reporting Cities.....	\$ 24,129,600	\$ 22,700,600	106
Minneapolis .....	11,096,000	11,357,000	98
St. Paul .....	4,340,000	3,907,000	111
South St. Paul .....	403,000	438,000	92
Great Lakes Ports .....	1,700,000	1,450,200	117
Beef and Pork, S.E. ....	835,100	697,100	120
Beef and Pork, S.W. ....	913,800	841,800	109
Dairy and Mixed Farming ..	1,132,800	944,500	120
Wheat and Mixed Farming ..	1,485,600	1,224,300	121
Wheat and Range .....	764,400	574,800	133
Mining and Lumber .....	1,458,900	1,265,900	115
Electric Power Consumption (K.W.H.) <sup>1,2</sup>			
Minn., No. Dak. and So. Dak. ....	3,913,300	3,665,700	107
Montana .....	2,634,400	1,985,400	133
Country Check Clearings <sup>3</sup>			
Total .....	\$ 3,209,400	\$ 2,500,300	128
Minnesota .....	1,182,800	988,200	120
Montana .....	465,000	341,500	136
North and South Dakota .....	980,000	771,900	127
Michigan and Wisconsin .....	581,600	398,700	146
Freight Carloadings—N.W. District			
Total—Excluding L.C.L. ....	282,343	217,634	130
Grains and Grain Products ..	30,150	49,773	61
Livestock .....	17,370	16,043	108
Coal .....	14,286	12,744	112
Coke .....	5,086	3,273	155
Forest Products .....	31,981	25,425	126
Ore .....	62,212	18,315	340
Miscellaneous .....	121,258	92,061	132
Merchandise—L.C.L. ....	86,127	83,554	103
Building Permits			
Number—18 Cities .....	1,237	1,336	93
Value—18 Cities .....	\$ 1,034,000	\$ 1,050,300	98
Minneapolis .....	543,600	306,400	177
St. Paul .....	214,900	339,000	63
Duluth-Superior .....	57,300	224,900	25
4 Wheat Belt Cities .....	89,600	21,000	427
6 Mixed Farming Cities .....	92,400	116,500	79
4 Mining Cities .....	36,200	42,500	85
Building Contracts Awarded			
Total .....	\$ 5,462,400	\$ 2,267,000	241
Commercial .....	347,900	237,800	121
Factories .....	149,700	419,300	36
Educational .....	342,500	59,000	581
Hospitals, etc. ....	0	0	—
Public Buildings .....	13,200	12,200	108
Religious and Memorial .....	252,900	0	—
Social and Recreational .....	97,000	60,100	161
Residential .....	482,600	637,600	76
Public Works .....	3,428,400	435,200	788
Public Utilities .....	348,200	355,800	98
Real Estate Activity in Hennepin and Ramsey Counties			
Warranty Deeds Recorded .....	738	665	111
Mortgages Recorded .....	1,093	840	130
Manufacturing and Mining			
Flour Production at Minneapolis, St. Paul, and Duluth-Superior (Bbls.) ..	685,184	717,420	96
Flour Shipments at Mpls. (Bbls.) ..	647,142	655,682	99
Linseed Product Shipments (Lbs.) ..	10,616,921	19,569,702	54
Copper Output (3 Firms) (Lbs.) ..	6,237,400	11,797,900	53
Business Failures			
Number .....	24	54	44
Liabilities .....	\$ 442,019	\$ 754,882	59
AGRICULTURE			Per Cent May '34 of May '33
Farmers' Cash Income	May '34	May '33	May '33
Total of 7 Items .....	\$ 19,835,000	\$ 24,013,000	83
Bread Wheat .....	4,036,000	8,310,000	49
Durum Wheat .....	758,000	1,383,000	55
Rye .....	140,000	636,000	22
Flax .....	593,000	600,000	99
Potatoes .....	462,000	319,000	145
Dairy Products .....	10,659,000	8,805,000	121
Hogs .....	3,187,000	3,960,000	80
Butter Production (Lbs.) .....	40,637,000	44,575,000	91
Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Bread Wheat .....	3,841,000	9,835,000	39
Durum Wheat .....	693,000	1,879,000	37
Rye .....	235,000	1,206,000	19
Flax .....	312,000	421,000	74
Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)			
Wheat .....	30,108,356	38,571,958	78
Corn .....	8,035,957	2,631,403	305
Oats .....	19,260,449	12,268,093	157
Barley .....	7,090,798	7,715,818	92
Rye .....	4,334,544	3,687,933	118
Flax .....	644,893	879,317	73
Livestock Receipts at South St. Paul (Head)			
Cattle .....	86,072	64,856	133
Calves .....	62,014	45,948	135
Hogs .....	161,809	150,404	108
Sheep .....	20,334	23,878	85
Median Cash Grain Prices (Bu.)			
Wheat—No. 1 Dark Northern .....	\$0.94	\$0.75½	125
Durum—No. 2 Amber .....	1.09½	.73½	149
Corn—No. 3 Yellow .....	.53	.37½	140
Oats—No. 3 White .....	.35½	.22½	154
Barley—No. 3 .....	.70	.38	184
Rye—No. 2 .....	.59½	.52½	113
Flax—No. 1 .....	1.90	1.42½	133
Median Live Stock Prices (Cwt.)			
Butcher Cows and Heifers .....	\$3.50	\$3.75	93
Heavy Butcher Steers (1,100 lbs. and over) .....	6.25	5.40	116
Light Butcher Steers (under 1,100 lbs.) .....	5.50	5.00	110
Prime Heavy Butcher Steers (1,100 lbs. and over) .....	8.00	6.25	128
Prime Light Butcher Steers (under 1,100 lbs.) .....	6.75	6.00	113
Heavy Stocker and Feeder Steers (800 lbs. and over) .....	3.50	4.25	84
Light Stocker and Feeder Steers (under 800 lbs.) .....	3.00	4.25	71
Veal Calves .....	5.00	5.00	100
Hogs .....	3.20	4.30	74
Heavy Hogs .....	3.00	4.30	70
Lambs .....	8.75	6.25	140
Ewes .....	3.00	2.50	120
Wholesale Produce Prices			
Butter (Lb.) .....	\$0.21¼	\$0.18¾	113
Milk (Cwt.) .....	1.36	.86	158
Hens (Lb.) .....	10½	.10	105
Eggs No. 2 (Doz.) .....	11¼	.10¼*	110
Potatoes (Bu.) .....	.70	.41	171
TRADE			
City Department Stores <sup>3</sup>			
Sales .....	\$ 4,983,750	\$ 4,475,440	111
Merchandise Stocks .....	9,857,750	8,753,410	113
Receivables .....	5,986,310	5,543,680	108
Instalment Receivables .....	1,360,810	1,185,920	115
Country Department and General Stores <sup>3</sup>			
Sales .....	\$ 2,147,000	\$ 1,763,390	122
Stocks .....	4,480,740	3,869,470	116
City Furniture Stores <sup>3</sup>			
Total Sales .....	\$ 80,130	\$ 78,140	103
Instalment Sales .....	70,180	66,580	105
Merchandise Stocks .....	287,880	252,210	114
Instalment Receivables .....	691,840	619,940	112
Country Furniture Stores <sup>3</sup>			
Sales .....	\$ 126,620	\$ 102,890	123
Stocks .....	576,230	513,690	112
Country Lumber Yards <sup>3</sup>			
Sales (Bd. Ft.) .....	6,467,000	5,206,000	124
Lumber Stocks (Bd. Ft.) .....	63,800,000	55,033,000	116
Total Sales .....	\$ 841,400	\$ 668,800	126
Receivables .....	1,723,800	1,686,900	102
Life Insurance Sales			
Four States .....	\$ 15,127,000	\$ 12,113,000	125
Minnesota .....	11,385,000	9,184,000	124
Montana .....	1,371,000	1,025,000	134
North Dakota .....	1,105,000	838,000	132
South Dakota .....	1,266,000	1,066,000	119



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

	May '34	May '33	Per Cent	May '34	May '33	Per Cent
			of			of
<b>Investment Dealers</b>						
Sales to Banks .....	\$ 2,871,700	\$ 654,900	438			
Sales to Insurance Companies .....	471,300	145,700	323			
Sales to General Public .....	3,735,800	2,429,500	154			
<b>Wholesale Trade</b>						
<b>Groceries<sup>1</sup></b>						
Sales .....	\$ 3,229,620	\$ 2,933,150	110			
Stocks .....	5,561,630	4,951,000	112			
Receivables .....	3,623,240	3,882,010	93			
<b>Hardware<sup>2</sup></b>						
Sales .....	\$ 1,262,110	\$ 1,116,460	113			
Stocks .....	2,684,320	2,217,760	121			
Receivables .....	1,360,180	1,303,040	104			
<b>Shoes</b>						
Sales .....	\$ 333,320	\$ 242,240	138			
Stocks .....	695,130	584,360	119			
Receivables .....	659,260	543,170	121			
<b>Interest Rates<sup>2</sup></b>						
Minneapolis Banks .....	3 3/4-4	4 1/4-4 3/4				
Commercial Paper (net to borrower) .....	1 1/4	2 1/4				
Minneapolis Fed. Res. Bank .....	3	3 1/2				
<b>Selected City Member Banks</b>	June 13, 1934	June 14, 1933				
Loans to Customers .....	\$153,186,000	\$159,218,000	96			
Other Invested Funds .....	193,336,000	136,915,000	141			
Cash and Due from Banks .....	133,984,000	134,428,000	100			
Deposits Due to Banks .....	97,117,000	77,669,000	125			
Public Demand Deposits .....	35,980,000	28,305,000	127			
Other Demand Deposits .....	160,658,000	138,027,000	116			
Time Deposits .....	121,428,000	135,807,000	89			
Total Deposits .....	420,490,000	380,083,000	111			
Borrowings at Fed. Res. Bank .....	0	0				
<b>Minneapolis Federal Reserve Bank</b>						
Loans to Member Banks .....	\$ 677,000	\$ 6,099,000	11			
Twin Cities .....		68,000				
Minn., Wis. and Mich. ....	452,000	2,670,000	17			
N. Dak. and Mont. ....	105,000	1,199,000	9			
South Dakota .....	120,000	2,161,000	6			
Fed. Res. Notes in Circulation .....	94,441,000	89,981,000	105			
Fed. Res. Bank Note Circulation—Net .....	0	790,500				
Member Bank Reserve Deposits .....	69,236,000	42,656,000	162			

<sup>1</sup>Daily Averages.<sup>2</sup>Latest Reported Data.

\*Unclassified.

<sup>3</sup>Figures for the various items in this section not always from identical firms.

## BANK DEBITS

Number of Business Days:	May	April	May	April		May	April	May	April
	1934	1934	1933	1933		1934	1934	1933	1933
Minnesota .....	26	25	26	24	Montana .....	1,056	1,034	826	673
South Dakota .....	25	25	25	25	Anaconda .....	5,777	5,360	4,544	4,026
All Other States in District .....	26	25	26	25	Billings .....	1,593	1,218	1,228	1,410
<b>Michigan</b>					Bozeman .....	7,529	7,168	6,840	5,407
(000's omitted)					Butte (2 banks) .....	422	417	574	577
Escanaba (1 Bank) .....	\$ 423	\$ 442	\$ 393	\$ 309	Deer Lodge .....	631	607	636	495
Hancock .....	1,308	1,035	662	669	Glendive .....	7,859	7,183	7,668	5,559
Houghton .....	1,515	1,165	1,203	877	Great Falls .....	209	169	210	157
Iron Mountain .....	1,687	1,663	1,155	1,054	Havre .....	1,199	1,006	886	733
Iron River, Stambaugh .....	779	889	412	379	Helena .....	6,868	5,859	5,606	5,349
Manistique (1 Bank) .....	132	131	117	84	Kalispell .....	1,358	1,130	1,110	933
Marquette .....	2,257	2,483	2,191	1,988	Lewistown .....	948	988	984	853
Menominee .....	2,184	2,134	2,116	1,648	Malta .....	578	453	391	339
Sault Ste. Marie .....	1,782	1,819	1,508	1,337	Miles City (1 bank) .....	940	938	816	790
<b>Minnesota</b>					<b>North Dakota</b>				
Albert Lea .....	2,074	1,863	1,969	1,692	Bismarck .....	12,136	17,075	8,950	9,329
Austin .....	3,882	3,205	3,070	2,738	Devils Lake .....	967	1,133	834	760
Bemidji .....	1,041	782	*839	*541	Dickinson .....	1,007	888	814	746
Chaska .....	421	371	399	377	Fargo .....	12,038	11,916	9,892	9,354
Chisholm .....	533	576	485	266	Grafton .....	527	655	840	302
Cloquet .....	1,166	1,375	1,017	1,053	Grand Forks .....	3,451	3,297	†2,663	†2,360
Crookston .....	1,006	898	*826	*761	Jamestown .....	1,174	1,154	1,283	1,265
Detroit Lakes .....	905	796	817	679	Mandan .....	982	688	795	605
Duluth .....	35,440	28,268	30,712	28,313	Minot .....	3,656	3,664	3,616	3,085
Ely .....	293	323	288	226	Valley City .....	748	763	699	651
Faribault (1 Bank) .....	1,058	1,018	976	1,107	Wahpeton .....	682	748	638	620
Farlington .....	155	155	151	134	Williston .....	992	740	476	463
Fergus Falls .....	1,537	1,645	1,600	1,572	<b>South Dakota</b>				
Glenwood .....	256	260	218	108	Aberdeen .....	3,182	2,801	2,958	2,672
Hutchinson (1 Bank) .....	578	479	480	405	Brookings (1 bank) .....	575	564	642	488
Lakefield .....	263	263	228	214	Deadwood .....	1,065	740	646	607
Lanesboro .....	289	190	249	218	Huron .....	2,070	1,993	2,692	2,497
Little Falls .....	648	612	719	624	Lead .....	1,503	1,473	1,818	1,262
Luverne .....	471	558	492	414	Madison .....	785	644	591	499
Mankato .....	3,936	4,031	3,914	3,343	Milbank .....	312	255	391	288
Minneapolis .....	288,496	282,425	295,291	255,099	Mitchell .....	2,275	1,912	1,667	1,643
Moorhead .....	1,293	1,510	1,055	1,001	Mobridge .....	592	528	467	362
Morris .....	354	319	289	251	Pierre .....	2,618	2,300	971	758
Owatonna .....	2,353	1,988	1,936	1,769	Rapid City .....	1,996	1,651	1,517	1,324
Park Rapids .....	228	231	140	156	Sioux Falls .....	12,102	10,678	11,098	10,014
Red Wing .....	1,487	1,384	1,400	1,257	Watertown .....	1,893	1,804	1,734	1,543
Rochester .....	3,188	3,359	3,154	2,889	Yankton .....	1,503	1,587	1,196	1,202
St. Cloud .....	2,449	2,362			<b>Wisconsin</b>				
St. Paul .....	112,831	114,813	101,594	94,814	Ashland .....	1,143	881		
Sauk Rapids .....	232	237			Chippewa Falls .....	1,562	1,555	1,247	1,223
South St. Paul .....	10,465	10,131	11,398	8,994	Eau Claire .....	5,496	5,303	4,009	3,882
Stillwater .....	1,266	1,381	1,324	1,316	Hudson .....	449	337	190	177
Thief River Falls .....	712	717	597	447	La Crosse .....	6,507	6,965	5,456	5,191
Two Harbors .....	313	297	262	242	Merrill .....	1,139	1,356		
Virginia .....	1,364	1,413	1,116	1,419	Rhineland .....	1,295	1,331	1,013	917
Wabasha .....	762	794	604	532	Superior .....	2,841	2,761	2,639	2,297
Wells .....	206	356							
Wheaton .....	239	260	252	225					
Willmar .....	931	867							
Winona .....	5,599	5,605	4,604	4,182					
Worthington (1 bank) .....	649	586	460	379					

Total for 89 Cities with Comparable Figures for Both Years. \$618,868 \$605,048 \$586,615 \$520,127

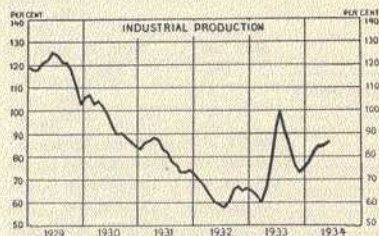
\*Figures for a smaller number of banks.

†Including one bank operated by a conservator.



## Summary of National Business Conditions

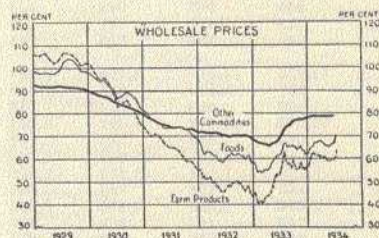
(Compiled June 23 by Federal Reserve Board)



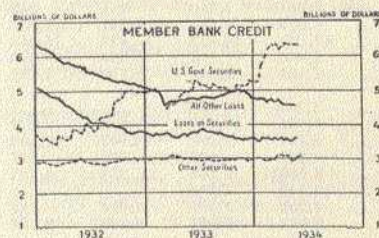
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.)



Federal Reserve Board's index of factory employment adjusted for seasonal variation. (1923-25 average=100.)



Indexes of the United States Bureau of Labor Statistics. By months 1929 to 1931; by weeks 1932 to date. (1926=100.)



Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for June 13.

Industrial production increased slightly in May, while factory employment and payrolls showed little change. The general level of wholesale prices, after remaining practically unchanged since the middle of February, advanced sharply in the middle of June, reflecting chiefly increases in the prices of livestock and livestock products.

**PRODUCTION AND EMPLOYMENT:** Industrial production, as measured by the Board's seasonally adjusted index, advanced from 86 per cent of the 1923-1925 average in April to 87 per cent in May, as compared with a recent low level of 72 last November. Activity at steel mills increased further from 54 per cent of capacity in April to 58 per cent in May, while output of automobiles showed a decline. Lumber production continued at about one-third the 1923-1925 level. In the textile industries, output declined somewhat partly as a consequence of seasonal developments. At mines, coal production showed little change in volume, while output of petroleum continued to increase. In the first three weeks of June, activity at steel mills continued at about the May level, although a decline is usual at this season. Maintenance of activity reflected in part, according to trade reports, considerable stocking of steel. Output of automobiles declined somewhat, as is usual at this season.

Employment in factories, which usually declines slightly between the middle of April and the middle of May, showed little change, while employment on the railroads, in agriculture and in the construction industry increased, as is usual at this season. Increased employment was shown at manufacturing establishments producing durable goods, such as iron and steel and nonferrous metals, while employment declined at establishments producing non-durable manufactures, such as textiles and their products.

The value of construction contracts awarded, as reported by the F. W. Dodge Corporation, has shown a decline in the spring months, reflecting a reduction in the volume of contracts for public projects. The volume of construction work actually under way has increased as work has progressed on contracts previously awarded.

Department of Agriculture estimates based on June 1 conditions indicated unusually small crops of winter wheat and rye and exceptionally poor conditions for spring wheat, oats, hay and pastures, largely as a consequence of a prolonged drouth. The winter wheat crop was estimated at 400,000,000 bushels, as compared with a five-year average of 630,000,000 bushels and an exceptionally small crop of 350,000,000 bushels last season. Rains in early June somewhat improved prospects for forage and grain crops not already matured.

**DISTRIBUTION:** Total freight traffic increased in May by more than the usual seasonal amount, reflecting in considerable part a larger volume of shipments of miscellaneous products. At department stores the value of sales showed an increase, as is usual at this season.

**COMMODITY PRICES:** During May and the first three weeks of June, wholesale prices of individual farm products fluctuated widely, while prices of most other commodities showed little change. Wheat, after advancing rapidly during May, declined considerably in the first three weeks of June. Cotton continued to advance in the early part of June. In the middle of the month, hog prices increased sharply from recent low levels. Automobile prices were reduced in the early part of June, and copper prices advanced.

**BANK CREDIT:** During May and the first half of June, there was little change in the volume of reserve bank credit outstanding. As a consequence of expenditure by the Treasury of cash and deposits with the Federal reserve banks and a growth in the country's monetary gold stock, member bank reserve balances advanced further to a level \$1,800,000,000 in excess of legal requirements. In the week ending June 20, however, excess reserves dropped to \$1,675,000,000, reflecting an increase in Treasury deposits at the Reserve banks in connection with June 15 tax receipts and sales of Government securities. Total loans and investments of reporting member banks increased by \$80,000,000 between May 16 and June 13, reflecting a growth in holdings of investments other than United States Government securities and in open market loans to brokers and dealers, while loans to customers declined. Net demand deposits increased by about \$400,000,000 during the period.

Money rates in the open market continued at low levels. The rate on prime commercial paper declined to  $\frac{3}{4}$ -1 per cent in June, the lowest figure on record.