MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

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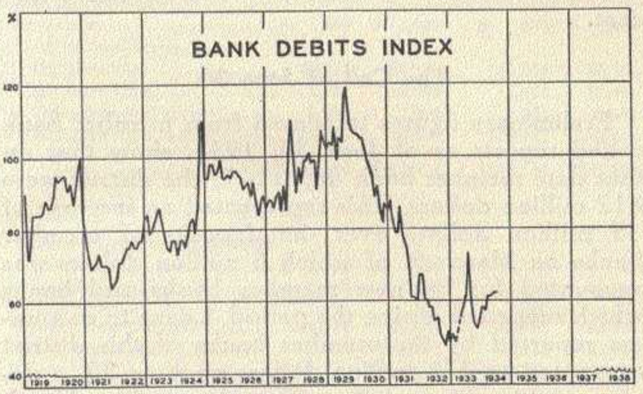
DISTRICT SUMMARY OF BUSINESS

The volume of business in the Ninth Federal Reserve District remained in June at the level of May. After allowance for seasonal variations, the index of bank debits remained unchanged at 62, and the index of l.c.l. freight carloadings continued at 61. The index of city department store sales declined from 74 in May to 71 in June, and the index of miscellaneous freight carloadings declined from 67 in May to 66 in June. Country lumber sales dropped from an index of 60 in May to 47 in June. On the other hand, the country check clearings index increased from 101 in May to 106 in June, at which level it was the highest since February, 1930.

The volume of business in June continued to be larger than the volume in the corresponding month last year, both in dollars and in physical volume. The daily average of bank debits was 1 per cent higher in June than in the same month last year. The country check clearings index was 19 per cent higher, and freight carloadings, excluding l.c.l. loadings, were 34 per cent greater. The increase in freight carloadings over last year's volume was chiefly caused by a much greater movement of ore, but there were also increases in the movement of livestock, coal, coke, forest products and miscellaneous freight. Other increases over last year's volume occurred in electric power consumption, building contracts, real estate activity in Hennepin and Ramsey counties, life insurance sales, securities sales and wholesale grocery sales. Decreases from last year's volume occurred in grain marketings, butter production, flour shipments, linseed products shipments, l.c.l. freight carloadings, building permits, copper output, country lumber sales, and wholesale hardware and shoe sales. Business failures were only 29 in number during June, as compared with 87 in June last year.

Retail trade in the district during June continued to be in larger volume than a year ago, although the increases were not as great as those reported for May. City department stores reported a 5 per cent increase in sales during June over June last year, whereas in May they reported an increase of 11 per cent. Four hundred and seventy-six country stores reported a 6 per cent increase in sales during June over June last year, whereas the four hundred and eighty-two country stores which reported for May had an increase of 24 per cent in sales over May last year.

Rural retail trade, as indicated by department and general store reports, varied widely in the various sections of this district. In northern Wisconsin and the northern peninsula of Michigan, there was an increase of 36 per cent over the volume in June last year, and in northeastern Minnesota there was an increase of 28 per cent. These two sections have been benefited by greater iron mining activity and an improved volume of business at summer resorts. In the strictly agricultural portions of the district, the



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.

greatest increases over the volume of business in June last year were reported in southeastern Minnesota and the adjacent portion of Wisconsin, the increases being 16 per cent and 15 per cent, respectively. The only decreases as compared with last year's volume were reported from the drouth areas. Eastern South Dakota, excluding the far southeastern portion, reported a 5 per cent decrease, and North Dakota reported an 8 per cent decrease. The trend of retail sales in the various subdivisions of the district is given in the following table:

Retail Trade

		% June 1934 of June 1933
Mpls., St. Paul, Duluth-Superior	(22 stores)	105
Country Stores	(476 stores*)	106
Minnesota—Southwestern	(46 stores)	107
Minnesota—Southeastern	(24 stores)	116
Minnesota—South central	(27 stores)	111
Minnesota—Central	(15 stores)	102
Minnesota—Northeastern	(13 stores)	128
Montana—Mountain	(17 stores)	105
Montana—Plains	(18 stores)	102
North Dakota	(55 stores)	92
South Dakota—Southeastern	(18 stores)	104
South Dakota—Other Eastern	(47 stores)	95
Northern Wisconsin & Michigan	(35 stores)	136
Wisconsin—West Central	(31 stores)	115
Ninth District	(498 stores)	106

*Reports of some chain store organizations not subdivided by regions.

The volume of bank debits and country check clearings during the first half of July was at about the same level as in June, aside from seasonal variations. If the same volume continues through the remainder of July, the bank debits index for July will be slightly higher than the June index, and the country check clearings index will be slightly lower. In making comparisons between July, 1934, and July, 1933, account must be taken of the very abnormal peak in the business indexes for July last year. In this district, as in the United States as a whole, the level of business activity rose very sharply in July and then declined in August. The bank debits index increased from 61 in June, 1933, to 73 in July and then declined to 62 in August. The country check clearings index increased from 88 in June, 1933, to 94 in July, and then declined to 89 in August. As a consequence, although the volume of bank debits and country check clearings has been well maintained in the first part of July, 1934, the comparisons with July last year are not as favorable as the comparisons were in June. Bank debits at seventeen cities for the first three weeks of July were 13 per cent below the level of the same weeks last year. Country check clearings for the first fourteen business days in July were 12 per cent larger than in the same period a year ago.

DISTRICT SUMMARY OF BANKING

Bank deposits have continued to rise in recent weeks both at city member banks and at country member banks. At the twenty city banks that make weekly reports, deposits rose 9 million dollars during the five weeks ending July 18 and reached a level higher than at any previous time since the summer of 1931 and 117 million dollars higher than the low level at the time of the bank holiday. More than half of the increase in recent weeks was in deposits due to banks, which, in turn, reflected the increase in deposits in the rural banks of the Northwest. These deposits due to banks rose 5 million dollars during the five-week period and reached the highest level since the autumn of 1928. Smaller increases occurred in public demand deposits, United States Government deposits and time deposits. There was an offsetting decrease of 5 million dollars in commercial and individual demand deposits. On the asset side of the consolidated city bank balance sheet, loans to customers decreased 2 million dollars during the five weeks ending July 18. Investments increased 9 million dollars, reaching a new high level for this item, the weekly record of which began in 1929. Vault cash and balances due from banks, including the Federal Reserve Bank, increased 1 million dollars during the period.

Country member bank deposits increased 3 million dollars between the daily average for May and the daily average for June. Deposits rose in all states of the district, with the exception of North Dakota and South Dakota. In June the deposits of country member banks in cities under 15,000 population were 54 million dollars larger than when the banks reopened after the banking holiday in March, 1933. Of this increase, 25 million dollars consisted of deposits of new member banks, together with the deposits of banks which were placed in the hands of conservators during the bank holiday and later reopened. In other words, the deposits of country member banks which were reopened immediately after the bank holiday and have been continuously in operation as member banks since that time have increased 29 million dollars, or more than 12 per cent.

The Call of June 30

Preliminary figures tabulated from member bank called reports as of June 30, 1934, show that on that date member bank deposits in the district were 812 million dollars. This represented an increase of 35 million dollars over the deposits of member banks on March 5, of which 6 million dollars was accounted for by new member banks and banks which reopened during the period. Loans to customers reported by the member banks of this district amounted to 271 million dollars on June 30, a decline of 11 million dollars from the total on March 5. Investment holdings, including such short-term investments as bankers' acceptances, commercial paper and brokers' loans, increased 39 million dollars during the period, to a total of 411 million dollars. On June 30 loans to customers were at the lowest level since this record began in October, 1928, and investment holdings were at the highest level since March, 1930.

Trends were quite similar at city banks and country banks between the call of March 5 and the call of June 30. In this discussion all member banks, other than those city banks which make weekly reports to this office, constitute the country member banks of the district. For comparison of country bank trends betwen the last two calls, the figures for banks which reopened or entered the System during that period have been deducted from the totals for June 30. The remaining identical country member banks experienced an increase of 3 million dollars in deposits and an increase of 2 million dollars in loans and investments. Loans decreased 5 million dollars, chiefly in the classification of loans on farm land. Investments increased 7 million dollars.

The city member banks which are on the weekly report list had an increase of 25 million dollars in deposits between the March and June call dates, while their loans and investments increased 21 million dollars. Loans to customers decreased 8 million dollars, chiefly in loans on securities. Investment holdings increased 29 million dollars, very largely in United States Government securities.

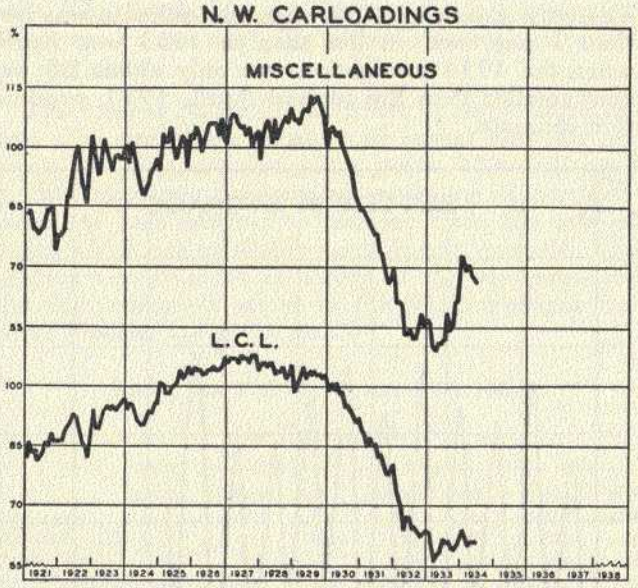
The following table compares the various classes of loans and investments and the deposits on March 5 and June 30 for those banks which were operating members of the Federal Reserve System on March 5.

Loans to Customers, Investments and Deposits of Identical City and Country Member Banks in the Ninth Federal Reserve District on March 5, 1934, and June 30, 1934

(000's omitted)

	— March 5, 1934 —		—June 30, 1934—	
	20 City Member Banks	Country Member Banks	20 City Member Banks	Country Member Banks*
Loans to Customers				
To banks	$ 1,399	$ 1,798	$ 503	$ 1,314
To other customers				
On securities	40,972	23,719	35,902	23,138
On farm land	1,907	13,700	1,474	11,470
On other real estate	6,212	12,896	6,161	11,970
All other (inc. overdrafts)	109,705	70,561	108,147	69,436
Total	$160,195	$122,674	$152,187	$117,328
Investments				
Bankers' acceptances of other banks	$ 1,503	$ 50	$ 2,163	$ 45
Commercial paper	1,624	2,945	2,552	3,555
Brokers' loans	2,232	212	2,839	258
U. S. Securities	110,580	86,980	135,601	90,837
Other securities	55,478	110,771	56,913	113,776
Total	$171,417	$200,958	$200,068	$208,471
Total Loans and Investments	$331,612	$323,632	$352,255	$325,799
Total Deposits	$408,797	$368,634	$434.375	$371,981

*Does not include member banks added since March 5.



Carloadings of Miscellaneous Commodities and Less-than-carlot Freight in the Northwestern District, Adjusted to remove Seasonal Variations.

DISTRICT SUMMARY OF AGRICULTURE

Farm Income

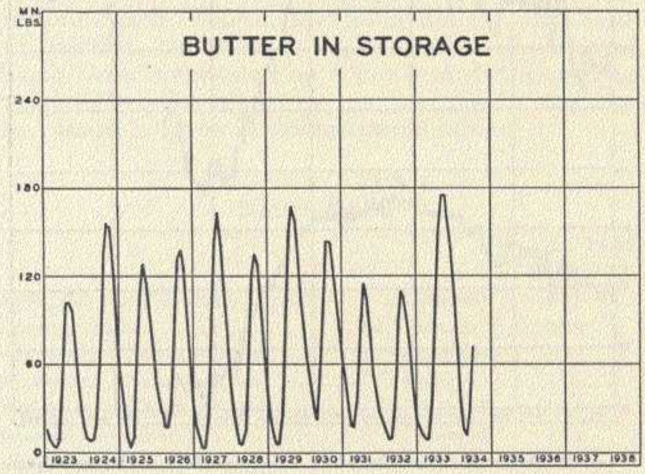
The cash income to northwestern farmers from seven important items was 27 per cent smaller in June than in the same month a year ago. This decrease was chiefly occasioned by the abnormally large movement of grain in the summer of 1933 which furnished an unusual amount of cash income at that time. No such heavy movement of grain has occurred in 1934, and as a result, farm income from grain during June was less than half as large as in June last year, although grain prices in June were higher this year than a year ago. Aside from the grains, there was an increase in income from dairy products, and decreases in income from potatoes and hogs as compared with June last year. These income estimates exclude benefit payments and loans to farmers by Government instrumentalities.

Prices of all of the grains and of steers, lambs, butter, milk, hens and eggs were higher during June than a year ago. Prices of butcher cows, veal calves, hogs, ewes and potatoes were lower than a year ago. Northwestern farm product prices increased from May to June, according to the seasonally corrected index of the University of Minnesota. This index was 56.1 in June, using the years 1924-26 as a base. In May the index was 53.1, and in June last year, the index was 47.7.

Butter

The Government estimate of total United States creamery butter production for May was nearly 9 per cent smaller than for May a year ago. For the first five months of the year, 1934 total production is also about 9 per cent below the 1933 estimates.

The only month in 1934 when the estimate was less than 7 per cent smaller than in 1933 was April, when the 1934 production was only about 3.5 per cent smaller than the revised April, 1933, production estimate.



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

The estimate prepared in this office for creamery butter production in the Ninth Federal Reserve District for the first five months of 1934 showed a larger percentage decrease than the United States figure when compared with the same period in 1933, a decrease of 13 per cent. The principal cause of the decreased butter production in both the Ninth Federal Reserve District and the United States as a whole was the unusually poor condition of pastures because of the drouth, and the larger decrease in the Ninth Federal Reserve District was due to the greater severity of the drouth in this district.

While estimates of total creamery butter production in June will not be available until late in July, early reports from a group of plants that ordinarily produce 25 to 30 per cent of the national total indicate a continued smaller production of approximately 10 per cent. Production at these plants, however, gradually increased during June when compared with corresponding weeks a year previous. During the week ending June 9, 1934, production at these plants was about 15 per cent smaller than in 1933, but in the week ending June 30, it was only 2 per cent smaller than in the corresponding week last year.

As a result of the lower level of butter production in the United States, stocks of butter in cold storage have increased by less than the average amount during the heavy production months of May and June. During these months in 1934, butter stocks in storage increased 59 million pounds, whereas the increase last year was 97 million pounds, and the five-year average increase for the two months was 83 million pounds. Butter prices did not have a midsummer decline this year. The June price in this district was 21¼ cents per pound, which was the same as the price in May, and was higher than the price in any preceding June since 1930. Butter prices have risen during July.

Cold Storage Holdings

Cold storage holdings of important farm products in the United States continued to be satisfactory from the producers' standpoint during the month of June. On July 1 stocks of butter, poultry, beef, pork, lamb and mutton, and miscellaneous meats were all smaller than the five-year average for the date, and stocks of cheese, eggs and lard were larger than the average. During June stocks of butter and lard increased by less than the usual amount, and stocks of pork decreased by slightly more than the usual amount. On the other hand, stocks of cheese and miscellaneous meats increased more than usual during June, and stocks of poultry and beef increased, although there is usually a decrease.

United States Cold Storage Holdings
(In thousands of pounds)

	July 1, 1934	July 1, 1933	July 1 5-Yr. Av.
Beef	45,014	35,136	45,908
Pork	627,965	760,730	756,163
Lamb and Mutton	1,450	1,807	2,677
Miscellaneous Meats	60,797	64,836	72,832
Total Meats	735,226	862,509	877,580
Lard	195,973	186,250	150,439
Cream*	178	194	......
Butter	71,097	106,378	95,661
Cheese	96,473	78,715	80,416
Poultry	40,581	42,705	41,235
Eggs†	12,288	12,307	11,847

*Thousand Cans
†Thousand Cases

Livestock Marketing

Cattle receipts at South St. Paul during June were larger than in any other June on record, partly because of the Government cattle buying operations. However, cattle receipts have been larger each month in the first half of 1934 than in the same months of 1933. Despite the larger receipts, median prices for all classes of cattle were strong during June, and, on the whole, were higher than in any earlier month this year. Toward the end of the month, declines occurred and prices in general worked a little lower during the first three weeks of July. No declines occurred in prices paid for dry-fed, well-finished steers and good bulls, reflecting a shortage of dry-fed offerings and a strong seasonal demand for sausage products.

Feeder and stocker shipments were unusually heavy during the first week of June and again during the third week in July. Total shipments for the month of June and up to July 18 were nearly 50 per cent larger in 1934 than in 1933. Weekly average steer prices during this seven-week period have fluctuated within a 66 cent range, but the range for heifer and calf averages was wider, $1.00 and 92 cents, respectively. During the same seven weeks the "top" price for heavy feeder steers was $5.25 and for light feeder steers $5.50. Both tops were recorded during the first week of July, when the first receipts this season of western cattle arrived at South St. Paul. According to last reports received, buyers were taking fairly large quantities of the large supplies, but were very selective as to price, quality and weight. Heavy mature steers, held over from last fall, did not sell readily even when price concessions were made, but the removal of the Minnesota embargo against western cattle for grazing did broaden the local demand for lighter weights.

Hog receipts at South St. Paul during June were smaller than in June last year, and much smaller than in May, with the result that prices were strong throughout the month, reaching a "top" of $4.80 several times. This was the highest hog price since last October. During the first three weeks of July, hog receipts continued to be smaller than in the same weeks last year. Hot weather and holiday influences combined during the first week of July to effect a moderate price reduction, but no further declines occurred in the second and third weeks. Weekly average prices have been low during the first three weeks of July, mainly on account of the heavy proportion of packing sows. Approximately 50 per cent of the receipts have been packing sows, which sell at prices somewhat lower than butcher hogs.

Sheep receipts at South St. Paul during June were larger than in the corresponding month a year earlier for the first time this year. The increased receipts and a slow demand for dressed lamb and mutton caused considerable price declines during June. Lamb prices continued to decline during the first three weeks of July, but slaughter and breeding ewe prices recovered all of the June loss.

Spring Pig Crop

Important decreases in the 1934 spring pig crop and intentions to breed for fall farrowing were indicated by the United States Department of Agriculture June 1 pig crop report. The number of pigs saved this spring was nearly 15,000,000 head smaller than the number saved in 1933, a decrease of about 28 per cent. South Dakota showed the greatest decline in the entire United States, 47 per cent. A decrease of about 34 per cent was estimated in this office for the Ninth Federal Reserve District.

The number of sows to farrow between June 1 and December 1, 1934, showed even greater decreases when compared with 1933. The United States decrease was about 38 per cent and the Ninth Federal Reserve District decrease was about 40 per cent. The South Dakota decrease in fall farrowing sows was 55 per cent, the largest decrease reported for any state.

The United States Department of Agriculture report also contained revisions of spring and fall pig crops for the three preceding years. These changes in the pig crops necessitated revisions in our estimates of cash income to farmers from the sale of hogs, which are available upon special request. The revised Government estimates of the pig crops for the four complete states in the Ninth Federal Reserve District are given below:

Spring and Fall Pig Crops, 1931-1934

(In Thousands)

	1934	1933		1932		1931	
	Spring	Spring	Fall	Spring	Fall	Spring	Fall
Minnesota	3,012	4,072	1,220	4,002	1,183	5,108	1,416
Montana	140	207	115	190	117	284	155
North Dakota	514	816	127	900	129	1,229	179
South Dakota	1,388	2,628	448	2,145	578	3,591	568
Four States	5,054	7,723	1,910	7,237	2,007	10,212	2,318
United States	37,427	52,022	29,745	50,322	30,679	53,662	28,763

Wheat Stocks on Farms July 1

The Government estimate of wheat stocks on farms in the four northwestern states on July 1 was 17,091,000 bushels. This total was slightly more than half as large as the quantity of wheat on farms a year earlier, and more than twice as large as the amount on farms two years ago. Last year's wheat stocks on farms were abnormally large owing to the delayed marketing of wheat in the fall of 1932, which resulted from exceedingly low prices and the prevalence of crop mortgages.

Wheat Stocks On Farms July 1

(In Thousands of Bushels)

	1932	1933	1934
Minnesota	2,341	3,334	2,000
North Dakota	3,619	12,144	8,500
South Dakota	1,337	8,020	3,328
Montana	1,013	8,898	3,263
	8,310	32,396	17,091

Crop Acreage and Production

The total acreage planted to the eight principal field crops and remaining for harvest on July 1 in the four complete states in the Ninth Federal Reserve District was only 81 per cent of that harvested last year and only 71 per cent of the average of the preceding ten years, according to the United States Department of Agriculture crop report of that date. The greatest decline in acreage was shown by wheat (all spring and winter combined) when compared with 1933, a decrease of 40 per cent. When compared with the ten-year average, a decrease of a little more than 60 per cent was shown by flax.

The July 1 production forecast was smaller than the 1933 production estimates for every one of our eight principal field crops, with the single exception of potatoes. The July 1 potato production forecast, however, was somewhat smaller than the average production for the ten years, 1924-1933.

The United States Department of Agriculture July 1 acreage estimates and production forecasts by states for the several kinds of wheat raised in this district and the seven other principal field crops are given below.

ACREAGE ESTIMATES AND JULY 1, 1934, PRODUCTION FORECASTS, BY STATES, WITH COMPARISONS, UNITED STATES DEPARTMENT OF AGRICULTURE

(000's omitted)

SPRING BREAD WHEAT

	Acreage 1934	Acreage 1933	Forecast 7-1-34	Production 1933	Production 10-yr. Av.
Minn.	1,162	1,383	10,458	13,415	17,712
Mont.	2,226	2,968	14,469	20,776	37,554
No. Dak.	3,730	7,461	20,515	50,735	65,693
So. Dak.	785	981	2,983	3,924	19,414
4 States	7,903	12,793	48,425	88,850	140,373
U. S.	10,450	16,762	82,911	160,261	192,902

DURUM WHEAT

	Acreage 1934	Acreage 1933	Forecast 7-1-34	Production 1933	Production 10-yr. Av.
Minn.	83	88	872	880	2,566
Mont.	25	36	125	252	438
No. Dak.	837	2,093	5,022	14,651	38,049
So. Dak.	116	93	464	326	11,308
4 States	1,061	2,310	6,483	16,109	52,361

ALL SPRING WHEAT

	Acreage 1934	Acreage 1933	Forecast 7-1-34	Production 1933	Production 10-yr. Av.
Minn.	1,245	1,471	11,330	14,295	20,278
Mont.	2,251	3,004	14,594	21,028	37,992
No. Dak.	4,567	9,554	25,537	65,386	103,742
So. Dak.	901	1,074	3,447	4,250	30,722
4 States	8,964	15,103	54,908	104,959	192,734
U. S.	11,511	19,073	89,394	176,383	245,263

ALL WHEAT

	Acreage 1934	Acreage 1933	Forecast 7-1-34	Production 1933	Production 10-yr. Av.
Minn.	1,348	1,629	12,360	16,665	23,313
Mont.	2,868	3,653	21,690	27,194	46,494
No. Dak.	4,567	9,554	25,537	65,386	103,742
So. Dak.	943	1,248	3,636	5,120	32,307
4 States	9,726	16,084	63,223	114,365	205,856
U. S.	43,996	47,518	483,662	527,978	801,766

WINTER WHEAT

	Acreage 1934	Acreage 1933	Forecast 7-1-34	Production 1933	Production 10-yr. Av.
Minn.	103	158	1,030	2,370	3,035
Mont.	617	649	7,096	6,166	8,501
No. Dak.	......	......	......	......	......
So. Dak.	42	174	189	870	1,585
4 States	762	981	8,315	9,406	13,121
U. S.	32,485	28,446	394,268	351,608	556,504

RYE

	Acreage 1934	Acreage 1933	Forecast 7-1-34	Production 1933	Production 10-yr. Av.
Minn.	407	291	3,256	3,638	6,295
Mont.	28	38	168	266	636
No. Dak.	388	571	1,164	3,712	12,550
So. Dak.	82	190	287	760	2,960
4 States	905	1,090	4,875	8,376	22,441
U. S.	2,260	2,358	17,194	21,236	39,500

CORN

	Acreage 1934	Acreage 1933	Forecast 7-1-34	Production 1933	Production 10-yr. Av.
Minn.	4,216	4,846	122,264	142,957	141,180
Mont.	204	215	2,244	2,472	2,547
No. Dak.	1,361	1,334	19,734	20,010	21,236
So. Dak.	3,774	3,370	43,401	40,440	86,464
4 States	9,555	9,765	187,643	205,879	251,427
U. S.	92,526	102,397	2,113,137	2,343,883	2,555,961

FLAX

	Acreage 1934	Acreage 1933	Forecast 7-1-34	Production 1933	Production 10-yr. Av.
Minn.	580	682	3,306	4,365	6,508
Mont.	49	54	147	162	1,081
No. Dak.	361	430	1,264	1,677	7,484
So. Dak.	40	46	100	115	2,691
4 States	1,030	1,212	4,817	6,319	17,764
U. S.	1,133	1,286	5,599	6,806	18,391

OATS

	Acreage 1934	Acreage 1933	Forecast 7-1-34	Production 1933	Production 10-yr. Av.
Minn.	4,080	4,484	69,360	96,406	146,360
Mont.	349	383	5,933	6,511	9,899
No. Dak.	1,277	1,703	12,770	22,139	43,030
So. Dak.	668	696	5,344	5,220	59,800
4 States	6,374	7,266	93,407	130,276	259,089
U. S.	33,348	36,704	567,839	731,524	1,188,518

POTATOES

	Acreage 1934	Acreage 1933	Forecast 7-1-34	Production 1933	Production 10-yr. Av.
Minn.	334	334	23,380	22,712	29,878
Mont.	24	23	2,040	1,955	2,116
No. Dak.	154	150	10,010	9,300	8,278
So. Dak.	56	62	3,080	2,480	4,057
4 States	568	569	38,510	36,447	44,329
U. S.	3,383	3,197	348,092	320,353	352,000

BARLEY

	Acreage 1934	Acreage 1933	Forecast 7-1-34	Production 1933	Production 10-yr. Av.
Minn.	1,665	1,850	24,975	28,675	41,121
Mont.	184	205	2,760	2,768	3,823
No. Dak.	1,556	1,830	14,004	18,300	34,813
So. Dak.	606	493	2,727	3,451	26,028
4 States	4,011	4,378	44,466	53,194	105,785
U. S.	8,712	10,108	125,155	156,988	233,590

TAME HAY

	Acreage 1934	Acreage 1933	Forecast 7-1-34	Production 1933	Production 10-yr. Av.
Minn.	2,496	2,706	1,747	3,130	3,381
Mont.	1,400	1,548	1,610	1,934	1,940
No. Dak.	1,157	1,281	578	919	1,283
So. Dak.	984	1,277	492	778	1,146
4 States	6,037	6,812	4,427	6,761	7,750
U. S.	53,152	53,947	52,020	65,983	70,994

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS	June, '34	June, '33	Per Cent June '34 of June, '33
Debits to Individual Accounts[1]			
All Reporting Cities	$ 25,658,500	$ 25,463,100	101
Minneapolis	11,324,000	12,173,000	93
St. Paul	5,016,000	4,328,000	116
South St. Paul	403,000	385,000	105
Great Lakes Ports	2,104,500	2,483,200	85
Beef and Pork, S.E.	874,100	844,500	104
Beef and Pork, S.W.	860,500	900,700	96
Dairy and Mixed Farming	1,216,100	1,030,300	118
Wheat and Mixed Farming	1,478,500	1,317,800	112
Wheat and Range	788,700	660,500	119
Mining and Lumber	1,593,100	1,340,100	119
Electric Power Consumption (K.W.H.)[1,2]			
Minn., No. Dak. and So. Dak.	4,275,900	3,656,600	117
Montana	2,433,400	1,979,800	123
Country Check Clearings[1]			
Total	$ 3,494,000	$ 2,947,300	119
Minnesota	1,345,700	1,207,500	111
Montana	514,900	408,500	126
North and South Dakota	1,016,400	873,500	116
Michigan and Wisconsin	617,000	457,800	135
Freight Carloadings—N.W. District			
Total—Excluding L.C.L.	316,437	236,143	134
Grains and Grain Products	31,967	46,912	68
Livestock	21,910	17,212	127
Coal	13,084	11,833	111
Coke	4,622	3,883	119
Forest Products	30,131	30,005	100
Ore	91,102	29,424	310
Miscellaneous	123,621	96,874	128
Merchandise—L.C.L.	85,300	86,713	98
Building Permits			
Number—18 Cities	1,050	1,168	90
Value—18 Cities	$ 639,900	$ 936,700	68
Minneapolis	250,700	359,700	70
St. Paul	148,900	309,100	48
Duluth-Superior	44,600	107,200	42
4 Wheat Belt Cities	21,000	72,600	29
6 Mixed Farming Cities	66,300	66,400	100
4 Mining Cities	108,400	21,700	500
Building Contracts Awarded			
Total	$ 4,291,900	$ 2,316,500	185
Commercial	194,600	263,000	74
Factories	115,500	520,200	22
Educational	210,100	164,900	127
Hospitals, etc.	700	0	......
Public Buildings	192,100	7,600	2,528
Religious and Memorial	17,000	105,000	16
Social and Recreational	13,700	25,800	53
Residential	450,800	917,600	49
Public Works	2,898,100	282,000	1,028
Public Utilities	199,300	30,400	656
Real Estate Activity in Hennepin and Ramsey Counties			
Warranty Deeds Recorded	641	535	120
Mortgages Recorded	1,221	729	167
Manufacturing and Mining			
Flour Production at Minneapolis, St. Paul, and Duluth-Superior (Bbls.)	592,734	719,757	82
Flour Shipments at Mpls. (Bbls.)	589,750	683,540	86
Linseed Product Shipments (Lbs.)	9,474,587	15,646,985	61
Copper Output (3 Firms) (Lbs.)	4,066,000	12,357,800	33
Business Failures			
Number	29	87	33
Liabilities	$ 256,428	$ 1,224,310	21

AGRICULTURE	June, '34	June, '33	Per Cent June '34 of June, '33
Farmers' Cash Income			
Total of 7 Items	$ 22,973,000	$ 31,465,000	73
Bread Wheat	4,840,000	9,756,000	50
Durum Wheat	475,000	1,367,000	35
Rye	208,000	1,238,000	17
Flax	580,000	1,127,000	51
Potatoes	91,000	163,000	56
Dairy Products	12,517,000	12,200,000	103
Hogs	4,262,000	5,614,000	76
Butter Production (Lbs.)	48,620,000	57,718,000	84
Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Bread Wheat	4,208,000	11,083,000	38
Durum Wheat	421,000	1,967,000	21
Rye	303,000	2,116,000	14
Flax	305,000	666,000	46
Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)			
Wheat	16,709,283	42,270,237	40
Corn	2,813,516	4,687,454	60
Oats	9,460,618	15,605,348	61
Barley	5,202,877	8,628,014	60
Rye	2,343,333	5,488,424	43
Flax	450,282	958,139	47
Livestock Receipts at South St. Paul (Head)			
Cattle	97,594	61,737	158
Calves	61,029	43,661	140
Hogs	134,051	149,281	90
Sheep	23,292	17,151	136
Median Cash Grain Prices (Bu.)			
Wheat—No. 1 Dark Northern	$1.03⅝	$0.78¾	132
Durum—No. 2 Amber	1.12¾	.70¾	159
Corn—No. 3 Yellow	.54¾	.34	161
Oats—No. 3 White	.42½	.26¼	162
Barley—No. 3	.86	.35⅝	241
Rye—No. 2	.68⅝	.58½	117
Flax—No. 1	1.90	1.69½	112
Median Live Stock Prices (Cwt.)			
Butcher Cows and Heifers	$3.75	$4.00	94
Heavy Butcher Steers (1,100 lbs. and over)	7.25	5.50	132
Light Butcher Steers (under 1,100 lbs.)	6.00	5.15	117
Prime Heavy Butcher Steers (1,100 lbs. and over)	8.35	6.25	134
Prime Light Butcher Steers (under 1,100 lbs.)	7.50	6.00	125
Heavy Stocker and Feeder Steers (800 lbs. and over)	4.00	4.00	100
Light Stocker and Feeder Steers (under 800 lbs.)	3.50	3.60	97
Veal Calves	4.00	4.50	89
Hogs	4.05	4.25	95
Heavy Hogs	4.00	4.10	98
Lambs	8.25	6.00	138
Ewes	1.00	2.00	50
Wholesale Produce Prices			
Butter (Lb.)	$0.21¼	$0.19½	109
Milk (Cwt.)	1.35	1.05	129
Hens (Lb.)	.09	.08½	106
Eggs No. 2 (Doz.)	.10¼	.09⅞*	104
Potatoes (Bu.)	.69	.77	90
TRADE			
City Department Stores[3]			
Sales	$ 4,254,460	$ 4,054,110	105
Merchandise Stocks	8,063,900	7,423,930	111
Receivables	5,404,440	5,081,170	106
Instalment Receivables	1,339,900	1,166,930	115
Country Department and General Stores[3]			
Sales	5,103,150	4,795,660	106
Stocks	5,341,990	4,702,760	169
Country Lumber Yards[3]			
Sales (Bd. Ft.)	6,656,000	7,139,000	93
Lumber Stocks (Bd. Ft.)	62,665,000	56,902,000	110
Total Sales	$ 886,800	$ 771,000	115
Receivables	1,827,000	1,803,600	101
Life Insurance Sales			
Four States	$ 13,864,000	$ 11,855,000	117
Minnesota	10,548,000	8,836,000	119
Montana	1,340,000	1,050,000	128
North Dakota	986,000	860,000	115
South Dakota	990,000	1,109,000	89

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

(Continued)

	June, '34	June, '33	Per Cent June '34 of June, '33
Investment Dealers			
Sales to Banks	$ 3,031,400	$ 1,149,700	264
Sales to Insurance Companies	542,100	224,200	243
Sales to General Public	2,523,200	2,507,600	101
Wholesale Trade			
Groceries[3]			
Sales	$ 3,728,340	$ 3,373,730	111
Stocks	5,364,560	5,019,130	107
Receivables	3,756,470	4,110,060	91
Hardware[3]			
Sales	$ 1,266,990	$ 1,330,830	95
Stocks	2,638,230	2,195,870	121
Receivables	1,323,970	1,341,900	99
Shoes			
Sales	$ 251,520	$ 257,550	98
Stocks	716,180	591,040	121
Receivables	611,840	554,110	110
BANKING			
Member Bank Deposits			
In Cities over 15,000 pop.	$413,617,000	$371,309,000	111
In Cities under 15,000 pop.	285,475,000	242,247,000	118
Michigan—15 Cos.	45,562,000	37,380,000	122
Minnesota	117,737,000	101,287,000	116
Montana	43,740,000	35,705,000	123
North Dakota	26,240,000	24,702,000	106
South Dakota	35,732,000	30,927,000	116
Wisconsin—26 Cos.	16,464,000	12,246,000	134

	June, '34	June, '33	Per Cent June '34 of June, '33
Interest Rates[2]			
Minneapolis Banks	3¾-4	4¼-4½	
Commercial Paper (net to borrower)	1¼	2	
Minneapolis Fed. Res. Bank	3	3½	
Selected City Member Banks	7-18-34	7-19-33	
Loans to Customers	$151,559,000	$172,996,000	88
Other Invested Funds	202,005,000	154,262,000	131
Cash and Due from Banks	134,640,000	115,922,000	116
Deposits Due to Banks	102,095,000	74,747,000	137
Public Demand Deposits	38,670,000	29,130,000	133
Other Demand Deposits	156,042,000	152,635,000	102
Time Deposits	123,895,000	130,717,000	95
Total Deposits	429,418,000	391,316,000	110
Borrowings at Fed. Res. Bank	0	0	.....
Minneapolis Federal Reserve Bank			
Loans to Member Banks	$ 371,000	$ 4,451,000	8
Twin Cities	0	41,000	0
Minn., Wis. and Mich.	161,000	2,000,000	8
N. Dak. and Mont.	86,000	802,000	11
South Dakota	124,000	1,608,000	8
Fed. Res. Notes in Circulation	96,510,600	90,204,000	107
Fed. Res. Bank Note Circulation—Net	0	1,250,500	0
Member Bank Reserve Deposits	75,446,700	51,434,700	147

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

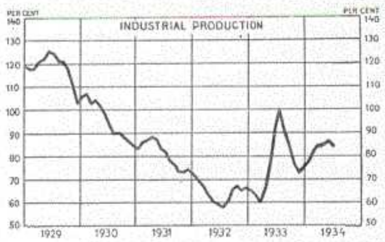
BANK DEBITS

	June 1934	May 1934	June 1933	May 1933
Number of Business Days:				
North Dakota	25	26	26	26
South Dakota	26	25	26	25
All Other States in District	26	26	26	26
	(000's omitted)			
Michigan				
Escanaba (1 Bank)	$ 441	$ 423	$ 346	$ 393
Hancock	950	1,308	956	662
Houghton	1,335	1,515	1,401	1,203
Iron Mountain	1,685	1,687	1,169	1,155
Iron River, Stambaugh	820	779	421	412
Manistique (1 Bank)	155	132	116	117
Marquette	2,532	2,257	2,368	2,191
Menominee	2,301	2,184	1,969	2,116
Sault Ste. Marie	2,241	1,782	1,541	1,508
Minnesota				
Albert Lea	2,247	2,074	2,092	1,969
Austin	3,434	3,882	3,282	3,070
Bemidji	1,054	1,041	707*	839*
Chaska	523	421	447	399
Chisholm	717	533	971	485
Cloquet	1,553	1,166	1,276	1,017
Crookston	1,008	1,006	761*	826*
Detroit Lakes	1,185	905	1,107	817
Duluth	44,636	35,440	56,816	30,712
Ely	486	293	372	288
Faribault (1 Bank)	1,291	1,058	1,131	976
Farmington	130	155	162	151
Fergus Falls	1,728	1,537	2,015	1,600
Glenwood	265	256	275	218
Hutchinson (1 Bank)	517	578	498	480
Lakefield	248	263	311	228
Lanesboro	294	289	254	249
Little Falls	759	648	935	719
Luverne	596	471	628	492
Mankato	4,195	3,936	4,146	3,914
Minneapolis	294,422	288,496	316,510	295,291
Moorhead	1,428	1,293	1,185	1,055
Morris	366	354	319	289
Owatonna	1,992	2,353	1,713	1,936
Park Rapids	260	228	380	140
Red Wing	1,880	1,487	1,577	1,400
Rochester	3,592	3,188	3,592	3,154
St. Cloud	2,781	2,449	....	....
St. Paul	130,425	112,831	112,529	101,594
Sauk Rapids	242	232	....	....
South St. Paul	10,481	10,465	10,999	11,398
Stillwater	1,610	1,266	1,603	1,324
Thief River Falls	812	712	616	597
Two Harbors	307	313	310	262
Virginia	1,741	1,364	1,668	1,116
Wabasha	932	762	827	604
Wells	378	389	....	....
Wheaton	283	239	323	252
Willmar	978	931	....	....
Winona	5,885	5,599	6,376	4,604
Worthington (1 bank)	589	649	514	460
Montana				
Anaconda	1,094	1,056	854	826
Billings	6,256	5,777	5,106	4,544
Bozeman	1,512	1,393	1,636	1,228
Butte (2 banks)	7,828	7,529	6,323	6,840
Deer Lodge	478	422	458	574
Glendive	675	631	694	636
Great Falls	8,776	7,859	8,574	7,668
Harlowton	232	209	365	210
Havre	1,327	1,199	1,050	886
Helena	8,564	6,868	6,475	5,606
Kalispell	1,539	1,358	1,446	1,110
Lewistown	1,262	948	1,436	984
Malta	712	578	463	391
Miles City (1 bank)	1,085	940	1,098	816
North Dakota				
Bismarck	10,286	12,136	9,013	8,950
Devils Lake	1,116	967	934	834
Dickinson	946	1,007	995	814
Fargo	11,527	12,038	11,091	9,892
Grafton	479	527	342	340
Grand Forks	3,703	3,451	3,352†	2,663†
Jamestown	1,622	1,174	1,627	1,283
Mandan	645	982	847	795
Minot	3,611	3,656	3,191	3,616
Valley City	829	748	835	699
Wahpeton	638	682	687	638
Williston	937	992	355	476
South Dakota				
Aberdeen	3,399	3,182	3,464	2,958
Brookings (1 bank)	696	575	688	642
Deadwood	734	1,065	745	646
Huron	2,052	2,070	3,013	2,692
Lead	1,656	1,503	1,585	1,818
Madison	761	785	650	591
Milbank	317	312	406	391
Mitchell	2,158	2,275	2,160	1,667
Mobridge	537	592	414	467
Pierre	2,466	2,618	981	971
Rapid City	1,902	1,996	1,753	1,517
Sioux Falls	11,515	12,102	11,702	11,098
Watertown	1,974	1,893	2,133	1,734
Yankton	1,397	1,503	1,231	1,196
Wisconsin				
Ashland	1,004	1,143	....	....
Chippewa Falls	1,771	1,562	1,365	1,247
Eau Claire	6,084	5,496	4,404	4,009
Hudson	344	449	215	190
La Crosse	6,710	6,507	6,477	5,456
Merrill	1,280	1,139	....	....
Rhinelander	1,588	1,295	1,207	1,013
Superior	3,553	2,841	3,219	2,639
Total for 89 Cities with Comparable Figures for Both Years	$659,859	$619,868	$661,753	$586,515

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

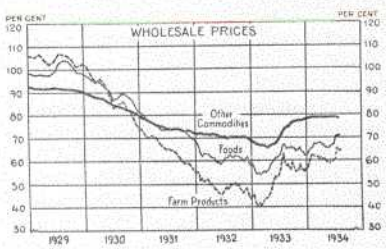
Summary of National Business Conditions

(Compiled July 25 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. (1923-1925 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 July 18.

Industrial production, which had increased during each of the six months from December to May, declined in June by somewhat more than the usual seasonal amount. Factory employment and payrolls also showed decreases which were partly of a seasonal nature. The general level of wholesale commodity prices advanced during June and showed little change during the first three weeks of July.

PRODUCTION AND EMPLOYMENT: The volume of industrial output, as measured by the Board's seasonally adjusted index, decreased from 86 per cent of the 1923-1925 average in May to 84 per cent in June, reflecting chiefly a sharp reduction in activity at cotton textile mills. Production at lumber mills and at coal mines also showed a decline. In the steel and automobile industries, activity decreased in June by an amount somewhat smaller than is usual at this season. Maintenance of activity at steel mills in June reflected in part the accumulation of stocks by consumers, according to trade reports. At the beginning of July the output of steel showed a sharp decline.

Employment at factories decreased somewhat between the middle of May and the middle of June, reflecting reductions in working forces in industries producing textile fabrics, wearing apparel, leather products, automobiles and lumber, offset in part by increases in employment at steel mills and at meat packing establishments.

The value of construction contracts awarded, which had shown little change during May and June, showed an increase in the first half of July, according to the F. W. Dodge Corporation.

Department of Agriculture estimates, based on July 1 conditions, indicated a wheat crop of 484,000,000 bushels, compared with an average of 886,000,000 bushels for the five years 1927-1931, and a corn crop of 2,113,000,000 bushels, compared with the five-year average of 2,516,000,000 bushels. Crops of other grains, hay and tobacco were also estimated to be considerably smaller than usual. The acreage of cotton under cultivation was estimated at 28,000,000 acres, about 2,000,000 less than the acreage harvested last season. In the first three weeks of July, drouth conditions prevailed over wide areas, particularly in the Southwest.

DISTRIBUTION: The number of freight cars loaded per working day showed a further slight increase in June, followed by a decline in the first half of July. Sales by department stores decreased in June by more than the estimated seasonal amount.

WHOLESALE COMMODITY PRICES: Wholesale prices of farm products and foods generally advanced during June, while other commodities as a group showed a slight decline. Hog prices increased considerably in the middle of the month, while wheat declined throughout the month. In the middle of July, wheat prices advanced rapidly to levels above those reached at the end of May, and there was a considerable advance in cotton, while lumber prices declined and finished steel prices were reduced somewhat from the advanced quotations previously announced.

BANK CREDIT: Between June 13 and July 18 member bank reserves increased to a new high level of nearly $4,000,000,000, about $1,850,000,000 in excess of legal requirements. The growth reflected chiefly a further increase in the monetary gold stock. A seasonal increase in demand for currency over the July 4th holiday period was followed by an approximately equal seasonal return flow during the succeeding two weeks. The volume of Reserve Bank credit outstanding showed little change.

At reporting member banks, there was a growth of U. S. Government deposits during the five-week period, reflecting chiefly the purchase in June of new issues of Government securities by the banks. Bankers' balances also increased, but deposits of individuals, firms and corporations have shown little change. Loans declined somewhat, reflecting a decrease in loans to customers, while loans to brokers showed an increase.

Money rates remained practically unchanged at the low level prevailing in June.