

MONTHLY REVIEW

OF AGRICULTURAL AND BUSINESS CONDITIONS

IN THE NINTH FEDERAL RESERVE DISTRICT

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

F. M. BAILEY
Assistant Federal Reserve Agents

E. W. SWANSON
Assistant Federal Reserve Agents

OLIVER S. POWELL, Statistician
H. C. TIMBERLAKE, Asst. Statistician

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DISTRICT SUMMARY OF BUSINESS

Business in the Ninth Federal Reserve District during September held the gains made in August, according to the seasonally adjusted indexes computed by this bank. The country check clearings index rose from 111 in August to 112 in September, making a new high since October, 1929. The index of city department store sales rose from 73 in August to 75 in September, the index of country lumber sales rose from 59 to 68, and the index of miscellaneous freight carloadings increased from 64 to 65. On the other hand, the bank debits index declined from 64 in August to 61 in September, and the index of l.c.l. freight carloadings declined from 61 to 59.

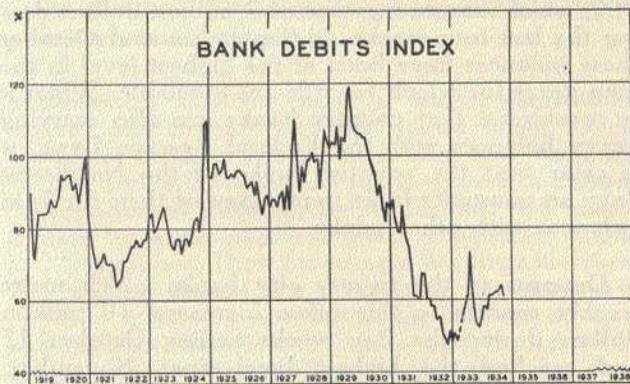
The September business volume was considerably larger than the volume in September last year. Gains were larger in the rural sections than in the cities as a result of government expenditures and higher prices, which together offset the effects of the drouth. Bank debits were 12 per cent higher and country check clearings were 31 per cent higher. Other increases over last year's volume occurred in the movement of live stock, coal and miscellaneous freight, building permits, building contracts, real estate activity in Hennepin and Ramsey counties, flour production and shipments, butter production, country lumber sales, life insurance sales, securities sales, and wholesale trade. Decreases occurred in electric power consumption, freight carloadings of grain and grain products, coke, forest products, copper and iron ore

and l.c.l. merchandise, and linseed products shipments.

In the first half of October bank debits and country check clearings were larger than in the corresponding part of October last year, but freight carloadings were smaller than last year's figures. If the volume in these series is maintained through the rest of October at the level of the first half of the month, the miscellaneous freight carloadings index for October will be slightly higher than the index for September, but the indexes for bank debits, country check clearings, and l.c.l. freight carloadings will be lower than the September indexes.

Retail Trade

Retail trade during September continued to be in larger volume than in the same month last year. The percentage of increase in September over last year's volume was larger than the increase in August, chiefly due to the fact that retail buying spurted strongly in August last year and subsided again in September. City department stores reported an increase of 12 per cent in sales for September over the corresponding month's sales last year. Three hundred and forty-eight country stores reported a September increase of 27 per cent over last year's volume. Every subsection of the district reported an increase in sales over the volume last year. The greatest increases, ranging from 30 to 41 per cent, occurred in the Red River Valley, southwestern Minnesota, eastern South Dakota, and the plains section of Montana.



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

Retail Trade

	% Sept. 1934 of Sept. 1933
Mpls., St. Paul, Duluth-Superior . . . (22 stores)	112
Country Stores (348 stores)	127
Minnesota—Southwestern (46 stores)	136
Minnesota—Southeastern (25 stores)	126
Minnesota—South Central (25 stores)	126
Minnesota—Central (12 stores)	115
Minnesota—Northeastern (11 stores)	125
Minn.-No. Dak., Red River Val. (11 stores)	130
Montana—Mountain (15 stores)	128
Montana—Plains (33 stores)	141
North Dakota (16 stores)	119
South Dakota—Southeastern . . . (18 stores)	119
South Dakota—Other Eastern . . . (50 stores)	140
Northern Wisconsin and Mich. . . (42 stores)	124
Wisconsin—West Central (50 stores)	119
Ninth District (370 stores)	119

City Department Store Sales Index

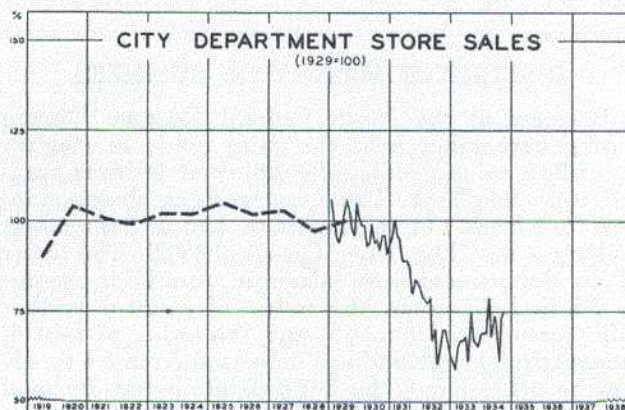
Recently the group of stores in Minneapolis, St. Paul and Duluth-Superior which report their sales to this office monthly, has been expanded considerably. Figures from this representative group of stores furnish an authoritative indication of the trend of department store sales in the larger cities of this district. Monthly statistics from the reporting stores have been secured from January, 1929, to date. On the basis of these figures, a monthly index has been computed eliminating seasonal fluctuations and using the average month in 1929 as the base period. The use of one year as a base is only justified by the short period of the years under discussion, but it happens that for this particular index the year 1929 was probably not very different in dollar volume from the earlier years of the post-war period. The seasonal corrections must be considered as tentative, owing to the abnormality of the years from which the corrections were computed; but from the similarity of the seasonal factors found in this study to those in earlier studies, it is believed that future changes in the seasonal factors will be slight. In the index, allowance was made for the varying date of Easter.

The adjusted index shows that department store business, measured in dollars, declined moderately during 1930. In January and February of 1931 there was a sharp revival of department store sales, but this recovery was short-lived, and was followed by an exceedingly steep decline, reaching a low point in July, 1932, when the adjusted index of sales was only 60 per cent of the 1929 average. The upturn in business in the fall of 1932, which was shown in other business indexes, was reflected in city department store sales. In August, 1932, this index rose to 65, and in September and October to 70. The succeeding decline in general business also occurred in department store sales, and the index declined to 59 in February, 1933.

The recovery after February, 1933, followed the general course of other business indicators. The upturn was sharp until August, 1933, when the index reached 75. There followed a recession to 65 in November, 1933, and then an upturn to 79 in March, 1934. The index in later months has followed an irregular trend, dropping to 61 in July and rising again to 75 in September.

This office has been collecting monthly sales figures from a smaller number of department stores in these cities since 1919. While it is not absolutely certain that the trend of sales at this smaller group of stores was identical with that for the larger group whose figures are available beginning with 1929, it is believed that the smaller group of stores provides a fairly satisfactory index of the trend of department store business from 1919 to 1929 inclusive. To indicate this trend, there is shown on the following

chart a broken line representing the average volume of sales of these stores in each year from 1919 to 1929, expressed as a percentage of their sales in 1929. This curve indicates that there was a sharp upturn in department store sales in 1920, a moderate decline in 1921 and 1922, and an increase thereafter to a peak in 1925. Sales then declined to a level in 1928 which was somewhat lower than the level in 1922, as measured in dollars, and increased moderately in 1929.

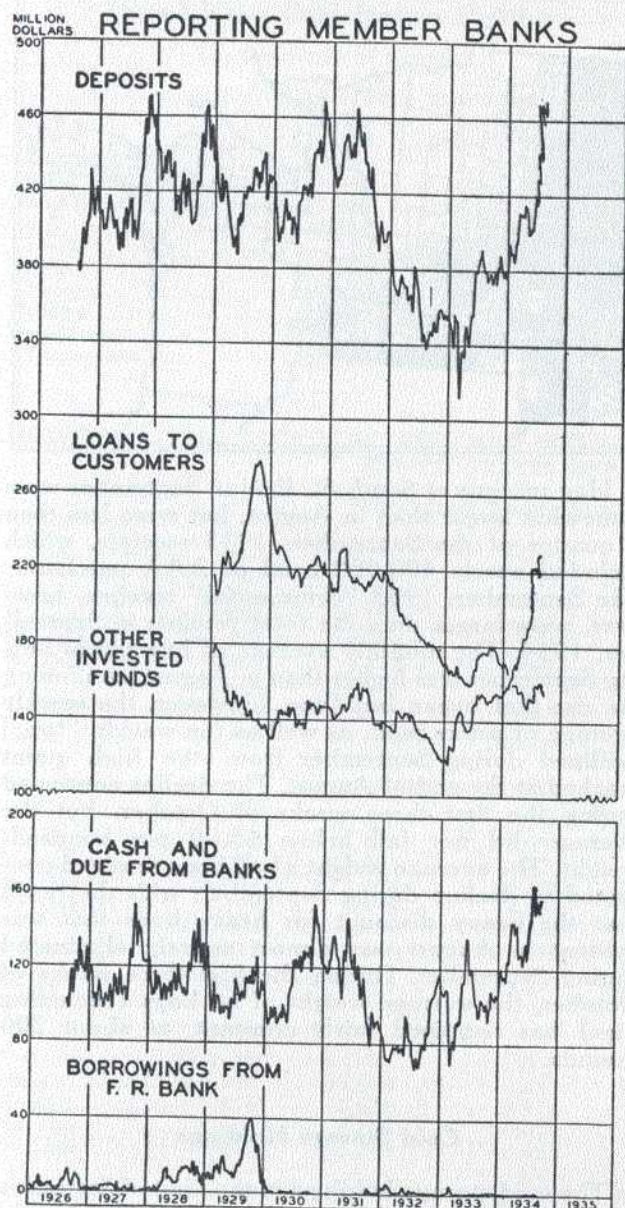


Index of Department Store sales at Minneapolis, St. Paul, and Duluth-Superior, adjusted for seasonal variations.

DISTRICT SUMMARY OF BANKING

Bank deposits in the district have continued to increase during recent weeks. At country member banks, the daily average of deposits in September was 6 million dollars larger than the daily average in August and 48 million dollars larger than the daily average in September last year. All states in the district shared in this increase over last month and over last year. The increase in deposits of country banks has enabled them to increase their balances due from city correspondent banks. On October 17 the city correspondent banks which make weekly reports to this office reported that their deposits due to country banks amounted to \$117,500,000, which was an increase of 2 million dollars during the last four weeks. In September and October these balances have been at the highest level in the nine years for which records are available. When it is considered that country banks are also carrying heavy balances with the Federal Reserve Bank, it is clear that the country banks of the Northwest have an unusually large percentage of their funds in balances with other banks.

Deposits in the twenty city banks which make weekly reports to this office increased 10 million dollars during the four weeks ending October 17 and reached the highest level since November, 1930. The increase in recent weeks was chiefly in demand deposits of business firms and individuals, which rose 7½ million dollars. There were also



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

increases in deposits due to banks (mentioned above) and in time deposits, partly offset by decreases in deposits of state and municipal funds and United States Government funds. Loans to customers reported by these city banks declined $4\frac{1}{2}$ million dollars from the seasonal peak reached in August and September. Their investment holdings increased $2\frac{1}{2}$ million dollars. As a result of the increase in deposits without a corresponding increase in loans and investments, the city banks experienced an increase of 7 million dollars in balances due from banks. This brought their balances due from banks up to the highest point on record, with the exception of one week in September of this year.

DISTRICT SUMMARY OF AGRICULTURE

Farm Income

Farm income in this district from seven important items, not including AAA rental and benefit payments, is estimated at \$35,745,000 in September, which was only 2 per cent below the income from these items in September last year. The larger part of this improvement in the comparative record of farm income was due to dairy products, where a small increase in butter production, together with an increase of almost one-third in the price paid in September for August production, caused an increase of 34 per cent in the dairy product income to the district during September, as compared with the same month last year. The income from hogs and durum wheat was also larger in September than a year ago, but the income from bread wheat, rye, flax, and potatoes was smaller than last year's September income.

Prices of every important northwestern farm product, except lambs, ewes, and potatoes, were higher in September than a year ago. The composite index of Minnesota farm prices rose from 72.4 in August to 81.5 in September. In other words, the average price in September of those farm products which are important in the Northwest was 18.5 per cent below the average for the years 1924-26. This price index, which includes a seasonal correction, is computed by the University of Minnesota.

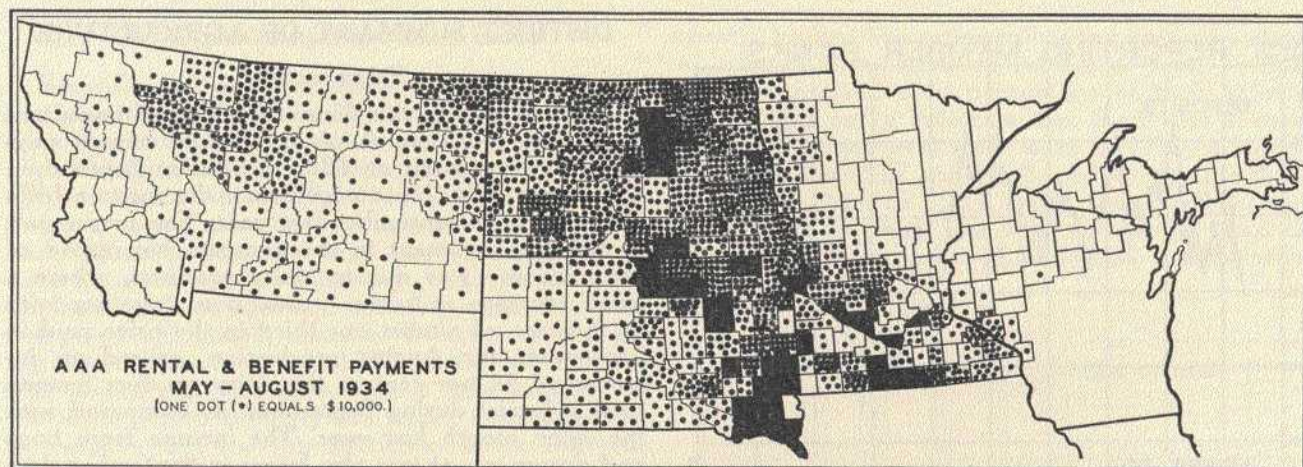
AAA Rental and Benefit Payments

From May through August of 1934 the Agricultural Adjustment Administration paid to farmers in the four northwestern states a total of \$8,312,270 in rental and benefit payments in connection with the programs to reduce production of wheat and hogs. In September an additional sum of \$6,272,805 was paid to farmers in these states for the same purposes. These notable additions to the cash receipts of farmers have played an important part in maintaining the level of rural retail trade in spite of the disastrous effects of the drouth.

AAA Rental and Benefit Payments in Minnesota, Montana, North Dakota, and South Dakota

	May 1934 through Aug. 1934	Sept. 1934	5-month Total
Minnesota	\$3,805,183	\$3,749,247	\$ 7,554,430
Montana	393,633	116,021	509,654
North Dakota	677,903	468,579	1,146,482
South Dakota	3,435,551	1,938,958	5,374,509
4 States	\$8,312,270	\$6,272,805	\$14,585,075

The accompanying map of the Ninth Federal Reserve District shows the distribution of AAA rental and benefit payments during the four months from May, 1934 through August, 1934. County data for September are not yet available.



Livestock Markets

Receipts of cattle and calves at South St. Paul during September were far in excess of receipts during the same month in any recent year, largely because of Government shipments which accounted for about half of the total receipts for the entire month. During the first three weeks of October, receipts have been reduced largely as a result of decreased Government drouth relief buying.

September median prices of cattle showed gains over the preceding month in nearly all classes. The largest increase was in the price of prime light butcher steers (under 1100 pounds), although the increase in prime heavy butcher steers was only slightly less. Ordinary butcher steer prices were unchanged from the preceding month for steers under 1100 pounds, and much lower for steers 1100 pounds and over. The September median prices, however, were above those of a year ago for all classes of cattle for which medians are computed by this office. Since October 1, the average quality of the commercial receipts has declined somewhat owing to a larger proportion of thin and grassy cows, but a relatively strong demand has prevented serious price declines.

Moderate supplies of stock and feeder cattle at South St. Paul were sold at prices slightly higher in September than in the preceding month. The number of feeder cattle shipped from South St. Paul in September was one-third smaller than the August shipments, but more than twice as large as in September last year. Large increases in feeder cattle shipments over 1933 occurred at other midwest markets, according to the October 1 cattle feeding situation statement by the United States Department of Agriculture. Total inspected feeder cattle shipments into corn belt states were 50 per cent larger than in 1933 and 18 per cent above the five-year average. High quality lightweight feeders were in strong demand throughout the month, and the small supply was readily absorbed at higher prices. During the first three weeks in October, receipts of quality feeders in both the light and heavy classes decreased further. Demand for feeder cattle also decreased, however, as a result of disappointing decreases in actual corn production.

Hog receipts at South St. Paul in September were somewhat larger than in August, but were less than a quarter of the September, 1933 receipts, which included nearly 400,000 head of AAA purchases. The September, 1933 "commercial" receipts, however, were larger than the total receipts in September, 1934. The monthly average of hog prices during September was higher than in August, continuing the rise that began last June. However, the weekly average of prices paid, as well as the weekly "top," declined during September from the high point reached at the end of August. The decline continued during the first three weeks of October, but the average did not fall below \$5.00 per hundred-weight. The average weight of all hogs received continued to decline during September, with the result that the heavy discount for heavy hogs that was evident in August was almost entirely eliminated during September. During the first three weeks of October, the average weight of all hogs (excluding pigs) has remained fairly constant, at about 200 pounds.

Cold Storage Holdings

The cold storage holdings in the United States for those products which are important in the Northwest grew relatively heavier during September. There were small increases during the month in storage holdings of butter and cheese, whereas usually there are decreases in these commodities during September. Holdings of pork decreased during the month by only 18 million pounds, whereas the five-year average decrease for the month is 110 million pounds. In the case of beef, the increase in storage holdings during September was larger than the average increase. On the other hand, cold storage holdings of lard decreased during September by more than the usual amount. There were seasonal increases in holdings of poultry, lamb and mutton, and a seasonal decrease in eggs. Cold storage holdings on October 1 were larger than the five-year average for cheese, poultry, beef, miscellaneous meats and lard. Holdings were smaller than the five-year average for butter, eggs, pork, and lamb and mutton.

United States Cold Storage Holdings

(In thousands of pounds)

	Oct. 1, '34	Oct. 1, '33	Oct. 1 5-yr. Av.
Beef	92,696	51,198	45,746
Pork	524,234	630,437	530,301
Lamb and Mutton	2,399	1,886	2,842
Miscellaneous Meats	104,656	64,805	62,787
Total Meats	723,985	748,326	641,676
Lard	127,847	192,061	109,087
Cream*	145	200	.....
Butter	125,916	174,713	126,877
Cheese	127,476	113,131	99,940
Poultry	55,271	50,177	49,359
Eggs†	9,657	10,128	10,017
*Thousand Cans.		†Thousand Cases.	

October 1 Crop Estimates

The Government forecasts and estimates of crops in this district made on October 1 did not change the record materially from the figures released a month earlier. The largest changes were a reduction in the corn forecast of more than 17 million bushels, and a reduction of 3 million bushels in barley. All of the northwestern crops for which October 1 figures were released were smaller than the crops of 1933, and all crops except potatoes and tame hay were less than half as large as the ten-year average.

OCTOBER 1, 1934, CROP FORECASTS AND PRELIMINARY ESTIMATES OF PRODUCTION, WITH COMPARISONS
UNITED STATES DEPARTMENT OF AGRICULTURE

(Production figures in thousands of bushels, except hay)

SPRING BREAD WHEAT

	10-1-34	9-1-34	1933	10-Yr. Av.
Minn.	10,458	10,458	13,415	17,712
Mont.	18,921	17,808	20,776	37,554
No. Dak.	18,650	18,650	50,735	65,693
So. Dak.	1,962	2,748	3,924	19,414
4 States	49,991	49,664	88,850	140,373
U. S.	90,508	86,682	160,261	192,902

DURUM WHEAT

	10-1-34	9-1-34	1933	10-Yr. Av.
Minn.	954	954	880	2,566
Mont.	162	175	252	438
No. Dak.	4,604	4,604	14,651	38,049
So. Dak.	232	348	326	11,308
4 States	5,952	6,081	16,109	52,361
U. S. ....	.....	.....	.....	.....

ALL SPRING WHEAT

	10-1-34	9-1-34	1933	10-Yr. Av.
Minn.	11,412	11,412	14,295	20,278
Mont.	19,083	17,983	21,028	37,992
No. Dak.	23,254	23,254	65,386	103,742
So. Dak.	2,194	3,096	4,250	30,722
4 States	55,943	55,745	104,959	192,734
U. S.	96,460	92,763	176,370	245,263

ALL WHEAT

	10-1-34	9-1-34	1933	10-Yr. Av.
Minn.	12,339	12,339	16,665	23,313
Mont.	27,413	26,313	27,194	46,494
No. Dak.	23,254	23,254	65,386	103,742
So. Dak.	2,362	3,264	5,120	32,307
4 States	65,368	65,170	114,365	205,856
U. S.	496,982	493,285	527,978	801,766

CORN

	10-1-34	9-1-34	1933	10-Yr. Av.
Minn.	80,104	94,860	142,957	141,180
Mont.	1,836	1,836	2,472	2,547
No. Dak.	5,444	8,166	20,010	21,236
So. Dak.	13,209	13,209	40,440	86,464
4 States	100,593	118,071	205,879	251,427
U. S.	1,416,772	1,484,602	2,343,883	2,555,961

OATS

	10-1-34	9-1-34	1933	10-Yr. Av.
Minn.	75,480	75,480	96,406	146,360
Mont.	6,456	5,933	6,511	9,899
No. Dak.	8,939	8,939	22,139	43,030
So. Dak.	3,407	3,674	5,220	59,800
4 States	94,282	94,026	130,276	259,089
U. S.	545,938	545,870	731,524	1,188,518

FLAXSEED

	10-1-34	9-1-34	1933	10-Yr. Av.
Minn.	3,480	3,480	4,365	6,508
Mont.	98	98	162	1,081
No. Dak.	830	830	1,677	7,484
So. Dak.	60	100	115	2,691
4 States	4,468	4,508	6,319	17,764
U. S.	5,228	5,253	6,806	18,391

BARLEY

	10-1-34	9-1-34	1933	10-Yr. Av.
Minn.	25,808	25,808	28,675	41,121
Mont.	2,944	2,760	2,768	3,823
No. Dak.	7,780	9,336	18,300	34,813
So. Dak.	2,000	3,333	3,451	26,028
4 States	38,532	41,237	53,194	105,785
U. S.	122,240	122,963	156,988	233,590

POTATOES

	10-1-34	9-1-34	1933	10-Yr. Av.
Minn.	23,380	23,380	22,712	29,878
Mont.	1,920	2,040	1,955	2,116
No. Dak.	6,930	7,392	9,300	8,278
So. Dak.	1,400	1,960	2,480	4,057
4 States	33,630	34,772	36,447	44,329
U. S.	362,391	337,141	320,353	352,000

TAME HAY (Thousand Tons)

	10-1-34	9-1-34	1933	10-Yr. Av.
Minn.	1,947	1,872	3,130	3,381
Mont.	1,400	1,400	1,934	1,940
No. Dak.	463	463	919	1,283
So. Dak.	394	443	778	1,146
4 States	4,204	4,178	6,761	7,750
U. S.	52,441	50,727	65,983	70,994

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

	Per Cent Sept., '34 of Sept., '33				Per Cent Sept., '34 of Sept., '33		
GENERAL BUSINESS							
Debits to Individual Accounts ¹							
All Reporting Cities.....	\$ 29,117,600	\$ 25,934,200	112	Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Minneapolis	13,518,000	12,629,000	107	Bread Wheat	5,623,000	12,581,000	45
St. Paul	5,271,000	4,275,000	123	Durum Wheat	1,797,000	1,904,000	94
South St. Paul	599,000	694,000	86	Rye	374,000	611,000	61
Great Lakes Ports	2,121,500	2,122,600	100	Flax	1,173,000	1,581,000	74
Beef and Pork, S.E.	893,400	767,400	116	Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)			
Beef and Pork, S.W.	953,400	830,200	115	Wheat	27,500,098	50,350,351	55
Dairy and Mixed Farming ..	1,303,200	1,100,700	118	Corn	11,038,182	6,518,916	169
Wheat and Mixed Farming ..	1,683,800	1,428,600	118	Oats	14,053,371	28,409,455	49
Wheat and Range	930,800	634,600	147	Barley	9,896,517	11,527,483	86
Mining and Lumber	1,843,500	1,452,100	127	Rye	4,192,541	6,292,575	67
				Flax	1,008,438	1,833,782	55
Electric Power Consumption (K.W.H.) ^{1,2}							
Minn., No. Dak. and So. Dak.	5,069,700	4,428,800	114	Livestock Receipts at South St. Paul (Head)			
Montana	1,484,100	3,143,400	47	Cattle	274,132	103,541	265
Country Check Clearings ³							
Total	\$ 4,092,400	\$ 3,121,600	131	Calves	98,708	39,022	253
Minnesota	1,550,300	1,248,500	124	Hogs	123,840	534,008	23
Montana	661,200	425,800	155	Sheep	301,230	258,126	117
North and South Dakota	1,222,200	906,300	135	Median Cash Grain Prices (Bus.)			
Michigan and Wisconsin	658,700	541,000	122	Wheat—No. 1 Dark Northern.....	\$ 1.21	\$.89 1/4	136
Freight Carloadings—N.W. District							
Total—Excluding L.C.L.	321,169	324,740	99	Durum—No. 2 Amber	1.53	.99	155
Grains and Grain Products	40,789	41,136	99	Corn—No. 3 Yellow .....	.77%	.42 1/2	185
Livestock	45,381	27,039	163	Oats—No. 3 White .....	.56	.35	160
Coal	24,999	22,513	111	Barley—No. 3	1.03	.....	.....
Coke	3,215	4,545	71	Maltin Barley—No. 3	1.14	.....	.....
Forest Products	24,772	26,845	92	Rye—No. 2 .....	.87 1/2	.71 1/2	122
Ore	63,449	96,008	66	Flax—No. 1	2.00	1.89	106
Miscellaneous	118,564	106,654	111	Median Live Stock Prices (Cwt.)			
Merchandise—L.C.L.	79,616	82,581	96	Butcher Cows and Heifers	\$ 3.50	\$ 3.00	117
Building Permits							
Number—18 Cities	1,096	986	111	Heavy Butcher Steers (1,100 lbs. and over)	5.25	5.00	105
Value—18 Cities	\$ 1,093,100	\$ 809,900	135	Light Butcher Steers (Under 1,100 lbs.)	6.00	5.25	114
Minneapolis	351,300	290,700	121	Prime Heavy Butcher Steers (1,100 lbs. and over)	9.35	6.00	156
St. Paul	485,500	345,200	141	Prime Light Butcher Steers (Under 1,100 lbs.)	9.00	6.00	150
Duluth-Superior	46,000	46,100	100	Heavy Stocker and Feeder Steers (800 lbs. and over)	3.60	3.00	120
4 Wheat Belt Cities	53,300	37,200	143	Light Stocker and Feeder Steers (Under 800 lbs.)	4.00	3.60	111
6 Mixed Farming Cities	134,100	64,000	210	Veal Calves	6.00	5.50	120
4 Mining Cities	22,900	26,700	86	Hogs	6.85	4.15	165
Building Contracts Awarded							
Total	\$ 6,385,700	\$ 6,277,100	102	Heavy Hogs	6.65	3.50	190
Commercial	481,400	104,600	460	Lambs	6.00	6.50	92
Factories	148,700	608,400	24	Ewes	2.25	2.25	100
Educational	791,000	18,000	4,394	Wholesale Produce Prices			
Hospitals, etc.	13,700	29,000	47	Butter (Lb.)	\$.22 3/4	\$.21 1/4	107
Public Buildings	187,600	29,000	647	Milk (Cwt.)	1.57	1.32	119
Religious and Memorial	24,200	68,500	35	Hens (Lb.) .....	.11 1/2	.08	144
Social and Recreational	165,500	12,000	1,379	Eggs (Doz.) .....	.15 3/4	.13	121
Residential	439,000	287,100	153	Potatoes (Bu.) .....	.70	.81	86
Public Works	3,342,000	4,964,000	67	TRADE			
Public Utilities	792,600	156,500	506	City Department Stores ⁴			
Real Estate Activity in Hennepin and Ramsey Counties							
Warranty Deeds Recorded	845	573	147	Sales	\$ 4,963,880	\$ 4,436,410	112
Mortgages Recorded	1,766	719	246	Merchandise Stocks	8,487,230	8,877,500	96
Manufacturing and Mining							
Flour Production at Minneapolis, St. Paul, and Duluth-Superior (Bbls.) ..	690,656	636,612	108	Receivables	5,439,690	5,321,430	102
Flour Shipments at Mpls. (Bbls.) ..	653,988	603,897	108	Instalment Receivables	1,366,810	1,302,510	105
Linseed Product Shipments (Lbs.) ..	9,696,411	11,859,684	82	Country Department and General Stores ⁵			
Copper Output (3 Firms) (Lbs.)	8,390,200	11,668,000	72	Total Sales	\$ 4,364,080	\$ 3,425,820	127
Business Failures							
Number	19	43	44	Stocks	6,640,270	6,225,010	106
Liabilities	\$ 192,248	\$ 460,749	42	Country Lumber Yards ⁶			
AGRICULTURE							
Farmers' Cash Income							
Total of 7 Items	\$ 35,745,000	\$ 36,322,000	98	Sales (Bd. Ft.)	9,251,000	7,965,000	116
Bread Wheat	7,702,000	12,522,000	62	Lumber Stocks (Bd. Ft.)	61,864,000	64,434,000	96
Durum Wheat	2,749,000	1,885,000	146	Total Sales	\$ 1,253,400	\$ 1,076,400	116
Rye	326,000	437,000	75	Receivables	2,231,000	2,075,500	107
Flax	2,346,000	2,988,000	79	Life Insurance Sales			
Potatoes	2,475,000	3,136,000	79	Four States	\$ 12,069,000	\$ 10,713,000	113
Dairy Products	13,818,000	9,955,000	134	Minnesota	9,426,000	8,055,000	117
Hogs	6,829,000	5,399,000	126	Montana	1,134,000	1,013,000	112
Butter Production (Lbs.)	47,024,000	45,866,000	103	North Dakota	807,000	826,000	98
				South Dakota	702,000	819,000	86

NINTH FEDERAL RESERVE DISTRICT

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

	Sept., '34	Sept., '33	Per Cent Sept., '34 of Sept., '33		Sept., '34	Sept., '33	Per Cent Sept., '34 of Sept., '33
Investment Dealers				Interest Rates²			
Sales to Banks.....	\$ 3,244,800	\$ 994,300	326	Minneapolis Banks	3 3/4-4	4 1/4-4 1/2	
Sales to Insurance Companies.....	499,500	122,700	407	Commercial Paper (net to borrower)....	1 1/4	1 1/2	
Sales to General Public.....	3,172,900	2,150,600	148	Minneapolis Fed. Res. Bank.....	3	3 1/2	
Wholesale Trade				Selected City Member Banks			
Groceries³				Loans to Customers.....	Oct. 17, '34	Oct. 18, '33	
Sales	\$ 3,881,240	\$ 3,313,930	117	Other Invested Funds.....	\$153,696,000	\$178,155,000	86
Stocks	5,907,110	5,674,280	104	Cash and Due from Banks.....	209,845,000	151,078,000	139
Receivables	3,888,780	4,114,770	95	Deposits Due to Banks.....	159,561,000	102,235,000	156
Hardware³				Public Demand Deposits.....	117,525,000	73,120,000	161
Sales	\$ 1,530,360	\$ 1,303,920	117	Other Demand Deposits.....	35,987,000	22,277,000	162
Stocks	2,402,890	2,348,490	102	Time Deposits	180,189,000	154,820,000	116
Receivables	1,439,590	1,439,740	100	Total Deposits	125,122,000	124,665,000	100
Shoes				Borrowings at Fed. Res. Bank.....	467,397,000	379,193,000	123
Sales	\$ 443,010	\$ 406,550	109		0	81,000	.....
Stocks	640,220	600,580	107	Minneapolis Federal Reserve Bank			
Receivables	889,000	944,000	94	Loans to Member Banks.....	\$ 45,000	\$ 3,149,000	1
BANKING				Twin Cities	0	231,000	.....
Member Bank Deposits				Minn., Wis. and Mich.....	7,000	1,105,000	1
In Cities over 15,000 pop.....	\$444,920,000	\$384,044,000	116	N. Dak. and Mont.....	38,000	540,000	7
In Cities under 15,000 pop.....	297,696,000	249,270,000	119	South Dakota	0	1,273,000	.....
Michigan—15 Cos.....	45,579,000	39,019,000	117	Fed. Res. Notes in Circulation.....	107,025,000	93,714,000	114
Minnesota	122,242,000	103,295,000	118	Fed. Res. Bank Note Circulation—Net	0	2,797,000	.....
Montana	46,078,000	36,754,000	125	Member Bank Reserve Deposits.....	93,811,000	51,097,000	184
North Dakota	27,932,000	25,687,000	109				
South Dakota	38,674,000	31,276,000	124				
Wisconsin—26 Cos.....	17,191,000	13,239,000	130				

¹Daily Averages.

²Latest Reported Data.

³Figures for the various items in this section not always from identical firms.

BANK DEBITS

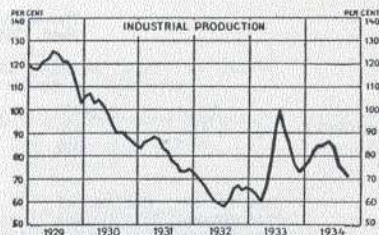
	September 1934	August 1934	September 1933	August 1933		September 1934	August 1934	September 1933	August 1933
Number of Business days:					Montana				
All States in District.....	24	27	25	27	Anaconda	943	953	1,048	1,144
(000's omitted)					Billings	6,407	6,436	5,174	5,043
Michigan					Bozeman	2,523	1,801	1,322	1,888
Calumet (1 bank).....	\$ 636	\$ 654	\$ 473	\$ 409	Butte (2 banks).....	7,112	8,192	6,053	6,722
Escanaba (1 bank).....	574	466	473	409	Deer Lodge	460	465	312	344
Hancock	770	1,010	1,376	766	Glendive	784	655	603	517
Houghton	1,426	1,365	1,476	1,388	Great Falls	13,226	15,126	9,294	9,466
Iron Mountain	1,600	1,583	1,785	1,097	Harlowton	255	273	207	197
Iron River, Stambaugh.....	835	784	519	462	Havre	1,304	1,280	965	946
Ironwood (1 bank).....	649	756	.....	.....	Helena	9,158	8,823	5,387	6,033
Laurium (1 bank).....	317	314	.....	.....	Kalispell	1,630	2,637	1,316	1,232
Manistique (1 bank).....	206	142	143	162	Lewistown	1,453	1,284	1,112	996
Marquette	2,534	2,557	2,700	2,430	Malta	706	706	332	314
Menominee	2,004	1,898	2,195	1,970	Miles City (1 bank).....	1,076	970	835	893
Sault Ste. Marie.....	2,198	2,076	1,903	1,936	North Dakota				
Minnesota					Bismarck	10,681	12,736	6,977	10,762
Albert Lea	1,994	1,956	1,944	1,537	Devils Lake	1,172	975	1,132	941
Austin	3,440	3,545	2,838	2,677	Dickinson	997	942	932	845
Bemidji (2 banks).....	1,136	1,091	801*	756*	Fargo	13,677	12,646	13,161	11,505
Chaska	489	427	387	431	Grafton	958	687	706	495
Chisholm	628	739	624	829	Grand Forks	4,181	4,014	3,861†	3,430†
Cloquet	1,217	1,249	1,470	1,320	Jamestown	1,305	1,294	1,669	1,573
Crookston	1,733	1,375	921*	818*	Mandan	670	765	660	666
Detroit Lakes	1,020	1,083	898	837	Minot	3,294	3,410	3,939	4,028
Duluth	46,794	39,881	44,673	48,286	Valley City	921	851	1,015	840
Ely	335	467	272	374	Wahpeton	685	791	729	661
Faribault (1 bank).....	1,214	1,088	976	1,107	Williston	988	965	923	668
Farlington	140	131	142	144	South Dakota				
Fergus Falls	1,392	1,285	1,632	1,501	Aberdeen	3,722	3,776	2,869	2,660
Glenwood	222	244	214	206	Brookings (1 bank).....	911	549	524	459
Hutchinson	499	473	.....	.....	Deadwood	946	945	828	770
Lakefield	308	320	197	278	Huron	2,033	1,958	2,502	2,655
Lanesboro	208	183	192	178	Lead	1,542	1,536	1,796	1,361
Little Falls	680	656	652	664	Madison	765	731	505	483
Luverne	749	762	466	499	Milbank	323	305	307	271
Mankato	4,550	4,720	4,873	4,175	Mitchell	2,236	2,269	2,322	1,824
Minneapolis	324,440	325,939	315,732	349,543	Mobridge	500	527	384	399
Moorhead	1,901	1,892	1,839	1,295	Pierre	2,767	2,859	772	832
Morris	392	376	293	268	Rapid City	1,950	2,107	1,713	1,594
Owatonna	1,907	2,086	2,107	1,439	Sioux Falls	11,299	11,413	10,611	11,871
Park Rapids	287	252	189	204	Watertown	2,065	1,972	1,771	1,686
Red Wing	1,689	1,658	1,540	1,440	Yankton	1,533	1,300	1,140	1,139
Rochester	3,482	3,508	3,073	2,901	Wisconsin				
St. Cloud	2,357	2,438	.....	.....	Ashland	992	1,208	.....	.....
St. Paul	126,508	121,332	106,881	98,852	Chippewa Falls	1,377	1,566	1,410	1,352
Sauk Rapids	241	306	.....	.....	Eau Claire	4,958	5,171	4,294	4,498
South St. Paul.....	14,384	11,728	17,368	12,610	Hudson	314	348	179	215
Stillwater	1,815	1,957	1,586	1,644	La Crosse	5,913	6,373	6,368	6,750
Thief River Falls.....	1,192	959	892	584	Merrill	1,137	1,166	.....	.....
Two Harbors	428	401	279	331	Rhineland	1,402	1,645	1,140	1,292
Virginia	1,284	1,915	1,221	1,553	Superior	3,219	3,258	3,038	2,991
Wabasha	727	743	633	568					
Wells	345	402	.....	.....			
Wheaton	287	247	285	260					
Willmar	900	1,038	.....	.....			
Winona	5,984	5,223	4,938	4,620					
Worthington (1 bank).....	654	623	411	421					

Total for 88 cities with comparable figures for both years...\$697,048 \$687,721 \$644,563 \$667,567

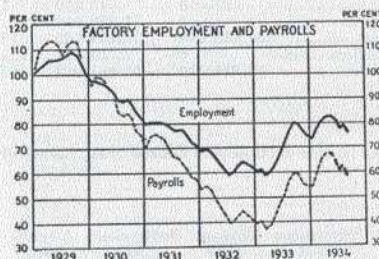
*Figures for a smaller number of banks.

†Including one bank operated by a conservator.

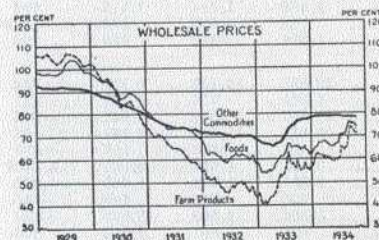
Summary of National Business Conditions (Compiled October 23 by Federal Reserve Board)



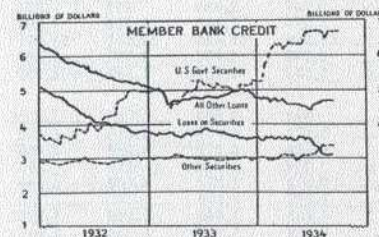
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.)



Indexes of United States Bureau of Labor Statistics; without adjustment 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 October 17.

The volume of industrial production remained unchanged in September when there is usually a seasonal increase, and factory employment and payrolls declined. An important factor in the decrease was the strike in the textile industry. Retail trade in rural districts showed a large increase, and sales at department stores in cities also increased, though somewhat less than seasonally. Deposits at banks and commercial loans continued to increase.

PRODUCTION AND EMPLOYMENT: The volume of industrial production, as measured by the Board's seasonally adjusted index, declined from 73 per cent of the 1923-1925 average in August to 71 per cent in September. There were substantial declines in activity at cotton and woolen mills, reflecting the influence of the textile strike, and in the output of shoes, automobiles, and lumber. After the termination of the strike, textile production increased. Steel mill operations, which had declined sharply during the summer, have been at a higher level in recent weeks than in the early part of September. Production of beef and lamb increased further in September, reflecting in part the disposal of animals bought in the drouth areas by the Federal government. Wheat flour production and sugar meltings also were larger in September. Output of anthracite and bituminous coal showed a larger than seasonal increase.

Factory employment and payrolls declined considerably in September, largely as a result of the textile strike. The number of workers employed was substantially reduced in the automobile, iron and steel, and shoe industries, as well as in the basic textile industries. There was a larger than seasonal increase in employment in clothing industries, while in the nonferrous metals, building materials, food products, and paper and printing industries employment was sustained. Among non-manufacturing lines, employment increased seasonally from August to September at coal mines and in retail trade. There was also a substantial increase in the number of persons provided with work by the Emergency Work Program of the Federal Relief Administration, while employment on public works decreased somewhat.

The value of construction contracts awarded, as reported by the F. W. Dodge Corporation, continued in about the same volume during September as in other recent months.

Department of Agriculture crop reports for October 1 indicated a cotton crop of 9,443,000 bales as compared with a yield of 13,047,000 bales last year. The corn crop, which averaged 2,516,000,000 bushels from 1927 to 1931, is estimated at 1,417,000,000 bushels this year. Hay and pasture conditions improved in September and weather in the first half of October was generally favorable for forage crops. The yield of white potatoes is estimated at 362,000,000 bushels, about equal to the average for 1927-1931.

DISTRIBUTION: Daily average railroad freight carloadings increased from August to September by about the usual seasonal amount, but declined slightly in the first half of October. Sales at department stores increased from August to September by somewhat less than the estimated seasonal amount, while retail sales of general merchandise in rural districts, as shown by reports of mail order houses and chain stores to the Department of Commerce, increased considerably.

COMMODITY PRICES: Wholesale prices of farm products and foods, which had advanced sharply in August and the first week of September, subsequently declined somewhat. The weekly index of wholesale prices of the Bureau of Labor Statistics, which had advanced from 74 per cent of the 1926 average at the beginning of June to 78 per cent early in September, stood at 76 per cent in the second week of October. Recent declines occurred principally in those products which had increased most rapidly in preceding weeks, such as wheat, cotton, livestock, and meats. Prices of commodities other than farm products and foods have in general shown little change since last January, but within recent weeks prices of textile products and scrap steel declined slightly and gasoline prices showed a considerable decrease. The open market price of silver advanced sharply in the first half of October.

BANK CREDIT: Excess reserves of member banks have shown no material change during the past month and on October 17 amounted to about \$1,750,000,000. A reduction in Treasury cash and deposits with the Federal Reserve banks somewhat more than offset a seasonal growth of \$57,000,000 in the volume of money in circulation and a continued growth in required reserves arising from a growth in deposits. The volume of Reserve bank credit outstanding showed little change.

At reporting member banks in leading cities there was a further growth in deposits and in loans and investments. Between September 19 and October 17 total deposits of the banks increased by about \$500,000,000. Commercial loans to customers and member banks' holdings of United States Government securities increased further, while security loans declined.

Short-term money rates continued at low levels during September and the first three weeks of October. Yields on government securities declined in October, following an increase in August and September.