MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

Vol. VI (Serial No. 242) Minneapolis, Minnesota February 28, 1935

DISTRICT SUMMARY OF BUSINESS

The volume of business in the district during January remained at the level of December, aside from purely seasonal fluctuations. The index of bank debits rose one point, and the index of l.c.l. freight carloadings declined one point. The country check clearings and miscellaneous carloadings indexes remained unchanged. The one exception to these evidences of stability was the index of city department store sales which declined from 78 to 69, after elimination of seasonal influences.

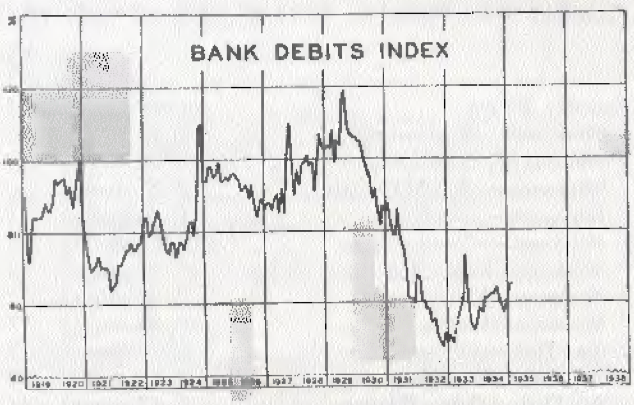
The volume of business in January continued to be larger than a year ago in most lines. Bank debits were 12 per cent larger, country check clearings were 20 per cent larger, and freight carloadings, excluding l.c.l., were 1 per cent larger. Other increases occurred in electric power consumption, real estate activity in Hennepin and Ramsey counties, receipts of cattle, country lumber sales, and wholesale shoe sales. Decreases occurred in building permits and contracts, flour and linseed product shipments, butter production, grain marketings, receipts of hogs, sheep, and calves, and wholesale hardware sales.

The volume of retail trade in the district did not show as large an increase over January a year ago as earlier months had shown over corresponding months in the preceding year. Twenty-two city department stores reported an increase of less than one-half of 1 per cent. Three hundred and three general stores reported an increase of 4 per cent. The largest increase over January last year was reported by stores in eastern Montana and northeastern Minnesota. A 12 per cent decrease from last year's volume was reported by stores in South Dakota.

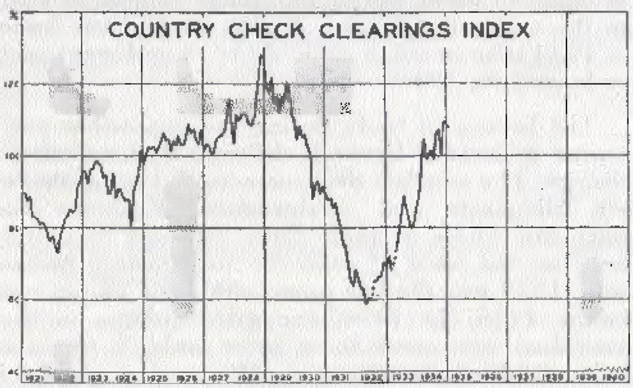
During the first half of February, business records continued to run at higher levels than a year ago. Bank debits at seventeen cities were 10 per cent larger in the first two weeks of February than in the same weeks last year. Country check clearings in the first fourteen business days of February were 21 per cent larger than in the same period last year. City department store sales in the first half of February were 6 per cent larger than a year ago. If the volume of activity in these three series is continued during the remainder of the month of February at the same level as during the first half of the month, the country check clearings index and the department store sales index for February will be higher than those indexes for January. On the other hand, there will be a slight decline in the index of bank debits.

Rural General Store Sales, 1929-1934

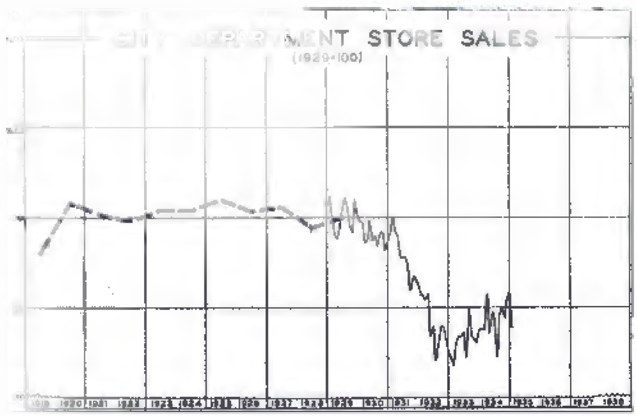
At the close of 1934, the independent stores which have been cooperating with this office in monthly reports on sales were asked to report their annual sales from 1929 to 1934, inclusive. These figures were supplied by one hundred and forty-



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.



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

three stores which were continuously in operation during the entire period. For the years 1933 and 1934, annual figures were reported by four hundred and thirty-nine independent and chain stores. Annual index numbers have been computed for the district and for several subdivisions of the district on the basis of these reports, using 1929 as 100 per cent. The index numbers for the year 1934 were computed by increasing the 1933 index numbers for one hundred and forty-three stores by the percentage of increase between 1933 and 1934 reported by the four hundred and thirty-nine stores.

From these index numbers, it was found that the dollar volume of rural general store sales declined only 8 per cent in 1930 from the 1929 level. The decrease became sharper in 1931 when sales were 24 per cent below 1929. In 1932 sales were 40 per cent below the 1929 level, and in 1933, which was the lowest year of the depression, sales were 42 per cent below 1929. This reduction from 1929 to 1933 as reported by one hundred and forty-three stores is about the same as the percentage of reduction revealed by the censuses of distribution taken in those two years for the various states of this district. In 1934, the index of sales rose sharply to a level 29 per cent below the 1929 volume of sales. In other words, the dollar volume of trade in the rural communities of this district was better in 1934 than in either 1932 or 1933 and was nearly as large as in 1931.

The history of trade during the depression years varied materially between different sections of the district. The smallest declines occurred in northeastern Minnesota and northwestern Wisconsin and Michigan where summer resort business tended to hold up the level of sales. In northeastern Minnesota, 1932 was the low point with sales 29 per cent below 1929. In 1934, the sales volume in that area had recovered to a point only 3 per cent below 1929. In northwestern Wisconsin and Michigan, 1933 was the low point of the depression with sales 32 per cent below 1929. In 1934 the sales volume recovered to a level only 13 per cent below 1929. The eastern or plains section of Montana suffered the greatest decrease in sales volume, losing 51 per cent of its volume between 1929 and 1933. However, the total sales of this section recovered sharply in 1934, partly as a result of the increase in business in the territory surrounding the Fort Peck government dam project.

It is interesting to note that while 1933 was the low point of the depression for all stores combined, there were four areas where the volume in 1932 was lower than in 1933, indicating that recovery in those areas had made a sufficient start in the later months of 1933 to offset the low level of business in the early months of that year. The areas where recovery made this early beginning were southwestern Minnesota, northeastern Minnesota, southeastern South Dakota, and west central Wisconsin.

General Store Sales Index Numbers

1929=100

	1929	'30	'31	'32	'33	'34
Minn., Southwestern	100	97	79	61	64	78
Minn., Southeastern	100	94	78	61	56	65
Minn., South Central	100	100	86	64	60	73
Minn., Central	100	97	77	57	53	61
Minn., Northeastern	100	104	85	71	79	97
Mont., Mountain	100	80	71	55	54	63
Mont., Plains	100	80	65	53	49	62
S. D., Southeastern	100	102	85	58	61	73
S. D., Other Eastern	100	91	72	53	52	62
Wis., West Central	100	93	76	56	60	71
N. W. Wis. & Mich.	100	98	83	74	68	87
All reporting country stores	100	92	76	60	58	71

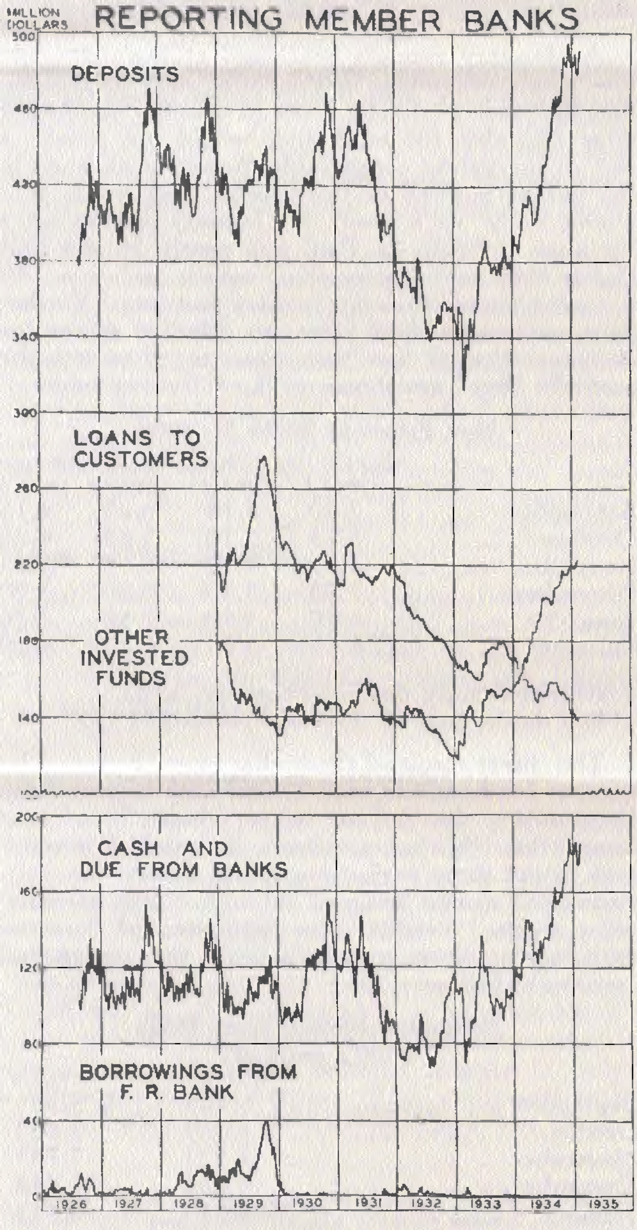
Of more immediate interest is the 22 per cent increase in sales at the four hundred and thirty-nine stores from 1933 to 1934. Every section of the district reported a sales increase. Increases above the average occurred in northeastern Minnesota, eastern Montana, the Red River Valley, the remainder of North Dakota, and northwestern Wisconsin and Michigan. The smallest increase occurred in central Minnesota.

General Store Sales in 1934 Compared with 1933

		% 1934 of 1933
Country Stores	(439 stores)	122
Minnesota—Southwestern	(38 stores)	122
Minnesota—Southeastern	(20 stores)	118
Minnesota—South Central	(22 stores)	122
Minnesota—Central	(10 stores)	116
Minnesota—Northeastern	(10 stores)	123
Minn.-No. Dak., Red River Valley	(5 stores)	124
Montana—Mountain	(8 stores)	118
Montana—Plains	(16 stores)	127
No. Dak.—Other	(5 stores)	131
So. Dak.—Southeastern	(17 stores)	119
So. Dak.—Other Eastern	(47 stores)	119
Wisconsin—West Central	(43 stores)	119
Northwestern Wisconsin & Michigan	(38 stores)	128

DISTRICT SUMMARY OF BANKING

The banks of the district continue to hold unprecedented totals of excess reserves and other idle funds. This is true of both city banks and country banks. Member banks in reserve cities of the district held excess reserves on deposit with the Federal Reserve Bank during January averaging 31 million dollars. In addition, the city banks which make weekly reports to this office had 97 million dollars of balances due from correspondent banks on February 13. Both of these totals were at the highest level on record. A year ago city banks held 5 million dollars in excess reserves and 75 million dollars in balances due from correspondent banks on dates comparable with those for the figures cited above.



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

Country banks in the district had excess reserves during January amounting to 25 million dollars, as compared with excess reserves a year ago of 16 million dollars. In addition, country banks were carrying with city correspondent banks in this district balances totalling 120 million dollars on February 13, as compared with balances of 85 million dollars a year ago.

Banking changes during recent weeks have not been large. City banks reported a decrease in deposits during the last half of January which was offset by an increase in the first half of February, and on February 13 deposits of city banks were the largest in our records with the exception of one week in December last year. These banks increased their investment holdings 4 million dollars during the last four weeks, and reduced their loans slightly. Country member banks (in cities with less than 15,000 population) reported the same average deposits in January as in December. There was a seasonal increase in deposits in Michigan due to tax payments which was offset by a seasonal decrease in deposits in Montana.

DISTRICT SUMMARY OF AGRICULTURE

The Hog Situation

During the year 1934, monthly average weights of hogs received at South St. Paul were consistently below the 1933 averages, and for the year averaged about 10 pounds per head less. In January 1935, instead of remaining unchanged or increasing as is customary during that month, the average weight of hogs decreased 10 pounds per head, so that the average weight was nearly 10 per cent smaller than in January last year. Average weights for recent months, together with comparative figures for a year ago are shown below.

Average Weight Per Hog

(In Pounds)

	Current Season	Last Season
September	209	229
October	208	216
November	204	211
December	205	212
January	195	212
February	212*	221*

*Average (excluding pigs) for first three weeks of February.

The number of hogs marketed in South St. Paul, which is used, together with pig crop estimates, as a basis for our estimates of Ninth District hog marketings, was one-third smaller in 1934 than in 1933. 1933 marketings were augmented materially by the government hog purchasing program of August and

September of that year, but even with government purchases excluded from the 1933 figures, the current season's receipts at South St. Paul have been nearly one-fourth smaller than in the same period last season.

Marketings during the first three months of the current season were at a surprisingly high level and but little below marketings in the same 3 months a year earlier. However, beginning with the last two weeks in December, receipts rapidly declined. Receipts were much smaller in January than in January a year ago and have continued smaller during the first part of February. Monthly receipts and estimates for the first 18 days of February follow:

Hog Receipts at South St. Paul

	Current Season	Last Season
September	123,340	137,048§
October	212,884	208,527
November	222,762	230,360
December	170,856	219,557
January	118,031	255,382
February	50,700*	94,186*
	898,573	1,145,060

§Government purchases excluded.
*Estimated receipts for first 18 days of February.

While marketings during the current season, especially since December 15, have reflected the much smaller than normal pig crop last spring, the severity of the decline in hog inventories in our district was not definitely known until the United States Department of Agriculture estimates of the number of hogs on farms on January 1 were released a few days ago. In the four complete states in the Ninth Federal Reserve District, the number of hogs (including pigs) on farms on January 1 was estimated to be more than 40 per cent smaller than the number on farms the same date last year, the largest decrease on record. In the entire United States, the decrease amounted to a little more than 35 per cent, but it was the largest decrease in any year on record and reduced the January 1 hog holdings to the smallest in over fifty years. Hog and pig holdings by states in this district are shown below.

Hogs on Farms, January 1

(Thousand Head)

	1935	1934	% 1935 of 1934
Minnesota	2,026	3,321	61
Montana	145	227	64
North Dakota	269	434	62
South Dakota	676	1,229	55
Four States	3,116	5,211	59.8
United States	37,007	57,177	64.7

South St. Paul median hog prices normally reflect to some extent the changes in hog receipts. Prices generally decline from September to December or January, as hog marketings approach a seasonal peak, recover somewhat when the heavy midwinter marketings are completed, and gradually rise to higher levels. The rise usually continues throughout the summer when few hogs are being marketed. In 1934, the monthly median prices showed the usual trends, although the summer season "high" was not reached until September but then reached a level more than twice as high as that prevailing in the preceding December and January. From September through November, since receipts were only a little smaller than in the preceding year, prices declined moderately but remained at levels much higher than a year earlier. Because of the precipitous decline in receipts in the last half of December, prices rose sharply in the last week of last year.

As January receipts continued at the extremely low levels prevailing in the latter part of December, the trade gradually realized that the number of hogs available for marketing would not permit a rate of marketing comparable to that established in the earlier months of this season, and prices rose almost daily. As a result, the January median price for hogs at South St. Paul was nearly 50 per cent higher than in the preceding month and was 130 per cent higher than in January last year. Further increases occurred in February. Median prices for each month since last September, together with the monthly "top" are shown in the following table:

Hog Prices at South St. Paul

	Monthly "Top" Prices		Median Prices	
	1934-5	1933-4	1934-5	1933-4
September	7.50	5.15	6.85	4.15
October	6.75	5.10	5.25	4.20
November	5.85	4.15	5.15	3.85
December	7.05	3.30	5.30	3.00
January	8.10	3.50	7.50	3.20
February	8.75§	4.50	7.86*	4.20

*Average first 20 days of February, 1935.
§High during first 20 days of February, 1935.

The direct result of the higher prices received by farmers for hogs has been a total cash income from hogs during the current season about 3 per cent larger than the income from commercial marketings in the same period last year, despite the marketing of a greatly reduced number of hogs at somewhat lighter weights. Our estimates of farmers' cash income from hogs by months this season and last are as follows:

Estimated Income from Hogs
(000's omitted)

	1934-5	1933-4
September	$ 6,829	$ 5,399*
October	7,361	7,883
November	7,921	7,781
December	6,031	5,844
January	6,975	7,213
Season to Feb. 1	$35,117	$34,120

*Excluding Government Purchases.

Cattle and Sheep Marketings

Receipts of cattle at South St. Paul during January were about the same as in December and nearly 15 per cent larger than in January last year, despite the much larger than normal marketings during the preceding several months and the smaller number of cattle on feed in our district on January 1 this year. The increased marketings were readily absorbed throughout the month at steadily advancing prices. Butcher and feeder cattle both sold for the highest prices in more than four years during the month. Cattle of good quality were comparatively scarce and, when available, were in demand for both slaughter and replacements. Some cars of high quality Canadian-fed cattle were received during January.

During the first half of February, cattle receipts have continued larger than a year ago, and prices have continued to rise, exceeding the four-year "tops" established in January. More Canadian-fed cattle arrived in February and were eagerly purchased by packers because of their desirable character.

Receipts of sheep and lambs at South St. Paul continued to be affected by the abnormally heavy marketings last fall and were little more than half as large as in January last year. During most of the month, the "top" on fat ewes at $5.00 was nearly double the top of six weeks earlier. Fat lamb prices advanced steadily until midmonth and then declined moderately. The median fat lamb price for the month, however, was 20 per cent higher than in December and nearly 15 per cent higher than in January last year.

Since February 1, weekly receipts of sheep and lambs have increased somewhat, but have still been smaller than last year. As a result of the increase in receipts, prices for both fat animals and feeder stock have declined.

Cold Storage Holdings

The cold storage report for February 1 revealed highly significant decreases in holdings of butter and pork. Stocks of butter in the United States declined by nearly twice as much as usual during the month of January, and on February 1 butter stocks totalled only 19 million pounds as compared with a five-year average of 45 million pounds for that date. Butter supplies continued to approach a hand-to-mouth basis during early February, for stocks at twenty-six markets were reduced sharply to only 7 million pounds on February 9, as compared with 50 million pounds on the corresponding date a year ago.

The reduction in hogs on farms to the lowest level in fifty years has finally had an effect on storage holdings of pork. During January there was a decrease of 17 million pounds in stocks of pork, whereas the five-year average trend for the month was an increase of 113 million pounds. As a result, pork stocks on February 1 were slightly smaller than the five-year average for the date. A similar tendency developed in lard, for storage holdings of lard decreased 5 million pounds during January, whereas the average movement is an increase of 19 million pounds during that month. However, lard stocks were 24 per cent larger on February 1 than the five-year average for that date.

Decreases during January were also larger than average in stocks of cheese, eggs, poultry, beef, and lamb and mutton. However, on February 1 stocks of all of these commodities except eggs were larger than the five-year average for that date.

United States Cold Storage Holdings

(In thousands of pounds)

	Feb. 1, 1935	Feb. 1, 1934	February 1 5-yr. Av.
Beef	127,198	72,948	67,040
Pork	670,856	730,404	678,602
Lamb & Mutton	3,809	4,183	3,381
Miscell. Meats	109,625	71,359	74,162
Total Meats	911,488	878,894	823,185
Lard	112,711	168,756	90,964
Cream*	37	140	.....
Butter	19,059	75,995	44,671
Cheese	81,246	78,789	72,161
Eggs§	1,559	1,476	1,981
Poultry	122,265	120,177	115,885

*Thousand cans. §Thousand cases.

Live Stock on Farms

The number of each of the various classes of live stock on farms in the four complete states in the Ninth Federal Reserve District on January 1 was materially reduced from the number last year, according to the annual live stock inventory estimates of the United States Department of Agriculture. The greatest percentage of decrease was shown by swine (including pigs) which has already been discussed in this review on page 204. The second largest decrease was shown by "other cattle" which consists chiefly of beef cattle and calves.

The number of milk cows on farms in the district decreased 10 per cent during 1934. Since the number of 1-2 year heifers on farms in our four states on January 1 was only slightly larger than the number normally required for replacements in milking herds, it is obvious that dairymen do not intend to increase their producing herds in 1935 to the peak established a year ago. The absence of any tendency to expand dairy herds is also shown by the reduction in the number of heifer calves kept for milk cows on January 1. The percentage reduction in heifer calves was greater than the reduction in 1-2 year heifers on farms. The year 1934 was the first in the four years for which estimates have been made that reductions in dairy heifer calves and 1-2 year heifers have occurred.

Horses, Cattle and Sheep on Farms, January 1
(Thousand Head)

Horses and Colts

	1935	1934	5-yr. Av.
Minnesota	738	745	776
Montana	352	380	412
North Dakota	510	521	566
South Dakota	498	524	577
Four States	2,098	2,170	2,331
U. S.	11,827	11,963	12,727

Dairy Cows and Heifers
(2 years and over)

	1935	1934	5-yr. Av.
Minnesota	1,734	1,865	1,717
Montana	194	211	199
North Dakota	596	701	620
South Dakota	587	675	621
Four States	3,111	3,452	3,157
U. S.	25,100	26,185	24,483

Dairy Heifers
(1-2 years)

	1935	1934	5-yr. Av.
Minnesota	289	346	340
Montana	44	50	42
North Dakota	84	144	131
South Dakota	111	150	142
Four States	528	690	655
U. S.	4,286	4,788	4,731

Dairy Heifer Calves

	1935	1934	3-yr. Av.
Minnesota	314	378	367
Montana	45	51	48
North Dakota	99	165	151
South Dakota	115	175	168
Four States	573	769	734
U. S.	4,653	5,287	5,127

Other Cattle and Calves
(Mostly beef cattle)

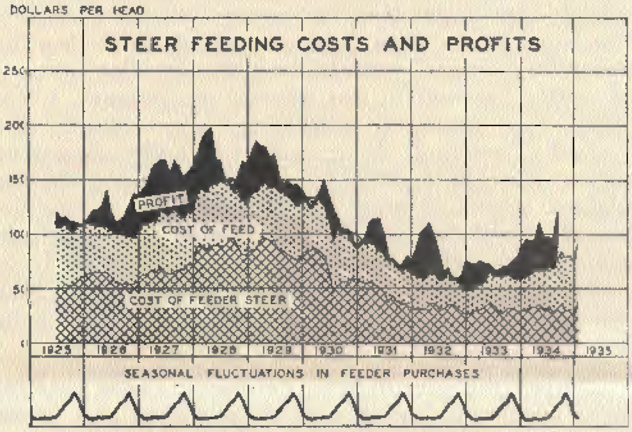
	1935	1934	3-yr. Av.
Minnesota	753	922	899
Montana	967	1,231	1,116
North Dakota	378	825	765
South Dakota	693	1,214	1,158
Four States	2,791	4,192	3,937
U. S.	26,628	32,030	30,382

Sheep and Lambs

	1935	1934	5-yr. Av.
Minnesota	1,179	1,188	1,079
Montana	3,755	4,220	4,098
North Dakota	744	951	968
South Dakota	1,290	1,524	1,372
Four States	6,968	7,883	7,517
U. S.	49,766	52,212	52,251

Steer Feeding Profits

While no estimates of farmers' cash income from the sale of beef cattle in our district are yet available, reports from the South St. Paul market and from member bankers and farmers engaged in actual feeding operations all indicate that this phase of farming has been particularly profitable during recent months. A study of the costs of steer feeding operations has been made in this office in which feed costs are based on terminal market median monthly prices, and feeder and butcher steer values are based on monthly median prices at South St. Paul. This study indicates that steer feeding operations have been profitable continuously since October 1932, but by far the most profitable period since that date has been the last five months.



Steer Feeding Costs and Profits in the Northwest, based on Market Prices of Live Stock and Feed.

The principal reason for the increased profits from steer feeding operations has been the rapid rise in prices obtained for prime butcher steers, the median price of which has jumped from $7.65 per hundredweight last August to $10.00 in January, a period in which prime butcher steer prices normally show a net decline. This is the only time during the ten-year period covered by this study that the price of prime butcher steers at South St. Paul has been higher in January than in the preceding August. The course of butcher steer prices during the last year has been affected by the quantity of beef supplies as well as cost of feed. While cold storage holdings of beef do not indicate any shortage in the immediate future, receipts of butcher cattle at the seven principal midwest markets each week since the middle of last December have been smaller than in the same week a year ago. The number of cattle on farms on January 1 in the United States was smaller than on the same date in any year since 1931, as a result of a larger decrease in cattle numbers during 1934 than in any year on record.

Farm Income

Farm income in the district from seven important items was 4 per cent smaller in January than in the same month last year. These estimates do not include government relief, rental, and benefit payments. The decrease was chiefly caused by the small volume of grain marketings which more than offset the higher prices received. Cash income from potatoes and hogs was also moderately smaller in January than in the same month last year. On the other hand, there was a 27 per cent increase in the income from dairy products, due entirely to higher prices for butter and milk. Prices of all farm products, except potatoes, were higher in January than a year ago. The price of butter increased from December to January for the first time since 1918. Live stock prices increased sharply in January.

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

	Jan., '35	Jan., '34	Per Cent Jan., '35, of Jan., '34
GENERAL BUSINESS			
Bank Debits[1]			
All Reporting Cities	$ 24,521,900	$ 21,894,900	112
Minneapolis	10,969,000	10,029,000	109
St. Paul	4,893,000	4,169,000	117
South St. Paul	444,000	413,000	108
Great Lakes Ports	1,399,800	1,441,600	97
Beef and Pork, S.E.	854,100	826,300	103
Beef and Pork, S.W.	901,900	767,800	117
Dairy and Mixed Farming	1,122,000	997,900	112
Wheat and Mixed Farming	1,436,500	1,289,700	111
Wheat and Range	824,000	602,200	137
Mining and Lumber	1,670,400	1,358,400	123
Electric Power Consumption (K.W.H.)[1,2]			
Minn., No. Dak. and So. Dak.	4,826,600	4,627,600	104
Montana	3,218,600	2,859,300	113
Country Check Clearings[1]			
Total	$ 3,272,000	$ 2,725,000	120
Minnesota	1,196,000	1,024,500	117
Montana	521,400	387,600	135
North and South Dakota	994,800	802,600	124
Michigan and Wisconsin	559,800	510,300	110
Freight Carloadings—N.W. District			
Total—Excluding L.C.L.	207,697	205,186	101
Grains and Grain Products	24,109	33,441	72
Livestock	13,736	20,857	66
Coal	42,312	34,845	121
Coke	5,517	3,842	144
Forest Products	23,843	24,412	98
Ore	413	354	117
Miscellaneous	97,767	87,484	112
Merchandise—L.C.L.	76,352	79,429	96
Building Permits			
Number—18 Cities	277	249	111
Value—18 Cities	$ 268,400	$ 571,800	47
Minneapolis	81,400	361,700	23
St. Paul	109,200	161,100	68
Duluth-Superior	16,700	29,700	56
4 Wheat Belt Cities	13,200	5,300	249
6 Mixed Farming Cities	46,700	12,700	368
4 Mining Cities	1,200	1,300	92
Building Contracts Awarded			
Total	$ 1,981,200	$ 3,821,900	52
Commercial	177,800	176,200	101
Factories	4,500	102,000	4
Educational	34,000	465,800	7
Hospitals, etc.	0	12,000	0
Public Buildings	96,300	243,900	39
Religious and Memorial	6,500	22,000	30
Social and Recreational	57,600	270,600	21
Residential	96,800	73,700	131
Public Works	1,345,300	1,704,600	79
Public Utilities	162,400	751,100	22
Real Estate Activity in Hennepin and Ramsey Counties			
Warranty Deeds Recorded	950	285	333
Mortgages Recorded	1,233	914	135
Manufacturing and Mining			
Flour Production at Minneapolis, St. Paul, and Duluth-Superior (Bbls.)	595,646	803,781	74
Flour Shipments at Mpls. (Bbls.)	563,330	767,841	73
Linseed Product Shipments (Lbs.)	11,012,034	12,438,590	89
Copper Output (3 Firms) (Lbs.)	16,381,600	11,362,600	144
Business Failures			
Number	19	30	63
Liabilities	$ 218,942	$ 414,803	53
AGRICULTURE			
Farmers' Cash Income			
Total of 7 Items	$ 18,960,000	$ 19,649,000	96
Bread Wheat	1,313,000	2,875,000	46
Durum Wheat	72,000	380,000	19
Rye	15,000	140,000	11
Flax	274,000	332,000	83
Potatoes	699,000	1,112,000	63
Dairy Products	9,612,000	7,597,000	127
Hogs	6,975,000	7,213,000	97
Butter Production (Lbs.)	28,794,000	35,010,000	82

	Jan., '35	Jan., '34	Per Cent Jan., '35, of Jan., '34
Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Bread Wheat	1,013,000	2,857,000	35
Durum Wheat	50,000	338,000	15
Rye	20,000	222,000	9
Flax	139,000	174,000	80
Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)			
Wheat	15,118,985	34,935,491	43
Corn	6,814,577	9,495,586	72
Oats	9,502,913	28,005,214	34
Barley	8,220,202	10,284,416	80
Rye	3,410,232	5,813,360	59
Flax	1,002,303	959,062	105
Livestock Receipts at South St. Paul (Head)			
Cattle	64,387	56,365	114
Calves	50,339	55,166	91
Hogs	118,031	255,382	46
Sheep	59,334	103,914	57
Median Cash Grain Prices (Bus.)			
Wheat—No. 1 Dark Northern	$ 1.17⅝	$ .90½	130
Durum—No. 2 Hard Amber	1.44	1.12½	128
Corn—No. 3 Yellow	.90½	.45⅝	198
Oats—No. 3 White	.58¼	.34⅝	168
Barley—No. 3	1.10	......	...
Malting Barley—No. 3	1.16	......	...
Rye—No. 2	.76¾	.63	122
Flax—No. 1	1.97	1.91	103
Median Live Stock Prices (Cwt.)			
Butcher Cows and Heifers	$ 4.00	$ 3.00	133
Heavy Butcher Steers (1,100 lbs. and over)	8.90	4.75	187
Light Butcher Steers (Under 1,100 lbs.)	6.35	4.50	141
Prime Heavy Butcher Steers (1,100 lbs. and over)	10.00	6.00	166
Prime Light Butcher Steers (Under 1,100 lbs.)	10.00	5.85	171
Heavy Stocker and Feeder Steers (800 lbs. and over)	4.50	3.25	138
Light Stocker and Feeder Steers (Under 800 lbs.)	3.75	3.00	125
Veal Calves	6.00	4.50	133
Hogs	7.50	3.20	284
Heavy Hogs	7.60	2.95	258
Lambs	8.50	7.50	113
Ewes	4.50	3.65	123
Wholesale Produce Prices			
Butter (Lb.)	$ .31	$ .17	182
Milk (Cwt.)	1.72	1.24	139
Hens (Lb.)	.12	.08	150
Eggs (No. 2) (Doz.)	.21½	.15¼*	141
Potatoes (Bu.)	.55½	.77	72
TRADE			
City Department Stores[3]			
Sales	$ 3,693,260	$ 3,688,190	100
Merchandise Stocks	7,925,850	7,662,400	103
Receivables	5,756,040	5,433,290	106
Instalment Receivables	1,483,140	1,259,800	118
Country General and Department Stores			
Total Sales	$ 2,527,890	$ 2,430,090	104
Stocks	4,231,430	4,156,550	102
Country Lumber Yards[3]			
Sales (Bd. Ft.)	3,403,000	3,371,000	101
Lumber Stocks (Bd. Ft.)	51,168,000	63,813,000	80
Total Sales	$ 959,500	$ 750,600	128
Receivables	1,536,800	1,551,000	99
Life Insurance Sales			
Four States	$ 13,942,000	$ 11,926,000	117
Minnesota	10,574,000	9,124,000	116
Montana	1,539,000	1,116,000	138
North Dakota	924,000	771,000	120
South Dakota	905,000	915,000	99

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

	Jan., '35	Jan., '34	Per Cent Jan., '35, of Jan., '34
Wholesale Trade			
Groceries[3]			
Sales	$ 3,104,340	$ 3,012,040	103
Stocks	6,384,160	5,519,620	116
Receivables	3,521,110	3,574,450	99
Hardware[3]			
Sales	$ 930,510	$ 975,840	95
Stocks	2,376,930	2,341,980	101
Receivables	991,140	1,111,030	89
Shoes			
Sales	$ 165,790	$ 150,260	110
Stocks	688,550	651,760	106
Receivables	508,370	458,750	111
BANKING			
Member Bank Deposits			
In Cities over 15,000 pop.	$464,934,000	$391,088,000	119
In Cities under 15,000 pop.	307,067,000	263,550,000	117
Michigan—15 Cos.	47,506,000	42,559,000	112
Minnesota	125,896,000	108,998,000	116
Montana	48,584,000	39,924,000	122
North Dakota	28,652,000	24,844,000	115
South Dakota	39,553,000	32,707,000	121
Wisconsin—26 Cos.	16,926,000	14,518,000	117

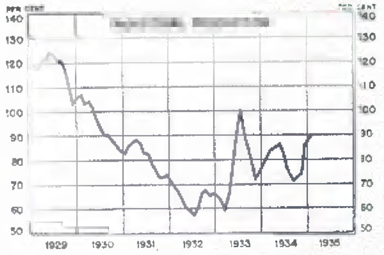
	Jan., '35	Jan., '34	Per Cent Jan., '35, of Jan., '34
Interest Rates[1]			
Minneapolis Banks	3¾-4	4¼-4½	
Commercial Paper (net to borrower)	1¼	1¾	
Minneapolis Fed. Res. Bank	2½	3½	
Selected City Member Banks	Feb. 13, '35	Feb. 14, '34	
Loans to Customers	$137,796,000	$161,797,000	85
Other Invested Funds	223,178,000	162,707,000	137
Cash and Due from Banks	184,790,000	124,985,000	148
Deposits Due to Banks	119,630,000	84,987,000	141
Public Demand Deposits	42,286,000	22,471,000	188
Other Demand Deposits	195,312,000	157,402,000	124
Time Deposits	128,052,000	127,927,000	100
Total Deposits	490,174,000	395,243,000	124
Borrowings at Fed. Res. Bank	0	0	0
Minneapolis Federal Reserve Bank			
Loans to Member Banks	$ 0	$ 1,231,000	0
Twin Cities	0	0	0
Minn., Wis. and Mich.	0	409,000	0
N. Dak. and Mont.	0	241,000	0
South Dakota	0	581,000	0
Industrial Advances	1,825,000	0	0
Fed. Res. Notes in Circulation	103,747,000	94,825,000	109
Member Bank Reserve Deposits	101,267,000	61,442,000	165

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

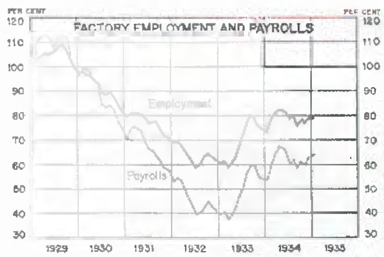
BANK DEBITS

Number of Business days:	January 1935	December 1934	January 1934	December 1933
All States in District	26	25	26	25
Michigan	(000's omitted)			
Calumet (1 bank)	$ 794	$ 647	$	$ ....
Crystal Falls	235	245	....	....
Escanaba (1 bank)	482	471	493	432
Hancock	947	1,136	1,335	1,314
Houghton	1,452	1,366	1,283	1,336
Iron Mountain	2,011	1,903	1,475	1,213
Iron River, Stambaugh	1,046	892	888	680
Ironwood (1 bank)	1,057	624	....	....
Laurium (1 bank)	128	195	....	....
Manistique	310	289	124*	116*
Marquette	2,850	2,720	2,767	2,601
Menominee	2,257	2,755	2,426	2,474
Sault Ste. Marie	2,169	2,047	2,041	1,933
Minnesota				
Albert Lea	1,910	2,459	1,656	2,196
Austin	4,216	4,114	2,982	3,173
Bemidji (2 banks)	896	1,085	534*	689*
Chaska	438	557	514	592
Chisholm	777	1,484	756	741
Cloquet	1,272	1,400	1,288	1,560
Crookston	1,118	1,283	871	946
Detroit Lakes	826	1,044	720	984
Duluth	26,244	36,195	28,243	38,209
Ely	302	360	268	361
Faribault (1 bank)	1,213	1,178	933	1,085
Farmington	176	187	136	162
Fergus Falls	1,644	1,941	1,529	1,716
Glenwood	230	353	219	261
Hutchinson	565	569	452	462
Lakefield	283	303	225	227
Lanesboro	187	231	248	253
Little Falls	769	707	605	733
Luverne	930	836	463	549
Mankato	4,003	4,339	4,432	4,170
Minneapolis	285,184	316,840	260,750	274,084
Moorhead	1,187	1,540	1,147	1,158
Morris	416	465	301	297
Owatonna	1,825	2,001	1,765	1,846
Park Rapids	209	263	169	175
Red Wing	1,589	1,574	1,494	1,397
Rochester	3,772	3,772	3,524	3,576
St. Cloud	2,314	3,099	2,194	2,427
St. Paul	127,228	141,281	108,392	114,261
Sauk Rapids	224	260	232	....
South St. Paul	11,544	12,210	10,736	9,912
Stillwater	1,446	1,637	1,300	1,682
Thief River Falls	828	1,327	653	1,052
Two Harbors	341	425	295	411
Virginia	1,401	1,639	1,204	1,606
Wabasha	708	768	718	691
Wells	384	404	....	....
Wheaton	260	298	231	287
Willmar	985	1,113	456*	486*
Winona	5,356	6,340	6,008	5,339
Worthington (1 bank)	685	829	386	419
Montana				
Anaconda	1,061	1,411	1,060	1,101
Billings	6,713	7,170	4,916	5,796
Bozeman	2,128	1,963	1,208	1,511
Butte (2 banks)	7,521	9,068	8,037	7,155
Deer Lodge	510*	664*	861	459
Glendive	587	779	544	700
Great Falls	9,590	11,424	6,599	7,531
Harlowton	190	294	212	211
Havre	1,199	1,381	925	1,053
Helena	9,581	12,591	5,816	7,367
Kalispell	1,412	1,813	1,143	1,378
Lewistown	1,430	1,687	998	1,318
Malta	522	697	384	496
Miles City (1 bank)	909	1,166	831	1,023
North Dakota				
Bismarck	13,420	19,103	11,666	8,788
Devils Lake	989	1,175	898	906
Dickinson	829	1,016	717	977
Fargo	11,665	13,451	10,301	11,819
Grafton	436	651	400	476
Grand Forks	3,013	3,622	2,981	3,359
Jamestown	1,233	1,816	954	1,422
Mandan	705	688	539	604
Minot	2,757	3,780	2,699	3,259
Valley City	753	921	662	722
Wahpeton	667	756	640	649
Williston	884	1,163	529	634
South Dakota				
Aberdeen	3,080	3,580	2,569	3,026
Brookings (1 bank)	618	626	576	494
Deadwood	994	916	677	676
Huron	2,226	2,289	2,171	2,199
Lead	2,020	2,078	1,552	1,581
Madison	886	855	525	635
Milbank	307	350	270	294
Mitchell	2,293	2,271	1,652	1,779
Mobridge	559	638	401	461
Pierre	3,017	3,338	1,212	1,540
Rapid City	1,801	2,727	1,519	1,707
Sioux Falls	11,565	12,381	11,069	11,062
Watertown	2,088	2,186	1,511	1,649
Yankton	1,572	1,584	1,125	1,188
Wisconsin				
Ashland	1,115	1,155	783	....
Chippewa Falls	1,381	1,524	1,313	1,561
Eau Claire	5,297	5,573	4,860	4,361
Hudson	327	375	400	312
La Crosse	6,378	6,263	6,510	6,704
Merrill	1,264	1,149	1,020	999
Rhinelander	1,268	1,259	1,098	1,108
Superior	3,197	3,055	2,861	3,265
Total for 91 cities with comparable figures for both years	$638,927	$723,751	$570,555	$607,779

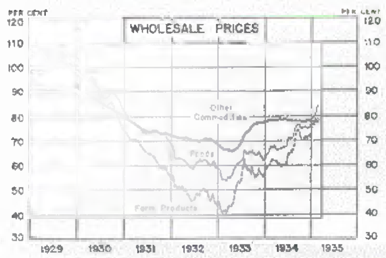
*Figures for a smaller number of banks.



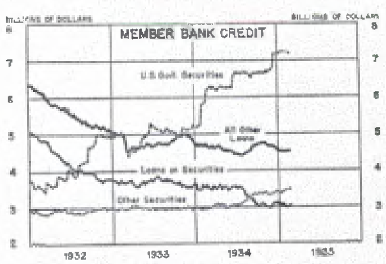
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.)



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100.) Indexes compiled by the United States Bureau of Labor Statistics.



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



Wednesday figures for reporting member banks in 91 leading cities. Latest figures are for February 13.

Summary of National Business Conditions

(Compiled February 25 by Federal Reserve Board)

Industrial output, which had shown a rapid growth in December, increased further in January. Activity in the building industry continued at a low level. Wholesale commodity prices advanced considerably during January and the first half of February, reflecting chiefly marked increases in the prices of live stock and live stock products.

PRODUCTION AND EMPLOYMENT: The volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 86 per cent of the 1923-25 average in December to 90 per cent in January. Activity in the steel and automobile industries continued to increase rapidly during January and the early part of February; in the middle of the month, however, steel production declined. Output of lumber increased in January but was still at a low level. At cotton and woolen textile mills, activity showed a considerable growth, while in the meat packing industry output declined. Output of crude petroleum increased further in January and the first half of February.

Factory employment and payrolls increased somewhat between the middle of December and the middle of January, although a decline is usual at this season. At automobile factories the volume of employment increased further by a large amount, and there were substantial increases at steel mills, foundries and woolen mills. Employment in the meat packing industry continued to decline and in January was at about the same level as a year ago. Among the non-manufacturing industries, the number employed at retail trade establishments and construction projects showed declines of a seasonal nature.

The value of construction contracts awarded in January, as reported by the F. W. Dodge Corporation, was slightly larger than in December but considerably smaller than a year ago, when the volume of public projects was exceptionally large. The value of contracts awarded for residential building in the three months from November to January was about the same as in the corresponding periods of the two preceding years.

DISTRIBUTION: Freight carloadings showed a seasonal growth in January. At department stores the volume of business declined somewhat more than is usual after the Christmas holidays.

COMMODITY PRICES: The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, advanced from 77.9 per cent of the 1926 average in the week ending January 5 to 79.4 per cent in the week ending February 16. During January, prices of cattle and beef showed substantial increases and in February the price of hogs advanced considerably. Prices of cotton, grains, and silk showed a decline in January and the first few days of February, followed by an advance in the middle of the month.

BANK CREDIT: During the five weeks ended February 20, member bank balances with the Reserve banks increased by $260,000,000 and their excess reserves rose to about $2,300,000,000. The principal factors in the increase were the inflow of gold from abroad and disbursements by the Treasury of funds previously held as cash or on deposit with the Federal Reserve banks. Net demand deposits of weekly reporting member banks in leading cities increased by more than $200,000,000 in the four weeks ended February 13, Slight declines occurred in loans on securities and in holdings of direct obligations of the United States Government, while other loans and other securities increased somewhat.

Yields on United States Government securities declined slightly further and other open market money rates continued at a low level.