

# 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 E. W. SWANSON OLIVER S. POWELL  
Assistant Federal Reserve Agents

H. C. TIMBERLAKE  
Assistant Statistician

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### DISTRICT SUMMARY OF BUSINESS

The volume of business in the district moved up strongly in December and reached the highest point during the course of the recovery movement. Most of the indexes were back at the level of the middle of 1931 or, in other words, about half way back to 1929. The bank debits index, adjusted for seasonal variation, rose from 67 in November to 74 in December. While this largely reflects the increase in business transactions in the principal cities of the district, it is significant to note that the bank debits index for the farming centers also rose from 72 in November to 80 in December. A smaller increase occurred in the country check clearings index.

The index of miscellaneous freight carloadings, seasonally adjusted, rose from 81 in November to 88 in December. An important factor in this rise was undoubtedly the distribution of automobiles and trucks. While figures for carloadings of automobiles and trucks are not available, the figures of sales in Hennepin and Ramsey counties (Minneapolis and St. Paul) as reported by "Finance and Commerce" are significant. In December 1,108 new cars were delivered in these two counties, whereas in December, 1934, only 332 new cars were delivered. Also, 176 trucks were delivered in the two counties during December, 1935, as compared with 115 trucks in December, 1934. A minor increase also occurred in the index of l.c.l. freight carloadings between November and December.

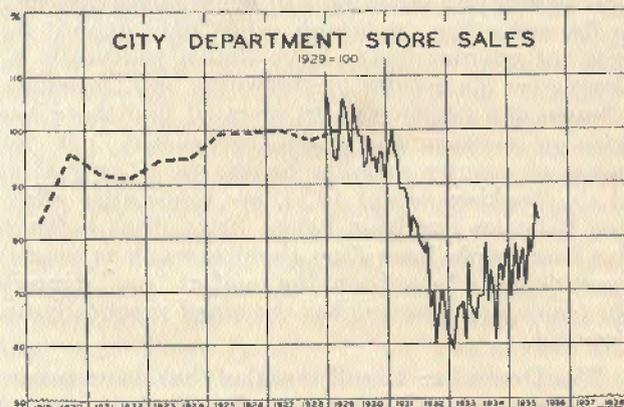
The index of department store sales, seasonally adjusted, declined from 86 in November to 83 in December. However, aside from the index for November, the December index was the highest since 1931. Retailers report that, in 1935, Christmas buying began unusually early and resulted in raising the sales index for November abnormally. Taking November and December, 1935, together, it appears that the Christmas buying movement in the larger cities of this district was the largest since 1930.

### Northwestern Business Indexes

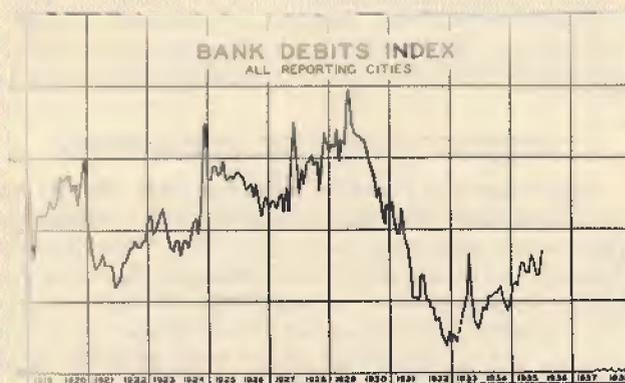
(Various base periods)

	Dec. 1935	Nov. 1935	Dec. 1934	Dec. 1933
Bank debits—94 cities.....	74	67	64	54
Bank debits—farming centers .....	80	72	66	52
Country check clearings.....	132	129	108	85
Department store sales.....	83	86	78	69
Carloadings—Miscellaneous	88	81	80	73
Carloadings—L.C.L. ....	62	60	62	62

Judging from bank debits and country check clearings figures for the first half of January, 1936, it appears that the level of business in the district during January remained about at the December level, aside from seasonal factors. If the remainder of January continues at the same level as the first half of the month, there will be a small increase in the bank debits index over December and a small decrease in the country check clearings index.



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



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

The volume of business in December was materially larger than in December last year. Bank debits were 15 per cent larger; country check clearings were 22 per cent larger; and freight carloadings were 14 per cent larger. The valuation of building permits in December was four times as large as the valuation in December last year, and building contracts were twice as large. Other increases over December, 1934, occurred in electric power consumption, flour production and shipments, linseed product shipments, butter production, grain marketings, receipts of cattle and sheep and life insurance sales. The only significant decreases occurred in receipts of hogs and calves.

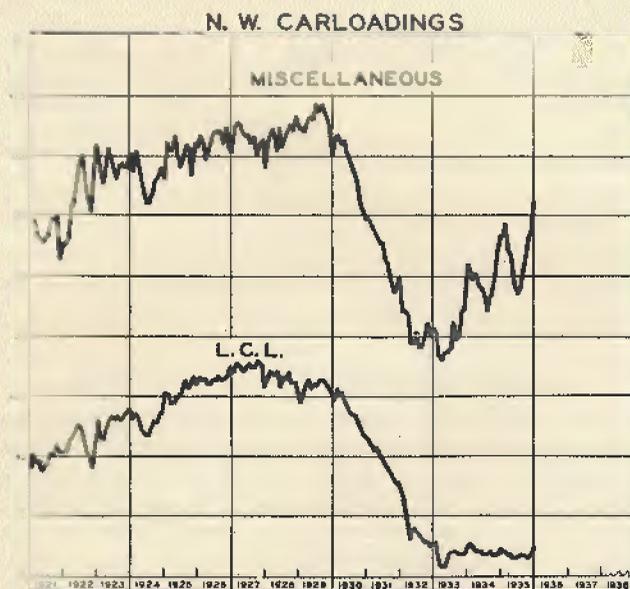
Retail trade, both in the larger cities and in the rural portions of the district, was larger in December, 1935, than in the same month a year ago. City department stores reported an increase of 5 per cent; and 308 country stores reported an increase of 3 per cent. In the rural portions of the district, sharply divergent trends occurred in the various subsections. Increases exceeding the average increase occurred in December sales in northeastern Minnesota, south central and southeastern Minnesota, western Montana, southeastern South Dakota, and the portions of Wisconsin and Michigan lying within this district. On the other hand, decreases from December, 1934, occurred in the Red River Valley, southwestern Minnesota, eastern Montana, and North Dakota.

#### Retail Trade

	% Dec. 1935 of Dec. 1934
Mpls., St. Paul, Duluth-Superior... ( 22 stores)	105
Country stores . . . . . (308 stores)	103
Minnesota—Central . . . . . ( 9 stores)	100
Minnesota—Northeastern . . . . . ( 6 stores)	111
Minnesota—Red River Valley... ( 8 stores)	95
Minnesota—South central . . . . . ( 22 stores)	109
Minnesota—Southeastern . . . . . ( 16 stores)	108
Minnesota—Southwestern . . . . . ( 31 stores)	99
Montana—Mountain . . . . . ( 13 stores)	114
Montana—Plains . . . . . ( 31 stores)	94
North Dakota—Red River Val... ( 24 stores)	94
North Dakota—Southeastern . . . ( 21 stores)	93
North Dakota—Other No. Dak... ( 12 stores)	94
South Dakota—Southeastern . . . ( 11 stores)	115
South Dakota—Other Eastern... ( 37 stores)	103
Wisconsin—West central . . . . . ( 36 stores)	110
North Wisconsin and Michigan... ( 31 stores)	112
Ninth District . . . . . (330 stores)	104

#### DISTRICT SUMMARY OF BANKING

City reporting member banks in this district experienced little change in total deposits during the four weeks ending January 15, 1936. Commercial deposits, time deposits, and balances due to other banks increased moderately, but these increases were offset by reductions in public funds and postal savings. On the asset side of the combined city bank balance sheet loans to customers decreased seasonally by 4 million dollars during the four-week period. Investment holdings also declined by 3 mil-



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

lion dollars, and cash and balances due from banks increased 11 million dollars.

Country member banks have reported almost no change in net deposits for the past two months. Minor increases in deposits in Michigan, Montana, and South Dakota have been offset by decreases in the other three states.

Member bank deposits in the district increased 20 million dollars from November 1 to December 31, as revealed by a tabulation of called reports. The increase was about evenly divided between city banks and country banks. However, the sources of the increases in the two classes were somewhat different. The increase in country banks was in general customers' accounts, whereas the increase in city banks was largely re-deposited funds of country banks. It is interesting to note the discrepancy in country bank deposit trends between the called report figures and the reports of net deposits discussed in the preceding paragraph. The "net" deposit figures for country banks have shown practically no change for the months of November and December, whereas the called reports revealed that there had been an increase. The explanation is that "net" deposits of country member banks, since the passage of the Banking Act of 1935, are totals after offsetting balances due from banks. Since these balances due from banks have risen about as much as country bank deposits have risen, the total of "net" deposits for computing reserves has remained practically unchanged.

The December 31 call revealed that loans and investments of member banks in the district increased 13 million dollars during the last two months of 1935. The increase was largely in the government

security holdings of city member banks. There was also a slight increase in investment holdings of country member banks. Loans to customers decreased 2 million dollars at city banks, and increased 1 million dollars at country banks, during the two-month period.

## DISTRICT SUMMARY OF AGRICULTURE

### Livestock Marketings

Cattle receipts at South St. Paul decreased seasonally during December, but were slightly larger than commercial receipts in the same month of the preceding year for the first time since March, 1935. Total commercial receipts of cattle at South St. Paul during 1935 were about 60 per cent of the abnormally large 1934 commercial receipts. In addition to the extensive "drouth-relief" purchases by governmental agencies in 1934, several hundred thousand head were forced into commercial marketing channels by the drouth of that year, especially during July, August, and September. Commercial cattle receipts at South St. Paul during 1935 were about 7 per cent larger than in 1933 when marketings were more nearly normal.

During the first three weeks of January, cattle receipts at South St. Paul have only slightly exceeded the commercial receipts of the same period last year. Total receipts at the seven principal midwestern markets have exceeded the commercial receipts a year ago in each of the first three weeks of 1936.

Median prices for all classes of cattle at South St. Paul were higher during December than in the same month in the preceding year, but showed mixed trends when compared with the preceding month. In general, prices for the better grades of butcher cattle were a little higher than in November. Since January 1, cattle prices have fluctuated rather widely, partly because of extremely wide changes in the level of hog prices, and at the end of the third week in the month they were slightly higher than at the end of December.

Receipts of hogs at South St. Paul during December continued to increase seasonally in contrast with the opposite trend of receipts in December during each of the last two years. December receipts, however, were 20 per cent smaller than in December, 1934. Hog receipts during 1935 were only half as large as in 1934. According to computations made by the South St. Paul representative of the United States Department of Agriculture, the average price paid in 1935 was \$8.89, compared to an average of only \$4.17 in 1934. December median hog prices as computed in this office were a little higher than in November, and were far above those for December, 1934. Since January 1, hog prices have fluctuated widely, largely because of the Supreme Court's adverse decision on the AAA on January 6 which had a strong influence on the hog market for several days. Prices rose sharply with the elimination

of the \$2.25 processing tax. The sharp upswing in prices resulted in record-breaking increases in receipts, not only at South St. Paul but at the other important midwestern markets as well. Many of these hogs showed a decided lack of finish, however, and prices sagged nearly as rapidly as they had soared two days earlier. At the end of the week, prices were about 50 cents a hundredweight higher than before the Supreme Court decision was rendered. At the end of the third week in January, prices were at about the same level as at the end of December.

Receipts of hogs at South St. Paul, as well as at the seven important midwestern markets, were much larger during the first three weeks of January than in the same period last year. In view of the smaller hog population, as a result of the Federal pig and sow slaughter program of 1933 and 1934 and the greatly reduced pig production of 1935, the current heavy marketings are necessarily making serious inroads on hog supplies of the middle west. When the United States Department of Agriculture January 1 figures for the number of hogs on farms are released, in order to reconcile them with the then current hog supply situation, the heavy marketings that have occurred since January 1 must be given due consideration.

Sheep and lamb receipts at South St. Paul last December were nearly one-third larger than in December, 1934, but were seasonally smaller than in November, 1935. Ewe prices continued strong during December and the median lamb price climbed to \$10.75 which was the highest monthly median in more than five years.

Total 1935 sheep and lamb receipts at South St. Paul were about 5 per cent smaller than in 1934, but the total number of sheep and lambs slaughtered under Federal inspection in 1935 was nearly 10 per cent larger than in 1934. Despite the increased slaughter in 1935, cold storage holdings of lamb and mutton were 30 per cent smaller on January 1 this year than a year earlier and 15 per cent smaller than the five-year average for the same date.

Since January 1 lamb and ewe prices have both fluctuated rather widely, but at the end of the first three weeks in January were fully as strong as the end of December.

### Pig Crop Report

In view of the predictions contained in the "Summer Hog Outlook" issued by the United States Department of Agriculture last July, not only is the current rate of marketing of hogs of great interest but also the pig production since that time and the anticipated pig production this spring. The July report stated, in part: "supplies of hogs for slaughter in the 1935 to 1936 marketing year beginning next October probably will be even smaller than the very

small supplies in the current marketing year. The seasonal distribution of marketings during 1935-1936, however, is likely to be materially different from that of the present year and from the average. Present indications point to a considerable decrease in slaughter supplies during the winter season, October to April, as compared with a year earlier, and to some increase in slaughter in the summer season, May to September, 1936."

In table I are figures that show the much more pronounced percentage decrease in pig production in this district than in the United States as a whole, when the spring and fall crops of 1935, combined, are compared with similar figures for 1934.

#### I. Pigs Saved (in thousands)

	Fall	Spring	Total	Fall	Spring	Total	% 1935
	1935	1935	1935	1934	1934	1934	of 1934
Minn. ....	1,034	2,256	3,290	614	3,012	3,628	91
Mont. ....	70	82	152	57	140	197	77
No. Dak. ....	119	300	419	90	514	604	69
So. Dak. ....	392	652	1,044	158	1,388	1,546	68
4 States ....	1,615	3,290	4,905	921	5,054	5,975	82
U. S. ....	20,272	30,402	50,674	15,522	37,807	53,329	95

The figures in table II show that the number of sows to farrow before June 1, 1936, will be much larger than the unusually small farrowings for the spring of 1935, but that pig production for the spring of 1936 will not be as large as in the somewhat sub-normal year of 1934 unless there is an unexpected increase in the number of pigs saved per litter.

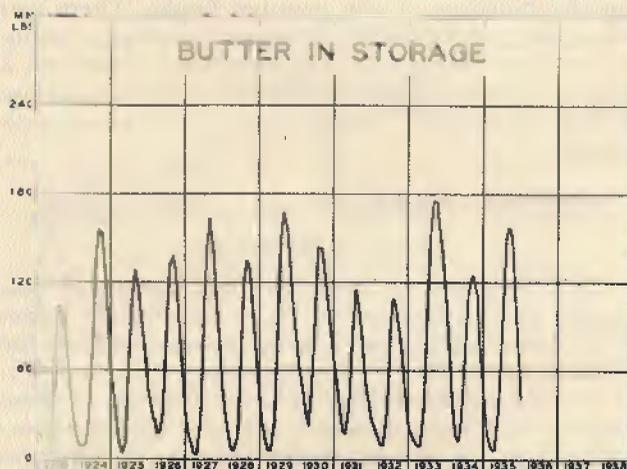
#### II. Sows Farrowed in Spring (In thousands)

	1936*	1935	% 1936 of 1935	1934	% 1936 of 1934
	Minn. ....	519	371	140	508
Mont. ....	18	15	120	22	82
No. Dak. ....	77	48	160	86	90
So. Dak. ....	202	112	180	243	83
4 States ....	816	546	150	859	95
United States...	6,220	5,021	124	6,473	96

\*Number indicated to farrow from breeding intentions reports.

#### Cold Storage

Cold storage holdings of meats, poultry, and dairy products improved during December from the standpoint of the producers. There was an abnormally large disappearance of butter, the stocks of which on January 1, 1936, amounted to only 40,242,000 pounds. Stocks of pork and poultry increased by less than the seasonal amount during December. Beef stocks, on the other hand, increased by slightly more than the seasonal amount. On January 1, 1936, stocks of butter, poultry, pork, lard, lamb and mutton, and miscellaneous meats were all smaller than the five-year average for that date, while stocks of beef and cheese were larger than the five-year average.



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

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

	January 1, 1936	January 1, 1935	January 1 5-Yr. Avg.
Beef .....	106,044	140,940	78,305
Pork .....	323,633	687,563	578,521
Lamb and Mutton.....	3,021	4,560	3,667
Miscellaneous Meats ...	74,234	126,033	76,808
Total Meats .....	506,932	959,096	737,301
Lard .....	52,432	118,107	78,873
Cream* .....	98	61	136
Butter .....	40,242	47,425	54,102
Cheese .....	99,289	102,197	84,897
Poultry .....	107,205	132,001	117,752
Eggs** .....	2,940	2,502	2,947

\*Thousand cans.

\*\*Thousand cases.

#### Farm Stocks of Grain, January 1

Stocks of wheat on farms in the Ninth Federal Reserve District were about one-third smaller than the 1928-1932 average, but were a little larger in volume than on the same date last year, chiefly because of the somewhat larger production in 1935 than in 1934. January 1, 1936, wheat stocks, however, were a smaller percentage of the preceding crop than in any year since 1931.

As was to be expected following the return to more nearly normal production of corn and oats in 1935, January 1 stocks were far in excess of farm stocks one year earlier. Farm stocks of corn and oats on January 1, 1936, were about three times as large as on January 1, 1935. Stocks of corn were nearly as large as the 1928-1932 average, while stocks of oats were about 40 per cent larger than the average for those years.

#### Farm Income and Prices

Cash income to farmers in this district from the sale of seven important products, as estimated in our office, were 43 per cent larger in December than in the same month last year. Income from wheat, rye,

flax, and potatoes was more than twice as large as in December, 1934, and there were smaller percentage increases in the income from dairy products and hogs. These estimates do not include government rental and benefit payments.

The government estimates that farmers' cash income in the four complete states within this district was \$53,989,000 in November, 1935, before adding rental and benefit payments. On the same basis, farmers' cash income in these states in November, 1934, was \$38,047,000. Even adding rental and benefit payments to the 1934 figures, they were only \$52,000,000 which was smaller than the November, 1935 total without these payments.

The price index of northwestern farm products, computed by the University of Minnesota, rose three points from November to December. The figure for the latter month was more than ten points higher than in December, 1934, and was the highest December figure since 1929. According to our

records, lambs reached the highest price since 1930, and hens were the highest since 1931. Other increases over last year occurred in prices of bread wheat, all grades of livestock, butter, milk, and potatoes. Durum wheat, rye, corn, oats, and barley were priced far below last year's scarcity prices, and eggs and flax were also somewhat lower than a year ago.

Farmers' Cash Income, Including Rental and Benefit Payments, for the Four States of Minnesota, Montana, North Dakota, and South Dakota Combined

(U. S. D. A. Estimates)

Year	November	Jan..Nov., Inc.
1929	\$85,347,000	\$911,624,000
1930	61,819,000	704,834,000
1931	49,076,000	484,437,000
1932	29,944,000	290,846,000
1933	35,009,000	355,772,000
1934	52,057,000	456,652,000
1935	53,989,000*	512,520,000*

\*Excluding Rental and Benefit payments for the month of November, 1935.

THE YEARS 1931 TO 1935 IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS

	1931	1932	1933	1934	1935
<b>Bank Debits</b>					
94 Cities	\$ 9,299,931,000	\$ 6,887,474,000	\$ 7,034,848,000	\$ 7,685,285,000	\$ 8,751,364,000
Minneapolis	3,894,430,000	2,958,446,000	3,423,602,000	3,456,332,000	3,756,035,000
St. Paul	1,668,625,000	1,330,056,000	1,203,693,000	1,460,646,000	1,768,167,000
South St. Paul	275,676,000	156,751,000	139,665,000	142,366,000	207,945,000
Great Lakes Ports	799,534,000	544,094,000	537,429,000	525,449,000	549,219,000
Beef and Pork, S. E.	333,911,000	252,987,000	225,006,000	262,007,000	296,042,000
Beef and Pork, S. W.	424,017,000	237,576,000	243,440,000	266,969,000	313,515,000
Dairy and Mixed Farming	461,538,000	344,741,000	298,499,000	364,626,000	430,070,000
Wheat and Mixed Farming	565,133,000	440,926,000	388,724,000	474,533,000	529,181,000
Wheat and Range	292,672,000	202,536,000	184,795,000	242,458,000	305,461,000
Mining and Lumber	584,395,000	419,361,000	389,995,000	489,899,000	595,729,000
<b>Electric Power Consumption (K.W.H.)</b>					
Minn., No. Dak. and So. Dak.	1,785,388,000	1,634,261,000	1,533,549,000	1,656,629,000	1,774,291,000
Montana	966,097,000	635,093,000	922,810,000	867,504,000	1,312,537,000
<b>Country Check Clearings</b>					
Total	\$ 799,150,000	\$ 665,320,000	\$ 803,242,000	\$ 1,050,582,000	\$ 1,284,831,000
Minnesota	292,122,000	263,987,000	317,754,000	392,139,000	477,625,000
Montana	137,454,000	98,980,000	112,679,000	160,457,000	212,207,000
North and South Dakota	194,329,000	170,050,000	238,880,000	317,520,000	376,308,000
Michigan and Wisconsin	175,245,000	132,303,000	133,929,000	180,466,000	218,691,000
<b>Freight Carloadings—N. W. District</b>					
Total—Excluding L. C. L.	3,427,832	2,276,749	2,741,143	3,139,725	3,345,731
Grain and Grain Products	444,812	366,208	444,280	413,553	422,658
Livestock	363,812	255,730	240,087	300,046	160,623
Coal	290,222	264,347	263,000	282,418	297,997
Coke	45,605	32,295	43,749	44,802	59,375
Forest Products	363,525	204,537	280,631	320,513	385,772
Ore	466,028	68,224	384,350	444,403	571,655
Miscellaneous	1,453,828	1,085,408	1,085,046	1,333,990	1,447,651
Merchandise—L. C. L.	1,343,827	1,071,496	964,490	983,022	968,180
<b>Building Permits</b>					
Number (18 Cities)	15,188	10,063	9,419	9,976	12,814
Valuation (18 Cities)	\$ 34,512,600	\$ 13,885,000	\$ 10,391,600	\$ 9,185,600	\$ 15,070,700
Minneapolis	12,371,900	6,427,000	2,537,400	3,113,000	4,690,900
St. Paul	13,994,700	3,053,800	5,309,200	2,528,400	3,551,700
Duluth-Superior	1,275,900	1,616,900	1,111,600	924,100	1,544,300
4 Wheat Belt Cities	2,210,700	1,928,400	376,900	816,300	1,370,200
6 Mixed Farming Cities	4,219,700	1,720,200	728,100	1,117,600	3,299,400
4 Mining Cities	439,700	447,300	328,400	686,200	614,200

**THE YEARS 1931 TO 1935 IN THE NINTH FEDERAL RESERVE DISTRICT  
(CONTINUED)**

	1931	1932	1933	1934	1935
<b>Building Contracts Awarded</b>					
Total .....	\$ 93,815,300	\$ 61,516,400	\$ 44,071,400	\$ 58,599,200	\$ 64,552,700
Residential .....	15,934,500	7,112,000	5,565,200	4,142,600	10,094,400
Commercial and Industrial...	8,723,300	4,479,900	6,541,300	5,138,100	5,655,700
Public Works and Utilities...	49,235,300	39,946,300	25,001,800	39,132,000	37,284,000
Educational .....	7,114,300	2,455,400	1,880,200	4,636,000	4,938,400
All Other .....	12,807,900	7,522,800	5,082,900	5,550,500	6,580,200
<b>Real Estate Activity in Hennepin and Ramsey Counties</b>					
Warranty Deeds Recorded...	14,179	11,147	8,110	10,091	11,073
Mortgages Recorded .....	15,490	11,787	8,963	16,938	12,883
<b>Manufacturing and Mining</b>					
Flour Prod. at Mpls. & Duluth-Superior (bbls.) .....	10,009,978	7,779,830	7,897,935	7,668,378	7,123,030
Flour Ship from Mpls. (bbls.) .....	9,701,671	7,685,170	7,594,616	7,548,919	7,018,898
Linseed Prod. Ship. (lbs.)...	255,642,803	157,000,958	155,635,844	127,773,589	223,228,547
Copper Prod. (3 Firms) (lbs.) .....	271,053,500	143,800,700	140,115,000	114,018,900	218,635,800
Iron Ore Shipments.....	23,467,786	3,567,985	21,623,898	22,249,600	28,362,368
Business Failures .....	867	928	725	309	244*
<b>AGRICULTURE</b>					
<b>Farmers' Cash Income</b>					
Bread Wheat .....	\$ 56,288,000	\$ 47,445,000	\$ 80,566,000	\$ 52,459,000	\$ 91,298,000
Durum Wheat .....	21,723,000	9,086,000	12,579,000	10,693,000	11,077,000
Rye .....	1,645,000	2,056,000	4,969,000	1,989,000	3,348,000
Flax .....	16,802,000	10,651,000	10,073,000	9,049,000	20,155,000
Dairy Products .....	147,551,000	108,016,000	118,693,000	129,036,000	141,759,000
Hogs .....	120,364,000	68,448,000	72,913,000	83,276,000	82,029,000
Wool .....	8,139,000	4,704,000	10,537,000	14,168,000	9,245,000
Potatoes .....	11,048,000	8,168,000	11,201,000	14,022,000	12,406,000
Butter Production (Lbs.)....	514,120,000	504,641,000	536,311,000	488,265,000	*467,400,000
<b>Grain Marketings at Minneapolis and Duluth-Superior (Bus.)</b>					
Bread Wheat .....	66,082,000	73,075,000	90,484,000	43,879,000	63,877,000
Durum Wheat .....	29,738,000	15,945,000	15,061,000	8,101,000	9,660,000
Rye .....	4,094,000	5,696,000	8,483,000	2,684,000	6,982,000
Flax .....	11,689,000	9,635,000	5,864,000	4,658,000	11,593,000
<b>Livestock Receipts at South St. Paul (Head)</b>					
Cattle .....	811,361	689,930	835,173	1,475,890	910,785
Calves .....	603,231	544,125	515,370	840,413	477,264
Hogs .....	3,251,214	2,599,915	2,742,455	1,885,080	931,203
Sheep .....	1,690,080	1,522,383	1,551,906	1,583,674	1,362,424
<b>Prices in December</b>					
<b>Median Cash Grain Prices at Mpls.</b>					
Wheat—No. 1 D. N. S. (bu.)	\$0.73 <sup>3</sup> / <sub>8</sub>	\$0.49	\$0.83 <sup>5</sup> / <sub>8</sub>	\$1.16 <sup>3</sup> / <sub>4</sub>	\$1.28 <sup>3</sup> / <sub>8</sub>
Durum—No. 2 Amber (bu.)	.84 <sup>3</sup> / <sub>8</sub>	.50 <sup>1</sup> / <sub>8</sub>	1.00 <sup>5</sup> / <sub>8</sub>	1.43 <sup>1</sup> / <sub>4</sub>	1.13
Corn—No. 3 Yellow (bu.)...	.43 <sup>3</sup> / <sub>4</sub>	.21 <sup>1</sup> / <sub>2</sub>	.43 <sup>3</sup> / <sub>8</sub>	.90 <sup>5</sup> / <sub>8</sub>	.54
Oats—No. 3 White (bu.)...	.26 <sup>3</sup> / <sub>4</sub>	.14 <sup>1</sup> / <sub>2</sub>	.33	.59 <sup>3</sup> / <sub>8</sub>	.26
Barley—No. 3 (bu.).....	.50 <sup>3</sup> / <sub>8</sub>	.27	.66	1.08	.52
Malting Barley—No. 3 (bu.)	.....	.....	.....	1.18	.62
Rye—No. 2 (bu.).....	.45	.30 <sup>1</sup> / <sub>2</sub>	.58 <sup>3</sup> / <sub>8</sub>	.80 <sup>1</sup> / <sub>2</sub>	.49
Flax—No. 1 (bu.).....	1.43	1.07 <sup>1</sup> / <sub>2</sub>	1.77	1.97 <sup>1</sup> / <sub>2</sub>	1.83 <sup>1</sup> / <sub>8</sub>
<b>Median Live Stock Prices at South St. Paul</b>					
Butcher Cows and Heifers...	.....	\$2.50	\$2.75	\$3.00	\$5.50
Heavy Butcher Steers (1,100 lbs. and over).....	.....	3.75	4.50	6.50	8.25
Light Butcher Steers (under 1,100 lbs.) .....	.....	4.00	4.35	5.50	7.00
Prime Heavy Butcher Steers (1,100 lbs. and over)....	.....	5.50	5.60	7.50	10.00
Prime Light Butcher Steers (under 1,100 lbs.).....	.....	5.50	5.50	8.00	9.50
Heavy Stock and Feeder Steers (800 lbs. and over).....	.....	\$3.00	\$3.00	\$2.50	\$7.00
Light Stock and Feeder Steers (Under 800 lbs.).....	.....	3.00	3.25	2.50	6.00
Veal Calves .....	\$4.00	3.50	4.00	4.50	8.50
Hogs .....	3.90	2.80	3.00	5.30	9.25

THE YEARS 1931 TO 1935 IN THE NINTH FEDERAL RESERVE DISTRICT  
(CONTINUED)

	1931	1932	1933	1934	1935
Heavy Hogs .....	3.35	2.50	2.75	5.80	8.90
Lambs .....	4.75	5.75	6.75	7.00	10.75
Ewes .....	2.00	1.50	3.00	2.50	4.75
Wool (lb.) (Farm Price)...	.12½	.09	.25	.17½	.21½*
<b>Wholesale Produce Prices at Mpls.</b>					
Butter (lb.) .....	\$0.27	\$0.21¼	\$0.17	\$0.27¾	\$0.31
Milk (cwt.) .....	1.46	1.16	1.24	1.55	1.73
Hens (lb.) .....	.14½	.09½	.07½	.09½	.17
Eggs (doz.) .....	.22¾	.24	.16¼	.20	.18
Potatoes bu.) .....	.49	.27	.58	.53	.66⅝

**TRADE**

	1931	1932	1933	1934	1935
<b>Retail Sales</b>					
Lumber (432 yds.) (bd. ft.)..	78,802,000	52,319,000	53,894,000	68,907,000	85,962,000
City Dept. Store Sales (20 firms) .....	\$ 63,102,800	\$ 50,213,440	\$ 47,502,990	\$ 52,280,930	\$ 55,576,660
Country Dept. and Gen. Stores .....				70,680,290	*75,443,860
Life Insurance Sales .....	237,236,000	186,206,000	149,262,000	158,565,000	176,561,000
<b>Wholesale Sales</b>					
Shoes (5 firms) .....	\$ 2,817,870	\$ 2,288,020	\$ 2,904,100	\$ 3,593,990	\$ 4,100,880
Hardware (10 firms) .....	15,566,950	11,132,370	12,373,930	14,964,540	16,968,280
Groceries (32 firms) .....	41,222,320	33,584,730	34,396,500	40,674,670	42,959,470

**BANKING**

**City Bank Condition (1) Dec. 31**

Loans .....	\$ 222,000,000	\$ 176,000,000	\$ 165,000,000	\$ 141,000,000	\$ 163,000,000 <sup>2</sup>
Investments .....	155,000,000	139,000,000	157,000,000	222,000,000	216,000,000 <sup>2</sup>
Deposits .....	431,000,000	384,000,000	393,000,000	466,000,000	491,000,000 <sup>2</sup>
Borrowings .....	164,000	15,000	99,000	0	0 <sup>2</sup>

**Country Bank Condition, Dec. 31**

Loans .....	\$ 478,000,000	\$ 384,000,000	\$ 273,000,000	\$ 234,000,000	\$ 268,000,000 <sup>2</sup>
Investments .....	365,000,000	313,000,000	288,000,000	360,000,000	353,000,000 <sup>2</sup>
Deposits .....	879,000,000	704,000,000	621,000,000	731,000,000	793,000,000 <sup>2</sup>
Borrowings .....	14,098,000	30,464,000	6,502,000	331,000	396,000 <sup>2</sup>

**Member Bank Net Demand and Time Deposits (3)**

In Cities over 15,000 pop...\$	432,983,000	\$ 376,751,000	\$ 388,269,000	\$ 468,551,000	\$ 490,305,000 <sup>4</sup>
In Cities under 15,000 pop...	343,663,000	280,588,000	256,351,000	307,067,000	286,965,000 <sup>4</sup>
Michigan—15 Counties .....	60,198,000	50,038,000	39,812,000	45,955,000	45,538,000 <sup>4</sup>
Minnesota .....	134,763,000	112,270,000	106,328,000	125,902,000	119,028,000 <sup>4</sup>
Montana .....	50,158,000	39,239,000	39,591,000	50,040,000	49,216,000 <sup>4</sup>
North Dakota .....	33,626,000	27,468,000	24,644,000	28,775,000	25,612,000 <sup>4</sup>
South Dakota .....	41,075,000	31,927,000	32,214,000	39,597,000	31,044,000 <sup>4</sup>
Wisconsin—26 Counties .....	23,843,000	19,646,000	13,762,000	16,798,000	16,527,000 <sup>4</sup>

**Interest Rates**

	Jan. '32	Jan. '33	Jan. '34	Jan. '35	Jan. '36
Minneapolis Banks .....	4¾-5	4½-4¾	4¼-4½	3¾-4	3½-3¾
Commercial Paper (Net to Borrower) .....	4½	1¾	1¾	1¼	1¼
Minneapolis Fed. Res. Bank..	3½	3½	3½	2½	2

**Selected City Member Banks**

	Jan. 13, 1932	Jan. 18, 1933	Jan. 17, 1934	Jan. 16, 1935	Jan. 15, 1936
Loans to Customers .....	\$ 215,321,000	\$ 166,466,000	\$ 169,041,000	\$ 140,127,000	\$ 162,527,000
Other Invested Funds .....	137,504,000	118,637,000	158,373,000	218,887,000	219,200,000
Deposits Due to Banks .....	62,210,000	59,821,000	81,454,000	117,477,000	111,974,000
Public Demand Deposits .....	20,784,000	18,297,000	21,456,000	44,130,000	42,282,000
Other Demand Deposits .....	145,362,000	126,853,000	158,058,000	193,734,000	227,208,000
Time Deposits .....	156,042,000	138,566,000	126,637,000	126,696,000	125,593,000
Total Deposits .....	385,350,000	344,323,000	388,766,000	488,494,000	515,048,000
Borrowings at Fed. Res. Bank .....	3,741,000	130,000	34,000	0	0

**Minneapolis Fed. Reserve Bank**

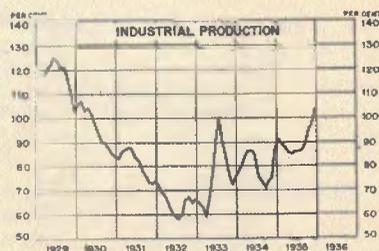
Loans to Member Banks .....	\$ 9,952,000	\$ 10,266,000	\$ 1,736,000	0	\$ 72,000
Twin Cities .....	3,666,000	0	20,000	0	0
Minn., Wis. and Mich. ....	2,692,000	3,877,000	674,000	0	0
No. Dak. and Mont. ....	1,678,000	2,692,000	301,000	0	0
So. Dak. ....	1,916,000	3,697,000	741,000	0	72,000
Fed. Res. Notes in Circulation .....	68,018,000	80,982,000	92,794,000	103,629,000	108,500,000
Fed. Res. Bank Note Circulation—Net .....	0	0	7,945,000	0	0

\*Estimated for December.

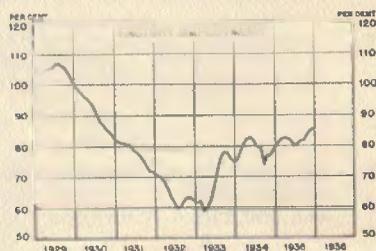
(1) National Banks in Minneapolis and St. Paul and Savings Banks and Trust Companies in Minnesota.

(2) Latest available dates. (3) Daily average for December.

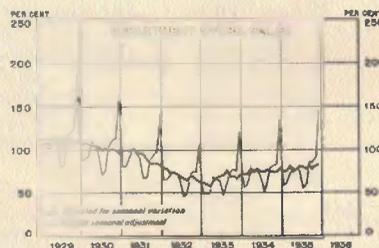
(4) New method of computation, effective Aug. 23, 1935, reduced these figures by 8-10%.



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average—100. By months, January, 1929 to December, 1935.



Index of number employed, adjusted for seasonal variations, 1923-1925 average—100. By months, January, 1929 to December, 1935.



Indexes of value of sales, 1923-1925 average—100. By months, January, 1929 to December, 1935.



Indexes of number of cars loaded, adjusted for seasonal variation, 1923-1925 average—100. By months, January, 1929 to December, 1935.

## Summary of National Business Conditions

COMPILED BY THE BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM, JANUARY 25, 1936

Industrial production and employment showed a further increase in December, when allowance is made for the usual seasonal changes, and distribution of commodities to consumers was in increased volume.

**PRODUCTION AND EMPLOYMENT:** The Board's seasonally adjusted index of industrial production, which takes account of the considerable decline that usually occurs in December, advanced from 98 per cent of the 1923-1925 average in November to 103 per cent in December, the highest level reached by this index since the spring of 1930. As in other months during the last half of 1935, the rise in the index was due in large part to increases in output of durable manufactures, particularly iron and steel and automobiles. During the first half of January, production of steel and automobiles increased somewhat following declines in the holiday period. Output at mines was also larger in December than in November. Activity at cotton and silk textile mills declined less than is usual in December, while at woolen mills there was a more than seasonal decrease in operation. Output at shoe factories increased.

Factory employment showed little change between the middle of November and the middle of December, when a slight decline is customary. The number employed continued to increase at steel mills, automobile factories, foundries, and machine shops, and at railroad car building plants. There was also an increase in employment at shoe factories. Seasonal declines were reported by many other important industries. Factory payrolls were larger in the middle of December than a month earlier.

The value of construction contracts awarded increased sharply in December, according to figures of the F. W. Dodge Corporation, although a decline is usual in that month. There was a further substantial growth in the volume of awards for publicly-financed projects, and residential building also increased.

**DISTRIBUTION:** Sales at department stores and variety stores, as well as sales by chain stores and mail order houses serving rural areas, showed larger increases than are usual in December. Freight-car loadings decreased by less than the usual seasonal amount in December, and the Board's adjusted index increased from 66 per cent of the 1923-1925 average in November to 71 per cent, continuing the advance begun last August.

**COMMODITY PRICES:** The general level of wholesale prices showed little change during December. In the first three weeks of January, there was some decline in the general index, reflecting in part lower prices for cotton gray goods, flour, pork and silk. Prices of hogs, rubber and petroleum increased.

**BANK CREDIT:** Excess reserves of member banks, which declined by \$600,000,000 in the third week of December, increased by \$320,000,000 during the following five weeks, reflecting the usual seasonal return flow of currency from circulation, a decline in Treasury balances with the Federal Reserve Banks, and a small increase in monetary gold stock. On January 22, excess reserves totaled \$3,030,000,000, as compared with the peak of \$3,300,000,000 on December 11, 1935.

Changes in the condition of reporting member banks in leading cities between December 18 and January 15 reflected largely the influences of seasonal factors.