

# MONTHLY REVIEW

OF

## AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

### NINTH FEDERAL RESERVE DISTRICT

JOHN R. MITCHELL, Chairman of the Board  
and Federal Reserve Agent

CURTIS L. MOSHER F. M. BAILEY  
Assistant Federal Reserve Agents

OLIVER S. POWELL  
Statistician

Vol. V (Serial  
No. 198)

Minneapolis, Minnesota

June 29, 1931

#### DISTRICT SUMMARY OF BUSINESS

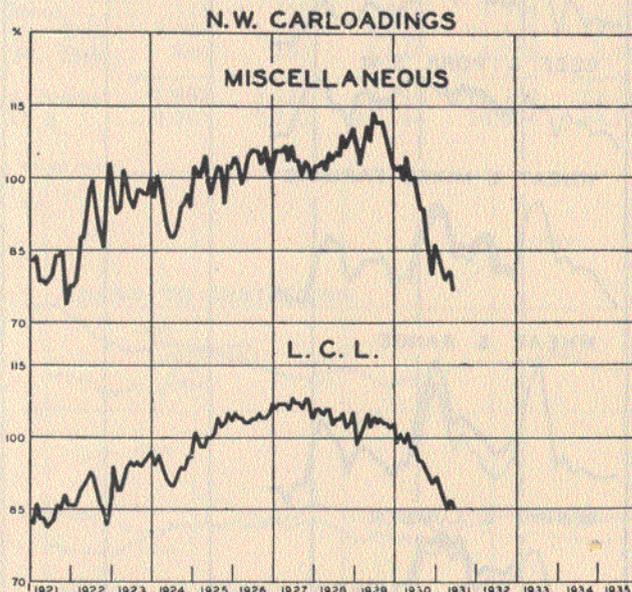
The volume of business in the district during May was smaller than in May last year, and this condition extended into June. Bank debits in May were 11 per cent lower than in May a year ago. The decline would have been greater if duplications in the debits due to the method of handling May 1 grain settlements by the Federal Farm Board agencies could have been eliminated. During the three weeks ending June 17, the cities which report debits on a weekly basis experienced a decrease of 15 per cent, as compared with the corresponding period a year ago. The country check clearings index for May was 20 per cent below May a year ago, which was the largest decline recorded so far this year. In the first fifteen business days of June, country check clearings were also 20 per cent below the figures for the same days last year.

Freight carloadings in May suffered a serious decline of 41 per cent as compared with May 1930. The decline was chiefly due to the fact that only one-fourth as much iron ore was moved from the mines in May this year as in the same month last

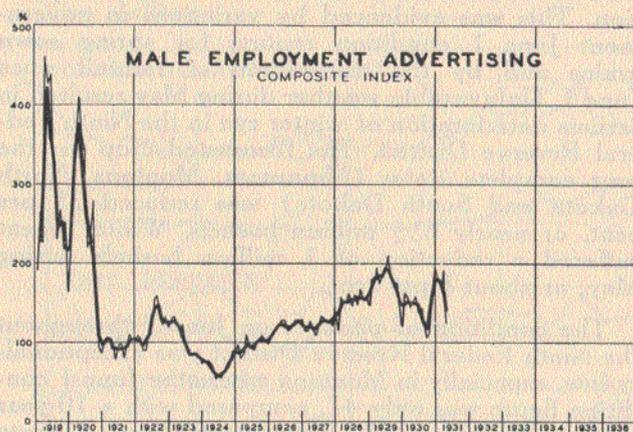
year. Forest product shipments were also at a very low level. Shipments of miscellaneous freight made a new low record for the current business decline after seasonal adjustments. Less-than-carlot shipments equalled the previous low for the present depression; but neither of these two classes of freight as yet has decreased in volume to the lowest level of the 1921 depression.

Other decreases, as compared with a year ago, occurred in electric power consumption, postal receipts, building permits and contracts, flour production and shipments, copper output, retail trade at department stores, furniture stores and country lumber yards, life insurance sales, securities sales and wholesale trade. Increases over the volume in May 1930 occurred in shipments of linseed products and marketings of grain and livestock.

Employment conditions at Minneapolis apparently deteriorated during May. It has now become evident that the more favorable aspects of the employment situation during the winter and early spring months were due to the phenomenally mild winter weather, which afforded an opportunity for certain lines of outdoor activities to be carried on in unseasonal volume. These activities created a demand for labor which was reflected in higher levels for the curves of "Skilled Help Wanted" at the Public Em-



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

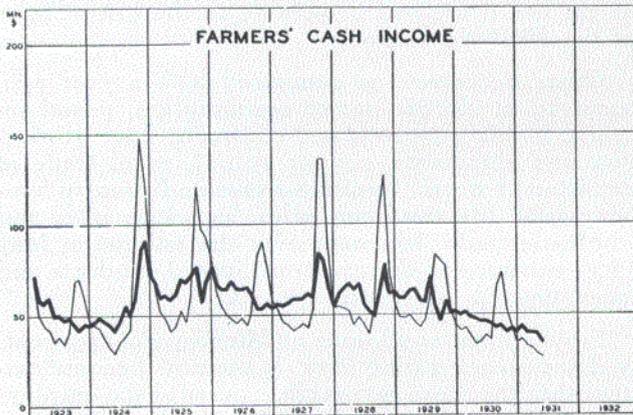


Male Employment Advertising Index for Minneapolis. This index is computed by dividing the seasonally adjusted index numbers of "Situations Wanted" into the similar index numbers for "Help Wanted." The heavy curve is a 3-month moving average of the light curve.

ployment Office and "Help Wanted" advertising in the newspapers; both curves adjusted for seasonal variations. With the return of summer weather, these abnormalities have been eliminated, and the curves of labor demand have returned to the depression levels of the fall of 1930. Relief for the unemployed by the Family Welfare Association continued in large volume during May, but was reduced by slightly more than the seasonal percentage, as compared with April.

**DISTRICT SUMMARY OF AGRICULTURE**

Farmers' cash income in May, estimated from marketings of seven important farm products, was 25 per cent smaller than in May 1930, the increased volume of marketings being more than offset by the greatly reduced prices for all commodities included in the estimate. Allowing for seasonal changes, farm income was also lower in May than in April.

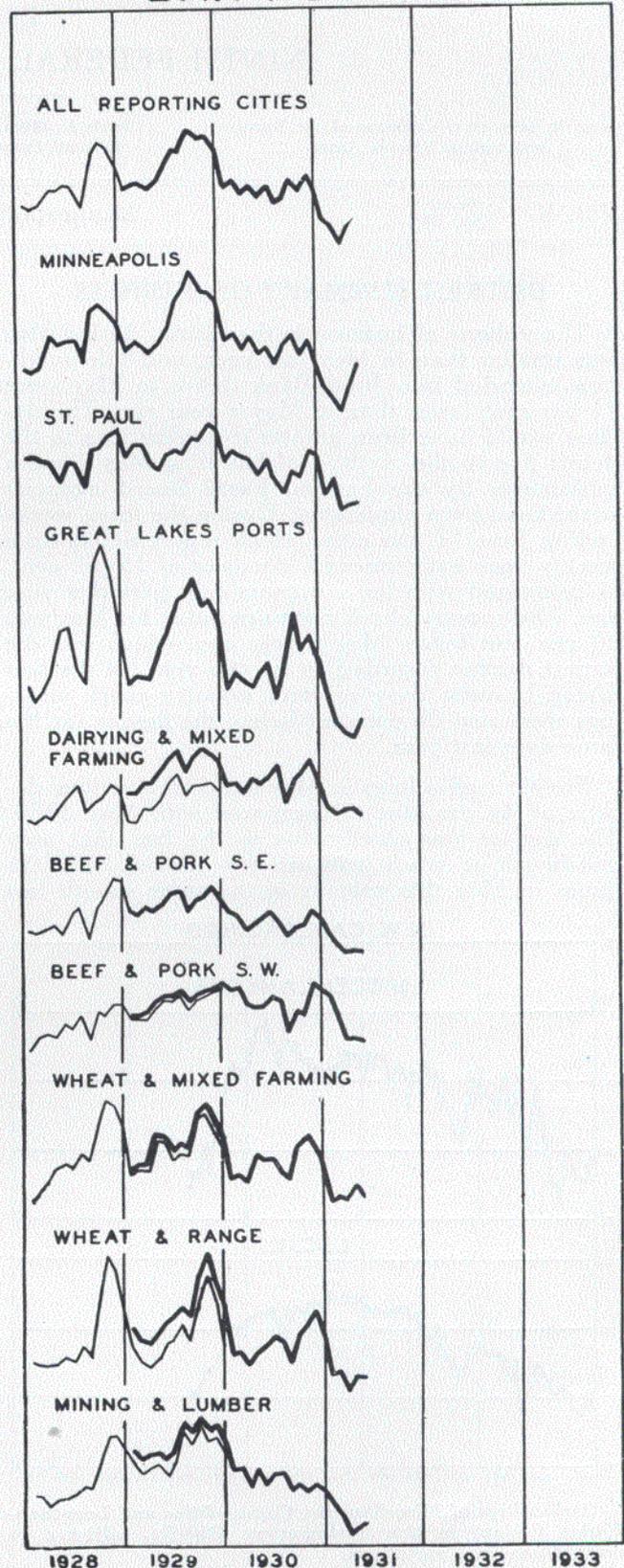


Farmers' Cash Income in the Ninth Federal Reserve District from Cash Crops, Hogs and Dairy Products. The heavy curve is seasonally adjusted, and the light curve shows changes in farm income without seasonal adjustment.

Crop prospects in the eastern portion of the district are distinctly better than in the western portion. This was evidenced by variations in government June 1 condition reports for spring sown grains and by the distribution of rainfall since June 1. Unfavorable weather during May resulted in serious deterioration of winter rye in the Ninth Federal Reserve District. The forecasted crop for the four complete states (Minnesota, Montana, North Dakota and South Dakota) was reduced 25 per cent, or nearly 6½ million bushels. Winter wheat suffered a reduction of 1 million bushels during May, or about 8 per cent.

The condition of pastures on June 1 throughout the Ninth Federal Reserve District was exceptionally low, especially in Montana where the June 1 condition figure was only 47, compared with a 10-year average figure of 88. Pastures in North Dakota were nearly as poor, being rated at 49, compared with a 10-year average of 79. The condition figures for wild hay in these two states were practically the same as for pastures, and those for tame hay were only slightly better.

**NINTH FED. RES. DISTRICT BANK DEBITS**



The drouth area is fairly well defined by the following list of weather stations which have reported less than two inches of rainfall between April 1 and June 20: Bottineau, Crosby, Drake, Max, Minot, Portal, Sanish, and Williston in North Dakota and Cut Bank, Glasgow, Glendive, Havre, Kalispell, and Miles City in Montana.

With such unfavorable prospects for forage and roughage crops as these condition figures and drouth conditions indicate, it is evident that there will necessarily be considerable reduction in the livestock holdings in these states during the next few months. Reports have already been received from Montana of sales of entire bands of ewes and lambs. Ewes are reported to have been in poor condition at lambing time on account of lack of feed, with the result that the number of lambs saved is far below normal.

**ACREAGE ESTIMATES AND JUNE 1 WINTER WHEAT AND RYE PRODUCTION FORECASTS BY STATES, WITH COMPARISONS**

(UNITED STATES DEPARTMENT OF AGRICULTURE)

(000's omitted)

**WINTER WHEAT**

	Acreage		Forecasts		Production
	1931	1930	6-1-31	5-1-31	1930
Minn. ....	118	151	2,242	2,242	3,020
Mont. ....	540	585	6,750	7,560	5,440
So. Dak....	150	120	2,025	2,179	2,016
3 States...	808	856	11,017	11,981	10,476
U. S. ....	40,432	38,608	649,115	652,902	604,337

**WINTER RYE**

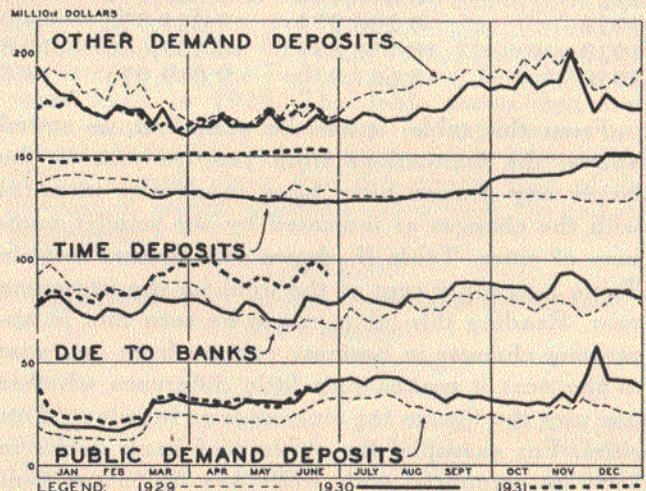
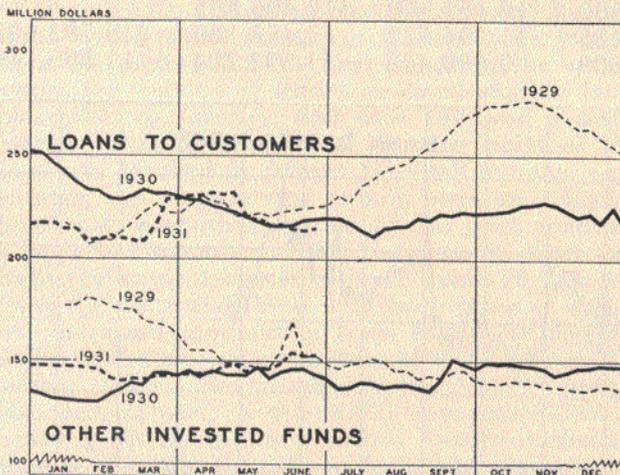
	Acreage		Forecasts		Production
	1931	1930	6-1-31	5-1-31	1930
Minn. ....	309	416	4,944	5,253	7,197
Mont. ....	118	113	944	1,534	1,130
No. Dak...	1,075	1,194	8,062	11,825	13,134
So. Dak...	480	400	5,040	6,720	5,800
4 States...	1,982	2,123	18,990	25,332	27,261
U. S. ....	3,793	3,722	43,766	50,676	50,234

**DISTRICT SUMMARY OF BANKING**

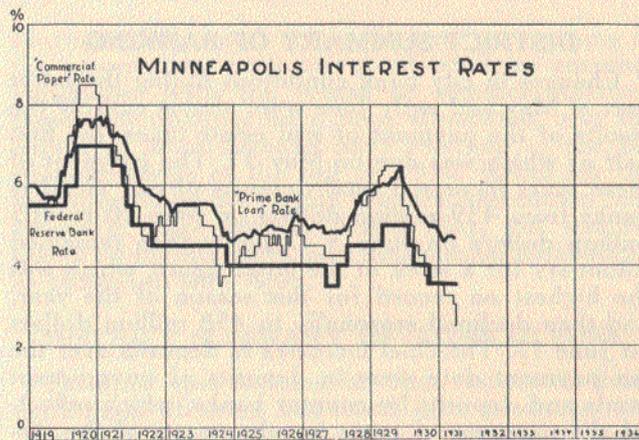
Changes in city bank conditions during the latter part of May and early June were almost entirely the results of the payment of real estate taxes, the first half of which was due on May 31. The payment of these taxes increased total deposits of city member banks from 439 million dollars on May 20 to 465 million dollars on June 3. Deposits then remained stationary for a week at the latter figure, which was the highest on record for this season of the year, and then declined seasonally to 458 million dollars on June 17. The chief increases in deposits over the tax payment date were in deposits of government funds and deposits by country banks, which reflected the payment of taxes in other parts of the district. There was also a moderate increase in commercial and individual demand deposits before the tax payment date, evidently in anticipation of tax withdrawals. These deposits decreased in the first part of June. Time deposits continued their moderate upward trend.

As compared with last year, total deposits of city banks have increased 42 million dollars, or 10 per cent. All classes of deposits were higher on June 17 than a year ago, with the largest increases reported in time deposits and deposits due to banks.

On the asset side of the balance sheets of city banks, changes in loans and investments were not large during the five weeks ending June 17. Loans to customers declined slightly, partly as a result of further liquidation of grain loans. Investment holdings, including brokers' loans, commercial paper and acceptances increased slightly, giving evidence of the investment of part of the public funds received at this period. However, the greater part of the deposit increase described above was retained in balances with correspondent banks. As compared with last year's records, loans to customers were slightly lower, other invested funds were slightly larger, and cash and balances due from banks showed an increase from 95 million dollars to 127 million dollars.



Principal Assets and Liabilities of Selected City Member Banks in the Ninth Federal Reserve District, as Reported weekly, 1929-1931.



Interest Rates at Minneapolis on Prime Bank Loans and Commercial Paper and the Discount Rate at the Federal Reserve Bank, 1919-1931.

Interest rates charged by Minneapolis commercial banks on prime loans have changed very little for the last five months. Borrowers' rates on prime commercial paper sold in the open market decreased from  $3\frac{1}{4}$  per cent on May 1 to  $2\frac{1}{2}$  per cent on June 20. The discount rate of this Federal Reserve Bank remained unchanged at  $3\frac{1}{2}$  per cent.

Country member banks experienced a seasonal decrease in deposits between the daily average for April and the average for May. Deposits of country member banks decreased 8 per cent in May from the volume in May 1930. Borrowings from this bank by country member banks increased slightly during the four weeks ending June 17, continuing the seasonal trend which usually culminates in August. Loans to member banks were about \$500,000 larger on May 17 than a year ago.

### BANK DEBITS IN THE NINTH FEDERAL RESERVE DISTRICT

1919-1931

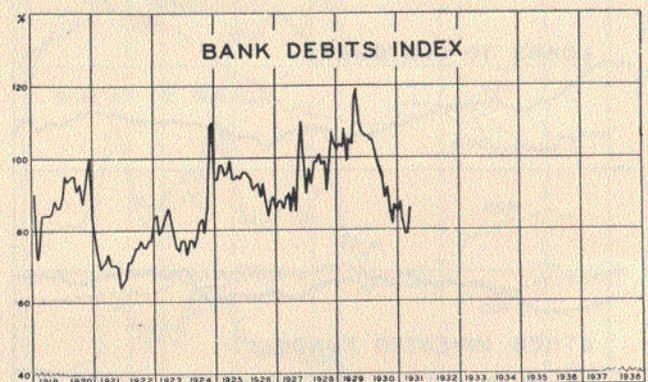
Beginning with a group of nine cities reporting bank debits in 1919, the number of reporting cities in the Ninth Federal Reserve District has been expanded until at the present time it includes ninety-four cities. The original group of nine cities included most of the large cities in the district, and the additional cities have added more to the knowledge of local developments in the various parts of the dis-

trict than they have to the knowledge of changes in the total volume of bank debits in the district. The following table shows the annual totals of bank debits for all of the cities reporting each year since 1919, together with comparative totals for the larger numbers of cities for the years covered by their reports.

TABLE I.  
Annual Totals of Bank Debits ('000's omitted)

	Nine Cities	Eleven Cities	Sixteen Cities	Seventeen Cities	Seventy-nine Cities	Ninety-four Cities
1919.....	\$ 7,927,000					
1920.....	8,578,924	\$ 8,987,421				
1921.....	6,541,568	6,804,908				
1922.....	6,964,578	7,191,094				
1923.....	7,495,470	7,747,703	\$ 8,007,882			
1924.....	8,240,254	8,458,603	8,709,179	\$ 9,031,249		
1925.....	9,039,169	9,302,263	9,582,705	10,022,148		
1926.....	8,300,926	8,593,274	8,892,378	9,381,035		
1927.....	8,698,943	9,007,751	9,307,339	9,721,164		
1928.....	9,296,577	9,625,998	9,963,680	10,382,960	\$12,408,805	
1929.....	10,138,839	10,507,660	10,861,236	11,294,622	13,457,180	\$13,702,602
1930.....	8,661,970	9,019,075	9,323,609	9,690,438	11,592,204	11,806,146

From this table, it can be seen that, as stated above, the fluctuations from year to year in the larger city groups have been practically identical with the changes as indicated by the smaller numbers of cities. Table II. shows each annual total in Table I. as a per cent of the total for the preceding year. Reading this table, it can be seen that in appraising changes in business volume from one year to the next it makes very little difference whether one uses the figures for nine cities or for ninety-four cities. For example, the volume of bank debits in 1930 as compared with 1929 was 85.43 per cent at nine cities, and 86.16 per cent at the ninety-four cities.



Bank Debits Index for Reporting Cities in the Ninth Federal Reserve District, adjusted for seasonal variations.

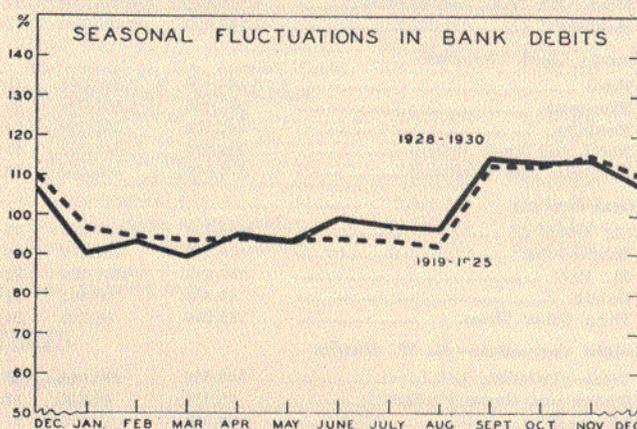
TABLE II.  
Annual Bank Debits as Per Cents of Preceding Year

	Nine Cities	Eleven Cities	Sixteen Cities	Seventeen Cities	Seventy-nine Cities	Ninety-four Cities
1920.....	108.22					
1921.....	76.25	75.72				
1922.....	106.47	105.67				
1923.....	107.62	107.74				
1924.....	109.94	109.18	108.76			
1925.....	109.69	109.97	110.03	110.97		
1926.....	91.82	92.38	92.80	93.60		
1927.....	104.79	104.82	104.67	103.63		
1928.....	106.87	106.86	107.05	106.81		
1929.....	109.06	109.16	109.01	108.78	108.44	
1930.....	85.43	85.83	85.84	85.80	86.14	86.16

Using the above data, a seasonally corrected index of bank debits for the period 1919-1931 has been computed, which is shown in the chart on page 140. The years 1928-1930 were used as a base period. The seasonal corrections were those shown in the chart at right for the periods 1919-1925 and 1928-1930, and slight modifications of those seasonal corrections were used for the years 1926-1927. No attempt has been made to correct the curve for secular trends or for changes in price level.

From the chart, it can be seen that bank debits in the Ninth District reached a peak after seasonal corrections in August 1929, and that the subsequent decline has brought the level of bank debits down to that prevailing in the summer of 1924. The decline has not yet reached the lowest point in 1924. The general upward trend of the curve reflects the growth of the cities in the district.

Furthermore, a study of the monthly bank debit records of the district indicates that there is very little difference in seasonal fluctuations between the smallest group of cities and the larger groups. However, some changes in seasonal fluctuations have occurred in the post-war period as a result of changes in business. The accompanying chart shows the usual seasonal fluctuations in bank debits for the smaller groups of cities from 1919 to 1925, and the seasonal fluctuations for seventy-nine cities from 1928 to 1930. The pattern of the seasonal fluctuations in the earlier years was slightly more regular than the pattern for the later years. In the earlier years, the volume of debits declined sharply from December to January, and then followed a moderately declining trend until the low point of the year was reached in August. The fall months, constituting the crop-moving season, were on a higher level than any other portion of the year, reaching a peak in November. In the later years, there has been the same decrease in bank debits in January from the December level, but the volume of debits has increased moderately from March to August, owing to the greater importance of dairy income described below. The increase in the August level is also due, in part, to the earlier commencement of heavy grain receipts at terminal elevators through the use of tractors, trucks and combines in harvesting. This factor has also removed the seasonal peak in November and substituted a flat period of maximum activity lasting from September to November,



Indexes of Seasonal Fluctuation in Bank Debits in the Ninth Federal Reserve District. The two curves illustrate the changes which have developed gradually during recent years.

inclusive. These shifts of seasonal fluctuations in bank debits may also have been due, in small part, to the increase in the number of cities.

The rising level of bank debits in the summer months in recent years has coincided with the growth in importance of dairying as a source of farm income, since dairy income reaches a peak in June and July. Table III shows the estimated cash income from farm production in the district, as computed by the United States Department of Agriculture and the Federal Reserve Board for the years 1924 to 1929. This table shows that cash crops have been decreasing in importance and animal products have been increasing in importance. (Other records show that the greater part of the increase in animal products arises from the growth of dairying.)

TABLE III  
Estimated Cash Income from Farm Production  
(000's omitted)

	Crops	Animal Products	Total
1924 .....	\$563,960	\$513,442	\$1,077,402
1925 .....	466,521	633,534	1,100,055
1926 .....	319,577	677,939	997,516
1927 .....	497,133	595,878	1,093,011
1928 .....	401,520	642,205	1,043,725
1929 .....	339,718	682,475	1,022,193

## COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS				AGRICULTURE			
		Per Cent of May '31			Per Cent of May '31		
	May '31	May '30	May '30	May '31	May '30	May '30	May '30
<b>Bank Debits<sup>1</sup></b>				<b>Farmers' Cash Income</b>			
All Reporting Cities.....	\$ 33,641,000	\$ 37,816,900	89	Total of 7 Items.....	\$ 26,317,000	\$ 34,897,000	75
Minneapolis .....	15,672,000	16,269,000	96	Bread Wheat .....	4,324,000	3,674,000	118
St. Paul .....	5,564,000	6,441,000	86	Durum Wheat .....	2,315,000	2,425,000	95
South St. Paul.....	833,000	1,075,000	77	Rye .....	65,000	551,000	12
Great Lakes Ports.....	2,756,700	3,513,000	78	Flax .....	640,000	662,000	97
Beef and Pork, S. E.....	1,095,600	1,333,800	82	Potatoes .....	503,000	1,383,000	36
Beef and Pork, S. W.....	1,407,500	1,682,000	84	Dairy Products .....	12,332,000	17,291,000	71
Dairy and Mixed Farming.....	1,544,500	1,801,400	86	Hogs .....	6,138,000	8,911,000	69
Wheat and Mixed Farming.....	1,895,000	2,268,300	84	<b>Grain Marketings at Minneapolis and Duluth-Superior (Bus.)</b>			
Wheat and Range.....	1,006,700	1,159,800	87	Bread Wheat .....	4,518,000	2,793,000	162
Mining and Lumber.....	1,860,400	2,273,600	82	Durum Wheat .....	3,031,000	2,526,000	120
				Rye .....	180,000	854,000	21
<b>Electric Power Consumption (K.W.H.)<sup>2</sup></b>				Flax .....	413,000	247,000	167
Minn., No. Dak., and So. Dak.....	4,614,000	4,751,000	97	<b>Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)</b>			
Montana .....	2,756,000	3,795,000	73	Wheat .....	68,875,731	52,196,379	132
				Corn .....	674,505	72,731	927
<b>Country Check Clearings<sup>1</sup></b>				Oats .....	4,487,861	5,941,008	76
Total .....	\$ 2,664,600	\$ 3,324,300	80	Barley .....	2,805,641	3,945,497	71
Minnesota .....	961,800	1,190,600	81	Rye .....	5,708,461	4,349,416	131
Montana .....	442,700	596,700	74	Flax .....	784,307	523,761	150
North and South Dakota.....	680,600	842,000	81	<b>Livestock Receipts at So. St. Paul (Head)</b>			
Michigan and Wisconsin.....	579,500	695,000	83	Cattle .....	58,622	48,304	121
				Calves .....	49,149	46,571	106
<b>Postal Receipts</b>				Hogs .....	178,697	174,881	102
Six Cities .....	944,700	1,066,300	89	Sheep .....	24,582	13,996	176
Minneapolis .....	508,300	580,600	88				
St. Paul .....	297,900	331,500	90	<b>Median Cash Grain Prices (Bus.)</b>			
Duluth .....	55,600	63,000	88	Wheat—No. 1 Dark Northern.....	\$ .82	\$1.10½	74
Three Other Cities.....	82,900	91,200	91	Durum—No. 2 Amber.....	.76½	.96	80
				Corn—No. 3 Yellow.....	.50½	.76½	66
<b>Freight Carloadings—N. W. District</b>				Oats—No. 3 White.....	.25%	.37	69
Total—Excluding L.C.L.....	292,957	496,064	59	Barley—No. 3 .....	.40	.55½	72
Grains and Grain Products.....	35,439	40,212	88	Rye—No. 2 .....	.36½	.64½	56
Livestock .....	23,580	27,059	87	Flax—No. 1 .....	1.55	2.68	58
Coal .....	18,669	18,957	98				
Coke .....	4,638	7,039	66	<b>Median Livestock Prices (Cwt.)</b>			
Forest Products .....	34,805	63,984	54	Butcher Cows .....	\$4.75	\$7.50	63
Ore .....	40,887	157,819	26	Butcher Steers .....	6.50	10.35	63
Miscellaneous .....	134,939	180,994	75	Prime Butcher Steers.....	7.40	11.75	63
Merchandise—L.C.L. ....	115,769	138,583	84	Feeder Steers .....	5.50	9.00	61
				Veal Calves .....	7.00	9.50	74
<b>Building Permits</b>				Hogs .....	6.00	9.50	63
Number—13 Cities .....	1,809	1,940	93	Heavy Hogs .....	5.85	9.00	65
Value—13 Cities .....	\$ 4,245,000	\$ 4,639,600	91	Lambs .....	8.25	9.25	89
Minneapolis .....	1,009,200	1,395,100	72	Ewes .....	2.50	5.75	43
St. Paul .....	2,419,300	1,784,100	136				
Duluth-Superior .....	226,700	236,700	96	<b>Wholesale Produce Prices</b>			
4 Wheat Belt Cities.....	154,300	264,100	58	Butter (Lb.) .....	\$ .20½	\$ .31	66
6 Mixed Farming Cities.....	883,700	531,600	72	Milk (Cwt.) .....	1.40	1.94	72
4 Mining Cities .....	51,800	428,000	12	Hens (Lb.) .....	.16	.18	89
				Eggs (Doz.) .....	.12½	.18¼	67
<b>Building Contracts (F. W. Dodge Corp.)</b>				Potatoes (Bu.) .....	1.05	2.02½	52
Total .....	\$ 10,108,000	\$ 11,015,000	92				
Commercial .....	1,020,500	2,318,600	44	<b>TRADE</b>			
Factories .....	76,100	245,000	31	<b>Department Stores</b>			
Educational .....	581,400	1,400,000	42	Sales .....	\$ 3,065,290	\$ 3,526,540	87
Hospitals, etc. ....	40,000	308,700	13	Merchandise Stocks .....	6,770,840	7,435,550	91
Public .....	390,500	193,400	202	Receivables .....	3,566,140	3,699,300	96
Religious and Memorial.....	242,000	600,000	40	Instalment Receivables .....	731,440	803,640	91
Social and Recreational .....	1,032,800	331,600	311				
Residential .....	1,577,000	1,630,700	97	<b>Furniture Stores</b>			
Public Works and Utilities.....	5,147,700	3,987,000	129	Total Sales .....	\$ 317,700	\$ 392,390	81
				Instalment Sales .....	224,400	256,900	87
<b>Real Estate Activity in Hennepin and Ramsey Counties</b>				Merchandise Stocks .....	1,502,650	1,651,930	91
Warranty Deeds Recorded.....	1,115	1,134	98	Instalment Receivables .....	1,939,330	2,286,040	85
Mortgages Recorded .....	1,436	1,463	98				
				<b>Country Lumber Yards</b>			
<b>Manufacturing and Mining</b>				Sales (Bd. Ft.) .....	8,451,000	10,876,000	78
Flour Production at Mpls., St. Paul, and Duluth-Superior (bbls.).....	759,441	912,537	83	Lumber Stocks (Bd. Ft.).....	80,051,000	92,391,000	87
Flour Shipments at Mpls. (bbls.).....	730,884	927,746	79	Total Sales .....	\$ 1,253,600	\$ 1,715,900	73
Linseed Product Shipments (lbs.).....	20,353,231	17,169,876	119	Receivables .....	3,569,400	4,231,200	84
Copper Output (5 firms) (lbs.).....	25,300,700	31,416,400	81				
Iron Ore Shipments.....	1,769,295	6,979,213	25	<b>Life Insurance Sales</b>			
				Four States .....	\$ 20,689,000	\$ 28,889,000	72
<b>Business Failures</b>				Minnesota .....	15,089,000	20,748,000	73
Number .....	71	51	139	Montana .....	2,095,000	2,886,000	73
Liabilities .....	\$ 1,256,100	\$ 513,700	245	North Dakota .....	1,299,000	2,260,000	57
				South Dakota .....	2,206,000	2,995,000	74

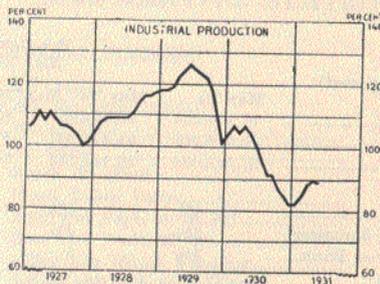
COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT  
(Continued)

Investment Dealers	Per Cent May '31 of			Member Bank Deposits (continued)	Per Cent May '31 of		
	May '31	May '30	May '30		May '31	May '30	May '30
Sales to Banks.....	3,856,300	4,716,900	82	North Dakota .....	41,120,000	46,484,000	88
Sales to Insurance Companies.....	393,500	364,600	108	South Dakota .....	49,378,000	55,444,000	89
Sales to General Public.....	3,742,800	4,652,100	80	Wisconsin—26 Cos. ....	27,502,000	29,354,000	94
<b>Wholesale Trade</b>				<b>Interest Rates*</b>			
<b>Farm Implements—</b>				Minneapolis Banks .....	4 1/2—4 3/4	5—5 1/4	
Sales .....	\$ 152,200	\$ 224,770	68	Commercial Paper (net to borrower) .....	2 1/2	4 1/4	
Stocks .....	669,190	704,220	95	Minneapolis Federal Reserve Bank....	3 1/2	4	
<b>Groceries—</b>				<b>Selected City Member Banks</b>	June 17, '31	June 18, '30	
Sales .....	\$ 3,574,120	\$ 4,050,720	88	Loans to Customers.....	\$214,595,000	\$219,404,000	98
Stocks .....	5,810,120	6,494,100	89	Other Invested Funds.....	152,998,000	143,833,000	106
Receivables .....	4,476,700	4,937,450	91	Deposits Due to Banks.....	92,451,000	78,926,000	117
<b>Hardware—</b>				Public Demand Deposits.....	41,587,000	41,868,000	99
Sales .....	\$ 1,473,360	\$ 1,893,940	78	Other Demand Deposits.....	169,639,000	166,413,000	102
Stocks .....	2,966,910	3,298,920	90	Time Deposits .....	153,139,000	128,745,000	119
Receivables .....	2,062,100	2,422,370	85	Total Deposits .....	458,368,000	416,831,000	110
<b>Shoes—</b>				Borrowings at Fed. Reserve Bank.....		122,000	....
Sales .....	\$ 241,930	\$ 346,940	70	<b>Minneapolis Federal Reserve Bank</b>			
Stocks .....	758,960	1,299,090	58	Loans to Member Banks.....	4,318,000	3,780,000	114
Receivables .....	748,550	1,020,190	73	Twin Cities .....		30,000	....
<b>BANKING</b>				Minn., Wis. and Mich.....	1,347,000	878,000	153
<b>Member Bank Deposits</b>				N. Dak. and Mont.....	1,565,000	2,000,000	78
In Cities Over 15,000 pop.....	\$464,363,000	\$456,248,000	102	South Dakota .....	1,406,000	872,000	161
In Cities Under 15,000 pop.....	382,499,000	417,924,000	92	Fed. Res. Notes in Circulation.....	48,185,165	54,444,955	89
Michigan—15 Cos. ....	66,388,000	70,215,000	95	Member Bank Reserve Deposits.....	49,899,000	52,560,200	95
Minnesota .....	144,685,000	158,079,000	92				
Montana .....	53,426,000	58,348,000	92				

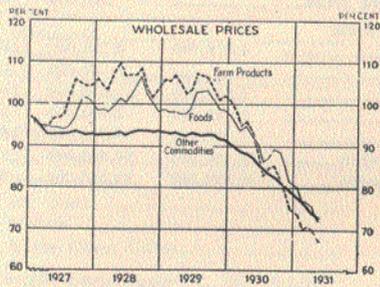
\*Daily Averages.  
\*Latest Reported Data.

BANK DEBITS

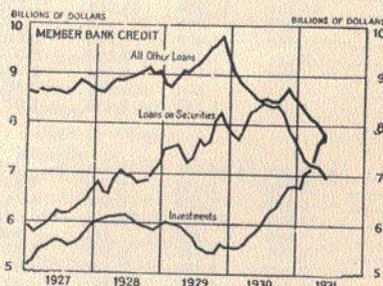
Number of Business Days:	May				Montana				
	1931	April 1931	May 1930	April 1930					
Minnesota .....	24	26	26	26	Anaconda .....	\$ 1,591	\$ 1,565	\$ 1,914	\$ 1,947
All Other States in District.....	25	25	26	25	Billings .....	6,970	7,204	8,138	8,236
	25	26	26	26	Bozeman .....	1,860	1,903	2,079	2,032
					Butte (2 Banks).....	9,798	9,696	12,461	12,985
					Deer Lodge .....	817	1,306	1,171	1,446
<b>Michigan</b>	(000's omitted)				Glendive .....	969	1,050	1,379	1,311
Escanaba (1 Bank).....	\$ 854	\$ 855	\$ 1,124	\$ 1,210	Grand Falls .....	10,604	11,099	15,089	15,732
Hancock .....		1,317	1,760	1,520	Harlowton .....	264	301	348	346
Houghton (1 Bank).....	434	441	638	625	Havre .....	1,269	1,413	1,958	1,840
Iron Mountain .....	3,577	3,124	4,578	4,832	Helena .....	6,791	7,008	8,002	9,672
Iron River, Caspian & Stambaugh	1,132	1,392	1,589	1,828	Lewistown .....	1,644	1,753	2,164	1,990
Manistique (1 Bank) .....	419	448	475	663	Malta .....	675	566	645	629
Marquette .....	3,778	4,157	5,126	5,033	Miles City (1 Bank).....	1,390	1,787	1,846	1,927
Menominee .....	2,524	2,508	3,062	3,636	<b>North Dakota</b>				
Sault Ste. Marie.....	2,249	2,461	2,839	2,785	Bismarck .....	\$ 10,422	\$ 13,597	\$ 13,651	\$ 14,519
<b>Minnesota</b>					Devils Lake .....	1,230	1,463	1,802	1,636
Albert Lea .....	\$ 2,870	\$ 2,570	\$ 3,340	\$ 3,225	Dickinson .....	1,525	1,526	1,282	1,243
Austin (1 Bank).....	3,604	2,897	4,500	3,785	Fargo .....	14,901	15,902	16,834	17,183
Bemidji (2 Banks).....	1,251	999	1,378	1,383	Grafton .....	383	464	441	589
Chaska .....	543	471	569	557	Grand Forks .....	5,789	6,147	6,885	6,917
Chisholm .....	741	857	802	903	Jamestown .....	2,132	2,189	2,633	2,662
Cloquet .....	1,635	1,946	2,191	2,817	Mandan .....	1,490	1,525	1,807	1,612
Crookston .....	1,159	1,255	1,387	1,406	Minot .....	5,338	5,382	7,875	7,144
Detroit Lakes .....	849	864	986	887	Valley City .....	1,127	1,170	1,337	1,290
Duluth .....	53,765	47,947	71,739	62,177	Wahpeton .....	918	905	869	918
Ely .....	480	706	667	764	Williston .....	1,036	1,134	1,494	1,402
Faribault (1 Bank).....	1,145	1,138	1,308	1,311	<b>South Dakota</b>				
Farmington .....	271	228	283	240	Aberdeen .....	\$ 5,497	\$ 5,332	\$ 6,213	\$ 5,794
Fergus Falls .....	2,556	2,937	2,821	3,279	Brookings (1 Bank).....	937	1,011	1,137	1,116
Glenwood .....	392	377	570	524	Deadwood .....	902	665	1,052	764
Hutchinson .....	1,175	1,101	1,489	1,438	Huron .....	5,072	5,414	5,369	5,383
Lakefield (2 Banks).....	234	245	368	324	Lead .....	1,248	1,169	1,119	1,138
Lanesboro .....	338	335	311	322	Madison .....	1,048	943	1,113	1,064
Little Falls .....	854	871	1,084	999	Milbank .....	556	504	575	499
Luverne .....	597	477	950	957	Mitchell (2 Banks).....	3,216	3,401	4,583	4,512
Mankato .....	5,288	5,673	6,813	6,446	Mobridge .....	554	495	738	692
Minneapolis .....	391,795	343,750	424,795	440,296	Pierre .....	1,190	978	1,345	1,220
Moorhead .....	1,171	1,657	1,528	2,080	Rapid City .....	3,410	3,324	4,508	4,103
Morris .....	493	467	592	539	Sioux Falls .....	18,173	19,217	22,998	23,321
Owatonna .....	2,831	2,839	3,218	3,049	Watertown .....	3,271	3,346	4,275	3,667
Park Rapids .....	\$ 356	\$ 310	\$ 455	\$ 416	Yankton .....	2,294	2,372	2,337	2,378
Red Wing .....	2,173	2,154	2,507	2,171	<b>Wisconsin</b>				
Rochester .....	5,131	5,116	5,985	5,988	Ashland .....	\$ 1,772	\$ 1,843	\$ 2,218	\$ 2,234
St. Cloud (1 Bank).....	420	342	447	398	Chippewa Falls .....	1,794	1,829	2,329	2,277
St. Paul .....	139,099	137,136	167,456	173,673	Eau Claire.....	7,047	7,012	7,967	8,010
South St. Paul.....	20,819	23,204	27,969	29,371	Hudson .....	619	544	702	616
Stillwater .....	1,858	2,077	2,362	2,514	La Crosse .....	9,611	10,421	12,792	11,809
Thief River Falls.....	683	678	998	938	Merrill (1 Bank).....	1,164	1,223	1,563	1,430
Two Harbors .....	458	397	501	440	Superior .....	6,040	5,849	7,794	7,902
Virginia .....	1,380	1,985	2,153	2,552	Total for All Cities Reporting	\$839,137	\$796,658	\$983,197	\$997,951
Wabasha .....	584	638	794	821	Both Years .....				
Wadena (2 Banks).....	611	572	775	730					
Wheaton .....	405	385	489	501					
Willmar .....	1,192	1,380	1,605	1,607					
Winona .....	5,951	6,554	7,799	7,321					
Worthington (1 Bank).....	715	790	960	1,003					



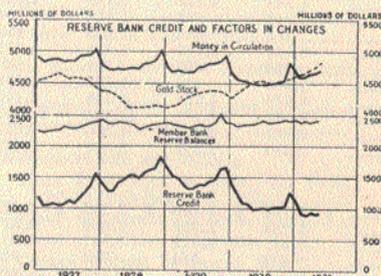
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.)



Indexes of the United States Bureau of Labor Statistics (1926=100).



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first 3 weeks in June.



Monthly averages of daily figures. Latest figures are averages of first 17 days in June.

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

The volume of industrial production showed little change between April and May following upon increases for four consecutive months, while factory employment declined by the usual seasonal amount. The general level of wholesale prices continued to decline.

**PRODUCTION AND EMPLOYMENT:** The volume of industrial production, as measured by the Board's seasonally adjusted index, was about the same in May as in April, 9 per cent larger than in December, and 14 per cent smaller than in May 1930. Steel output continued to decline more rapidly than is usual at this season, and consumption of cotton by domestic mills was also curtailed, while wool consumption continued to increase, contrary to the usual seasonal tendency, and shoe production, which ordinarily declines in May, showed little change. Daily average output of automobiles, according to preliminary reports, was about the same as in April. During the first three weeks of June, activity at steel mills declined further. In the first five months of the year taken as a whole, the output of textile mills and shoe factories has been in about the same volume as in the corresponding period last year, while the output of steel, automobiles and lumber has been about one-third smaller.

Changes in employment from the middle of April to the middle of May were of the usual seasonal character in many manufacturing industries. In the iron and steel industry, however, at car building shops and at establishments producing machinery, employment declined considerably, while it increased in the automobile and tire industries. At textile mills, employment increased somewhat, contrary to seasonal tendency, while in the clothing industry the number employed decreased.

The value of building contracts awarded in May was somewhat smaller than in April, reflecting chiefly a decline in awards for public works and utilities. In the first half of June, daily average value of contracts awarded increased somewhat, reflecting larger awards for public works and utilities, offset in part by decreases in awards for other types of construction.

**DISTRIBUTION:** Sales by department stores decreased in May, contrary to the usual seasonal tendency, and the Board's index declined to the level prevailing before the sharp increase in April. Total freight carloadings increased somewhat less than usual.

**WHOLESALE PRICES:** The general level of wholesale prices declined 2.7 per cent further in May, according to the Bureau of Labor Statistics, reflecting large decreases in prices of agricultural products, textiles, non-ferrous metals and building materials. In the first half of June, prices of live stock, which had declined rapidly in April and May, advanced, while prices of petroleum continued to decline.

**BANK CREDIT:** Loans and investments of reporting member banks in leading cities declined further by about \$285,000,000 in the four weeks ending June 17, reflecting reductions of loans on securities. All other loans, largely commercial, have shown little change since the early part of May. The banks' investments, which reached a new high level late in April, were reduced somewhat during May, and have fluctuated within a range from \$7,800,000,000 to \$7,850,000,000 since that time. During the four weeks ending June 17, there were imports of gold from Argentina and Canada and, in addition, a large amount of gold previously earmarked for foreign account was released in the United States. The total increase in the stock of monetary gold was \$120,000,000 for the period, of which \$90,000,000 was added during the last week. Payments of currency into circulation, accompanying bank suspensions in the Chicago district, absorbed a large part of the funds arising out of the additions to the gold stock, with the consequence that there was little change in the volume of Reserve bank credit.

Money rates in the open market continued at a low level during May and the first three weeks of June. There was a further decline in prevailing rates on commercial paper from a range of 2-2¼ per cent to a level of 2 per cent; while rates on bankers' acceptances were unchanged at 7/8 of 1 per cent. Rates paid on deposits by banks were further reduced and clearing house banks in a number of financial centers established a rate of 1/2 of 1 per cent on bankers' balances.