

MONTHLY REVIEW

OF

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE

NINTH FEDERAL RESERVE DISTRICT

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DISTRICT SUMMARY OF BUSINESS

The volume of business in this district in July decreased sharply both from the level of June and from the levels of July in other recent years. The decline reflected chiefly the effect of the excessively hot, dry weather which has not been equaled in recent years, and which was disastrous for the grain crops and pastures in certain parts of the district. A portion of the decrease, as compared with a year ago, was due to the abnormally large volume of grain moving last year. The index of bank debits in seventeen cities, after adjustment for seasonal variations, was 99 in July as compared with 111 in June and 134 in July a year ago. In the more extensive group of cities in the district for which figures are available monthly, only twenty-three out of ninety-three reporting cities experienced increases in bank debits in July over the corresponding month last year.

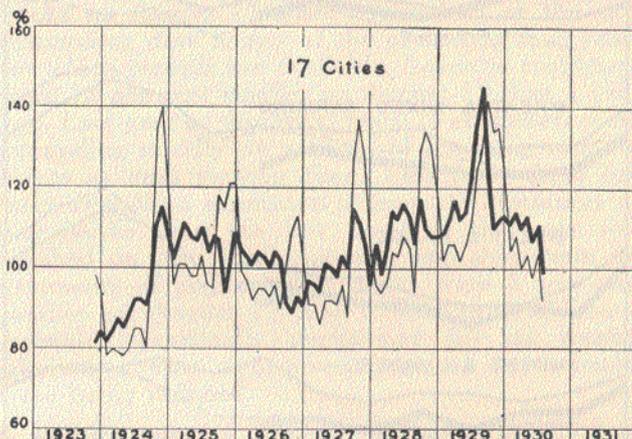
The country check clearings index was 94 in July as compared with 107 in June and 125 in July last year. Total freight carloadings during July were 18 per cent smaller than a year ago. All commodity loading groups showed decreases, except coal, which showed a 10 per cent increase. Decreases, as compared with a year ago, occurred in postal receipts, flour and linseed product shipments, copper and iron ore output, marketings of cattle and hogs and retail and wholesale trade. Increases, as com-

pared with a year ago, occurred in building permits and contracts and in electric power consumption in the eastern part of the district. Business failures were 51 in number in July as compared with 46 in July last year, according to the report of R. G. Dun & Company. Employment conditions at Minneapolis remained unsatisfactory during July.

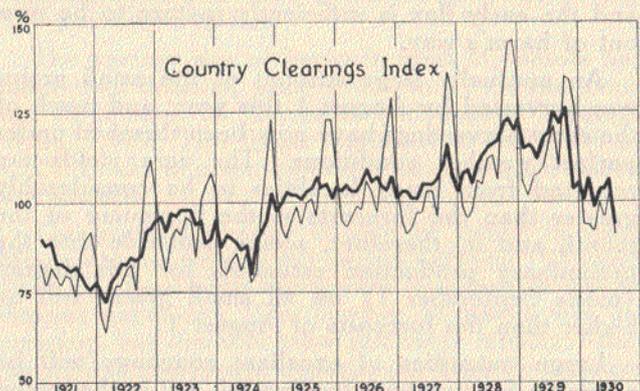
The volume of business evidently continued to be in smaller volume than a year ago during the first half of August. The country check clearings index for the first fifteen days of August was 19 per cent below the index for the corresponding period last year. Bank debits at seventeen cities during the first two weeks of August were 21 per cent smaller than in the corresponding weeks a year ago.

DISTRICT SUMMARY OF AGRICULTURE

Marketings of wheat from this district during July were only about half as large as marketings in July a year ago, when an abnormal volume of held-over wheat was being shipped to the terminal markets. During the first two weeks of August, wheat marketings this year have been fully equal to wheat marketings in the corresponding weeks last year. Evidently with the wheat crop of the district about as large as a year ago, the exceptionally early harvesting date is offsetting the lower prices for wheat as an influence affecting the rapidity of the marketing movement. It is estimated that 11 per cent of the marketable portion of the wheat crop and carry-



Debits to Individual Accounts in Seventeen Cities in the Ninth Federal Reserve District. The heavy curve is adjusted to eliminate seasonal changes; the light curve is unadjusted.



Country Check Clearings Index for the Ninth Federal Reserve District. The light curve represents figures without seasonal adjustments. The heavy curve represents figures with seasonal adjustments.

over had been marketed up to August 18, as compared with 13 per cent marketed up to the same date a year ago.

Butter production in the United States was smaller during July than in the corresponding month last year, as a result of the hot weather and drouth. Cold storage holdings of butter increased only 39 million pounds during the month ending August 1, as compared with an increase of 60 million pounds in the corresponding month last year and a five-year average increase for the period of 51 million pounds. As a result, butter in cold storage on August 1 was 6 million pounds smaller than a year ago, and only 15 million pounds larger than the five-year average. The price of butter in July increased $2\frac{1}{2}$ cents over the price in June, whereas a year ago there was a decrease of $\frac{1}{2}$ cent per pound in this period. However, the price of butter in July was $7\frac{1}{2}$ cents below the price in July last year.

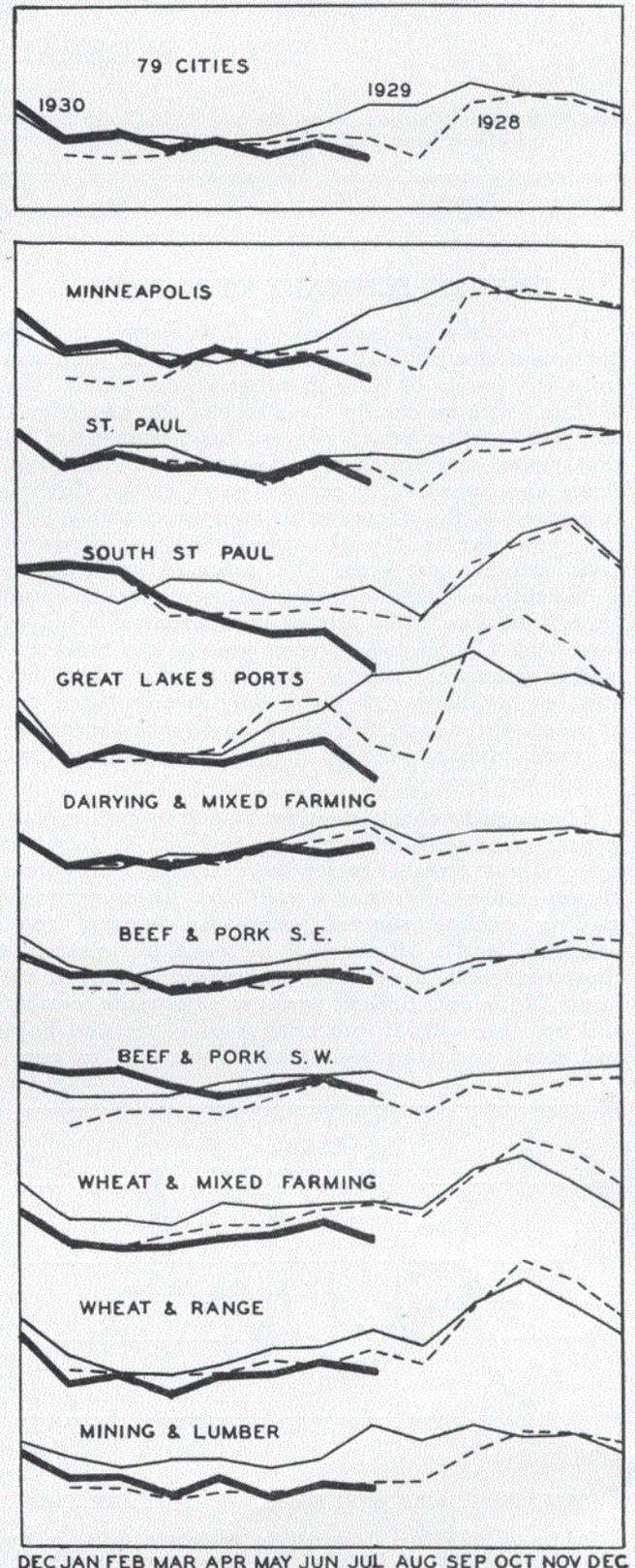
Farm income from cash grains, dairy products and hogs marketed during July was less than two-thirds of the income from these products marketed in July last year. The July potato price was higher than a year ago, but all other farm products were lower, the decreases ranging from 14 per cent for milk to 49 per cent for rye. Wheat and rye prices again made new lows for the post-war period during July.

The August 1 production forecasts for our four states, which are prepared by the United States Department of Agriculture, show an appalling decrease from the forecasts made July 1. The forecasted bushelage of both feed and cash crops showed declines ranging from 17 per cent for barley to 8 per cent for rye. The large decreases, of course, were the result of the extremely high temperatures and the lack of rainfall during July. While the drouth and heat have decreased the crop outturn and lowered somewhat the weight per measured bushel, the crops are otherwise of splendid quality. Corn and potatoes may show even further declines, but on all other crops the worst news is out. Some late flax is ordinarily still in a growing stage at mid-August, but this year much of the late flax is a total failure, and the early flax is sufficiently mature to be now out of harm's way.

An unusually large amount of the small grains was harvested by August 1 this year, and much of the early harvestings have now been threshed under perfect weather conditions. The acre yields are reported from many localities to be considerably greater than the forecasts at the beginning of the month and it, therefore, seems probable that the preliminary production estimates for this district (made September 1) on all small grains will be higher than the forecasts of August 1.

Large quantities of excellent roughage will be available for livestock feeding this fall in the mixed farming areas and with plentiful supplies of cheap feed, our livestock feeders will be well able to absorb any distress lots of feeder stock that are sent to market from sections suffering feed shortages.

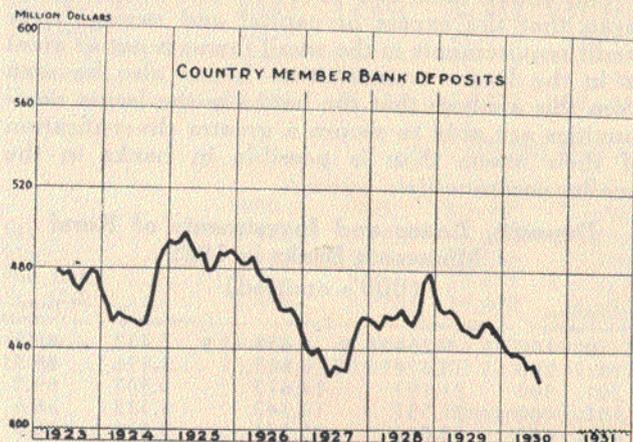
NINTH FED. RES. DISTRICT INDIVIDUAL DEBITS



DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

DISTRICT SUMMARY OF BANKING

Country member bank deposits were reduced 8 million dollars, or 2 per cent, between the average for June and the average for July. This was the usual seasonal reduction which sometimes continues through the month of August. The shrinkage in deposits since the autumn peak in 1929 has been severe and the July total was the smallest since 1918.

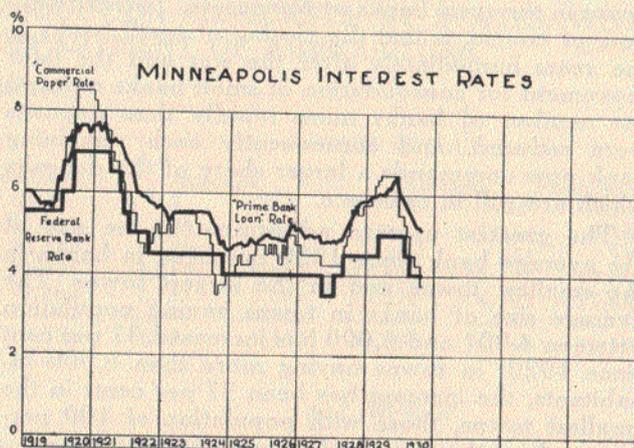


Country Member Bank Deposits in the Ninth Federal Reserve District.

Country member banks have been able to meet this decline in deposits by the liquidation of securities and other forms of investments, such as commercial paper and brokers' loans. They have not been compelled to borrow any more heavily at the Federal Reserve Bank than they have done in the summer months of other recent years, and their balances carried with correspondent banks in the district were slightly larger on August 13 than in the preceding four years.

City banks which report weekly to this office remained out of debt to the Federal Reserve Bank during the four weeks ending August 13, whereas a year ago they were borrowing nearly 18 million dollars from this institution. Deposits at these city banks on August 13 were larger than on the corresponding date in any of the preceding four years for which records are available. Loans to customers were 12 per cent smaller on August 13 than a year ago. Last year at this time, loans to customers were expanding rapidly on account of financing requirements at crop moving time. This year, there has been very little expansion in loans to customers of city banks since the low point of the year was reached on July 23. Long-term and short-term investments of city member banks were 5 per cent smaller on August 13 than a year ago, and have remained practically unchanged for six weeks, whereas a year ago investments of these banks were being reduced.

Interest rates at Minneapolis have continued to decline. Average rates charged by commercial banks on prime loans were reduced fractionally to 5-5/4 per cent on August 15. The borrowing rate



Interest Rates at Minneapolis on Prime Bank Loans and Commercial Paper and the Discount Rate at the Federal Reserve Bank, 1919-1930.

on open market commercial paper was reduced one-half of 1 per cent during July to 3 3/4 per cent, which was the lowest quoted figure since the war, with the single exception of August 1924, when the rate reached 3 1/2 per cent.

BANKING TRENDS IN THE RURAL COMMUNITIES OF MINNESOTA, 1913-1929

PART III

Average Deposits Per Bank

Unusual interest centers around the growth in the size of the average rural bank in Minnesota. Experience as well as research has proved that the chances of a bank operating profitably increase to a marked degree as the size of the bank increases.

The most obvious conclusion to be drawn from the study of the average deposit holdings of banks of various sizes is that the larger towns have the larger banks. Banks in rural Minnesota towns having more than 6,000 population had average deposits per bank of \$1,597,000. In the smaller communities, the average deposit holdings were graduated down to \$139,000 per bank in towns having 100 population or less.

The average size of banks in rural Minnesota has more than doubled since 1913. In 1913, the average rural bank in Minnesota had deposit holdings of \$219,000. This figure increased to \$459,000 in 1929. Banks in communities of all sizes experienced this growth.

The greatest change in size of banks in rural Minnesota occurred in the period between 1913 and 1920. In these years the growth was largely due to deposit expansion. The number of banks was increasing, but deposits grew still more rapidly, causing figures of average deposits per bank to increase 70 per cent during the period.

In the years between 1920 and 1929, the average deposits per bank increased 23 per cent. This increase occurred in spite of a decrease in total de-

posits in the rural banks of Minnesota. The explanation, of course, is that the closing of small banks in the years immediately after the war and the later movement for consolidation of small banks reduced the number of banks more rapidly than deposits were reduced, and consequently each remaining bank now commands a larger share of the deposits which are still in existence.

The greatest upward adjustment in the size of the average bank since 1920 has been in banks in the smallest towns and in the largest towns. The average size of banks in towns having population between 4,001 and 6,000 has increased 31 per cent since 1920; in towns having more than 6,000 inhabitants, the increase has been 37 per cent; in the smallest towns, those with population of 100 persons or less, the increase has been 43 per cent.

During 1928 and 1929, there has been a very marked increase in the average size of banks in the smallest communities of Minnesota which has not been paralleled in communities of other sizes. This improvement can be attributed to the movement for consolidation of banks in the smallest communities which have too small a volume of deposits for profitable operation. The consolidation movement has been handled skillfully under the guidance of the banking authorities without any material sacrifice of deposits. While the number of banks in these small towns (with population of 100 people or less) decreased from 81 in 1927 to 67 in 1929, the total deposits in these communities was only reduced from \$9,731,000 in 1927 to \$9,284,000 in 1929. However, the consolidation of banks in these smallest communities cannot be carried much farther because there are no more towns of this size with two banks in the same community.

Average Deposits Per Bank in Rural Minnesota
(000's omitted)

Population of Community	1913	1920	1929	% 1920 of 1913	% 1929 of 1913	% 1929 of 1920
0- 100	65	97	139	149	143	214
101- 200	66	145	151	220	104	229
201- 300	98	199	193	203	97	197
301- 400	115	227	227	197	100	197
401- 600	143	280	335	196	120	234
601- 800	176	366	390	208	107	222
801-1,000	210	429	437	204	102	208
1,001-2,000	255	461	570	181	124	224
2,001-4,000	340	637	651	187	102	191
4,001-6,000	451	710	933	157	131	207
Over 6,000	745	1,170	1,597	157	137	214
State Average for Country Banks	219	373	459	170	123	210

The Ratio of Loans to Deposits

Judging from the proportion of deposits which is utilized for loans to customers, it has been found that banks in the smaller communities use a larger proportion of their deposits in financing local credit demands than do the banks in the larger rural communities of Minnesota. In towns of the smallest size, nearly 70 per cent of the deposits are used for local loans, whereas in towns with more than 4,000 inhabitants, only 45 to 47 per cent of the deposits in the average bank are invested in local loans.

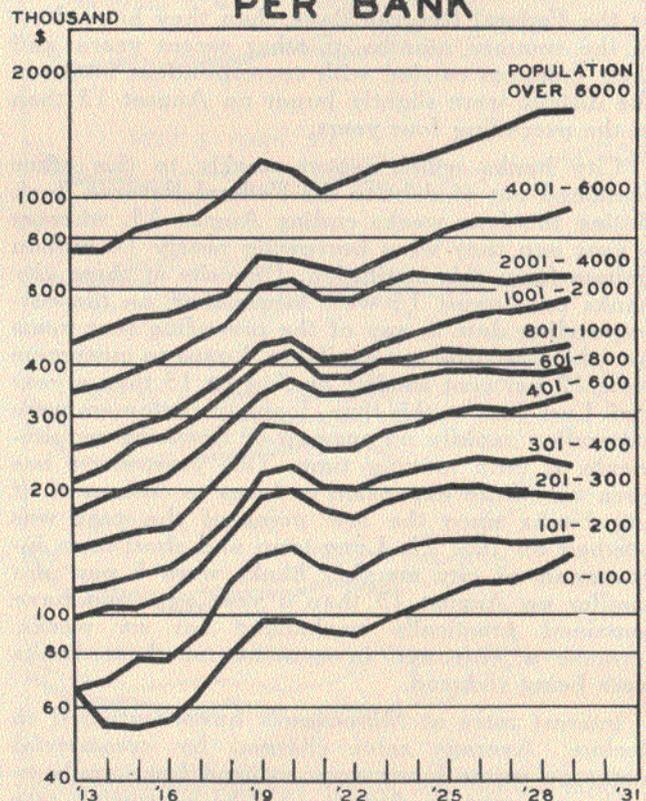
Furthermore, in the larger banks there is more frequently some commercial paper and brokers' loans included in the total loans than in the small banks. If these types of loans, which are, in reality, short time investments, could be deducted, it would probably be found that the proportion of deposits in banks in the larger cities which is used for financing local credit requirements is somewhat less than 45 per cent.

The above facts can probably be interpreted to mean that the excess of capital and savings over credit requirements in the small towns is not as great as in the larger communities. It can also be seen from this analysis that the banks in the larger communities are able to secure a greater diversification of their assets than is possible in banks in the smaller communities.

Deposits, Loans and Investments of Rural Minnesota Banks in 1929
(000's omitted)

Population of Community	Deposits	Loans	Investments	% Loans of Deposits
0- 100	\$ 9,284	\$ 6,453	\$ 2,432	69.5
101- 200	15,674	10,803	3,996	68.9
201- 300	21,193	14,677	5,507	69.3
301- 400	21,551	14,347	5,335	66.6
401- 600	38,866	25,944	9,611	66.8
601- 800	32,799	21,571	9,186	65.8
801-1,000	24,058	15,626	7,250	65.0
1,001-2,000	86,102	50,664	30,830	58.8
2,001-4,000	50,768	29,997	17,845	59.1
4,001-6,000	30,773	13,934	14,584	45.3
Over 6,000	110,213	52,113	47,031	47.3
Total	\$441,281	\$256,129	\$153,607	58.0

AVERAGE DEPOSITS PER BANK



ACREAGE ESTIMATES AND AUGUST 1, 1930 PRODUCTION FORECASTS, BY STATES, WITH COMPARISONS, UNITED STATES DEPARTMENT OF AGRICULTURE

(000's omitted)

SPRING BREAD WHEAT

DURUM WHEAT

	Acreage		Forecasts		Production	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929	1930	1929	8-1-30	7-1-30	1929
Minn.	961	1,001	12,974	12,493	13,413	199	221	2,846	2,746	3,381
Mont.	3,470	3,615	27,760	29,495	32,535	29	29	246	261	255
No. Dak.	6,359	6,056	54,052	71,221	56,321	3,012	3,862	31,626	39,156	37,075
So. Dak.	1,817	1,817	20,896	19,987	17,262	1,131	1,203	13,572	14,703	11,669
4 States	12,607	12,489	115,682	133,196	119,531	4,371	5,315	48,290	56,866	52,380
U. S.	16,163	15,664	174,931	192,680	175,626					

ALL SPRING WHEAT

ALL WHEAT

	Acreage		Forecasts		Production	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929	1930	1929	8-1-30	7-1-30	1929
Minn.	1,160	1,222	15,820	15,239	16,794	1,310	1,372	18,820	18,164	19,944
Mont.	3,499	3,644	28,006	29,756	32,790	4,084	4,166	33,446	35,021	40,098
No. Dak.	9,371	9,918	85,678	110,377	93,396	9,371	9,918	85,678	110,377	93,396
So. Dak.	2,948	3,020	34,468	34,690	28,931	3,068	3,114	36,484	36,586	30,247
4 States	16,978	17,804	163,972	190,062	171,911	17,833	18,570	174,428	200,148	183,685
U. S.	20,534	20,979	223,221	249,546	228,006	59,024	61,113	820,613	807,265	805,790

WINTER WHEAT

RYE

	Acreage		Preliminary Estimate		Production	Acreage		Preliminary Estimate		Production
	1930	1929	8-1-30	7-1-30	1929	1930	1929	8-1-30	7-1-30	1929
Minn.	150	150	3,000	2,925	3,150	416	396	7,197	7,696	6,930
Mont.	585	522	5,440	5,265	7,308	118	111	1,180	1,180	1,221
No. Dak. ....	...	...	...	...	...	1,047	935	10,470	12,040	8,415
So. Dak.	120	94	2,016	1,896	1,316	270	186	3,915	3,780	2,046
4 States	855	766	10,456	10,086	11,774	1,851	1,628	22,762	24,696	18,612
U. S.	38,490	40,134	597,392	557,719	577,784	3,498	3,225	46,655	47,858	40,533

CORN

FLAX

	Acreage		Forecasts		Production	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929	1930	1929	8-1-30	7-1-30	1929
Minn.	4,338	4,253	143,154	147,492	148,855	758	523	6,974	7,201	4,707
Mont.	271	301	3,523	3,794	3,612	469	293	1,876	1,876	938
No. Dak.	1,099	1,057	20,881	26,376	16,384	2,224	1,463	11,120	14,456	6,876
So. Dak.	5,113	4,916	92,034	122,712	112,085	828	637	5,134	5,630	3,758
4 States	10,821	10,527	259,592	300,374	280,936	4,279	2,916	25,104	29,163	16,279
U. S.	101,531	98,018	2,211,823	2,802,442	2,614,307	4,389	2,990	26,013	30,100	16,844

OATS

POTATOES

	Acreage		Forecasts		Production	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929	1930	1929	8-1-30	7-1-30	1929
Minn.	4,338	4,212	151,830	156,168	153,738	309	322	27,810	30,900	27,370
Mont.	571	554	9,707	8,565	9,418	30	33	2,430	2,700	1,980
No. Dak.	1,876	1,934	34,706	45,024	33,768	125	145	7,750	11,000	6,960
So. Dak.	2,169	2,259	58,563	69,408	64,382	65	67	3,705	5,525	4,422
4 States	8,954	8,959	254,806	279,165	261,306	529	567	41,695	50,125	40,732
U. S.	41,898	40,212	1,316,369	1,329,407	1,233,574	3,482	3,371	372,557	398,419	357,451

BARLEY

TAME HAY

	Acreage		Forecasts		Production	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929	1930	1929	8-1-30	7-1-30	1929
Minn.	2,046	2,200	52,173	59,334	59,400	2,417	2,499	3,867	3,867	4,457
Mont.	276	251	3,864	4,140	4,016	1,407	1,446	1,688	1,829	2,050
No. Dak.	2,462	2,550	35,699	49,240	34,960	1,286	1,304	1,543	1,608	1,529
So. Dak.	2,056	2,016	43,382	49,344	37,296	1,136	1,151	1,568	1,818	1,955
4 States	6,840	7,017	135,118	162,058	135,672	6,246	6,400	8,666	9,122	9,991
U. S.	12,780	13,212	306,215	331,925	307,105	59,807	60,996	83,460	85,431	101,786

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS		% July 1930 of July 1929		AGRICULTURE	
	July, 1930	July, 1929			
Debits to Individual Accounts¹					
All Reporting Cities.....	\$ 35,238,400	\$ 46,665,100	76	Farmers' Cash Income	
Minneapolis	15,388,000	21,179,000	73	Total of 6 Items.....	\$ 36,637,000 \$ 58,427,000 63
St. Paul	6,332,000	7,322,000	86	Bread Wheat	5,898,000 14,592,000 40
South St. Paul	876,000	1,365,000	64	Durum Wheat	1,961,000 5,143,000 38
Great Lakes Ports	3,064,900	5,110,100	60	Rye	266,000 634,000 42
Beef and Pork, S. E.	1,257,100	1,514,200	83	Flax	587,000 967,000 61
Beef and Pork, S. W.	1,596,500	1,803,500	89	Dairy Products	20,446,000 27,217,000 75
Dairy and Mixed Farming.....	1,699,800	1,913,200	89	Hogs	7,479,000 9,874,000 76
Wheat and Mixed Farming	1,757,700	2,128,200	83	Grain Marketings at Minneapolis and Duluth-Superior (Bus.)	
Wheat and Range	1,060,900	1,311,300	81	Bread Wheat	3,599,000 8,410,000 43
Mining and Lumber	2,205,500	3,018,600	73	Durum Wheat	2,287,000 3,730,000 61
Electric Power Consumption (K.W.H.)^{1,2}					
Minn., No. Dak. and So. Dak.....	4,948,000	4,689,000	106	Rye	482,000 587,000 82
Montana	3,542,000	4,468,000	79	Flax	257,000 349,000 74
Country Check Clearings¹					
Total	\$ 3,337,600	\$ 4,178,400	80	Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)	
Minnesota	1,229,700	1,543,400	80	Wheat	44,836,281 43,998,402 102
Montana	556,400	837,800	66	Corn	98,372 271,147 36
North and South Dakota.....	836,200	958,400	87	Oats	2,049,217 2,261,762 91
Michigan and Wisconsin	715,300	838,800	85	Barley	2,965,615 3,300,837 90
Postal Receipts					
Six Cities	954,575	1,001,349	95	Rye	4,398,081 3,170,655 139
Minneapolis	501,716	525,147	96	Flax	318,778 465,811 68
St. Paul	296,935	318,460	93	Livestock Receipts at South St. Paul (Head)	
Duluth	59,002	65,538	90	Cattle	52,267 76,451 68
Three Other Cities	96,922	92,204	105	Calves	35,193 42,502 83
Freight Carloadings—N.W. District					
Total, Excluding L. C. L.	491,568	598,420	82	Hogs	147,137 171,054 86
Grains and Grain Products	44,676	49,751	90	Sheep	46,193 43,366 106
Livestock	26,804	29,859	90	Median Cash Grain Prices (Bus.)	
Coal	20,123	18,245	110	Wheat—No. 1 Dark Northern.....	\$.96¾ \$1.51½ 64
Coke	5,380	8,016	67	Durum—No. 2 Amber .....	.85¾ 1.37½ 62
Forest Products	37,761	64,774	58	Corn—No. 3 Yellow .....	.76 .98 78
Ore	175,127	218,609	80	Oats—No. 3 White .....	.32¾ .45¾ 71
Miscellaneous	181,699	209,166	87	Barley—No. 3 .....	.46½ .68 68
Merchandise—L. C. L.	134,014	144,974	92	Rye—No. 2 .....	.55¾ 1.08 51
Building Permits					
Number—18 Cities	1,368	1,813	75	Flax—No. 1	2.28½ 2.77 82
Value—18 Cities	\$ 3,973,700	\$ 3,904,200	102	Median Livestock Prices (Cwt.)	
Minneapolis	1,072,400	1,516,700	71	Butcher Cows	\$ 6.00 \$ 8.75 69
St. Paul	1,303,500	715,300	182	Butcher Steers	9.35 13.75 68
Duluth-Superior	767,700	214,600	358	Prime Butcher Steers	10.50 15.50 68
4 Wheat Belt Cities	265,800	658,100	40	Feeder Steers	5.25 9.50 55
6 Mixed Farming Cities	517,000	595,700	87	Veal Calves	9.50 14.50 66
4 Mining Cities	47,300	203,800	23	Hogs	7.75 10.35 75
Building Contracts Awarded					
Total	\$ 10,433,500	\$ 9,581,700	109	Heavy Hogs	7.60 9.85 77
Commercial	1,598,700	.....	.....	Lambs	9.25 13.25 70
Industrial	612,600	.....	.....	Ewes	3.00 5.50 55
Educational	1,494,500	.....	.....	Wholesale Produce Prices	
Hospitals, etc.	909,700	.....	.....	Butter (Lb.)	\$.32½ \$.40 81
Public	483,700	.....	.....	Milk (Cwt.)	2.05 2.37 86
Religious and Memorial	273,100	.....	.....	Hens (Lb.) .....	.15 .19½ 77
Social and Recreational	199,600	.....	.....	Eggs (Doz.) .....	.17½ .27 65
Residential	1,550,100	.....	.....	Potatoes (Bu.)	1.72 1.20 143
Public Works and Utilities	3,311,500	.....	.....	TRADE	
Real Estate Activity in Hennepin and Ramsey Counties					
Warranty Deeds Recorded	1,081	1,324	82	Department Stores	
Mortgages Recorded	1,478	1,735	85	Sales	\$ 2,371,700 \$ 2,874,660 82
Manufacturing and Mining					
Flour Production at Mpls., St. Paul, and Duluth-Superior (Bbls.).....	986,939	817,520	121	Merchandise Stocks	6,564,760 7,347,350 89
Flour Shipments at Mpls. (Bbls.)	891,972	902,323	99	Receivables	3,145,750 3,262,580 96
Linseed Product Shipments (Lbs.)	11,501,952	26,595,565	43	Installment Receivables	698,540 664,510 105
Copper Output (5 Firms) (Lbs.).....	29,342,800	38,458,000	76	Furniture Stores	
Iron Ore Shipments (Tons).....	8,586,649	10,670,882	80	Total Sales	\$ 212,270 \$ 331,530 64
Business Failures					
Number	51	46	111	Installment Sales	141,070 230,870 61
Liabilities	\$ 415,700	\$ 512,743	81	Merchandise Stocks	1,637,960 1,792,380 91
AGRICULTURE					
Farmers' Cash Income					
Total of 6 Items.....					
Bread Wheat					
Durum Wheat					
Rye					
Flax					
Dairy Products					
Hogs					
Grain Marketings at Minneapolis and Duluth-Superior (Bus.)					
Bread Wheat					
Durum Wheat					
Rye					
Flax					
Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)					
Wheat					
Corn					
Oats					
Barley					
Rye					
Flax					
Livestock Receipts at South St. Paul (Head)					
Cattle					
Calves					
Hogs					
Sheep					
Median Cash Grain Prices (Bus.)					
Wheat—No. 1 Dark Northern.....					
Durum—No. 2 Amber					
Corn—No. 3 Yellow					
Oats—No. 3 White					
Barley—No. 3					
Rye—No. 2					
Flax—No. 1					
Median Livestock Prices (Cwt.)					
Butcher Cows					
Butcher Steers					
Prime Butcher Steers					
Feeder Steers					
Veal Calves					
Hogs					
Heavy Hogs					
Lambs					
Ewes					
Wholesale Produce Prices					
Butter (Lb.)					
Milk (Cwt.)					
Hens (Lb.)					
Eggs (Doz.)					
Potatoes (Bu.)					
TRADE					
Department Stores					
Sales					
Merchandise Stocks					
Receivables					
Installment Receivables					
Furniture Stores					
Total Sales					
Installment Sales					
Merchandise Stocks					
Installment Receivables					
Country Lumber Yards					
Sales (Bd. Ft.)					
Lumber Stocks (Bd. Ft.)					
Total Sales					
Receivables					
Life Insurance Sales					
Four States					
Minnesota					
Montana					
North Dakota					
South Dakota					

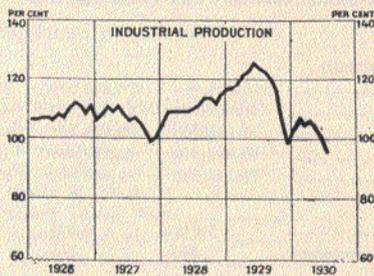
COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT
(Continued)

GENERAL BUSINESS				% July 1930 of July 1929	Member Bank Deposits (continued)			
	July, 1930	July, 1929	1929					
Investment Dealers								
Sales to Banks	3,297,200	2,087,900	158	Minnesota	163,370,000	170,613,000	96	
Sales to Insurance Companies	758,200	1,203,000	63	Montana	56,569,000	64,231,000	88	
Sales to General Public	4,365,100	7,645,600	57	North Dakota	55,164,000	58,978,000	94	
Wholesale Trade					South Dakota	58,896,000	61,738,000	95
Farm Implements—					Wisconsin—26 Cos.	29,143,000	30,569,000	95
Sales	\$ 504,140	\$ 633,630	80	Interest Rates²				
Stocks	685,000	523,980	131	Minneapolis Banks	5-5¼	6-6¼		
Receivables	322,790	314,240	103	Commercial Paper (net to borrower)	3¾	6½		
Groceries—					Minneapolis Fed. Res. Bank	4	5	
Sales	\$ 4,616,490	\$ 4,826,680	96	Selected City Member Banks				
Stocks	4,064,240	4,069,920	100	Loans to Customers	Aug. 13, 1930	Aug. 14, 1929		
Receivables	4,422,260	4,529,590	98	Other Invested Funds	\$216,314,000	\$246,235,000	88	
Hardware—					Deposits Due to Banks	83,161,000	75,754,000	110
Sales	\$ 2,175,740	\$ 2,517,560	86	Public Demand Deposits	36,693,000	29,162,000	126	
Stocks	2,851,670	3,091,530	92	Other Demand Deposits	173,840,000	186,424,000	93	
Receivables	2,869,800	3,176,650	90	Time Deposits	131,294,000	130,244,000	101	
Shoes—					Total Deposits	425,150,000	422,071,000	101
Sales	\$ 225,490	\$ 443,760	51	Borrowings at Fed. Res. Bank	0	17,840,000	0	
Stocks	1,361,210	1,543,070	88	Minneapolis Federal Reserve Bank				
Receivables	1,140,120	1,310,730	87	Loans to Member Banks	4,447,000	23,052,000	19	
BANKING					Twin Cities	0	17,274,000	0
Member Bank Deposits					Minn., Wis. and Mich.	986,000	2,003,000	49
In Cities Over 15,000 Pop.	\$443,711,000	\$459,106,000	97	No. Dak. and Mont.	2,327,000	2,822,000	82	
In Cities Under 15,000 Pop.	423,734,000	448,180,000	95	South Dakota	1,134,000	953,000	119	
Michigan—15 Cos.	60,592,000	62,051,000	98	Fed. Res. Notes in Circulation	49,158,545	64,277,960	76	

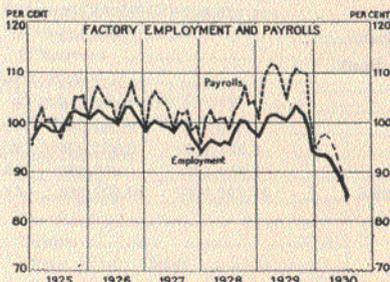
¹Daily Averages.
²Latest Reported Data.

BANK DEBITS

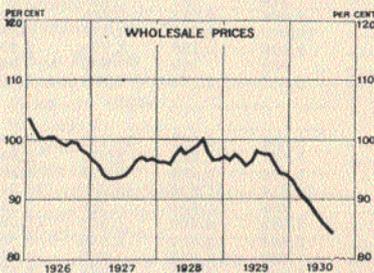
Number of Business Days:		July 1930	June 1930	July 1929	June 1929	Montana			
North Dakota	26	24	26	25	Anaconda	2,799	1,788	1,841	2,440
All Other States in District	26	25	26	25	Billings	7,630	7,945	9,793	9,401
(000's omitted)					Bozeman	2,226	2,115	2,769	2,417
Michigan					Butte (2 banks)	13,205	12,661	21,510	14,251
Escanaba (1 bank)	\$ 1,021	\$ 871	\$ 965	\$ 949	Deer Lodge	1,429	1,245	1,830	1,336
Hancock	1,556	1,820	2,091	1,859	Glendive	1,360	1,565	1,258	1,434
Houghton (1 bank)	585	680	765	662	Great Falls	14,195	14,493	22,776	18,531
Iron Mountain	4,151	4,579	5,511	4,758	Harlowton	383	367	483	502
Iron River, Caspian, Stambaugh	1,564	1,464	1,786	1,177	Have	2,469	1,795	1,659	2,524
Manistique (1 bank)	507	521	492	515	Helena	10,947	8,905	11,178	8,895
Marquette	5,023	5,135	5,958	5,565	Lewistown	2,238	2,189	2,799	2,495
Menominee	2,855	2,712	3,751	3,765	Malta	852	728	658	931
Sault Ste. Marie	3,069	3,131	3,516	2,763	Miles City (1 bank)	2,012	1,754	2,803	2,085
Minnesota					North Dakota				
Albert Lea	3,258	3,101	3,532	3,518	Bismarck	9,853	9,023	10,343	8,405
Austin (2 banks)	3,777	3,565	3,910	3,347	Devils Lake	1,561	1,630	2,076	1,918
Bemidji	1,609	1,238	1,495	1,458	Dickinson	1,638	1,498	1,723	1,594
Chaska	577	556	584	608	Fargo	16,316	17,916	19,975	19,544
Chisholm	919	1,200	799	1,221	Grafton	499	458	508	525
Cloquet	2,956	2,523	3,161	2,678	Grand Forks	7,002	6,669	7,818	7,783
Crookston	1,373	1,361	1,119	1,147	Jamestown	2,864	2,674	3,558	2,895
Detroit Lakes	1,295	1,085	1,375	1,158	Mandan	1,632	1,555	1,902	1,776
Duluth	60,774	73,916	110,437	88,353	Minot	7,034	7,089	8,905	7,778
Ely	703	887	658	403	Valley City	1,516	1,435	1,318	1,452
Faribault (1 bank)	1,430	1,253	1,429	1,332	Wahpeton	915	871	1,339	983
Farmington	300	260	268	271	Williston	1,519	1,472	2,165	1,692
Fergus Falls	4,215	3,074	3,267	3,573	South Dakota				
Glenwood	661	470	669	615	Aberdeen	6,278	6,606	8,086	7,568
Hutchinson	1,160	1,313	1,444	1,563	Brookings (1 bank)	899	1,069	1,072	1,131
Lanesboro	359	312	362	362	Deadwood	987	860	917	936
Little Falls	1,206	1,324	1,728	1,503	Huron	5,416	5,527	6,391	6,130
Luverne	1,198	857	855	1,097	Lead	1,003	1,064	1,335	1,259
Mankato	7,674	6,618	8,306	7,195	Madison (1 bank)	961	1,067	1,064	1,120
Minneapolis	400,096	420,541	550,657	461,136	Milbank	657	591	528	562
Moorhead	1,319	1,320	1,253	1,294	Mitchell (2 banks)	4,201	4,450	4,811	4,675
Morris	580	514	755	889	Mobridge	635	672	747	782
Owatonna	2,818	2,856	3,355	3,667	Pierre	1,413	1,483	1,558	1,490
Park Rapids	526	456	639	646	Rapid City	4,472	4,512	5,515	4,395
Red Wing	2,388	2,553	2,745	3,061	Sioux Falls	22,511	24,364	24,269	22,529
Rochester	6,038	6,700	7,282	7,212	Watertown	4,085	3,329	5,453	5,007
St. Cloud (1 bank)	492	474	459	541	Yankton	2,442	2,449	2,443	2,491
St. Paul	164,629	174,853	190,364	180,939	Wisconsin				
South St. Paul	22,770	27,008	35,482	31,787	Ashland	2,289	2,221	2,717	2,302
Stillwater	4,228	2,674	4,262	3,004	Chippewa Falls	2,574	2,234	2,862	2,815
Thief River Falls	1,016	1,024	1,141	993	Eau Claire	8,136	8,165	9,903	9,502
Two Harbors	590	548	578	585	Hudson	601	644	701	506
Virginia	2,196	2,500	2,671	3,337	LaCrosse	12,374	12,475	15,497	14,332
Wabasha	1,188	818	1,152	894	Merrill (1 bank)	1,886	1,424	1,567	1,586
Wadena	1,153	1,105	1,276	1,212	Superior	7,511	7,573	9,067	8,475
Wheaton	505	558	681	645	Total for All Cities Reporting				
Willmar	1,512	1,649	886	882	Both Years	\$943,045	\$984,720	1,234,660	1,077,988
Winona	6,922	7,523	8,835	8,079					
Worthington (1 bank)	788	913	876	952					



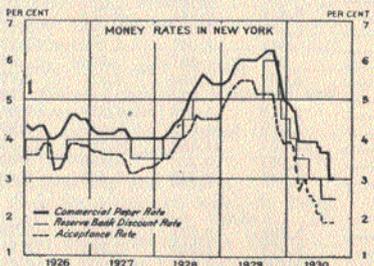
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average=100). Latest figure, July, 95.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-1925 average=100). Latest figures, July, employment 84.6, payrolls 82.0.



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, July 84.0.



Monthly rates in the open market in New York: commercial paper rate on 4 to 6 month paper. Acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 20 days in August.

Summary of National Business Conditions (Compiled August 22 by Federal Reserve Board)

Business activity declined during July and industrial production and factory employment reached the lowest levels in recent years. Crops were damaged by prolonged drouth. Wholesale prices declined further until early in August, when agricultural prices increased. Money rates continued easy.

PRODUCTION AND EMPLOYMENT: Output of factories and mines decreased by about 6 per cent during July, according to the Board's index of production, which makes allowance for seasonal fluctuations. A number of automobile factories were closed during part of the month and there was substantial reduction in the output of iron and steel and cotton textiles. Daily average production of bituminous coal, lumber and shoes continued small. In the first half of August, the output of steel showed a further slight decrease. Some automobile plants resumed operations on a limited scale.

Factory employment and wage payments decreased further, and at the middle of July were at the lowest levels since 1922. The reduction in number of workers employed was largest at steel and automobile plants, car shops and foundries, hosiery and cotton mills and clothing factories. There was a seasonal increase in employment in the canning, flour and shoe industries. Working forces at bituminous coal mines were further reduced, and the Department of Agriculture reported an unusually small demand for farm labor.

Building contracts awarded during July and the first half of August were in exceptionally small volume, according to reports by the F. W. Dodge Corporation. The reduction from June was primarily on account of smaller awards for public works and utility construction. Building in other lines continued relatively inactive.

Feed crops and pasturage have been severely damaged by drouth, which was not broken until the middle of August. The August 1 crop report of the Department of Agriculture indicated a corn crop of 2,212,000,000 bushels, the smallest since 1901, and the smallest hay crop in ten years. Food crops were less severely affected, with wheat production estimated at 821,000,000 bushels—15,000,000 bushels larger than last year. The cotton crop was estimated at 14,362,000 bales, or slightly less than a year ago.

DISTRIBUTION: Freight carloadings have been in smaller volume than at the same season of any other recent year. Department store sales declined in July to the lowest level since the summer of 1924.

PRICES: The sharp downward movement of wholesale prices continued through July, and the Bureau of Labor Statistics' index fell to a level 14 per cent below that of a year ago. The most pronounced decreases from June to July were in the prices of cattle, beef, wheat, cotton, silk and rubber, and nearly all commodities showed some decline. During the first half of August, prices of grains moved upward, reflecting the influence of the drouth. There have also been recent increases in the prices of cattle, hogs, silver and silk, while the prices of cotton, copper, iron and steel and rubber have declined further to the lowest level in recent years.

BANK CREDIT: Loans and investments of reporting member banks in leading cities decreased slightly between July 16 and August 13, largely as a result of a decline of \$48,000,000 in security loans. All other loans showed little change, while investments increased further.

Reserve bank credit outstanding increased by about \$60,000,000 during the first three weeks of August, reflecting seasonal increase in the demand for currency and a decrease of about \$25,000,000 in the country's gold stock, chiefly on account of gold exports to France. The increase in reserve bank credit was in the form of bankers' acceptances and United States government securities. Member bank borrowings showed little change.

Money rates continued easy. The prevailing rate on commercial paper was reduced to 3 per cent around the first of August and remained at that level during the first three weeks of the month. Bond yields continued to decline. Discount rates at the Federal Reserve Banks of St. Louis, San Francisco and Kansas City were lowered from 4 to 3½ per cent during August.