

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 the district during May was smaller than the volume in the same month last year. This is a continuation of the trend which has been in evidence in varying degrees since the poor crop of 1929 was harvested and the national reduction in business volume occurred. During May, June, July and August, business comparisons with a year ago are under an added handicap imposed by the unusually active state of business in these months last year, owing to the marketing of grain which had been held over from the crop of 1928.

The grain carry-over situation may be illustrated by the figures of wheat stocks on farms and in country mills and elevators on July 1 of the last three years. In 1927, these stocks amounted to 14,279,000 bushels; in 1928, they amounted to 16,768,000 bushels, and in 1929 to 34,130,000 bushels. The business effect of this exceptionally heavy summer volume of grain marketings is well illustrated by the course of debits to individual accounts, as shown in the chart on the following page. The seasonal fluctuations in the year 1928 may be considered quite normal during the summer months, exhibiting a horizontal trend during May, June and July and a slight decline in debits during August. In contrast with this movement, the 1929 volume of debits increased from April to July and continued in August at the same level as in July. It should, of course, be recalled that a contributing factor to the high level of August debits last year was the increase in early marketings of grain from the new crop due to an early harvest season and the greater use of the combine harvester.

In May 1930, debits to individual accounts at reporting cities in the district were 7 per cent smaller than in the corresponding month last year. As in preceding months, the smallest declines occurred in Minneapolis, St. Paul and the southern portion of the district whose chief industries are dairying and mixed farming. The greatest decreases occurred in the northern part of the district and at the Great Lakes ports where wheat, mining and lumber activities are the principal sources of business.

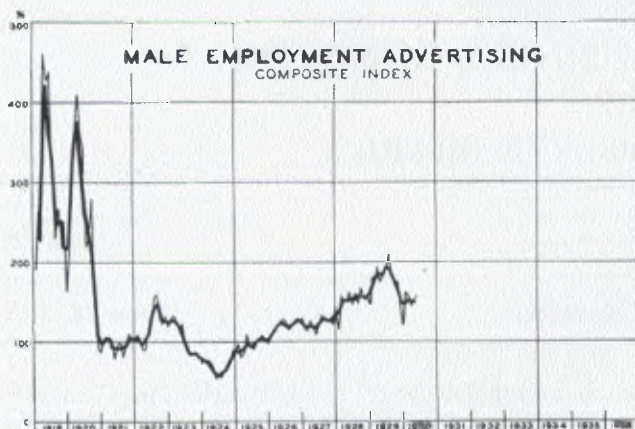
Most of the other indexes of general business volume also showed declines. Country check clearings were 12 per cent smaller in May than in the

same month last year. Freight carloadings, excluding less-than-carload shipments, showed a decrease of 14 per cent. Postal receipts, building contracts, linseed product shipments and copper and iron ore output were smaller than a year ago, while building permits and flour production showed increases and electric power consumption in Minnesota and the Dakotas was just equal to the volume a year ago. Business failures, as reported by R. G. Dun and Company, were 51 in number during May this year as compared with 52 in May a year ago.

The volume of retail and wholesale trade in most lines was smaller during May than a year ago. The only lines reporting increases were life insurance and securities. In the case of life insurance, an increase in Minnesota more than offset decreases in the Dakotas and Montana. Security sales to banks by reporting dealers were much larger in May this year than in May a year ago, but sales to the general public and to insurance companies were smaller.

The trade reports afford some interesting commentaries on the general state of business. Department stores in the larger cities of the district have experienced a slight decline in business during the first five months of 1930, as compared with the corresponding months last year, the decrease during May amounting to 1 per cent. However, at the end of May their stocks of merchandise were 17 per cent smaller than a year ago, indicating that they have been able to achieve a more rapid merchandise turnover in spite of adverse sales conditions. On the other hand, the volume of their accounts receivable was 1 per cent larger than a year ago, and the portion of these receivables which was payable on the instalment plan over a period of several months was 8 per cent larger than a year ago, indicating a somewhat less favorable credit position on the part of the consuming public in these cities.

The same credit situation existed at representative furniture stores and country lumber yards in the district and in wholesale trade. In the case of furniture stores, May sales were 7 per cent smaller than a year ago, but instalment receivables were 3 per cent larger than a year ago. In the case of country lumber yards, total sales in May were 19 per cent smaller than a year ago, but receivables were only 4 per cent smaller.



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.

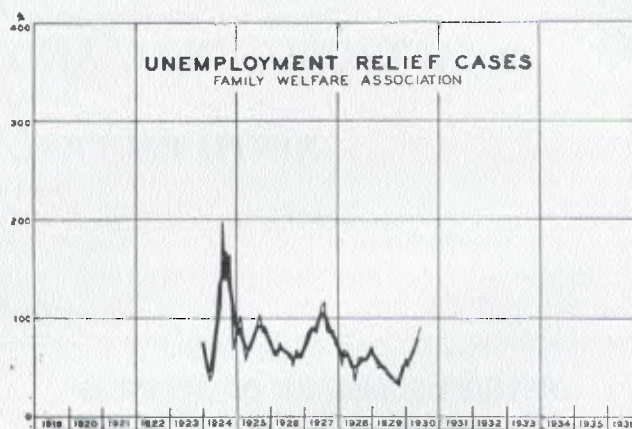
Employment conditions at Minneapolis continued less favorable to the workman than a year ago. After making allowance for seasonal fluctuations in available information, there was no significant change from the depressed level of April in employment advertising and "Skilled Help Wanted," as reported by the public employment office. As a result of this condition of employment, the adjusted curve of relief cases reported by the Family Welfare Association continued the upward movement of the past few months.

In the first half of June, fragmentary evidence indicated a continuation of the reduced volume of business which has characterized the first five months of the year. Debits to individual accounts at seventeen cities during the two weeks ending June 18 were 3 per cent smaller than in the corresponding weeks last year. Country check clearings for the first fifteen business days of June were 9 per cent smaller than in the same days a year ago. On the other hand, construction contracts awarded in the first eleven business days of June averaged \$661,000 per day, as compared with the daily average for the month of June 1929 of \$379,000, according to the reports of the F. W. Dodge Corporation.

DISTRICT SUMMARY OF AGRICULTURE

Crop prospects in the district continued favorable during the month of May and the first part of June. However, as usually happens, conditions have become uneven throughout the district. South Dakota presented the best prospects in all of the more important crops. On the other hand, there has been too much rain in southeastern Minnesota and too little rain for best crop development in north central South Dakota and parts of North Dakota and Montana.

The June 1 condition reports and production forecasts made by the United States Department of Agriculture showed general conditions at that time about on an average with June 1 conditions



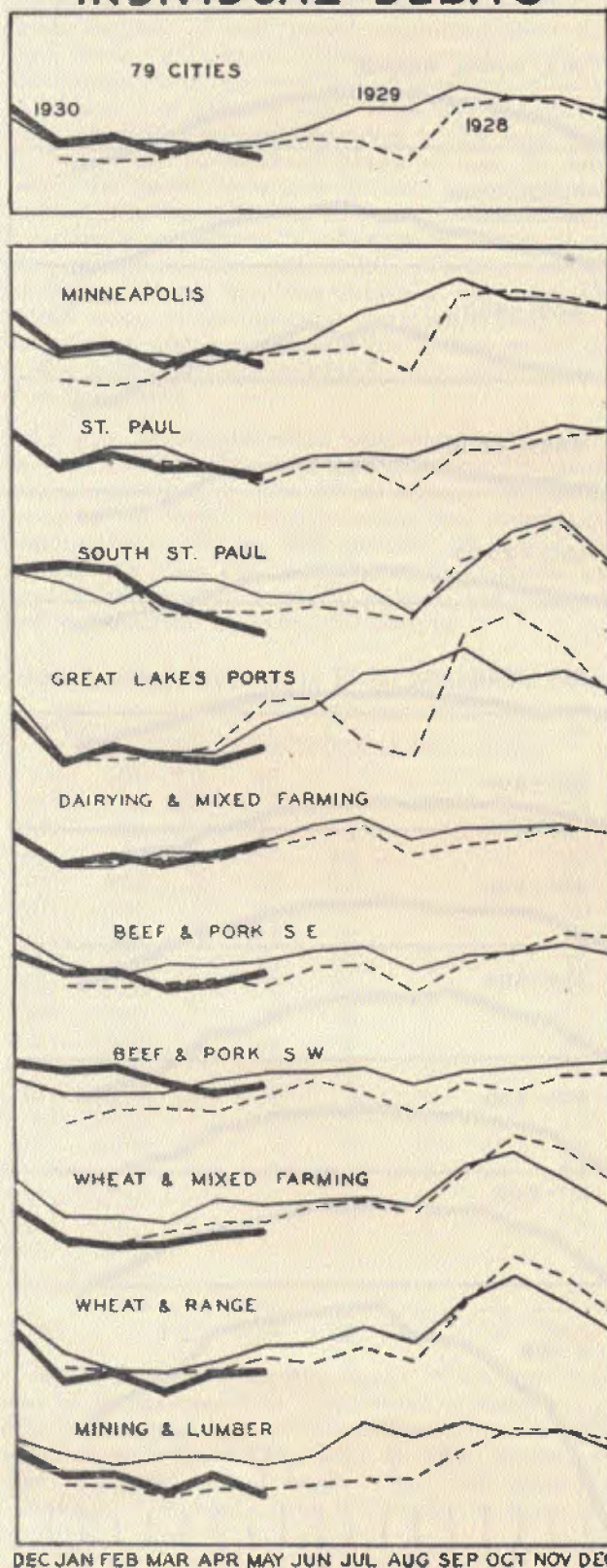
Families Given Assistance, on Account of Unemployment, by the Family Welfare Association of Minneapolis. The curves are index numbers with seasonal variations eliminated. The heavy curve is a 3-month moving average of the light curve.

in the preceding ten years. The winter wheat crop in the Northwest was forecast at about average in size, and somewhat larger than the crop last year. The rye crop forecast was smaller than average but larger than the crop harvested last year. Hay crops were seriously affected by winter killing, but pasture conditions on June 1 were as good as the average conditions in Minnesota and Montana, and much better than average in South Dakota. Pasture conditions were below the average in North Dakota.

The good pasture conditions in the heavy butter producing regions of the district caused a large milk flow during May which was disastrous to the butter market. Cold storage holdings of butter in the United States increased more than 27 million pounds between May 1 and June 1, as compared with the average increase of 15 million pounds which is normal for this period. As a result, butter in storage which was 16 million pounds more on May 1 than a year ago, increased this excess to 28 million pounds on June 1. The price of butter, which had been recovering slowly during March and April, from the low level caused by over-production and the reduced volume of consumption during the winter months, was again reduced by 4 cents a pound during May to 31 cents at Minneapolis. This was the lowest price since 1922. Fluid milk prices paid to farmers were also reduced during May to the lowest level since 1924.

The early opening of spring was also an adverse factor in the market for eggs. Egg production, which customarily reaches a peak in April, was abnormally stimulated by the mild weather. In the north central states the number of eggs laid per farm flock on the first day of April 1930, was 63, as compared with the five-year average of 60, and on the first day of May the number of eggs laid per farm flock was 62, as compared with the five-year average of 60. The result of this heavier laying was an increase in cold storage holdings of case eggs to 9 million cases on June 1, as compared with

NINTH FED. RES. DISTRICT INDIVIDUAL DEBITS



less than 8 million cases for the five-year average on that date. The price of eggs at Minneapolis dropped to 18 cents a dozen in May, which was the lowest price since the pre-war period.

Livestock prices were also lower in May than a year ago. In the case of beef and lamb, moderate increases in storage supplies were a factor in the price decline. In the case of pork, supplies in cold storage on May 1 were smaller than a year ago and smaller than the five-year average. Probably the largest factor in the decline in livestock prices has been the national reduction in purchasing power.

The effect of price declines which have occurred in all important northwestern farm products, except flax and potatoes, has been to reduce farmers' cash income from seven estimated sources by 19 per cent in May, as compared with income in May last year. Grain marketings were at a low level, a fact which minimized the adverse effect of the low grain prices which prevailed.

DISTRICT SUMMARY OF BANKING

The dominant factor in banking changes during the last half of May and the first half of June was the payment of real estate taxes which were due on May 31. Tax payments do not greatly affect the total deposits of banks in the district, since tax payments are largely a transfer from one bank account to another in the same territory. However, tax payments cause a temporary transfer of funds from the rural portion of the district to banks in the larger cities, partly because country banks send checks to city banks for collection and partly due to heavy deposits of public funds with the banks in the larger cities prior to redistribution in payment of public debts and for other purposes.

Public demand deposits at city banks which make weekly reports to this office increased from 31 million dollars on May 28 to 42 million dollars on June 18. Deposits due to country correspondent banks increased from 70 million dollars on May 28 to 82 million dollars on June 4, and declined slightly in the two succeeding weeks. No significant change occurred in other deposits of these city banks and their total deposits on June 18 were 5 per cent larger than on May 21 and 2 per cent larger than on June 19 last year.

The principal effect of the increase in deposits on the assets of these city banks was to increase their balances due from banks by 13 million dollars between May 21 and June 18. Loans to customers and other invested funds increased slightly during this period, but both of these items were smaller than a year ago on June 18.

In the rural portion of the district, member bank deposits decreased 1 per cent between April and May, and these deposits were 4 per cent smaller than a year ago in May. The decrease, as compared with last year, was most pronounced in Montana and least important in northern Michigan.

Loans by this Federal Reserve Bank to member banks were \$3,700,000 on June 18, as compared with \$16,600,000 a year ago. All portions of the district were borrowing less from the Federal Reserve Bank than last year, the decrease being greatest in the Twin Cities.

Interest rates charged by Minneapolis banks on five classes of loans to prime customers decreased slightly during the month to an average of 5-5¼ per cent on June 15. The commercial paper rate at Minneapolis was reduced ¼ of 1 per cent to 4¼ per cent (net to borrowers) on May 31.

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

Part I.

The Number of Banks

A study of changes in the number of banks in the communities of various sizes in the rural portion of Minnesota during the last sixteen years reveals the following principal facts:

(1) The number of banks increased from 1913 until 1920, and has decreased steadily since 1920.

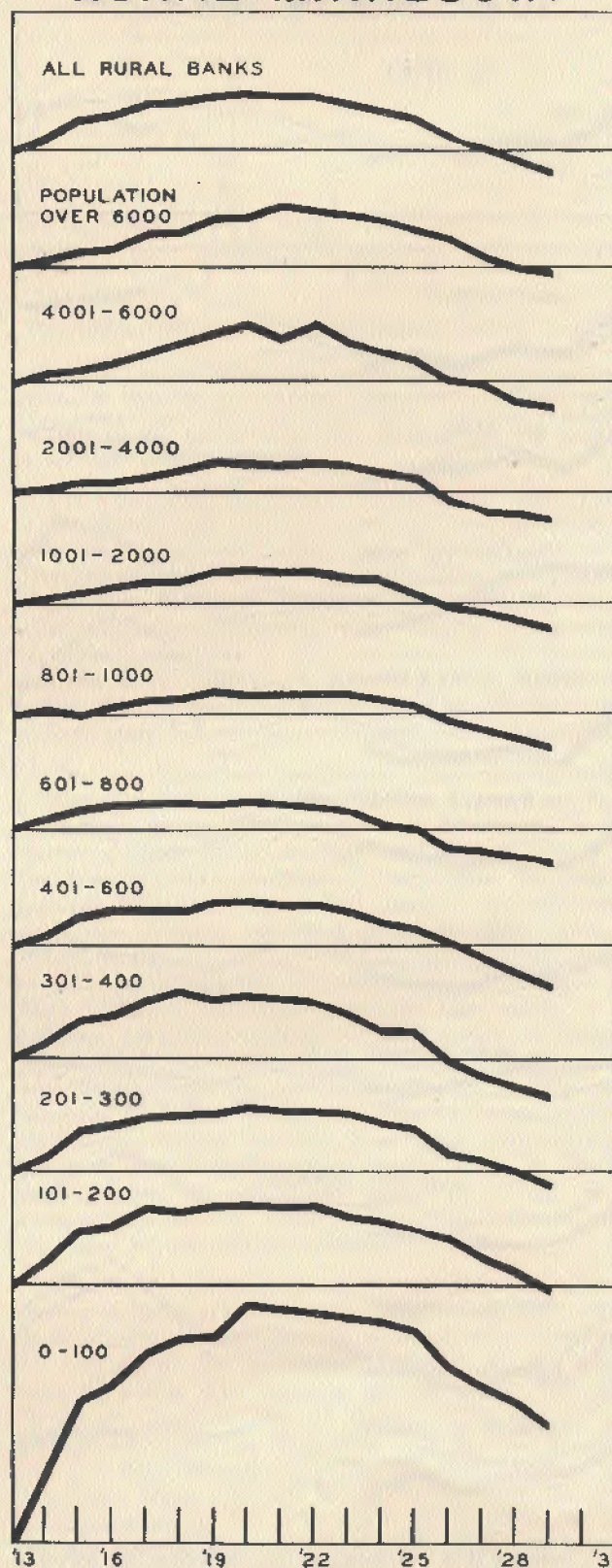
(2) The rate of expansion between 1913 and 1920 was greatest in the smallest towns, and the rate of decrease since 1920 was sharpest in the smallest towns. However, decreases in the number of banks have occurred since 1920 in cities of all sizes.

(3) Towns with populations of less than 100 people (1920 census) are the only group of towns with more banks now than in 1913.

(4) In 1929, there were 168 Minnesota towns without banks where banks had previously been located. This represented 20 per cent of the communities in rural Minnesota which have had banks at some time in their history. Of the remaining towns, 475 had one bank in 1929, 171 towns had two banks, 36 towns had three banks, and 8 towns had four or more banks.

This study was undertaken to determine the trends in banking facilities in rural Minnesota during the war period and the post-war reconstruction years. The sources of information were Rand McNally Bankers' Directories for January of each year from 1914 to 1930. The information contained in these Bankers' Directories pertains to the preceding year in each case and, consequently, the record runs from 1913 to 1929. Towns in the state were sub-divided according to the population of the towns in 1920. Data for the cities of Minneapolis, St. Paul and Duluth were omitted in order to study the purely rural trends.

NUMBER OF BANKS IN RURAL MINNESOTA



During the sixteen years surveyed, 858 communities in Minnesota had one bank or more at some time in the period. Most of these banks were in operation in 1920, although there have been a small number of new banks organized since that time. Since 1920, bank closings, removals, and consolidations have deprived 168 of these communities of banks. The present study does not presume to state whether these communities which now have no banks are in need of banks or not. In some cases, the towns have undoubtedly ceased to exist or have decreased in size to a point where a bank is no longer necessary. In other cases, the towns are near enough to other communities which have banks so that adequate banking facilities are available. In still other communities, it is probable that storekeepers are acting as bankers for their communities in the matter of cashing checks and granting merchandise credit.

Of the 168 communities which had no banks at the end of 1929, 56 towns had less than 100 population, according to the 1920 census. A second group of 56 towns without banks had populations ranging from 101 to 200 people; 28 towns had populations from 201 to 300 people; 16 towns had populations from 301 to 400 people, and 12 towns had populations of over 400 people.

1929 Banking Facilities in Rural Minnesota Towns

1920 Population Groups	NUMBER OF TOWNS WITH:					
	No Banks	1 Bank	2 Banks	3 Banks	4 Banks or More	All Towns
0- 100	56	67				123
101- 200	56	102	1			159
201- 300	28	96	7			131
301- 400	16	67	14			97
401- 500	5	37	13			55
501- 600	1	26	12	1		40
601- 700	1	18	9			28
701- 800		13	16	1		30
801- 900	1	5	13			19
901- 1000	1	9	6	1		17
1001- 1500	1	16	33	7		57
1501- 2000		7	16	3		26
2001- 2500	1	4	10	3		18
2501- 3000	1	4	4	4		13
3001- 4000		2	5	3		10
4001- 5000		2	7	1	1	11
5001- 6000			3		1	4
6001- 8000			1	5	2	8
8001-10000			1	2	1	4
Over 10000						
Total	168	475	171	36	8	858

In 1929, there were 962 banks in the rural portion of Minnesota. This represented a shrinkage of 462 banks from the number in operation in 1920, when there were 1,424 banks in rural Minnesota. The 1929 number of banks also represented a shrinkage of 96 banks from the number in operation in 1913.

The rate of change in the number of banks has

varied considerably in towns of different sizes. The number of banks in towns with 100 population or less, according to the 1920 census, increased from 36 banks in 1913 to 103 banks in 1920, an increase of 242 per cent. This was by far the greatest percentage increase in any group of towns in rural Minnesota during these years. The next largest increase between 1913 and the peak year was in the second population group of towns, namely, those ranging from 101 to 200 in population. In this group, the gain was 51 per cent. In the larger towns, the increases in number of banks ranged from 41 per cent to 12 per cent. The smallest increases occurred in the towns whose populations ranged from 601 to 4,000 people. Increases were greater both in towns with smaller populations and in those with larger populations than in this intermediate group. It is interesting to note that the peaks in number of banks did not all occur in 1920 among the various population groups, as will be seen in the table below.

Between the peak year and 1929, declines in the number of banks ranged from 46 per cent in the smallest towns to 25 per cent in towns having populations between 2,001 and 4,000 people. The decreases in number of banks were greatest in the two small population groups of towns, where the preceding increase had been most rapid and the decreases were least pronounced in towns of intermediate size—those with populations ranging from 601 to 4,000 people—where the preceding increase in number of banks had been most moderate. The decrease in number of banks between the peak and 1929 exceeded all of the increase between 1913 and the peak-year in every population group of towns, except the smallest one. In the smallest towns, there were 67 banks in operation in 1929, which was a gain of 86 per cent over the number in operation in 1913. It is significant that among the other population groups, towns with populations from 101 to 200 people showed the smallest decrease (3 per cent) from the number of banks in operation in 1913. Evidently, there has been resistance to a reduction in the number of banks in those communities having only one bank, and where the elimination of a bank would deprive the community of all banking facilities.

Number of Banks in Rural Minnesota

Towns with Populations of	1913	Peak Year	1929	% Peak Year of 1913	% 1929 of 1913	% 1929 of Peak Year
0- 100	36	123 (1920)	67	342	186	54
101- 200	107	162 (1920)	104	151	97	64
201- 300	118	163 (1920)	110	138	93	67
301- 400	115	162 (1918)	95	141	83	59
401- 600	142	178 (1920)	116	125	82	65
601- 800	101	114 *	84	113	83	74
801-1000	66	74 (1919)	55	112	83	74
1001-2000	173	206 (1920)	151	119	87	73
2001-4000	89	104 (1919)	78	117	88	75
4001-6000	38	50 †	33	132	87	66
Over 6000	73	98 (1921)	69	134	95	70
All Rural Banks..1,058		1,424 (1920)	962	135	91	68

* 1917-1918 and 1920,
† 1920 and 1922.

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS

	May '30	May '29	Per Cent May '30 of May '29
Debits to Individual Accounts¹			
All Reporting Cities.....	\$ 36,779,200	\$ 39,716,500	93
Minneapolis	16,269,000	17,249,000	94
St. Paul	6,441,000	6,590,000	98
South St. Paul	1,075,000	1,296,000	83
Great Lakes Ports	3,493,800	3,983,400	88
Beef and Pork, S. E.	1,321,800	1,399,900	94
Beef and Pork, S. W.	1,653,200	1,766,500	94
Dairy and Mixed Farming.....	1,572,900	1,676,700	94
Wheat and Mixed Farming	1,799,700	2,068,900	87
Wheat and Range	1,046,300	1,191,700	88
Mining and Lumber	2,106,500	2,404,400	88
Electric Power Consumption (K.W.H.) ^{1,2}			
Minn., No. Dak. and So. Dak.....	4,751,000	4,729,000	100
Montana	3,767,000	4,604,000	82
Country Check Clearings¹			
Total	\$ 3,380,300	\$ 3,795,800	88
Minnesota	1,190,600	1,416,400	84
Montana	596,700	669,500	89
North and South Dakota	842,000	900,100	94
Michigan and Wisconsin	695,000	800,500	87
Postal Receipts			
Six Cities	1,066,189	1,072,390	99
Minneapolis	580,561	600,968	97
St. Paul	231,461	311,145	106
Duluth	62,969	65,550	96
Three Other Cities	91,198	94,727	96
Freight Carloadings—N.W. District			
Total, Excluding L. C. L.	496,064	577,875	86
Grains and Grain Products	40,212	41,360	97
Livestock	27,059	28,515	95
Coal	18,957	22,079	86
Coke	7,039	8,206	86
Forest Products	63,984	83,294	77
Ore	157,819	197,554	80
Miscellaneous	180,994	196,887	92
Merchandise—L. C. L.	188,583	144,485	96
Building Permits			
Number—18 Cities	1,940	2,315	84
Value—18 Cities	\$ 4,639,600	\$ 4,468,800	104
Minneapolis	1,395,100	1,885,300	74
St. Paul	1,784,100	699,800	255
Duluth-Superior	236,700	367,500	64
4 Wheat Belt Cities	264,100	532,700	50
6 Mixed Farming Cities	531,600	755,500	63
4 Mining Cities	428,000	193,000	216
Building Contracts Awarded			
Total	\$ 11,015,000	\$ 15,407,600	72
Commercial	2,318,600	.....	.....
Industrial	554,000	.....	.....
Educational	1,400,000	.....	.....
Hospitals, etc.	308,700	.....	.....
Public	193,400	.....	.....
Religious and Memorial	600,000	.....	.....
Social and Recreational	331,600	.....	.....
Residential	1,630,700	.....	.....
Public Works and Utilities	3,678,000	.....	.....
Real Estate Activity in Hennepin and Ramsey Counties			
Warranty Deeds Recorded	1,134	1,418	80
Mortgages Recorded	1,463	1,698	86
Manufacturing and Mining			
Flour Production at Mpls., St. Paul, and Duluth-Superior (Bbls.)	991,487	979,942	101
Flour Shipments at Mpls. (Bbls.)	927,746	1,065,425	87
Linseed Product Shipments (Lbs.)	17,169,876	39,071,502	87
Copper Output (5 Firms) (Lbs.)	31,259,200	42,739,400	73
Iron Ore Shipments (Tons)	6,979,213	9,549,273	73
Business Failures			
Number	51	52	98
Liabilities	\$ 513,700	\$ 445,891	115

AGRICULTURE

Farmers' Cash Income

Total of 7 Items	\$ 35,030,000	\$ 43,351,000	81
Bread Wheat	3,674,000	4,832,000	76
Durum Wheat	2,425,000	6,149,000	40
Rye	551,000	514,000	107
Flax	682,000	513,000	129
Potatoes	1,383,000	676,000	205
Dairy Products	17,201,000	21,616,000	80
Hogs	9,044,000	9,051,000	100
Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Bread Wheat	2,792,000	3,069,000	91
Durum Wheat	2,528,000	5,927,000	43
Rye	854,000	591,000	145
Flax	247,000	208,000	119

Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)

Wheat	52,196,373	45,991,000	113
Corn	72,781	363,397	20
Oats	5,941,008	1,912,343	311
Barley	3,945,497	4,155,602	95
Rye	4,349,416	2,831,164	154
Flax	523,761	398,747	131

Livestock Receipts at South St. Paul (Head)

Cattle	48,304	64,368	75
Calves	46,571	56,070	85
Hogs	174,881	171,241	102
Sheep	13,906	17,330	81

Median Cash Grain Prices (Bus.)

Wheat—No. 1 Dark Northern	\$1.10½	\$1.21½	91
Durum—No. 2 Amber .....	.96	1.03½	93
Corn—No. 3 Yellow .....	.76½	.82	93
Oats—No. 3 White .....	.37	.42½	87
Barley—No. 3 .....	.55½	.58	96
Rye—No. 2 .....	.64½	.87	74
Flax—No. 1	2.68	2.46½	109

Median Livestock Prices (Cwt.)

Butcher Cows	\$7.50	\$9.50	79
Butcher Steers	10.35	13.00	80
Prime Butcher Steers	11.75	13.75	85
Feeder Steers	9.00	10.50	86
Veal Calves	9.50	12.50	76
Hogs	9.50	10.50	90
Heavy Hogs	9.00	10.00	90
Lambs	9.25	14.25	65
Ewes	5.75	6.50	88

Wholesale Produce Prices

Butter (Lb.) .....	.31	.41½	75
Milk (Cwt.)	1.94	2.34	83
Hens (Lb.) .....	.18	.24	75
Eggs (Doz.) .....	.18½	.24	76
Potatoes (Bu.)	2.02½	.66	307

TRADE

Department Stores

Sales	\$ 3,552,370	\$ 3,602,440	99
Merchandise Stocks	7,435,550	8,943,840	83
Receivables	3,699,300	3,653,180	101
Installment Receivables	803,640	741,800	108

Furniture Stores

Total Sales	\$ 404,390	\$ 432,970	93
Installment Sales	261,900	311,910	84
Merchandise Stocks	1,725,980	1,812,840	95
Installment Receivables	2,360,040	2,298,980	103

Country Lumber Yards

Sales (Bd. Ft.)	11,117,000	14,196,000	78
Lumber Stocks (Bd. Ft.)	92,391,000	91,969,000	101
Total Sales	\$ 1,715,910	\$ 2,123,400	81
Receivables	4,231,200	4,413,300	96

Life Insurance Sales

Four States	\$ 28,889,000	\$ 27,483,000	105
Minnesota	20,748,000	18,862,000	113
Montana	2,886,000	3,243,000	89
North Dakota	2,260,000	2,790,000	81
South Dakota	2,995,000	3,088,000	97

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

GENERAL BUSINESS

	May '30	May '29	Per Cent May '30 of May '29
Investment Dealers			
Sales to Banks.....	4,715,900	978,700	482
Sales to Insurance Companies.....	674,600	1,267,000	53
Sales to General Public.....	4,652,100	6,317,600	74
Wholesale Trade			
Farm Implements—			
Sales	\$ 342,770	\$ 426,910	80
Stocks	945,000	912,700	104
Receivables	670,360	780,060	86
Groceries—			
Sales	\$ 4,291,560	\$ 4,448,840	96
Stocks	6,501,990	6,634,890	98
Receivables	5,738,320	5,797,800	99
Hardware—			
Sales	\$ 2,065,200	\$ 2,197,550	94
Stocks	2,965,220	3,228,680	92
Receivables	2,950,130	3,164,540	93
Shoes—			
Sales	\$ 347,250	\$ 468,680	74
Stocks	1,293,840	1,561,120	83
Receivables	1,157,030	1,281,270	90

BANKING

Member Bank Deposits			
In Cities Over 15,000 Pop.....	\$442,878,000	\$441,118,000	100
In Cities Under 15,000 Pop.....	431,294,000	451,453,000	96
Michigan—15 Cos.	62,321,000	63,518,000	98

Member Bank Deposits (continued)

Minnesota	162,618,000	169,097,000	96
Montana	58,348,000	64,957,000	90
North Dakota	58,105,000	60,972,000	95
South Dakota	60,548,000	62,425,000	97
Wisconsin—26 Cos.	29,354,000	30,484,000	96

Interest Rates²

Minneapolis Banks	5—5 $\frac{1}{4}$	6—6 $\frac{1}{4}$
Commercial Paper (net to borrower)	4 $\frac{1}{4}$	6 $\frac{1}{2}$
Minneapolis Fed. Res. Bank	4	5

Selected City Member Banks

	June 18, 1930	June 19, 1929	
Loans to Customers	\$219,404,000	\$224,311,000	98
Other Invested Funds	143,833,000	152,851,000	94
Deposits Due to Banks	78,926,000	68,736,000	115
Public Demand Deposits	41,868,000	32,793,000	128
Other Demand Deposits	166,413,000	168,315,000	99
Time Deposits	128,745,000	134,237,000	96
Total Deposits	416,831,000	406,217,000	103
Borrowings at Fed. Res. Bank	122,000	10,882,000	1

Minneapolis Federal Reserve Bank

Loans to Member Banks	3,737,000	16,632,000	22
Twin Cities	30,000	11,040,000	00.27
Minn., Wis. and Mich.	848,000	2,033,000	42
No. Dak. and Mont.	2,000,000	2,639,000	76
South Dakota	859,000	923,000	93
Fed. Res. Notes in Circulation	54,444,955	62,430,315	87

¹Daily Averages.²Latest Reported Data.

DEBITS TO INDIVIDUAL ACCOUNTS

Number of Business Days:	May 1930	April 1930	May 1929	April 1929
Minnesota	26	25	26	26
All Other States in District	26	26	26	26

(000's omitted)

Michigan

Escanaba (1 bank)	\$ 1,124	\$ 1,210	\$ 1,065	\$ 978
Hancock	1,760	1,520	2,090	1,995
Houghton (1 bank)	638	625	722	760
Iron Mountain	4,578	4,832	4,775	5,340
Iron River, Caspian, Stambaugh	1,589	1,828	1,455	1,924
Manistique (1 bank)	475	663	510	625
Marquette	5,126	5,033	5,834	5,216
Menominee	3,062	3,636	3,739	3,693
Sault Ste. Marie	2,839	2,785	2,724	2,644

Minnesota

Albert Lea	3,340	3,225	3,685	3,218
Austin (2 banks)	4,500	3,785	3,846	3,374
Bemidji	1,674	1,659	1,695	1,526
Chaska	569	657	559	535
Chisholm	902	903	715	896
Cloquet	2,131	2,817	2,480	3,159
Crookston	1,397	1,406	1,093	1,087
Detroit Lakes	986	387	1,002	924
Duluth	71,739	62,177	82,456	70,149
Ely	292	383	322	386
Faribault (1 bank)	1,308	1,311	1,467	1,457
Farmington	283	240	335	273
Fergus Falls	2,821	3,279	3,331	3,744
Glenwood	570	524	613	463
Hutchinson	1,489	1,438	1,642	1,589
Lanesboro	311	322	367	392
Little Falls	1,084	999	1,219	1,202
Luverne	950	957	1,106	992
Mankato	6,813	6,446	6,889	6,947
Minneapolis	424,795	440,296	451,066	427,505
Moorehead	1,528	2,080	1,146	1,146
Morris	592	689	614	593
Owatonna	3,218	3,049	3,643	3,089
Park Rapids	455	416	545	479
Red Wing	2,507	2,171	2,636	2,615
Rochester	5,985	5,988	6,966	6,932
St. Cloud (1 bank)	447	398	521	411
St. Paul	167,456	173,673	171,333	179,653
South St. Paul	27,960	29,371	33,695	36,711
Stillwater	2,362	2,514	2,841	2,973
Thief River Falls	998	938	848	825
Two Harbors	501	440	589	515
Virginia	2,153	2,552	2,742	2,637
Wabasha	794	821	935	767
Wadena	1,100	1,059	1,189	1,064
Wheaton	489	501	580	652
Willmar	1,605	1,607	863	1,376
Winona	7,799	7,321	8,257	7,947
Worthington (1 bank)	960	1,003	813	983

Montana

Anaconda	1,914	1,947	2,416	2,682
Billings	8,138	8,236	9,622	9,581
Bozeman	2,079	2,032	2,279	2,273
Butte (2 banks)	12,461	12,985	14,439	14,211
Deer Lodge	1,171	1,446	1,410	1,464
Glendive	1,379	1,311	1,301	1,367
Great Falls	15,089	15,732	18,171	17,192
Harlowton	348	346	465	445
Havre (1 bank)	1,172	1,191	1,389	1,384
Helena	8,002	9,672	8,613	11,075
Lewistown	2,164	1,990	2,677	2,421
Malta	645	629	812	886
Miles City (1 bank)	1,846	1,927	1,797	1,915

North Dakota

Bismarck	13,651	14,519	15,242	14,523
Devils Lake	1,802	1,636	1,770	1,912
Dickinson	1,282	1,243	1,762	1,640
Fargo	16,834	17,183	20,935	21,596
Grafton	441	589	408	467
Grand Forks	6,885	6,917	7,412	8,033
Jamestown	2,533	2,662	2,904	3,162
Mandan	1,807	1,612	1,881	2,003
Minot	7,875	7,144	8,700	8,709
Valley City	1,337	1,290	1,469	1,292
Wahpeton	869	918	1,017	1,067
Williston	1,494	1,402	1,868	1,629

South Dakota

Aberdeen	6,213	5,794	6,671	6,491
Brookings (1 bank)	1,137	1,116	1,149	1,159
Deadwood	1,052	764	869	901
Huron	5,369	5,383	5,926	5,854
Lead	1,119	1,138	1,405	1,424
Madison (1 bank)	1,113	1,064	1,160	1,032
Milbank	575	499	618	624
Mitchell (2 banks)	4,583	4,512	4,794	4,800
Mobridge	738	692	816	802
Pierre	1,345	1,220	1,752	1,625
Rapid City	4,508	4,108	4,633	4,135
Sioux Falls	22,998	23,321	23,829	22,360
Watertown	4,275	3,667	5,594	5,624
Yankton	2,538	2,569	2,968	2,960

Wisconsin

Ashland	2,218	2,234	2,554	2,378
Chippewa Falls	2,829	2,277	2,769	2,576
Eau Claire	7,967	8,010	8,803	8,208
Hudson	702	616	679	614
LaCrosse	12,792	11,809	13,742	13,823
Merrill (1 bank)	1,563	1,430	1,508	1,409
Superior	7,794	7,902	8,935	8,906

Total for All Cities Reporting

Both Years	\$985,036	\$998,371	\$1,063,295	\$1,034,863
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Summary of National Business Conditions (Compiled June 23 by Federal Reserve Board)

The volume of industrial production declined in May by about the same amount as it increased in April. Factory employment decreased more than is usual at this season, and the downward movement of prices continued. Money rates eased further to the lowest level in more than five years.

INDUSTRIAL PRODUCTION AND EMPLOYMENT: The Board's index of industrial production, adjusted for usual seasonal variations, declined about 2 per cent in May. In 1930, industrial production has fluctuated between 4 and 7 per cent above the 1923-1925 average, and the preliminary estimate for May is 4 per cent above the average for those years. Production at steel and automobile plants declined, cotton mills curtailed output, and activity at woolen and silk mills continued at low levels. Cement production increased sharply, while output of petroleum and of copper showed little change. In the first half of June, output at steel plants declined further.

The decrease in factory employment in May was larger than usual and there was also a decline in factory payrolls. The number employed in the cotton and silk goods industries decreased further, while in the woolen goods industry there was an increase from the extreme low point of April. Employment in the agricultural implement and electrical machinery industries decreased from April, but remained large relative to earlier years. Employment in the cement industry increased, but in the lumber industry continued at an unusually low level.

Building contract awards in May, as reported by the F. W. Dodge Corporation, continued to be in substantially smaller volume than in any other year since 1924.

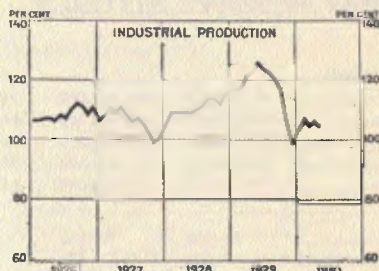
DISTRIBUTION: Freight carloadings increased by less than the usual seasonal amount during May and continued to be in somewhat smaller volume than in the corresponding period of 1928, and substantially below the unusually active period of 1929. Department store sales in May were approximately the same as those of a year ago.

PRICES: A further decline in the wholesale prices of commodities occurred in May and the first half of June. The downward movement was interrupted in the last half of May by substantial increases in the prices of grains, meats and livestock, but became pronounced about the middle of June, when the prices of cotton, silk, rubber, copper and silver reached exceptionally low levels. Wheat, meats, livestock and cotton textiles also declined in price at that time, while prices of wool and woolen goods, pig iron and steel showed little change.

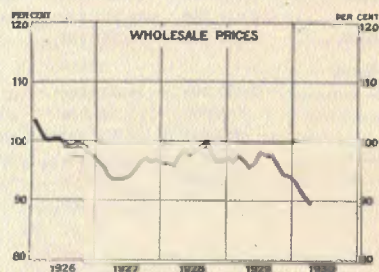
BANK CREDIT: Loans and investments of reporting member banks increased further by \$265,000,000 in the four weeks ending June 11, to a level considerably higher than a year ago. The increase was entirely in investments and in loans on securities, of which a large part represented loans made by New York City banks to brokers and dealers in securities in replacement of loans withdrawn by other lenders. "All other" loans continued to decline, and at \$8,400,000,000 on June 11 were the smallest since 1926.

Expansion of member bank credit during this period was reflected in larger demand deposits and an increase of \$30,000,000 in member bank reserves at the Reserve banks. The volume of money in circulation showed a net increase of \$13,000,000. Funds for these uses were obtained largely from further additions of \$24,000,000 to the stock of monetary gold and from an increase of \$22,000,000 in the volume of Reserve bank credit outstanding. Reserve bank holdings of United States securities increased by about \$50,000,000, and their holdings of acceptances declined by about half this amount. For the week ending June 18, the total volume of Reserve bank credit declined somewhat, and there was a decline in the volume of money in circulation.

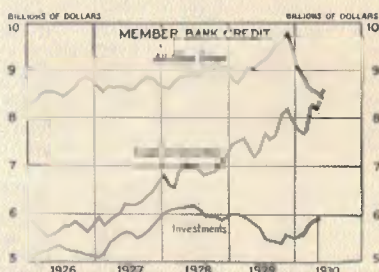
Money rates in the open market continued to decline during the latter half of May and the first half of June, and at the middle of the month commercial paper at $3\frac{1}{2}$ - $3\frac{3}{4}$ per cent and acceptances at $2\frac{1}{8}$ per cent were at the lowest levels since 1924 and early 1925. Bond yields moved slightly lower in June. In the first week of June, the rediscount rate at Cleveland was reduced from 4 to $3\frac{1}{2}$ per cent; in the third week the rate at New York was reduced from 3 to $2\frac{1}{2}$ per cent, and the rate at Chicago from 4 to $3\frac{1}{2}$ per cent.



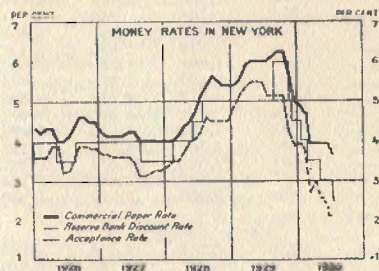
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average = 100). Latest figure, May, 104.



Index of United States Bureau of Labor Statistics (1926 = 100, base adopted by Bureau). Latest figure, May, 89.1.



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



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 June.