

# MONTHLY REVIEW

## OF AGRICULTURAL AND BUSINESS CONDITIONS IN THE NINTH FEDERAL RESERVE DISTRICT

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### DISTRICT SUMMARY OF BUSINESS

Business in the district continued to show no pronounced trend in either direction during February. Unseasonably large wheat marketings in February caused some of the business indexes to advance from the levels of January after seasonal correction. Debits to individual accounts were 2 per cent larger in February than in the corresponding month last year. Increases in debits were general throughout the district, except in the wheat belt and mining and lumber cities. The country check clearings index was 8 per cent smaller in February than a year earlier, all parts of the district showing decreases, except Montana. After seasonal corrections, both the individual debits curves and the country check clearings curves moved upward from the January levels.

Building permits in February were smaller than last year's volume in February, but building contracts awarded were larger. Postal receipts were about as large in February this year as a year ago. Electric power consumption in Minnesota, North Dakota and South Dakota was 6 per cent larger in January than in the corresponding month last year, but in Montana there was a decrease of 4 per cent, probably caused by smaller copper mining activity. Flour production and linseed product shipments were smaller than a year ago, but flour shipments from Minneapolis were slightly larger. Business failures numbered 48 in February, as compared with 47 in February a year ago.

Commodity movements and trade exhibited the same mixed trends which were in evidence in the more general business indexes. Freight carloadings in the northwestern district, excluding less-than-carlot shipments, were 8 per cent smaller in February than in the corresponding month a year ago. The decrease was chiefly due to smaller loadings of coal and coke, which in turn were probably accounted for by the mild winter. Carloadings of merchandise were about as large in February this year as a year ago. Increases occurred in life insurance sales, country lumber sales and wholesale trade in farm implements and groceries. Decreases occurred in department store sales, furniture sales, securities sales and wholesale shoe and hardware sales.

During the first half of March, individual debits and country check clearings were smaller than in the same period last year, and building contracts were larger.

### DISTRICT SUMMARY OF AGRICULTURE

The two most significant facts in the latest month's figures are that farmers have smaller stocks of wheat on farms this year than a year ago, and that butter stocks have continued large in spite of low butter prices. Farm wheat stocks on March 1, as reported by the United States Department of Agriculture, amounted to 38 million bushels in Minnesota, North Dakota, South Dakota and Montana. Since seed requirements, if acreage should approximate last year's wheat acreage, will amount to 23 million bushels it can be seen that there is very little of last year's 184 million bushel wheat crop available for marketing from the farm. A year ago on March 1 there were 62 million bushels of wheat on farms, and the five-year average was 39 million bushels.

Stocks of rye and oats on farms on March 1 were smaller than stocks last year, and much smaller than the five-year average. Stocks of corn were larger than stocks a year ago, but smaller than the five-year average. Stocks of barley were smaller than last year, but larger than the five-year average.

#### Grain Stocks on Farms

March 1—Four States—000's omitted

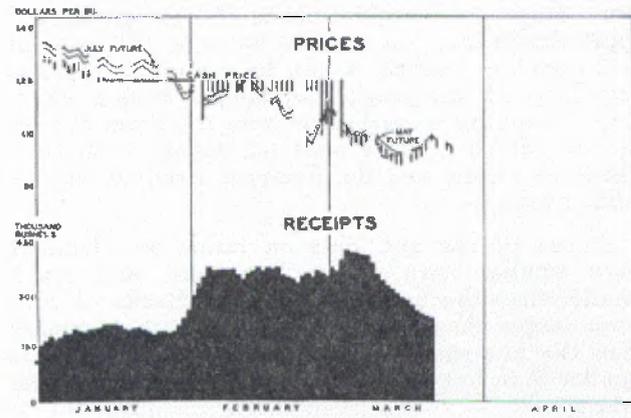
	Five-year Average	1929	1930
Wheat .....	39,133	62,090	38,103
Rye .....	3,687	2,933	2,286
Corn .....	77,863	70,676	74,663
Oats .....	117,982	113,718	91,566
Barley .....	24,381	49,568	38,460

The foregoing statements refer only to farm stocks. The figures for grain stocks in country mills and elevators have not been published as yet, but grain stocks at terminal elevators at Minneapolis and Duluth-Superior were more than 10 million bushels larger at the end of February than a year

earlier. The increase in these stocks consisted of 4 million bushels of wheat, 7 million bushels of oats, and smaller increases in stocks of barley, rye and flax, offset by a decrease in stocks of corn.

Wheat marketings at Minneapolis and Duluth-Superior during February and early March increased from the January level and were larger than in three of the last four years, in spite of the small crop harvested and the normal proportion of marketings in earlier months. This increase in receipts of wheat at terminal markets during February and March has been explained to be the result of the unusual position of cash wheat prices above futures prices beginning on January 29, and the later shift of the May future to a position above the July future price.

The accompanying chart shows the daily closing cash prices of Number 1 Northern Wheat at Minneapolis (the contract grade) from January 1 to the latest date before publication of this Review, together with the closing May and July futures for the same periods. From this chart the changes in relationships between cash prices and futures and between the two future prices can readily be seen. A seven-day moving average of wheat receipts at Minneapolis and Duluth-Superior is shown in the lower half of the chart.

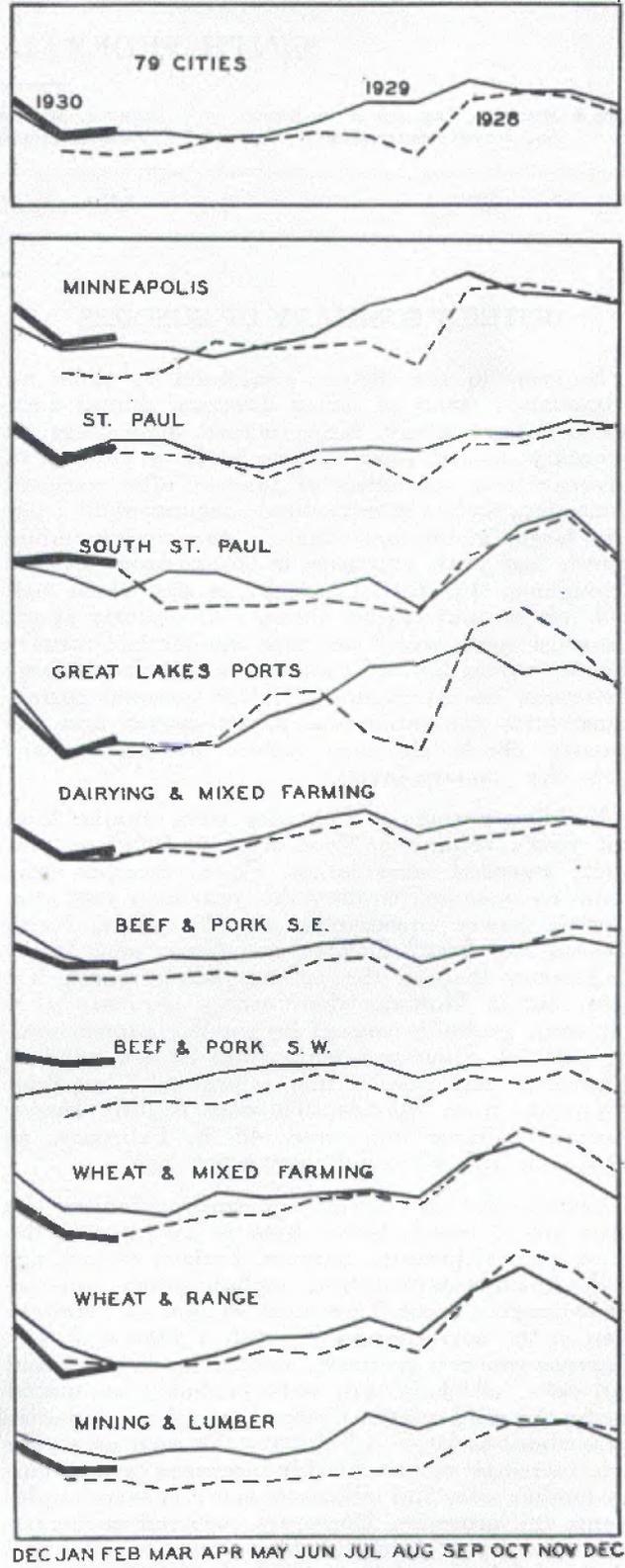


Wheat Prices at Minneapolis and Wheat Receipts at Minneapolis and Duluth-Superior, January-March 1930.

Stocks of butter in the United States on March 1 amounted to 46½ million pounds, as compared with less than 12 million pounds a year earlier and the five-year average of about 18 million pounds. The decrease in cold storage holdings during the month of February was less than 14 million pounds, which is approximately the same disappearance that occurred a year ago and on the five-year average during February. The price of butter remained unchanged during February, and was at a level 14 cents a pound lower than a year ago.

The income from the spring pig crop in the Ninth Federal Reserve District was estimated at 91 mil-

### NINTH FED. RES. DISTRICT INDIVIDUAL DEBITS



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

lion dollars, which was a decrease of 6 per cent from the income derived from the spring pig crop of 1928. The income from the sale of hogs was slightly larger during the early months of the selling season for the 1929 crops than a year earlier, but this increase was more than offset by later declines.

The number of cattle on feed in Minnesota on January 1 was estimated by the United States Department of Agriculture to be 15 per cent larger than the number on feed a year earlier. In South Dakota, the number of cattle on feed was estimated to be equal to the number a year ago. Profits from feeding steers purchased in the early fall of 1929 have been more satisfactory than profits from feeding steers purchased a year earlier. The prices at which feeder steers were purchased in September 1929 were lower than prices in September a year ago, and the February 1930 prices of fat steers were higher than prices a year ago.

Farm income from cash crops, hogs and dairy products combined during February was 10 per cent smaller than the income from these sources in February 1929. This is a more favorable showing than was made in January, owing to marketings of bread wheat, which were unusually heavy for this time of year. Price increases, as compared with February last year, occurred in flax, potatoes, butcher steers and hogs. Price decreases occurred in wheat, corn, oats, barley, rye, veal calves, lambs, ewes, butter and milk.

### DISTRICT SUMMARY OF BANKING

Country banks experienced a further loss of deposits during February, reflecting the continued effect of the small wheat crop, as well as purely seasonal factors. Deposit losses, as compared with January, occurred chiefly in Montana and North Dakota. All states lost deposits during the year ending with February 1930. The most serious decrease occurred in Montana where deposits in February were 11 per cent smaller than a year ago. The deposit decrease during the year was 7 per cent in North Dakota and 4 per cent, or less, in the other states.

The decrease in country member bank deposits was not accompanied by an increase in borrowings from this Federal Reserve Bank, although such a result has usually occurred following deposit shrinkages during the last ten years. Probably the rising bond market has made it possible for country banks to dispose of securities to secure funds with which to meet deposit withdrawals. In fact, during the last quarter of 1929 the abstracts of called reports indicated that a trend towards smaller bond accounts had begun.

Analyzing the borrowings of country member banks in greater detail, it is found that borrowings by member banks in the eastern half of the district

were reduced during March to near the low level for the post-war period. The seasonal upturn of deposits in February in the eastern portion of the district, the very moderate decrease in deposits during the year, and the improvement in the bond market were probably all factors in this development. In North Dakota and Montana combined borrowings from this bank increased moderately from the beginning of the year until the latest reported date, following the usual seasonal trend, and borrowings by banks in that area were larger on March 19 than on the corresponding date in any year since 1924. Borrowings by South Dakota member banks have followed a slightly declining trend since December, but were higher on March 19 than on the same date in any year since 1927.

City member banks experienced a sharp increase in deposits during the six weeks ending March 12 amounting to 24 million dollars, which was more than the increase experienced in these weeks in the preceding three years. This increase was followed by a seasonal decrease in the succeeding week. The greater part of the increase was in deposits of public funds, which increased 14 million dollars. The remainder of the increase occurred in deposits due to correspondent banks, and this in turn was directly due to the deposits of public funds at country banks, following the collection of personal property taxes at the end of February. Commercial and individual demand deposits and time deposits decreased moderately at the close of February as a result of tax payments.

The net result of these deposit changes was to decrease the deficiency in total deposits of city member banks as compared with last year's figures of corresponding dates to 9 million dollars. All classes of deposits, except deposits of government funds, were smaller on March 19 than a year ago. Deposits due to correspondent banks showed the largest decrease from last year's figures, and have fluctuated around the levels established last fall when the small wheat crop made it necessary for country banks to carry smaller correspondent bank balances. The demand for loans by customers of city member banks did not show as large an increase in February and early March as was evidenced a year ago. The result was that loans to customers reported by city banks were only 8 million dollars larger on March 19 than a year earlier, as compared with the 16 million dollar increase reported a month earlier. The small increase in customers' loans, together with the sharp deposit increase, made it possible for city member banks to increase their invested funds, bonds, brokers' loans, commercial paper and acceptances moderately during the six weeks ending March 19, but these invested funds on that date were 22 million dollars smaller than holdings a year earlier. Borrowings by these banks from the Federal Reserve Bank were negligible in recent weeks. A year ago at this time, these city banks were borrowing 15 million dollars from this bank.

Interest rates at Minneapolis declined further, according to the latest reports. The brokers' commercial paper rate to borrowers during February was reduced one-fourth of 1 per cent to a 5 per cent level. Interest rates on prime loans quoted by Minneapolis commercial banks were reduced during the month ending March 15 to a level of  $5\frac{1}{2}$ - $5\frac{3}{4}$  per cent. The discount rate of this Federal Reserve Bank remained unchanged at  $4\frac{1}{2}$  per cent.

### BANKING DURING 1929

The banks of the district experienced an unfavorable year in 1929. The small wheat crop and the lower price of dairy products, wool and some other commodities caused a decrease in bank deposits. There was not an equivalent reduction in loans, and the banks were compelled to reduce investment holdings and correspondent bank balances and to increase their borrowings from other banks. In the cities, large grain stocks piled up causing an unusual increase in loans. Among the favorable banking developments in the district during the year were a reduction in the number of bank failures, a reduction in holdings of real estate and an increase in the average size of country banks.

Deposits of banks in the district experienced a shrinkage of 89 million dollars, or more than 5 per cent, during the year. City banks lost 39 million dollars of deposits, partly owing to smaller balances carried with them by country correspondent banks. Country banks in the district lost 50 million dollars of deposits mainly in North Dakota and Montana, where the deficiency in the wheat crop was the most important depressing influence. Smaller decreases in deposits occurred in all of the other states of the district.

Loans decreased 15 million dollars during the year. At the city banks there was an increase of 17 million dollars in loans owing, as before stated, to the piling up of abnormally large stocks of grain at terminal elevators. The country banks experienced a decrease in loans of 32 million dollars, which was a smaller decrease than the decline in their deposits. All states shared in the loan decrease, except South Dakota and upper Michigan.

Security holdings of banks in the district decreased 32 million dollars during the year. More than half of the decrease, or 20 million dollars, occurred at city banks and the other 12 million dollars represented the decrease at country banks. Security holdings of country banks in all states of the district decreased, with the exception of South Dakota.

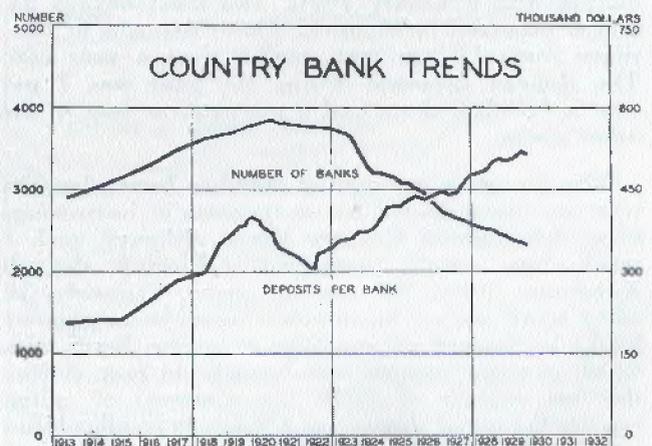
Reserves with the Federal Reserve Bank, balances due from other banks, cash and cash items decreased 26 million dollars during the year. Both city and country banks experienced decreases in these items.

"Other real estate" decreased 6 million dollars at country banks in the district. All states shared in the decrease, except the upper peninsula of Michigan.

Borrowings from other banks increased 8 million dollars. The largest increase in borrowings was reported by city banks. The country banks in all states, except Minnesota, reported larger borrowings from other banks.

The number of banks showed a further reduction of 144 banks during the year. Of this reduction, 84 banks failed and the remaining banks went out of existence through consolidation or voluntary liquidation. There was a shrinkage in the number of banks in all states of the district, except upper Michigan, but the decrease in number of banks was very small in Montana and Wisconsin. The total decrease in number of banks was the largest in any year since 1926. It will be recalled that by June 30, 1926 the number of banks operating in the district had been reduced to the number in existence on the same date in 1913, or 2,928 banks. At the close of 1929 the number of banks in operation had been reduced to 2,353, according to the official abstracts of condition reports.

The banks which have gone out of existence in recent years have been chiefly very small banks and the district total deposits have not shown the same percentage decrease that has occurred in the number of banks. Consequently, the average country bank operating in the district is larger than the average bank operating heretofore. During 1929, the average deposits per country bank increased from \$506,000 to \$515,000 in spite of the important unfavorable economic conditions which developed during the year.



Average Deposits per Country Bank and Number of Country Banks in the Ninth Federal Reserve District, 1913-1929.

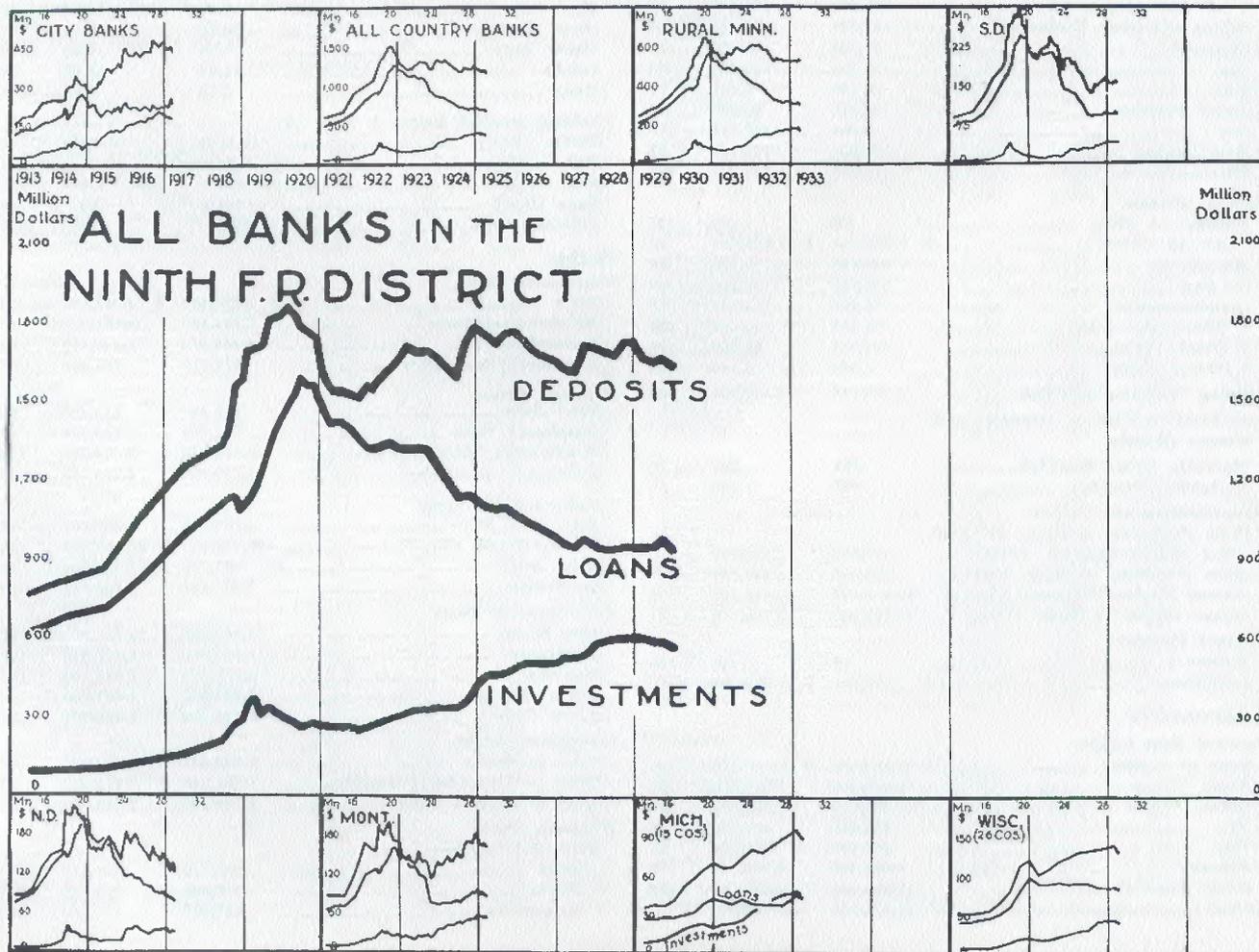
BANK RETURNS IN THE NINTH FEDERAL RESERVE DISTRICT

(000's omitted)

December 31, 1929	Loans	Investments	Cash and Due from Banks	Deposits	Borrowings	No. of Banks
<b>Minnesota</b>						
City Banks**	\$238,981	\$178,096	\$100,585	\$436,615	\$8,056	29
Rural Minnesota	306,255	175,962	86,363	537,203	2,745	1,017
North Dakota	78,994	32,556	23,491	122,386	1,165	412
South Dakota	96,191	41,124	31,523	155,939	1,568	387
Montana	87,555	56,431	37,975	165,336	508	195
Michigan*	43,709	44,542	14,464	88,232	2,070	73
Wisconsin*	83,139	41,258	18,764	128,493	1,598	240
<b>Total</b>	<b>\$934,824</b>	<b>\$569,969</b>	<b>\$313,165</b>	<b>\$1,634,204</b>	<b>\$17,710</b>	<b>2,353</b>
<b>December 31, 1928</b>						
<b>Minnesota</b>						
City Banks**	\$222,349	\$198,017	\$112,723	\$475,400	\$2,064	33
Rural Minnesota	315,531	177,254	86,654	530,876	3,179	1,067
North Dakota	88,482	36,133	30,184	143,659	933	470
South Dakota	95,569	40,877	34,446	159,416	1,174	409
Montana	99,942	58,809	41,694	185,618	245	201
Michigan*	43,214	47,427	14,476	92,647	840	73
Wisconsin*	84,507	43,567	19,161	135,591	1,057	244
<b>Total</b>	<b>\$949,594</b>	<b>\$602,084</b>	<b>\$339,338</b>	<b>\$1,723,207</b>	<b>\$9,492</b>	<b>2,497</b>

\*Portion of states in the Ninth Federal Reserve District.

\*\*Twin City national banks and Minnesota savings banks and trust companies.



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

## GENERAL BUSINESS

GENERAL BUSINESS	Feb., 1930	Feb., 1929	Per Cent
			Feb.'30 of Feb.'29
<b>Debits to Individual Accounts<sup>1</sup></b>			
All Reporting Cities .....	\$ 40,861,000	\$ 40,100,000	102
Minneapolis .....	18,078,000	17,822,000	104
St. Paul .....	7,310,000	7,607,000	96
South St. Paul .....	1,532,000	1,266,000	121
Great Lakes Ports .....	3,536,000	3,497,000	101
Beef and Pork, S. E. ....	1,843,000	1,352,000	100
Beef and Pork, S. W. ....	1,869,000	1,626,000	115
Dairy and Mixed Farming ..	1,840,000	1,714,000	107
Wheat and Mixed Farming ..	1,795,000	2,025,000	89
Wheat and Range .....	1,070,000	1,100,000	97
Mining and Lumber .....	2,488,000	2,591,000	96
<b>Electric Power Consumption (K.W.H.)<sup>1, 2</sup></b>			
Minn., No. Dak., and So. Dak. ....	5,119,000	4,852,000	106
Montana .....	4,265,000	4,481,000	96
<b>Country Check Clearings<sup>1</sup></b>			
Total .....	\$ 3,253,000	\$ 3,524,000	92
Minnesota .....	1,165,000	1,363,000	85
Montana .....	592,000	583,000	102
North and South Dakota .....	837,000	879,000	95
Michigan and Wisconsin .....	650,000	691,000	94
<b>Postal Receipts</b>			
Six Cities .....	1,034,447	1,034,105	100
Minneapolis .....	626,091	540,513	97
St. Paul .....	346,499	334,913	103
Duluth .....	54,079	61,563	88
Three Other Cities .....	107,778	97,111	111
<b>Freight Carloadings—N. W. District</b>			
Total—Excluding L.C.L. ....	800,261	927,229	92
Grains and Grain Products .....	41,781	44,517	94
Livestock .....	31,656	32,437	97
Coal .....	27,954	43,467	64
Coke .....	8,196	8,547	72
Forest Products .....	63,418	67,675	94
Ore .....	1,605	2,211	73
Miscellaneous .....	127,651	123,325	99
Merchandise—L.C.L. ....	118,225	116,396	101
<b>Building Permits</b>			
Number—18 Cities .....	549	328	167
Value—18 Cities .....	\$ 1,247,000	\$ 1,565,900	80
Minneapolis .....	544,100	1,142,500	48
St. Paul .....	145,900	148,600	98
Duluth-Superior .....	79,500	104,800	76
4 Wheat Belt Cities .....	304,500	30,000	381
6 Mixed Farming Cities .....	164,700	36,900	190
4 Mining Cities .....	8,300	3,100	268
<b>Building Contracts Awarded</b> .....	4,304,300	4,181,000	103
<b>Real Estate Activity in Hennepin and Ramsey Counties</b>			
Warranty Deeds Recorded .....	461	624	74
Mortgages Recorded .....	907	1,150	78
<b>Manufacturing and Mining</b>			
Flour Production at Mpls., St. Paul, and Duluth-Superior (Bbls.).....	941,690	1,048,132	90
Flour Shipments at Mpls. (Bbls.)....	922,480	912,306	101
Linseed Product Shipments (Lbs.)....	19,092,273	36,693,262	52
Copper Output (4 firms) (Lbs.).....	28,492,600	39,703,000	72
<b>Business Failures</b>			
Number .....	48	47	102
Liabilities .....	\$ 522,300	\$ 1,362,209	38

## AGRICULTURE

Farmers' Cash Income	Feb., 1930	Feb., 1929	Per Cent
Total of 7 items .....	\$ 43,894,000	\$ 48,592,000	90
Bread Wheat .....	8,995,000	6,653,000	135
Durum Wheat .....	2,296,000	3,659,000	63
Rye .....	323,000	676,000	48
Flax .....	257,000	625,000	41
Potatoes .....	3,868,000	2,165,000	169
Dairy Products .....	13,988,000	19,815,000	71
Hogs .....	14,871,000	15,000,000	96

## Grain Marketings at Minneapolis and Duluth-Superior (Bus.)

Bread Wheat .....	6,356,000	4,227,000	150
Durum Wheat .....	2,050,000	2,779,000	74
Rye .....	409,000	630,000	65
Flax .....	84,000	245,000	34

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

Wheat .....	58,126,379	54,498,716	107
Corn .....	1,828,661	2,536,139	72
Oats .....	9,817,788	2,792,394	352
Barley .....	5,562,204	5,524,859	101
Rye .....	3,688,576	3,209,936	115
Flax .....	745,033	736,886	101

## Livestock Receipts at So. St. Paul (Head)

Cattle .....	47,432	35,883	132
Calves .....	51,133	37,825	135
Hogs .....	268,216	239,247	111
Sheep .....	66,417	41,123	161

## Median Cash Grain Prices (Bus.)

Wheat—No. 1 Dark Northern .....	\$1.25	\$1.35	93
Durum—No. 2 Amber .....	1.12	1.31½	85
Corn—No. 3 Yellow .....	.80	.91½	88
Oats—No. 3 White .....	.41¼	.48¾	85
Barley—No. 3 .....	.55½	.67	83
Rye—No. 2 .....	.79	1.07¼	74
Flax—No. 1 .....	3.05½	2.55¼	120

## Median Livestock Prices (Cwt.)

Butcher Cows .....	\$7.50	\$8.00	94
Butcher Steers .....	11.00	10.40	106
Prime Butcher Steers .....	12.50	11.75	106
Feeder Steers .....	9.50	9.50	100
Veal Calves .....	11.50	12.50	92
Hogs .....	10.25	10.00	103
Heavy Hogs .....	9.75	9.50	103
Lamba .....	11.00	16.00	69
Ewes .....	5.75	8.50	68

## Wholesale Produce Prices

Butter (Lbs.) .....	\$0.82½	\$0.46½	70
Milk (Cwt.) .....	2.07	2.55	81
Hens (Lb.) .....	.20	.23	87
Eggs (Doz.) .....	.25½	.30	84
Potatoes (Bus.) .....	1.65	.66	250

## TRADE

## Department Stores

Sales .....	\$ 2,793,620	\$ 2,958,520	94
Merchandise Stocks .....	7,993,130	8,788,800	85
Receivables .....	3,458,950	3,539,690	98
Instalment Receivables .....	974,410	803,360	121

## Furniture Stores

Total Sales .....	324,480	418,480	78
Instalment Sales .....	201,210	276,230	77
Merchandise Stocks .....	2,516,950	2,428,330	104
Instalment Receivables .....	3,230,300	3,160,710	102

## Country Lumber Yards

Sales (Bd. Ft.) .....	4,000,000	3,285,000	122
Lumber Stocks (Bd. Ft.) .....	89,783,000	86,458,000	104
Total Sales .....	\$ 857,700	\$ 1,149,100	83
Receivables .....	3,387,600	3,244,100	104

## Life Insurance Sales

Four States .....	24,969,000	21,601,000	116
Minnesota .....	13,357,000	15,592,000	118
Montana .....	2,321,000	1,974,000	118
North Dakota .....	1,847,000	2,007,000	92
South Dakota .....	2,444,000	2,028,000	121

## Investment Dealers

Sales to Banks .....	3,100,000	1,729,100	179
Sales to Insurance Companies .....	569,200	764,000	75
Sales to General Public .....	5,739,900	7,240,700	79

## Wholesale Trade

Farm Implements—			
Sales .....	295,150	232,150	127
Stocks .....	570,000	512,320	111
Receivables .....	487,960	475,820	103

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

	Feb., 1930	Feb., 1929	Per Cent Feb. '30 of Feb. '29
Groceries—			
Sales .....	3,677,640	3,594,810	102
Stocks .....	7,009,870	7,042,070	100
Receivables .....	5,570,320	5,588,780	100
Hardware—			
Sales .....	1,563,370	1,569,530	100
Stocks .....	2,849,110	3,087,030	92
Receivables .....	2,682,720	2,584,700	104
Shoes—			
Sales .....	290,540	353,550	82
Stocks .....	1,457,580	1,771,580	82
Receivables .....	1,143,270	1,109,550	103

Interest Rates <sup>2</sup>		Selected City Member Banks	
Minneapolis Banks .....	5½-5¾%	Mar. 19, 1930	Mar. 20, 1929
Commercial Paper (net to borrower) .....	5%	\$230,772,000	\$222,371,000
Minneapolis Fed. Res. Bank .....	4½%		
Loans to Customers .....		144,819,000	167,064,000
Other Invested Funds .....		80,387,000	89,128,000
Deposits Due to Banks .....		32,718,000	24,888,000
Public Demand Deposits .....		162,858,000	171,867,000
Other Demand Deposits .....		182,023,000	132,073,000
Time Deposits .....		1,205,000	207,000
U. S. Deposits .....		409,186,000	418,158,000
Total Deposits .....			14,885,000
Borrowings at Fed. Res. Bank .....			

BANKING

Member Bank Deposits			
In Cities over 15,000 pop.....	\$431,382,000	\$457,314,000	94
In Cities under 15,000 pop.....	438,044,000	460,531,000	95
Michigan—15 Cos. ....	62,393,000	65,296,000	96
Minnesota .....	165,438,000	170,314,000	97
Montana .....	60,951,000	68,384,000	89
North Dakota .....	58,865,000	63,246,000	93
South Dakota .....	60,997,000	62,290,000	98
Wisconsin—26 Cos. ....	29,400,000	30,501,000	96

Minneapolis Federal Reserve Bank			
Total Loans to Member Banks .....	2,252,000	17,520,000	13
Twin Cities .....	44,000	14,899,000	0.3
Minn., Wis. and Mich.....	621,000	1,505,000	41
No. Dak. and Montana.....	1,066,000	598,000	178
South Dakota .....	521,000	538,000	98
Fed. Res. Notes in Circulation .....	59,663,300	63,574,235	94

<sup>1</sup> Daily Averages.  
<sup>2</sup> Latest Reported Data.

DEBITS TO INDIVIDUAL ACCOUNTS

Number of Business Days:	February 1930	January 1930	February 1929	January 1929
Wisconsin .....	23	26	23	26
All Other States in District .....	22	26	22	26

(000's omitted)

Michigan

Escanaba (1 bank) .....	\$ 879	\$ 946	\$ 835	\$ 992
Hancock .....	1,250	1,878	1,797	1,831
Houghton (1 bank) .....	530	795	728	
Iron Mountain .....	3,972	6,181	4,263	6,027
Iron River, Caspian, Stambaugh .....	1,491	1,785	1,320	1,484
Manistique (1 bank) .....	377	732	389	557
Marquette .....	5,459	5,345	4,317	6,018
Menominee .....	2,358	4,098	3,014	4,246
Sault Ste. Marie.....	2,262	3,232	2,313	3,183

Minnesota

Albert Lea .....	2,501	2,594	2,729	2,906
Austin (2 banks).....	3,326	4,690	3,624	4,438
Bemidji .....	1,318	1,487	1,425	1,491
Chaska .....	503	671	380	572
Chisholm .....	748	892	629	718
Cloquet .....	3,075	2,334	2,266	2,083
Crookston (1 bank).....	1,336	1,270	984	1,021
Detroit Lakes .....	677	790	653	839
Duluth .....	60,049	64,266	60,143	66,721
Ely .....	560	514	469	555
Faribault .....	2,408	2,755	1,717	2,261
Farmington .....	216	232	211	205
Fergus Falls .....	2,148	3,113	2,500	3,384
Greenwood .....	379	409	386	406
Hutchinson .....	1,237	1,255	1,160	1,462
Lanesboro .....	253	380	290	340
Little Falls .....	838	984	901	902
Luverne .....	927	986	809	963
Mankato .....	5,367	6,608	5,261	6,603
Minneapolis .....	397,704	455,073	381,074	435,800
Moorhead .....	1,700	1,453	687	625
Morris .....	469	611	463	659
Owatonna .....	2,635	2,754	2,553	2,573
Park Rapids .....	373	431	360	446
Red Wing .....	2,426	2,603	2,176	2,543
Rochester .....	5,426	6,215	5,456	7,035
St. Cloud (1 bank).....	339	360	334	334
St. Paul .....	160,807	179,602	167,364	183,444
South St. Paul.....	33,698	40,326	27,843	35,325
Stillwater .....	2,321	2,660	2,196	2,862
Thief River Falls.....	704	794	571	646
Two Harbors .....	461	535	494	
Virginia .....	1,969	2,265		2,531
Wabasha .....	830	925	783	750
Wadena .....	808	915	753	353
Wheaton .....	456	571		
Willmar .....	1,400	1,604	1,266	1,609
Winona .....	6,298	7,635	6,481	7,752
Worthington (1 bank).....	813	888	571	750

Montana

Anaconda .....	1,745	2,395	1,864	2,212
Billings .....	6,752	8,221	6,780	9,480
Bozeman .....	1,945	1,910	2,395	2,686
Butte (2 banks).....	11,700	12,970	13,157	
Deer Lodge .....	1,444	1,287	1,284	1,383
Glendive .....	899	989	1,006	1,191
Great Falls .....	13,599	14,909	13,420	17,909
Havre (1 bank).....	454	687	505	844
Helena .....	7,630	8,628	8,128	10,332
Lewistown .....	1,920		1,933	2,690
Malta .....	587	750	545	823
Miles City (1 bank).....	1,359	1,499	1,443	1,796

North Dakota

Bismarck .....	8,811	9,677		
Devils Lake .....	1,240	1,614	1,433	1,793
Dickinson .....	1,137	1,140	1,336	1,709
Fargo .....	14,175	16,278	17,908	19,416
Grafton .....	600	533	448	487
Grand Forks .....	5,761	6,581	6,433	7,844
Jamestown .....	1,974	2,620	2,056	2,567
Mandan .....	1,228	1,538	1,251	1,637
Minot .....	5,352	6,697	5,640	6,965
Valley City .....	1,145	1,365	1,064	1,313
Wahpeton .....	991	1,061	899	1,023
Williston .....	1,291	1,294	1,375	1,409

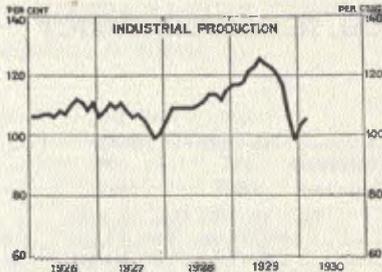
South Dakota

Aberdeen .....	5,265	6,398	4,995	6,681
Brookings (1 bank).....	1,114	1,142	860	1,072
Deadwood .....	662	928	669	877
Huron .....	5,375	6,648	4,363	6,350
Lead .....	1,143	1,204	1,098	1,275
Madison (1 bank).....	880	965	625	798
Milbank .....	502	517	504	
Mitchell (2 banks).....	4,063	4,796	3,634	2,168
Mobridge .....	499	691	531	806
Pierre .....	1,169	1,445	1,071	1,362
Rapid City .....	3,853	4,341	3,264	4,019
Sioux Falls .....	21,978	24,779	18,307	22,349
Watertown .....	3,626	5,497	4,399	5,839
Yankton .....	2,414	2,458	2,949	3,191

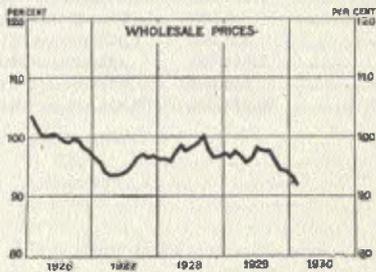
Wisconsin

Ashland .....	2,364	2,322	2,011	2,357
Chippewa Falls .....	1,964	2,259	2,291	2,462
Eau Claire .....	6,453	8,385	6,698	8,069
Hudson .....	522	514	479	562
LaCrosse .....	10,971	12,840	11,419	13,194
Merrill (1 bank).....	1,773	1,875	1,186	1,210
Superior .....	7,313	8,069	7,223	7,964

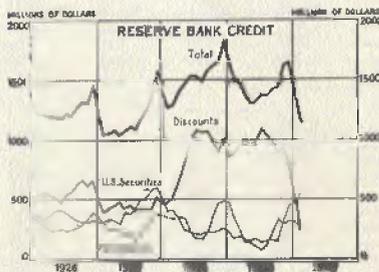
Total for all Cities Reporting				
Both Years .....	\$379,472	\$1,004,273	\$861,011	\$993,159



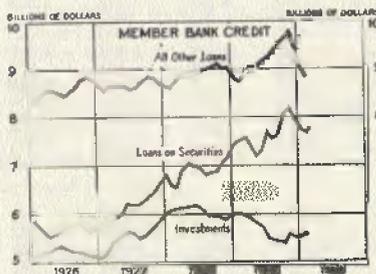
Index number of production of manufactures and minerals combined adjusted for seasonal variations (1923-1925 average=100). Latest figure, February, 105.



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, February, 92.1.



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 18 days of March.



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first 2 weeks in March.

## Summary of National Business Conditions (Compiled March 21 by Federal Reserve Board)

Industrial production increased in February, while the number of workers employed in factories was about the same as in January. Wholesale commodity prices continued to decline. Credit extended by member banks was further reduced in February but increased in the first two weeks of March. Money rates continued to decline.

**PRODUCTION:** In February industrial production increased about 2 per cent, according to the Board's index, which is adjusted to allow for seasonal variations. This increase reflected chiefly a substantial gain in the output of iron and steel. Automobile production was in larger volume than during January, but was 30 per cent smaller than the large output of a year ago. Cotton and wool consumption by mills was substantially lower in February, and production of bituminous coal and copper also decreased. In the first two weeks of March, the output of steel mills declined in comparison with February, contrary to the usual seasonal movement. Bituminous coal output also was smaller. The volume of building contracts awarded in February was about the same as in the preceding month. Residential building continued at an exceptionally low level while contracts for public works and utilities were large in comparison with the corresponding month in other recent years. Awards in the first two weeks of March were larger than in the first half of February.

**EMPLOYMENT:** The volume of factory employment, which had reached a low point in January showed little change in February, when an increase usually occurs. Factory payrolls increased during the month, but by a smaller amount than is usual at this season. In the steel, automobile, agricultural implement and tobacco industries, employment increased during the four-week period, while further decreases occurred in the cotton and wool textile, lumber, automobile tire, electrical machinery and machine tool industries.

**DISTRIBUTION:** Freight carloadings on an average daily basis were slightly larger than in January but smaller than in the corresponding month of any other recent year. A slight seasonal increase was reported during early March. Department store sales in February continued to be below the level of a year ago.

**PRICES:** Wholesale prices of commodities declined further during February, and the Bureau of Labor Statistics index at 92.1 per cent of the 1926 average was at the lowest point since January, 1922. Marked declines occurred during the month in the prices of many agricultural products, including grains, hides, raw wool and cotton; in certain imported raw materials, notably sugar and silk; and also in textiles, petroleum and pig iron. During the first part of March, a number of these commodities declined still further in price. Wheat and cotton prices were considerably lower, and silver reached the lowest point on record. By the middle of the month, however, prices of cotton, hides, and silver had recovered somewhat.

**BANK CREDIT:** Liquidation of credit at member banks continued throughout February, and on February 26 total loans and investments of member banks in leading cities were in about the same volume as in the early summer of last year. During the following two weeks, however, there was an increase of \$230,000,000 in loans and investments, chiefly in loans on securities. All other loans, largely for commercial purposes, increased slightly. From the middle of February to the middle of March the volume of Reserve bank credit outstanding decreased further by \$90,000,000. This decline reflected chiefly an increase in gold stock of \$75,000,000, and a further decline of money in circulation, offset in part by some increase in member bank reserve balances. Member bank indebtedness at the Reserve banks declined to \$267,000,000, the lowest level since early in 1925. Reserve bank holdings of bills declined, while those of United States securities increased. Money rates in the open market eased further and bond yields declined rapidly to the lowest level since 1928. At the middle of March, the discount rate at the Federal Reserve Bank of New York was reduced from 4 to 3½ per cent, and the rate at the Cleveland, Philadelphia and San Francisco banks was reduced from 4½ to 4 per cent.