

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.

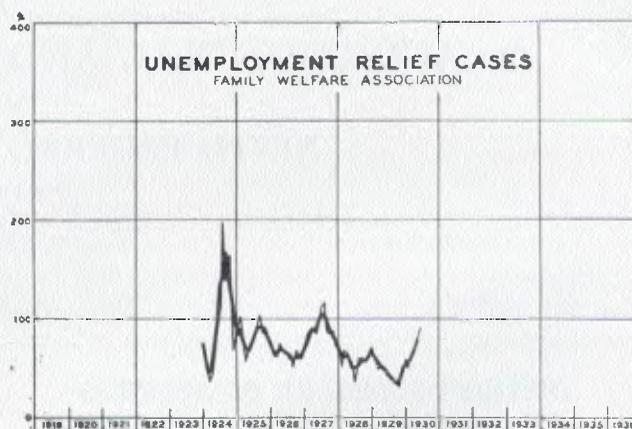
Employment conditions at Minneapolis continued less favorable to the workman than a year ago. After making allowance for seasonal fluctuations in available information, there was no significant change from the depressed level of April in employment advertising and "Skilled Help Wanted," as reported by 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



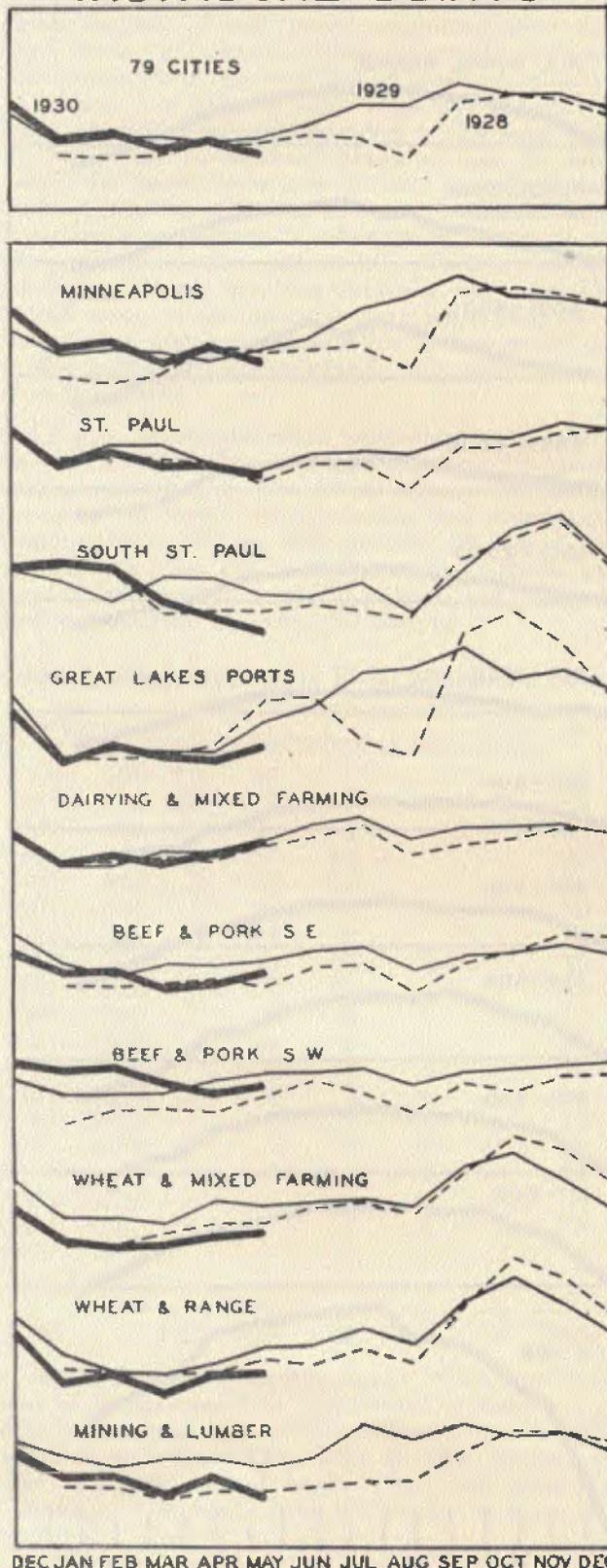
Families Given Assistance, on Account of Unemployment, by the Family Welfare Association of Minneapolis. The curves are index numbers with seasonal variations eliminated. The heavy curve is a 3-month moving average of the light curve.

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



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

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.

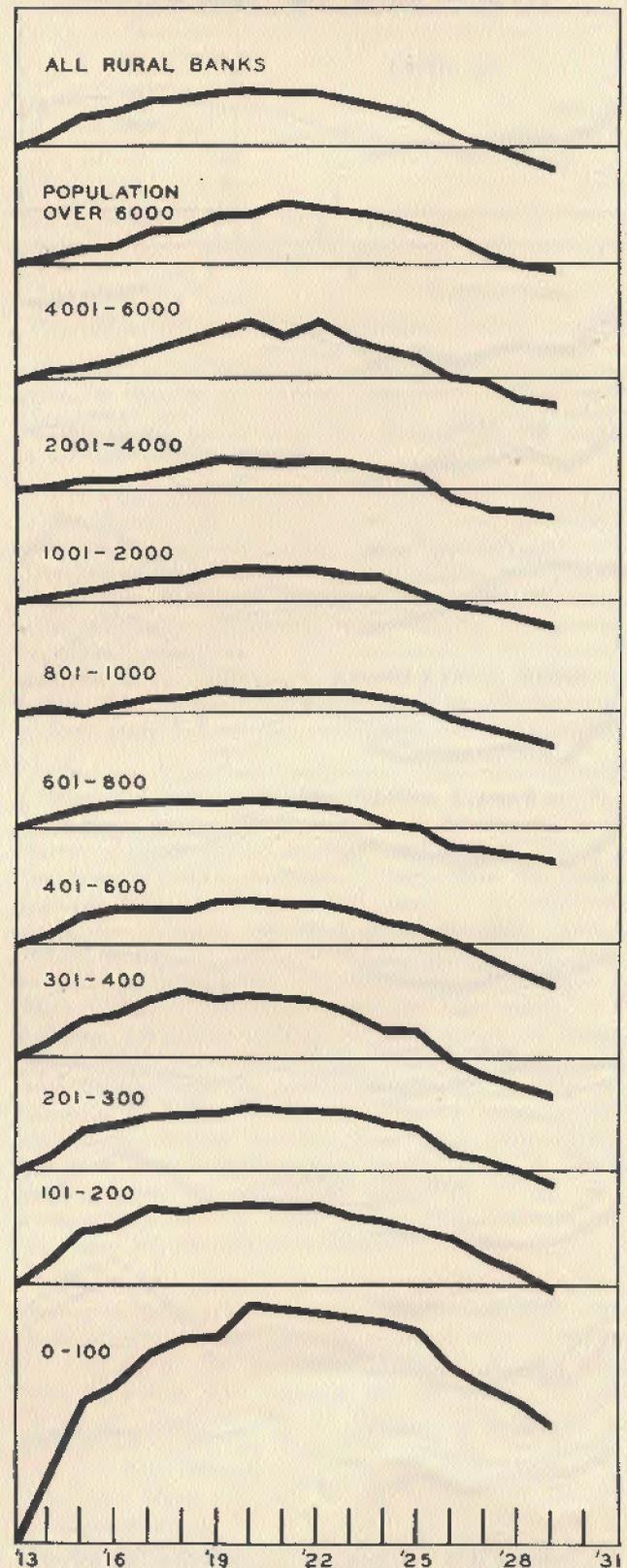
(2) The rate of expansion between 1913 and 1920 was greatest in the smallest towns, and the rate of decrease since 1920 was sharpest in the smallest towns. However, decreases in the number of banks have occurred since 1920 in cities of all sizes.

(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		Per Cent May '30 of May '29		AGRICULTURE		
	May '30	May '29	May '29			
Debits to Individual Accounts¹				Farmers' Cash Income		
All Reporting Cities.....	\$ 26,779,200	\$ 29,716,500	93	Total of 7 Items	\$ 35,030,000	\$ 43,351,000 81
Minneapolis	16,269,000	17,249,000	94	Bread Wheat	8,674,000	4,832,000 76
St. Paul	6,441,000	6,590,000	98	Durum Wheat	2,425,000	6,149,000 40
South St. Paul	1,075,000	1,296,000	83	Rye	551,000	514,000 107
Great Lakes Ports	3,493,800	3,983,400	88	Flax	682,000	513,000 129
Beef and Pork, S. E.	1,321,800	1,399,900	94	Potatoes	1,383,000	676,000 205
Beef and Pork, S. W.	1,653,200	1,766,500	94	Dairy Products	17,201,000	21,616,000 80
Dairy and Mixed Farming.....	1,572,900	1,676,700	94	Hogs	9,044,000	9,051,000 100
Wheat and Mixed Farming	1,799,700	2,068,900	87	Grain Marketings at Minneapolis and Duluth-Superior (Bus.)		
Wheat and Range	1,046,300	1,191,700	88	Bread Wheat	2,793,000	3,069,000 91
Mining and Lumber	2,106,500	2,404,400	88	Durum Wheat	2,528,000	5,927,000 43
Electric Power Consumption (K.W.H.)^{1,2}				Rye	854,000	591,000 145
Minn., No. Dak. and So. Dak.....	4,751,000	4,729,000	100	Flax	247,000	208,000 119
Montana	3,767,000	4,604,000	82	Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)		
Country Check Clearings¹				Wheat	52,196,373	45,991,000 113
Total	\$ 3,380,300	\$ 3,795,800	88	Corn	72,781	363,397 20
Minnesota	1,190,600	1,416,400	84	Oats	5,941,008	1,912,343 311
Montana	596,700	669,500	89	Barley	3,945,497	4,155,602 95
North and South Dakota	842,000	900,100	94	Rye	4,349,416	2,831,164 154
Michigan and Wisconsin	695,000	800,500	87	Flax	523,761	398,747 131
Postal Receipts				Livestock Receipts at South St. Paul (Head)		
Six Cities	1,066,189	1,072,390	99	Cattle	48,304	64,368 75
Minneapolis	580,561	600,968	97	Calves	46,571	56,070 85
St. Paul	331,461	311,145	106	Hogs	174,881	171,241 102
Duluth	62,969	65,550	96	Sheep	13,906	17,330 81
Three Other Cities	91,198	94,727	96	Median Cash Grain Prices (Bus.)		
Freight Carloadings—N.W. District				Wheat—No. 1 Dark Northern	\$1.10½	\$1.21¼ 91
Total, Excluding L. C. L.	496,064	577,875	86	Durum—No. 2 Amber .....	.56	1.03¾ 93
Grains and Grain Products	40,212	41,360	97	Corn—No. 3 Yellow .....	.76½	.82 93
Livestock	27,059	28,515	95	Oats—No. 3 White .....	.37	.42¾ 87
Coal	18,957	22,079	86	Barley—No. 3 .....	.55½	.58 96
Coke	7,039	8,206	86	Rye—No. 2 .....	.64½	.87 74
Forest Products	63,984	83,294	77	Flax—No. 1	2.68	2.46½ 109
Ore	157,819	197,554	80	Median Livestock Prices (Cwt.)		
Miscellaneous	180,994	196,387	92	Butcher Cows	\$7.50	\$9.50 79
Merchandise—L. C. L.	188,583	144,435	96	Butcher Steers	10.35	13.00 80
Building Permits				Prime Butcher Steers	11.75	13.75 85
Number—18 Cities	1,940	2,315	84	Feeder Steers	9.00	10.50 86
Value—18 Cities	\$ 4,639,600	\$ 4,468,800	104	Veal Calves	9.50	12.50 76
Minneapolis	1,395,100	1,885,300	74	Hogs	9.50	10.50 90
St. Paul	1,784,100	699,300	255	Heavy Hogs	9.00	10.00 90
Duluth-Superior	236,700	367,500	64	Lambs	9.25	14.25 65
4 Wheat Belt Cities	264,100	532,700	50	Ewes	5.75	6.50 88
6 Mixed Farming Cities	581,600	755,500	63	Wholesale Produce Prices		
4 Mining Cities	428,000	193,000	216	Butter (Lb.) .....	.31	.41½ 75
Building Contracts Awarded				Milk (Cwt.)	1.94	2.34 83
Total	\$ 11,015,000	\$ 15,407,600	72	Hens (Lb.) .....	.18	.24 76
Commercial	2,318,600	.....	.....	Eggs (Doz.) .....	.18¼	.24 76
Industrial	554,000	.....	.....	Potatoes (Bu.)	2.02½	.66 307
Educational	1,400,000	.....	.....	TRADE		
Hospitals, etc.	308,700	.....	.....	Department Stores		
Public	193,400	.....	.....	Sales	\$ 3,552,370	\$ 3,602,440 99
Religious and Memorial	600,000	.....	.....	Merchandise Stocks	7,435,550	8,943,840 83
Social and Recreational	331,600	.....	.....	Receivables	3,699,300	3,653,180 101
Residential	1,630,700	.....	.....	Installment Receivables	803,640	741,800 103
Public Works and Utilities	3,678,000	.....	.....	Furniture Stores		
Real Estate Activity in Hennepin and Ramsey Counties				Total Sales	\$ 404,390	\$ 432,970 93
Warranty Deeds Recorded	1,134	1,418	80	Installment Sales	261,900	311,910 84
Mortgages Recorded	1,463	1,698	86	Merchandise Stocks	1,725,980	1,812,840 95
Manufacturing and Mining				Installment Receivables	2,360,040	2,298,980 103
Flour Production at Mpls., St. Paul, and Duluth-Superior (Bbls.)	991,487	979,942	101	Country Lumber Yards		
Flour Shipments at Mpls. (Bbls.)	927,746	1,065,425	87	Sales (Bd. Ft.)	11,117,000	14,196,000 78
Linseed Product Shipments (Lbs.)	17,169,876	39,071,502	73	Lumber Stocks (Bd. Ft.)	92,391,000	91,969,000 101
Copper Output (5 Firms) (Lbs.)	31,259,200	42,739,400	87	Total Sales	\$ 1,715,910	\$ 2,122,400 81
Iron Ore Shipments (Tons)	6,979,213	9,549,273	73	Receivables	4,231,200	4,413,300 96
Business Failures				Life Insurance Sales		
Number	51	52	98	Four States	\$ 28,889,000	\$ 27,483,000 105
Liabilities	\$ 513,700	\$ 445,891	115	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	5,088,000 97

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

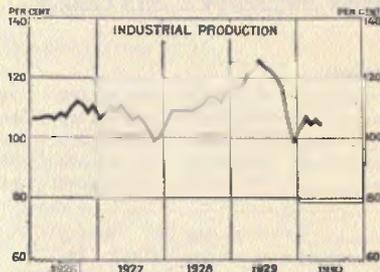
GENERAL BUSINESS	Per Cent			Member Bank Deposits (continued)			
	May '30	May '29	May '29				
Investment Dealers				Minnesota	162,618,000	169,097,000	96
Sales to Banks.....	4,716,900	978,700	482	Montana	58,348,000	64,957,000	90
Sales to Insurance Companies.....	674,600	1,267,000	53	North Dakota	58,105,000	60,972,000	95
Sales to General Public.....	4,652,100	6,317,600	74	South Dakota	60,548,000	62,425,000	97
				Wisconsin—26 Cos.	29,354,000	30,484,000	96
Wholesale Trade				Interest Rates²			
Farm Implements—				Minneapolis Banks	5—5¼	6—6¼	
Sales	\$ 342,770	\$ 426,910	80	Commercial Paper (net to borrower)	4¼	6½	
Stocks	945,000	912,700	104	Minneapolis Fed. Res. Bank	4	5	
Receivables	670,360	780,060	86	Selected City Member Banks	June 18, 1930	June 19, 1929	
Groceries—				Loans to Customers	\$219,404,000	\$224,311,000	98
Sales	\$ 4,291,560	\$ 4,448,840	96	Other Invested Funds	143,833,000	152,851,000	94
Stocks	6,501,990	6,634,890	98	Deposits Due to Banks	78,926,000	68,736,000	115
Receivables	5,738,320	5,797,800	99	Public Demand Deposits	41,868,000	32,793,000	128
Hardware—				Other Demand Deposits	166,413,000	168,315,000	99
Sales	\$ 2,065,200	\$ 2,197,550	94	Time Deposits	128,745,000	134,237,000	96
Stocks	2,965,220	3,228,680	92	Total Deposits	416,831,000	406,217,000	103
Receivables	2,950,130	3,164,540	93	Borrowings at Fed. Res. Bank	122,000	10,882,000	1
Shoes—				Minneapolis Federal Reserve Bank			
Sales	\$ 347,250	\$ 468,680	74	Loans to Member Banks	3,737,000	16,632,000	22
Stocks	1,293,840	1,561,120	83	Twin Cities	30,000	11,040,000	00.27
Receivables	1,157,030	1,281,270	90	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

DEBITS TO INDIVIDUAL ACCOUNTS

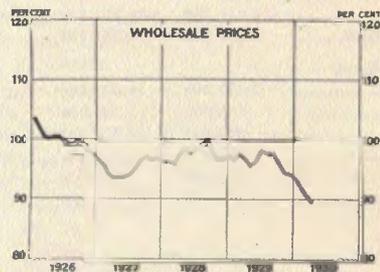
Number of Business Days:	May	April	May	April	Montana				
	1930	1930	1929	1929					
Minnesota	26	25	26	26	Anaconda	1,914	1,947	2,416	2,682
All Other States in District	26	26	26	26	Billings	8,138	8,236	9,622	9,581
					Bozeman	2,079	2,032	2,279	2,273
					Butte (2 banks)	12,461	12,985	14,439	14,211
					Deer Lodge	1,171	1,446	1,410	1,464
					Glenview	1,379	1,311	1,301	1,367
					Great Falls	15,039	15,732	18,171	17,192
					Harlowton	848	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	2,633	2,662	2,904	3,203
					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

Summary of National Business Conditions

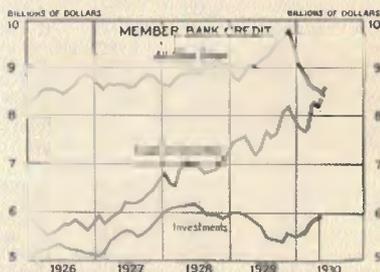
(Compiled June 23 by Federal Reserve Board)



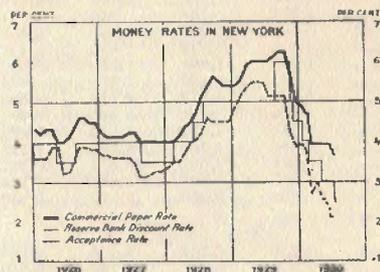
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average = 100). Latest figure, May, 104.



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.

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.