

MONTHLY REVIEW

OF AGRICULTURAL AND BUSINESS CONDITIONS IN THE NINTH FEDERAL RESERVE DISTRICT

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Vol. V (Serial
No. 187)

Minneapolis, Minnesota

July 28, 1930

DISTRICT SUMMARY OF BUSINESS

The June volume of business in the district was smaller than the volume in June last year, partly on account of adverse factors in basic industries and partly on account of eccentricities in the business volume a year ago with which the comparison is being made. It will be recalled that in the summer of 1929, an abnormally large volume of wheat was being marketed, which caused an unusually large volume of business, especially in the grain markets, during the summer months, and afforded an opportunity for country banks to begin reducing their seasonal indebtedness at the Federal Reserve Bank early in July instead of at the usual time, which is in the latter part of August.

Debits to individual accounts at reporting cities were 9 per cent smaller, when reduced to daily averages, than in June a year ago. The decrease was smallest at St. Paul and in the Sioux Falls trade area. The country check clearings index for June was 10 per cent below the index for June a year ago. Freight carloadings were reduced 16 per cent for carlot freight, and 5 per cent for merchandise in less-than-carlots. Decreases, as compared with business volume last year, were also shown in flour production, linseed product shipments, copper and iron ore output, department store and furniture sales in the larger cities, country lumber sales, life insurance sales, securities sales and wholesale trade. Increases, as compared with June, 1929, occurred in electric power consumption in Minnesota, North Dakota and South Dakota and in building permits and contracts. Business failures in June were sixty in number, as compared with forty-seven in June, 1929, according to the report of R. G. Dun and Company. Employment conditions continued unsatisfactory for workmen in Minneapolis.

During the first half of July, the business volume in the district, as compared with 1929, showed a still greater reduction than in June, as was to be expected with the smaller grain marketing movement which is occurring this summer. Debits to individual accounts at seventeen cities during the three weeks ending July 16 were 20 per cent smaller than in the same weeks of 1929 and 11 per cent smaller than in the same weeks of 1928. The country check clearings index for the first half of July was 15 per cent smaller than in the corresponding

period in 1929. On the other hand, the volume of building contracts continued to be larger than in the corresponding period in 1929.

DISTRICT SUMMARY OF AGRICULTURE

Crops in the district will be of average size and somewhat larger than crops a year ago if no further adverse factors develop between now and the time of harvest. Two periods of hot, dry weather have damaged the crops to some extent since the government crop forecasts were made on July 1. Crop conditions are generally better in the eastern part of the district than in the western portion. The date of harvest commencement will be early.

According to the government crop forecasts made on July 1, there will be increases over production a year ago in durum wheat, spring bread wheat, corn, oats, barley, rye, potatoes and flax. The barley crop will be the largest in the history of the Northwest. Decreases in production are forecast for winter wheat and tame hay.

RELATIVE SIZE OF FORECASTED 1930 CROP PRODUCTION IN MINNESOTA, MONTANA, NORTH DAKOTA AND SOUTH DAKOTA

	% 1930 of 1929	% 1930 of 10-year Average
CASH CROPS		
Spring Bread Wheat	111.4	98.2
Durum Wheat	108.6	89.0
Winter Wheat	85.7	80.3
Rye	132.7	82.8
Flax	179.1	164.8
Potatoes	127.7	89.9
FEED CROPS		
Corn	106.9	108.5
Oats	106.4	95.1
Barley	118.4	171.4
Tame Hay	92.0	101.1

The expansion of crop acreages in the Northwest has continued during the current year with approximately 800,000 more acres in crop than a year ago,

and 9 million more crop acres than in 1919, which marked the peak of the war time expansion of agriculture in the Northwest. In response to price conditions, weather and campaigns advising shifts from one crop to another, there were reductions in the Northwest between 1929 and 1930 in the acreages of durum wheat, barley, tame hay and potatoes, and increases in the acreages of winter wheat, spring bread wheat, corn, rye and flax.

CHANGES IN CROP ACREAGES (000's omitted)

A. By States	1930	1929	% 1930 of 1929
Minnesota	15,932	15,767	101.0
Montana	7,226	7,155	101.0
North Dakota	19,490	19,306	101.0
South Dakota	14,705	14,346	102.5
Four States	57,353	56,574	101.4
B. By Crops			
Increases—			
Flax	4,279	2,916	148.0
Rye	1,851	1,628	113.7
Winter Wheat	855	766	111.6
Corn	10,821	10,527	102.8
Spring Bread Wheat	12,607	12,489	100.9
Decreases—			
Durum Wheat	4,371	5,315	82.4
Potatoes	529	557	94.8
Barley	6,840	7,017	97.5
Tame Hay	6,246	6,400	97.6
Oats	8,954	8,959	99.9

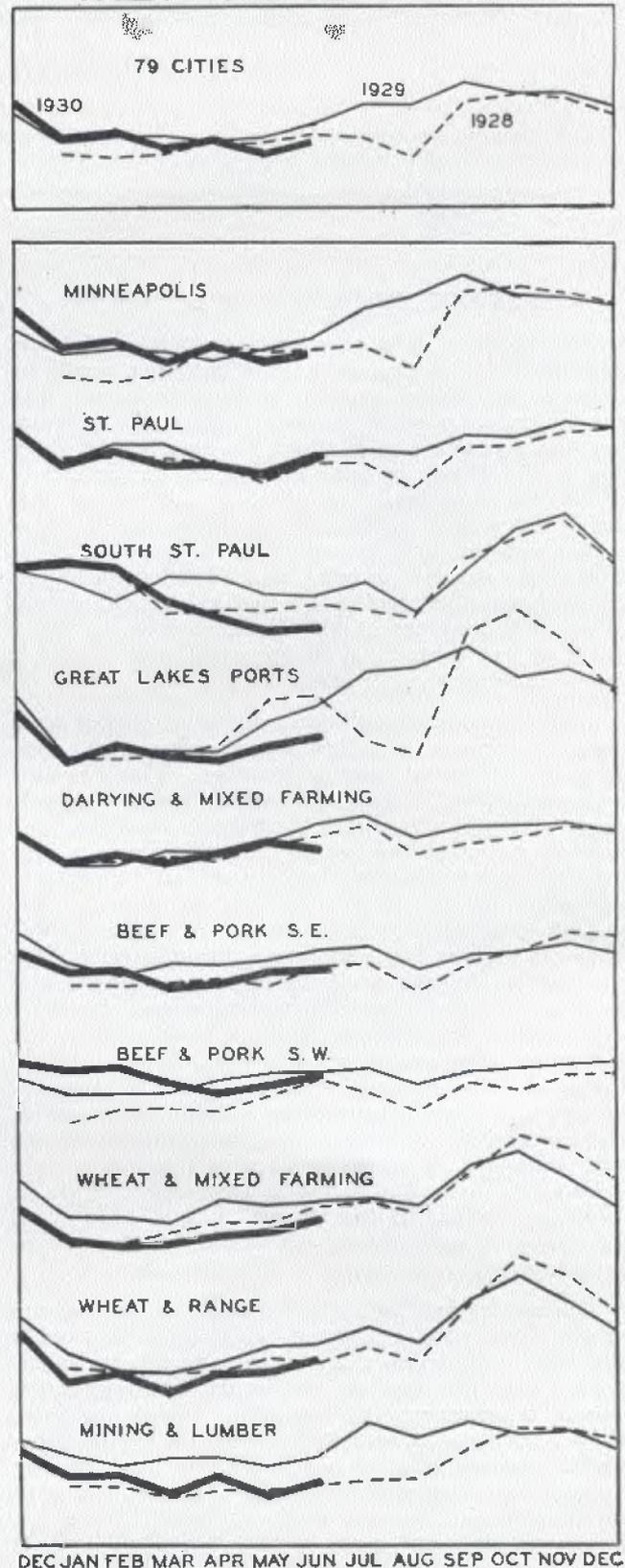
The June 1 pig survey made by the United States Department of Agriculture indicates that the spring pig crop in the Ninth Federal Reserve District was about 2 per cent smaller than the crop a year ago, continuing the downward trend which has been in evidence for several years. Reductions in the pig crops of North Dakota and Montana more than offset increases in the spring pig crops in the other states of the district.

Spring Pig Crops (000's omitted)

	1930	1929	Per Cent 1930 of 1929
Minnesota	2,624	2,616	100.3
Montana	125	174	71.7
North Dakota	515	610	84.4
South Dakota	1,845	1,838	100.4
Wisconsin (26 counties) and Michigan (15 counties)	280	276	101.5
Ninth District	5,389	5,514	97.7

The butter situation continues less favorable than a year ago, with July 1 storage stocks in the United

NINTH FED. RES. DISTRICT INDIVIDUAL DEBITS



States 15 million pounds larger than a year ago and 26 million pounds larger than the five-year average for that date. Part of the increase in storage stocks was due to the early peak of production this year, which caused a 2 per cent increase in the volume of butter produced in May, as compared with the volume in May last year.

The estimate of farmers' cash income from important items was 20 per cent lower in June than in the corresponding month last year. Prices of potatoes and flax were higher in June than a year ago, but prices of all other major farm products in the district were lower than a year ago, and wheat, rye, eggs and hens reached new low levels for the post-war period.

FARM LAND PRICES

Farm real estate price figures for March 1, 1930, published by the United States Department of Agriculture, indicate that the decrease in farm land prices in Minnesota, North Dakota and South Dakota continued during the last year. The rate of decrease was more pronounced in the last year than in the one preceding, probably on account of the crop failure in part of the district and the lower prices of agricultural commodities. In Montana, these unfortunate developments did not cause a decrease in farm land prices during the past year, but only a pause in the increase in land prices which occurred in the preceding two years.

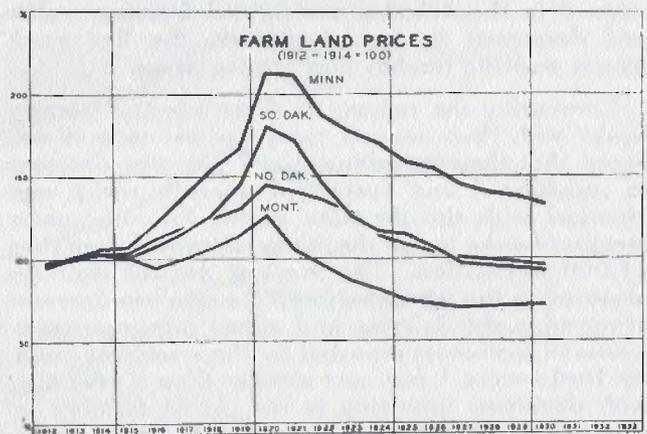
Farm land prices in the Northwest are very much below the peak prices of 1920. The greatest decrease has occurred in South Dakota, where the average price per acre on March 1, 1930 was 49 per cent lower than the price on the same date in 1920. Montana land prices decreased 44 per cent between 1920 and 1927, but since 1927 they have rallied slightly, and at the present time are 43 per cent lower than in 1920. Minnesota land prices have decreased 38 per cent from the peak, and North Dakota land prices have decreased 34 per cent.

It is interesting also to compare present land prices with pre-war prices represented by the average in the years 1912 to 1914. The average price of Minnesota farm land is 33 per cent higher than in the pre-war years, but prices of farm land in the other three states are lower. The decrease in North Dakota has been 5 per cent, in South Dakota 7 per cent, and in Montana 28 per cent.

There are two principal reasons for the disparity in the relationship of present land prices with pre-war prices in the several northwestern states. The first reason has to do with the variation in scarcity of desirable farm land in these states. The settlement of the Northwest has proceeded from east to west. In the years immediately preceding the war, Minnesota was well settled. Farm land in the Dakotas was not as completely occupied as in Minnesota, and Montana was in the

early stage of rapid settlement. During the five years from 1910 to 1914, the acreage in crops increased 6 per cent in Minnesota, decreased 1 per cent in North Dakota, increased 3 per cent in South Dakota, and increased 75 per cent in Montana. The more thorough pre-war occupation of Minnesota farm land facilitated greater land price increases during the war than occurred in the states farther west. Montana was at the other extreme, with a great deal of land available for homesteading or for sale. Under these circumstances, marked advances in land prices in Montana during the war were impossible.

The second consideration is the choice of the base period against which to compare present land prices. A comparison must begin somewhere, and the average of 1912 to 1914 is undoubtedly the best base to use. However, it should be noted that Montana was in a different stage of development during those three years from the stage which characterized Minnesota and the Dakotas. Montana was having a land settlement boom, and undoubtedly land prices in Montana during the three years which are used as a base period were somewhat higher than would have prevailed during other than boom conditions. There is, therefore, no true and exact method for comparing land price changes in the four states.



Farm Land Prices in Four Northwestern States, as percentages of the pre-war average prices in 1912-1914.

DISTRICT SUMMARY OF BANKING

City banks which make weekly reports to this office held deposits on July 16 one per cent larger than a year ago and they were out of debt to the Federal Reserve Bank whereas a year ago they were borrowing more than 12 million dollars. Their loans to customers and their investments were both smaller than last year's totals. A year ago loans to customers increased sharply from the middle of May until the first week in November. The increase was largely in loans not secured by stocks and bonds and was attributed principally to the growth in the financing requirements of the large grain stocks and the higher grain prices prevailing a year ago. This

year loans to customers have shown very little change since the end of April and while loans to customers secured by stocks and bonds were somewhat larger than last year, the other types of customers loans have decreased since the end of April and on July 16 were 29 million dollars smaller than a year ago.

Country member banks experienced between May and June, a small increase in deposits chiefly arising from dairying which was at its summer peak. However, deposits of country member banks were 4 per cent smaller in June than a year ago. The greatest decrease was in Montana and the smallest decrease in upper Michigan. Borrowings by country member banks from the Federal Reserve Bank continued their summer increase during June and the first half of July, but on July 16 they were smaller than a year ago.

The call for condition reports on June 30 affords another opportunity for closer analysis of the changes in country banking conditions during the spring of 1930. Between March 27 and June 30 a group of 117 county member banks selected from all parts of the district experienced a small decrease in commercial and individual deposits but reported a slight increase in loans to customers. When these banks were grouped according to the economic regions of the district it was found that deposits increased in the dairying and mixed farming region and decreased in the wheat belt, the live stock ranges and the lumber and mining areas.

Comparing the reports of these selected country banks with their reports for June last year it was found that they experienced a 4 per cent decrease in commercial and individual deposits which was identical with the decrease shown for all country member banks in the district in cities with less than 15,000 population. The greatest deposit decrease occurred in the wheat belt and the smallest decrease occurred in the dairying and mixed farming region. Loans to customers reported by these selected country banks were 1 per cent smaller than a year ago; with decreases occurring in the mixed farming region, the wheat belt and the live stock ranges, partly offset by an increase of 10 per cent in the lumber and mining regions. Since loans did not decline as much as deposits it was necessary for these banks to reduce their investments and their commercial paper holdings and loans to brokers.

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

Part II.

Bank Deposits

The chief conclusions from a study of rural bank deposits in Minnesota since 1913 are as follows:

(1) Deposits more than doubled between 1913 and 1920, but in the succeeding years deposits decreased 17 per

cent from the 1920 total. This is a smaller decrease than occurred in North Dakota, South Dakota or Montana.

(2) Deposits in rural Minnesota banks were 90 per cent larger at the close of 1929 than in 1913.

(3) The largest percentage increases in deposits between 1913 and the peak year were in the smallest towns, and the greatest percentage decreases in deposits since the peak year have also been in the smallest towns.

(4) Deposits have been maintained most nearly at peak levels in towns with over 6,000 inhabitants and in towns having 1,001 to 2,000 inhabitants.

(5) There is almost no evidence of deposits fleeing from the small town banks in Minnesota and being concentrated in the larger cities.

Deposits in rural Minnesota banks rose without interruption and at an increasing rate between 1913 and 1919, and increased moderately in 1920 to \$531,755,000, which was the largest amount on record. In the depression of 1921, the deposit total decreased about 10 per cent, but made up most of this decrease during the succeeding four years. Since the close of 1925, there has been a gradual but steady decrease in rural bank deposits in Minnesota, and at the close of 1929 they totaled \$441,281,000, a decrease of 17 per cent from the 1920 volume, but an increase of 90 per cent over the 1913 volume.

Deposits in towns of all sizes followed the same general trends during the period under study, although there were very significant differences in details. In towns with 100 inhabitants or less the recovery in deposits after 1921 brought the total to a peak in 1925, which was higher than the 1920 peak. Also, in towns with 6,000 inhabitants or more, a new high record was established in 1926.

The accompanying chart illustrates the trends of bank deposits in towns of various sizes. The chart is drawn on a ratio scale vertically.

The three most interesting groups of towns on account of their resistance to the general shrinkage in deposits are the communities of 100 inhabitants or less, the group having 1,001 to 2,000 inhabitants, and the group with populations of over 6,000 people. The first of these three groups, namely, the group of very small towns, experienced a growth of more than 400 per cent in deposits between 1913 and their peak in 1925, and at the close of 1929 they had deposits 300 per cent larger than in 1913. Deposits in this group of towns decreased 23 per cent between the peak year and 1929.

Towns having populations from 1,001 to 2,000 people experienced an increase in deposits of 116

per cent between 1913 and 1920. Deposits in these towns were 95 per cent larger in 1929 than in 1913, and were only 9 per cent smaller than in the peak year.

The largest cities in rural Minnesota—those with populations of over 6,000—experienced an increase of 111 per cent in deposits between 1913 and 1926. Their deposits in 1929 were 103 per cent larger than in 1913, and only 4 per cent smaller than in the peak year.

The towns in all population groups showed increases between 1913 and the peak year of varying amounts, the largest percentage increases occurring in the groups of smaller cities. Similarly, decreases since the peak year occurred in all groups but have been of varying amounts, and were too irregular for any generalization.

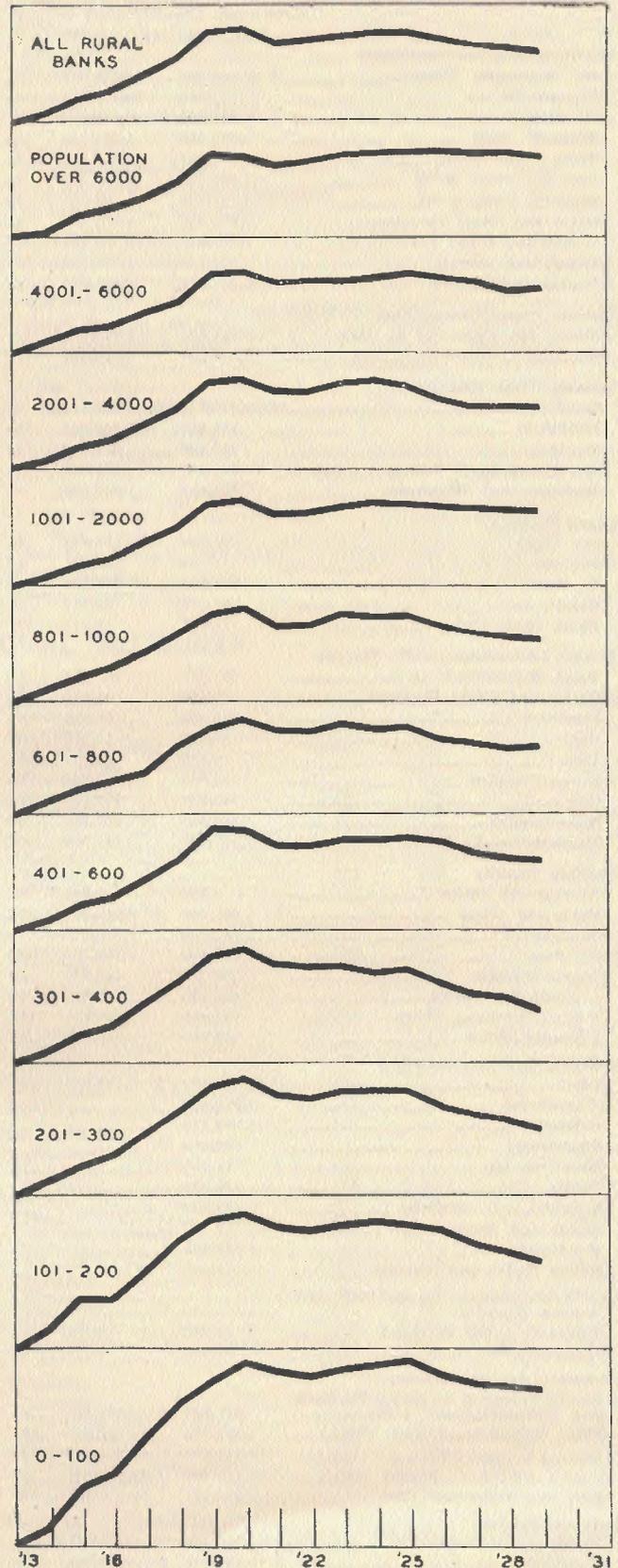
Deposits in Rural Minnesota Towns

(000's omitted)

Population Groups	1913	Peak Year	1929	%		
				% Peak Year of 1913	1929	% of Peak Year
0- 100	\$ 2,322	\$ 12,063 ('25)	\$ 9,284	520	400	77
101- 200	7,014	23,531 ('20)	15,674	336	223	67
201- 300	11,525	32,421 ('20)	21,193	281	184	65
301- 400	13,195	36,132 ('20)	21,551	274	163	60
401- 600	20,371	50,390 ('19)	38,866	247	191	77
601- 800	17,788	41,706 ('20)	32,799	234	184	79
801-1000	13,851	31,302 ('20)	24,058	226	174	77
1001-2000	44,052	95,019 ('20)	86,102	216	195	91
2001-4000	30,236	65,608 ('20)	50,768	217	168	77
4001-6000	17,134	35,493 ('20)	30,773	207	180	87
Over 6000	54,414	114,654 ('26)	110,213	211	203	96
All Rural Banks	\$281,902	\$531,755 ('20)	\$441,281	229	190	83

It has been commonly stated that deposits in rural areas are being concentrated in the larger cities at the expense of the deposit volume in the smaller communities. It cannot be denied that many instances of this shift in deposits have occurred, but the net effect of such migrations of deposits in rural Minnesota have been negligible. In 1913, 37 per cent of all rural bank deposits was held by banks in towns whose 1920 population was less than 1,000 people. Precisely the same percentage of rural bank deposits in 1929 was held by banks in these smaller towns. Furthermore, banks in towns with 100 persons or less held only 1 per cent of rural bank deposits in 1913, whereas in 1929 they held more than 2 per cent of these deposits. The only evidence that any significant change in the habitat of bank deposits has occurred appears in the record of cities having populations of over 6,000 people. Banks in these larger cities held 23 per cent of the rural Minnesota deposits in 1913, and had increased their percentage of the total held to 25 per cent in 1929. This does not necessarily mean that deposits have moved in any volume from the smaller towns to the larger towns, since it may equally well be construed to reflect the greater increase in deposits due to more rapid population and business growth in cities of this size.

BANK DEPOSITS IN RURAL MINNESOTA



COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

GENERAL BUSINESS

	June, 1930	June, 1929	% June 1930 of June 1929
Debits to Individual Accounts¹			
All Reporting Cities.....	\$ 38,580,900	\$ 42,193,600	91
Minneapolis	16,822,000	18,445,000	91
St. Paul	6,994,000	7,238,000	97
South St. Paul	1,080,000	1,271,000	85
Great Lakes Ports	2,714,100	4,336,800	66
Beef and Pork, S. E.	1,845,300	1,477,200	91
Beef and Pork, S. W.	1,735,200	1,761,200	99
Dairy and Mixed Farming.....	1,620,600	1,831,800	88
Wheat and Mixed Farming	1,927,800	2,095,900	92
Wheat and Range	1,101,500	1,204,900	91
Mining and Lumber	2,240,400	2,532,400	88
Electric Power Consumption (K.W.H.)^{1,2}			
Minn., No. Dak. and So. Dak.....	5,061,000	4,728,000	107
Montana	3,577,000	4,522,000	79
Country Check Clearings¹			
Total	\$ 3,601,200	\$ 4,002,800	90
Minnesota	1,330,900	1,562,400	85
Montana	614,000	691,800	89
North and South Dakota.....	921,700	988,200	98
Michigan and Wisconsin	725,500	789,500	91
Postal Receipts			
Six Cities	997,788	1,023,458	98
Minneapolis	541,253	564,791	96
St. Paul	305,783	308,904	99
Duluth	59,146	63,652	93
Three Other Cities	91,606	86,111	106
Freight Carloadings—N.W. District			
Total, Excluding L. C. L.	487,037	582,538	84
Grains and Grain Products	36,666	44,317	83
Livestock	26,365	27,747	95
Coal	13,627	17,513	106
Coke	6,531	7,977	82
Forest Products	52,322	80,666	65
Ore	168,657	203,293	83
Miscellaneous	177,867	200,925	88
Merchandise—L. C. L.	132,491	139,998	95
Building Permits			
Number—18 Cities	1,563	1,893	83
Value—18 Cities	\$ 6,637,500	\$ 5,092,500	130
Minneapolis	1,792,700	2,310,900	78
St. Paul	3,437,500	1,065,000	323
Duluth-Superior	186,300	389,200	48
4 Wheat Belt Cities	426,100	768,600	55
6 Mixed Farming Cities	781,000	446,300	164
4 Mining Cities	63,900	112,500	57
Building Contracts Awarded			
Total	\$ 15,557,400	\$ 9,486,000	164
Commercial	4,973,200	.....	.....
Industrial	3,699,100	.....	.....
Educational	903,100	.....	.....
Hospitals, etc.	94,100	.....	.....
Public	133,500	.....	.....
Religious and Memorial	143,500	.....	.....
Social and Recreational	104,300	.....	.....
Residential	1,548,200	.....	.....
Public Works and Utilities	3,948,400	.....	.....
Real Estate Activity in Hennepin and Ramsey Counties			
Warranty Deeds Recorded	1,026	1,151	89
Mortgages Recorded	1,287	1,597	81
Manufacturing and Mining			
Flour Production at Mpls., St. Paul, and Duluth-Superior (Bbls.)	817,520	978,032	84
Flour Shipments at Mpls. (Bbls.)	873,788	916,613	95
Linseed Product Shipments (Lbs.)	12,042,305	22,337,214	53
Copper Output (5 Firms) (Lbs.)	23,143,400	38,812,500	75
Iron Ore Shipments (Tons)	8,650,441	10,174,424	85
Business Failures			
Number	60	47	128
Liabilities	\$ 1,826,022	\$ 312,448	584

AGRICULTURE

Farmers' Cash Income

Total of 7 Items	\$ 38,192,000	\$ 47,511,000	80
Bread Wheat	5,061,000	7,225,000	70
Durum Wheat	2,552,000	4,915,000	52
Rye	170,000	466,000	36
Flax	592,000	971,000	61
Potatoes	494,000	278,000	178
Dairy Products	20,323,000	24,604,000	83
Hogs	9,000,000	9,051,000	99
Grain Marketings at Minneapolis and Duluth-Superior (Bus.)			
Bread Wheat	4,143,000	4,973,000	83
Durum Wheat	2,355,000	4,588,000	62
Rye	300,000	552,000	54
Flax	218,000	392,000	56

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

Wheat	48,954,346	44,443,716	110
Corn	183,016	213,636	88
Oats	3,827,083	1,876,037	204
Barley	3,684,305	3,754,075	98
Rye	4,435,192	3,002,245	148
Flax	405,808	433,646	94

Livestock Receipts at South St. Paul (Head)

Cattle	52,590	51,844	101
Calves	42,133	44,060	96
Hogs	185,180	165,425	112
Sheep	16,689	11,545	145

Median Cash Grain Prices (Bus.)

Wheat—No. 1 Dark Northern.....	\$1.04 $\frac{3}{4}$	\$1.21 $\frac{3}{8}$	85
Durum—No. 2 Amber .....	.89 $\frac{5}{8}$	1.07 $\frac{1}{2}$	83
Corn—No. 3 Yellow .....	.75	.86 $\frac{3}{4}$	87
Oats—No. 3 White .....	.33 $\frac{3}{4}$	.43 $\frac{3}{8}$	77
Barley—No. 3 .....	.49	.58	84
Rye—No. 2 .....	.56 $\frac{1}{2}$	.84 $\frac{1}{2}$	67
Flax—No. 1	2.71 $\frac{1}{2}$	2.47 $\frac{3}{4}$	110

Median Livestock Prices (Cwt.)

Butcher Cows	\$7.00	\$9.25	76
Butcher Steers	10.00	13.65	73
Prime Butcher Steers	11.25	14.65	77
Feeder Steers	7.50	10.50	71
Veal Calves	9.50	14.00	68
Hogs	9.10	10.25	89
Heavy Hogs	8.50	9.50	89
Lambs	16.25	14.00	73
Ewes	3.00	6.00	50

Wholesale Produce Prices

Butter (Lb.)	\$0.30	\$0.40 $\frac{1}{2}$	71
Milk (Cwt.)	1.94	2.33	83
Hens (Lb.) .....	.15	.21	71
Eggs (Doz.) .....	.17	.25	68
Potatoes (Bu.)	2.10	.78	269

TRADE

Department Stores

Sales	\$ 3,274,670	\$ 3,671,670	89
Merchandise Stocks	6,992,250	7,920,370	88
Receivables	3,623,760	3,643,900	102
Installment Receivables	753,530	685,790	111

Furniture Stores

Total Sales	\$280,190	\$402,200	70
Installment Sales	172,310	333,900	52
Merchandise Stocks	1,721,110	1,829,150	94
Installment Receivables	2,307,530	3,127,950	74

Country Lumber Yards

Sales (Bd. Ft.)	13,943,000	18,209,000	77
Lumber Stocks (Bd. Ft.)	89,639,000	86,639,000	103
Total Sales	\$ 1,938,800	\$ 2,346,400	83
Receivables	4,646,710	4,996,300	93

Life Insurance Sales

Four States	\$ 26,927,000	\$ 27,549,000	97
Minnesota	19,138,000	18,763,000	102
Montana	2,447,000	3,307,000	74
North Dakota	2,578,000	2,302,000	92
South Dakota	2,864,000	2,677,000	107

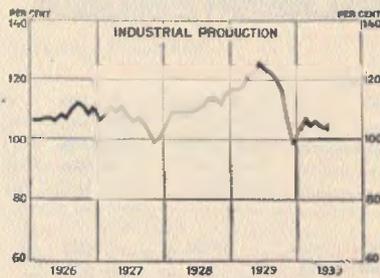
COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT
(Continued)

GENERAL BUSINESS				Member Bank Deposits (continued)			
	June, 1930	June, 1929	% June 1930 of June 1929				
Investment Dealers				Minnesota	165,722,000	170,613,000	97
Sales to Banks	2,933,200	1,294,800	227	Montana	59,036,000	64,231,000	92
Sales to Insurance Companies	699,100	995,400	70	North Dakota	56,622,000	58,978,000	96
Sales to General Public	4,816,600	6,016,600	80	South Dakota	59,951,000	61,738,000	97
				Wisconsin—26 Cos.	29,239,000	30,569,000	96
Wholesale Trade				Interest Rates¹			
Farm Implements—				Minneapolis Banks	5-5½	6-6½	
Sales	\$ 448,160	\$ 424,920	105	Commercial Paper (net to borrower)	4	6½	
Stocks	1,050,770	998,660	105	Minneapolis Fed. Res. Bank	4	5	
Receivables	690,770	744,930	93	Selected City Member Banks	July 16, '30	July 17, '29	
Groceries—				Loans to Customers	\$213,491,000	\$234,917,000	91
Sales	\$ 4,382,850	\$ 4,745,790	92	Other Invested Funds	139,865,000	149,073,000	94
Stocks	6,257,400	6,414,480	98	Deposits Due to Banks	79,569,000	69,774,000	114
Receivables	5,848,450	6,174,490	95	Public Demand Deposits	42,916,000	33,204,000	129
Hardware—				Other Demand Deposits	171,344,000	181,934,000	94
Sales	\$ 1,897,540	\$ 2,297,330	83	Time Deposits	128,609,000	131,109,000	98
Stocks	2,814,050	3,146,920	89	Total Deposits	422,922,000	417,767,000	101
Receivables	2,907,630	3,211,140	91	Borrowings at Fed. Res. Bank	0	12,478,000	0
Shoes—				Minneapolis Federal Reserve Bank			
Sales	\$ 302,580	\$ 475,850	64	Loans to Member Banks	4,081,000	17,859,000	23
Stocks	1,935,340	1,542,240	87	Twin Cities	0	12,266,000	0
Receivables	964,480	1,270,510	76	Minn., Wis. and Mich.	976,000	1,519,000	64
				No. Dak. and Mont.	2,084,000	3,049,000	68
				South Dakota	1,021,000	1,033,000	98
				Fed. Res. Notes in Circulation	53,269,060	66,707,379	80
BANKING				¹ Daily Averages.			
Member Bank Deposits				² Latest Reported Data.			
In Cities Over 15,000 Pop.	\$449,790,000	\$451,928,000	100				
In Cities Under 15,000 Pop.	431,889,000	450,480,000	96				
Michigan—15 Cos.	61,319,000	62,051,000	99				

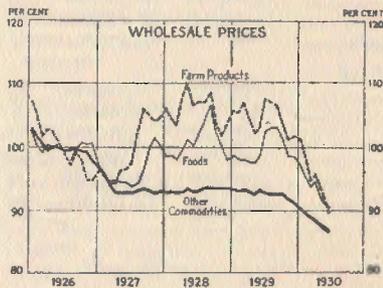
DEBITS TO INDIVIDUAL ACCOUNTS

	June 1930	May 1930	June 1929	May 1929				
Number of Business Days:					Montana			
North Dakota	24	26	24	26	Anaconda	\$ 1,788	\$ 1,914	\$ 2,440
All Other States in District	25	26	25	26	Billings	7,945	8,138	9,401
(000's omitted)					Bozeman	2,115	2,079	2,417
Michigan					Butte (2 banks)	12,661	12,461	14,251
Escanaba (1 bank)	\$ 871	\$ 1,124	\$ 949	\$ 1,065	Deer Lodge	1,245	1,171	1,336
Hancock	1,820	1,760	1,859	2,090	Glenville	1,565	1,379	1,434
Houghton (1 bank)	680	638	662	722	Great Falls	14,493	15,089	18,531
Iron Mountain	4,579	4,578	4,758	4,775	Harlowton	367	348	502
Iron River, Casplan, Stambaugh	1,464	1,589	1,177	1,455	Havre	1,795	1,958	2,524
Manistique (1 bank)	521	475	515	510	Helena	8,905	8,002	8,895
Marquette	5,135	5,126	5,565	5,834	Lewistown	2,189	2,164	2,495
Nominee	2,712	3,062	3,765	3,739	Malta	728	645	931
Sault Ste. Marie	3,131	2,839	2,763	2,724	Miles City (1 bank)	1,754	1,846	2,085
Minnesota					North Dakota			
Albert Lea	\$ 3,101	\$ 3,340	\$ 3,518	\$ 3,685	Bismarck	\$ 9,023	\$ 13,651	\$ 8,405
Austin (2 banks)	3,565	4,500	3,347	3,846	Devils Lake	1,630	1,802	1,918
Bemidji	1,238	1,674	1,458	1,695	Dickinson	1,498	1,282	1,594
Chaska	556	569	608	559	Fargo	17,916	16,834	19,544
Chisholm	1,200	802	1,221	715	Grafton	458	441	525
Cloquet	2,523	2,191	2,678	2,430	Grand Forks	6,669	6,885	7,783
Crookston	1,361	1,367	1,147	1,093	Jamestown	2,674	2,633	2,895
Detroit Lakes	1,085	986	1,153	1,002	Mandan	1,555	1,807	1,776
Duluth	73,916	71,739	88,353	82,456	Minot	7,089	7,875	7,778
Ely	887	292*	403	662	Valley City	1,435	1,337	1,452
Faribault (1 bank)	1,253	1,308	1,332	1,467	Wahpeton	871	869	983
Farmington	260	283	271	335	Williston	1,472	1,494	1,692
Fergus Falls	3,074	2,821	3,573	3,231	South Dakota			
Glenwood	470	570	615	613	Aberdeen	\$ 6,606	\$ 6,213	\$ 7,563
Hutchinson	1,313	1,489	1,563	1,642	Brookings (1 bank)	1,069	1,137	1,131
Lanesboro	312	311	362	367	Deadwood	860	1,052	936
Little Falls	1,324	1,084	1,503	1,219	Huron	5,527	5,369	6,130
Luverne	857	950	1,097	1,106	Lead	1,064	1,119	1,259
Mankato	6,618	6,813	7,195	6,889	Madison (1 bank)	1,067	1,113	1,120
Minneapolis	420,541	424,795	461,136	451,066	Milbank	591	575	562
Moorhead	1,320	1,528	1,294	2,186	Mitchell (2 banks)	4,450	4,583	4,675
Morris	514	592	889	614	Mobridge	672	738	782
Owatonna	2,856	3,218	3,667	3,643	Pierre	1,483	1,345	1,490
Park Rapids	456	453	646	545	Rapid City	4,512	4,503	4,395
Red Wing	2,553	2,507	3,061	2,636	St. Louis Falls	24,364	22,998	22,529
Rochester	6,700	5,985	7,212	6,966	Watertown	3,329	4,275	5,007
St. Cloud (1 bank)	474	447	521	521	Yankton	2,650	2,588	2,951
St. Paul	174,853	167,456	180,939	171,338	Wisconsin			
South St. Paul	27,008	27,960	31,787	33,695	Ashland	\$ 2,221	\$ 2,218	\$ 2,302
Stillwater	2,674	2,362	3,004	2,841	Chippewa Falls	2,234	2,329	2,815
Thief River Falls	1,024	998	993	848	Eau Claire	8,165	7,967	9,502
Two Harbors	543	501	585	589	Hudson	644	702	506
Virginia	2,500	2,153	3,337	2,742	LaCrosse	12,475	12,792	14,332
Wabasha	318	794	804	935	Merrill (1 bank)	1,424	1,563	1,586
Wadena	1,105	1,100	1,212	1,139	Superior	7,573	7,794	8,475
Wheaton	558	489	645	580	Total for All Cities Reporting			
Willmar	1,649	1,605	882	893	Both Years	\$984,345	\$984,744	\$1,051,916
Winona	7,523	7,799	8,079	8,257				\$1,089,463
Worthington (1 bank)	913	960	952	813				

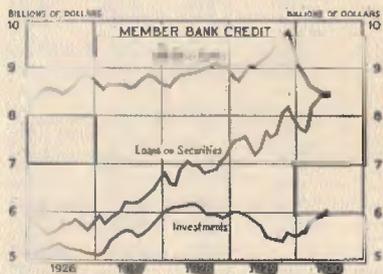
*One bank's figure.



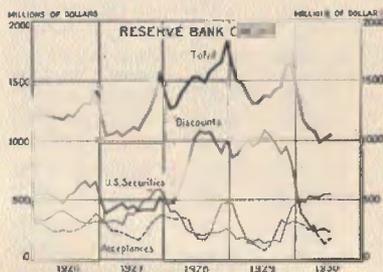
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average = 100). Latest figure, June, 102.



Indexes of the United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figures, June, farm products 88.9, foods 80.5, other commodities 85.7.



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



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 19 days in July.

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

Industrial production decreased in June by more than the usual seasonal amount and factory employment and payrolls declined to new low levels. The volume of building contracts awarded was large. Prices declined sharply and money rates continued downward.

INDUSTRIAL PRODUCTION AND EMPLOYMENT: In June, industrial production showed a further substantial decrease and the Board's index, which is adjusted for ordinary seasonal variations, declined to the lowest level since last December. The output of steel ingots declined in June and early July more than is usual at this season, while automobile production was sharply curtailed to a level considerably below that of the same period of the past two years. Cotton consumption, already at a low level, declined further in June. The output of bituminous coal and copper continued in small volume. Wool consumption and shoe production increased slightly and cement output, as in the preceding month, was at a high level.

Factory employment and payrolls decreased further in June. The number employed at steel plants and in the automobile, agricultural implement and cotton goods industries declined more than is usual at this season, and employment in the woolen goods and lumber industries continued at unusually low levels.

The value of building contracts awarded in June, \$600,000,000 according to the F. W. Dodge Corporation, was about 30 per cent more than in May and the largest since last July. The increase reflected chiefly unusually large awards for natural gas pipe lines and power plants. The volume of contracts for residential building was somewhat smaller than in May. In early July, the total volume of contracts was small.

Department of Agriculture estimates, based on July 1 conditions, indicate a decrease from last year of about 20,000,000 bushels in the winter wheat crop and a corresponding increase in spring wheat. The corn crop is expected to be about 2,800,000,000 bushels, 7 per cent larger than last year and 6 per cent above the five-year average. The area planted to cotton is estimated at 45,815,000 acres, 2.7 per cent less than last year.

DISTRIBUTION: The volume of freight carloadings in June and early July continued to be substantially below the corresponding periods of 1928 and 1929. Preliminary reports indicate that the decline in department store sales from a year ago was of larger proportions in June than in any previous month this year.

WHOLESALE PRICES: Commodity prices declined more rapidly in June than in any other recent month and the index of the Bureau of Labor Statistics at 86.8 per cent of the 1926 average was about 10 per cent below the level of a year ago. Prices of many important agricultural commodities and their manufactures declined further and those of certain leading imported raw products, silk, rubber and coffee, reached new low levels. There were also further declines in iron, steel and copper. Prices of raw wool, hides and raw sugar increased slightly during June. Early in July, prices of meats were stronger but there were further declines in many other commodities.

BANK CREDIT: Loans of reporting member banks in leading cities declined somewhat between the middle of June and the middle of July, and on July 16 were \$60,000,000 smaller than five weeks earlier. Loans on securities decreased by \$140,000,000, while "all other" loans increased by \$80,000,000. The banks' investments increased further by about \$280,000,000 during this period, and were in larger volume than at any other time in the past two years.

Member bank balances at the Reserve banks increased, and in the week ending July 19 averaged \$60,000,000 more than five weeks earlier and at the same time their borrowings from the Reserve banks declined by nearly \$20,000,000, reflecting an increase in the Reserve banks' holdings of acceptances and government securities, a further slight growth in gold stock and a continued decline in the volume of money in circulation.

Money rates in the open market continued to ease and in the middle of July rates on 90-day bankers' acceptances at $1\frac{1}{8}$ per cent were at a new low level, while rates on commercial paper at $3\text{-}3\frac{1}{4}$ per cent were at the low point of 1924. During July, the Reserve bank discount rate was reduced at Boston from $3\frac{1}{2}$ to 3 per cent, and at Philadelphia, Atlanta and Richmond from 4 to $3\frac{1}{2}$ per cent.