

# 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 June continued at the low level of the earlier months of the year. Except for seasonal variations, there were only minor changes from the level of business in May. Of the seasonally corrected series used in measuring northwestern business conditions, increases between May and June occurred in country check clearings and miscellaneous freight carloadings, and decreases occurred in bank debits, country lumber sales and farmers' cash income. The less-than-carlot freight carloadings index remained unchanged.

The volume of business was distinctly lower in June this year than in June a year ago. Bank debits were 18 per cent smaller, and the country check clearings index was 21 per cent smaller. Freight carloadings, excluding less-than-carlot freight, decreased 31 per cent, as compared with June last year, principally on account of much smaller loadings of ore and forest products, although all other classes of freight also declined. Other decreases, as compared with June last year, occurred in electric power consumption, postal receipts, building permits and contracts, flour production and shipments, copper and iron ore output, department store sales, furniture sales, life insurance sales, securities sales and wholesale trade. Increases occurred in marketings of grain and livestock and in shipments of linseed products.

The seasonably adjusted curve of country lumber sales, measured in board feet, has declined from its most recent peak in December 1928 to the lowest point since February 1922. The decline was interrupted this spring by an increase due to abnormally mild weather, which allowed an abnormal volume of winter building to be done. Lumber retailers have allowed their stocks of lumber to decline moderately during the past year and a half, until at the end of June they were the smallest since November 1924, after making allowances for seasonal changes.

Employment conditions in Minneapolis improved slightly during June, according to the evidence of newspaper employment advertising for help wanted and situations wanted and the requests for skilled help placed with the Public Employment Office. However, the number of families receiving relief

from the Family Welfare Association did not show its customary decline between May and June. Employment in Minneapolis was not as full in June this year as a year ago, according to the above indexes.

In the first part of July, business continued to be in smaller volume than a year ago, according to reports of bank debits and country check clearings. Bank debits for the two weeks ending July 15 were 16 per cent smaller than in the corresponding weeks last year, and country check clearings for the first thirteen business days in July were 18 per cent smaller than in the same days a year ago. These declines occurred in spite of the fact that last year in July the volume of business dropped off very sharply from the June level.

#### DISTRICT SUMMARY OF AGRICULTURE

##### Crop Acreage

Farmers in North Dakota and Montana this year have greatly reduced the acreage devoted to their eight principal crops in comparison with the acreage harvested last year, according to the estimates published by the United States Department of Agriculture. Farmers in South Dakota increased their acreage a little more than 2 per cent. In Minnesota a slight increase was reported. The eight crops included are wheat, corn, oats, barley, tame hay, flax, rye and potatoes, listed in order of importance in acreage.

The reduction in North Dakota which amounted to more than 12 per cent, or 2,319,000 acres, is largely accounted for by decreases in the so-called cash grain crops. The estimated acreage in wheat, rye and flax this year is  $2\frac{1}{4}$  million acres less than last year. The only one of the cash crops to show an increase was potatoes, which was increased 15 per cent, but only 17,000 acres. Many farmers switched from oats and barley to corn this year, but oats still rank first among the feed grains from the acreage standpoint. The total North Dakota acreage in feed crops, including tame hay, is only 80,000 acres less than last year. By far the greatest increase occurred in tame hay, 172,000 acres, making the 1931 estimate 1,320,000 acres which, with one exception, is the largest acreage devoted to tame hay in this state in the last fourteen years. Of almost equal significance is the increase of 109,000 acres of corn which makes the 1931

acreage almost 1,200,000 acres. This area is, excepting in 1924, the largest area ever devoted to corn in North Dakota. These two increases, along with the decreases in the so-called cash crops, indicate the extent to which North Dakota farmers are substituting a well-rounded farm program, which necessarily includes the raising of livestock, for the straight-grain program of a few years ago.

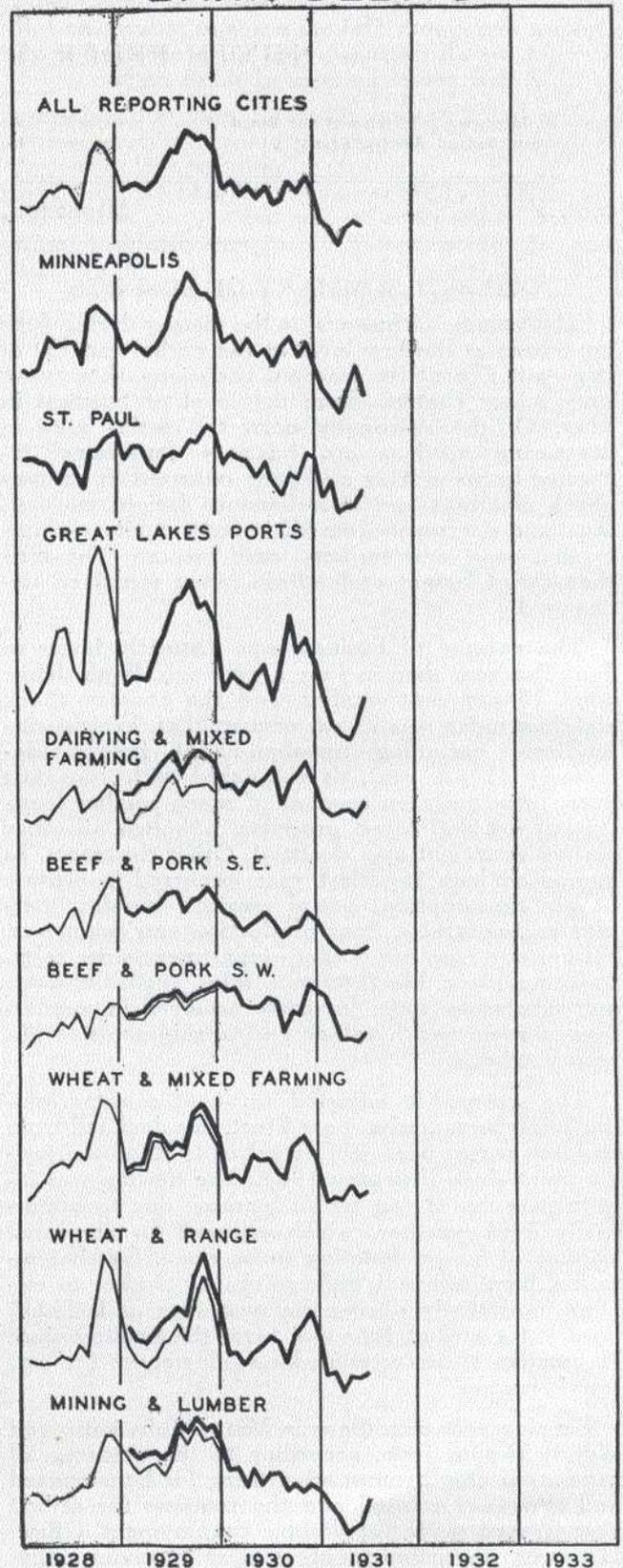
The number of acres comprising the reduction in Montana was only about half as great as in North Dakota, but on account of the much smaller total acreage planted to the eight principal crops, the percentage of reduction is considerably greater, almost 17 per cent. Nearly all of the reduction occurred in the cash crops, the combined total of wheat, rye, flax and potatoes being nearly 1,170,000 acres less than in 1930. The feed crops, including tame hay, showed a decrease of only 21,000 acres. The greatest reduction was, of course, in wheat, especially in hard spring wheat, although there was a decrease of 10 per cent in winter wheat. Flax acreage in Montana shows the greatest percentage of decrease, 55 per cent, chiefly on account of unfavorable weather at planting time and during the early part of the summer which has caused considerable abandonment.

In the four complete states in the Ninth Federal Reserve District, potatoes, corn and tame hay are the only crops that show a larger acreage this year than in 1930. The acreages of oats and barley are about the same as last year, the declines being less than 1 per cent and slightly over 2 per cent, respectively. All other crops show decreased acreages this year when compared with last, ranging from about 8 per cent for winter wheat to 25½ per cent for durum. The total decrease from last year for the eight crops in Minnesota, Montana, North Dakota and South Dakota is 5.3 per cent.

In the entire United States, the total acreage for the same eight crops shows an increase of nearly 1 per cent, or 2,345,000 acres. The changes in the individual crops are much the same as in our four states, with the exception of oats, which shows a 1 per cent decrease in our four states, but a 3 per cent increase in the United States, and winter wheat, which shows an 8 per cent decrease in our four states compared with a 3 per cent increase in the United States.

It is interesting to note that of all the crops under consideration, the only ones which show any de-

## NINTH FED. RES. DISTRICT BANK DEBITS



creased acreage in the entire United States are those crops which have more than 50 per cent of their acreage in our four states—spring wheat, rye and flax. In other words, Minnesota, Montana, North Dakota and South Dakota acreage reductions fully account for all decreases that have occurred in the total United States acreage of these crops.

The July 1 acreage estimates indicate that farmers revised their 1931 planting plans considerably after the March 1 intentions-to-plant report was published. Most of the revisions resulted in scaling down the total acreage to be devoted to these crops. This was, of course, partly due to unfavorable planting and germinating conditions, but was doubtless also partly due to an intentional reduction on account of the extremely low grain prices. South Dakota farmers planted an appreciably larger acreage than was indicated March 1; Minnesota farmers planted slightly more than the intention figure; Montana farmers changed their intended increase to a large decrease, and North Dakota farmers expanded their intended decrease of 110,000 acres to more than 2,300,000 acres. Total United States acreages in the eight crops on July 1 were only 1 per cent greater than last year, whereas the intentions report indicated an increase of approximately 5 per cent. In the entire acreage discussion above, the newly revised 1930 acreage figures have been used.

### Crop Production Forecasts

The total volume of the eight principal crops in Minnesota, Montana, North Dakota and South Dakota, as indicated by the United States Department of Agriculture's July 1 production forecasts, will be smaller than for many years. The corn crop is forecast 100 million bushels greater and the potato crop 14 million bushels greater than were produced last year, but the production of each of the other crops is forecast to be considerably less than in 1930.

Oats, which are gradually becoming less important because of the decreased demand for use as horse feed, both in the cities and on the farms, show a reduction of 54 million bushels. The forecasted wheat crop is the smallest in the last fifteen years in our four states, and is 9 million bushels smaller than in the memorable crop-failure year of 1919. Bread spring wheat shows a decrease of 33 per cent from last year, and durum wheat 44 per cent. Rye production is also smaller than in any of the last fifteen years, being 2 million bushels less than the previous low crop in 1926. Barley is 35 million bushels below last year and is smaller than in any year since the improved types increased its popularity as a stock food, and caused a rapid expansion of the barley acreage.

On account of the very unfavorable planting and germinating season, the production of flax is forecast at 3 million bushels under last year's crop. Inasmuch as the weather since July 1 has continued unfavorable for flax throughout much of our important flax-producing territory, the August 1 forecast will doubtless indicate a still smaller crop.

Chiefly on account of the poor flax prospects, the market price has improved steadily since the first of June up to the end of the third week in July. The average price on the Minneapolis cash market during the first week in June was \$1.41, and on July 20 the closing cash price was \$1.64½-\$1.68½. On the same date on the Minneapolis futures market, a very unusual situation existed as October contracts were selling a little above July options, showing that the trade is convinced that higher prices will prevail after harvest. Samples of new crop flaxseed which have been received at Minneapolis show extremely light weight.

The hay crop will evidently be short this year according to the forecast, on account of the unusually small amount of rain and snowfall during the last fifteen months in a large number of hay-producing areas. The forecast is 2¼ million tons below last year, more than a million tons below the ten-year average, and is the lowest, excepting 1926, since our records began in 1919. Tame hay only shows a reduction of 11 per cent from last year, while wild hay shows a decrease of 25 per cent. The reported condition figures, however, on both tame and wild hay are so extremely low that unless some rainfall is soon obtained, it is doubtful whether even these low forecasts will materialize.

Pastures, of course, are in extremely poor shape throughout the drouth sections. Minnesota is the only state which reports a condition figure above 50 per cent of normal, and even in that state the condition figure is ten points below the ten-year average. Many lots of distress cattle have changed hands in North Dakota, farmers with young stock unfit for slaughtering but with no pasture, being compelled to sell at very low figures. The low condition of pastures, together with the low levels at which finished cattle have been selling, have resulted in an unusually small movement of stockers and feeders back to the country. The United States Department of Agriculture sees a similarity between conditions in 1921 and this summer, and suggests that the movements of cattle prices this summer and fall may be the same as they were ten years ago. Their statement follows:

"In 1921, when business conditions and crop prospects were similar to those existing now, prices of most kinds of cattle were steady to higher through the summer, followed by a downturn in the prices of the lower grades during the fall. A somewhat similar price movement is not unlikely this year."

### Cold Storage Holdings

Cold storage holdings of meats, poultry products and butter in the United States showed no abnormal accumulations of these products on July 1. Eggs, butter and lamb and mutton in cold storage were very slightly larger than the five-year average for the date, and pork and beef holdings were slightly below the five-year average. Holdings of lard and

poultry were far below the average. Stocks of all these commodities showed decreases during the past year, with the exception of pork.

#### United States Cold Storage Holdings (In thousands of pounds)

	July 1 5-year Average	July 1 1930	July 1 1931
Beef .....	48,725	66,891	45,522
Pork .....	776,593	679,221	776,140
Lard .....	160,469	120,322	115,873
Lamb, Mutton..	2,612	4,820	2,722
Butter .....	89,025	106,522	89,286
Eggs* .....	12,103	14,033	12,735
Poultry .....	44,256	54,253	32,735

\*Thousand cases.

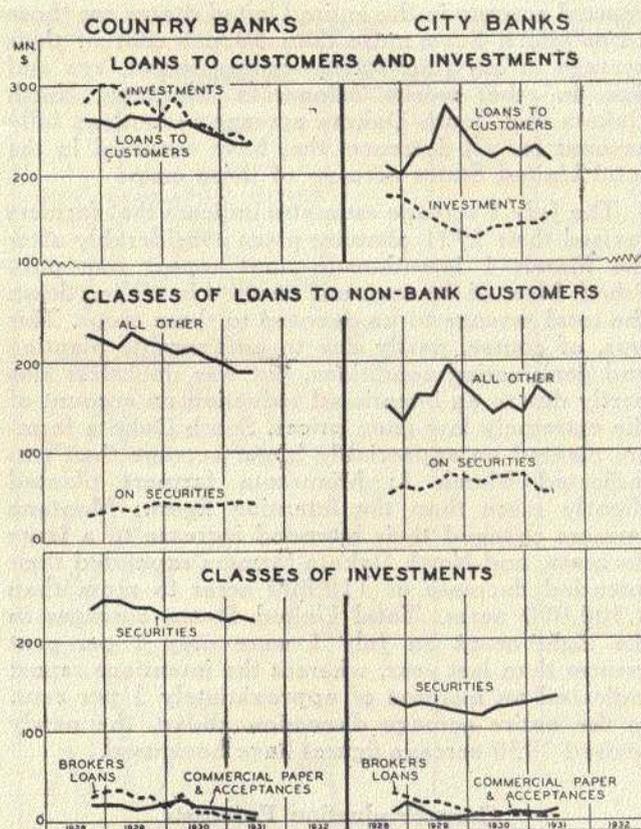
Farmers' cash income in the district failed to show its usual seasonal increase in June over May, and the total of seven estimated items was 31 per cent smaller than in June last year. Prices of all important northwestern farm products were lower in June than a year ago.

#### DISTRICT SUMMARY OF BANKING

Country member bank deposits continued the decline in June which has been almost continuous since last November. To some extent, this was a seasonal occurrence, since ordinarily withdrawals of deposits in the sections of the district, whose principal source of income is the crops, exceed the new deposits from the dairying regions at this time of year. However, country member bank deposits in June were 9 per cent smaller than in June last year.

In spite of smaller deposits, country member banks were borrowing less from this Federal Reserve Bank on July 15 than a year ago. Borrowings from this bank by banks in North Dakota and Montana were smaller than last year's volume; the aggregate borrowings of country member banks in Minnesota, Wisconsin and Michigan were about equal to last year's totals, and borrowings by South Dakota country member banks were larger than a year ago.

The June 30 call for condition reports affords an opportunity to analyze the changes in assets which permitted a decrease in deposits without an increase in borrowings by country member banks. Total loans and investments of country member banks decreased 2 per cent between March 25 and June 30, and decreased 9 per cent during the year ending June 30. During the three months ending with June, loans to customers by country member banks remained practically unchanged, and security holdings decreased. Over the past year, both loans to customers and investments declined by about equal amounts.



Loans and Investments of City and Country Member Banks in the Ninth Federal Reserve District on call dates, 1928-1931.

City member banks continued to report the largest volume of deposits on record for this time of year, although there was some seasonal decline from the peak in early June which, it will be recalled, was the result of tax payments. Deposits at city member banks were 30 million dollars (7 per cent) larger on July 15 than a year earlier. As in previous months of the year, the increase in deposits was chiefly due to much larger holdings of time deposits. On the asset side of the combined balance sheet of city member banks, the changes during recent weeks were very small, with loans to customers remaining practically stationary and other invested funds increasing slightly. The increase in investments was made possible by the unusually large holdings of balances due from banks which have been converted, in part, into investments. Loans to customers by city member banks were about as large on July 15 as a year earlier, and other invested funds were materially larger than last year's total.

Interest rates charged by Minneapolis commercial banks on prime loans decreased to  $4\frac{1}{4}$ - $4\frac{1}{2}$  per cent on July 15, which was the lowest quotation in the post-war years. The commercial paper rate to borrowers in the open market remained at  $2\frac{1}{2}$  per cent, which was also the lowest level in post-war years. The discount rate of the Minneapolis Federal Reserve Bank remained unchanged at  $3\frac{1}{2}$  per cent.

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

GENERAL BUSINESS				AGRICULTURE			
	Per Cent June '31 of June '30				Per Cent June '31 of June '30		
GENERAL BUSINESS	June '31	June '30	June '30	AGRICULTURE	June '31	June '30	June '30
<b>Bank Debits<sup>1</sup></b>				<b>Farmers' Cash Income</b>			
All Reporting Cities.....	\$ 32,465,500	\$ 39,489,300	82	Total of 7 Items.....	\$ 26,622,000	\$ 38,583,000	69
Minneapolis .....	13,417,000	16,822,000	80	Bread Wheat .....	4,496,000	5,061,000	89
St. Paul .....	5,938,000	6,994,000	85	Durum Wheat .....	1,964,000	2,552,000	77
South St. Paul.....	794,000	1,080,000	74	Rye .....	120,000	170,000	71
Great Lakes Ports.....	3,144,000	3,736,000	84	Flax .....	1,094,000	592,000	185
Beef and Pork, S. E.....	1,121,400	1,357,800	83	Potatoes .....	173,000	494,000	35
Beef and Pork, S. W.....	1,436,800	1,761,500	82	Dairy Products .....	12,455,000	20,323,000	61
Dairy and Mixed Farming.....	1,633,200	1,856,800	88	Hogs .....	6,320,000	9,391,000	67
Wheat and Mixed Farming.....	1,852,000	2,268,300	82	<b>Grain Marketings at Minneapolis and Duluth-Superior (Bus.)</b>			
Wheat and Range.....	1,010,600	1,217,100	83	Bread Wheat .....	5,062,000	4,143,000	122
Mining and Lumber.....	2,118,500	2,395,800	88	Durum Wheat .....	3,087,000	2,855,000	108
<b>Electric Power Consumption (K.W.H.)<sup>1,2</sup></b>				Rye .....	331,000	300,000	110
Minn., No. Dak., and So. Dak.....	4,718,000	5,061,000	93	Flax .....	739,000	218,000	339
Montana .....	2,677,000	3,583,000	75	<b>Grain Stocks at End of Month at Minneapolis and Duluth-Superior (Bus.)</b>			
<b>Country Check Clearings<sup>1</sup></b>				Wheat .....	67,950,949	48,954,346	139
Total .....	\$ 2,839,900	\$ 3,592,100	79	Corn .....	139,023	188,016	74
Minnesota .....	1,038,600	1,330,900	78	Oats .....	3,782,418	3,827,083	99
Montana .....	495,800	614,000	81	Barley .....	2,357,379	3,684,305	64
North and South Dakota.....	683,900	921,700	74	Rye .....	5,603,295	4,435,192	126
Michigan and Wisconsin.....	621,600	725,500	86	Flax .....	809,031	405,608	199
<b>Postal Receipts</b>				<b>Livestock Receipts at So. St. Paul (Head)</b>			
Six Cities .....	908,900	997,800	91	Cattle .....	61,775	52,590	117
Minneapolis .....	483,400	541,300	89	Calves .....	46,490	42,133	110
St. Paul .....	288,900	305,800	94	Hogs .....	179,739	185,180	97
Duluth .....	55,400	59,100	94	Sheep .....	26,109	16,689	156
Three Other Cities.....	81,200	91,600	89	<b>Median Cash Grain Prices (Bus.)</b>			
<b>Freight Carloadings—N. W. District</b>				Wheat—No. 1 Dark Northern.....	\$ .76½	\$1.04¼	73
Total—Excluding L.C.L. ....	338,310	487,037	69	Durum—No. 2 Amber.....	.63½	.89½	71
Grains and Grain Products.....	33,245	36,666	90	Corn—No. 3 Yellow.....	.50	.75	67
Livestock .....	24,523	26,365	93	Oats—No. 3 White.....	.24½	.33¼	73
Coal .....	15,667	18,627	84	Barley—No. 3 .....	.38	.49	78
Coke .....	3,694	6,531	57	Rye—No. 2 .....	.36¼	.56½	65
Forest Products .....	33,342	52,822	63	Flax—No. 1 .....	1.48	2.71½	55
Ore .....	82,884	168,657	49	<b>Median Livestock Prices (Cwt.)</b>			
Miscellaneous .....	144,955	177,367	82	Butcher Cows .....	\$4.75	\$7.00	68
Merchandise—L.C.L. ....	118,938	132,491	90	Butcher Steers .....	7.00	10.00	70
<b>Building Permits</b>				Prime Butcher Steers.....	7.65	11.25	68
Number—18 Cities .....	1,490	1,563	95	Feeder Steers .....	5.25	7.50	70
Value—18 Cities .....	\$ 5,407,600	\$ 6,637,500	81	Veal Calves .....	6.50	9.50	68
Minneapolis .....	627,200	1,792,700	35	Hogs .....	5.50	9.10	60
St. Paul .....	3,923,900	3,437,500	114	Heavy Hogs .....	5.25	8.50	62
Duluth-Superior .....	87,300	186,300	47	Lambs .....	6.50	10.25	63
4 Wheat Belt Cities.....	107,800	426,100	25	Ewes .....	1.50	3.00	50
6 Mixed Farming Cities.....	569,800	731,000	78	<b>Wholesale Produce Prices</b>			
4 Mining Cities .....	91,600	63,900	143	Butter (Lb.) .....	\$ .20½	\$ .30	68
<b>Building Contracts (F. W. Dodge Corp.)</b>				Milk (Cwt.) .....	1.38	1.94	71
Total .....	\$ 12,401,200	\$ 15,557,400	80	Hens (Lb.) .....	.14	.15	93
Commercial .....	1,454,900	4,973,200	29	Eggs (Doz.) .....	.12	.17	71
Factories .....	144,000	1,476,100	10	Potatoes (Bu.) .....	1.05	2.10	50
Educational .....	516,000	808,100	64	<b>TRADE</b>			
Hospitals, etc. ....	172,600	94,100	183	<b>Department Stores</b>			
Public .....	3,265,300	138,500	2357	Sales .....	\$ 3,033,900	\$ 3,242,840	94
Religious and Memorial.....	252,000	143,500	176	Merchandise Stocks .....	6,419,850	6,978,900	92
Social and Recreational .....	145,100	104,300	139	Receivables .....	3,532,630	3,620,600	98
Residential .....	1,895,600	1,548,200	90	Instalment Receivables .....	713,700	759,920	94
Public Works and Utilities.....	5,055,700	6,171,400	82	<b>Furniture Stores</b>			
<b>Real Estate Activity in Hennepin and Ramsey Counties</b>				Total Sales .....	\$ 215,860	\$ 271,190	80
Warranty Deeds Recorded.....	827	1,026	81	Instalment Sales .....	137,520	168,310	82
Mortgages Recorded .....	1,240	1,287	96	Merchandise Stocks .....	1,476,430	1,648,120	90
<b>Manufacturing and Mining</b>				Instalment Receivables .....	1,896,950	2,234,530	85
Flour Production at Mpls., St. Paul, and Duluth-Superior (bbls.).....	743,523	817,520	91	<b>Country Lumber Yards</b>			
Flour Shipments at Mpls. (bbls.).....	736,709	873,788	84	Sales (Bd. Ft.) .....	10,084,000	13,943,000	72
Linseed Product Shipments (lbs.).....	14,440,550	12,042,305	120	Lumber Stocks (Bd. Ft.).....	79,017,000	89,639,000	88
Copper Output (5 firms) (lbs.).....	24,207,500	29,347,500	82	Total Sales .....	\$ 1,276,800	\$ 1,938,800	66
Iron Ore Shipments (Tons).....	3,808,043	8,650,441	44	Receivables .....	3,675,600	4,651,700	79
<b>Business Failures</b>				<b>Life Insurance Sales</b>			
Number .....	46	60	77	Four States .....	\$ 20,542,000	\$ 27,027,000	76
Liabilities .....	365,702	1,826,022	20	Minnesota .....	14,821,000	19,138,000	77
				Montana .....	2,006,000	2,447,000	82
				North Dakota .....	1,475,000	2,578,000	57
				South Dakota .....	2,240,000	2,864,000	78

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

Investment Dealers	Per Cent June '31 of June '30			Member Bank Deposits (continued)	Per Cent June '31 of June '30		
	June '31	June '30	June '30		June '31	June '30	June '30
Sales to Banks.....	3,947,000	2,933,200	135	North Dakota .....	30,598,000	45,439,000	87
Sales to Insurance Companies.....	404,700	498,500	81	South Dakota .....	48,523,000	54,747,000	89
Sales to General Public.....	3,535,300	4,816,600	73	Wisconsin—26 Cos. ....	27,337,000	29,239,000	93
<b>Wholesale Trade</b>				<b>Interest Rates*</b>			
<b>Groceries—</b>				Minneapolis Banks .....	4¼-4½	5-5½	
Sales .....	\$ 3,946,590	\$ 4,290,290	92	Commercial Paper (net to borrower) .....	2½	4¼	
Stocks .....	5,827,930	6,354,810	92	Minneapolis Federal Reserve Bank.....	3½	4	
Receivables .....	4,602,470	5,022,380	92	<b>Selected City Member Banks</b>	7-15-31	7-16-30	
<b>Hardware—</b>				Loans to Customers .....	\$213,885,000	\$213,491,000	100
Sales .....	\$ 1,503,990	\$ 1,731,980	87	Other Invested Funds.....	156,665,000	139,865,000	112
Stocks .....	2,820,380	3,146,660	90	Deposits Due to Banks.....	85,606,000	79,569,000	107
Receivables .....	2,124,390	2,357,940	90	Public Demand Deposits.....	48,775,000	42,916,000	114
<b>Shoes—</b>				Other Demand Deposits.....	165,572,000	171,344,000	97
Sales .....	\$ 208,410	\$ 302,580	69	Time Deposits .....	151,407,000	123,609,000	118
Stocks .....	710,980	1,335,350	53	Total Deposits .....	452,299,000	422,922,000	107
Receivables .....	683,970	964,480	71	Borrowings at Fed. Reserve Bank.....	0	0	.....
<b>BANKING</b>				<b>Minneapolis Federal Reserve Bank</b>			
<b>Member Bank Deposits</b>				Loans to Member Banks.....	3,923,000	4,118,000	95
In Cities Over 15,000 pop.....	\$471,932,000	\$463,021,000	102	Twin Cities .....	25,000	0	.....
In Cities Under 15,000 pop.....	381,054,000	418,658,000	91	Minn., Wis. and Mich.....	978,000	976,000	100
Michigan—15 Cos. ....	65,307,000	69,091,000	95	N. Dak. and Mont.....	1,521,000	2,121,000	72
Minnesota .....	146,116,000	161,106,000	91	South Dakota .....	1,399,000	1,021,000	137
Montana .....	54,173,000	59,036,000	92	Fed. Res. Notes in Circulation.....	49,856,500	53,269,100	94
				Member Bank Reserve Deposits.....	46,445,300	51,659,400	90

\*Daily Averages.  
\*Latest Reported Data.

BANK DEBITS

Number of Business Days:	June 1931	May 1931	June 1930	May 1930	Montana				
Montana .....	26	24	25	26	Anaconda .....	\$ 1,895	\$ 1,591	\$ 1,788	\$ 1,914
North Dakota .....	26	25	24	26	Billings .....	7,806	6,970	7,945	8,138
All Other States in District.....	26	25	25	26	Bozeman .....	2,374	1,860	2,115	2,079
					Butte (2 Banks).....	13,776	9,798	12,661	12,461
					Deer Lodge .....	1,038	817	1,245	1,171
					Glendive .....	938	969	1,565	1,379
					Great Falls .....	12,059	10,604	14,493	15,089
					Harlowton .....	323	264	367	348
					Havre .....	1,522	1,269	1,795	1,958
					Helena .....	8,150	6,791	8,905	8,002
					Lewistown .....	1,837	1,644	2,189	2,164
					Malta .....	594	675	728	645
					Miles City (1 Bank).....	1,431	1,390	1,754	1,846
					<b>North Dakota</b>				
					Bismarck .....	\$ 9,756	\$ 10,422	\$ 9,023	\$ 13,651
					Devils Lake .....	1,350	1,230	1,630	1,302
					Dickinson .....	1,313	1,625	1,498	1,282
					Fargo .....	15,090	14,901	17,916	16,834
					Grafton .....	363	383	458	441
					Grand Forks .....	6,291	5,789	6,669	6,885
					Jamestown .....	2,447	2,132	2,674	2,633
					Mandan .....	1,268	1,490	1,555	1,807
					Minot .....	5,403	5,338	7,089	7,875
					Valley City .....	1,185	1,127	1,435	1,337
					Wahpeton .....	820	918	871	869
					Williston .....	1,020	1,036	1,472	1,494
					<b>South Dakota</b>				
					Aberdeen .....	\$ 5,701	\$ 5,497	\$ 6,606	\$ 6,213
					Brookings (1 Bank).....	899	937	1,069	1,137
					Deadwood .....	743	902	860	1,052
					Huron .....	5,292	5,072	5,527	5,369
					Lead .....	1,254	1,248	1,064	1,119
					Madison .....	1,001	1,048	1,067	1,113
					Milbank .....	567	556	591	575
					Mitchell (2 Banks).....	3,578	3,216	4,450	4,583
					Mobridge .....	565	554	672	738
					Pierre .....	1,271	1,190	1,483	1,345
					Rapid City .....	3,544	3,410	4,512	4,508
					Sioux Falls .....	18,993	18,173	24,364	22,998
					Watertown .....	3,324	3,271	3,329	4,275
					Yankton .....	2,243	2,294	2,449	2,337
					<b>Wisconsin</b>				
					Ashland .....	\$ 1,921	\$ 1,772	\$ 2,221	\$ 2,218
					Chippewa Falls .....	1,314	1,205	1,485	1,543
					Eau Claire.....	8,212	7,047	8,165	7,967
					Hudson .....	552	619	644	702
					La Crosse .....	10,530	9,611	12,475	12,792
					Merrill (1 Bank).....	1,224	1,164	1,424	1,563
					Superior .....	6,163	6,040	7,573	7,794
					<b>Total for All Cities Reporting</b>				
					Both Years .....	\$837,423	\$839,758	\$984,274	\$984,171

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

Industrial production showed more than the usual seasonal decline in June, and factory employment and pay rolls decreased. Wholesale prices, which had continued to decline until the end of May, advanced in June, but for most commodities declined again in the first half of July.

**PRODUCTION AND EMPLOYMENT:** A decrease in industrial output from May to June was reflected in a decline in the Board's index of industrial production, which is adjusted for seasonal variations, to 86 per cent of the 1923-1925 output, as compared with 89 per cent in May. Taking the second quarter of the year as a whole, production has averaged about 4 per cent above its low level in the last three months of 1930. The reduction of activity in June was most marked in the iron and steel industry with steel plants operating at 38 per cent of capacity. Automobile output declined further, and there was some recession in production of lumber, meat products and flour. Petroleum output, however, was not reduced. Activity of textile mills and shoe factories continued in relatively large volume; in the woolen industry, activity was sustained at the unusually high level of May, and the decline in the consumption of cotton was not in excess of the usual seasonal amount. During the first half of July, there were further reductions, partly seasonal in nature, in output of steel, automobiles and lumber.

Factory employment was further reduced by nearly 3 per cent, and pay rolls declined by 6 per cent between the middle of May and the middle of June. The largest decreases were in the steel, machinery, and women's clothing industries. Reductions at automobile plants and cotton mills were partly seasonal in character, and employment at woolen and hosiery mills increased.

Building contracts awarded in June were somewhat larger than in May, but declined again in the first half of July. Since early spring, awards have not increased as much as is usual for the season. In residential building, there has been relatively little change for about a year and a half, except for seasonal fluctuations, and the decline in construction has been chiefly in other types of building, principally public works and utilities.

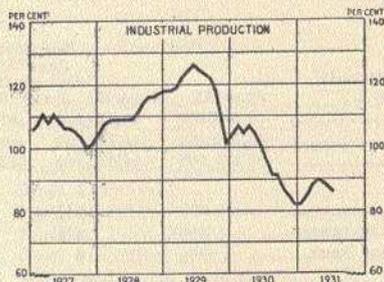
**DISTRIBUTION:** At department stores, daily average sales were seasonally smaller in June than in May. Freight car loadings were also reduced, reflecting principally a further reduction in loadings of miscellaneous commodities.

**PRICES:** During June wholesale prices of many commodities advanced considerably after having reached low levels late in May and early in June. Prices of live stock and meats increased; and after June 21 there were rapid advances in prices of raw materials important in world markets, especially cotton, hides, sugar, silk, copper, silver, and rubber. Subsequently, however, most of these prices receded somewhat, although in mid-July they were, in general, above their lowest levels. The price of wheat declined during June and the first half of July, and the domestic price became adjusted to world levels.

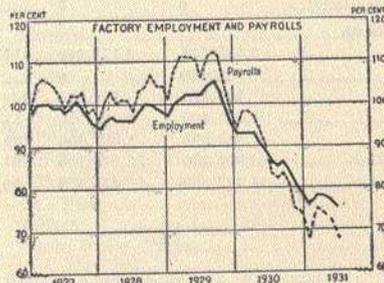
**BANK CREDIT:** At reporting member banks in leading cities, loans on securities continued to decline between the middle of June and the middle of July, while all other loans increased by \$140,000,000. This increase was concentrated at New York City Banks, and was largely in the form of acceptances purchased in the open market. Member banks' investments continued at about the same level as in May and early June.

Notwithstanding a further addition of \$77,000,000 to the country's stock of monetary gold between the weeks ending June 20 and July 18, there was no decrease in Federal reserve bank credit outstanding. During the period the reserve banks' portfolio of United States securities was increased by \$75,000,000 while their combined holdings of acceptances and of discounts for member banks decreased by approximately the same amount. The gold inflow provided member banks with funds to meet an added demand for currency as well as to increase their balances with the reserve banks. There was also a considerable growth in foreign bank deposits with the reserve banks.

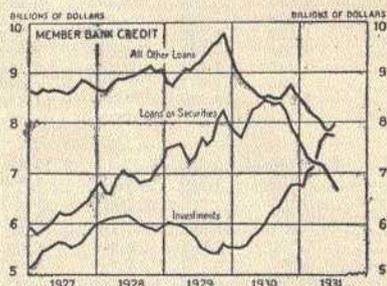
Money rates continued at low levels.



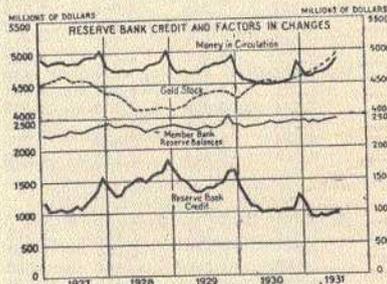
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average = 100.)



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first 3 weeks in July.



Monthly averages of daily figures. Latest figures are averages of first 19 days in July.