

# 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 this district in July decreased sharply both from the level of June and from the levels of July in other recent years. The decline reflected chiefly the effect of the excessively hot, dry weather which has not been equaled in recent years, and which was disastrous for the grain crops and pastures in certain parts of the district. A portion of the decrease, as compared with a year ago, was due to the abnormally large volume of grain moving last year. The index of bank debits in seventeen cities, after adjustment for seasonal variations, was 99 in July as compared with 111 in June and 134 in July a year ago. In the more extensive group of cities in the district for which figures are available monthly, only twenty-three out of ninety-three reporting cities experienced increases in bank debits in July over the corresponding month last year.

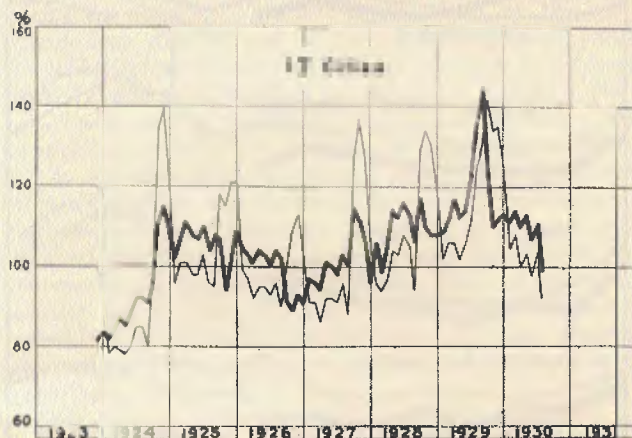
The country check clearings index was 94 in July as compared with 107 in June and 125 in July last year. Total freight carloadings during July were 18 per cent smaller than a year ago. All commodity loading groups showed decreases, except coal, which showed a 10 per cent increase. Decreases, as compared with a year ago, occurred in postal receipts, flour and linseed product shipments, copper and iron ore output, marketings of cattle and hogs and retail and wholesale trade. Increases, as com-

pared with a year ago, occurred in building permits and contracts and in electric power consumption in the eastern part of the district. Business failures were 51 in number in July as compared with 46 in July last year, according to the report of R. G. Dun & Company. Employment conditions at Minneapolis remained unsatisfactory during July.

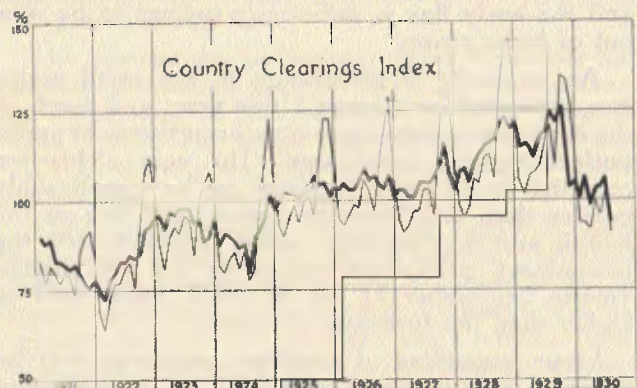
The volume of business evidently continued to be in smaller volume than a year ago during the first half of August. The country check clearings index for the first fifteen days of August was 19 per cent below the index for the corresponding period last year. Bank debits at seventeen cities during the first two weeks of August were 21 per cent smaller than in the corresponding weeks a year ago.

#### DISTRICT SUMMARY OF AGRICULTURE

Marketings of wheat from this district during July were only about half as large as marketings in July a year ago, when an abnormal volume of held-over wheat was being shipped to the terminal markets. During the first two weeks of August, wheat marketings this year have been fully equal to wheat marketings in the corresponding weeks last year. Evidently with the wheat crop of the district about as large as a year ago, the exceptionally early harvesting date is offsetting the lower prices for wheat as an influence affecting the rapidity of the marketing movement. It is estimated that 11 per cent of the marketable portion of the wheat crop and carry-



Debits to Individual Accounts in Seventeen Cities in the Ninth Federal Reserve District. The heavy curve is adjusted to eliminate seasonal changes; the light curve is unadjusted.



Country Check Clearings Index for the Ninth Federal Reserve District. The light curve represents figures without seasonal adjustments. The heavy curve represents figures with seasonal adjustments.



over had been marketed up to August 18, as compared with 13 per cent marketed up to the same date a year ago.

Butter production in the United States was smaller during July than in the corresponding month last year, as a result of the hot weather and drouth. Cold storage holdings of butter increased only 39 million pounds during the month ending August 1, as compared with an increase of 60 million pounds in the corresponding month last year and a five-year average increase for the period of 51 million pounds. As a result, butter in cold storage on August 1 was 6 million pounds smaller than a year ago, and only 15 million pounds larger than the five-year average. The price of butter in July increased  $2\frac{1}{2}$  cents over the price in June, whereas a year ago there was a decrease of  $\frac{1}{2}$  cent per pound in this period. However, the price of butter in July was  $7\frac{1}{2}$  cents below the price in July last year.

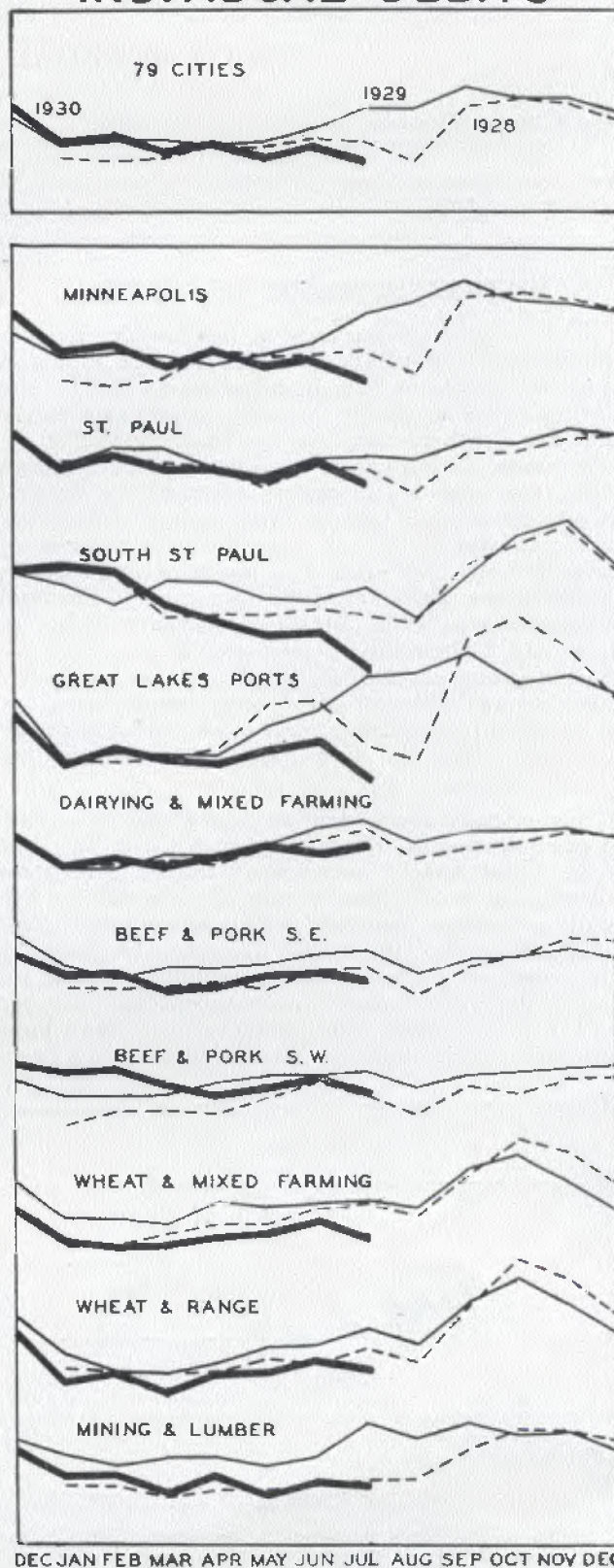
Farm income from cash grains, dairy products and hogs marketed during July was less than two-thirds of the income from these products marketed in July last year. The July potato price was higher than a year ago, but all other farm products were lower, the decreases ranging from 14 per cent for milk to 49 per cent for rye. Wheat and rye prices again made new lows for the post-war period during July.

The August 1 production forecasts for our four states, which are prepared by the United States Department of Agriculture, show an appalling decrease from the forecasts made July 1. The forecasted bushelage of both feed and cash crops showed declines ranging from 17 per cent for barley to 8 per cent for rye. The large decreases, of course, were the result of the extremely high temperatures and the lack of rainfall during July. While the drouth and heat have decreased the crop outturn and lowered somewhat the weight per measured bushel, the crops are otherwise of splendid quality. Corn and potatoes may show even further declines, but on all other crops the worst news is out. Some late flax is ordinarily still in a growing stage at mid-August, but this year much of the late flax is a total failure, and the early flax is sufficiently mature to be now out of harm's way.

An unusually large amount of the small grains was harvested by August 1 this year, and much of the early harvestings have now been threshed under perfect weather conditions. The acre yields are reported from many localities to be considerably greater than the forecasts at the beginning of the month and it, therefore, seems probable that the preliminary production estimates for this district (made September 1) on all small grains will be higher than the forecasts of August 1.

Large quantities of excellent roughage will be available for livestock feeding this fall in the mixed farming areas and with plentiful supplies of cheap feed, our livestock feeders will be well able to absorb any distress lots of feeder stock that are sent to market from sections suffering feed shortages.

## NINTH FED. RES. DISTRICT INDIVIDUAL DEBITS

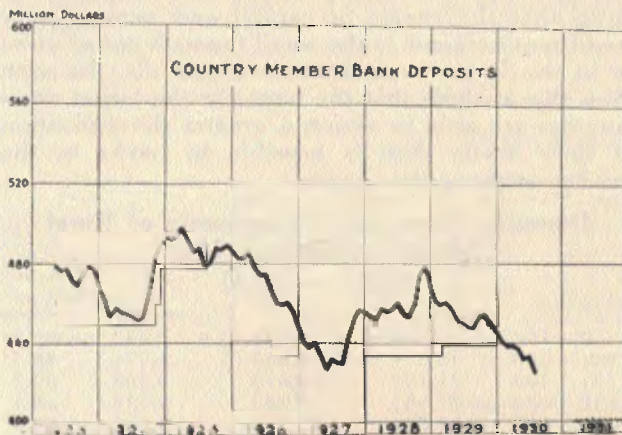


DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC



## DISTRICT SUMMARY OF BANKING

Country member bank deposits were reduced 8 million dollars, or 2 per cent, between the average for June and the average for July. This was the usual seasonal reduction which sometimes continues through the month of August. The shrinkage in deposits since the autumn peak in 1929 has been severe and the July total was the smallest since 1918.

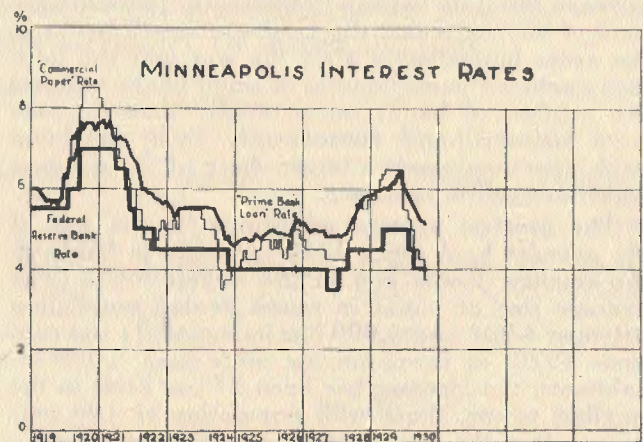


Country Member Bank Deposits in the Ninth Federal Reserve District.

Country member banks have been able to meet this decline in deposits by the liquidation of securities and other forms of investments, such as commercial paper and brokers' loans. They have not been compelled to borrow any more heavily at the Federal Reserve Bank than they have done in the summer months of other recent years, and their balances carried with correspondent banks in the district were slightly larger on August 13 than in the preceding four years.

City banks which report weekly to this office remained out of debt to the Federal Reserve Bank during the four weeks ending August 13, whereas a year ago they were borrowing nearly 18 million dollars from this institution. Deposits at these city banks on August 13 were larger than on the corresponding date in any of the preceding four years for which records are available. Loans to customers were 12 per cent smaller on August 13 than a year ago. Last year at this time, loans to customers were expanding rapidly on account of financing requirements at crop moving time. This year, there has been very little expansion in loans to customers of city banks since the low point of the year was reached on July 23. Long-term and short-term investments of city member banks were 5 per cent smaller on August 13 than a year ago, and have remained practically unchanged for six weeks, whereas a year ago investments of these banks were being reduced.

Interest rates at Minneapolis have continued to decline. Average rates charged by commercial banks on prime loans were reduced fractionally to 5-5¼ per cent on August 15. The borrowing rate



Interest Rates at Minneapolis on Prime Bank Loans and Commercial Paper and the Discount Rate at the Federal Reserve Bank, 1919-1930.

on open market commercial paper was reduced one-half of 1 per cent during July to 3¾ per cent, which was the lowest quoted figure since the war, with the single exception of August 1924, when the rate reached 3½ per cent.

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

## PART III

## Average Deposits Per Bank

Unusual interest centers around the growth in the size of the average rural bank in Minnesota. Experience as well as research has proved that the chances of a bank operating profitably increase to a marked degree as the size of the bank increases.

The most obvious conclusion to be drawn from the study of the average deposit holdings of banks of various sizes is that the larger towns have the larger banks. Banks in rural Minnesota towns having more than 6,000 population had average deposits per bank of \$1,597,000. In the smaller communities, the average deposit holdings were graduated down to \$139,000 per bank in towns having 100 population or less.

The average size of banks in rural Minnesota has more than doubled since 1913. In 1913, the average rural bank in Minnesota had deposit holdings of \$219,000. This figure increased to \$459,000 in 1929. Banks in communities of all sizes experienced this growth.

The greatest change in size of banks in rural Minnesota occurred in the period between 1913 and 1920. In these years the growth was largely due to deposit expansion. The number of banks was increasing, but deposits grew still more rapidly, causing figures of average deposits per bank to increase 70 per cent during the period.

In the years between 1920 and 1929, the average deposits per bank increased 23 per cent. This increase occurred in spite of a decrease in total de-



posits in the rural banks of Minnesota. The explanation, of course, is that the closing of small banks in the years immediately after the war and the later movement for consolidation of small banks reduced the number of banks more rapidly than deposits were reduced, and consequently each remaining bank now commands a larger share of the deposits which are still in existence.

The greatest upward adjustment in the size of the average bank since 1920 has been in banks in the smallest towns and in the largest towns. The average size of banks in towns having population between 4,001 and 6,000 has increased 31 per cent since 1920; in towns having more than 6,000 inhabitants, the increase has been 37 per cent; in the smallest towns, those with population of 100 persons or less, the increase has been 43 per cent.

During 1928 and 1929, there has been a very marked increase in the average size of banks in the smallest communities of Minnesota which has not been paralleled in communities of other sizes. This improvement can be attributed to the movement for consolidation of banks in the smallest communities which have too small a volume of deposits for profitable operation. The consolidation movement has been handled skillfully under the guidance of the banking authorities without any material sacrifice of deposits. While the number of banks in these small towns (with population of 100 people or less) decreased from 81 in 1927 to 67 in 1929, the total deposits in these communities was only reduced from \$9,731,000 in 1927 to \$9,284,000 in 1929. However, the consolidation of banks in these smallest communities cannot be carried much farther because there are no more towns of this size with two banks in the same community.

#### Average Deposits Per Bank in Rural Minnesota (000's omitted)

Population of Community	1913	1920	1929	% 1920 of 1913	% 1929 of 1920	% 1929 of 1913
0- 100	65	97	139	149	143	214
101- 200	66	145	151	220	104	229
201- 300	98	199	193	203	97	197
301- 400	115	227	227	197	100	197
401- 600	143	280	335	196	120	234
601- 800	176	366	390	208	107	222
801-1,000	210	429	437	204	102	208
1,001-2,000	255	461	570	181	124	224
2,001-4,000	340	637	651	187	102	191
4,001-6,000	451	710	933	157	131	207
Over 6,000	745	1,170	1,597	157	137	214
State Average for Country Banks	219	373	459	170	123	210

#### The Ratio of Loans to Deposits

Judging from the proportion of deposits which is utilized for loans to customers, it has been found that banks in the smaller communities use a larger proportion of their deposits in financing local credit demands than do the banks in the larger rural communities of Minnesota. In towns of the smallest size, nearly 70 per cent of the deposits are used for local loans, whereas in towns with more than 4,000 inhabitants, only 45 to 47 per cent of the deposits in the average bank are invested in local loans.

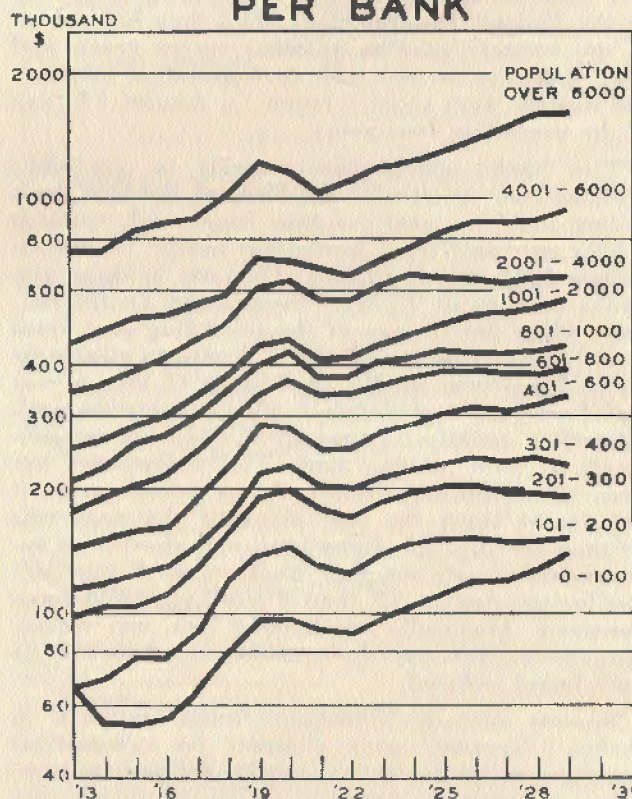
Furthermore, in the larger banks there is more frequently some commercial paper and brokers' loans included in the total loans than in the small banks. If these types of loans, which are, in reality, short time investments, could be deducted, it would probably be found that the proportion of deposits in banks in the larger cities which is used for financing local credit requirements is somewhat less than 45 per cent.

The above facts can probably be interpreted to mean that the excess of capital and savings over credit requirements in the small towns is not as great as in the larger communities. It can also be seen from this analysis that the banks in the larger communities are able to secure a greater diversification of their assets than is possible in banks in the smaller communities.

#### Deposits, Loans and Investments of Rural Minnesota Banks in 1929 (000's omitted)

Population of Community	Deposits	Loans	Investments	% Loans of Deposits
0- 100	\$ 9,284	\$ 6,453	\$ 2,432	69.5
101- 200	15,674	10,803	3,996	68.9
201- 300	21,193	14,677	5,507	69.3
301- 400	21,551	14,347	5,335	66.6
401- 600	38,866	25,944	9,611	66.8
601- 800	32,799	21,571	9,186	65.8
801-1,000	24,058	15,626	7,250	65.0
1,001-2,000	86,102	50,664	30,830	58.8
2,001-4,000	50,768	29,997	17,845	59.1
4,001-6,000	30,773	13,934	14,584	45.3
Over 6,000	110,213	52,113	47,031	47.3
Total	\$441,281	\$256,129	\$153,607	58.0

#### AVERAGE DEPOSITS PER BANK





## ACREAGE ESTIMATES AND AUGUST 1, 1930 PRODUCTION FORECASTS, BY STATES, WITH COMPARISONS, UNITED STATES DEPARTMENT OF AGRICULTURE

(000's omitted)

## SPRING BREAD WHEAT

	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929
Minn. ....	961	1,001	12,974	12,493	13,413
Mont. ....	3,470	3,615	27,760	29,495	32,535
No. Dak. ....	6,359	6,056	54,052	71,221	56,321
So. Dak. ....	1,817	1,817	20,896	19,987	17,262
4 States .....	12,607	12,489	115,682	133,196	119,531
U. S. ....	16,163	15,664	174,931	192,680	175,626

## DURUM WHEAT

	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929
Minn. ....	199	221	2,846	2,746	3,381
Mont. ....	29	29	246	261	255
No. Dak. ....	3,012	3,862	31,626	39,156	37,075
So. Dak. ....	1,131	1,203	13,572	14,703	11,669
4 States .....	4,371	5,315	48,290	56,866	52,380

## ALL SPRING WHEAT

	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929
Minn. ....	1,160	1,222	15,820	15,239	16,794
Mont. ....	3,499	3,644	28,006	29,756	32,790
No. Dak. ....	9,371	9,918	85,678	110,377	93,396
So. Dak. ....	2,948	3,020	34,468	34,690	28,931
4 States .....	16,978	17,804	163,972	190,062	171,911
U. S. ....	20,534	20,979	223,221	249,546	228,006

## ALL WHEAT

	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929
Minn. ....	1,310	1,372	18,820	18,164	19,944
Mont. ....	4,084	4,166	33,446	35,021	40,098
No. Dak. ....	9,371	9,918	85,678	110,377	93,396
So. Dak. ....	3,068	3,114	36,484	36,586	30,247
4 States .....	17,833	18,570	174,428	200,148	183,685
U. S. ....	59,024	61,113	820,613	807,265	805,790

## WINTER WHEAT

	Acreage		Preliminary Estimate	Forecast	Production
	1930	1929	8-1-30	7-1-30	1929
Minn. ....	150	150	3,000	2,925	3,150
Mont. ....	585	522	5,440	5,265	7,308
No. Dak. ....	...	...	...	...	...
So. Dak. ....	120	94	2,016	1,896	1,316
4 States .....	855	766	10,456	10,086	11,774
U. S. ....	38,490	40,134	597,392	557,719	577,784

## RYE

	Acreage		Preliminary Estimate	Forecast	Production
	1930	1929	8-1-30	7-1-30	1929
Minn. ....	416	396	7,197	7,696	6,930
Mont. ....	118	111	1,180	1,180	1,221
No. Dak. ....	1,047	935	10,470	12,040	8,415
So. Dak. ....	270	186	3,915	3,780	2,046
4 States .....	1,851	1,628	22,762	24,696	18,612
U. S. ....	3,498	3,225	46,655	47,858	40,533

## CORN

	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929
Minn. ....	4,338	4,253	143,154	147,492	148,855
Mont. ....	271	301	3,523	3,794	3,612
No. Dak. ....	1,099	1,057	20,881	26,376	16,384
So. Dak. ....	5,113	4,916	92,034	122,712	112,085
4 States .....	10,821	10,527	259,592	300,374	280,936
U. S. ....	101,531	98,018	2,211,823	2,802,442	2,614,307

## FLAX

	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929
Minn. ....	758	523	6,974	7,201	4,707
Mont. ....	469	293	1,876	1,876	938
No. Dak. ....	2,224	1,463	11,120	14,456	6,876
So. Dak. ....	828	637	5,134	5,630	3,758
4 States .....	4,279	2,916	25,104	29,163	16,279
U. S. ....	4,389	2,990	26,013	30,100	16,844

## OATS

	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929
Minn. ....	4,338	4,212	151,830	156,168	153,738
Mont. ....	571	554	9,707	8,565	9,418
No. Dak. ....	1,876	1,934	34,706	45,024	33,768
So. Dak. ....	2,169	2,259	58,563	69,408	64,382
4 States .....	8,954	8,959	254,806	279,165	261,306
U. S. ....	41,898	40,212	1,316,369	1,329,407	1,233,574

## POTATOES

	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929
Minn. ....	309	322	27,810	30,900	27,370
Mont. ....	30	33	2,430	2,700	1,980
No. Dak. ....	125	145	7,750	11,000	6,960
So. Dak. ....	65	67	3,705	5,525	4,422
4 States .....	529	567	41,695	50,125	40,732
U. S. ....	3,482	3,371	372,557	398,419	357,451

## BARLEY

	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929
Minn. ....	2,046	2,200	52,173	59,334	59,400
Mont. ....	276	251	3,864	4,140	4,016
No. Dak. ....	2,462	2,550	35,699	49,240	34,960
So. Dak. ....	2,056	2,016	43,382	49,344	37,296
4 States .....	6,840	7,017	135,118	162,058	135,672
U. S. ....	12,780	13,212	306,215	331,925	307,105

## TAME HAY

	Acreage		Forecasts		Production
	1930	1929	8-1-30	7-1-30	1929
Minn. ....	2,417	2,499	3,867	3,867	4,457
Mont. ....	1,407	1,446	1,688	1,829	2,050
No. Dak. ....	1,286	1,304	1,543	1,608	1,529
So. Dak. ....	1,136	1,151	1,568	1,818	1,955
4 States .....	6,246	6,400	8,666	9,122	9,991
U. S. ....	59,807	60,996	83,460	85,431	101,786



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

## GENERAL BUSINESS

	July, 1930	July, 1929	% July 1930 of July 1929
<b>Debits to Individual Accounts<sup>1</sup></b>			
All Reporting Cities.....	\$ 35,238,400	\$ 46,665,100	76
Minneapolis .....	15,988,000	21,179,000	73
St. Paul .....	6,332,000	7,322,000	86
South St. Paul .....	876,900	1,365,000	64
Great Lakes Ports .....	3,064,900	5,110,100	60
Beef and Pork, S. E. ....	1,257,100	1,514,200	83
Beef and Pork, S. W. ....	1,596,500	1,803,500	89
Dairy and Mixed Farming....	1,699,800	1,912,200	89
Wheat and Mixed Farming ..	1,757,700	2,128,200	83
Wheat and Range .....	1,060,900	1,311,300	81
Mining and Lumber .....	2,205,500	3,018,600	73
<b>Electric Power Consumption (K.W.H.)<sup>1,2</sup></b>			
Minn., No. Dak. and So. Dak....	4,948,000	4,689,000	106
Montana .....	3,542,000	4,468,000	79
<b>Country Check Clearings<sup>1</sup></b>			
Total .....	\$ 3,397,600	\$ 4,178,400	80
Minnesota .....	1,229,700	1,548,400	80
Montana .....	556,400	887,800	66
North and South Dakota.....	836,200	958,400	87
Michigan and Wisconsin .....	715,300	838,800	85
<b>Postal Receipts</b>			
Six Cities .....	954,575	1,001,349	95
Minneapolis .....	501,716	525,147	96
St. Paul .....	296,935	318,460	93
Duluth .....	59,002	65,538	90
Three Other Cities .....	96,922	92,204	105
<b>Freight Carloadings—N.W. District</b>			
Total, Excluding L. C. L. ....	491,568	598,420	82
Grains and Grain Products ..	44,676	49,751	90
Livestock .....	26,804	29,859	90
Coal .....	20,123	18,245	110
Coke .....	5,380	8,016	67
Forest Products .....	37,761	64,774	58
Ore .....	175,127	218,609	80
Miscellaneous .....	181,699	209,166	87
Merchandise—L. C. L. ....	134,014	144,974	92
<b>Building Permits</b>			
Number—18 Cities .....	1,868	1,813	76
Value—18 Cities .....	\$ 3,973,700	\$ 3,904,200	102
Minneapolis .....	1,072,400	1,516,700	71
St. Paul .....	1,309,500	715,300	182
Duluth-Superior .....	767,700	214,600	368
4 Wheat Belt Cities .....	265,800	658,100	40
6 Mixed Farming Cities .....	517,000	595,700	87
4 Mining Cities .....	47,800	203,800	23
<b>Building Contracts Awarded</b>			
Total .....	\$ 10,438,500	\$ 9,581,700	109
Commercial .....	1,598,700		
Industrial .....	612,600		
Educational .....	1,494,500		
Hospitals, etc. ....	909,700		
Public .....	483,700		
Religious and Memorial .....	278,100		
Social and Recreational .....	199,600		
Residential .....	1,550,100		
Public Works and Utilities ..	3,311,500		
<b>Real Estate Activity in Hennepin and Ramsey Counties</b>			
Warranty Deeds Recorded .....	1,081	1,324	82
Mortgages Recorded .....	1,478	1,735	85
<b>Manufacturing and Mining</b>			
Flour Production at Mpls., St. Paul, and Duluth-Superior (Bbls.) ..	986,989	817,520	121
Flour Shipments at Mpls. (Bbls.) ..	891,972	902,323	99
Linseed Product Shipments (Lbs.) ..	11,501,952	26,505,565	43
Copper Output (5 Firms) (Lbs.) ..	29,342,900	38,458,000	76
Iron Ore Shipments (Tons) .....	8,586,649	10,670,882	80
<b>Business Failures</b>			
Number .....	51	46	111
Liabilities .....	\$ 415,700	\$ 512,743	81

## AGRICULTURE

## Farmers' Cash Income

Total of 6 Items.....	\$ 36,637,000	\$ 58,427,000	63
Bread Wheat .....	5,898,000	14,592,000	40
Durum Wheat .....	1,961,000	5,143,000	38
Rye .....	266,000	634,000	42
Flax .....	587,000	967,000	61
Dairy Products .....	20,446,000	27,217,000	75
Hogs .....	7,479,000	9,874,000	76
<b>Grain Marketings at Minneapolis and Duluth-Superior (Bus.)</b>			
Bread Wheat .....	3,599,000	8,410,000	43
Durum Wheat .....	2,287,000	3,730,000	61
Rye .....	482,000	587,000	82
Flax .....	257,000	349,000	74

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

Wheat .....	44,836,281	43,998,402	102
Corn .....	98,872	271,147	36
Oats .....	2,049,217	2,261,762	91
Barley .....	2,965,615	3,800,837	90
Rye .....	4,398,081	3,170,655	139
Flax .....	318,778	465,811	68

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

Cattle .....	52,267	76,451	68
Calves .....	35,193	42,502	83
Hogs .....	147,137	171,054	86
Sheep .....	46,193	48,366	106

## Median Cash Grain Prices (Bus.)

Wheat—No. 1 Dark Northern.....	\$ .96½	\$1.51½	64
Durum—No. 2 Amber .....	.85½	1.37½	62
Corn—No. 3 Yellow .....	.76	.98	78
Oats—No. 3 White .....	.32½	.46½	71
Barley—No. 3 .....	.46½	.68	68
Rye—No. 2 .....	.55½	1.08	51
Flax—No. 1 .....	2.28½	2.77	82

## Median Livestock Prices (Cwt.)

Butcher Cows .....	\$ 6.00	\$ 8.75	69
Butcher Steers .....	9.35	13.75	68
Prime Butcher Steers .....	10.50	15.50	68
Feeder Steers .....	5.25	9.50	55
Vent Calves .....	9.50	14.50	66
Hogs .....	7.75	10.35	75
Heavy Hogs .....	7.60	9.85	77
Lambs .....	9.25	13.25	70
Ewes .....	3.00	5.50	55

## Wholesale Produce Prices

Butter (Lb.) .....	\$ .82½	\$ .40	81
Milk (Cwt.) .....	2.05	2.87	86
Hens (Lb.) .....	.15	.19½	77
Eggs (Doz.) .....	.17½	.27	65
Potatoes (Bu.) .....	1.72	1.20	143

## TRADE

## Department Stores

Sales .....	\$ 2,371,700	\$ 2,874,660	82
Merchandise Stocks .....	6,564,760	7,347,350	89
Receivables .....	3,145,750	3,262,680	96
Installment Receivables .....	698,540	664,510	105

## Furniture Stores

Total Sales .....	\$ 212,270	\$ 331,580	64
Installment Sales .....	141,070	230,870	61
Merchandise Stocks .....	1,637,060	1,792,380	91
Installment Receivables .....	2,237,230	2,252,750	99

## Country Lumber Yards

Sales (Bd. Ft.) .....	12,110,000	16,964,000	76
Lumber Stocks (Bd. Ft.) .....	88,919,000	88,839,000	100
Total Sales .....	\$ 1,505,400	\$ 1,973,300	76
Receivables .....	4,669,600	5,095,400	92

## Life Insurance Sales

Four States .....	\$ 25,248,000	\$ 25,272,000	100
Minnesota .....	17,802,000	17,867,000	103
Montana .....	2,470,000	2,834,000	87
North Dakota .....	2,195,000	2,862,000	93
South Dakota .....	2,781,000	2,709,000	103



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

## GENERAL BUSINESS

	July, 1930	July, 1929	% July 1930 of July 1929
<b>Investment Dealers</b>			
Sales to Banks	3,297,200	2,087,900	158
Sales to Insurance Companies	758,200	1,203,000	63
Sales to General Public	4,365,100	7,645,800	57
<b>Wholesale Trade</b>			
Farm Implements—			
Sales	\$ 504,140	\$ 633,630	80
Stocks	685,000	523,980	131
Receivables	322,790	314,240	103
Groceries—			
Sales	\$ 4,616,400	\$ 4,826,680	96
Stocks	4,064,240	4,069,920	100
Receivables	4,422,260	4,629,590	98
Hardware—			
Sales	\$ 2,175,740	\$ 2,517,560	86
Stocks	2,851,670	3,091,530	92
Receivables	2,869,800	3,176,650	90
Shoes—			
Sales	\$ 226,490	\$ 443,760	51
Stocks	1,361,210	1,543,070	88
Receivables	1,140,120	1,310,730	87

## BANKING

<b>Member Bank Deposits</b>			
In Cities Over 15,000 Pop.	\$443,711,000	\$459,106,000	97
In Cities Under 15,000 Pop.	423,734,000	448,180,000	95
Michigan—15 Cos.	60,592,000	62,051,000	98

## Member Bank Deposits (continued)

Minnesota	163,370,000	170,613,000	96
Montana	56,569,000	64,231,000	88
North Dakota	55,164,000	58,978,000	94
South Dakota	58,896,000	61,738,000	95
Wisconsin—26 Cos.	29,143,000	30,569,000	95

Interest Rates<sup>2</sup>

Minneapolis Banks	5-5½	6-6½
Commercial Paper (net to borrower)	8%	6½
Minneapolis Fed. Res. Bank	4	5

## Selected City Member Banks

	Aug. 13, 1930	Aug. 14, 1929
Loans to Customers	\$216,314,000	\$246,235,000
Other Invested Funds	138,244,000	145,298,000
Deposits Due to Banks	83,161,000	75,754,000
Public Demand Deposits	36,698,000	29,162,000
Other Demand Deposits	173,340,000	186,424,000
Time Deposits	131,294,000	180,244,000
Total Deposits	425,150,000	422,071,000
Borrowings at Fed. Res. Bank	0	17,840,000

## Minneapolis Federal Reserve Bank

Loans to Member Banks	4,447,000	23,052,000
Twin Cities	0	17,274,000
Minn., Wis. and Mich.	986,000	2,003,000
No. Dak. and Mont.	2,327,000	2,822,000
South Dakota	1,134,000	953,000
Fed. Res. Notes in Circulation	49,158,545	64,277,960

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

## BANK DEBITS

Number of Business Days:	July 1930	June 1930	July 1929	June 1929
North Dakota	26	24	26	25
All Other States in District	26	25	26	25

(000's omitted)

## Michigan

Escanaba (1 bank)	\$ 1,021	\$ 871	\$ 965	\$ 949
Hancock	1,556	1,820	2,091	1,859
Houghton (1 bank)	585	680	765	662
Iron Mountain	4,151	4,579	5,511	4,758
Iron River, Caspian, Stambaugh	1,564	1,464	1,786	1,177
Manistiquette (1 bank)	507	521	492	515
Marquette	5,022	5,136	5,368	5,565
Menominee	2,855	2,712	3,751	3,765
Sault Ste. Marie	3,069	3,131	3,516	2,763

## Minnesota

Albert Lea	3,258	3,101	3,532	3,518
Austin (2 banks)	3,777	3,565	3,910	3,847
Bemidji	1,609	1,238	1,495	1,458
Chaska	577	556	584	608
Chisholm	919	1,200	799	1,221
Cloquet	2,956	2,523	3,161	2,678
Crookston	1,373	1,361	1,119	1,147
Detroit Lakes	1,295	1,085	1,375	1,158
Duluth	60,774	73,916	110,487	88,863
Ely	703	887	658	403
Faribault (1 bank)	1,430	1,253	1,429	1,332
Farmington	300	260	268	271
Fergus Falls	4,215	3,074	3,267	3,573
Glenwood	661	470	669	615
Hutchinson	1,160	1,313	1,444	1,563
Lanesboro	359	312	362	362
Little Falls	1,206	1,324	1,728	1,503
Luverne	1,193	857	855	1,097
Mankato	7,674	6,613	8,306	7,195
Minneapolis	400,096	420,541	550,957	461,136
Moorhead	1,819	1,320	1,258	1,294
Morris	580	514	755	889
Owatonna	2,818	2,856	3,355	3,667
Park Rapids	526	456	639	646
Red Wing	2,888	2,553	2,735	3,061
Rochester	6,038	6,700	7,242	7,212
St. Cloud (1 bank)	492	474	459	541
St. Paul	164,629	174,853	190,364	180,989
South St. Paul	22,770	27,008	35,482	31,787
Stillwater	4,228	2,674	4,262	3,004
Thief River Falls	1,016	1,024	1,141	993
Two Harbors	590	548	578	585
Virginia	2,196	2,500	2,671	3,337
Wabasha	1,183	818	1,152	894
Wadena	1,153	1,105	1,276	1,212
Wheaton	505	568	681	645
Willmar	1,512	1,649	886	882
Winona	6,922	7,528	8,835	8,079
Worthington (1 bank)	788	913	876	952

## Montana

Anaconda	2,799	1,788	1,541	2,440
Billings	7,630	7,945	9,793	9,401
Bozeman	2,226	2,115	2,769	2,417
Butte (2 banks)	13,205	12,661	21,510	14,251
Deer Lodge	1,429	1,245	1,830	1,336
Glenville	1,360	1,565	1,258	1,434
Great Falls	14,195	14,493	22,776	18,531
Harlowton	333	367	433	502
Hayden	2,469	1,795	1,659	2,524
Helena	10,947	8,995	11,178	8,395
Lewistown	2,238	2,189	2,799	2,495
Malta	852	728	658	931
Miles City (1 bank)	2,012	1,754	2,803	2,085

## North Dakota

Bismarck	9,353	9,023	10,343	8,405
Devils Lake	1,661	1,630	2,076	1,918
Dickinson	1,638	1,498	1,723	1,594
Fargo	16,816	17,916	19,975	19,544
Grafton	499	458	508	525
Grand Forks	7,002	6,669	7,818	7,783
Jamestown	2,864	2,674	3,558	2,895
Mandan	1,632	1,555	1,902	1,776
Minot	7,034	7,083	8,905	7,778
Valley City	1,516	1,435	1,318	1,452
Wahpeton	915	871	1,339	983
Williston	1,519	1,472	2,165	1,692

## South Dakota

Aberdeen	6,278	6,606	8,086	7,568
Brookings (1 bank)	899	1,069	1,072	1,131
Deadwood	987	860	917	936
Huron	5,416	5,527	6,391	6,130
Lead	1,003	1,064	1,335	1,259
Madison (1 bank)	961	1,067	1,264	1,120
Milbank	657	591	528	562
Mitchell (2 banks)	4,201	4,450	4,811	4,675
Mobridge	635	672	747	782
Pierre	1,413	1,483	1,558	1,490
Rapid City	4,472	4,512	5,515	4,395
Sioux Falls	22,511	24,364	24,269	22,529
Watertown	4,085	3,329	5,453	5,007
Yankton	2,442	2,449	2,443	2,491

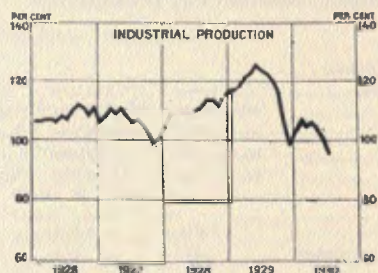
## Wisconsin

Ashland	2,289	2,221	2,717	2,302
Chippewa Falls	2,574	2,234	2,862	2,815
Eau Claire	8,136	8,165	9,903	9,502
Hudson	601	644	701	506
LaCrosse	12,974	12,475	15,497	14,332
Merrill (1 bank)	1,866	1,424	1,597	1,586
Superior	7,511	7,573	9,067	8,476

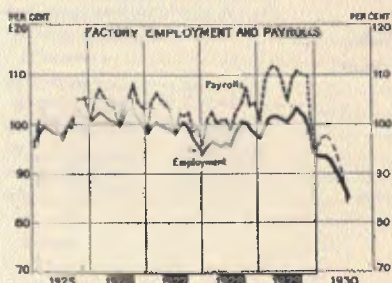
## Total for All Cities Reporting

Both Years	\$943,045	\$984,720	1,284,660	1,077,988
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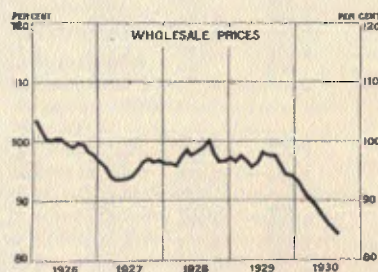




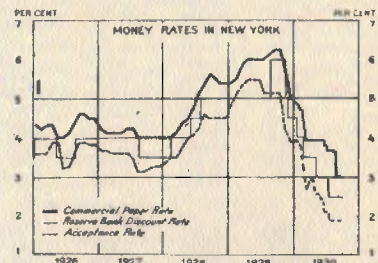
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average=100). Latest figure, July, 95.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-1925 average=100). Latest figures, July, employment 84.6, payrolls 82.0.



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, July 84.0.



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 August.

## Summary of National Business Conditions (Compiled August 22 by Federal Reserve Board)

Business activity declined during July and industrial production and factory employment reached the lowest levels in recent years. Crops were damaged by prolonged drouth. Wholesale prices declined further until early in August, when agricultural prices increased. Money rates continued easy.

**PRODUCTION AND EMPLOYMENT:** Output of factories and mines decreased by about 6 per cent during July, according to the Board's index of production, which makes allowance for seasonal fluctuations. A number of automobile factories were closed during part of the month and there was substantial reduction in the output of iron and steel and cotton textiles. Daily average production of bituminous coal, lumber and shoes continued small. In the first half of August, the output of steel showed a further slight decrease. Some automobile plants resumed operations on a limited scale.

Factory employment and wage payments decreased further, and at the middle of July were at the lowest levels since 1922. The reduction in number of workers employed was largest at steel and automobile plants, car shops and foundries, hosiery and cotton mills and clothing factories. There was a seasonal increase in employment in the canning, flour and shoe industries. Working forces at bituminous coal mines were further reduced, and the Department of Agriculture reported an unusually small demand for farm labor.

Building contracts awarded during July and the first half of August were in exceptionally small volume, according to reports by the F. W. Dodge Corporation. The reduction from June was primarily on account of smaller awards for public works and utility construction. Building in other lines continued relatively inactive.

Feed crops and pasturage have been severely damaged by drouth, which was not broken until the middle of August. The August 1 crop report of the Department of Agriculture indicated a corn crop of 2,212,000,000 bushels, the smallest since 1901, and the smallest hay crop in ten years. Food crops were less severely affected, with wheat production estimated at 821,000,000 bushels—15,000,000 bushels larger than last year. The cotton crop was estimated at 14,362,000 bales, or slightly less than a year ago.

**DISTRIBUTION:** Freight carloadings have been in smaller volume than at the same season of any other recent year. Department store sales declined in July to the lowest level since the summer of 1924.

**PRICES:** The sharp downward movement of wholesale prices continued through July, and the Bureau of Labor Statistics' index fell to a level 14 per cent below that of a year ago. The most pronounced decreases from June to July were in the prices of cattle, beef, wheat, cotton, silk and rubber, and nearly all commodities showed some decline. During the first half of August, prices of grains moved upward, reflecting the influence of the drouth. There have also been recent increases in the prices of cattle, hogs, silver and silk, while the prices of cotton, copper, iron and steel and rubber have declined further to the lowest level in recent years.

**BANK CREDIT:** Loans and investments of reporting member banks in leading cities decreased slightly between July 16 and August 13, largely as a result of a decline of \$48,000,000 in security loans. All other loans showed little change, while investments increased further.

Reserve bank credit outstanding increased by about \$60,000,000 during the first three weeks of August, reflecting seasonal increase in the demand for currency and a decrease of about \$25,000,000 in the country's gold stock, chiefly on account of gold exports to France. The increase in reserve bank credit was in the form of bankers' acceptances and United States government securities. Member bank borrowings showed little change.

Money rates continued easy. The prevailing rate on commercial paper was reduced to 3 per cent around the first of August and remained at that level during the first three weeks of the month. Bond yields continued to decline. Discount rates at the Federal Reserve Banks of St. Louis, San Francisco and Kansas City were lowered from 4 to 3½ per cent during August.